etica FUNDS
Responsible Investments

2025 REPORT

25 years of mutual investment leading the way

Approved by the Board of Directors on 25 March 2026

Etica Sgr S.p.A.

Asset management company
of the Banca Popolare Etica Group and
subject to management and coordination by Banca Popolare Etica S.c.p.a.

Registered office:
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Share capital € 4,500,000 fully paid up
Tax code and VAT number 13285580158
Economic and Administrative Index No. 1634082

Registered with the Bank of Italy Registry
under no. 32 of the UCITS section.

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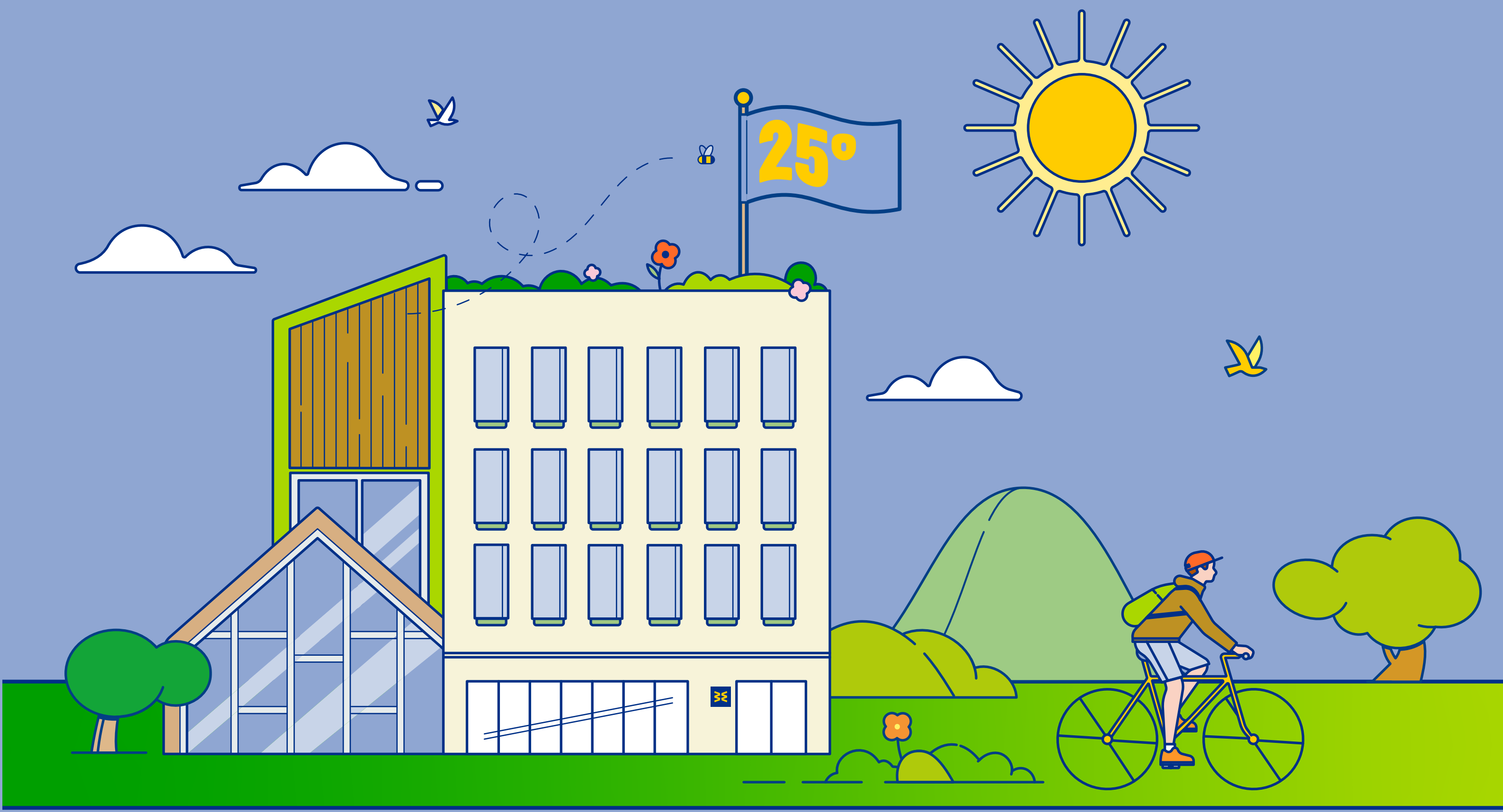


GOVERNANCE BODIES AND ORGANISATION

Board of Directors

Marco Carlizzi	*Independent Chairman*
Adriana Lamberto Floristan	*Deputy Chairwoman*
Elisabetta Carla Binacchi	*Independent Director*
Carlo Capotorti	*Independent Director*
Paolo Cattarin	*Director*
Giovanni Ferri	*Independent Director*
Giacinto Palladino	*Director*
Cesare Pozzi	*Independent Director*
Mary Thomson	*Director*

