



# Global ESG report 2023

April 2024 edition





# Global ESG report 2023



**EURIZON**  
ASSET MANAGEMENT

# Index

<b>Eurizon</b>	
Who we are	2
Our tangible contribution to building a better society	3
The approach to sustainability	4
Eurizon's responsible process	5
The Eurizon range of Sustainability Focused Funds	6
People at the centre...	7
The circularity for Eurizon	9
<hr/>	
<b>ESG Report</b>	
Contribution to SDGs	11
Contribution to SDGs: Case Study	12
ESG Report	19
Focus on - Eurizon Fund - Equity Circular Economy	22
Focus on - Eurizon Fund - Bond High Yield	23
<hr/>	
Eurizon's ESG Funds characteristics	24
<hr/>	
<b>Methodological notes</b>	
Methodological notes	25



*Sustainability has become unavoidable: the financial world must move towards common goals within an internationally shared regulatory framework and policies. Eurizon has been committed to ethical and responsible issues for 25 years. Over time, since the introduction of the SFDR (Sustainable Finance Disclosure Regulation), Eurizon has significantly increased the number of Article 8 and 9 ranked products: from 123 funds, accounting for 41% of the AUM of sustainability-linked funds out of total managed funds, to over 306 funds, accounting for 73% of the AUM of sustainability-linked funds. This result demonstrates our commitment and the centrality that sustainability-themed investments have in our company, in line with the objectives of the Intesa Sanpaolo Group's business plan.*

*People are at the heart of Eurizon's business model, which prioritises health and safety in the workplace, workers' rights and gender equality, while also constantly investing in the training and skills development of all its resources.*

*Eurizon not only has an interest as an employer, but also as a responsible investor, through its participation in the shareholders' meetings of the companies in which it invests, which allows it to influence corporate issues related to sustainability, and through its engagement activities, enabling it to discuss and dialogue with companies to monitor and determine commitments on specific issues. Eurizon stands out and has distinguished itself for its concrete, committed and transparent approach.*

*The Global ESG Report is an example of this, alongside the Green Bonds Impact Report, the Stewardship Report and the Sustainability Report, which are all tools to clearly and exhaustively represent how our company also invests and promotes environmental and social characteristics and adopts sound governance practices. Should you wish to explore the issues raised in our Global ESG Report, your usual contact person will be on hand to answer your questions, knowing that the values of sustainability are second nature to Eurizon.*



## Who we are

Being Eurizon means sharing strong values: Dedication, 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.

381

billion euros  
of Assets under  
Management

16.9%

market share  
in Italy

operating in  
25  
countries

Data by Assogestioni and processing  
by Eurizon as of 31/12/2023

## 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.

**Dedication:** 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.

## our corporate values

## our vision

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 or own qualities.



## 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 3.5 million euros, allocated to around 120 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 2023** 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 over 740.000 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.



## The approach to **sustainability**



Eurizon's vision and mission underline the importance of cooperating with investee companies, to promote rules and a behaviour that encourage sustainable investment aspects and foster high standards of governance of investee issuers.

For more than 25 years at the forefront of promoting sustainable development, the process undertaken bears witness to a deep-rooted commitment to ethical and responsible issues. Eurizon believes that companies which take ESG factors into account when conducting their business are more likely to generate sustainable profits and thus have a greater chance of increasing their value over time. Therefore, Eurizon encourages its investee companies to promote a behaviour that prioritises sustainability aspects and encourages the adoption of best corporate governance practices.



# Eurizon's responsible process

Eurizon integrates ESG factors into the investment process through policies and procedures that govern its methods, in line with the Intesa Sanpaolo Group's approach to sustainability, with the aim of assessing the consistency of the methodologies adopted by the SGR with respect to the evolution of best practices developed at national and international level.

Since 2021, Eurizon has adopted its 'Sustainability Policy', which describes the safeguards for integrating sustainability risks into the Investment Process related to collective asset management and portfolio management services and recommendations made within the investment advisory service. In addition, to govern its participation in the corporate matters of the listed issuers it invests in, the Company has drawn up a 'Strategy for exercising participation and voting rights concerning financial

instruments of the assets managed by Eurizon Capital SGR S.p.A.', which describes the principles and conduct adopted by Eurizon Capital in the context of its stewardship activities and, in particular, with regard to the exercise of voting rights.

In 2023, Eurizon Capital SGR updated the 'Engagement Policy', which describes the behaviours adopted to foster dialogue with issuers, overseeing the management of corporate governance issues, as well as environmental and social issues, in accordance with the applicable regulatory framework and the Stewardship Principles endorsed.

## Eurizon's commitment to ESG and SRI themes





# The Eurizon range of Sustainability Focused Funds

149

AUM  
bn of Euros

306

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 2023, **306 products classified as Article 8 and 9** based on the **SFDR Regulation** reached a worth of 149 billion euros, i.e. 73.3% 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, **298** of them, are classified as Article 8 and diversified across **65** equity, **88** bond and **145** 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 **8** mutual funds, classified as Article 9. The 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.



