

UNEP-FI

PRINCIPLES FOR SUSTAINABLE INSURANCE (PSI)

PROGRESS REPORT - POSTE VITA INSURANCE GROUP

Introduction

Since 2019, Poste Vita S.p.A., as the parent company of the insurance group composed of Poste Vita S.p.A., Poste Assicura S.p.A., Net Insurance and Net Insurance Life (hereinafter the “**Insurance Group**”), part of the Poste Italiane Group, has been a signatory to the Principles for Sustainable Insurance (PSI) promoted by the United Nations, specifically by the United Nations Environment Program Finance Initiative (UNEP FI).

As a signatory to the PSI, the Insurance Group is required to prepare an annual disclosure on the progress made in implementing the Principles for Sustainable Insurance. Below is a summary of the main actions taken during 2024.

Principle 1: " We will embed in our decision-making environmental, social and governance issues relevant to our insurance business"

In relation to the first Principle, with regard to corporate strategy, the Insurance Group, in line with previous years, confirmed a sustainability strategy that includes a set of sustainability policies and guidelines, the promotion of products and services with environmental or social benefits, and the development of public disclosures, such as the Statement on the consideration of principal adverse impacts on sustainability factors (so-called "PAI") in relation to investments in the proprietary portfolios of Poste Vita and Poste Assicura and to the investments underlying the Insurance Group's investment products.

The following ESG-related roles and responsibilities remain confirmed:

- The Board of Directors (BoD) approves sustainability strategies and guidelines following assessments that consider, among other aspects, risks and opportunities related to ESG issues that are material for the Insurance Group;
- The Investment Committee – Sustainability Section supports the Chief Executive Officer in defining and periodically assessing the ESG criteria applied to investments, in line with the sustainability policies and objectives of the Poste Italiane Group. The Sustainability Section reviews reporting on the ESG profile of portfolios and on the consideration of Principal Adverse Impacts (PAI). It also issues prior opinions on updates to ESG policies, the list of excluded issuers, and the actions to be taken for the management and mitigation of ESG risks;
- The Insurance Products Committee, which supports the Chief Executive Officer in defining and monitoring the ESG profiles of the product catalogue, in line with the responsible insurance policy;
- The Board Committee for Internal Control and Risks and for Related Party Transactions, which supports the BoD in defining the guidelines of Poste Vita's internal control and risk management system, including ORSA and risk appetite and tolerance strategies. Its objective is to ensure that the main risks of the Insurance Group – including environmental and social (ESG) risks – are properly identified, measured, managed and monitored, ensuring sound and prudent management consistent with strategic objectives;
- The Interfunctional Sustainability Working Group (GIS), in which the Insurance Group participates through a designated corporate representative, which provides support to the Poste Italiane Group Sustainable Development function in carrying out activities related to the ESG process;
- The Risk Office function of the Insurance Group, which, as part of the Own Risk and Solvency Assessment (ORSA), carries out the materiality analysis of ESG risks and scenario analysis for those risks deemed material, with particular attention to factors related to climate change.

In particular, in 2024, with reference to the main ESG topics, Poste Vita further detailed the responsibilities of the above-mentioned committees in certain internal regulations, including, among the tasks of the Poste Vita Investment Committee – Sustainability Section, activities related

to PAI and the monitoring of ESG profiles.

The Insurance Group has adopted and continuously updates the following ESG policies:

