

## Product name: **Eurizon Fund - Azioni Strategia Flessibile**

Legal entity identifier: **549300CWOONLZGXV6352**

### Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

#### Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●○ <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ____%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of <b>39.03%</b> of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ____%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

**Sector exclusion:** the fund does not invest in issuers operating in sectors considered "not socially and environmentally responsible", that is, (i) in companies characterized by a clear direct involvement in the manufacture of unconventional weapons, (ii) in companies that derive at least 25% of their turnover from mining or electricity production activities linked to thermal coal or (iii) in companies that derive at least 10% of their turnover from the extraction of oil sands.

**Issuer exclusion:** the fund does not invest in "critical" issuers (i.e. companies with the highest exposure to environmental, social and corporate governance risks, i.e. having a lower ESG sustainability rating level with a lower ESG sustainability rating level in the equity and bond investment universe) for which an escalation process is activated.

**ESG Score integration:** in accordance with good governance practices, the fund aims to pursue an "ESG score" - calculated at the overall portfolio level - higher than that of its investment universe. The ESG score is representative of the environmental, social, and corporate governance opportunities and risks to which an issuer is exposed and takes into account the issuer's management of these risks. The fund's ESG score is calculated as a weighted average of the ESG scores of the issuers of the financial instruments held in the fund's portfolio.

**Carbon footprint:** the fund also aims to build a portfolio with a lower carbon footprint than that of its investment universe, by measuring direct (i.e.: Scope 1, i.e. from sources controlled or owned by the company) and indirect (i.e.: Scope 2, i.e. from energy purchased and consumed by the company) carbon dioxide emissions (CO2) generated by the investee issuers expressed as weighted average of the CO2 intensity (with respect to their generated sales) per the weight of each corporate issuer in portfolio.

**Active ownership - engagement:** the fund also promotes a proactive engagement with issuers by exercising participating and voting rights and by engagement with the investee companies by encouraging an effective communication with the management of the companies

#### ● How did the sustainability indicators perform?

Sector exclusion: weight in the fund of issuers operating in sectors deemed not to be "socially and environmentally responsible", identified on the basis of data provided by specialised ESG and SRI infoproviders.

- 0.00%

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Issuer exclusion: weight in the fund of issuers with a high exposure to environmental, social and corporate governance (ESG) risks (i.e.: "critical" issuers), identified on the basis of data provided by specialised ESG infoproviders.

- 0.00%

ESG Score integration: "ESG Score" of the fund as determined by the specialised ESG infoprovider on the basis of environmental, social and governance profile of the investee companies

- Fund: 7.13

- Investment Universe: 6.92

The ESG score is calculated on a scale of 0 to 10

Carbon footprint: direct (i.e.: Scope 1) and indirect (i.e.: Scope 2) carbon dioxide emissions (CO<sub>2</sub>) generated by the investee issuers expressed as weighted average of the CO<sub>2</sub> intensity (with respect to their generated sales) per the weight of each corporate issuer in portfolio

- Fund: 79.30

- Investment Universe: 113.05

Value represents tons of carbon dioxide (CO<sub>2</sub>) per million dollars of revenue (direct and indirect Greenhouse Gas emissions). Measures CO<sub>2</sub> emissions generated by issuers

The fund also promotes a proactive engagement with issuers by exercising participating and voting rights and by engagement with the investee companies by encouraging an effective communication with the management of the companies. For more information go to <https://www.eurizoncapital.com/en/sustainability/stewardship-policy>

### ● ...and compared to previous periods?

Sustainability indicators performance reported in previous reference period (December 31, 2022):

Sector exclusion:

- 0.00%

Issuer exclusion:

- 0.00%

ESG Score integration:

- Fund: 7.05

- Investment Universe: 6.76

The ESG score is calculated on a scale of 0 to 10

Carbon footprint:

- Fund: 64.04

- Investment Universe: 140.40

Value represents tons of carbon dioxide (CO<sub>2</sub>) per million dollars of revenue (direct and indirect Greenhouse Gas emissions). Measures CO<sub>2</sub> emissions generated by issuers

### ● What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Eurizon Capital S.A. has adopted a methodology for the selection of sustainable investments based on the Sustainable Development Goals (SDGs) promoted by the United Nations. This methodology aims to select instruments issued by companies whose activities contribute to one or more of the SDG (aiming to foster a more conscious and lasting global development, including the well-being of human beings, the protection and care of the natural environment and responses to major social issues) through their own products and services or production processes, provided that (i) such investments do not significantly harm any of the environmental or social objectives set out in Regulation (EU) 2019/2088 and (ii) the companies benefiting from such investments comply with good governance practices.

