

STEWARDSHIP REPORT

2025

Report on engagement activities and the exercise of voting rights inherent to the financial instruments held by the assets managed by Eurizon Capital SGR S.p.A.

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Committed
to making a difference



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Introduction

- **This report describes the Stewardship activity carried out by Eurizon Capital SGR S.p.A.** (hereinafter also referred to as “Eurizon” or the “Company”) **during 2025** in particular with regard to:
  - The **exercise of voting rights** at shareholders’ meetings, in accordance with the procedures adopted by the Company for the management of conflicts of interest set out in the “Protocol of Autonomy” and in compliance with its “Strategy for the exercise participation and voting rights inherent to the financial instruments pertaining to the managed assets” (the “Strategy”)*, which defines and articulates the “Guidelines for the definition of voting instructions” in support of the formalisation of voting decisions at general meetings, taking into account market best practices;
  - **Engagement activity** in accordance with the provisions of the “Engagement Policy” of Eurizon Capital SGR S.p.A.

- **Eurizon has a fiduciary duty to protect and create value for its Clients and Investors.** It pays attention to the “corporate governance” of investee issuers and closely evaluates how they address environmental and social matters that are material for their business.

- In this context, **Eurizon’s mission emphasizes the importance of engaging with its portfolio companies in order to promote conduct oriented towards long-term sustainable growth**. Through its Stewardship activities, which promotes transparency and the adoption of high corporate governance standards by the companies in which it invests, Eurizon also contributes to fostering trust in capital markets and supporting responsible and sustainable development.

* The Company periodically updates the internal regulations aimed at integrating environmental, social and good corporate governance factors (so called “Environmental, Social and Governance” factors or “ESG” factors) and responsible investment principles (so called “Sustainable and Responsible Investments” or SRI) into its Investment Process and makes the above documentation, and any updates thereof, available on its website www.eurizoncapital.com.



About us



Our values

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

We are proud to belong to a Company whose ***primary objective is to safeguard and grow its Clients' assets****, thus helping to inspire* ***greater trust in a more sustainable future.***

Passion

We act by seeking the conditions that generate enthusiasm, so everyone gives the best of themselves with energy and commitment. We work **professionally and bravely face** daily challenges.

Responsibility

We are aware of the **centrality of savings** in the lives of those who trust us. We take responsibility for the effects of our actions, making a commitment that goes beyond normal attention and diligence.

Integrity

We operate with **loyalty and fairness** in all our professional relationships. We remain faithful to our values and promises feeling we are accountable for the trust of those who count on us.

Sustainability

We assess the impact of our actions and decisions over the medium/long term, bringing our choices into line with the **principles of social responsibility**. We seek **diversity** within ourselves and integrate it to generate inclusive **growth**.

Excellence

We pursue **quality of results and continuous improvement**. We nurture our knowledge and talent by experimenting to generate innovation.



Mission

We maximise our customers' savings by creating and managing investment solutions that are tailored to their needs.

We transform the complexity of financial markets into opportunities.

We collaborate with investee companies to promote respect for sustainable growth and high standards of governance.

Reliability, innovation and high-quality service are our defining characteristics.



Vision

We are committed to spreading a culture that promotes the **value of people, their aspirations, and savings at large:** a human-centered financial approach based on respect, accountability and awareness of one's own qualities.



Purpose

Innovating to invest in your future its our passion.

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Our commitment to Stewardship

1996

Eurizon is the **first player in Italy to set up Ethical funds**

2014

Eurizon signs the **Italian Stewardship Principles** for the responsible exercise of administrative and voting rights

2015

Eurizon signs the **Principles for Responsible Investment (PRI)** promoted by the United Nations

2017

Eurizon **integrates ESG and SRI Principles in its Investment Process** and introduces EF Sustainable Global Equity

2020

Eurizon adopts an **Engagement Policy**, publishes its first Global ESG Report and supports the **"Science-Based Targets"** and the CDP **"Non-Disclosure"** campaigns

2021

Eurizon adopts its **Sustainability Policy**, joins the **Net Zero Asset Managers Initiative (NZAMI)** and the **Institutional Investors Group on Climate Change (IIGCC)**

2022

Eurizon sets **Net Zero targets**, introduces **equity circular** and **Net Zero products** and publishes the **Guidelines for the definition of voting instructions**

2023

Eurizon identifies four **macro themes** on for its Stewardship activities and joins **Climate Action 100+, Nature Action 100 and PRI Advance**

2024

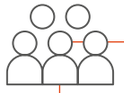
Introduction of the **"Eurizon Naturewatch"** and **"Directors' Accountability" frameworks**; integration of the **Principal Adverse Impact indicators** (PAI) in its **Engagement Policy** and **Sustainability Policy**

2025

Achievement of the first **Net Zero Stewardship Target** milestone and the goal of increasing investments in **Climate Solutions** as part of the Net Zero objectives

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The governance of sustainability



Board of Directors

Strategic oversight of business and sustainability policy

Risk and Sustainability Committee

Oversight of sustainability issues

Investment Supervision Committee

Oversight of the stewardship activity

CEO

Formulates, with the support of the ESG Committee, proposals for the Board of Directors relating to the methods for selecting and monitoring financial instruments and identifies the main adverse impacts of investment decisions

ESG Committee

Defines proposals for the Board, monitors the exposure of managed assets with respect to ESG indicators, and oversees corporate governance activities

Sustainability Committee

Independent and advisory body on sustainability matters. It collaborates to ensure management decisions comply with the Ethical Funds' principles as set out in the Regulations

Financial, Credit and Operational Risk Committee

Monitors the sustainability risks of the portfolios and tracks mitigation actions against adverse impacts associated with investment decisions

Devolutions Committee

Oversees donations and charitable initiatives for the funds, including those belonging to the Ethical system

Structures of the Investment Division

Monitors issuers as part of negative screening processes and, together with the other functions involved, oversees the identification and prioritization of the **principal adverse impacts of investment decisions on sustainability factors**

Responsible Investments & Stewardship

Oversees the dissemination and adoption of investment sustainability principles, by promoting the integration of environmental, social and governance factors into the Investment Process. It carries out Stewardship activities (voting and engagement)

Other actors involved

Legal

ICT

Corporate, Legal and Strategic Affairs

Marketing and Business Development

Organisation, Project Office & Outsourcing Control

Compliance & AML
Monitors compliance with the Sustainability Policy

Risk Management
Monitors the sustainability risk of managed products

Internal Audit
Provides audit on planning and executing control activities to ensure cross-functional oversight of sustainability risks.

The governance of sustainability

The Responsible Investments & Stewardship team

Eurizon's operational model involves corporate bodies and structures to which specific roles and responsibilities are assigned for the monitoring and management of sustainability risks.

Within the Investment Division, the Responsible Investments & Stewardship team is in charge of promoting and integrating sustainability principles, oversees the Stewardship activities and has specific expertise in Corporate Governance and Sustainability matters.



Corporate Governance

Unit responsible for:

- Monitoring shareholders general meetings and managing the exercise of voting rights related to the assets managed by the Company (ii)
- Engaging with issuers on environmental, social and governance issues, collaborating and liaising, where necessary, with the Sustainability unit and portfolio managers in the Investments Division.



Sustainability

Unit responsible for overseeing of SRI Investment issues, with the task of:

- Supporting Senior Management in incorporating environmental, social and governance (ESG) factors into the Company's Investment Process;
- Ensuring consistency and supervision in the application of sustainability principles, fostering the alignment of investment strategies with international standards and industry best practices.



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Participation in national and international initiatives

Since 2021, Eurizon has progressively **focused its Stewardship activities** on four priority topics, joining the most relevant national and international initiatives in these fields:

Climate Change

2021 — The Net Zero Asset Managers initiative

Member of the Net Zero Asset Managers Initiative

2021 — IIGCC The Institutional Investors Group on Climate Change

Member of the Institutional Investors Group on Climate change

2023

Member of Climate Action 100+ and the Net Zero Engagement Initiative

Climate Action 100+ — IIGCC Net Zero Engagement Initiative

Eurizon is also part of the following working groups:

- *PRI Listed Equity*
- *PRI Circular Economy Reference*
- *IIGCC Bondholder Stewardship*
- *IIGCC Sovereign Bonds and Country Pathways*
- *Engagement*, promoted by the *Forum per la Finanza Sostenibile*

Biodiversity

2023 — Nature Action 100

Member of Nature Action 100 to address biodiversity loss and deforestation

Eurizon is also part of the following working group:

- *Biodiversity*, promoted by the *Forum per la Finanza Sostenibile*

Human Rights

2023 — advance — A stewardship initiative for human rights and social issues

Member of Advance to encourage the adoption of best practices in human rights and labor standards

Eurizon is also part of the following working group:

- *Renewable Energy Sector Group*, promoted by *Advance*

Governance

ASSOGESTIONI — associazione del risparmio gestito

Member of the Corporate Governance Committee, the Responsible Investment Committee, and the Investment Managers' Committee promoted by Assogestioni

Eurizon is also part of the following working groups:

- *IIGCC Proxy Advisor Engagement*
- *IIGCC Index Investing*
- *IIGCC Climate Governance*

Since **2004**, the participation in national and international initiatives has supported the **development of Eurizon Stewardship practices**



2004

Signatory of CDP, an independent non-profit organization for the measurement and management of environmental impact

CDP — DISCLOSURE INSIGHT ACTION

2014

Endorser of the Italian Stewardship Principles

ASSOGESTIONI — associazione del risparmio gestito

EFAMA — European Fund and Asset Management Association

2015

Endorser of the Principles for Responsible Investment promoted by the United Nations

PRI Principles for Responsible Investment

2016

Member of the International Corporate Governance Network (ICGN)

ICGN International Corporate Governance Network

2021

Ordinary member of the Forum for Sustainable Finance

Forum per la Finanza Sostenibile

Stewardship activity in 2025

The commitment to the four priority topics

1.641	19.689	763	35%
Meetings voted	Agenda items voted	Engagements	of engagements on Sustainability issues



Climate change

Transition plans
Voted on 14 "Say on Climate" proposals presented by management, supporting approx. 64% of them

Supported 100% (5) of the shareholder proposals requesting the **presentation of the transition plan to the vote**

Disclosure
Voted on 48 "Say on Non-Financial Statement" proposals, supporting approx. 94% of them

Transition plans
Engaged 36 issuers to further develop their **Net Zero Strategy** and **climate solutions investments**

Fossil Fuel Sector
Engaged 18 companies in the fossil fuel sector to verify the phase-out of existing activities and the absence of new investments in thermal coal generation or oil sands extraction



Biodiversity

Disclosure
Supported 100% (18) of the proposals requesting greater transparency on **biodiversity conservation and circular economy practices**

Environmental impacts
55 engagements conducted to assess the environmental impacts of business activities

Biodiversity Risks, Impacts, and Dependencies
13 engagements conducted to assess **biodiversity risks, impacts, and dependencies,** including **responsible water resource management**

Circular Economy
12 engagements targeting **circular economy** practices and **7 engagements** conducted on initiatives aimed at reducing **waste production**



Human rights

Supply chain
Supported 100% (27) of the proposals aimed at **protecting workers' rights throughout the supply chain**

