



**GENERALI**  
**INVESTMENTS**

# EUROSIF TRANSPARENCY CODE

Generali Investment Partners S.p.A. Società di gestione del risparmio

Published in: MARCH 2022

This document relates to the following UCITS compliant funds and sub-funds:

a) 4 (four) sub-funds of Generali Investments SICAV, a Luxembourg domiciled SICAV (an investment company qualifying as a “société d’investissement à capital variable” with multiple sub-funds under the laws of the Grand Duchy of Luxembourg) managed by Generali Investments Luxembourg S.A. who appointed Generali Investment Partners S.p.A. Società di gestione del risparmio (hereinafter “GIP”) as investment manager :

- Generali Investments SICAV (GIS) SRI World Equity
- Generali Investments SICAV (GIS) SRI Euro Premium High Yield
- Generali Investments SICAV (GIS) SRI Euro Green & Sustainable Bond
- Generali Investments SICAV (GIS) SRI Euro Corporate Short Term Bond

b) 4 French funds (two SICAV – *Société d’Investissement à Capital Variable* and, two FCP – *fonds commun de placement*) - managed by Generali Investment Partners S.p.A. Società di gestione del risparmio:

- GF Europe Megatrends ISR
- Generali Euro Convertibles ISR
- Generali Trésorerie ISR
- FEDERATION EP (For professional investors only)

All the above sub-funds and funds are classified as Article 8 pursuant to Regulation (EU) 2019/2088 (hereinafter “SFDR”) as, for each of them:

“The fund promotes, among other characteristics, environmental or social ones, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.”



# Table of content

---

1

Declaration of commitment

2

**Section 1:**

List of funds and sub-funds covered by this Code

3

**Section 2:**

General information about the company that manages the funds and sub-funds

4

**Section 3:**

General Information about the SRI funds and sub-funds

5

**Section 4:**

Investment process

6

**Section 5:**

ESG controls

7

**Section 6:**

Impact measures and ESG reporting

# Statement of commitment

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Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of **Generali Investment Partners S.p.A Società di gestione del risparmio (“GIP”)**.

**GIP has been active in Socially Responsible Investment (SRI) since 2011 and welcomes the European SRI Transparency Code. SRI is a key feature in the strategic positioning and management of the following funds and sub-funds:**

- GF Europe Megatrends ISR
- Generali Euro Convertibles ISR
- Generali Trésorerie ISR
- GIS SRI World Equity
- GIS SRI Euro Premium High Yield
- GIS SRI Euro Green & Sustainable Bond
- GIS SRI Euro Corporate Short Term Bond
- FEDERATION EP (For professional investors only)

This report is published as part of our membership of the Transparency Code.

This is our second statement of commitment and covers the period March 2022 to March 2023. Our full response to the European SRI Transparency Code can be accessed below and is available on our website.

## **Compliance with the Transparency Code**

Generali Investment Partners S.p.A. Società di gestione del risparmio is committed to providing the highest level of transparency possible given the current regulatory and competitive environment of the country in which we operate.

The funds and sub-funds covered by the present document meet the full set of recommendations issued by the Transparency Code established by the Association Française de Gestion (AFG) and Eurosif (2018 edition).

*DATE: March 1st, 2022*

## SECTION 1 | List of funds and sub-funds covered by this Code

Fund	Major Asset class	AUM as of Dec 2022	SRI Strategy	Exclusions applied
<b>GF Europe Megatrends ISR</b>	European Equities denominated in EUR	EUR 94.92 m	Dominant strategy : Selectivity approach (Best-in-class, Best-in- universe)  Complementary strategies : Exclusions Engagement	Global Compact principles :  Weapons violating fundamental humanitarian principles (antipersonnel landmines, cluster bombs and nuclear weapons)
<b>GIS SRI World Equity</b>	International Equities denominated in EUR	EUR 543.76 m		
<b>Generali Trésorerie ISR</b>	Euro Money Market	EUR 647.65 m		
<b>Generali Euro Convertibles ISR</b>	Euro Convertible bonds	EUR 286.76 m	Dominant strategy : Rating upgrade approach  Complementary strategies : Exclusions Engagement	Serious or systematic violation of human rights Gross corruption  Severe environmental damages  Coal & Tar Sands
<b>GIS SRI Euro Premium High Yield</b>	Euro Bonds and other debt securities	EUR 79.30 m		
<b>GIS SRI Euro Green &amp; Sustainable bond</b>	Green and Sustainable Bonds and other debt securities in EUR	EUR 241.02 m		
<b>GIS SRI Euro Corporate Short Term Bond</b>	Sub-Investment Grade Credit Rating Euro Bonds and other debt securities	EUR 196.83 m		
<b>FEDERATION EP</b>	Fund of funds	EUR 551.72 m	Best-in-class (fund peer groups) Label ISR sub-funds	Exclusions at underlying sub-funds' level

For further information on the investment objectives, strategy, commissions and fees, historical performances and main investment-related risks of investing in the mentioned funds and sub-funds, please refer to the prospectus or the relevant Key Information Investor Document (KIID), available in the relevant languages on request from Generali Investment Partners S.p.A. Società di gestione del risparmio, from Generali Investments Luxembourg S.A. (with reference to Generali Investments SICAV sub-funds) or in the website [www.generali-investments.com](http://www.generali-investments.com). The investment in the mentioned funds and sub-funds may be subject to restrictions with respect to certain persons or in certain countries under national regulations applicable to such persons or in such countries. Each investor must ensure they are authorized to invest in the funds and sub-funds. Investment in the funds and sub-funds may be subject to a risk of capital loss. Reference to a ranking, a price and/or a label does not assure the future performance of the relevant fund or sub-fund.

### 2.1 The funds and sub-funds manager

**Generali Investments Partners S.p.A. Società di gestione del risparmio (“GIP”), acting as Management Company of the French funds and as Investment Manager of the sub-funds of the Luxemburg SICAV object of this Code.**

The Company has its registered office in Italy, in Trieste, Via Machiavelli no. 4 and secondary offices:

- in Milan - 20145, Piazza Tre Torri 1
- in France - Rue Pillet-Will 75309 Paris Cedex 09
- in Germany 50667 Cologne, Tunisstraße 29 as well as Germany 60318 Frankfurt am Main, Oeder Weg 151

It is an Italian asset management company authorised by a provision of the Bank of Italy on 24 July 2018 and entered in the Register of asset management companies in the UCITS Section under no. 55 and in the AIF Section under no. 165.

The Company is authorised by the Bank of Italy to carry out the following investment services and activities:

- portfolio management;
- collective portfolio management;
- distribution of the units and shares of its own and third parties' UCITSs and AIFs;
- investment advice;
- ancillary services

*More information on the company is available via the following link to our corporate website:*

**[www.generali-investments.com](http://www.generali-investments.com)**

**<https://www.generali-investments.com/fr/fr/private/about-us>**

### 2.2 What are the company's track record and principles when it comes to integrating SRI into its process

Generali Investment Partners S.p.A. Società di gestione del risparmio (GIP) has long been committed to considering responsible investment criteria in their investment processes. Indeed, we are convinced that it can help mitigate sustainability-related risks and identify companies that generate long-term financial returns.

Indeed, it is reasonable to assume that companies which are best positioned to tackle ESG challenges should perform better than the average over the mid to long term. It is therefore critical to account for ESG in the research process and integrate it into investments' professional activities. Our approach aims to identify and analyze valuable risk and opportunity signals that may not be accounted for in traditional financial analysis. Beyond financial considerations, the integration of ESG into some of the funds and sub-funds we manage can also add value to society as a whole, through the support of activities and practices that are consistent with a more sustainable world.

