



PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

(Pursuant to Article 4, paragraph 1, letter a) and article 4, paragraph 2, 3 and 4, of Regulation (EU) 2019/2088, and Articles 4 to 10 and Annex I of Delegated Regulation (EU) 2022/1288, as amended)

28th June 2024

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PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

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

1. SUMMARY

Eurizon Asset Management Croatia d.o.o. (LEI Code: 549300DU2TJ72XCUUN84, hereinafter: “Eurizon Asset Management Croatia”, “Eurizon HR”, or the “Company”) considers the principal adverse impacts of its investment decisions on sustainability factors.

This Statement (hereinafter also the “Statement”) is the consolidated statement on the principal adverse impacts on the sustainability factors of the Company as well as Eurizon Capital SGR S.P.A. (hereinafter: “Eurizon Capital SGR”, “SGR” or the “Parent Company”) and its subsidiaries, namely the following companies belonging to the *Asset Management Division* (hereinafter also “*Eurizon*”)

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.	529900BUTOYN9W7Y6103	Hungary	●	●
Eurizon Asset Management Croatia d.o.o.	549300DU2TJ72XCUUN84	Croatia	●	●

The Statement covers the reference period from 1 January to 31 December 2023.

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 of 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 (so called “ESG”) and Sustainable and Responsible Investments principles (so called “SRI”), in addition to financial analyses of risk/return profiles. The controls are tailored on the size, nature and scope of the activities carried out by the individual Companies, as well as the characteristics, objectives and investment limits of the individual financial products made available to clients, and are also aimed at: (i) 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; and (ii) 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. 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 "principal adverse impacts of investment decision on sustainability factors 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 risks may 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, including climate change mitigation and adaptation, mitigation of biodiversity loss and fighting deforestation, 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 issuers, with the aim of containing the risks arising from exposure to companies operating in sectors deemed not 'responsible' (such as the fossil fuel and non-conventional weapons sectors) or characterised by critical environmental, social or corporate governance issues, (ii) the positive integration of ESG factors in the analysis, selection and composition of financial portfolios and (iii) the engagement with investee companies performed by the Eurizon Capital SGR as well as the selection of sustainable investments in accordance with (EU) 2019/2088 (so called "SFDR Regulation"), and (iii) engaging with investee companies through the exercise of voting rights and, when deemed relevant, engagement activities focused, in particular, on environmental and social issues. 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. On the Company level, when it is determined that issuers of securities that already exist in the portfolio of managed assets have a rating or have undergone an ESG sustainability review that places them among "critical" issuers, such evidence is submitted to the Company's Investment Committee, which, with the support of ESG & Strategic Activism Units of the Parent Company, decide to activate the escalation process ("engagement"), also taking into account (i) the significance of the total positions held by assets under management; or (ii) exposure within an individual managed asset.

For the purposes of this Statement, Eurizon takes into consideration, also depending on the availability and quality of data, the 16 indicators provided for by current regulations¹ concerning the principal adverse impacts of investment decisions on sustainability factors as well as no. 4 additional indicators referring respectively to (a) climate, with specific reference to (i) emissions of atmospheric pollutants and (ii) investments made in companies that do not adopt initiatives to reduce carbon emissions, (b) social and personnel issues, monitoring (i) the accident rate in companies benefiting from investments and (ii) with specific reference to the number of identified cases of serious human rights problems and incidents.

With specific reference to the main negative effects of investment choices on sustainability factors, Eurizon has defined specific controls for the identification, analysis and prioritisation of the main negative effects of investment choices on sustainability factors through the identification and monitoring of the effects, making use of data acquired from the specialised info-provider MSCI ESG Research. In the best interest of its own financial products, Eurizon undertakes (i) to continue to develop its own sustainability policies, with the aim of favouring the mitigation of the main negative effects on sustainability factors, including through the adoption of new negative and/or positive asset selection strategies and (ii) to focus its engagement actions towards its investee companies with the aim of orienting them towards improving their sustainability practices, considering, only as a last resort, the divestment of investments. Eurizon also recognises that effective management of the main negative impacts on the environment and society requires a collective effort and therefore adheres to internationally recognised codes of responsible business conduct and standards.

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.

¹ The Delegated Regulation (EU) 2022/1288 specifies the content, methodologies and presentation of the information required by Article 4 of the SFDR in relation to the principal adverse impacts at entity level for sustainability indicators related to (i) climate and other environment-related negative impacts and (ii) in the field of social and employee issues, human rights compliance, anti-corruption and anti-bribery.

2. DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

This section provides a summary of the environmental and social indicators considered by Eurizon Asset Management Croatia and Asset Management Division in accordance with current regulations for the assessment of the adverse impacts of investments made on behalf of managed assets²:

A highlighted summary, referring to the year 2023 of the Environmental, Social and Corporate Governance Indicators considered by **Eurizon Asset Management Croatia**, for the evaluation of the negative effects determined by the investments made on behalf of the managed assets:

² For the year 2022, the indicators were calculated considering the relevant exposures compared to total investments in the related asset class (corporate or government). In order to allow for the comparison between 2022 and 2023 data, Eurizon has recalculated 2022 according to the same methodology implemented for the year 2023 (so-called "2022 pro-forma").

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation ³	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 (tons of CO2 equivalent)	2.058	42.595 719 (2022 proforma)	<p>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. Coverage⁴: Residual Data reported are influenced by the increased coverage of the indicator.</p> <p>Actions Adopted:</p> <p>Exclusions/restrictions: Eurizon foresees for the exclusion/restriction of investment in issuers that: (i) derive at least (a) 25% of all revenues from mining and power generation activities related to thermal coal (b) 10% of their turnover from oil & gas activities through the exploitation of tar sands and (ii) are characterised by particularly high environmental criticality, as evidenced by the lowest ESG rating (equal to "CCC" assigned by the specialised info-provider "MSCI ESG Research") in the Equity and Bond Investment Universe.</p> <p>Carbon footprint: Eurizon, for a specific set of products integrate the carbon footprint of issuers (scope 1 and 2 GHG emissions in relation to revenues), in order to build portfolios characterized by a "carbon footprint" lower of that of their investment universe</p> <p>Impact Investing: Eurizon for a specific set of products foresees that the due diligence carried out on investments in green, social and sustainability bonds considers, among other things, assessments of the issuer's share of non-renewable energy consumption and production. The due diligence process is aligned with the Green Bond Principles (GBP), the Social Bond Principles (SBP) and the Sustainability Bond Guidelines (SBG) defined by the International Capital Market Association (ICMA) and the EU Green Bond Standard (GBS) respectively.</p> <p>Stewardship - Engagement: Eurizon promotes the dialogue with less advanced 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. The purpose of this provision is to ensure that no new mining or power generation activities related to thermal coal or new oil sands exploitation projects are developed, and to verify the gradual 'phase out' of such activities.</p>
		Scope 2 GHG emissions (tons of CO2 equivalent)	377	8.649 108 (2022 proforma)	

³ Coverage materiality ranges: for each indicator, coverage is calculated in relation to exposure to asset classes relevant to the specific metric. Direct and indirect investments in corporate bonds and equities for PAIs 1-14 in Table 1 and for PAIs in Tables 2 and 3, direct and indirect investments in bonds of sovereign issuers for PAIs 15-16. The Criteria used for defining the coverage intervals: (i) Principal: percentage of data availability (at the issuer level) made available by the info-provider above 70%; (ii) Prevalent: percentage of data availability between 50% and 70%; (iii) Significant: percentage of data availability between 30% and 50%; (iv) Moderate: percentage of data availability between 10% and 30%; and (v) Residual: percentage of data availability below 10%.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation ³	Actions taken, and actions planned and targets set for the next reference period
					Data reported are influenced by the increased coverage of the indicator.	<p>In addition, Eurizon assesses the credibility of the transition plans of investee companies operating in the fossil fuel sector by analysing the information provided in reference to (i) absolute and/or relative greenhouse gas emission reduction targets, (ii) the expected evolution of the "energy mix", (iii) investment plans, and (iv) the use of carbon capture and carbon offsetting technologies.</p> <p>Finally, Eurizon has identified, for the year 2024, the issue of climate change mitigation and adaptation among the priority themes on which to conduct stewardship activities with its investee companies.</p> <p>Stewardship - Exercise of voting rights: Eurizon is committed to vote, among others, on management proposals related to the so-called "Say on Climate" initiative.</p> <p>In this regard, Eurizon Capital SGR has adopted a specific internal framework based on an analysis of the information contained in the "Transition Plans" presented to shareholders at the Shareholders' Meeting.</p> <p>In 2023 Eurizon Capital SGR voted on:</p> <ul style="list-style-type: none">- 18 resolutions regarding the 'Say on Climate' proposal;- 23 resolutions regarding non-financial statement/Corporate Social Responsibility Report;- 6 resolutions presented by shareholders to request the company to present the 'Say on Climate' at the shareholders' meeting;- 51 resolutions presented by shareholders to request the company to prepare adequate reporting to assess the effectiveness of the policies implemented by the company to manage climate change risks. <p>Net Zero Asset Managers Initiative (NZAMI): Eurizon Capital SGR adheres to the NZAMI initiative, which aims, in line with the commitments of the states that signed the Paris Agreement, to achieve zero net greenhouse gas emissions by 2050 for the perimeter of assets identified under the initiative.</p> <p>In February 2023, Eurizon Capital SGR published the "Net Zero Progress Report" illustrating the Division's progress against the targets communicated in November 2022.</p> <p>Climate Action 100+ (CA100+): Eurizon Capital SGR, starting in November 2023, adheres to the collective engagement initiative called "Climate Action 100+", which promotes the reduction of greenhouse gas emissions in line with the Paris Agreements by comparing itself with the 170 largest greenhouse gas emitters in the world.</p> <p>Targets set for the following period:</p> <p>Eurizon commits to monitor the availability of data from the info-provider with the aim of integrating, according to a best effort principle, additional information in future statements.</p> <p>Eurizon Capital SGR undertakes to review the targets linked to the NZAMI initiative at least every five years, in order to progressively extend the assets within the</p>
		Scope 3 GHG emissions (tons of CO2 equivalent)	19.109	325.069 3.552 (2022 proforma)	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. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	
		Total GHG emissions (tons of CO2 equivalent)	21.545	376.313 4.379 (2022 proforma)	This indicator represents the total greenhouse gas emissions of scope 1, 2 and 3 of the participated issuers. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	
	2. Carbon Footprint	Carbon Footprint (tonnes of CO2 equivalent per million invested expressed as a weighted average)	23	345 30 (2022 proforma)	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. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	

Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation ³	Actions taken, and actions planned and targets set for the next reference period
	3. GHG intensity of Companies receiving investments	GHG intensity of investee companies (tonnes of CO2 per million euro of turnover expressed as a weighted average)	67	763 66 (2022 proforma)	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. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	<p>scope of the initiative, in line with the methodological developments available from time to time.</p> <p>Eurizon is also committed to continuously refining its Sustainability and Engagement Policies, consistently with the evolution of regulations and national and international best practices.</p> <p>Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in Companies active in the fossil fuel sector (%)	0,8%	0,5% 0,7% (2022 proforma)	This indicator represents exposure of issuers to fossil fuel related activities, including the extraction, processing, storage and transportation of petroleum, natural gas and coal. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	
	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 (% expressed as weighted average)	5,0%	81,8% 4,7% (2022 proforma)	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. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation ³	Actions taken, and actions planned and targets set for the next reference period
	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 (Gigawatt hour/million turnover in euros expressed as weighted average)	0,27	1,27 0,07 (2022 proforma)	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). Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	
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 those investee companies negatively affect those areas (%)	0,05%	0% 0,01% (2022 proforma)	<p>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.</p> <p>Coverage: Residual Data reported were influenced by the refinement of the proprietary model used by the info-provider to estimate the data as well as the increase in the coverage of the indicator.</p>	<p>Actions Adopted:</p> <p>Stewardship - Engagement: For the year 2024, Eurizon has identified the theme of mitigating biodiversity loss and combating deforestation among the priority issues on which to conduct stewardship activities with its investee companies.</p> <p>Nature Action 100 (NA100): Eurizon Capital SGR, as of November 2023, has signed up to the collective engagement initiative known as "Nature Action 100", which encourages institutional investors to adopt best practices to fight biodiversity loss and deforestation, as well as to engage with no. 100 companies selected by the initiative from 8 'key' sectors (biotechnology and pharmaceuticals; chemicals; household and personal goods; consumer goods retailing; food and beverage retailing; forestry and packaging; metals and mining).</p> <p>Eurizon Capital SGR, in line with its participation in the NA100 initiative, dialogues with issuers identified in order to mitigate biodiversity loss and combat deforestation.</p> <p>In this context, Eurizon Capital SGR has defined an internal screening methodology aimed at identifying issuers capable of generating negative impacts on biodiversity caused by (i) the location of production sites near sensitive areas and fragile ecosystems or (ii) by their own activities.</p> <p>Consistent with its adherence to NA100, Eurizon Capital SGR requires the identified companies:</p> <ul style="list-style-type: none">— an explicit corporate commitment to mitigate biodiversity loss and ecosystem protection;— assessment and reporting of biodiversity-related impacts, risks and opportunities also along their respective value chains;

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation ³	Actions taken, and actions planned and targets set for the next reference period
						<ul style="list-style-type: none">communication of (i) time-bound, context-specific targets to reduce risks and exploit opportunities related to natural capital and to publish annual progress against stated targets, (ii) plans to achieve them, and (iii) progress achieved;oversight by their respective oversight bodies of biodiversity conservation and preservation issues and management's assessment and management of nature-related dependencies, impacts, risks and opportunities;engagement with stakeholders to create an environment conducive to the implementation of identified plans and the achievement of objectives. <p>Stewardship – Exercise of voting rights: 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: Eurizon is also committed to continuously refining its Sustainability and Engagement Policies, in line with the evolution of regulations and national and international best practices.</p> <p>Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested (expressed as a weighted average)	0,05	26,1 2,80 (2022 proforma)	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. Coverage : Residual Data reported are influenced by the increased coverage of the indicator.	<p>Actions Adopted: Stewardship - Engagement: Eurizon Capital SGR, in line with its membership of the NA100 initiative, supports initiatives to mitigate biodiversity loss and fight deforestation.</p> <p>Stewardship – Exercise of voting rights: Eurizon Capital SGR is committed to exercising its right to vote, consistent with the objective of fighting deforestation and biodiversity loss.</p> <p>Objectives set for the following period Eurizon is committed to continuously refining its Sustainability and Engagement Policies, in line with the evolution of regulations and national and international best practices.</p> <p>Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, (expressed as a weighted average)	0,09	8,1 0,83 (2022 proforma)	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. Coverage: Residual	<p>Actions Adopted: Circularity score Eurizon Capital SGR has developed a proprietary score to measure the degree of circularity of companies, which leverages on public information including, among other, financials and sustainability reports.</p> <p>Objectives set for the following period: Eurizon undertakes to continue to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted</p>

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation ³	Actions taken, and actions planned and targets set for the next reference period
					Data reported are influenced by the increased coverage of the indicator.	with respect to the evolution of best practices developed at national and international level. Eurizon undertakes to monitor the availability of data by the info-provider with the objective of integrating, according to a best effort principle, further information in the next declarations.
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 (%)	0,02%	0% N/A (2022 proforma)	This indicator represents the portion of investments in investee companies involved in violations of the UNGC principles for the OECD Guidelines for Multinational Companies. Coverage: Residual A pro forma 2022 calculation was not possible due to the absence of the underlying metrics used in 2023.	Actions adopted: Exclusions/restrictions: Eurizon foresees the exclusion/restriction of issuers that are characterised by: <ul style="list-style-type: none">a) a clear direct involvement in the manufacture of unconventional weapons and/or (ii)b) particularly high social issues, as evidenced by the lowest ESG rating (equal to 'CCC' assigned by the specialised info-provider 'MSCI ESG Research') in the Equity and Bond Investment Universe. In addition, Eurizon has identified the issue of compliance with good corporate governance practices as one of the priority topics on which to conduct stewardship activities with its investee companies for the year 2024. Stewardship – Engagement. Eurizon promotes a constructive approach to the companies in which it invests and is aware of the importance of the dialogue on governance practices.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation ³	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 (%)	2,1%	5,3% 3,4% (2022 proforma)	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. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	For such reasons, Eurizon: <ul style="list-style-type: none"> (a) could activate escalation processes with issuers characterized by a higher exposure to ESG risks; (b) promotes the adoption of good governance practices by investee companies, verifying the absence of disputes in relation to the Global Compact Principles on freedom of association (No. 3), anti-corruption (No. 10) and discrimination in employment and occupation (No. 6) (c) promote dialogue with investee companies, encouraging the development of policies and practices aimed at the effective management of its human capital by, inter alia, promoting pay and gender equity, at all levels. These aspects are also reflected in the process of exercising voting rights. <p>Advantage: Eurizon Capital SGR, as of November 2023, has signed up to the collective engagement initiative, promoted by UN PRI, aimed at fostering best practices in respect of human rights, society, communities and workers, particularly with companies in the metals, mining and renewable energy sectors.</p> <p>Stewardship – Exercise of voting rights:</p> <p>Eurizon Capital SGR in 2023 supported 13 proposals related to the so-called "pay disparity" and voted against the Chairman of the Nomination Committee or directors of 146 companies in the absence of diversity in the Board of Directors.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (%)	1,0%	12,7% 0,8% (2022 proforma)	The indicator represents the unadjusted average gender pay gap of the investee companies. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (%)	2,8%	43,9% 2,2% (2022 proforma)	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. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation ³
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 (%)	0,00%	0,01 ⁵ % 0,01% (2022 proforma)	<p>This indicator represents the portion of investments in investee companies involved in the production or sale of controversial weapons Coverage: Residual</p> <p>Actions adopted: Exclusion/restriction: Eurizon, in accordance with international treaties and Italian national regulations⁶, provides for the exclusion/restriction of investment in issuers characterised by a clear direct involvement in the manufacture of non-conventional weapons (antipersonnel mines; cluster bombs; nuclear weapons; depleted uranium; biological weapons; chemical weapons; invisible fragmentation weapons; blinding lasers; incendiary weapons; white phosphorous). In addition, Eurizon has identified for the year 2024 the theme of respect for human rights and fighting the production of unconventional weapons as one of the priority themes on which to conduct engagement activities with investee companies.</p> <p>Stewardship - Engagement Eurizon reserves the right to start a dialogue with issuers, with the aim of investigating compliance with international treaties and national legislation and verifying that they are not directly involved in the manufacture of unconventional weapons. On the basis of the information acquired, Eurizon assesses the opportunity to activate further escalation processes, including divestment.</p> <p>Objectives set for the following period: Eurizon is committed to continuously refining its Sustainability Policies, consistently with the evolution of regulations and national and international best practices. Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>

⁵ These exposures are due to investment in (i) third-party Fund House 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.

⁶ Law n. 220/2021.