## People at the centre...

People are at the centre of Eurizon's business model, which gives the utmost importance to health and safety in the workplace, to workers' rights and gender equality, while also constantly investing in the training and skills development of all its resources. Eurizon not only has an interest as an employer, but also as a responsible investor, through its participation in the shareholders' meetings of the companies in which it invests, which allows it to influence corporate issues related to sustainability, and through its engagement activities, enabling it to discuss and dialogue with companies to monitor and determine commitments on specific issues.

In 2023, Eurizon once again received the Citywire Gender Diversity Award, a recognition for fund management companies that are committed to promoting gender equality and diversity in the sector and in their companies. Our company has attached great importance to this issue and has adopted and promotes Diversity & Inclusion Principles, which it is committed to ensuring gender equality in HR processes and personnel management. We believe that a respectful and harmonious working environment where people can freely express themselves is fundamental. Our HR team works to offer all colleagues the same opportunities for growth. Gender equality starts with the recruitment

process, which is evaluated on a regular basis. Eurizon has adopted the international Position Evaluation, an evaluation process that determines the relative value of each role. Decisions on remuneration and incentives are based on internal principles and policies, and are not influenced by gender, but take into account skills and professional development.

We are focusing on stimulating and encouraging applications from women to create a gender-balanced group of candidates, with at least 50% female candidates for each job vacancy.

Our company invests a great deal of energy in establishing and maintaining profitable relations with leading Italian universities.

We participate in numerous initiatives, launched throughout Italy, aimed at encouraging women to pursue careers in investment management. Many of our fund managers have participated as speakers to tell their stories and share their experience with young women entering the labour market. In addition, the company actively participates in the 'ICU' ('Your Human Capital') project, that identifies and selects internships for young people entering the world of asset management. The company makes efficient use of this opportunity to select candidates equally distributed by gender, and thus increase gender diversity within the workforce of the Investments Department.

Female staff are also supported by a unique



development initiative called 'Female leadership accelerates', which provides special training and coaching aimed at enhancing soft skills and helping women create networking opportunities within the Group. The company also promotes several initiatives involving young fund managers as witnesses. These include YEP - Young Women Empowerment Program, for the empowerment of young female students in South Italy. The company contributes to this project through the participation of numerous women as spokespersons to promote a culture of gender equality, by counteracting stereotypes and inequalities in education and the professional world. We are also involved in the 'InspirinGirls' project, an international project that aims to create an awareness in girls of their talents, abilities and future opportunities by freeing them from gender stereotypes that hold back their ambitions. Through 'InspirinGirls', volunteers from different sectors and professions share their professional and life experiences with secondary school students, building a concrete bridge between school and the world of work.

Eurizon is an active member of Assogestioni's 'Diversity & Inclusion Committee' and promotes the adoption of Diversity, Equity and Inclusion best practices within our industry. Since 2016, Eurizon has been a member

of ICGN, an organisation that defines guidelines to implement efficient standards of corporate governance, promoting Diversity not only with reference to gender but also to age, ethnicity, social and economic origins, professional skills and personal characteristics.

Finally, in December 2022 we obtained the gender equality certification foreseen in the National Recovery and Resilience Plan (NRRP). Armed with these certifications and data, we work daily to improve our management of gender equality.

We know there is a long way to go and we are working to create a gender-neutral environment. In line with our group as a whole, our remuneration and incentive policies ensure that Eurizon staff have an equal level of pay, also in terms of the conditions applied to assign remuneration. Eurizon also actively supports gender equality in its voting strategy, encouraging proposals aimed at improving the pay gap and monitoring diversity initiatives. Among the various social issues, during 2023, the Company supported shareholder proposals to improve disclosure on the impacts of company policies adopted for the protection of human and workers' rights, ethnic minorities and gender equality.



# The circularity for Eurizon



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. 3 questions to Corrado Gaudenzi, Head of Long Term Sustainable Strategies at Eurizon.

## What impact is the current geopolitical picture having on the energy transition?

The invasion of Ukraine has generated negative near-term effects on the timeline laid out for energy transition programmes in Europe, as the amount of electricity generated using coal-fuelled power plants has had to be stepped up. At the same time, however, the outbreak of the war has accelerated energy reconversion plans, also geared to achieving energy independence. The net balance of these two effects could therefore turn positive in the medium-long term.

