

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Fideuram Asset Management Ireland (EIIY70MZ51Q4RSX07995)

Summary

Fideuram Asset Management Ireland (EIIY70MZ51Q4RSX07995) – hereinafter “FAMI” or “the Company” – considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Fideuram Asset Management Ireland.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1st to December 31st 2023.

The document aims to describe:

- the principal adverse impacts on sustainability factors, including actions taken, actions planned and targets set for the next reference period;
- policies to identify and prioritize principal adverse impacts on sustainability factors;
- Engagement policies implemented in order to consider principal adverse impacts on sustainability factors;
- to what extent FAMI adheres to responsible business conduct codes and internationally recognized standards for due diligence and reporting.



Description of the principal adverse impacts on sustainability factors

To ensure correct reading of this document, the definition of the terminology used is provided below.

Details of actions taken:

- **Net Zero:** average reduction of carbon emissions, reporting, and engagement (further details in the “References to International Standards” section);
- **Exclusion of issuers exposed to thermal coal:** exclusion of issuers that derive at least 25% of their revenue from extractive activities and electricity production linked to thermal coal. As stated in the “Sustainable and Responsible Investment Policy” for products with an official benchmark, exclusions allow exposure up to the benchmark level;
- **Exclusion of issuers exposed to unconventional extractive activities:** exclusion of issuers that derive at least 10% of their revenue from unconventional oil and gas extractive activities according to the Febelfin definition. As stated in the “Sustainable and Responsible Investment Policy,” for products with an official benchmark, exclusions allow exposure up to the benchmark level;
- **Exclusion of critical issuers:** exclusion of issuers with high exposure to ESG risks or involvement in particularly severe corporate controversies that result in the violation of international treaties or principles such as the UN Global Compact and ILO Core Conventions. As stated in the “Sustainable and Responsible Investment Policy” for products with an official benchmark, exclusions allow exposure up to the benchmark level;
- **Exclusion of issuers involved in the business of weapons of mass destruction:** exclusion of issuers directly involved in the production, maintenance, marketing, and storage of weapons of mass destruction, including nuclear, biological, chemical, and radiological weapons. As stated in the “Sustainable and Responsible Investment Policy” for products with an official benchmark, exclusions allow exposure up to the benchmark level;
- **Exclusion of governmental issuers exposed to ESG risk:** exclusion of investments in governmental issuers with high ESG risk exposure, who are lacking in managing environmental, social, and governance risk factors and consequently can negatively impact the long-term welfare and growth of their economies, identified through an ESG rating of “CCC.” As stated in the “Sustainable and Responsible Investment Policy,” for products with an official benchmark, exclusions allow exposure up to the benchmark level;
- **Detection** of the indicator, obtained through calculation and reporting procedures;
- **Due Diligence:** for defining a dedicated universe of third-party asset managers and ESG/SRI funds, their financial analysis is integrated with a Due Diligence process that delves into the investment policies of individual UCIs, verifying alignment with the PAIs selected by the SGR at the entity level and/or for specific individual products.



Details of actions planned:

- **Enhancement of the PAI consideration process:** a process is underway to improve PAI consideration for products that declare taking them into account, with particular focus on third-party UCIs;
- **Expanding the scope of the Net Zero initiative:** considering that the Net Zero initiative currently does not apply to all of the Company's Assets under Management, an expansion of the application scope is planned to achieve greater coverage;
- **Engagement activities within the Nature Action 100 framework:** after joining Nature Action, the beginning of engagement activities is planned according to the timelines defined by the alliance.

Relevance intervals for Exposure and Coverage:

For each indicator, exposure is expressed considering all investments as coverage is calculated according to the exposure in relevant asset classes in order to determine the metric under calculation: direct and indirect investments in corporate bonds and equities for PAIs 1-14 of Table 1 and for PAIs of Tables 2 and 3, direct and indirect investments in sovereign bonds for PAIs 15-16 of Table 1.

