



Global
impact
report May 2022



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From the Editor

ESG: Three letters, a single commitment. Since always. Really.

Sustainability is at the heart of the future of the planet: we need to build a greener, more equal, and more inclusive future, in which protecting the environment is an absolute priority, integrated into all development policies. Eurizon's commitment, however, is not limited to the environment, but extends to all the factors that make up the ESG acronym. Since always, as we have a long history in sustainability to tell of. Really, because our commitment is not built on words but on facts.

Our commitment to sustainability has become one of the founding values of how we work, alongside excellence, integrity, passion, and responsibility: a necessary course of action to keep growing, and to always stand by our customers.

The European Union has repeatedly reasserted that all strategic actions and initiatives at the global level must take into account the sustainable development goals, and that moving towards a low-carbon economy, more sustainable and efficient in using resources, is essential to ensure long-term competitiveness. The financial sector plays an important role in the achievement of SDGs, as the United

Nations' goals are among the major drivers of economic development. Businesses in all the world, of any size and in any sector of activity, are called to make their contribution by introducing and adopting new responsible business, investment, innovation, and technological development models, and by activating multi-stakeholder collaborations.

In a world in which there is widespread talk of sustainability, Eurizon emerges and stands out for its matter-of-factness, commitment, and transparency. The Global Impact Report is an example, alongside the Green Bond Impact Report, and the Sustainability Report: tools that draw a clear and detailed picture of how our company invests, and how it promotes environmental and social themes, and adopts solid governance practices.

Eurizon has been on the frontline for over 25 years to promote a better and more sustainable future, offers an exhaustive range of sustainable and responsible funds, diversified across all asset classes, and follows strict processes in the selection and monitoring of financial instruments. The number of ESG and sustainable funds will inevitably increase, as the range

of products offered expands, and assets under management grow. This trend is also supported by the Intesa Sanpaolo Group's 2022- 2025 business plan, that provides for strong commitment to ESG and focus on initiatives in support of the climate and of the environment.

Eurizon is the first Italian asset management company to have joined the Net Zero Asset Manager Initiative, committing to collaborate with the companies it invests in on decarbonisation goals, setting intermediate objectives compared to the 2050 goal, to be revised at least every five years.

If you require any further information on the touched on in our Global Impact Report, your usual contact will be available to answer your questions, in the assurance that sustainability values are a Eurizon founding chromosome.



Saverio Perissinotto
CEO Eurizon Capital SGR

Who we are

Being Eurizon means sharing strong values: Passion, Responsibility, Integrity, Sustainability, Excellence.

We are proud to belong to a company whose priority is to protect and grow our client's assets, helping building confidence in a more sustainable future.

439

billion euros
of Assets under
Management

17.3%

market share
in Italy

operating in

24

countries

Data by Assogestioni and processing
by Eurizon as of 31/12/2021

our
mission

We enhance the value of our clients' savings, creating and managing investment solutions suited to their needs. **We transform** the complexities of the financial markets into opportunities. **We collaborate** with the companies we invest in to promote respect of sustainable growth and high governance standards. Trustworthiness, innovation, and quality service are our distinctive traits.

Passion: we work professionally and boldly take on daily challenges.

Responsibility: we take responsibility for the effects of our actions, making commitments that go well beyond the normal requirements in terms of attention and diligence.

Integrity: we consistently uphold our values and live up to our promises, making it our responsibility to make the best use of the trust placed in us.

Sustainability: we assess the impacts of our actions and decisions in the medium-long term, harmonising our choices with social responsibility principles.

Excellence: we strive to achieve quality results and to improve constantly.

We hold the ambition to diffuse a culture that promotes the value of people, of their projects, of savings: **a financial humanitarianism** based on respect, on responsibility, and on the awareness of our own qualities.

our corporate
values

our
vision

Our **tangible contribution** to building a better society

We have chosen to provide ongoing support to projects and initiatives of an environmental and social nature: a commitment that has grown over time, becoming increasingly active and participated. In 1996 we began supporting **small and large beneficial associations, with the aim of helping to build a society that is more equal, sustainable, and respectful of the environment it exists in.** As indicated in the offer documentation of Eurizon’s ethical funds, we have devolved sums amounting to: 0.01% of overall average daily net assets, and 4% or 5% of the management fees cashed in by the products explicitly dedicated to environmental and/or social investment themes. Overall, since 2016, we have donated over three million euros, allocated to around 90 projects set forth by beneficial associations across Italy. **Eurizon’s collaborators have always**

played an active role in pointing out worthy initiatives: they draw up project proposals that hold value for the community, in which they take part directly or indirectly, and that are analysed by a dedicated body, the Devolvement Committee, that every year identifies beneficiaries by means of a well-structured process.

In the course of 2021 we have taken care of **people and the environment**, and supported **medical-scientific research.** Through the **annual devolvement provided for by our “ethical” funds**, and by some sub-funds of the Luxembourg-law Eurizon AM Sicav fund, we have devolved around 870,000 euros, with a preference for both initiatives aimed at helping people in precarious conditions affected by serious illnesses, and humanitarian, research, and assistance activities to support those in need.

Furthermore, in 2021, the “For Funding” platform raised and spent one million euros on the “Ri-Party-Amo” environmental redevelopment initiative, the most important nation-wide enterprise for the protection and safeguarding of the natural environment in Italy, promoted by Intesa Sanpaolo in a partnership with WWF and Jova Beach Party 2. An important affiliation that stems from our investor confidence in our sustainable product offer, achieved through the devolution of a portion of new underwritings, over a set period of time, to a selection of Eurizon funds that incorporate ESG features.



ESG/SRI criteria in the investment process

Upholding investment choices through integration of methodologies to select financial instruments that take into account environmental, social and governance **ESG factors** and signatory to the Principles for Responsible Investment (United Nations PRI) is a necessary element for **the pursuit of sustainable performances over time.**

Eurizon’s mission underlines the importance of proactive interaction with investee companies, to promote respect for sustainable growth and the implementation of high corporate **governance** standards.

Eurizon believes that companies with high governance standards that take **ESG factors** into account in their production processes are more likely to obtain sustainable profits over time, and therefore increase their value both economically and financially.



In 2014, Eurizon subscribed to **the Italian Stewardship Principles** for the responsible exercise of the administrative and voting rights of listed companies as defined by the Corporate Governance Committee of Assogestioni, the trade body for the Italian investment management industry.

Eurizon attaches great importance to monitor the companies it invests in and engaging with them, taking part in their Shareholders’ meetings, adopting an approach that focuses on corporate governance and participation in the meetings of selected companies.

Since a number of years, Eurizon has been committed to drawing up and promoting new rules and behaviour to tackle investment sustainability issues. In 2015, the Company embraced the Principles for Responsible Investment - PRI born from the partnership between the UN’s Environmental Program (UNEPFI) and the Global Compact, to the formulation of which it has contributed by taking part in the dedicated workgroups ever since the inception in 2005.

The signing of the UN PRI is the natural continuation of a **process that began in 1996**, when Eurizon was the first Italian asset management Company to offer ethical funds, adopting clear and articulated criteria for the selection of securities, a Sustainability Committee, and the delegation of earnings.

Eurizon's responsible process

In 2017, Eurizon decided to integrate **ESG factors SRI principles in its investment process**. Furthermore, it adopted a specific methodology to select and monitor financial instruments, with the aim of integrating a selection process that would take into account ESG factors and sustainable and responsible investment principles in its investment choices, made within the context of the services offered by the Company, such as collective savings management, portfolio management, and financial advice for investment end.

The European Union, to strengthen its commitment to counter the catastrophic consequences of climate change, the exhaustion of resources, and other sustainability issues, has issued **Regulation 2019/2088: the Sustainable Finance Disclosure Regulation SFDR, or SFDR Regulation** – in force as of 10 March 2021, with the aim of improving the protection of investors, by imposing on financial intermediaries **new, transparent and standardised disclosure obligations, and specifying how sustainability factors must be**

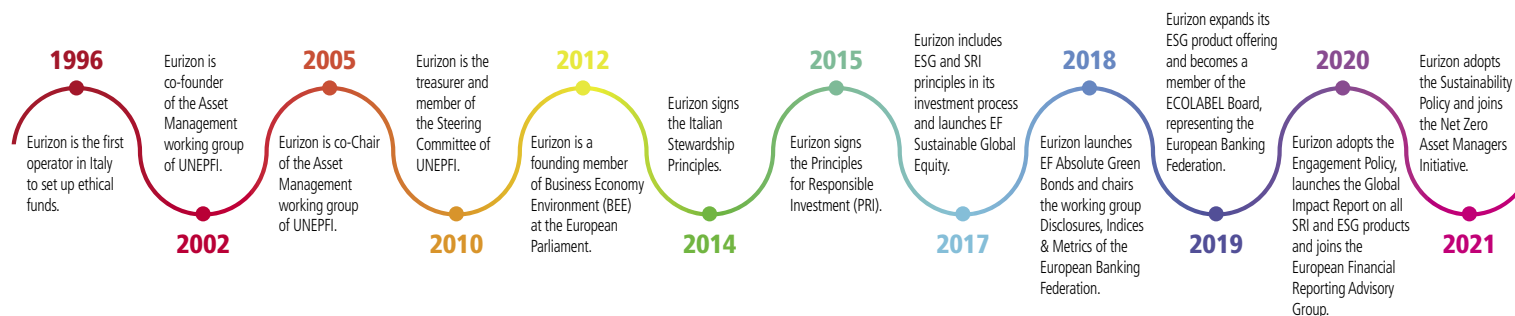
integrated in investment choices.

