

Guidelines

on the Exercise of Voting Rights and Engagement Activities of the Poste Vita Group

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1. OBJECTIVES, SCOPE, AND MANNER OF IMPLEMENTATION

1.1. Objective of the Document

The Guidelines on the Exercise of Voting Rights and Engagement Activities (hereinafter "**Guidelines**") 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**" or the "**Companies**") define measures and procedures for:

- ensuring that voting rights are exercised in accordance with the objectives of the Poste Vita Group and the company's regulatory system, with particular reference to the **Responsible Investment Policy** adopted by the Poste Vita Group;
- preventing or managing any conflict of interest resulting from the exercise of voting rights;
- promoting the fair management of ESG issues and contributing to the mitigation of negative externalities through a positive dialogue with the issuers of the securities in their financial portfolios.

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

- describing the criteria and procedures for exercising the voting rights linked to the shareholdings held by the Companies;
- describing the objectives and procedures for carrying out engagement activities with the issuers in the companies' financial portfolios, consistent with the provisions of the Responsible Investment Policy and the "*Guidelines for the Investment in Sensitive Sectors*" (hereinafter "**LGSS**") adopted by the Poste Vita Group.

1.2. Glossary

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

- "**AuM**": Assets under Management.
- "**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.
- **“Guidelines”**: *Guidelines on the Exercise of Voting Rights and Engagement Activities 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.
- **“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.
- **“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.

1.3. Scope of application and manner of implementation

These Guidelines apply to the Poste Vita Group’s Companies, in line with the scope of application defined by the Responsible Investment Policy and LGSS. 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.

They will be periodically reviewed to be updated in the event of any emerging evidence and monitoring of national and international trends regarding the exercise of voting rights and responsible investment.

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 instruments¹ and are inspired by the main European regulations on the subject (Italian Principles of Stewardship by Assogestioni, FRC UK Stewardship Code, EFAMA Stewardship Code).

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.

¹ 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.

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.

- Directive (EU) 2017/828 of the European Parliament and of the Council, amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (*"Shareholder Rights Directive 2"*);
- IVASS Regulation No. 46/2020, concerning the provisions on transparency of the engagement policy and elements of the equity investment strategy of insurance or reinsurance undertakings;
- Code of Ethics of the Poste Italiane Group;
- Responsible Investment Policy;
- Guidelines for the investment in sensitive sectors.

2. EXERCISE OF VOTING RIGHTS

The purpose of this section is to define the main activities carried out to oversee the process of exercising the voting rights related to the shares held by the Companies.

In principle, voting rights are exercised at shareholders' meetings where extraordinary transactions or, in general, other transactions that may have a significant impact on the value of the shareholdings held by each Company are resolved upon.

The exercise of voting rights may be carried out directly by each Company or may be assigned to the Delegated Managers, as specified in the chapter "Exercise of Voting Rights and Engagement Activities by Delegated Managers".

The following paragraphs describe how voting rights can be exercised by the Companies.

2.1. Evaluation relating to the exercise of voting rights

The evaluation related to the exercise of voting rights is conducted by the function in charge of investment management based on a cost-benefit analysis which includes quantitative and qualitative criteria specified by internal regulations. In principle, each Company's interest in assessing whether or not to exercise voting rights is represented by the impact that the proposal on the agenda of the shareholders' meeting has on the value of the shareholdings held in the portfolios, taking into account the related short and long-term effect, including effects related to sustainability risks.

The Companies are then entitled to not exercise their voting rights in cases where such exercise would not result in a significant impact for their clients, such as, for example, in the case in which:

- the stakes held are marginal;
- the administrative costs associated with the voting process are deemed to outweigh the expected benefits of attending the meeting;
- financial instruments need to be frozen, and therefore not available, for an extended period of time, such that management strategies would be affected.

In assessing the opportunity of exercising their voting rights and in determining their voting decisions, also considering the opinion of other institutional investors, the Companies pay particular attention to the following issues:

- shareholders' rights, with particular attention to aspects related to informed voting, fair treatment of shareholders and dividend policies;
- consistency of its remuneration policies with the perspective of creating long-term value for the company, with particular attention to aspects relating to remuneration requirements, variable short and long-term incentives;

- composition of administrative, management and control bodies, with particular attention to aspects relating to separation of powers, professional requirements, election methods, concentration of posts, and diversity (e.g. gender, age, academic and professional background);
- management of social and environmental topics, with particular attention to those aspects relating to ESG topics that are material for the Poste Vita Group and its portfolios;
- quality of the internal control system, based on internationally recognized standards and principles;
- transactions with related parties, with particular attention to aspects relating to transparency, fairness and commercial correctness of transactions;
- extraordinary transactions, with particular attention to aspects relating to the consistency of the transaction price, the corporate governance structure resulting from the transaction, potential short and long term results;
- transparency of financial reporting and integrity of auditors.

2.2. Exercise of voting rights

The function in charge of investment management assesses the opportunity of exercising the right to vote, also through the involvement of other corporate functions responsible for the individual issues to be discussed.

Upon completion of its analysis, the function in charge of investment management prepares a report for the Chief Executive Officer that details the kind of assessments made about the opportunity to take part in the voting, as well as the voting intentions regarding specific proposals of resolution.

Once the necessary internal governance steps have been completed, the function in charge of investment management will exercise the vote through the submission of lists for the appointment of Corporate Bodies, by electronic or postal means or with the physical presence of a representative at the shareholders' meeting, also in compliance with any regulations set forth by the issuer on the modalities of participation.

