
PAI STATEMENT OF ETICA SGR

Statement on the principal adverse impacts of
investment decisions on sustainability factors

Statement referring to 2025



Statement on the principal adverse impacts of investment decisions on sustainability factors

ETICA Sgr S.p.A. – June 2026

Statement referring to 2025

HISTORY OF REVISIONS

Version	Date	Description of revisions
01	30 June 2023	First issue: statement referring to 2022
02	30 June 2024	Second issue - statement referring to 2023 and correction of some typos of 2022 values with the correct measurement unit
03	30 June 2025	Third issue: statement referring to 2024
04	30 June 2026	Fourth issue: statement referring to 2025

CONTENTS

HISTORY OF REVISIONS

	2
1. SUMMARY	4
2. DESCRIPTION OF THE PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS	8
3. DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE THE PRINCIPAL ADVERSE IMPACT ON SUSTAINABILITY	36
4. ENGAGEMENT POLICY	41
5. REFERENCES TO INTERNATIONAL PRINCIPLES AND STANDARDS	44
6. HISTORICAL COMPARISON	46

1. SUMMARY

Etica Sgr S.p.A. (hereinafter also “AMC” or “Company”) LEI code 984500A0FC4Q4FN04749 considers the principal adverse impact of its investment decisions on sustainability factors. This statement (hereinafter only the “Statement”) is the consolidated statement on the principal adverse impact of investment decisions on the Company’s sustainability factors.

This statement on the principal adverse impacts on sustainability factors concerns the period of reference from 1 January 2025 to 31 December 2025.

Etica Sgr S.p.A., an Italian-registered asset management company, member of the Banca Popolare Etica Group, was created as a sustainable responsible operator. In accordance with its by-laws, *“it proposes representing the values of ethical finance on the financial markets, increasing the public’s awareness regarding socially responsible investments and corporate social responsibility”*.

Etica Sgr was established in 2000, driven by the belief that analysing issues from an environmental, social and governance (ESG) perspective could provide a more long-term view and potential added value in terms of economic performance. Today, 20 years after its founding, it is still the only Italian asset management company to concentrate exclusively on offering a range of sustainable and responsible financial investment products.

This document, drafted in accordance with the provisions of Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation or “SFDR”) and Commission Delegated Regulation (EU) 2022/1288¹, contains information relating to the consideration, by the AMC, of the principal adverse impacts of its investment decisions on sustainability factors, implemented in 2025 for all financial products established and/or managed by the Company, including in delegation.

During the reporting period, the SGR took into consideration the principal adverse impact of its investment decisions on sustainability factors (hereinafter also referred to as *“Principal Adverse Sustainability Impacts”* or “PAIs”) referred to in Table 1 of Annex 1 of Delegated Regulation (EU) 2022/1288.

¹ Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

In addition, during the reporting period, the SGR considered a number of PAIs, referred to in Tables 2 and 3 of the same Annex 1, specific per Fund on the basis of the strategy and objectives of the Fund, as shown below:

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES			
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Emissions	Indicator 4	Investments in companies without carbon emission reduction initiatives	Table 2 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
Water, waste and material emissions	Indicator 7	Investments in companies without water management policies	Table 2 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
INDICATORS FOR SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY ISSUES			
Indicators on social and employee matters	Indicator 4	Lack of a supplier code of conduct	Table 3 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
Human rights	Indicator 9	Lack of a human rights policy	Table 3 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
Anti-corruption and anti-bribery	Indicator 15	Lack of anti-corruption and anti-bribery policies	Table 3 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288

In compliance with the implementing rules of the SFDR, the Statement is also accessible in English within the dedicated section of the website: <https://www.eticasgr.com/en/responsible-investment/sustainability-finance-disclosure-regulation>.

Summary

Etica Sgr S.p.A. (hereinafter also "AMC" or "Company"), LEI code 984500A0FC4Q4FN04749, considers the principal adverse impacts of its investment decisions on sustainability factors. This statement is the consolidated statement on the principal adverse impacts on the Company's sustainability factors.

This statement on the principal adverse impacts on sustainability factors concerns the period of reference from 1 January 2025 to 31 December 2025.

Etica Sgr S.p.A., an Italian-registered asset management company, member of the Banca Popolare Etica Group, was created as a sustainable and responsible operator. In accordance with its by-laws, "it proposes representing the values of ethical finance on the financial markets, increasing the public's awareness regarding socially responsible investments and corporate social responsibility".

Etica Sgr was founded in 2000, based on the conviction that analysing issues from an environmental, social and governance (ESG) perspective could provide a more long-term view and potential added value in terms of returns. 20 years after its founding, it is still the only Italian asset management company to concentrate exclusively on offering a range of sustainable and responsible financial investment products.

This document, drafted in accordance with the provisions of Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation or "SFDR") and Commission Delegated Regulation (EU) 2022/12881, contains information relating to the consideration, by the AMC, of the principal adverse impacts of its investment decisions on sustainability factors, implemented in 2025 for all financial products established and/or managed by the Company, including in delegation.

In the reference period, the AMC took into consideration the main negative impacts of its investment decisions on sustainability factors (hereinafter also "Principal Adverse Impacts on Sustainability" or "PAI") referred to in Table 1 of Annex 1 to the Delegated Regulation (EU) 2022/1288.

Furthermore, in the reference period, the AMC took into consideration certain PAI, referred to in Tables 2 and 3 of the same Annex 1, specific to the Fund and based on the strategy and objectives of the Fund, as reported below:

Indicators applicable to investments in investee companies			
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Emissions	Indicator 4	Investments in companies without carbon emission reduction initiatives	Table 2 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
Water, waste and material emissions	Indicator 7	Investments in companies without water management policies	Table 2 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
INDICATORS FOR SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY			
Social and employee matters	Indicator 4	Lack of a supplier code of conduct	Table 3 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
Human rights	Indicator 9	Lack of a human rights policy	Table 3 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
Anti-corruption and anti-bribery	Indicator 15	Lack of anti-corruption and anti-bribery policies	Table 3 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288

2. DESCRIPTION OF THE PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS

TABLE 1

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
Greenhouse gas emissions	1. GHG emissions ²	Scope 1 GHG emissions	19125.66	26,608.76	37,394.89	62,227.37	<p>This data shows total scope 1 CO₂ emissions (emissions generated by sources controlled by the company issuing the underlying assets) of the investee companies, expressed in tonnes of CO₂eq, which is the measurement that expresses the impact of global warming on a certain quantity of greenhouse gas compared to the same quantity of carbon dioxide.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 98.86% in 2025 (of which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.88%</p>	<p>In 2025, the AMC monitored the PAI on the basis of the update to the investable universe and the portfolio turnover, taking into consideration the mandatory indicators of Table 1 and striving to monitor their monthly trend via specific reporting shared with the Investment Committee. The Investment Committee also tracks the impact of several PAI indicators that are</p>

