

Sustainable Investment Policy

Responsibilities

Preparation: Investments Division and Fidelidade Property

Review: Sustainability Division, Risk Division, Life-Financial Division, Compliance Division, Legal Division and General Directorate of Corporate Affairs

Final approval: Executive Committee

Approval

Executive Committee: 16/12/2025

Version history

Version	Date	Summary of Changes
1.0	14/06/2023	First Version
2.0	27/08/2024	Commitments update and addition of a new point about net zero plan
3.0	16/12/2025	Commitments update and new chapters

Summary of the main changes from the last version

Chapter / annex revised	Summary of Changes
Scope of investments and methodologies	New chapter: Definition of the scope and methodology where this policy is applicable.
Exclusion/Negative screening	Review and redefinition of objectives and targets.
Best in class approach/Positive screening	Review and redefinition of objectives and targets.
Proxy Voting/Engagement	New guidelines
Divestment	New chapter: Definition of the Divestment Strategy
Climate Solution Investment	New chapter: Definition and guidelines
External Management	New chapter: demonstrate the importance It is important that external mandates fully adhere to this policy.
Investment Process – Real Estate	New guidelines
Responsibilities	Update of the responsibility table. DGR's responsibility for monitoring the limits established in the policy has been temporarily suspended, while a process is underway to enable the availability of all necessary data through Datamart.

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1. INTRODUCTION

Fidelidade Group acknowledges the strong value proposition in what relates to the transition to a sustainable world, in the financial sector as a whole and in the insurance sector as a specific case. Fidelidade Group is committed to achieving the Sustainable Development Goals (SDG) – UN 2030 Agenda, with SDG 3 – Good Health and Well-Being, SDG 8 – Decent Work and Economic Growth, SDG 9 – Industry, Innovation and Infrastructure, SDG 10 – Reduced Inequalities, SDG 12 – Responsible Consumption and Production, SDG 13 – Climate Action and SDG 17 – Partnerships for the Goals as priorities. This same policy goes hand in hand with the SDGs as a lever for achieving them.

With this background, Fidelidade Group has a strong conviction that integrating **E**nvironmental, **S**ocial and **G**overnance (“ESG”) factors in its global investment strategy will contribute to creating long-term value for its policyholders and all the other stakeholders.

Conforming with the commitment to Sustainable business, Fidelidade Group has signed a set of initiatives with sustainability programs outlined by international and domestic organizations, which guide its positioning and its performance as a responsible and sustainable Entity, namely, UN Global Compact, PSI – Principles of Sustainability Insurance and Charter of Principles of BCSD Portugal.

Fidelidade – Companhia de Seguros, S.A. (“Fidelidade”) also joined, in October 2023, the internationally-recognized Principles for Responsible Investment (UN PRI)¹ and, in March 2024, became a member of the UN-convened Net-Zero Asset Owner Alliance (NZAOA)².

Fidelidade is now a founding member of a new initiative of the UN Environment Program (UNEP), the Forum for Insurance Transition to Net Zero (FIT). FIT is a new multi-stakeholder dialogue forum led by the UNEP and convened to support the necessary acceleration and expansion of voluntary climate action by the insurance sector and key stakeholders³.

Through FIT, UNEP will deepen and reinforce its commitment to work with the global insurance sector and key stakeholders to support the acceleration and intensification of the transition to a Net Zero economy, as part of the solution to the global climate crisis and towards the vision of a resilient, sustainable and prosperous future for all.

¹ Created in 2005, and sponsored by the UN, PRIs are the most relevant commitment of the institutional investment community at a global level to recognize the role of responsible investment in pursuing universal principles in the areas of human rights, the environment and fighting against corruption.

² The NZAOA is a member-led initiative of institutional investors committed to transitioning their investment portfolios to net zero GHG emissions by 2050 – consistent with a maximum temperature rise of 1.5°C. The Alliance members are from the finance industry, setting intermediate targets, which include CO2 reduction ranges for 2025 (22 – 32%) and for 2030 (40% – 60%).

