Statement on principal adverse impacts of investment decisions on sustainability factors

Disclosure on the implementation of the requirements of Article 4 (1) of Regulation (EU) 2019/2088 and Delegated Regulation (EU) 2022/1288 Chapter II - Section 1 on sustainability-related disclosures in the financial services sector regarding the transparency of adverse sustainability impacts at entity level

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Contents

1. Introduction

Group Affiliation

BG FUND MANAGEMENT LUXEMBOURG S.A. (hereinafter "BG FUND MANAGEMENT LUXEMBOURG S.A." or the "Management Company") is a management company authorised by the Luxembourg supervisory authority Commission de Surveillance du Secteur Financier (hereinafter “CSSF”) pursuant to Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment (hereinafter "UCI Law") and is also authorised as an alternative investment fund manager pursuant to the Luxembourg law of 12 July 2013 on alternative investment fund managers (hereinafter "AIFM Law").

In the above context, BG FUND MANAGEMENT LUXEMBOURG S.A. is managing the following three SICAVs that are umbrella funds containing various sub-funds:

- LUX IM
- BG COLLECTION INVESTMENTS
- BG PRIVATE MARKETS SICAV-SIF

The Management Company’s policies respect the principles declared by the Banca Generali Group and they are aligned with the commitments undertaken at group level through the signatory to various internationally recognised initiatives, such as the United Nations Principles for Responsible Investment.

Scope of the statement

The scope for the PAI consideration and calculation in the following statement encompasses all (sub-)funds, irrespective of their qualification under the Sustainable Finance Disclosure Regulation - EU 2019/2088 (SFDR), i.e. (sub-)funds qualifying as per SFDR article 6, 8 or 9. The following content of the statement, including actions taken, description of policies, engagement activities and other relevant information, pertains to all the sub-funds that are directly managed by the Management Company as well as the ones managed by delegated investment managers.

While engagement with and through delegated investment managers presents additional complexities compared to directly managed sub-funds, the Management Company actively monitors sustainability practices and policies of delegated investment managers for the purposes of this PAI statement. The oversight activity is described in the narrative section of this statement (see section 3), which consolidates key findings from relevant documentation of delegated investment managers.

It should be noted, that for all the sub-fund which are managed by delegated investment managers, one should refer to their respective PAI statements for further and more comprehensive insights into the actions taken and policies implemented within those specific sub-funds.

Commitments for funds in scope

BG FUND MANAGEMENT LUXEMBOURG S.A. is aware and fully concerned of the potential impact that sustainability risks may have on the sub-funds and their risk-return profiles, therefore considering them in the context of the investment decision making process as well as on an ongoing basis during the management of a fund.

2. Summary

Partecipante ai mercati finanziari
BG FUND MANAGEMENT LUXEMBOURG S.A. (549300UQ9FXR10DMTM81)
Sintesi

BG FUND MANAGEMENT LUXEMBOURG S.A. (549300UQ9FXR10DMTM81) prende in considerazione i principali effetti negativi delle proprie decisioni di investimento sui fattori di sostenibilità. La presente dichiarazione è la dichiarazione consolidata sui principali effetti negativi sui fattori di sostenibilità di BG FUND MANAGEMENT LUXEMBOURG S.A.

La presente dichiarazione sui principali effetti negativi sui fattori di sostenibilità riguarda il periodo di riferimento dal 1° gennaio 2024 al 31 dicembre 2024.

BG FUND MANAGEMENT LUXEMBOURG S.A. ha scelto di considerare i principali effetti negativi delle decisioni di investimento sui fattori di sostenibilità per i comparti indipendentemente dalla loro qualificazione ai sensi della Sustainable Finance Disclosure Regulation- UE 2019/2088 SFDR, ovvero comparti qualificati ai sensi dell'articolo 6, 8 o 9 di SFDR. Nell'esame dei principali effetti negativi, BG FUND MANAGEMENT LUXEMBOURG S.A. prende in considerazione tutti gli indicatori (PAI) obbligatori di cui al Regolamento delegato UE 2022/1288 (SFDR RTS), Allegato 1, Tabella 1, nonché un indicatore degli effetti negativi sulla sostenibilità aggiuntivo di cui all'SFDR RTS Allegato I - Tabelle 2 e 3, per investimenti sia in imprese che in emittenti sovrani. Gli indicatori presi in considerazione sono debitamente indicati nelle informative precontrattuali dei rispettivi comparti e sono infine riflessi nella presente dichiarazione. L'inclusione di questi comparti assicura una valutazione completa dei principali effetti negativi associati agli investimenti. BG FUND MANAGEMENT LUXEMBOURG S.A. attenua tali effetti aderendo a una politica di investimento sostenibile dedicata che comprende diversi elementi come, ad esempio, lo screening negativo e l'integrazione ESG.

Il seguente contenuto della dichiarazione, che include le azioni adottate, la descrizione delle politiche relative all'individuazione e gestione dei principali effetti negativi, le politiche di impegno e altre informazioni rilevanti, riguarda tutti i comparti gestiti direttamente da BG FUND MANAGEMENT LUXEMBOURG S.A. e quelli gestiti da gestori degli investimenti delegati. Una differenziazione delle varie misure che riguardano BG FUND MANAGEMENT LUXEMBOURG S.A. o i gestori degli investimenti delegati, rispettivamente, è presente direttamente nelle tabelle della sezione 3.

Description of the principal adverse impacts on sustainability factors

La tabella seguente presenta una sintesi degli indicatori degli effetti negativi sulla sostenibilità che sono presi in considerazione in almeno una delle seguenti situazioni:
a) nel corso della valutazione del "non arrecare un danno significativo" (Do Not Significant Harm / DNSH) per gli investimenti sostenibili ai sensi dell'articolo 2(17) del Regolamento SFDR, al fine di garantire che un investimento non provochi danni significativi o effetti negativi; oppure
b) seguendo una strategia dedicata agli indicatori degli effetti negativi sulla sostenibilità che si concentra in particolare su indicatori specifici (selezionati).