However, the fund did not promote the specific environmental objectives set out in Regulation (EU) 2020/852. The fund may have invested in activities that may be considered as environmentally sustainable according to its investment policy, but such investments were not per se decisive to the attainment of the fund's environmental objectives

### ● How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The assessment of an Issuer's contribution to one or more of the 17 Sustainable Development Goals (SDGs) promoted by the United Nations took into account selected quantitative and qualitative metrics designed to highlight any adverse impacts caused by the Issuer.

### ● How were the indicators for adverse impacts on sustainability factors taken into account?

On the basis of controls it has defined, Eurizon Capital S.A. has considered specific environmental and social indicators for the assessment of the principal adverse sustainability impacts determined by the investment activities of the fund.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to

environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Although the negative effects of investment decisions on sustainability factors should be considered according to the different range of assets, geographic areas and sectors to which managed products are exposed, Eurizon Capital S.A. believes that adequate monitoring of exposure to social and environmental issues is a priority in order to mitigate the potential negative effects of its investments.

In particular, the methodology to select sustainable investments based on the Sustainable Development Goals (SDGs) promoted by the United Nations has taken into account, with varying degrees of intensity, principal adverse impacts through quantitative and qualitative metrics.

● *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The methodology to select sustainable investments based on the Sustainable Development Goals (SDGs) promoted by the United Nations adopted by Eurizon Capital S.A. considers principal adverse impacts through quantitative and qualitative metrics as, for example, the exposure of the issuer to eventual controversies. Within this context, Eurizon Capital S.A. assesses, for example, the issuers involvement in controversies regarding human rights, worker rights and own business conduct

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

The identification of the main negative effects of investment choices on sustainability factors and the definition of the related mitigation actions are an integral part of Eurizon Capital S.A.'s approach to sustainability. Eurizon has adopted a specific framework which provides for specific environmental, social and governance indicators for the assessment of the negative effects on the sustainability deriving from investments according to the characteristics and objectives of the individual financial products, which provide for the use of:

- negative screening of SRI and ESG factors, with the aim of mitigating the risks of exposure to companies operating in sectors considered as not "socially responsible" (including, in particular, the exposure to the fossil fuels sector and to the unconventional weapons sector) or characterized by critical environmental, social or corporate governance;
- positive integration of ESG factors in the analysis, selection and composition of financial portfolios (Score ESG).

In the best interest of its own financial products, Eurizon Capital S.A. commits (i) to continue to develop its own Sustainability Policies and (ii) to activate specific engagement actions with regard to the issuers that show significant deviations from specific environmental, social and governance indicators or that show significant negative effects on several indicators, with the aim of directing them towards improving their sustainability practices, evaluating, only as a last resort, the disposal of their investments.

On the basis of controls it defined, Eurizon Capital S.A. considered specific environmental and social indicators for the assessment of the principal adverse sustainability impacts determined by the investment activities of the fund, as here below indicated:

- Activities that adversely affect biodiversity sensitive areas
- Gender diversity on the board of directors
- Exposure to controversial weapons
- Greenhouse Gas (GHG) Emissions intensity
- Greenhouse Gas (GHG) Emissions intensity of investee companies
- Exposure to fossil fuel companies