² GHG: Greenhouse Gases such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							<p>in 2023 (of which 47.42% is analysable), and 93.30% in 2022 (of which 45.51% is analysable). This is considered a priority indicator. The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>	<p>relevant for the investment policy of specific Lines or Funds (established and/or managed under delegation), assessing the definition of targets or further corrective measures where necessary, including on the basis of the reliability and coverage of the data available to the infoprovider and/or provided by the issuer itself.</p>
		Scope 2 GHG emissions	7836.25	10,153.03	12,308.05	35,095.05	<p>This data shows total scope 2 CO2 emissions (emissions deriving from the consumption of electricity, steam or other purchased energy sources generated upstream of the company issuing the underlying assets) of the investee companies, expressed in tonnes of CO2eq, which is the measurement that expresses the impact of global warming on a certain quantity of greenhouse gas compared to the same quantity of carbon dioxide.</p>	<p>In particular, in 2025, with the aim of mitigating and minimising the adverse impact on the sustainability factors from its investments in</p>

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							<p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 92.18% in 2025 (of which 51.49% is analysable), 92.91% in 2024 (of which 51.20% is analysable), 97.92% in 2023 (of which 47.42% is analysable), and 93.14% in 2022 (of which 45.51% is analysable).</p> <p>This is considered a priority indicator.</p> <p>The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>	<p>companies, the SGR commits to the following ENVIRONMENTAL PAI, as a priority, in Table 1:</p> <p>LISTED COMPANIES</p> <ul style="list-style-type: none"> Greenhouse gas emissions: exposure to fossil fuel companies (indicator 4).
		Scope 3 GHG emissions	423342.79	545,383.01	401,697.37	494,963.81	This data shows total scope 3 CO2 emissions (all indirect emissions not covered by	

<i>Adverse sustainability indicator</i>	<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
						<p>scopes 1 and 2 that are generated in value chain of the reporting organisation, including upstream and downstream emissions, in particular for sectors with a high impact on climate change and its mitigation) of the investee companies, expressed in tonnes of CO₂eq, which is the measurement that expresses the impact of global warming on a certain quantity of greenhouse gas compared to the same quantity of carbon dioxide.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 99.00% in 2025 (of which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is analysable), and 80.68% in</p>	

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							<p>2022 (of which 45.51% is analysable). This is not considered a priority indicator. The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>	
		Total GHG emissions	450,304.70	582,144.80	451,400.31	96,949.87	<p>This data shows total scope 1, 2 and 3 CO₂ emissions of the investee companies, expressed in tonnes of CO₂eq, which is the measurement that expresses the impact of global warming on a certain quantity of greenhouse gas compared to the same quantity of carbon dioxide.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 99.00% in 2025 (of</p>	

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							<p>which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is analysable), and 94.55% in 2022 (of which 45.51% is analysable).</p> <p>This is not considered a priority indicator.</p> <p>The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>	
	2. Carbon footprint	Carbon footprint	518.94	583.93	515.92	397.02	<p>This data shows total CO2 emissions of the investee companies, expressed in tonnes of CO2eq/M€ compared to the total value of investments.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 99.00% in 2025 (of which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.89%</p>	

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							<p>in 2023 (of which 47.42% is analysable), and 80.07% in 2022 (of which 45.51% is analysable).</p> <p>This is considered a priority indicator.</p> <p>The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>	
	3. GHG intensity of investee companies	GHG intensity	1043.03	1,220.99	1,397.89	1,132.38	<p>This data shows total CO2 emissions of the investee companies adjusted for the revenues of the investee companies, expressed in tonnes of CO2eq/M€ compared to the total value of investments.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 98.98% in 2025 (of which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is</p>	

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							<p>analysable), and 80.16% in 2022 (of which 45.51% is analysable)</p> <p>This is considered a priority indicator.</p> <p>The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>	
	4. Exposure to companies active in the fossil fuel sector	Share of investments	7.22%	7.6%	7.6%	0%	<p>The data shows the share of investments in companies active in the fossil fuel sector, expressed as a percentage.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 99.00% in 2025 (of which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is analysable), and 99.04% in 2022 (of which 45.51% is analysable).</p>	

Adverse sustainability indicator		Metric	Impact 2025 [year n]	Impact 2024 [year n-1]	Impact 2023 [year n-2]	Impact 2022 [year n-]	Explanation	Actions taken, and actions planned and targets set for the next reference period
							In 2022 the value was restated using the correct unit of measurement. This indicator has been considered a priority since 2023; in view of this and the associated investment strategy adopted by Etica, the value of the indicator has remained constant in 2023 and 2024.	
5.	Share of non-renewable energy consumption and production	Share of consumption and production of non-renewable energy of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources.	45.10%	49%	59%	68%	This data shows the total share of non-renewable energy consumed and produced by investee companies, expressed as a percentage of total energy sources. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 85.91% in 2025 (of which 51.49% is analysable), 86.49% in 2024 (of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is analysable), and 99.04% in	

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							2022 (of which 45.51% is analysable). In 2022 the value was restated using the correct unit of measurement. This is not considered a priority indicator. The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.	
6.	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million € of turnover of investee companies, per high-impact climate sector expressed as a percentage	22.38%	27%	35%	41%	This data shows percentage of energy consumption in GWh for companies operating in high climate impact sectors of the investee companies. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 93.21% in 2025 (of which 51.49% is analysable), 94.47% in 2024 (of which 51.20% is analysable), 66.86% in 2023 (of which 47.42% is	

Adverse sustainability indicator		Metric	Impact 2025 [year n]	Impact 2024 [year n-1]	Impact 2023 [year n-2]	Impact 2022 [year n-]	Explanation	Actions taken, and actions planned and targets set for the next reference period
							<p>analysable), and 63.84% in 2022 (of which 45.51% is analysable). In 2022 the value was restated using the correct unit of measurement. This is not considered a priority indicator. The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	0%	51%	<p>The data shows the percentage of investments in companies that have sites or conduct operations in biodiversity-sensitive areas or adjacent areas, where the activities of those businesses have a negative impact on those areas (those activities that lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated, or for which none of the conclusions, mitigation</p>	

