



**SUMMARY OF
THE SUSTAINABILITY POLICY
OF EURIZON CAPITAL SGR S.p.A.**

REGULATION

APPROVING BODY/STRUCTURE	TYPE OF INTERVENTION	EFFECTIVE DATE
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Responsible Investments & Stewardship

RECIPIENTS

Eurizon Capital SGR S.p.A.

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Yes	No

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1. INTRODUCTION

As a financial markets participant and financial advisor, Eurizon Capital SGR S.p.A. ("Eurizon Capital SGR", or the "Company") has a fiduciary duty with its Clients and Investors and, more in general, with stakeholders, that requires sustainability-related matters to be managed effectively, with particular reference to returns on its financial products and to issuers that the Company invests in, on behalf of its managed assets¹. In keeping with its own "Engagement Policy", the Company believes that issuers adopting high standards at an environmental, social and corporate governance level, are capable of generating a sustainable performance in the long term.

This document represents the Policy relating to the integration of sustainability risks in the Investment Process of Eurizon Capital SGR pursuant to Article 3² of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability disclosures in the financial services sector (the "Sustainable Finance Disclosure Regulation" or "SFDR") and the related implementation rules.

The Policy describes the methodologies for selecting and monitoring financial instruments, adopted by the Company to consider sustainability aspects in its own Investment Process regarding collective asset management and portfolio management services, as well as recommendations made as part of the investment advisory service.

Above-mentioned methodologies provide for the application of specific financial instrument selection processes, appropriately calibrated according to the characteristics and objectives of the individual products managed, these processes take into account environmental, social and corporate governance (ESG) factors, and Sustainable and Responsible Investments (SRI) principles.

The criteria for selecting and monitoring issuers based on ESG and SRI profiles combine traditional financial analyses of the risk/return profiles of issuers which the Company considers when making its investment choices, in order to (i) avoid environmental, social and *corporate governance* conditions from having an actual or potential significant adverse impact on the value of investments of managed assets, and to (ii) lever the capabilities of issuers to benefit from sustainable growth opportunities.

This document also describes how Eurizon Capital SGR takes into account:

- the principal adverse impacts of investment decisions on sustainability factors, pursuant to Articles 4³ and 7⁴ of the SFDR Regulation and the related implementation rules;
- the sustainability risks in its own Remuneration and Incentive Policy, pursuant to Article 5⁵ of the SFDR Regulation.

The legal framework of reference also refers to the following provisions:

- Regulation (EU) 2020/852 (the "Taxonomy Regulation") on the establishment of a framework to facilitate sustainable investments;
- Commission Delegated Regulation (EU) 2021/1253 on the integration of clients' sustainability preferences by investment firms;

¹ This refers to products governed by both Italian and foreign law, even if they are established through a foreign branch. According to the Bank of Italy's Regulations on Collective Asset Management of 19 January 2015, asset management companies operating in another EU Member State (including through branches) are required to comply with the regulatory supervision provisions included in the TUF including internal control procedures for the provision of collective asset management services.

² Financial market participants shall publish on their websites information about their policies on integrating sustainability risks in their investment decision-making processes. Financial advisors shall publish on their websites information about their policies on integrating sustainability risks in their investment or insurance advice.

³ Financial market participants shall publish and update on their websites [omission] where they consider the principal adverse impacts of investment decisions on sustainability factors, a statement regarding their due diligence policies with respect to such effects, taking due account of their size, the nature and scope of their activities and the type of financial products they make available.

⁴ [omission] for each financial product, where a financial market participant applies Article 4 [omission], the following shall be included: (a) a clear and reasoned explanation indicating whether and, if so, how a financial product takes into account the main adverse impacts on sustainability factors; b) a statement that information on principal adverse impacts on sustainability factors is available in the information to be disclosed pursuant to Article 11(2) of the Regulation.

⁵ Financial market participants and financial advisors shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites.

- Commission Delegated Regulation (EU) 2021/1269 as regards the integration of sustainability factors into the product governance obligations;
- Commission Delegated Regulation (EU) 2022/1288, as amended, describing the regulatory technical standards on the content and presentation of information in pre-contractual documents, on websites and in periodic reports;
- ESMA guidelines funds' names using ESG or sustainability-related terms of 21 August 2024 (ESMA34-1592494965-657).

In this context, the Company promotes training initiatives to consolidate its personnel's awareness and understanding of sustainability-related topics.

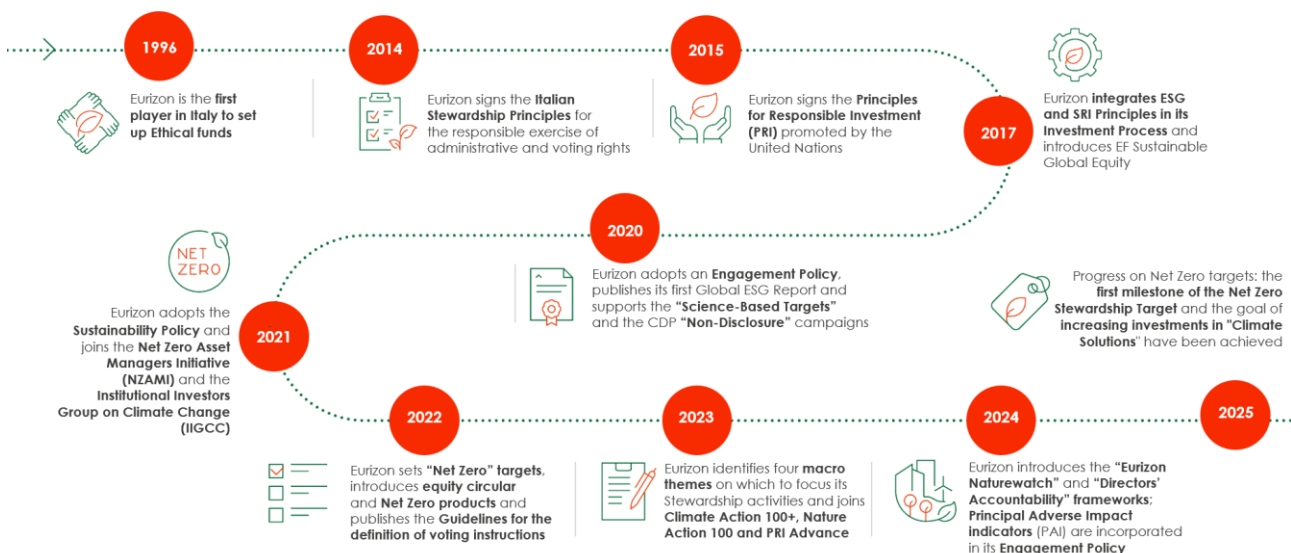
For a better understanding of this Policy, there is a glossary at the end of this document, of the main terms used, which takes account of both regulatory aspects (such as sustainability risk, sustainability factors, sustainable investments, PAI, etc.) and the methodologies used by the Company to analyse and manage sustainability risks.

2. EURIZON'S COMMITMENT TO THE SUSTAINABILITY OF FINANCIAL SERVICES

Eurizon Capital SGR's vision and mission highlight the importance for Companies belonging to the Intesa Sanpaolo Group's Asset Management Division to work with investees in order to promote rules and conducts that encourage the sustainability aspects of investments and high standards of corporate governance of investee issuers.

In fact, the Company believes that companies which take account of ESG factors in their own strategies and operating models have a greater likelihood of obtaining sustainable profits over time, and thus of increasing their value, both in economic and financial terms.

Below are the fundamental milestones of Eurizon Capital SGR and the Asset Management Division's commitment to ESG and SRI issues, since 1996, the year when the first ethical funds were placed on the Italian market:



In this context, the Company encourages conducts that favour the sustainability aspects of investments and the adoption of good corporate governance practices by investees on behalf of managed assets. The next Sections describe the Codes, Principles and Initiatives endorsed by Eurizon Capital SGR, in order to adopt ethical *standards* and codes of responsible company conduct which are internationally recognised⁶.

⁶ As a result of these endorsements, considering the principle of proportionality and specific aspects of the business, the Subsidiaries adopt an oversight consistent with that of Eurizon Capital SGR, aimed at implementing the best practices promoted by the various initiatives.

2.1. THE CODE OF ETHICS

The Intesa Sanpaolo Group's Code of Ethics aims to guide behaviour consistent with the highest national and international standards of ethics. The Code includes and recognises sustainability principles as fundamental for steering its business strategy and for having a positive impact on the future of the planet and company, aware that its consideration of social and environmental factors contributes to minimising exposure to risks and to consolidating its reputation.

Intesa Sanpaolo endorses the United Nations Global Compact and is committed to contributing to the achievement of the Sustainable Development Goals (SDGs).

2.2. UNITED NATIONS' PRINCIPLES FOR RESPONSIBLE INVESTMENT (UN PRI)

The integration of ESG factors and SRI principles, besides meeting the reference values and principles of Intesa Sanpaolo Group and the Asset Management Division, is connected with the Company's endorsement since 2015 of the "Principles for Responsible Investment", the guiding principles concerning responsible investments promoted by the United Nations.

As a signatory of the Principles for Responsible Investment, Eurizon Capital SGR is committed to:

1. incorporating environmental, social and corporate governance factors in the analysis of investments and in the decision-making process;
2. including environmental, social and corporate governance factors in its active ownership policy;
3. requesting the companies it invests in to provide appropriate disclosure on information about environmental, social and corporate governance factors concerning them;
4. promoting the acceptance and adoption of the Principles among investors;
5. working with the financial community to improve the effective adoption of the Principles;
6. reporting to the public on the activities and progress of the Company in adopting the Principles.

The Company is required to provide annually information on its responsible investment activities through participation in "Reporting & Assessment", available at www.unpri.org.

Lastly, in October 2023, the Company joined the initiative "Sustainable Systems Investment Manager Reference Group" promoted by UN PRI with the aim of encouraging regular engagement and discussion with asset management companies.

2.3. STEWARDSHIP PRINCIPLES

As a member - since 2014 - of the "Italian Stewardship Principles" for the exercise of administrative and voting rights in listed companies defined by Assogestioni, the Company pays particular attention to the policies implemented by issuers, encouraging engagement with companies in which it invests.

The Principles defined by Assogestioni are aligned with those outlined in the 'Stewardship Code' promoted by the European Fund and Asset Management Association (EFAMA), in which Assogestioni participates and of which Eurizon Capital SGR is also a member, in order to promote, at European level, the development of good corporate governance practices.

In this context, the Company:

1. adopts a documented policy, made available to the public, that sets out the strategy to exercise rights concerning financial instruments of managed portfolios and UCIs;
2. monitors listed investee issuers;
3. sets out clear guidelines on the timeframes and intervention procedures in listed investee issuers, in order to protect and increase their value;
4. considers the possibility of a collaboration with other institutional investors, where appropriate, paying particular attention to regulations governing joint actions;
5. exercises the voting rights attached to the financial instruments pertaining to the UCIs and the managed portfolios in an informed manner;
6. keeps track of the exercise of rights attached to the financial instruments pertaining to the UCIs and managed portfolios, adopting a policy on the disclosure of information on external governance.

To steer the conduct it adopts to encourage engagement with the issuers it invests in, integrating its own commitment as shareholder to the investment strategy, the Company has defined its own “*Engagement Policy*”, adopted also in accordance with Article 124-quinquies of Legislative Decree 58 of 24 February 1998 (“Consolidated Finance Act”, otherwise called the TUF).

In compliance with sector regulations on collective asset management services⁷, the Company has also developed the “*Strategy for exercising participating and voting rights concerning the financial instruments of assets managed by Eurizon Capital SGR S.p.A.*” in order to guarantee independence and autonomy in exercising participating and voting rights, when such rights are assigned for managed investments on a discretionary basis.

The Strategy defines a set of procedures and measures that aim to:

- monitor corporate events connected to the financial instruments in the portfolio of managed UCIs, where required by the characteristics of the instruments incorporating rights to be exercised;
- assess the methods and timeframes for any possible exercise of participating and voting rights, based on a cost-benefit analysis that also considers the objectives and investment policy of each managed portfolio;
- prevent or manage any conflict-of-interest situations that may arise from exercising voting rights on behalf of managed assets.

