



PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

June 2023

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FOREWORD

This document represents the Principal Adverse Sustainability Impacts statement of Eurizon Asset Management Croatia d.o.o. as well as Eurizon Capital SGR S.p.A. (hereinafter "Eurizon Capital SGR" or the "SGR") and the Subsidiaries belonging to the *Asset Management* Division of the Intesa Sanpaolo Group (hereinafter also "Subsidiaries") pursuant the provisions of (i) Article 4 of Regulation (EU) 2019/2088¹ of the European Parliament and of the Council on sustainability reporting in the financial services sector (so-called "*Sustainable Finance Disclosure Regulation*" or "SFDR Regulation") and (ii) related implementing rules² (Delegated Regulation (EU) 2022/1288, as amended).

As financial market participants and financial advisors according to the SFDR Regulation, Eurizon Capital SGR and its Subsidiaries (hereinafter, for simplicity, also referred to as "Eurizon"), are committed to provide transparency on the way they take into consideration the main negative effects of investment decisions on the sustainability factors³ of financial products offered to their clients.

¹ Article 4 (1) (a) of the SFDR: "*Financial market participants shall publish and update on their websites [...] where they consider the main adverse effects of investment decisions on sustainability factors, a statement of their due diligence policies with respect to those effects, taking due account of their size, nature and scale of activities and the type of financial products they make available.*"

² The Delegated Acts specify the content, methodologies and presentation of information required by article 4 of the SFDR Regulation in relation to the main negative impacts at entity level for relative sustainability indicators (i) climate and other negative environmental and (ii) social and employee issues, respect for human rights, fight against corruption and enforcement.

³ This includes environmental, social and employees' issues, respect for human rights, and issues related to fighting active and passive corruption.

1. PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

FINANCIAL MARKET PARTICIPANT/ FINANCIAL ADVISER:	LEI CODE:
Eurizon Asset Management Croatia d.o.o.	549300DU2TJ72XCUUN84

1.1. SUMMARY

Eurizon Asset Management Croatia d.o.o. (LEI Code: 549300DU2TJ72XCUUN84) considers the principal adverse impacts of its investment decisions on sustainability factors.

This statement (hereinafter also the "Statement") is the consolidated statement on the main negative effects on the sustainability factors of Eurizon Asset Management Croatia d.o.o. as well as Eurizon Capital SGR and its subsidiaries, namely the following companies belonging to the Asset Management Division:

NAME OF THE COMPANY	LEI CODE	REGISTERED OFFICE	FINANCIAL MARKET PARTICIPANT	FINANCIAL ADVISER
Eurizon Capital SGR S.p.A.	549300JNH2DV17Z80F28	Italy	●	●
Epsilon SGR S.p.A.	549300HXZ6TEM6LDG325	Italy	●	●
Eurizon Capital Real Asset SGR S.p.A.	81560081EB02F8095508	Italy	●	
Eurizon Capital S.A.	549300Y5CH882WUHEV92	Luxembourg	●	●
Eurizon Asset Management Slovakia, Správ. Spol., a. S.	31570020000000002796	Slovakia	●	
Eurizon Asset Management Hungary, Ltd.	529900 BUTOYN9W7Y6103	Hungary	●	●
Eurizon Asset Management Croatia D.O.O.	549300DU2TJ72XCUUN84	Croatia	●	●

The Statement covers the reference period from 1 January to 31 December 2022.

The fiduciary commitment to its clients and investors and, more generally, to the other stakeholders, requires an effective approach to sustainability issues, with particular reference to the returns on its financial products and to the companies in which Eurizon invests in on behalf of its managed assets. The Asset Management Division believes that issuers that implement high social, environmental and governance standards are able to generate sustainable performance in the long-term.

Eurizon's commitment envisages the adoption and application of specific criteria for the selection and monitoring of investments that take into account environmental, social and governance factors (the "*Environmental, Social and Governance factors*" - ESG) and Sustainable and Responsible Investments (the "*Sustainable and Responsible Investments*" - SRI) principles, as well as financial analyses of risk/return profiles.

The controls are tailored on (i) the size, nature and scope of the activities carried out by the individual Companies, as well as (ii) the characteristics, objectives and investment limits of the individual financial products made available to clients, and are also aimed at:

- avoid that ESG related conditions may lead to a significant, actual or potential, negative impact on the value of investments, also depending on the nature of specific areas of activity;
- capture issuers' ability to benefit from sustainable growth opportunities in terms of revenue generation.

Eurizon ascribes importance to active collaboration with the companies it invests in, with the aim of (i) promote behaviours that favor aspects of sustainability of investments and high *standards of governance* of the investee issuers and (ii) increase the value of investments from an economic and financial point of view.

Given that some areas are lagging in promoting higher *standards* of sustainable development, and that certain industries are structurally more exposed to risks and benefit from fewer opportunities for sustainable growth, Eurizon believes that evaluations should be performed taking into account the

geographical and/or sectoral context and the ability of companies to implement sustainable development strategies, to start a process of transitioning their *business* model or to seize development opportunities. These evaluations are also carried out with the support of a proprietary scoring model, called "*Eurizon ESG Score*" and by the internal structures' analysts overseeing investment decisions on behalf of managed assets.

While many of the investments made on behalf of financial products are likely to generate a positive impact on the investee's companies and its *stakeholders*, assets held by Eurizon's products may involve negative effects on the environment or on people (so-called "main negative effects on the sustainability of investments").

Given the wide range of activities, geographical areas and sectors in which the companies belonging to the Asset Management Division invest on behalf of their respective managed products, the potential negative effects deriving by investments are not homogeneous. Eurizon, however, believes that an adequate monitoring of the exposure to social and environmental issues is necessary to mitigate the potential negative effects of its investments. The investee's exposure to sustainability risks⁴ may in fact cause direct or indirect effects on the financial *performance* of its investments, in addition to reputational and ethical risks. To this end, Eurizon attaches importance (i) respect for human rights and fight against the production of unconventional weapons, (ii) exposure to environmental issues and (iii) to the critical issues relating to corporate governance.

Therefore, Eurizon is actively committed to mitigate the negative impacts of investments through the implementation of specific strategies that envisage (i) the negative screening of SRI and ESG factors, (ii) the positive integration of ESG factors in the analysis, selection and composition of financial portfolios and (iii) the engagement with investee companies. Furthermore, to protect its investors and stakeholders, Eurizon foresees specific mechanisms (i) of transparency in relation with the approach adopted towards the sustainability of investments as well as (ii) of risk management, in order to monitor informed investment decisions by managed assets.

Through this Statement Eurizon undertakes to make the results of monitoring the above indicators transparent with respect to the assets under management, with the aim of allowing its clients and investors to make informed decisions on their investment choices.

In accordance with the provisions of the rules implementing the SFDR Regulation, the statement is also made available (i) in English, (ii) in the official language of the Member States of Subsidiaries and (iii) in the additional languages of the Member States in which their financial products are marketed.

2. DESCRIPTION OF PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS

This section describes the policies, approved by Eurizon Capital SGR in the Board of Directors held on 28 June 2023, aimed at identifying and prioritising the main negative effects of Eurizon's choices on sustainability factors, i.e. the adverse effects of investment decisions or investment advice on environmental, social and governance issues.

In particular, the following paragraphs show:

- Eurizon's process to identify the main negative effects of investment decisions on sustainability factors, with specific reference to (i) roles and responsibilities for policy making and implementation, (ii) the methods used to select the "*Principal Adverse Impact indicators*" (or 'PAI') and (iii) the error margins associated with the methodologies implemented and related data sources used;
- The reporting, referring to 2022, of environmental, social and governance indicators considered by Eurizon in accordance with current legislation.

⁴ An environmental, social or *governance* event or condition that, if the event occurs, could have a material adverse impact on the value of the investment.