While responsible investments strategies have reached a high degree of importance for asset managers and investors, we believe that it will increasingly play a key role in capital allocation decision. As a matter of fact, the dynamic and constantly evolving regulatory framework is reaffirming our commitment along with the growing interest from clients for responsible investment approaches. With this in mind, we are regularly updating and reviewing our process accordingly to maintain and further develop a methodology which is flexible and adapted to the different investment strategies and clients' needs.

The asset management arm of the Generali Group started SRI investing back in June 2011 with the launch of a SRI compliant European equity fund, based on the Group in-house ESG resources, analysis and approach called GIS S.A.R.A SRI. Furthermore, Generali Investment Partners S.p.A Società di gestione del risparmio is a member of the Italian ItaSIF (Forum per la Finanza Sostenibile).

*More information via the link below:*

<https://www.generali-investments.com/fr/fr/private/about-us>

<https://www.generali-investments.com/fr/fr/private/esg-and-responsible-investingAt GI>

Our approach to ESG is also a natural evolution of the Generali Group's commitment to sustainability. We adopt SRI policies and practices to improve our environment and society, while trying to prevent negative impact on financial performance.

### Inspiration from Generali Group's commitment to responsible investment

GIP's approach to SRI is inspired by Generali Group's commitment to responsible investment and, more broadly, to sustainability.

Indeed, at Generali Group we believe sustainability is a necessary strategic way to approach business and not just a nice-to-have. It all stems from our purpose, to **“enable people to shape a safer future by caring for their lives and dreams”**.

As an insurance Group, Generali tries to tackle the megatrends of our times, protecting people, their health, our planet, and future generations.

It is about creating long-lasting value shared among a wide array of stakeholders: not only shareholders, investors and clients, but also employees, suppliers, the environment, local communities, and society as a whole.

*More information on the Generali Group as a Responsible Business can be found at the following link:*

<https://www.generali.com/our-responsibilities/responsible-business>

Generali as a Group leverages its role as a key global institutional investor and asset manager to apply strict ESG (Environmental, Social and Governance) criteria to the Group's investments. This commitment started in 2006 with the implementation of Group Ethical Filter and is designed to have a significant impact on economies in which the Group operates, allowing Generali to try to actively influence areas such as environmental protection, respect for human rights and clear and transparent governance.

### Generali's Climate change strategy

On 21 February 2018, the Board of Directors of Assicurazioni Generali S.p.A. approved the Group's strategy on climate change, adopting significant actions to decarbonize the investments and underwriting activities, which represent the Group's core businesses.

The document available via the link below details the updated strategy (2021) and how it is implemented to facilitate the transition towards a Net-Zero future.

[https://www.generali-investments.com/content/ENG\\_Technical-Note\\_2021-06-update\\_def.pdf](https://www.generali-investments.com/content/ENG_Technical-Note_2021-06-update_def.pdf)

### 2.3 How does the company formalize its sustainable investment process?

In GIP, we adopt a multi-step approach, combining the Generali Group Ethical Filter, the ESG expertise & screening and Engagement. Please find here below a summary of our ESG investment process:

<https://www.generali-investments.com/fr/fr/private/esg-and-responsible-investing>

#### Negative screening / Exclusions

The Generali Group Ethical Filter, applied to investments since 2006 and monitored on an ongoing basis, identifies and screens potential ESG controversies affecting corporate issuers (eg. involved in the production of weapons violating fundamental humanitarian principles; involved in severe environmental damages; involved in serious or systematic violation of human rights; implicated in cases of gross corruption; significantly involved in coal-sector activities).

#### ESG Screening

GIP has long been committed to considering responsible investment criteria into its investment process as we are convinced that it can help mitigate sustainability-related risks and identify companies that generate long-term financial returns.

Indeed, it is reasonable to assume that companies which are best positioned to tackle ESG challenges should perform better than the average over the mid to long term. It is therefore critical to account for ESG in the research process and integrate it into investments professional activities. Our approach aims to identify and analyze valuable risk and opportunity signals that may not be accounted for in traditional financial analysis. Beyond financial considerations, the integration of ESG into our investment strategy can also add value to society, through the support of activities and practices that are consistent with a more sustainable world.

While responsible investments strategies have reached a high importance for asset managers and investors, we believe that it will increasingly play a key role in capital allocation decision. As a matter of fact, the dynamic and constantly evolving regulatory framework is reaffirming our commitment along with the growing interest from clients for responsible investment approaches. With this in mind, we are regularly updating and reviewing our process accordingly to maintain and further develop a methodology which is flexible and adapted to the different investment strategies and clients' needs.



We aim to provide clients with our insights obtained through internal research capabilities with a dedicated ESG research team that is part of Generali Insurance Asset Management S.p.A. Società di gestione del risparmio (GIAM). We leverage on the support of third-party data providers: currently MSCI is the ESG rating provider of reference and Ethifinance is the provider supporting us in the covering small & mid-sized capitalization companies.

### GIP's Engagement policy & activity

Engagement is considered by GIP as a constructive dialogue with different goals: to reinforce the understanding of the investee companies, to share concerns on ESG and finally making actionable suggestions aimed at resolving potential ESG issues.

The goal of the meetings with the company executives and directors is to share a long-term orientation, with a constructive and results-oriented approach. It is aimed at understanding how companies have transformed their operating model to embed ESG principles across their organization.

In addition, when relevant, the cooperation with other investors who share the same concerns ("collective engagement") could take place to maximize the impact on the company engaged.

The GIP Engagement Policy governs GIP Active Ownership activities and its objectives are to:

- ✓ Comply with EU Shareholder Directive Rights II and its Italian implementing provisions.
- ✓ Define the principles leading the engagement behaviour also regarding ESG topics.
- ✓ Define main interactions, roles and responsibilities related to the GIP engagement process.

This Policy content complies with the above-mentioned regulatory framework and includes how GIP:

- ✓ Monitors investee companies on relevant matters, including: strategy, financial and nonfinancial performance and risk, capital structure, social and environmental impact and Corporate governance,
- ✓ Conducts dialogues with investee companies,
- ✓ Exercises voting rights and other rights attached to shares,
- ✓ Cooperates with other shareholders,
- ✓ Communicates with relevant stakeholders of the investee companies,
- ✓ Manages actual and potential conflicts of interests in relation to their engagement.

*Further information about the Engagement approach can be found in the GIP Engagement Policy, available online at the following link:*

<https://www.generali-investments.com/content/gip-engagement-policy.pdf>

### GIP's Active ownership & Voting policy

GIP as an asset manager, believes in Active Ownership and in engagement as factors contributing to risk mitigation and value creation for its clients and investors and defines the pillars leading its engagement and monitoring behaviour vis-à-vis Investee Issuers relating to the collective and individual portfolios it manages.

GIP believes the vote in General Meetings (GMs) to be an essential tool to maximise value creation over the long term.

The voting process is based on all public available information, providers' analyses (e.g. Proxy Advisors, Brokers) and GIP's assessment framework.

The latter is built to fully integrate all the internal stakeholders' feedback into the voting decision process. Prior to casting any vote, voting specialists receive inputs from Investments, ESG research and Engagement teams. This process is aimed at taking full advantage of internal resources and intelligence to boost best stewardship practices in the investee companies.

GIP outsources the Active Ownership activity to Generali Insurance Asset Management S.p.A. Società di gestione del risparmio ("GIAM") through its Investment Stewardship team and specialists.

The 2020 Active Ownership Report reflects the effort made during the 2020 calendar year on strengthening our approach to Stewardship. It provides information and performance data on the proxy voting and engagement activities performed during the year 2020.

The report focuses on actions GIP has taken on the Governance issues that are most material to our business and our stakeholders and, in addition, it describes the way we interact with issuers to understand how they addressed ESG issues over time.