Come illustrato nella sintesi introduttiva, in generale vengono presi in considerazione i seguenti indicatori degli effetti negativi sulla sostenibilità:

a) Indicatori applicabili agli investimenti in emittenti societari:
(i) tutti i 14 indicatori obbligatori come previsto dal Regolamento SFDR, Allegato 1 - Tabella 1;
(ii) un indicatore supplementare connesso al clima e all'ambiente;
(iii) un indicatore supplementare in materia di problematiche sociali e concernenti il personale, il rispetto dei diritti umani e le questioni relative alla lotta alla corruzione attiva e passiva.

b) Indicatori applicabili agli investimenti in emittenti sovrani e organizzazioni sovranazionali:
(i) entrambi gli indicatori obbligatori come previsto dal Regolamento SFDR, Allegato 1 - Tabella 1;
(ii) un indicatore supplementare connesso al clima e all'ambiente;
(iii) un indicatore supplementare in materia di problematiche sociali e concernenti il personale, il rispetto dei diritti umani e le questioni relative alla lotta alla corruzione attiva e passiva.

Inoltre, la tabella seguente fornisce anche una spiegazione dei diversi indicatori, nonché una panoramica delle azioni adottate o programmate e degli obiettivi specifici fissati per il periodo di riferimento successivo in relazione a indicatori specifici o a un'area generica di effetto negativo.

Si noti: per Maggiore chiarezza, BG FUND MANAGEMENT LUXEMBOURG S.A. non gestisce alcun comparto che investa in attivi immobiliari, né direttamente né indirettamente, e pertanto gli indicatori PAI specifici di cui all'Allegato I del SFDR RTS relativi agli investimenti in attivi immobiliari non rientrano nell'ambito di applicazione della presente dichiarazione.

3. Quantitative information

3.1 Mandatory indicators

	Indicators applicable to investments in investee companies					
	CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	569,914.48	577,541.92	**Expressed as:** Tonnes of CO_2 equivalent *(tCO_2e)* **Coverage:** 66.77% of the AUM	**Banca Generali Group:** In 2022, Banca Generali Group took the initiative to implement a comprehensive monitoring system for assessing the carbon footprint (scope 1 and 2 emissions) of its direct investments. This monitoring system aims to support the strategic objective of achieving net zero emissions by 2040 as outlined in its Strategic Plan. By closely monitoring and managing the carbon footprint of its investments, Banca Generali is committed to minimizing its environmental impact and contributing to a more sustainable future. Banca Generali has set some specific environmental targets to guide its efforts in reducing carbon emissions. These targets include: • The path toward a low-carbon economy, which began with the Group's 2022–2024 Strategic Plan, continues with the new Climate Transition Plan, approved at the beginning of 2025 • Phasing out coal by 2030 for all corporate investments; • Achieving net zero emissions by 2040; • Expansion of the engagement scope. **BG FUND MANAGEMENT LUXEMBOURG S.A.:** As part of its commitment to sustainable investing, BG FUND MANAGEMENT LUXEMBOURG S.A. has adopted a Sustainable Investment Policy that
		Scope 2 GHG emissions	143,716.1	163,748.51	**Expressed as:** Tonnes of CO_2 equivalent *(tCO_2e)* **Coverage:** 66.78% of the AUM	
		Scope 3 GHG emissions	7,926,924.68	7,730,252.15	**Expressed as:** Tonnes of CO_2 equivalent *(tCO_2e)* **Coverage:** 66.77% of the AUM	
		Total GHG emissions	8,659,518.24	8,471,521.08	**Expressed as:** Tonnes of CO_2 equivalent *(tCO_2e)* **Coverage:** 66.76% of the AUM	
	2. Carbon footprint	Carbon footprint	389.46	429.87	**Expressed as:** Total GHG emissions as a ratio of all investments *(tCO_2e/current value)* **Coverage:** 66.85% of the AUM	
	3. GHG intensity of investee companies	GHG intensity of investee companies	1,012.29	1,133.90	**Expressed as:** GHG emissions as a ratio of investee company's revenue *(tCO_2e/€M)* **Coverage:** 66.96% of the AUM	

	4. Exposure to companies active in the fossil fuel sector	a) Share of investments in companies active in the fossil fuel sector	4.66%	5.53%	**Expressed as:** Share of investments **Coverage:** 68.62% of the AUM	incorporates a sector exclusion on coal. This exclusion reflects BG FUND MANAGEMENT LUXEMBOURG S.A.'s stance against investments in coal-related activities, which are known to have a significant environmental impact. By implementing this exclusion policy, BG FUND MANAGEMENT LUXEMBOURG S.A. aims to allocate its resources towards more environmentally friendly investment opportunities. Within the context of BG FUND MANAGEMENT LUXEMBOURG S.A.'s investment management, some of the (sub-)funds in scope of this PAI statement, are subject to explicit consideration of PAI 2 (Carbon footprint) by means of a dedicated carbon footprint score provided by an external advisor. In addition to monitoring the carbon footprint of investments, BG FUND MANAGEMENT LUXEMBOURG S.A. is actively engaged in assessing the ESG performance of its portfolio. To support these efforts, BG FUND MANAGEMENT LUXEMBOURG S.A. relies on a data provider that provides such ratings for all (sub-)funds in scope of this PAI statement. The PAIs represented in this section are considered via the corporate ESG model in various categories: a) "Production Processes": GHG Emissions (Scope 1-3) and GHG intensity are directly incorporated within the "Production Process" category. Moreover, companies that have established renewable energy targets, leading to a reduced share of non-renewable energy consumption or production, receive favourable recognition. Additionally, the energy efficiency of a company's operations is considered as a data point affecting its score in this category. b) "Environmental Strategy": this category evaluates a company's emission
	5. Share non-renewable energy consumption and production	a) Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources	61.12%	63.93%	**Expressed as:** Share of non-renewable energy consumption **Coverage:** 66.94 % of the AUM	
		b) Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources	55.97%	52.42%	**Expressed as:** Share of non-renewable energy production **Coverage:** 1.71% of the AUM	
	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 (NACE A)	0.00	0.00	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 0.05% of the AUM	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (NACE B)	0.01	0.01	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 1.35% of the AUM	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (NACE C)	0.16	0.80	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 26% of the AUM	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (NACE D)	0.08	0.08	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 2.20% of the AUM	

