

Product name: Eurizon Fund - SLJ Local Emerging Markets Debt

Legal entity identifier: 5493003GXX4SNDCOBJ07

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes		<input checked="" type="radio"/> <input type="radio"/> No	
<input type="checkbox"/> It made sustainable investments with an environmental objective : ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective : ____%		<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 3.72% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments	



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sector exclusion: the fund does not invest in issuers operating in sectors considered "not socially and environmentally responsible", that is, (i) in companies characterized by a clear direct involvement in the manufacture of unconventional weapons, (ii) in companies that derive at least 25% of their turnover from mining or electricity production activities linked to thermal coal or (iii) in companies that derive at least 10% of their turnover from the extraction of oil sands.

Issuer exclusion: the fund does not invest in "critical" issuers (i.e. companies with the highest exposure to environmental, social and corporate governance risks, i.e. having a lower ESG sustainability rating level with a lower ESG sustainability rating level in the equity and bond investment universe) for which an escalation process is activated..

ESG Score integration: in accordance with good governance practices, the fund aims to pursue an "ESG score" - calculated at the overall portfolio level - higher than that of its benchmark. The ESG score is representative of the environmental, social, and corporate governance opportunities and risks to which an issuer is exposed and takes into account the issuer's management of these risks. The fund's ESG score is calculated as a weighted average of the ESG scores of the issuers of the financial instruments held in the fund's portfolio.

● How did the sustainability indicators perform?

Sector exclusion: weight in the fund of issuers operating in sectors deemed not to be "socially and environmentally responsible", identified on the basis of data provided by specialised ESG and SRI infoproviders.

- 0.00%

Issuer exclusion: weight in the fund of issuers with a high exposure to environmental, social and corporate governance (ESG) risks (i.e.: "critical" issuers), identified on the basis of data provided by specialised ESG infoproviders

- 0.00%

ESG Score integration: "ESG Score" of the fund as determined by the specialised ESG infoprovider on the basis of environmental, social and governance profile of the investee companies

- Fund: 5.97

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- Benchmark: 5.55
The ESG score is calculated on a scale of 0 to 10

● **...and compared to previous periods?**

Not Applicable

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The fund did not pursue a sustainable investment objective within the meaning of art. 2(17) of Regulation (EU) 2019/2088. However, the fund has invested in assets considered sustainable according to the methodology adopted by Eurizon Capital S.A.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The fund did not pursue a sustainable investment objective within the meaning of art. 2(17) of Regulation (EU) 2019/2088. However, the fund has invested in assets considered sustainable according to the methodology adopted by Eurizon Capital S.A.

● *How were the indicators for adverse impacts on sustainability factors taken into account?*

The fund did not pursue a sustainable investment objective within the meaning of art. 2(17) of Regulation (EU) 2019/2088. However, the fund has invested in assets considered sustainable according to the methodology adopted by Eurizon Capital S.A.

● *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The fund did not pursue a sustainable investment objective within the meaning of art. 2(17) of Regulation (EU) 2019/2088. However, the fund has invested in assets considered sustainable according to the methodology adopted by Eurizon Capital S.A.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.



How did this financial product consider principal adverse impacts on sustainability factors?

The identification of the main negative effects of investment choices on sustainability factors and the definition of the related mitigation actions are an integral part of Eurizon Capital S.A.'s approach to sustainability. Eurizon has adopted a specific framework which provides for specific environmental, social and governance indicators for the assessment of the negative effects on the sustainability deriving from investments according to the characteristics and objectives of the individual financial products, which provide for the use of:

- negative screening of SRI and ESG factors, with the aim of mitigating the risks of exposure to companies operating in sectors considered as not "socially responsible" (including, in particular, the exposure to the fossil fuels sector and to the unconventional weapons sector) or characterized by critical environmental, social or corporate governance;
- positive integration of ESG factors in the analysis, selection and composition of financial portfolios (Score ESG).

In the best interest of its own financial products, Eurizon Capital S.A. commits (i) to continue to develop its own Sustainability Policies and (ii) to activate specific engagement actions with regard to the issuers that show significant deviations from specific environmental, social and governance indicators or that show significant negative effects on several indicators, with the aim of directing them towards improving their sustainability practices, evaluating, only as a last resort, the disposal of their investments.