## What is the relationship between the financial world and the circular economy?

The financial sector represents a fundamental tool in channelling capitals towards a more sustainable economy, for instance by



## The circularity for Eurizon



financing projects aimed at supporting decarbonisation, as public sources of financing are not sufficient to reach the goals laid out. To date, the role played by the financial institutions in promoting the circular transition of companies has been very limited. One of the few tangible examples in the European panorama is the circular project financing envelope, worth 6 billion euros, promoted and implemented by the Intesa Sanpaolo group in the 2019-2022 triennium and carried forward in the new three-year business plan.

### What strategy is Eurizon pursuing, and what is the circularity score?

Eurizon has activated a project to enable it to invest in companies at the forefront

of the circular transition, resulting in the creation of a dedicated global stock fund:

#### **Eurizon Fund – Equity Circular Economy.**

In order to identify leader businesses in the circular transition, Eurizon has developed a methodology to estimate the degree of circularity of listed companies, based on the meticulous gathering of information published on corporate websites. The methodology takes into account the nature of production process inputs (virgin raw materials vs. recycled, for instance), the efficient management of products at the end of their life cycle, and other relevant aspects, such as the capacity to design products with components that are easy to replace or disassemble, and that can be reused in other contexts. Furthermore, in estimating the degree of circularity, the circular transition initiatives implemented by the company are also taken into account, in terms of relations with the supply chain, customers, and public and private proximity infrastructures. Investing in companies that are better structured and at a more advanced stage of this transformation path could bring many advantages. Businesses with a good level of circularity could enjoy a competitive advantage over other companies in the same sector of activity, thanks to the ability to anticipate market trends. In the medium-long, term these businesses could be able to generate more stable earnings and cash flows, to take on the near-term investments needed to make the transition to a circular model.



## Contribution to **SDGs**

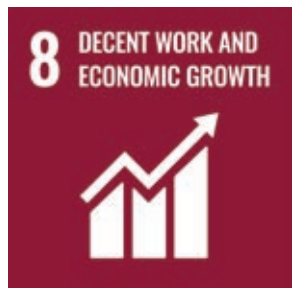
The 17 Sustainable Development Goals (SDGs) approved by the United Nations are part of the 2030 Agenda for Sustainable Development, a broad plan of action for people, the planet and prosperity, signed in September 2015 by the governments of the 193 UN member states.

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 art.8 and art.9 funds based upon SDGs:  
the percentage of alignment of the AuM of funds to SDG principles



50%



50%



48%



46%



39%



35%



35%



19%



16%

*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

#### Ensure healthy lives and promote well-being for all at all ages.

Every year 6 million children below the age of 5 and about 300,000 women during pregnancy or childbirth die. 400 million people lack access to services for the prevention of sexually transmitted diseases and, in general, to health care services. In addition, the health of people at global level is under threat from new emerging or deep-rooted phenomena: drug abuse, road traffic accidents, air, water and soil pollution. SDG 3 aims to reduce the global rate of maternal and infant mortality, ensuring health care coverage for all and a decrease in deaths related to smoking, alcohol abuse and road traffic accidents.

#### Impactful Targets and Actions

Diabetes Care, Access and Affordability, Prevention and Treatment, and Employee Well-being.

#### Novo Nordisk

**Description:** Novo Nordisk, a global healthcare company, is at the forefront of fighting diabetes and other serious

chronic diseases. Their commitment to SDG 3 encompasses providing innovative care solutions, improving access to affordable medicines, and enhancing health outcomes worldwide.

#### Impactful Targets and Actions

1. **Diabetes Care:** Novo Nordisk aims to halt the rise of diabetes and ensure vulnerable patients in every country have access to affordable care. They reached 40.5 million patients with diabetes care products in 2023, up 12% from the previous year.
2. **Access and Affordability:** Through their Access to Insulin Commitment, they provided human insulin vials at or below USD 3 in over 80 countries, reaching 5 million patients in 2023, a significant increase aimed at enhancing affordability.
3. **Prevention and Treatment of Childhood Diabetes:** Their Changing Diabetes® in Children program reached 52,249 children and youth by the end of 2023, providing comprehensive diabetes care in low- and middle-income countries.
4. **Employee Well-being:** Novo Nordisk promotes a healthy and engaging work environment, focusing on mental, physical, and safety well-being of employees, and commits to being a sustainable employer through initiatives like the Evolve employee survey.



# Contribution to **SDGs**: Case Study



## SDG 7 AFFORDABLE AND CLEAN ENERGY

### Ensure access to affordable, reliable, sustainable and modern energy for all

It is essential that everyone in the world can obtain enough energy to improve access to heating systems, lighting in schools and hospitals, communication, access to the Internet and work tools, all the issues that have a direct impact on development. The United Nations Development Programme (UNDP) states that to lead a decent life, the minimum daily consumption of electricity per person is 0.5 kWh. To date, one person in five has no access to electricity. Moreover, at present, the global economy depends heavily on fossil fuels, contributing to the increase of greenhouse gas emissions, the consequences of which have serious impacts in humanitarian, social and environmental terms. The SDG 7 aims to ensure universal access to sustainable, reliable, and modern sources of energy in order to improve the lives of millions of people. This goal promotes both the increased use of renewable energy to replace fossil fuels as well as energy efficiency, creating a fully sustainable economy, for the benefit of

society and the environment.