		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (NACE E)	0.01	0.01	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 0.72% of the AUM	reduction targets and the implementation of relevant programs to mitigate air emissions. Companies that demonstrate alignment with global agreements such as the Paris Agreement, in terms of temperature goals and emission reduction commitments, are rewarded. Conversely, companies that lag behind or fail to align with these global agreements may face penalties in their scoring. c) "Products": datapoints within this category generate a premium for companies that sell green products/services and penalise those companies that are characterised by minimal green product offerings. **Delegated investment managers:** Delegated investment managers have implemented various measures to mitigate adverse sustainability impacts, including committing to net-zero emissions by 2050 and setting interim targets such as reducing carbon footprints by 2030. They engage with investee companies on climate-related disclosures, decarbonization strategies, and alignment with the Paris Agreement. Several delegated investment managers have integrated climate considerations into investment research and decision-making, incorporating proprietary ESG and climate ratings. Voting and engagement strategies are commonly used to encourage corporate climate action, with some delegated investment managers linking executive compensation to climate-related performance. Additionally, certain sub-funds have carbon intensity reduction targets, and due diligence processes help ensure adherence to international sustainability standards. Looking ahead, many delegated investment managers plan to refine their sustainability approaches by enhancing data integration, improving methodologies, and further expanding net-zero initiatives. Efforts will continue to focus on engaging with high-emission sectors, promoting science-based
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (NACE F)	0.00	0.00	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 0.65% of the AUM	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (NACE G)	0.00	0.00	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 3.95% of the AUM	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (NACE H)	0.01	0.01	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 1.27% of the AUM	
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (NACE L)	0.02	0.02	**Expressed as:** Energy consumption in GWh per million EUR of revenue of investee companies *(GWh/€M)* **Coverage:** 1.29% of the AUM	

						climate targets, and supporting the transition to a low-carbon economy. Planned initiatives include the development of low-carbon investment solutions, increasing the share of investee companies with science-based targets, and aligning portfolios more closely with evolving regulatory frameworks. Some delegated investment managers also aim to broaden climate-focused stewardship efforts, and further integrate climate-related risks and opportunities into investment processes. Regular reviews of net-zero commitments and the expansion of engagement programs are expected to support progress toward long-term climate objectives. Overall, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on the environment and particularly greenhouse gas emissions.
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	1.79%	2.27%	**Expressed as:** Share of investments **Coverage:** 68.62% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** As foreseen in BG FUND MANAGEMENT LUXEMBOURG S.A.'s Sustainable Investment Policy, the corporate ESG model incorporates the PAI indicators related to biodiversity, water and waste within its comprehensive assessment framework, for (sub-)funds in scope of this PAI statement. These indicators are specifically evaluated within the "Production Process" category, providing a deeper insight in the environmental practices. Within this category, one crucial aspect is a company's impact on biodiversity. The ESG model assesses the measures implemented by the company to mitigate its ecological footprint and safeguard biodiversity. This includes evaluating targets and initiatives aimed at reducing the negative impact on ecosystems, preserving habitats and protecting endangered species. Companies that demonstrate a strong commitment to biodiversity conservation and have well-defined targets for reducing their ecological impact receive positive recognition in this category. The ESG model takes also into account programs and initiatives related to hazardous
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested (value expressed as a weighted average)	122.24	122.33	**Expressed as:** Tonnes per million EUR invested *(t/€M)* **Coverage:** 8.93% of the AUM	
Waste	9. Hazardous waste and radioactive waste ration	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested (value expressed as a weighted average)	0.56	0.72	**Expressed as:** Tonnes per million EUR invested *(t/€M)* **Coverage:** 35% of the AUM	

						waste reduction. Companies that prioritize the implementation of effective waste management strategies are rewarded in their evaluation. The same concept applies to the water usage and conservation strategies. The model evaluates a company's strategies and practices related to water usage, including measures to e.g. reduce water consumption and increase water efficiency. **Delegated investment managers:** Several delegated investment managers emphasize biodiversity protection by engaging with companies to mitigate risks related to biodiversity loss, deforestation, and land use. Many monitor investee companies for their adherence to biodiversity standards and use of voting rights as a tool for accountability. Engagement efforts have also targeted sustainable practices, including reducing plastic use, improving waste management, and promoting circular economy practices. Water-related risks are actively monitored by certain delegated investment managers, with companies potentially facing penalties if they fail to address specific issues. Waste management has been another area of focus, with initiatives aimed at reducing hazardous waste and supporting companies in improving waste disposal methods. Looking ahead, many delegated investment managers plan to refine their engagement strategies and enhance their data capabilities for more effective monitoring. Some are joining initiatives such as “Nature Action 100” to strengthen biodiversity-related engagement and promote sustainable land and water use. Future goals include improving methodologies for assessing biodiversity, water, and waste risks, and enhancing data coverage to derive better environmental stewardship. Overall, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on the environment and particularly in the area of biodiversity, water stress and waste management.