According to the Strategy, the exercise of participating and voting rights is an integral part of the broader Investment Process of the Company. To this end, the Responsible Investments & Stewardship Structure and the reference fund managers of the Investments Department work in close coordination to analyse and investigate every relevant corporate governance aspect of the listed companies in which the Company invests.

Also in line with recommendations from Assogestioni, the Company adopts a “targeted” approach to corporate governance, promoting – applying the proportionality principle – engagement and participation in Shareholder Meetings of selected companies with shares listed on the Italian stock exchange and on international markets, taking into account the usefulness of participating in the interests of managed assets and the possibility of influencing decisions in relation to the voting rights held.

In this way, the Company aims to identify any problems in advance and, at the same time, minimise potential losses in value related to the performance of the companies in which it invests on behalf of managed assets. The Company does not intend to “micromanage” the affairs of investee listed issuers, nor does it preclude any decisions to sell a shareholding, where this represents the most effective solution to protect the interests of Customers and Investors.

The Company monitors the effectiveness of measures adopted for engagement with issuers and for the exercise of participating and voting rights, reviewing the Engagement Policy and Strategy at least annually. The Company provides transparent information on these documents at www.eurizoncapital.com.

2.4. CDP

Since 2004, the Company has adhered to CDP, the independent non-profit organization that offers companies, states, regions and cities a framework for measuring, detecting, managing and sharing information on a global level regarding its environmental impact, with the aim of promoting actions aimed at mitigating climate change.

2.5. NET ZERO ASSET MANAGERS INITIATIVE

The scientific consensus on the impacts of climate change and the fiduciary duty with Customers and Investors and, more generally, with Stakeholders, require the Company to effectively manage sustainability-related issues and, specifically, to assess the impact of climate change on assets under management.

⁷ See Article 35-decies of the TUF and Article 112 of the Intermediaries Regulation adopted by CONSOB with resolution no. 20307/2018., as amended.

On 1 November 2021, the Company therefore joined the “Net Zero Asset Managers Initiative” (“NZAMI”), the international initiative promoted by asset management companies committed to supporting the objectives of the Paris Agreement and, in particular, to keeping the global average temperature rise well below 2°C above pre-industrial levels and continuing efforts to limit the temperature increase to 1.5°C. In this context, the Company is committed to supporting investments aligned with the global goal of net zero greenhouse gas emissions (“Net Zero”).

The ability to implement this commitment also depends on the political context, customer choices, and initiatives pursued by companies and other relevant stakeholders.

Participation in NZAMI also takes the form of the positive management of the Company's resources, for example by monitoring the carbon footprint of its own activities (e.g., energy consumption and sources).

2.6. INSTITUTIONAL INVESTORS GROUP ON CLIMATE CHANGE

For the purpose of a more effective implementation of the obligations deriving from being a member of the “Net Zero Asset Managers Initiative”, starting from November 2021 the Company joined the Institutional Investors Group on Climate Change (IIGCC), the European association of investors that promotes collaboration on climate change and the reduction of net greenhouse gas emissions. In this regard, the Company adopts the methodological framework developed by IIGCC, called “Net Zero Investment Framework 1.5°C”, and a direct engagement approach with other participating asset management companies.

2.7. FORUM FOR SUSTAINABLE FINANCE

In November 2021, the Company joined the “Forum for sustainable finance”⁸(the “Forum”), the non-profit organization which involves financial operators and other organizations interested in the environmental and social impact of investments. The Forum promotes the knowledge and practice of sustainable investment, with the aim of spreading the integration of environmental, social and corporate governance (ESG) criteria into financial products and processes.

2.8. INTERNATIONAL CORPORATE GOVERNANCE NETWORK

Since 2016, Eurizon Capital SGR has been a member of the International Corporate Governance Network (ICGN) - the international association promoting global standards of corporate governance and engagement with investee issuers, with the aim of creating long-term value, contributing to the sustainability of economies, society and the environment.

2.9. NATURE ACTION 100

Since August 2023, the Company has been part of the collective engagement initiative “Nature Action 100”, which encourages institutional investors to adopt best practices to hinder biodiversity loss and deforestation.

2.10. ADVANCE

Since November 2023, Eurizon Capital SGR has been a signatory to the collective engagement initiative, promoted by UN PRI, which encourages best practices in the areas of respect for human rights, society, the community and workers.

2.11. CLIMATE ACTION 100+

In November 2023, Eurizon Capital SGR signed the collective engagement initiative “*Climate Action 100+*” promoting the reduction of greenhouse gas emissions, in line with the Paris Agreement.

⁸ The Forum is a member of the EUROSIF network, which also includes the following six national forums: FIR, FNG, Spainsif, SIF Ireland, Swiss Sustainable Finance, UK SIF.

3. ROLES AND RESPONSIBILITIES IN THE PROCESS OF SELECTING AND MONITORING ESG AND SRI CRITERIA

To promote a correct implementation of its own Sustainability Policy, Eurizon Capital SGR has established a framework of safeguards and procedures (the “framework”), involving the following corporate bodies and structures:

- Board of Directors;
- Chief Executive Officer and General Manager;
- Conducting Officer of the Luxembourg Branch;
- Environmental, Social and Governance Committee;
- Financial, Credit and Operational Risks Committee;
- Sustainability Committee;
- Devolutions Committee;
- Responsible Investments & Stewardship Structure;
- Investments Area;
- Compliance & AML Function;
- Risk Management Function.

The roles and responsibilities of the corporate bodies and structures are described in the next Sections. In relation to the steering and coordination activities of subsidiaries belonging to the Asset Management Division, please refer to the Section “*Governance Model of Subsidiaries*” of this document.

BOARD OF DIRECTORS

Based on proposals by the Chief Executive Officer and General Manager, the Board defines the present Sustainability Policy of the Company, which includes:

- the methodologies to select and monitor financial instruments in order to integrate the analysis and management of sustainability-related aspects relating to the Managed Products Investment Process;
- the methodologies for identifying the principal adverse impacts of investment decisions on sustainability factors, defining priorities and mitigation actions, the results of which are formalised in the “*Principal Adverse Sustainability Impacts Statement*”;
- the methods for integrating sustainability risks into remuneration and incentive policies.

The Board of Directors periodically monitors the correct implementation of the Company’s Sustainability Policy.

Finally, the Board of Directors avails of the Investment Supervision Committee, which has been assigned the advisory, preliminary and recommendatory tasks regarding the supervision of the Investment Process for the managed products relating to the collective asset management and portfolio management services.

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

The Chief Executive Officer and General Manager, assisted by the Environmental, Social and Governance Committee (ESG Committee) formulates proposals for the Board of Directors on the methodologies for:

- selecting and monitoring financial instruments in order to consider sustainability-related aspects in the Investment Process of managed products;
- identifying the principal adverse impacts of investment decisions on sustainability factors, including (i) the definition of priorities and related mitigation actions and (ii) the “*Principal Adverse Sustainability Impacts Statement of Eurizon Capital SGR S.p.A. and Subsidiaries*”;
- integrating sustainability risks into remuneration and incentive policies.

The Chief Executive Officer and General Manager periodically monitors, within the ESG Committee, the implementation of the Sustainability Policy of the Company, making use of the reports prepared by the Responsible Investments & Stewardship Structure.

RISK AND SUSTAINABILITY COMMITTEE

The Risk and Sustainability Committee is a body with advisory, instructional and propositional functions with regard to the decisions taken by the Board of Directors on sustainability matters. In particular, the Committee:

- assesses and examines sustainability issues related to the activities of the asset management company and the respective assets under management, also in light of new regulations, best practices and international principles;
- expresses opinions on the proposals made by the ESG Committee to be submitted to the Board of Directors;
- examines the periodic reports of the ESG Committee;
- examines in advance updates and proposals relating to the Sustainability Policy;
- examines in advance the “Principal Adverse Sustainability Impacts Statement of Eurizon Capital SGR and its Subsidiaries”;
- monitors the initiatives undertaken and programs promoted in the areas of environmental, social, and corporate governance sustainability.

CONDUCTING OFFICER OF THE LUXEMBOURG BRANCH

The Conducting Officers of the Luxembourg Branch⁹ are involved, within the scope of their responsibilities, in supervising, directing and ensuring the proper conduct of the Branch's activities, with particular reference to:

- the formulation of proposals, within the ESG Committee, for updating the Sustainability Policy relating to products governed by Luxembourg law;
- the monitoring, within the scope of their responsibilities, of the implementation of the Company's Sustainability Policy, using the reports prepared by the Responsible Investments & Stewardship Structure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Environmental, Social and Governance Committee is an advisory body assisting the Chief Executive Officer (i) in defining the proposals to be submitted to the Board of Directors regarding the sustainability policies, (ii) in monitoring the implementation of Macro Strategies involving the negative screening of issuers most exposed to sustainability risks, the positive screening of ESG factors, in the analysis, selection and composition of managed portfolios and the stewardship with investee issuers, through the exercise of voting rights and *engagement* activities.

Moreover, the ESG Committee:

- monitors, taking into account the available data, the reporting - also on behalf of own Subsidiaries - of the main environmental, social and corporate governance indicators relating to the managed assets, defining the appropriate actions for the mitigation of the adverse impacts connected with the sustainability risks;
- defines proposals for the Board of Directors concerning the priorities to be adopted for the following period;
- presents its annual statement on the main adverse impacts of investment decisions on sustainability factors.

The ESG Committee usually meets quarterly and is composed of the:

- Chief Executive Officer and General Manager;
- Head of the Investments Department;
- Heads of Investment;
- Conducting Officer of the Luxembourg Branch;
- Head of Long Term Sustainable Strategies;

⁹ The branches in Spain, France and Germany are not involved in the managed assets issuing activities.

- Head of Responsible Investments & Stewardship;
- Chief Risk Officer;
- Head of Risk Management;
- Head of Sustainability Risk & Foreign Subsidiaries Oversight;
- Head of Compliance & AML.

In the eventuality of in-depth analyses, the ESG Committee is supported by the Sustainability Committee.

FINANCIAL, CREDIT AND OPERATIONAL RISKS COMMITTEE

The Financial, Credit and Operational Risk Committee is a collegial body, aimed at monitoring the risk exposure of managed products. With specific reference to sustainability risks, the Committee:

- monitors the results of the analyses of the impacts of sustainability risks on financial products carried out by the Risk Management Function, with the support of the Long Term Sustainable Strategies Structure;
- monitors the possible actions to mitigate the adverse impacts connected with investment decisions.

SUSTAINABILITY COMMITTEE

The Company has set up a Sustainability Committee, in accordance with the provisions of the management Regulation of mutual funds belonging to the Ethical System. In this context, the Company avails of the Committee collaboration, to ensure that management choices are consistent with the ethical principles set out in the Regulation of these funds. The Committee is independent and autonomous from the Company and is composed of persons of recognised probity and morality. Moreover, the Committee works with the concerned company structures regarding issues that may affect the Company as well as the various products, including mandates.

DEVOLUTIONS COMMITTEE

This internal body was established pursuant to the management Regulation of mutual funds belonging to the Ethical System, which provides for the Company's commitment to finance humanitarian projects and initiatives, in the broadest sense of the term. To this end, the Committee (i) supervises the donations and charitable activities carried out at all levels by the Company and by its Subsidiaries and (ii) prepares proposals for the Board of Directors to identify charitable organisations deemed worthy.

RESPONSIBLE INVESTMENTS & STEWARDSHIP

Established within the Investment Area, the Responsible Investments & Stewardship Structure oversees the spreading and the implementation of investment sustainability principles, promoting the integration of environmental, social, and corporate governance factors in the Investment Process.

It is responsible for the development and implementation of company policies in sustainability-related matters and the proper development of the related operational processes. It monitors market best practices and proposes to the Top Management interventions to promote innovation on company methodologies and processes.

It oversees the correct and effective development of activities relating to the exercise of the voting right for the shareholdings held by the assets managed by the Company. It ensures the development of engagement activities in relation to relevant issuers referring to both corporate governance issues and environmental and social issues.

