



**ENGAGEMENT POLICY
OF EURIZON CAPITAL SGR S.p.A.**

POLICY

APPROVING BODY	TYPE OF ACTION	EFFECTIVE DATE
Board of Directors	Update	March 2026

UNIT RESPONSIBLE FOR THE DOCUMENT

Responsible Investments & Stewardship

RECIPIENTS

Eurizon Capital SGR S.p.A.

**REGULATIONS PERTAINING TO SENSITIVE AREAS
RELATED TO LEGISLATIVE DECREE no 231/01**

Yes

**NORMS/PROCESSES RELEVANT TO FINANCIAL
REPORTING RISK (LAW no 262/05)**

No

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INTRODUCTION

Eurizon Capital SGR S.p.A. (hereinafter also “the Company”) believes that high standards of governance and a conduct oriented towards growth and sustainable development over time contribute to fostering confidence in the capital market and that the role played by institutional investors, asset managers and their advisers is fundamental in the internal dialectics of the investee companies.

In particular, the Company – given its fiduciary commitment aimed at protecting and creating value for its Customers and Investors – attaches importance to monitoring the corporate governance (“external corporate governance”) of investee issuers and the ways in which they manage the environmental and social issues deemed most significant to their respective areas of business.

Indeed, the company's Stewardship activities aim to promote transparency, the achievement of high standards of corporate governance and the adoption of practices geared towards sustainable development, while also contributing to confidence in the capital market.

To this end, in 2014 the Company adopted the “*Italian Stewardship Principles*”¹ defined by Assogestioni (hereinafter the “Principles”) with the aim of providing a series of best practices aimed at encouraging responsible shareholding by its members, stimulating an effective integration between the corporate governance of issuing companies and its own investment process. These Principles are for companies that provide collective asset and portfolio management services, in order to encourage dialogue and engagement with the listed issuers in which they invest.

The present document represents the “Engagement Policy” (hereinafter the “Policy”) adopted by Eurizon Capital SGR²:

- pursuant to Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (“Shareholders Rights II Directive”),
- pursuant to Article 124-quinquies of Legislative Decree no. 58 of 24 February 1998 (“Consolidated Finance Act” - TUF), which governs the ways in which asset managers monitor investee companies and engage with them,
- for the purposes of adopting (i) the “Stewardship Code”, promoted by the European Fund and Asset Management Association (EFAMA), to encourage, at European level, the development of good corporate governance practices and (ii) the “*Italian Stewardship Principles*” and related Recommendations, defined by Assogestioni, and
- pursuant to Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability reporting in the financial services sector

to describe the conduct the Company adopts to stimulate comparison with the issuers in which it invests, also in order to mitigate the main negative effects of investment decisions on sustainability factors, integrating its commitment, in its capacity as a shareholder in the investment strategy.

This document comprises four sections:

- Part I contains the definitions of some recurrent terms in the document and outlines the scope;
- Part II identifies the organisational safeguards the Company adopts in order to monitor “external” corporate governance activities;
- Part III contains indications for the correct application of the “*Italian Stewardship Principles*” in the

¹ The Principles defined by Assogestioni are aligned with those contained in the EFAMA Code for External Governance approved by the European Fund and Asset Management Association (EFAMA) to which Assogestioni participates and of which Eurizon Capital SGR is also a member.

² Under the Bank of Italy’s Regulation on collective asset management dated 19 January 2015, asset management companies operating in another EU Member State, including through branches, must comply with the regulatory supervision provisions of the TUF, which encompass internal control requirements applicable to the provision of collective asset management services.

- provision of the collective management service and in the provision of the portfolio management service;
- Part IV describes the modalities and timing for amending and/or supplementing the Policy, as well as for reporting on the application of the Principles to Assogestioni.

PART I - DEFINITIONS AND SCOPE

DEFINITIONS

1. For the purposes of this policy, the following definitions apply:
 - a) “Advance”: collective *engagement* initiative promoted by the United Nations (UN PRI), aimed at encouraging best practices in respect of human rights, society, communities and workers.
 - b) “CDP”: an independent non-profit organisation that provides companies, states, regions and cities with a framework to measure, track, manage and share information on their environmental impact globally, with the aim of promoting action to mitigate climate change.
 - c) “Customer”: the subject the Company provides the investment services to.
 - d) “Climate Action 100+” (CA100+): collective engagement initiative promoting the adoption of decarbonisation pathways by the world's largest greenhouse gas emitters, consistent with the Paris Agreement.
 - e) “Regulations on collective asset management”:
 - Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 and additional implementing measures contained in second-level Regulations and Directives;
 - Directive 2011/61/EU (AIFMD) of the European Parliament and of the Council of 8 June 2011 and additional implementing measures contained in the second-level Regulation (Articles 34 - 37 of Commission Delegated Regulation (EU) No 231/2013);
 - related national implementing regulations.
 - f) “MiFID”:
 - Directive 2014/65/EC (MiFID II) of the European Parliament and of the Council of 15 May 2014 and additional implementing measures contained in second-level Regulations and Directives;
 - related national implementing regulations.
 - g) “National implementing regulations”: provisions adopted in Italian law for the purposes of implementing legislation on collective asset management and MiFID:
 - Legislative Decree 58 of 24 February 1998 (“TUF”), as last amended: Articles 24 (portfolio management) and 35-decies (collective asset management);
 - Bank of Italy Collective Asset Management Regulation of 19 January 2015, as last amended (“Collective Asset Management Regulation”);
 - Bank of Italy Regulation of 5 December 2019 implementing Articles 4-undecies and 6(1)(b) and (c-bis) of the TUF, as last amended (“Bank of Italy Regulation”): Article 34;
 - CONSOB Regulation no. 16190 of 29 October 2007 as amended, with provisions implementing the TUF on intermediaries (“Intermediaries Regulation”).
 - h) “Shareholder Rights II Directive”: Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.
 - i) “Listed investee issuer”: a company with shares traded on a regulated market, in which the Company holds financial instruments on behalf of managed assets.
 - j) “Collective asset management”: the service that is carried out through the management of UCIs and the related risks.
 - k) “Asset managers”: the asset management companies, SICAVs and SICAFs that directly manage own assets and subjects authorised in Italy to provide the service indicated in Article 1(5)(d) of the TUF (“Portfolio Management”).
 - l) “Corporate Governance”: the set of instruments, rules and systems aimed at achieving the best decision-making process for a company, in the interest of various categories of subjects concerned with corporate life.

- m) “Engagement”: benchmarking and dialogue with investees for managed assets, in order to establish a medium/long-term relationship that makes it possible to monitor significant issues, including the strategy, financial and non-financial results, as well as risks, capital structure, social and environmental impact and corporate governance.
- n) “Institutional Investors Group on Climate Change” (IIGCC): the European Investors Association promoting collaboration on climate change and the reduction of net greenhouse gas emissions.
- o) “Investor”: the person the Company provides the collective asset management service to.
- p) “*Nature Action 100*”: collective engagement initiative that encourages institutional investors to adopt best practices to combat biodiversity loss and deforestation.
- q) “Net Zero Asset Managers Initiative” (NZAMI): 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.
- r) “Net Zero Investment Framework (NZIF)”: methodological guidance developed by the IIGCC on aligning portfolios with the Paris Agreement’s goal of achieving zero net GHG emissions by 2050.
- s) “Net Zero Tracker”: public database that provides information on CO2 emission reduction targets for the 2,000 largest listed companies globally in terms of turnover.
- t) “Industry regulations”:
 - regulations on collective asset management;
 - MiFID.
- u) OCSE (OECD): Organisation for Economic Cooperation and Development (OECD)
- v) “UCI”: UCIs and AIFs.
- w) International Labour Organisation (ILO): The International Labour Organisation is a specialised agency of the United Nations that works to promote social justice and internationally recognised human rights, with particular reference to those concerning work in all its aspects.
- x) “Sustainability Policy”: the Policy on the Integration of Sustainability Risks into the Investment Process of the Company, adopted pursuant to Article 3³ of Regulation (EU) 2019/2088 of the European Parliament and of the Council on Sustainability Disclosure in the Financial Services Sector (so-called “Sustainable Finance Disclosure Regulation”) and the related implementing regulations, including Regulation (EU) 2020/852 (so-called “Taxonomy Regulation”) on environmental sustainability.
- y) “Main negative effects of investment decisions on sustainability factors”: refers to unfavourable repercussions caused by an investment decision or investment advice on sustainability factors such as environmental issues, social issues concerning staff, respect for human rights and issues related to the fight against active and passive corruption.
- z) “Adverse Impact Indicators” or “Principal Adverse Impact Indicators” (so-called “PAIs”): key indicators identified in Table 1 of Appendix I of Delegated Regulation (EU) 2022/1288 to assess the Main Negative Impacts of Investment Decisions on Sustainability Factors.
- aa) “Stewardship Principles”: the principles promoted (i) by the “*Stewardship Code*”, promoted by the *European Fund and Asset Management Association* (EFAMA), to encourage, at European level, the development of good corporate governance practices and (ii) the “*Italian Stewardship Principles*” adopted by the Management Board of

³ Financial market participants publish information on their websites about their policies on integrating sustainability risks into their investment decision-making processes. Financial advisers publish information on their websites regarding their policies on the integration of sustainability risks in their advice on investments or insurance.