³ The creation of the Forum represents an important new opportunity for UNEP. The insurance sector and key stakeholders consider the experience gained with the Net-Zero Insurance Alliance (NZIA), which transformed net-zero insurance for the first time from theory to practice.

Fidelidade Group Sustainable Investment Policy follows Group's global sustainable approach mentioned above and aims to comply with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure in the financial services sector and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. With legal regulation in rapid evolution, all other normative provisions approved or to be approved in terms of sustainability will also be considered in investments.

This policy applies to the Fidelidade Group insurance Companies in Portugal.

The principles contained in this Policy will apply as guidelines to the Group insurance companies in other geographies.

2. INVESTMENT MANAGEMENT PRINCIPLES

Fidelidade Group believes that adopting a sustainable Investment strategy foremost facilitates a better understanding of risks and opportunities of underlying investment portfolios, but at the same time strengthens the overall profile of environmental, social and governance practices of Fidelidade Group itself. It is, therefore, of paramount importance to incorporate the ESG factors into the conventional investment process alongside traditional financial analysis factors. Ultimately such a strategy has the purpose of controlling exposure to investees whose conduct is not aligned with Fidelidade Group's principles, or the efforts of Fidelidade Group on the engagement approach with whom prove to be unsuccessful.

The following principles provide a general framework for Fidelidade Group Sustainable Investment strategy:

- Fidelidade Group applies a long-term approach;
- Fidelidade Group considers all ESG factors, particularly those having material financial impacts with the purpose of reducing exposure to issuers whose behaviors are not aligned with the Group's principles and investment strategy;
- Fidelidade Group identifies ESG risk factors and incorporates them into its general risk management and monitoring process;
- Fidelidade Group acknowledges that sustainable investment is an ongoing journey. The sustainable investment approach is expected to evolve to reflect changes in business practices, structures, technology, and regulations;
- Evaluate climate change-related risks and opportunities of investees and reflect them in our investment decisions;
- Conduct engagement centered on investees for which climate change poses a considerable risk, and encourages them to reduce greenhouse gas emissions.

In 2020, Fidelidade Group integrated ESG principles during the review of its Investment Policy, which is called “ESG Factor Compliant”. These principles evaluate aspects, namely the composition and responsibility of the board of directors, human capital stability, as well as sound and responsible environmental practices that signal operational excellence and management quality.

With respect to direct investment, Fidelidade Group leverages a third party’s independent data to implement internal controls on investment portfolios’ ESG metrics.

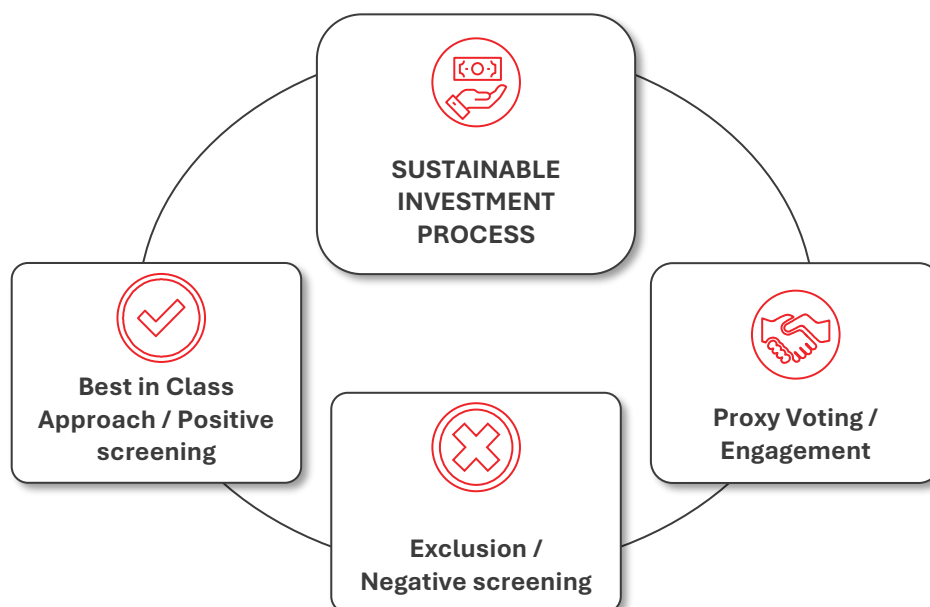
3. INVESTMENT PROCESS – FINANCIAL ASSETS

3.1. Strategy

Fidelidade Group affirms that ESG factors have material impacts on investment returns. Consequently, they are integrated into both pre-investment (namely investment analysis and the investment decision-making) and post-investment (monitoring and performance review) processes.