### Impactful Targets and Actions

Energy Efficiency, Renewable Energy, Education, and Community Engagement.

### Schneider Electric

**Description:** Schneider Electric, a global leader in the digital transformation of energy management and automation, commits to ensuring access to affordable, reliable, sustainable, and modern energy for all. Their initiatives span across energy efficiency solutions, renewable energy promotion, educational programs, and community support, aiming to empower societies and reduce the energy divide.

### Impactful Targets and Actions

- 1. Energy Efficiency:** Innovations in energy management and automation technologies to reduce energy consumption and carbon footprint across various sectors, supporting the global transition to a more energy-efficient world.
- 2. Renewable Energy:** Deployment of renewable energy solutions and services to increase the share of renewables in the global energy mix, contributing to the reduction of greenhouse gas emissions.
- 3. Education and Capacity Building:** The Schneider Electric Foundation focuses on training youth and

underserved communities in energy management, aiming to improve job prospects and quality of life. Over 20 years, the foundation has supported initiatives aligning with the Schneider Sustainability Impact program and the SDGs, emphasizing the importance of vocational and entrepreneurship training for sustainable development.

- 4. Community Engagement and Volunteerism:** Through the Volunteer In program, Schneider Electric encourages its employees to engage in mentoring, training, and supporting local partners, amplifying the impact of sustainable development efforts worldwide.
- 5. Access to Green and Reliable Electricity:** Schneider Electric expanded access to green and reliable electricity for 5.5 million people in 2022 through its solutions and projects, demonstrating its commitment to ensuring universal energy access.
- 6. Energy Management Training:** About 70,000 individuals benefited from Schneider Electric's energy management training programs in 2022, emphasizing the company's focus on education and capacity building in energy efficiency and management.



# Contribution to **SDGs**: Case Study



## SDG 8 DECENT WORK AND ECONOMIC GROWTH

### Promote inclusive and sustainable economic growth, employment and decent work for all

During the last 25 years the number of workers living in extreme poverty has fallen considerably. However, more than 780 million people earn no more than \$2 a day. On the other hand, according to the International Labor Organization (ILO), there are more than 204 million unemployed people today. The lack of work and the poor quality of it indirectly impacts on the rise of poverty and inequalities at global level. SDG 8 aims to achieve sustainable and inclusive economic growth, which can benefit all and that is not detrimental to the environment. This will only be achieved by creating decent jobs for everyone, especially for women, young people and other disadvantaged groups, eliminating practices such as forced and child labour and promoting technological innovation.

### Impactful Targets and Actions

Skills Development, Economic Empowerment, Digital Inclusion, Sustainable Business Practices, Employee

Engagement.

### Microsoft Corporation

**Description:** Microsoft, a global technology leader, is deeply committed to fostering economic growth and employment opportunities through digital innovation and sustainable business practices. Microsoft's initiatives across skills development, digital inclusion, and sustainable operations are designed to create more equitable economic opportunities worldwide.

### Impactful Targets and Actions

#### 1. **Skills Development and Economic Empowerment:**

Microsoft's AI Skills Initiative, aimed at closing the global skills gap, is an expansive effort to drive global economic opportunity and upskill a global workforce for the digital economy. Microsoft has committed to empowering individuals and communities with the digital skills necessary for the future workforce, including:

- Digital Business Curriculum: Partnering with the International Labour Organization (ILO) and its International Training Centre (ITC-ILO), Microsoft supports 30,000 women entrepreneurs in 10 countries with digital business curriculum, business coaching, certifications, and funding to digitize their businesses.
- Learning Passport Initiative: In

collaboration with UNICEF, Microsoft offers digital education and skills through the Learning Passport, a platform optimized for delivery in the Global South, impacting approximately 4.7 million children and young adults.

- Employee Engagement in Sustainability: Launched the "Sustainability in Action" badge, a company-wide training program to enhance employee knowledge and engagement in sustainable practices. By July 2022, over 13,500 global Microsoft employees completed this foundational sustainability training. Introduced role-specific sustainability training in 2022 for more targeted employee development.
- 2. **Digital Inclusion:** Microsoft's Airband Initiative aims to extend high-speed internet access to 250 million people in underserved areas globally, with a specific focus on bringing connectivity to 100 million people in Africa by 2025.
- 3. **Sustainable Business Practices:** Microsoft is dedicated to implementing the United Nations Guiding Principles on Business and Human Rights (UNGPs) across its operations and global supply chain, ensuring responsible and ethical business conduct. This includes a commitment to accessibility and digital inclusion, as seen in the partnership with AI4Bharat, using AI to make applications more accessible for the Indian Sign Language (ISL) community.
- 4. **Advancing Digital Safety and Cybersecurity:** Through initiatives like



# Contribution to SDGs: Case Study



AccountGuard, Microsoft provides cybersecurity services in 33 countries, offering an extra layer of protection to high-risk organizations foundational to democracy.