Eurizon has always distinguished itself for its **transparency in providing investment services**, and according to the European legislation, it adopted an internal **Sustainability Policy** that illustrates how sustainability risks are integrated in the investment decisionmaking process, and defines specific methodologies for the selection and monitoring of financial instruments, that take into account the Sustainable and Responsible Investment (SRI) principles, and Environmental, Social, and Governance (ESG) factors.

Furthermore, Eurizon considers the main negative effects of investment decisions on sustainability factors and, starting from 30 June 2021, publishes on its website the declaration concerning the due diligence policies regarding these effects.

Eurizon's activism translates into a positive role played within the asset management business, in promoting and formulating new rules and ESG-compliant behaviour.

Eurizon's commitment to ESG and SRI themes



Eurizon's sustainability policy



We have adopted a strict and transparent process in implementing the requirements provided for by regulations, that in our eyes represents an opportunity to provide our clients with a detailed map of all the products that make up our range, to assist them in their choices.

In order to promote the correct application of the Sustainability Policy, the AM Company has drawn up a dedicated system based on the involvement of company bodies and dedicated structures, with well-defined tasks, specific responsibilities, and ongoing monitoring by the control bodies.

Eurizon's Sustainability Policy defines the methodology for the selection and monitoring of financial instruments aimed at integrating sustainability risks into the Investment Process used for assets under management, and provides for implementation of the following **six SRI/ESG Strategies** with internal limits and constantly monitored over time:

SRI EXCLUSIONS OR RESTRICTIONS:

issuers operating in sectors considered "not socially responsible" to whom restrictions or exclusions concerning the Investment Universe of individual managed assets are applied ("SRI Binding screening"); the exclusions are applied to all active management products, while in the case of Limited Tracking Error products and index-linked products (with the exception of those that specifically integrate ESG factors), the maximum direct investment allowed is equal to the weight of the issuer in the sustainable benchmark; issuers operating in sectors considered "not socially responsible" are (i) companies with an evident, direct involvement in the manufacture of unconventional weapons (*Anti-personnel mines; Cluster bombs; Nuclear weapons¹; Impoverished uranium; Biological weapons; Chemical weapons;*

¹ - Issuers based in States that are not signatories to the "Treaty on the Non-Proliferation of Nuclear Weapons" of 1 July 1968 are not considered.

² - In particular, these activities aim to ensure that no new thermal coal generation or oil sands extraction projects are developed, as well as the gradual "phase out" from such activities.




25 years of commitment to ethical and responsible issues

Since 1996, engaged in ethical, SRI and ESG issues




160 shareholders' meetings

in 2021



958 engagements with issuers (of which 30% ESG)

in 2021




Non-detectable fragment weapons; Blinding lasers; Incendiary weapons; White phosphorous) (ii) companies that derive at least 25% of their turnover from mining or electricity production activities linked to thermal coal or (iii) companies that derive at least 10% of their turnover from the extraction of oil sands; for issuers with an exposure to the thermal coal and oil sands extraction sectors below the prescribed thresholds, specific engagement processes² are activated which determine restrictions and/or exclusions with respect to the Investment Universe of the single managed assets; if, at the end of the escalation process, positive effects are not identified, such as the definition of “phase out” plans for the thermal coal generation or oil sands extraction sectors, the SGR evaluates whether to continue the monitoring period or to start the process to divest the managed assets;

ESG EXCLUSIONS OR RESTRICTIONS: “critical” issuers for which an escalation process is activated that leads to restrictions and/or exclusions determines with respect to the Investment Universe of individual managed assets (“ESG Binding screening”); the exclusions are applied to all active management products, while in the case of Limited Tracking Error products and index-linked products (with the exception of those that specifically integrate ESG factors), the maximum

direct investment allowed is equal to the weight of the issuer in the sustainable benchmark; “Critical” issuers are defined as those companies characterised by a higher exposure to environmental, social and corporate governance risks, that is, with a lower ESG sustainability rating level (equal to “CCC” assigned by the specialised info-provider “MSCI ESG Research”) in the equity and bond investment universe; if, at the end of the escalation process, positive effects or an improvement in the sustainability rating are not identified, the SGR evaluates whether to continue the monitoring period or to start the process to divest the managed assets;

INTEGRATION OF ESG FACTORS: the integration of ESG factors in the analysis, selection and construction of managed portfolios (“ESG Integration”), with the aim of creating portfolios with (i) an ESG score higher than that of the investment universe (“ESG Score Integration”), while observing good governance practices; (ii) processes for selecting investments based on positive and negative screening criteria as detailed in the offering documentation, as in the case of Ethical and Thematic Funds (“Thematic Integration”); (iii) processes for selecting investments based on sustainable investment criteria, pursuant to the SFDR; this objective is achieved by investing in issuers whose activities contribute to one of more sustainable development



objectives, such as the *Sustainable Development Goals* (SDG) promoted by the United Nations ("*Sustainable Integration*"); (iv) processes for selecting investments based on the screening of target UCIs, applicable to "*wrapper*" products, such as funds of funds, retail and unit linked portfolio management ("*Manager Selection Integration*"), on condition that these products invest at least 70% of assets in target UCIs that promote environmental or social characteristics or sustainable investment goals; (v) investment selection processes that take into account the criteria for the construction of the respective benchmarks, identified on the basis of environmental, social and corporate governance factors, provided that these products - such as, for example, Limited Tracking Error products and indexed products - invest at least 90% of their assets in issuers present in the benchmark ("*ESG Index Integration*");

CARBON FOOTPRINT:

the integration of procedures to measure the carbon dioxide (CO₂) emissions generated by issuers, in order to create portfolios with a carbon footprint below that of the investment universe;

SUSTAINABLE INVESTMENT GOALS:

procedures to achieve, in compliance with good governance practices, sustainable investment goals ("*Sustainable Investments*"), through methodologies to select investments aiming at (i) contributing to sustainable development goals, through processes to select investments based on sustainable investment criteria pursuant to the SFDR ("*SDG Investing*"); (ii) generating a social and environmental impact together with a measurable financial return ("*Impact Investing*");

ACTIVE OWNERSHIP - ENGAGEMENT:

promotion of proactive engagement with issuers by exercising participating and voting rights, and engagement with investees, encouraging effective communication with the management of companies.

The Eurizon range of Sustainability Focused Funds

110

AUM
bn of Euros

172

FUNDS EX SFDR
ART. 8 AND 9

1996

LAUNCH OF THE
FIRST SRI FUND

Eurizon’s range of products that, among other characteristics, promote environmental or social themes, or that are targeted at sustainable investment (so-called impact funds), is constantly evolving. In December 2021, **172 products classified as Article 8 and 9** based on the **SFDR Regulation** reached a worth of 110 billion euros, i.e. 46% of total aggregate fund assets. This represents an important portion of the Eurizon’s full offer of products, that is destined to grow, innovate, and evolve over time. A broad offer of products to meet all our clients’ investment goals and needs

Article 8 funds

Most of these products, **170** of them, are classified as Article 8 and diversified across **38** equity, **33** bond and **99** balanced and flexible funds. These products are diversified by geographical area, type of issuer, and business sector. In considering the investment universe of the individual products, the management teams

draw up asset selection strategies that also integrate environmental, social, and governance (ESG) criteria in their analysis. Therefore, considering the different peculiarities and the goals of the individual funds, ESG analysis is fundamental in researching and selecting issuers to include in the portfolios. Furthermore, for some products, strategies that consider the carbon footprint of the issuers and the exercise of stockholder voting rights are also important in some funds.

Article 9 funds

Eurizon offers **2** “impact” mutual funds, classified as Article 9. The two funds invest in green bond issues, i.e. bonds issued by governments, supranational agencies, and companies voted to financing projects climate- and environment-friendly projects, focusing for instance on renewable energy sources, energy efficiency, pollution prevention, clean transport, water management, circular economy, protection of biodiversity, and green building.

Sustainable investment: an **informed and necessary** choice



It has been little more than a year since the first requirements came into force of EU Regulation 2019/2088, also known as the Sustainable Finance Disclosure Regulation (SFDR), a fundamental pillar in the European Commission's action plan for sustainable finance, that aims to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.

What has changed since the European regulation came into force?

