



Generali Asset Management S.p.A.
Società di gestione del risparmio

SUSTAINABILITY POLICY

Versioning

Version	Date of issuance	Reason for and Extent of Changes
2 (202507)	2025-07-01	The Policy has been updated in order to: <ul style="list-style-type: none">• Remove the annexes to streamline the document;• Add of a foreword to provide context and introduce the document's purpose;• Include a dedicated chapter on Sustainability Impact;• Revise and enhance the integration processes and the methodologies developed.
1 (202401)	2024-01-01	First version of the regulation following the 2024 reorganization project.

Annexes

No Annex.

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1 Glossary and Definitions

Acronym/ Term	Explanation/ Definition
ACS	Asset Class Specialist
BOD	Board of Directors of the Company
CEO	Chief Executive Officer of the Company
CIS	Collective Investments Scheme
CLIENTS	Individual portfolios and investment advice services Clients
CONTROL FUNCTION	Internal Audit, Compliance, Risk Management and Anti-Financial Crime Functions
COUNTERPARTY	the other party or entity with whom a financial transaction is conducted.
ENVIRONMENTAL OBJECTIVES	(a) climate change mitigation; (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control; (f) the protection and restoration of biodiversity and ecosystems
ESAS	European Supervisory Authorities
ESG FACTORS	Environmental, Social and Governance factors have to be intended as a specification of Sustainability Factors (as defined below) and are selected to assess issuers' behaviour in relation to the environment (e.g. carbon emissions, waste generated), social (e.g. relationships with employees, suppliers, customers, and the communities where it operates) and corporate governance (e.g. remuneration practices, audits and shareholder rights) matters
GENAM OR COMPANY	Generali Asset Management S.p.A. Società di Gestione del Risparmio
GOOD GOVERNANCE PRACTICE ASSESSMENT	A sustainable investment (as defined in Article 2, point (17) of the EU Sustainable Finance Disclosure Regulation (SFDR)) and a financial product promotes, among other characteristics, environmental or social characteristics (as defined in Article 8, point 1 of the EU SFDR), requires that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. In particular, for GenAM, governance factors are intended as decision-making practices, rules and procedures relating to the distribution of rights and responsibilities among different participants in corporations, including the board of directors, managers, shareholders and stakeholders.
GREENWASHING	Greenwashing refers to practices where sustainability-related statements, actions, or communications fail to clearly and fairly reflect the underlying sustainability profile of an entity, financial product, or service.
INVESTMENT MEMORANDUM	Document prepared by a business or financial institution to provide potential investors with detailed information about a specific investment opportunity.

KPI	Key Performance Indicators
LIQUID ASSET	<p>Refers to a category of financial assets that can be quickly and easily bought or sold in the market without significantly affecting its price. The Liquid Assets are sub-categorized into:</p> <p>Direct Liquid Asset – e.g. Listed Equity, Listed Corporate Bond, Listed Government Bond.</p> <p>Indirect Liquid Asset – e.g. ETFs and CIS (excluding those investing in private asset).</p>
PRIVATE ASSET	<p>Private Asset (or “illiquid”) refers to a category of financial assets that can’t be easily traded on market or converted into cash without a significant loss in value. The Private Assets are sub-categorized into:</p> <p>Direct Private Asset - e.g. Private Debt, Private Equity;</p> <p>Indirect Private Asset - e.g. CIS investing in Private Debt, Private Equity and other illiquid asset classes.</p>
SBT	Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth ¹
SFDR	Sustainable Finance Disclosure Regulation – Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector
SUSTAINABILITY DUE DILIGENCE	Process conducted to assess and evaluate the environmental, social, and governance (ESG) risks and opportunities associated with a particular business, investment, or project. The goal is to identify and understand the potential sustainability-related impacts and considerations that may affect the long-term viability and performance of the subject of the due diligence.
SUSTAINABILITY DUE DILIGENCE QUESTIONNAIRE	Dedicated questions submitted during the investment decision-making process within the Due Diligence package.
SUSTAINABILITY FACTORS	Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters
SUSTAINABILITY IMPACTS	Refers to the effects—both positive and negative—that an investment decision or financial product have on environmental, social, and governance (ESG) factors. These impacts may include, but are not limited to, contributions to climate change mitigation or adaptation, biodiversity preservation, social inclusion, labour rights and human rights.
SUSTAINABLE INVESTMENT	In accordance with the EU Sustainable Finance Disclosure Regulation (SFDR), “Sustainable Investment”, as defined in Article 2, point (17), means an investment in an economic activity that contributes to (i) an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or (ii) an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or (iii) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to

¹ <https://sciencebasedtargets.org/how-it-works>

	sound management structures, employee relations, remuneration of staff and tax compliance
SUSTAINABILITY OPINION	For Private Assets Funds, it is produced by the ESG. It contributes to the final investment decision for both direct and indirect investments that requires Sustainability Opinion (i.e. for all managed portfolios classified as article 8, 8+ or 9 SFDR). It is compiled with all the information and documentation provided during the completion of the Sustainability Due Diligence Questionnaire together with any dedicated meetings with the Counterparty or underlying fund.
SUSTAINABILITY RISK (ESG RISK)	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment
TCFD	Task Force on Climate-related Financial Disclosures is a framework established in 2015 by the Financial Stability Board to improve and increase reporting of climate-related financial information

2 Introduction

2.1 OBJECTIVES

The objective of the Sustainability Policy is to provide clear disclosure on GenAM's approach to sustainability and the integration of ESG factors throughout the entire investment and advisory process, according to a holistic approach that aims to consider sustainability risks and opportunities and impacts on sustainability factors.

In particular, the Policy seeks to provide a comprehensive overview of how ESG risks are assessed and integrated into decision-making processes (in accordance with Article 3 of the Sustainable Finance Disclosure Regulation "SFDR") and of the sustainability strategies adopted by GenAM aimed at mitigating risks and managing impacts on sustainability factors, as well as the methodologies for developing products with enhanced ESG appetite are defined, e.g. classified under article 8 or 9 SFDR, in line with GenAM's sustainability commitments and objectives.

2.2 APPROVAL AND REVIEW

The document was approved by the Board of Directors of the Company of the Company.

