

## SUSTAINABILITY-RELATED DISCLOSURES – POSTE PROGETTO OBBLIGAZIONARIO III

### Summary

The insurance-based investment product “Poste Progetto Obbligazionario III” is a multi-branch financial product that promotes environmental and/or social characteristics in accordance with Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 but does not have sustainable investment as its objective. **Compliance with the promotion of such characteristics depends on investing in at least one of the options included in the list below and holding at least one of such options during the investment period in the financial product.**

| INVESTMENT OPTIONS                                    | CATEGORY OF OPTION                  |
|---|-------------------------------------|
| Internal Fund Poste Vita Progetto Obiettivo           | Art. 8 - Regolamento (UE) 2019/2088 |
| Separately Managed Account Poste Vita Valore Solidità | Art. 8 - Regolamento (UE) 2019/2088 |

Such investment option promotes environmental and/or social characteristics and it represents 67% of the product's investment options. In addition, the product consists also of a second element, represented by the Separately Managed Account Posta ValorePiù, that does not promote environmental and/or social characteristics.

Specifically, the promotion of environmental and/or social characteristics by the Separately Managed Account Poste Vita Valore Solidità and the Internal Fund Poste Vita Progetto Obiettivo (“Internal Fund”) in relation to its component invested in securities, takes place through the maintenance of a minimum level of ESG rating at portfolio level and the exclusion of issuers characterized by lower categories rating according to the reference scale<sup>1</sup>.

The selection of issuers' securities by the Separately Managed Account Poste Vita Valore Solidità and the Internal Fund Poste Vita Progetto Obiettivo in relation to its component invested in securities, is carried out according to the following criteria:

#### ESG integration

- The portfolio aims at attaining an ESG weighted average score equal to or greater than BBB1 or other equivalent threshold in relation to investments in corporate and government issuers.

#### SRI exclusions

- The portfolio does not invest in issuers which receive an ESG rating equal to or less than B<sup>1</sup> or other equivalent threshold.

In addition, regarding the component of Poste Vita Progetto Obiettivo invested in funds, the promotion of environmental and/or social characteristics takes place through the primary investment in UCITS that promote environmental and/or social characteristics, or that pursue sustainable investment objectives. The strategy adopted by Poste Vita Progetto Obiettivo selects UCITS through a quantitative and qualitative evaluation process based on two levels: analysis of the management company of the UCITS potentially subject to investment and analysis of the single UCITS. Specifically, at the level of the asset management company, preference is given to companies that (i) adhere to international organizations that promote consideration of ESG issues, (ii) have an explicit commitment to responsible investment – through the adoption of specific policies on the subject – regarding assets under management and (iii) have a structure dedicated to the application of the responsible investment policy. At the single UCITS level, preference is given to investments in UCITS that apply a responsible investment strategy as stated in the fund's official documentation, i.e., that (i) promote, among others, environmental or social characteristics or a combination of those (pursuant to Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019) or (ii) have sustainable investments as their objective (pursuant to Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019).

<sup>1</sup> The reference scale, in ascending order, is as follows: CCC (lowest score), B, BB, BBB, A, AA, AAA (highest score).

Such criteria represent the binding elements of the strategy used to promote environmental and/or social characteristics. The assessment of good governance practices by investee companies, in relation to its component invested in securities, is included in the investment strategy, because it is an integral part of the ESG assessment of corporate issuers. For the component invested in funds, on the other hand, the methodology adopted for the selection of UCITS, that apply one of the responsible investment strategies described, is also based on considerations relating to the governance adopted by the management companies of the UCITS themselves as detailed above.

The current investment strategy of the Separately Managed Account Poste Vita Valore Solidità and the Poste Vita Progetto Obiettivo Internal Fund requires that the share of investments that meet ESG criteria is at least 65% of resources. The promotion of environmental and/or social characteristics will be determined by the Internal Fund during the Investment Period in the Internal Insurance Fund and by the Separately Managed Account during the Investment Period in the two Separately Managed Accounts.