2.1. PROCESS GOVERNANCE

The identification of the main negative effects of the investment choices on sustainability factors and the definition of the related mitigation actions are an integral part of Eurizon's approach to sustainability. To pursue its fiduciary commitment to clients and investors and, more generally, to other stakeholders, Eurizon has implemented a specific organisational model (the "framework"), which requires the involvement of the corporate bodies and the competent corporate structures, in order to ensure that these activities are carried out (i) the correct implementation of sustainability policies and (ii) a close monitoring of the risks to which financial products are exposed.

In this regard, the Long-Term Sustainable Strategies (LTSS) and ESG & Strategic Activism structures of the Investment Department and the Risk Management Function of Eurizon Capital SGR oversee the activities of identification, analysis and prioritisation of the main negative effects of the investment decisions on sustainability factors by monitoring the appropriate adverse impact indicators, made using the data acquired from a specialised information provider.

To this end, the Environmental, Social and Governance⁵ Committee (the ESG Committee):

- Monitors, taking into account the available data, the implementation - at sub holding level - of the main environmental, social and governance indicators, defining the appropriate actions to mitigate the negative effects associated with sustainability risks;
- Sets out proposals for the Board of Directors regarding the priorities to be adopted for the following period;
- Presents the annual Statement on the main negative effects of investment decisions on sustainability factors.

The results of the analyses are also presented to the Committee Financial, Credit and Operational Risks, the collegial body responsible for monitoring the negative effects of the investment decisions on the assets managed, as well as for evaluating the actions to mitigate the negative effects associated with sustainability risks and of the priorities to be adopted for the following period.

Eurizon⁶ is committed to:

- continue to develop its Sustainability Policies, with the objective of fostering an effective integration of ESG factors into the Investment Process, also by adopting new strategies for negative and/or positive asset selection;
- activate specific *engagement* actions, after discussion with the ESG Committee, with regard to investee companies that highlight critical sustainability issues, according to the priorities defined in the SGR's Engagement Policy in order to support them towards the improvement of their practises of sustainability by evaluating, only ultimately, the disposal of investments.

2.2. CONTROLS ADOPTED FOR THE MITIGATION OF SUSTAINABILITY RISKS

Eurizon believes that most economic activities can influence many indicators of sustainability, both positively and negatively. These effects may assume significant connotations both in the previous phase

⁵ The *Environmental, Social and Governance* Committee is an advisory body supporting the CEO (i) defining the proposals to be submitted to the Board of Directors regarding sustainability policies, (ii) monitoring the implementation of strategies involving negative screening of SRI and ESG factors, positive integration of ESG factors, analysis, selection and composition of financial portfolios, and confrontation with investee companies.

⁶ As the lead company of the Asset Management Division, Eurizon Capital SGR provides its subsidiaries with specialist expertise:

- Within the definition of the respective Sustainability Policies;
- Corporate Governance and *Sustainability* units of the ESG & Strategic Activism structure for the purposes (i) spreading and implementing investment sustainability principles, promoting the integration of environmental, social and governance factors into the Investment Process; (ii) the monitoring of market *practises*, in order to promote innovations in business methodologies and processes; and (iii) activating the *engagement* process towards critical issuers;
- The LTSS team, for the purpose of monitoring corporate issuers aimed at identifying those (i) deemed 'non responsible' and (ii) with high exposure to ESG risks ('critical issuers'); the structure also handles the identification and prioritisation of the main negative effects of investment decisions on sustainability factors and is the centre of expertise for disseminating management strategies in the ESG and SRI context within the Division.

and during the maintenance of the portfolio instruments and require periodic re-evaluation to the financial market participants and advisers.

While the effects of investment decisions on sustainability factors should be considered according to the different range of activities, geographical areas and sectors to which the products managed are exposed, Eurizon believes that adequate monitoring of exposure to social and environmental issues is a priority in order to mitigate the potential adverse effects of its investments.

For these reasons, the assessment of the main negative effects deriving from investments represents a significant aspect of Eurizon's Investment Process, which provides for the integration of ESG factors and SRI principles as well as the implementation of an articulated risk control and return measurement process, in order to maintain a correct balance in the risk/return profile of the financial products offered to clients.

In order to mitigate sustainability risks, Eurizon has adopted specific controls - appropriately graded according to the features and objectives of the individual financial products - which provide for the use of mechanisms⁷ of:

- Negative screening, in the form of restrictions and exclusions, with the aim of mitigating the risks of exposure to companies operating in sectors considered 'non responsible' or experiencing ESG critical issues; these restrictions apply to all products that integrate sustainability risks in investment decisions, in accordance with the requirements of article 6 of the SFDR Regulation;
- Positive screening of ESG factors in the analysis, selection and composition of financial portfolios, in accordance with good governance practices; this category includes products that promote, among others, environmental or social characteristics, or a combination of them or that have sustainable investment objectives, in accordance with Articles 8 and 9 of the SFDR Regulation, i.e. which aim to:
 - Building portfolios characterised by (i) an ESG score above that of its investment universe, (ii) investment selection processes based on specific positive and negative criteria as provided for in offering documentation, such as ethical and thematic products; (iii) sustainable investment criteria based investment selection processes under the SFDR Regulation by investing in issuers whose activities contribute to one or more sustainable development goals, such as the Sustainable Development Goals (SDGs) promoted by the United Nations; (iv) investment selection process based on the selection of units of other UCIs (the target UCI), (v) investment selection processes that take into account logics for the construction of the respective benchmarks identified on the basis of environmental, social and governance criteria, (vi) processes for selecting governmental issuers using both the indicators provided by the "*sustainable Development Report*" and the principal adverse impact indicators foreseen by regulation for sovereign and supranational investments and (vii) with a lower ecological footprint than the investment universe;
 - Implementing investment selection methodologies (i) contribute to the SDGs within the meaning of the SFDR Regulation or (ii) generating a social or environmental impact together with a measurable financial return;
- Stewardship, which means a proactive interaction with the investee companies, achieved both by exercising the rights of intervention and voting and by comparing with the companies themselves, with the aim of (i) generating sustainable long term returns and (iii) reducing the risk of loss of value of investments;
- Transparency towards investors and *stakeholders*, which requires the communication of the approach adopted to sustainability of investments both at the level (i) companies, by adopting specific sustainability policies and related information made available on the website and (ii) of a single financial product, through offering documentation and related marketing documentation;
- Risk management to monitor awareness of investment decisions taken by managed assets, in line with the delegation received from the clients. For each of the investment strategies implemented, Eurizon has defined specific decision-making processes and operational limits aimed at limiting the risks, also reputational, of the portfolios managed, the respect of which is monitored by the *Risk Management* Function with the support of the *Compliance & AML* Function.

⁷ Specific recommendations within their investment policies do not fall within the scope of these mechanisms, given the lower degree of discretion in the selection of financial instruments.

2.3. PRIORITISATION OF PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Eurizon prioritises the use of its resources to address the main negative impacts of investment choices in function of (i) the impact on society or the environment and (ii) where it believes its efforts, also in terms of engagement actions with issuers, can lead to positive changes.