The Structure is divided into the following units:

- Corporate Governance, which (i) coordinates the activities related to the management of shareholders' meetings in relation to the exercise of voting rights for shareholdings held by assets managed by the Company, and (ii) carries out and monitors engagement activities with relevant issuers related to corporate governance matters, working together with the Sustainability unit, for environmental, social and ethical matters;
- Sustainability, which (i) coordinates the Company's strategy on Sustainability and Responsible Investment matters, supporting Top Management in relation to the integration of environmental, social

and governance factors in the Investment Process and in the design and implementation of new products and services, (ii) coordinates monitoring and engagement activities with issuers, with particular reference to environmental and social issues, and (iii) supports the functioning of the ESG Committee.

Moreover, the Head of Responsible Investments & Stewardship:

- represents the Company with its stakeholders regarding Corporate Social Responsibility and SRI matters (e.g., CDP, etc.);
- chairs the Devolutions Committee and supports the Sustainability Committee in coordinating its work and in the related secretarial activities.

INVESTMENTS AREA

The Investments Area¹⁰ managers are involved in the selection and monitoring of financial instruments aimed at integrating sustainability related consideration into the Investment Process of the managed products. To this end, they can exploit specialized support of the Structures:

- *Long Term Sustainable Strategies*;
- *Green and Sustainable Finance – Aggregate*;
- *Multimanager Investments*.

LONG TERM SUSTAINABLE STRATEGIES

The Long Term Sustainable Strategies Structure (hereinafter "LTSS") of the Investments Department, under the coordination of the Head of *Quantitative Investments*:

- monitors corporate issuers, also assisted by specialised info-providers, in order to identify lists referred to issuers (i) subject to restrictions, including on the basis of greater exposure to sustainability risks and (ii) that do not comply with good governance practices.
- supports other departments in the Investment Area and the Marketing and Business Development Department in defining dedicated screening criteria on ESG or SRI issues, as well as in producing ad hoc reports for institutional clients.

With the support of the Responsible Investments & Stewardship Structure, it also oversees the identification and prioritisation of the principal adverse impacts of investment decisions on sustainability factors.

The results of the analyses relating to the impact of sustainability risks on financial products, carried out in coordination with the Risk Management Function, are presented to the Financial, Credit and Operational Risks Committee, which is responsible for monitoring and defining actions to mitigate the negative effects of investment decisions.

GREEN AND SUSTAINABLE FINANCE - AGGREGATE

The Green and Sustainable Finance – Aggregate Structure ("G&SF") of the Investments Department, coordinated by the Head of *Fixed Income & FX*, promotes the implementation of bond investment strategies supporting environmental and sustainable projects.

¹⁰ Reference is made to the Investment Department and the Investments Structure of the Luxembourg Branch.

MULTIMANAGER INVESTMENTS

The Multimanager Investments Structure of the Investments Department, under the coordination of the Head of *Investment Solutions*, oversees the analysis of the UCIs that are invested in by other managed assets “target UCIs”) established by other asset management companies (so-called “third-party fund houses”), also with regard to ESG and SRI factors.

LEGAL STRUCTURE

The (i) Normativa Prodotti e Affari Legali, Contenzioso e Contrattualistica, with reference to products governed by Italian law, and (ii) Legal & Corporate Affairs departments, for those governed by Luxembourg law, are responsible for updating the offering documentation for the products managed according to their respective characteristics and the strategies applicable to them.

COMPLIANCE & AML FUNCTION

The Compliance & AML Function¹¹ monitors compliance with the Sustainability Policy of the Company, supervising the correct adoption of safeguards contemplated in internal and external regulations. In this context, the Function also oversees compliance with the decision-making process and Operating Limits aimed at containing risks, including reputational risks, of managed portfolios related to ESG and SRI issues.

RISK MANAGEMENT FUNCTION

The Risk Management Function¹² monitors the sustainability risk of managed products in coordination with the Compliance & AML Function as regards the verification of compliance with Operational Limits.

For this purpose, the Function:

- analyses the financial instrument selection and monitoring methodologies adopted by the Company, with the aim of integrating sustainability aspects analysis into its Investment Process;
- monitors the impacts of the sustainability risks of financial products.

4. SCOPE OF APPLICATION OF THE POLICY

This Policy is relevant for all types of assets (so-called asset classes) held by managed products - mutual funds and portfolio management - that in the pre-contractual information:

- illustrate how sustainability risks are integrated into investment decisions, in compliance with the transparency requirements set out in Article 6¹³ of the SFDR Regulation;
- promote, environmental or social characteristics among others, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, pursuant to Article 8¹⁴ of the SFDR Regulation;
- have sustainable investment goals, pursuant to Article 9¹⁵ of the SFDR Regulation.

¹¹ Also through the equivalent structure at the Luxembourg branch.

¹² Also through the equivalent structure at the Luxembourg branch.

¹³ Financial market participants shall include descriptions of the following in pre-contractual disclosures:

a) the manner in which sustainability risks are integrated into their investment decisions; and
 b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.

¹⁴ Where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, the information to be disclosed [omission] shall include the following:

a) information on how those characteristics are met;
 b) if an index has been designated as a reference benchmark, information on whether and how this index is consistent with those characteristics.

¹⁵ Where a financial product has sustainable investment as its objective and an index has been designated as a reference benchmark, the information to be disclosed [omission] shall be accompanied by the following:

a) information on how the designated index is aligned with that objective;
 b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index 2.
 Where a financial product has sustainable investment as its objective and no index has been designated as a reference benchmark, the information to be disclosed [omission] shall include an explanation on how that objective is to be attained.

Portfolio management mandates characterized by specific indications within respective investment policies are not included in the scope of application, given the lower degree of discretion in the selection of financial instruments.

5. METHODS FOR CONSIDERING SUSTAINABILITY ASPECTS IN THE INVESTMENT PROCESS

In line with the obligations envisaged in EU regulations on the sustainability-related disclosure in the financial services sector, the Company has defined specific “Macro Strategies” to select and monitor financial instruments, in particular:

- “**NEGATIVE SCREENING**” in order to (i) integrate sustainability risks into the Investment Process of managed assets and (ii) provide for further restrictions on the investable universe, depending on the sustainability ambition of the products;
- “**POSITIVE SCREENING**,” in order to promote, while complying with good governance practices, (i) environmental or social characteristics or (ii) sustainable investment objectives.

Furthermore, where appropriate, dialogue with companies and the exercise of voting rights at issuers' meetings contribute to mitigating sustainability risks and creating long-term value (so-called “**ENGAGEMENT**” or “**STEWARDSHIP**”).

In any case, additional restrictions for products that use ESG terms in their names, in compliance with ESMA guidelines on funds' names using ESG or sustainability-related terms of 21 August 2024, are not affected.

The application of the aforementioned “Macro Strategies” is appropriately tailored to the characteristics of the products and their classification under the SFDR Regulation, as summarized below:

MACRO STRATEGY	STRATEGY	METHODOLOGY		ART. 6	ART. 8	ART.9
NEGATIVE SCREENING	INTEGRATING SUSTAINABILITY RISKS INTO THE INVESTMENT PROCESS	CORPORATE ISSUERS (ESG Corporate screening)	Thermal coal	●	●	●
			Oil sands	●	●	●
			Prohibited ¹⁶ or unconventional weapons	●	●	●
			Violations of globally accepted principles	●	●	●
			ESG critical issues	●	●	●
	ADDITIONAL RESTRICTIONS BASED ON PRODUCT SUSTAINABILITY AMBITIONS	GOVERNMENT ISSUERS (ESG Sovereign screening)	Environmental and/or social issues	●	●	●
		CORPORATE ISSUERS (Additional ESG Corporate screening)	Greenhouse gas emissions		●	●
			Share of consumption and production of non-renewable energy		●	●
			Energy consumption intensity by sector with high climate impact		●	●
POSITIVE SCREENING	PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS (ESG Promotion)	Thematic Integration			●	
		Sustainable Integration			●	
		Manager Selection Integration			●	
		Index/Derivative Integration			●	

3. Where a financial product has a reduction in carbon emissions as its objective, the information to be disclosed [omission] shall include the objective of low carbon emission exposure in view of achieving the long-term global warming objectives of the Paris Agreement.

¹⁶ Commission Delegated Regulation (EU) 2025/1775 of August 28, 2025, amending Delegated Regulation (EU) 2020/1818 as regards the definition of prohibited weapons.

MACRO STRATEGY	STRATEGY	METHODOLOGY	ART. 6	ART. 8	ART.9
		<i>Sovereign Integration</i>		●	
		<i>Carbon Footprint</i>		●	
		<i>ESG Score Integration</i>		●	
		<i>Securitized Integration</i>		●	
	SUSTAINABLE INVESTMENT OBJECTIVES (Sustainable Investments)	<i>SDG Investing</i>			●
		<i>Impact Investing</i>			●
	GOOD GOVERNANCE PRACTICES	<i>Good Governance</i>		●	●
STEWARDSHIP	STEWARDSHIP	<i>Active ownership - Engagement</i>	●	●	●

For each methodology, the Company has defined specific decision-making processes and operational limits aimed at limiting risks, including reputational risks, in the portfolios under management. Compliance with these processes and limits is monitored by the Risk Management Structure, with the support of the Compliance & AML Structure.

The monitoring of sustainable and responsible investment topics relating to issuers present in the managed products consists of the following stages:

- *Analysis of investments (Screening)* aimed at (i) identifying issuers deemed most exposed to sustainability risks, (ii) integrating ESG factors into the analysis, selection and composition of managed assets or (iii) pursuing sustainable investment objectives; the analysis uses data made available by the specialised info-provider “MSCI Solutions”, and additional public databases. In the case of issuers not covered by suppliers used by the Company, or if there are interpretation doubts over the quality of the data acquired from external databases, the Company avails of the assessments carried out by the Responsible Investments & Stewardship Structure, supported by the LTSS Structure, which are submitted to the first available ESG Committee;
- *Dissemination of data*, in order to share the data and information resulting from the process of investment universe analysis with competent company structures. The update process takes place at least (i) monthly, for corporate issuers, and (ii) annually, for government issuers;
- *Monitoring of investments*, referred to the control of managed assets in order to assess the consistency of collective asset management products and/or portfolio management in relation to the internal methodologies aimed at (i) limiting sustainability risks and activating - where appropriate - engagement initiatives with issuers, (ii) the integration of ESG factors in the analysis, selection and composition of managed assets or (iii) the achievement of sustainable investment goals. Compliance with internal limits is monitored by the Risk Management Function with the support of the Compliance & AML Function¹⁷. The limits set out in this Policy cannot be exceeded and therefore no authorisation process is envisaged. Restrictions do not apply in the case of specific instructions given by customers in the context of portfolio management services;
- *Periodic reporting* to the ESG Committee and the Board of Directors; in this regard, the Responsible Investments & Stewardship Structure prepares quarterly reports that summarise the results of the monitoring of managed assets, giving evidence to issuers for whom the (i) engagement process has been activated and any initiatives undertaken and (ii) an Investment Case has been presented, aimed at maintaining the positions, also to monitor their periodic update. Any deviation from the internal

¹⁷ For index-linked products i.e. that have a passive management style or a limited deviation from the benchmark (so-called Limited Tracking Error), the maximum direct investment allowed is equal to the weight of the issuer in the benchmark, with the exception of issuers that have a clear direct involvement in the manufacture of prohibited or unconventional weapons, for which the exclusions provided for by Law No. 220/2021 apply; Limited Tracking Errors products that explicitly integrate ESG factors into their investment choices are subject to the same exclusions as actively managed products.

operating limits is also reported both to the Financial, Credit and Operational Risk Committee and to the Board of Directors by the Compliance & AML Function.

The following paragraphs detail the individual Macro Strategies implemented by the assets managed by the Company.

5.1. “NEGATIVE SCREENING” CRITERIA

5.1.1. NEGATIVE SCREENING AIMED AT INTEGRATING SUSTAINABILITY RISKS INTO ASSETS UNDER MANAGEMENT

In line with the requirements of EU legislation on transparency in the financial services sector (Article 6 of the SFDR), the Company has defined specific methodologies for assessing and monitoring sustainability risks in its investment process.