Indicators applicable to investments in sovereigns and supranationals						
Adverse Sustainability Indicator		Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG Intensity	GHG intensity of investee countries (tonnes of carbon dioxide 'CO2' equivalent per million euro of Gross Domestic Product, expressed as weighted average)	339	514,5 467 (2022 proforma)	The indicator represents the Greenhouse Gas Intensity of the participated countries. Coverage: Principal	Actions adopted: Sovereign integration: Eurizon, for specific products, adopts a selection process for government issuers that exploits the indicators provided by the "Sustainable Development Report" (which assesses the contribution of each country to the United Nations Sustainable Development Goals) and the adverse impact indicators provided for government issuers (GHG intensity and countries that benefit from investments subject to social violations). Eurizon ESG Government Score Eurizon, as an additional information available to the manager, has developed a proprietary score called "Eurizon ESG Score" for government issuers. This score provides for the weighting of two components: (i) the assessment of the environmental, social and governance impact of individual countries and (ii) the estimation of the evolution of the environmental, social and governance impact of government issuers over a horizon of at least 5 years, in order to analyse the evolution of their policies with respect to the management of ESG risks and opportunities. Objectives set for the following period: Eurizon is committed to continuously refining its Sustainability Policies, consistently with the evolution of regulations and national and international best practices.
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 (absolute and relative value in %)	6 0,03%	7 0% N/A (2022 proforma)	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. Coverage: Principal A pro forma 2022 calculation was not possible due to the absence of the underlying metrics used in 2023.	
Indicators applicable to investments in real estate assets						
Adverse Sustainability Indicator		Metric	Impact year 2023	Impact year 2022	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	Not applicable	Not applicable	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	Not applicable	Not applicable	
Additional climate and other environment-related indicators						
Adverse Sustainability Indicator	Metric	Impact year 2023	Impact year 2022	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						
Emissions	2. Air pollutant emissions	Tonnes of air pollutants equivalent per million EUR invested (expressed as a weighted average)	0,0	1 0,0 (2022 proforma)	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. Coverage: Residual	<p>Azioni adottate:</p> <p>Net Zero Asset Managers Initiative (NZAMI): la Divisione <i>Asset Management</i>, per il tramite della Controllante Eurizon Capital SGR, aderisce all'iniziativa NZAMI che si pone l'obiettivo, in linea con gli impegni degli Stati che hanno sottoscritto l'accordo di Parigi, di raggiungere zero emissioni nette di gas serra entro il 2050 per il perimetro di asset identificati nell'ambito dell'iniziativa.</p> <p>A febbraio 2023, Eurizon Capital SGR ha pubblicato il "<i>Net Zero Progress Report</i>" che illustra i progressi della Divisione rispetto ai <i>target</i> comunicati nel novembre 2022</p> <p>Climate Action 100+ (CA100+): la Divisione <i>Asset Management</i>, per il tramite della Controllante Eurizon Capital SGR, a partire da novembre 2023, ha sottoscritto l'iniziativa di <i>engagement</i> collettivo cd. "<i>Climate Action 100+</i>" che promuove la riduzione delle emissioni di gas serra coerentemente con gli Accordi di Parigi mediante il confronto con i n. 170 maggiori emittenti di gas serra al mondo.</p> <p>Exclusion/restriction: Eurizon Capital SGR's Sustainability Policy provides for the exclusion/restriction of investment in issuers that (i) derive at least (a) 25% of their turnover from mining and electricity production activities linked to thermal coal;</p> <p>(a) (b) 10% del fatturato da attività di estrazione di <i>oil & gas</i> attraverso lo sfruttamento delle sabbie bituminose;</p> <p>e (ii) sono caratterizzati da criticità ambientali particolarmente elevate, come evidenziate dal rating ESG più basso (pari a "CCC" assegnato dall'<i>info-provider</i> specializzato "MSCI ESG Research") nell'Universo di Investimento azionario e obbligazionario.</p> <p>Obiettivi fissati per il periodo successivo:</p> <p>La Divisione <i>Asset Management</i> si impegna a revisionare gli obiettivi collegati all'iniziativa NZAMI almeno ogni cinque anni, al fine di estendere progressivamente gli attivi in perimetro all'iniziativa, coerentemente con le evoluzioni metodologiche tempo per tempo disponibili.</p>
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	1,6%	NA	This ratio represents the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement. Coverage: Residual First reporting for this indicator	

						La Divisione <i>Asset Management</i> si impegna, inoltre, a affinare nel continuo le proprie Politiche di sostenibilità e di impegno, coerentemente con l'evoluzione della normativa e delle <i>best practice</i> nazionali e internazionali.
Indicators applicable to investments in investee companies						
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 (value expressed as a weighted average)	0,0	4,04 0,0 (2022 proforma)	This ratio represents the rate of accidents in investee companies, weighted by the value of investments in such companies. Coverage: Residual Data reported are influenced by the increased coverage of the indicator.	Azioni adottate: Stewardship - Engagement Eurizon Capital SGR supporta le iniziative a supporto dell'adozione di pratiche a favore della tutela dei lavoratori. Stewardship – Esercizio del diritto di voto Eurizon Capital SGR nel 2023 ha supportato n. 32 proposte relative alla cd. " <i>Human and labour rights</i> " sul totale di n. 191 proposte degli azionisti di tipo sociale votate.
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0,0	N/A	This ratio represents the number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis. Coverage: Residual First reporting for this indicator	

A highlighted summary, referring to the year 2023 of the Environmental, Social and Corporate Governance Indicators considered by the **Asset Management Division (Eurizon)**, for the evaluation of the negative effects determined by the investments made on behalf of the managed assets:

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	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 (tons of CO2 equivalent)	4.884.059	16.576.166 / 12.405.499 (2022 proforma)	<p>This indicator represents the most recently communicated or estimated Scope 1 greenhouse gas emissions of participated issuers.</p> <p>These emissions come from sources owned or controlled by companies.</p> <p>Coverage: Significant</p> <p>Data reported are influenced by the increased coverage of the indicator.</p> <p>Actions Adopted:</p> <p>Exclusions/restrictions: Eurizon foresees for the exclusion/restriction of investment in issuers that: (i) derive at least (a) 25% of all revenues from mining and power generation activities related to thermal coal (b) 10% of their turnover from oil & gas activities through the exploitation of tar sands and (ii) are characterised by particularly high environmental criticality, as evidenced by the lowest ESG rating (equal to "CCC" assigned by the specialised info-provider "MSCI ESG Research") in the Equity and Bond Investment Universe.</p> <p>Carbon footprint: Eurizon, for a specific set of products integrate the carbon footprint of issuers (scope 1 and 2 GHG emissions in relation to revenues), in order to build portfolios characterized by a "carbon footprint" lower of that of their investment universe</p> <p>Impact Investing: Eurizon for a specific set of products foresees that the due diligence carried out on investments in green, social and sustainability bonds considers, among other things, assessments of the issuer's share of non-renewable energy consumption and production. The due diligence process is aligned with the Green Bond Principles (GBP), the Social Bond Principles (SBP) and the Sustainability Bond Guidelines (SBG) defined by the International Capital Market Association (ICMA) and the EU Green Bond Standard (GBS) respectively.</p> <p>Stewardship - Engagement: Eurizon promotes the dialogue with less advanced issuers in terms of climate protection and operating in less environmentally friendly sectors.</p> <p>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. The purpose of this provision is to ensure that no new mining or power generation activities related to thermal coal or new oil sands exploitation projects are developed, and to verify the gradual 'phase out' of such activities.</p> <p>In addition, Eurizon assesses the credibility of the transition plans of investee companies operating in the fossil fuel sector by analysing the information provided in reference to (i) absolute and/or relative greenhouse gas emission reduction targets, (ii) the expected evolution of the "energy mix", (iii) investment plans, and (iv) the use of carbon capture and carbon offsetting technologies.</p> <p>Finally, Eurizon has identified, for the year 2024, the issue of climate change mitigation and adaptation among the priority themes on which to conduct stewardship activities with its investee companies.</p>
		Scope 2 GHG emissions (tons of CO2 equivalent)	1.267.316	3.012.491 / 1.212.225 (2022 proforma)	
		Scope 3 GHG emissions (tons of CO2 equivalent)	38.756.620	96.122.217 /	

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
2. Carbon Footprint	equivalent)		39.500.594 (2022 proforma)	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. Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	<p>Stewardship - Exercise of voting rights: Eurizon is committed to vote, among others, on management proposals related to the so-called "Say on Climate" initiative.</p> <p>In this regard, Eurizon Capital SGR has adopted a specific internal framework based on an analysis of the information contained in the "Transition Plans" presented to shareholders at the Shareholders' Meeting.</p> <p>In 2023 Eurizon Capital SGR voted on:</p> <ul style="list-style-type: none"> - 18 resolutions regarding the 'Say on Climate' proposal; - 23 resolutions regarding non-financial statement/Corporate Social Responsibility Report; - 6 resolutions presented by shareholders to request the company to present the 'Say on Climate' at the shareholders' meeting; - 51 resolutions presented by shareholders to request the company to prepare adequate reporting to assess the effectiveness of the policies implemented by the company to manage climate change risks. <p>Net Zero Asset Managers Initiative (NZAMI): Eurizon Capital SGR adheres to the NZAMI initiative, which aims, in line with the commitments of the states that signed the Paris Agreement, to achieve zero net greenhouse gas emissions by 2050 for the perimeter of assets identified under the initiative.</p> <p>In February 2023, Eurizon Capital SGR published the "Net Zero Progress Report" illustrating the Division's progress against the targets communicated in November 2022.</p> <p>Climate Action 100+ (CA100+): Eurizon Capital SGR, starting in November 2023, adheres to the collective engagement initiative called "Climate Action 100+", which promotes the reduction of greenhouse gas emissions in line with the Paris Agreements by comparing itself with the 170 largest greenhouse gas emitters in the world.</p> <p>Targets set for the following period:</p> <p>Eurizon commits to monitor the availability of data from the info-provider with the aim of integrating, according to a best effort principle, additional information in future statements.</p> <p>Eurizon Capital SGR undertakes to review the targets linked to the NZAMI initiative at least every five years, in order to progressively extend the assets within the scope of the initiative, in line with the methodological developments available from time to time.</p> <p>Eurizon is also committed to continuously refining its Sustainability and Engagement Policies, consistently with the evolution of regulations and national and international best practices.</p> <p>Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>
	Total GHG emissions (tons of CO2 equivalent)	44.929.717	115.710.874 53.118.318 (2022 proforma)	This indicator represents the total greenhouse gas emissions of scope 1, 2 and 3 of the participated issuers. Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	
	Carbon Footprint (tonnes of CO2 equivalent per million invested expressed as a weighted average)	216	544 198 (2022 proforma)	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. Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	

Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
	3. GHG intensity of Companies receiving investments	GHG intensity of investee companies (tonnes of CO2 per million euro of turnover expressed as a weighted average)	399	1043 372 (2022 proforma)	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. Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (%)	5,1%	4,4% 4,1% (2022 proforma)	This indicator represents exposure of issuers to fossil fuel related activities, including the extraction, processing, storage and transportation of petroleum, natural gas and coal. Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	
	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 (% expressed as weighted average)	30,3%	71,5% 25,1% (2022 proforma)	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. Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
	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 (Gigawatt hour/million turnover in euros expressed as weighted average)	0,62	1,24 0,44 (2022 proforma)	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). Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	
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 those investee companies negatively affect those areas (%)	0,08%	0,02% 0,02% (2022 proforma)	<p>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.</p> <p>Coverage: Significant Data reported were influenced by the refinement of the proprietary model used by the info-provider to estimate the data as well as the increase in the coverage of the indicator.</p>	<p>Actions Adopted:</p> <p>Stewardship - Engagement: For the year 2024, Eurizon has identified the theme of mitigating biodiversity loss and combating deforestation among the priority issues on which to conduct stewardship activities with its investee companies.</p> <p>Nature Action 100 (NA100): Eurizon Capital SGR, as of November 2023, has signed up to the collective engagement initiative known as "Nature Action 100", which encourages institutional investors to adopt best practices to fight biodiversity loss and deforestation, as well as to engage with no. 100 companies selected by the initiative from 8 'key' sectors (biotechnology and pharmaceuticals; chemicals; household and personal goods; consumer goods retailing; food and beverage retailing; forestry and packaging; metals and mining).</p> <p>Eurizon Capital SGR, in line with its participation in the NA100 initiative, dialogues with issuers identified in order to mitigate biodiversity loss and combat deforestation.</p> <p>In this context, Eurizon Capital SGR has defined an internal screening methodology aimed at identifying issuers capable of generating negative impacts on biodiversity caused by (i) the location of production sites near sensitive areas and fragile ecosystems or (ii) by their own activities.</p> <p>Consistent with its adherence to NA100, Eurizon Capital SGR requires the identified companies:</p> <ul style="list-style-type: none">— an explicit corporate commitment to mitigate biodiversity loss and ecosystem protection;— assessment and reporting of biodiversity-related impacts, risks and opportunities also along their respective value chains;

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation
					<ul style="list-style-type: none"> communication of (i) time-bound, context-specific targets to reduce risks and exploit opportunities related to natural capital and to publish annual progress against stated targets, (ii) plans to achieve them, and (iii) progress achieved; oversight by their respective oversight bodies of biodiversity conservation and preservation issues and management's assessment and management of nature-related dependencies, impacts, risks and opportunities; engagement with stakeholders to create an environment conducive to the implementation of identified plans and the achievement of objectives. <p>Stewardship – Exercise of voting rights: 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: Eurizon is also committed to continuously refining its Sustainability and Engagement Policies, in line with the evolution of regulations and national and international best practices.</p> <p>Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested (expressed as a weighted average)	0,22	62,74 20,67 (2022 proforma)	<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. Coverage: Significant Data reported are influenced by the increased coverage of the indicator.</p> <p>Actions Adopted: Stewardship - Engagement: Eurizon Capital SGR, in line with its membership of the NA100 initiative, supports initiatives to mitigate biodiversity loss and fight deforestation.</p> <p>Stewardship – Exercise of voting rights: Eurizon Capital SGR is committed to exercising its right to vote, consistent with the objective of fighting deforestation and biodiversity loss.</p> <p>Objectives set for the following period Eurizon is committed to continuously refining its Sustainability and Engagement Policies, in line with the evolution of regulations and national and international best practices.</p> <p>Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, (expressed as a weighted average)	1,95	18,62 7,88 (2022 proforma)	<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. Coverage: Significant</p> <p>Actions Adopted: Circularity score Eurizon Capital SGR has developed a proprietary score to measure the degree of circularity of companies, which leverages on public information including, among other, financials and sustainability reports.</p> <p>Objectives set for the following period: Eurizon undertakes to continue to develop its Sustainability and Engagement Policies, with the aim of assessing the consistency of the methodologies adopted</p>

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
					Data reported are influenced by the increased coverage of the indicator.	with respect to the evolution of best practices developed at national and international level. Eurizon undertakes to monitor the availability of data by the info-provider with the objective of integrating, according to a best effort principle, further information in the next declarations.
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 (%)	0,02%	0,2% / N/A (2022 proforma)	This indicator represents the portion of investments in investee companies involved in violations of the UNGC principles for the OECD Guidelines for Multinational Companies. Coverage: Significant	Actions adopted: Exclusions/restrictions: Eurizon foresees the exclusion/restriction of issuers that are characterised by: <ul style="list-style-type: none">a) a clear direct involvement in the manufacture of unconventional weapons and/or (ii)b) particularly high social issues, as evidenced by the lowest ESG rating (equal to 'CCC' assigned by the specialised info-provider 'MSCI ESG Research') in the Equity and Bond Investment Universe. In addition, Eurizon has identified the issue of compliance with good corporate governance practices as one of the priority topics on which to conduct stewardship activities with its investee companies for the year 2024.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	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 (%)	18,17%	15,77% 14,57% (2022 proforma)	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. Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	<p>Stewardship – Engagement:</p> <p>Eurizon promotes a constructive approach to the companies in which it invests and is aware of the importance of the dialogue on governance practices.</p> <p>For such reasons, Eurizon:</p> <ul style="list-style-type: none"> (a) could activate escalation processes with issuers characterized by a higher exposure to ESG risks; (b) promotes the adoption of good governance practices by investee companies, verifying the absence of disputes in relation to the Global Compact Principles on freedom of association (No. 3), anti-corruption (No. 10) and discrimination in employment and occupation (No. 6) (c) promote dialogue with investee companies, encouraging the development of policies and practices aimed at the effective management of its human capital by, inter alia, promoting pay and gender equity, at all levels. These aspects are also reflected in the process of exercising voting rights. <p>Advance: Eurizon Capital SGR, as of November 2023, has signed up to the collective engagement initiative, promoted by UN PRI, aimed at fostering best practices in respect of human rights, society, communities and workers, particularly with companies in the metals, mining and renewable energy sectors.</p> <p>Stewardship – Exercise of voting rights:</p> <p>Eurizon Capital SGR in 2023 supported 13 proposals related to the so-called "pay disparity" and voted against the Chairman of the Nomination Committee or directors of 146 companies in the absence of diversity in the Board of Directors.</p> <p>Moreover, in line with the Italian Corporate Governance Code and the International Corporate Governance Network (ICGN) principles, Eurizon Capital SGR's voting guidelines require that at least 33% of the directors would be assigned to the least represented gender. Eurizon Capital SGR, in fact, votes against the candidates presented for election or renewal if their appointment would lead to a change in the gender diversity threshold below 33% and votes against the renewal of the Chairman of the Nomination Committee if less than 33% of the members of the directors belong to the less represented gender.</p> <p>During the reference period, Eurizon Capital SGR, Eurizon Capital S.A. and Epsilon SGR have contributed to the appointment of Independent Directors and Statutory Auditors of selected Italian listed companies promoting the principle of gender diversity.</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 best practises developed nationally and internationally.</p> <p>Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (%)	5,79%	12,39% 4,28% (2022 proforma)	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (%)	16,56%	35,4% 12,26% (2022 proforma)	

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
	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 ⁴ %	0,01 ⁷ % 0,01% (2022 proforma)	This indicator represents the portion of investments in investee companies involved in the production or sale of controversial weapons Coverage: Significant	<p>Actions adopted:</p> <p>Exclusion/restriction: Eurizon, in accordance with international treaties and Italian national regulations⁸, provides for the exclusion/restriction of investment in issuers characterised by a clear direct involvement in the manufacture of non-conventional weapons (antipersonnel mines; cluster bombs; nuclear weapons; depleted uranium; biological weapons; chemical weapons; invisible fragmentation weapons; blinding lasers; incendiary weapons; white phosphorous).</p> <p>In addition, Eurizon has identified for the year 2024 the theme of respect for human rights and fighting the production of unconventional weapons as one of the priority themes on which to conduct engagement activities with investee companies.</p> <p>Stewardship - Engagement</p> <p>Eurizon reserves the right to start a dialogue with issuers, with the aim of investigating compliance with international treaties and national legislation and verifying that they are not directly involved in the manufacture of unconventional weapons. On the basis of the information acquired, Eurizon assesses the opportunity to activate further escalation processes, including divestment.</p> <p>Objectives set for the following period:</p> <p>Eurizon is committed to continuously refining its Sustainability Policies, consistently with the evolution of regulations and national and international best practices.</p> <p>Finally, with reference to the Stewardship activity, Eurizon will keep on monitoring further collective initiatives, in order to evaluate other potential adhesions and to promote dialogue with issuers.</p>

Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period

⁷ These exposures are due to investment in (i) third-party Fund House 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.

⁸ Law n. 220/2021.

Environmental	15. GHG Intensity	GHG intensity of investee countries (tonnes of carbon dioxide 'CO2' equivalent per million euro of Gross Domestic Product, expressed as weighted average)	148,9	307,5 / 266,5 (2022 proforma)	The indicator represents the Greenhouse Gas Intensity of the participated countries. Coverage: Prevalent	<p>Actions adopted:</p> <p>Sovereign integration: Eurizon, for specific products, adopts a selection process for government issuers that exploits the indicators provided by the "Sustainable Development Report" (which assesses the contribution of each country to the United Nations Sustainable Development Goals) and the adverse impact indicators provided for government issuers (GHG intensity and countries that benefit from investments subject to social violations).</p> <p>Eurizon ESG Government Score</p> <p>Eurizon, as an additional information available to the manager, has developed a proprietary score called "Eurizon ESG Score" for government issuers. This score provides for the weighting of two components: (i) the assessment of the environmental, social and governance impact of individual countries and (ii) the estimation of the evolution of the environmental, social and governance impact of government issuers over a horizon of at least 5 years, in order to analyse the evolution of their policies with respect to the management of ESG risks and opportunities.</p> <p>Objectives set for the following period:</p> <p>Eurizon is committed to continuously refining its Sustainability Policies, consistently with the evolution of regulations and national and international best practices.</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 (absolute and relative value in %)	8 0,07%	10 - 0,5% / N/A (2022 proforma)	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. Coverage: Prevalent	

Indicators applicable to investments in real estate assets

Adverse Sustainability Indicator		Metric	Impact year 2023	Impact year 2022	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	Not applicable	Not applicable	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	Not applicable	Not applicable	

