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Disclosure on the Policy for the integration of ESG (Environmental, Social and Governance) sustainability factors into the investment process of the Intesa Sanpaolo Assicurazioni Group

June 2025

The Policy for the Integration of Sustainability Factors into the Investment Process, adopted by the Intesa Sanpaolo Assicurazioni Group (hereinafter referred to as the 'Group'), describes the methodologies for selecting and monitoring financial instruments to integrate the analysis of sustainability risks into its investment process, flanking the traditional financial valuation analysis of investments with specific ESG guidelines, represented below.

The Group applies exclusion criteria within the investment universe of managed assets to avoid exposures to issuers operating in sectors or activities with significant environmental or social impacts, as identified through Principal Adverse Impact (PAI) indicators. In line with the principles of sustainable and responsible investment, the following are excluded:

- Companies whose greenhouse gas (GHG) emissions intensity (Scope 1, 2 and 3) per million euros of turnover falls within the most critical percentile of the monitored investment universe;
- Companies directly involved in the manufacturing of unconventional weapons, including anti-personnel mines, cluster bombs, nuclear weapons, depleted uranium, biological and chemical weapons, invisible fragmentation weapons, blinding lasers, incendiary weapons, and white phosphorus;
- Companies that derive at least 15% of their revenues from mining or electricity generation activities related to thermal coal. The Group recognizes the need to gradually phase out unabated coal-fired electricity generation, meaning coal use without Carbon Capture and Storage (CCS) technologies, in line with the 1.5°C pathways recommended by the IPCC;
- Companies involved in new thermal coal projects, including coal-fired power plants, coal mines and related infrastructure, even if at the pre-construction stage;
- Companies deriving at least 10% of their revenues from unconventional oil and gas sources, including oil sands, oil shale, shale gas, coal seam gas, or from oil and gas production in the Arctic;
- Companies operating in high climate-impact NACE sectors (A, B, C, D, E, F, G, H or L) whose energy consumption intensity (expressed in gigawatt hours per million euros of turnover) ranks within the most critical percentile of their sector and whose share of energy consumption or production from non-renewable sources is 100%.

The following government issuers are also excluded:

- Countries whose GHG emissions (Scope 1, 2 and 3), relative to their Gross Domestic Product (GDP) adjusted for purchasing power parity (PPP), exceed 850 tonnes of CO_2 equivalent per million USD of GDP;
- Countries included in the Financial Action Task Force (FATF) blacklist, i.e. those classified as high-risk jurisdictions with serious strategic deficiencies in their fra-

meworks for preventing money laundering, terrorist financing, and the proliferation of weapons of mass destruction, and that have not demonstrated credible progress in addressing these issues in line with international standards.

Further exclusions or restrictions defined by the Group concern **issuers identified** as **"critical"**, i.e., companies with high exposure to environmental, social and governance (ESG) risks and with ESG sustainability ratings among the lowest in the corporate investment universe. These issuers are included in a dedicated list that is updated periodically.

If such issuers are already present within the managed assets, the Group provides for engagement activities – also through the Delegated Asset Managers – or divestment, according to timing and methods deemed consistent with the best interest of clients.

The Group is committed to engaging with oil and gas companies and third-party asset managers to promote a sustainable transition. The aim is to encourage companies to:

- Set absolute- and intensity-oriented emissions targets that are science-based;
- Publish detailed transition plans;
- Align corporate strategy and investments with decarbonization goals;
- Address fugitive methane emissions;
- Avoid dependence on carbon-intense unconventional oil and gas;
- Avoid investing in new drilling in sensitive areas such as the Arctic.

As part of the process of selecting and monitoring UCIs – whether promoted and distributed by Group companies or by third-party fund houses – the Group conducts ESG due diligence on the fund house, integrating the financial analysis of the UCIs with the assessment of the level of integration of SRI and/or ESG factors and the related sustainability risks. In particular, the following aspects are assessed – also through the Delegated Asset Manager:

- for all types of UCIs, irrespective of their classification under Regulation (EU) 2019/2088 (hereinafter "SFDR"), the investment decision-making processes of the fund houses;
- in the case of UCIs classified under Article 8 SFDR, the investment policies of each UCI, with regard to the promotion of, inter alia, environmental or social characteristics, or a combination thereof, as well as compliance with good governance practices by the investee companies;
- in the case of UCIs classified under Article 9 SFDR, the adoption of sustainable investment objectives in the investment policy.