On the basis of controls it defined, Eurizon Capital S.A. considered specific environmental and social indicators for the assessment of the principal adverse sustainability impacts determined by the investment activities of the fund, as here below indicated:

- Activities that adversely affect biodiversity sensitive areas
- Gender diversity on the board of directors
- Exposure to controversial weapons
- Greenhouse Gas (GHG) Emissions intensity
- Greenhouse Gas (GHG) Emissions intensity of investee companies
- Exposure to fossil fuel companies



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

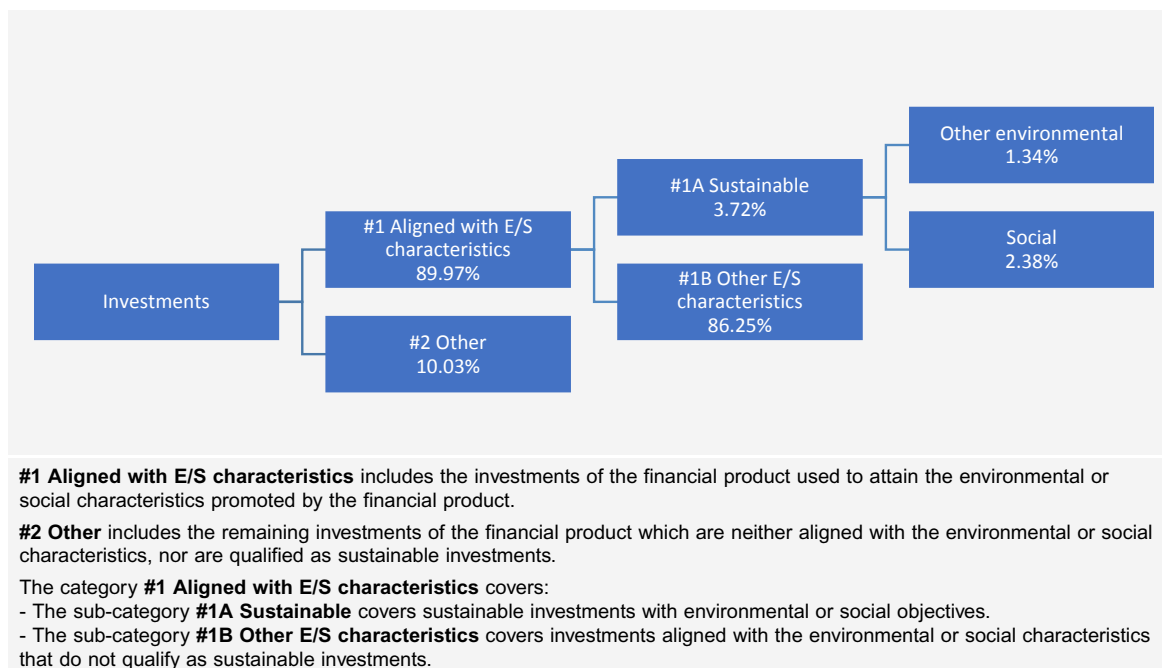
Largest investments	Sector	% Assets	Country
NOTA DO TESOURO NACIONAL NOTES 01/25 10	GOVERNMENT	5.11	Brazil
CHINA GOVERNMENT BOND BONDS 06/27 2.85	GOVERNMENT	4.94	China
NOTA DO TESOURO NACIONAL NOTES 01/27 10	GOVERNMENT	4.49	Brazil
NOTA DO TESOURO NACIONAL NOTES 01/29 10	GOVERNMENT	3.44	Brazil
MEX BONOS DESARR FIX RT SR UNSECURED 11/42 7.75	GOVERNMENT	3.12	Mexico
THAILAND GOVERNMENT BOND BONDS 06/36 3.4	GOVERNMENT	2.98	Thailand
POLAND GOVERNMENT BOND BONDS 07/27 2.5	GOVERNMENT	2.84	Poland
MALAYSIA GOVERNMENT BONDS 05/27 3.502	GOVERNMENT	2.44	Malaysia
INTER AMERICAN DEVEL BK SR UNSECURED 04/26 0.875	GOVERNMENT	2.42	United States
REPUBLIC OF SOUTH AFRICA SR UNSECURED 02/31 7	GOVERNMENT	2.39	South Africa
MALAYSIA GOVERNMENT BONDS 08/29 3.885	GOVERNMENT	2.34	Malaysia
CZECH REPUBLIC BONDS REGS 08/28 2.5	GOVERNMENT	2.33	Czech Republic
REPUBLIC OF SOUTH AFRICA SR UNSECURED 01/40 9	GOVERNMENT	2.22	South Africa
REPUBLIC OF SOUTH AFRICA SR UNSECURED 02/48 8.75	GOVERNMENT	2.14	South Africa
THAILAND GOVERNMENT BOND SR UNSECURED 12/31 2	GOVERNMENT	2.10	Thailand