It shall be promptly reviewed, at least on an annual basis, to include developments in legislation, market and/or best practices, Group and Company strategy and organization. The content of this regulation shall be updated accordingly by the Accountable Function if deemed necessary, and in any case at least every 3 years.

2.3 EFFECTIVE DATE

The Effective Date of the document is July 1st, 2025.

2.4 SCOPE OF APPLICATION

The document applies to:

- Generali Asset Management S.p.A. Società di gestione del risparmio, including its branches.

2.5 IMPLEMENTATION, MONITORING AND INFORMATION FLOWS

The GenAM Accountable Function and the Senior Management are responsible for managing the implementation of this Policy within the perimeter of their respective responsibility. Any relevant organizational unit within the Company shall promptly inform the Accountable Function of any facts and/or circumstances connected with this Policy which may be relevant for the performance of their duties.

On a yearly basis, the Accountable Function is responsible for guaranteeing a due information flow on the implementation status to the GIH Accountable Function, the GenAM CEO and the GenAM BoD and whether the contents of this Policy have been implemented.

The GIH and GenAM Accountable Functions liaise for support and collaboration on matters related to this Policy.

3 Roles and Responsibilities

Role	Responsibilities
BOARD OF DIRECTORS/BOD	<ul style="list-style-type: none"> The Board of Directors defines GenAM's Sustainability Strategy, and its related priorities based on the information and considerations presented by the CEO, overseeing its implementation within the Group's and business activities. GenAM Board of Directors is in charge for the approval and review of the Sustainability Policy. The Board approves the Policy upon proposal of GenAM CEO.
CHIEF EXECUTIVE OFFICER/CEO	<ul style="list-style-type: none"> Assists the BoD in defining the Sustainability Strategy. Is involved in presenting to the BoD the Sustainability Policy to be approved.
ESG FUNCTION	<ul style="list-style-type: none"> performs sector and thematic analyses which support the identification of sustainability risks that could potentially alter short and long-term sector-specific performances. supports and collaborates with Investment and Research Functions providing inputs on thematic and corporate sector relevant ESG as well as climate related topics in order to integrate sustainability risk and opportunities into the investment decision-making process with updated quantitative and qualitative information. is in charge of updating the lists of restricted investments according to the exclusion principles as set by GenAM's own policies and/or the clients in their Responsible Investment Guidelines. interacts directly with the issuers and / or ESG data providers to obtain additional information. Exercise the voting rights and perform engagement activities.
INVESTMENT FUNCTION	<ul style="list-style-type: none"> collaborates with ESG Function in order to ensure that the investment decision-making process integrates sustainability risks and takes also into account quantitative and qualitative information with regard to ESG opinions, views and research on relevant ESG and climate topics. For liquid direct assets, it ensures the first level of control in monitoring the exposure towards issuers included in the restricted lists, both GenAM and client's own exclusion list. Can identify ESG risks associated to a specific issuer.
RISK MANAGEMENT FUNCTION	<ul style="list-style-type: none"> monitors the exposure towards the issuers included in the ESG exclusion lists and verifies the respect of the ESG investment limits. within the scope of risk management, Risk Committees also play a crucial role, particularly the Operational Risk Committee and the Investment Risk Committee. Both serve advisory functions to the Board of Directors and are responsible for overseeing and monitoring risk-related issues, as well as remedial actions and risk mitigation strategies.
RESEARCH FUNCTION	<ul style="list-style-type: none"> interacts directly with the issuers and / or ESG data providers to obtain additional information. can identifies ESG risks associated to a specific issuer. Credit Research integrates ESG factors into corporate single-name analyses, as defined by sectorial materiality matrices elaborated with the ESG Function. Credit opinions are complemented with "ESG considerations" i.e., a dedicated section explaining, when relevant, if any ESG factor has had an impact on the Credit Rating.

	<ul style="list-style-type: none"> the Macro & Market Research integrates ESG external ratings into its proprietary Sovereign Rating Monitor (proprietary algorithm), which is made available to all the Investment Function. Credit Research analysts comment on the governance practices of corporate issuers, including the potential impact these might have had on current and future credit rating, to complement the proprietary Credit Research opinions with a section “ESG considerations”.
SUSTAINABILITY COMMITTEE	<ul style="list-style-type: none"> The Sustainability Committee (SC) is a consultative committee that supports the implementation of sustainability strategies to ensure alignment with GenAM’s sustainability policies, goals and regulatory requirements.

4 Forewords.

Generali Asset Management's vision is rooted in offering high-quality asset management solutions. This objective is supported by a vision focused on innovation, and integration of ESG factors wherever it creates long-term value. GenAM's ability to develop adaptable and flexible ESG solutions is a key factor in delivering long-term value to its clients and investors.

This commitment has led and continues to lead GenAM to equip itself with the necessary tools to effectively address sustainability issues and client's preferences.

Our commitments

As of January 1st, 2024, Generali Investments Partners S.p.A. Società di gestione del risparmio (GIP) was merged by incorporation into Generali Insurance Asset Management S.p.A. Società di gestione del risparmio (GIAM) whose name changed in Generali Asset Management S.p.A. Società di gestione del risparmio (GenAM). As a result of the merger, GenAM has assumed all the rights and obligations of GIP and has continued the activities carried out by GIP. Since 2021, GenAM is signatory of **the United Nations Principles for Responsible Investment (PRI)**. Being a signatory of the Principles for Responsible Investment (PRI) entails a formal commitment to integrating environmental, social, and governance (ESG) factors into investment decision-making processes and business practices. This commitment involves, among others, incorporating ESG criteria into financial analysis and decision-making, promoting responsible investment policies, demanding ESG transparency and reporting from counterparts.