Artificial Intelligence (AI) and Data Privacy
Supported (20) proposals aimed at evaluating processes adopted for the development and integration of **AI-based technologies** and for **data privacy**

Global Norms violations
44 engagements on social themes, including 5 regarding requests for clarification on potential violations of the **UN Global Compact** principles and the OECD Guidelines

Manufacture of Prohibited or Unconventional Weapons
5 engagements conducted to verify issuers' actual involvement in the **production of unconventional weapons**



Governance

Board Independence Assessment
417 votes cast against the appointment/ re-election of directors due to their lack of Independence within the Board of Directors or Board committees

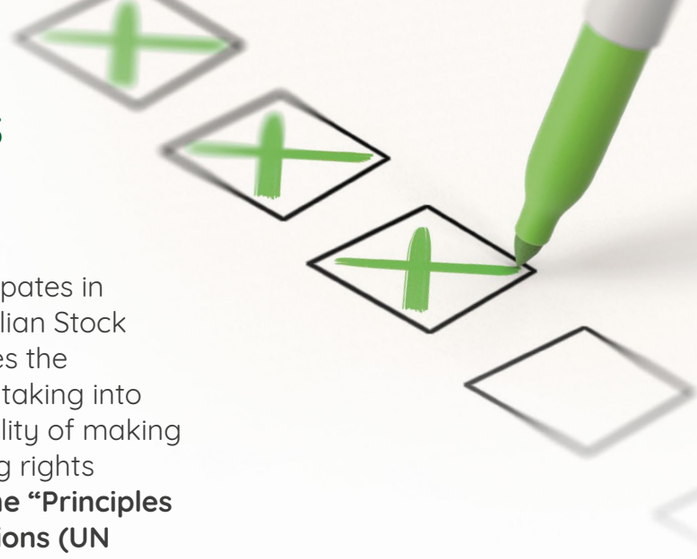
Director's Accountability
328 votes cast against the re-election of directors deemed responsible for the inadequate implementation of the decarbonization strategy according to the proprietary so-called **"Director Accountability"**, assessment model which evaluates directors' accountability in implementing such strategies

Board Diversity
306 votes cast against the re-election of directors in charge with the composition of the Board of Directors due to the lack of diversity

Remuneration policies
439 votes cast against remuneration policies due to the lack of adequate and complete disclosure. Given the importance of transparency on compensation, Eurizon conducted 89 pre-shareholder meeting engagements to supplement the disclosure and ensure a fully informed exercise of voting rights

Slate voting mechanism
37 minority directors elected in coordination with **Assogestioni**

The exercise of voting rights



Eurizon Capital SGR, on behalf of its managed assets, participates in the general meetings of selected companies listed on the Italian Stock Exchange and international markets. The Company evaluates the appropriateness of its intervention on a case-by-case basis, taking into account the interests of the managed assets and the possibility of making an impact on issuers' decisions through the exercise of voting rights attached to the shares held. In addition, **as a signatory of the "Principles for Responsible Investment" promoted by the United Nations (UN PRI), Eurizon pays particular attention to the policies implemented by the issuers in which it invests, in the belief that sound corporate governance practices that integrate environmental, social and governance (ESG) issues can create long-term value for shareholders.**

In compliance with sector regulations, Eurizon has adopted specific organizational and/or procedural measures to ensure independence and autonomy in exercising voting rights concerning the managed assets as outlined in its *"Strategy to exercise participation and voting rights inherent to the financial instruments pertaining to the managed assets of Eurizon Capital SGR S.p.A."** **Within its Strategy, Eurizon has incorporated guidelines for defining voting instructions in line with the principles expressed by corporate governance codes and with national and international best practices.**

Finally, the Company adopts, in any case, a differentiated approach, calibrated according to the market practices of the issuers' reference markets, always acting in the primary interest of the managed portfolios.

1.641
General Meetings voted, including...

34

Proposals relating to shareholder meetings of companies listed in Italy, where the SGR contributes to the election of Directors or Statutory Auditors through the "slate voting' mechanism", on behalf of minority shareholders.

716

Proposals relating to general meetings with sustainability-related issues on the agenda.

101

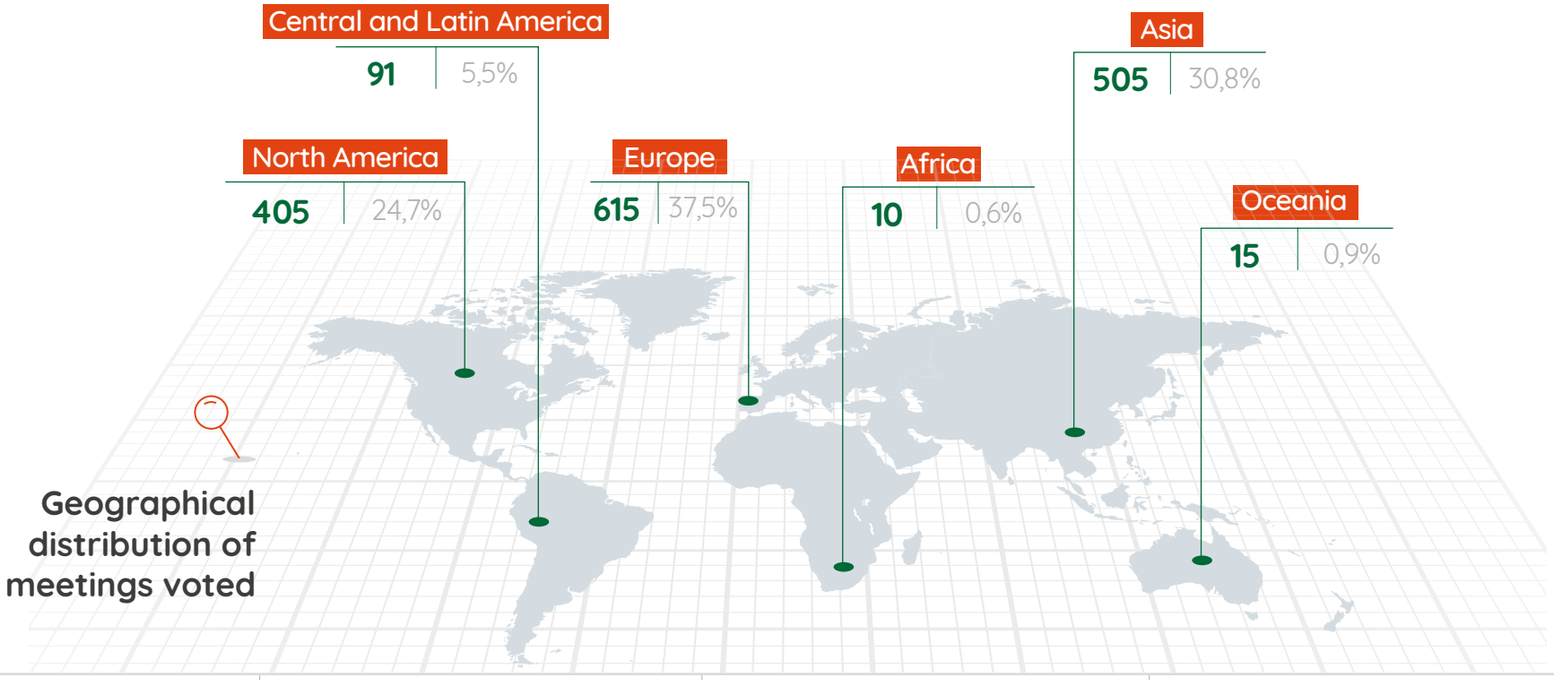
Proposals relating to resolutions on extraordinary transactions.

*The document is available on the Company's website www.eurizoncapital.com

The exercise of voting rights

2025

- By exercising voting rights, Eurizon actively participates in the life of companies in which it invests, guiding their behavior and objectives.
- During 2025, the Company participated in 1.641 general meetings, 10% of which were of companies listed on the Italian Stock Exchange and 90% of companies listed abroad.
- The Company voted 19.689 resolutions, including 18.892 presented by management and 797 presented by shareholders.



Geographical distribution of meetings voted

1.641
General meetings voted

19.689
Agenda items voted

92%
Participation out of total votable meetings*

94%
Environmental and Social shareholder proposals supported**

46%
Shareholder proposals voted against Proxy Advisor recommendations

15%
Proposals voted against Management recommendations

Shareholder proposals allow investors to interact with investee companies, submitting to the management issues deemed relevant for the protection of shareholders' interests.

Eurizon's support for such proposals, which increasingly refer to environmental, social and governance issues, aims to build a dialogue with companies to encourage their sustainable growth.

*The Company reserves the right not to exercise its voting rights in cases where such action may not result in a benefit for the managed assets. This may occur, for instance, if the Company holds an overall marginal stake, or if it is necessary to freeze the availability of financial instruments for an excessive period that could impact investment strategies. Furthermore, voting may be withheld if the meeting agenda does not include significant items, or if the administrative costs required, also considering the procedures in place in certain countries, are deemed to outweigh the expected benefits of participation, particularly for positions arising from short-term investment strategies. Additionally, Eurizon Capital SGR does not exercise voting rights in conflict-of-interest situations, specifically regarding financial instruments held by managed assets that are issued by Group companies or by companies with which the Company, its significant shareholders, or Group companies maintain strategic relationships, or where Group companies appoint or designate one or more members of the corporate bodies. For further information, please refer to the "Strategy to exercise participation and voting rights inherent to the financial instruments pertaining to the managed assets of Eurizon Capital SGR S.p.A.".

** The data does not include "anti-E&S" proposals, i.e., shareholder motions that discourage the adoption and application of sustainability principles.

For a detailed breakdown of the general meetings voted during the year, please refer to the Proxy Voting Dashboard, available on www.eurizoncapital.com.

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The exercise of voting rights

Proposals voted in 2025

Environmental

143 environmental-related proposals voted, contributing to the success* of **48%** of them

- Say on Non-financial Statement: 33.5%
- Climate change mitigation and adaptation: 18.9%
- Greenhouse gas emissions reduction: 9.8%
- Say on Climate**: 9.8%
- Anti-E / Conservative Proposals***: 6.3%
- Accountability on waste disposal and commitment to a circular economy: 6.3%
- Requests for the submission of a Climate Action Plan: 6.3%
- Mitigation of risks related to biodiversity loss: 3.5%
- Accountability and reduction of pollution and use of hazardous materials: 2.8%
- Transparency of climate and energy lobbying activities: 2.8%

Social

202 social-related proposals voted, contributing to the success* of **58%** of them

- Reporting on political contributions and donations made: 36.6%
- Anti-S / Conservative Proposals***: 25.7%
- Respect for human and labor rights: 11.9%
- Data security, privacy and artificial intelligence: 11.9%
- Diversity and Inclusion Policies: 7.4%
- Improvement of workplace health and safety: 3.5%
- Animal welfare: 1.5%
- Transparency and respect for workers' rights in the supply chain: 1.5%

Governance

19,344 governance-related proposals voted, contributing to the success* of **81%** of them

- Election of corporate bodies: 53.7%
- Compensation: 12.7%
- Operational/Ordinary matters: 11.6%
- Capital structure: 8.5%
- Appointment of the Audit Firm: 6.6%
- Bylaws amendments: 3.2%
- Related-party transactions (Non-routine business): 1.7%
- Strategic transactions: 1%
- Anti-takeover mechanisms and safeguards: 0.7%
- Other aspects of corporate governance: 0.3%

* "Success" is defined as when a vote For/Against aligns with its expected outcome (i.e., For&Pass; OneYear&Pass; Against&Fail; Abstain&Fail)."Failure" occurs when a vote does not align with its expected outcome (Against&Pass; Withold&Pass; For&Fail). Situations where data is missing (Against & N/A; Abstain & N/A) or the proposal was not put to a vote (No vote & Pass; Against/For & Withdrawn) are excluded from the classification.
(ie. Against&Pass; Withhold&Pass; For&Fail). Excluded from this classification are situations where data are missing (Against&N/A; Abstain&N/A) or the proposal was not put to the vote (ie. No Vote&Pass; Against/For&Withdrawn).
** This figure includes Say on Climate resolutions presented by management and shareholder resolutions requesting a vote on transition plans.
*** Motions put by groups that support strongly conservative environmental and social policies or that are openly critical of climate neutrality targets.