In particular, the products managed adopt the “Macro Strategy” of Negative Screening for the purpose of integrating sustainability risks¹⁸, providing for the application of limitations (exclusions or restrictions) relating to issuers most exposed to such risks, with the aim of avoiding investment in financial instruments more subject to the risk of loss of value as a result of an environmental, social, or corporate governance event or condition. For example, any violation of principles related to respect for human rights, such as disputes over worker health and safety, could affect the value of issuers as a result of, for example, legal action and the associated reputational fallout. Furthermore, investing in issuers belonging to sectors that depend on energy production from sources such as coal could lead to a loss in value for the company in the medium/long term in the absence of credible transition strategies.

To this end, the Company has established specific limitations, the application of which varies depending on the type of financial instrument, aimed at mitigating issues related to the sustainability of:

- **CORPORATE ISSUERS**, depending on (i) whether the issuer belongs to sectors capable of generating significant negative impacts on the environment and society and/or (ii) whether it violates globally accepted principles (e.g., UNGC, OECD Guidelines, ILO, and UNGP) and/or (iii) the presence of critical issues from an environmental, social, and/or corporate governance perspective, identified on the basis of specific risk indicators (so-called “ESG Corporate screening”);
- **GOVERNMENT ISSUERS**, taking into account environmental and/or social issues, measured in terms of (i) greenhouse gas (GHG) emissions levels of the respective national economy relating to scopes 1, 2, and 3, weighted in relation to Gross Domestic Product (GDP) taking into account the different purchasing power of countries (so-called “purchasing power parity-adjusted”) and (ii) the inclusion of the country among those considered “high risk” (so-called “black list”) by the Financial Action Task Force (so-called ‘FATF’ or “Financial Action Task Force” - “FATF”) in view of the shortcomings in the measures to combat money laundering, terrorist financing and the proliferation of weapons of mass destruction (so-called “ESG Sovereign screening”).

The above limitations differ depending on the management style of the financial product, distinguishing between actively managed products and indexed products, i.e., those characterized by a passive management style or a limited level of deviation from the benchmark (known as “Limited Tracking Error”).

5.1.1.1. CORPORATE ISSUERS

As regards corporate issuers, the Company has defined the following limitations (“ESG Corporate Screening”) based on:

- the **POTENTIAL ADVERSE IMPACTS ON SUSTAINABILITY**, taking into account the issuer's sector of operation or the possible violation of globally accepted principles;
- the **PRESENCE OF CRITICAL ASPECTS** in environmental, social and/or corporate governance terms.

¹⁸ These safeguards are not applicable to products that, within their offering documentation, state that they do not integrate sustainability risks.

ISSUERS IDENTIFIED BASED ON THE POTENTIAL ADVERSE IMPACTS ON SUSTAINABILITY

Although the effects of investment decisions on sustainability factors should be considered according to the different range of activities, geographic areas and sectors to which the managed products are exposed, the Company believes that adequate monitoring of exposure to social and environmental issues is a priority to mitigate the sustainability risk of its investments, as well as the related adverse impacts on the environment and/or the company.

For these reasons, the assessment of the principal adverse impacts related to issuers represents a significant aspect of the Managed Assets Investment Process, to implement a structured process of risk control and performance measurement, with the aim of maintaining a correct balance of the risk/return profile of the financial products offered to clients.

To mitigate sustainability risks, the Company has defined the following limitations¹⁹ related to adverse impact indicators with the aim of identifying issuers whose conduct and/or sector of operation is such as to have significant, negative repercussions on the environment and/or in the social dimension:

ADVERSE IMPACT INDICATOR	AREA	INDICATOR TYPE		MANAGEMENT STYLE	
		ENVIRONMENTAL	SOCIAL	ACTIVE	INDEXED / LOW TRACKING ERROR
Exposure to companies active in the fossil fuel sector (PAI 4)	Sector with significant environmental impact (Thermal Coal/Oil Sands)	●		Exclusion	≤ Benchmark
Exposure to prohibited or unconventional weapons: landmines, cluster munitions, chemical and biological weapons (PAI 14)	Sector with significant social repercussions (Prohibited or unconventional weapons)		●	Exclusion	Exclusion
Violations of globally accepted principles, namely the UN Global Compact and OECD guidelines (PAI 10), as well as ILO and UNGP principles	Issuer whose conduct is such as to have significant repercussions on human rights, relations with staff, and/or the community		●	Exclusion	≤ Benchmark

On this basis, the Company considers issuers operating in the following sectors capable of generating significant negative repercussions on the environment (**PAI 4**):

- **THERMAL COAL**, i.e. issuers involved in extraction or electricity production activities linked to thermal coal, which is the most significant fossil fuel for carbon dioxide emissions.

Issuers are identified as those that derive, from these activities, (i) at least 25% of revenue or (ii) 20% of revenue, in the presence of expansion plans.

- **EXPLOITATION OF OIL SANDS**, i.e. issuers involved in the extraction of oil and gas, through the exploitation of oil sands.

The issuers are identified as those that derive at least 10% of revenue from these activities.

The above criteria do not refer to issues of green bonds or sustainability bonds.

As regards issuers with exposure below the thresholds identified by the Company (“below-threshold issuers”), the Responsible Investments & Stewardship Structure carries out specific *engagement* activities. The purpose of these activities, carried out according to the procedures outlined in the

¹⁹ The application of limitations to individual products is defined in accordance with the provisions of the offering documentation.

“Engagement policy of Eurizon Capital SGR S.p.A.”, is to ensure that no new thermal coal generation or oil sands extraction projects are developed, and to verify the phase-out of such activities.

In addition, the Company considers issuers that operate in the sector of **PROHIBITED WEAPONS**²⁰, i.e. issuers characterised by an evident direct involvement in the manufacture of Anti-personnel mines; Cluster munitions; Biological weapons, Chemical weapons or **UNCONVENTIONAL WEAPONS**, i.e. issuers characterised by an evident direct involvement in the manufacture of Nuclear weapons²¹, Depleted uranium, , Invisible fragmentation weapons, Blinding lasers, Incendiary weapons, White phosphorus (**PAI 14**), capable of generating significant negative repercussions on society.

The purpose of these safeguards is also to comply with the requirements of Law 220 of 9 December 2021 on measures to combat the financing of firms manufacturing anti-personnel mines, and cluster munitions and sub-munitions and with the relative Instructions of 26 July 2024 of the Bank of Italy, COVIP, IVASS and MEF on the exercise of enhanced controls on the work of authorised intermediaries.

The Company may initiate discussions with issuers, with the aim of further investigating compliance with international treaties and national regulations. Based on information obtained, the Company assesses the advisability of starting additional escalation processes.

With regard to **VIOLATIONS OF GLOBALLY ACCEPTED PRINCIPLES** (i.e., the principles of the Global Compact and the OECD Guidelines (PAI 10), as well as the principles set forth by the International Labor Organization and the UN on business and human rights), the Company has defined as the threshold for assessing the performance of issuers to be subject to restrictions and/or exclusions, the presence of significant disputes, or those classified as “Fail” by “MSCI Solutions” with respect to the following indicators:

- the UNGC principles;
- the OECD guidelines;
- the International Labor Organization (ILO);
- the UN Guiding Principles on Business and Human Rights (UNGPs).

The Responsible Investments & Stewardship Structure examines the information provided by the info-provider “MSCI Solutions” and brings the list of issuers subject to restrictions/exclusions to the attention of the first ESG Committee.

²⁰ The above provisions do not apply to activities permitted by the following treaties and/or conventions:

- the Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of antipersonnel mines;
- the Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions;
- the Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons;
- the Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons; Council Regulation (EU) 2018/1542 concerning restrictive measures against the proliferation and use of chemical weapons.

²¹ Issuer that (i) are headquartered in States that have acceded to the “Treaty on the Non-Proliferation of Nuclear Weapons” signed on July 1, 1968, or (ii) belong to the North Atlantic Treaty Organization (so-called NATO), are not considered.

ISSUERS CHARACTERISED BY CRITICAL ENVIRONMENTAL, SOCIAL AND/OR CORPORATE GOVERNANCE PROFILES

The Company has set up a safeguard system for issuers with a critical ESG profile, i.e. with an ESG rating equal to “CCC” - the lowest in the investment universe - by “MSCI Solutions”²².

For these issuers, the Responsible Investments & Stewardship Structure carries out in-depth analysis, also based on the significance of these issuers in the main benchmarks, and referring - among others - to the “ESG Risk Score” assigned to the issuer by the LTSS Structure. In this regard, the Company considers issuers with an “ESG Risk Score” below 4²³.

The results of the due diligence process are presented at the first available ESG Committee, that decides on the approval of the “critical” issuers list and the activation of the related investment limits.

In this regard, the Company has established specific escalation processes, differentiated according to the eventual presence²⁴ of 'critical' issuers in the portfolios as a result of an ESG rating review. In the case of securities already included in the managed portfolios, the ESG Committee decides whether to initiate an 'engagement'²⁵ process lasting 18 months, extendable for a further 18 months if deemed appropriate²⁶. At the end of the engagement activity, the ESG Committee may decide to remove the issuer from the list of 'critical' issuers or confirm its status and, consequently, proceed with the divestment of the positions held in the portfolios according to the timing considered most appropriate in the interest of participants/clients and, in any case, within three months of the decision taken.

5.1.1.2. GOVERNMENT ISSUERS

ISSUERS IDENTIFIED BASED ON THE POTENTIAL ADVERSE IMPACTS ON SUSTAINABILITY (“ESG SOVEREIGN SCREENING”)

The Company has defined specific limitations²⁷ for the Countries most exposed to sustainability risks identified through an annual monitoring process envisaging the analysis of the following indicators:

- **GREENHOUSE GAS EMISSION INTENSITY (PAI 15)** referring to scopes 1, 2 and 3 of the respective national economy, weighted in relation to the Gross Domestic Product (GDP) taking into account the different purchasing power of Countries (“Purchasing power parity-adjusted”), above 850 tons of CO₂ per million Euro of GDP;
- The **FATF BLACK LIST**, i.e. the list of Countries considered to be at high risk by the “Financial Action Task Force” (FATF), in view of deficiencies in the safeguards for combating money laundering, terrorist financing and the proliferation of weapons of mass destruction.

The financial instruments issued by international public bodies of one or more States (so-called supranational issuers), are subject to a specific assessment process overseen by the Responsible Investments & Stewardship Structure, with the results notified to the ESG Committee.

²² The info-provider “MSCI Solutions” provides ESG ratings of issuers on a 7-tier scale (AAA, AA, A, BBB, BB, B, CCC). These ratings are determined on the basis of a qualitative/quantitative process involving the assessment of specific ‘KPIs’ attributable to ‘Environment’, ‘Social’ and ‘Governance’ aspects. The three pillars are characterised by different weights depending on the issuer’s reference sector.

²³ A Proprietary Score that integrates environmental, social and governance factors through a structured assessment system, expressed on a scale from 0 to 10, which is differentiated for corporate and government issuers.

²⁴ If the Investment Area express interest in investing in financial instruments of ‘critical issuers’ not currently included in the portfolio, or for whom engagement with the issuer had negative results, such purchases are subject to the preparation of an Investment Case to be submitted to the ESG Committee, which evaluates the rationale. The results of the analyses carried out are subsequently submitted for approval by the Board of Directors.

²⁵ For issuers for which the engagement process is not initiated, the ESG Committee reserves the right to begin the divestment process from the managed portfolios according to the timeframe deemed most appropriate in the interest of participants/clients and, in any case, within three months of the decision taken.

²⁶ Following the initiation of the engagement activity, exposure to ‘critical issuers’ is subject to the following limitations:

- For products whose investment policy is characterized by the presence of a benchmark (including Limited Tracking Error or indexed products), the maximum permitted direct investment is equal to the weight of the issuer in the benchmark.
- For products whose investment policy does not provide for a benchmark, no further investments are allowed.

These limitations cease to apply once the ESG Committee decides to remove the issuer from the list of ‘critical issuers’.