Having that said, Eurizon ascribes importance to the following sustainability issues:

- Respect for human rights and fight against the production of unconventional weapons; Eurizon encourages companies in which it invests to implement *due diligence* processes related to its human rights impacts and supports the adoption of sound and fair *governance* models to minimise human rights violations; to this end, Eurizon foresees:
 - Exclusions or Restrictions⁸ for issuers with features (i) a clear direct involvement in the manufacture of unconventional weapons⁹ and/or (ii) particularly high social issues, expressed by the infoprovider's 'CCC' rating;
 - Dialogue with participated companies, encouraging the development of policies and practises aimed at the effective management of their human capital. In fact, companies are called upon to protect the health and safety of workers throughout the production chain and to establish a business culture that ensures good practises in the field of health and safety, implementing a clear management system for monitoring and, if necessary, taking corrective measures;
- Exposure to environmental issues; in particular, Eurizon promotes (i) mitigation and adaptation to climate change; and (ii) mitigation of biodiversity loss and the fight against deforestation; in this context, Eurizon foresees:
 - Exclusions or Restrictions to Avoid Exposure to Issuers featuring (i) a clear direct involvement in the activities (a) extractive or producing heat generated electricity (the *thermal coal*) and (b) extraction of *oil & gas* by using oil sands and (ii) particularly high environmental issues, expressed by the infoprovider's 'CCC' rating;
 - Products that (i) promote sustainable investment objectives (*Sustainable Investments*) through investment selection methodologies aimed at (a) to contribute to sustainable development objectives by selecting investments based on sustainable investment criteria in accordance with the SFDR Regulation (so called “*SDG Investing*”); (b) generate a social or environmental impact together with a measurable return (so called “*Impact Investing*”); (ii) integrate (a) means of measuring the carbon footprint of issuers aimed at constructing portfolios with a lower ecological footprint than that of their investment universe (so called “*Carbon Footprint*”), (b) investment selection processes based on sustainable investment criteria under the SFDR Regulation (so called “*Sustainable Integration*”).
 - Dialogue with participated issuers in order to encourage companies to assess their (i) the energy transition potential and the degree of alignment to the so called “net zero” pathway e (ii) impact on biodiversity and ecosystems, including through value chains;
- Exposure to governance issues; Eurizon believes that companies with sound governance practices can manage corporate risks more efficiently. For this reason, it promotes a constructive approach with companies in which it invests and is aware of the importance of the dialogue on governance themes; for these reasons, Eurizon¹⁰ promotes:
 - The triggering of *escalation* processes towards issuers with higher ESG risk exposure and the implementaion⁵ of exclusions or restrictions for those with particularly high ESG issues;

⁸ The exclusions apply to all actively managed products, while for *Limited Tracking Error* products and index linked products (except for those that explicitly integrate ESG factors), the maximum direct investment allowed is equal to the weight of the issuer in the benchmark.

⁹ *Anti personnel mines; cluster bombs; Nuclear weapons; Uranium impoverished; Biological weapons; Chemical weapons; Invisible fragmentation weapons; Laser; incendiary weapons; White firefighter.*

¹⁰ As part of its monitoring activities, Eurizon requires listed issuers involved and their advisers to ensure that any information that could compromise the ability to trade financial instruments is not communicated without prior consent.

- The adoption of good *governance* practices by the investee companies, namely, the existence of sound management structures, the absence of critical matters in terms of relations with the investee's employees and in its remuneration and the compliance with the tax obligations;
- The exercise of voting rights and engagement activities; in this context, Eurizon takes into account market best practices, including the Italian *Corporate Governance* Code and the main international Corporate Governance Network (e.g. *International Corporate Governance Network - ICGN*).

More specifically, Eurizon considers the following adverse impact indicators as priority:

- GHG emissions, in line with the commitments deriving from the subscription to the *Net Zero Asset Managers Initiative*;
- Carbon Footprint consistently with the promotion of a product aiming to obtain a lower footprint than the *benchmark* or investment universe;
- Exposure to fossil fuels, taking into account the exclusion criteria adopted for extractive or producing electricity linked to thermal coal or oil sands extraction;
- Negative effects on biodiversity, promoting interaction with participated issuers.
- Unconventional weapons, in view of the exclusion criteria applied to companies with a clear involvement in the production of unconventional weapons.

2.4. ADOPTED METHODOLOGIES, DATA SOURCES AND RELATED LIMITS

For the purpose of calculating adverse impact indicators, Eurizon has a special internal application that allows these exposures to be calculated at the level of individual managed product and then aggregated both at the entity level and consolidated at the level of the Asset Management Division.

Monitoring activities are based on the methodologies used and the information collected by the specialised info-provider MSCI ESG Research. The logics implemented are differentiated according to the specific features provided for the different indicators as foreseen in current legislation, which have also been calculated taking into account the formulas and indications provided by the EU guidelines. In addition, indicators were calculated taking into account investments (i) direct in companies and sovereign issuers, (ii) in companies and sovereign issuers included in the portfolios UCIs¹¹ and (iii) indirect in third-party UCIs as reported by the infoprovider.

Where appropriate, impact indicators have been calculated taking into account relevant portfolio exposures, based on the data available for calculation. For example, for the purposes of calculating the indicator 'GHG emissions', direct and indirect investments in the companies for which the relevant data are available were considered. It should also be noted that the exposures in financial derivative instruments in the current portfolios are excluded from the calculation of the indicators.

The reporting values were determined as the average for portfolio valuations on four quarterly surveys (i.e. 31 March 30 June, 30 September and 31 December 2022), using the latest data provided by the infoprovider. The methods described above are subject to the availability and quality of the data available. Eurizon therefore relies on the data received from its infoprovider that has been selected according to both the relevance within the reference scope and the coverage level of the data provided. SGR has carried out independent data verification activities using which additional information sources (i) the websites of the issuing companies, (ii) annual reports and corporate documents and/or (iii) by contacting the data provider directly for appropriate controls.

The data, forecasts, estimates and opinions contained in this document are made solely on the date of preparation and there is no guarantee that the results or any other future event will be consistent with the opinions, forecasts or estimates contained herein. The information and opinions provided are based on sources believed to be reliable and in good faith.

The figures refer to the assets issue by Eurizon Capital SGR and subsidiaries belonging to the Asset Management Division under EU law. The Statement does not apply to cases where Eurizon manages

¹¹ Mutual funds and SICAV managed by Eurizon Capital SGR or other Management Companies belonging to the same Group.

portfolios by other *asset managers* according to the management delegations concluded with each of them.

With regard to cd. 'Private markets' (*private markets*), assessing negative impacts depends on the availability of data and, therefore, for technical reasons it may not be identifiable. In this respect, given the *business* nature of the subsidiary Eurizon Capital Real Asset SGR S.p.A., characterised by the selection of (i) Alternative Investment Funds (AIFs) of other management companies (*multi managers*), (ii) co investments and (iii) direct investments in unlisted instruments, the contribution of such investments could not be taken into account when calculating impact indicators. In these situations, Eurizon considers the main negative effects of its choices during the *due diligence* phases by means of appropriate questionnaires that evaluate the promotion of environmental and/or social characteristics of individual investment opportunities based on analyses of environmental, social and governance issues. According to a *best effort* principle, Eurizon is committed to integrating such data into the next statements.

3. QUANTIFICATION OF ADVERSE IMPACT INDICATORS TAKEN INTO ACCOUNT BY ASSETS UNDER MANAGEMENT - EURIZON ASSET MANAGEMENT CROATIA

The following is a summary, referring to 2022, of the Environmental, Social and Governance Indicators considered by Eurizon Asset Management Croatia, pursuant to current legislation, for the measurement of the negative effects caused by investments made on behalf of the assets under management:

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period by the Asset Management Division	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	42.595 (tons of CO2 equivalent ¹²)	N/A	This indicator represents the most recently communicated or estimated Scope 1 greenhouse gas emissions of participated issuers. These emissions come from sources owned or controlled by companies.	<p>Actions adopted:</p> <p>"Net Zero Asset Manager Initiative" (NZAMI): Eurizon Capital SGR adheres to the initiative that aims, in line with the commitments of countries that have signed the Paris Agreement, to achieve neutrality in net greenhouse gas emissions by 2050. Eurizon published its objectives, in line with its commitments. For more information, please refer to the website eurizoncapital.com.</p> <p>Exclusions¹³: Eurizon does not invest in issuers that derives at least the (i) 25% of all revenues from extractive activities and the production of electricity connected to thermal coal, (ii) 10% of turnover from oil & gas mining by using oil sands and (iii) are characterised by particularly high environmental problems.</p> <p>Carbon footprint: Eurizon integrates the carbon footprint measurement of issuers for the purpose of building portfolios with lower footprint than their investment universe.</p> <p>Impact Investing: Eurizon, limited to some products, in the Due</p>
		Scope 2 GHG emissions	8.649 (tons of CO2 equivalent)	N/A	This indicator represents the most recently communicated or estimated scope 2 greenhouse gas emissions of participated issuers. Such emissions are caused by the generation of electricity purchased by companies.	
		Scope 3 GHG emissions	325.069 (tons of CO2 equivalent)	N/A	This indicator represents the estimated scope 3 greenhouse gas emissions of participated issuers. These are indirect emissions arising from the activities of a company that originate from sources not owned or controlled by it.	
		Total GHG emissions	376.313 (tonnes CO2 equivalent)	N/A	This indicator represents the total greenhouse gas emissions of scope 1, 2 and 3 of the participated issuers.	