Fidelidade has also developed an internal methodology to classify its assets allocated to insurance-based investment products (IBIPs). According to this methodology, assets can be classified as "Assets that promote environment and/or social characteristics", "Sustainable assets" or "Others".

Fidelidade Group ESG direct investment strategy takes into consideration three main dimensions:



3.2. Scope of Investments and Methodologies

This Policy covers direct investments in both listed and unlisted equity and debt instruments. Fidelidade adopted a methodology for carbon footprint calculation available on Relatório Único Integrado de Gestão, since 2024.

Sovereign and sub-sovereign debt instruments are treated according to Assessing Sovereign Climate-related Opportunities and Risks (hereinafter, "ASCOR"), a pilot framework for sovereigns' climate-risk assessment as well as Supranational and agency issuers that are treated as sovereign or sub-sovereign entities.

Methodology

The ASCOR tool is a framework of indicators that will be accompanied by a long-term database of country assessments, transparently presenting the progress made by governments on managing the low-carbon transition and the impacts of climate change.

The framework is founded on three pillars:

1. Emission pathways;
2. Climate policies;
3. Opportunities to finance the transition.

While the first two pillars inform investors about the effectiveness and performance of sovereigns in managing climate change, the third pillar, in contrast, sets out the landscape of climate risks and opportunities that countries face. The ASCOR tool will provide a comprehensive framework and rigorous country assessments, but it will be for individual investors to decide how to use this information.

The score for each country is calculated in three steps:

1. Each indicator in the ASCOR database is transformed into a binary variable: "Yes" is coded as 1, "No" as 0, and values such as "No data," "Exempt," and "Not applicable" are excluded.
2. Each binary variable is assigned a weight, ensuring that the overall weight of each ASCOR area (e.g., Emissions trends, 2030 targets) remains constant.

The overall score is calculated as a weighted sum of the binary variables, multiplied by their respective weights:

$$SCORE_{country} = \sum_{i=1}^{\# \text{ of indicators}} (Binary_{country}^i \times Weight_{country}^i)$$

$$Weight_{country}^i = \frac{1}{\# \text{ of indicators in the relevant area}} \times \frac{1}{\# \text{ of active areas}}$$

An indicator is considered active if it is marked as either "Yes" or "No."

An area is considered active if it contains at least one active indicator.

Fidelidade goal on Sovereign and sub-sovereign debt instruments is to keep the average weighted portfolio score above the European Union countries average score.

3.3. Exclusion / Negative screening

Fidelidade Group does not consider new investments in socially controversial industries. More specifically, the underlying company cannot derive revenue from the manufacturing of tobacco or controversial weapons, including nuclear, biological, and chemical weapons, civilian firearms, depleted

uranium, incendiary (white phosphorous), and laser-blinding weapons. Additionally, the underlying company cannot generate more than 25% of its revenues from gambling activities.

Legacy portfolios, particularly those with exposure to high-carbon assets, require a structured, science-based transition plan to mitigate climate risks, uphold fiduciary duties, and meet stakeholder expectations. This proposal outlines a four-pillar framework for insurers to achieve GHG neutrality across legacy holdings while maintaining financial resilience.

To comply with the objective of achieving GHG net-zero emissions for the investment portfolio by 2050, Fidelidade Group is committed to the following guidelines:

- No new investments in utilities with more than 5% of revenues derived from coal;
- A cap of 2,5% of Assets Under Management [Total corporate bonds (excludes Sovereigns and Funds) + Equity (excludes funds)], from companies related to the Manufacture of refined petroleum products and fossil fuel products and Extraction of crude petroleum;
- Do not surpass the portfolio [Total corporate bonds (excludes Sovereigns and Funds) + Eq (excludes funds)] carbon intensity average of 500 tCO₂eq/US\$m;
- Do not surpass the portfolio carbon intensity average of 500 tCO₂eq/US\$m.