These Principles are for companies that provide collective asset and portfolio management services, in order to encourage dialogue and engagement with the listed issuers in which they invest.

- bb) “*Recommendations*”: the “second level” indications defined by Assogestioni on proposal of the Corporate Governance Committee, in order to identify a series of best practices functional to adopting a conduct that is consistent with the contents of the Principles.
- cc) “SFDR”: Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability reporting in the financial services sector.
- dd) “Investment services”: the portfolio management service.
- ee) “Science Based Target Initiative (SBTi): international initiative that supports companies in defining their climate change mitigation goals in line with scientific objectives.
- ff) “*Stewardship*”: interaction with the investee companies through (i) the attendance and voting rights and (ii) interaction with the investee companies.
- gg) “*Strategy for the exercise of intervention and voting rights pertaining to financial instruments pertaining to the assets managed by Eurizon Capital SGR S.p.A.*”: the Strategy adopted pursuant to Article 35-decies of the TUF and Article 112 of the Intermediary Regulations (hereinafter also the “Voting Strategy”).
- hh) “Task Force on Climate-Related Financial Disclosures” (TCFD): Task Force establishing recommendations for the dissemination of clear, comparable and consistent information on the risks and opportunities presented by climate change.
- iii) “Taskforce on Nature-related Financial Disclosures” (TNFD): initiative establishing recommendations and guidelines for transparency about impacts, risks and opportunities related to natural capital management.
- jj) “*Transition Pathway Initiative*” (TPI): free platform that provides independent research, based on public data, to assess companies' progress in the transition to a low-carbon economy.
- kk) “*UN Global Compact*” (UNGC): UN-sponsored 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.
- ll) “*UN Guiding Principles*” (UNGPs): United Nations Principles on Business and Human Rights that set out guidelines for all enterprises to respect human rights beyond compliance with national laws and regulations.

SCOPE

This Policy describes the ways in which the Company, in the provision of collective asset management and portfolio management services, promotes comparisons with the companies in which it invests, regardless of the type of asset (so-called asset class). The Company's approach is differentiated according to the management style of the managed products⁴.

That said, for products characterised by an active management style, the Company:

- favours dialogue and participation in Shareholders' Meetings of equity issuers, according to a “targeted” approach to corporate governance, giving preference – in application of the principle of proportionality – to companies deemed “relevant”, according to qualitative/quantitative criteria specified from time to time in internal regulations;
- recognises the role that stewardship can play for bonds, not only in the pre-investment phase, but throughout the life of the instrument, consistent with a long-term approach. In this context, the Company analyses, among other characteristics, the sustainability profile of the issuer, its capital structure, its composition and its evolution over time.

These products use *engagement* as a tool for dialogue with issuers not only for monitoring purposes but also to bring issues deemed of particular interest to the attention of the *management* of investee companies, encouraging the adoption of appropriate measures or the revision of company policies

⁴ Both Italian-law and Luxembourg-law products established through Eurizon Capital SGR S.p.A. – Luxembourg Branch fall within this scope.
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(such as, for example, the way in which administrative bodies are made up, the mechanisms defined within the framework of remuneration policies, or the adoption of measures relating to climate change, diversity, equity and inclusion, or in any case relating to the environmental and/or social sphere).

In any case, the Company does not intend to “micro-manage” the affairs of investee issuers nor does it preclude any decisions to sell a shareholding, where this represents the most effective solution to protect the interests of Customers/Investors.

The Company also recognises that investments in products adopting a passive management style, i.e. aiming to replicate the performance of an index, are not made with the aim of changing or influencing the issuers' choices. For these products, *engagement* activity is in fact aimed at monitoring investment performance through a transparent dialogue with the investee companies. In this context, the Company also reserves the right to engage financial index providers) with the aim of (i) deepening the data used to construct the benchmarks and (ii) promoting the transparency of the methodologies used. In any case, even for such products, the Company retains the right to vote for or against the proposals that are submitted to the shareholders' meeting from time to time, including the appointment of members of the administrative bodies.

Finally, with regard to the provision of the Portfolio Management Service to institutional clients, in accordance with the regulations in force, the application of this Policy depends on the agreements (so-called "management mandates") signed with each of them.

PART II - ORGANISATIONAL SAFEGUARDS ADOPTED BY THE COMPANY

The duties of Corporate Bodies and functions involved in the adoption of the Engagement Policy are formalised in internal operating mandates and related powers of representation and are set out in the company organisation chart and organisational code, as well as in internal operating procedures.

The next sections report on:

- the procedural safeguards adopted by the Company, in implementation of sector regulations and related self-governance measures;
- the roles and responsibilities of the entities involved in the process to manage the “*corporate governance*” of investee issuers.

INTERNAL REGULATIONS

Eurizon Capital SGR and its directly-held subsidiaries that provide collective investment management and/or portfolio management services have adopted, in compliance with sector regulations, specific organisational measures and/or procedures aimed at ensuring, where discretionary rights have been attributed regarding the administration and voting relative to its shareholdings in investee companies, the independence and autonomy in exercising such rights. In this context, the Company has set out a specific voting strategy.

In this regard, the Company has adopted specific internal procedures, which are suitably formalised, on the exercise of participation and voting rights attached to “managed” investments and which describe the safeguards in place to guarantee alignment with EU and national regulations.

Participation in Shareholders’ meetings takes place in the sole interest of managed portfolios and market integrity, with the aim of minimising the risk of conflicts of interest. In conflict situations, the Company shall in any case act so as to ensure fair treatment, in compliance with applicable the Group and Company’s policies.

As regards the individual portfolio management service, specific provisions in contract documentation are envisaged, to exclude the exercise of voting rights by the Company and/or its subsidiaries, reserving said right to managed clients.

ROLES AND RESPONSIBILITIES

The Company attaches importance to monitoring activities and engagement with its investee companies, as well as participating in their Shareholder meetings.

To promote a correct adoption of its own Engagement Policy, Eurizon Capital SGR has established a framework involving the following corporate bodies and entities:

- Board of Directors
- Chief Executive Officer and General Manager;
- Risk and Sustainability Committee;
- Environmental, Social and Governance (ESG) Committee;
- Independent Directors Committee;
- Investments Division including the *Responsible Investments & Stewardship* Structure;
- Operations Department;
- Compliance & AML Function.

The roles and responsibilities of the corporate bodies and entities are described in the following paragraphs.

BOARD OF DIRECTORS

It defines, on the basis of the proposals made by the Chief Executive Officer and General Manager in the context of the Environmental, Social and Governance Committee (hereinafter also the “ESG Committee”), this Engagement Policy, which establishes the procedures for:

- monitoring the corporate governance aspects of investee issuers, based on the best protection of the interest of UCIs and managed portfolios;

- managing interaction with investee issuers, with reference to significant matters concerning strategy, financial and non-financial results, risks, capital structure, social and environmental impact and corporate governance;
- participation in Shareholder meetings in relation to the exercise of voting rights.

Finally, it periodically monitors the correct implementation of the Company's Engagement Policy.