¹² Metric used to compare emissions of various greenhouse gases on the basis of their global warming potential (GWP), converting quantities of other gases into the equivalent amount of carbon dioxide (CO2).

¹³ For *Limited Tracking Error* products and index tracking products (except those that explicitly integrate ESG factors) the maximum direct investment allowed is equal to the issuer's weight in the benchmark.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period by the Asset Management Division	
	2. Carbon Footprint	Carbon Footprint	345 (tons of CO2 equivalent per million euro invested)	N/A	This indicator represents the latest aggregated greenhouse gas emissions of investee issuers, based on scope 1 and 2 emissions reported or estimated and estimated scope 3 emissions expressed in million euro invested.	Diligence ¹⁴ phase of the instruments considers, among other things, the share of its consumption and production of non-renewable energy. Stewardship Engagement: Eurizon promotes dialogue with less developed issuers in terms of climate protection and operating in less environmentally friendly sectors. Issuers with exposure to thermal coal and oil sands sectors below exclusion thresholds are subject to specific engagement processes that may result in restrictions and/or exclusions to the Investment Universe of managed assets. These activities are designed to ensure that no new projects are developed, as well as to verify the gradual <i>phase out</i> of these activities.
	3. GHG intensity of companies receiving investments	GHG intensity of investee companies	763 (tonnes/million euro of turnover)	N/A	This indicator represents the aggregated greenhouse gas emissions of the participated issuers (scope 1 and 2 and estimated 3) compared to their most recent turnover in millions of euros.	Active Shareholders: Eurizon undertakes to vote on the management's proposals for the <i>Say on Climate</i> initiative.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0,5% (percentage of investee issuers exposed to fossil fuel-related activities)	N/A	This indicator represents exposure of issuers to fossil fuel related activities, including the extraction, processing, storage and transportation of petroleum, natural gas and coal.	Objectives set for the following period: Eurizon undertakes to revise the objectives linked to the NZAMI initiative at least every five years, in order to progressively achieve coverage of 100% of assets under management, consistent with the methodological developments available from time to time.
	5. Share of consumption and production of non renewable energy	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	81,8% (percentage of the investee issuers' energy consumption and/or production from non-renewable sources)	N/A	This indicator represents the percentage of the energy consumption and/or production of the issuers from non renewable sources as a percentage of the total use and/or production of energy.	Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally. In this context, Eurizon assesses the adoption of new strategies for negative and/or positive issuer selection and the review of processes to compare them with companies exercising voting rights.
	6. Energy intensity by sector with high climate impact	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	1,27 (Gigawatt hour/million turnover in euros)	N/A	This indicator represents energy consumption in GWh per million EUR of revenue from participated issuers by sector with a high climate impact, understood as an economic activity code (i.e. based on the European Economic Activity Nomenclature - NACE).	
Biodiversity	7. Activities that adversely affect biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of	0% (percentage of investee issuers operating in biodiversity-sensitive areas)	N/A	This indicator represents the percentage of participated issuers that operate in or near biodiversity sensitive areas and have been involved in disputes with a serious or very serious negative impact on the environment.	Actions adopted: Stewardship Engagement: Eurizon promotes dialogue with less developed issuers in terms of climate protection and operating in less environmentally friendly sectors. As part of this effort, Eurizon supports efforts to mitigate biodiversity loss and fight deforestation.

¹⁴ The *due diligence* process is aligned with the *Green Bond Principles* (GBP), the *Social Bond Principles* (SBP) and the *Sustainability Bond Guidelines* (SBG), as defined by the *International Capital Market Association* (ICMA) and the *EU Green Bond Standard* (GBS), respectively.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period by the Asset Management Division
		those investee companies negatively affect those areas			<p><u>Active Ownership</u> Eurizon is committed to voting, in line with its intention to tackle deforestation and reduce biodiversity loss.</p> <p>Objectives set for the following period:</p> <p>Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally.</p>
Water	8. Water emissions	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	26,1 (tons per million euro invested)	N/A	<p>This indicator represents the sum of the tons of water emissions generated by the investee companies weighted by the value of their investment, expressed per million euro invested.</p> <p>Actions adopted:</p> <p><u>Stewardship</u></p> <p><u>Engagement</u> Eurizon promotes dialogue with less developed issuers in terms of climate protection and operating in less environmentally friendly sectors. As part of this effort, Eurizon supports efforts to mitigate biodiversity loss and fight deforestation.</p> <p><u>Active Ownership</u> Eurizon is committed to voting, in line with its intention to tackle deforestation and reduce biodiversity loss.</p> <p>Objectives set for the following period:</p> <p>Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally.</p>
Waste	9. Relation between hazardous waste and radioactive waste	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	8,1 (tons per million euro invested)	N/A	<p>This indicator represents the sum of tonnes of hazardous waste generated by the companies affiliated for million euro invested in it, expressed per million euro invested.</p> <p>Objectives set for the following period:</p> <p>Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally.</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Indicators on social issues and staff issues	10. Violations of the United Nations Global Compact principles and the Organisation for Cooperation and Development (OECD) guidelines for	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% (percentage of investments in investee companies that were involved in violations)	N/A	<p>Actions adopted:</p> <p>Exclusion¹⁵ : Eurizon does not invest in issuers that are characterised by (i) a clear direct involvement in the manufacture of unconventional weapons and/or (ii) particularly high social issues.</p> <p><u>Stewardship</u></p> <p>Eurizon promotes a constructive approach to the companies in which it invests and is aware of the</p>

¹⁵ For *Limited Tracking Error* products and index tracking products (except those that explicitly integrate ESG factors) the maximum direct investment allowed is equal to the issuer's weight in the benchmark.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period by the Asset Management Division
	multinational companies				importance of the dialogue on governance practices. For such reasons, Eurizon promotes the implementation of (i) <i>engagement</i> processes with issuers with higher ESG risk exposure and the (ii) of exclusions or restrictions for issuers with particularly high problems in governance; (iii) the adoption of good <i>governance</i> practises by the investee companies, verifying that there is no dispute regarding the <i>Global Compact</i> 's Principles on Freedom of Association (No. 3), Anti Corruption (No. 10) and Discrimination as regards employment and employment (No. 6); (iv) engagement with affiliate companies, taking into account market best practices. Eurizon promotes dialogue with its investee companies, encouraging the development of policies and practises aimed at the effective management of its human capital, favouring, among other things, remuneration and gender equity at all levels. These aspects are also reflected in the process of exercising voting rights. Objectives set for the following period: Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally.
11. Lack of procedures and compliance mechanisms to monitor compliance with the United Nations Global Compact principles and OECD guidelines for multinational companies	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	5,3% (percentage in investee companies without policies to monitor compliance with UNGC principles or OECD Guidelines)	N/A	The indicator represents the share of investments in companies without a policy of monitoring compliance with the UNGC principles or the OECD Guidelines for multinational companies or complaint management mechanisms to address violations of the UNGC principles or the OECD Guidelines for multinational companies.	
12. Incorrect gender pay gap	Average unadjusted gender pay gap of investee companies	12,7% (average gender pay gap in companies receiving investments)	N/A	The indicator represents the unadjusted average gender pay gap of the investee companies.	
13. Gender diversity in advice	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	43,9% (average ratio of female board members to all board members)	N/A	This indicator represents the average relationship between women's and men's board of directors in their subsidiaries, expressed as a percentage of all board members.	
14. Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,01 ¹⁶ % (percentage of participating issuers involved in the production or sale of controversial weapons)	N/A	This indicator represents the portion of investments in investee companies involved in the production or sale of controversial weapons.	Actions adopted: Exclusion¹⁷ : Eurizon does not invest in issuers that are characterised by (I) a clear direct involvement in the manufacture of unconventional weapons (anti personnel mines; cluster bombs; nuclear weapons; depleted uranium; biological weapons; chemical weapons; invisible fragmentation weapons; blinding lasers; incendiary weapons; white phosphorus) and/or (II) particularly high social issues. Stewardship

¹⁶ These exposures are due to investment in (i) third-party Funds and/or (ii) Limited Tracking Error products for which the maximum permitted direct investment is equal to the issuer's weight in the benchmark.