## SDG 10 REDUCED INEQUALITIES Reduce inequality within and among countries

Income inequality around the world is on the rise. The richest 10% of the population owns 40% of the total world income, while the poorest 10% hold between 2% and 7%. At the same time, the inequality between the rich and the poor within individual countries is also increasing. In developing countries, in particular, the internal inequality has increased by 11% in the period between 1999 and 2010. These differences affect income equality among people, especially access to decent work and health and education services. In addition, there are some groups of vulnerable people, such as migrants or the disabled, who suffer an even greater disparity regarding opportunities. Inequality is an obstacle to social and economic development, increasing global poverty and discouraging the spirit of achievement and self-esteem of people.

SDG 10 aims to reduce disparities in income and opportunity among countries and within them, reducing poverty in the more disadvantaged areas, encouraging social, economic and political inclusion for everyone, by promoting policies at international level to improve regulation and control of the markets and financial institutions. Moreover, it should facilitate the responsible and safe migration and mobility of migrants.

### Impactful Targets and Actions

Workforce Diversity, Supplier Responsibility, Societal Innovation, Environmental Sustainability, AI for Inclusive Growth.

### NVIDIA Corporation

**Description:** As a global leader in accelerated computing, NVIDIA is at the forefront of AI, robotics, and computational breakthroughs. The company is deeply committed to fostering diversity within its workforce, promoting responsible sourcing in its supply chain, driving societal innovations through its technologies, and advocating for environmental sustainability.

### Impactful Targets and Actions

#### 1. Workforce Diversity & Inclusion:

- Women represent 19.2% of the workforce, with 25.0% in outside director positions and 40.0% as named

executive officers, showcasing gender diversity.

- 2.7% of U.S. employees identify as having disabilities, reflecting an inclusive work environment for people with different abilities.
2. **Responsible Supply Chain:**
- Over 60% of key suppliers reported renewable energy use, demonstrating NVIDIA's commitment to environmentally responsible sourcing.
  - Aims for 100% conflict-free gold, tantalum, tungsten, and tin (3TG) in products, promoting responsible minerals sourcing.
3. **Societal Innovation through AI & Computing:**
- Advanced healthcare innovations with NVIDIA Clara, enabling significant breakthroughs in drug discovery, genomics, and medical imaging, thus democratizing access to cutting-edge medical technology.
  - Developed the NVIDIA DRIVE platform to enhance road safety and efficiency in autonomous vehicles, contributing to safer and more accessible transportation solutions.
4. **Leveraging AI for Inclusive Growth:**
- National AI Infrastructure Expansion: NVIDIA is instrumental in augmenting national economies by assisting over a dozen countries since 2019 through the AI Nations initiative to construct their own AI ecosystems, thus enabling equitable technological access.



# Contribution to **SDGs**: Case Study

- Economic Impact through AI: NVIDIA's innovations in AI are projected to unlock trillions in economic dividends, with a focus on democratizing AI benefits across diverse economies.
- Localized AI Applications: NVIDIA's partnerships, like with France-based Scaleway and Swisscom Group, are geared towards harnessing the power of AI locally, such as developing Europe's most powerful AI supercomputers with over 1,000 NVIDIA Tensor Core GPUs.
- Sovereign AI Adoption Rates: In collaboration with companies such as SoftBank Corp., NVIDIA is driving the deployment of generative AI platforms, aiming to accelerate 5G and 6G applications, which are essential for equitable technological dissemination.
- NVIDIA Corporation's initiatives not only embody its commitment to reducing inequalities but also reflect its broader role in advancing sustainable development and ethical practices within the tech industry and beyond. Through strategic investments in diversity, responsible sourcing, innovative technologies, and environmental sustainability, NVIDIA is making a significant impact towards achieving SDG 10 and fostering a more equitable and sustainable future.



## SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

### Ensure sustainable consumption and production patterns

SDG 12 aims to ensure the welfare of people through access to water, energy and food, while reducing the excessive consumption of natural resources. The current models of production and consumption bring about a considerable waste of resources and damage to ecosystems globally. It is estimated that the global population will reach 9.6 billion by 2050; with this number of people the natural resources of three planets would be required to meet the needs of employment and consumption at global level. Natural resources need to be used efficiently and distributed equitably among the population, so that everybody has access to electricity, clean water and adequate food. Therefore, it is important to change the model of production as well as consumption habits. Through SDG 12 the United Nations aspire to change the current model of production and consumption in order to achieve an efficient management of natural resources, setting in motion, for example, processes for the elimination of food waste, the

use of eco-sustainable chemical products and the reduction of waste in general. In the promotion of an efficient approach, responsible and sustainable natural resources, this SDG is aimed at companies (production processes), people (consumption and practices such as sustainable tourism), and governments (at the regulatory level, for example, disincentivizing the use of fossil fuels).