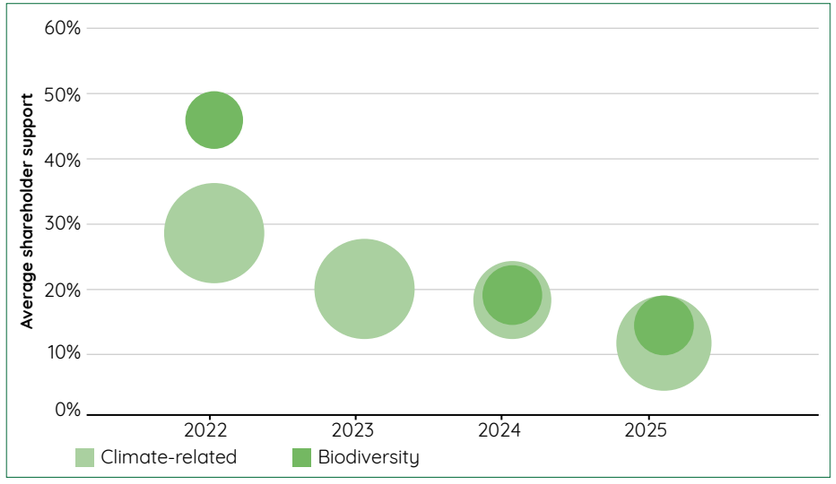
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The evolution of ESG voting

Average shareholder support for different categories of ESG proposals, 2022–2025

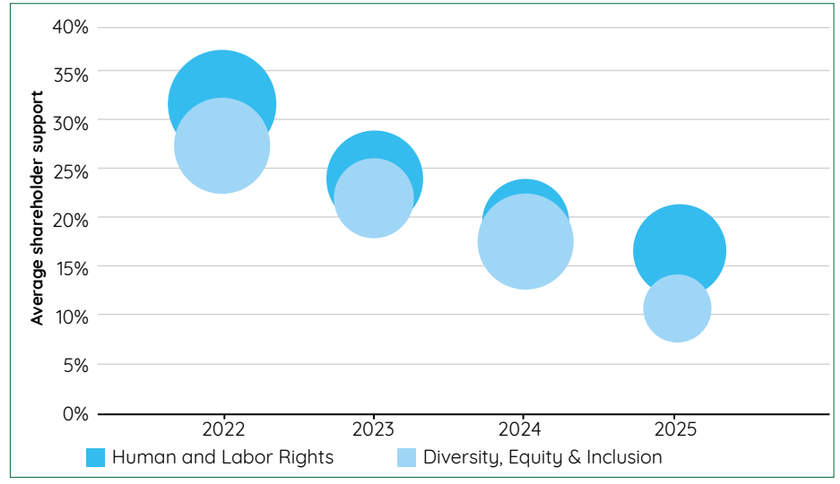
Climate: support declining from 30% (2022) to approx. 10% (2025).

Biodiversity: steadily decreasing compared to 40% in 2022.

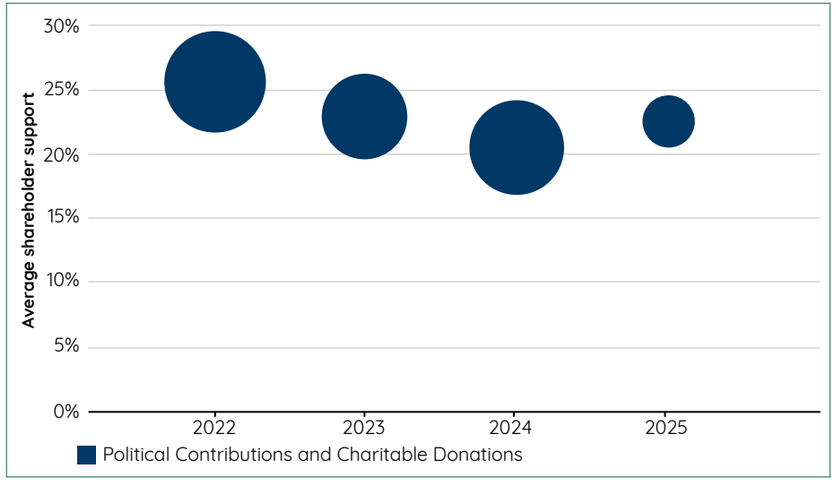


Human and Labor Rights: both the number of proposals (-33%) and the average level of support (-50%) have declined.

DEI: sharp contraction in both support (approx. -60%) and volume (-56%).



Political Contributions: support remained substantially stable, with relatively broad backing from major US investors.



Anti-ESG proposals: very limited support.

Growing volumes of anti-S proposals and the emergence of a divergence between anti-E and anti-S.



Source: internal analysis based on data collected for shareholder meetings voted by Eurizon during the 2022–2025 period.

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Climate Change

Focus on key resolutions voted

Climate change mitigation and reduction of greenhouse gas emissions

Supported 36 proposals calling for the adoption of emission reduction targets in line with the Paris Agreement and greater transparency on measures taken to mitigate climate change (in one case the overall percentage of support was over 40%). Among these, one proposal concerned assessing how the company intended to manage the increasing energy demand of its data centers without compromising progress toward its established climate goals.

Lobbying on energy and climate issues

Supported all proposals (4) requiring issuers to disclose whether and how their **lobbying activities** align with their stated commitments and targets on climate change or with the Paris Agreement (average support was 14%).

Say on Climate

Voted on 14 transition plans, 43% of which were submitted by companies in the Industrial sector. In 36% of cases, the vote against was cast due to their lack of robustness and credibility*, as well as inadequate investments that were not aligned with the stated Net Zero goals.

The average support level recorded for Say on Climate proposals was approx. 95%.

Supported all proposals (5) seeking to put the transition strategy to a vote (average support was around 15%). Eurizon encourages more and more companies in highly polluting sectors to present their climate transition plans at general meetings, allowing investors to provide feedback where urgent changes to the strategy are needed.

Say on Non-financial Statement

Voted on 48 Non-Financial Statements supporting 94% of them; votes against were cast when sustainability reports failed to comply with international transparency standards or when the issuer's targets were not sufficiently ambitious or aligned with its stated commitments.

It is interesting to note that, although Say on Climate submissions are still few in number, the need for shareholder approval of the non-financial statement** appears to be incentivizing companies to obtain third-party validation of their decarbonization targets, such as through the SBTi. Although independent assurance is not a regulatory requirement in Switzerland***, it has become standard market practice for non-financial reporting. Notably, the two integrated reports lacking such verification received higher shareholder dissent: one even recorded 14% of votes against, a figure significantly higher than the overall average of 2%.

Anti-E / conservative proposals***

Rejected all proposals (9) calling for companies to limit spending and investments aimed at mitigating climate change.

The average support level remains low, in line with the previous year, standing at approximately 2%.

* For a more detailed look at the methodology adopted by Eurizon to assess the robustness and credibility of transition plans, please refer to the following page.
** For instance, in Switzerland, as of 2024, publicly listed companies with at least 500 employees and meeting specific thresholds for total assets or turnover must submit their non-financial report to shareholders for approval. Similarly, in Spain, Law 11/2018 requires listed companies with at least 500 employees to include non-financial information in the consolidated management report and to present it at the annual general meeting.
*** In Switzerland, independent assurance is not currently mandated by law, but it is encouraged as a market best practice. Conversely, in Spain, non-financial information must be verified by an independent assurance service provider to ensure its reliability.
****Proposals put forward by groups advocating for markedly conservative environmental and social policies, or who are openly critical of climate neutrality goals.

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Climate Change

Analysis of a “Say on Climate” for a Construction & Engineering company

Eurizon has developed an analytical framework for voting consistently on transition plans, regardless of the company’s sector. This model supports the Company in casting a consistent and informed vote, regardless of the issuing companies’ sector.

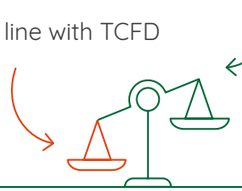
Eurizon’s analysis model complements the core evaluation criteria with additional evidence and insights, thereby enhancing the assessment process.

Key evaluation criteria

- Net zero ambition by 2050
- GHG Emission reduction targets
- Decarbonization Strategy
- Capital allocation
- Engagement policy
- Governance
- Reporting in line with TCFD

Additional evaluation criteria

- ESG controversies
- CDP Questionnaire
- SBTi target validation
- TPI Carbon Performance
- Eurizon Net Zero Alignment Framework
- Engagement Outcome
- Proxy Advisor Analysis



- In April 2024, during the engagement conducted with the issuer, Eurizon urged the company to update its targets for validation by the Science Based Targets initiative (SBTi), specifically regarding:
  - updating the 2009 baseline;
  - increasing ambition, aiming for a 90% reduction in emissions by 2050
- At the 2024 Annual General Meeting (AGM),, Eurizon voted in favor of the “Say on Climate” proposal; however, future support is contingent upon the evolution of the transition plan, in line with the discussions held with the issuer.
- Leading up to the 2025 AGM, ongoing engagement focused on clarifying the resource allocation for sustainability projects.
- Following these discussions, the company set new emission reduction targets (Scope 1, 2, and 3) certified by SBTi, aligned with a 1.5°C trajectory and with the baseline updated to 2020.
- In light of the progress achieved and the constructive dialogue, Eurizon cast a favorable vote at the 2025 AGM.