Criteria used for defining exposure and coverage intervals:

- **Principal:** investments exceeding 70%
 - **Prevalent:** investments between 50% and 70%
 - **Significant:** investments between 30% and 50%
 - **Contained:** investments between 10% and 30%
 - **Residual:** investments below 10%
-



Description of the principal adverse impacts on sustainability factors

Table 1

Indicators applicable to investments in investee companies

Indicators applicable to investments in investee companies						
Scope	PAI	Metric	Impact [year 2023]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMA E ALTRI INDICATORI CONNESSI ALL'AMBIENTE						
Greenhouse gas Emissions	1. GHG emissions	Scope 1 GHG emissions	1,278,616.98 tCO ₂	1,286,996.14 tCO ₂ The recalculated value as per the Methodological Details section is as follows: 1,423,938.77 tCO ₂ .	Exposure in beneficiary companies of investments: prevalent Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.	Actions taken <ul style="list-style-type: none"> ● Net Zero; ● Exclusions of issuers exposed to thermal coal; ● Exclusion of issuers exposed to unconventional extractive activities; ● Detection of the indicator ● Due Diligence. Actions planned and targets set for the next reference period <ul style="list-style-type: none"> ● Increase of the application scope of the Net Zero initiative. Although no specific targets have been set, The Company continues its commitment to developing its Policies, in order to evaluate the methodologies adopted and evolve them in consideration of best practices.
		Scope 2 GHG emissions	276,390.65 tCO ₂	263.413,53 tCO ₂ The recalculated value as per the Methodological Details section is as follows: 290,035.71 tCO ₂	Exposure in beneficiary companies of investments: prevalent Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not	



					be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.
		Scope 3 GHG emissions	8,843,316.96 tCO ₂	9,275,767.61 tCO ₂ The recalculated value as per the Methodological Details section is as follows: 10,078,420.39 tCO ₂	Exposure in beneficiary companies of investments: prevalent Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.
		Total GHG emissions	10,388,527.05 tCO ₂	10,789,813.34 tCO ₂ The recalculated value as per the Methodological Details section is as follows: 11,782,277.17 tCO ₂	Exposure in beneficiary companies of investments: prevalent Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company



					has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.	
2. Carbon footprint	Carbon footprint	253.12	275.57 tCO ₂ /mil€ The recalculated value as per the Methodological Details section is as follows: 294.18 tCO ₂ /mil€	Exposure in beneficiary companies of investments: prevalent Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.	<p>Actions taken</p> <ul style="list-style-type: none"> ● Net Zero; ● Exclusions of issuers exposed to thermal coal; ● Exclusion of issuers exposed to unconventional extractive activities; ● Detection of the indicator; ● Due Diligence. <p>Actions planned and targets set for the next reference period</p> <ul style="list-style-type: none"> ● Increase of the scope of application of the Net Zero initiative. <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>	
3. GHG intensity of investee companies	GHG intensity of investee companies	532.94	943.44 tCO ₂ /mil€ The recalculated value as per the Methodological Details section is as follows: 581.96 tCO ₂ /mil€	Exposure in beneficiary companies of investments: prevalent Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are	<p>Actions taken</p> <ul style="list-style-type: none"> ● Net Zero; ● Exclusions of issuers exposed to thermal coal; ● Exclusion of issuers exposed to unconventional extractive activities; ● Detection of the indicator; ● Due Diligence. <p>Actions planned and targets set for the next reference period</p> <ul style="list-style-type: none"> ● Strengthening the process of PAI's consideration; ● Increase of the scope of application of the Net Zero initiative. <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in</p>	



					provided in the Methodological Details section.	consideration of best practices.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	5.29%	5.93%	<p>Exposure in beneficiary companies of investments: prevalent Coverage: principal</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Exclusions of issuers exposed to thermal coal; ● Exclusion of issuers exposed to unconventional extractive activities; ● Detection of the indicator; ● Due Diligence. <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>	
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	41.52%	69.72%	<p>The recalculated value as per the Methodological Details section is as follows: 43.66%</p> <p>Exposure in beneficiary companies of investments: prevalent Coverage: prevalent</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Exclusions of issuers exposed to thermal coal; ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>	