### Impactful Targets and Actions

Circular Economy, Climate Action, Sustainable Supply Chain, and Sustainability Policy.

### ASML

**Description:** ASML is a pivotal enabler in the semiconductor industry, pioneering photolithography machines critical for chip manufacturing. The company is committed to sustainable practices, focusing on reducing environmental impact, enhancing supply chain responsibility, and supporting a circular economy to achieve SDG 12.

### Impactful Targets and Actions

1. **Circular Economy Initiatives:** ASML emphasizes refurbishing and upgrading existing equipment, and reducing waste generation. The financial commitment to these initiatives can be seen in their goal to reduce waste generation by 50% by 2025 and reach zero waste to landfill by 2030.



## Contribution to **SDGs**: Case Study

### 2. **Climate Action and Energy**

**Efficiency:** The company's revenue is directed towards achieving net-zero emissions in its operations by 2025. ASML invests in renewable energy and energy-efficient technologies. This investment is a concrete step towards reducing the carbon footprint of both its own operations and its value chain by 2040.

**3. Responsible Supply Chain:** The allocation of resources towards ensuring a responsible supply chain is evident in their relationship with over 5,100 suppliers. ASML commits to enhancing the sustainability of their supply chain, as reflected in their financial targets, such as the aim to have 80% of their supplier spend covered by a commitment to sustainability by 2025.

**4. Sustainability Policy:** Through its sustainability policy, ASML aligns with global sustainability goals, focusing on energy efficiency, waste reduction, and responsible water use. This policy guides ASML's strategic decisions and operations, ensuring a sustainable future.

- ASML's strategic initiatives not only illustrate its dedication to SDG 12 but also reflect its broader role in promoting sustainable development within the tech industry and beyond. Through innovative solutions and responsible practices, ASML is making significant strides towards responsible consumption

and production, setting a benchmark for sustainability in the semiconductor manufacturing sector.



### **SDG 13 CLIMATE ACTION**

#### **Take urgent action to combat climate change and its impacts**

Climate change is a phenomenon that affects every single country and person in the world. Global warming continues to increase, greenhouse gas emissions are currently 50% higher compared to 1990 levels, and it is expected that by 2030 there will be a further increase of 45%, unless they are immediately counteracted. There are direct consequences for the planet, causing warmer oceans, a rise in sea level, the melting of polar glaciers and extreme weather events, such as fires, desertification, drought, earthquakes, floods and tsunamis. These phenomena also have an impact on people, destroying crops, making it difficult to access water, causing diseases and blocking real social and economic progress. The consequences of climate change may be irreversible if urgent measures are not taken. *SDG 13* seeks to introduce climate change as the primary issue on the political agenda, in the strategies and programmes of national

and regional governments, and of firms and civil society, improving the response to the problems created such as natural disasters, and promoting education and raising awareness of the entire population.

### **Impactful Targets and Actions**

Carbon Emission Reduction, Sustainable IT, Renewable Energy, Electric Vehicles, and Beyond Value Chain Initiatives.

### **Capgemini**

**Description:** Capgemini, a global leader in consulting, digital transformation, technology, and engineering services, is committed to environmental sustainability. It aims to manage and reduce its environmental impacts while leveraging its business expertise to help clients address their sustainability challenges.

### **Impactful Targets and Actions**

#### **1. Carbon Emission Reduction:**

- Capgemini aims to reduce its carbon emissions by 90% across all scopes by 2040, with near-term targets for 2030 including a significant reduction in Scope 1 & 2 emissions, business travel, and commuting emissions.
- 2022 Progress: Achieved a 64% reduction in carbon emissions per employee, an 88% reduction in Scope 1 & 2 emissions, a 68% reduction in carbon emissions from business travel per employee, and a 51% reduction in carbon emissions from commuting.



# Contribution to **SDGs**: Case Study



2. **Sustainable IT**: Launched a sustainable IT transformation roadmap focusing on reducing IT energy consumption, minimizing the embedded carbon footprint of IT equipment, and investing in sustainable IT tools and talent.
3. **Renewable Electricity**: Committed to transitioning to 100% renewable electricity by 2025. Achieved an 89% share of renewable electricity in 2022, with significant contributions from Capgemini India transitioning to 100% renewable electricity.
4. **Electric Vehicles (EVs)**: Committed to transitioning its company car fleet to 100% electric vehicles by 2030. As of the end of 2022, 24% of the global company car fleet is either plug-in hybrid or fully electric.
5. **Beyond Value Chain Initiatives**: Investing in projects to abate and remove carbon from beyond its own value chain as part of its commitment to reach net zero by 2040. This includes supporting forestry restoration projects to remove carbon dioxide while also delivering positive biodiversity and social impacts.