	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	0.51%	0.74%	**Expressed as:** Share of investments **Coverage:** 68.62% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** In the assessment of all (sub-)funds in scope of this PAI statement, a specific exclusion policy is in place that explicitly considers the violations of the UN Global Compact principles (UNGC) and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. This exclusion policy ensures that companies or entities found to be in violation of these internationally recognized standards are excluded from the investment portfolio. Both the UNGC and the OECD Guidelines provide principles and recommendations for responsible business conduct in areas such as human rights, labour, environment and anti-corruption. They serve as frameworks for businesses to align their operations with universally accepted values and responsible business practices. Moreover, they promote responsible corporate behaviour and contribute to the sustainable development and societal well-being. Any violations of these principles by the entities within the investment portfolio are carefully examined and appropriate measures are taken, such as exclusion or divestment. **Delegated investment managers:** Delegated investment managers have adopted various exclusion and engagement strategies to address violations of the UNGC principles and OECD Guidelines for Multinational Enterprises. Companies that consistently and severely breach these principles, without credible corrective action, are excluded from investment portfolios. Engagement efforts focus on driving positive change, particularly in human rights, modern slavery, labour rights, and corporate governance. Continuous monitoring and screening of issuers are performed to identify violations, with remediation efforts such as engagement or exclusion from portfolios when necessary. Looking ahead, many delegated investment managers plan to refine ESG

						engagement by further integrating sustainability risks, setting targeted improvements as well as enhancing methodologies and data quality. Existing exclusion policies already limit exposure to companies with severe violations. In general, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on social matters and particularly in the area of adherence to international principles and guidelines.
	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	5.59%	11.56%	**Expressed as:** Share of investments **Coverage:** 68.62% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** As foreseen in BG FUND MANAGEMENT LUXEMBOURG S.A.'s Sustainable Investment Policy, the corporate ESG model incorporates PAI indicators within its comprehensive assessment framework, for (sub-)funds in scope of this PAI statement. In the evaluation of companies that violate the UNGC principles and OECD Guidelines for Multinational Enterprises, the ESG rating considers their non-compliance with these internationally recognized standards. Companies lacking appropriate processes and compliance mechanisms to monitor adherence to the UNGC principles and OECD Guidelines are penalized in their ESG ratings. While the ESG rating system considers violations of these principles and guidelines, it is important to note that there is no specific category within the rating framework solely dedicated to these PAI indicators. Instead, most categories within the ESG rating system are directly linked to the principles of the UNGC or the guidelines of the OECD. Nevertheless PAI 10, which pertains to the violation of these principles and guidelines, is treated as an exclusion (please refer also to the explanatory notes above), which means that companies found to be in direct violation are excluded from consideration regardless of their overall ESG score. In such cases, the focus shifts from mitigation through the ESG score to a strict exclusionary approach based on the severity of the violation.

						Delegated investment managers: Delegated investment managers incorporate PAI indicators into their ESG assessment frameworks, ensuring that violations of UNGC principles and OECD Guidelines are systematically evaluated. Engagement remains a key tool, with managers addressing governance standards through direct dialogue and voting strategies. Building on existing exclusion policies and ESG integration frameworks, many investment managers plan to enhance compliance monitoring by refining their assessment methodologies and improving data quality. Future initiatives include strengthening engagement efforts on governance, human rights, and labour rights while ensuring alignment with international best practices. Generally, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on social matters and particularly in the area of insufficient compliance mechanisms.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	16.32%	15.63%	**Expressed as:** Average pay gap **Coverage:** 22.13% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** As foreseen in BG FUND MANAGEMENT LUXEMBOURG S.A.'s Sustainable Investment Policy, the corporate ESG model incorporates the PAI indicators related to gender pay gap and board gender diversity within its comprehensive assessment framework, for (sub-)funds in scope of this PAI statement. These indicators are considered across various categories within the ESG model, providing insights into a company's commitment to gender equality and inclusion. One category in which these PAI indicators are assessed is the "CG Structure" category. In this context, the ratio of female to male board

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	34.95%	33.12%	**Expressed as:** Share of investments **Coverage:** 66.92% of the AUM	members directly impacts the evaluation. Companies that demonstrate a higher representation of women on their boards receive positive recognition in terms of corporate governance. This evaluation recognizes the importance of diverse perspectives and the benefits of gender diversity in decision-making processes at the highest level of corporate leadership. Additionally, the "Human and Labour Rights" category within the ESG model encompasses an evaluation of gender-related data. This includes analysing company-specific gender pay gaps and assessing the representation of women across the entire workforce. Companies that actively work towards reducing gender pay gaps and promoting gender diversity throughout their organizational hierarchy receive favourable recognition in this category. **Delegated investment managers:** Many delegated investment managers address the gender pay gap and board gender diversity through engagement, voting strategies, and, in some cases, exclusion policies. Engagement efforts focus on promoting gender equality, encouraging companies to disclose pay gap data, and setting specific targets for diversity at the board level. Additionally, some delegated investment managers integrate sustainability frameworks that prioritize gender diversity and broader social inclusion within investment decisions. Many delegated investment managers aim to refine methodologies for assessing gender diversity and enhance data quality to better track progress. Engagement efforts will continue to focus on raising awareness and encouraging stronger diversity policies, with some managers targeting a minimum 40% board representation for underrepresented genders. Finally, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on social matters and particularly in the area of gender diversity and -inequalities.

	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	0.12%	0.12%	**Expressed as:** Share of investments **Coverage:** 68.62% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** In the assessment of (sub-)funds in scope of this PAI statement, there is a direct consideration of PAI 14, which pertains to the exposure of companies to controversial weapons. This particular PAI focuses on weapons that are deemed highly unethical and inhumane, including antipersonnel mines, cluster munitions, chemical weapons, and biological weapons. In order to ensure responsible investment practices, a specific exclusion policy is in place for (sub-)funds in scope of this PAI statement. This policy considers PAI 14 and mandates the exclusion of companies that are involved in the production, distribution, or use of these controversial weapons. Companies found to be associated with such weapons are considered incompatible with the ethical and responsible investment criteria outlined by the fund. By directly considering PAI 14 in the exclusion policy, the investment management process demonstrates a commitment to ethical investing and a strong stance against the use and proliferation of controversial weapons. **Delegated investment managers:** Delegated investment managers enforce strict exclusion policies prohibiting investments in companies involved in controversial weapons. In several cases these exclusions extend to companies that violate international treaties, such as the Non-Proliferation Treaty (NPT). ESG data and screening tools are used to assess compliance, with exposure regularly monitored. The exclusion criteria will remain enforced, with ongoing monitoring and engagement where necessary. In general, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on social matters and particularly in the area of exposure to controversial weapons.