For the most up-to-date version of our organisational structure, please visit the dedicated section on our website www.eticasgr.com

Board of Statutory Auditors

Angelo Zanetti	*Chairman*
Paolo Salvaderi	*Regular Auditor*
Emilia Piera Merlotti	*Regular Auditor*
Federica Mantini	*Alternate Auditor*
Tommaso Zanini	*Alternate Auditor*

General Manager

Roberto Grossi

Chief Operating Officer

Sandra Donatella Giannotte

Area Managers

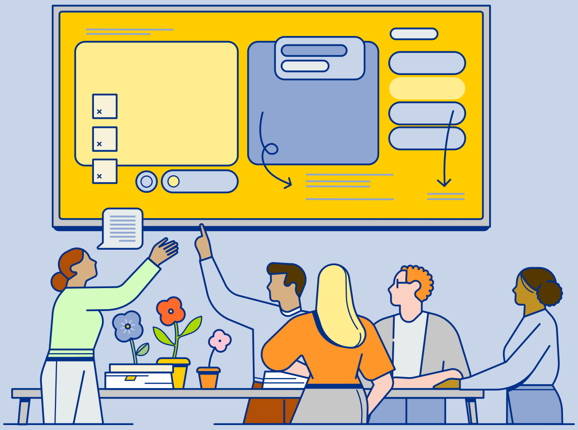
Angelo Bulone	*Head of Data & Development*
Francesco Cacace	*Head of Administration, Control & Sustainability*
Paolo Capelli	*Head of Risk Management*
Francesca Colombo	*Head of Analysis & Research*
Marcello Ercoli	*Head of Information Systems & Organisation*
Federica Graniglia	*Head of Legal & Corporate Affairs*
Arianna Magni	*Head of Institutional & International Clients*
Rosanna Marino	*Head of Fund Administration*
Davide Mascheroni	*Head of Commercial Partners*
Daniela Pometto	*Head of Marketing & Communication*
Stefano Puce	*Head of Compliance & Anti-Money Laundering*
Erica Sabbadini	*Head of Human Resources*

Auditing Firm

Deloitte & Touche S.p.A

Ethics Committee

Leonardo Becchetti	*Chairman*
Mariantonietta Intonti	*Deputy Chairwoman*
Laura Berry	
Roberta Cafarotti	
Carlos Cordero Sanz	
Walter Ganapini	
Mikhail Maslennikov	
Ivana Pais	
Silvia Stefanovichj	



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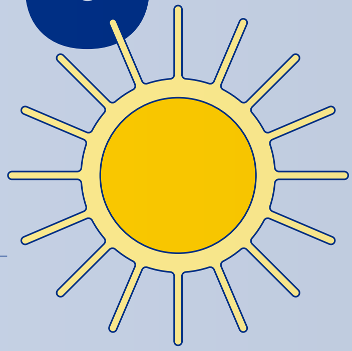
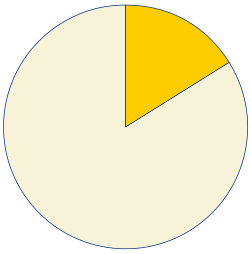
2025 HIGHLIGHTS