<i>Adverse sustainability indicator</i>	<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
						<p>measures or impact assessments adopted pursuant to law have been implemented)</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 99.00% in 2025 (of which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is analysable), and coverage of 98.50% in 2022 (of which 45.51% is analysable).</p> <p>In 2022 the value was restated using the correct unit of measurement.</p> <p>This is considered a priority indicator, also in light of the stewardship activities carried out by the AMC in the last two years.</p> <p>Since 2022 the value over the observation periods has remained constant at 0.</p>	

Adverse sustainability indicator		Metric	Impact 2025 [year n]	Impact 2024 [year n-1]	Impact 2023 [year n-2]	Impact 2022 [year n-]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million € invested, expressed as a weighted average	0.59	0.01	0.01	0.20	<p>This indicator expresses the weighted average of total emissions to water generated by investee companies per €M invested.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 3.84% in 2025 (of which 51.49% is analysable), 6.72% in 2024 (of which 51.20% is analysable), 6.05% in 2023 (of which 47.42% is analysable), and coverage of 14.36% in 2022 (of which 45.51% is analysable).</p> <p>This is not considered a priority indicator.</p> <p>Due to low data coverage, the data collected does not allow for an accurate assessment of the reference periods.</p>	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste	0.228	16.20	8.90	104.07	<p>This data shows the weighted average of total emissions of hazardous waste and radioactive waste generated</p>	

Adverse sustainability indicator		Metric	Impact 2025 [year n]	Impact 2024 [year n-1]	Impact 2023 [year n-2]	Impact 2022 [year n-]	Explanation	Actions taken, and actions planned and targets set for the next reference period
		generated by investee companies per million € invested, expressed as a weighted average					by investee companies per €M invested. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 56.61% in 2025 (of which 51.49% is analysable), 69.97% in 2024 (of which 51.20% is analysable), 65.19% in 2023 (of which 47.42% is analysable), and coverage of 60.76% in 2022 (of which 45.51% is analysable). The change in value between the observation periods derives from the update to the investable universe, the portfolio turnover, and the change in data provider during the year, which resulted in a different method for assessing and collecting information	
Indicators on social and employee matters	10. Violations of UN Global Compact principles and Organisation for	Share of investments in investee companies that	0%	0%	0%	0%	The data shows the share of investments in companies that have been involved in violations of the UNGC	During 2025, the SGR monitored the PAIs of the Funds' portfolios and the

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
	Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises					principles or OECD Guidelines for Multinational Enterprises. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 99.00% in 2023 (of which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is analysable), and coverage of 98.88% in 2022 (of which 45.51% is analysable). This indicator has been considered a priority since 2023; in view of this and the associated investment strategy adopted by Etica, the value of the indicator has remained constant in 2022, 2023, 2024 and 2025.	Company's portfolios as a whole on the basis of the updated Investment Universe and portfolio turnover. The Company takes into account the mandatory PAIs listed in Table 1 and commits to monitoring their progress, including through specific monthly reporting shared within the Investment Committee. Similarly, with regard to specific PAI indicators identified as relevant within the investment policy of each Line or Fund for financial
11.	Lack of processes and compliance mechanisms to monitor compliance with UN Global	Share of investments in investee companies without policies to monitor	6.56	10%	13%	15%	This data shows the share of investments in companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises	

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
	Compact principles and OECD Guidelines for Multinational Enterprises	compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.					or grievance/ complaints handling mechanisms to address violations thereof. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 98.37% in 2025 (of which 51.49% is analysable), 97.05% in 2024 (of which 51.20% is analysable), 99.80% in 2023 (of which 47.42% is analysable), and coverage of 98.50% in 2022 (of which 45.51% is analysable). In 2022 the value was restated using the correct unit of measurement. This is not considered a priority indicator. The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.	products created and/or managed by delegation, Etica Sgr commits to monitoring their monthly impact within the Investment Committee, and if necessary, reviewing target definitions or implementing additional corrective actions, depending on the reliability and coverage of data provided by the information provider and/or issuer. In particular, in 2025, with the aim of mitigating and minimising, the adverse impact on the sustainability
	12. Unadjusted gender pay gap	AVERAGE unadjusted gender pay	1.71	1.25%	1.15%	4%	This data shows the average percentage difference between the average gross	

<i>Adverse sustainability indicator</i>	<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
	<p>gap of investee companies expressed as a percentage</p>					<p>hourly pay of male employees and female employees, expressed as a percentage of average gross hourly pay of male employees of investee companies.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 25.16% in 2025 (of which 51.49% is analysable), 11.46% in 2024 (of which 51.20% is analysable), 7.93% in 2023 (of which 47.42% is analysable), and 31.85% in 2022 (of which 45.51% is analysable).</p> <p>This is not considered a priority indicator.</p> <p>In 2022 the value was restated using the correct unit of measurement.</p> <p>The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>	<p>factors from its investments in companies, the SGR commits to the following SOCIAL PAIs, as priorities, as per Table 1:</p> <p>LISTED COMPANIES</p> <ul style="list-style-type: none"> Indicators on social and employees issues: violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (indicator no. 10). Social and employee- related indicators: exposure to controversial

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							The information gathered, which is still unavailable, and the low data coverage do not allow an accurate assessment of result comparisons.	weapons (anti-personnel mines, munitions with cluster, chemical and biological weapons - indicator no.14).
13.	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	34.75	31%	32%	32%	<p>This data shows the percentage ratio of female board members compared to total members of the Board of Directors of investee companies.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 95.10% in 2025 (of which 51.49% is analysable), 84.70% in 2024 (of which 51.20% is analysable), 85.66% in 2023 (of which 47.42% is analysable), and coverage of 98.45% in 2022 (of which 45.51% is analysable).</p> <p>In 2022 the value was restated using the correct unit of measurement.</p> <p>This is not considered a priority indicator.</p>	

Adverse sustainability indicator		Metric	Impact 2025 [year n]	Impact 2024 [year n-1]	Impact 2023 [year n-2]	Impact 2022 [year n-]	Explanation	Actions taken, and actions planned and targets set for the next reference period
							There were no significant variations in the reporting periods considered.	
	14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons expressed as a percentage	0%	0%	0%	0%	<p>This data shows the percentage of investments in companies involved in the manufacture or sale of controversial weapons. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 99.00% in 2025 (of which 51.49% is analysable), 97.42% in 2024 (of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is analysable), and coverage of 99.63% in 2022 (of which 45.51% is analysable). In 2022 the value was restated using the correct unit of measurement.</p> <p>This indicator has been considered a priority since 2023; in view of this and the associated investment strategy adopted by Etica, the</p>	