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER;

The Chief Executive Officer and General Manager, assisted by the "ESG Committee", formulates proposals to put to the Board of Directors on the definition and subsequent updating of this Engagement Policy and periodically monitors the correct implementation, using reporting prepared by the *Responsible Investments & Stewardship* Structure.

The Board of Directors has given the Chief Executive Officer and General Manager the power to participate or delegate its participation in ordinary and extraordinary meetings of shareholders and/or bondholders of companies whose securities are held in managed portfolios. In this framework, it authorises participation in Shareholders' Meetings, also defining (i) the procedures for exercising voting rights, (ii) the vote to cast in the most significant Meetings and (iii) any specific indications to report during the Meeting, according to the procedures described in the Voting Strategy.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

This Committee is an advisory body, assisting the Chief Executive Officer and General Manager (i) in defining proposals to put to the Board of Directors on the Engagement Policy (ii) in periodically monitoring the Policy, using reporting prepared by the *Responsible Investments & Stewardship* Structure.

INDEPENDENT DIRECTORS COMMITTEE

Independent Directors are given specific powers of control and action, to assess procedures for exercising participation and voting rights, in the case of conflicts of interest. To this end, they carry out their own assessments and provide opinions on the:

- matters specifically assigned to them by the Assogestioni Independence Protocol and by related internal procedures;
- additional potential conflict of interest situations identified by them;
- matters submitted to them by at least two members of the Board of Directors.

The Board of Directors has set up the Independent Directors Committee, which has advisory duties regarding the management of conflicts of interest. The opinions expressed by the Independent Directors Committee are not binding; any decisions of the Board of Directors that do not conform to the opinion of the Independent Directors must be adequately justified.

With specific reference to the procedures to exercise participation and voting rights, the Independent Directors Committee is notified by the *Responsible Investments & Stewardship* Structure:

- in advance of Meetings of the most significant shareholders the Company intends participating in; in the case of matters of particular interest, the Company provides information on meeting proceedings, if applicable;
- periodically, through information on participation in the Meetings of shareholders of companies whose financial instruments are included in the portfolio of UCIs.

RESPONSIBLE INVESTMENTS & STEWARDSHIP STRUCTURE

The *Responsible Investments & Stewardship* Structure, which is part of the Investments Department, monitors active shareholder activity, coordinating (i) the monitoring of corporate governance matters of investee issuers, based on the best protection of the interest of managed assets, (ii) the management of interaction with investee issuers, with reference to significant matters concerning strategy, financial and non-financial results, risks, capital structure, social and environmental impact and corporate governance, as well as (iii) those prior to participation in Shareholders' meetings regarding the exercise of voting rights.

To this end, the Structure comprises a (i) Corporate Governance unit, and a (ii) Sustainability unit.

Corporate Governance:

- coordinates monitoring and engagement activities referred to corporate governance matters regarding significant issuers, also coordinating with the managers of the Investments Department, and with the Sustainability unit, for environmental, social and ethical matters;
- coordinates the activities related to participation in shareholder meetings regarding the exercise of voting rights for investments held by the assets managed by the Company;
- oversees the maintenance of the voting strategy, as well as additional documentation on corporate governance, liaising with competent units, also for related disclosure;
- takes part in the Assogestioni Managers Committee, along with any other representatives indicated by the Investments Department representing portfolio managers;
- provides, where foreseen, prior information to the Independent Directors Committee on participation in the Meetings of the most significant shareholders and on the manner of participation;
- prepares periodic reports on the manner in which voting rights are exercised at shareholder meetings of the companies whose securities are present in the portfolios of the funds managed and reports on this to the Independent Directors Committee.

Sustainability:

- co-ordinates with the Corporate Governance unit the monitoring and engagement with respect to relevant issuers, with particular reference to environmental and social issues including the mitigation of major negative effects of investment decisions on sustainability factors that may be identified in the context of managed products, consistently with the ESG / SRI strategies adopted from time to time.
- Identifies and activates collective engagement initiatives on environmental and social issues;
- supports the work of the ESG Committee and prepares related reports;
- supports the Chief Executive Officer and General Manager in updating the Sustainability Policy.

INVESTMENTS DEPARTMENT

The Company pursues the interests of investors in the assets it manages, not only as regards investment or divestment choices, but also for exercising participation and voting rights, taking account of the usefulness of participating in relation to the interests of each asset managed. In this framework, the Investment Department⁵ managers are involved in the corporate governance process of issuers, with particular reference to:

- operational engagement activities;
- sharing information on the most significant Shareholder meetings it participates in;
- participation, through designated representatives, in the Assogestioni Managers' Committee;
- the proposed percentage of securities for participation in Shareholder meetings;
- participation – supporting the Head of the *Responsible Investments & Stewardship* Structure – in defining proposals regarding voting instructions of the most significant meetings and any further indications to report during the Meeting.

OPERATIONS DEPARTMENT

The Operations Department⁶ manages administrative activities related to the exercise of voting rights. In particular, the Department:

- where appropriate, prepares documentation necessary to participate in Shareholder meetings (CEO and General Manager proxies for the Company's representative, required from the Custodian of meeting invitations and/or certification for filing candidate lists to renew corporate boards, etc.);
- files documentation produced in specific dossiers.

⁵ This refers to the Investment Division of Eurizon Capital SGR and the Investments Structure of the Luxembourg Branch.

⁶ This refers to the Operational Governance Division of Eurizon Capital SGR and the Operations & Finance Structure of the Luxembourg Branch.

COMPLIANCE & AML FUNCTION

The Compliance & AML Function⁷ monitors the corporate governance process, identifying the correct adoption of the safeguards envisaged in external and internal regulations.

In particular, the Compliance & AML Function:

- advises and assists company entities on the adoption of regulations in company processes and activities and in the conduct to adopt, also for the purposes of managing conflicts of interest;
- supported by results of audits conducted by the *Responsible Investments & Stewardship* Structure, it further assesses any conflict-of-interest situations attributable to (i) the candidates identified by the Assogestioni Managers Committee, for the renewal of the corporate boards of listed Italian companies, representing minority interests and ii) investees;
- verifies, on a random basis, the correct filing of documentation by the competent entities of the Company.

The Compliance & AML Function reports every six months to the Independent Directors Committee on controls of the correct adoption of the principles and procedures concerning the exercise of participation and voting rights for financial instruments of assets managed by the Company.

⁷ Also through the Luxembourg Branch's corresponding structure.
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PART III - MEASURES ADOPTED TO IMPLEMENT THE “ITALIAN STEWARDSHIP PRINCIPLES”

The measures put in place by the Company in order to adopt a conduct in line with the recommendations indicated by Assogestioni for implementing the “*Italian Stewardship Principles*” in the context of the provision of collective asset management and portfolio management services are reported below.

PRINCIPLE 1 - THE COMPANY SHALL ADOPT A DOCUMENTED POLICY

MANAGEMENT COMPANIES SHALL ADOPT A DOCUMENTED POLICY, MADE AVAILABLE TO THE PUBLIC, THAT SETS OUT THE STRATEGY TO EXERCISE RIGHTS CONCERNING FINANCIAL INSTRUMENTS OF MANAGED PORTFOLIOS AND UCIS.

METHOD FOR IMPLEMENTING THE RECOMMENDATION:

Pursuant to Article 35-decies of the TUF and Article 112 of the Intermediaries Regulation, the Company has made a specific Voting strategy available to investors. This Strategy defines a set of procedures and measures to:

- monitor corporate events connected with the financial instruments held in managed portfolios, where required by the characteristics of the financial instruments that incorporate rights to be exercised;
- assess the methods and times 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 of voting rights on behalf of managed assets.

Specifically, the Strategy defines the procedures adopted to:

- monitor listed investee issuers, also through active engagement;
- manage conflict of interest situations;
- prevent the circulation of information among various Group Companies and the Parent Company (so-called “Chinese Wall”);
- designate persons responsible for decisions regarding the methods to exercise voting rights;
- engage with investee issuers, independently and cooperating with other investors, also through specific initiatives undersigned by the Company;
- exercise voting rights, through proxies assigned to specialist companies, and through “electronic voting” if envisaged by issuers.

In particular, based on a cost/benefit analysis that takes into account the investment objectives and policies of the managed products, the Company has adopted preliminary and operating processes that differ for the exercise of voting rights, depending on whether the decision concerns resolutions of shareholders’ meetings:

- considered more significant, based on one or more quantitative and qualitative criteria;
- for which the Company uses electronic voting (proxy voting).

