

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA FOR THE ANALYSIS OF COMPANIES OF THE INVESTMENT FUND ETICA IMPATTO CLIMA

| EXCLUSION CRITERIA | |
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| <p>If a company is involved in one of the listed practices or activities, it is excluded from the eligible universe. Any proposal of inclusion of these companies will be evaluated on a case-by-case basis.</p> | |
| Fossil fuels | <ul style="list-style-type: none"> ✓ Any threshold of Companies' turnover comes from thermal coal mining activities ✓ Companies' turnover > 33% comes from fossil fuels industries ✓ Involvement in holding oil and/or coal reserves and lack of Science-based emission target setting ✓ involvement in sale of electricity generated burning thermal coal with a turnover equal or higher than 5% and lack of Science-based emission target setting |
| Nuclear energy | <ul style="list-style-type: none"> ✓ Involvement in the generation and sale of power from nuclear power stations ✓ Companies' turnover > 5% comes from electricity from nuclear power stations or from supplying products or services for them |
| Tar sands and oil shale | <ul style="list-style-type: none"> ✓ Companies' turnover > 10% comes from tar sands or oil shale extraction ✓ Reserves as tar sands or oil shale over 33% |
| Involvement in public allegations | <p>Public allegation of involvement in controversies, which are considered critical in terms of their severity and lack appropriate responses by the company, related to:</p> <ul style="list-style-type: none"> ✓ negative impacts to biodiversity or the exploitation of sensitive ecosystems; ✓ soil or water pollution; ✓ environmental problems in the supply chain; ✓ violation of fundamental Human Rights, involvement in cruel, inhuman or degrading treatment; ✓ discrimination in employment decisions, working conditions, gender, race/ethnicity/nationality, social Background, religion, sexual orientation, family responsibilities (including pregnancy), disabilities, political opinion, age, sensitive |

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| | <p>medical conditions, trade union membership or activities;</p> <ul style="list-style-type: none"> ✓ use of child labour or forced labour in their own operations; ✓ discrimination of employee representatives, Non respect of freedom of association and the right to collective bargaining or union busting; ✓ work accident, deterioration of health and safety KPIs or health and safety generally; ✓ non-respect of reasonable working hours or the non-respect of employee rights to vacation and leisure time; ✓ social/human rights problems in the supply chain; ✓ bribery; ✓ money laundering. |
| Gambling | <ul style="list-style-type: none"> ✓ Involvement in gambling operations such as online gambling, establishments (such as casinos and betting shops) or providing key products or services for the gambling industry (slot machines, payment solutions etc.) - turnover over 33% |
| Civilian Firearms | Involvement in the production or distribution of civilian firearms with a turnover equal or higher than 5%. |
| Military production and distribution | <ul style="list-style-type: none"> ✓ Turnover coming from the production of conventional weapons, their key parts or services or their general parts or services or other products or services for military users; ✓ Involvement in the development, production, maintenance, use, distribution, storage, transportation or trade of controversial weapons and key parts or services of them (Anti-Personnel Mines, Cluster Munitions, Chemical Weapons, Biological Weapons, Nuclear Weapons, Incendiary Weapons, Non-Detectable Fragments, Blinding Lasers, White Phosphorous, Depleted Uranium) |
| Suspended sectors | <p>Belonging to:</p> <ul style="list-style-type: none"> ✓ financial sector except if of the Real Estate industry and for Green Bonds; ✓ industrial sector and of the following industries: Oil Exploration & Production, |

Integrated Oils, Oil & Gas Services & Equipment, Oil, Gas & Coal, Pipeline, Mining Services, Precious Metal Mining, Coal Operations and Other Mined Minerals.

Furthermore, a specific methodology for analysing the companies involved, for various reasons, in activities related to natural gas, excludes those that do not have a convincing energy transition strategy.

EVALUATION CRITERIA

Companies are analysed according to an assessment of the following evaluation criteria in the Environmental Area. The weight of some criteria depends on the materiality of each criteria for the sector of the company analysed.

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| Animal welfare | <ul style="list-style-type: none"> ✓ Turnover coming from intensive farming of animals such as cattle, pigs, poultry, salmon, etc. |
| Biodiversity management | <ul style="list-style-type: none"> ✓ Commitment to the protection of biodiversity; ✓ Measures and process put in place with regards biodiversity protection: environmental impact assessments, training on biodiversity, management guidelines, monitoring of indicators etc.; ✓ Key Performance Indicators published by the company on its efforts to protect biodiversity; ✓ Controversies implicating the company in negative impacts on biodiversity or the exploitation of sensitive eco-systems. |
| Emissions management | <ul style="list-style-type: none"> ✓ Commitment to reduce energy emissions; ✓ Commitment to reduce atmospheric emissions related to operations; ✓ Measures and processes put in place to manage energy consumption and related emissions: end of pipe technology, technical optimisations, alternative energy source use etc.; ✓ Analysis of whether the measures put in place to manage atmospheric emissions are in place at a minority, majority or all operational sites; ✓ Trends of Key Performance Indicators related to energy management: energy consumption, CO2 emissions, and ozone depleting substances; ✓ Trends of Key Performance Indicators related to atmospheric emissions. |