Additional climate and other environment-related indicators

Adverse Sustainability Indicator	Metric	Impact year 2023	Impact year 2022	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					
Emissions	2. Air pollutant emissions	Tonnes of air pollutants equivalent per million EUR invested (expressed as a weighted average)	0,2	0,7 0,3 (2022 proforma)	<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. Coverage: Significant</p> <p>Actions Adopted: Net Zero Asset Managers Initiative (NZAMI): Eurizon Capital SGR joined the NZAMI initiative, which aims, in line with the commitments of the states that signed the Paris Agreement, to achieve zero net greenhouse gas emissions by 2050 for the perimeter of assets identified under the initiative. In February 2023, Eurizon Capital SGR published the "Net Zero Progress Report" outlining the Division's progress against the targets communicated in November 2022. Climate Action 100+ (CA100+): Eurizon Capital SGR, as of November 2023, has signed up to the collective engagement initiative known as "Climate Action 100+," which promotes the reduction of greenhouse gas emissions consistent with the Paris Accords through comparison with the world's No. 170 largest greenhouse gas emitters. Exclusions/restrictions⁹: Eurizon foresees for the exclusion/restriction to investing in issuers that (i) derive at least (a) 25% of turnover from mining and power generation activities related to thermal coal; (b) 10% of turnover from oil & gas extraction activities through oil sands exploitation; and (ii) are characterized by particularly high critical environmental issues, as evidenced by the lowest ESG rating (equal to "CCC" assigned by the specialized info-provider "MSCI ESG Research") in the Equity and Bond Investment Universe. Objectives set for the following period: Eurizon undertakes to revise the targets linked to the NZAMI initiative at least every five years, in order to progressively expand the assets in perimeter to the initiative, consistent with the methodological developments available from time to time. Eurizon is committed to continuously refine its Sustainability and Engagement Policies, consistently with the evolution of regulations and national and international best practices.</p>
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	12,98%	N/A	<p>This ratio represents the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement. Coverage: Significant First reporting for this indicator</p>
Indicators applicable to investments in investee companies					
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 (value expressed as a weighted average)	48,24	4,12 15,24 (2022 proforma)	<p>This ratio represents the rate of accidents in investee companies, weighted by the value of investments in such companies.</p> <p>Actions taken: Stewardship - Engagement Eurizon supports initiatives for the adoption by participated issuers of employee-prone practices. Stewardship - Exercise of Voting Rights.</p>

⁹ Restriction means, in the case of Limited Tracking Error products and indexed products (with the exception of those that explicitly integrate ESG factors), that the maximum direct investment allowed is equal to the weight of the issuer in the reference parameter.

					Coverage: Significant Data reported are influenced by the increased coverage of the indicator.	Eurizon Capital SGR in 2023 supported 32 proposals related to so-called "Human and labor rights".
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0,0	N/A	This ratio represents the number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis. Coverage: Significant First reporting for this indicator	

3. DESCRIPTION OF POLICIES RELATING TO THE IDENTIFICATION AND PRIORITISATION OF THE PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

This section describes the policies, approved by the Board of Directors, aimed at identifying and prioritizing the principal adverse impacts of Eurizon's choices on sustainability factors, i.e., the adverse impacts of investment decisions or investment advice on environmental, social and corporate governance issues.

In particular, the internal regulations adopted by Eurizon Capital SGR for the management of sustainability requirements, and which describe the processes and safeguards adopted also for the purposes of the activities of identifying, monitoring and mitigating the negative effects of investment decisions are reported below:

POLICY		PRINCIPAL ASPECTS CONSIDERED	PROCESS OF APPROVAL AND UPDATE
Sustainability Policy	Policy regarding the integration of sustainability risks into the Investment Process.	<ul style="list-style-type: none"> Roles and responsibilities; Process of integrating sustainability risks into the Managed Asset Investment Process; Identification of the Principal Adverse Impacts of Investment Choices. 	Board of Directors of the 29th of November 2023 (annual update)
Engagement Policy	Policy describing the behaviours the Company adopts to stimulate the dialogue with the issuers in which it invests, including mitigate the principal adverse impacts of investment decisions on sustainability factors by integrating the Company's commitment as a shareholder into the investment strategy.	<ul style="list-style-type: none"> Roles and responsibilities; Description of the monitoring process of investee issuers, Definition of intervention process; Description of the priority macro-issues for stewardship activities and identification of the Principal Adverse Impacts according to the identified macro-issues 	Board of Directors of the 27th March 2024 (annual update)
Strategy for the exercise of voting rights	Policy aimed at defining how and when intervention and voting rights may be exercised, based on a cost-benefit analysis that also considers the investment objectives and policy of each managed portfolio.	<ul style="list-style-type: none"> Roles and responsibilities; Description of the criteria and procedures for intervention and voting; Principles and conduct for exercising voting rights; Procedures for managing conflicts of interest 	Board of Directors of the 20th December 2023 (annual update)
Risk management system	Policy aimed at defining strategies and policies for the purpose of identifying, taking, managing, monitoring and mitigating risks, including sustainability risks, to which Eurizon or managed assets are or may be exposed as well as for determining and controlling the level of risk tolerated.	<ul style="list-style-type: none"> Roles and responsibilities; Procedures for managing and monitoring sustainability risks. 	Board of Directors of the 29th of November 2023 (annual update)

As the lead company of the Asset Management Division, Eurizon Capital SGR is responsible for the transposition of its policies into the corporate and regulatory environment of each subsidiary company. In compliance with the principle of proportionality, the smaller Companies limit the definition of their own safeguards to the areas considered of greatest relevance in relation to their respective business.

The following paragraphs describe the process implemented by Eurizon to identify the principal adverse impacts of investment choices on sustainability factors, with specific reference to (i) the roles and responsibilities aimed at defining and implementing policies, (ii) the methods used to select the "*Principal Adverse Impact indicators*" or "PAIs," as well as (iii) the limitations associated with the methodologies implemented and the related sources of data used.

ROLES AND RESPONSIBILITIES

The identification of the principal adverse impacts of the investment decisions 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 (or "framework"), which requires the involvement of the corporate bodies and the competent corporate structures, in order to ensure:

- the correct implementation of sustainability policies and the management of sustainability risks and related activities to identify, monitor and mitigate the adverse impacts of investment decisions;
- a close monitoring of the risks to which financial products are exposed.

Specifically, Eurizon Capital SGR and its subsidiaries assign to their respective administrative bodies the role of guidance and governance in the management of issues related to sustainability, including the integration of climate and environmental risks into business processes. In particular, Eurizon Capital SGR's administrative body makes use of both specialized endoconsiliar committees and technical committees, with advisory purposes, including the Environmental, Social and Governance Committee (the so-called "ESG Committee"), an advisory body to support the Chief Executive Officer and Managing Director in defining the proposals to be presented to the Board of Directors.

To this end, 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 principal adverse impacts of investment decisions on sustainability factors.

The results of the analyses are also presented to the Financial, Credit and Operational Risks Committee, 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.

In order to properly implement its internal policies, Eurizon envisages the involvement of several corporate structures, including corporate control functions. To this end, Eurizon adopts a hybrid approach that entrusts the ESG & Strategic Activism Structure of Eurizon Capital SGR with the task of overseeing the dissemination and implementation of sustainability principles, promoting the integration of environmental, social and governance factors in the Investment Process.

Specifically, the latter Structure:

- is responsible for the development and implementation of corporate policies on ESG and SRI and the proper conduct of related operational processes;
- monitors market practices and proposes interventions to senior management to promote innovation on business methodologies and processes;
- oversees the proper and effective performance of activities related to the exercise of voting rights for equity investments held by assets managed by the Eurizon Capital SGR;
- ensures the performance of engagement activities with relevant issuers referring to both corporate governance issues and environmental and social issues.

With specific reference to the principal adverse impacts of investment decisions on sustainability factors, 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 MSCI ESG Research.

METHODOLOGIES USED TO SELECT INDICATORS AS WELL AS TO IDENTIFY AND EVALUATE PRINCIPAL ADVERSE IMPACTS

Eurizon believes that most economic activities can influence many indicators of sustainability, both positively and negatively. These effects may assume significant connotations both before the phase of the investment and during the holding 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 principal adverse impacts 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 sustainability risk/return profile of the financial products offered to clients.

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 mechanisms of¹⁰:

- Negative screening, restrictions and exclusions¹¹ with the aim of mitigating the risks of exposure to companies operating in sectors considered 'non responsible' or characterized by 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:
 - build 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 or involving the implementation of strategies in derivative financial instruments that provide exposure, including through indexes, to issuers selected on the basis of environmental and/or social factors, (vi) processes for selecting governmental issuers using both the indicators provided by the "Sustainable Development Report" and (vii) with a lower ecological footprint than the investment universe;
 - implement investment selection methodologies in order to (i) contribute to the SDGs within the meaning of the SFDR Regulation or (ii) generate a social or environmental impact together with a measurable financial return;
- Stewardship, which means a proactive interaction with the investee companies by Eurizon Capital SGR, achieved both by exercising the rights of intervention and voting and by engaging with the companies themselves;
- 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;

¹⁰ Portfolio management mandates characterized by the presence of specific indications within their respective investment policies do not fall within the scope of application of these mechanisms, in view of the lower degree of discretion in the selection of financial instruments.

¹¹ Restriction means, in the case of Limited Tracking Error products and indexed products (except those that explicitly incorporate ESG factors), that the maximum direct investment allowed is equal to the weight of the issuer in the benchmark.

- 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.