¹⁷ For *Limited Tracking Error* products and index tracking products (except those that explicitly integrate ESG factors) the maximum direct investment allowed is equal to the issuer's weight in the benchmark.

Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period by the Asset Management Division
						<p>The Company reserves the right to initiate dialogue with issuers with the aim of deepening compliance with international treaties and national regulations. Based on the information acquired, Eurizon assesses the opportunity to activate further escalation processes.</p> <p>Objectives set for the following period:</p> <p>Eurizon is committed to continuing to develop its Sustainability Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally. In this context, Eurizon assesses the adoption of new strategies for negative and/or positive issuer selection.</p>

Indicators applicable to investments in sovereigns and supnationals

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period by the Asset Management Division
Environmental	15. GHG Intensity	GHG intensity of investee countries	514,5 (tonnes of carbon dioxide 'CO2' equivalent per million euro of Gross Domestic Product ('GDP'))	N/A	The indicator represents the Greenhouse Gas Intensity of the participated countries.	<p>Actions adopted:</p> <p>Sovereign integration: Eurizon, limited to some products, uses processes for selecting governmental issuers that use the indicators provided both by the cd. <i>sustainable Development Report</i> to monitor the main adverse impacts on government issuers.</p>
Social	16. Countries benefiting from investments that are subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	7 (number of participating countries subject to social violations) 0% (percentuale di Paesi partecipati soggetti a violazioni sociali)	N/A	The indicator represents the number of participated countries subject to social violations (absolute number and relative number divided by all participated countries), as indicated in international treaties and conventions, United Nations principles and, where applicable, national legislation.	<p>Objectives set for the following period:</p> <p>Eurizon is committed to continuing to develop its Sustainability Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally. In this context, Eurizon assesses the adoption of new strategies for negative and/or positive issuer selection.</p> <p>Finally, Eurizon has set up a Working Group aimed at extending the proprietary score, called "<i>Eurizon ESG Score</i>", to government/supranational financial instruments.</p>

Indicators applicable to investments in real estate assets

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period by the Asset Management Division

Fossil fuels	17. Exposure to fossil fuels through real estate assets	Portion of investments in real estate assets involved in the extraction, storage, transportation and production of fossil fuels	Not applicable	N/A	N/A	Not applicable, considering the type of assets managed by Eurizon.
Energy efficiency	18. Energy efficient real estate exposure	Portion of energy efficient real estate investments	Not applicable	N/A	N/A	

Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period by the Asset Management Division
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Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Issues	2. Air pollutant emissions	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average	1 (tons of air pollutants equivalent per million EUR invested)	N/A	<p>This ratio represents the sum of the tons of air pollutants equivalent of the companies involved, weighted by the value of their investments, expressed per million euro invested.</p> <p>Actions adopted: "Net Zero Asset Manager Initiative" (NZAMI): Eurizon Capital SGR adheres to the initiative that aims, in line with the commitments of states that have signed the Paris Agreement, to achieve neutrality in net greenhouse gas emissions by 2050. 2022 Eurizon published its objectives, in line with its commitments. For more information, please refer to the website eurizoncapital.com.</p> <p>Exclusions¹⁸: Eurizon does not invest in issuers that derives at least the (i) 25% of all revenues from extractive activities and the production of electricity connected to thermal coal, (ii) 10% of turnover from <i>oil & gas</i> mining by using oil sands and (iii) are characterised by particularly high environmental problems.</p> <p>Objectives set for the following period: Eurizon undertakes to revise the objectives linked to the NZAMI initiative at least every five years, in order to progressively achieve coverage of 100% of assets under management, consistent with the methodological developments available from time to time.</p> <p>Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally. In this context, Eurizon assesses the adoption of new strategies for negative and/or positive issuer selection and the review of processes to compare them with companies exercising voting rights.</p>
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¹⁸ For *Limited Tracking Error* products and index tracking products (except those that explicitly integrate ESG factors) the maximum direct investment allowed is equal to the issuer's weight in the benchmark.

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Indicators on social issues and staff issues	2. Accident rate	Rate of accidents in investee companies expressed as a weighted average	4,04% (accident rate in investee companies)	N/A	This ratio represents the rate of accidents in investee companies, weighted by the value of investments in such companies.	Actions adopted: Stewardship Engagement: Eurizon promotes dialogue with the least developed issuers in terms of climate protection and operating in less environmentally friendly sectors. As part of this effort, Eurizon supports efforts to mitigate biodiversity loss and fight deforestation.
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4. QUANTIFICATION OF ADVERSE IMPACT INDICATORS TAKEN INTO ACCOUNT BY ASSETS UNDER MANAGEMENT – EURIZON ASSET MANAGEMENT DIVISION

The following is a summary, referring to 2022, of the Environmental, Social and Governance Indicators considered by Eurizon, pursuant to current legislation, for the measurement of the negative effects caused by investments made on behalf of the assets under management:

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	16.435.552 (tons of CO2 equivalent ¹⁹)	N/A	This indicator represents the most recently communicated or estimated Scope 1 greenhouse gas emissions of participated issuers. These emissions come from sources owned or controlled by companies.	Actions adopted: "Net Zero Asset Manager Initiative" (NZAMI): Eurizon Capital SGR adheres to the initiative that aims, in line with the commitments of countries that have signed the Paris Agreement, to achieve neutrality in net greenhouse gas emissions by 2050. Eurizon published its objectives, in line with its commitments. For more information, please refer to the website eurizoncapital.com . Exclusions²⁰: Eurizon does not invest in issuers that derives at least the (i) 25% of all revenues from extractive activities and the production of electricity connected to thermal coal, (ii) 10% of turnover from oil & gas mining by using oil sands and (iii) are characterised by particularly high environmental problems. Carbon footprint: Eurizon integrates the carbon footprint measurement of issuers for the purpose of building portfolios with lower footprint than their investment universe. Impact Investing: Eurizon, limited to some products, in the Due
		Scope 2 GHG emissions	3.025.916 (tons of CO2 equivalent)	N/A	This indicator represents the most recently communicated or estimated scope 2 greenhouse gas emissions of participated issuers. Such emissions are caused by the generation of electricity purchased by companies.	
		Scope 3 GHG emissions	96.754.369 (tons of CO2 equivalent)	N/A	This indicator represents the estimated scope 3 greenhouse gas emissions of participated issuers. These are indirect emissions arising from the activities of a company that originate from sources not owned or controlled by it.	
		Total GHG emissions	116.205.838 (tonnes CO2 equivalent)	N/A	This indicator represents the total greenhouse gas emissions of scope 1, 2 and 3 of the participated issuers.	
	2. Carbon Footprint	Carbon Footprint	544 (tons of CO2 equivalent per	N/A	This indicator represents the latest aggregated	

¹⁹ Metric used to compare emissions of various greenhouse gases on the basis of their global warming potential (GWP), converting quantities of other gases into the equivalent amount of carbon dioxide (CO2).