6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	SECTION A - AGRICULTURE, FORESTRY AND FISHING	0.00 GWh/mil€	0.8 GWh/mil€ The recalculated value as per the Methodological Details section is as follows: 0.00 GWh/mil€	<p>Exposure in beneficiary companies of investments: prevalent Coverage: residual</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Exclusions of issuers exposed to thermal coal; ● Exclusion of issuers exposed to unconventional extractive activities; ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>
		SECTION B - MINING AND QUARRYING	0.01 GWh/mil€	2.03 GWh/mil€ The recalculated value as per the Methodological Details section is as follows: 0.03GWh/mil€	<p>Exposure in beneficiary companies of investments: prevalent Coverage: residual</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	
		SECTION C - MANUFACTURING	0.37 GWh/mil€	0.94 GWh/mil€ The recalculated	<p>Exposure in beneficiary companies of investments: prevalent Coverage: contained</p>	



				value as per the Methodological Details section is as follows: 0.16 GWh/mil€	The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.	
			SECTION D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0.06 GWh/mil€	6.92 GWh/mil€ The recalculated value as per the Methodological Details section is as follows: 0.12 GWh/mil€	Exposure in beneficiary companies of investments: prevalent Coverage: residual The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.
			SECTION E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.00 GWh/mil€	1.77 GWh/mil€ The recalculated value as per the Methodological Details section is as	Exposure in beneficiary companies of investments: prevalent Coverage: residual The Company is committed to evolving the calculation methodology in order



					follows: 0.00 GWh/mil€	to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.
			SECTION F - CONSTRUCTION	0.00 GWh/mil€	0.16 GWh/mil€ The recalculated value as per the Methodological Details section is as follows: 0.00 GWh/mil€	Exposure in beneficiary companies of investments: prevalent Coverage: residual The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.
			SECTION G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0.00 GWh/mil€	0.13 GWh/mil€ The recalculated value as per the Methodological Details section is as follows: 0.00 GWh/mil€	Exposure in beneficiary companies of investments: prevalent Coverage: residual The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in



					compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.
			SECTION H - TRANSPORTATION AND STORAGE	0.01 GWh/mi€ The recalculated value as per the Methodological Details section is as follows: 0.02 GWh/mi€	1.85 GWh/mi€ Exposure in beneficiary companies of investments: prevalent Coverage: residual The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.
			SECTION L - REAL ESTATE ACTIVITIES	0.00 GWh/mi€ The recalculated value as per the Methodological Details section is as follows: 0.00 GWh/mi€	0.49 GWh/mi€ Exposure in beneficiary companies of investments: prevalent Coverage: residual The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable



						with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.	
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	5.6%	0.09%	<p>Exposure in beneficiary companies of investments: prevalent Coverage: principal</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Membership in Nature Action 100; ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <ul style="list-style-type: none"> ● Engagement activities within the framework of Nature Action 100. <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>	
Water	8. Emission to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.03t/mil€	2.03t/mil€ The recalculated value as per the Methodological Details section is as follows: 48.21t/mil€	<p>Exposure in beneficiary companies of investments: prevalent Coverage: residual</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>	



					data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1.74t/mil€	1.13t/mil€ The recalculated value as per the Methodological Details section is as follows: 2.79t/mil€	Exposure in beneficiary companies of investments: prevalent Coverage: significant The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.	<p>Actions taken</p> <ul style="list-style-type: none"> ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.21%	0.65% The recalculated value as per the Methodological Details section is as follows: 0.64%	Exposure in beneficiary companies of investments: prevalent Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology	<p>Actions taken</p> <ul style="list-style-type: none"> ● Exclusion of critical issuers; ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <ul style="list-style-type: none"> ● Strengthening the process of PAI's consideration; <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>