Based on the above, the Company has defined the following quantitative and qualitative criteria to identify meetings of the most significant shareholders:

- holding significant amounts of capital, identified from time to time in company procedures;
- the presence of situations in relation to which, in the interests of managed assets, it intends (i) reporting on situations of particular interest, in defence of or supporting the interests of minority shareholders; or (ii) supporting decisions referred to environmental, social and good corporate governance practices;
- the appointment of statutory auditors or board directors of companies listed in Italy based on list voting, representing minority shareholders;
- it resolves on extraordinary transactions considered significant for the interest of managed assets, in order to support or oppose a proposed operation.

If it is deemed to be the most efficient method in the interest of the assets under management and, provided that the above-mentioned qualitative and quantitative criteria do not apply, the Company makes use of the electronic voting process that may be envisaged by issuers. To this end, the Company uses an IT platform to streamline the process of exercising voting rights, with particular reference to foreign issuers.

In these situations, voting instructions are defined based on specific guidelines approved by the Board of Directors and proposals from the CEO and General Manager in the context of the ESG Committee.

The Company reserves the right not to exercise a voting right in cases where the situation might not benefit the managed assets, for example:

- overall, the Company has a marginal investment;
- it is necessary to block the availability of financial instruments for a period of time considered too long, which would influence management strategies;
- the agenda of the shareholders' meeting does not envisage the discussion of significant topics;
- the necessary administrative costs, also considering expected procedures in some countries, are considered to outweigh the expected benefits of participation in the meeting, especially in the case of short-term investment strategies.

Under no circumstances does the Company bind itself to voting or blocking syndicates.

The Company undertakes to adopt and apply the Strategy, to ensure that participation and voting rights are exercised in the exclusive interest of investor participants.

The Company monitors the effectiveness of measures to exercise participation and voting rights and, in any case, reviews the Voting strategy at least annually. The Strategy and any updates are available to UCI participants, at www.eurizoncapital.com.

PRINCIPLE 2 - THE COMPANY SHALL MONITOR INVESTEE ISSUERS

MANAGEMENT COMPANIES SHALL MONITOR LISTED INVESTEE ISSUERS.

METHOD FOR IMPLEMENTING THE RECOMMENDATION:

Eurizon Capital shall actively monitor corporate events connected to the financial instruments in the portfolio of managed UCIs, where required by the characteristics of the instruments that incorporate rights to be exercised.

The Company encourages dialogue and participation in Shareholders' Meetings of selected companies with shares listed on Borsa Italiana and on international markets, adopting a "targeted" approach to corporate governance, taking into account the usefulness of participating in the interests of managed assets, also based on the single reference markets and/or the specific circumstance, and the possibility of influencing decisions in relation to the voting rights held. For this purpose, the Company periodically identifies, via the *Responsible Investments & Stewardship* Structure, the priority issues to focus on in engagement with investees, also taking into account the results of such activities in the previous year.

In fact, the Company aims to identify possible problems in advance and minimise, at the same time, potential losses in value determined by aspects related to the performance of the companies in which it invests on behalf of the managed assets, as well as any major negative effects of investment decisions on the sustainability factors identified within the individual managed products.

Below is an outline of the characteristic phases of the engagement activity carried out by the Company with the investee issuers:

PREPARATION	EXECUTION	CLOSURE
<p>Identification of issuers to be contacted, also according to the "macro-themes" of interest to the Company; analysis of available public material to identify the focus of the dialogue.</p>	<ul style="list-style-type: none"> - Launch of engagement activities with the identified company: exchanges can take place via email, virtual meetings or face-to-face meetings. - Evaluation of the information acquired from the issuer and assessment of whether the engagement should be prolonged or escalation measures should be undertaken. - Launch of a possible escalation process^{8{4}} 	<p>Closure of the engagement activity if the feedback is considered satisfactory.</p> <p>In the event of a negative outcome of any escalation action, the Company will consider divesting the assets.</p>

The Company is actively involved in national and international initiatives that promote the integration of sustainability principles in the financial sector, participates in working groups for the development of best practices in the ESG field as well as in training events and conferences, aimed at sharing its experiences.

In particular, as a signatory:

- of the United Nations' "Principles for Sustainable Investment" (UN PRI), pays particular attention to the policies implemented by the issuers in which it invests on behalf of the assets it manages, believing that sound sustainability policies and practices (incorporating environmental, social and corporate governance issues) can create long-term shareholder value;
- of the Net Zero Asset Managers Initiative (NZAMI) and the associated long-term commitments made, attaches importance to climate risks, energy and climate transition plans, and transparency regarding greenhouse gas emissions caused directly and indirectly by investee companies, especially with regard to the most polluting sectors.

The Company has therefore adopted specific methodologies to select financial instruments which take account of the Environmental, Social and Governance (ESG) factors and principles of Sustainable and Responsible Investments (SRI).

These strategies, aimed at considering sustainability factors within the Investment Process of managed assets, are regulated in the "*Sustainability Policy of Eurizon Capital SGR S.p.A.*", a summary of which is available on the Company's website.

In fact, the Company believes that environmental, social and corporate governance factors impact portfolio

⁸ The escalation process is described under Principle 3 of the Engagement Policy.

performance, and that the adoption of ESG and SRI criteria can contribute to improving the ability to respond more effectively to Customers'/Investors' expectations, aligning investment activities with the wider-ranging interests of issuers.

Eurizon maintains a structured and continuous dialogue with the primary info-providers and data providers used for monitoring investee issuers, in order to promote the quality, methodological consistency, and reliability of the data used in its decision-making processes. Engagement activities with service providers include, among others, periodic discussions on (i) methodologies, (ii) data collection, estimation and aggregation methods, (iii) requests for clarification on metrics and assumptions, (iv) in-depth analysis of any outliers, and technical inquiries. This approach mitigates the risk of excessive dependence (so-called "over-reliance") on external sources, thereby safeguarding independence of judgment throughout the assessment processes.

To this end, the Company prioritises the establishment of a constructive dialogue with investee issuers on the following "macro-issues", which cut across all industrial sectors:

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

For each of them, the Company encourages the companies to improve their processes by considering – where appropriate – the definition of suitable corrective actions. For the purposes of comparison with issuers, the Company considers the activities carried out by these issuers and their alignment with the provisions of the Taxonomy Regulation on environmental sustainability. In order to optimise its initiatives, the Company reserves the right to assess the materiality of additional areas of interest, also depending on the sector to which the issuing companies belong, such as, for example, gender diversity and aspects of cybersecurity, including the use of Artificial Intelligence tools.

A) MITIGATION OF AND ADAPTATION TO CLIMATE CHANGE;

The Company believes that institutional investors are called upon to analyse companies and their sectors in order to assess their transition potential, with the aim of exercising their intervention and voting rights in an informed and consistent manner.

In order to assess a company's degree of alignment with the "Net Zero" scenario, the Company uses the "Net Zero Investment Framework" (NZIF) methodology promoted by the IIGCC, which takes into account the following criteria:

- "Ambition": the presence of public declarations of wanting to achieve zero net direct and indirect emissions (so-called 'Scope 1' and 'Scope 2')⁹ by 2050;
- "Target": the publication of short- and medium-term targets for the reduction of its level of emissions ('Scope 1' and 'Scope 2');
- "Emission Performance": publication of the levels of direct and indirect greenhouse gas emission reductions ('Scope 1' and 'Scope 2') compared to the defined targets;
- "Transparency": publication of its emission levels;
- "*Decarbonisation Strategy*": the adoption of a decarbonisation strategy;
- "Capital Allocation": the consistency of capital expenditure with the goal of achieving the "Net Zero" scenario.

In line with the commitments undertaken in joining the NZAMI, the Company prioritises engagement activities with companies considered to be lagging behind in the decarbonisation process (so-called 'laggards'), also making use of:

- public reporting on the decarbonisation strategies of investee companies and the research and development projects undertaken by them;
- studies and evaluations carried out by third parties, such as the Transition Pathway Initiative (TPI), Climate Action 100+ (CA100+), Science Based Target Initiative (SBTi) and Net Zero Tracker.