That said, for the purpose of identifying key adverse impact indicators, Eurizon recognizes the following macro-issues as priorities:

- Respect for human rights and fight against the production of unconventional weapons: the pursuit of long-term sustainability of the economic system is based on the responsible management of human capital and respect for basic human rights. To that end, 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's Sustainability Policy foresees:
 - exclusions or restrictions for issuers with (i) a clear direct involvement in the manufacture of unconventional weapons (Anti-personnel mines; cluster bombs; Nuclear weapons; Uranium impoverished; Biological weapons; Chemical weapons; Invisible fragmentation weapons; Laser; incendiary weapons; White phosphorus) and/or (ii) particularly high social issues, as expressed by the lower ESG rating (equal to "CCC" assigned by the specialized info-provider "MSCI ESG Research" in the equity and bond investment universe);
 - dialogue with participated companies, encouraging the development of policies and practices 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 practices in the field of health and safety, implementing a clear management system for monitoring and, if necessary, taking corrective measures;
- mitigation and adaptation to climate change: the sustainable development and growth of issuers is affected by the energy transition process. In this regard, Eurizon prioritizes companies considered to be lagging (so-called "laggards") in the decarbonization process. Eurizon's Sustainability Policy provides:
 - exclusions or restrictions to issuers featuring a clear direct involvement in activities of (i) extraction or production of electricity from thermal coal and (ii) extraction of oil & gas by using oil sands;
 - exclusions or restrictions to issuers characterized by particularly high environmental issues, as expressed by the lowest ESG rating (equal to "CCC" assigned by the specialized info provider "MSCI ESG Research" in the equity and bond investment universe);
 - investment selection methodologies that integrate: (i) investment selection processes based on sustainable investment criteria in accordance with the SFDR Regulations (so-called "Sustainable Integration"); (ii) ways of measuring the carbon footprint generated by issuers in order to build portfolios characterized by a carbon footprint lower than that of its investment universe (so-called "Carbon Footprint");
 - investment selection methodologies aimed at: (i) contribute to the Sustainable Development Goals promoted by the United Nations, pursuant to the SFDR Regulations (so-called "SDG Investing"); (ii) generate a measurable and positive social and/or environmental impact, together with a financial return (so-called "Impact Investing");
 - dialogue activities with investee companies with the aim of deepening the information gathered, addressing any critical issues, monitoring progress and, more generally, fostering transparency in line with the commitments made by joining the "Net Zero Asset Managers Initiative"¹² (NZAMI) and the "Climate Action 100+" initiative (CA100+)¹³;

¹² Initiative promoted by an international group of asset managers committed to supporting the goal of achieving zero net greenhouse gas emissions by 2050, in line with the commitments made by the states that signed the Paris Agreement, aimed at containing the impacts of climate change and limiting the rise in temperatures to 1.5 degrees Celsius by 2050.

¹³ A collective engagement initiative that promotes the adoption of decarbonisation pathways by major global greenhouse gas emitters, consistent with the Paris Agreement.

- mitigation of biodiversity loss and fighting deforestation: impacts of negative emitters on biodiversity¹⁴ and ecosystems, including through their own value chains, contribute to (i) land and sea exploitation resulting from deforestation, conversion for agriculture and aquaculture, (ii) climate change brought by pollution, (iii) the spread of invasive species, and (iv) unsustainable fishing, hunting and farming practices that may adversely affect animal and plant populations. In this regard, Eurizon's Sustainability Policy provides:
 - exclusions or restrictions to issuers with a clear direct involvement in activities of (i) extraction or production of electricity from thermal coal and (ii) extraction of oil & gas by using oil sands;
 - exclusions or restrictions to issuers with particularly high environmental issues, as expressed by the lowest ESG rating (equal to “CCC” assigned by the specialized info provider “MSCI ESG Research” in the equity and bond Investment Universe);
 - investment selection methodologies that integrate: (i) investment selection processes based on sustainable investment criteria in accordance with the SFDR Regulations (so-called “Sustainable Integration”); (ii) ways of measuring the carbon footprint generated by issuers in order to build portfolios characterized by a carbon footprint lower than that of its investment universe (so-called “Carbon Footprint”);
 - investment selection methodologies aimed at: (i) contribute to the Sustainable Development Goals promoted by the United Nations, pursuant to the SFDR Regulations (so-called “SDG Investing”); (ii) generate a measurable and positive social and/or environmental impact, together with a financial return (so-called “Impact Investing”);
 - activities of dialogue with investee companies, encouraging the adoption by issuers belonging to risk sectors¹⁵, of effective strategies and policies to preserve biodiversity that include the involvement of management and corporate bodies as well as transparency both on commitments made and in the presence of any disputes;
- adoption of good governance practices: 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, Eurizon¹⁶ promotes:
 - 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 triggering, where appropriate, of engagement processes towards issuers with higher ESG risk exposure and the implementation of exclusions or restrictions for those with particularly high corporate governance issues;
 - 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:

- Greenhouse gas emissions:
 - GHG Emissions, in line with the commitments deriving from the subscription to the NZAMI and CA100+;
 - Carbon Footprint consistently with the promotion of a product aiming to obtain a lower footprint than the benchmark or investment universe;

¹⁴ Biodiversity is defined as “the variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, and among species of ecosystems” (Source: Convention on Biological Diversity).

¹⁵ Examples include: agriculture, fisheries and aquaculture, food, beverages and tobacco, forestry, thermal utilities, construction, electricity, water utilities, supply chains and transportation, chemical industry, civil aviation, real estate, mining and metals, retail consumer goods, oil and gas, automotive, healthcare, electronics, insurance and capital management, banking and digital communication.

¹⁶ 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.

- Exposure to fossil fuels, taking into account the exclusion criteria adopted for the extraction or production of electricity from thermal coal and (ii) extraction of oil & gas by using oil sands;
- Biodiversity:
 - Activities that adversely affect biodiversity-sensitive areas by promoting dialogue activities with participated issuers, in line with commitments arising from membership in the *Nature Action 100 Initiative*¹⁷;
- Indicators on social and staff-related issues:
 - Exposure to unconventional weapons (anti-personnel mines, cluster bombs, chemical weapons and biological weapons), in line with the exclusion criteria applied to companies with a clear involvement in the production of unconventional weapons.

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.

The data represented refer to the assets issued by Eurizon Capital SGR and the Community-law Subsidiaries belonging to the Asset Management Division. The Statement does not apply to the portfolios conferred for management by other financial market participants according to the management mandates concluded with each of them.

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.

Where appropriate, impact indicators were calculated considering relevant portfolio exposures, depending on the data available for the calculation. For example, direct and indirect investments in companies for which relevant data were available were considered for the calculation of the "GHG emissions" indicator. The PAI indicator data for the year 2023 was calculated taking into consideration all investments in beneficiary companies and sovereign issuers (i) direct, resulting from equity and bond financial instruments, (ii) indirect, resulting from the portfolios of linked UCIs¹⁸, (iii) indirect, resulting from third-party UCIs, as provided by MSCI ESG Research and (iv) indirect, resulting from derivative financial instruments. Where deemed appropriate, the calculated values are related to the net assets managed by the Community-law companies belonging to the Asset Management Division.

Indicator values were determined as the average of portfolio valuations over four quarterly surveys (i.e., March 31, June 30, September 30, and December 31), using the latest data made available by the specialized info-provider MSCI ESG Research.

The methodologies described above, and the information represented herein are affected by the limited availability of data directly reported by issuers and collected by the info-provider as well as by the quality of estimations made by the latter. For this Statement, Eurizon is, therefore, relying on the data collected and received from its info-provider, which has been selected on the basis of both the relevance in the area of reference and the level of coverage (including through estimates) of the data provided.

Where appropriate, Eurizon reserves the right to carry out other investigations on the data acquired, using as additional sources of information (i) the websites of the issuing companies, (ii) annual reports and corporate documents, and/or (iii) contacting the data provider directly for appropriate verifications.

Finally, the data, forecasts and estimates as well as opinions contained herein are made with reference only to the date of their preparation, and there is no guarantee that results, or any future events will be consistent with the opinions, forecasts or estimates contained herein. The information and opinions given are based on sources deemed reliable and in good faith.

With regard to 'Private markets' (private markets), assessing negative impacts depends on the availability and quality of data and also to the absence of information sources and structured corporate reporting,

¹⁷ A collaborative engagement initiative that encourages institutional investors to adopt best practices to tackle biodiversity loss and deforestation.

¹⁸ Mutual funds and SICAVs managed by Eurizon Capital SGR or other Management Companies belonging to the same Group.

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 qualitative/quantitative analyses of environmental, social and governance issues. According to a best effort principle, Eurizon is committed to integrating such data into the next statements.

4. ENGAGEMENT POLICY

Eurizon has a fiduciary duty to protect and create value for its clients and investors that requires it to effectively address issues related to the performance of the companies in which it invests on behalf of the assets it manages. 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.

To this end, in 2014 Eurizon Capital SGR adopted the "Stewardship Principles"¹⁹ as defined by the Italian association (Assogestioni) in line with the European Stewardship Code promoted by EFAMA, which aim to provide a set of best practices to promote responsible share ownership by its members and to encourage effective integration between the corporate governance of issuing companies and its own 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 order to regulate the behaviours they adopt to stimulate dialogue with issuers, integrating their commitment as shareholders into their investment strategy, where appropriate, the Companies belonging to the Asset Management Division have defined a specific "*Engagement Policy*" pursuant to (i) Directive 2007/36/EC on the encouragement of long-term shareholder commitment (so-called "*Shareholder Rights II Directive*") and (ii) the SFDR Regulation on sustainability disclosure in the financial services sector.

In compliance with industry regulations relating to the collective asset management service, the Management Companies belonging to the Asset Management Division have also drawn up a "*Strategy for the exercise of intervention and voting rights inherent the financial instruments pertaining to the assets managed*" in order to ensure, in the presence of the discretionary allocation of the exercise of voting rights inherent in the shareholdings "managed" by it, independence and autonomy in the exercise of intervention and voting rights.

Eurizon Capital SGR favours dialogue and participation in Shareholders' Meetings of investee companies, according to a "targeted" approach to corporate governance, encouraging - by adopting the principle of proportionality - companies deemed 'relevant', according to qualitative/quantitative criteria specified from time to time in internal regulations.

In this way, Eurizon Capital SGR aims to identify any problems in advance and at the same time minimise potential losses caused by matters related to the trend of the companies in which it invests on behalf of the assets managed. Eurizon Capital SGR 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 Capital SGR 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 Capital SGR is to start the communication ("one way");
- 'Bilateral,' where Eurizon Capital SGR and the investee issuer have established a constructive dialogue ("two way");
- 'Collective,' if coordinated action is planned on targeted issues of multiple institutional investors.

¹⁹ The principles defined by Assogestioni are aligned with those contained in the EFAMA *Code of External Governance* approved by the *European Fund and Asset Management Association* (EFAM).

The procedures with investee 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 Eurizon Capital 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 Capital SGR considers action taken with investees to be more effective when it is based on a medium/long-term relationship with corporate bodies and senior management that, in these situations, are more likely to consider institutional investors as credible, committed partners. In this regard, actions are in addition to the analysis of investments and exercise of voting rights, because they make it possible to deal with specific governance aspects of issuers, avoiding in the first instance, an assessment of the disposal of the investment or a vote cast against a motion.