					developed for 2023. Further details are provided in the Methodological Details section.	
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor 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	0.42%	30.54%	The recalculated value as per the Methodological Details section is as follows: 28.99%	<p>Exposure in beneficiary companies of investments: prevalent Coverage: principal</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Exclusion of critical issuers; ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9.69%	14.59%	The recalculated value as per the Methodological Details section is as follows: 9.16%	<p>Exposure in beneficiary companies of investments: prevalent Coverage: contained</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>



					the same methodology developed for 2023. Further details are provided in the Methodological Details section.	
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	22.56%	33.61%	The recalculated value as per the Methodological Details section is as follows: 21.04%	<p>Exposure in beneficiary companies of investments: prevalent Coverage: principal</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.03%	0.08%	The recalculated value as per the Methodological Details section is as follows: 0.08%	<p>Exposure in beneficiary companies of investments: prevalent Coverage: principal</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the</p>	<p>Actions taken</p> <p>During the reference period, the following actions have been taken:</p> <ul style="list-style-type: none"> ● Exclusion of issuers involved in the business of weapons of mass destruction; ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <ul style="list-style-type: none"> ● Strengthening the process of PAI's consideration; <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>



					Methodological Details section.	
Indicators applicable to investments in sovereigns and supranationals						
Environmental	15. GHG intensity	GHG intensity of investee countries	93.20 tCO ₂ /Mil€	360.80 tCO ₂ /Mil€ The recalculated value as per the Methodological Details section is as follows: 102.98tCO ₂ /Mil€	Exposure in beneficiary companies of investments: contained Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.	<p>Actions taken</p> <p>During the reference period, the following actions have been taken:</p> <ul style="list-style-type: none"> ● Detection of the indicator; ● Exclusion of government issuers exposed to ESG risk; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <ul style="list-style-type: none"> ● Strengthening the process of PAI's consideration; <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	8 6.74%	118 6.65% The recalculated value as per the Methodological Details section is as follows: 7 5.99%	Exposure in beneficiary companies of investments: contained Coverage: principal The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology	<p>Actions taken</p> <p>During the reference period, the following actions have been taken:</p> <ul style="list-style-type: none"> ● Detection of the indicator; ● Exclusion of government issuers exposed to ESG risk; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <ul style="list-style-type: none"> ● Strengthening the process of PAI's consideration; <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in</p>



					developed for 2023. Further details are provided in the Methodological Details section.	consideration of best practices.
Indicators applicable to investments in real estate assets						
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	Not applicable, considering the type of assets managed by the Company.
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	Not applicable, considering the type of assets managed by the Company.



Table 2

Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	Impact [year 2023]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
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	26.20%	18.49%	<p>Exposure in beneficiary companies of investments: prevalent Coverage: principal</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Net Zero; ● Exclusions of issuers exposed to thermal coal; ● Exclusion of issuers exposed to unconventional extractive activities; ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <ul style="list-style-type: none"> ● Increase of the scope of application of the Net Zero initiative. <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>



Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Adverse sustainability indicator	Metric	Impact [year 2023]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Indicators applicable to investments in investee companies						
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	4.03%	7.36% The recalculated value as per the Historical Comparison section is as follows: 6.57%	<p>Exposure in beneficiary companies of investments: prevalent Coverage: principal</p> <p>The Company is committed to evolving the calculation methodology in order to reduce margins of error and refine calculations to make them more representative in compliance with current regulations. For this reason, the data for 2023 may not be directly comparable with those published for 2022. To facilitate the comparison, where relevant, the Company has provided the 2022 data calculated using the same methodology developed for 2023. Further details are provided in the Methodological Details section.</p>	<p>Actions taken</p> <ul style="list-style-type: none"> ● Net Zero; ● Exclusion of critical issuers; ● Detection of the indicator; ● Due Diligence <p>Actions planned and targets set for the next reference period</p> <p>Although it has not set specific objectives, The Company continues its efforts to develop its own Policies, in order to assess the methodologies adopted and evolve them in consideration of best practices.</p>

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

The policy to identify and prioritize principal adverse impacts on sustainability factors (hereinafter also “PAI”) has been approved by FAMI Board of Directors as part of the “Sustainable and Responsible Investment Policy” which, at the time of publication of this PAI Statement, was last updated on January 2024.

