

Guidelines
for the Investment in Sensitive Sectors of the
Poste Vita Group

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1. OBJECTIVES, SCOPE, AND MANNER OF IMPLEMENTATION

1.1. Objective of the Document

The Poste Vita Group's Guidelines for the Investment in Sensitive Sectors (the "**Guidelines**"), consistent with the provisions of **Poste Vita Group's Responsible Investment Policy**, establish measures to identify, monitor and manage the exposure to activities that have an intrinsic relevant risk from an ESG perspective, thereby enabling to strengthen 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. and Net Insurance Life S.p.A. (hereinafter each the "**Company**" and, jointly, the "**Poste Vita Group**" and/or the "**Companies**").

The Companies have already adopted – In line with the provisions of IVASS Regulation No. 24/2016 – investment policies (the "**Investment Policies**") consistent with the prudent person principle, the strategy, as well as the defined risk appetite. The Responsible Investment Policy of the Poste Vita Group, consistent with the Investment Policies as well as the broader Poste Italiane Group's sustainability plan, defines the Companies' commitment to integrate ESG issues into their investment strategy and decision-making processes.

In this context, the purpose of this document is to identify activities and sectors that are considered ESG sensitive, establishing for the investment in the "**Selected Instruments**" (as defined below) appropriate monitoring processes. With reference to Poste Vita S.p.A., the application of the Guidelines also represents a tool for the management and mitigation of principal adverse impacts ("**PAI**") on sustainability factors generated by investment decisions of the Company with respect to these sectors.

1.2. Glossary

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

- "**Animal Testing Scope Issuers**": issuers of the Selected Instruments that, directly or through holdings of more than 20%, meet the requirements of the Animal Testing Guidelines (see paragraph "2.3 Animal Testing")
- "**AuM**": Assets under Management.
- "**Coal Sector Issuers**": issuers of the Selected Instruments that, directly or through holdings of more than 20%, meet the requirements of the Coal Sector Guidelines (see paragraph "2.2 Coal").
- "**Companies**": Poste Vita S.p.A., Poste Assicura S.p.A., Net Insurance S.p.A. and Net

Insurance Life S.p.A.

- **“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.
- **“ESG”**: Environmental, Social, Governance.
- **“Fossil Fuels Sector Issuers”**: issuers of Selected Instruments that, directly or through holdings of more than 20%, meet the requirements of the Fossil Fuel Sector Guidelines (see paragraph “2.1 Fossil Fuels”).
- **“FPIC”**: Free, Prior and Informed Consent.
- **“Guidelines on the Exercise of Voting Rights and Engagement Activities”**: Guidelines describing the objectives/criteria and methods to carry out engagement activities and exercise voting rights by the Poste Vita Group.
- **“Guidelines”**: *Guidelines for the Investment in Sensitive Sectors of the Poste Vita Group*.
- **“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.
- **“IPCC”**: Intergovernmental Panel on Climate Change.
- **“IUCN”**: International Union for Conservation of Nature.
- **“OECD”**: Organisation for Economic Co-operation and Development.
- **“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.
- **“Responsible Investment Policy of the Poste Vita Group”**: Policy describing the approach taken by the Poste Vita Group in managing risks and opportunities related to ESG factors within the investment processes of its Companies.
- **“Selected Instruments”**: shares and bonds issued by entities operating in Sensitive Sectors.
- **“Sensitive Sectors”**: sectors and/or areas of business considered for the purposes of these Guidelines, namely Fossil Fuel, Coal, Animal Testing, Social and Environmental Controversies.

- **“Social and Environmental Controversies Issuers”**: issuers of Selected Instruments that have been sanctioned for environmental and human rights violations covered by the Social and Environmental Controversies Guidelines (see paragraph “2.4 Social and Environmental Controversies”).
- **“UN”**: the United Nations.

1.3. Scope of application and manner of implementation

These Guidelines apply to Poste Vita Group’s Companies, in line with the scope of application defined within the Responsible Investment Policy of the Poste Vita Group. They are approved by the CEO of the parent company Poste Vita and implemented by the CEOs of Poste Assicura, Net Insurance and Net Insurance Life.

Specifically, the Guidelines apply to equity and corporate bond securities¹, issued by entities that are significantly involved - within the thresholds represented in each paragraph - in the following **Sensitive Sectors** from an ESG perspective:

- Fossil Fuels;
- Coal;
- Animal Testing;
- Social and Environmental Controversies.

These Sensitive Sectors represent the areas currently considered a priority by the Poste Vita Group, which may consider expanding their scope in the future. In particular, these Guidelines could be periodically evaluated for updates in light of evidence that may have emerged or from the monitoring of national and international trends in the field of responsible investments.