Exceptions

It is expected that some exceptions may be applied. Fidelidade recognizes that certain instruments, even when issued by entities involved in excluded sectors such as fossil fuels, may support credible transition pathways. Therefore, exceptions to divestment or exclusion may be considered in cases where:

- The instrument is a green, sustainability-linked, or transition bond explicitly earmarked for financing environmentally beneficial projects;
- The issuer provides clear, detailed, and verifiable information on the bond's use of proceeds, alignment with recognized green bond frameworks (e.g., ICMA Green Bond Principles), and progress toward stated environmental goals;
- The issuer demonstrates a credible transition strategy, including science-based targets or commitments aligned with the Paris Agreement;
- The company has an approved Science-Based Target (SBTi), or an equivalent validated target, aligned with the goals of the Paris Agreement.

To align with the principles expected by responsible investors, Fidelidade is committed to not invest in companies that:

- Have ESG Rating high or severe.

- Have controversy levels⁴ 4 high or 5 severe associated with environmental, social, and/or governance topics.
- Do not comply with the United Nations Global Compact Principles and/or the OECD Guidelines for Multinational Enterprises on responsible business conduct.

3.4. Best-in-Class Approach / Positive Screening

Fidelidade Group integrates ESG factors in its investment process through a strong preference for investees with sustainable business models and promoting long-termism, both of which should create a lasting performance. Thanks to the assessment of ESG factors of each investee, it enables us to identify and respond to possible risks and opportunities at environmental, social and governance levels. The goal of such an investment process is to positively screen out that best performing in ESG aspects and reduce those deteriorating in their ESG outlooks throughout the process of portfolio construction.

The integration process is achieved by complementing the traditional fundamental analysis with paid data and analysis from at least a tier-one ESG research provider focusing on ESG risk, framed with a rating interval between negligible risk (best) and severe risk (worst), with equivalence to a score, that ranges from 0 (best) to above 40 (worst), from Sustainalytics. Other providers may be used, which although they may have a different classification system, allows distinguishing which assets have the best and worst classification within the same rationale mentioned above.

Fidelidade therefore incorporates the following guidelines for managing investment portfolios:

- Portfolios shall consist of at least 75% of assets with ESG rating⁵;
- Portfolios should have a minimum weighted average ESG rating of low risk⁶;
- Based on the ESG assessment, Companies revealing their involvement in industries and/or sectors referred to in 3.1 - Exclusions / Negative screening, are either (i) excluded from the investment universe if not meeting Group requirements (Restricted List) or (ii).
- strictly monitored and possibly engaged if presenting some poor ESG practices (Watch List).
- While investing in Sovereign bonds, Fidelidade will aim to improve our ASCOR score to 0.60⁷;
- Portfolios should have at least 9% of AuM portfolio invested in Sustainable bonds (green, social, blue, sustainable and sustainable-linked bonds).

⁴ Controversies levels from Sustainalytics (0 – No evidence of controversies; 1 - Low; 2 - Moderate; 3 - Significant; 4 – High; 5 – Severe).

⁵ Companies Group has the same ESG Rating as Fidelidade – Companhia de Seguros, S. A., except for Real Estate companies. The public debt rating is according to ESG Country Risk.

⁶ ESG rating from Sustainalytics (0% a 10% - Negligible; 11% a 20% - Low; 21% - 30% - Medium; 31% - 40% - High; 41+% - Severe, but other providers may be used, with the equivalent classification applying).

3.5. Proxy Voting / Engagement

In line with the **Fidelidade Engagement Policy** and **Proxy Voting Guidelines**, the Fidelidade Group is committed to strengthening its role as an active owner by expanding the scope of shareholder voting and enhancing engagement with investee entities on material ESG issues.