The European Commission action plan for sustainable finance has created the need for institutional investors and asset managers to take into account sustainability factors in their decision-making process on investment, and has made disclosure obligations more stringent. Starting on 10 March 2021, following the provisions introduced by the SFDR, investment products are classified based on their sustainability goals: specifically, products that promote environmental and/or social themes, investing in companies that adopt good governance practices, are classified as (compliant with) Article 8 of the Regulation, while products that have declaredly sustainable investment goals are classified as Article 9. The SFDR plays a primary role in the financial narrative

at the European level, and has effectively redesigned the European asset management industry's product offer, helping improve its transparency. For the time being, only the first provisions of the SFDR regulation have come into force, but it is already evident that they are helping guide the choices of private and professional investors towards a more sustainability focused economy: for instance, in 4Q 2021, almost 200 new funds classified as Article 8 and Article 9 were launched, accounting for around 54% of the new funds launched in the EU in the period (source: Morningstar data as at 31 Dec. 2021).

The European Commission action plan pillars

The European Union's efforts to promote sustainable finance took tangible shape in 2018 with the publication of the EU Sustainable Finance Action Plan, built on four pillars:

1. **The SFDR Regulation** (Regulation (EU) 2088/2019) on sustainability reporting in the financial services sector, that steps up and unifies reporting requirements on how sustainability factors are taken into consideration, at both the company and product levels, strengthening the transparency needed by the market in its entirety.
2. **The European Taxonomy** of environmentally sustainable economic activities (Regulation (EU) 2020/852), addressed to businesses and investors, that

Sustainable investment: an **informed and necessary** choice

introduces clear performance criteria based on which to assess which activities make a material contribution to pursuing the EU's environmental and climate-related goals, establishing a common language that allows businesses and investors to communicate their green activities more credibly.

3. **Climate benchmarks** (detailed in Regulation (EU) 2019/2089), that lay the foundations for greater transparency and provide investors with the tools to identify sustainable investment opportunities, guiding the definition of effective and transparent portfolio decarbonisation trajectories.

4. **Integrating ESG in financial advisory** (Regulations (UE) 2021/1253 e 2021/1257), by adjusting the Markets in Financial Instruments Directive (MiFID II - Directive 2014/65/UE) and the Insurance Distribution Directive (IDD - Directive 2016/97/UE) to guarantee that preferences in sustainability matters are taken into account in assessing investment adequacy. The Action Plan also addresses the improvement of non-financial reporting of businesses. Furthermore, the European Green Deal and the Next Generation EU programme further confirmed, in even firmer and more tangible terms, the Union's intentions to fight climate change by making its contribution to respecting the Paris Agreement, (signed in 2015), committing to reduce net greenhouse gas emissions

to zero by 2050, and to cut them by at least 55% by 2030, as well as responding to the economic and social crisis caused by the COVID-19 pandemic.

Why is the financial sector's commitment to sustainability so important, and what are the major challenges faced by the markets?

Sustainable finance represents a fundamental tool in channelling capitals towards a more sustainable economy, for instance through the financing of projects aimed at supporting decarbonisation and the promotion of social justice, but poses at least three important challenges for the markets:

- the need to introduce shared and uniformed definitions and classifications on themes and instruments that concern sustainability within the context of financial processes;
- the need to improve market transparency, with accurate and detailed information on the sustainability characteristics of investment policies, products, and financial services;
- the need to improve the quality, quantity and comparability of data on environmental and social factors.

The European taxonomy came into force on 1st January 2022: where are we at?

The first Delegated Act on sustainable activities for climate change adaptation

Sustainable investment: an **informed and necessary** choice

and mitigation (i.e. the first two goals of Regulation (EU) 2020/852) came into force on 1st January 2022. As mentioned above, Regulation EU 2020/852, the European taxonomy, introduces clear performance criteria to establish which activities make a substantial contribution to achieving the EU's environmental and environmental objectives, establishing a common language that enables businesses and investors to communicate their green activities more credibly.

The parties involved are:

- **Businesses**, that will be able to assess their activities and draw up corporate policies aimed at achieving greater environmental sustainability, and to provide their stakeholders with more exhaustive and better comparable reporting;
- **Investors**, who will have the possibility of integrating sustainability themes in investment policies and understand the environmental impact of investment;
- **Public institutions**, that will use the taxonomy to define and improve their green transition policies. The environmental objectives laid out are:
 1. Climate change mitigation
 2. Climate change adaptation

3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy, waste prevention and recycling
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

DEFINING PARAMETERS OF SUSTAINABLE ACTIVITIES

1. Make a “substantial” contribution to at least one of the six environmental objectives
2. Do not significantly harm to any of the objectives
3. Respect minimum safeguards (for

Sustainable finance in Europe. Overview on disclosure requirements

	2021	2022	2023	2024
REGULATION IMPLEMENTATION	10 March 2021 Implementation of SFDR (Regulation EU 2019/2088) Level 1, in waiting for the Regulatory Technical Standards (RTS)	1st January 2022 implementation of the EU Taxonomy (Regulation EU 2020/852) in relation to the first two environmental objectives	1st January 2023 Implementation of EU Taxonomy (Regulation EU 2020/852) in relation to the four climate objectives	
PRODUCT LEVEL DISCLOSURE		Disclosure on alignment with taxonomy of SFDR Art. 8 and Art. 9 products in relation to the first two objectives	1st January 2023 Application of the template for disclosure SFDR Art. 8 and Art. 9 disclosure 1st January 2023 Disclosure on the adverse impacts on sustainability at the product level	1st January 2024 Disclosure on the EU taxonomy alignment of SFDR Art. 8 and Art. 9 products , in relation to the six taxonomy objectives
CORPORATE DISCLOSURE		1st January 2022 Disclosure by non-financial undertakings on activities included in the taxonomy (eligible) 1st January 2022 Disclosure by non-financial undertakings on activities aligned to the taxonomy	30 June 2023 Disclosure of the adverse impacts on sustainability at the corporate level (data as at 31 Dec. 022)	1st January 2024 Disclosure on the EU taxonomy alignment of financial companies , in relation to the six taxonomy objectives
INTEGRATION OF SUSTAINABILITY PREFERENCES		2 August 2022 Application of provisions on sustainability as per MiFID II and IDD	Analysis of the client's sustainability preferences (information on EU taxonomy alignment and on SFDR products not yet available)	

Sustainable investment: an **informed and necessary** choice

instance those laid out in the OECD guidelines for multinational enterprises, or the UN's guiding principles on business and human rights). The delegated acts on the four residual objectives will be applicable as of 1st January 2023.

What is the next set of rules that will come into force?

With reference to eco-sustainable activities, 1st January 2022, the first two objectives of Regulation (EU) 2020/852 ("Taxonomy"), came into force. The provisions under Article 8 of the taxonomy also became applicable, and from 2 August 2022 the MIFID II will come into force in the sections that address sustainability preferences. In parallel, we are working to anticipate the information that will be required when the templates for Art. 8 and Art. 9 product disclosure will be introduced.

What efforts is Eurizon making?

Given the capillarity of the new regulations, it is essential to identify, monitor, and manage the risks and opportunities related to environmental, social, and governance factors, with the ultimate aim of attracting capitals and promoting sustainable growth in the European market. Eurizon is very clear on both the importance and the goals of the changes the Asset Management industry is experiencing, and has long been committed on a daily basis on the sustainability front, as testified to by the company's participation in the institutional working groups promoted by the European Banking Federation (EBF), EU Ecolabel (the European Commission's label of environmental excellence), EFAMA, EFRAG, and Assogestioni.

Eurizon: the first Italian AM company to join the Net Zero Asset Managers Initiative (NZAMI)

On 1st November 2021, Eurizon joined the Net Zero Asset Managers Initiative (NZAMI), an international group of asset managers committed to supporting the goal of net zero greenhouse emissions by 2050 (“Net Zero”), in line with the commitments made by subscriber States to the Paris Agreement, aimed at containing the impacts of climate change and limiting limit climate warming to 1.5°C by 2050. The NZAMI commits to guaranteeing transparency and determination in achieving the interim target of aligning with the Net Zero scenario a portion of assets under management already by 2030. Specifically, the NZAMI targets:

- **an average reduction of greenhouse gas (CO₂) emissions of managed portfolios by at least 50%** compared to 2019 (this target is acknowledged by the IPCC as a necessary condition to mitigate global warming, to a maximum of 1.5°C by 2050);

- **active engagement** towards “climate laggards” and “high impact” issuers;
- **transparency in the commitments made within 12 months of the date of signing**, with the promise to (i) implement annual reporting that integrates the yearly disclosures provided for by the UN’s PRIs, and (ii) review interim goals at least every five years.

Subscribing to NZAMI also means positively managing the AM company’s resources, for instance by monitoring the carbon footprint of its operations (e.g. energy sources and consumption). Furthermore, Eurizon has also joined the Institutional Investors Group on Climate Change (IIGCC), the European investor initiative that work towards reducing greenhouse gas emissions.