The engagement process includes a medium-term monitoring cycle aimed at assessing the progress made by issuers, with a particular focus on the 'macro-themes' identified as priorities by Eurizon Capital SGR. Such assessments typically require a timeframe of at least 18-36 months.

During this time period, if the investee companies do not respond constructively, Eurizon Capital SGR assesses the implementation of specific escalation processes that, depending on specific situations, may provide for one or more of the following initiatives:

First level

- Increasing the frequency of contact with the issuer;
- Sending formal communications aimed at explicit Eurizon Capital SGR's expectations;
- Cooperation with other institutional investors.

Second level

- Making public statements at the Shareholders' Meeting;
- Abstention or opposition at the Shareholders' Meeting;
- Assessment of disposal of shareholdings within the ESG Committee.

Eurizon Capital SGR believes that environmental, social and corporate governance factors have an impact on portfolio performance, and that the adoption of ESG and SRI criteria can contribute to improve the ability to respond more effectively to Clients'/Investors' expectations, aligning investment activities with the broader interests of issuers.

To this end, SGR gives priority to establishing a constructive dialogue with investee issuers concerned with the following macro-issues, covering all industrial sectors:

- a) climate change mitigation and adaptation;
- b) mitigation of biodiversity loss and fighting deforestation;
- c) respect for human rights and fighting the production of unconventional weapons;
- d) good corporate governance practices.

For each of these, SGR encourages the investee companies to improve their processes by considering - where appropriate - the definition of suitable corrective actions. In order to optimize its engagement initiatives, Eurizon Capital SGR reserves the right to assess the materiality of additional areas of interest, also depending on the issuing companies' sector such as, for example, gender diversity and cybersecurity aspects, including the use of Artificial Intelligence tools.

In line with the provisions of Delegated Regulation (EU) 2022/1288, the assessment of the Principal Adverse Impacts of Investment Choices on Sustainability Factors and the definition of possible actions to mitigate them are an integral part of Eurizon Capital SGR's approach to sustainability.

The following table shows the mapping of the "Principal Adverse Impact Indicators" taken into account in dialogue activities (including the exercise of voting rights) with investee companies:

PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY	"MACRO-THEMES" IDENTIFIED BY EURIZON			
	CLIMATE CHANGE MITIGATION AND ADAPTATION	MITIGATION OF BIODIVERSITY LOSS	RESPECT FOR HUMAN RIGHTS AND FIGHTING THE PRODUCTION OF UNCONVENTIONAL WEAPONS	GOOD CORPORATE GOVERNANCE PRACTICES
Greenhouse gas emissions	●			
Biodiversity		●		
Water		●		
Waste		●		
Indicators on social and staff-related issues			●	●

Eurizon Capital SGR recognizes the benefits that can arise from activating forms of collective engagement with other investors. In particular, Eurizon Capital SGR evaluates such a solution when it believes it is the most effective option for improving communication with issuers. This circumstance may occur in the case of significant corporate events or issues of public interest²⁰.

For any further information regarding the initiatives and associations Eurizon Capital SGR has joined for the purpose of monitoring, intervention and collective engagement activities, please refer to the next Paragraph.

5. INTERNATIONAL STANDARDS

Eurizon promotes behaviours that emphasise aspects of sustainability of investments and the adoption of good corporate governance practises by the investee companies.

In this regard, the following are the Codes and Principles to which Eurizon, through its parent company Eurizon Capital SGR, has adhered in order to adopt ethical standards and codes of responsible business conduct as well as internationally recognised norms²¹:

- Advance: as of November 2023, Eurizon Capital SGR has signed up to the collective engagement initiative, promoted by UN PRI, aimed at encouraging best practices in respect of human rights, society, communities and workers;
- CDP, the independent non-profit organisation that offers companies, states, regions and cities a framework for measuring, tracking, managing and sharing information on their environmental impact globally, with the aim of promoting actions to mitigate climate change;
- Climate Action 100+: starting from November 2023, Eurizon Capital SGR has subscribed to the collective engagement initiative called "Climate Action 100+", which promotes the reduction of greenhouse gas emissions in line with the Paris Agreements;
- Italian Corporate Governance Code: describes principles, recommendations and best practices regarding the organisation and functioning of companies, including, by way of example, the role, composition, independence, gender equality and functioning of the Board of Directors, as well as defining the functions of the SGR's management and control bodies and the relationships between them.
- Code of Ethics of the Intesa Sanpaolo Group: aims to guide behaviour consistent with the highest international and national ethical standards. The Code includes and recognises as fundamental the principles of sustainability to guide the SGR's strategy and have a positive impact on the future of the planet and society in the awareness that taking into account social and environmental issues also

²⁰ Any collective engagement is conducted in compliance with internal and external regulations for the management of conflicts of interest and insider information (market abuse), paying particular attention to regulations on concert action.

²¹ As a result of these adhesions, taking into account the principle of proportionality and the specificities of the business, the subsidiaries implement controls consistent with those of Eurizon Capital SGR, aimed at implementing the best practices promoted by the different initiatives

helps minimise exposure to risks and strengthen reputation. Intesa Sanpaolo adheres to the United Nations Global Compact and is committed to contributing to the achievement of the Sustainable Development Goals (SDGs):

- Forum on Sustainable Finance, in November 2021 Eurizon Capital SGR joined the Forum on Sustainable Finance²² (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;
- Institutional Investors Group on Climate Change: As of November 2021 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, Eurizon Capital 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;
- 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.
- Nature Action 100: starting from August 2023, Eurizon Capital has joined the collective engagement initiative known as "Nature Action 100", which encourages institutional investors to adopt best practices to combat biodiversity loss and deforestation;
- Net Zero Asset Managers Initiative, on the 1st of November 2021 Eurizon Capital joined the "Net Zero Asset Managers Initiative" (hereinafter "NZAMI"), 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., aimed at containing the impacts of climate change and limiting the rise in temperatures to 1.5°C by 2050;
- Principles of Responsible Investments: Eurizon adheres - as of 2015 - to the "Principles for Responsible Investment", the Guiding Principles on Responsible Investment promoted by the United Nations. As a signatory of these Principles, Eurizon Capital SGR is required to provide annual information on its responsible investment activities through participation in the so-called "Reporting and Assessment", available on the website www.unpri.org;
- Stewardship Principles: as an adherent - since 2014 - to the "Italian Principles of Stewardship" for the exercise of administrative and voting rights in listed companies defined by Assogestioni, Eurizon Capital SGR pays particular attention to the policies implemented by issuers, stimulating the comparison with the companies in which it invests. The Principles defined by Assogestioni are aligned with those contained in the Stewardship Code promoted by EFAMA, in which Assogestioni participates and of which Eurizon Capital SGR is also a member;

In addition, Eurizon recognises the following international treaties and national laws:

- Nuclear Non-Proliferation Treaty concluded on 1 July 1968;
- Ottawa Treaty (1997) prohibiting the use, stockpiling, production and transfer of anti-personnel mines;
- Convention on Cluster Munitions (2008) prohibiting the use, stockpiling, production and transfer of cluster munitions;
- Chemical Weapons Convention prohibiting the use, stockpiling, production and transfer of chemical weapons;
- Biological Weapons Convention prohibiting the use, stockpiling, production and transfer of biological weapons;
- Law No. 220 of 9 December 2021.

Below is the table of reconciliation between the Principal Negative Effects on Sustainability Factors and the adopted standards, as well as the relevant initiatives for the consideration of the Principal Negative Effects on Sustainability Factors.

²² The Forum is a member of the EUROSIF network, of which the following No. 6 national forums are also members: FIR, FNG, Spainsif, SIF Ireland, Swiss Sustainable Finance, UK SIF.

THEME	PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS	INTERNATIONAL STANDARDS AND NORMS ADOPTED BY EURIZON	RELEVANT INITIATIVES FOR THE CONSIDERATION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS
Greenhouse gas emissions	<p>PAI 1 – GHG Emissions (Scope 1, 2, 3 and total)</p> <p>PAI 2 – Carbon Footprint</p> <p>PAI 3 - GHG Intensity of investee companies</p> <p>PAI 4 - Exposure to companies active in the fossil fuel sector</p> <p>PAI 5 – Share of consumption and production of non-renewable energy</p> <p>PAI 6 – Energy intensity by sector with high climate impact</p>	<p>International norms:</p> <ul style="list-style-type: none"> – “Responsible Investment Principles” of the United Nations – Stewardship Principles <p>Sector Initiatives:</p> <ul style="list-style-type: none"> – Net Zero Asset Managers Initiative (NZAMI) – Climate Action 100+ – CDP – Institutional Investors Group on Climate Change (IIGCC) 	<p>Net Zero Asset Managers Initiative (NZAMI)</p> <p>Eurizon Capital SGR adheres to the NZAMI initiative, which aims, in line with the commitments of the states that signed the Paris Agreement, to achieve net zero greenhouse gas emissions by 2050 for the perimeter of assets identified under the initiative.</p> <p>In February 2023, Eurizon published the "Net Zero Progress Report" outlining the Division's progress against the targets communicated in November 2022.</p> <p>The "Net Zero Asset Managers Initiative" includes four targets, broken down as follows:</p> <p>1. <u>Asset Level Alignment</u></p> <p>Identify an increasing portion of its <i>Assets Under Management</i> (AUM) to be managed in line with the target of zero net greenhouse gas emissions by 2050.</p> <p>2. <u>Portfolio Level Reference</u></p> <p>Decarbonise a portion of assets under management by 2030.</p> <p>3. <u>Stewardship</u></p> <p>Implement specific engagement and voting actions towards investee companies to incentivise them to undertake decarbonisation paths and progressively align to the Net Zero scenario.</p> <p>4. <u>Climate Solution</u></p> <p>Increase the share of investments earmarked for "Climate solutions", i.e. investments capable of having a direct, concrete and positive impact on climate change mitigation.</p> <p>As part of the definition of the decarbonisation target ("Portfolio Level Reference"), Eurizon Capital SGR has chosen to use as forward-looking scenario the decarbonisation trajectories of the International Energy Agency (IEA of 2021).</p> <p>Climate Action 100+ (CA100+)</p> <p>Eurizon Capital SGR, as of November 2023, it has signed up to the "Climate Action 100+" collective engagement initiative, which promotes the reduction of greenhouse gas emissions in line with the Paris Agreements by comparing itself with the 170 largest greenhouse gas emitters in the world.</p> <p>Exclusions/restrictions</p> <p>Eurizon's foresees specific exclusion/restriction criteria for investment in issuers that derive:</p> <ul style="list-style-type: none"> – at least 25% of turnover from mining and power generation activities related to thermal coal; – at least 10% of turnover from oil & gas activities through the exploitation of oil sands; – particularly high environmental concerns, as evidenced by the lowest ESG rating (equal to "CCC" assigned by "MSCI ESG Research") in the Equity and Bond Investment Universe. <p>Carbon footprint: Eurizon, for a specific set of products integrate the carbon footprint of issuers (scope 1 and 2 GHG emissions in relation to revenues), in order to build portfolios characterized by a "carbon footprint" lower of that of their investment universe</p> <p>Impact Investing: Eurizon for a specific set of products foresees that the due diligence carried out on investments in green, social and sustainability bonds considers, among other things, assessments of the issuer's share of non-renewable energy consumption and production. The due diligence process is aligned with the Green Bond Principles (GBP), the Social Bond Principles (SBP) and the Sustainability Bond Guidelines (SBG) defined by the International Capital Market Association (ICMA) and the EU Green Bond Standard (GBS) respectively.</p>