	Indicators applicable to investments in sovereigns and supranationals					
Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	15. GHG intensity	GHG intensity of investee countries	38.13	40.13	**Expressed as:** GHG emissions (tCO2e) as a ratio of investee country's GDP **Coverage:** 19.53% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** As foreseen in BG FUND MANAGEMENT LUXEMBOURG S.A.'s Sustainable Investment Policy, this PAI is a crucial component within the Environmental pillar of the ESG country model, specifically focusing on two key categories: "Resource Efficiency" and "Climate Change". This indicator assesses the greenhouse gas (GHG) intensity of investee countries by examining their emissions in relation to their Gross Domestic Product (GDP). Within the "Resource Efficiency" category, an important indicator evaluates the current GHG emissions per capita of countries. This indicator considers both the absolute emissions and the trend in GHG emissions per capita over the past five years. It rewards countries that actively mitigate this PAI by reducing their emissions and penalizes those countries experiencing an upward trend in emissions. In the "Climate Change" category, another significant indicator focuses on the amount of primary energy used per capita by countries. Alongside the GHG emissions per capita indicator, the trend scores from this indicator acknowledge countries that are successfully implementing energy efficiency measures or demand reduction initiatives. **Delegated investment managers:** Several delegated investment managers integrate environmental factors into their sovereign and supranational investments. Approaches include screening out high-GHG-intensity countries and those linked to environmental violations. Some delegated investment managers utilize proprietary ESG scoring systems to assess sovereign issuers' environmental performance and alignment with the United Nations Sustainable Development Goals. Engagement with sovereign issuers plays a role in encouraging climate-related disclosures,

						transition strategies, and alignment with the Paris Agreement. Investment managers plan to refine their methodologies for assessing sovereign environmental performance, particularly GHG intensity. Some intend to align with emerging global standards for sovereign emissions, while others will continue to engage with sovereign issuers, where applicable, to improve climate-related disclosures. As a baseline, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on the environment and particularly greenhouse gas emissions.

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	12.12%	13.27%	**Expressed as:** Share of investments **Coverage:** 19.54% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** As per BG FUND MANAGEMENT LUXEMBOURG S.A.'s Sustainable Investment Policy, this PAI plays a critical role within the ESG country model, focusing on evaluating the number of investee countries that may be subject to social violations. These violations encompass actions or practices that contravene international treaties, conventions, United Nations principles, and relevant national laws. In line with its commitment to responsible investing, the ESG country model applies rigorous assessments and penalties to countries that have active sanctions reported by reputable sources such as the United Nations and the European Union. These sanctions may be related to various aspects, including human rights abuses, labour violations, environmental degradation, corruption, or other social misconducts. The model ensures that appropriate penalties are applied to the relevant categories within the framework. For instance, if a country is under sanction relating to the prohibition on training and education, it would incur penalties within the Human Capital category of the Social pillar. This approach reflects the model's comprehensive consideration of different dimensions of social violations and their impact on sustainable development. Furthermore, the ESG country model recognizes the importance of international standards and frameworks in assessing social violations. It considers the obligations and commitments that countries have agreed upon through international treaties, conventions, and United Nations principles. **Delegated investment managers:** Delegated investment managers apply exclusionary and due diligence measures to address sovereign investments in countries with social violations. These measures include screenings of international sanctions lists and assessments aligned with frameworks such as the Financial Action Task Force (FATF) and the Fragile

						States Index (FSI). Some managers use proprietary scoring systems to assess sovereign issuers' social impact. Where applicable, some delegated investment managers engage with sovereign issuers. Many investment managers plan to refine their approaches and to enhance their monitoring of social violations, improving their methodologies for assessing sovereign social impact. Holistically, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on social matters and particularly in the area of involvement in social violations.

3.2 Additional indicators

		Additional indicators applicable to investments in investee companies				
		CLIMATE AND OTHER INDICATORS RELATED TO THE ENVIRONMENT				
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
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	27.92%	33.46%	**Expressed as:** Share of investments **Coverage:** 64.16% of the AUM	**Banca Generali Group**: In 2022, Banca Generali Group took the initiative to implement a comprehensive monitoring system for assessing the carbon footprint (scope 1 and 2 emissions) of its direct investments. This monitoring system aims to support the strategic objective of achieving net zero emissions by 2040 as outlined in its Strategic Plan. By closely monitoring and managing the carbon footprint of its investments, Banca Generali is committed to minimizing its environmental impact and contributing to a more sustainable future. Banca Generali has set some specific environmental targets to guide its efforts in reducing carbon emissions. These targets include: • The path toward a low-carbon economy, which began with the Group's 2022–2024 Strategic Plan, continues with the new Climate Transition Plan, approved at the beginning of 2025; • Phasing out coal by 2030 for all corporate investments; • Achieving net zero emissions by 2040; • Expansion of the engagement scope. **BG FUND MANAGEMENT LUXEMBOURG S.A.:** As part of its commitment to sustainable investing, BG FUND MANAGEMENT LUXEMBOURG S.A. has adopted a Sustainable Investment Policy that incorporates a sector exclusion on coal. This exclusion reflects BG FUND MANAGEMENT LUXEMBOURG S.A.'s stance against investments in coal-related activities, which are known to have a significant environmental impact. By implementing this exclusion policy, BG FUND MANAGEMENT LUXEMBOURG S.A. aims to allocate its resources towards more environmentally friendly investment opportunities. **Delegated investment managers:** Several delegated investment managers actively promote carbon emissions reductions within their portfolios by engaging with companies and applying exclusion criteria for high-impact industries. Many participate in global climate initiatives, like the Net Zero Asset Managers Initiative (NZAMI) and Climate Action 100+, which aim for net-zero greenhouse gas emissions by 2050. Investment managers plan to refine climate strategies, with many aiming to reduce carbon intensity by 2030 and further align portfolios with science-based targets in accordance with the Paris Agreement.