²⁷ The application of limitations to individual products is defined in accordance with the provisions of the offering documentation.

Finally, financial instruments issued by government agencies (known as “Agencies”) are assigned to the Class corresponding to the reference country.

For further information on the list of countries most exposed to sustainability risks, please refer to the document “Classification of Government Issuers” available on the Company website.

5.1.2. NEGATIVE SCREENING BASED ON THE SUSTAINABILITY AMBITION OF THE PRODUCTS (“ADDITIONAL ESG CORPORATE SCREENING”)

In addition to the measures specifically defined for sustainability risk management, the Negative Selection Macro Strategy provides for further limitations²⁸ on the investable universe, applied according to the sustainability ambition of the products, i.e., based on the classification pursuant to Articles 8 and 9 of the SFDR Regulation (so-called “Additional ESG Corporate Screening”).

The Company has therefore adopted additional exclusions or restrictions, differentiated according to the product's management style, distinguishing between actively managed products and indexed products, i.e., those characterized by a passive management style or a limited level of deviation from the benchmark (known as “Limited Tracking Error”).

In particular, the Company has defined specific limitations related to the following adverse impact indicators with the aim of providing further restrictions on the investable universe for products with greater sustainability ambitions:

ADVERSE IMPACT INDICATOR	AREA	TYPE OF INDICATOR		TYPE OF PRODUCT			MANAGEMENT STYLE	
		ENVIRONMENTAL	SOCIAL	ART. 6	ART. 8	ART. 9	ACTIVE	INDEXED / LOW TRACKING ERROR
Greenhouse gas intensity of investee companies (PAI 3)	Environmental externalities (Greenhouse gas emissions)	●			●	●	Exclusion	≤ Benchmark
Consumption and production of non-renewable energy (PAI 5)	Environmental externalities (Energy consumption and sources)	●			●	●	Exclusion	≤ Benchmark
Energy consumption intensity by sector with high climate impact (PAI 6)	Environmental externalities (Energy consumption and sources)	●			●	●	Exclusion	≤ Benchmark

With reference to these adverse impact indicators, the Company has defined the following analysis processes and thresholds for assessing the performance of issuers to be subject to restrictions and/or exclusions due to the presence of significant negative externalities on the environmental:

²⁸ The application of limitations to individual products is defined in accordance with the provisions of the offer documentation.

# PAI	INDICATOR	THRESHOLD	NOTES
3	Intensity of greenhouse gas of investee companies Scope 1, 2 and 3 greenhouse gas emissions ("GHG") in relation to the turnover of investee companies.	– 12,000 tons of CO ₂ equivalent per million euro of revenue.	Not applicable if the issuer has, either: – at least one carbon emissions reduction target positively assessed by the Science Based Target Initiative (SBTi); – or stated its commitment to reaching the Net Zero objective; or – more than 5% of its revenue coming from taxonomy-aligned activities; or – in case of green bond or sustainability bond issues.
5 - 6	Consumption and production of non-renewable energy Energy consumption intensity by high climate impact sector Share of energy consumption and production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (% expressed as the weighted average) for high climate impact sectors.	– Share of non-renewable energy production equal to 100% or – Energy consumption in GWh per million Euro of revenue, above the sector thresholds ²⁹ equal to: – 40 for NACE Code A; – 8,500 for NACE Code B; – 40 for NACE Code C; – 200 for NACE Code D; – 15 for NACE Code E; – 10 for NACE Code F; – 15 for NACE Code G; – 30 for NACE Code H; – 15 for NACE Code L. –	

5.2. POSITIVE SCREENING CRITERIA AIMED AT INTEGRATING ESG FACTORS INTO ASSETS UNDER MANAGEMENT

The following Sections describe the different methods - envisaged for the "Macro Strategy" of Positive Screening - of integrating ESG factors into the analysis and selection processes of financial instruments implemented by the products managed for the purposes:

- of promoting, among others, environmental or social characteristics, or a combination of those, pursuant to Article 8 of the SFDR ("ESG Promotion") or
- the pursuit of sustainable investment objectives, pursuant to Article 9 of the same Regulation ("Sustainable Investments").

For example, a mutual fund may promote environmental and/or social characteristics by selecting instruments issued by companies whose production activities contribute to the achievement of the sustainable development goals promoted by the United Nations.

The products may implement up to two strategies, based on their significance in relation to the management style and/or asset classes selected by the structures of the Investments Area in charge of implementing the investment policy. If the product entails the use of more than one strategy, the controls are performed on respective portions of the portfolio.

In the case of "master feeder" structures, the feeder fund³⁰ qualifies pursuant to Articles 8 and 9 of the SFDR if the relevant master fund is classified pursuant to the same Articles.

Moreover, the products classified pursuant to Articles 8 and 9 of the SFDR invest in corporate issuers that comply with good governance practices.

²⁹ For further details on the NACE classification of sectors, please refer to the European Commission's website: https://ec.europa.eu/competition/mergers/cases/index/nace_all.html.

³⁰ The assets of feeder UCIs are invested, totally or predominantly, in a master CIU or its sub-fund.

5.2.1. PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS ("ESG PROMOTION")

INVESTMENTS BASED ON POSITIVE AND NEGATIVE CRITERIA ("THEMATIC INTEGRATION")

In the case of ethical and thematic products, the Company has defined processes for selecting investments based on specific positive and negative criteria contemplated in the offering documentation. In particular, the investment universe available to fund managers consists of the issuers:

- included in the benchmarks of the ethical funds and thematic products;
- whose compatibility with the criteria established in the offering documentation has been verified.

INVESTMENTS BASED ON SUSTAINABLE INVESTMENT CRITERIA ("SUSTAINABLE INTEGRATION")

The managed products may promote, among others, environmental or social characteristics, or their combination, pursuing the goal of building portfolios characterised by an exposure, in line with the provisions of the offering documentation, in sustainable investments pursuant to the SFDR Regulation.

This objective is achieved by investing a portion of the portfolio³¹, the extent of which is defined based on the asset classes and geographic allocation of each product and is at least equal to 10% in financial instruments of sustainable issuers. Sustainable issuers are those issuers whose activities contribute to one or more sustainable development goals, i.e. the Sustainable Development Goals (SDGs) promoted by the United Nations, on condition that (i) these investments do not significantly harm any of the environmental or social goals outlined in the SFDR Regulation and that (ii) the companies benefiting from such investments comply with good governance practices. For the identification of sustainable investments pursuant to the SFDR Regulation, please refer to the Section "Methodology for identifying sustainable investments" of this document.

INVESTMENTS BASED ON THE SCREENING OF TARGET UCIs ("MANAGER SELECTION INTEGRATION")

In the case of products with an investment policy that may be pursued through investment in parts of target UCIs up to 100% of the assets, these UCIs are selected from those managed (i) by the Company and by other Companies of the Group ("related UCIs") and (ii) by primary asset management companies, on the basis of the quality and consistency of their performance, as well as the robustness of their ESG and/or SRI investment process.

These products envisage investing at least 70% of the assets in units of target UCIs that pursue, in respective investment policies:

- the promotion, among others, of environmental or social characteristics, or a combination of those characteristics, while respecting good governance practices, pursuant to Article 8 of the SFDR Regulation;
- sustainable investment goals, pursuant to Article 9 of the SFDR Regulation.

INVESTMENTS THAT TAKE INTO ACCOUNT THE CONSTRUCTION LOGIC OF BENCHMARKS OR SELECTED FINANCIAL DERIVATIVE INSTRUMENTS ("INDEX/DERIVATIVE INTEGRATION")

As regards products that have investment policies which take into account the construction logics of their own benchmarks - such as index-linked products or products with a Limited Tracking Error - or that implement strategies involving the replication of one or more financial indices ("Index/Derivative Integration"), the Company integrates the ESG criteria respectively through:

- the selection of benchmarks that consider environmental and/or social factors and respect good governance practices consistent with the provisions of the SFDR Regulation;
- the use of financial derivative instruments that consider environmental and/or social factors and respect good governance practices consistent with the product investment policy.

In such cases, the process to integrate ESG factors requires products to invest, also through financial derivative instruments, at least 90% of assets in issuers present in the benchmark ("ESG Index Integration").

³¹ This condition applies to products that pursue "Sustainable Integration" as the only strategy for integrating sustainability risks.

Alternatively, where managed products promote environmental and/or social characteristics through the use of financial derivative instruments consistent with the provisions in their own offering documentation, the latter are characterised by indices whose construction methodologies consider environmental and/or social factors. In these cases, according to the process to integrate ESG factors, products must invest at least 90% of the strategy (shares and/or bonds) in financial derivative instruments that allow for an exposure, also through indices, to issuers selected based on environmental and/or social factors (“ESG Derivative Integration”).

INVESTMENTS IN GOVERNMENT ISSUERS ('SOVEREIGN INTEGRATION')

The managed products may promote, among others, environmental or social characteristics, or their combination, pursuing the goal of constructing portfolios characterised by an exposure, in line with the provisions of the offering documentation, in government, supranational or agency issuers.

This objective is achieved by investing assets in sovereign, supranational or agency financial instruments that pass a specific internal methodology (“*Sovereign Sustainability Ambition (SSA) Framework*”) involving the analysis of sustainability factors and the in-depth assessment of the characteristics of each Country in order to define the investment universe of products that invest in government, agency or supranational issuers pursuant to Article 8 of the SFDR Regulation.

This methodology makes it possible to classify Countries into 4 Classes, of which:

- no. 3 classes are eligible for investment, appropriately graded based on the quality of safeguards, namely: “Achieving Countries”, “Improving Countries” and “Conservative Countries”;
- no. 1 class, which identifies countries that are not eligible for investment, i.e. Countries that do not pass the selection process in Section 5.1.1.2. “Government issuers”.

On this basis, the methodology defined by the Company considers the following no. 7 indicators:

- the “SDG Index Score”, which measures the positioning of each country in relation to the 17 SDGs, on a scale from 0 (worst score) to 100 (full achievement of the goal);
- the “International Spillover Score”, which measures the adverse socioeconomic and environmental impacts generated by individual Countries abroad, on a scale from 0 (worst score) to 100 (best score);
- the “GHG intensity PPP - Adjusted” (“Carbon Footprint”), which measures the intensity of greenhouse gas emissions produced by individual countries per million euro of Gross Domestic Product (GDP), taking into account the different purchasing power (“Purchase Power Parity” or “PPP”);
- the presence of “social violations” in relation to international conventions and treaties, the principles of the United Nations and, as applicable, national regulations;
- the Country is on the list of non-cooperative jurisdictions from a fiscal point of view;
- the Country is on FATF lists relative to (i) high-risk Countries (“black list”) or (ii) Countries subject to significant monitoring (“grey list”) due to deficiencies in systems for combating money laundering, terrorist financing and the proliferation of weapons of mass destruction;
- the “Corruption Index”, which assesses the perceived level of corruption of the public sector of each country on a scale from 0 (worst score) to 100 (best score).

Based on the screening carried out, the Countries are divided into no. 4 Classes based on the intensity of the safeguards

The green, social or sustainability bonds issued by the individual Countries are classified in the category “Achieving Countries”, regardless of the Class the Country belongs to. The financial instruments issued by international public bodies of one or more States (“supranational issuers”), are subject to a specific assessment process overseen by the Responsible Investments & Stewardship Structure, with the results notified to the ESG Committee in order to assign the reference Class. Financial instruments issued by government agencies (“*Agencies*”), are instead assigned to the Class of the reference Country.

The exposure of products to the different Classes of Countries is differentiated, providing for minimum and/or maximum limits, based on respective investment policies, making a distinction between products that invest:

- mainly in government issuers;

- in several asset classes (“mixed” products);
- in certain geographic areas of reference (emerging or developed Countries).

INVESTMENTS AS A FUNCTION OF THE CARBON FOOTPRINT (“CARBON FOOTPRINT”)

Products that integrate assessments related to the measurement of carbon dioxide (CO₂) emissions generated by issuers into their portfolio construction process aim to achieve a lower ecological footprint than:

- the benchmark, for managed products characterised by the presence of a benchmark;
- the investment universe, for products whose investment policy does not include a benchmark.