Discussions with issuers are intended to deepen the information gathered, address any critical issues, monitor progress and, more generally, foster transparency in the dialogue.

The Company believes that intervention with investee companies is most effective when it is geared towards building a long-term relationship, establishing a constant and constructive dialogue with the aim of monitoring the companies' commitments over time. For this reason, the Company aims to carry out engagement activities

⁹ Indirect 'Scope 3' emissions will be considered at a later date in view of data availability.

with companies accounting for respectively 90% and 2030% of the emissions financed by its “Portfolio in Scope” (i.e. the share of its assets time to time identified to be managed in line with the climate neutrality scenario) under the NZAMI by 2025 and 2030 to incentivise them to undertake decarbonisation pathways of their activities and progressively align to the net zero emissions scenario.

In order to mitigate the climate impact of investments, the Company's Sustainability Policy provides for specific exclusions or restrictions¹⁰ for issuers operating whose conduct and/or operations are such as to cause significant negative impacts on the environment and/or in the social issues according to the characteristics of the products and their classification under the SFDR. In particular, the Company's Sustainability Policy provides for exclusions for issuers active in the fossil fuel sector that exceed certain tolerance thresholds¹¹. In addition, the Sustainability Policy provides for special engagement processes in respect of companies whose exposure falls below the tolerance thresholds identified by the Company, also with the aim of verifying that no new projects are initiated and monitoring the gradual “phase out” of such activities. The *Responsible Investments & Stewardship* Structure oversees engagement initiatives aimed at establishing a constructive dialogue with identified issuers, bringing the findings to the attention of the ESG Committee.

The Company encourages investee issuers operating in the Energy sector, in particular “Oil & Gas” and “Electric Utilities” companies, (i) to adopt and publish targets for the reduction of greenhouse gas emissions (of Scope 1, 2 and 3), including methane emissions, both in the short and medium term, according to trajectories in line with the Paris Agreement; “Electric Utilities”), (i) to adopt and publish targets for the reduction of greenhouse gas emissions (Scope 1, 2 and 3), including methane emissions, in both the short and medium term, according to trajectories in line with the Paris Agreement; (ii) to undertake to gradually reduce (so-called 'phase-down') the production and use of fossil fuels such as coal, oil and natural gas/methane until these activities are phased out (so-called 'phase-out'); (iii) to adopt and publish information on their investment plans and periodic progress reports; to present its transition plans to the shareholders at the Annual General Meetings (so-called 'Say on Climate' vote).

In this regard, the Company assesses the credibility of the transition plans of its fossil fuel subsidiaries by analysing the completeness and information provided with reference to (i) the absolute and/or relative greenhouse gas emission reduction targets (direct and indirect emissions including 'Scope 3' emissions), (ii) the expected evolution of the “energy mix”, (iii) investment plans broken down by activity and divided between maintenance and development (iv) the use of carbon capture and offsetting technologies.

Finally, the Company evaluates the use of Artificial Intelligence to support the transition plans of investee companies, assessing their contribution to the achievement of decarbonization targets, for example through (i) the implementation of smart metering systems¹² for analytical and real-time monitoring of energy consumption, and (ii) the use of drones and sensors for real-time inspection of external pipelines, in order to promptly identify leaks (e.g., methane or water).

B) MITIGATING BIODIVERSITY LOSS AND COMBATING DEFORESTATION

Corporations can generate negative impacts on biodiversity¹³ and ecosystems, including through their own value chains, contributing to (i) land and sea exploitation from deforestation, conversion for agriculture and aquaculture; (ii) climate change caused by pollution; (iii) the spread of invasive species and (iv) unsustainable fishing, hunting and farming practices that may adversely affect animal and plant populations.

Land use, including deforestation, is one of the most significant factors in the loss of biodiversity, also due to increased emissions of carbon dioxide and other greenhouse gases.

The Company encourages issuers to take measures to counter biodiversity loss and deforestation by

¹⁰ In relation to indexed-linked products, namely those characterized by a passive management style or a limited level of deviation from the benchmark (so-called Limited Tracking Error products), the maximum direct investment allowed is equal to the weight of the issuer in the benchmark, except for issuers characterised by a clear direct involvement in the manufacture of prohibited or unconventional weapons for which the exclusions, included those provided for by Law No. 220/2021, apply; Limited Tracking Error products that explicitly integrate ESG factors into their investment choices are subject to the same exclusions as actively managed products.

¹¹ The Company believes issuers operating in the following sectors capable of generating significant adverse environmental impacts: (a) thermal coal, i.e. issuers deriving at least (i) 25% of their revenue or (ii) 20% of their revenue alongside expansion plans from mining or power generation activities related to thermal coal, i.e. the fossil fuel with the highest carbon dioxide emissions; (b) oil sands, i.e. issuers deriving at least 10% of their turnover from the exploitation of oil sands.

¹² Advanced remote reading and remote management systems for electricity, gas, and water, to measure consumption in real-time.

¹³ Biodiversity means “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.” (Source: Convention on Biological Diversity).

promoting (i) transparency in the sourcing and use of raw materials¹⁴, (ii) the adoption of circular economy and material reuse practices, and (iii) a continued commitment to more sustainable standards, including in the supply chain.

In this context, the *Responsible Investments & Stewardship* Structure has defined an internal *screening* methodology (“Eurizon Naturewatch”) that is inspired by the principles contained in the “Global Biodiversity Framework” (or “GBF”) of Kunming-Montreal¹⁵, aimed at identifying issuers that may generate negative impacts on biodiversity caused by (i) the location of their production sites near sensitive areas and fragile ecosystems or (ii) from its own activities. The objective of this methodology is to provide an assessment of the possible exposure of investee companies to issues related to ecosystem exploitation as well as the potential loss of value associated with it. In this context, the Company aims to identify companies with the potential to generate negative impacts on biodiversity in order to prioritise its engagement actions towards those with the greatest exposure to the above criteria.

In the context of its dealings with investee issuers, the Company encourages:

- the adoption by issuers in risky sectors¹⁶ of effective strategies and policies to preserve biodiversity that include the involvement of management and corporate bodies;
- the presence of the company's supply chain due-diligence processes, including how it works with stakeholders and/or participates in industry-relevant initiatives;
- investments in research and development aimed at the conservation and mitigation of biodiversity loss;
- transparency both on commitments made, including to local communities, and in the event of disputes.

In this regard, the Company encourages companies to disclose information about their impact on nature and ecosystems, in line with the recommendations of the Taskforce on Nature-related Financial Disclosure (TNFD).

Consistent with joining the collective engagement initiative “Nature Action 100”, the Company undertakes to request from the companies identified:

- an explicit corporate commitment to mitigating biodiversity loss and promoting the protection of ecosystems;
- the assessment and reporting of biodiversity-related impacts, risks and opportunities also along the respective value chains;
- to communicate (i) time-bound, context-specific objectives to reduce risks and exploit opportunities related to natural capital and to publish annual progress against stated objectives, (ii) the plan to achieve them, and (iii) progress achieved;
- verification by the respective supervisory bodies of matters relating to the conservation and preservation of biodiversity and the assessment and management of nature-related dependencies, impacts, risks and opportunities by management;
- engagement with Stakeholders to create an environment conducive to the implementation of identified plans and the achievement of objectives.

C) RESPECT FOR HUMAN RIGHTS AND COMBATING THE PRODUCTION OF UNCONVENTIONAL WEAPONS;

In line with the Sustainable Development Goals promoted by the United Nations, the Company encourages issuers to develop policies and practices aimed at effective management of their human capital. Companies are called upon to protect the health and safety of workers throughout the production chain and to commit to establishing a corporate culture that ensures good health and safety practices, implementing a clear management system for monitoring and, if necessary, taking corrective measures.

The Company expects issuers to implement due diligence assessment processes to prevent and mitigate risks related to human capital management, including the violation of fundamental human rights, including in the supply chain. The Company is aware of the importance of (i) the so-called “*Just Transition*”, based on respect for workers' rights and support for initiatives that promote the achievement of climate neutrality and (ii) respect for international human rights *standards*, such as the principles of the (so-called “UN Guiding Principles” and “UN Global Compact”), the OECD's Guidelines for Multinational Enterprises, and the international standards

¹⁴ The raw materials include: palm oil, soya, coffee, cocoa, timber, intensive livestock farming.