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: Year 2023

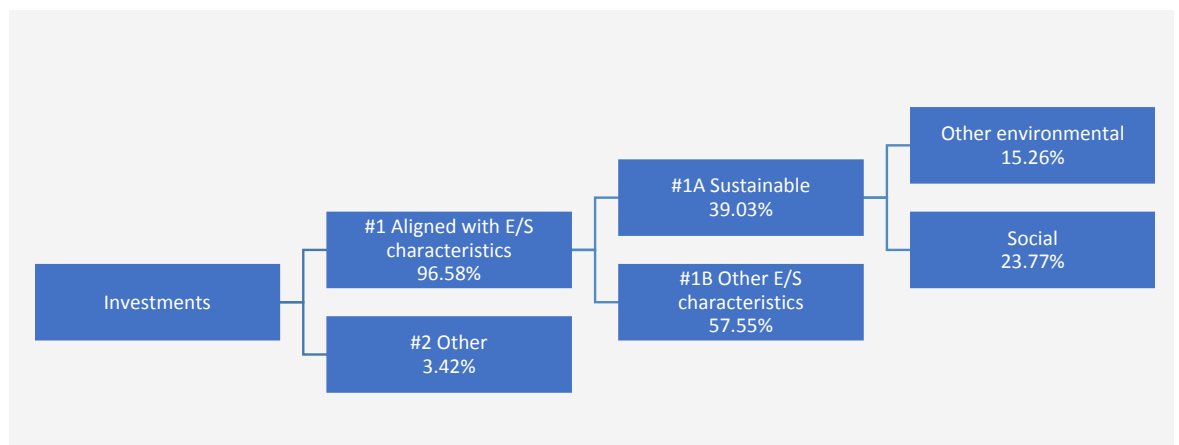
Largest Investments	Sector	% Assets	Country
FRENCH DISCOUNT T BILL BILLS REGS 11/23 0.00000	GOVERNMENT	6.25	France
EURIZON FUND MONEY MARKET EU EURIZON MONEY MKT EUR T1 ZA	FINANCE	5.14	Luxembourg
GERMAN TREASURY BILL BILLS REGS 08/23 0.00000	GOVERNMENT	2.86	Germany
SPAIN LETRAS DEL TESORO BILLS 04/24 0.00000	GOVERNMENT	2.75	Spain
SPAIN LETRAS DEL TESORO BILLS 07/23 0.00000	GOVERNMENT	2.54	Spain
GERMAN TREASURY BILL BILLS REGS 08/24 0.00000	GOVERNMENT	2.29	Germany
SPAIN LETRAS DEL TESORO BILLS 08/23 0.00000	GOVERNMENT	1.99	Spain
EURIZON FUND MONEY MARKET US EURIZON MONEY MKT USD T1 ZA	FINANCE	1.91	Luxembourg
BILHETES DO TESOURO BILLS 01/24 0.00000	GOVERNMENT	1.68	Portugal
SPAIN LETRAS DEL TESORO BILLS 08/24 0.00000	GOVERNMENT	1.60	Spain
BUONI ORDINARI DEL TES BILLS 07/24 0.00000	GOVERNMENT	1.59	Italy
SPAIN LETRAS DEL TESORO BILLS 06/23 0.00000	GOVERNMENT	0.88	Spain
FRENCH DISCOUNT T BILL BILLS REGS 10/24 0.00000	GOVERNMENT	0.70	France
BUONI ORDINARI DEL TES BILLS 06/24 0.00000	GOVERNMENT	0.65	Italy
BUONI ORDINARI DEL TES BILLS 08/23 0.00000	GOVERNMENT	0.60	Italy



## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

### ● What was the asset allocation?



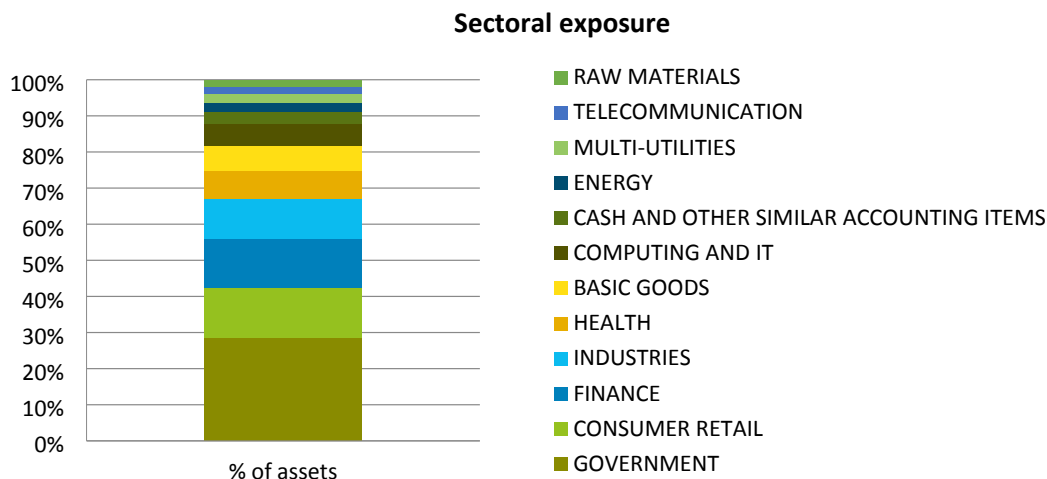
**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● In which economic sectors were the investments made?



● To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Currently, considering the information set available to Eurizon as of the date of this periodic report, the fund's proportion of environmentally sustainable investments within the meaning of Regulation (EU) 2020/852 is equal to 0%. However, the fund may have invested in activities that may be considered as environmentally sustainable according to its investment policy, but such investments were not per se decisive to the attainment of the fund's environmental characteristics.

Finally, it should be noted that the investments underlying this fund do not take into account the European Union's criteria for environmentally sustainable economic activities

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy <sup>1</sup>?