With the aim of monitoring the significance of data on the CO₂ emissions of individual portfolios, the Company monitors issuers without an ecological footprint to ensure they do not exceed 20% of the net assets of the individual managed product.

INVESTMENTS BASED ON THE AVERAGE “ESG SCORE” OF THE PORTFOLIO (“ESG SCORE INTEGRATION”)

In line with the provisions of the respective offering documentation, the managed products may promote, among others, environmental or social characteristics, or their combination, pursuing the goal of constructing portfolios characterised by an “ESG score” which is better than that of:

- the benchmark, for managed products characterised by the presence of a benchmark;
- the investment universe, for products whose investment policy does not include a benchmark.

For certain products, depending on the particular aspects of the investment strategies implemented (e.g. protected UCITS), investment universes may be identified that are representative of the different components of the portfolio (e.g. equity exposure and bond exposure).

With the aim of monitoring the significance of data relative to individual portfolios, the Company monitors issuers without an ESG score to ensure they do not exceed 20% of the net assets of the individual managed product.

For UCIs whose offering documentation complies with the Recommendation of the Autorité des Marchés Financiers (AMF) of March 11, 2020 on “Information to be provided by Collective Investment Schemes incorporating non-financial approaches”, the Company monitors the materiality of the data in compliance with indications of the French Supervisory Authorities.

INVESTMENTS IN SECURITISED FINANCIAL INSTRUMENTS (“SECURITISED INTEGRATION”)

The managed products may promote, among others, environmental or social characteristics, or their combination, pursuing the goal of constructing portfolios characterised by an exposure, in line with the provisions of the offering documentation, in securitized financial instruments.

This objective is achieved by investing at least 70% of assets in securitized financial instruments that pass an internal analysis process defined by the Structured Credit team - coordinating with the Responsible Investments & Stewardship Structure - based on the frameworks available in the literature and market best practices.

The internal process comprises the following 3 stages:

- pre-screening, involving the adoption of preventive exclusion principles (i) of the transaction counterparty and (ii) the type of asset;
- due diligence, which assesses the promotion of environmental or social characteristics as an investment opportunity, based on qualitative/quantitative information analysed on 3 dimensions: (i) the Counterparty, (ii) the Transaction & Asset and (iii) the reference Country of the transaction;
- engagement, for transactions with a higher level of exposure to ESG risks.

5.2.2. SUSTAINABLE INVESTMENT GOALS (“SUSTAINABLE INVESTMENTS”)

The next Sections describe the procedures adopted by products managed by the Company, in order to pursue sustainable investment goals pursuant to the SFDR Regulation, while respecting good governance practices: (i) SDG Investing and (ii) Impact Investing.

INVESTMENTS THAT CONTRIBUTE TO SUSTAINABLE DEVELOPMENT GOALS (“SDG INVESTING”)

Managed products may pursue sustainable development goals, selecting financial instruments such as shares, bonds and/or target UCIs that contribute to one or more environmental and/or social goals, on condition that these investments do not significantly harm any of the environmental or social goals outlined in the SFDR Regulation and that the companies benefiting from such investments respect good governance practices.

The product may also be invested in liquidity management instruments, as well as financial derivative instruments used for risk hedging and for efficient portfolio management, in line with the investment policy and sustainable investment policy provided for by the product investment policy.

To identify sustainable investments pursuant to the SFDR Regulation, please refer to the Section “Methodology for identifying sustainable investments” of this document.

IMPACT INVESTING

Products that promote sustainable investment goals, subject to compliance with good governance practices by the investee issuers, implement investment selection methodologies aimed at generating a measurable and positive social or environmental impact in addition to a financial return. This category of products includes those that mainly invest in “green bonds” or in similar financial instruments, such as “social bonds” and “sustainability bonds”.

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). The analysis process involves (i) an objective analysis of the purposes of the financed projects and (ii) a subjective assessment of the project management methods, the organizational structure of the issuer, the environmental footprint, with particular attention to the level of transparency and the quality of reporting.

5.2.3. MONITORING GOOD GOVERNANCE PRACTICES

The products classified pursuant to Articles 8 and 9 of the SFDR Regulation invest in companies that respect good governance practices pursuant to the SFDR Regulation, i.e. companies that:

- (i) have solid management structures, i.e. with independent members on their administrative body, that have not received negative opinions from external auditors and have no controversies in relation to Principle no. 10 of the United Nations Global Compact, related to the commitment against corruption in all its forms;
- (ii) regarding personnel relations, have no controversies in relation to Principle No. 3 of UNGC concerning freedom of association and the recognition of the right to collective bargaining;
- (iii) regarding personnel remuneration, have no controversies in relation to Principle No. 6 of UNGC concerning the elimination of discrimination in respect of employment and occupation;
- (iv) have no controversies relating to tax compliance, i.e. tax proceedings against the company not yet resolved.

This definition does not include government issuers³².

³² See the Q&As published by the European Commission on 17 May 2022, “Questions related to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR)”.

In this regard, the Company has defined specific monitoring criteria, differentiated between (i) listed issuers and (ii) unlisted companies that use no. 6 indicators that cover the aspects contained in the definition included in the SFDR Regulation.

5.3. STEWARDSHIP

Where deemed appropriate, the Company promotes the implementation of the “Macro Strategy” of Stewardship through dialogue with companies and the exercise of voting rights at issuers' meetings, contributing to the mitigation of sustainability risks and the creation of long-term value.

In fact, interaction with issuing companies is aimed at encouraging effective communication with the relevant corporate bodies and/or senior management and their representatives. For example, the Company evaluates the initiation of discussions with companies belonging to sectors whose activities have a significant impact on the biodiversity of the areas in which they operate, in order to examine the mitigation strategies undertaken and monitor progress against stated commitments, including initiatives to combat deforestation.

To steer the conduct adopted by the Company to encourage engagement with the issuers it invests in, integrating its own commitment as shareholder to the investment strategy, the Company has adopted the “Engagement Policy of Eurizon Capital SGR S.p.A.”, which describes the organisational and/or procedural measures that govern participation in Shareholder Meetings and the engagement with companies deemed “relevant”.

6. PROCESS FOR SCREENING THE ASSETS SELECTED BY MANAGED FUNDS

6.1. TARGET UCIs

As part of the selection and monitoring process of the “Target UCIs” (mutual investment funds and SICAVs) established by third-party Companies (“fund houses”) in relation to the Company, the Multimanager Investments Structure of the Investments Department assesses - in addition to economic and financial analyses - the level of integration of the SRI and/or ESG factors and related sustainability risks, in the framework of:

- the sustainability policies of fund houses;
- the investment policies of individual UCIs, verifying:
 - how to integrate sustainability risks into investment processes pursuant to Article 6 of the SFDR Regulation;
 - compliance with the requirements of Law 220 of 9 December 2021 and relative Instructions of the Bank of Italy, COVIP, IVASS and MEF on the exercise of enhanced controls on the work of authorised intermediaries to combat the financing of firms manufacturing landmines, and cluster munitions and sub-munitions;
 - the promotion, among others, of environmental or social characteristics, or a combination of those characteristics, while respecting good governance practices, pursuant to Article 8 of the SFDR Regulation;
 - the adoption of sustainable investment goals, pursuant to Article 9 of the SFDR Regulation;
 - the presence of any additional distinguishing ESG elements in managing individual products.

This information - obtained directly from the fund houses and/or through specialized info providers (e.g. Bloomberg, Morningstar) - are valued both as one of the elements considered for possible inclusion in the list of authorized UCITs (“UCI list”), and as a possible criterion for selection, among others, by the Company's portfolio managers. In its own due diligence activities, the Multimanager Investments Structure favours fund houses that ensure a high level of transparency of managed products, also regarding (where applicable) procedures to integrate sustainability risks and environmental, social and corporate governance (ESG) factors, and sustainable and responsible investment (SRI) principles in their investment processes.

In this context, the Risk Management Function, verifies, based on offering documentation acquired from the fund house, the results of analyses on the level of integration of SRI and/or ESG factors and connected sustainability risks.

The aforementioned screening process may only be waived in the presence of specific instructions given by clients within the scope of the Portfolio Management Service or where the target UCITS have been expressly approved by the competent bodies of the UCITS (so-called fund hosting).

In the case of so-called “master-feeder” structures that provide for investment in a master fund of third-party management companies, the Multimanager Investments Structure carries out a preliminary analysis of the ESG factor integration strategy pursued by the master fund.

6.2. ALTERNATIVE INVESTMENT FUNDS (AIF) BELONGING TO THE “ECRA INFRASTRUCTURE RANGE”

Eurizon Capital SGR has defined specific methods of selection and monitoring of financial instruments aimed at integrating sustainability risks within the Investment Process of AIFs belonging to the “ITER range”, whose management is delegated to the subsidiary Eurizon Capital Real Asset SGR S.p.A..

To this end, the Company has adopted the following selection and monitoring criteria:

- SRI exclusions, aimed at avoiding investment in companies operating in sectors that are not “responsible”, as they are characterized by critical issues related to the respect of human rights or by a clear involvement - in terms of revenues - in activities connected with:
 - the production or marketing of (i) armaments, including components exclusively intended for them, (ii) tobacco, (iii) pornographic material, (iv) electronic solutions or programmes specifically designed to illegally allow access to electronic networks or the downloading of data in electronic format;
 - the research and development of programmes, electronic solutions or other activities in support of one or more of the areas referred to in the previous paragraph;
 - gambling;
- ESG integration, given the peculiarity of the products and the absence of info-providers specialized in carrying out assessments on sustainability, the Company is assisted by an external consultant, which is entrusted with the research, analysis and selection of investment proposals that aim to favour investment opportunities that promote aspects of environmental sustainability, social and good governance;
- Active Ownership - Engagement through the exercise of administrative and voting rights and the strategic guidance of investee companies, promoting initiatives aimed at achieving sustainability objectives.

Taking into account the peculiarities of alternative investment funds, characterized by investments in illiquid assets with a long-term time horizon, sustainability criteria are taken into consideration when evaluating investment opportunities, in addition to economic/financial parameters. Engagement with investees, due to nature of the activity, takes place throughout the life cycle of the investment.

The Investments Committee dedicated to AIFs belonging to the “ECRA Infrastructure range” considers, among other aspects, compliance with ESG and SRI criteria, promoting sustainable and responsible investment choices that aim to create value in the medium to long term.

7. METHODOLOGY TO IDENTIFY SUSTAINABLE INVESTMENTS

The next Sections describe the methodology adopted by the Company to identify sustainable investments pursuant to the SFDR Regulation, with particular reference to (i) issuers of financial instruments - shares and/or bonds, and (ii) target UCIs.

7.1. FINANCIAL INSTRUMENTS - SHARES AND/OR BONDS

The methodology defined by the Responsible Investments & Stewardship Structure covers aspects contained in the definition given in the SFDR, using the data made available by the specialised info-provider “MSCI Solutions”.

In particular, the internal process considers the following safeguards:

- **COMPLIANCE WITH GOOD GOVERNANCE PRACTICES;**
- **POSITIVE CONTRIBUTION TO AN ENVIRONMENTAL OR SOCIAL GOAL;**
- **RESPECT OF THE PRINCIPLE "Do No Significant Harm" ('DNSH').**

To classify an issuer as sustainable, the Company assesses the following indicators³³:

ANALYSIS DIMENSION	INDICATOR	DESCRIPTION OF THE CRITERION
GOOD GOVERNANCE	NO. 6 INDICATORS	– Structure of the administrative body; – External auditor; – Absence of controversies in relation to Principle no. 10 of the United Nations Global Compact; – Absence of controversies in relation to Principle no. 3 of the United Nations Global Compact; – Absence of controversies in relation to Principle no. 6 of the United Nations Global Compact; – Absence of controversies relating to tax obligations.
	ALIGNMENT WITH THE SDGs	– The issuer has at least no. 1 SDG with a score of 'Aligned' or 'Strongly Aligned'.
POSITIVE CONTRIBUTION	ALIGNMENT WITH THE TAXONOMY	The issuer has a percentage: – of turnover in activities aligned with the taxonomy; – of capital expenditure (capex) in taxonomy-aligned activities.
	PRESENCE OF DECARBONISATION TARGETS	The issuer has a target validated by the Science Based Target Initiative.
DO NO SIGNIFICANT HARM ("DNSH")	PAI INDICATORS	The issuer complies with the thresholds defined for the principal adverse impacts of investment decisions on sustainability factors ("PAI").
ADDITIONAL SAFEGUARD MECHANISMS	MISALIGNMENT WITH THE SDGs	No misalignment with one or more SDGs
	CULTIVATION AND/OR PROCESSING OF TOBACCO	The issuer does not operate in the sector of the cultivation and/or processing of tobacco.
	MINIMUM TRANSPARENCY REQUIREMENTS	The issuer provides information on: – greenhouse gas emissions; – the gender pay gap; – the gender diversity of the Board of Directors.
	"CRITICAL" ISSUER	The issuer does not have a higher exposure to environmental, social and corporate governance risks.