In line with this vision, GenAM chooses to adhere to various national and international initiatives related to the implementation of sustainability:

- **Forum per la Finanza Sostenibile (ItaSIF or FFS)**: an Italian non-profit association, which promotes the integration of ESG criteria into financial investments. Through research, education, and advocacy, it supports the development of more responsible and sustainable finance.
- **Forum pour l'Investissement Responsable (FIR)**: a multi-stakeholder association whose social purpose is to promote and develop responsible investment and its best practices. The FIR brings together all the players in the SRI field and engages with listed companies on sustainable development issues.
- **European Sustainable Investment Forum (Eurosif)** is a leading pan-European association that promotes sustainable finance. It works to advance responsible investment practices through research, advocacy, and collaboration with policymakers and financial market participants.
- **Institutional Investors Group on Climate Change (IIGCC)**: an organization that brings together institutional investors, such as pension funds and asset managers, to address the risks and opportunities related to climate change.
- **Climate Action100+**: investor-led initiative that aims to drive significant climate action from the world's largest corporate greenhouse gas emitters.
- **NetZero engagement initiative**: IIGCC collaborative initiative on climate to build on and extend the reach of investor engagement beyond Climate Action 100+ focus list, including more companies that are heavy users of fossil fuels, contributing to demand for its products.
- **Nature Action 100+**: a global investor-led engagement initiative focused on supporting greater corporate ambition and action to reverse nature and biodiversity loss. Investors participating in the initiative engage companies in key sectors deemed systemically important in reversing nature and biodiversity loss by 2030.
- **Stewardship codes**: guidelines or principles adopted at national level to promote responsible investment practices. These codes aim to encourage institutional investors, such as pension funds and asset managers, to actively engage with the companies they invest in to ensure sustainable corporate governance and create long-term value for shareholders and society.

Further details about the management of stewardship can be found in **GenAM's Engagement Policy**, available on GenAM's website, which sets out the fundamental rules that GenAM applies in the exercise of voting rights linked to shares and bonds in Investee Issuers and describes the ways in which GenAM integrates the commitment as an asset manager in its investment strategy through engagement activities, taking into account best practices from international standards as well as relevant national stewardship codes.

Generali Asset Management also adheres to European and local asset manager associations, e.g. EFAMA - European Funds and Asset Management Association, AFG - Association Française de la Gestion financière and Assogestioni, being actively involved in the discussions regarding sustainability matters.

GenAM is committed to contrast any practices linked to the phenomenon of Greenwashing and to misleading or untruthful communication. Indeed, GenAM strives to prevent Greenwashing by promoting the principle of transparency. Moreover, none of the ESG strategies or the objectives of GenAM are directly influenced by politics or dynamics interconnected with ideological issues.

Implementation of EU Regulatory Framework

European Regulators have developed a framework to enhance the adoption of economic, environmental and social factors in investment and finance activities in order to achieve long-term sustainable development. In this framework, financial market participants and financial advisors are required to implement an appropriate governance structure and to provide accurate information about the sustainability risks. In this context, the main regulatory reference is the Regulation (EU) 2019/2088 "Sustainable Finance Disclosure Regulation" or "SFDR" issued by the European Parliament and the Council on the 27 November 2019, and which entered into force on the 29 December 2019.

In this regard, the Regulation aims at providing homogeneous information to end-investors about sustainability risks and at the promotion of ESG factors in financial investment activities. This Regulation was enhanced by the Regulation (EU) 2020/852 (Sustainable Finance Taxonomy) that provides the criteria for determining whether an activity can be considered environmentally sustainable and the Commission Delegated Regulation (EU) 2022/1288 that provides regulatory technical standards (RTS) specifying the details of the content and presentation of the information on precontractual documents, on websites and in periodic reports.

This document aims to outline the **integration of sustainability risks into the Investment and Advisory Processes, in accordance with Article 3 SFDR**, and the related implementing legislation. This purpose is primarily pursued in the section 5 of the document which focuses on risk identification and measurement, starting from the mapping of activities implemented at the entity and portfolio levels, for example climate risk, and ultimately integrating ESG factors into the various asset types managed by GenAM. In this context, clarity is provided on the consideration of ESG factors and the related risks in responsible investment management.

Although sustainability risk management constitutes a fundamental part of this policy, as specified above and as will be described throughout the Policy itself, for GenAM, a comprehensive integration of ESG factors also involves the management of sustainability impacts, both positive and negative.

The Policy also focuses on the describing ESG products and methodologies used to achieve such products targets, e.g. promotion of environmental or social characteristics as per article 8 SFDR or sustainable investment objective as per article 9 SFDR.

Additionally, GenAM takes into account the PAIs at the entity level, as per **Article 4 of the SFDR** and as detailed in the Statement on principal adverse impacts of investment decisions on sustainability factors, available on the GenAM website. However, GenAM has decided not to systematically consider adverse sustainability impacts in its investment advice, as per statement available in the website.

Furthermore, GenAM has included in its remuneration policy information on how this is consistent with the integration of sustainability risk, in compliance with **Article 5 SFDR**. A summary of the Remuneration Policy is available on GenAM website.

Our approach on key sustainability issues

Through this policy, GenAM aims to promote sustainability and to adopt a responsible approach within its activities, for example promoting investment and/or disinvestment choices.

GenAM's key sustainability topics are:

- **Climate Change** - GenAM believes it is important to:
 - Develop and integrate climate-related risk metrics into investment strategies which may also take into consideration Paris Agreements' principles.
 - Enhance capabilities to assess potential investment in sustainable projects and industries, such as renewable energy, low-carbon technologies, and energy efficiency solutions.
 - Use engagement and collaborate with other market stakeholders to advocate for practices to foster climate resilience.

In addition, GenAM commits to reducing to zero the exposure to thermal coal across all business lines by 2030 in European and OECD countries, and by 2040 in the rest of the world, as specified below in Paragraph 5.2.2.

- **Human Rights** - GenAM
 - Commits to upholding international human and workers' rights standards, including those outlined by the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Declaration on Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights; Such commitment is mostly implemented via the GenAM's exclusion criteria

With regard to general principles promoted internationally, e.g. the United Nations Sustainable Development Goals (UN SDGs), as well as in respect to its institutional mission, GenAM is inspired by the following principles, which it intends to adopt and make guidelines for sustainability in defining its strategies and managing its funds:

- Compliance with regulations
- Integration of ESG factors into investment analysis and decision-making processes

5 Integration of sustainability risks in the investment decision-making and in advisory processes

Sustainability risk is defined by SFDR as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

More in detail, sustainability risks are intended as ESG factors that can mainly imply, for a given issuer, loss of revenue or franchise, increased capital expenditures, extraordinary expenses, contingent liabilities and provisions, pension and other liabilities, ultimately leading to a loss of the value of the investment.