Nothing is created, nothing is destroyed, everything is transformed



One of the new themes identified to promote more sustainable, intelligent, and inclusive growth, is the circular economy. The driver is the transition from a linear consumption model based on the extraction of resources that are in short supply, production, consumption, and waste management, to a model in which recycling and reuse allow savings in the use of materials and energy, focusing on the reduction of waste and on the search for greater efficiency over the different phases of the production process.

What is the circular economy, and why is transition to this model important?

The circular economy is an economic system built on a production and consumption model based on sharing, reusing, lending, repair, reconditioning, and recycling existing materials and products for the longest possible time. Therefore, in addition to recycling, production processes must be redefined: the circular economy introduces a clear differentiation between organic materials, that can be reintegrated into the biosphere, and technical materials, that on the other hand must be given new life: this also changes the concept of "consumer" into that of "user". Durable products are in fact rented and shared, as is not the case with the present linear model of the "buy and consume" economy. The transition to a circular economy is important as, given the ongoing growth of the world

population, we are having to face a situation of constantly increasing demand for raw materials and prices, in the knowledge that essential resources are limited. Raw material needs also create dependence on other countries for procurement, and have a strong impact on climate, for instance as a result of the extraction processes and of the related energy consumption and carbon dioxide emissions. We are faced with a problem of global scope, that makes public and private companies essential tools in promoting an epochal change. Transition to a circular economy holds numerous advantages for businesses, that can achieve savings, improve their competitiveness, and also ease pressure on the environment. The elimination of waste by resorting to reuse allows cutting production costs, reducing greenhouse gas emissions, and dependence on resources. Consumers also enjoy advantages, as they can purchase more durable and innovative products, that allow savings and improve their quality of life.

Why invest in "circular companies"?

Investing in leader companies, more structured and at a more advanced stage in this transformation process, has many advantages. Companies that have achieved a good degree of circularity may boast a **lower risk profile**, and enjoy a competitive advantage over peers thanks to the ability to anticipate the trend of the market. These companies will enjoy **more stable earnings**

Nothing is created,
nothing is destroyed,
everything is transformed

and cash flows in the medium-long term, in return for the near-term investment needed to make the transition towards a circular model. These companies will be able to **improve customer loyalty**, as they will not longer sell a product, but a “service”.

Eurizon’s circular management strategy

Eurizon has recently launched the **Eurizon Fund – Equity Circular Economy** fund, which selects companies contributing to the transition or progress towards a circular economy. The management teams classify companies under three distinct categories, to represent those that favour transition to a circular economy: circular transition companies, that have already initiated a transition to the circular economy by reducing waste, using virgin materials, and extending the lifecycle of products, “facilitator” companies, whose business aids transition, reducing the overall use of non-renewable sources and, lastly, “supplier” companies of key products and services to other companies that activate circular processes. ESG criteria are applied excluding the companies with a very low internal ESG score, and selecting companies that have the best score in respecting the category levels and themes illustrated above. At like-for-like scores, the selected companies are those that hold greater appeal in terms of valuation, and are better diversified by business sector and geographical region.

The risk/return category indicated may not remain unchanged, and the classification of the fund may change over time. Based on a simulation of historical return over the past five 5 years, Eurizon Fund – Equity Circular Economy is classified as **Category 6**, on a scale from 1 (minimum) to 7 (maximum).

For more information about the risks, you must read the Key Investor Information Document (KIID) and the Prospectus.



People first

Our people are key to our success.

Eurizon places people at the centre of its corporate model, on the one hand affording priority to health and safety in the workplace, to workers' rights and gender equality, and on the other investing in training and the development of skills. On the gender equality front, in 2021 Eurizon won the Citywire Gender Diversity Award, in acknowledgement of the progress made by asset management companies in the representation of women and in gender diversity policies. Eurizon is strongly committed to gender equality and fair treatment within the company: the distance covered over the few years on this front culminated in the introduction, in 2020, of the *Diversity & Inclusion Principles*, that include specific commitments aimed at guaranteeing that all HR processes are conducted in respect of the individual, guaranteeing equality and the absence of any form of discrimination in the management of resources.

Harmony in the workplace, freedom to express oneself

We believe it is essential to guarantee a respectful and harmonious working environment, where people can freely express themselves. Our HR team works hard to put into practice all the commitments made by the Company, with the aim of offering all colleagues the same growth opportunities.

We are committed to guaranteeing processes that are gender-balanced right from the initial stages of the hiring processes, structured in such a way as to avoid gender bias; furthermore, for each job opening, the Company takes care to assess a balanced roster of candidates in terms of gender as well, in order to guarantee equal opportunities and a fair selection process for all candidates.

Eurizon, in line with the Global Banding policies introduced by the Intesa Sanpaolo Group, has adopted a methodology geared to evaluating management positions, denominated IPE (International Position Evaluation). This assessment process determines the relative value of each management position in the Company, no matter who it is held by, and therefore represents an internal fairness tool.

Lastly, all the decisions in terms of pay increases and of the incentive schemes addressed to all the staff are made in full respect of all the internal policies and criteria defined ex-ante by the Company, and are not influenced, therefore, by gender: in fact, they are aimed at rewarding merit and fostering the professional growth of the resources, with dedicated programmes aimed at supporting the female population, still under-represented in at the level of management positions of high responsibility.

Flexibility and care for all resources, be they mothers or not!

Our Company is tackling the latest changes in the labour market world by fully reviewing its model for the management of human resources, and their presence in the office. Eurizon's new model will be hybrid, combining remote working with presence in the workplace, guaranteeing all resources the flexibility they need to improve their work-life balance. For over five years, Eurizon has been offering flexible work contracts, that we believe have been essential in encouraging women to continue their careers at Eurizon even after maternity leave. In order to provide additional assistance to new mothers, we have also launched a programme aimed at supporting whoever has been off work for longer than three months (in most cases because of motherhood): "Back to work", that helps them stay in touch with their job and return to work in stages, thanks to constant interaction with a dedicated human resources manager, available throughout the leave of absence and that helps resources plan their re-entry, scheduling the necessary training activities and making the process as fluid as possible.

Still a long way to go

We know there is still a long way to go, and we are working to create a gender-neutral environment, free from any form of discrimination. In line with the best practices defined at the Group level, each year we draw up remuneration and incentive policies assure that conditions are in place to guarantee all staff equal treatment in terms of pay as well, with the aim of gradually but consistently reducing the gender pay gap). We also collaborate with several Italian universities, with the aim of offering the utmost support to the access of women even to the most technical roles in finance, involving female fund managers as role models in sharing their career stories with the new generations, to encourage them to enter the financial and asset management sectors. Lastly, Eurizon actively supports gender equality through its voting strategies as well, encouraging proposals geared to closing the wage gap and monitoring the initiatives aimed at curbing disparities. On the social front, in the course of 2021 the Company supported, among various other proposals set forth by shareholders, those aimed at improving disclosure on the impact of the corporate policies implemented in terms of protecting human and workers' rights, ethnic minorities, and gender equality.

Contribution to **SDGs**

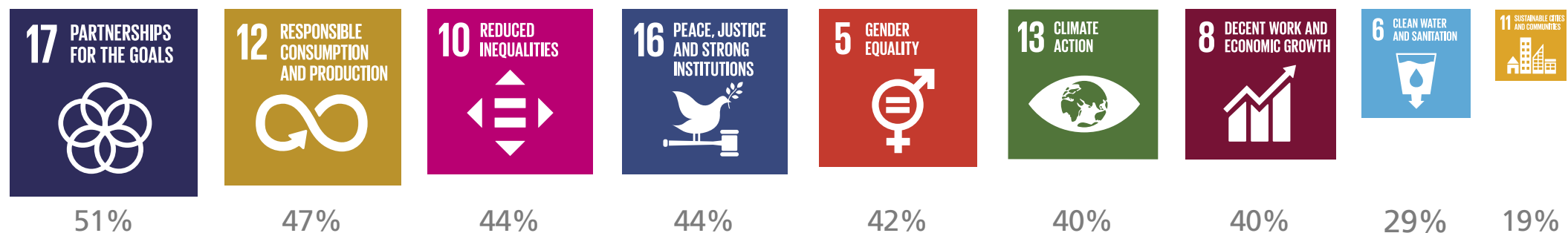
The 17 Sustainable Development Goals (SDGs) approved by the United Nations are part of the 2030 Agenda for Sustainable Development, a broad plan of action for people, the planet and prosperity, signed in September 2015 by the governments of the 193 UN member states.

The model strives to achieve a better and more sustainable future, and is focused on the global challenges, including poverty, inequality, climate, environmental degradation, peace and justice.

The financial sector plays a central role for the effective achievement of the SDGs, as the main driver of economic development.

Enterprises across the world, of any size and active in any business sector, are called to make an important contribution through new, responsible business models, investments, innovation, technological development and the activation of multi-stakeholder co-operation.