¹⁵ Introduced during COP 15, the GBF was defined with the objective of aiming to halt and reverse biodiversity loss by 2030, supporting the achievement of the UN Sustainable Development Goals. The GBF report's main recommendations include the need to integrate biodiversity into investment decision-making, assessing its dependencies, impacts, risks and opportunities.

¹⁶ Such as, by way of example: agriculture, fisheries and aquaculture, food, beverages and tobacco, forestry, thermal utilities, construction, electricity, water services, supply chains and transport, chemical industry, civil aviation, real estate, mining and metals, retail consumer goods, oil and gas, automotive, healthcare, electronics, insurance and capital management, banking and digital communication.

promoted by the International Labour Organisation, as well as (iii) the prevention and mitigation of any negative effects that may be generated by the investee companies.

With specific reference to the “Just transition”, in line with the commitments undertaken by adhering to the Net Zero Asset Management Initiative, the Company, as part of its analyses, also assesses the social aspects and impacts that issuers' decarbonisation plans may have on communities and workers. To this end, the Company analyses, on the basis of the information made available by the companies, any (i) commitments made (so-called “public commitment”), (ii) the analyses carried out and (iii) projects/programmes already underway, including with regard to staff training (so-called “reskilling” or “upskilling”). Where available, the Company also considers the indicator provided by CA100+¹⁷.

Furthermore, the Company calls for issuers to implement rigorous control and governance systems to mitigate the risks arising from the improper or unethical use of processes utilizing Artificial Intelligence tools, also with a view to promoting respect for data privacy.

With regard to compliance with international standards on respect for human rights, the Company encourages its investee companies to adopt corporate policies on respect for human and labour rights and welcomes the adoption of internationally recognised human rights principles.

The Company's Sustainability Policy provides for specific limitations for issuers who (i) violate the principles of the United Nations *Global Compact* “*UNGC*”) or the OECD Guidelines for Multinational Enterprises “*OECD Guidelines*”) or (ii) who operates in the prohibited weapons sector characterised by a clear direct involvement in the manufacture of of Anti-personnel mines, Cluster munitions, Biological weapons, Chemical weapons¹⁸, or unconventional weapons characterized by clear direct involvement in the manufacture of Nuclear weapons¹⁹, Depleted uranium, Non-detectable fragments, Blinding laser weapons, Incendiary weapons, or White phosphorus, and which are therefore capable of generating significant negative repercussions in the social sphere.

The Company reserves the right to initiate discussions with the issuers, with the aim of investigating compliance with international treaties and national legislation. On the basis of the information acquired, the Company assesses the appropriateness of activating escalation processes.

D) GOOD CORPORATE GOVERNANCE PRACTICES

The Company believes that issuers that adopt sound corporate governance practices are able to manage corporate risks more efficiently. For this reason, it promotes a constructive approach to the companies in which it invests and is aware of the importance of dialogue on corporate governance practices. The Company has therefore adopted principles and conduct to be followed when evaluating proposals on the agenda of the most significant shareholders' meetings, taking into consideration market best practices, including the Italian Corporate Governance Code and the main international Codes of Conduct (e.g. International Corporate Governance Network - ICGN).

As part of its engagement activities, the Company analyses:

- the composition, independence, and role of the Board of Directors, as well as the presence of any board committees, including for the assessment of ESG risks to which the company is exposed;
- diversity within the company, including with regard to corporate bodies and managerial functions;
- the method of electing directors;
- the manner of conducting and participating in shareholders' meetings;
- the company's remuneration and incentive policies, with a focus on alignment with long-term strategies;
- the transparency of climate transition strategies and the company's commitment to developing its workforce, promoting diversity and a safe working environment;

¹⁷ The “Just Transition” indicator of the Climate Action 100+ Net Zero Company Benchmark assesses how a company has committed to respecting Just Transition principles and disclosed its methods for managing and monitoring its progress.

¹⁸ The aforementioned 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 anti-personnel 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;
- Regulation (EU) 2018/1542 concerning restrictive measures against the proliferation and use of chemical weapons.

¹⁹ Issuers are not considered if they (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).

- information provided by issuers on the application of Corporate Governance Codes in their respective listing countries.

As part of monitoring activities, the Company requests listed investee issuers and their advisers to ensure that any information which could compromise the ability to trade financial instruments of such issuers are not disclosed without prior consent.

CONSIDERATION OF THE MAIN NEGATIVE EFFECTS ON SUSTAINABILITY FACTORS

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

In this context, the Company has a specific framework that defines how Adverse Impact Indicators are taken into account within the assets under management, in accordance with the SFDR implementation rules and consistent with the sustainability risk integration strategies adopted by each product.

The following table shows the mapping of the main adverse impact indicators taken into account in the dialogue activities with investee companies:

MAIN NEGATIVE EFFECTS ON SUSTAINABILITY	"MACRO-THEMES" IDENTIFIED BY THE COMPANY			
	MITIGATION OF AND ADAPTATION TO CLIMATE CHANGE	MITIGATION OF BIODIVERSITY LOSS	RESPECT FOR HUMAN RIGHTS AND COMBATING THE PRODUCTION OF UNCONVENTIONAL WEAPONS	GOOD CORPORATE GOVERNANCE PRACTICES
Greenhouse gas emissions	●			
Biodiversity		●		
Water		●		
Waste		●		
Indicators on social and personnel issues			●	●

Within the framework of Principle No. 3, the Company defines the timing and modalities of intervention and the related processes of *escalation* to be activated in the event of an unsatisfactory outcome of the dialogue activities.

Lastly, it is reported that the Company publishes the mitigation actions adopted in the '*Statement on the main negative effects of investment decisions on the sustainability factors of Eurizon Capital SGR S.p.A. and its subsidiaries*', made available on the Company's website.

PRINCIPLE 3 - THE COMPANY SHALL MONITOR ACTION TIMES AND PROCEDURES

MANAGEMENT COMPANIES SET OUT CLEAR GUIDELINES ON THE TIME FRAMES AND PROCEDURES FOR ACTIVITIES WITH LISTED INVESTEE ISSUERS, IN ORDER TO PROTECT AND INCREASE THEIR VALUE.

METHOD FOR IMPLEMENTING THE RECOMMENDATION:

The Company promotes proactive interaction with the companies in which it invests by encouraging effective communication, through one of the following approaches to engagement:

- “unilateral” where it is the Company or the issuer that initiates the communication (‘one-way’);
- “two-way”, if the Company and investee issuer have established a constructive dialogue;
- “collective”, if coordinated action is taken over targeted aspects regarding several institutional investors.

In general, the Company undertakes to carry out an in-depth investigation and establish a constructive dialogue with the administration and/or control bodies of “significant issuers”. For the purposes of identifying issuers relevant to the activation of the engagement process, the Company considers, in particular, those characterised by:

- significant exposure on managed products (holding of “significant amounts of capital”);
- significant compared to the benchmark of the individual assets under management;
- high exposure to sustainability risks, such as (i) involvement in sectors deemed capable of generating significant negative repercussions on the environment and/or in the social sphere.
(ii) exposure to environmental issues, such as the risk of biodiversity loss and deforestation, (iii) lack of respect for human rights, and (iv) lack of appropriate corporate governance practices.

The Investments Department monitors developments in the corporate governance and sustainability of investees, in order to assess whether to contact the officers of the companies it invests in. The purpose of this interaction is to:

- identify any problems, and at the same time minimise potential losses in value;
- steer companies towards improvements in their practices, evaluating, only as a last scenario, the disposal of investments.

Procedures for taking action with investee issuers may include²⁰:

- benchmarking with members of corporate bodies (including minority bodies), or the entities appointed by them, to specifically discuss the issues identified, through:
 - individual meetings, held at the head office of the Company or by conference call;
 - participation in events, such as presentations, seminars or conferences;
- the sending of formal communication to the corporate bodies and/o senior management of the companies.

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

ESCALATION PRACTICES

The engagement process includes a medium-term monitoring cycle aimed at assessing the progress made by issuers, with a particular focus on the “macro-themes” that the Company considers a priority. Such assessments normally require a time frame of at least 18-36 months.