The impact that ESG factors may have on the long-term returns of asset classes is of utmost importance. It is therefore essential to consider how these factors affect long-term investment returns and take advantages on anticipating the risks characteristics of individual asset class analysis.

It's important to outline that sustainability risks and sustainability impacts should not be considered separate and independent. In fact, the sustainability impact can, in the long term, lead to consequences related to sustainability risks: managing negative impacts also contributes to risk mitigation.

The table below provides guidance examples of ESG factors:

ESG Factor	Description
E-ENVIRONMENTAL	Aspects related to the quality and to the functioning of the environment and natural systems, including: greenhouse effect and climate change; the availability of natural resources, including: energy and water; changes in the use of soil and urbanization; quality of the air, water and soil; the production and management of waste; the protection of natural habitats and biodiversity.
S-SOCIAL	Aspects related to the rights, well-being and legitimate interests of people and local communities, including: human rights, diversity and promotion of equal opportunities; demographical changes; occupation and the right to decent working conditions, including child and forced labour, as well as occupational health and safety; the distribution of wealth and inequalities within and among countries; migrations; education and human capital development; digital transformation, artificial intelligence, internet of things and robotics; health and access to social assistance and healthcare; consumer safety; power diffusion and the crisis of traditional elites.
G-GOVERNANCE	Aspects related to government of the companies and organizations, including transparency; ethics and integrity in business practices and compliance with laws; corruption; tax responsibility; board structure, independence and diversity; mechanisms to incentivize the management; stakeholders and stakeholders rights, protection/distortion of competition.

5.1 SUSTAINABILITY RISK ASSESSMENT

In compliance with the obligations established by the European regulations on sustainability disclosure in the financial services sector, GenAM has developed methodologies for the selection and monitoring of financial instruments, aimed at integrating sustainability risks into the investment decision-making and in advisory processes.

These methodologies are suitably adapted where relevant to the characteristics of the products and their classification in accordance with the SFDR. At process level, the identification and measurement of risks are performed as described as follows by the ESG and Risk Management functions and duly monitored by the same functions.

Sustainability Risks identification may stem from ESG analysis and Engagement and Voting activities. More specifically, ESG Function performs sector and thematic analyses with the aim of identifying sustainability risks that could potentially alter short and long-term sector-specific performances. The findings of such activity are made available to, and will feed, the Research Function and the Investment Function supporting the integration of sustainability risks and sustainability opportunities into the investment decision-making process and investment advice. In addition, sustainability risk identification also leverages external ESG data providers, monitoring of ESG-related news, selling side research and issuers' public disclosure. When available data are not deemed sufficient to correctly identify sustainability risks, the ESG Function or the Research Function interacts directly with the issuers and / or ESG data providers to obtain additional information.

According to internal Risk Management framework, the sustainability risk identification process ensures that all significant

risks to which GenAM is exposed are thoroughly evaluated, allowing for the implementation of suitable mitigation measures to manage them effectively. The risks identified are assessed using a qualitative/quantitative approach (risk metrics and key risk indicators), differentiated by Portfolios based on relevant regulations or specific instructions within individual mandates, prospectuses, and fund regulations.

The framework for sustainability risk monitoring relies on three pillars: exclusion principles to screen out entities not meeting ESG criteria (for all portfolio managed by GenAM), ESG rating/score monitoring using external data providers, and compliance with ESG constraints defined for specific portfolios (typically for art. 8/9 SFDR products managed). Private assets undergo annual ESG risk reviews. Risk measurement incorporates qualitative and quantitative methods, with oversight by the Risk Management Function. Pre-trade assessments are conducted for less liquid assets to ensure proper risk evaluation, while methodologies and governance are detailed in the internal Risk Management framework.

Furthermore, GenAM has developed an approach for the climate-environmental risks materiality assessment, based on the existing regulatory guidance on the matter as well as latest available market practices. Conducting a materiality assessment of climate and environmental risks involves a structured approach to identify, assess, and prioritize these risks in the context of their potential impacts on the Asset Manager.

5.2 RISK MITIGATION STRATEGIES FOR LIQUID ASSETS

Based on the results of the risk identification and assessment activities, GenAM has established the following strategies to mitigate sustainability risks of its portfolios. These strategies also apply to GenAM's investment advisory services, where relevant.

In the context of the individual portfolio management service and collective asset management under a delegation agreement, GenAM can agree with its clients / delegating management company to apply additional risk mitigation strategies, each time Clients/Delegating management company require GenAM to apply their own strategy (e.g. exclusion criteria) and such requests are more restrictive than GenAM's ones. For example, GenAM can implement, upon request, exclusion criteria to restrict counterparties that invest partially or entirely in activities related to tobacco production, the gambling industry, adult entertainment, conventional oil and gas, or conventional weapons.

Conversely, in case Clients' policies are less restrictive than GenAM ones, GenAM evaluates on a case-by-case basis and reserves itself the right of not accepting any such less restrictive policies by motivating the reasons behind accepting, when this is the case, less restrictive restrictions.

5.2.1 Norms-based screening

Norm-based screening is an ESG investment approach that assesses companies based on their compliance with international regulations and ethical principles, such as those defined by the UN and OECD. For GenAM, this entails applying criteria to assess whether securities, issuers, investments, sectors, or other financial instruments can be included in a managed portfolio, based on their alignment with internationally recognized standards of practice. Norm-based screening applies to GenAM's portfolios differently from asset class as it follows.

Direct Assets

Environmental, social, and governance (ESG) controversies can be costly, and even highly regarded issuers are subject to reputational, compliance and financial risk. Controversies assessment is a key component of GenAM's ESG integration framework. That is because companies often face litigations, class action suits, regulatory fines and other penalties arising from disputes that can impact current financial valuation and/or future performances but that are not reflected into the ESG ratings in real time.

Norm-based screening corresponds to the identification of issuers involved in the screening criteria listed below. The output is a list of issuers identified as not being compliant and excluded from the investment universe. ESG Function might perform an internal assessment to better assess specific cases and/or to verify the accuracy of the data used.

The exclusion list, validated by GenAM CEO, is disseminated to relevant internal stakeholders and incorporated in the main investment tool, including with blocking alerts, unless in the case of clients' policies less restrictive than GenAM's ones and which have been accepted by GenAM.