## ESG Report

# Environmental



### Pollution reduction

**2,663,209**

Tonnes of carbon dioxide emissions saved

**35,775,322**

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



### Water savings

**624,536,076,354**

Litres of water saved

**249,814**

Water saved as measured in Olympic size swimming pools.



### Waste management

**55%**

Percentage of companies that implement major programmes for the management and reduction of waste;  
+5% compared to the Mainstreet Partners composite index (see methodological notes).



# Social



## Treatment of patients at risk

**455,071**

Number of specific treatments made available for patients at risk.



## Natural and/or organic food

**109,626,831€**

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

**13,703,354**

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



## Workplace

**49%**

Percentage of companies that can boast high employee moral satisfaction levels; +14% compared to the Mainstreet Partners composite index.

**93%**

Percentage of companies that undertake decisive action against child labour; +9% compared to the Mainstreet Partners composite index.



# Governance



## Gender equality

**36%**

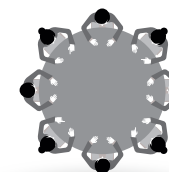
Percentage of women in management and on the board of directors; +4% compared to the Mainstreet Partners composite index.



## Anticorruption

**100%**

Percentage of companies that undertake decisive action against corruption.



## Independent board members

**70%**

Percentage of independent members appointed to the board of directors.

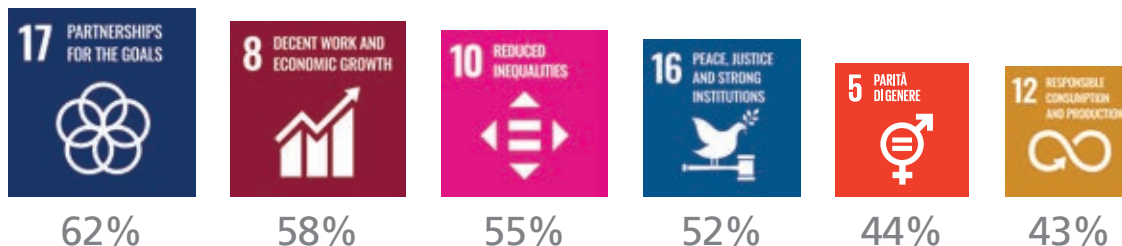


## Eurizon Fund - Equity Circular Economy

Investing in equities  
of companies that  
participate in the  
transition to a circular  
economy



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  
**18,408**

Tonnes of carbon dioxide emissions saved.



Water savings  
**3,849,156,261**

Litres of water saved.



Gestione dei rifiuti  
**63%**

Percentuale di società che implementano rilevanti programmi per la gestione e riduzione dei rifiuti; +12% rispetto all'indice composito MainStreet Partners.

#### Social



Treatment of patients at risk  
**14,811**

Number of specific treatments made available for patients at risk.



Workplace  
**43%**

Percentage of companies that can boast high employee satisfaction levels; +8% compared to the MainStreet Partners composite index.

**93%**

Percentage of companies that undertake decisive action against child labour; +8% compared to the MainStreet Partners composite index.

#### Governance



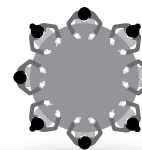
Gender equality  
**35%**

Percentage of women in management and on the board of directors.



Anticorruption  
**100%**

Percentage of companies that undertake decisive action against corruption.



Independent board members  
**67%**

Percentage of independent members appointed to the board of directors.



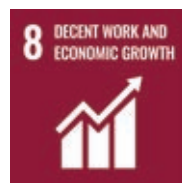
## FOCUS ON ESG Report

### Eurizon Fund - Bond High Yield

Investing through an active strategy in a well diversified portfolio of high yield bonds



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



59%



58%



46%



42%



41%



37%

### Percentage of sub-fund AUM alignment with SDG goals

#### Environmental



#### Pollution reduction **44,820**

Tonnes of carbon dioxide emissions saved.



#### Water savings **22,843,065,818**

Litres of water saved.



#### Waste management **45%**

Percentage of companies that implement major programmes for the management and reduction of waste.

#### Social



#### Treatment of patients at risk **4,136**

Number of specific treatments made available for patients at risk.



#### Workplace **47%**

Percentage of companies that can boast high employee satisfaction levels; +12% compared to the Mainstreet Partners composite index.

**93%**

Percentage of companies that undertake decisive action against child labour; +9% compared to the Mainstreet Partners composite index.

#### Governance



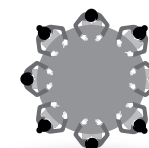
#### Gender equality **39%**

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



#### Anticorruption **99%**

Percentage of companies that undertake decisive action against corruption.