With regard to the Separately Managed Account Poste Vita Valore Solidità and the securities component of the Internal Fund, the monitoring of environmental and/or social characteristics is carried out by ESG ratings, provided by the data provider that supports the Company in the ESG assessment of issuers, and on the basis of which the weighted average portfolio rating is determined (relating to the Separately Managed Account Poste Vita Valore Solidità and the securities component of the Internal Fund). Regarding the component of the Internal Fund invested in funds used to comply with the environmental or social characteristics promoted by the financial product, on the other hand, the Company provides for periodic monitoring and control, reporting and discussion mechanisms. Specifically, during the selection phase, it is verified that the UCITS potentially subject to investment by the Internal Fund have adopted one of the responsible investment strategies mentioned above.

Moreover, as part of the processes related to the management of investments, the Company carries out monitoring aimed at checking the compliance of the Delegated Portfolio Manager's work with the guidelines for the implementation of the policy for the promotion of environmental and/or social characteristics, so that compliance with the above thresholds is guaranteed. For this purpose, mechanisms for controlling and reporting on the activities of the Delegated Portfolio Manager are defined.

The indicators that will be used to measure the attainment of the environmental and/or social characteristics promoted by Separately Managed Account Poste Vita Valore Solidità and the Internal Fund in relation to its component invested in securities are:

- ESG weighted average portfolio rating for corporate and government issuers
- Issuers with an ESG rating equal to or less than B or other equivalent threshold.

On the other hand, the indicator that will be used to measure compliance with the environmental and/or social characteristics promoted by the Internal Fund in relation to its component invested in securities, is represented by the percentage of investments in UCITS that meet all the asset management company level criteria described above and apply a responsible investment strategy (among those previously mentioned), as declared in the official documentation of the UCITS.

Regarding the Separately Managed Account Poste Vita Valore Solidità and the securities component of the Internal Fund, the sustainability profile of government and corporate portfolios is verified using ESG ratings calculated by external providers specialized in this type of analysis. The ESG rating is representative of the environmental, social and governance opportunities and risks to which an issuer is exposed and considers the issuer's management of those risks. The ESG rating of the portfolio (for both corporate and government purposes) is calculated as a weighted average of the ESG ratings of the issuers of the financial instruments in the portfolio and covered by the data provider's research. Any estimated data depends on the methodologies of the data provider and its coverage in terms of issuers; therefore, it is not possible to define this quota ex-ante. The quality of the data is verified through the evaluation of the methodologies applied by the data provider and the adoption, if necessary, of any measures to protect it.

In addition, the monitoring of the environmental and/or social characteristics promoted by the fund-invested component of the Internal Fund and the related indicator is based on the information found on the criteria described in the "Investment strategy" section, based on what is declared in the official documentation relating to the individual UCIs and on information taken from publicly available sources (e.g. website of the UCITS management company). This information is analysed and processed to verify the fulfilment of these criteria for the purposes of the strategy for the promotion of environmental and/or social characteristics. Given the peculiarities of the methodology adopted, the use of estimated information and data is not possible.

## No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

## Environmental or social characteristics of the financial product

The insurance-based investment product "Poste Progetto Obbligazionario III" is a multi-branch financial product that promotes environmental and/or social characteristics in accordance with Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019. For the Separately Managed Account Poste Vita Valore Solidità and for the component invested in securities of the Internal Fund, the promotion of environmental and/or social characteristics is determined by maintaining a minimum level of ESG rating at portfolio level and excluding issuers characterized by lower categories rating according to the reference scale, as better specified in the following section "Investment strategy". On the other hand, regarding the component of the Internal Fund invested in funds, the promotion of environmental and/or social characteristics is determined by the primary investment in UCITS that promote environmental and/or social characteristics, or that pursue sustainable investment objectives, as better specified in the next section "Investment strategy".

## Investment strategy

In accordance with the guidelines provided to the current Delegated Portfolio Manager (BancoPosta Fondi S.p.A. SGR) and in line with the respective regulations, the investment choices of the Separately Managed Account and the Internal Fund are also made based on non-financial analyses that take into account ESG factors.