*Please see below the link to our Active Ownership report & Engagement policy:*

<https://www.generali-investments.com/fr/fr/private/esg-and-responsible-investing>

<https://www.generali-investments.com/content/gip-engagement-policy.pdf>

### 2.4 How ESG risk and opportunities – included those linked to climate change – understood / taken into account by company?

As an asset manager with a long-time horizon, the material impact that ESG factors have on the long-term returns of asset classes is of utmost importance. It is therefore essential to consider how ESG integration affects long-term investment returns and take advantages on anticipating the risks characteristics of individual asset class analysis, considering ESG factors in trend and valuation analysis, where material. GIP believes that ESG risks will have a significant impact on these macroeconomic risk drivers and therefore on the risks and return of the portfolio.

The sustainability risk identification process aims at guaranteeing that all material risks to which GIP is exposed to are properly identified, assessed and considered based on their likelihood of occurrence and severity, and mitigating actions are identified and properly implemented.

GIP ESG risk identification activity, performed by GIAM Investment Stewardship on the basis of the outsourcing agreement between GIP and GIAM, is guided by a two-layer framework that includes ESG risk identification at both sector and Issuer level:

i) Sector: ESG sector risk identification is intended to recognize risks that could potentially cause sector-specific negative alteration, such as disruptive environmental technologies, sector-specific constraints, and the impact of climate risks, physical and transitional. In particular, ESG sector analysis seeks to isolate issues that could potentially alter long-term sector-specific competitive forces and at this regard, given that not all sectors are exposed to the same ESG issues, the first step of the sector analysis is a materiality matrix, where sector-specific criteria across environmental, social, and governance dimensions are identified.

ii) Issuer: GIP ESG assessment at issuer level starts by the identification of the material risks affecting the company, taking into consideration the sector to which the company belongs and the company's specific risks. ESG issuer risk identification is intended to detect sustainability risks and opportunities that can impact the evolution of performance of the issuer. Indeed, while successful ESG strategies can create value to company, companies performing ESG risk management can avoid costs by managing risks and increasing resiliency to sector and macro adverse trends. GIP ESG issuer analysis allows to measure the ESG risks, also capturing whether the issuer's practices on ESG are improving or worsening over time.

Sustainability risks, as ESG factors that can be detrimental to the value of the investment, are identified in the two-layer framework describes above and measured both in a quantitative and qualitative manner in order to inform the Investments Function with the most updated and reliable figures and information to be integrated in the investment decision-making process.

Sustainability risk can be measured both in absolute and in relative (vs benchmark) terms. Data building leverages on GIAM ESG experts' research in conjunction with sustainability news, scores and raw data coming from multiple external providers. Third-party data coming from ESG external providers are vetted and cross-checked with both external and GIAM internal ESG researches. Qualitative assessments can be performed internally in cases where available data are not sufficient to correctly measure and manage material sustainable risks.

*Please see below the link to our Group Strategy's Technical Note on Climate Change :*

[https://www.generali-investments.com/content/ENG\\_Technical-Note\\_2021-06-update\\_def.pdf](https://www.generali-investments.com/content/ENG_Technical-Note_2021-06-update_def.pdf)

ESG risk measurement is also informed by evidence coming from other two key activities performed by GIAM Investment Stewardship, on the basis of the outsourcing agreement, Engagement with issuers and voting in the general meetings in accordance with internal policies on engagement adopted by GIP. In case material ESG risks are associated to a specific issuer, engagement aims at understanding in depth the positioning, process & behavior of the company, identifying the specific improvements that could be implemented, and supporting the company in the transition advocated. The voting activity could be also a source of risk identification and measurement. Indeed, during interactions with issuer in pre-AGM (Annual general Meetings), GIAM Investment Stewardship can identify specific governance risks, having - in these interactions - the opportunity to suggest risk mitigations actions.

GIP ESG assessment focuses on the Sustainability risks in each sector or business. The exception is with corporate governance, where GIP considers the risks an important part of our evaluation horizontally and not based on the sector of incorporation.

ESG Risk Assessment, as fundamental part of the ESG Integration process, is intended to identify, measure and monitor sustainability risks for each issuer. The process is a combination of multiple elements, starting from a materiality matrix aimed at identifying the ESG factors that are material for each Industry sector and then determining an ESG score embedding also other ESG factors, such as voting and engagement results as mentioned.

In GIP's view, a strong positive ESG view signifies that an issuer has a higher likelihood of showing resiliency and better long-term strategic positioning than issuers with a negative ESG view. Moreover, as material indicators can affect an issuer's balance sheet, income and cash flow statements, a key principle embedded in our approach is the avoidance of the "reputational risk": a news that will negatively affect an issuer's reputation and valuation.

Among ESG themes, climate-related concerns gained greatest importance due to increasing regulatory and societal pressures, as well as their growing impacts on issuers in terms of transition and physical risks. As such, climate topics are embedded into GIAM's in-house ESG research (bottom-up), and they also represent a stand-alone topic.

Based on clients' agreements and funds' rules/prospectus, an analysis of the carbon intensity (tCO<sub>2</sub>/ml EUR) on the portfolio vs benchmark is provided to the GIP OBR.

Moreover, the following Environmental aspects are reviewed as part of the rating exercise for each corporate issuer:

- Climate change
- Resource use
- Pollution
- Opportunities

As you can see, Climate change and opportunities in the Environment space are high on the agenda when scoring the issuers in our investment universes and, consequently, are screened to a large degree on the "E" pillar and its sub-set of criteria.

*See more information in 3.3 on ESG scoring and Corporate rating.*

### **2.5 Which teams are involved in the responsible investment activity of the activity of the management company and how many employees are directly involved in the company's sustainable investment activity?**

The fund managers of SRI funds rely on the ESG information and data provided by the ESG Analysts in the **GIAM Investment Stewardship team, a team of 14 professionals** dedicated to ESG analysis, ESG Projects, Engagement & Proxy voting, on the basis of a service agreement between GENERALI INVESTMENTS PARTNERS S.p.A. Società di gestione del risparmio, and GENERALI INSURANCE ASSET MANAGEMENT S.p.A. Società di gestione del risparmio, its sister company within the Generali Group. For funds of funds, the fund managers rely on the ESG data and methodology provided by Sustainalytics through their Morningstar Direct tool.

### 2.6 Is the company involved in any RI initiatives?

At Generali Investments, we contribute to the development of SRI in a variety of forms:

- By developing new SRI investment strategies and funds or adapting legacy ones to SRI, using our in-house capabilities
- By seeking to obtain the “Label ISR” in France (State sponsored SRI fund certification) for several of the funds and sub-funds we manage
- By educating & training staff and making them aware of the key changes in sustainable investing affecting our market and activity
- By speaking at conferences & events and to the media, as well as directly to clients and prospects about our SRI approaches
- Through our Eurosif membership via the ItaSIF (FFS) in Italy

***Important Information: as of the date of publication of this code, GIP is not a signatory of the PRI, though our ultimate controlling parent company, Generali Group, is a signatory of the PRI and Generali Insurance Asset Management S.p.A. Società di gestione del risparmio (“GIAM”), our affiliated company, to which GIP delegates the Investment Stewardship services (ESG analysis, ESG data, Ethical filter, Engagement and Proxy voting) is also a signatory of the PRI.***

At Generali Group level, the development of SRI is materialised through sustainable business innovation:

- Climate Change Strategy: to promote a Just Transition
- First European insurer to issue a Green bond in 2019 and create a framework for Green Insurance- Linked Securities
- The Human Safety net, launched in 2017: A global initiative to extend Generali’s purpose to the most vulnerable in our communities
- Champion Diversity and Inclusion by focusing on gender, generations, culture and inclusion

Generali Group is also promoting SRI through its active involvement in international initiatives:

- Participant to the UN Global Compact (2007)
- Signatory of the PRI (2011)
- Member of the Principles for Sustainable Insurance (2014)
- Member of the Net-Zero Asset Owner Alliance (2020)
- Member of the Net-Zero Insurance Alliance (a UNEP Finance Initiative) since 2021

Furthermore, the Generali Group announced its climate strategy in early 2018, updated since (see link below).