- The **Responsible Insurance Policy of the Poste Vita Group**, which describes the Insurance Group's approach to managing risks and opportunities related to ESG factors within traditional insurance processes. This approach stems from the belief that assessing ESG risks and opportunities fosters the development of innovative solutions and contributes to business management, while at the same time providing a concrete response to the social and environmental needs expressed by the community;
- The **Responsible Investment Policy of the Poste Vita Group**, which defines the principles enabling the integration of ESG considerations into the management of investment activities, contributing positively to the impacts that issuers held in the financial portfolios have on the community, and ensuring concrete adherence to nationally and internationally recognized principles and guidelines for the integration of sustainability criteria into traditional investment processes;
- The **Guidelines for the investment in sensitive sectors of the Poste Vita Group**, which define measures to identify, assess and monitor exposure to activities that present significant intrinsic ESG risks, thereby enabling the incorporation of environmental, social and governance aspects into the investment process;
- The **Guidelines on the exercise of voting rights and engagement activities of the Poste Vita Group**, which define measures and procedures for exercising voting rights in line with nationally and internationally recognized reference principles and for promoting the proper management of ESG issues through constructive dialogue with issuers whose securities are held in the financial portfolios;
- The **Guidelines on Principal Adverse Impacts (PAI) of Poste Vita**, which define criteria, methodologies and activities (calculation, monitoring and management) for considering the principal adverse impacts on sustainability factors arising from investment decisions, both at company level—by jointly considering investments underlying all products (IBIPs, Pension Funds) offered by the Company and investments included in Poste Vita's own funds portfolio—and at product level for products classified under Article 8 of the SFDR, considering either the investments underlying single-option products or the individual investment options (for multi-option products);
- The **POG Guidelines, which include as an annex the Methodology for defining the sustainability characteristics of the Poste Vita Group's products**, setting out the criteria and logic for the classification of insurance-based investment products pursuant to Regulation (EU) 2019/2088 (SFDR).

In 2024, the Training Plan confirmed, in continuity with the existing model, training sessions aimed at raising awareness and developing transversal skills necessary to operate in a constantly evolving context and to orient behaviours towards sustainability, innovation and continuous improvement. By way of example, in 2024 the Poste Italiane Group continued to deliver the online course

“Business and the Protection of Human Rights”, open to all employees, with the aim of promoting knowledge and dissemination of the guiding principles adopted by the United Nations Human Rights Council. In parallel, specific training initiatives were promoted on diversity and inclusion topics, with a focus on LGBTQ+, gender, interculturality, inclusive language, neurodiversity, disability, dyslexia and learning disorders (DSA), and gender equality. In addition, the LabAI Literacy program was launched—a cycle of ten webinars dedicated to exploring the potential of artificial intelligence and its ethical and social implications, involving experts and testimonials from different sectors.

The Insurance Group also strengthened its oversight activities regarding ESG regulatory developments through continuous monitoring of ESG-related regulatory updates and the dissemination of alerts and periodic newsletters to support the relevant corporate functions.

An area that has continued to engage the Insurance Group, and that will continue to be developed with a view to continuous improvement, concerns the development of methodologies, processes and systems for the identification, measurement, assessment, monitoring and management of sustainability risks within the risk management framework and the Actuarial Function.

The Insurance Group integrates sustainability risks into its risk system through the following safeguards:

- within the Risk Appetite Framework, through the monitoring, on the investment side, of a specific rating indicator differentiated between the corporate portfolio and the government portfolio, whose calculation methodology considers various ESG-related aspects;
- at product level, through the verification of the definition and correct application of the sustainability criteria identified for qualifying the investments underlying financial products.

In addition, with specific reference to the non-life business, the Insurance Group maintains and continuously updates the risk mapping, ensuring its consistency with regulatory developments and market best practices.

In order to include ESG risks within current and forward-looking solvency assessments, and in line with the most recent EIOPA guidelines, the Insurance Group has adopted the following approach:

1. Identification of relevant ESG risk macro-categories

This analysis led the Insurance Group to select, from the entire range of ESG topics considered within the Risk Management System, those emerging sustainability trends that could show greater variability and relevance for the Group from a forward-looking perspective. As a result, the Risk Management Function focused its ORSA assessments on the Environmental dimension, distinguishing between physical risks and transition risks.