If investee issuers do not respond constructively, the Company will consider activating appropriate escalation processes which, depending on the situation, may include 3 levels:

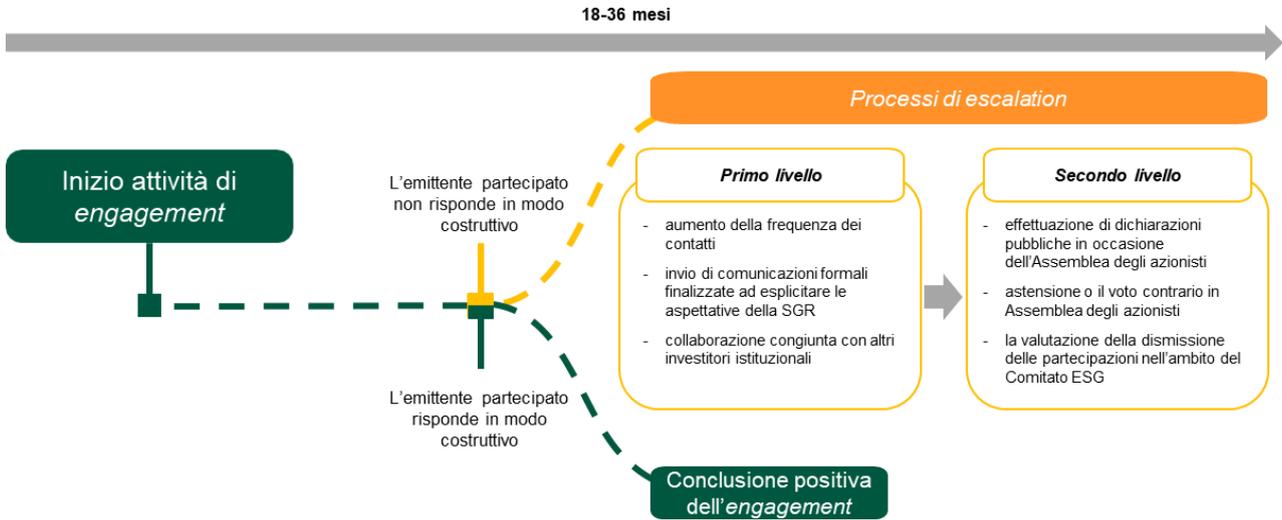
First level

²⁰ Under current regulations, the Company may not, through the open-ended funds it manages, exercise control or significant influence over the issuing company, including through participation in voting syndicates.
Engagement Policy

- increasing the frequency of contact with the issuer;
- the sending of formal communications aimed at explaining the Company's expectations;
- joint collaboration with other institutional investors, as outlined in Principle No. 4, for the purpose of submitting comments or specific requests for in-depth analysis of particular issues;

Second level

- making public statements at the Shareholders' Meeting;
- abstaining or voting against at the Shareholders' Meeting;
- the evaluation of the divestment of participations within the ESG Committee.



PRINCIPLE 4 - THE COMPANY SHALL COOPERATE WITH OTHER INSTITUTIONAL INVESTORS

MANAGEMENT COMPANIES SHALL ASSESS AS NECESSARY, POSSIBLE COOPERATION WITH OTHER INSTITUTIONAL INVESTORS, WHERE APPROPRIATE, PAYING PARTICULAR ATTENTION TO REGULATIONS GOVERNING JOINT ACTIONS;

METHOD FOR IMPLEMENTING THE RECOMMENDATION:

The Company shall recognise the benefits that may arise from promoting forms of collective engagement with other institutional investors. Specifically, as indicated for the purposes of Principle 3, the Company shall assess this solution when it believes it is the most effective choice for improving communication with the issuers. This circumstance may occur in the case of significant corporate events or matters of public interest.

Any type of collective engagement takes place in compliance with internal and external regulations on the management of conflicts of interest and inside information (market abuse), paying particular attention to regulations on concerted action. In particular, the Company does not cooperate with other institutional investors:

- with the intention of undertaking concerted actions or agreements relating to the acquisition, holding or sale of financial instruments;
- for the purposes of defining the composition of the corporate bodies of investee companies, outside the cases governed by the Assogestioni “*Protocol on the Tasks and Functions of the Corporate Governance Committee and the Management Committee*”;
- for the purpose of submitting binding proposals at the shareholders' meeting.

Within the framework of single collaborations, the Company reserves the right to select issuers with which it wishes to be more active. In particular, the Company takes part in the comparison activities with investee companies as:

- “leader”, contacting the companies on behalf of the Working Group and providing them with a summary of the activities carried out and the results obtained;
- “co-signatory”, choosing to actively support initiatives alongside “leader” investors both in preparing and/or attending meetings and signing letters to issuers;
- “endorser”, supporting the initiative publicly, although without direct participation in the activities.

Having said this, the Company collectively carries out monitoring, takes action and manages engagement activities, also through participating in:

- activities of the Corporate Governance Committee and the Assogestioni Managers Committee;
- initiatives promoted jointly with other institutional investors who are signatories to the following codes of business conduct:
 - “Responsible Investment Principles” promoted by the United Nations;
 - “Net Zero Asset Managers Initiative”;
 - “CDP”;
 - “Institutional Investors Group on Climate Change”;
 - “Forum for Sustainable Finance”;
 - “International Corporate Governance Network”.

Specifically, the Company has subscribed to the following collective initiatives:

- “Net Zero Engagement Initiative²¹” promoted by IIGCC, as Lead and Co-Signer;
- “Climate Action 100+”, as a signatory;
- “Nature Action 100” as a signatory;
- “Advance^{22/16}” promoted by UNPRI as a signatory.

²¹ Initiative to provide a forum to accelerate engagement activities within investment portfolios and enable investors to achieve the engagement goals they have set as part of their Net Zero commitments.

²² Collective engagement initiative aimed at encouraging best practices in respect of human rights, society, communities and workers.

The Company is also involved in the following national and international working groups.

- “PRI Listed Equity Working Group”, which aims to promote the implementation of methodologies to assess progress towards the Net Zero scenario with regard to listed equity investments;
- “PRI Circular Economy Reference Group”, with the aim of raising investor awareness of the risks and opportunities associated with the transition to a circular economy;
- “IIGCC Proxy Adviser Engagement Working Group”, aimed at spurring proxy advisers to take into account, in their voting policies, information on the alignment path to the “Net Zero” scenario of listed companies;
- “IIGCC Bondholder Stewardship Working Group”, which promotes the commitment of bondholders to support climate action and drive the transition towards achieving Net Zero;
- “IIGCC Sovereign Bonds and Country Pathways Working Group”, which promotes the net zero commitment in the context of investments in government issuers;
- “IIGCC Index Investing Working Group”, which explores the topic of net zero in passive investing;
- “IIGCC Climate Governance Working Group”, which aims to deepen knowledge regarding climate governance and related best practices;
- “IIGCC Just Transition Working Group”, aimed at supporting the promotion of a fair and inclusive transition towards the achievement of the Net Zero goal;
- “Engagement”, promoted by the Forum for Sustainable Finance;
- “Sustainable Systems Investment Manager Reference Group”, established by UN PRI with the aim of promoting regular discussions with management companies.

In any case, the Company reserves the right to subscribe to additional collective engagement initiatives deemed useful to pursue the best interests of its Investors. These include the Company's participation in campaigns promoted by:

- “CDP” (“Non-Disclosure Campaign” – climate, water, forest – and “Science-Based Targets Campaign”, as Co-Signer);
- “French Sustainable Investment Forum, FIR (‘Shareholder dialogue can lead to real progress on climate’);
- “UN PRI”, “IIGCC” and other network partners (“The 2024 Global Investor Statement to Governments on the Climate Crisis”).

Through dialogue, the Company intends to monitor the degree of awareness of issuers on specific issues. In the course of engagements, the Company shares with issuers any critical issues encountered and related mitigation actions.

PRINCIPLE 5 - THE COMPANY SHALL EXERCISE VOTING RIGHTS IN AN INFORMED MANNER

THE MANAGEMENT COMPANIES EXERCISE THE VOTING RIGHTS ATTACHED TO THE FINANCIAL INSTRUMENTS PERTAINING TO THE UCIS AND CONSCIOUSLY MANAGED PORTFOLIOS.