The impact of Eurizon's range of sustainable and responsible funds based upon SDGs: the percentage of alignment of the AuM of funds to SDG principles



Each issuer may contribute to the pursuit of one or more SDG goals

Contribution to SDGs: Case Study



SDG 3 GOOD HEALTH AND WELL-BEING

We have made great progress against several leading causes of death and disease. Life expectancy has increased dramatically; infant and maternal mortality rates have declined, we've turned the tide on HIV and malaria deaths have halved.

Good health is essential to sustainable development and the 2030 Agenda reflects the complexity and interconnectedness of the two. It takes into account widening economic and social inequalities, rapid urbanization, threats to the climate and the environment, the continuing burden of HIV and other infectious diseases, and emerging challenges such as noncommunicable diseases. Universal health coverage will be integral to achieving SDG 3, ending poverty and reducing inequalities. Emerging global health priorities not explicitly included in the SDGs, including antimicrobial resistance, also demand action. But the world is off-track to achieve the health-related SDGs. Progress has been uneven, both between and within countries. There's a 31-year gap between the countries with the shortest and

longest life expectancies. And while some countries have made impressive gains, national averages hide that many are being left behind. Multisectoral, rights-based and gender-sensitive approaches are essential to address inequalities and to build good health for all.

UnitedHealth Group

UnitedHealth Group Incorporated is a diversified health care company that operates Optum and UnitedHealthcare platforms. The Company's segments include Optum Health, Optum Insight, Optum Rx and UnitedHealthcare.

Impactful targets and actions

- Affordable healthcare:** United Health Foundation provided \$3 million to the University of Nevada, Las Vegas (UNLV). which helped create 3 community clinics
- Affordable healthcare:** UHG have served 142,000,000 unique individuals with their healthcare services and products as well as supported 4,600 communities across all 50 states.
- Healthcare prevention:** United Health Group (UHG) have committed to provide preventative care services to 85% of their members annually by 2030.
- Health literacy:** UHG created a "Just Plain Clear Glossary" in 2020 that was visited over 140,000 times. Higher

levels of health literacy have been found to be resulting in 26% fewer avoidable hospitalisations, 18% fewer emergency department visits and 13% lower costs per beneficiary.

- Telemedicine:** UHG launched a "Virtual Primary Care" plan in 2020 that covers a range of health screening and minor urgent care visits. The service is utilised by over 600,000 members in 11 markets.

Novo Nordisk

Novo Nordisk is a Danish multinational company that manufactures and markets pharmaceutical products and services specifically for diabetes. Novo Nordisk is also involved with haemostasis management, growth hormone therapy and hormone replacement therapy.

Impactful targets and actions

- Affordable healthcare:** Novo Nordisk are expanding the "Changing Diabetes in Children" programme to reach 100,000 children by 2030. It's mantra is that "No child should die from type 1 diabetes". In total, Novo Nordisk have reached 34,600,000 patients with their diabetes products.
- Affordable healthcare:** the pioneering policy launched in 2001 to lower the cost of human insulin is now covering 76 countries and accounts for a third of the worlds diabetes

Contribution to SDGs: Case Study

population. The initiative put a ceiling price for human insulin at \$3 per 10ml vial and 3.9 million people have benefited from it.

- 3. Healthcare prevention:** The company partnered with UNICEF to reduce childhood overweight and obesity rates worldwide thanks to greater literacy. Novo Nordisk has a target to enrol over 500,000 children in Latin America by 2023.
- 4. Health literacy:** “Novo Nordisk Haemophilia” foundation reached 47,000 people with haemophilia and rare bleeding disorders with educational activities and content.



SDG 6 CLEAN WATER AND SANITATION

Water scarcity affects more than 40 percent of people, an alarming figure that is projected to rise as temperatures do. Although 2.1 billion people have improved water sanitation since 1990, dwindling drinking water supplies are affecting every continent. More and more countries are experiencing water stress, and increasing drought and desertification is already worsening these trends. By 2050, it is projected that at least one in four people will suffer recurring water shortages.

Safe and affordable drinking water for all by 2030 requires we invest in adequate infrastructure, provide sanitation facilities, and encourage hygiene. Protecting and restoring water-related ecosystems is essential. Ensuring universal safe and affordable drinking water involves reaching over 800 million people who lack basic services and improving accessibility and safety of services for over two billion. In 2015, 4.5 billion people lacked safely managed sanitation services (with adequately disposed or treated excreta) and 2.3 billion lacked even basic sanitation.

Veolia Environnement

Veolia Environment is a French company with activities in water management, waste management and energy services.

Impactful targets and actions

- 1. Supply of clean water:** In 2020, the Veolia Group supplied 95 million people with drinking water and 62 million people with wastewater service.
- 2. Wastewater Treatment:** Veolia built the first industrial wastewater re-use plant in France. The plant provides new drinking water thanks to ultrafiltration. The interested revenue segment ‘Liquid & hazardous waste treatment & recovery’ is currently providing €3bn in

revenue and targets €4bn by 2023.

Iren

Iren S.p.A. operates in the production and distribution of electricity, in district heating services (the largest Italian operator) and in other public utility services.

Impactful targets and actions

- 1. Supply of clean water:** Iren provide integrated water services to 2.8 million people in Italy, distributing approximately 290.470 million cubic metres of water every year.
- 2. Wastewater Treatment:** more than 56,000 samples are collected and analysed every year along the water distribution network, from water catchment sources to the over 1,300 wastewater treatment plants.



SDG 7 AFFORDABLE AND CLEAN ENERGY

Between 2000 and 2018, the number of people with electricity increased from 78 to 90 percent, and the numbers without electricity dipped to 789 million. Yet as the population continues to grow, so will the demand for cheap energy, and an economy reliant on fossil fuels is creating drastic changes to our climate.

For illustrative purpose only. This document does not constitute any recommendation to invest in the above mentioned securities/entities.

Contribution to SDGs: Case Study

Investing in solar, wind and thermal power, improving energy productivity, and ensuring energy for all is vital if we are to achieve SDG 7 by 2030. Expanding infrastructure and upgrading technology to provide clean and more efficient energy in all countries will encourage growth and help the environment.

Orsted

Orsted is the largest energy company in Denmark. As of January 2022, the company is the world's largest developer of offshore wind power by amount of built offshore wind farms.

Impactful targets and actions

- 1. Energy Transition:** After divesting from oil-powered energy generation several years ago, in 2020 Orsted completed its divestment from liquefied natural gas (LNG), increasing the company's strategic focus on renewable energy.
- 2. Energy Transition:** Orsted's energy generation greenhouse gas intensity (scope 1 and 2) in 2021 was 58 g CO₂e/kWh, one of the lowest among utility companies globally. Importantly, also, their scope 3 emissions decreased by 28% in 2021, thanks mostly to the divestment from LNG.
- 3. Energy Transition:** Since 2019, the company has been ranked the world's most sustainable energy company in

the Corporate Knights Global 100 Index.

- 4. Renewable Energy:** The issuer share of "green energy" has been 90% in 2021 and in 2020, and the established target is to reach 99% by 2025.
- 5. Renewable Energy - Wind:** The company set an ambition to reach approx. 50 GW of installed renewable capacity by 2030, up from 13 GW at the end of 2021, of which 30GW made from Offshore Wind Farms.
- 6. Renewable Energy - Wind:** Orsted developed approximately 30% of the global offshore wind power installed capacity, excluding mainland China.

ERG SpA

ERG was founded in 1938 as a company focused on refining of petroleum.

Impactful targets and actions

- 1. Energy Transition:** In 2018, ERG completed the closing of its oil operations with the sale of its 51% shareholding in TotalErg S.p.A., completing its industrial transformation process towards renewables. In the same year, ERG entered the solar power business.
- 2. Energy Transition:** Last year, thanks to their green production (wind, hydroelectric and photovoltaic) they have avoided emissions of over 3 million tonnes of CO₂ every year,

equivalent to over 800,000 round-trip Rome/New York flights.

- 3. Renewable Energy - Wind:** ERG is the leading wind power operator in Italy and among the largest in Europe. ERG have a total installed capacity of Renewables of approximately 3 GW: 2,000 MW in the wind sector, 141 MW in solar, 527 MW in the hydroelectricity sector.



SDG 11 SUSTAINABLE CITIES AND COMMUNITIES

More than half of us live in cities. By 2050, two-thirds of all humanity—6.5 billion people—will be urban. Sustainable development cannot be achieved without significantly transforming the way we build and manage our urban spaces. The rapid growth of cities—a result of rising populations and increasing migration—has led to a boom in megacities, especially in the developing world, and slums are becoming a more significant feature of urban life. Making cities sustainable means creating career and business opportunities, safe and affordable housing, and building resilient societies and economies. It involves investment in public transport, creating green public spaces, and improving urban planning

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Contribution to SDGs: Case Study

and management in participatory and inclusive ways.