<https://www.generali-investments.com/fr/fr/private/esg-and-responsible-investing>

### **2.7 What is the total number of SRI assets under the company's management ?**

As of the end of December 2021, we manage, directly or indirectly, EUR 4.8 bn of ESG assets under management, of which EUR 2.1 bn through SRI-labelled funds.

### **2.8 What is the percentage of the management company's SRI assets in relation to total assets under management?**

**SRI assets under management represent almost 16% of total AuM as of end of December 2021**

### **2.9 Which public SRI funds are managed by the management company?**

*Please find out the list of our SRI funds below:*

<https://www.generali-investments.com/fr/fr/private/fund-explorer>

## SECTION 3 | General Information about the SRI funds and sub-funds

The SRI public labelled fund range currently managed by GIP is as follows:

Fund name	Geographical focus	Asset class	Index	SRI Strategy	AUM (end of December 2021)	Dedicated Fund Manager(s)
<b>GF Europe Megatrends ISR</b>	Europe	Equity	MSCI Europe NR	<ul style="list-style-type: none"> <li>✓ Exclusions</li> <li>✓ Integration of ESG factors (Selectivity with a best-in-class approach)</li> <li>✓ Engagement</li> </ul>	EUR 94.92 m	2
<b>Generali Euro Convertibles ISR</b>	All (excluding non-OECD (emerging countries) countries)	Debt securities	EXANE CONVERTIBLE INDEX EURO (net coupon reinvested – in euro)	<ul style="list-style-type: none"> <li>✓ Exclusions</li> <li>✓ Integration of ESG factors (Rating upgrade)</li> <li>✓ Engagement</li> </ul>	EUR 286.76 m	2
<b>Generali Trésorerie ISR</b>	Euro	Money Market	€STR Capitalized (net coupon reinvested – in euro)	<ul style="list-style-type: none"> <li>✓ Exclusions</li> <li>✓ Integration of ESG factors (Selectivity with a best-in-universe approach)</li> </ul>	EUR 647.65 m	2
<b>GIS SRI World Equity</b>	World	Equity	MSCI World – Net Total Return Index	<ul style="list-style-type: none"> <li>✓ Exclusions</li> <li>✓ Integration of ESG factors (Selectivity with a best-in-class approach)</li> <li>✓ Engagement</li> </ul>	EUR 543.76 m	1
<b>GIS SRI Euro Premium High Yield</b>	Euro	Fixed Income	CE BofA BB - B Euro High Yield net return	<ul style="list-style-type: none"> <li>✓ Exclusions</li> <li>✓ Integration of ESG factors (Rating upgrade)</li> <li>✓ Engagement</li> </ul>	EUR 79.30 m	1
<b>GIS SRI Euro Green &amp; Sustainable Bond</b>	Euro	Fixed income – Green bonds denominated in Euro, with an Investment Grade Credit Rating	BLOOMBERG BARCLAYS MSCI EURO GREEN BOND INDEX (TR)	<ul style="list-style-type: none"> <li>✓ Exclusions</li> <li>✓ Integration of ESG factors (Rating upgrade)</li> <li>✓ Engagement</li> </ul>	EUR 241.02 m	2
<b>GIS SRI Euro Corporate Short Term Bond</b>	Euro	Fixed Income – Corporate	Barclays Capital Euro Corporate 1-3 Year Index	<ul style="list-style-type: none"> <li>✓ Exclusions</li> <li>✓ Integration of ESG factors (Rating upgrade)</li> <li>✓ Engagement</li> </ul>	EUR 196.83 m	2
<b>FEDERATION EP (For professional investors only)</b>	Euro	Fund of funds (global)	50% BBG BARCLAYS EURO AGG (TR) + 23% MSCI EUROPE (NR) + 20.5% MSCI WORLD (NR) + 6.5% BLOOMBERG USD LIQUID INVESTMENT GRADE CORP (TR)	<ul style="list-style-type: none"> <li>✓ Exclusions (underlying funds' level)</li> <li>✓ ESG Selectivity with best-in-class (peer groups)</li> <li>✓ SRI certifications (Label ISR)</li> <li>✓ Engagement (underlying funds' level)</li> </ul>	EUR 551.72 m	2

The different portfolio managers managing the above funds and sub-funds, specialised by asset class and type of strategy, are all under the supervision of GIP Head of Investments, with a direct report to GIP CEO. All the funds listed above are classified as “Article 8” funds pursuant to the European Disclosure Regulation SFDR.



### 3.1 What are the funds and sub-funds aiming to achieve by integrating ESG factors?

By considering ESG criteria, the above listed funds and sub-funds seek to mitigate extra-financial risks and maximise financial returns over time, while supporting the development of better ESG practices.

### 3.2 What internal or external resources are used for ESG valuation of the issuers who make up the investment universes of the funds and sub-funds?

We aim to provide clients with our insights obtained through internal research capabilities with a dedicated ESG research team, sitting within the GIAM Stewardship team, an affiliated company of GIP, and providing ESG services to GIP based on a service agreement between our companies.

It is a team of 14 professionals covering ESG analysis, Engagement and Proxy Voting. We leverage on the support of third-party data providers for ESG ratings:

- **MSCI** is the ESG rating provider of reference: more than 14,500 equity and fixed income issuers, including subsidiaries (more than 8,500 single entities), as well as 198 countries and 45 regional issuers
- **EthiFinance** is the provider supporting us in the coverage of medium-small caps companies: about 1,000 Eurozone Small and Mid-cap issuers

On a case-by-case basis, the team may adjust ratings based on the specific sector-based or issuer-based expertise and capability of GIAM Investment Stewardship, engagement activity and voting results. This decision can be triggered following internal stakeholders' feedback, including from GIAM Investment Stewardship team's, on the rating of specific issuers which are perceived as receiving an inappropriate assessment from the provider.

## SECTION 3 | General Information about the SRI funds and sub-funds

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For the Ethical Filter (Exclusions based on controversies), we use the following ESG data providers: **MSCI and RepRisk.**

The GIAM Investment Stewardship team identifies and assesses material ESG risks and controversies affecting corporates by analysing the information/data provided by these providers (controversies, scores, etc.) as well as from public sources (Internet, NGOs, specialised publications,...) and other stakeholders.

For FEDERATION EP (Fund of funds): the FEDERATION EP fund managers (part of the Fund of Funds' investment team) use Morningstar Direct as their primary tool to analyse, score, screen & select funds investing in direct securities.

For ESG indicators on funds and indices, they rely on the ESG data and indicators provided by Sustainalytics through the Morningstar Direct front office tool they use. ESG Risk scores calculated by Sustainalytics measure the potential impact of ESG risks that are not managed by a given company.

On the basis of their ESG scores, companies are grouped in 1 of 5 risk categories (Negligible, Low, Medium, High, Severe). These risk categories can be compared across different industry sectors, for better comparability.

Furthermore, Sustainalytics also provide ESG risk scores for Sovereign states: these scores measure risks to a country's prosperity and long term economic development, by rating how it manages its wealth from a sustainable standpoint.