THEME	PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS	INTERNATIONAL STANDARDS AND NORMS ADOPTED BY EURIZON	RELEVANT INITIATIVES FOR THE CONSIDERATION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS
Biodiversity	PAI 7 – Activities that adversely affect biodiversity sensitive areas	<p>International norms:</p> <ul style="list-style-type: none"> – “Responsible Investment Principles” of the United Nations – Stewardship Principles <p>Sector Initiatives:</p> <ul style="list-style-type: none"> – Nature Action 100 	<p>Biodiversity - Internal screening methodology</p> <p>Eurizon Capital SGR has defined an internal screening methodology aimed at identifying issuers capable of generating negative impacts on biodiversity caused by (i) the location of production sites near sensitive areas and fragile ecosystems or (ii) by its activities.</p> <p>Exercise of voting rights and dialogue with issuers.</p> <p>In addition, in line with its adherence to the "Nature Action 100" collective engagement initiative, Eurizon is committed to voting in favour of shareholder proposals that require companies:</p> <ul style="list-style-type: none"> – an explicit corporate commitment to mitigating biodiversity loss and protecting ecosystems; – the assessment and reporting of biodiversity impacts, risks and opportunities; – to define strategic plans to mitigate risks and exploit opportunities related to natural capital, and to publish progress against stated objectives; – Board oversight of biodiversity conservation and preservation issues; – stakeholder involvement in the implementation of strategic plans.
Indicators on social and staff-related issues	<p>PAI 10 – Violations of the United Nations Global Compact principles and the Organisation for Cooperation And Development (OECD) guidelines for multinational companies</p> <p>PAI 11 - Lack of procedures and compliance mechanisms to monitor compliance with the United Nations Global Compact principles and OECD guidelines for multinational companies</p>	<p>International norms:</p> <ul style="list-style-type: none"> – “Responsible Investment Principles” of the United Nations – Stewardship Principles – <i>UN Global Compact</i> <p>Sector Initiatives:</p> <ul style="list-style-type: none"> – <i>Advance</i> (UNPRI) 	<p>Promoting good governance practices</p> <p>Eurizon's framework requires products classified under Articles 8 and 9 of the SFDR to invest in companies that comply with good governance practices, i.e. companies that:</p> <ul style="list-style-type: none"> – include independent members in the board of directors; – do not have negative opinions from the external auditor; – have no disputes in relation to Principle 10 of the United Nations Global Compact (UNGC) concerning the commitment against corruption in all its forms, including extortion and bribery; – have no disputes in relation to UNGC Principle No. 3 on freedom of association and recognition of the right to collective bargaining; – have no disputes in relation to UNGC Principle 6 on the elimination of discrimination in respect of employment and occupation; – have no disputes in relation to tax compliance.
	PAI 12 – Incorrect gender pay gap	<p>International norms:</p> <ul style="list-style-type: none"> – “Responsible Investment Principles” of the United Nations – Stewardship Principles <p>National norms:</p> <ul style="list-style-type: none"> – Italian Corporate Governance Code <p>Sector Initiatives:</p> <ul style="list-style-type: none"> – <i>International Corporate Governance Network</i> (ICGN) 	<p>Exercise of voting rights</p> <p>In line with the Italian Corporate Governance Code and the ICGN principles, Eurizon Capital SGR exercises its voting rights on shareholder proposals relating to the gender pay gap and gender diversity in the Board of Directors.</p>
	PAI 13 – Gender diversity in advice	<p>International norms:</p> <ul style="list-style-type: none"> – Nuclear Non-Proliferation Treaty concluded on 1 July 1968; – Ottawa Treaty (1997) prohibiting the use, stockpiling, production and transfer of anti-personnel mines; – Convention on Cluster Munitions (2008) prohibiting the use, stockpiling, production and transfer of cluster munitions; 	<p>Exclusions/restrictions</p> <p>Eurizon's envisages specific exclusion/restriction criteria for investing in issuers that are characterised by a clear direct involvement in the manufacture of non-conventional weapons: anti-personnel mines, cluster bombs, nuclear weapons, depleted uranium, biological weapons, chemical weapons, invisible fragmentation weapons, blinding lasers, incendiary weapons, white phosphorous.</p>
	PAI 14 – Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	<p>International Norms:</p> <ul style="list-style-type: none"> – Nuclear Non-Proliferation Treaty concluded on 1 July 1968; – Ottawa Treaty (1997) prohibiting the use, stockpiling, production and transfer of anti-personnel mines; – Convention on Cluster Munitions (2008) prohibiting the use, stockpiling, production and transfer of cluster munitions; 	<p>Exclusions/restrictions</p> <p>Eurizon's envisages specific exclusion/restriction criteria for investing in issuers that are characterised by a clear direct involvement in the manufacture of non-conventional weapons: anti-personnel mines, cluster bombs, nuclear weapons, depleted uranium, biological weapons, chemical weapons, invisible fragmentation weapons, blinding lasers, incendiary weapons, white phosphorous.</p>

THEME	PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS	INTERNATIONAL STANDARDS AND NORMS ADOPTED BY EURIZON	RELEVANT INITIATIVES FOR THE CONSIDERATION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS
		<ul style="list-style-type: none"> – Chemical Weapons Convention prohibiting the use, stockpiling, production and transfer of chemical weapons; – Biological Weapons Convention prohibiting the use, stockpiling, production and transfer of biological weapons; <p>National Norms:</p> <ul style="list-style-type: none"> – Law No. 220 of 9 December 2021 	

6. HISTORICAL COMPARISON

At present, the possibility of making comparisons on the data on the principal adverse impacts on the sustainability factors of investments is influenced by several factors such as:

- the limited availability of the time series used for the purposes of this Declaration (years 2022 and 2023);
- the availability and quality of the data made available by the info-providers;
- the progressive consolidation of the methodologies, also in function of the indications deriving from the Community framework;
- the heterogeneity of managed portfolios in terms of assets (asset class), nature of financial instruments, sectors and geographical areas;
- the performance of managed products and financial markets;
- the ability of issuers to initiate a transition process of their business model or to seize sustainable development opportunities.

For these reasons, it is very complex to estimate which sustainability factors our investments have a more significant negative impact on.

However, given that climate change is a threat to the global economy and poses risks to the companies in which we invest, climate change mitigation is a key aspect of Eurizon's sustainability strategy. In line with its long-term commitments under the "*Net Zero Asset Managers Initiative*", Eurizon ascribes particular emphasis on climate risks, energy and climate transition plans and transparency on greenhouse gas emissions caused directly and indirectly by its investee companies, with particular reference to the most polluting sectors. In this context, Eurizon is aware of the importance of "*Just Transition*" initiatives that promote the achievement of climate neutrality and respect for workers' rights.

With reference to the assets in the perimeter of the "*Net Zero Asset Managers Initiative*", Eurizon monitors the decarbonisation process of the managed portfolios with respect to the targets set in November 2022 for the achievement of the so-called "Net Zero scenario" and makes available to investors and stakeholders a special report ("*Net Zero Progress Report*") that illustrates the progress made by the Division. The commitment made is also reflected in the priorities set for the definition of the negative selection criteria for issuers and for engagement activities with investee issuers.

In any case, in the best interest of its financial products, Eurizon is committed:

- to continue developing its sustainability policies, with the aim of favouring the mitigation of the main negative effects on sustainability factors, including through the adoption of new negative and/or positive asset selection strategies;
- to focus its engagement actions towards investee companies with the aim of orienting them towards improving their sustainability practices, considering, only as a last resort, the divestment of investments.

Eurizon recognises that effective management of the principal adverse impacts on the environment and society requires a collective effort and, therefore, intends to continue to adhere to responsible business conduct codes and internationally recognised standards.

For the sake of completeness, details of the methodological refinements that affected the calculations for the year 2023 are provided below:

- data for PAI indicators referring to the year 2023 in the Table in the Section "Description of the principal adverse impact on sustainability factors" have been calculated, where applicable, considering all exposures in the portfolio, i.e. investments in beneficiary companies and sovereign issuers (i) direct, resulting from equity and bond financial instruments, (ii) indirect, resulting from the portfolios of linked UCIs²³, (iii) indirect, resulting from third-party UCIs, as provided by MSCI ESG Research and (iv) indirect, resulting from derivative financial instruments. The calculated values are related to the assets under management of the EU Companies belonging to the Asset Management Division. The values of PAI No. 1 (GHG emissions), No. 16 (Countries benefiting from investments subject to social violations) and No. 2 optional social (Table 3, Accident Rate), are, however, expressed in absolute terms and not relative to the overall portfolio exposures;
- data acquired to represent the PAI indicators analysed depend on the estimates provided by the info-provider and on the methodological evolutions that have affected the relevant proprietary models; in particular, the data for PAI no. 7 (Activities adversely affecting biodiversity-sensitive areas) for the year 2023 have been influenced by a methodological refinement that has led to an increase in the coverage of the issuers.

²³ Mutual funds and SICAVs managed by Eurizon Capital SGR or other Management Companies belonging to the same Group.

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