The selection of issuers' securities by the Separately Managed Account Poste Vita Valore Solidità and the Internal Fund Poste Vita Progetto Obiettivo in relation to its component invested in securities, is carried out according to the following criteria:

### ESG integration

- The portfolio aims at attaining an ESG weighted average score equal to or greater than BBB or other equivalent threshold in relation to investments in corporate and government issuers.

### SRI exclusions

- The portfolio does not invest in issuers which receive an ESG rating equal to or less than B or other equivalent threshold.

The achievement of a weighted average portfolio ESG rating equal to or higher than BBB or other equivalent threshold, both for the component invested in corporate issuers and for the component invested in government issuers, and the application of SRI exclusions represent the binding elements of the strategy used for the purpose of promoting environmental and/or social characteristics.

On the other hand, regarding the component of the Internal Fund invested in funds used to comply with the environmental or social characteristics promoted by the financial product, the strategy selects UCITS through a quantitative and qualitative evaluation process based on two levels: analysis of the management company of the UCITS potentially subject to investment and analysis of the single UCITS. Specifically, at the level of the asset management company, preference is given to companies that (i) adhere to international organizations that promote consideration of ESG issues, (ii) have an explicit commitment to responsible investment - through the adoption of specific policies on the subject - regarding assets under management and (iii) have a structure dedicated to the application of the responsible investment policy. At the single UCITS level, preference is given to investments in UCITS that apply a responsible investment strategy as stated in the fund's official documentation, i.e., that (i) promote, among others, environmental or social characteristics or a combination of those (pursuant to Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019) or (ii) have sustainable investments as their objective (pursuant to Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019).

For the purposes of promoting the environmental and/or social characteristics of the component invested in the funds of the Internal Fund, the analyses aimed at verifying the integration of the ESG factors set out above, like analyses of the management company of the UCITS potentially subject to investment and analysis of the single UCITS, represent the binding elements of the strategy used.

Regarding the "Poste Vita Group's Responsible Investment Policy", it is envisaged that sustainability risks are managed through exclusion strategies, ESG assessment of investment operations and periodic monitoring of the portfolio ESG profile. Particular attention is paid to specific ESG-related risks, for which the Group has set up procedures aimed at monitoring issuers belonging to sectors/areas deemed to be most exposed to social, environmental and governance

risks: this commitment and the related policies are formalized within the “Poste Vita Group’s Guideline for Investment in Sensitive Sectors.” For further details, please refer to the documents available at <https://postevita.poste.it/gruppo-assicurativo-poste-vita>.

The assessment of good governance practices by investee companies is included in the investment strategy adopted by Separately Managed Account Poste Vita Valore Solidità, because it is an integral part of the ESG assessment of corporate issuers and therefore of the weighted average rating of the portion invested in corporate issuers. Regarding the component invested in funds, the methodology adopted for the selection of UCITS that promote, among others, environmental or social characteristics or a combination of those (pursuant to Article 8 of Regulation (EU) 2019/2088), or that have sustainable investments as their objective (pursuant to Article 9 of Regulation (EU) 2019/2088), is also based on considerations regarding the governance adopted by the asset management companies of the UCITS themselves as detailed above.

### **Proportion of investments**

The current investment strategy of the Separately Managed Account Poste Vita Valore Solidità envisages that the share of investments that meet the ESG integration and SRI exclusion criteria specified above is at least 65% of the resources. Indirect exposures to funds may also be included.

Regarding the Internal Fund, the current investment strategy envisages that the share of investments that meet the criteria specified above for the component invested in securities and for that invested in UCITS is at least 65% of the resources.

The promotion of environmental and/or social characteristics will be determined by the Internal Fund during the Investment Period in the Internal Insurance Fund and by the Separately Managed Account Poste Vita Valore Solidità during the Investment Period in the two Separately Managed Accounts.

### **Monitoring of environmental or social characteristics**

Regarding the Separately Managed Account Poste Vita Valore Solidità and the securities component of the Internal Fund, the monitoring of environmental and/or social characteristics is carried out by ESG ratings, provided by the data provider that supports the Company in the ESG assessment of issuers, and based on which the weighted average portfolio rating is determined.