### 3.3 What ESG criteria are taken into account by the funds and sub-funds?

The SRI compliant funds and sub-funds we manage (investing in direct securities), benefit from the following process:

#### 1. Negative screening / Exclusions based on ESG Risk Assessment

For the Ethical filter, we consider the following controversies and/or business sectors as relevant in the ESG assessment:

- involvement in controversies which potentially infringe the principles of United Nation Global Compact:
  - companies involved in serious or systematic human rights and/or labour rights violations;
  - companies involved in severe environmental damages;
  - companies implicated in cases of gross corruption and bribery.
- involvement in controversial business sectors:
  - armament and weapons that violate fundamental humanitarian principles through their normal use (cluster bombs, antipersonnel landmines, nuclear weapons, biological and chemical weapons);
  - coal
  - tar sands

Based on the ESG assessment, Companies revealing their involvement in the above controversies and/or in the above business sectors are either:

- (i) excluded from the investment universe if not meeting our requirements (Restricted List) or
- (ii) strictly monitored and possibly engaged if presenting some poor ESG practices (Watch List).

#### 2. ESG Scoring

With the aim to fulfill at the best its fiduciary duty and incorporate environmental, social, and governance (ESG) factors in the investment decision making process, GIAM is committed to associating ESG scores to more than 9,500 worldwide issuers to guarantee a high level of coverage of its ESG analysis. The rating methodology adopted from MSCI is based on the combination of the analysis of exposure to risks and the management of these risks. In addition, the rating also considers the involvement in controversies related to ESG matters when relevant.

## SECTION 3 | General Information about the SRI funds and sub-funds

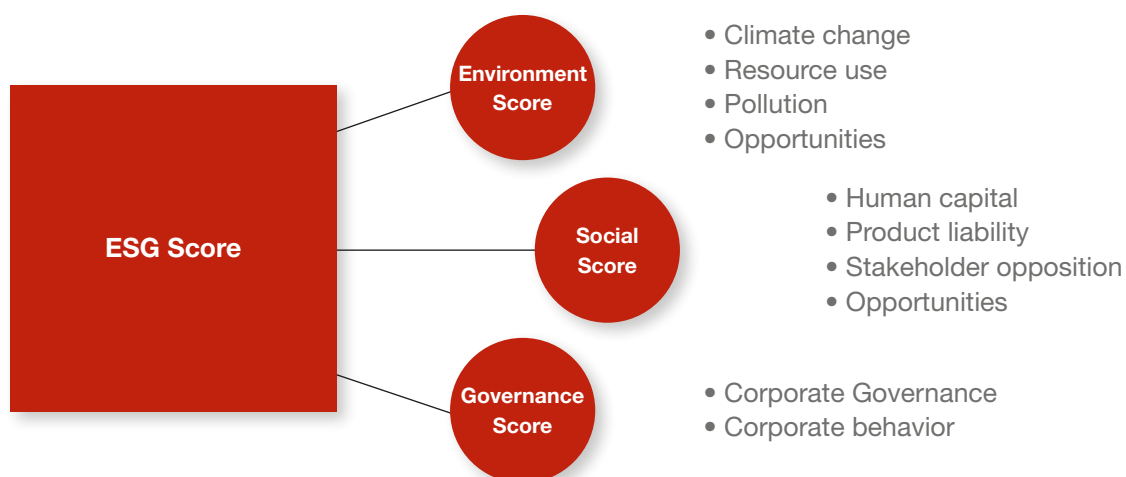
The scores, which are also broken down into E, S and G pillar scores, apply to equities as well as fixed income including sovereign, local authorities, supranational and agencies. They are provided with a risk category in a numerical format from 1 to 7 as follow:

Risk category	Classification
1	Leader
2	Good
3	Above average
4	Average
5	Below average
6	Poor
7	Laggard

The full review of issuers is performed once a year, but events such as controversies, significant governance updates or data corrections can have an impact on the rating during the year. News flows are screened and in the case of a significant controversy or positive news announcement potentially affecting the risk profile of an issuer, the ESG rating can evolve. However, data provided by issuers themselves being updated only once a year, the full review of the issuer rating is carried out also once a year.

### Corporate ratings

The scores are adjusted by industry to enable comparability across the whole universe and avoid sector biases. Indeed, the score of an issuer in each of the themes analyzed are compared to the performance of its peers and is therefore relative to the standards in the underlying sector. The classification of industries used for this purpose is the Global Industry Classification System (GICS).



### Methodology, factors and metrics

Behind the rating of entities, a selected list of ESG factors and metrics has been identified for each industry. The Environmental, Social and Governance pillars are composed of a set of key issues that are considered the most relevant in each sector. Issuers with particularities within a sector may also have their key issues adapted to better reflect their business profile.

These indicators are attributed with a weight comprised between 5% and 30% of the final score, considering both the contribution of the industry, relative to all other industries, to the negative or positive impact on the environment or society; and the timeline within which that risk or opportunity for companies in the industry is expected to materialize.

The three pillars, environmental, social, and governance can be broken down into several sub-topics: Climate Change, Natural Resource, Pollution & Waste, Environmental Opportunities, Human Capital, Product Liability, Stakeholder Opposition, Social Opportunities, Corporate Governance, and Corporate Behavior. For example, in the Natural Capital issues, the analysis focuses on water stress, biodiversity & land use, and raw material sourcing, while for Human Capital, labor management, health & safety, human capital development, supply chain labor standards are considered.

The materiality of the ESG consideration also varies according to the sector/industry. For example, the human capital development is more material in the industrials, healthcare, and consumer discretionary sectors, while the carbon emissions are more material in the energy, materials and industrials.

For each of the key issues that have been retained in the analysis of an issuer, the analysis is performed on both the **risk exposure** to the topic and the **risk management** of the issuer on this topic.

The analysis of the **risk exposure** can be of three kinds:

- a geographical risk exposure, considering the company's regional breakdown in terms of revenue, assets or operations
- a business segment risk exposure, considering the breakdown of its business segments in terms of revenue, assets or operations
- a company-level risk exposure, such as the number of employees, the company size, the reliance on government contracts or the reliance on outsourced production.

The risk exposure of an issuer is then compared to its sector peers to derive a score for the issuer.

## SECTION 3 | General Information about the SRI funds and sub-funds

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The analysis of the company **risk management** is based on the four categories:

- **strategy and governance**, where is assessed the organizational capacity and company management's level of commitment to address the key risks and opportunities, including aspects such as the level and extent of organizational responsibility for the specific risks and opportunities, strength and scope of policy commitments, and strength and scope of commitment to standards
- **initiatives and programs**, where is assessed the strength and scope of the initiatives, programs and targets in place to improve performance on the issue
- **performance**, where is assessed the company's track record on managing the specific risk or opportunity, with quantitative and/or qualitative metrics, including trends over the years and compared to peers
- **controversies**, whose severity is assessed based on the nature and the scale of the impact.

For instance, to determine a score on the water topic, companies are evaluated on the water intensity of their operations, the water stress in their area of operations, and their efforts to manage water-related risks and opportunities. Several metrics will be identified like the water intensity trend, water efficiency, and water consumption performance. Concerning biodiversity, companies are evaluated on the potential impact of their operations on biodiversity in their areas of operations and their efforts to manage their environmental impact. The capacity to restore activities in disturbed areas of operations, the effort to minimize disturbances from operations, oil spills, and toxic release (year, volume, intensity and trend) will be examined.

Each indicator of the risk management is then transformed into a score, the controversies section coming as a deduction of the overall management score of the related key issue. Then the scores on the risk exposure and the risk management are combined to determine the score on the key issue. Finally, all key issue scores that have been defined for the respective sectors and companies are aggregated according to their weights to determine the pillar scores and overall scores.

For the FEDERATION EP fund (Fund of funds), the extra-financial analysis – or « ESG analysis » - covers, when selecting and holding securities, at least 90% of the fund's portfolio.