Key evaluation criteria	Overall assessment
Net Zero Ambition by 2050	**Positive**
Long-term GHG reduction targets (2036-2050)	**Positive**
Medium-term GHG reduction targets (2026-2035)	**Partial**
Short-term GHG reduction targets (until 2025)	**Negative**
Decarbonization strategy	**Partial**
Alignment of capital allocation (capex) with 1.5°C scenario	**Partial**
Engagement policy in line with decarbonization targets	**Partial**
Good corporate governance practices	**Positive**
Adherence to Just Transition principles to minimize social impacts of the company's decarbonization efforts and presence of a plan to monitor progress towards a just transition	**Partial**
Reporting on decarbonization strategy in line with TCFD recommendations	**Positive**
Assessment Outcome	**Despite the remaining gaps, the plan shows improvements.**

Additional evaluation criteria	Overall assessment
ESG controversies	The company is not involved in any ESG controversies.
Answers to the CDP questionnaire (Climate, Forests, Water Security)	The company obtained an A in both the Climate and Water questionnaires.
SBTi validation of targets (TPI Carbon Performance, where available)	• Short-term target alignment (Scope 1 & 2): 1.5°C • Net Zero target alignment (Scope 1, 2 & 3): 1.5°C
Historical GHG emission reduction targets	Disclosure of current and historical emissions, along with progress made towards target achievement.
Supplier involvement	Supplier assessment methodology, monitoring, and climate-related requirements
Eurizon Net Zero Alignment Framework	Aligned with a Net Zero pathway
Assessment Outcome	**In line with industry expectations**
Voting instruction	**FOR**

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Biodiversity

Focus on key resolutions voted

Mitigation of risks related to biodiversity loss

Voted in favor of all proposals (9) aimed at **evaluating the risks, impacts and business dependencies, including in the supply chain, associated with biodiversity loss and natural capital degradation.**
In detail:

- The proposals highlighted the significant risks to issuers stemming from biodiversity loss. While sourcing operations could contribute to deforestation, they relied on healthy ecosystems to ensure long-term sustainability.
- The lack of a comprehensive biodiversity assessment within the issuers' nature-related initiatives risked overlooking fundamental environmental issues and prevented investors from fully understanding and evaluating the company's management of nature-related risks.
- To address these challenges, the proposals recommended adopting the Taskforce on Nature-related Financial Disclosures (TNFD) framework to conduct in-depth biodiversity impact assessments and improve transparency.

Circular Economy

Supported all proposals (9) aimed at obtaining clear and transparent reporting on plastic packaging management and on the certification of products made from recycled materials.
In details:

- Three of these proposals called for **enhanced transparency and an assessment of the company's commitment,** requesting detailed information to enable shareholders to evaluate the **legitimacy of recycled content claims**.
- The proposals also requested independent reports for all recyclability claims on plastic packaging. This would allow companies to ensure that sustainability information is accurate, verifiable, and accountable.
- The remaining proposals focused **on reducing plastic packaging pollution** by setting clear targets for overall reduction and evaluating strategies to minimize use. The motions also emphasized the importance of aligning company efforts with those of their peers to commit to making all packaging recyclable, reusable, or compostable.

These proposals were submitted to companies operating in the **Consumer Discretionary** and **Consumer Staples** sectors. The average support level was 16%.

Pollution and hazardous materials

Support all proposals (4) focusing on:

- **Compliance with World Health Organization (WHO) guidelines on antibiotic use within supply chains**. Specifically, one motion requested precise information regarding the potential harmful effects of products, ingredients, and chemicals used in the company's production processes.
- Greater disclosure of information regarding the effects and risks associated with electromagnetic radiation, wireless technologies, and the use of lead-sheathed cables.
- **Increased transparency concerning health risks associated with sweeteners;** detailed disclosure on the potential harmful effects of ingredients and chemicals used in production would enable investors to more accurately assess the company's commitment to consumer well-being and the effectiveness of its risk management initiatives.

Human Rights and social issues

Focus on key resolutions voted

Political Contributions and Donations

Voted on 74 proposals focusing on corporate procedures and policies governing **direct and indirect lobbying activities**, the alignment of political spending with the company's stated values, and the **authorization processes and determination of amounts to be allocated by the company for corporate donations and charitable spending** (overall average support was 87%).

Diversity and Inclusion

Supported all proposals (15) calling for a report to assess:

- The effectiveness of the company's diversity and inclusion policies;
- The management of any gender/ethnicity-based pay gaps;
- The prevention of workplace harassment and discrimination.

The overall average support was 11%.

Health and Safety

Voted in favor of 7 proposals calling for the commissioning of independent audits to **certify the effectiveness of safety measures and practices in the workplace** (the overall average support was 10%).

Human and Labor Rights Just Transition

Supported all the proposals (24) **regarding the assessment of risks related to the lack of human rights protection and the improvement of human rights standards and policies.** These initiatives aimed to urge companies to strengthen their ethical commitment and protect human rights by implementing more rigorous due diligence processes and global policies. In detail:

- 1 proposal called for an independent third-party assessment of **Board oversight regarding human rights risks linked to Artificial Intelligence (AI)**, with the aim of enhancing transparency and strengthening corporate policies in this area.
- 4 proposals, specifically addressed to financial institutions, requested greater transparency concerning the **management of risks related to forced and child labor within their credit assignment activities.**
- 2 proposals requested reporting on **due diligence procedures related to the financing of projects that could impact the rights of Indigenous Peoples**, emphasizing the fundamental necessity of obtaining the Free, Prior, and Informed Consent (FPIC) of local indigenous communities.

Supply Chain

Supported all proposals (3) calling for greater transparency in the **sustainable management of the supply chain**, particularly for companies operating in geographical areas at higher risk due to a lack of protection and respect for human rights. Specifically, some motions called for the implementation of programs aimed at eliminating the exploitation of child labor in the supply chain (the overall average support was 15%).

Artificial Intelligence and Data Privacy

Supported all the proposals (9) **regarding the assessment of risks arising from AI development,** and called for the adoption of a voluntary code of conduct for advanced generative AI systems to ensure responsible practices in this field.

Supported all proposals (8) **for greater transparency and accountability, requesting detailed reporting on data privacy** and security, including child protection policies and data collection and advertising practices.

EURIZON ASSET MANAGEMENT

Governance

Focus on key resolutions voted

Election of strategic Supervisory Bodies



Voted on 10.373 proposals for the re-election of directors, achieving success in 78% of cases. Conversely, the 20% did not receive support, primarily due to a lack of independence, insufficient oversight and/or implementation of the climate strategy, and a lack of diversity. In detail:

- **417 votes against the re-election of directors due to a lack of independence.**
- **306 votes against the re-election of directors due to a lack of diversity.** In 63% of these cases, the companies were headquartered in the United States. An analysis of the progress made in 2024 revealed that 36% of the monitored companies had not made significant improvements to diversity levels within the Board of Directors. For these companies, a vote was cast against the Chair of the Nominating Committee for the second consecutive year.
- Moreover, **148 votes were cast against the appointment of directors due to significant corporate governance deficiencies.** The most recurring reasons included: (i) the Board's persistent failure to address long-standing issues regarding the alignment between pay and performance and controversial compensation practices, (ii) top management's responsibility for inefficient capital allocation decisions, and (iii) repeated absences from Board and Committee meetings.

Remuneration Policies



Voted on 2.454 proposals, including 1.750 Say on Pay, of which Eurizon voted against in 16% of cases, due to a lack of (i) comprehensive information, (ii) consistency with the Pay for Performance principle and (iii) ESG indicators in the short and long-term incentive plans, and (iv) excessive discretion granted to the Board through derogation clauses within the policy. Among the companies monitored for climate neutrality progress, **Eurizon voted against 19 executive remuneration plans solely due to the lack of climate-related and/or sustainable development indicators within such plans.**

Other Aspects of Corporate Governance



Voted on 63 proposals concerning governance structure, supporting all motions calling for: (i) the adoption of a simple majority voting standard, (ii) amendments to the right to call special meetings, and (iii) the establishment of a board committee on Artificial Intelligence and the oversight of the Diversity, Equity, and Inclusion (DEI) strategy.

Appointment of the Audit Firm



Voted on 1.285 proposals concerning the **appointment of external audit firms,** voting in favor in **94%** of the cases. Eurizon voted against 33 proposals due to a lack of transparency or the excessive tenure of the audit firm's mandate (over 20 years).

Supported 134 proposals regarding the appointment of audit firms specialized in certifying non-financial information, as required by Corporate Sustainability Reporting Directive (CSRD)**.

*In some cases, it was not possible to express a vote because the agenda did not include the re-election of the Chairman of the Nomination Committee, due to there being no the Annual General Meeting called in the reference period or due to a lack of voting shares.
** The Corporate Sustainability Reporting Directive (CSRD.) introduces new standards for corporate sustainability reporting. The objective is to strengthen the previous directive (2013/34/EU), making sustainability disclosures more transparent and comparable to traditional financial reporting, thereby recognizing their close interconnection

Governance

Assessing directors' accountability for climate strategy

Eurizon "Directors' Accountability Framework for Climate Change"

In 2025, **338 "target" companies under the Directors' Accountability Framework*** were monitored: of them, **214 had sufficiently ambitious climate strategies** and therefore received our support; **104 companies showed deficiencies in the implementation of their decarbonization strategy** leading Eurizon to vote against the re-election of 328 directors.

Voting instructions driven by the implementation of the decarbonization strategy	No. Companies
Vote in favor of the members of the Board of Directors	**214**
Vote against the re-election of the incumbent Chairman of the Sustainability Committee due to shortcomings in the implementation of the decarbonization strategy	**45**
Vote against the re-election of incumbent members of the Sustainability Committee due to severe deficiencies in the implementation of the decarbonization strategy	**32**
Vote against the re-election of the incumbent members of the Sustainability Committee and the Chairman of the Board of Directors due to very severe deficiencies in the implementation of the decarbonization strategy	**14**
Vote against the re-election of board members (including CEO) due to material failures in the implementation of the decarbonization strategy	**13**

Sector of "target" companies	No. Companies
Materials	**72**
Industrials	**60**
Utilities	**46**
Consumer staples	**46**
Consumer discretionary	**42**
Energy	**38**
IT	**35**

The remaining 49 issuers operate in others sectors

- Eurizon didn't support the re-election of 17 companies due to their involvement in severe climate and social controversies.
- Compared to 2024, an analysis of the «target» companies shows that:
  - 9% demonstrated progress in implementing their climate strategy;
  - 41% recorded a setback in the execution of their decarbonization strategy, resulting in a vote against the re-election of the responsible directors;
  - the remaining 49% showed no change in their climate strategy; consequently, the voting position remained unchanged.
- Eurizon voted against the directors of 14 companies due to persistent and significant deficiencies in their decarbonization strategies for the third consecutive year.

* For 70 companies it was not possible to cast a vote as no directors appointment was on the agenda.