<i>Adverse sustainability indicator</i>		<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							value of the indicator has remained constant in 2022, 2023 and 2024.	
Indicators applicable to investments in sovereigns and supnationals								
<i>Adverse sustainability indicator</i>		<i>Metric</i>		<i>Impact 2024 [year n]</i>	<i>Impact 2023 [year n-1]</i>	<i>Impact 2022 [year n-2]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
Environment	15. GHG intensity ²	GHG intensity of investee countries expressed in tonnes of CO ₂ eq/€ of GDP	210.76	274.87	188.86	210	This data shows the total scope 1, 2 and 3 CO ₂ emissions per € of GDP of each investee company. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 94.71% in 2025 (of which 42.04% is analysable), 91.64% in 2024 (of which 51.20% is analysable), 88.28% in 2023 (of which 42.24% is analysable), and coverage of 61.78% in 2022 (of which 42.88% is analysable).	During 2025, the SGR monitored the PAIs of the Funds' portfolios and the Company's portfolios as a whole on the basis of the updated Investment Universe and portfolio turnover. The Company takes into account the mandatory PAIs listed in Table 1 and commits to monitoring their

Adverse sustainability indicator		Metric	Impact 2025 [year n]	Impact 2024 [year n-1]	Impact 2023 [year n-2]	Impact 2022 [year n-]	Explanation	Actions taken, and actions planned and targets set for the next reference period
							This is not considered a priority indicator. The change in the figure is attributable to the updated Investment Universe and portfolio turnover.	progress, including through specific monthly reporting shared within the Investment Committee.
Social	16. Investee countries subject to social violations	Number of countries benefiting from investments and subject to social violations, in accordance with international treaties and conventions, UN principles and, where applicable, national legislation. (absolute and relative number divided by all countries benefiting from	0 0.00%	0 0.00%	0 0.00%	0 0.00%	This data shows the number of countries subject to social violations that benefit from investments. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 100.00% in 2025 (of which 42.04% is analysable), 100.00% in 2024 (of which 41.42% is analysable), 100% in 2023 (of which 42.24% is analysable), and coverage of 7.27% in 2022 (of which 42.21% is analysable). This is not considered a priority indicator. The figure has remained constant in 2022, 2023, 2024 and 2025.	Similarly, with regard to specific PAI indicators identified as relevant within the investment policy of each Line or Fund for financial products created and/or managed by delegation, Etica Sgr commits to monitoring their monthly impact within the Investment Committee, and if necessary, reviewing target definitions or implementing additional

<i>Adverse sustainability indicator</i>	<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>
							<p>the investments)</p> <p>corrective actions, depending on the reliability and coverage of data provided by the information provider and/or issuer.</p> <p>In particular, in 2025, with the aim of mitigating and minimising, the adverse impact on the sustainability factors of its investments in sovereign issuers and international organisations, the SGR is committing to addressing the following PAIs, as priorities, as per Table 1:</p> <p>SOVEREIGN COUNTRIES</p> <ul style="list-style-type: none"> • GHG intensity (indicator no.15);

Adverse sustainability indicator		Metric	Impact 2025 [year n]	Impact 2024 [year n-1]	Impact 2023 [year n-2]	Impact 2022 [year n-]	Explanation	Actions taken, and actions planned and targets set for the next reference period
								• Investee countries subject to social violations (indicator no.16).
Adverse sustainability indicator		Metric		Impact 2024 [year n]	Impact 2023 [year n-1]	Impact 2022 [year n-2]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels		N/A	N/A	N/A	No investments were made in real estate assets	
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets		N/A	N/A	N/A	No investments were made in real estate assets	

<i>Adverse sustainability indicator</i>	<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>

TABLE 2

ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS								
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES								
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS								
<i>Adverse sustainability indicator</i>	<i>Metric</i>	<i>Impact 2025 [year n]</i>	<i>Impact 2024 [year n-1]</i>	<i>Impact 2023 [year n-2]</i>	<i>Impact 2022 [year n-3]</i>	<i>Explanation</i>	<i>Actions taken, and actions planned and targets set for the next reference period</i>	
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	20.18%	4.1%	7%	8%	<p>This data shows the percentage of investments in companies without carbon emissions reduction initiatives aimed at aligning with the Paris agreement.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 98.97% in 2025 (of which 51.49% is analysable), 100.00% in 2024</p>	<p>During 2025, the SGR monitored the PAIs of the Funds' portfolios and the Company's portfolios as a whole on the basis of the updated Investment Universe and portfolio turnover.</p> <p>The Company takes into account the mandatory PAIs listed in Table 1 and commits to monitoring their progress, including through specific monthly reporting shared within the Investment Committee.</p>

ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS								
		expressed as a percentage					<p>(of which 51.20% is analysable), 99.89% in 2023 (of which 47.42% is analysable), and coverage of 99.63% in 2022 (of which 45.51% is analysable). In 2022 the value was restated using the correct unit of measurement.</p> <p>The increase recorded in the indicator in 2025 compared to previous years is primarily attributable to the change in data provider during the year, which resulted in a different method for assessing and collecting information, in addition to normal changes in the portfolios (turnover) and the periodic update to the investable universe. These factors were joined by a decrease in the assets under management (AUM) recorded during the period, which further amplified the weight of this indicator in percentage terms.</p>	<p>Similarly, with regard to specific PAI indicators identified as relevant within the investment policy of each Line or Fund for financial products created and/or managed by delegation, Etica Sgr commits to monitoring their monthly impact within the Investment Committee, and if necessary, reviewing target definitions or implementing additional corrective actions, depending on the reliability and coverage of data provided by the information provider and/or issuer.</p> <p>In particular, also in 2025, with the aim of mitigating and minimising, the adverse impact on the sustainability factors from its investments in companies, the SGR has undertaken to prioritise the following ENVIRONMENTAL PAI from Table 2:</p> <p>LISTED COMPANIES</p> <ul style="list-style-type: none"> • Investments in companies without carbon emission reduction initiatives (indicator 4). • investments in companies without water management policies – indicator 7
Water, waste and material emissions	7. Investments in companies without water	Share of investments in investee companies without	12.97%	8%	12%	7%	This data shows the share of investments in companies without water management policies.	

ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
	management policies	water management policies expressed as a percentage					<p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 64.89% in 2025 (of which 51.49% is analysable), 67.93% in 2024 (of which 51.20% is analysable), 69.35% in 2023 (of which 47.42% is analysable), and coverage of 98.50% in 2022 (of which 45.51% is analysable).</p> <p>In 2022 the value was restated using the correct unit of measurement.</p> <p>This indicator has been considered a priority since 2023; in view of this and the associated investment strategy adopted by Etica, the value of the indicator improved in 2024.</p> <p>The change in value between the various periods can be attributed to the updated investment universe and portfolio turnover.</p>

TABLE 3

ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS								
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES								
INDICATORS FOR SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY ISSUES								
Adverse sustainability indicator		Metric	Impact 2025 [year n]	Impact 2024 [year n-1]	Impact 2023 [year n-2]	Impact 2022 [year n-3]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators on social and employee matters	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour) expressed as a percentage	2.60%	3.9%	10%	1%	<p>This data shows the share of investments in companies without any supplier code of conduct.</p> <p>The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 95.78% in 2025 (of which 51.49% is analysable), 94.99% in 2024 (of which 51.20% is analysable), 69.35% in 2023 (of which 47.42% is analysable), and coverage of 98.50% in 2022 (of which 45.51% is analysable).</p> <p>In 2022 the value was restated using the correct unit of measurement.</p> <p>This indicator has been considered a priority since 2023; in view of this and the associated investment strategy adopted by Etica, the value of the indicator is improving.</p> <p>The differences recorded in the figures are due to the update to the investable universe, portfolio turnover, and the use of data from a different infopvider.</p>	<p>During 2025, SGR monitored the PAIs of the Funds' portfolios and the Company as a whole on the basis of its proprietary investment sustainability analysis methodology, which uses exclusion criteria, selection criteria, best-in-class and reputational risk assessments, as well as financial evaluations.</p> <p>The Company takes into account the mandatory PAIs listed in Table 1 and commits to monitoring their progress, including through specific monthly reporting shared within the Investment Committee.</p>

Human rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy expressed as a percentage	32.16%	0.11%	0.48%	1%	<p>This data shows the share of investments in companies without a human rights policy. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each reference year, with coverage of 98.97% in 2025 (of which 51.49% is analysable), 99.12% in 2024 (of which 51.20% is analysable), 98.39% in 2023 (of which 47.42% is analysable), and coverage of 95.38% in 2022 (of which 45.51% is analysable).</p> <p>In 2022 the value was restated using the correct unit of measurement.</p> <p>The indicator has been monitored since 2023. The increase recorded in the indicator in 2025 compared to previous years is primarily attributable to the change in data provider during the year, which resulted in a different method for assessing and collecting information, in addition to normal changes in the portfolios (turnover) and the periodic update to the investable universe. These factors were joined by a decrease in the assets under management (AUM) recorded during the period, which further amplified the weight of this indicator in percentage terms.</p>	<p>Similarly, with regard to specific PAI indicators identified as relevant within the investment policy of each Line or Fund for financial products created and/or managed by delegation, Etica Sgr commits to monitoring their monthly impact within the Investment Committee, and if necessary, reviewing target definitions or implementing additional corrective actions, depending on the reliability and coverage of data provided by the information provider and/or issuer.</p> <p>In particular, in 2025, with the aim of mitigating and minimising, the adverse impact on the sustainability factors from its investments in companies, the SGR has undertaken to prioritise the following SOCIAL PAIs from Table 3:</p> <p>LISTED COMPANIES</p> <ul style="list-style-type: none"> • Lack of a supplier code of conduct - indicator 4; • Lack of a human rights policy - indicator 9;
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-	0%	0.4%	1%	1%	<p>This data shows the share of investments in entities without policies on anti-corruption and anti-bribery. The figures are expressed as the average of the impacts at 31 March, 30 June, 30 September and 31 December of each</p>	

		corruption and anti-bribery consistent with the United Nations Convention against Corruption expressed as a percentage				reference year, with coverage of 0% in 2025 (of which 51.49% is analysable), 96.97% in 2024 (of which 51.20% is analysable), 97.54% in 2023 (of which 47.42% is analysable), and coverage of 98.50% in 2022 (of which 45.51% is analysable). In 2022 the value was restated using the correct unit of measurement. This indicator has been monitored a priority since 2023; in view of this and the associated investment strategy adopted by Etica, the value of the indicator has shown constant improvement.	<ul style="list-style-type: none"> Lack of anti-corruption and antibribery policies - indicator 15.
--	--	--	--	--	--	---	--

3. DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE THE PRINCIPAL ADVERSE IMPACT ON SUSTAINABILITY

3.1 IDENTIFYING AND PRIORITISING THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY

The AMC considers the principal adverse sustainability impact of its investment decisions in order to ensure it does no significant harm (DNSH principle) to sustainable investments, thus adopting a strategic approach that also takes account of environmental, social and governance (ESG) indicators and facilitates proper assessment and management of sustainability risks specific to Line and/or Fund.

As a matter of fact, for over twenty years the AMC has made its investment decisions around environmental, social and governance indicators, largely attributable to metrics similar to those described in the PAIs of Commission Delegated Regulation (EU) 2022/1288, applying them to its proprietary methodology for analysing the sustainability of investments, represented by the internationally filed trademark ESG EticApproach®, and to the measurement of the generated impact.

The AMC strives to constantly monitor the negative impact of its investment decisions on sustainability factors in support of the aforesaid proprietary methodology as well as in the asset management activities of the Investment Manager.

The Company identified and prioritised PAIs following international standards and its sustainability investment objectives and adopted monthly monitoring procedures to assess the trend in PAI indicator values over time.

Compliance with the principle of not causing significant harm to environmental and social objectives is guaranteed by considering the relevant PAIs listed in Table 1 of Annex 1:

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES			
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Greenhouse gas emissions	Indicator 4	Exposure to companies active in the fossil fuel sector	Table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
INDICATORS FOR SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY ISSUES			
Indicators on social and employee matters	Indicator 14	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
Indicators applicable to investments in sovereigns and supranationals			
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Environment	Indicator 15	GHG intensity	Table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288
Social	Indicator 16	Investee countries subject to social violations	Table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288

As detailed in the Executive Summary, during the reporting period, the SGR incorporated the mandatory indicators listed in Table 1 of Annex I and selected specific optional indicators from Tables 2 and 3 of the same Annex as priorities.

