

Summary of Policy relating to the Principal Adverse Sustainability Impact (PAI) of the Intesa Sanpaolo Vita Insurance Group, pursuant to Reg. EU 2019/2088 SFDR (Sustainable Finance Disclosure Regulation)

June 2021

Principal Adverse Sustainability Impacts (hereinafter also “PAI”) are indicators which are intended to represent the extent to which Fideuram Vita S.p.A. (as part of the Intesa Sanpaolo Vita Insurance Group, hereinafter also “the Company”), investment decisions could have negative impacts on sustainability factors related to environmental, social matters or on issues relating to relations with employees, respect for human rights and fight against active and passive corruption.

Specifically, PAI indicators have been identified in line with the objectives already expressed by the Insurance Group in the Policy on Sustainability and in the Sustainable and socially responsible investment Policy.

Fideuram Vita S.p.A. has therefore carried out a first prioritization of the PAI indicators on which has also conducted a preliminary analysis of the coverage level of each indicator within the investment universe, considering the percentage of companies that disclose such information. Coherently, the firm might periodically review the indicators, also accounting for the relevant regulatory evolution.

Within the process for the identification of the indicators to be monitored, the list of “non-socially responsible sectors” defined in the Sustainable and socially responsible investment Policy has been accounted for. In particular, this list excludes corporate issuers characterized by a direct involvement in the manufacturing of controversial weapons as well as of issuers for which an involvement in mining activities or production of electricity connected to the thermal coal has been identified. Fideuram Vita S.p.A. considers as priority, monitors and evaluate the following indicators:

THEME	PAI INDICATOR
Greenhouse gas emissions	Greenhouse gas emissions (scope 1 and scope 2)
	Carbon footprint
	GHG intensity of investee companies (greenhouse gas emissions in relation to sales)
	Exposure to companies active in the fossil fuel sector
Emissions	Share of non-renewable energy consumption and production
	Investments in companies without carbon emission reduction initiatives

Social and employee matters	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
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In addition, taking into account the sustainability strategic guidelines expressed in the Policy on Sustainability, further indicators related to social and governance aspects are identified as priorities:

THEME	PAI INDICATOR
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises Board gender diversity
Anti-corruption and anti-bribery	Lack of anti-corruption and anti-bribery policies

Fideuram Vita S.p.A. plans to extend monitoring to further indicators as data availability increases.

The PAI indicators identified will be used as ESG risk indicators of the issuers of the financial instruments present in the products offered by the Company. In this sense, it's expected that the Company will evaluate the performance of the issuers both at the single indicator level and with regard to all the relevant indicators, possibly also accounting for the specific sector of the issuer.

Issuers who are marked by a particularly inadequate level of performance - for a single indicator or for the whole set of relevant indicators - or by the low data availability compared to the rest of the market - can be brought to the attention of the Investment Committee by the Company Risk Management function with the support of the Intesa Sanpaolo Vita Finance and Actuary Area. The former will choose among three potential lines of action:

- Engagement: inviting the Delegated Manager to carry out an engagement procedure toward the issuer, indicating the performance linked to the PAI on the basis of which the progress of the engagement activity itself will be evaluated;
- Exclusion: by inserting the issuer in the exclusion lists;
- No action: in case the negative performance of the security is deemed acceptable and not indicative of the actual performance of the company. Constant monitoring of the issuers performance will be maintained.

Fideuram Vita S.p.A., consistent with its Policy on Sustainability, applies PAI indicators inspired by the Paris Agreement and the Sustainable Development Goals (SDGs) set by the United Nations 2030 Agenda.

Furthermore, the choices in terms of identification, prioritization and monitoring of PAI indicators were made taking into consideration various conventions, international standards and best practices, including:

- Principles for Sustainable Insurance (PSI), signed in 2019;
- UN Global Compact principles;
- UNEP FI;
- Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

The Company has also specific processes and procedures (in terms of planned activities, roles and responsibilities of the functions involved) aimed at ensuring an adequate process of prioritization, selection, management and monitoring of *principal adverse sustainability impacts* (PAI).