Aware that investing in equities and corporate bonds issued by entities operating in Sensitive Sectors (the **“Selected Instruments”**) may increase the exposure of the investment portfolio to risks that could negatively impact performance, the Poste Vita Group has, in fact, decided to regulate investments in the Selected Instruments by way of specific monitoring criteria. As detailed below, depending on the type of transaction, specific analysis and monitoring activities will be carried out by the Companies.

¹ The Selected Instruments directly invested by Companies and/or Delegated Managers fall within the scope of the Guidelines. Regarding any underlying equity and bond securities related to UCITS and/or other comparable investment vehicles in which Companies and/or Delegated Managers have invested, managed independently by specific external asset management companies and/or asset managers, only monitoring activities described in the Responsible Investment Policy of the Poste Vita Group are provided (where necessary data is available).

The Companies are committed to communicating the Guidelines to the Delegated Managers so that they will consider the same principles and apply their contents, for those aspects relevant to their investment activities.

These Guidelines are communicated to all employees, also by means of 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.

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.

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.

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 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;
- Code of Ethics of the Poste Italiane Group;
- Responsible Investment Policy;
- Guidelines on the exercise of voting rights and engagement activities.

2. INVESTMENT IN SENSITIVE SECTORS

2.1. Fossil Fuels

The Fossil Fuel industry has an important role in supplying energy to people and companies around the world. Nonetheless, this sector strongly contributes to emissions in the atmosphere. Therefore, in order to contain global warming well below 2 degrees Celsius compared to pre-industrial levels as established by the *Intergovernmental Panel on Climate Change* (IPCC) in the Paris Agreement, the sector has become – and will be more and more – subject to attention by the market, companies and governments. Investments in companies of this sector imply managing the risks linked to the sector as “carbon intensive” activities may suffer great losses in value in the future.

An effective monitoring and management of exposures to this sector may indeed contribute to reducing the level of long-term risks in the portfolios and to accelerating the global transition towards an economy with low carbon emissions. At the same time, this activity allows to identify possible risks linked to negative social impacts on local communities and workers of the sector as well as contribute to their well-being.

For the application of these Guidelines are taken into consideration the issuers of the Selected Instruments who, directly or through holdings of more than 20%:

- conduct activities in the Fossil Fuel sector (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 unconventional³ fossil fuels), in particular, in upstream (exploration, drilling, production), midstream (transport), downstream (sales) and electricity generated from Fossil Fuels;
- own Fossil Fuels reserves.

In particular, the following exposures are identified as relevant:

Indicator	Criteria
Percentage of revenues from activities in the Fossil Fuel Sector	≥20%
Presence of Fossil Fuel reserves obtained from activities in the Sector	Yes

(“**Fossil Fuels Sector Issuers**”).

³ Where revenue data is not available, Companies monitor the issuers involved in the listed activities regardless of their exposure to the sector.

Fossil Fuels Sector Issuers are therefore subject to periodic assessment on a biannual basis in order to identify the exposure of portfolios to the Fossil Fuel sector.

The Companies monitor the total amount of investments in Selected Instruments of the Fossil Fuels Sector Issuers using data and information provided by external info-providers specialized in this type of analysis.

If the portfolios exposure to Fossil Fuels Sector Issuers exceeds 10% of each Company's total AuM, Fossil Fuels Sector Issuers will be evaluated through an assessment (based on information provided by info-providers, public information and information obtained during any dialogue activities with the Fossil Fuels Sector Issuer or from stakeholders) to identify any critical issues in the ESG area through the closer examination of significant aspects such as:

- Environmental risks
 - No mitigation measures to reduce the impact on species at risk.
 - No plans for the dismantling/“end of life” management of plants.
 - No management systems nor action plans for leakages.
 - Environmental impact assessments absent or not in line with national or international standards.
 - Level of upstream or downstream impact.
- Social risks
 - No compensation agreement for the local communities.
 - No Free, prior and informed consent (FPIC) for the local communities.
 - Incidents that may damage the local communities and/or the environment.
 - Relocation of the local populations without a prior consultation - thus causing physical damages – or by reviewing property rights and rights on land and water.
 - Involvement in child labour, forced labour or human trafficking.
 - Inadequate work conditions, e.g. in terms of salary, health and safety.
- Governance risks
 - No anti-corruption plans, systems or procedures.
 - Potential damage to the Company’s reputation and/or to that of its stakeholders.

In any case, the evaluation of the Fossil Fuels Sector Issuers includes an assessment of the presence and quality of a transition plan accompanied by decarbonization targets.

The Investment Committee will be informed about the exceeding of the above threshold and the additional enhanced monitoring activities reported above so that the necessary actions can be evaluated, and proposals can be formulated to the relevant corporate bodies.

The Fossil Fuels Sector Issuers present in the main ESG / Sustainability market indices – e.g., Dow Jones Sustainability Index, etc. – are not subject to further analysis because their presence in such indices already represents a high level of propensity and sensitivity to ESG issues and specific risks deriving from their sector.