The update of the list of issuers restricted under the screening criteria below is performed at least once a year.

The list is applied to all GenAM portfolios regardless of their SFDR classification (i.e. article 6, 8 or 9 SFDR), and it is only applicable to the exposure to direct assets (it is not applicable to the purchase by GenAM portfolios of Funds, ETF or Private Assets, both direct and indirect).

For those issuers identified as restricted the following actions apply:

- No new investments are allowed.
- For legacy exposure²:
 - a) For portfolios managed by GenAM (CIS and IMA) following a LDI or LDI-like strategies (including Spezial Fonds and IMA following these strategies):
 - for equity, the ACS must consider the most opportunistic conditions (in terms of pricing and timing) to sell the instruments;
 - for fixed income, exposure reduction is performed opportunistically, if and when market conditions allow to do so.
 - The ACS can conclude to keep the security until maturity ("Hold-to-maturity" approach) if potential constraints materialize (e.g., balance sheet constraints, potential P&L impact for the client, market liquidity conditions). For both equity and fixed income, the ACS will assess the opportunity to sell the security taking into considerations the investment policy, guidelines and limits set out in the IMA.
 - b) For portfolios managed by GenAM (CIS and IMA) other than portfolios (CIS and IMA) following a LDI or LDI-like strategies (including Spezial Fonds and IMA following these strategies): Obligation to sell existing positions during the three months following the restricted status, unless the term of three months is too strict, considering the features of the relevant portfolio, to ensure that the interests of the portfolio and its investors are adequately protected.

Below the details of GenAM Norm-based screening for liquid Direct Assets:

Type of exclusion	Exclusion Criteria
<i>Exclusion applicable to Corporate Issuers</i>	
Controversial Weapons	<p>Companies that develop or produce:</p> <ul style="list-style-type: none"> • cluster bombs, according to the 2008 Convention on Cluster Munitions (CCM) signed in Oslo; • antipersonnel landmines, according to the 1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction signed in Ottawa; • nuclear weapons, according to Treaty on the Non-Proliferation of Nuclear Weapons; • depleted uranium; • biological weapons, according to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (The Biological Weapons Convention); • and chemical weapons, according to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Chemical Weapons Convention) <p>or key components/services of such weapons.</p> <p>Companies that offer supplemental services for nuclear weapons, such as nuclear weapon repair and maintenance, stockpiling and stewardship, research and development (R&D), testing, and simulations, among other things.</p>
Controversy	<p>Companies involved in violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprise, more specifically:</p> <ul style="list-style-type: none"> • companies involved in systematic human rights and/or labour rights violations; • companies involved in severe environmental damages; • companies implicated in cases of corruption and bribery.
<i>Exclusion applicable to Sovereign issuers</i>	
Controversy	<ul style="list-style-type: none"> • The Financial Action Task Force (FATF) blacklist • EU non-cooperative jurisdictions for tax purposes • Social: the bottom 5% of Freedom House list • Governance: the bottom 5% of Corruption Perception Index calculated by Transparency International

² Legacy exposure refers to the ongoing exposure of GenAM portfolios to issuers that are included on the exclusion list.

Indirect Assets

The Norm-based screening focuses on the exposure to corporate issuers involved in Controversial Weapons or violations of the UNGC, as well as the implementation of norm-based screening policies at target fund or asset manager level. Therefore, the strategy relies both on a quantitative screen and on a qualitative due diligence.

Funds in breach are not automatically considered not investable for GenAM. PMs, with the on-demand support from ESG Function, are responsible to assess, whether this exposure is relevant for each of their respective portfolios, based on each portfolio's sustainability investment guidelines, pre-contractual documentation or other frameworks applicable.

In any case, GenAM ensures the compliance with Italian Law 220/2021³ in case of investment in target funds (other than Private).

5.2.2 Negative / Exclusionary screening

Negative screening is an ESG investment strategy that excludes companies or sectors considered unethical or harmful to society and the environment.

GenAM approach to exclusion provides a structured framework to exclude issuers or securities based on specific ESG criteria, such as controversial activities. GenAM exclusions are uniformly applied across all portfolios managed by GenAM but are applied differently depending on the type of asset class (direct and indirect as described below). Any alternative arrangements shall be agreed upon with clients provided that the sustainability risks are duly mitigated to avoid financial risk and greenwashing risk.

Direct Assets

Regarding the negative screening applied to liquid direct assets (other than Private), GenAM manages its portfolios to address growing environmental concerns, such as climate change and biodiversity, driven by increasing regulatory and societal pressures and their impact on issuers. Although primarily seen as a tool to reduce negative sustainability impacts, GenAM believes this strategy can also mitigate sustainability risks in investments as companies active in these sectors often face significant financial risks from regulatory changes, environmental liabilities, operational hazards, and declining long-term demand. Therefore, GenAM has defined the following Thermal Coal and Unconventional Oil & Gas Sector exclusion:

Sector	Exclusion Criteria
Thermal Coal	<p>Overall progress towards the Paris Agreement goals requires a "steep reduction" in the use of thermal coal, the main factor responsible for climate change attributable to human activity.</p> <p>The IPCC states that combustion of thermal coal needs to be reduced by 75% from 2010 levels by 2030, and by 98-100% by 2050.</p> <p>GenAM commits to reducing to zero the exposure to thermal coal of all business lines by 2030 in European and OECD countries, and by 2040 in the rest of the world. GenAM commits to strengthening the exclusion criteria and thresholds regularly to end all support to companies active in the coal sector by the above-mentioned dates.</p> <p>GenAM identifies companies as potential exclusion if one or more of the following criteria occurs:</p> <ul style="list-style-type: none"> • Thermal Coal-related business: more than 20% of the revenues deriving from thermal coal; • Thermal Coal power generation: more than 20% of power generated from thermal coal; • Companies with an installed thermal coal power capacity of more than 5 GW; • Thermal Coal mining: more than 10 million Tons of thermal coal production per year; • Companies involved in thermal coal mining and power expansion projects. <p>At every annual screening, the companies involved in thermal coal business are reanalysed to verify if there are elements to reinclude any company in the investable universe. If the analysed company no longer triggers the thresholds defined for exclusion, the company exits the Thermal Coal Restricted</p>

³ The Italian Law n. 220/2021 has introduced a total ban on "financing of companies in any established legal form, having their headquarters in Italy or abroad, which, directly or through subsidiary or associated companies, pursuant to article 2359 of the civil code, carry out construction, production, development, assembly activities, repair, preservation, use, storage, possession, promotion, sale, distribution, import, export, transfer or transport of antipersonnel mines, ammunition and cluster submunitions, of any nature or composition, or parts thereof. It is also forbidden to carry out technological research, manufacture, sale and transfer, for any reason, export, import and possession of ammunition and cluster submunitions, of any nature or composition, or parts thereof".