Our approach prioritizes proactive voting and engagement in the following key areas, particularly in response to ESG controversies or potential violations of globally recognized standards:

- Local and international legislation;
- Climate Action 100+, Support for science-based emissions reduction targets (SBTi) and Paris-aligned transition plans and Principles for Responsible Investment (PRI) Active Ownership Working Group;
- Board Accountability: Voting against directors of companies failing to address material ESG risks (e.g., climate, human rights);
- Social Equity: Advocacy for fair labor practices, diversity (gender/racial), and community impacts;
- Recognized international standards (UN Global Compact, UN Guiding Principles on Business & Human Rights, OECD Guidelines for Multinationals and UN Sustainable Development Goals);
- We will engage all entities presenting ESG relevant issues, namely worst carbon footprint reported results and worst reported principal adverse impacts (PAIs) indicators;
- Our engagement consists in contacting the signaled entities either by mail, letter or call, questioning what measures will be implemented in the near future to mitigate the current results;
- Net Zero Engagement to align our portfolio with the goals of the Paris Agreement, as set out by our net zero commitments;
- When engagement efforts do not result in measurable progress, we will escalate our stewardship activities, including voting against management proposals (e.g., say-on-climate, director re-elections);
- Divesting from repeat offenders after a 2-year remediation period.

Additionally, Fidelidade actively collaborates with investor initiatives, such as those aligned with the **PRI's Active Ownership Working Group**, to enhance our collective influence and drive systemic changes across markets.

3.6. Divestment strategy

Should the implementation of this Policy require the divestment of pre-existing holdings, positions of the affected companies shall be divested in a timely manner, considering prevailing market conditions and acting in the best interests of the policyholders. Holdings in private market investments may be retained until the maturity of the respective investment. No new investments shall be permitted in either publicly traded or privately held instruments of the affected companies.

3.7. Climate Solution Investment

Climate solutions investments are investments in economic activities considered to contribute to climate change mitigation (including transition enabling) and adaptation, in alignment with existing climate related-sustainability taxonomies and other generally acknowledged climate-related frameworks as the International Capital Market Association (ICMA), Green Bond Principles (GBPs), the Climate Bond Initiative (CBI), the Loan Syndications and Trading Association (LSTA) Green Loan principles, and others.

As member of Net Zero Asset Owner Alliance, Fidelidade should align investment portfolios towards a net-zero world and to finance the net-zero transition. The Alliance's Transition Financing Track's efforts contribute to increasing the scale, pace, and geographic reach of financing the net-zero transition. Therefore, Fidelidade should increase the amount allocated to these investments. Thus, showing positive stance towards net zero goals, rather than negative screening process.

4. EXTERNAL MANAGEMENT – FINANCIAL ASSETS

In accordance with Fidelidade's responsible investment framework, the Fidelidade Group considers ESG factors when selecting, appointing, and monitoring external investment managers in all asset classes. Investment Division strives to ensure that delegated investments are consistent, to a reasonable extent, with our sustainability goals and stewardship principles. Fidelidade assesses external investment managers based on the following responsible investment aspects:

- Commitment and experience with responsible investment;
- Existence of responsible investment and proxy voting policies;
- Governance and senior-level ESG accountability;
- Integrating material ESG and systemic sustainability issues into investment processes and portfolio construction;

- Transparency in ESG reporting and compliance with internationally recognized norms (e.g., Paris Agreement, UN Global Compact, TCFD);
- Participate in joint stewardship and policy engagement projects;
- Evidence of outcomes from stewardship actions;
- Contractual agreements now include ESG criteria.

Ongoing monitoring evaluates the implementation of ESG commitments and the effectiveness of stewardship, to the extent relevant, in alignment with Fidelidade's investment objectives.

5. INVESTMENT PROCESS – REAL ESTATE

For Real Estate Assets, the analysis of the relevant sustainability factors for new investments is being incorporated as part of the pre-acquisition Due Diligence process, through the appointment of ESG advisors. This includes:

Environmental:

1. Carbon footprint assessment (embodied + operational emissions).
2. Climate risk exposure (flood, fire, sea-level rise per IPCC scenarios).
3. Energy efficiency (EPC ratings, renewable energy potential).

Social:

1. Tenant welfare (accessibility, air quality, natural light).
2. Community impact (affordable housing provisions, local employment).