- Yes:
- In fossil gas     In nuclear energy
- No

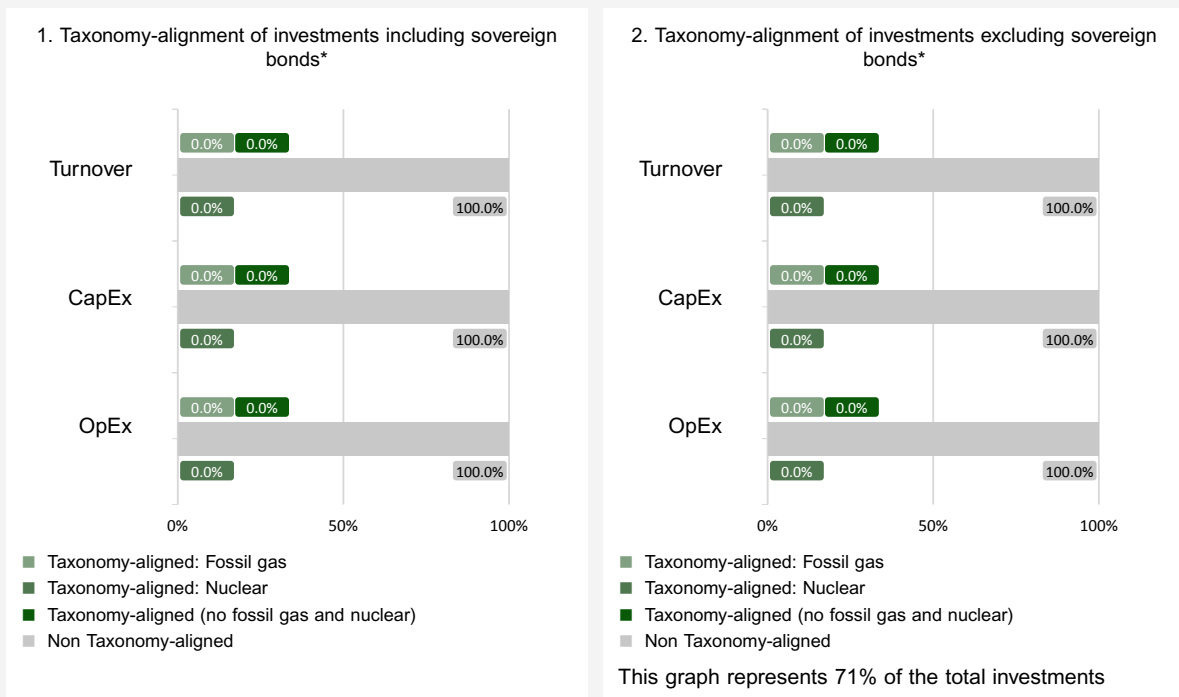
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

● **What was the share of investments made in transitional and enabling activities?**

Transitional activities: 0.00%  
 Enabling activities: 0.00%

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Compared to the previous reference period (December 31, 2022), the percentage of investments that were aligned with the EU Taxonomy, both including and excluding sovereign bonds, remained unchanged and equal to 0%.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective is entirely not aligned with the EU Taxonomy and was 15.26% of total investments.



are sustainable investments with an environmental objective that **do not take into account the criteria** for



### What was the share of socially sustainable investments?

The fund has promoted environmental and/or social characteristics and had a socially sustainable investment share of 23.77% of total investments



### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The following investments are included under “#2 Other”: (i) potential investments in issuers with no ESG score; (ii) derivatives for reducing risks (hedging) and costs, and to gain additional investment exposure; (iii) liquid assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets; (iv) instruments and techniques only used for efficient fund management.

For the investments included under “#2 Other”, there are no minimum environmental or social safeguards.



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Eurizon Capital S.A monitored compliance with the financial instrument selection strategies set out in previous section in line with the principles of Sustainable and Responsible Investment (SRI) and environmental, social and governance (ESG) factors promoted by the fund.

The pursuit of environmental and/or social characteristics is monitored through specific investment limits. The fund also promoted proactive engagement with issuers by exercising participating and voting rights and by engagement with the investee companies by encouraging an effective communication with the management of the companies. For more information please refer to the "Stewardship Report", the "Report on participation at shareholder meetings of companies with securities under portfolios" and the Proxy Voting Dashboard available at

<https://www.eurizoncapital.com/en/sustainability/stewardship-policy>



### How did this financial product perform compared to the reference benchmark?

No specific index has been designated as a reference benchmark to determine whether the fund is aligned with the environmental and/or social characteristics that it promotes.

- **How does the reference benchmark differ from a broad market index?**

Not Applicable

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not Applicable

- **How did this financial product perform compared with the reference benchmark?**

Not Applicable

- **How did this financial product perform compared with the broad market index?**

Not Applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.