ECONOMIC RESULTS

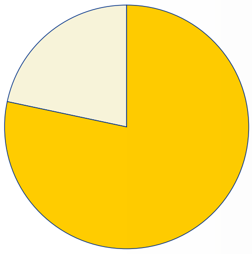


€3,206,726

Net profit



16.19%
ROE



78.51%
Cost/Income

SOCIAL RESPONSIBILITY

Governance

€2.85
Earnings per share distributed

39.99%
Percentage of 2025 profits distributed to shareholders

56%
Independent Directors

33%
Female Directors

95%
Attendance rate of Directors at Board meetings

Market

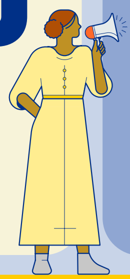
331,557
Customers at year end

221,434
Users in the online community and on social networks

3,902,431
Operations on funds

10
Complaints received

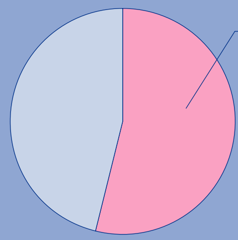
€5.649 bln
Etica System Assets



People

54
Employees

29
Female employees



41 years old
Average age

6.9 years
Average length of service

5.88%
Turnover rate

72
Hours of training per capita

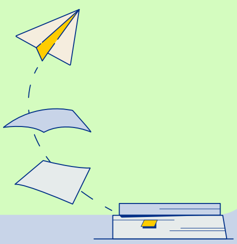
Environment

100%

Electricity from renewable sources

Eco-friendly or recycled paper for internal and external use

Emissions reported and compensated



Community

83
Votes in shareholders' meetings

13
Crowdfunding projects supported thanks to the Etica Sgr fund

€6,430,000
Microfinancing and crowdfunding fund allocated for 2025

58
Hours of training carried out at universities, public events and interviews

185
New micro loans and credit lines granted thanks to the Etica Sgr guarantee fund

THE COMPANY

THE COMPANY

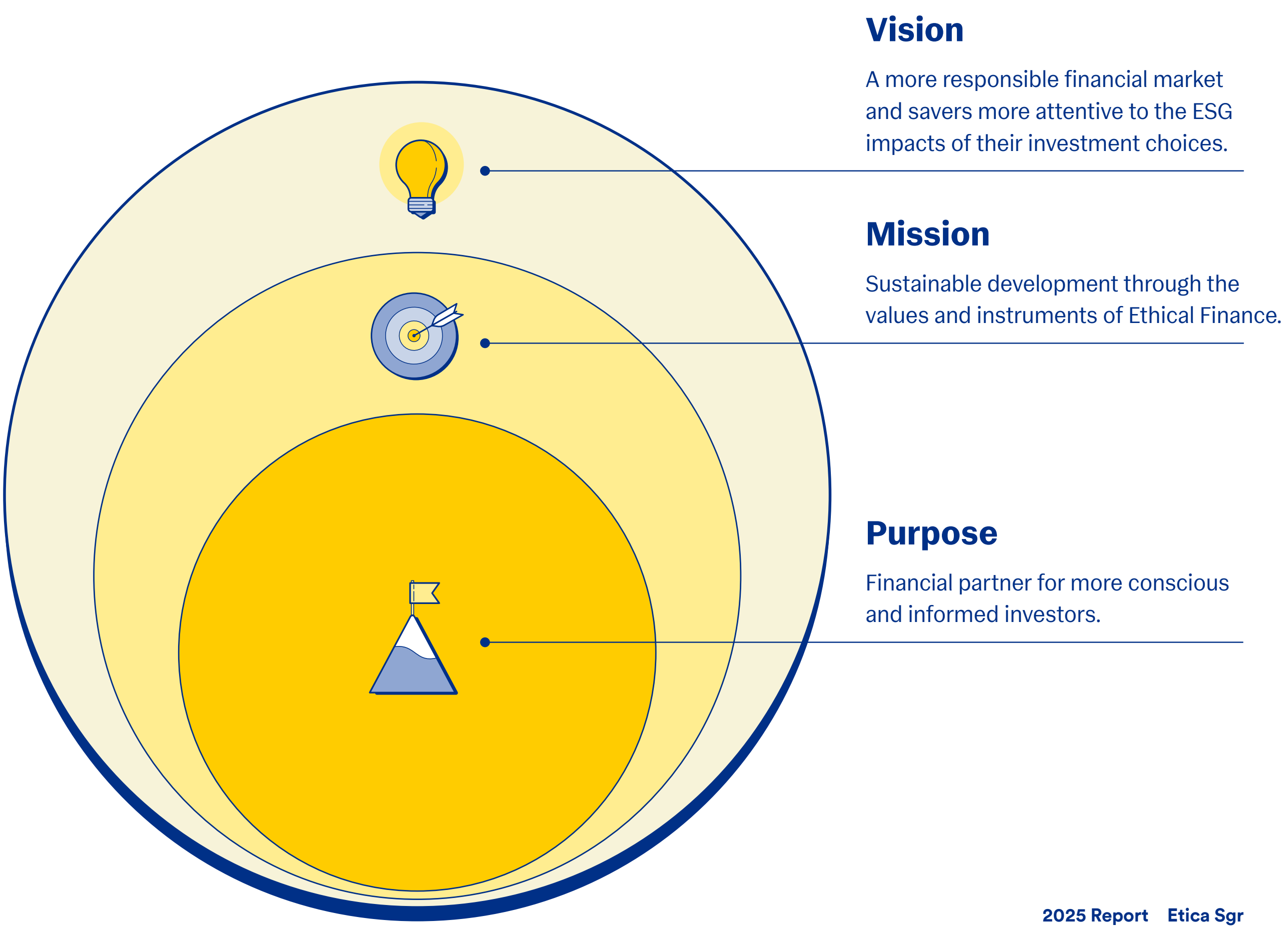
Since 2000, Etica Sgr has operated as the only Italian asset management company exclusively offering ethical and responsible mutual investment funds with a mission to "represent the values of ethical finance in financial markets, raising the awareness of the public and financial operators in relation to socially responsible investments and corporate social responsibility" (art. 4 of the Bylaws).