²⁰ For *Limited Tracking Error* products and index tracking products (except those that explicitly integrate ESG factors) the maximum direct investment allowed is equal to the issuer's weight in the benchmark.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
		million euro invested)		greenhouse gas emissions of investee issuers, based on scope 1 and 2 emissions reported or estimated and estimated scope 3 emissions expressed in million euro invested.	Diligence ²¹ phase of the instruments considers, among other things, the share of its consumption and production of non-renewable energy. Stewardship <i>Engagement:</i> Eurizon promotes dialogue with less developed issuers in terms of climate protection and operating in less environmentally friendly sectors.
3. GHG intensity of companies receiving investments	GHG intensity of investee companies	1043 (tonnes/million euro of turnover)	N/A	This indicator represents the aggregated greenhouse gas emissions of the participated issuers (scope 1 and 2 and estimated 3) compared to their most recent turnover in millions of euros.	Issuers with exposure to thermal coal and oil sands sectors below exclusion thresholds are subject to specific engagement processes that may result in restrictions and/or exclusions to the Investment Universe of managed assets. These activities are designed to ensure that no new projects are developed, as well as to verify the gradual <i>phase out</i> of these activities. <i>Active Shareholders:</i> Eurizon undertakes to vote on the management's proposals for the <i>Say on Climate</i> initiative.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4,4% (percentage of investee issuers exposed to fossil fuel-related activities)	N/A	This indicator represents exposure of issuers to fossil fuel related activities, including the extraction, processing, storage and transportation of petroleum, natural gas and coal.	Objectives set for the following period: Eurizon undertakes to revise the objectives linked to the NZAMI initiative at least every five years, in order to progressively achieve coverage of 100% of assets under management, consistent with the methodological developments available from time to time. Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally. In this context, Eurizon assesses the adoption of new strategies for negative and/or positive issuer selection and the review of processes to compare them with companies exercising voting rights.
5. Share of consumption and production of non renewable energy	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	71,5% (percentage of the investee issuers' energy consumption and/or production from non-renewable sources)	N/A	This indicator represents the percentage of the energy consumption and/or production of the issuers from non renewable sources as a percentage of the total use and/or production of energy.	
6. Energy intensity by sector with high climate impact	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	1,24 (Gigawatt hour/million turnover in euros)	N/A	This indicator represents energy consumption in GWh per million EUR of revenue from participated issuers by sector with a high climate impact, understood as an economic activity code (i.e. based on the European Economic Activity Nomenclature - NACE).	
Biodiversity	7. Activities that adversely affect biodiversity sensitive areas	0,02% (percentage of investee issuers operating in biodiversity-sensitive areas)	N/A	This indicator represents the percentage of participated issuers that operate in or near biodiversity sensitive areas and have been involved in disputes with a serious or very serious negative impact on the environment.	Actions adopted: Stewardship <i>Engagement:</i> Eurizon promotes dialogue with less developed issuers in terms of climate protection and operating in less environmentally friendly sectors. As part of this effort, Eurizon supports efforts to mitigate biodiversity loss and fight deforestation. <i>Active Ownership:</i> Eurizon is committed to voting, in line with its

²¹ The *due diligence* process is aligned with the *Green Bond Principles* (GBP), the *Social Bond Principles* (SBP) and the *Sustainability Bond Guidelines* (SBG), as defined by the *International Capital Market Association* (ICMA) and the *EU Green Bond Standard* (GBS), respectively.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
		negatively affect those areas			intention to tackle deforestation and reduce biodiversity loss. Objectives set for the following period: Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally.
Water	8. Water emissions	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	62,74 (Tons per million euro invested)	N/A	This indicator represents the sum of the tons of water emissions generated by the investee companies weighted by the value of their investment, expressed per million euro invested. Actions adopted: Stewardship <i>Engagement:</i> Eurizon promotes dialogue with less developed issuers in terms of climate protection and operating in less environmentally friendly sectors. As part of this effort, Eurizon supports efforts to mitigate biodiversity loss and fight deforestation. <i>Active Ownership:</i> Eurizon is committed to voting, in line with its intention to tackle deforestation and reduce biodiversity loss. Objectives set for the following period: Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally.
Waste	9. Relation between hazardous waste and radioactive waste	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	18,62 (tons per million euro invested)	N/A	This indicator represents the sum of tonnes of hazardous waste generated by the companies affiliated for million euro invested in it, expressed per million euro invested. Objectives set for the following period: Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Indicators on social issues and staff issues	10. Violations of the United Nations Global Compact principles and the Organisation for Cooperation and Development (OECD) guidelines for multinational companies	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,2% (percentage of investments in investee companies that were involved in violations)	N/A	This indicator represents the portion of investments in investee companies involved in violations of the UNGC principles for the OECD Guidelines for Multinational Companies. Actions adopted: Exclusion ²²: Eurizon does not invest in issuers that are characterised by (i) a clear direct involvement in the manufacture of unconventional weapons and/or (ii) particularly high social issues. Stewardship Eurizon promotes a constructive approach to the companies in which it invests and is aware of the importance of the dialogue on governance practices.

²² For *Limited Tracking Error* products and index tracking products (except those that explicitly integrate ESG factors) the maximum direct investment allowed is equal to the issuer's weight in the benchmark.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
11. Lack of procedures and compliance mechanisms to monitor compliance with the United Nations Global Compact principles and OECD guidelines for multinational companies	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	15,77% (percentage in investee companies without policies to monitor compliance with UNGC principles or OECD Guidelines)	N/A	The indicator represents the share of investments in companies without a policy of monitoring compliance with the UNGC principles or the OECD Guidelines for multinational companies or complaint management mechanisms to address violations of the UNGC principles or the OECD Guidelines for multinational companies.	For such reasons, Eurizon promotes the implementation of (i) <i>engagement</i> processes with issuers with higher ESG risk exposure and the (ii) of exclusions or restrictions for issuers with particularly high problems in governance; (iii) the adoption of good <i>governance</i> practises by the investee companies, verifying that there is no dispute regarding the <i>Global Compact</i> 's Principles on Freedom of Association (No. 3), Anti Corruption (No. 10) and Discrimination as regards employment and employment (No. 6); (iv) engagement with affiliate companies, taking into account market best practices. Eurizon promotes dialogue with its investee companies, encouraging the development of policies and practises aimed at the effective management of its human capital, favouring, among other things, remuneration and gender equity at all levels. These aspects are also reflected in the process of exercising voting rights.
12. Incorrect gender pay gap	Average unadjusted gender pay gap of investee companies	12,39% (average gender pay gap in companies receiving investments)	N/A	The indicator represents the unadjusted average gender pay gap of the investee companies.	Objectives set for the following period:
13. Gender diversity in advice	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	35,4% (average ratio of female board members to all board members)	N/A	This indicator represents the average relationship between women's and men's board of directors in their subsidiaries, expressed as a percentage of all board members.	Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally.
14. Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,01 ²³ % (percentage of participating issuers involved in the production or sale of controversial weapons)	N/A	This indicator represents the portion of investments in investee companies involved in the production or sale of controversial weapons.	Actions adopted: Exclusion ²⁴ : Eurizon does not invest in issuers that are characterised by (I) a clear direct involvement in the manufacture of unconventional weapons (anti personnel mines; cluster bombs; nuclear weapons; depleted uranium; biological weapons; chemical weapons; invisible fragmentation weapons; blinding lasers; incendiary weapons; white phosphorus) and/or (II) particularly high social issues. Stewardship The Company reserves the right to initiate dialogue with issuers with the aim of deepening compliance with international treaties and national regulations. Based on the information acquired, Eurizon assesses the opportunity to activate further escalation processes. Objectives set for the following period: Eurizon is committed to continuing to develop its Sustainability Policies, with the aim of assessing the

²³ These exposures are due to investment in (i) third-party Funds and/or (ii) Limited Tracking Error products for which the maximum permitted direct investment is equal to the issuer's weight in the benchmark.