	<p>List.</p> <p>The thermal coal exclusion list is formed using the thresholds defined in this Policy. The ESG Function may consider granting exceptions to issuers based on a proprietary analysis which ensures that the issuer is aligned with GenAM commitments.</p> <p>In the event that more information is required to assess the thermal coal phase out strategy, the companies will be engaged. If the engagement efforts do not lead to obtaining more relevant information the companies will be considered as restricted.</p>
Unconventional Oil & Gas (“UO&G”)	<p>GenAM commits to no longer make new investments in companies involved in the exploration and production of fossil fuels from Tar Sands. Effective January 2023, GenAM is extending the exclusion policy both to issuers involved in exploration and production of oil and gas extracted by fracking (shale oil, shale gas, tight oil, tight gas) and to issuers with onshore and offshore exploration and production activities that fall within the Arctic Circle.</p> <p>Particularly, GenAM will not invest in companies:</p> <p>Fossil fuels from Tar Sands:</p> <ul style="list-style-type: none"> • with more than 5% of revenues derived from Tar Sands exploration and production; • operating controversial pipeline dedicated to the transport of Tar Sands. <p>Oil and gas extracted by Fracking:</p> <ul style="list-style-type: none"> • with more than 10% of revenues derived from fracking exploration and production. <p>Oil and gas from the Arctic Circle:</p> <ul style="list-style-type: none"> • with more than 10% of revenues derived from Oil and Gas exploration and production from Arctic Circle. <p>The identification of the restricted companies is carried out according to the information sourced by external ESG data providers. For issuers or sub-set of information not completely covered by MSCI, data can be complemented by other publicly available ESG data sources and/or investee companies' public disclosure or information shared through the engagement relationship.</p> <p>At every annual screening, the companies involved in Unconventional Oil & Gas businesses are reanalysed to verify if there are elements to re-include any company in the investable universe. If the analysed company no longer triggers the criteria defined for exclusion, the company exits the restricted list.</p>

The list of restricted issuers is defined using the above-indicated Thermal Coal and Unconventional Oil & Gas Sector exclusion criteria. The ESG Function might perform an internal assessment to verify the correctness of the data received, to review the issuer's thermal coal phase out plan or to better determine the involvement of the issuer against the defined thresholds. The conclusion of the internal assessment determines whether an issuer will be proposed as Restricted or Eligible for the Exclusion List.

The update of the list of issuers restricted under the Thermal Coal and Unconventional Oil & Gas criteria is performed at least yearly.

The validation of the Exclusion List, which also includes norm-based screening criteria described in the above paragraph, follows the same processes outlined in the paragraph about *norms-based screening* strategy. The limits applied to the purchase of restricted issuers also follow what has been described in that section.

Indirect Assets

The negative/exclusionary screening strategy for Indirect Assets depends on:

- specific client requests for management portfolio service; and/or,
- product's prospectus; as well as,
- specific classification in line with SFDR.

In the case where none of the above is applicable, no screening is performed.

5.2.3 Positive screening

Since positive screening does not focus on excluding certain industries, but it focuses on identifying businesses that contribute positively to society and the environment, the strategy can be adopted with the dual purpose of risk mitigation and generating positive impact. It might be used by GenAM to apply rules to determine whether securities, issuers, investments, sectors or other financial instruments are permissible for inclusion in an investment product or portfolio based on performance on specific environmental, social or governance criteria absolutely (positive screening) or in relation to the leading practices of peers (best in class).

GenAM does not apply to all the portfolios managed the positive screening as a mitigation strategy. Instead, its implementation depends on specific client requests and/or based on products Prospectus as well as specific classification in line with SFDR.re

5.2.4 Voting and Engagement

As regard to Active Ownership activities related to Liquid Direct Assets, Voting and Engagement, GenAM believes that such strategies are factors contributing to the sustainability risk mitigation for its portfolios and value creation for its clients and investors. As described into the Engagement Policy, Research, Investment or ESG Functions may give inputs to the Active Ownership structure to evaluate the opportunity of engagement actions, in order to mitigate ESG risks associated to specific issuer. The pillars/principles leading GenAM's voting activity are set in the Engagement policy.

5.3 ESG INTEGRATION INTO LIQUID ASSETS

In addition to the strategies described above, which can be considered 'top-down' as they are frameworks defined at GenAM or at portfolio level, Portfolio Managers (PMs) and Asset Class Specialists (ACSs) can also integrate ESG factors into their 'bottom-up' investment decisions, aiming for an improved risk-adjusted financial outcome.

Indeed, the ESG Integration represents one of the systematic incorporation strategies of PRI and consists of the ongoing consideration of ESG factors within investment analysis and decision-making processes.

Therefore, the integration of these factors is an holistic approach which involves the consideration of both the mapping and assessment of ESG financial risks and opportunities, as well as the sustainability impacts that investments could have, which might ultimately affect future investments.

ESG integration takes place via specific tools and processes that GenAM adopts in order to provide valuable insights and support to ACS/PMs in making informed investment decisions, integrating sustainability-related risks and opportunities, and, more generally, ESG considerations.

Regarding **direct investments**, GenAM has developed

- the ESG Sector Reports, materiality matrices that identify key ESG risks and opportunities across industries,
- Thematic Reports, insights on specific sustainability topics, and
- ESG controversy analyses, assessment of incidents where issuers may have violated ESG standards and/or become more exposed to reputational risks.

Furthermore, GenAM developed

- Good Governance Assessments, aligned with GenAM's internal SFDR framework,
- Carbon Ranking, a rank of companies from leaders to laggards in their transition efforts,
- the Carbon Outlook framework, a qualitative assessment of individual issuers to evaluate their future carbon performance.
- A proprietary ESG Bond Filter to assess additionality and greenwashing risks associated with these bonds.