Values

Etica Sgr's operations are founded on certain core values, which it aims to disseminate both internally and amongst stakeholders. These principles, formalised in the Code of Ethics, are derived both from the asset management company's status as a part of the Banca Etica Group – whose core values are enshrined in its "Ethical Finance Manifesto" – and from its direct efforts to promote socially responsible investment.

Identity

Over these 25 years, the operational scope of the asset management company has broadened and evolved, whilst always upholding its identity and values, as set out in its Social Responsibility Policy. This illustrates the principles and methods of implementation of environmental, social and governance factors, generating value for all stakeholders.



THE FIRST 25 YEARS OF ETICA SGR

2000

Etica Sgr is founded

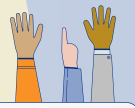
2002

- Registration No.151 in the **Register of AMCs**
- Definition of the **Guarantee Fund** for microcredit projects

2003

- Launch of the first ethical funds of the **Valori Responsabili Line**
- Incorporation of the **Banca Etica Group**

2005



First in-person participation at **Shareholders' meetings**

2009

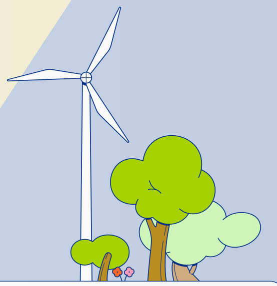
PRI Principles for Responsible Investment

- Joins the **United Nations PRI** (first Italian company)
- First edition of the **Social Responsibility Policy**

2010

ASSOGESTIONI associazione del risparmio gestito

- Joins **Assogestioni**
- First **Integrated Report** according to GRI Guidelines



2012

- First **Stakeholder Engagement** meeting
- Joins the **CDP Network**

CDP

- Etica Sgr wins the **Oscar di Bilancio** in the category "Small and Medium Banking and Financial Companies (unlisted)"

2013

- Inclusion in the supplier **accreditation process of ESG assessments**
- First environmental **reporting** on **business trips**

2014

- Update to the **Social Responsibility Policy**
- **First** neutralization of CO_2 emissions by **planting trees**

2015

- Signs the **Montréal Carbon Pledge** and first **carbon footprint report** for the Azionario Fund
- Activation of the **Addio cartaceo (Farewell Paper)** service in the reserved area for customers

2016

Launch of the **Fund for crowdfunding**

2017

Foundation of the *Shareholders for Change* Network

SHAREHOLDERS for CHANGE

2018

- Launch of the **Etica Transizione Climatica** fund
- Etica Sgr signs the **declaration of commitment for a fair environmental and social transition**

2019

- Launch of the **Luxembourg Sicav** for institutional investors and the overseas market
- Etica Sgr is founding member of **Fondazione O.I.B.R.** (Italian Body for Business Reporting)

2020

Etica signs the **biodiversity commitment** (first Italian company)

2022

- Etica Sgr launches the **Etica Obiettivo Sociale** fund to invest with a focus on social topics
- Banca Etica Group is certified **ISO 30145:2021** (Diversity and Inclusion Management)
- Etica at the **United Nations** with the first **Treaty on the Prohibition of Nuclear Weapons**

HUMAN RIGHTS

2024

- Update to the **Social Responsibility Policy**
- Banca Etica Group is certified **ISO 53800:2024** (gender equality and female empowerment)
- Signs the ***Finance Statement on Plastic Pollution***

2025

- Etica Sgr reiterates its commitment to peace and against weapons, launching the **Project to recognise "Peace as a Human Right"** and collaborating with the international coalition **Stop Killer Robots**
- Banca Etica Group achieves **certification of compliance with the UNI/PdR 125:2022 standard** (gender equality)
- Joins the Network ***Finance for Biodiversity Foundation***

Finance for Biodiversity Foundation

2000–2025 25°

PRODUCTS AND SERVICES

In order to pursue its activity, Etica Sgr is active in four areas:

→ Ethical and Responsible Finance: Etica Sgr exclusively promotes financial investments in company stocks and government securities selected on the basis of strict social and environmental criteria. The mission and values of the asset management company find concrete expression in its socially responsible investment products:

  → the Etica System, formed of seven Italian open-ended mutual investment funds;

  → three sub-funds under Luxembourg law launched for international placement and institutional clients under the name Etica Funds[1];

→ Stewardship: to support the integration of social and environmental sustainability into the strategy of issuers it invests in, Etica Sgr adopts the following approaches:

  → dialogue

  → active exercise of voting rights

  → advocacy

→ Microfinancing and crowdfunding: customers subscribing Etica Sgr funds have the option of voluntarily assigning one euro per thousand to a current account where funds remain unavailable that guarantees microfinancing projects in Italy and abroad, run by Italian entities, and supports crowdfunding campaigns.