The fund manager selects underlying funds based on:

Stage 1: analyzing different asset classes and investment strategies, based on comparable groups of funds ("peer groups") and selecting funds meeting the following cumulative criteria:

## SECTION 3 | General Information about the SRI funds and sub-funds

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On the basis of an independent ESG scoring: within each peer group, the fund manager will select the funds with a better ESG score than the average of its group (therefore featuring an ESG score within the top 50% of a comparable group of funds).

On the basis of an independent ESG scoring: the fund manager will select the funds with an ESG score better than a comparable passive strategy that does not consider ESG criteria (ETF or index funds for instance).

Stage 2: a detailed due-diligence of the target funds' investment process based on, amongst other things:

Evaluating the ESG strategy put in place (example: CO2 emissions, Human rights, Board remuneration policy,...)

Whether an exclusion policy applies to specific sectors/activities (weapons, thermal coal,...)

The underlying funds' investment & ESG teams' profiles, expertise & experience

### 3.4 What principles and criteria linked to climate change are taken into account in the funds and sub-funds?

Among ESG themes, climate-related concerns gained greatest importance due to increasing regulatory and societal pressures, as well as their growing impacts on issuers in terms of transition and physical risks. As such, climate topics are embedded into GIAM's in-house ESG research (bottom-up), and they also represent a stand-alone topic.

An ESG rating is assigned to each security within the funds (minimum 90% of ESG coverage) covering the environmental, the social and the governance pillars. Within the "E" pillar, climate change risk is assessed through 4 key issues which are normalized relative to industry peers: **carbon emissions** (companies are evaluated on the carbon intensity of their operations and their efforts to manage climate-related risks and opportunities), **product carbon footprint** (companies are evaluated on the carbon intensity of their products and their ability to reduce the carbon footprint in their supply chains or in the use of their products and services), **financing environmental** impact (mainly for financial institutions that are evaluated on the environmental risks of their lending and underwriting activities and their ability to capitalize on opportunities related to Green Finance) and climate **change vulnerability** (mainly for insurance companies that are assessed on the physical risk that climate change may pose to insured assets or individuals).

### 3.5 What is the ESG analysis and evaluation methodology of the fund manager (how is the investment universe built, what rating scale is used etc.)?

See 3.3 for detailed information on the ESG analysis.

The global ESG approach is the same for all the funds and sub-funds invested in direct securities and relevant to this Code but some specificities exist depending on the specific strategy applied at fund/sub-fund level (selectivity vs. rating upgrade).

The initial investment universe is defined for each fund/sub-fund within the prospectus. The first step of integration relies on the application of the Ethical filter excluding companies matching one or more of the following criteria:

- Breaching the Non Proliferation Treaty for Nuclear Weapons
- Directly involved in cluster munitions, antipersonnel landmines and biological / chemical weapons;
- Involved in one or more of the following breaches of the United Nations' Global Compact Principles: serious or systematic human rights violations; severe environmental damages; gross corruption.
- Coal sector exclusion:
  - Coal-related business: more than 30% of the revenues deriving from coal;
  - Coal mining: more than 20 Million Tons of Coal production per year;
  - Coal power generation: more than 30% of power generated from coal;
  - Coal expansion: companies actively involved in building new coal capacity (coal plants).
- Tar Sands exclusions:
  - Tar sands revenues: more than 5% of the issuers' revenues derived from Tar Sands extraction
  - Tar sands transportation: operators of controversial pipelines dedicated to Tar Sands transportation

Where the Ethical Filter is implemented, issuers classified in the restricted list are excluded from the initial investment universe and the portfolio manager is able to apply the fund's second layer of ESG strategy.



## SECTION 3 | General Information about the SRI funds and sub-funds

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In case of selectivity approach, the fund manager excludes 20% of the investment universe's lowest rated securities (in terms of ESG scores) and ends up with an upgraded investable universe where the PM is able to pick up securities that he can include in his portfolio.

In case of rating upgrade approach, the fund manager will aim to have an ESG profile higher than that of its initial investment universe (namely an ESG score higher than that of the reduced investment universe). To achieve this and after the application of the ethical filter, the Investment Manager will ensure that the portfolio's ESG score is higher than the reduced investment universe score (score of the universe after eliminating 20% of the lowest-rated values).

For the FEDERATION EP fund (fund of funds), the extra-financial analysis – or « ESG analysis » - covers, when selecting and holding securities, at least 90% of the fund's portfolio.

The fund manager selects underlying funds based on:

Stage 1: analyzing different asset classes and investment strategies, based on comparable groups of funds ("peer groups") and selecting funds meeting the following cumulative criteria:

- On the basis of an independent ESG scoring: within each peer group, the fund manager will select the funds with a better ESG score than the average of its group (therefore featuring an ESG score within the top 50% of a comparable group of funds) and with the French Label ISR (or featuring a European equivalent).
- On the basis of an independent ESG scoring: the fund manager will select the funds with an ESG score better than a comparable passive strategy that does not consider ESG criteria (ETF or index funds for instance).

Stage 2: a detailed due-diligence of the target funds' investment process based on, amongst other things:

- Evaluating the ESG strategy put in place (example: CO2 emissions, Human rights, Board remuneration policy,...)
- Whether an exclusion policy applies to specific sectors/activities (weapons, thermal coal,...)
- The underlying funds' investment & ESG teams' profiles, expertise & experience

### **3.6 How often is the ESG evaluation of the issuers issued? How are any controversies managed?**

The full review of issuers is performed once a year, but events such as controversies, significant governance updates or data corrections can have an impact on the rating during the year.

News flows are screened and in the case of significant controversies or positive news announcement potentially affecting the risk profile of an issuer, the ESG rating can evolve. Issuers may also engage with ESG data providers to update data at any time as they can request an access to their analysis reports.

However, data provided by issuers themselves being updated only once a year, the full review of the issuer rating is carried out also once a year.

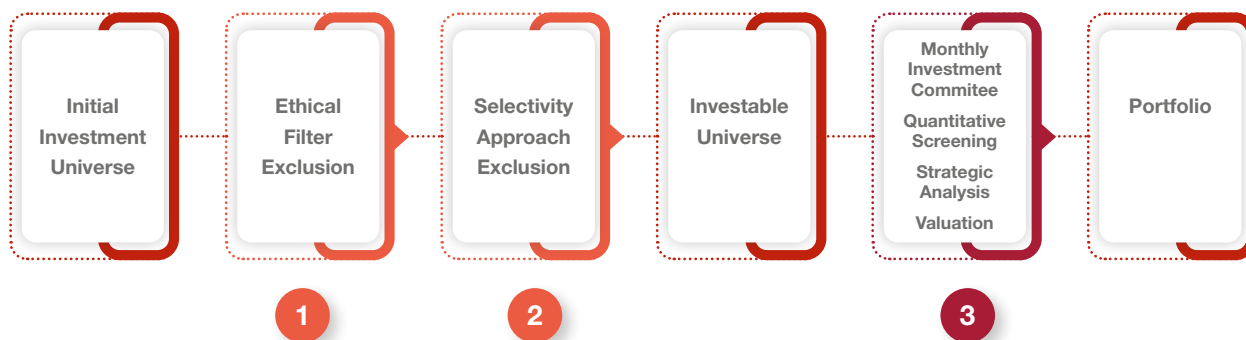
*For more details on the management controversies, please refer to section 3.3 above.*

### 4.1 How are the results of the ESG research integrated into portfolio construction?

The results of the ESG research are integrated in the investment process based on a hybrid approach including both financial and extra-financial inputs from ESG and front-office. The process is materialized through three milestones as shown below:

#### Equity funds/sub-funds

- GIS SRI World Equity
- GF Europe Megatrends ISR



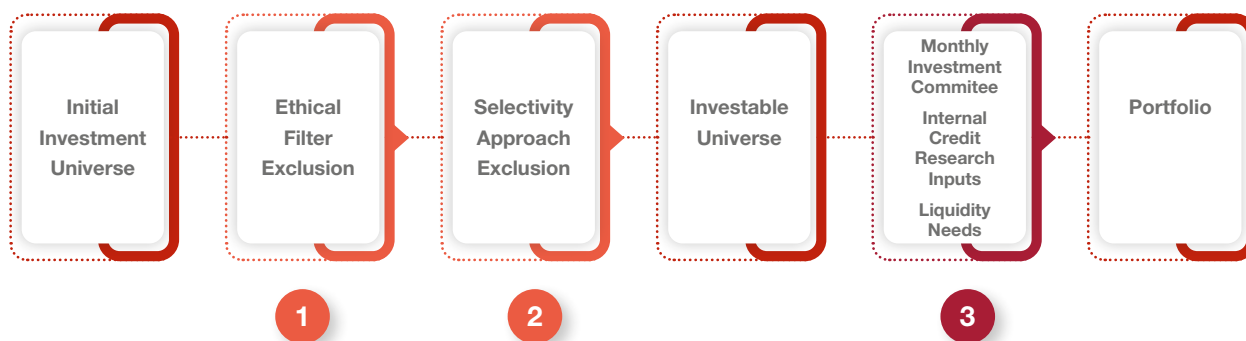
#### Fixed Income funds

- GIS SRI Euro Premium High Yield
- GIS SRI Euro Green & Sustainable Bond
- GIS SRI Euro Corporate Short term Bond
- Generali Euro Convertible ISR



### Money market fund

#### - Generali Trésorerie ISR



### Fund of funds

#### - FEDERATION EP



## 4.2 How are criteria specific to climate change integrated into portfolio construction?

See 3.4 for detailed information on climate-related criteria.

Most of the 8 (eight) funds and sub-funds presented in this Code are generic SRI products as described in the above sections and are not specifically “Climate focused” (or impact funds).

However, one of the presented sub-funds, GIS SRI Euro Green & Sustainable Bond, is focused on the selection of green bonds selected by MSCI in the BLOOMBERG BARCLAYS MSCI EURO GREEN BOND INDEX (TR) index, which forms the core investment universe of this sub-fund. It is therefore a specific approach and a clear climate change criteria embedded in the sub-fund’s investment strategy and portfolio construction.

### **4.3 How are the issuers that are present in the portfolio, but not subject to ESG analysis, evaluated (not including mutual funds)?**

The SRI funds/sub-funds have the following minimum requirements:

- 100% of the portfolio holdings are covered by the Ethical filter (Exclusions)
- 90% minimum of the portfolio holdings are subject to ESG screening

Each stock is analysed and selected based on its own merit (financial and extra-financial) and relative to its peers (for diversification purposes for instance).

### **4.4 Has the ESG evaluation of investment process changed in the last 12 months?**

6 (six) out of the 8 (eight) funds/sub-funds presented in this Code only recently implemented a new SRI approach within pre-existing strategies with no prior SRI focus.

For the GIS SRI World Equity fund listed above, with a pre-existing SRI focus, we changed in Q3 2021 from using ESG data provided by Sustainalytics to ESG data provided by MSCI ESG, our ESG data provider of reference.

For the FEDERATION EP fund listed above, the integration of ESG considerations and SRI funds in the fund of funds started in 2019.

### **4.5 Is part of the funds/sub-funds invested in entities pursuing strong social goals/ social enterprises?**

All above listed funds and sub-funds only invest in listed instruments and corporates, subject to ESG exclusions and an ESG screening process – as described above - and are therefore incorporating some social considerations and criteria.

However, none of the SRI funds and sub-funds presented here have a specific focus on social goals / are not “social impact” funds/sub-funds per se.

### 4.6 Do the funds or sub-funds engage in securities lending activities?

The following 3 funds engage in securities lending activities :

#### Equity fund

Generali Investments SICAV - Sustainable World Equity

#### Fixed Income funds

Generali Investments SICAV - Euro Green & Sustainable Bond

Generali Investments SICAV – SRI Euro Corporate Short Term Bond

***Important Information: the other 5 funds and sub-funds presented in this Code, 4 French FCPs as well as the Generali Investments SICAV – SRI Euro Premium High Yield sub-fund, are currently not part of any active securities lending arrangements.***

There is a process in place to recall portfolios' securities, to exercise the voting rights (Equity fund only). This process is managed by the Proxy Voting team, within the GIAM Investment Stewardship team.

The Proxy Voting team within the GIAM Investment Stewardship team (by delegation from GIP for the provision of these services) would, when voting on a specific issuer's resolution:

- identify whether this security is lent
- inform the fund manager
- the PM decides to recall the share to vote.

GIL, as the Management Company of the SICAV, would be copied into these exchanges and would decide whether the securities should be recalled or not.

Regarding the integration of ESG criteria in the counterparty selection process, the following 3 funds are within a securities lending programmes managed by "BNP Securities Services" acting as the exclusive borrower of the securities, as part of the securities lending arrangements for the above funds.

**Generali Investments SICAV - SRI World Equity**

**Generali Investments SICAV - SRI Euro Green & Sustainable Bond**

**Generali Investments SICAV - SRI Euro Corporate Short Term Bond**

The only counterparty and borrower is BNP Paribas Securities Services, wholly owned by BNP Paribas Group.

BNP Paribas group applies a sustainability framework applicable to its group entities (amongst which BNP Paribas Securities Services).

*Please find more information via the following links:*

BNP Paribas' Financing & Investment policy:

<https://group.bnpparibas/en/financing-investment-policies>

BNP SS' ESG approach:

[https://securities.cib.bnpparibas/app/uploads/sites/3/2021/03/ss-files-brochure-esg-company-engagement- fr.pdf](https://securities.cib.bnpparibas/app/uploads/sites/3/2021/03/ss-files-brochure-esg-company-engagement-fr.pdf)

### **4.7 Do the funds and sub-funds use derivative instruments?**

The use of derivatives is allowed as per UCITS rules and the respective offering documentation.

Derivative financial instruments may be used to implement hedging or exposure strategies, which are used by the funds (investing in direct securities) as part of their investment strategies:

- Futures and fixed-income options or fixed-income indices on regulated, French and/or foreign organised markets, or over-the-counter (OTC) and over-the-counter swaps for the purpose of hedging or exposure to rates: these instruments will be used in particular to hedge interest rate risk on the portfolio or on one or more securities, to adjust the sensitivity of the portfolio, to implement strategies on curve movements by arbitrating maturities within the euro area yield curve and/or between the yield curves of EMU and non-EU countries
- Futures, forex options forex swaps on regulated, French and/or foreign organized markets, or OTC and foreign exchange futures for the purpose of hedging on currencies: these instruments will be used to hedge the currency risk on the portfolio.
- Inflation swap for inflation hedging or exposure: these instruments will be used to hedge the portfolio risk, or possibly increase it

## SECTION 4 | Investment process

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- Futures and options on equity indices on regulated, organized or OTC markets, for hedging purposes, or for exposure to equity indices: these instruments will be used to hedge equity risk (related to investments in debt securities with equity exposure) on the portfolio or expose it.
- Contract For Differences (“CFD”) or “Performance Swap”
- Index credit derivatives (e.g. Credit Default Swap (CDS) on index or TRS on index): these instruments will be used to protect and/or temporarily expose themselves by taking long or short positions.
- Single-entity credit derivatives, e.g. single-entity CDS (“single name”): the purchase of single-name credit derivatives is possible for hedging purposes. Positions buying single name credit derivatives, without holding the corresponding security, are not allowed in these funds. Exposure via the sale of single name credit derivatives is possible on a provisional basis and provided that the portfolio’s ESG strategy is respected. The underlying security must be analysed taking into account non-financial criteria. The implementation of these strategies depends on the context of the financial markets and the value of the assets in the portfolio and is primarily intended to hedge the portfolios against financial risks.