Etica Sgr is committed to mitigating the adverse impact of its investments on sustainability factors, in line with regulatory developments and best practices at the national and international level, taking into consideration all the indicators in Table 1, as well as certain indicators, identified as priorities, in Tables 2 and 3 of Annex 1 of Delegated Regulation (EU) 2022/1288, as shown in the column entitled: ***Actions taken, and actions planned and targets set for the next reference period.***

3.2 GOVERNANCE OF SUSTAINABILITY ANALYSIS OF ISSUERS

The ESG indicators used in the sustainability analysis of listed companies and governments are listed within specific Guidelines, approved by the Board of Directors on 20 December 2023 at the proposal of an Ethics Committee independent from the Company and are periodically updated. These Guidelines, the most recent version of which is published on the AMC's website, represent the main reference for analysing the sustainability performance of issuers.

As part of this approach, Etica Sgr has implemented a structured due diligence process, based:

- on the application of suitability criteria (both negative and positive screening criteria) to select the Investment Universe and to assess ESG risks, in order to create Investment Universes with an appropriate level of overall sustainability risk;
- on the evaluation of the significant adverse impact on human rights and the environment identified during the selection activities by the investee companies;
- on the prevention, minimisation and monitoring of such negative impacts;
- on reporting the overall impact generated through preparing reports such as the "Impact Report" and the "Climate Change Report";
- on engagement initiatives, namely dialogue with investee company management aimed at raising awareness regarding an ongoing and long-term commitment to enhancing good governance practices and social and environmental conduct.

To support this process, Etica Sgr has identified the bodies and functions involved, assigning relevant responsibilities to ensure oversight and correct implementation of the "Sustainable and Responsible Investment Policy" adopted by the AMC.

BOARD OF DIRECTORS

The Board of Directors of Etica SGR approves the Sustainable and Responsible Investment Policy, and is responsible for supervising the correct implementation of the strategy detailed therein. Regarding the selection of securities, it is the responsibility of the Board of Directors to approve the issuers' Investment Universes and to outline the general investment strategies that the Investment Manager/Sub-Manager should follow in managing investments. Within this framework, the Board of Directors, upon recommendation from the Analysis and Research Department and following consultation with the Ethics Committee, approves publicly accessible lists of companies

involved in the production of anti-personnel mines, cluster munitions, and submunitions. On the issue of stewardship (voting, dialogue and advocacy), the Board of Directors is responsible for approving the Stewardship Policy and the Stewardship Plan.

ANALYSIS AND RESEARCH

Based on information supplied by providers specialising in the ESG analysis of companies and countries, the AMC Analysis and Research Department conducts an initial assessment of issuers in relation to the exclusion criteria, and then the issuers that are not excluded are analysed on the basis of the assessment criteria.

Specific data is then added to the ESG analysis, which takes into account contingencies related to the current position and additional information regarding the discussions held by the AMC with the management team of the issuers themselves.

Furthermore, corporate documents published by companies, reports drafted the international partners with which the AMC collaborates, such as UN PRI (Principles for Responsible Investments) and CDP (formerly the Carbon Disclosure Project), and news relating to the reputational risk level of issuers on ESG-related issues are taken into account.

The assessment methods and weighting of these factors are detailed in specific procedures, approved by the Board of Directors of the AMC, and the relevant operating instructions, updated from time to time.

Subsequent to this analysis, the reference "Investment Universe" is defined, i.e., the list of issuers complying with the ESG parameters selected by Etica Sgr over a specific time frame. The Investment Universe, which is periodically updated, is sent to the Investment Manager after being approved by the AMC's Board of Directors, based on the proposal from the Ethics Committee.

RISK MANAGEMENT FUNCTION

The selection of companies is further supplemented by specific risk indices related to the ESG factors used in the analysis and developed by the Etica Sgr Risk Manager on the basis of the proprietary methodology so as to eliminate companies that are the highest contributors (above the thresholds resolved by the AMC Board of Directors) to the ESG Risk³ (R_{ESG}) of the portfolio, i.e. the most significant issuers in terms of the Component R_{ESG} . The purpose is to maintain the Sustainability Risk values (broken down in terms of R_{ESG}) of the new Universes in line with the current Universes, at each update. The R_{ESG} is defined starting with the physical concept of

³ For additional information see <https://www.eticasgr.com/en/responsible-investment/esg-risk>.

entropy, as the measurement of a system's disorder, and is calculated on the distribution of portfolio securities into ESG score classes, where the frequency is given by their weighting. The distribution concentrated on low score classes is characterised by more risk, compared to those focusing on higher classes. In the case of ESG Risk (R_{ESG}), categorisation of the securities in the portfolio of each sub-fund by risk status or class is carried out on the basis of the ESG score, which simultaneously considers the following three aspects: E - Environment, S - Social, and G - Governance, for each issuer.

The achievement of the ESG objectives pursued in the selection of issuers conducted by Etica Sgr, comprises periodic monitoring undertaken in respect of the issuers themselves, namely, in the construction of Investable Universes: while updating the Universes, the entire analysis process is conducted, based on exclusion factors, assessment factors, the assigning of an ESG score and the application of a "best in class" strategy. The data related to each issuer is then updated in view of the improvements or worsening recorded by the companies or countries analysed, in this way determining the inputs and outputs of the Universe itself.

Fund investments by Etica Sgr are only permitted in respect of the issuers making up the Universes: any other investment is not allowed, and therefore the Investment Manager is obliged within a reasonable time frame, or in the sole interests of the AMC funds' investors, to adhere to the changes in the Investable Universes, or to sell the securities of issuers that are no longer present and select others within the new baskets.

INVESTMENTS COMMITTEE

Investments Committee: in accordance with the relevant Rules and Regulations provides support to the Board of Directors, formulating proposals on the general investment strategies submitted by the Investment Manager and with the support of the Risk Manager, conducts a monthly assessment of exposure to the ESG risk.

ETHICS COMMITTEE

The Ethics Committee, an independent and autonomous body, comprising members with recognised experience in the issues of sustainable finance and corporate social responsibility, i.e. in social, environmental and academic fields; it serves a consulting role and makes proposals to the Board of Directors. More specifically, the Ethics Committee issues opinions relative to the ethics of investments and suggests additional criteria for evaluating companies and Governments. With regard to stewardship, the Ethics Committee provides an assessment of the Stewardship Plan, voting in the shareholders' meetings of investee companies, and the outcomes of dialogue activities.

3.1 SOURCES OF DATA RELATING TO THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY

The data relating to the PAIs attributable to the collective investment funds established and/or managed in delegation by Etica Sgr are provided by third-party sources, whereas the calculation of the PAIs at entity level is carried out using the AMC's in-house methodology.