Regarding the policy for PAIs consideration, the responsibility for implementing the activities has been allocated within organizational procedures and strategies as follows:

Activities	Owner*
<ul style="list-style-type: none"> ● Identification and prioritization of PAIs ● Set of strategies definition for PAI consideration 	ESG committee (FAMI), supported by ESG & Strategic Activism (FAM), Investments (FAMI), Multimanager (FAM UK), Compliance (FAMI), Risk Management (FAMI)
<ul style="list-style-type: none"> ● Definition of calculation methodologies and data aggregation 	ESG committee (FAMI), supported by ESG & Strategic Activism (FAM), Risk Management (FAMI), Compliance (FAMI), supported by Operations (FAM)
<ul style="list-style-type: none"> ● Data gathering and periodic collection of data ● Calculation of PAI indicators 	ESG committee (FAMI), supported by ESG & Strategic Activism (FAM), Risk Management (FAMI), Compliance (FAMI), Operations (FAM)
<ul style="list-style-type: none"> ● Definition of the content of this document, as required from Regulation 2022/1288 ● Publication of this document on the website 	ESG committee (FAMI), supported by ESG & Strategic Activism (FAM) Operations (FAM), Product development (FAMI) Organization & IT (FAMI)
<ul style="list-style-type: none"> ● Review of quarterly PAI data and internal report monitoring 	ESG committee (FAMI), supported by ESG & Strategic Activism (FAM), Investments (FAMI), Multimanager (FAM UK), Risk Management (FAMI), Compliance (FAMI), Operations (FAM)
<ul style="list-style-type: none"> ● Monitoring and reporting of actions planned 	Owner and working group composed are defined according to the action planned

* FAM (Fideuram Asset Management) is part of Intesa Sanpaolo Private Banking division and covers some of the abovementioned activities through a specific service agreement in place with FAMI

In order to better define the Company's actions with respect to the principal adverse impacts deriving from its investment decisions, FAMI has identified the fight against climate change and respect for human rights as priorities among sustainability issues. Regarding these priorities, FAMI identifies and manages the principal adverse impacts through the application of the exclusion criteria described in Chapter 5 of this policy, analyzing parameters such as:

- the degree of involvement in the mining and production of electricity from thermal coal;
- The degree of involvement in activities related to unconventional oil & gas extraction;



- the degree of involvement in controversial weapons and mass destruction sectors;
- the presence of critical issues in the conduct of business activities, such as the violation of international treaties or principles;
- exposure to sustainability risks.

In addition, with reference to these adverse impacts, FAMI monitors the entire portfolio on the basis of a series of environmental, social and governance indicators, through the information collected by a specialized infoprovider. The most relevant indicators monitored include:

- greenhouse gas emissions;
- greenhouse gas emissions produced with respect to the investee company's revenues or gross domestic product¹⁵ (so-called GHG intensity);
- production and consumption of energy generated from non-renewable sources;
- exposure to companies active in the fossil fuel sector;
- violations of the UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- exposure to controversial weapons sector;
- unadjusted gender pay gap and Board gender diversity.

The indicators are monitored taking into consideration the list of priorities defined by FAMI from time to time with regard to sustainability factors, as well as the actual availability of the values underlying the calculation of the indicators, which are expected to be increasingly greater as sensitivity to ESG factors increases, due to requests from regulators, investors and stakeholders of all kinds. Environmental indicators will benefit from the portfolio decarbonization commitment targets set following joining the Net Zero Asset Managers Initiative. The results of these surveys are presented to the ESG / SRI Committee which assesses the presence of issuers or investments that exhibit particularly negative performance in terms of adverse impacts on sustainability factors (hereinafter also "PAI"), on which it may decide to initiate:

- specific engagement actions on the issuers concerned, with the aim of guiding them to improve their practices and performance on the sustainability factors for which they have performed negatively;
- specific actions to reduce or dispose of investments, even of a progressive nature, with a high negative impact (including potential) on sustainability factors.