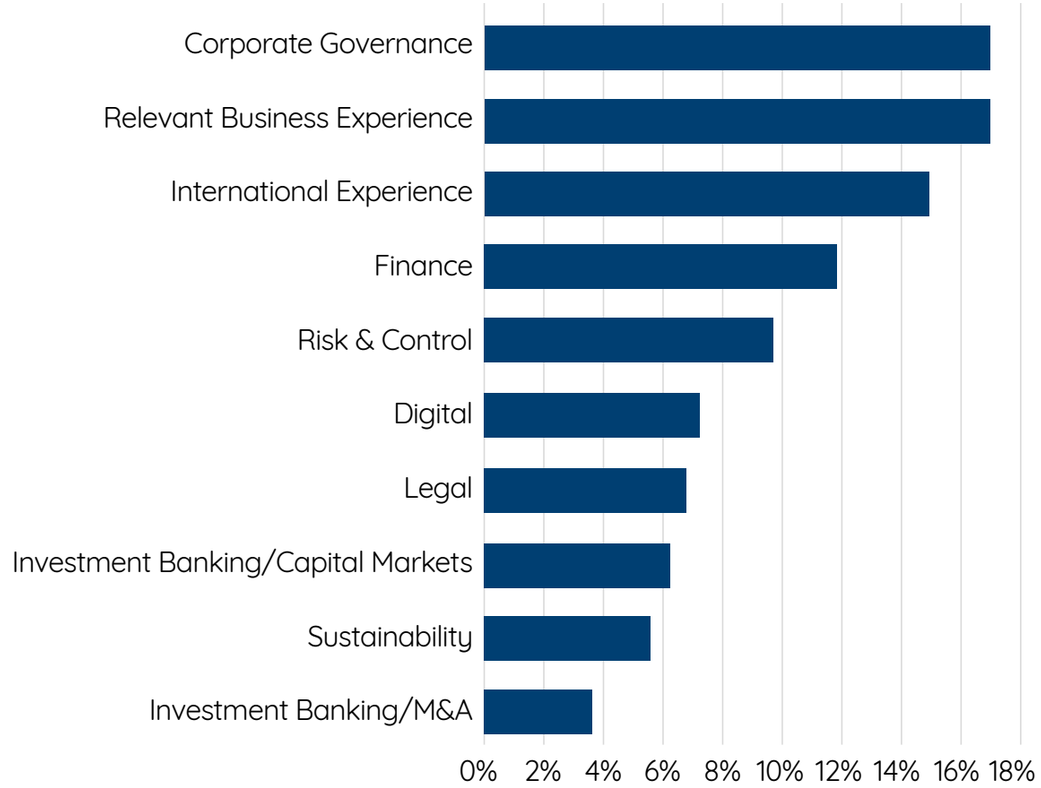
EURIZON ASSET MANAGEMENT

Governance

"Voto di lista"

- Eurizon contributes to the election of Board Members and/or Statutory Auditors of issuers listed on the Italian Stock Exchange through the slate voting mechanism (so called "Voto di lista"), representing minority shareholders as part of the activities of the **Investment Managers' Committee** supported by **Assogestioni.**
- When nominating candidates to be included on minority slates on behalf of institutional investors, the Company complies with the principles and criteria established by the Assogestioni Corporate Governance Committee, which sets out the requirements for the professional competence, integrity and independence of candidates, as well as the conditions for their ineligibility and incompatibility.
- Moreover, the Company has adopted the Protocol of Autonomy prepared by Assogestioni for the management of conflicts of interest, with the aim of safeguarding the independence of its decision-making.
- The selection process for candidates to be nominated on minority lists follows a diversification criterion, including gender and skill diversity to ensure that those elected can actively contribute to the work of the corporate bodies.

Breakdown of expertise of candidates elected in 2025



Competencies may overlap in certain areas. Source: Internal processing of data collected during the minority lists definition phase within the Assogestioni Investment Managers' Committee.

"Voto di lista" numbers

34
Issuers for which at least one slate of candidates was presented*

37
Directors elected

22
Standing Auditors elected

45%
Female representation among elected candidates**

41%
Female representation among elected directors

*A director was appointed by co-option. The proposal, aimed at filling a vacancy on the Board of Directors following the resignation of a minority director, was submitted directly during the shareholders' meeting. The candidate was selected from the list presented by the Investment Managers' Committee during the Shareholders' Meeting held on April 27, 2023.
**Eurizon contributed to the election of 37 directors with 14 female representatives; 22 effective statutory auditors with 8 female representatives; 23 alternate statutory auditors with 14 female representatives.

EURIZON ASSET MANAGEMENT

In-depth analysis: Against or Abstain votes

In exercising the right to vote, Eurizon applies its “Strategy” to ensure that votes are cast transparently and in the interests of the managed assets. For this reason, Eurizon has set out the principles and the conduct to follow in evaluating the most common items on the agenda at general meetings. During 2025, **Eurizon supported 94% of shareholder resolutions concerning environmental and social issues***. However, the Company considered it more appropriate to vote against or to abstain from voting in all situations in which the proposals presented by the shareholders were backed by a rationale not aligned with the principles supported by Eurizon or were not sufficiently detailed. During the same period, there was an increase in the number of anti-ESG proposals submitted, although overall support for them remained marginal, consistent with the previous year. Eurizon voted against these initiatives, which received an average of 1.9% support for anti-Environmental (anti-E) resolutions and 1.3% for anti-Social (anti-S) resolutions.
The table shows a series of proposals and the rationale that led the Company to vote against or abstain from voting at the meeting.

Shareholder Proposals	Vote	Voting Rationale
Management Compensation. Request to exclude incentives linked to the expansion of zero-emission generation capacity (e.g., wind, solar, nuclear, and hydroelectric power) from executive remuneration plans, with specific reference to long-term incentive plans.	⊗ **AGAINST**	Eurizon believes that robust corporate governance is an essential prerequisite for facilitating the decarbonization process, particularly through the integration of ESG factors into executive remuneration policies. This is considered essential for achieving the company’s sustainability targets and the goal of net-zero emissions by 2050.
Emission Reduction Targets. Request to remove all emission reduction targets related to the company’s operations and energy products. According to the proponent, such targets lack scientific basis, and supporting "climate alarmism" could negatively impact shareholder value.	⊗ **AGAINST**	Eurizon believes that companies exposed to high levels of environmental, social, or corporate governance (ESG) risks should set relevant and clearly measurable goals that focus management's attention and efforts on mitigating these risks.
Plastic Use Policies. Request calling the Board to review plastic production and packaging policies based on objective and scientifically accurate evidence. The request includes a quantifiable assessment of the impact of potential changes relative to current practices, arguing that shareholder proposals regarding single-use plastics are often based on exaggerated or false claims from environmental lobby groups.	⊗ **AGAINST**	Eurizon is committed to monitoring the impact of its business activities on ecosystems, with a particular focus on reducing toxic emissions. It also promotes plastic recycling and the adoption of strategies aimed at raising consumer awareness of sustainable practices and circular economy models.
Discrimination and Political/Religious Beliefs. A proposal calling for an assessment of whether corporate policies might discriminate against or alienate employees for their religious or political views, highlighting associated operational risks. The proponents contested the company’s stance on social matters, including abortion and gender-identity assistance.	⊗ **AGAINST**	The request was contrary to Eurizon's principles of valuing diversity and inclusion.
Corporate Equality Index (CEI). Request to the Board of Directors to evaluate the company's withdrawal from the Human Rights Campaign’s Corporate Equality Index (CEI). The proponent argues that this organization promotes biased and divisive positions on LGBTQ+ issues and that the company’s maximum score reflects an improper use of shareholder capital to support such positions.	⊗ **AGAINST**	The request was contrary to Eurizon's principles of valuing diversity and inclusion.

* Data does not include “anti-E&S” proposals, i.e., shareholder proposals that would hinder the introduction and implementation of sustainability principles.

The engagement activity

Eurizon “Engagement Policy” outlines Eurizon’s approach to promoting proactive interaction with the companies in which it invests in, integrating its commitment as a shareholder into its investment strategy.

The Company is committed to building a constructive dialogue with the management and/or control bodies of **“relevant issuers”** characterized by:

- significant exposure in the managed products (holding “significant amounts of share capital”);
- significant exposure relative to the reference benchmark;
- high exposure to sustainability risks, such as (i) involvement in sectors not considered not “responsible”, (ii) exposure to environmental issues, such as the risk of biodiversity loss and deforestation, (iii) non-compliance with human rights, and (iv) the absence of adequate corporate governance practices.

Eurizon believes that interaction with investee companies is most effective when built on a **medium-to-long-term relationship** with the corporate bodies and senior management, who are more likely to consider institutional investors as credible and committed partners.

In this respect, engagement complements both investment analysis and the exercise of voting rights, as it allows specific issues to be addressed before considering the option of divestment from the positions held or voting against resolutions.

Engagement activities involve both the investment team and the Responsible Investment & Stewardship team, who collaborate to best integrate investment decisions with Stewardship practices. The outcome of engagement can influence investment decisions as well as the determination of the vote at the general meetings. Engagement activities and their outcomes are disclosed on a dedicated internal platform and are accessible to all stakeholders involved in the investment process.

As part of the commitments undertaken following its accession to the **Net Zero Asset Managers Initiative**, Eurizon aims to **engage with companies representing 90% of the emissions financed by the “In-Scope Portfolio”***, which will be contacted **within 2030** respectively, to encourage them to undertake decarbonization paths for their activities and progressively align with the climate neutrality scenario.



Engagement methods

- **“One-way”** or unilateral, in which communication is initiated by one party to inform the other about a specific issue;
- **“Two-way”** or bilateral, in which both parties constructively interact to mutually monitor the topics covered by the meeting;
- **Collective**, which envisages multiple investors acting together to engage with a specific issuer.

Tools that can be used for engagement may include, among others, conference calls, webcast presentations, letters and, when possible, face-to-face meetings.

For Eurizon, engagement involves ongoing dialogue with investee companies, with a view to building a medium/long-term relationship aimed at monitoring and drawing a commitment from these companies on specific issues, as well as supporting voting decisions at the relevant shareholders’ meetings.

*The portion of assets identified from time to time as a benchmark for Eurizon’s Net Zero targets.

Engagement activity

2025

As an institutional investor, Eurizon recognizes the importance of building a constructive dialogue with investee companies to influence their corporate behavior and create greater medium- and long-term value for Stakeholders.

During 2025, the Company conducted 763 engagements (with 425 companies), of which 35% concerned sustainability issues.

Geographical breakdown of engaged issuers*



* The geographical split is based on the issuers' listing location.



763
Engagements

425
Companies involved

50%
Individual engagements

50%
Collective engagement

35%
Focused on sustainability topics

408
Initiatives with C-suite

119
Engagement initiatives in the lead up to the exercise of voting rights

EURIZON ASSET MANAGEMENT

Engagement activity

Sustainability topics addressed and the sectors involved in 2025

Key sustainability topics covered by the engagements



E 35%

- Environmental Impact 31%
- Net Zero Strategy 20%
- Climate Risk 12%
- Thermal Coal 9%
- Biodiversity Preservation 7%
- Circular Economy 7%
- Sustainable Finance 6%
- Waste Management 4%
- Local communities 3%
- Oil Sands 1%

S 14%

- Health & Safety 21%
- Supply Chain Management 19%
- Human and Labor Rights 12%
- Training 9%
- Local Communities 9%
- Just Transition 8%
- Unconventional Weapons 6%
- Assessment of Global Norms Violations 6%
- Wage Gap 4%
- Diversity, Equity & Inclusion 4%
- Data Privacy, Cybersecurity & AI policies 1%

G 51%

- Remuneration 31%
- Governance Structure 24%
- Reappointment of Board Members 24%
- Reappointment of Supervisory Board Members 16%
- Shareholder Rights 3%
- Corporate Policies 2%

Breakdown by sector of engaged issuers

Sector	No. Companies engaged by sector
Finance	71
Industrial	68
Information Technology	60
Consumer staples	55
Consumer Discretionary	44
Utilities	34
Materials	32
Health Care	26
Energy	16
Telecommunication Services	14
Real Estate	5

Case studies on engagement activities

Climate Change

SECTOR: Utilities

GEOGRAPHICAL AREA: Southern Europe

OBJECTIVE: Thermal Coal phase-out timeline and Net Zero Strategy

ENGAGEMENT METHOD: Two-way, individual

MEETING SUMMARY:

- The company is evolving into a sustainability-driven utility, reducing carbon-intensive lignite to 15% of its the energy mix (FY2024) with a firm goal to be coal-free by 2026, having already cut Scope 1 CO_2 emissions by 58% since 2019, while doubling its renewables capacity and aiming for ~12 GW by 2027.
- In 2024, the Science Based Targets initiative (SBTi) formally validated the company's near-term and long-term greenhouse gas emission reduction targets, confirming its commitment to reaching net-zero emissions by 2040 in line with the 1.5°C pathway of the Paris Agreement.
- As part of its Net Zero journey, the company has completed a feasibility study for converting depleted coal mines into hybrid pumped-hydro storage. Construction of two pumped-hydro stations is included in the Business Plan, with permits secured and designs well advanced, leveraging existing mine infrastructure for efficient energy storage.