Data sources used to calculate PAIs:

- ISS ESG;
-

DATA QUALITY ASSURANCE MEASURES

Etica Sgr has developed an in-house sustainability data system that uses technologies to monitor the quality of quantitative data, incorporating unit test methodologies during algorithm implementation and automated checks at the output stage, supplemented by manual inspections when necessary.

DATA PROCESSING METHODS

The proprietary system consists of several components such as Data Ingestion, Data Preparation, ETL (extract transform and load) and calculation modules. At its core, there is a flexible and parametric calculation engine that enables the implementation of algorithms and criteria defined by Etica Sgr for the selection process, accommodating various data sources.

PROPORTION OF ESTIMATED DATA

Etica Sgr's sustainability data management methodology involves the exclusive use of data from selected sources, without the use of estimates of missing data.

POSSIBLE MARGINS OF ERROR ASSOCIATED WITH METHODOLOGIES

Possible limitations of methodologies and data sources pertain to certain asset classes not covered by the data scope provided by the information provider and do not affect the achievement of the sustainable investment objective.

Potential margins of error associated with PAI calculation methodologies could be influenced by data from information providers (data scarcity, poor data quality) and the reception of that data. To achieve this, the Sgr engages actively with information providers, suggesting solutions for improvement or exploring alternative, more reliable sources.

4. ENGAGEMENT POLICY

Stewardship, which refers to monitoring, engagement, voting and advocacy activities, is an integral part of Etica Sgr's approach to responsible and sustainable finance. The AMC adopts a constructive and forward-looking approach to these activities in the belief that they can promote economic sustainability among issuers over the long-term, generating positive effects for all stakeholders.

In this regard, Etica Sgr has adopted a Policy ("Stewardship Policy"), the latest version of which was approved by the Board of Directors on 27 November 2024, published on the website of the AMC⁴ and drafted in line with the provisions of:

- of Directive 2017/828, known as the "Shareholder Rights II" of the European Parliament and of the Council, amending Directive 2007/36/EC, to promote long-term shareholder engagement;
- Chapter II of Title III of Part IV, section I-ter "Transparency of institutional investors and asset managers" of the Consolidated Law on Finance;
- Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability reporting in the financial services sector;
- the "Italian Stewardship Principles for the exercise of administrative and voting rights in listed companies".

The Policy defines and governs the strategies for monitoring, dialogue (including collective) and exercise of intervention, voting rights and advocacy adopted by Etica Sgr in respect of the financial instruments held by the collective investment funds established and/or managed in delegation by Etica Sgr (hereinafter also "UCITS"), in order to ensure that these activities are undertaken in the exclusive interests of the fund investors, i.e. with the objective of increasing the investment value over time through a policy based on the principles of social and environmental responsibility.

In light of the statutory task of Etica Sgr and the methods with which it provides its collective asset management services, the monitoring, dialogue and voting activities governed in the Policy mainly regard the integration, by the issuers in which the UCITS are invested, of social, environmental and corporate governance aspects into their business strategy.

The Policy outlines the main ESG issues subject to dialogue, voting and advocacy by Etica Sgr, linking them to the United Nations Sustainable Development Goals (UN SDGs).

The AMC Board of Directors defines the issues that are relevant in terms of stewardship with issuers, referring to the ESG issues in the Policy, based on the approval of a specific document (Stewardship Plan), which is prepared annually by the relevant corporate Areas, and agreed on by the autonomous and independent Ethics Committee.

⁴ <https://www.eticasgr.com/investimento-responsabile/stewardship-engagement>

The AMC monitors the outcomes of these activities. If the results or responses provided by companies are deemed especially negative or concerning by the Etica Sgr Ethics Committee, the Board of Directors may decide to disinvest from the securities of these companies from the perspective of adequately protecting the interests of fund investors.

The Policy undergoes periodic updates, submitted for the approval of the Board of Directors of the AMC, having consulted with the Ethics Committee.

Lastly, the AMC reports on the application of the Policy in an Annual Report on the implementation of art. 124-quinquies, paragraph 2 of the Consolidated Law on Finance, as well as the "Italian Stewardship Principles for the exercise of administrative and voting rights in listed companies"⁵. Information is also provided in the context of the Prospectus, in the interim and annual management reports of the Etica System funds, and in the Sustainability Report of the AMC.

Finally, the AMC also deems it necessary to have information regarding the impact generated by its stewardship activities on ESG issues, both in terms of a monitoring tool to assess possible critical positions, and in terms of transparency in respect of its investors and the relevant stakeholders. In this regard, Etica Sgr provides periodic and public reporting in the Impact Report⁶ and the Stewardship Report⁷, which are subject to the Board of Directors' approval.

In particular, in the Impact Report, the Company reports the results of the impact indicators, calculated as the delta between the percentage of satisfaction of a given criterion (measured either in number of companies or invested amount) in Etica Sgr's portfolios (a) and the corresponding percentage in the MSCI World ESG Universal Net Total Return reference index (b). The formula used is: $\text{delta} = ((a - b) / b) * 100$. Furthermore, data on dialogue activities is processed using the evaluations assigned by Etica Sgr analysts to responses provided by companies participating in the dialogue during the year. In 2025, compared to 2024, the impact analysis showed a positive delta for Sistema Etica funds compared to the benchmark in the following areas: climate change, management of natural resources, peace and social development, and responsible communities.

At the date of publication of this document, the 2026 Impact Report on 2025 data is not yet available.

In line with the provisions of Commission Delegated Regulation (EU) 2022/1288, the assessment of the principal adverse impacts of investment decisions on sustainability factors and the definition of possible actions to mitigate them are an integral part of the AMC's approach to sustainability.

⁵ <https://www.eticasgr.com/en/responsible-investment/engagement/italian-principles-of-stewardship>

⁶ Annual document, presenting the impacts of equity investments the social, environmental and governance contexts, resulting from the selection of companies in relation to the reference market, and those generated by engagement activities undertaken with issuers.

⁷ Annual document providing aggregate information on the Stewardship activities (voting, dialogue and advocacy) and examples of success stories.

In accordance with the provisions of Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation or “SFDR”) and with Commission Delegated Regulation (EU) 2022/1288, in 2025 the Company mapped the adverse impact indicators in the stewardship activities conducted with investee companies, as per the following table:

Key issues identified by the AMC	Principal adverse impacts on sustainability				
	Greenhouse gas emissions	Biodiversity	Water	Waste	Indicators on social and employee matters
Sustainability governance					X
Allocation of capital	X	X			X
Fiscal equity					X
Human rights					X
Biodiversity and ecosystem management		X	X	X	
Climate change	X				

The definition of Stewardship actions to undertake is an integral part of the SGR approach, also with a view to monitoring and mitigating sustainability risks.