Companies are therefore considered as "sustainable issuers" if they comply with:

- good governance practices;
- at least one criterion of a positive contribution to environmental and/or social objectives;
- the criteria contemplated for the DNSH principle and additional safeguards defined by the Company.

In any case, "green bonds", "social bonds" or "sustainability bonds" are considered to be sustainable.

7.2. TARGET UCIs

With regard to the target UCIs (mutual funds and SICAVs), the Company has defined an assessment methodology that aims to estimate the share of the product invested in sustainable issuers. For this purpose, with respect to UCIs that promote, among others, environmental or social characteristics, or a combination thereof, or that have a sustainable investment objective within the meaning of Articles 8 and

³³ For further details on the indicators used to define sustainable investment at individual product level, please refer to the provisions included in the offering documentation.

9 of the SFDR Regulation, the Company takes into account the minimum exposure declared in the offering documents both (i) for products managed by the Company or its subsidiaries (*related UCIs*) and (ii) for products set up by third-party fund houses, subject to the analysis activities (due diligence) referred to in the following paragraph “Process for screening the assets selected by managed funds” of this document.

8. MANAGEMENT MANDATES TO THIRD-PARTY MANAGEMENT COMPANIES

If the financial management of one or more products is delegated to a third party fund house with respect to the Asset Management Division, the Company shall verify, through the initial and periodic due diligence process carried out by the competent structures of the Company, that the third-party Managers adopt policies that comply with the requirements of the regulations in force on sustainability risk management.

In particular, according to the objectives pursued and the relative categorisation of each product pursuant to the SFDR Regulation, the Company reserves the right to examine the following documents, aimed at (i) investigating the procedures defined by the delegated Managers for the adoption of effective safeguards aimed at considering sustainability-related aspects into its Investment Process and (ii) ensuring that the delegated manager is aligned with the principles adopted by the Company through this Policy:

- Sustainability policy defined at the Management Company level (documents on sustainable initiatives and the commitment of the Manager);
- Investment management policy (processes and procedures adopted for managing the sustainability risk management, exclusion policies, etc.) defined for the individual managed portfolio, if available;
- Monitoring reports (using the following KPIs: the trend of the metrics used to measure sustainability risk, reports of violations of sustainability policies in the event of investments in controversial issuers, monitoring of the controversies management process and of the corrective actions defined, etc.).

As an internal policy, the Company does not delegate the exercise of voting rights to delegated managers and therefore adopts the “Strategy for exercising participating and voting rights concerning the financial instruments of assets managed by Eurizon Capital SGR S.p.A.” also with reference to the latter products.

The Macro Strategies of “negative screening” defined in the Section “Methods for considering sustainability aspects in the Investment Process” are also applicable to delegated Managers. To this end, the Compliance & AML Function carries out periodic monitoring of the position undertaken.

These restrictions can be waived only in the presence of special instructions given by customers as part of the Portfolio Management Service or in the event of a conflict with the tender documentation.

9. ASSESSMENT OF THE IMPACTS OF SUSTAINABILITY RISKS ON THE RETURN OF FINANCIAL PRODUCTS

Pursuant to Article 6 of the SFDR Regulation, Eurizon Capital SGR assesses the probable impacts of sustainability risks on the return of financial products.

The Risk Management Function has therefore adopted a methodology that analyses sustainability risks within the more general framework of the measurement and management of financial risks of managed products.

The assessment of the probable impacts of sustainability risks on returns is determined based on the following variables:

- the product sustainability risk, represented by the ESG *rating*, calculated based on data obtained from the specialised info-provider “MSCI Solutions”;
- the synthetic product risk indicator, in line with indications in the offering documentation.

Based on the combination of the values of the aforementioned 2 variables, a level of probable impact is identified, classified using a 5-tier scale, from “low” to “high” according to an internal assessment methodology. In fact, the probable impact of sustainability risks on financial returns is considered to be “low” for products that have a low synthetic risk indicator and an ESG *rating*, positioned in the higher brackets, and gradually increases based on the level of risk and/or in the presence of lower ESG *ratings*.

10. PRINCIPAL ADVERSE IMPACTS ON THE SUSTAINABILITY OF INVESTMENT CHOICES

In the following sections, the methodology adopted by the Company to identify the principal adverse impacts of investment choices on sustainability factors is illustrated.

10.1. TRANSPARENCY AT ENTITY LEVEL

Pursuant to the provisions in Article 4 of the SFDR Regulation, Eurizon Capital SGR prepares an annual statement, approved by the Board of Directors and published on the website, which (i) describes the strategies adopted to identify the principal adverse impacts of investment decisions on sustainability factors and (ii) defines the related mitigation actions, identifying the priorities to be addressed.

Considering that some areas are lagging behind in promoting the adoption of better sustainable development standards and that some industrial sectors are structurally more exposed to risks and benefit from fewer opportunities for sustainable growth, Eurizon Capital SGR and its subsidiaries (hereinafter also 'Eurizon') believe that assessments should be made taking into account the geographical and/or sectoral context and the ability of companies to implement sustainable development strategies, to initiate a process of transition of their business model or to seize development opportunities. Although many of the investments made on behalf of the financial products are able to generate positive effects on the investee companies and their stakeholders, the assets held by the managed products may have negative effects on the environment or people (so-called 'principal adverse impacts on the sustainability of investments').

In view of the wide range of activities, geographic areas and sectors in which the Asset Management Division Companies invest on behalf of their products, the potential adverse impacts are not homogeneous. However, Eurizon believes that adequate monitoring of exposure to social and environmental issues is a priority to mitigate the potential adverse impacts of its investments. The exposure of investees to sustainability risks may, in fact, cause direct or indirect impacts on the financial performance of investments, in addition to reputational and ethical risks. For this purpose, Eurizon gives importance to (i) the respect of human rights and countering the production of prohibited or unconventional weapons, (ii) exposure to environmental issues, including climate change mitigation and adaptation, mitigation of the loss of biodiversity and offsetting deforestation and (iii) good corporate governance practices.

Eurizon is therefore actively committed to mitigating the adverse impacts of investments through the implementation of strategies which provide for (i) the negative screening of issuers, with the objective of mitigating the risks deriving from exposure to companies operating in sectors considered not 'responsible' (such as the fossil fuel and prohibited or unconventional weapons sectors) or characterised by critical environmental, social or corporate governance issues, (ii) the positive integration of ESG factors into the analysis, selection and composition of financial portfolios, as well as the selection of sustainable investments in accordance with the SFDR Regulation, and (iii) engagement with investee companies through the exercise of voting rights and, when deemed appropriate, engagement activities focused, in particular, on environmental and social issues. To protect its investors and stakeholders, Eurizon provides for specific mechanisms (i) for transparency of the approach adopted towards the sustainability of investments as well as (ii) for risk management, in order to monitor a conscious assumption of investment choices by managed assets.

With reference to the principal adverse impacts of investment choices on sustainability factors, Eurizon has defined appropriate safeguards for the identification, analysis and prioritisation of the principal adverse impacts of investment choices on sustainability factors through the identification and monitoring of the same, using the data acquired from the specialised info-provider 'MSCI Solutions'.

In this context, the LTSS and Responsible Investments & Stewardship Structures of the Investments Department and the Risk Management Function of Eurizon Capital SGR supervise the activities of identification and prioritization of the principal adverse impacts of investment choices on sustainability factors, through the monitoring of "Principal Adverse Impact Indicators" (PAIs)³⁴. The results of the analyses are presented to the Financial, Credit and Operational Risks Committee, which is responsible

³⁴ For any further information, please refer to the "Principal Adverse Impact Statement of Eurizon Capital SGR S.p.A. and subsidiaries" available on the website.

for defining appropriate actions to mitigate the adverse impacts connected with sustainability risks and the priorities to adopt for the subsequent period. The ESG Committee is informed at the first available meeting.

In the best interest of its financial products, Eurizon is committed to:

- continuing to develop its sustainability policies, with the aim of encouraging the mitigation of the principal adverse impacts on sustainability factors, including through the adoption of new negative and/or positive asset screening strategies;
- focussing its *engagement* actions with investee companies with the aim of guiding them to improve their sustainability practices, only as a last resort considering the divestiture of their investments. Eurizon also recognises that effective management of the principal adverse environmental and social impacts requires a collective effort and therefore adheres to internationally recognised codes of responsible business conduct and standards.

10.2. TRANSPARENCY AT FINANCIAL PRODUCT LEVEL

The assessment of the principal adverse impacts of investment choices on sustainability factors and the definition of related mitigation actions are an integral part of Eurizon's approach to sustainability.

In this context, the Company has adopted an internal methodology (framework) that defines how the so-called 'Principal Adverse Impact indicators' ('PAI') are taken into account within the assets under management, pursuant to Article 7 of the SFDR Regulation.

The framework includes the use of specific indicators, as set out in Commission Delegated Regulation (EU) 2022/1288³⁵, associated according to the characteristics and objectives of the individual financial products on the basis of the safeguards already defined by the Company.

For each of the above-mentioned mechanisms, the Company has identified the relevant impact indicators in order to provide transparency in the offering documents on how these indicators are taken into account for each managed.

11. INTEGRATION OF SUSTAINABILITY RISKS IN REMUNERATION AND INCENTIVE POLICIES

The Company's Remuneration and Incentive Policies take into consideration sustainability risks pursuant to Article 5³⁶ of the SFDR Regulation.

In particular, the annual Incentive Systems provide for:

- the attribution to Group Risk Takers, Company Risk Takers and Middle Management who do not belong to the chain of managers of a specific objective, among strategic ones, linked to the Company's initiatives that take into account environmental, social and governance factors "ESG factors");
- a corrective mechanism of the theoretical premium related to the population belonging to the chain of managers connected to the management of sustainability risks (the so-called "sustainability corrective mechanism") which provides for the comparison between the "sustainability rating" of the portfolios managed (i.e. weighted average ESG score of the products referred to the individual manager) and the target rating (i.e. the average ESG score of the parameters associated with the product, i.e. the benchmark or the investment universe) in accordance with the methods described in the section "Integration of ESG factors (ESG Promotion)".

12. POLICY REVIEW AND PUBLICITY

The Company's Sustainability Policy is reviewed at least annually by the Responsible Investments & Stewardship Structure, coordinating with the Compliance & AML Function, in order to assess the

³⁵ The Commission Delegated Regulation specifies the content, methodologies and manner of presentation of the information required by Article 4 of the SFDR in relation to the principal adverse impacts at entity level for sustainability indicators (i) on climate and other environment-related adverse impacts and (ii) in the field of employee and social issues, respect for human rights, anti-corruption and anti-bribery.

³⁶ Pursuant to Article 5 of the SFDR "Financial market participants and financial advisors shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites".

consistency of the methodologies adopted by the Company in relation to the developments in national and international best practices.

Any changes are notified to the ESG Committee before being presented to the Board of Directors.

13. REPORTING

In compliance with indications in applicable regulations, the Company gives its clients/investors and other stakeholders this Summary of the Sustainability Policy, and any significant amendment to the same on the website www.eurizoncapital.com.