						As part of its broader strategy, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on the environment and particularly in the area of carbon emissions.

	INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0.70%	0.88%	**Expressed as:** Share of investments **Coverage:** 68.62% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** As foreseen in BG FUND MANAGEMENT LUXEMBOURG S.A.'s Sustainable Investment Policy, the corporate ESG model incorporates the PAI indicator related to the presence of anti-corruption and anti-bribery policies within its comprehensive assessment framework, for (sub-)funds in scope of this PAI statement. These indicators are considered across various categories within the ESG model, reflecting a company's commitment to ethical business practices and combating corruption. One category where these PAI indicators are evaluated is the "Business Ethics" category. In addition to policies, this category delves deeper into a company's approach to anti-corruption measures. It assesses whether companies conduct anti-corruption audits to identify and address potential risks and vulnerabilities. This evaluation recognizes the importance of proactive efforts in mitigating corruption and promoting a culture of integrity and transparency. Another category that considers the impact of anti-corruption practices is the "CG Structure" category. It acknowledges that a greater level of independence within company committees can play a crucial role in mitigating corruption risks. The evaluation within this category includes multiple Key Performance Indicators (KPIs) related to committee independence. Companies that demonstrate robust committee structures, independent oversight, and effective anti-corruption practices receive positive recognition in this category. **Delegated investment managers:** Several delegated investment managers address anti-corruption and anti-bribery risks by aligning with the UNGC principles, which guide corporate sustainability assessments. Engagement efforts focus on improving business ethics and tackling corruptions. Such efforts are expected to continue in the future, emphasizing business ethics starting from the board level and the implementation of systematic policies within investee companies. At a strategic level, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on social and governance matters and particularly in the area of insufficient anti-corruption and anti-bribery policies.

	Additional indicators applicable to investments in sovereigns and supranationals					
	CLIMATE AND OTHER INDICATORS RELATED TO THE ENVIRONMENT					
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	100.00%	100.00%	It is important to note that the value for the years 2023 and 2024 is displayed as "100%". This is due to the fact that the implementation of this indicator requires populating data related to the share of bonds not certified as green under the EU Green Bond Standard. However, currently, the lack of available data poses a challenge in accurately determining this share, as the certification for Green Bonds is yet to come into force. Indeed, despite the formal approval of the standard in October 2023 its adoption is active from December 2024	This PAI, which contains the optional indicator related to the share of bonds not certified as green, requires information on both the total amount of active bonds and the amount specifically certified under the EU Green Bond Standard. Unfortunately, without the necessary certification framework in place, it becomes not possible to obtain this data and implement the indicator effectively. While BG FUND MANAGEMENT LUXEMBOURG S.A. continues to navigate the complexity of implementing this specific PAI, it remains dedicated to transparency and accountability in the reporting. This is also achieved by recognising the importance of environmentally sustainable bonds, striving to provide meaningful data and commentary to demonstrate the ongoing efforts in this area, as from the statement for the following year. BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on the environment and particularly in the area of exposure to green securities.
	INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Human Rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the "explanation" column	4.26	4.28	**Expressed as:** weighted average of the current performance score of a country (weighted as 70%) and a 5-year performance trend score of the same country (weighted as 30%). The score can take values from a minimum of 1 to a maximum of 5. **Coverage:** 19.53% of the AUM	**BG FUND MANAGEMENT LUXEMBOURG S.A.:** As foreseen in BG FUND MANAGEMENT LUXEMBOURG S.A.'s Sustainable Investment Policy, this PAI is a fundamental component within the "Human Rights and Wellbeing" category of the ESG country model. This indicator directly assesses the protection of fundamental human rights and freedoms within a country. The 'Human Rights and Rule of Law' indicator utilizes data from Fragile States and other reliable sources to evaluate the extent to which fundamental human rights and freedoms are safeguarded. It considers various aspects, including the prevalence of widespread abuse of legal, political, and social rights. Moreover, the indicator also considers outbreaks of politically inspired violence perpetrated against citizens. By including this aspect, the ESG country model acknowledges the impact of politically motivated violence on human rights and overall stability within a country.

						Delegated investment managers: Delegated investment managers integrate human rights considerations into their investment strategies, aligning with the UNGC and International Labour Organization (ILO) principles. Human rights practices are assessed through internal research tools, ESG ratings, and controversy monitoring. Engagement efforts, where applicable, focus on mitigating human rights risks, preventing abuses, and ensuring remediation. Some delegated investment managers participate in initiatives such as UN PRI Advance, further reinforcing human rights commitment. Future focus points will be the strengthening of accountability as well as the participation in international initiatives, which will continue to drive improvements. In general, BG FUND MANAGEMENT LUXEMBOURG S.A. continuously strives to improve its sustainable investment approach thereby looking for new possibilities to limit and minimize adverse impacts on social matters and particularly in the area of human rights (under-)performance.