Considering the still limited availability of reliable data on many PAIs, the large variability of PAI data at sectoral and geographical level, as well as their backward-looking nature, no binding threshold or limit has been set to date.

FAMI gathers data from an external infoprovider in order to perform PAI calculation.

Methodological details

For each PAI, the published value is obtained as the arithmetic mean of the values calculated from the positions at the end of each quarter (March, June, September, December) of a synthetic portfolio representing the entire Asset under Management of the Company and from the latest available data on the environmental and social impacts of the investments provided by an external info-provider specialized in ESG data supply.

In order to guarantee methodological cohesion, the value of the PAIs for indirect investments, including for related funds, is provided in aggregate basis from the info-provider.

The Company pays particular attention to the quality of the data underlying the calculation of the indicators, both by overseeing the data provided by the info-provider, especially regarding the data related to the funds, and by evaluating the use of alternative or supplementary sources.

Although in compliance with the guidelines dictated by the current regulations, for the current year, the following margin of errors could be present:

1. Some indicators require the use of EVIC (Enterprise Value Including Cash) to determine the impact share to be considered. Since data provided by the info-provider regarding investee companies are not always up-to-date, the value of the PAI indicator may present overestimations or underestimations.
2. Some indicators require the calculation of the current value of the investment based on the valuation used in the EVIC calculation, in order to represent the change in the current value of the investment as a change in the number of shares held, thereby neutralizing market effects. Since this data is not always clearly definable (e.g., in the case of expired bonds) or available (e.g., in the case of instruments no longer held), the valuation has been calculated using prices as of the reporting date. Consequently, the value of the PAI indicator may present overestimations or underestimations.
3. In order to comply with the best effort requirement specified by current regulation, where data from the investee companies were not available, estimates made by the info-provider based on internal methodologies were used in the calculation. Consequently, the value of the PAI indicator may present overestimations or underestimations.
4. At the moment, it is not always possible to define a value for derivative instruments at the reporting dates and consequently calculate the value of the PAI indicator for such instruments. As a result, the value of the PAI indicator may present underestimations.
5. In order to comply with the best effort requirement, instruments for which it was not possible to assign an indicator, contributed to the total calculation with the average value (see Historical Comparison section). Consequently, the value of the PAI indicator may present overestimations or underestimations.

The company is constantly committed to evolving the calculation methodology in order to reduce margins of error and refine the calculations in order to make them more representative in compliance with current regulations.

In particular, the methodology implemented for the calculation of data reported from 2023 differs from the one used in the previous reporting, as follows:

1. PAI 3, 5, 6, 12, 13, and 15 in Table 1 of the section “Description of the main adverse impacts on sustainability factors”, for the year 2022 were calculated considering for each PAI the relevant exposure in investments in investee companies and sovereign issuers, both in direct investments and in investments through funds and ETFs, in line with the methodology used by the info-provider in calculating the indicators for funds and ETFs; the indicators for 2023 are calculated considering the entire portfolio.
2. PAI 1, 2, 8, and 9 in Table 1 of the section “Description of the main adverse impacts on sustainability factors” for the year 2022 were calculated by setting the contribution of investee companies and sovereign issuers, for which the indicator value was not available, to zero, both

in direct investments and in investments through funds and ETFs; the indicators for 2023 assign the average value of covered data to the missing data.