Regarding the component of the Internal Fund invested in funds used to comply with the environmental or social characteristics promoted by the financial product, on the other hand, the Company provides for periodic monitoring and control, reporting and discussion mechanisms. Specifically, during the selection phase, it is verified that the UCITS potentially subject to investment by the Internal Fund have adopted one of the responsible investment strategies mentioned above.

In addition, as part of the processes related to the management of investments, the Company carries out monitoring aimed at checking the compliance of the Delegated Portfolio Manager’s work with the guidelines for the implementation of the policy for the promotion of environmental and/or social characteristics, so that compliance with the above thresholds is guaranteed. For this purpose, mechanisms for controlling and reporting on the activities of the Delegated Portfolio Manager are defined.

### **Methodologies**

The indicators that will be used to measure the attainment of the environmental and/or social characteristics promoted by Separately Managed Account Poste Vita Valore Solidità and the Internal Fund in relation to its component invested in securities are:

- ESG weighted average portfolio rating for corporate and government issuers.
- Issuers with an ESG rating equal to or less than B or other equivalent threshold.

On the other hand, the indicator that will be used to measure compliance with the environmental and/or social characteristics promoted by the Internal Fund in relation to its component invested in securities, is represented by the percentage of investments in UCITS that meet all the asset management company level criteria described above and apply a responsible investment strategy (among those previously mentioned), as declared in the official documentation of the UCITS.

## Data sources and processing

Regarding the Separately Managed Account Poste Vita Valore Solidità and the securities component of the Internal Fund, the sustainability profile of government and corporate issuers is verified using ESG ratings calculated by external providers specialized in this type of analysis. The ESG rating is representative of the environmental, social and governance opportunities and risks to which an issuer is exposed and considers the issuer's management of those risks. The ESG rating of the portfolio (for both corporate and government purposes) is calculated as a weighted average of the ESG ratings of the issuers of the financial instruments in the portfolio and covered by the data provider's research. Any estimated data depends on the methodologies of the data provider and its coverage in terms of issuers; therefore, it is not possible to define this quota ex-ante. The quality of the data is verified through the evaluation of the methodologies applied by the data provider and the adoption, if necessary, of any measures to protect it.

In addition, the monitoring of the environmental and/or social characteristics promoted by the fund-invested component of the Internal Fund and the related indicator is based on the information found on the criteria described in the "Investment strategy" section, based on what is declared in the official documentation relating to the individual UCIs and on information taken from publicly available sources (e.g. website of the UCITS management company). This information is analysed and processed to verify the fulfilment of these criteria for the purposes of the strategy for the promotion of environmental and/or social characteristics. Given the peculiarities of the methodology adopted, the use of estimated information and data is not possible.

## Limitations to methodologies and data

Regarding the Separately Managed Account Poste Vita Valore Solidità and the securities component of the Internal Fund, the main limitation of the methodology analysis above mentioned is represented by the coverage rate of ESG information on portfolio's issuers by the data provider. For this purpose, the guidelines given to the Delegated Portfolio Manager envisage that Poste Vita Valore Solidità invests primarily in securities of issuers for which an ESG score is made available by the data provider.

On the other hand, there are no methodology limitations for the component invested in funds of the Internal Fund.

## Due diligence

Regarding the Separately Managed Account Poste Vita Valore Solidità and the securities component of the Internal Fund, due diligence activities are carried out by evaluating the ESG profile of investee issuers according to the criteria and methodologies described in the previous sections and verify that the minimum ESG rating levels identified by the internal fund's investment strategy are respected. Due diligence activities for the component invested in funds of the Internal Fund are carried out by verifying the criteria at the level of the asset management company and of UCITS described in the "Investment Strategy" section, in order to identify UCITS that are eligible according to the strategy for the promotion of environmental and/or social characteristics envisaged for the internal insurance fund.

## Engagement policies

Investments are made consistently with the policies adopted by the Company on sustainability risk integration (to which please refer for more details <https://postevita.poste.it/gruppo-assicurativo-poste-vita>) as mentioned in the product's precontractual documentation. However, engagement policies are not part of the strategy adopted by Poste Vita Valore Solidità to promote environmental and/or social characteristics.