OUTCOME AND FUTURE ACTIONS: Positive

The company has set a target to achieve carbon neutrality by 2050, with both near-term and net-zero targets validated by the SBTi as aligned and recognized as aligned the 1.5 °C pathway. Furthermore, the company has confirmed 2026 as the final year for lignite phase-out, with no plans to expand coal operations.



Case studies on engagement activities

Biodiversity

SECTOR: Materials

GEOGRAPHICAL AREA: Latin America

OBJECTIVE: Comprehensive overview of commitments and strategies to address deforestation and biodiversity loss

ENGAGEMENT METHOD: Two-way, collective within the Nature Action 100 initiative

MEETING SUMMARY:

- The company has made significant progress toward its environmental goals, including connecting large areas of native forest fragments, some involving local communities and Indigenous Peoples, to support national goals of protecting 30% of land by 2030. Additionally, the company has implemented innovative land and water management practices across critical watersheds, achieving measurable progress toward water availability targets, supported by a structured plan to address ongoing challenges.
- In pursuit of continuous improvement in biodiversity management, the company launched a broad initiative in 2024 to enhance biodiversity measurement and leverage new technologies for data collection. Key actions include the adoption of the STAR (Species Threat Abatement and Restoration) methodology through collaboration with IUCN, offering insights into areas with endangered species and supporting the development of targeted mitigation strategies involving, in coordination with local communities and public authorities.
- The company further confirms its commitment to aligning with the TNFD recommendations in 2026, using 2025 data building on a gap analysis initiated in 2023 and deepened in 2024. Through the use of both the LEAP approach and the Natural Capital Protocol, the company is assessing its nature-related impacts and dependencies with the objective of more effectively identifying sensitive areas and critical species requiring protection.

OUTCOME AND FUTURE ACTIONS: Positive

The company provided extensive details on its environmental and biodiversity efforts, highlighting progress toward national conservation goals, the launch of a comprehensive biodiversity initiative in 2024, and its ongoing alignment with the TNFD framework in 2026. To achieve these objectives, the company is adopting advanced technologies and promoting cross-sector collaborations to assess and address nature-related risks and priorities. Eurizon will continue to monitor progress towards the stated objectives and commitments.



Case studies on engagement activities

Human Rights

SECTOR: Materials

GEOGRAPHICAL AREA: Central Europe

OBJECTIVE: To conduct a thorough follow-up and monitoring of health and safety risk management, particularly in response to recent serious incidents at the company's operational sites.

ENGAGEMENT METHOD: Two-way, individual

MEETING SUMMARY:

- For the second consecutive year, we met with the company to discuss human rights and labour management issues. During the previous year's meeting, the company reported that it had begun implementing new health and safety measures in response to the fatal explosion at one of its mine sites in November 2023. These measures included prioritized inspections and a comprehensive review of safety policies. These actions were expected to be completed by September 2024.
- The company reported that, while the audit confirmed the robustness of its health and safety policies, it also revealed uneven implementation. This has led to a renewed commitment to promoting a unified "One Safety Culture" among employees and contractors, supported by management incentives linked to the achievement of specific safety targets. Furthermore, the three-year plan includes strengthening the governance model, establishing a dedicated safety team for performance monitoring, and obtaining health and safety certifications for its sites, with subsequent expansion to contractors.
- The company has started implementing the audit recommendations, completing most of the actions required by the Fatality Prevention Standard, developing site-specific work plans and prioritising locations for the adoption of the new process safety management framework, which will also be applied to all new projects.

OUTCOME AND FUTURE ACTIONS: Progress has been made, but further action is needed

The company needs to strength its safety culture by improving risk identification, enhancing assurance models, embedding safety behaviors, standardizing contractor management, and integrating health and safety into all business processes. Eurizon will continue to monitor the issuer to evaluate the progress made in adopting effective measures to protect workers' health and safety.



Case studies on engagement activities

Governance

SECTOR: Consumer discretionary

GEOGRAPHICAL AREA: Southern Europe

OBJECTIVE: Key insights into the governance structure and remuneration policy

ENGAGEMENT METHOD: Two-way, individual

MEETING SUMMARY:

- The company has recently undertaken various initiatives to strengthen its governance: (i) it has established a Sustainability Committee; (ii) it has adopted of long-term incentive plans for management, linked to specific ESG targets; and (iii) it has launched programs to increase diversity within the leadership team, confirming that this objective will remain a priority for 2025.

Despite this progress, the following areas of weakness remain:

- The current executive compensation is considered excessive compared to competitors and performance. The lack of transparency regarding the criteria, rationale, and metrics used to define compensation prevents shareholders from assessing its effectiveness and fairness. Furthermore, the company does not allow a “say on pay” shareholder vote.
- The current composition of the company’s board committees is not in line with best governance practices. The presence of an executive member on both the Nomination Committee and the Remuneration Committee, despite the independent majority, represents a potential risk to shareholders’ interest. Finally, the Audit Committee lacks a director with specific financial expertise, which could weaken the supervision of reporting and auditing processes.

OUTCOME AND FUTURE ACTIONS: Negative

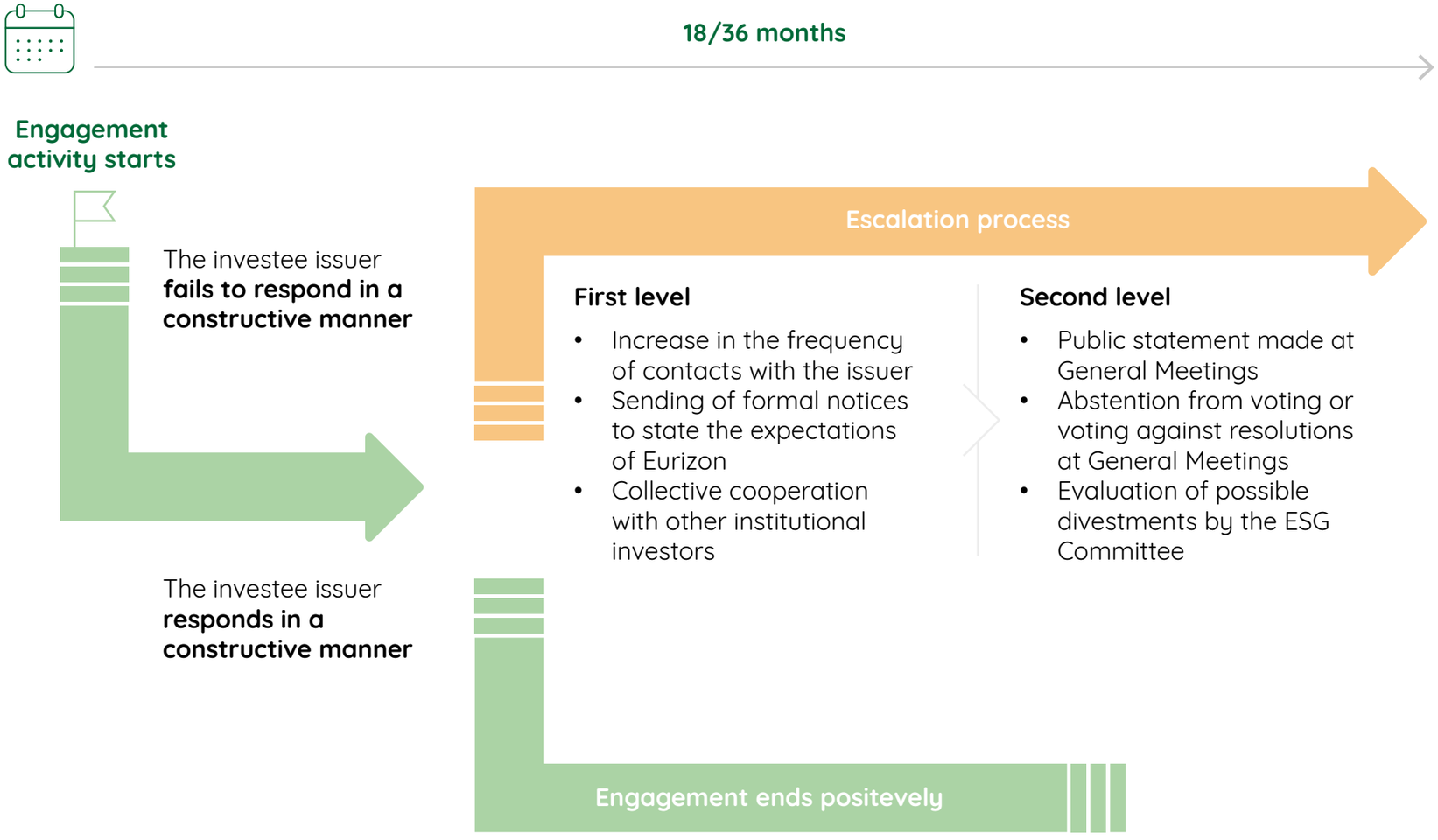
The company has demonstrated progress in terms of governance, but action is needed to address the identified weaknesses. At the 2025 Annual General Meeting (AGM), Eurizon did not support the re-election of the directors held responsible for these issues. We will continue to monitor future developments to ensure that the actions taken foster an effective alignment of interests between management and shareholders, the mitigation of conflicts of interest, and a strengthening of oversight.



The escalation process

Eurizon's Engagement Policy outlines a specific "escalation" procedure for issuers deemed "critical", namely those companies with a higher exposure to environmental, social, and governance risks.

The escalation process may result in restrictions or exclusions from the Investment Universe of individual managed assets, and in the most severe cases may lead to the decision to divest.



A practical case of escalation with an Oil & Gas company

2017

Engagement activity commenced following the issuer's inclusion in the list of critical issuers. **Negative outcome** due to:

- a lack of transparency and failure to proactively manage the MSCI rating;
- outsourcing of responsibilities by management.

Eurizon decides to maintain the issuer under close monitoring, intensifying dialogue while imposing investment limits.

2019

The company demonstrates a greater awareness of the importance of investor engagement and is **launching initiatives to improve its ESG positioning**. Consequently, **Eurizon has decided to extend the monitoring period** for a further 18 months, while maintaining the investment limit.

2020

Engagement has not shown substantial progress:

- **Insufficient sustainability initiatives**;
- Lack of updated and accessible reporting for stakeholders;
- Recurring controversies and failure to mitigate pandemic-related impacts;
- Misalignment with independence best practices and a lack of training programs on ethical standards.