In addition, ESG is integrated into credit research's issuer assessments, often leveraging expertise from the ESG function, and in the Sovereign Rating Monitor, a proprietary algorithm aimed at supporting the investment process for sovereign issuers. Active Ownership activity insights are also made available to front office.

Finally, a broad range of ESG data is available via GenAM position-keeping system and external providers, a weekly ESG

Newsletter keeps all GenAM staff informed of corporate and regulatory ESG development.

Regarding **indirect investments**, a comprehensive ESG due diligence process is in place for target funds, involving the distribution of a proprietary questionnaire to assess both the Asset Manager's and target fund's ESG practices.

The analysis includes, for example, evaluating the Asset Manager's ESG policy, governance structure, processes, and investment team expertise, as well as the Target Fund's ESG strategy, methodology, performance, validation, reporting, and PAIs disclosure. This analysis, available to ACS/PMs, are carried out for all third-party funds with exception of ETFs replicating an index. In addition, ACS/PMs can rely on ESG data and insights related to third-party funds, including ETFs replicating an index, made available by external data providers.

5.4 RISK MITIGATION STRATEGIES FOR PRIVATE ASSETS

Negative / Exclusionary screening

The Negative/Exclusionary screening is the first ESG strategy performed by the GenAM ESG Function aimed at mitigating sustainability risks.

The sustainability risks mitigation activity for managed Private Assets Funds classified as Article 6 of SFDR is carried out internally and directly by the Investment Function applying, when necessary, only the Negative/Exclusionary criteria agreed with the client, through dedicated questions submitted during the investment decision making process within the Due Diligence package.

As mentioned above, regardless the negative/exclusionary criteria agreed with the client, for all investments it is applied the criteria assessing involvement in Controversial Weapons (cluster munitions and antipersonnel landmines), in line with the Italian Law n. 220/2021.

For the Private Assets funds managed by GenAM and classified as Article 8 or Article 9 of SFDR, the sustainability risks mitigation activity is performed by the GenAM ESG Function through a Negative/Exclusionary screening strategy (as an illustrative example: thermal coal, unconventional oil & gas, violation on UN Global Compact). The exclusion decision is assessed for each investment opportunity through the Sustainability Due Diligence process (which include at list the application of the exclusion criteria as described above in this policy) and, in particular, the Sustainability Due Diligence Questionnaire varying according to direct and indirect investments.

Sustainability Due Diligence Questionnaire envisages a set of Negative/Exclusionary screening criteria that are shared with the investment and assessed by the ESG Function in order to produce the Sustainability Opinion. Failure to comply with the Negative/Exclusionary criteria in scope implies a negative sustainability opinion. The Sustainability Opinion is shared with the Investments department and, if the investment target fails to meet Negative/Exclusionary screening criteria, it is not considered eligible.

Positive Screening

For the Private Assets funds classified as Article 8 or Article 9 of SFDR, the ESG Integration activity is conducted by the ESG Function through a Positive screening strategy.

This strategy aims both to mitigate sustainability risks as well as to promote environmental and social characteristics based on the product ESG strategy. For instance:

- **Direct investments (securities):** in the Sustainability Due Diligence process, factors such as corporate governance, diversity and inclusion, cybersecurity, supply chain, workforce conditions, litigations and environmental approaches, based on a materiality assessment are evaluated, depending on the ESG strategy of the product.
- **Indirect investment (target funds):** in the Sustainability Due Diligence process both the assessment of the asset manager's corporate social responsibility practices and ESG integration into the investment process (e.g. responsible investment policy, sustainability reporting, ESG KPIs) and the specific underlying fund's ESG KPIs are assessed.

For both direct and indirect investments, all information and documentation collected by the ESG Function (e.g. Sustainability Due Diligence Questionnaire, meeting findings with the Counterparty, internal analysis) contribute to the formalization of the Sustainability Opinion. An annual review of the Sustainability Opinion evidence is conducted by ESG Function. The overall sustainability analysis can be carried out with an external partner or an ESG advisor, if deemed necessary.

6 Management of sustainability impacts

GenAM adopts an integrated approach to incorporating ESG principles within its operational activities and financial product offerings, also in line with the strategic objectives defined by the Group.

GenAM believes that identifying and understanding its impacts is fundamental for determining the main ESG themes, based on which it can set its sustainability priorities. The management of these themes is implemented through the establishment of criteria and measurement indicators that enable:

- the identification of the main negative impacts on sustainability factors generated by its investment activities, which need to be monitored and managed, and
- the recognition of the criteria and sustainability ambitions that products classified under Articles 8 and 9 aim to promote and pursue.

6.1 SUSTAINABILITY IMPACTS AT ENTITY LEVEL

As one of the leading European asset managers, GenAM is keen to promote progress on global environmental and social challenges. While GenAM believes that it can exert a role in pursuing investment actions aimed at accelerating the transition to a low-carbon/net-zero economy as well as in reducing the likelihood of events such as abrupt social upheavals; on the other hand, GenAM is aware and convinced that the negative externalities that companies accumulate over time build up as negative implications in their balance sheets, with cascading negative repercussions on investor performance. For this reason, GenAM identifies and prioritizes the main negative effects on sustainability factors, as well as defines relevant mitigation actions through the adoption and implementation of appropriate measures (e.g. using norm-based screening, negative/exclusion, voting and engagement). As part of Generali Group, GenAM considers the Group sustainability materiality matrix, available on Generali public website, as an important reference in order to identify and prioritize external adverse impacts.

In this context, in accordance with Article 4 of the SFDR Regulation, GenAM annually prepares a statement regarding the investment decisions, approved by the Board of Directors of the management company, which is published on the company's website. In relation to investment advice, GenAM has decided not to systematically consider adverse sustainability impacts, as per a statement available on the website.