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| Commitment to climate change risk and opportunities | <ul style="list-style-type: none"> ✓ Evaluation of whether the company is a signatory of Task Force on Climate-related Financial Disclosures (TCFD); ✓ Evaluation of whether the company's Reporting is Task Force on Climate-related Financial Disclosures (TCFD) compliant. |
| Environmental impact of production activities | <ul style="list-style-type: none"> ✓ Processes and measures put in place to ensure sound environmental management: management reviews of the Environmental Management System, performance measured against targets, external verification of performance etc. |
| Environmental impact of products | <ul style="list-style-type: none"> ✓ Commitments put in place to reduce the environmental impacts related to the use and disposal of products and/or services; ✓ Measures and processes put in place to reduce the environmental impacts linked to the use and the disposal of products/services, such as the technical optimisation of products/services, the client information on the environmental impact, the development of products/services designed for recycling or dismantling, etc.; ✓ Trend of the share of products/services that are eco-designed and the trend of the percentage of products that are recuperated and recycled; ✓ Production of substances banned by any of the following three conventions: the UNEP Stockholm Convention, the OSPAR Convention and the Montreal Protocol on Substances that Deplete the Ozone Layer; ✓ Production of chemicals identified by NGOs and campaign groups as being “hazardous to the environment or human health”; ✓ Measures put in place with regards to eco-design: life cycle analyses, R&D processes etc.; ✓ Turnover coming from products and solutions concerning items such as: Renewable energy, Smart grid technology, Solar airplane, Electric vehicle technology, Green buildings, Building materials from wood, Organic fertilizers, Hybrid vehicles, etc.; ✓ Turnover coming from products and solutions concerning items such as: Recycling services, |

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| | <p>Pollution abatement technology, Contaminated site rehabilitation, Bio-based chemicals, etc.;</p> <ul style="list-style-type: none"> ✓ Turnover coming from products and solutions concerning items such as: Waste treatment, Waste collection, Water treatment, Water distribution, Water treatment technology, Sea water desalination, Water treatment chemicals, Rainwater harvesting and Water demand-side management, etc.; ✓ Turnover coming from products and services concerning Sustainable Transportation item. |
| Fossil fuels | <ul style="list-style-type: none"> ✓ Turnover coming from fossil fuels industries (< 33%); ✓ Involvement in Tar sands and oil shale industry. |
| Nuclear Energy | <ul style="list-style-type: none"> ✓ Production of nuclear or conventional parts or services for nuclear power plants: i.e. fabricating nuclear fuel, processing or reprocessing spent fuel, trading uranium, etc. |
| Waste management | <ul style="list-style-type: none"> ✓ Commitment to reduce non hazardous and hazardous waste; ✓ Measures put in place with regards to the reduction of hazardous and non-hazardous waste: the setting of quantified targets, the coverage of the entire group, the comparison with the sector, etc.; ✓ Trends of Key Performance Indicators related to waste management: recycling rates, volumes of hazardous and non-hazardous waste generated; ✓ Controversies implicating the company in soil pollution. |
| Water management | <ul style="list-style-type: none"> ✓ Commitment to reduce water consumption from its operations; ✓ Measures put in place with regards to the reduction of water consumption and emissions: the setting of quantified targets, the coverage of the entire group, the comparison with the sector, etc.; ✓ Trends of Key Performance Indicators related to the protection of water resources: water emission and consumption; ✓ Controversies implicating the company in water pollution. |

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| Reputational Risk | <ul style="list-style-type: none"> ✓ Current level of companies' exposure to ESG reputational risk ✓ Level of companies' exposure to ESG reputational risks compared to the worst past situation ✓ Environmental percentage of current level of companies' exposure to ESG reputational risks |
| Emissions reduction initiatives | <ul style="list-style-type: none"> ✓ Planning and implementation of emission reduction initiatives; ✓ Adoption of Science Based Target for emission reduction (with approval by the Science Based Target Initiative). |
| Environmental Impact | <ul style="list-style-type: none"> ✓ Achievement of environmental impact indicators such as sustainable packaging, green building, environmental management of supply chain, climate change risks and opportunities, renewable electricity targets, etc. |
| <p>Further detailed analysis are also carried out such as: specific analysis of the energy transition management for companies involved in the most impactful sectors, "E" Risk calculation, engagement activities evaluation.</p> | |