At the end of the 36-month monitoring period, **Eurizon's ESG Committee decides to exclude the issuer from the Investment Universe.**

2023 – 2024

Monitoring of the company's progress:

- Establishment of a Board Sustainability Committee;
- Formalization of the Net Zero target for Scope 1 and 2 emissions by 2050, with defined interim milestones;
- Reporting in compliance with international frameworks, specifically the International Sustainability Standards Board (ISSB) and the Task Force on Climate-related Financial Disclosures (TCFD);
- Definition of a framework for capital allocation toward climate objectives, ensuring visibility into sustainable investments.

April 2025

Resumption of engagement activities. **Significant developments observed:**

- Alignment of Board independence with international standards;
- Establishment of an Ethics Committee;
- Promotion of inclusivity through non-discrimination practices and the protection of workers' rights via collective bargaining;
- Improvement in safety performance, with a reduction in the frequency and severity of accidents;
- Commitment to the formal reinstatement process for the United Nations Global Compact (UNGC) principles, with the resumption of required reporting.

July 2025

Eurizon positively evaluates the progress recorded and approves the investment case to readmit the issuer to the investable universe. The company has published its first climate-related risk disclosure report, in line with TCFD recommendations.

August 2025

The company presents its 2025-2035 Strategic Plan, which defines:

- The implementation of advanced surveillance systems and tracking technologies for risk monitoring;
- Further plant optimization and the introduction of a structured audit system;
- Membership in international industry networks to adopt global safety standards.

October 2025

Monitoring of the issuer has highlighted:

- **Consolidation of corporate governance** through strengthened independence of Board and Committee members, the appointment of an independent Chair for the Nomination Committee, and a clear increase in female representation on the Board;
- **Stricter related-party transaction practices**, aligned with international governance standards;
- **Improved management of toxic emissions and waste**;
- The commitment to **double water reuse, reduce emissions, and strengthen social, health, and educational programs by 2030.**

Service Provider Monitoring

Eurizon's Sustainability Policy defines how sustainability aspects are considered in the Investment Process for assets under management. The Company's products adopt specific Macro Strategies, the application and monitoring of which are supported by analyses based on data provided by MSCI Solutions, one of the leading global specialized Info-Providers.

The information acquired by MSCI Solutions can also contribute to the definition of voting instructions, ensuring an informed and conscious approach. In this context, Eurizon also relies on the support of Institutional Shareholders Service (ISS), a specialized Proxy Advisor, which applies the Company's Guidelines through a dedicated team, ensuring a comprehensive and efficient voting process.

The information provided by the Info Provider and the Proxy Advisor is incorporated into internal information flows and processed using proprietary systems, supporting structured decision-making processes consistent with the Company's SGR objectives. When necessary, Eurizon supplements quantitative evidence with direct engagement with issuers, aimed at further investigating and validating the information available.

Institutional Shareholders Service (ISS)

The Corporate Governance unit maintains a continuous, operational dialogue with the Proxy Advisor to manage routine matters such as, among others, technical inquiries or issues related to specific service offerings and account management activities.

In addition to constant operational dialogue, the Corporate Governance unit continuously monitors the Proxy Advisor's correct application of Eurizon's Voting Strategy and Guidelines, verifying the full consistency of voting decisions.

Eurizon organizes formal quarterly meetings, which serve as a structured due diligence process. These meetings may include in-depth reviews of specific or extraordinary issues raised by the Corporate Governance unit or by the Proxy Advisor team responsible for implementing the Guidelines.

In addition to the above, during 2025, Eurizon held 33 interaction sessions with ISS regarding data coverage and quality. Specifically:

18 interactions concerned requests for clarification on the analyses conducted and the related applications of the Guidelines;

15 inquiries were made regarding the publication timing of customized research, given the proximity of voting instruction deadlines (cut-off).



Service Provider Monitoring

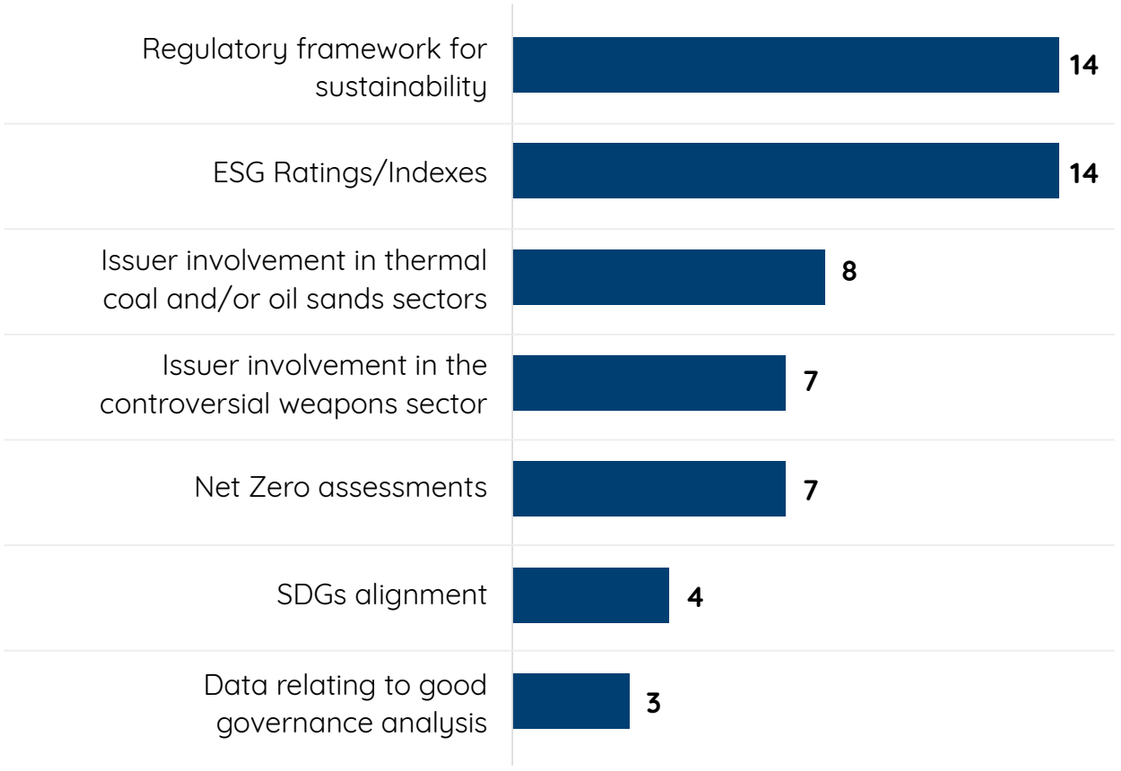
MSCI Solutions

Eurizon actively participates in global consultations organized by MSCI for the international investment community. These initiatives involve the Sustainability unit alongside the Investment Area's structure - specifically Long-Term Sustainable Strategies and Green and Sustainable Finance - contributing to discussions on methodologies, data, and the development of market best practices in the ESG field.

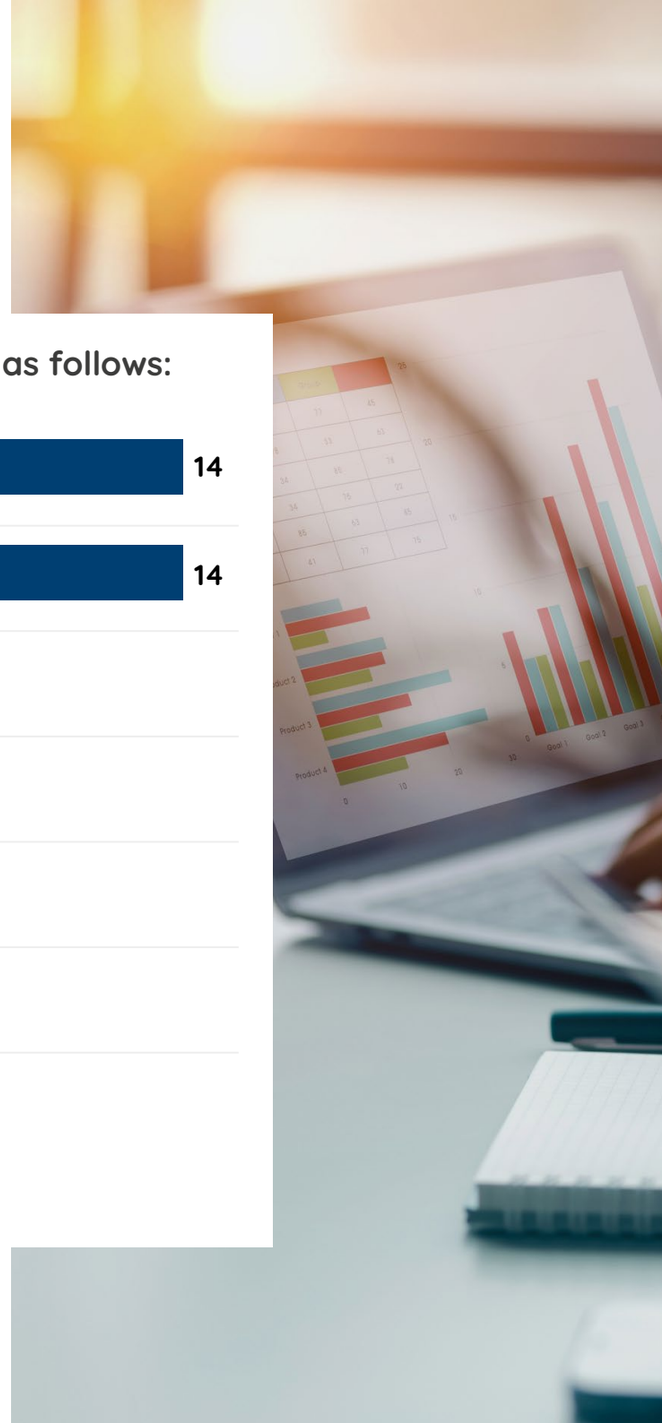
In addition to this ongoing dialogue, in 2025, Eurizon organized four ad hoc meetings with MSCI to delve deep into specific topics, such as: screening criteria designed to capture the various business segments of the defense sector, methodologies for evaluating issuers' transition strategies, and assessments regarding green bond compliance with the exclusion criteria set out by the Paris-Aligned Benchmarks (PAB).

In 2025, Eurizon conducted a total of 57 engagement activities with MSCI, aimed at gaining a deeper understanding of data sources, information quality, and the estimation methodologies adopted.