The use of derivatives is done in compliance with the Label ISR regulations:

- Exposure via derivatives is not permanent
- The ESG profile of the portfolio is not distorted

Please note that no derivatives are being used for the management of the FEDERATION EP fund of funds.

### 4.8 Do the funds or sub-funds invest in mutual funds?

The presented funds and sub-funds, with the exception of FEDERATION EP, can invest up to 10% in other funds. However, portfolio managers only consider “labelled” funds to be eligible to investment.

The FEDERATION EP fund is a fund of funds that only invest in mutual funds and ETFs.



### 5.1 What internal/external control mechanisms are in place to ensure the compliance of the portfolio with the ESG rules defined in section 4?

Several levels of control apply, on a periodical basis, to ensure ESG rules are complied with:

- **Ex-ante:** the fund manager checks that the portfolio holdings are in scope of the eligible universe, based on the ESG data provided by the GIAM Investment Stewardship team
- **Ex-ante and ex-post** via the front office system SimCorp Dimension and the limits set in the system (investment limits, including ESG rules and exclusions)– to be implemented in April 2022
- A 2nd level control to check that the portfolios abide by the investment guidelines and limits is performed and reported on a quarterly basis by the Investment Control team

In addition to the 1st Level control carried out by Front office teams, a 2nd level of control is performed by Generali Investments' Investment Control function for all the funds listed in this document and the Management Company "GIL" for the 4 Luxembourg SICAV sub-funds which are GIS SRI World Equity, GIS SRI Euro Premium High Yield, GIS SRI Euro Green & Sustainable Bond, and GIS SRI Euro Corporate Short term Bond.

The second level independent control held by GIP's Investment control team is accountable for the check of the following for all the funds listed in this Code with the exception of the FEDERATION EP fund of funds:

1. Controlling if the universe defined within the prospectus is the same as the one reflected by front office in their monitoring sheets
2. Ensuring that ratings assigned to securities within the universe and the portfolio are the correct ones provided by the ESG team
3. Checking the ESG coverage at the portfolio level set at minimum 90%
4. Conducting checks on the proper application of the ethical filter exclusions at the initial investment universe level

5. In case of selectivity approach, ensuring that the portfolio manager has applied the 20% exclusion rule to attain its investable universe
6. In case of rating upgrade approach, ensuring that the portfolio's ESG score is higher than the reduced investment universe score (score of the universe after eliminating 20% of the lowest-rated values)
7. Ensuring that the portfolio has performed better on at least two indicators (one in 2021) compared to the initial universe. The first indicator shall display a coverage rate of at least 90% while the second one shall be covered at 70% at least.

For the FEDERATION EP fund of funds, the 2nd level of control is also performed by Generali Investments' Investment Control function, based on 90% of the net asset value of the fund being invested in Label ISR funds (or featuring an equivalent European fund certification).

While GIL's Investment Compliance function implements:

- An additional control of the fund portfolio's **Negative screening** (Ethical Filter or exclusions), on each daily NAV, based on the list of excluded corporates provided by GIAM ESG analysts, a list which is then coded by the fund administrator in Luxembourg (BNP Paribas Securities Services) in their systems. This allows to perform the required checks and a "breach" of those limits would then trigger an alert that would be reviewed by the Investment Compliance function for resolution (on an ad-hoc basis).
- An additional control of the fund portfolio's **ESG rating**, via a third party ESG data provider, to ensure that the fund complies with regulatory requirements (SFDR Article 8 for instance). This control is performed internally on the daily NAV and a quarterly report is produced by the ESG data provider.

### 6.1. How is the ESG quality of the funds and sub-funds assessed?

We assess the ESG quality of the funds internally by monitoring the ESG criteria we selected from the onset:

- Exclusions based on controversies
- ESG screening process based on ESG scores
- Engagement activity

Externally, the SRI process is regularly evaluated through:

- Due diligences carried out by potential investors (professionals) on our investment strategies and SRI processes
- The “Label ISR” audit - by EY France - with annual reviews (State sponsored fund certification in France)

### 6.2. What ESG indicators are used by the funds and sub-funds?

Along with the ESG rating of issuers, a variety of ESG indicators can be used to tilt portfolios towards a specific thematic, report on relevant metrics for the portfolio, or avoid investments in activities or issuers that face controversies. These indicators can for instance focus on the environment (carbon, energy or water intensity, green products and services, etc.), social matters (employee turnover, major layoffs, employee satisfaction, diversity, etc.), governance (independence of board members, executive compensation, business ethics, etc.) or cross-cutting issues such as the contribution to Sustainable Development Goals contribution or the different controversies involvement. The availability of these ESG indicators is dependent on the degree of reporting of issuers that enable to produce these indicators.

However, for the funds and sub-funds referred to in this Code, with the exception of the FEDERATION EP fund of funds, the relevant fund manager closely monitor the following indicators to assess the impact of his strategy vs. the universe:

- Environmental indicator: Carbon intensity (Scopes 1&2)
- Social indicator: Percentage of women in the workforce
- Governance indicator: percentage of independent directors within the board
- Human Rights indicator: labor management severe controversies

### 6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

The information on the SRI aspects of the funds and sub-funds can be found in the following documents:

- Fund prospectus, available online
- Fund KIID, available online
- Fund reporting factsheets, available online
- Fund SFDR pre-contractual disclosure
- Eurosif Transparency Code
- Active Ownership Report & Engagement Policy
- Generali Group's Strategy on Climate Change

*Please find out these documents below :*

<https://www.generali-investments.com/fr/fr/private/fund-explorer>

<https://www.generali-investments.com/content/gip-engagement-policy.pdf>

[https://www.generali-investments.com/content/ENG\\_Technical-Note\\_2021-06-update\\_def.pdf](https://www.generali-investments.com/content/ENG_Technical-Note_2021-06-update_def.pdf)

### 6.4. Does the fund manager publish the results of its voting and engagement policies?

Yes, we do publish the results of our Voting and Engagement policies. Please find attached the below link to our annual Active ownership report:

<https://www.generali-investments.com/content/gip-active-ownership-report-2020.pdf>

## APPENDIX 1 - DOCUMENTS AVAILABLE

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- Prospectus

<https://www.generali-investments.com/fr/fr/private/fund-explorer>

- Annual reports

<https://www.generali-investments.com/fr/fr/private/fund-explorer>

- Addenda

<https://www.generali-investments.com/fr/fr/private/fund-explorer>

- KIIDs

<https://www.generali-investments.com/fr/fr/private/fund-explorer>

- Fund Fact Sheets

<https://www.generali-investments.com/fr/fr/private/fund-explorer>

- Dedicated SRI Web page at company level

<https://www.generali-investments.com/fr/fr/private/esg-and-responsible-investing>

- Engagement policy and Voting report

<https://www.generali-investments.com/content/gip-engagement-policy.pdf>

<https://www.generali-investments.com/content/gip-active-ownership-report-2020.pdf>

- Link to Web page of ESG Analysis provider(s) (if applicable)

<https://www.msci.com/our-solutions/esg-investing>

- Generali Investments Luxembourg S.A. ("GIL") Sustainability Risk Policy and Principal Adverse Impact Statement

[https://www.generali-investments.com/content/gil\\_sustainability-risk-policy-and-principal-adverse-impact-statement\\_v03-002.pdf](https://www.generali-investments.com/content/gil_sustainability-risk-policy-and-principal-adverse-impact-statement_v03-002.pdf)

- ItaSIF (FFS) membership:

<https://finanzasostenibile.it/forum-finanza-sostenibile-eng/>

# IMPORTANT INFORMATION

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## [www.generali-investments.com](http://www.generali-investments.com)

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