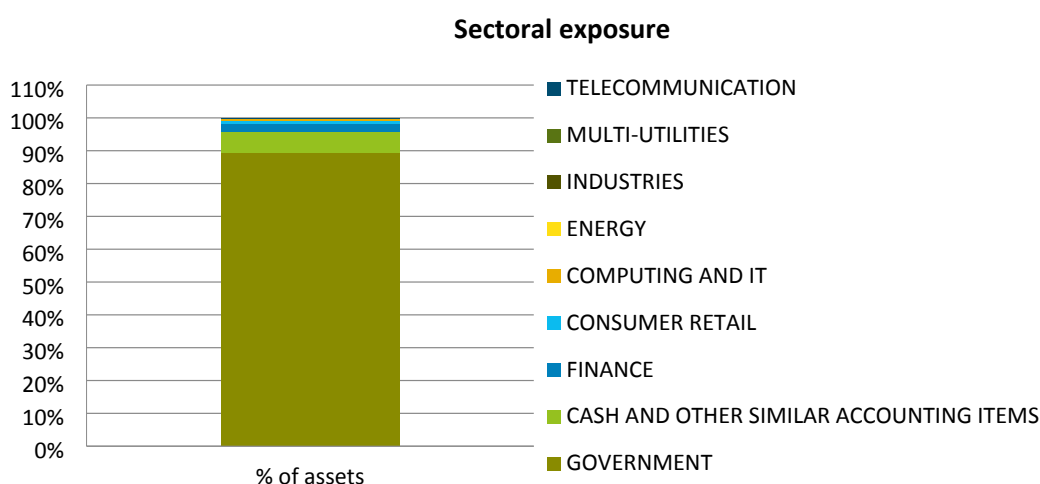
What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

- What was the asset allocation?



● In which economic sectors were the investments made?



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund has promoted environmental and/or social characteristics but has not committed itself to make sustainable investments within the meaning of art. 2(17) of Regulation (EU) 2019/2088.

Currently, considering the information set available to Eurizon as of the date of this periodic report, the fund's proportion of environmentally sustainable investments within the meaning of Regulation (EU) 2020/852 is equal to 0%. However, the fund may have invested in activities that may be considered as environmentally sustainable according to its investment policy, but such investments were not per se decisive to the attainment of the fund's environmental characteristics.

Finally, it should be noted that the investments underlying this fund do not take into account the European Union's criteria for environmentally sustainable economic activities

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

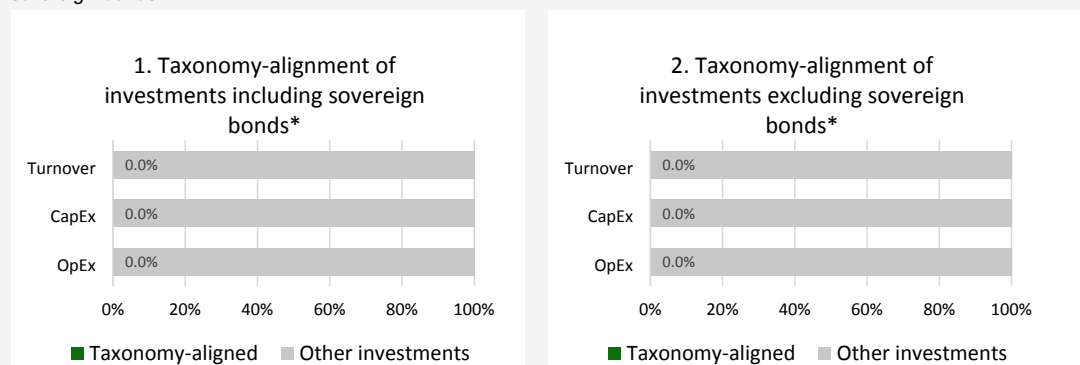
☒ No

switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What was the share of investments made in transitional and enabling activities?**

Transitional activities: 0.00%

Enabling activities: 0.00%

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not Applicable



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The fund has promoted environmental and/or social characteristics but has not committed itself to make sustainable investments within the meaning of art. 2(17) of Regulation (EU) 2019/2088.

However, the fund has invested in activities considered environmentally sustainable, which are entirely not aligned with the EU Taxonomy, to the extent of 1.34% of total investments.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of socially sustainable investments?

The fund has promoted environmental and/or social characteristics and had a socially sustainable investment share of 2.38% of total investments



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The following investments are included under “#2 Other”: (i) potential investments in issuers with no ESG score; (ii) derivatives for reducing risks (hedging) and costs, and to gain additional investment exposure; (iii) liquid assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets; (iv) instruments and techniques only used for efficient fund management.

For the investments included under “#2 Other”, there are no minimum environmental or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Eurizon Capital S.A monitored compliance with the financial instrument selection strategies set out in previous section in line with the principles of Sustainable and Responsible Investment (SRI) and environmental, social and governance (ESG) factors promoted by the fund.

The pursuit of environmental and/or social characteristics is monitored through specific investment limits.



How did this financial product perform compared to the reference benchmark?

No specific index has been designated as a reference benchmark to determine whether the fund is aligned with the environmental and/or social characteristics that it promotes.

● How does the reference benchmark differ from a broad market index?

Not Applicable

● How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Not Applicable

● How did this financial product perform compared with the reference benchmark?

Not Applicable

● How did this financial product perform compared with the broad market index?

Not Applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.