These interactions are broken down by thematic area as follows:



Source: Eurizon internal elaboration

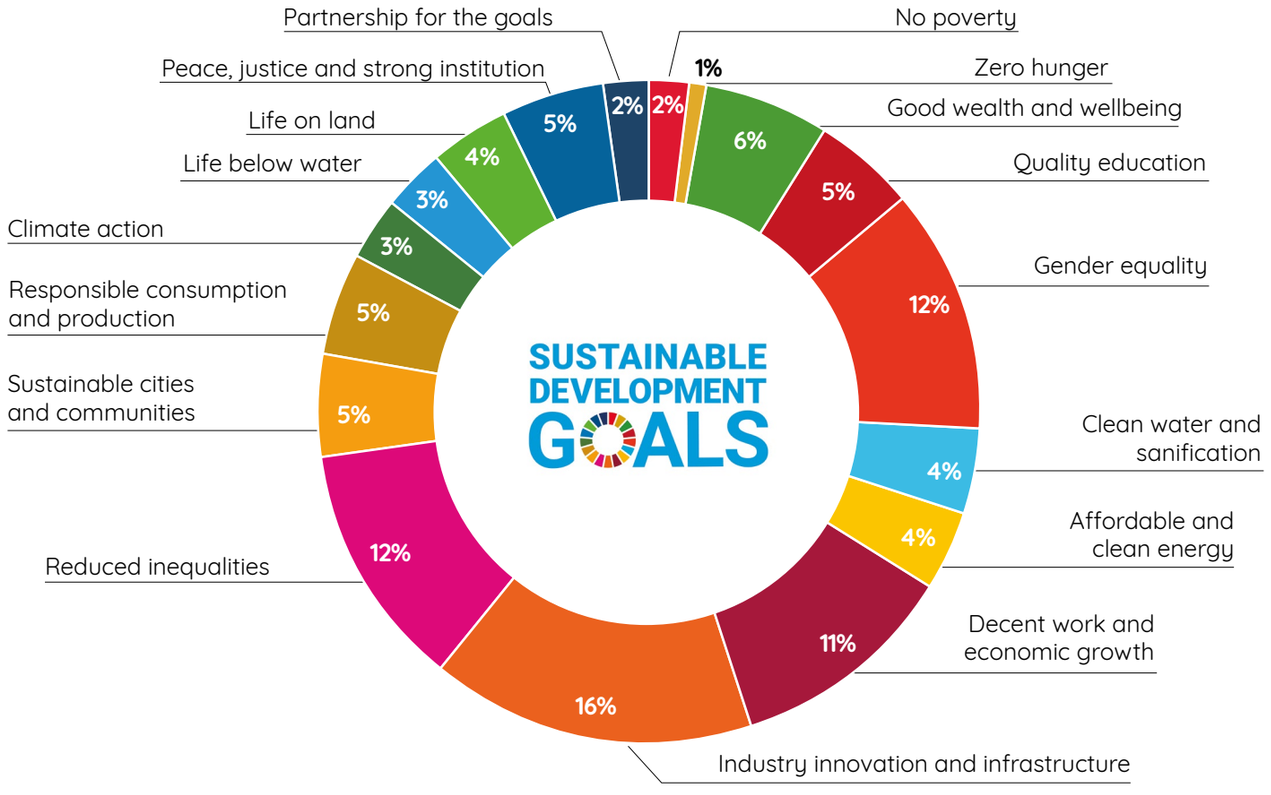


Stewardship activity and the UN Sustainable Development Goals (SDGs)

As part of the 2030 Agenda promoted by the United Nations, the 17 Sustainable Development Goals, consisting of 169 targets, represent a global action program signed in September 2015 by the governments of the 193 member states of the UN for the economic, environmental and social development.

The financial sector has a key role in the effective achieving these objectives, as it is one of the main player of economic development. In this context, Eurizon carried out a qualitative and quantitative analysis aimed at providing disclosure of the engagement activity as well as at highlighting the correlation between ESG engagements and SDGs. As a result, the Company is able to better address and effectively carry out its engagement activities with the investee companies.

In 2025, the **issues addressed during engagements** were mostly relevant to SDG n. 9 (Industry, innovation and infrastructure) followed by SDG n. 5 (Gender equality), and SDG n. 10 (Reduced inequality).





The correlation between the issues addressed in the engagements and the SDGs

The matrix shows the direct and indirect relationship between ESG issues addressed during the engagements and the 17 Sustainable Development Goals.

Issues addressed during the engagements	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Environment																	
Climate risk	●	●				●	●	●	●		●	●	●	●	●		●
Circular Economy		●				●		●	●		●	●		●	●		●
Biodiversity preservation		●										●	●	●	●		
Water			●			●					●	●		●	●		
Environmental impact	●		●			●	●	●	●		●	●	●	●	●		●
Waste Management			●			●					●	●		●	●		●
Thermal coal	●	●				●	●	●	●		●	●	●	●	●		●
Oil sands	●	●				●	●	●	●		●	●	●	●	●		●
Social																	
Pay disparity				●	●			●		●	●						
Human/work rights	●	●	●	●	●			●	●	●	●					●	●
Minorities/diversity/inclusion	●	●	●	●	●			●	●	●						●	●
Training & Education			●	●				●	●				●			●	●
Health & safety	●	●	●		●				●		●	●		●	●		
Local communities			●			●		●		●	●	●	●		●		●
Supply chain management			●				●	●	●			●					
Governance																	
Governance Structure				●	●			●	●	●						●	
Board of directors				●	●				●	●							
Remuneration			●	●	●			●	●	●							
Shareholders' rights					●			●	●	●							
Policies (including Sustainability, related-party transactions, whistleblowing)			●		●			●	●	●						●	●

● High or direct impact or contribution ● Low or indirect impact or contribution

Source: Eurizon internal elaboration.

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Stewardship activity and the UN Sustainable Development Goals (SDGs)

In 2025, **voted resolutions**[1] were mostly relevant to SDG no. 16 (Peace, justice and strong institutions) followed by: SDG n. 13 (Climate action); SDG n. 11 (Sustainable cities and communities), SDG n. 17 (Partnerships for the goals) and SDG n. 12 (Responsible consumption and production).

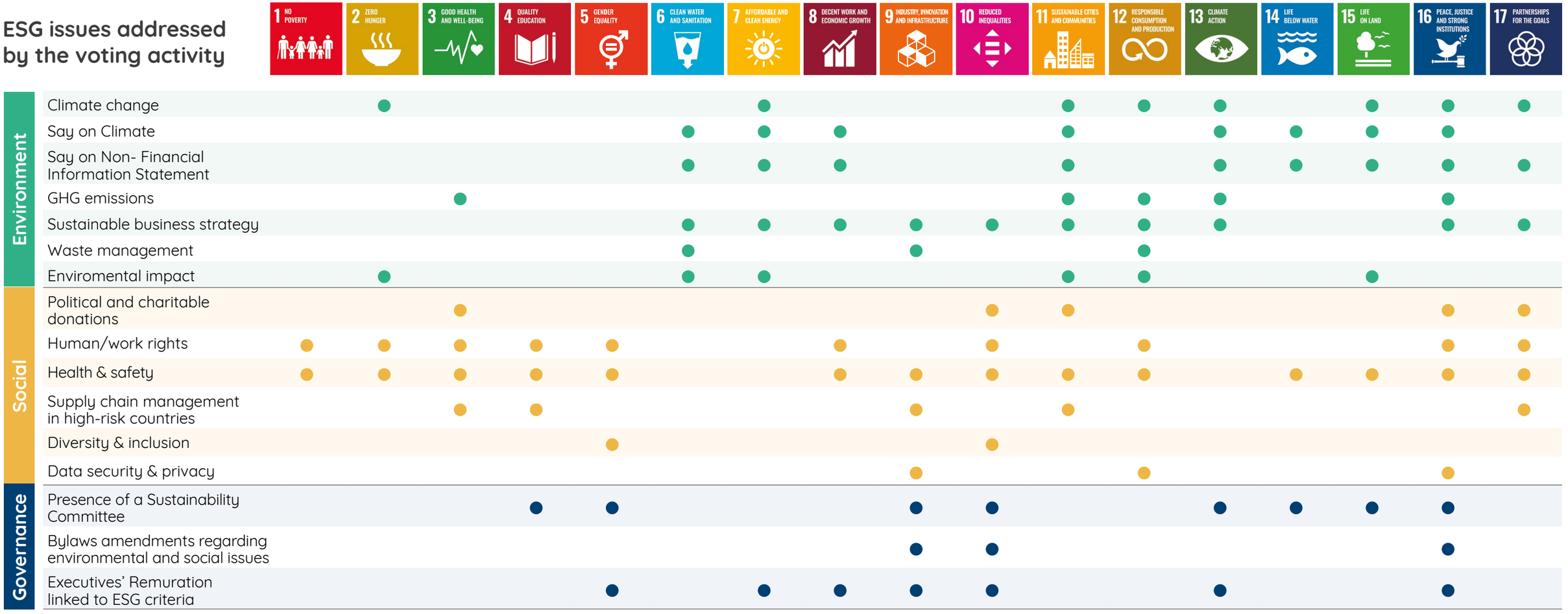


[1] 1 The correlation between resolutions voted and SDGs is based on the qualitative and quantitative analysis that takes into consideration the environmental, social and corporate governance proposals voted (385 proposals in total), excluding anti-ESG issues.



The correlation between the votes on ESG issues and the SDGs

The matrix shows the correlation between ESG[2] shareholder proposals submitted to general meetings and the 17 Sustainable Development Goals.



[2] The correlation between resolutions voted and SDGs is based on the qualitative and quantitative analysis that takes into consideration the environmental, social and corporate governance proposals voted (385 proposals in total), excluding anti-ESG issues.
Source: Eurizon internal elaboration.

EURIZON ASSET MANAGEMENT

Looking at 2026

Climate Change

In 2026, Eurizon will continue to closely monitor the transition strategies implemented by issuers, with the aim of distinguishing between formal commitments and concrete action plans. **Assessing the robustness of transition plans** will be central to verifying the credibility of Net Zero targets, by analyzing in detail the consistency between stated strategies and actual **capital allocation (CAPEX)**. Indeed, precise monitoring of capital expenditures is essential to ensure that financial resources are directed toward sustainable technologies and processes, in line with the decarbonization pathways set out by the Paris Agreement.

Biodiversity

In 2026, in line with its membership in **Nature Action 100**, Eurizon will continue to monitor issuers that may generate negative impacts on biodiversity, whether caused by the location of their production sites near sensitive areas and fragile ecosystems or by their business activities. Through its proprietary screening methodology, “Eurizon Naturewatch”, the Company will continue to integrate the identification of operational and reputational risks related to biodiversity loss into its analyses.

Human Rights

In 2026, Eurizon will strengthen its commitment to sustainable and ethical business models by promoting value chain due diligence in line with international standards (UNGC, OECD, ILO) to prevent human rights violations and ensure health and safety. Furthermore, the Company will support **training and reskilling programs** to protect workers most exposed to shifts in production models. It will also maintain rigorous oversight against the financing of prohibited weapons, including in compliance with Italian Law 220/2021, through targeted engagement activities.

Governance

Eurizon believes that **robust corporate governance** is a fundamental prerequisite for effective business risk management and the long-term protection of investment value. With this in mind, the SGR expects investee companies to be prepared to face and adapt to structural market changes by strengthening their internal controls. Enhancing corporate governance implies extending Board oversight to the quality and reliability of ESG data. Consequently, diversity and transparency regarding directors’ expertise, with a particular focus on climate issues, become central. Through its proprietary “Directors’ Accountability to Climate Change” methodology, Eurizon monitors and assesses directors’ potential responsibilities should deficiencies emerge in the management of climate change issues. Regarding **Remuneration Policies**, Eurizon promotes strong alignment between management and shareholder interests by integrating **measurable climate and social KPIs** into incentive plans. Particular attention will be paid to **pay equity**, with the goal of reducing gender gaps, and to the robustness of **succession plans** for key positions, thereby ensuring continuity for corporate culture and sustainability strategy over time.



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