→ Socially responsible investment advice: given its specific expertise acquired in selecting issuers, the AMC provides advice for the definition of the social and environmental responsibility profiles of the assets of two pension funds distributed by the Parent Company Banca Etica.The financial products established and/or managed (including under mandate) by Etica Sgr are:

→ classified as sustainable funds pursuant to art. 9 of Regulation EU 2019/2088 (SFDR). These are: Etica Azionario, Etica Bilanciato, Etica Transizione Climatica and Etica Obiettivo Sociale. The remainder are classified as funds pursuing environmental and/or social purposes pursuant to art. 8 of the same Regulation

→ consistent with the definition of SRI provided by the Italian Sustainable Investment Forum, on the basis of which *"Sustainable and Responsible Investment is represented by an investment strategy focused on the medium/long-term integrating financial analysis with environmental, social and governance assessment, in order to generate value for investors and for society as a whole".*

1 Etica Funds, a registered trademark owned by Etica Sgr, represents the three SICAV funds of the Luxembourg MULTILABEL SICAV, consisting of Carne Global Fund Managers (Luxembourg) S.A., on behalf of Etica Sgr S.p.A., which is the investment manager and global distributor.

SISTEMA ETICA

Valori Responsabili Line

Etica Obbligazionario Breve Termine
Etica Obbligazionario Misto
Etica Rendita Bilanciata
Etica Bilanciato
Etica Azionario

www.eticasgr.com/selezione-valori-responsabili

"Futuri Responsabili" Line

Etica Transizione Climatica*
Etica Obiettivo Sociale

www.eticasgr.com/selezione-futuri-responsabili

* On 21 May 2025, the name of the Etica Impatto Clima fund changed to Etica Transizione Climatica. No changes were made to the investment policy, to the way the portfolio is managed, or to the costs of the fund.

ETICA FUNDS

ETICAFUNDS (Luxembourg funds)

Etica Global Equity
Etica Dynamic Allocation
Etica Conservative Allocation

www.eticasgr.com/selezione-valori-responsabili

Measuring the impact of investments

As the final phase of the sustainable and responsible investment process, each year Etica Sgr measures the ESG impact of the investments of its funds. The impact can be considered a genuine integration of financial and ESG factors, in light of the fact that the portfolios are constructed by following a financial approach on a list of issuers selected in advance on the basis of ESG indicators.

More information is available at "Our impact", where the following documents are published:

- **Climate Change Report**: the 2025 edition analysed the issuers of all asset classes present in the portfolios at the end of 2024 of the Valori Responsabili Line funds, the SICAV sub-funds and the Etica Transizione Climatica Fund. The document contains carbon footprint metrics, analyses based on climate scenarios and risk analyses related to climate change (physical risks and transition risks). The results included:
  - for the Valori Responsabili Line funds: a 72% decrease in carbon intensity compared to 2019 and 85% of the production capacity of companies in the portfolio originating from renewable sources;
  - for the Etica Transizione Climatica fund: a 33% decrease in carbon intensity compared to 2019 and 90% of the portfolio associated with companies with international climate targets;
  - all funds analysed were aligned with a scenario where the global temperature increase by 2050 is limited to 1.5°C, in line with the Paris Agreement, and exceeded the market benchmark represented by the MSCI World ESG Universal Net Total Return index.

    The aforementioned section of the Etica Sgr website also contains the analysis of the portfolio of the Etica Transizione Climatica fund at 30 June 2025, which was conducted to assess in a more effective and ongoing basis the transition efforts of the fund itself, in particular by analysing the allocation of the green bonds present.
- **Impact Report**: for the 2025 edition, the areas of impact of the AMC's investments subject to analysis were climate change, management of natural resources, peace and social development and responsible communities, remaining in continuity with previous years.

Stewardship

Stewardship, i.e. the proactive and constant dialogue with bodies, institutes and companies, the voting expressed in the annual shareholders' meetings of the companies in which it invests, and advocacy with governments, regulators and standard setters represents, alongside ESG selection and analysis, a fundamental characteristic of the Etica Sgr funds and an important tool for monitoring the ESG performance of issuers.

The aim of this activity is to raise awareness among company management teams regarding a constant and lasting commitment to improve corporate governance and socio-environmental conduct.

This activity is conducted by Etica Sgr in the exclusive interest of fund investors of the Valori and Futuri Responsibili lines and in accordance with the Stewardship Policy in the dedicated section of the website, where it is also possible to read the Stewardship Report, containing case studies of dialogue with issuers on ESG topics and the results achieved.The following figure shows the number of companies and the type of issues with which the AMC engaged in dialogue in the previous two-year period, excluding votes at shareholders' meetings. The percentages express the ratio with respect to the total number of issuers present in the portfolios representing stock investments.