#### Independent board members **66%**

Percentage of independent members sitting on the board of directors.



# Eurizon's ESG Funds characteristics

General Information	Eurizon Fund - Equity Circular Economy	Eurizon Fund - Bond High Yield
ISIN	Class R: LU2357530570 Class Z: LU2357530901	Class R: LU0114074718 Class Z: LU0335991534
SRRI (min. 1 max 7)*	4 The risk indicator assumes you keep the product for 5 years	3 The risk indicator assumes you keep the product for 4 years
Entry costs	Class R: Max 3.00%	Class R: Max 1.50%
Management fees and other administrative or operating costs	Class R: 2.06% of which management fees 1.80% Class Z: 0.78% of which management fees 0.60%	Class R: 1.44% of which management fees 1.20% Class Z: 0.42% of which management fees 0.25%
Transaction costs	Class R and Z: 0.12% of the value of your investment per year	Class R and Z: 0.26% of the value of your investment per year
Performance fees (Class R and Z)	20% of overperformance vs MSCI World Index® per year with High Water Mark	20% of overperformance vs ICE BofAML Global High Yield European Issuers, Rating BB-B, 3% Constrained Index with High Water Mark
Entry charge	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	ICE BofAML Global High Yield European Issuers, Rating BB-B, 3% Constrained Index
Category**	SFDR Category Article 8	SFDR Category Article 8

\* For more information about the risks, you must read the Key Information Document (KID) and the Prospectus.

\*\* 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 2023.

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 €67.292.833 of assets, out of a total of €95.393.842 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.  
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:

- (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.

## 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 ESG report 2023

This document ("**Document**") is provided upon your specific request by MainStreet Capital Partners Ltd ("**MainStreet**") which is authorised in the UK only and regulated by the Financial Conduct Authority (Reference Number 548059). The Document may not be treated as a solicitation and does not constitute an offer in any jurisdiction in which such a solicitation is unlawful or to any person to whom it is unlawful. Opinions expressed in this Document are current opinions as of the date appearing in this material only and are provided in good faith. All data, number and figures in this Document are to be considered as purely indicative.

**No investment services.** The content of the Document does not constitute investment advice or a recommendation of any security referenced herein. MainStreet does not provide financial advice on securities or their issuers, nor does it provide advice in relation to the suitability or appropriateness of securities within an individual portfolio or other financial product. No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. This Document and the relevant information are not intended nor constitute an offer to sell or subscribe or a solicitation of an offer to buy or subscribe all or any part of any securities, assets or property whatsoever. **Facts and opinions expressed herein are purely related to sustainability aspects of the issuer and the use of proceeds of any related instrument from an environmental, social and governance standpoint.**

**No reliance.** This Document does not disclose the risks and other significant issues related to any investment. As a consequence, the application of this information to any investment decision must only be made in reliance upon your own risks assessment. No guarantee, warranty, undertaking, or assurance, express or implied, are given that financial and ESG figures presented in this Document will be reached or that will be similar to those achieved in the past. No guarantee, warranty, undertaking, or assurances, express or implied, are given that data, figures and information provided in this Document are authentic, fair, reliable, correct or complete. Neither MainStreet, nor its affiliates and employees are liable for any direct or indirect damage losses or costs caused by any reliance upon, incorrectness of or incompleteness of this Document.

**Confidentiality.** This Document and its contents are confidential and have been delivered only to interested parties on the express understanding that they will use it only for the purpose set out above and that they will not disclose it to any other person. This Document may not be reproduced or used for any other purpose, nor provided to any person other than the recipient.

By accepting this Document, you will be taken to have represented, warranted and undertaken that you have read and agree to comply with the contents of this notice.

April 2024 edition

[www.eurizoncapital.com](http://www.eurizoncapital.com)

Via Melchiorre Gioia, 22  
20121 Milan - Italy  
Ph. +39 02 8810.1  
Fax +39 02 8810.6500

**Eurizon Capital SGR S.p.A.**

Capitale Sociale € 99.000.000,00 i.v. • Codice Fiscale e n. Iscrizione Registro Imprese di Milano 04550250015 Società partecipante al Gruppo IVA "Intesa Sanpaolo", Partita IVA 11991500015 (IT11991500015) • Iscritta all'Albo delle SGR, al n. 3 nella Sezione Gestori di OICVM e al n. 2 nella Sezione Gestori di FIA • Società soggetta all'attività di direzione e coordinamento di Intesa Sanpaolo S.p.A. ed appartenente al Gruppo Bancario Intesa Sanpaolo, iscritto all'Albo dei Gruppi Bancari Socio Unico: Intesa Sanpaolo S.p.A. • Aderente al Fondo Nazionale di Garanzia



**EURIZON**  
ASSET MANAGEMENT