Schneider Electric

Schneider Electric is a French multinational company providing energy and automation digital solutions for efficiency and sustainability.

Impactful targets and actions

- Affordable Infrastructure:** more than 6,300 families facing energy poverty have been supported in 2020 by the "Schneider Electric Foundation".
- Electric Vehicles:** the company aims to shift to 100% electric vehicles for its company fleet by 2030.
- Energy Efficiency:** In 2020, 134 million metric tons of CO₂ were saved by customers using products and services such as smarter meters and integrated solutions designed to minimize energy consumption of buildings. Schneider Electric is also aiming to have 150 factories and offices with zero CO₂ emissions.

Tesla

Tesla is an American electric vehicle and clean energy company based in Austin, Texas. Tesla designs and manufactures electric cars, battery energy storage from home to grid-scale, solar panels and solar roof tiles, and related products and services.

Impactful targets and actions

- Electric Vehicles:** By advancing the adoption of electric vehicles, which have lower lifecycle emissions compared to conventional cars, Tesla is reducing greenhouse gas emissions of the transportation sector.
- Electric Vehicles:** The company had the most worldwide sales of battery electric vehicles and plug-in electric vehicles, capturing 23% of the battery-electric market and 16% of the plug-in market in 2020.
- Electric Vehicles:** By 2030 Tesla are aiming to sell 20 million electric vehicles per year as well as to deploy 1,500 GWh of energy storage per year.
- Energy Efficiency:** Tesla Energy is also one of the largest global suppliers of battery energy storage systems, with 3.99 gigawatt-hours (GWh) installed in 2021.
- Energy Efficiency:** In 2020, the global fleet of Tesla vehicles and solar panels enabled customers to avoid emitting 5.0 million metric tons of CO₂e.



SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Achieving economic growth and sustainable development requires that we urgently reduce our ecological

footprint by changing the way we produce and consume goods and resources. Agriculture is the biggest user of water worldwide, and irrigation now claims close to 70 percent of all freshwater for human use. The efficient management of our shared natural resources, and the way we dispose of toxic waste and pollutants, are important targets to achieve this goal. Encouraging industries, businesses and consumers to recycle and reduce waste is equally important, as is supporting developing countries to move towards more sustainable patterns of consumption by 2030. A large share of the world population is still consuming far too little to meet even their basic needs. Halving the per capita of global food waste at the retailer and consumer levels is also important for creating more efficient production and supply chains. This can help with food security, and shift us towards a more resource efficient economy.

Unilever

Unilever PLC is a British multinational consumer goods company with a variety of products available in around 190 countries. Unilever owns over 400 brands, with a turnover in 2020 of over 50 billion euros.

Impactful targets and actions

- Reduce waste:** Unilever reduced by

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Contribution to SDGs: Case Study

96% the total waste generated per tonne of product sold compared to 2008.

- 2.Reduce waste:** the company aims to halve food waste in its operations by 2025 and maintain zero waste to landfill in Unilever factories.
- 3.Reuse and Recycle plastic:** by 2025 the company aims to reduce by 50% its use of virgin plastic in packaging compared to 2018.
- 4.Responsible use of plastic:** by 2025 the company aims to have 100% of its plastic packaging as fully reusable, recyclable or compostable and use 25% of recycled plastic in their packaging.

Waste Management

Waste Management, Inc. (WM) is a waste management, comprehensive waste, and environmental services company operating in North America. The company’s network includes 346 transfer stations, 293 active landfill disposal sites, 146 recycling plants, 111 beneficial-use landfill gas projects and six independent power production plants.

Impactful targets and actions

- 1.CO₂ emissions reduction:** By 2025 the company aims at developing fugitive emissions measurements systems.
- 2.CO₂ emissions reduction:** By 2025

Waste Management, Inc. have set a goal to use 100% renewable energy at its facilities.

- 3.CO₂ emissions reduction:** By 2038, the company aims to avoid 4 times the GHG emissions that it generates by their operations.
- 4.Reduce waste:** thanks to its consumer education campaign “Recycle Right” in 2020, contamination levels in waste treatment facilities was 16% lower compared to the previous year. WM also recycled over 15,000,000 tons of material waste in 2020.



SDG 13 CLIMATE ACTION

There is no country that is not experiencing the drastic effects of climate change. Greenhouse gas emissions are more than 50 percent higher than in 1990. Global warming is causing long-lasting changes to our climate system, which threatens irreversible consequences if we do not act. The annual average economic losses from climate-related disasters are in the hundreds of billions of dollars. This is not to mention the human impact of geo-physical disasters, which are 91 percent climate-related, and which between 1998 and 2017 killed 1.3 million

people, and left 4.4 billion injured. The goal aims to mobilize US\$100 billion annually by 2020 to address the needs of developing countries to both adapt to climate change and invest in low-carbon development.

Supporting vulnerable regions will directly contribute not only to Goal 13 but also to the other SDGs. These actions must also go hand in hand with efforts to integrate disaster risk measures, sustainable natural resource management, and human security into national development strategies. It is still possible, with strong political will, increased investment, and using existing technology, to limit the increase in global mean temperature to two degrees Celsius above pre-industrial levels, aiming at 1.5°C, but this requires urgent and ambitious collective action.

Prologis

Prologis, Inc. is a real estate investment trust headquartered in San Francisco, California that invests in warehouses.

Impactful targets and actions

- 1.CO₂ emissions reduction:** In 2020, Prologis achieved a 21% reduction in Scope 1 & 2 emissions from 2019, which was largely due to a 54% decline in emissions from their vehicle fleet. Future considerations are to reduce absolute Scope 1 & 2 GHG emissions by 56% by 2040, using

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Contribution to SDGs: Case Study

2016 as a base year. Similarly, scope 3 emissions were reduced by 37%, close to the set target of 40% by 2040.

- 2. CO₂ emissions reduction:** A logistics facility located near Paris is the first carbon-neutral warehouse, meaning that it compensates for any emission from construction, operations and maintenance throughout the life cycle of the building.
- 3. Renewable Energy - Solar:** Prologis were third for onsite solar capacity among in USA according to the Solar Energy Industries Association (SEIA) 2019 report, with a total of 252 MW.

Volvo

The Volvo Group is a Swedish multinational manufacturing corporation with core activities is the production, distribution and sale of trucks, buses and construction equipment. Automobile manufacturer Volvo Cars has been owned since 2010 by the Chinese multinational automotive company Geely Holding Group.

Impactful targets and actions

- 1. CO₂ emissions reduction:** The Volvo group currently operates six production facilities which are certified as renewable energy facilities powered by 100% renewable energy with several sites sourcing parts of their energy from renewable sources. In total, in

2021, 40% of the total energy sourced by Volvo Group's operations was from renewable sources.

- 2. Hydrogen and electric vehicles:** In 2021, Volvo launched a joint venture with Daimler Trucks called "Cellcentric". The outcome of this venture is to help Volvo in becoming the leading manufacturer of Hydrogen powered fuelled cells by utilising green hydrogen based on renewable energy to reduce fuel cell truck emissions to zero.
- 3. Hydrogen and electric vehicles:** Volvo Trucks is the market leader for heavy all-electric trucks in Europe in 2021 with a market share of 42%. In 2021 the company took orders, including letters of intent to buy, for more than 1,100 electric trucks worldwide. Volvo Trucks' objective is to offer a fossil-free product range by 2040, where electric trucks will play a key role. Volvo Cars on the other hand are committed to becoming a fully electric car company by 2030 as part of their ambitious electrification strategy with significant progress shown by the launch of their first fully electric car last year – the XC40 Recharge.

*For illustrative purpose only.
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above mentioned securities/entities.*

Impact Report



Environmental



Pollution reduction

2,174,063

Tonnes of carbon dioxide emissions saved

29,204,552

Carbon dioxide saved expressed in numbers of car trips from Milan to Rome.



Water savings

216,920,258,605

Litres of water saved

86,768

Water saved as measured in Olympic size swimming pools.



Waste management

97%

Percentage of companies that implement major programmes for the management and reduction of waste; +7% compared to the Mainstreet Partners composite index (see methodological notes).

Social



Treatment of patients at risk

386,606

Number of specific treatments made available for patients at risk.



Natural and/or organic food

33,250,632 €

Revenues generated by the production and distribution of natural and/or organic food measured by total AuM

4,156,329

Amount of natural and/or organic food produced and distributed, expressed as number of meals measured by total AuM.



Workplace

62%

Percentage of companies that can boast high employee moral satisfaction levels; +20% compared to the Mainstreet Partners composite index

93%

Percentage of companies that undertake decisive action against child labour; +11% compared to the Mainstreet Partners composite index.

Governance



Gender equality

33%

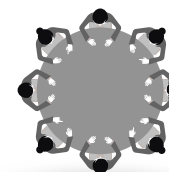
Percentage of women in management and on the board of directors; +5% compared to the compared to the Mainstreet Partners composite index.