METHOD FOR IMPLEMENTING THE RECOMMENDATION:

The Voting strategy adopted by the Company entails a differentiated approach based on the significance of the investee, related reference markets and/or specific circumstance, and a cost/benefit analysis that takes into account the investment objectives and policies of the individual portfolios.

For the most significant shareholders' meetings, resulting from the adoption of quantitative and qualitative criteria, participation in individual meetings is authorised by the CEO and General Manager of the Company that also defines (i) the vote to cast, (ii) any specific indications to disclose, in the interest of investors, independently of any influence from within or outside the Company and (iii) procedures for participation, including proxies, for individual meetings, to give to specialised third-party companies, issuing specific instructions.

For this purpose, should one or more of these criteria be met, the *Responsible Investments & Stewardship* Structure defines proposals relating to voting instructions on the basis of (i) analyses and in-depth analyses carried out on public documents, (ii) available research supporting corporate governance decisions and voting recommendations, (iii) indications provided by reference managers and (iv) the results of any engagement with the issuer company, if considered useful or necessary.

The CEO and General Manager defines the vote to cast and the specific requests to make in the interests of investors, independently of any influence from within or outside the Company, and determines the procedures for participating in the meetings.

Save for the possibility of the Company to delegate specialised third-party companies, giving instructions to exercise voting rights, in the interest of managed assets.

With regard to the meetings for which the Company makes use of electronic voting (so-called proxy voting), instructions are defined on the basis of specific guidelines approved by the Board of Directors on the proposal formulated by the CEO and General Manager within the ESG Committee. The *Responsible Investments & Stewardship* Structure monitors the proper conduct of the process, submitting to the Chief Executive Officer and Chief Operating Officer (i) any unregulated cases or (ii) voting proposals that differ from the criteria set forth in this Strategy. In these cases, voting instructions are undertaken directly by the CEO and General Manager according to procedures consistent with those for shareholders' meetings, taking account of the adoption of quantitative and qualitative criteria.

Decisions taken are brought to the attention of the ESG Committee on the first possible occasion. The Committee also monitors the correct adoption of the Voting Strategy, in order to assess, in the interest of managed assets, any developments in guidelines for exercising voting rights.

To support its investment decisions and the exercise of its participation and voting rights, the Company uses the services of a voting consultant (proxy adviser, to streamline – in accordance with the principle of proportionality – the analyses preparatory to the definition of voting instructions. Recommendations made by this adviser are not binding and the Company may make, in the best interest of managed assets, voting decisions that differ from the proxy adviser and from the recommendations of the investee's management. In any case, the Company actively liaises with its adviser, avoiding an excess influence of the latter on the process to exercise voting rights ("over-reliance").

As a signatory of the United Nations "Principles for Responsible Investment", the Company uses specialised research which also includes information on the social and environmental responsibility of issuers, aimed at identifying any impact in terms of reputation, competition and business opportunities determined by corporate governance choices.

The Company considers exercising the right to vote concerning financial instruments of managed assets issued by group companies or by companies with whom the Company, its significant members or group companies have strategic relations or in relation to which group companies of the Company nominate or appoint one or more members of corporate bodies as a conflict of interest.

Therefore, the Company has adopted the “Independence Protocol for managing conflicts of interest” prepared by Assogestioni, with the aim of safeguarding the decision-making autonomy of the Company in its choices concerning the provision of management services. In this context, as a preventive neutralising measure, the Company does not exercise the right to vote concerning shares of managed assets issued by companies that are directly or indirectly parents, or in relation to whom SGR Group companies appoint or designate one or more members of the company boards. The Company may still aggregate shares of managed assets issued by these companies, in order to reach the minimum quota of holdings required by regulations in force for presenting lists of candidates for the renewal of the corporate positions in question.

As indicated with reference to Principle 1, regarding Portfolio Management, the voting right is exercised exclusively if specific instructions from the investor are present, issued through a proxy and in accordance with applicable laws and regulations - in compliance with and according to the limits of indications issued, which shall be received no later than the contract cut-off date.

PRINCIPLE 6 - THE COMPANY SHALL KEEP TRACK OF THE EXERCISE OF RIGHTS

MANAGEMENT COMPANIES KEEP TRACK OF THE EXERCISE OF THE RIGHTS ATTACHED TO THE FINANCIAL INSTRUMENTS PERTAINING TO THE UCIS AND MANAGED PORTFOLIOS, ADOPTING A POLICY ON THE DISCLOSURE OF INFORMATION ON EXTERNAL GOVERNANCE.

METHOD FOR IMPLEMENTING THE RECOMMENDATION:

As also outlined in the implementation of Principle no. 1, the Company makes available on its website the “Engagement Policy” and the “Voting Strategy” in which it also provides evidence of its adherence to (i) the “Stewardship Code” promoted by the European Fund and Asset Management Association (EFAMA) in order to encourage, at a European level, the development of good corporate governance practices and (ii) the “*Italian Stewardship Principles*”²³ for the exercise of administrative and voting rights in listed companies and the related Best Practice Recommendations defined by Assogestioni, as well as to the UN “Principles for Sustainable Investment”, demonstrating its commitment to high standards of external corporate governance.

In addition, the Company provides transparency in the exercise of intervention and voting rights through:

- the website, publishing periodic information on the participation in the Assemblies and the activity of engagement performed with companies whose securities are present in the portfolios of the managed UCIs;
- the management report of the UCIs, in which details are given of the votes cast and the conduct of the UCIs.

These documents include information of both a qualitative and quantitative nature.

The Company emphasises the formalisation of the necessary documentation to guarantee full traceability of the decision-making process involved in exercising attendance and voting rights, as well as in interactions with the issuing companies.

The *Responsible Investments & Stewardship* Structure is responsible for updating the Engagement Policy, and it does so with the assistance of the relevant departments within the Company.

The Compliance & AML Function carries out periodic checks on the correct application and effectiveness of the measures adopted by the Company for the purpose of implementing the regulations in force at the time and the Recommendations defined by the Trade Association.

²³ The Principles defined by Assogestioni are aligned with those contained in the EFAMA Code for External Governance approved at the European Fund and Asset Management Association (EFAMA) to which Assogestioni participates and of which Eurizon Capital SGR is also a member.

PART IV - UPDATES AND TRANSPARENCY

CONTROLS AND UPDATES

The Engagement Policy is subject to periodic reassessment, i.e. upon the occurrence of relevant circumstances that require its amendment and/or integration, so that the definition of the behaviours that the Company undertakes to adopt is constantly updated, also to take into account the changes in the organisational structure of the Company and the services it provides, and so that the solutions identified for the mitigation of any conflicts of interest detected are kept under high control.

Proposals to amend the Policy are overseen by the *Responsible Investments & Stewardship* Structure, in coordination with the Compliance & AML Function and the *Outsourcing Control & Cybersecurity* Structure, with the aim of assessing the consistency of the practices adopted by the Company with respect to the evolution of best practices developed at national and international level.

Any changes are brought to the attention of the ESG Committee, prior to their presentation to the Board of Directors.

TRANSPARENCY

In accordance with the provisions of the regulations in force, the Company makes this Policy, and any relevant amendments to it, available to its Customers/Investors and other stakeholders, which is made available on the website www.eurizoncapital.com.

In addition to the information made available to Customers/Investors in accordance with the regulations in force, as signatory of the "*Italian Stewardship Principles*", the Company periodically transmits a specific information flow to the Assogestioni Category Association on the state of application of the Principles, highlighting the changes that have occurred with respect to the information communicated the previous year.

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.

ANNEX

FRAMEWORK OF THE STRUCTURES INVOLVED IN THE ENGAGEMENT POLICY

The following section summarises the functions responsible for the activities described in this document, grouped according to the areas they oversee:

STRUCTURE	COMPETENT ORGANISATIONAL UNITS	
	PRODUCTS GOVERNED BY ITALIAN LAW	PRODUCTS GOVERNED BY LUXEMBOURG LAW
Investment Department	Investment Division	Investments Structure
Operations Department	Operational Governance Division	Operations & Finance Structure
Compliance & AML	Compliance	Compliance - Luxembourg Branch