Governance:

1. Compliance with EU Taxonomy and SFDR regulations.
2. Anti-corruption and fair procurement practices.

Thresholds for Acquisition:

1. Minimum LEED Gold or BREEAM "Very Good" certification for commercial assets.
2. No acquisition of properties in high physical risk zones (e.g., >1% annual flood probability).

Additional analysis can be performed:

- Throughout the assets' lifecycle, a detailed and regular analysis is performed of what concerns the assets' relevant ESG characteristics, to identify and implement the necessary initiatives to ensure the assets' compliance with the appropriate ESG standards and continuous improvement from a sustainability point of view.
- Furthermore, a periodic review is conducted with the aim of obtaining (or improving) the assets' relevant ESG certifications (e.g., LEED, BREEAM, WELL, etc.) in line with the best market practices.

6. TRANSITION PLAN

As an important milestone in our broader ESG responsibilities, we have defined our journey towards Net Zero (NZ) by setting up NZ-aligned science-based emission reduction targets on our investment portfolios. Specifically, for our portfolios, we have set an ambition to be Net Zero by 2050, with interim targets set for 2030, whereas for our operations we have an ambition to be Net Zero by 2040, with interim targets for 2025.

To ensure delivery of our targets, we regularly monitor and track the progress achieved through our actions. This will allow us to assess key metrics employed to reduce our emissions and their impact on our business and broader society so that we can adequately steer the process.

Our transition plan is summarized in Figure 1.

Table 1 – Transition Plan and GHG reduction targets

	LISTED EQUITIES & CORPORATE BONDS companies with reported emission data	REAL ESTATE direct investments
BASELINE	0,137 ktCO ₂ e/Mn€ ⁷ emission intensity over AuM	35,40 kgCO ₂ e/sqm emission intensity over sqm
INTERIM TARGETS 2030 vs 2022	-40%	-45%
NET ZERO TARGETS	2050	2050

To achieve these targets, we aim to actively steer our portfolios towards lower emissive companies and assets, for instance, by allocating liquidity from mature bonds towards less emissive intensive issuers.

Company engagement will also be a key measure to get better transparency on NZ transition plans of our investees and encourage emission reduction target-setting. In addition to our Net Zero targets, we are committed to enhancing our ESG (Environmental, Social, and Governance) practices.

By 2025, our goal is to have 75% of our asset portfolio reviewed, according to ESG criteria.

⁷ Baseline value considers the following companies: Fidelidade, Fidelidade Assistência, Fidelidade Re, Multicare, Tenax and Via Directa, which combined represented a majority share of the portfolio of these asset classes for the whole Group totaling 91% in 2022. Both Interim and Net Zero targets are set for the whole Group scope.

7. RESPONSIBILITIES

The definition of the general principles and the implementation of this policy are carried out by the Investment Division and Fidelidade Property, respectively, with Fidelidade's Operational Sustainability Committee being responsible for reviewing and verifying compliance with the strategy and policies established in matters of Responsible Investment in managed assets. The Operational Sustainability Committee meets on a regular basis, and it has the participation of the Investment and Sustainability divisions, along with members of the Executive Committee (namely CEO and CIO) as permanent members. The CEO will also have the managerial responsibility for responsible investment.

Activities	Responsibilities				
	DIV/FPE	DJN	DSU	Sustainability Committee	Executive Committee
Definition of General Principles	●		●	●	●
Implementation of Sustainable Investment Policy	●		●	●	●
Control and Monitoring	●	●	●	●	●

● Execution
● Review
● Approval

Companies outside of Portugal define their responsibilities for the investments they are managing, in accordance with the strategic guidelines defined for the Group.

8. REVIEW AND PUBLICATION

This Policy is articulated with other Fidelidade Group's Internal Rules, Code of Ethics and Conduct, Sustainability Policy, and Investment Policy and will be reviewed, at the initiative of Investment Division, regularly or whenever internal and/or external changes occur with relevant impact.

This Policy is published on Fidelidade's website (www.fidelidade.pt), and in the internal repository of existing Policies and regulations.