3. PAI 16 in Table 1 of the section “Description of the main adverse impacts on sustainability factors” for the year 2022 is calculated as the sum of all recorded occurrences; the indicator for 2023 is calculated as the number of countries.
4. Some PAIs in Table 1 of the section “Description of the main adverse impacts on sustainability factors” are calculated from an indicator estimated through an internal model of the info-provider; therefore, they may be affected by model evolutions. In particular, the data for PAI 7 and PAI 11 for 2023 have benefited from a refinement in the model and an extension of coverage, which has resulted in a discontinuous trend.

To facilitate the interpretation of the data, for the PAIs subject to model evolutions, the company has provided a comparable figure, calculated using indicators for funds and ETFs consistent with the current methodology. Due to the limitations of the database provided by the info-provider, it was not possible to recalculate with data referring to the same reference date as the previous reporting, but data as close as possible in time were used.

Engagement Policies

With the aim of preventing, containing and managing the main adverse impacts of investment decisions on sustainability factors, FAMI conducts engagement actions - both individual and collective with other investors - and exercises its voting rights on the issuers in its portfolio -, in order to create awareness and orient the issuers’ behaviors towards specific sustainability issues, according to the times and methods formalized in its “Engagement Policy” and in the “Strategy for the exercise of the attendance and voting rights attached to the financial instruments held by the UCITS under management”. In this case, the Company informs the issuer about the identified criticalities, directing its decisions towards their immediate reduction. If these actions are not addressed in an effective and timely manner by the issuer, the Company evaluates to initiate specific reduction or disposal initiatives, even of a progressive nature, of the investment in these issuers.

The initiatives carried out and the decisions taken regarding these activities are reported and formalized in order to guarantee a thorough traceability of the decision-making processes and outcomes.

References to International Standards

In applying the criteria described in this Policy on principal adverse impacts of its investment decisions on sustainability factors, FAMI is inspired by and considers the main international standards and codes of conduct, some of which have already been mentioned above. Specifically, these include:

Adoption of the Principles of Responsible Investment of the United Nations

Joining the United Nations principles for Responsible Investment (UN PRI) is a natural and essential step in continuing to manage savings, starting from a thorough analysis of the real needs and the risk profile of the customer. UN PRI is an initiative promoted by a group of institutional investors in collaboration with the United Nation Environment Program Finance Initiative (UNEP FI) and the United Nations Global Compact (UNGC), established in 2006 and aimed, through 6 key principles, at promoting sustainable investment globally. By joining the PRI, the Company confirms its dedication to sustainable and responsible investments, and commits to fulfil the 6 principles for responsible Investment:

1. Incorporate ESG issues into investment analysis and decision-making processes
2. Be active owners and incorporate ESG issues into our ownership policies and practices
3. Seek appropriate disclosure on ESG issues by the entities in which we invest
4. Promote acceptance and implementation of the Principles within the investment industry
5. Work together to enhance our effectiveness in implementing the Principles
6. Report on our activities and progress towards implementing the Principles

EFAMA STEWARDSHIP CODE

The European Fund and Asset Management Association (EFAMA) has issued a “Stewardship code” aimed at providing a series of best practices for asset managers to be followed when they engage with the companies in which they invest on behalf of its clients. The Principles are designed to enhance the quality of dialogue with companies and help asset managers create value for their clients by dealing effectively with concerns over a company’s performance and they engagement in relation to an investee company on matters such as:

- Business strategy and its execution;
- Risk management;
- Environmental and social concerns;
- Corporate governance issues such as board composition and the election of independent directors, together with executive remuneration;
- Compliance, culture and ethics;
- Performance and capital structure.

FAMI fully supports the principles of the EFAMA Stewardship Code.

The EFAMA Stewardship Principles are the following:

- Asset managers should have an engagement policy available to the public on whether, and if so how, they exercise their stewardship responsibilities. Where asset managers decide not to develop an engagement policy, they should give a clear and reasoned explanation as to why this is the case;
- Asset managers should monitor their investee companies, in accordance with their engagement policy;
- Asset managers should establish clear guidelines on when and how they will escalate engagement with investee companies to protect and enhance value of their clients’ investments;

- Asset managers should consider acting with other investors, where appropriate, having due regard to applicable rules on acting in concert;
- Asset managers should exercise their voting rights in a considered way;
- Asset managers should disclose the implementation and results of their stewardship and voting activities.