In line with the timelines set by the SFDR Regulation, for products that:

- promote, among others, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices;
- have sustainable investment goals;

the Company commits to providing transparent information in the periodic reports on managed products. These documents include both qualitative and quantitative information.

14. CORPORATE GOVERNANCE MODEL OF SUBSIDIARIES

Eurizon Capital SGR, as a Company of the Intesa Sanpaolo Group for which the coordination and control model is applied, is required to implement the Guidelines issued by the Parent Company from time to time on the management of sustainability risk (i) adapting them to its own corporate and organisational context and the specificities of local asset management regulations and (ii) submitting them to the approval of the Board of Directors. Where appropriate, these Guidelines will be adapted according to the proportionality principle.

As the lead Company of the Asset Management Division which in turn holds, directly or indirectly, controlling interests, Eurizon Capital SGR is responsible for:

- the dissemination among its subsidiaries of both the Group Guidelines and this "Sustainability Policy", which describes the methodologies defined by the Asset Management Division for the consideration of sustainability-related aspects in the Investment Process of the managed products;
- their implementation within the respective corporate and regulatory context.

In compliance with the principle of proportionality, smaller-scale Companies limit the definition of their safeguards to areas that are most significant for their business. In order for the provisions issued by the Parent Company and Eurizon Capital SGR to be implemented, foreign Subsidiaries shall also consider the corporate context and applicable local regulations. These assessments are conducted with the support of the respective compliance Functions.

For the purposes of the correct implementation of the sustainability policies, Eurizon Capital SGR makes available to the subsidiaries the specialised expertise:

- of the ESG Committee, in defining the sustainability policies;
- of the Responsible Investments & Stewardship Structure for the purpose (i) of disseminating and implementing the principles of the sustainability of the investments, promoting the integration of environmental, social and governance factors in the Investment Process, (ii) monitoring market practices, for the purpose of promoting innovation in company methodologies and processes and (iii) activating the engagement process with critical issuers;
- of the LTSS team, for the purposes of monitoring issuers most exposed to sustainability risks.

15. DEFINITIONS

The definitions of the main terms included in this Policy are given below, which take account of both regulatory aspects and aspects arising from the internal methodologies adopted by the Company for the purposes of analysing and managing sustainability risks.

TERM	DESCRIPTION
Article 6 SFDR	A product that integrates sustainability risks into its investment decisions.
Article 8 SFDR	A financial product that promotes, among others, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.
Article 9 SFDR	A financial product that has sustainable investment as its objective and an index has been designated as a reference benchmark.
Good Corporate Governance	The products classified pursuant to Articles 8 and 9 of the SFDR invest in companies that comply with good governance practices, in particular as regards robust management structures, personnel relations, personnel remuneration and compliance with tax obligations.
Financial Advisor	Financial intermediaries subject to the SFDR, that include, among others, Companies managing UCITS and AIFs that provide the investment advisory service.
DNSH	Do no significant harm This refers to one of the criteria necessary to assess whether an investment achieves the sustainable investment goal pursuant to Regulation (EU) 2019/2088.
Due Diligence	Activity to analyse financial and/or sustainability aspects related to a company or a financial product.
Greenhouse gas emissions	Greenhouse gas emissions correspond to levels of carbon dioxide, carbon monoxide, sulphur dioxide and other gaseous by-products of industrial products that a company uses for its activities.
Scope 1, Scope 2 and Scope 3 greenhouse gas emissions	– Scope 1 carbon emissions, i.e. emissions generated from sources controlled by the company that emits the underlying activities; – Scope 2 carbon emissions, i.e. emissions generated from the consumption of electricity, steam or other sources of purchased energy generated upstream by the company that emits the underlying activities; – Scope 3 carbon emissions, i.e. all indirect emissions not contemplated above, that occur in the value chain of the company that makes the statement, including upstream and downstream emissions, in particular for sectors with a considerable impact on climate change and its mitigation.
Sustainability factors	The issues concerning environmental and social matters, personnel, respect for human rights and the fight against corruption and bribery.
FATF	The Financial Action Task Force tasked with devising and developing strategies to combat the laundering of capital of unlawful origin and prevent terrorist financing.
FATF Black List	List of high-risk countries in view of the deficiencies in countering money laundering, terrorist financing and the proliferation of weapons of mass destruction defined by the FATF.
FATF Grey List	The list of countries subject to intense monitoring, in view of deficiencies in guidelines for combating money laundering, terrorist financing and the proliferation of weapons of mass destruction defined by the FATF.
Green Bond	Debt securities issued by governments, their public agencies, supranational institutions or corporate issuers whose proceeds are used to finance or refinance, in part or in whole, new projects and/or existing projects that bring about environmental benefits and/or positive climatic conditions.
Greenwashing	A practice where affirmations, statements, actions or communication concerning sustainability do not clearly and fairly reflect the underlying sustainability profile of an entity, product or financial service. This practice may be misleading for consumers, investors or other market participants.
Engagement	Dialogue between companies and investors (especially institutional ones such as mutual funds, pension funds, insurance companies, etc.) to promote positive changes within companies and aimed at greater sustainability of corporate activities.
Info-provider	Professional provider of data and/or information.
Environmentally sustainable investment	An investment in one or more economic activities considered to be environmentally sustainable within the meaning of Regulation (EU) 852/2020. In particular, an economic activity is considered environmentally sustainable if (i) it means an investment in one or several economic activities that qualify as environmentally sustainable under Article 9 of the SFDR (climate change mitigation; adaptation to climate change; the sustainable use and

TERM	DESCRIPTION
	protection of water and marine resources; the transition to a circular economy; pollution prevention and control; the protection and restoration of biodiversity and ecosystems); (ii) it does not cause significant harm to any of the environmental goals in Article 9 of the SFDR and in compliance with Article 17; (iii) it takes place in compliance with the minimum safeguards envisaged in Article 18 (Minimum safeguards); (iv) it conforms to the technical screening criteria set by the Commission
Sustainable investment	An investment in an economic activity that contributes to an environmental goal, measured, for example, through key indicators of the efficiency of resources concerning the use of energy, of renewable energies, raw materials, water resources and soil, the production of waste, greenhouse gas emissions, as well as impact on biodiversity and the circular economy; or an investment in an economic activity that contributes to a social goal, in particular an investment that contributes to the fight against inequality, or that promotes social inclusion, integration and industrial relations; or an investment in human capital or in communities that are economically or socially disadvantaged on condition that such investments comply with good governance practices, in particular as regards robust management structures, personnel relations, personnel remuneration and compliance with tax obligations.
Key Performance Indicator	Indicator designed to measure the performance of a business process or activity.
Limited Tracking Error	A type of investment fund that has a limited deviation from the benchmark.
Master-Feeder Structures	Structure in which the assets of a so-called feeder <u>fund</u> are invested, totally or predominantly, in a so-called master fund.
NACE	<i>“Nomenclature statistique des activités économiques dans la Communauté européenne”</i> , European Union system classifying economic activities (https://ec.europa.eu/competition/mergers/cases/index/nace_all.html).
Non-Performing Loan	Bad loans otherwise called “Non-Performing Loans” or “NPL” are exposures with parties that, because of a worsening in their economic and financial situation, are not able to meet in full or partially their contractual obligations. In particular, in keeping with the definitions of non-performing loans adopted by the Bank of Italy and harmonised at an SSM level, they reflect the criteria published in 2013 by the European Banking Authority (EBA), and mean: (i) bad loans, i.e. exposures with parties that are insolvent or in situations that are basically the same, (ii) unlikely to perform loans, i.e. exposures (other than those classified as bad loans), for which it is unlikely, without resorting to actions such as the enforcement of guarantees, that the debtor will meet its contractual obligations in full and (iii) past due and/or forborne exposures, i.e. exposures (other than those classified as bad loans or UTP), which have expired or have exceeded credit facility limits by more than 90 days and are above a previously determined materiality threshold.
Environmental objective	Environmental objectives are: i) climate change mitigation; ii) climate change adaptation; iii) the sustainable use and protection of water and marine resources; iv) the transition to a circular economy; v) pollution prevention and control; vi) the protection and restoration of biodiversity and ecosystems
OECD	Organisation for Economic Co-operation and Development
Target UCIs	Undertakings in collective investment potentially invested in by other mutual investment funds at the end of a due diligence process.
International Labor Organization (ILO)	The International Labour Organization is a specialised UN Agency that promotes social justice and internationally recognised human rights, with particular reference to labour in all its aspects.
PAI	Principal adverse impact indicators (PAIs) defined by Delegated Regulation (EU) 2022/1288. These indicators measure the effects on sustainability factors of investment decisions and investment advice with the aim of monitoring the impacts of investment decisions on different dimensions such as the environment, society or economy.
Financial markets participant	(i) An insurance undertaking that makes available an investment-based insurance product (IBIP); (ii) an investment firm that provides portfolio management services; (iii) a corporate or professional pension entity (EPAP); (iv) a creator of a pension product; (v) a manager of alternative investment funds (GEFIA); (vi) a supplier of an individual Pan-European pension

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	product (PEPP); (vi) a manager of a registered qualifying venture capital fund conforming to Article 14 of Regulation (EU) no. 345/2013; (vii) a manager of a registered qualifying social entrepreneurship fund conforming to Article 15 of Regulation (EU) no 346/2013; (viii) a company managing undertakings for collective investment in transferable securities (UCITS) and a credit entity providing portfolio management services.
Investment Process	The investment selection process entails steering activities overseen by the Board of Directors, the Managing Director and Investments Director, and the implementation of single portfolio management choices.
Index-linked products	Financial products, such as mutual investment funds, that have a passive investment policy, based on the replication of the return of a given financial index.
Sustainability risk	An environmental, social or governance event or condition that, if it occurs, could have an actual or potential significant negative effect on investment value.
SBTi	Science Based Target Initiative (SBTi): an international initiative created to support businesses in defining their own climate change mitigation goals, in line with scientific objectives.
ESG Score	The score assigned by specialised agencies to issuers of financial instruments, such as businesses and governments. Unlike credit scores, which measure the default probability of an issuer, and therefore, its credit risk, the ESG Score measures the opportunities and risks which businesses are exposed to in relation to sustainability factors (environment, social and corporate governance).
Social Bond	Debt securities of which the proceeds are used to raise funds to finance new and/or previously existing projects that have positive impacts on the social sphere.
Stakeholders	Individuals, groups or entities that have an interest or stake in an organisation, company, project or activity. Stakeholders can be influenced by the actions of the organisation or, in turn, can influence it.
Stewardship	Interaction with investees achieved through (i) the exercise of participating and voting rights and (i) engagement with investees.
Sustainability Bond	Debt securities of which the proceeds are used exclusively to finance or re-finance a combination of Green and Social Projects.
Sustainable Development Goals or SDGs	These represent 17 interconnected goals (set out in no. 169 targets) established by the United Nations with the aim of promoting a more aware, long-lasting global development, that encompasses the wellbeing of human beings, the protection of and care for the natural environment and responses to the most important social issues (1 - No poverty, 2 - Zero hunger, 3 - Good health and well-being, 4 - Quality education, 5 - Gender equality, 6 - Clean water and sanitation, 7 - Affordable and clean energy, 8 - Decent work and economic growth, 9 - Industry, innovation and infrastructure, 10 - Reduced inequalities, 11 - Sustainable cities and communities, 12 - Responsible consumption and production, 13 - Climate action, 14 - Life below water, 15 - Life on land, 16 - Peace, justice and strong institutions, 17 - Partnerships for the goals).
Sustainable Financial Disclosure Regulation	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).
European Taxonomy	Classification system established by Regulation (EU) 2020/852 that establishes the general framework for determining whether an economic activity can be considered environmentally sustainable.
UN Global Compact (UNGC)	United Nations (UN) initiative to mobilise the private sector and corporate organisations to adopt responsible and sustainable business practices based on ten universal principles covering the areas of human rights, labour, environment and anti-corruption.
UN Guiding Principles (UNGPs)	United Nations Principles on Business and Human Rights which set out guidelines for all companies to respect human rights beyond compliance with national laws and regulations.

This document is originally written in Italian language. In case of discrepancy between the original Italian text and the present English translation, the Italian version will prevail.