Following the identification for the Fossil Fuels Sector Issuers in the portfolios of issues related to the sustainability dimensions described above, the Companies may consider resorting to collective engagement activities, undertaken in pool with institutional investors and trade associations as part of initiatives dedicated to the management of the issue, which may take the form of direct meetings with management, communications to corporate bodies or other forms of dialogue, as defined in the Guidelines on the Exercise of Voting Rights and Engagement Activities of the Poste Vita Group.

2.2. 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. Therefore, in order to reach the target to contain global warming well below 2 degrees Celsius compared to pre-industrial levels, this sector should experience a contraction due to the closing of the current coal-fired power plants and limited openings of new plants.

That is why it is believed that investing in Selected Instruments of issuers involved in the coal sector could expose portfolios to great financial and extra-financial risks.

As for all Fossil Fuels, an effective monitoring and management of exposure can lead to a reduced long-term risk for the Company portfolios and accelerate the global transition towards an economy with low carbon emissions. At the same time, this activity allows to identify the risks linked to negative social impacts for the local communities and workers of the sector, thus contribute to their well-being. For the application of these Guidelines are taken into consideration the issuers of the Selected Instruments who, directly or through holdings of more than 20%, are active in:

- coal extraction;
- energy generation from coal-fired power plants;
- coal-related transport and infrastructure (e.g., pipelines, coal terminals, coal processing plants).

In particular, the following exposures are identified as relevant:

Indicator	Criteria
Percentage of revenues deriving from coal extraction	≥33%
Percentage of coal present in the mix of electrical energy sources	≥33%
Percentage of revenues deriving from coal infrastructure	≥33%

(“Coal Sector Issuers”).

Coal Sector Issuers are therefore subject to periodic assessment on a biannual basis in order to identify the exposure of portfolios to the Coal Sector Issuers.

The Companies monitor the total amount of investments in Selected Instruments of Coal Sector Issuers using data and information provided by external info-providers specialized in this type of analysis.

If the portfolios exposure to Coal Sector Issuers exceeds 5% of each Company's total AuM, Coal Sector Issuers will be evaluated through an assessment (based on information provided by info-providers, public information and information obtained during any dialogue activities with the Coal Sector Issuer or from stakeholders) to identify any critical issues in the ESG area through the closer examination of significant aspects such as:

- Environmental risks
 - No mitigation measures to reduce the impacts on species at risk.
 - No dismantling/management plan for the end-of-life of the plants.
 - Inadequate storage and disposal of products.
 - Environmental impact assessments absent or not in line with national or international standards.
 - Level of upstream or downstream impact.
- Social risks
 - No compensation agreement for the local communities.
 - No Free, prior and informed consent (FPIC) for the local communities.
 - Incidents that may damage the local communities and/or the environment.
 - Relocation of the local populations without a prior consultation - thus causing physical damages – or by reviewing property rights and rights on land and water.
 - Involvement in child labour, forced labour or human trafficking.
 - Inadequate work conditions, e.g. in terms of salary, health and safety.

- Governance risks
 - No anti-corruption plans, systems or procedures.
 - Potential damage to the Company's reputation and/or to that of its stakeholders.

In any case, the evaluation of Coal Sector Issuers includes an assessment of the presence and quality of a transition plan accompanied by decarbonization targets.

The Investment Committee will be informed about the exceeding of the above threshold and the additional enhanced monitoring activities reported above so that the necessary actions can be evaluated, and proposals can be formulated to the relevant corporate bodies.

Coal Sector Issuers present in the main ESG / Sustainability market indices – e.g., Dow Jones Sustainability Index, etc. – are not subject to further analysis because their presence in such indices already represents a high level of propensity and sensitivity to ESG issues and specific risks deriving from their sector.

Following the identification for the Coal Sector Issuers in the portfolios of issues related to the sustainability dimensions described above, the Companies may consider resorting to collective engagement activities, undertaken in pool with institutional investors and trade associations as part of initiatives dedicated to the management of the issue, which may take the form of direct meetings with management, communications to corporate bodies or other forms of dialogue, as defined in the Guidelines on the Exercise of Voting Rights and Engagement Activities of the Poste Vita Group.

2.3. 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 - thus limiting 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 believes the investment in Selected Instruments of issuers involved in tests on animals may expose the portfolio to ethical issues and reputational risks.

For the application of these Guidelines are taken into consideration the issuers of the Selected Instruments who, directly or through holdings of more than 20%, are active in:

- production of cosmetic products tested on animals;
- production of other products (e.g., household detergents) tested on animals;
- testing on animals for companies that produce cosmetic or other products;
- testing on animals for medical purposes (e.g., production of drugs).