2.3. Reporting on the exercise of voting rights

The Companies commit to communicate at least once a year, in a publicly available section of the website, the circumstances of the exercise of voting rights in listed companies, and the results of the voting activities carried out.

3. ENGAGEMENT ACTIVITIES

In compliance with the application of the provisions of the LGSS and the Responsible Investment Policy, the Companies engage in constructive dialogues with the issuers in their portfolios in order to promote a better management of ESG topics. Engagement activities can be started by each Company, through individual or pooled initiatives with other investors, or they can be conducted by the Delegated Managers, as specified in the chapter "Exercise of Voting Rights and Engagement Activities by Delegated Managers".

The following paragraphs describe the methods for carrying out engagement activities by the Companies.

3.1. Objectives and methods of engagement

Engagement activities are carried out by the function in charge of investment management as regulated by the Responsible Investment Policy and LGSS of the Posta Vita Group. These activities can have a "reactive" nature, as a result of ESG monitoring outcomes, or "spontaneous", in order to disseminate sustainability best practices.

- Engagement of a "reactive" nature: may result from the detection of a critical issue related to portfolio monitoring activities as governed by relevant Companies' guidelines.
- Engagement of a "spontaneous" nature: it is carried out with the intention of raising awareness towards specific and material ESG issues for the investees' sectors.

The engagement activities listed above may consist of meetings with the management of issuers, communications to corporate bodies, or pooled dialogue activities with other institutional investors; these modalities are chosen according to the nature of the topic to be discussed or its relevance, also taking into account the necessary timeframe.

In the evaluation of the most effective tool for conducting the identified engagement activity, Companies prioritize collective action. The Poste Vita Group believes that pooling resources among investors can increase the likelihood of effective interaction with the issuer's management and lead to better results in terms of sustainable development. Collective engagement can be organized by institutional investors, industry associations, or non-governmental organizations (NGOs).

Each company's engagement activities aim to create awareness regarding ESG risks that may impact the business and understand how issuers manage these risks, through:

- the definition of an ESG strategy with clearly defined objectives and timelines;
- the improvement of governance with regard to ESG issues;
- transparency on ESG strategy, governance and performance;

- internal and external assurance on ESG strategy, governance and performance;
- the adherence to standards applicable nationally and internationally and participation in external initiatives.

In order to define the priority level of engagement concerned specific issuers, the Companies consider the exposure of the portfolios to such issuers. Therefore, the engagement will be conducted according to a logic aimed at prioritising the most significant issuers based on their weight in terms of percentage on each Company's total AuM. If this criterion does not allow to express an adequate level of priority, more detailed information may be requested to the external info-providers who support the Poste Vita Group in its portfolio monitoring activities, in relation to the issues identified.

3.2. Topics of engagement

The engagement activities of each Company are focused on material issues for portfolio companies, while contextually considering the main ESG elements in the responsible investment strategy of the Poste Vita Group. To this purpose, the following activities can be started:

- activities targeting engagement with one or more specific issuers in the portfolio;
- activities focused on one or more material themes identified in the analysis conducted according to portfolio composition;
- activities focused on one or more topics of particular interest according to the responsible investment policies of the Poste Vita Group;
- activities endorsed by Delegated Managers recognized for their commitment to this type of initiatives.

In general, by way of example, the following issues are considered, where necessary represented through detailed topics based on the materiality analysis carried out by the function in charge of investment management:

- Topics related to environmental factors:
 - o climate change (including carbon emissions, transition plans, etc.);
 - o natural capital and biodiversity (including water stress, raw material supply, deforestation, etc.).
- Topics related to social factors:
 - o human capital (including child labour, supply chain labour standards, health and safety, diversity and inclusion, social inequalities, etc.).
- Topics related to governance factors:

- board composition, internal audit, anti-corruption, compensation, shareholder rights, etc.
- Involvement in highly controversial industries or activities.

Regarding the materiality analysis of issuers operating in sensitive sectors and subject to engagement, see the LGSS for details of the issues that have a significant impact on the investees' business and a significant influence on main stakeholders.

3.3. Monitoring and reporting of engagement activities

Engagement activities are monitored and evaluated periodically by each company, within the Investment Committee, on the basis of information provided by the function in charge of investment management.

Given satisfactory improvements regarding the matter of the engagement, such activities are considered concluded. If the engagement does not lead to tangible improvements within 18/24 months from the start of the activities, the function in charge of the investment management provides a report on the undertaken activities to the Investment Committee for further assessments. The Investment Committee has the authority, in line with and respecting corporate governance provisions, to propose additional actions to be submitted to the relevant corporate bodies. These actions may include, as an extreme solution, the divestment from the issuer.

The Companies commit to providing periodic information on the implementation of the principles contained in these Guidelines, also in line with the provisions of the reference legislation.

The function in charge of investment management also ensure to keep records of the relevant activities performed in accordance with these Guidelines.

4. EXERCISE OF VOTING RIGHTS AND ENGAGEMENT ACTIVITIES BY DELEGATED MANAGERS

When selecting Delegated Managers, the Companies commit to transmit these Guidelines to the Delegated Managers, who are required to apply the Guidelines' principles and content, for the aspects relevant to their investment activities.

In particular, where the Companies have envisaged to entrust Delegated Managers with the task of exercising voting rights, as well as carrying out engagement activities, for the issuers held in the Companies' portfolios, the Delegated Managers are required to act in accordance with the provisions set out in these Guidelines.

Under those circumstances, each Company monitors the attendance of meetings by the Delegated Managers for the purpose of exercising voting rights, as well as the engagement activities undertaken.