4. Qualitative information

4.1 Description of policies

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

Sustainability factors encompass various dimensions such as environmental considerations, social impacts, employee welfare, human rights protection, and measures against corruption and bribery. In the context of financial markets, the term "Principal Adverse Impact" (hereinafter "PAI") refers to detrimental effects resulting from investment decisions or advice on these sustainability factors. To facilitate the assessment of investments made by financial market participants, the Delegated Regulation - EU 2022/1288 (SFDR RTS) to the Sustainable Finance Disclosure Regulation - EU 2019/2088 (SFDR) provides a range of specific indicators that can be deployed to gauge the negative influence of an issuer or investee company on sustainability factors. These indicators enable the identification and evaluation of the adverse impact caused by such investments.

Additionally, SFDR establishes a link between the requirement to consider sustainability risks in the investment decision-making process (SFDR article 3) and the consideration of PAIs of investment decisions on sustainability factors (SFDR article 4). Both concepts share the same core foundation, i.e., they commence with the identification and consideration of relevant sustainability indicators. In general, the identification and consideration of relevant sustainability indicators are inter alia dependent on the investment strategy as well as the geographical and sectorial focus of the managed sub-funds. The monitoring of relevant sustainability indicators allows to establish a better and more informed understanding with reference to the identification of (potential) sustainability risks. Moreover, the assessment of certain sustainability indicators may be prioritised within the investment decision-making process to eliminate or at least mitigate sustainability risks.

The identification and prioritization of principal adverse impacts of investment decisions on sustainability factors require the consideration of various elements by the portfolio manager and are based on:

	Elements (non-exhaustive)	Relevant considerations (non-exhaustive)
Identification & prioritisation of principal adverse impacts	**Regulatory minimum requirements**	SFDR
		EU Taxonomy Regulation (EU) 2020/852
	Investment strategy	Asset classes focus
		Geographical focus
		Industry and sector focus
	SFDR classification	Qualification of the investment fund under article 9 SFDR
		Qualification of the investment fund under article 8 of the SFDR and allocation of part of the portfolio in sustainable investments as defined in article 2 (17) SFDR
	Sustainability strategy (taking into consideration the investment strategy and SFDR classification)	Thematic focus of the sustainability strategy, if any
		Identification of relevant sustainability indicators to be considered in the investment decision-making process
		Prioritisation of sustainability indicators that are essential to the delivery of the sustainability strategy
		Definition of relevant limits for the relevant sustainability indicators
		Definition of the binding elements of the sustainability strategy in the investment decision-making process
		Quantitative or qualitative assessment of the relevant sustainability indicators
Disclosure	Integration in the pre-contractual and website disclosures (art. 8, 9, 10 SFDR)	

In relation to the above, the PAIs are assessed and addressed in accordance with the principles and guidelines outlined in the Sustainable Investment Policy adopted by the Management Company. Several measures are taken in order to consider and most importantly to avoid adverse impacts on sustainability factors in the first place. For funds directly managed by BG FUND MANAGEMENT LUXEMBOURG S.A., the following list provides an overview of the most significant measures and aspects that are generally applied:

a) Indirectly via negative screening for controversial activities and controversial behaviour; and
b) Indirectly via an ESG rating for investee companies and sovereigns that is dependent on certain aspects pertaining to the PAIs; and
c) PAI 2 - Directly via a carbon footprint score; and
d) PAI 10 - Directly by excluding any company that is in serious breach of the "United Nations Global Compact Code" (hereinafter "UNGC"); and
e) PAI 14 - Directly by excluding any company that is involved in adverse business activities from which they derive any revenues (i.e. controversial weapons such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

For funds managed by delegated investment managers, the approach to identifying and prioritizing PAIs varies and is primarily determined by the sustainability policies of the respective investment managers. While the Management Company does not impose a single methodology across all delegated investment managers to be applied, it assesses their approaches to ensure a baseline alignment with the principles of the Sustainable Investment Policy. Examples of measures applied by delegated investment managers include:

- **Exclusion of high-risk issuers**:
    - certain delegated investment managers apply exclusion criteria based on environmental and social risks. Examples include excluding companies with significant revenues from thermal coal or unconventional oil and gas, or those with persistently low ESG ratings.
    - Moreover, some delegated investment managers implement exclusion policies targeting industries with high biodiversity impact, such as forestry, agriculture and mining. For example, companies with significant exposure to deforestation activities, lack of biodiversity protection measures, or failure to meet global environmental standards may be excluded from investment portfolios.
- **Corporate governance and social issues**: some delegated investment managers apply exclusions based on governance and social risk factors. This may include companies involved in severe ethical controversies such as human rights violations, corruption, child labour, or supply chain abuses. Additionally, issuers engaged in the production of controversial weapons such as cluster munitions and anti-personnel mines, are often excluded from investment portfolios.
- **Climate transition strategies**: some delegated investment managers actively engage with investee companies on climate-related issues, respectively PAIs, by leveraging proprietary frameworks to assess issuers' alignment with net-zero targets and encourage better disclosure of emissions data.

For more detailed information on the dedicated investment strategies of the different sub-funds in scope of this PAI statement, please consult their respective pre-contractual documentation documents which are available on BG FUND MANAGEMENT LUXEMBOURG S.A.'s official website (www.bgfml.lu) and in addition the dedicated sustainability part on BG FUND MANAGEMENT LUXEMBOURG S.A.'s website (www.bgfml.lu/site/en/home/sustainable). Furthermore, information on the specific criteria utilized by the delegated investment managers can be found on their respective websites.

As described above, also in terms of responsibilities, the identification and prioritization of PAIs fall under the purview of the Sustainable Investment Policy adopted by the Management Company, as initially approved by the Board of Directors of the Management Company on July 23, 2021, and last updated on June 26, 2025. The policy defines the specific responsibilities and accountabilities for these processes, ensuring a systematic approach and clear guidelines for their implementation. The use of such methodologies is paired with a continuous assessment of the evolution of the regulatory framework, in order to always comply with the extent and the applicable set of indicators to be used for the determination of PAIs. The aim of the Management Company is to expand and enhance, on an ongoing basis, the consideration of PAIs, taking into consideration the specific investment strategies and focus of all the managed Sub-funds.