Figure 1. Interactions on social and environmental issues

	2024	2025
Stock issuers in portfolio	261	235
Companies subject to ESG engagement	116	106
%	44.4%	45.1%
Companies subject to social and environmental engagement	105	100
%	40.2%	42,6%

Details are given below of the main dialogue activities conducted by Etica Sgr in 2025, for which it should be noted that the presence or otherwise in the Etica Sgr investments refers to the portfolios of the Sistema Etica funds as at 31/12/2024.

Figure 2. Main dialogue initiatives

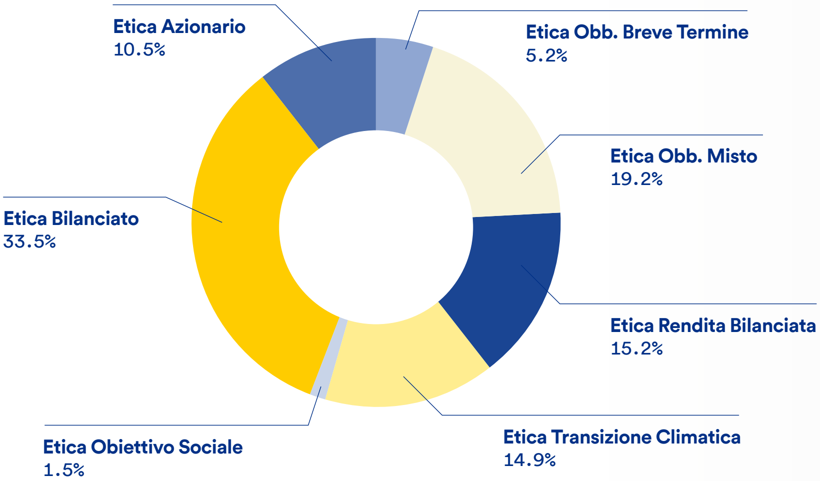
Tool	No.	Recipients	Topics	Sponsor
Letters on votes and ESG topics expressed in shareholders' meetings	16	Italian companies, present in Etica Sgr investments	Votes expressed in shareholders' meetings, usually in relation to votes against management's recommendations	Etica Sgr
		16 issuers		
	61	Foreign companies, present in Etica Sgr investments		
		61 issuers		
	1	Foreign companies, not present in Etica Sgr investments		
		1 issuer		
Letters on ESG topics	14	Italian companies, present in Etica Sgr investments	ESG topics specific to each company	Etica Sgr and/or its network
		10 issuers		
	30	Foreign companies, present in Etica Sgr investments		
		28 issuers		
	2	Foreign companies, not present in Etica Sgr investments		
		2 issuers		
Meetings/dialogue with issuers	30	Italian companies, present in Etica Sgr investments	ESG topics specific to each company	Etica Sgr and/or its network
		16 issuers		
	7	Italian companies, not present in Etica Sgr investments		
		6 issuers		
	19	Foreign companies, present in Etica Sgr investments		
		17 issuers		
	2	Foreign companies, not present in Etica Sgr investments		
		2 issuers		

ECONOMIC OPERATING RESULTS

Funding and assets of Funds

Following years of growth in assets, 2025 recorded considerable outflows, amounting to € -1,684.56 million, mainly due to the repositioning of the portfolios by institutional clients and several important placement shareholders. The decrease was also impacted by a negative market effect for approximately € 21 million; as at 31 December 2025, the total assets of the Sistema Etica funds stood at € 5,649.28 million, broken down as follows:

Figure 3. Etica System Assets: breakdown by Fund



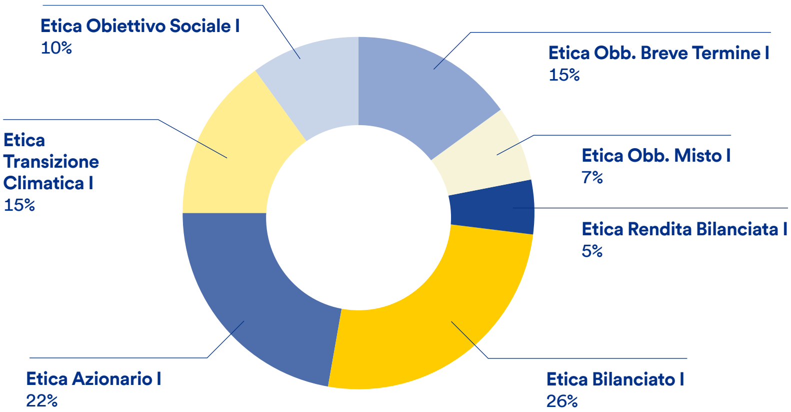
Source: Etica Sgr internal data

Net funds collected by the Etica Sgr institutional channel on Italian funds were negative due to reimbursements requested by asset management and insurance companies that chose to reposition their portfolios, directing them towards investment decisions that differed from the units of the Etica Sgr funds they already held.