Anticorruption

97%

Percentage of companies that undertake decisive action against corruption; +4% compared to the Mainstreet Partners composite index.



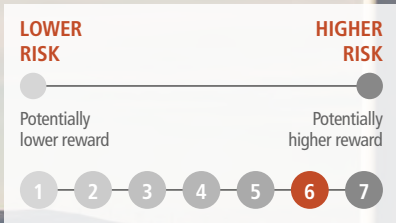
Independent board members

73%

Percentage of independent members appointed to the board of directors.

**Eurizon Fund -
Equity Planet**

Investing in the international stock markets using ESG criteria to select companies that benefit from global trends concerning the Earth protection



Percentage of sub-fund AUM alignment with SDG goals
Each issuer may contribute to the pursuit of one or more SDG goals



57%



51%



49%



48%



41%



38%



Percentage of sub-fund AUM alignment with SDG goals

Environmental



Pollution reduction
158,303

Tonnes of carbon dioxide emissions saved.



Water savings
31,647,026,269

Litres of water saved.



Waste management
99%

Percentage of companies that implement major programmes for the management and reduction of waste; +10% compared to the Mainstreet Partners composite index.

Social



Treatment of patients at risk
11,480

Number of specific treatments made available for patients at risk.



Workplace
62%

Percentage of companies that can boast high employee satisfaction levels; +20% compared to the Mainstreet Partners composite index.

97%

Percentage of companies that undertake decisive action against child labour; +15% compared to the Mainstreet Partners composite index.

Governance



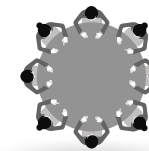
Gender equality
31%

Percentage of women in management and on the board of directors; +3% compared to the Mainstreet Partners composite index.



Anticorruption
96%

Percentage of companies that undertake decisive action against corruption; +2% compared to the Mainstreet Partners composite index.



Independent board members
77%

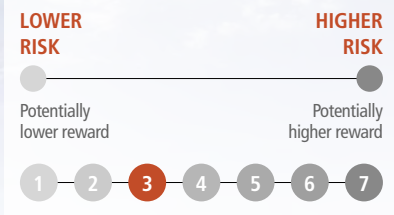
Percentage of independent members appointed to the board of directors.

Source of the data and rating: MainStreet Partners. Please see page 35 of this document for more information on the rating calculation methodology.

FOCUS ON
Impact Report

Eurizon Fund -
Bond Corporate
Smart ESG

Investing responsibly in the investment grade corporate bond market, by adopting ESG criteria in selecting bonds



Percentage of sub-fund AUM alignment with SDG goals
Each issuer may contribute to the pursuit of one or more SDG goals



Percentage of sub-fund AUM alignment with SDG goals

Environmental



Pollution reduction
4,347
Tonnes of carbon dioxide emissions saved.



Water savings
2,365,424,362
Litres of water saved.



Waste management
98%
Percentage of companies that implement major programmes for the management and reduction of waste; +8% compared to the Mainstreet Partners composite index.

Social



Treatment of patients at risk
3,442
Number of specific treatments made available for patients at risk.



Natural and/or organic food
661,738 €
Revenues generated by the production and distribution of natural and/or organic food on total AuM.



Workplace
73%
Percentage of companies that can boast high employee satisfaction levels; +31% compared to the Mainstreet Partners composite index.
95%
Percentage of companies that undertake decisive action against child labour; +13% compared to the Mainstreet Partners composite index.

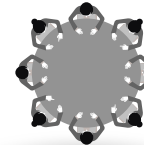
Governance



Gender equality
36%
Percentage of women in management and on the board of directors; +7% compared to the Mainstreet Partners composite index.



Anticorruption
98%
Percentage of companies that undertake decisive action against corruption; +5% compared to the Mainstreet Partners composite index.



Consiglieri indipendenti
73%
Percentage of independent members sitting on the board of directors.

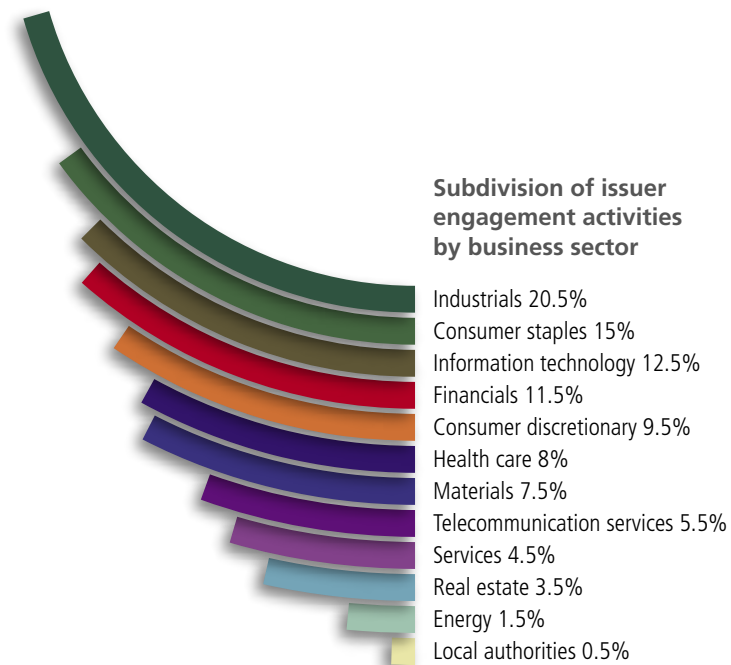
Source of the data and rating: MainStreet Partners. Please see page 35 of this document for more information on the rating calculation methodology.

Eurizon active ownership in the companies in which it invests

The company welcomes constructive dialogue and collaboration with issuers considered relevant, adopting a targeted approach to corporate governance.

Eurizon Capital SGR promotes proactive interaction with the companies in which it invests, by persuading issuers to implement high corporate governance standards are conducive to generating sustainable performances over time for their shareholders.

As a signatory of the United Nations' Principles for Responsible Investment (UN PRI), our asset management company pays particular attention to the policies implemented by the issuers in which it invests, by enforcing governance policies and practices (that incorporate environmental, social and governance issues) are conducive to generating value for shareholders in the long term.



Subdivision of issuer engagement activities by geographical area

- Europe 54.5%
- Australia & Pacific 29.5%
- North America 9%
- United Kingdom 6%
- Asia 0.5%
- Latin America 0.5%

Strategy for the exercise of stockholder voting rights

Participation in the shareholders' meetings of the investee companies allows Eurizon to shape, through its vote, corporate and/or sustainability themes related to the companies.

Eurizon adopts a targeted approach to corporate governance; a specific «Strategy for the exercise of participation and voting rights inherent in the financial instruments pertaining to the UCIs managed» is published on its website.

Eurizon identified 4 qualitative and quantitative criteria that guide the choice for the exercise of participation and voting rights:

PARTICIPATION at shareholder meetings of investee companies where Eurizon holds a SIGNIFICANT INVESTMENT, as defined from time to time in internal procedures;

PARTICIPATION at shareholders meetings deemed relevant to identify SITUATIONS OF INTEREST protecting and supporting the interests of minority shareholders;

CONTRIBUTION to the ELECTION OF MEMBERS OF BoD and Board of STATUTORY AUDITORS through the state voting mechanism, representing minority shareholders;

PARTICIPATION at those shareholder meetings approving EXTRAORDINARY TRANSACTIONS where such participation is needed to support or challenge the proposed transaction.

Case study

Year of shareholders' meeting participation: 2021

Business sector: Energy

Theme of the vote: Climate – Reduction of Scope 3 emissions, Report on the impacts of a Net Zero by 2050

Shareholder proposals: shareholders proposed to:

1. Reduce the Company's Scope 3 emissions in the medium and long term
2. Draft a report on the potential financial impacts of the Net Zero by 2050 scenario

How did Eurizon Capital vote? In favour of both

Rationale behind the vote:

1. Some direct competitors have set Scope 3 objectives, reducing investments in the development of Oil & Gas. Production chain emissions represents an important photograph of the real impact the company may effectively achieve
2. The Company is lagging behind its competitors in identifying the parameters to align with the terms of the Paris Agreement. It is essential that investors and stakeholders be adequately informed on the hard road the Company intends to set out on towards decarbonisation.

Why is this vote significant? Because it concerns Climate Change, with particular focus on the impact of the Company's long-term plans.

160

Number of Shareholders' meetings

1773

Voting on resolutions

44%

Companies in international markets

Engagement



958
Engagements

644
Issuers

30%
Engagements
on ESG issues

Engagement

Eurizon encourages the engagement with investee companies that are considered relevant according to qualitative and quantitative criteria as defined from time to time in internal guidelines. Engagement aims at building robust, long-lasting, trustworthy relationships with issuers in order to monitor their commitments to specific issues and also involves participation to Shareholders' meetings. Eurizon adopts an Engagement Policy which is available on its website

The engagement has allowed the Company to illustrate the improvements made to the incentive system:

- Clarifying both its near-term and long-term goals;
- Introducing ESG KPIs;
- Offering a broadened peer-group comparison.

