



EURIZON
ASSET MANAGEMENT

**SUMMARY OF PRINCIPAL ADVERSE
SUSTAINABILITY IMPACTS STATEMENT OF
EURIZON CAPITAL SGR S.p.A. AND ITS
SUBSIDIARIES**

(Pursuant to Article 4, paragraph 1, letter a) and article 4, paragraph 2, 3 and 4, of Regulation (EU) 2019/2088, and Articles 4 to 10 and Annex I of Delegated Regulation (EU) 2022/1288, as amended)

27th June 2024

PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

FINANCIAL MARKET PARTICIPANT/ FINANCIAL ADVISER:	LEI CODE:
Eurizon Capital SGR S.p.A.	549300JNH2DV17Z80F28

1. SUMMARY

Eurizon Capital SGR S.p.A. (LEI Code: 549300JNH2DV17Z80F28, hereinafter “Eurizon Capital SGR”, the “SGR” or the “Company”) considers the principal adverse impacts of its investment decisions on sustainability factors.

This Statement (hereinafter also the “Statement”) is the consolidated statement on the principal adverse impacts on the sustainability factors of Eurizon Capital SGR and its subsidiaries, namely the following companies belonging to the *Asset Management Division*:

NAME OF THE COMPANY	LEI CODE	REGISTERED OFFICE	FINANCIAL MARKET PARTICIPANT	FINANCIAL ADVISER
Eurizon Capital SGR S.p.A.	549300JNH2DV17Z80F28	Italy	●	●
Epsilon SGR S.p.A.	549300HXZ6TEM6LDG325	Italy	●	●
Eurizon Capital Real Asset SGR S.p.A.	81560081EB02F8095508	Italy	●	
Eurizon Capital S.A.	549300Y5CH882WUHEV92	Luxembourg	●	●
Eurizon Asset Management Slovakia, Správ. Spol., a. s.	31570020000000002796	Slovakia	●	
Eurizon Asset Management Hungary, Ltd.	529900BUTOYN9W7Y6103	Hungary	●	●
Eurizon Asset Management Croatia d.o.o.	549300DU2TJ72XCUUN84	Croatia	●	●

The Statement covers the reference period from 1 January to 31 December 2023.

The fiduciary commitment to its clients and investors and, more generally, to the other stakeholders, requires an effective approach to sustainability issues, with particular reference to the returns of its financial products and to the companies in which Eurizon invests in on behalf of its managed assets. The Asset Management Division believes that issuers that implement high social, environmental and governance standards are able to generate sustainable performance in the long-term.

Eurizon's commitment envisages the adoption and application of specific criteria for the selection and monitoring of investments that take into account environmental, social and governance factors (so called “ESG”) and Sustainable and Responsible Investments principles (so called “SRI”), in addition to financial analyses of risk/return profiles. The controls are tailored on the size, nature and scope of the activities carried out by the individual Companies, as well as the characteristics, objectives and investment limits of the individual financial products made available to clients, and are also aimed at: (i) avoid that ESG related conditions may lead to a significant, actual or potential, negative impact on the value of investments, also depending on the nature of specific areas of activity; and (ii) capture issuers' ability to benefit from sustainable growth opportunities in terms of revenue generation.

Eurizon ascribes importance to active collaboration with the companies it invests in, with the aim of (i) promote behaviours that favor aspects of sustainability of investments and high standards of governance of the investee issuers and (ii) increase the value of investments from an economic and financial point of view.

Given that some areas are lagging in promoting higher standards of sustainable development, and that certain industries are structurally more exposed to risks and benefit from fewer opportunities for sustainable growth, Eurizon believes that evaluations should be performed taking into account the geographical and/or sectoral context and the ability of companies to implement sustainable development strategies, to start a process of transitioning their business model or to seize development opportunities. While many of the investments made on behalf of financial products are likely to generate a positive impact on the investee's companies and its stakeholders, assets held by

Eurizon's products may involve negative effects on the environment or on people (so-called "principal adverse impacts of investment decision on sustainability factors of investments").

Given the wide range of activities, geographical areas and sectors in which the companies belonging to the Asset Management Division invest on behalf of their respective managed products, the potential negative effects deriving by investments are not homogeneous. Eurizon, however, believes that an adequate monitoring of the exposure to social and environmental issues is necessary to mitigate the potential negative effects of its investments. The investee's exposure to sustainability risks may cause direct or indirect effects on the financial performance of its investments, in addition to reputational and ethical risks. To this end, Eurizon attaches importance (i) respect for human rights and fight against the production of unconventional weapons, (ii) exposure to environmental issues, including climate change mitigation and adaptation, mitigation of biodiversity loss and fighting deforestation, and (iii) to the critical issues relating to corporate governance.

Therefore, Eurizon is actively committed to mitigate the negative impacts of investments through the implementation of specific strategies that envisage (i) the negative screening of issuers, with the aim of containing the risks arising from exposure to companies operating in sectors deemed not 'responsible' (such as the fossil fuel and non-conventional weapons sectors) or characterised by critical environmental, social or corporate governance issues, (ii) the positive integration of ESG factors in the analysis, selection and composition of financial portfolios and (iii) the engagement with investee companies as well as the selection of sustainable investments in accordance with (EU) 2019/2088 (so called "SFDR Regulation"), and (iii) engaging with investee companies through the exercise of voting rights and, when deemed relevant, engagement activities focused, in particular, on environmental and social issues. Furthermore, to protect its investors and stakeholders, Eurizon foresees specific mechanisms (i) of transparency in relation with the approach adopted towards the sustainability of investments as well as (ii) of risk management, in order to monitor informed investment decisions by managed assets.

For the purposes of this Statement, Eurizon takes into consideration, also depending on the availability and quality of data, the 16 indicators provided for by current regulations¹ concerning the principal adverse impacts of investment decisions on sustainability factors as well as no. 4 additional indicators referring respectively to (a) climate, with specific reference to (i) emissions of atmospheric pollutants and (ii) investments made in companies that do not adopt initiatives to reduce carbon emissions, (b) social and personnel issues, monitoring (i) the accident rate in companies benefiting from investments and (ii) with specific reference to the number of identified cases of serious human rights problems and incidents.

With specific reference to the main negative effects of investment choices on sustainability factors, Eurizon has defined specific controls for the identification, analysis and prioritisation of the main negative effects of investment choices on sustainability factors through the identification and monitoring of the effects, making use of data acquired from the specialised info-provider MSCI ESG Research. In the best interest of its own financial products, Eurizon undertakes (i) to continue to develop its own sustainability policies, with the aim of favouring the mitigation of the main negative effects on sustainability factors, including through the adoption of new negative and/or positive asset selection strategies and (ii) to focus its engagement actions towards its investee companies with the aim of orienting them towards improving their sustainability practices, considering, only as a last resort, the divestment of investments. Eurizon also recognises that effective management of the main negative impacts on the environment and society requires a collective effort and therefore adheres to internationally recognised codes of responsible business conduct and standards.

In accordance with the provisions of the rules implementing the SFDR Regulation, the Statement is also made available (i) in English, (ii) in the official language of the Member States of Subsidiaries and (iii) in the additional languages of the Member States in which their financial products are marketed.

¹ The Delegated Regulation (EU) 2022/1288 specifies the content, methodologies and presentation of the information required by Article 4 of the SFDR in relation to the principal adverse impacts at entity level for sustainability indicators related to (i) climate and other environment-related negative impacts and (ii) in the field of social and employee issues, human rights compliance, anti-corruption and anti-bribery.