2. Assessment of the materiality of such risks considering the Insurance Group’s business model

The Group’s companies carried out analyses aimed at identifying qualitative and quantitative elements to support the identification, assessment and monitoring of the influence of environmental phenomena (such as climate change) on the other risk categories included in the Group’s risk taxonomy. The results show a material relevance of climate transition risk for market risk and an impact of physical climate risk on non-life underwriting risk.

3. Scenario analysis for risks deemed material

Based on the materiality assessment, the Insurance Group's Risk Management Function, in coordination with the Risk Management Functions of the individual companies, assessed the quantitative impacts of climate transition risk for Poste Vita and of physical climate risk for Poste Assicura and Net Insurance. For transition risk, drawing on working groups conducted with the Poste Italiane Group, the Insurance Group assessed possible long-term patterns of key environmental variables and, considering their impact on relevant macroeconomic and financial variables, identified and calibrated a shock scenario based on the *Fragmented World (Too little, too late)* scenario of the Network for Greening the Financial System (NGFS).

For physical risk, the quantitative analyses consider a scenario characterized by a high level of greenhouse gas emissions.

Regarding product development, during 2024 the Insurance Group, in line with its business objectives, expanded and diversified its commercial offering through the launch of new products, in accordance with the objectives of the strategic plan and with an increasing focus on sustainability and product customization.

Within the Life IBIPs business, Poste Vita achieved the objective of having 100% of the products currently marketed characterized by ESG elements, further strengthening the Insurance Group's commitment to an investment strategy fully oriented towards enhancing ESG themes.

In particular, during 2024 Poste Vita made available to customers the following IBIPs classified as products that promote environmental and/or social characteristics pursuant to Article 8 of the SFDR:

- Poste Prospettiva Valore Gold (waves II, III, IV and V);
- Poste Valore Solidità Più;
- Poste Progetto Obbligazionario (waves I and II);
- PosteFedeltà Senior Più;
- Poste Orizzonte 5 Più.

In addition to these products, the ESG offering also includes:

- Poste Progetto Valore 360;
- Poste Progetto Bonus 4in4;
- Poste Progetto Dinamico Bonus;
- Poste Progetto Dinamico New;
- PostePremium Soluzione Assicurativa;
- PostePremium Soluzione Assicurativa Più.

The rules for qualifying investment options under Article 8 SFDR were defined by Poste Vita in the POG Guidelines, with the aim of harmonizing the strategies applied across different products.

Furthermore, during 2024 the sustainability disclosures required under the SFDR were updated and published both at product and company level.

Within the Non-Life and non-IBIP Life business, the Insurance Group confirmed its commitment to developing insurance solutions by expanding the potential customer base and, at the same time, providing services designed to support customers in the effective management of their insurance relationship. In this context, during the year the product *Poste Protezione Affetti 360 New* was launched, a term life insurance policy that extends the age requirements for subscription and strengthens the integration between life and non-life insurance solutions, offering broader and more personalized protection. In addition, *Poste Lavorare Protetti* was launched, a new product dedicated to business customers, designed to respond more effectively to companies' protection needs, specifically providing coverage for damage to corporate assets arising from natural disasters or catastrophic events.

Regarding Claims Management, the Insurance Group continued to pursue the approach reported in 2023, optimizing customer listening initiatives to improve the efficiency of the claims handling process.

In relation to sales and marketing, the Insurance Group continued its training activities, committing during 2024 to provide clearer product and service disclosures, detailing coverage, costs and benefits in a transparent manner.

As regards investment management, the Insurance Group has adopted the following system of policies and guidelines aimed at defining the strategy for integrating ESG factors into investment processes:

- Responsible Investment Policy of Poste Vita;
- Guidelines for investment in sensitive sectors of the Poste Vita Group;
- Guidelines on exercising voting rights and engagement activities of the Poste Vita Group.

In 2024, the Insurance Group continued to refine its responsible investment approach in continuity with the steps taken in previous years. In particular, following a change of external data provider, the Group carried out a reconciliation of the indicators and/or metrics underlying the elements of the responsible investment strategy.