The identification and prioritization of principal adverse impacts on sustainability factors to be considered are based on the exclusion criteria mentioned in the previous paragraphs. The indicators considered are listed in the table below:

Applicable to	Tab	Num	Adverse sustainability indicator
Investee Companies	1	1	GHG emissions
	1	2	Carbon footprint
	1	3	GHG intensity of investee companies
	1	4	Exposure to companies active in the fossil fuel sector
	2	4	Investments in companies without carbon emission reduction initiatives
	1	10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	1	14	Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)
Sovereigns and supranationals	3	22	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes

6.2 SUSTAINABILITY IMPACT AT PRODUCT LEVEL

6.2.1 SFDR Product Classification

The classification of products under Articles 8 and 9 of the SFDR is one of the main measures through which GenAM promotes the flow of capital towards economic activities that meet high sustainability standards, supporting the achievement of both financial and non-financial (i.e. Environmental and Social) outcomes.

The development and classification of such products is in accordance with the provisions set forth by the SFDR Regulation, relevant provision of national or European Supervisory Authorities and market best practices.

6.2.2 Good Governance Practices

GenAM has developed its methodology to comply with SFDR definition of “Good Governance Practices” applicable to all financial instruments held by portfolios classified as article 8 or 9 SFDR. The methodology is based on the combination of GenAM exclusion criteria, MSCI Governance score and proprietary analysis. The Good Governance Practices assessment methodology defined focuses on employee relations, tax compliance, sound management structure and remuneration of staff, as per the expectations of SFDR.

6.2.3 Sustainable Investment Methodology

GenAM has formulated its methodology to align with the SFDR definition of Sustainable Investment, as per Art. 2.17 SFDR. The internal methodology takes into consideration investments’ contribution to environmental and social objectives, the “Do No Significant Harm” (DNSH) principle and how PAI indicators are taken into account, and the Good Governance, mentioned in the previous paragraph.

6.2.4 ESG Bond Filter

GenAM developed a proprietary green, social, sustainable, and sustainability-linked bond assessment framework (hereafter, “ESG Bonds Filter”) in order to identify bonds that will deliver a meaningful impact. This filter is applied to clients and products upon request or accordingly to the prospectus.

This approach to ESG bond selection can support in generating a positive impact for clients by preventing greenwashing and unfaithful communication. This assessment complements the traditional financial considerations to reconcile the creation of long-term financial returns while also having a positive impact on sustainability.

6.2.5 Carbon Ranking and Carbon Outlook

GenAM has developed climate tools to support Client’s decarbonization strategies. In particular, GenAM has developed a proprietary transition risk model, the Carbon Ranking. The model assigns a “transition score” to each entity, enabling the identification and ranking of companies from the worst to the best positioned in the decarbonization journey. The framework includes past, current and forward-looking carbon metrics. This model is asset-class neutral, meaning that it works at issuer rather than security level. Therefore, it is applicable to equity and corporate securities. Sovereign securities are not yet included. The model sources data from primary ESG and carbon data providers. The analyst can complement information from the Annual and Sustainability Report of the assessed company.

The Carbon Ranking model feeds:

- Investment Function with the goal of supporting securities selection coherently with each client/product’s decarbonization target; as well as,
- Research Function with the goal of highlighting prospect climate risk which can translate into financial pressure and, ultimately, credit rating migration;
- Furthermore, the ESG Function has established the Carbon Outlook framework for conducting qualitative assessments of individual issuers to evaluate their future carbon performance upon request.

7 Process Governance

The ESG-related issues within GenAM are addressed to ensure strategic oversight, effective risk management, and clear accountability. The process involves various corporate functions and governing bodies, as detailed below.

Strategic Oversight and Policy Governance

GenAM's sustainability governance framework is designed to embed ESG principles into the organization's strategic direction and operational practices. The Board of Directors holds ultimate responsibility for the approval and periodic review of the Sustainability Policy. The Policy is submitted for approval by the CEO, who is also responsible for its implementation and for defining the overarching sustainability strategy. The CEO presents ESG strategic priorities and ensures that the Sustainability Policy is aligned with the company's business objectives and regulatory obligations.

ESG Function Responsibilities

The ESG Function, reporting directly to the CEO and following the path traced by clients or CIS' rules/prospectus, is responsible for:

- Supporting in the definition of the framework for sustainability risk assessment;
- Managing ESG data and KPIs, such as rating sourced from external providers, climate-related metrics, and relevant parameters;
- Supporting the Investment and Research Functions to assess and understand ESG methodologies, results, and outlooks, thereby ensuring that investment decisions and advisory services are based on accurate, timely, and comprehensive quantitative and qualitative information.

Role of the Sustainability Committee

The Sustainability Committee (SC), chaired by the Head of ESG, is a consultative committee that supports the implementation of sustainability strategies to ensure alignment with GenAM's sustainability policies, goals and regulatory requirements.

Definition of ESG Targets and Guidelines

Sustainability targets, key performance indicators (KPIs), and implementation guidelines—such as decarbonization goals and sectoral exclusions from investment portfolios—are defined within this policy, the individual portfolio mandates, or the governing documentation of the CIS, including their rules and prospectuses.

Investment decisions

Investment decisions follow the risk mitigation strategies and constraints described in this Policy, including adherence to the exclusion list and specific portfolio targets or constraints. The Investment Function ensures alignment with ESG criteria, screening and selecting investments, avoiding non-compliant issuers, and integrating ESG factors into financial analysis.

Monitoring and Control Mechanisms

The Investment Function (first line of control) and the Risk Management Function (second line of control) periodically monitor exposure to issuers subject to ESG-related restrictions. This monitoring is based on ESG criteria established by the ESG Function and supported by available reporting tools.

The Risk Management Function specifically oversees exposure to both traditional and ESG risks and ensures the effectiveness of second-level controls over restricted lists, which include both GenAM's internal exclusion lists and those defined by clients.

7.1 REPORTING OF THE PROCESS

GenAM publishes on its website the updated version of the present Policy if any relevant change occurs, the Policy is reviewed at least every three years.

Periodically, internal reports might be requested by the Investment Function in order to enable it to fulfil its oversight roles on investments. In addition, other internal stakeholders are updated and involved based on process's needs.

Also, the Sustainability Committee might request as well periodic internal reports in order to fulfil its oversight roles related to definition of strategies, alignment to sustainability goals and regulatory requirements.

These periodic internal reports can be requested also by the BoD in order to prioritize activities related to sustainability strategy and oversee the implementation of the Policy within business activities.