Net Zero Asset Managers Initiative

On 15 October 2021 the Company joined the so-called "Net Zero Asset Managers Initiative" (hereinafter "NZAMI"), the international initiative promoted by asset managers committed to supporting the goal of achieving the neutrality of net greenhouse gas emissions by 2050 (so-called "Net Zero") , in line with the commitments made by the States that signed the Paris Agreement, aimed at containing the impacts of climate change and limiting the rise in temperatures by 1.5 ° C by 2050. 7 The NZAMI commits to ensure transparency and rigor also in the achievement of the intermediate objective which plans to align to the so-called "Net Zero" scenario a portion of the assets under management already by 2030. In this regard, NZAMI foresees:

- the average reduction of carbon emissions (CO₂) of at least 50% compared to the year 2019 (this goal is in fact recognized by the IPCC as a necessary condition to mitigate the rise in temperatures of up to 1.5 ° C by 2050);
- the promotion of a proactive engagement action towards less advanced issuers ("laggard") and sectors with greater impact ("high impact");
- transparency on the commitments undertaken within twelve months from the date of accession, with the commitment (i) to implement an annual reporting that integrates the annual disclosure required by the UN PRI and (ii) to review the intermediate objectives at least every five years until achieve 100% decarbonization coverage of AUM by 2050.

Participation in NZAMI also takes the form of the positive management of the Company's resources, for example by monitoring the carbon footprint of its operations (e.g. consumption and energy sources).

Institutional Investors Group on Climate Change

To more effectively implement the obligations arising from the signing of the "Net Zero Asset Managers Initiative," starting from May 2022, the AMC joined the Institutional Investors Group on Climate Change (IIGCC), the European association of investors that promotes collaboration on climate change and the reduction of net greenhouse gas emissions. In this regard, the AMC utilizes the methodological framework developed by IIGCC, called the "Net Zero Investment Framework 1.5°C," and engages in direct discussions with other participating management companies.

Nature Action 100

In 2023, the AMC joined Nature Action 100, an initiative aimed at addressing the growing loss of nature and biodiversity. In this context, a list of companies, divided into "key" sectors, was presented with which participating institutional investors commit to engaging. In particular, the AMC is committed to aligning with the structural engagement approach proposed in the guidelines related to the Nature Action 100 initiative.

International Standards and Codes of Conduct

Moreover, FAMI adheres to the following standards and codes of conduct:

- the United Nations Principles for Responsible Investment;



- the United Nations Global Compact Principles (PAIs 10-11 of Table 1);
- the OECD Principles of Corporate Governance (PAIs 10-11 of Table 1);
- the OECD Guidelines for multinational enterprises (PAIs 10-11 of Table 1);
- the United Nations Guiding Principles on Business and Human Rights (UNGPs) (PAIs 10-11 of Table 1);
- the ILO fundamental conventions and recommendations (PAIs 10-11 of Table 1);
- the United Nations Conventions against Corruption (UNCAC) (PAIs 10-11 of Table 1);
- the United Nations Sustainable Development Goals (UN SDGs) (across all PAIs of Table 1);
- the greenhouse gas emission reduction targets of the Paris Agreement on climate change (PAI 1-2-3-15 of Table I)

Given the ever-changing regulatory scenario and the non-exhaustiveness of the methodologies currently available at the market level, FAMI does not consider relevant (considering FAMI adoption of the methodologic framework developed from IGCC called “Net Zero Investment Framework 1.5°C”) the use of a forward-looking climate scenario.

Historical Comparison

As the historical series is still limited to two PAI Statements, please refer to the tables in the section "Description of the principal adverse impacts on sustainability factors" for this information.