²⁴ For *Limited Tracking Error* products and index tracking products (except those that explicitly integrate ESG factors) the maximum direct investment allowed is equal to the issuer's weight in the benchmark.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
						consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally. In this context, Eurizon assesses the adoption of new strategies for negative and/or positive issuer selection.

Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG Intensity	GHG intensity of investee countries	307,5 (tonnes of carbon dioxide 'CO2' equivalent per million euro of Gross Domestic Product ('GDP'))	N/A	The indicator represents the Greenhouse Gas Intensity of the participated countries.	Actions adopted: Sovereign integration: Eurizon, limited to some products, uses processes for selecting governmental issuers that use the indicators provided both by the cd. <i>sustainable Development Report</i> to monitor the main adverse impacts on government issuers.
Social	16. Countries benefiting from investments that are subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	10 (number of participating countries subject to social violations) 0,5% (percentuale di Paesi partecipati soggetti a violazioni sociali)	N/A	The indicator represents the number of participated countries subject to social violations (absolute number and relative number divided by all participated countries), as indicated in international treaties and conventions, United Nations principles and, where applicable, national legislation.	Objectives set for the following period: Eurizon is committed to continuing to develop its Sustainability Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally. In this context, Eurizon assesses the adoption of new strategies for negative and/or positive issuer selection. Finally, Eurizon has set up a Working Group aimed at extending the proprietary score, called " <i>Eurizon ESG Score</i> ", to government/supranational financial instruments.

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Portion of investments in real estate assets involved in the extraction, storage, transportation and production of fossil fuels	Not applicable	N/A	N/A	Not applicable, considering the type of assets managed by Eurizon.
Energy efficiency	18. Energy efficient real estate exposure	Portion of energy efficient real estate investments	Not applicable	N/A	N/A	

Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies					
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Issues	2. Air pollutant emissions	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average	307,5 (tons of air pollutants equivalent per million EUR invested)	N/A	<p>This ratio represents the sum of the tons of air pollutants equivalent of the companies involved, weighted by the value of their investments, expressed per million euro invested.</p> <p>Actions adopted: "Net Zero Asset Manager Initiative" (NZAMI): Eurizon Capital SGR adheres to the initiative that aims, in line with the commitments of states that have signed the Paris Agreement, to achieve neutrality in net greenhouse gas emissions by 2050. 2022 Eurizon published its objectives, in line with its commitments. For more information, please refer to the website eurizoncapital.com. Exclusions²⁵: Eurizon does not invest in issuers that derives at least the (i) 25% of all revenues from extractive activities and the production of electricity connected to thermal coal, (ii) 10% of turnover from oil & gas mining by using oil sands and (iii) are characterised by particularly high environmental problems. Objectives set for the following period: Eurizon undertakes to revise the objectives linked to the NZAMI initiative at least every five years, in order to progressively achieve coverage of 100% of assets under management, consistent with the methodological developments available from time to time. Eurizon is committed to continuing to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted with respect to developments in the <i>best practises</i> developed nationally and internationally. In this context, Eurizon assesses the adoption of new strategies for negative and/or positive issuer selection and the review of processes to compare them with companies exercising voting rights.</p>
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters					
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Indicators on social issues and staff issues	2. Accident rate	Rate of accidents in investee companies expressed as a weighted average	4,12% (accident rate in investee companies)	N/A	<p>This ratio represents the rate of accidents in investee companies, weighted by the value of investments in such companies.</p> <p>Actions adopted: Stewardship Engagement: Eurizon promotes dialogue with the least developed issuers in terms of climate protection and operating in less environmentally friendly sectors. As part of this effort, Eurizon supports efforts to mitigate biodiversity loss and fight deforestation.</p>

²⁵ For *Limited Tracking Error* products and index tracking products (except those that explicitly integrate ESG factors) the maximum direct investment allowed is equal to the issuer's weight in the benchmark.

4. SUMMARY OF THE ENGAGEMENT POLICY

Eurizon believes that good governance standards contribute to fostering trust in capital markets and that the role played by institutional investors, asset managers and their *advisers* is fundamental in the internal dialectics of investee companies. Eurizon has a fiduciary commitment to protecting and creating value for its clients and investors, which foresees an effective response to issues arising from the performance of the companies in which it invests on behalf of the managed assets. In this context, Eurizon ascribes importance to the supervision of the governance of its issuers.

To this end, in 2014 Eurizon Capital SGR adopted the "*Stewardship Principles*"²⁶ as defined by the Italian association (Assogestioni) in line with the European *Stewardship Code* promoted by EFAMA, aiming to provide a series of *best practises* aimed at incentivizing responsible shareholders by associates, stimulating an effective integration between the *corporate governance* of issuing companies and the investment process in the belief that issuers that implement high social, environmental and governance *standards* are able to generate sustainable *long term* performance for their shareholders.

In compliance with the sector legislation on collective investment management, the Management Companies belonging to the *Asset Management* Division have also drawn up a "*Strategy for the exercise of intervention and voting rights relating to the financial instruments pertaining to the assets managed*" in order to ensure, in the event of the exercise of the voting rights concerning the investments managed by it on a discretionary basis, independence and independence in the exercise of intervention and voting rights.

Eurizon favours dialogue and participation in meetings of the shareholders of the investee companies, in accordance with a 'focused' approach to *corporate governance*, favouring - pursuant to the proportionality principle - companies considered 'relevant,' according to criteria such as/quantities of time specified in the internal regulations.

In this way, Eurizon aims to identify any problems in advance and at the same time minimise potential impairment caused by matters related to the performance of the companies in which it invests on behalf of the assets managed. Eurizon does not intend to implement a 'micro management' of the business of the investee listed issuers, or it precludes any decision to dispose of a holding, where that is the most effective solution to protect the interests of clients and investors.

Eurizon promotes proactive interaction with the companies in which it invests, encouraging effective communication with the *management* of its investee companies, using one of the following engagement procedures:

- 'Unilateral,' if Eurizon is to start the communication ("*one way*");
- 'Bilateral,' where Eurizon and the participated issuer have established a constructive dialogue ("*two way*");
- 'Collective,' where coordinated action is planned on targeted issues of multiple institutional investors.

The procedures with participated issuers can provide for:

- Engagement with the members of the corporate bodies (including minority members), or the subjects appointed by them, to discuss specifically the issues identified through:
 - Individual meetings, organised at the headquarters of the SGR or on a video conference (*conference call*);
 - participation in events such as presentations, seminars or conferences;
- Sending of formal communications addressed to corporate bodies and/or *senior management* of companies.

Eurizon believes that intervention vis-à-vis investee issuers is more effective when built on a medium to long term relationship with corporate bodies and senior management that in such situations are more likely to regard institutional investors as credible and committed *partners*. In this regard, this action is complementary both to the analysis of investments and to the exercise of voting rights because it allows

²⁶ The Principles defined by Assogestioni are aligned with those contained in the EFAMA *Code for External Governance* approved by the *European Fund and Asset Management Association* (EFAMA).

specific instances of *governance* of the issuers to be addressed, avoiding, at first instance, assessing the divestment of participation or the opposition vote.

The *engagement* process involves a medium-term monitoring cycle aimed at assessing the issuers' progress, with a specific *focus* on the macro themes that Eurizon considers as priorities. During this time period, if the investee companies do not respond constructively, Eurizon assesses the implementation of specific *escalation* processes that, depending on specific situations, may provide for one or more of the following initiatives:

- Increasing the frequency of contact with the issuer;
- Sending formal communications aimed at explicit Eurizon's expectations;
- Cooperation with other institutional investors, as defined in Principle no. 4, in order to submit comments or specific requests for deepening of particular matters;
- Making public statements at the Shareholders' Meeting;
- Abstention or opposition at the Shareholders' Meeting;
- Assessment of disposal of equity investments within the ESG Committee.