Investments in the institutional segment were prevalently concentrated on the class I reserved for this type of customer, in addition to approximately 13% invested in the retail class.

As shown by the figure below, investments in institutional class I of the Italian funds were mainly concentrated in the Etica Bilanciato and Etica Azionario funds:

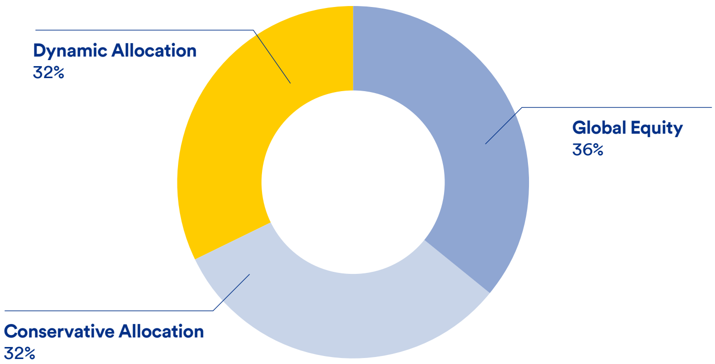
Figure 4. Etica System distribution of class I assets



Source: Etica Sgr internal data.

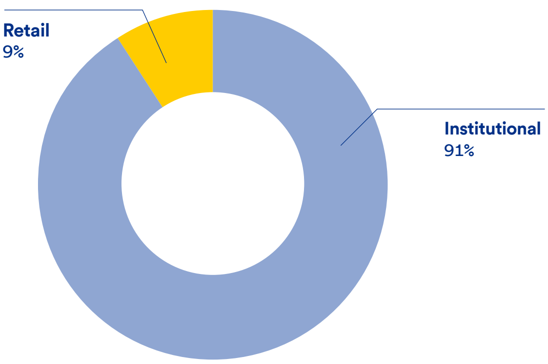
With reference to the Luxembourg Etica Funds, total assets under management at the end of 2025 were approximately € 76 million, down approximately 10% on the previous year. A breakdown by sub-funds and type of customer is provided in the figures below:

Figure 5. Breakdown of Etica Funds assets



Source: Etica Sgr internal data.

Figure 6. Etica Funds AUM by type of investor



Source: Etica Sgr internal data.

Management of the Etica System funds

When selecting the securities in which the sustainable and responsible funds belonging to the Etica System are invested, the ESG analysis is supported by the financial analysis: the investment manager Anima Sgr, an independent asset management company, assesses the financial performances and selects, in the context of the Investable Universes defined by Etica Sgr, the best securities in terms of risk/return ratio, in accordance with the Investment Policy defined by Etica Sgr's Investment Committee and approved by its Board of Directors.The investment committee is composed of:

→ at least two Directors selected from the Board of Directors of Etica Sgr (currently Mary Thomson and Giacinto Palladino)

→ the General Manager of the asset management company

→ the Head of the Investments Department of the Delegated Manager and/or the portfolio managers

→ the Risk Management Manager (without voting rights)

→ the Fund Analyst (without voting rights).

Thanks to the addition to the Etica Sgr team in 2025, the Committee also receives technical and strategic support from the Investment Specialist, through the financial analysis of the mutual funds managed by the Company, asset allocation and monitoring of financial markets.

The Committee generally meets monthly (unless market requirements dictate otherwise) and prior to the upcoming meeting of the Board of Directors. During meetings, the Committee discusses and drafts proposals regarding the guidelines for investment strategies, expressed in terms of levels of acceptable risk and exposure to the principal risk factors, to be submitted to the Board of Directors for appropriate assessments and resolutions to be made. All parameters regarding risk and exposure to the different asset classes are defined in line with the regulatory provisions of each Fund.Below we describe in brief the main investment decisions carried out in the year by the management team, by stock and bond component.

Equity component of Etica System funds

In 2025, equity management generated absolutely positive performance, but underperformed in relative terms with respect to the benchmark. In particular, the allocation and selection of securities, as well as the currency effect, contributed negatively.

From a geographical perspective, the North American component contributed negatively due to the selection, whereas the allocation component was positive. At sector level, positive contributions mainly came from the technology sector, for both allocation and selection, and from the energy sector. The worst performers were the industrial, telecommunications and financial sectors, mainly caused by the absence of companies with mega-capitalisation and the structural underweight in the banking segment, by virtue of the composition of the investable universe.

In Europe, selection and allocation were also negative with an underperformance attributable to the absence of the banking sector. Negative contributions also came from the industrial and technology sectors, whereas the telecommunications and materials sectors performed positively.