To build portfolios characterized by the presence of sustainable investments[1], the Group selects financial instruments that meet jointly the following criteria:

- A positive contribution to the achievement of at least one environmental or social objective, as defined by the SFDR Regulation. This contribution may result from:
  - the issuer's activities contributing to one or more of the United Nations Sustainable Development Goals (SDGs), with a net score equal to or greater than 2, based on the Group's chosen methodology;
  - a significant share of the issuer's revenues or investments aligned with the EU Taxonomy;
  - the adoption by the issuer of a decarbonization target validated by the Science Based Targets initiative (SBTi);
- Compliance with the Do No Significant Harm (DNSH) principle, meaning no significant harm to any of the other sustainability objectives, also assessed through the monitoring of Principal Adverse Impact (PAI) indicators as set out in Delegated Regulation (EU) 2022/1288;
- Compliance with good governance practices, assessed through the adequacy of the organizational structure, the presence of an external auditor, the absence of serious controversies (e.g., corruption, labor rights violations, discrimination), and compliance with tax obligations.

Financial instruments such as Green Bonds, Social Bonds, Sustainability Bonds, Transition Bonds, or Sustainability-linked Bonds are also considered sustainable, provided that the issuer is not included in any of the exclusion lists defined by the Group.

Regarding the realization of sustainable investments through UCIs, the actual share of the fund's portfolio invested in sustainable issuers is considered, based on the data available in the official documentation or the European ESG Template (EET) provided by specialized data providers.

In addition, the Group promotes proactive engagement with issuers, both by exercising participating and voting rights, also through the Delegated Asset Manager, and through discussions with the investee companies, encouraging effective communication with the companies' management (so-called *'active ownership - engagement'*).

To enhance the sustainability factors of financial products, the Group has defined specific methods of analysis, selection, and composition of managed assets, classifying them as:

1 Regulation (EU) 2019/2088 on 'Sustainability Disclosure in the Financial Services Sector' (Sustainable Finance Disclosure Regulation - SFDR) defines a sustainable investment as *'an investment in an economic activity that contributes to an environmental objective, [...] a social objective [...], provided that investments such do not significantly harm any of those objectives and that the investee companies follow good governance practices.*

- Light green' products that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made comply with good governance practices (hereafter 'Art. 8 SFDR products');
- Dark Green' products that have sustainable investments as their objective, with or without designation of a benchmark, or that aim at reducing carbon emissions (hereinafter referred to as 'SFDR Art. 9 products').

In particular, with regard to products classified under Art. 8 or Art. 9 SFDR that have multiple investment options, the Group has provided that Art. 8 SFDR products have multiple options classified under SFDR, while Art. 9 SFDR products have all options classified under Art. 9 SFDR.

In addition, for investment products and/or options classified under Article 8 SFDR, the guidelines provide that:

- where the Internal Fund invests primarily in UCIs, the investment in such instruments classified under Article 8 or 9 SFDR must not be less than a high percentage of the total assets invested;
- if the Internal Fund does not invest primarily in UCIs, the investment in securities and/or UCIs must allow the portfolio to maintain a high weighted average ESG rating;
- In addition, at least one of the following conditions must be met to meet the sustainability preference[2]:
  - consideration, where applicable, of some of the PAI indicators provided for in Annex I of the SFDR according to a quantitative approach;
  - presence of a sustainable investment component net, where applicable, of assets invested in government bonds;
  - presence of environmentally sustainable investments (i.e. aligned to the Green Taxonomy[3]) net, where applicable, of assets invested in government bonds.

Regarding investment products and/or options classified under Article 9 SFDR, the

2 Sustainability preferences are the choice by a client to integrate, and if so to what extent, the following financial products into his or her investment: an insurance investment product for which the client establishes a minimum proportion of environmentally sustainable investments; an insurance investment product for which the client establishes a minimum proportion of sustainable investments; an insurance investment product that considers the main negative effects on sustainability factors where qualitative or quantitative elements evidencing such consideration are established by the client (Article 2 no. 4) of Delegated Regulation (EU) 2017/2359).

3 The alignment of an investment with the Regulation (EU) 2020/852 (so-called Green Taxonomy) is given by the fulfilment of the criteria laid down in Article 3 (i.e. economic activities that contribute substantially to the achievement of one or more of the objectives of the Green Taxonomy; activities that do not cause significant damage to any of these environmental objectives; activities that are carried out in compliance with minimum safeguards).

Guidelines provide that:

- The portfolio is invested, net of cash, in financial instruments (i.e. securities and UCIs) in which sustainable investment objectives are included;
- In addition, at least one of the following conditions must be met to meet sustainability preferences:
  - consideration, where applicable, of some of the PAI indicators provided for in Annex I of the SFDR according to a quantitative approach;
  - realization of sustainable investments for the entire portfolio net of cash;
  - Presence of environmentally sustainable investments (i.e. aligned to the Green Taxonomy) net, where applicable, of assets invested in government bonds.

More information on the application of the guidelines within the investment strategy of each product and/or investment option classified under Article 8 or 9 SFDR can be found in the relevant pre-contractual documentation.

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