In particular, the following exposures are identified as relevant:

Indicator	Criteria
Revenues deriving from the production of cosmetic products tested on animals	>0%
Revenues deriving from the production of other products (e.g, household detergents) tested on animals	>0%
Animal testing for companies that produce cosmetic or other products	Yes
Animal testing for medical purposes	Yes

(“Animal Testing Scope Issuers”).

Animal Testing Scope Issuers are therefore subject to periodic assessment on a biannual basis in order to identify the exposure of portfolios to animal testing activities.

The Companies monitor the total amount of investments in Selected Instruments of Animal Testing Scope Issuers using data and information provided by external info-providers specialized in this type of analysis.

If the portfolios exposure to Animal Testing Scope Issuers exceeds 5% of each Company's total AuM, Animal Testing Scope Issuers will be evaluated through an assessment (based on information provided by info-providers, public information and information obtained during any dialogue activities with the Animal Testing Scope Issuers or from stakeholders) to identify any critical issues in the ESG area through the closer examination of significant aspects such as:

- The use of recognised scientific methods.
- The use of updated procedures, protocols and best-practice.
- The use of techniques that avoid long-term damages to animals.
- The use of animal tests only when it is not possible to use alternative methods.
- The continuous improvement of the environments in which the animals live.

The following matters are considered particularly critical:

- No use of standards that respect the animal's life conditions.
- Inadequate medical controls.
- Use of great apes or animals caught in the wild.
- The use of invasive procedures without any anaesthesia.

In the evaluation of the Animal Testing Scope Issuers reference is made to international standards, including the "3 R's principles" (Replacement, Reduction and Refinement) enshrined in the European Directive 2010/63 on the protection of animals used for scientific purposes.

The Investment Committee will be informed about the exceeding of the above threshold and the additional enhanced monitoring activities reported above so that the necessary actions can be evaluated, and proposals can be formulated to the relevant corporate bodies.

Animal Testing Scope Issuers present in the main ESG / Sustainability market indices – e.g., Dow Jones Sustainability Index, etc. – are not subject to further analysis because their presence in such indices already represents a high level of propensity and sensitivity to ESG issues and specific risks deriving from their activities.

Following the identification for the Animal Testing Scope Issuers in the portfolios of issues related to the sustainability dimensions described above, the Companies may consider resorting to collective engagement activities, undertaken in pool with institutional investors and trade associations as part of initiatives dedicated to the management of the issue, which may take the form of direct meetings with management, communications to corporate bodies or other forms of dialogue, as defined in the Guidelines on the Exercise of Voting Rights and Engagement Activities of the Poste Vita Group.

2.4. Social and Environmental Controversies

The Poste Vita Group pays particular attention to environmental and social safeguards and, more generally, to responsible business practices, both in its internal dimension and within investment activities. For this reason, also drawing inspiration from the UN Guiding Principles and the OECD guidelines for multinational enterprises, it evaluates periodically on a biannual basis the issuers of the Selected Instruments in order to verify that they have not been sanctioned as a result of disputes relating to some of the following aspects:

- Involvement in child labor, forced labor, or other practices that violate basic human and labor rights, including in the supply chain.
- Inadequate work conditions, e.g., in terms of salary, health and safety.
- Discrimination in workplaces, e.g., based on gender, ethnicity, geographical origin, disability, sexual orientation, religious belief.
- Violation of workers' rights to trade union activities and collective bargaining.
- Incidents that may produce damage to local communities and/or the environment.

- Relocation of local populations without prior consultation, causing physical harm or revision of property rights and land and water rights.

(**“Social and Environmental Controversies Scope Issuers”**).

The effective monitoring and management of exposures to these issues can, in fact, help reduce the risk level of portfolios in the long term, preventing the possibility of generating negative impacts on communities and territories.

The Companies monitor the total amount of investments in Selected Instruments of Social and Environmental Controversies Scope Issuers using data and information provided by external info-providers specialized in this type of analysis.

If the portfolios exposure to Social and Environmental Controversies Scope Issuers exceeds 5% of each Company's total AuM, the Investment Committee is informed so that the necessary actions can be evaluated, and any proposals can be formulated to the relevant corporate bodies.

The Social and Environmental Controversies Scope Issuers present in the main ESG / Sustainability indices – e.g., Dow Jones Sustainability Index, etc. – are not subject to further analysis because their presence in such indices already represents a high level of propensity and sensitivity to ESG issues and specific risks deriving from their sector.

Following the identification for the Social and Environmental Controversies Scope Issuers in the portfolios of issues related to the sustainability dimensions described above, the Companies may consider resorting to collective engagement activities, undertaken in pool with institutional investors and trade associations as part of initiatives dedicated to the management of the issue, which may take the form of direct meetings with management, communications to corporate bodies or other forms of dialogue, as defined in the Guidelines on the Exercise of Voting Rights and Engagement Activities of the Poste Vita Group.