Furthermore, the Company offered an overview of the updated Materiality Matrix, aligning it with the new strategic plan.

Why is this engagement significant?

In light of the discussion held during the meeting, and of the Company's intention to offer investors greater transparency on aspects penalised in the past by both proxy advisors and shareholders, we have decided to support the remuneration policy proposal at the meeting held on April 2021, in line with our proxy advisor

In any case, we will keep monitoring the practices adopted by the Company in the future.

For illustrative purposes only. Reference to any particular security is on a historical basis and does not mean that the security is currently held or will be held within an Eurizon portfolio. Such references do not constitute a recommendation to buy or sell any security. Any information contained in the present document may, after the date of its preparation, be subject to change or update, without notice by Eurizon Capital SGR S.p.A. to communicate such modifications or updates to those to whom such communication was previously distributed.

Case study

Year 2020

Business sector: Financial

Engagement theme: Remuneration

Proposal and rationale:

The Company has proposed the engagement in response to the negative recommendations of proxy advisor on remuneration policies, already illustrated during the course of the previous year's meeting

Eurizon's ESG Funds characteristics

General Information	Eurizon Fund - Equity Circular Economy	Eurizon Fund - Equity Planet	Eurizon Fund - Bond Corporate Smart ESG
ISIN	Class R: LU2357530570	Class R: LU2050470850 Class Z: LU2050470934	Class R: LU1652387371 Class Z: LU1652387454
SRRI (min. 1 max 7)*	6	6	3
Subscription fee	Class R: Max 3.00%	Class R: Max 3.00%	Class R: Max 1.50%
Ongoing charges	Class R: 2.04% of which management fees: 1.80%	Class R: 2.04% of which management fees: 1.80% Class Z: 0.77% of which management fees: 0.60%	Class R: 1.24% of which management fees: 1.00% Class Z: 0.52% of which management fees: 0.35%
Performance fees (Class R and Z)	20.00% of the positive difference between any returns the Fund achieves above the highest Net Asset Value per Unit reached at the end of the five previous calendar years and the MSCI World Index® per year	20.00% of the positive difference between any returns the Fund achieves above the highest Net Asset Value per Unit reached at the end of the five previous calendar years and the MSCI World Index® per year	none
Entry charge	Class R: Max 15 euros (in favor of the paying agent)	Class R: Max 15 euros (in favor of the paying agent)	Class R: Max 15 euros (in favor of the paying agent)
Benchmark	MSCI World Index® (For designing the portfolio, measuring performance and carbon dioxide (CO ₂) emissions, and calculating performance fee)	MSCI World Index (For designing the portfolio, measuring performance and carbon dioxide (CO ₂) emissions, and calculating performance fee)	Bloomberg Euro Aggregate Corporate Index® (Total return. For designing the portfolio and measuring performance)
Category**	SFDR Category Article 8	SFDR Category Article 8	SFDR Category Article 8

* For more information about the risks, you must read the Key Investor Information Document (KIID) and the Prospectus. Before taking any investment decision, you must read the Prospectus, the Key Investor Information Document (the "KIID"), as well as the Management Regulations and the last available annual or semi-annual financial report.

** In accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).

Methodological notes

The data and analysis contained in this report are the result of MainStreet Partners' proprietary methodology for calculating impact metrics and the alignment of investments to the United Nations Sustainable Development Goals (SDGs). Information presented is updated as of 31 December 2021.

Fixed income securities issued by sovereigns or supranational entities are not included in our analysis of sustainable funds on the basis that ESG data in relation to them is not comparable to that of corporate issuers. Further, all metrics are also calculated net of cash held in fund portfolios. As a result, MainStreet Partners has measured the SDG alignment and calculated impact metrics on €44.049.590.647 of assets, out of a total of €71.097.506.550 of assets held by the sustainable funds analysed. Impact metrics and SDG alignment for the closed-end funds have been calculated on the most representing portfolios and considering the total AUM of those products.

Analysing Alignment to the SDGs

The process for analysing alignment to the SDGs is structured as follows:

1. Determination of SDG alignment for each underlying company included in the funds analysed (MainStreet Partners' has a 91% coverage rate of these companies equal to about 44 bn). Alignment is determined by three fundamental aspects:
 - (i) a company's management decisions and operational policies ("operational alignment"), such as: policies relating to the use of resources, workplace conditions, anti-bribery practices, and climate-friendly activities among others;
 - (ii) the company's products and/or services ("product alignment"), such as: revenues derived from business areas which are associated with relevant SDG targets like clean energy or healthcare; and;
 - (iii) the company's behaviour and involvement in ESG controversies ("good standing"), considering among other things the severity and extent of damage caused or a company's response to external action which could impact

on relevant SDG targets like biodiversity.

A company may be positively, negatively or neutrally aligned to each SDG.

2. The positive alignment of every company to each SDG is weighted according to its position in the fund and aggregated so that we can determine the percentage of positive alignment at the fund level in a transparent and traceable way.
3. Based on the results from the second step, we multiply the size of each fund by its percentage of positive alignment to calculate the total amount of assets positively aligned to each SDG across all of the funds analysed.

Calculation of Impact Metrics

The process for calculating impact metrics is structured as follows:

1. Calculation of impact metrics for each company included in the funds analysed (MainStreet Partners' has a 91% coverage rate of these companies equal to about 44 bn).
2. Aggregation of impact metrics from the company level to the fund level.
3. Weighting of the impact metrics of each fund according to the size of the fund so that we can calculate the impact metrics for the total amount of assets invested in the funds analysed.
4. Impact metrics can be expressed in absolute terms or in relative terms compared to a benchmark. In this case, the benchmark used is MainStreet Partners' composite index.

MainStreet Partners' Composite Index

MainStreet Partners has built a proprietary universe of approximately 4,000 companies and issuers which forms the composite index for the analysis of SDG alignment and calculation of impact metrics. This universe includes a greater number of companies than the MSCI All Country World Index (~3,000 companies) because it is common for equity funds to invest outside of this index and many corporate bond issuers are also not included in this index. Therefore, although the country and sector weights in the index may vary slightly from the MSCI All Country World Index, it is a valid benchmark because:

Methodological notes

- (i) it provides a standard representation of both geographical and sectoral allocation;
- (ii) it enables more accurate comparison among funds of different characteristics; and;
- (ii) it is not restricted only to companies with a strong sustainability profile which means it is representative of a traditional index and not a sustainable index.

Fund Sustainability Rating

The sustainability rating of funds is assessed according to a proprietary methodology developed by MainStreet Partners composed of over 100 metrics and is scored on a scale from 1 to 5, where 1 represents the minimum score and 5 represents the highest. The analysis is divided into three fundamental pillars equally weighted to produce the final score.

- The asset management firm and fund management team, since this determines the ongoing credibility of the fund and the resources dedicated to it.
- The strategy and sustainable investment objectives, evaluating how the eligible universe is determined

and to what extent sustainability plays a role in security selection.

- The portfolio holdings, in order to check their consistency with the sustainability objectives of the fund and their ESG profile.

This approach is particularly useful for assessing the sustainability profile of a fund over a long-term horizon.

MainStreet Partners

MainStreet Partners is an independent investment firm which employs the highest standards of sustainability in its investment process and the management of portfolios following a structured and proprietary methodology which integrates financial analysis with social and environmental criteria in a unified evaluation. MainStreet Partners is a strategic partner to private banks and institutional investors, offering them sustainable investment advice in relation to security selection and portfolio construction whereby extra-financial results are measured and reported. MainStreet Partners is a signatory to the United Nations Principles of Responsible Investments and a member of the Green Bond Principles.



Global Impact report May 2022

This marketing communication is exclusively intended for professional investors as defined in the European Directive on markets in financial instruments (MiFID) in the countries where the Sub-Fund(s) is/are registered/authorised for distribution. This marketing communication is not intended for retail investors as per MiFID and is not intended for US Person.

Before taking any investment decision, you must read the Prospectus, the Key Investor Information Document (the "KIID"), as well as the Management Regulations and the last available annual or semi-annual financial report. These documents are available in English (and the KIIDs in an official language of your country of residence) and may be obtained at any time, free of charge on the Management Company's website www.eurizoncapital.com.

To find out whether the Sub-Fund is registered/authorised in your country, please refer to the www.eurizoncapital.com.

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Swiss Fund documents available at the Swiss representative agent: REYL & Cie SA 62, rue du Rhône, 1204 Geneva, Switzerland.

Daily publication of the prices of subscription and redemption and/or net asset values (with the mention "excluding commissions") of the Units offered in Switzerland and To find out whether a Sub-Fund/unit is available for Swiss retail

investor or Swiss professional or institutional investors, please refer to the website: www.fundinfo.com and more specifically to the Swiss prospectus.

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