The Insurance Group has long been monitoring decarbonization issues, also through benchmarking activities, with a view to assessing the feasibility of a study on the investment portfolio aimed at identifying potential future targets.

Furthermore, in 2024 Poste Vita published for the second consecutive year its "Statement on the principal adverse impacts of investment decisions on sustainability factors" (PAI Statement), providing evidence of the comparison with the previous year's indicators, their trends and the main actions planned to limit negative impacts related to sustainability challenges connected to its investments. Poste Vita also calculates, manages and monitors PAIs at the level of individual investment products, as defined in the Guidelines on Principal Adverse Impacts (PAI). The calculation and analysis of PAIs were carried out using data from an external data provider's

database, considering the issuer's sector and the amount invested in each issuer. Following the change of data provider during the year, Poste Vita analyzed the calculation methodologies of the new provider to identify differences in indicator values resulting from the use of different methodologies.

Principle 2: " We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions"

Customers and suppliers are at the core of the Insurance Group's strategy and commitments.

Regarding its relationships with suppliers, the Poste Italiane Group provides for specific contractual clauses linked to sustainability issues (e.g. human rights, health and safety at work, ethics, etc.). In particular, the Poste Italiane Group has implemented a Vendor Rating system to monitor the performance of its suppliers.

During the year, the process to further develop the Poste Italiane Group's sustainable procurement model was also launched, with the aim of mitigating ESG risks along the supply chain through the assessment and monitoring of the level of sustainability of the supply chain.

In accordance with the provisions of the SFDR Regulation, Poste Vita provided customers investing in insurance-based investment products classified under Article 8 SFDR with pre-contractual and periodic disclosures on the sustainability characteristics of such products, including, among other aspects, information on the principal adverse impacts of investment decisions on sustainability factors.

Principle 3: " We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues"

The Poste Italiane Group, in view of its widespread presence throughout Italy and the diverse context in which it operates, collaborates with central and local institutions to represent its corporate interests and promote socio-economic development projects.

In addition, the Insurance Group is a member of the Executive Committee of the United Nations Environment Program Finance Initiative (UNEP FI), an initiative aimed at connecting the United Nations with the global financial sector to advance the integration of ESG issues.

Beyond the Principles for Sustainable Insurance (PSI), the Poste Italiane Group is a signatory to several other international agreements and initiatives, including:

- the Principles for Responsible Investment (PRI): a set of principles aimed at developing a more sustainable financial system;
- the UN Global Compact: the world's largest corporate sustainability initiative, which seeks to align business strategies and operations with universal principles on human rights, labour, environment and anti-corruption, while encouraging actions that advance societal goals;
- UN Women: the United Nations entity dedicated to gender equality and the empowerment of women, established to accelerate progress in meeting women's needs worldwide.

Through these commitments, the Poste Italiane Group aims to generate a tangible positive impact on sustainability and to shape its business activities according to approaches that are respectful of the environment, stakeholders and society as a whole.

During 2024, Poste Vita S.p.A., as the parent company of the Insurance Group, also joined the Carbon Disclosure Project (CDP), adhering to the organization's collective initiative to promote and strengthen corporate environmental transparency and sustainability. Furthermore, the Insurance Group participates in working groups and consultations on ESG topics with relevant institutions (e.g. ANIA), contributing to the development of market best practices and ensuring ongoing alignment with regulatory developments.

Principle 4: " We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles."

To evaluate, measure and monitor the Insurance Group's performance in managing ESG matters, the Group regularly tracks its sustainability performance.

In line with the new European sustainability reporting requirements, the Insurance Group has initiated a process aimed at contributing to the Poste Italiane Group's sustainability reporting in accordance with Directive (EU) 2022/2464 – the Corporate Sustainability Reporting Directive (CSRD). This process includes an analysis of ESG-related impacts, risks and opportunities relevant to the Insurance Group. For the identified material ESG impacts, risks and opportunities, specific policies, actions and objectives are defined, monitored and periodically reported.