5. REFERENCES TO INTERNATIONAL PRINCIPLES AND STANDARDS

Etica Sgr adheres to international principles and standards that can consolidate its approach as a sustainable and responsible investor.

In particular, we note its adherence to:

- United Nations’ Principles for Responsible Investment (UN PRI): an initiative established to promote the integration of ESG principles in the traditional management of assets and in investment decisions. This adherence, which dates to 2009, requires the completion, on an annual basis, of the Investor Reporting Framework, the public version of which is published on the association's website, which reports on the actions undertaken by the AMC in relation to the six principles promoted;

- Italian Principles of Stewardship for the exercise of administrative and voting rights in listed companies: promoted by the Corporate Governance Committee of Assogestioni, the Principles govern the strategies and tools for monitoring, dialogue and exercising intervention and voting rights adopted by Etica Sgr in relation to Italian and foreign issuers. On the basis of its participation, which was approved by the AMC BoD in 2013 and 2015, Etica Sgr reports each year on the implementation of these principles in a report published on its website⁸.

With specific reference to the Principal Adverse Sustainability Impacts on the climate and the environment and considered by Etica Sgr in its investment decisions, please note the following:

- Report on Climate Change: Each year, Etica Sgr calculates and reports to its stakeholders the metrics used in the management of risks and opportunities related to climate change in its investments, following the recommendations of the TCFD - Task Force on Climate-Related Financial Disclosures⁹ and publishing the results¹⁰;
- Finance for Biodiversity Pledge¹¹: document created by a group of European financial institutions that actively worked as members of the Finance and Biodiversity Community of the European Union (F@B Community). In the Pledge, launched during the Nature for Life Hub just after the 75th session of the United Nations General Assembly, the financial institutions invited world leaders to buck the trend of the last decade in relation to environmental exploitation and to collaborate, take action and calculate their impact on biodiversity, by setting specific targets and reporting them appropriately. Etica Sgr signed the Pledge in 2020, making a commitment to pursue the five targets of "Collaborating and sharing knowledge", "Engaging with companies", "Assessing impact", "Setting targets" and "Reporting publicly", and reporting the actions that correspond to these objectives each year. Furthermore, in February 2026, in line with these objectives, Etica adopted the document "Guidelines on Biodiversity Management", intended to supplement the topic of biodiversity in the investment process in a structured manner, in line with the main international frameworks (Finance for Biodiversity Pledge, Kunming-Montreal Global Biodiversity Framework), as well as the EU Regulation on sustainability-related disclosures in the financial services sector in (SFDR)¹².

With specific reference to the Principal Adverse Sustainability Impacts related to controversial weapons and considered by Etica Sgr in its investment decisions, please note the following:

⁸ <https://www.eticasgr.com/investimento-responsabile/stewardship-engagement/principi-italiani-di-stewardship>

⁹ <https://www.fsb-tcf.org/>

¹⁰ <https://www.eticasgr.com/en/responsible-investment/our-impact/impact-report>

¹¹ <https://www.financeforbiodiversity.org/>

¹² <https://www.eticasgr.com/storie/campagne-internazionali/biodiversita-etica-sgr-finance-biodiversity-pledge>

- Law 220 of 9 December 2021 “Measures to counter the funding of companies that manufacture anti-personnel mines, cluster munitions and submunitions”: the AMC has adopted suitable measures to avoid investing in manufacturers of controversial weapons and their strategic partners, and has strengthened the negative screening phase already part of the definition process of the Investment Universes of listed companies;
- Advocacy activities on autonomous weapons¹³: together with the “Stop Killer Robots” campaign, a global coalition working to include the issue of autonomous weapons systems in the international diplomatic agenda, Etica Sgr encourages institutional investors to sign the “Investor Statement on Autonomous Weapons”¹⁴, a statement that calls upon governments across the globe to launch negotiations for a new legally binding regulation on autonomous weapons systems, with the objective of prohibiting the development and use of autonomous weapons intended to harm human beings, and of guaranteeing significant human control in all decisions relating to the use of force.
- ¹⁵.

The data needed to assess compliance and alignment with these International Standards is obtained from various info providers, including CDP and ISS ESG.

In particular, compliance and alignment is assessed through the calculation and monitoring of the values of PAI indicators deemed relevant and on the adoption of specific adverse impact mitigation actions according to the methodologies described above.

At this time, Etica SGR does not plan to implement a forward-looking climate scenario.

At present, discussions on how to implement this scenario are ongoing. Potentially, more accurate and exhaustive indications will be included within the forthcoming statements on the principal adverse impact of investment activity on sustainability factors.

6. HISTORICAL COMPARISON

In the section “DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS”, the AMC has provided a historical comparison between the principal adverse impacts of investment decisions relative to the reporting period to which this statement refers (1 January 2025 to 31 December 2025) and previous periods (2024, 2023 and 2022).

¹³ <https://www.eticasgr.com/storie/approfondimenti/stop-killer-robots>

¹⁴ <https://www.stopkillerrobots.org/investor-statement-on-autonomous-weapons/>

¹⁵ <https://www.eticasgr.com/storie/campagne-internazionali/dire-fare-disarmare-etica-sgr-ican>; [Etica Sgr all'ONU: stop ai finanziamenti alle armi nucleari - Etica Sgr](#)

The change in the PAI indicators between the periods is mainly attributable to the update to the investable universe, the portfolio turnover and, for 2025, the introduction of a new data provider which adopts different assessment methods.

With specific reference to the PAI indicators considered a priority, the historical trend reflects the efficacy of the AMC's investment and monitoring strategies, showing an unwavering 0% during the four-year period for PAI 10 (Violations of UN Global Compact principles and OECD Guidelines) and PAI 14 (Exposure to controversial weapons) in Table 1. The indicator relating to activities negatively impacting upon sensitive areas in terms of biodiversity (Table 1) also consolidated at 0% in 2023, highlighting a clear improvement compared to 2022.

On the other hand, the increase recorded in 2025 for several optional priority indicators – specifically PAI 4 in Table 2 (companies without carbon emission reduction initiatives) and PAI 9 in Table 3 (lack of a human rights policy) – does not reflect an effective deterioration in portfolio quality, but is the technical effect of the change in infoprovider and the resulting change in data collection methods, combined with the decrease in assets under management (AUM) during the period.

To find out more:
www.eticasgr.com



Etica Sgr
Via Napo Torriani, 29
20124 Milano

+39 02 67 071 422
posta@eticasgr.it