Eurizon monitors the effectiveness of the *engagement* measures with the issuers and exercise of voting and intervention rights, reviewing the Commitment Strategy and Policy at least once a year. These documents are made available on the Company's website.

5. INTERNATIONAL STANDARDS ADOPTED BY EURIZON

The Asset Management Division promotes behaviours that emphasise aspects of sustainability of investments and the adoption of good corporate governance practises by the investee companies.

The following are codes, principles and initiatives to which Eurizon Capital SGR has joined in order to adopt ethical *standards* and responsible corporate codes of conduct, internationally recognised²⁷:

- The United Nations "Responsible Investment Principles": Eurizon Capital SGR has - since 2015 - adhered to the "*Principles for Responsible Investment*" the Sustainable Responsible Investment Principles promoted by the United Nations on the initiative of:
 - "*UNEP FI*": the *partnership* between the *United Nations Environment Programme*(UNEP) and the financial sector with a view to analysing the impact of environmental and social considerations on the sustainability of financial performance;
 - "*UN Global Compact*": the initiative aimed at promoting a sustainable global economy that respects human rights and labour, the protection of the environment and the fight against corruption.

As a signatory of Responsible Investment Principles, Eurizon Capital SGR is required to provide each year information on its responsible investment activities by participating in the so called 'Responsible Investment.' "*reporting and Assessment*" available at www.unpri.org.

- The "Stewardship Principles" as a adherent - since 2014 - to the "*Stewardship Principles*" for the exercise of administrative and voting rights in listed companies as defined by Assogestioni, Eurizon Capital SGR pays particular attention to the policies implemented by the issuers, stimulating engagement with the companies in which it invests. The Principles defined by Assogestioni are aligned with those contained in the *Stewardship Code* promoted by the *European Fund and Asset Management Association* (EFAMA), in which Assogestioni participates and of which Eurizon Capital SGR is also a member.

The Company monitors the effectiveness of the measures taken to compare these with the issuers and to exercise the rights of intervention and voting, reviewing the Voting Strategy and the Commitment Policy at least annually. As a member, Eurizon Capital SGR is required to make transparent information on the *engagement* activities carried out by preparing specific reports, produced every six months, published on the SGR website;

²⁷ As a result of these commitments , taking into account the proportionality principle and the specificities of the *business*, subsidiaries implement controls that are consistent with those of Eurizon Capital SGR, aimed at implementing the *best practises* promoted by the different initiatives.

- "European Code for the Transparency of Sustainable and Responsible Investments": mutual funds belonging to the Ethical System in 2008 joined the "European Code for the Transparency of Sustainable and Responsible Investments" promoted by EUROSIF - a pan European organisation that promotes sustainability in European markets - with the aim of increasing the clarity of sustainable investment practises within investment products.

As a result of such membership, Eurizon Capital SGR annually subscribes to a specific 'Statement of Commitment,' made available on its website, through which it makes the Ethics Funds' Investment Process transparent, also in order to comply with the positive and negative criteria for the selection of financial instruments envisaged in the Management Regulations;

- an *independent* non-profit organisation that provides companies, states, regions and cities with a *framework* to measure, detect, manage and share information on their environmental impacts globally, with the aim of promoting actions aimed at mitigating climate change;
- Net Zero Asset Managers Initiative, on 1 November 2021 SGR joined the cd. "Net Zero Asset Managers Initiative" (hereinafter 'NZAMI '), the international initiative promoted by the management companies committed to supporting the goal of achieving neutrality in net greenhouse gas emissions by 2050 (' Net Zero '), in line with the commitments made by the states that have signed the Paris Agreement, to mitigate climate change impacts and limit the rise in temperatures to 1.5° C by 2050;
- As of November 2021, the Institutional Investors Group on Climate Change , SGR has joined the Institutional Investors Group on Climate Change (IIGCC), the European Investor Association which promotes collaboration on climate change and the reduction of net greenhouse gas emissions. In this respect, the sgr uses the methodological *framework* developed by IIGCC, called "Net Zero Investment Framework 1.5° C ," as well as direct collaboration with other participating management companies;
- As part of the Forum on Sustainable Finance, in November 2021 the SGR joined the Forum on Sustainable Finance²⁸ (hereinafter the Forum), the *non-profit* organisation of which financial players and other organisations involved in the environmental and social impact of investments are members. The Forum promotes knowledge and practise of sustainable investment, with the aim of disseminating the integration of environmental, social and governance criteria into financial products and processes;
- The International Corporate Governance Network (ICGN) , since 2016 Eurizon Capital SGR has been a member of ICGN, a leader on global *standards* of *corporate governance* and *investor stewardship* .

As far as the institutional business is concerned, since 2002 Eurizon has been actively participating, as delegated by the Parent Company Intesa Sanpaolo, in the operations of UNEP FI. In this SGR, Eurizon Capital SGR has played the role of (I) co-chair of the Asset Management Working Group (2005) contributing to the formulation of the PRI principles, and (II) Treasurer and member of UNEPFI's Board of Directors (2010).

In 2015 Eurizon Capital SGR was *co-Chair* of UNEPFI's European Task Force. Eurizon Capital SGR is also a member (I) Responsible Investment working group of the European Fund and Asset Management Association (EFAMA) and (II) of the Working Group Environment Banks and Climate Change of the Italian Banking Association (EBA).

Furthermore, Eurizon Capital SGR participates in the Working Groups organised by The Institutional Investors Group on Climate Change (Proxy Adviser Engagement Working Group and Bondholder Stewardship Working Group and Net Zero Engagement Initiative), Principles for Responsible Investment (PRI Listed Equity Working Group) and EFAMA and Assogestioni.

Eurizon Capital SGR has also participated in the production of several publications on issues of financial and environmental sustainability and trust report, which can be consulted on UNEP FI website (www.unepfi.org).

²⁸ A member of the EUROSIF *network*, including the following n. 6 National forums: FIR, FNG, Spainsif, SIF Ireland, Swiss Sustainable Finance, UK SIF.

EURIZON'S COMMITMENT TO THE SUSTAINABILITY OF FINANCIAL SERVICES

The *vision* and *mission* of Eurizon Capital SGR emphasise the importance for companies belonging to the *Asset Management* Division of the Intesa Sanpaolo Group to cooperate with investment companies to promote rules and behaviours that give preference to aspects of sustainability of investments and promote high *standards of governance* of investee companies.

The *Asset Management* Division is engaged in the promotion of environmental, social and *governance* topics (the "*Environmental, Social and Governance factors*" - ESG) and Sustainable and Responsible Investments (the "*Sustainable and Responsible Investments*" - SRI) since 1996, the year of the first Italian ethical funds being marketed by Eurizon Capital SGR.

Over the years, the SGR has developed and promoted behaviours that focus on sustainability issues related to investments, including through subscription (I) in 2014, of the Italian Principles of *Stewardship*, (II) in 2015, of the United Nations *Principles for Responsible Investment*, initiatives that have contributed to since inception by the SGR.

In 2017 Eurizon initiated the integration of ESG factors and SRI principles into its Investment Process. In this context, it has introduced specific methodologies for the selection and monitoring of financial instruments in order to integrate a process for selecting financial instruments taking into account ESG factors and sustainable and responsible investment principles within the investment choices made as part of the collective investment management services, portfolio management and recommendations made with reference to the investment advisory service.

In 2021 Eurizon joined the cd. "*Net Zero Asset Managers Initiative*", "the international initiative that supports the goal of achieving neutrality on net *greenhouse* gas emissions by 2050 ("*Net Zero*"), in line with the commitments made by States that have signed the Paris Agreement.

The following table shows the key stages of the evolution of Eurizon's commitment:



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