Japan, on the other hand, saw a positive contribution from both allocation and selection, where the technology, industrial and real estate sectors were rewarded. Consumer staples and the financial sector contributed negatively.

Lastly, allocation and selection in the Pacific contributed positively, mainly thanks to the materials sector, while the emerging countries recorded a rather flat performance.

Bond component of Etica System funds

The bond component achieved positive returns in 2025 in absolute terms, although slightly below the benchmark in relative terms.

At the start of the year, the rise in uncertainty around the policies of the new US administration did not prevent the higher yield bond segments from offering a positive contribution; on the other hand, German government securities were negatively impacted by the more expansive fiscal structure introduced by the new chancellor, Mertz.

In the middle of the year, also thanks to the cut in official rates, the bond market regained some stability, in a context of falling inflation in the euro area which further supported the recovery of prices.

In relation to short-term maturities, faced with the low volatility and compression of spreads on 2 year securities in the main euro area countries towards similar levels, management mainly focused the overweight on Italy, by gradually increasing the duration from 6 months to 1 year. With reference to longer-term maturities, however, French debt is underweight, resulting from the volatility that affected it at various stages of 2025, while a proactive positioning on maturities ranging between 5 and 10 years made it possible to anticipate the growth movement of the interest rate curve, thus contributing favourably to the management result.

Awards

Various recognitions received during the year highlighted the Company's commitment to sustainability and the value of Etica Sgr funds.

ESG Identity Awards 2025

Etica Sgr took second place in the "Boutique Size" category, as well as third place in the "Italian AMC" category. The awards, presented at the Salone SRI 2025 event, drew on the results of the ESG.IAMA (ESG Identity Asset Manager Assessment) project, the international analysis developed by ET Group on the ESG identity of asset managers.

Best 300 Funds: CFS Rating picks Etica Azionario

The fund Etica Azionario returned to the prestigious "TOP 20 ESG" ranking as one of the best funds inspired by principles of environmental, social and governance sustainability, according to the ranking method used by CFS Rating. This important recognition highlights Etica Sgr's constant commitment to promoting an integrated approach aimed at combining the goals of financial growth with an elevated sustainability profile

H&K Responsible Investment Brand Index 2025

In the H&K RIBI 2025, Etica Sgr confirmed its status as an Avant-Gardist investment firm, ranking fourth in the category of the TOP 10 Asset Managers in Southern Europe. It is the first Italian asset management company in this ranking to feature among the best sustainable brands, standing out for its tangible commitment to sustainability topics.

2024 Alto Rendimento Award: Etica Sgr is Best ESG Manager for the third year running.

At the 27th edition of the Alto Rendimento Award, assigned by Il Sole 24Ore, Etica Sgr was awarded the prize of the Best ESG Manager in the "Small" Italian Funds category.

For further details, please refer to the awards and recognitions section of Etica Sgr.

Economic operating performance

Net fees were down almost 20% and, as a result, so was the intermediation margin, which was € 20,900,139 (-19.61%). A stable dynamic in "other income and management fees", combined with a 6% growth in operating costs, further affected gross profit, totalling € 4,749,471, which was down 56% compared to 2024.

The fundamental components of the operating result are highlighted in Figure 7.

Figure 7. Fundamental components of the operating result

Relevant components of the operating result	2025	2024	DELTA	Δ%
Fee income	96,461,461	115,302,180	(18,840,719)	(16.34%)
Fee expense	75,877,579	89,683,483	(13,805,904)	(15.39%)
Net fees	20,583,882	25,618,697	(5,034,815)	(19.65%)
Dividends and similar income	5,200	6,201	(1,001)	(16.14%)
Interest income and expense and similar income/charges	304,347	359,041	(54,694)	(15.23%)
Result of trading activities	6,710	14,362	(7,652)	(53.28%)
Intermediation margin	20,900,139	25,998,301	(5,098,162)	(19.61%)
Administrative expenses	16,409,066	15,514,003	895,063	5.77%
Amortisation and depreciation	296,793	290,577	6,216	2.14%
Other income and management fees	555,180	553,489	1,691	0.31%
Operating costs	16,150,679	15,251,091	899,588	5.90%
Gross profit	4,749,471	10,747,165	(5,997,694)	(55.81%)
Income tax	1,542,745	3,256,411	(1,713,666)	(52.62%)
Net profit	**3,206,726**	**7,490,754**	**(4,284,028)**	**(57.19%)**

Amounts in euro. Source: Etica Sgr internal data.

With respect for the environment and seeking to limit its impact as much as possible, Etica Sgr has decided not to print the report.

For further information, please refer to the interactive version in Italian available on the website www.eticasgr.com

etica FUNDS

Responsible Investments