All necessary data and information in order to ensure an orderly consideration of PAIs by means of the measures briefly described above is provided by a third-party data provider. The data provider gathers and generates PAI data based on a proprietary assessment and selected secondary data. The data provider's research process includes publicly available data inputs reported by companies such as sustainability- and annual reports as well as data sourced from leading data providers that were subject to thorough due diligence before service initiation. For what concerns, government issuers, data are gathered directly from public websites of leading supranational institutions and research centres. The criteria used by third-party providers can differ significantly, and data can vary across providers and within the same industry for the same provider. While the data provider looks to data inputs that it believes to be reliable it cannot guarantee the accuracy, availability or completeness of its proprietary system or third-party data. To avoid large data gaps in the PAI statement and in accordance with SFDR RTS article 7(2), the data provider may estimate the PAI data on a best effort basis. The data provider only estimates PAI data in cases where sufficient reported data is available, and the appropriate variables are identified to receive a statistically significant and robust result. Depending on the nature of the PAI data, various models such as statistical or machine learning models are deployed to receive optimal results. The models applied by the data provider account for asymmetry, kurtosis and biases caused by outliers in order to obtain a robust result which is validated using R- squared.

4.2 Engagement policies

Engagement policies
In accordance with its Sustainable Investment Policy, the Management Company integrates the investment analyses with the ones focused on sustainability risks and on the negative effects of investments on sustainability factors, represented by environmental, social and governance issues. Specifically, the Sustainable Investment Policy takes into consideration the PAIs through appropriate negative screening tools (i.e., restricted lists and watch lists) aimed at detecting any exposures to controversial sectors or violations of the UNGC principles, as described in section 4.1 above. Banca Generali Group, including BG FUND MANAGEMENT LUXEMBOURG S.A., adopted an active ownership policy with a date of entry into effect on January 1, 2024, and available at www.bgfml.lu. The active ownership policy has been adopted to further develop the commitment of Banca Generali Group towards sustainable and responsible investment and to strengthen their investment decision approach, in line with: • Banca Generali's Vision; • the commitments undertaken by signing the UN Principles for Responsible Investment, which place active ownership (also known as "stewardship") among the main responsible investment strategies; • the fulfilment of the obligations and implementation of the leading practices introduced by the SFDR, particularly with regard to the pursuing of sustainable investment objectives and monitoring of the principal adverse impacts of investments, in the belief that the application of tangible and sound stewardship principles (e.g., anticipating and preventing sustainability risks, generating a true and tangible impact, etc.) results in multiple benefits. The active ownership policy applies to the sub-funds that either qualify as per article 9 or as per article 8 of the SFDR and foresees activities which take the form of engagement (i.e., direct dialogue with issuers) and exercise of voting rights and participation in shareholders' meetings, in accordance with the methods and principles defined in the policy. The active ownership policy is implemented based on the analysis of the target issuers' sustainability performance, in line with Banca Generali Group's identified ESG material topics and European and international regulatory frameworks, such as the consideration of PAIs. The active ownership policies and processes are reviewed on an ongoing basis, enhanced, monitored and adapted when insufficient progress is identified, and also in order to incorporate additional principal adverse impact indicators and to ensure the key environmental, socials and governance topics are taken into consideration. During the year of 2024, Banca Generali Group carried out engagement activities, under the form of Standard Engagement (Aimed at raising awareness of the issuer and/or the manager on a specific topic or at gathering additional information through regular interactions) and Impact Engagement (Aimed at potentially influencing the behaviour of the issuer and/or manager through direct interactions with the top management and/or members of the board of directors of the issuer and/or manager on specific issues) towards issuing companies of the direct investments held by the products/services within the scope of active ownership activities and i) managers of UCITS underlying portfolio management; ii) managers of UCITS underlying collective investment schemes managed internally; iii) managers of collective investment schemes managed by third-party delegated managers Within the Standard Engagement activities, Banca Generali Group focused on the increase in GHG emissions (Scope 1 and 2) between 2022 and 2023, and the resulting deterioration of PAI No. 2, related to the carbon footprint of certain UCITS. The described Engagement activities were carried out through emails, conference calls, meetings, and dialogues with the managers of the relevant UCITS. In 2025, Banca Generali Group plans to continue monitoring the managers involved in the Engagement activities and the related indicators deemed relevant. In 2024, Banca Generali Group participated in 125 shareholders' meetings. The Active Ownership activities began in April and progressively increased, reaching full operational capacity starting in June. The voting activities concerned the shares of issuers included in the UCITS governed by Articles 8-9 of the SFDR, directly managed by BG Fund Management Luxembourg S.A. In 2024, the most significant votes cast by Banca Generali Group primarily concerned environmental resolutions related to climate change, and social resolutions regarding the protection of human rights, Diversity, Equity, and Inclusion (DEI), and greater disclosure on lobbying initiatives and charitable contributions. The cases defined as "most significant" are consistent with the core principles outlined in the Active Ownership strategy and align with international best practices. Active Ownership Report, including detailed information on the complete list of votes cast in 2024 is published on BG FUND MANAGEMENT LUXEMBOURG S.A.'s official website (specifically in Annex I, where the "most significant votes" are clearly highlighted). Moreover, it is important to note that for sub-funds managed by delegated investment managers, engagement by the forementioned may include direct dialogue with issuers. As a result, stewardship activities for funds managed by delegated investment managers may focus on engagement with a portfolio company's management. BG FUND MANAGEMENT LUXEMBOURG S.A. monitors the engagement activities carried out by delegated investment managers as part of its broader assessment of sustainability-related impacts and to ensure ongoing progress where applicable.

4.3 References to international standards

References to international standards
As a responsible Management Company, BG FUND MANAGEMENT LUXEMBOURG S.A. places great emphasis on adhering to responsible business conduct codes and internationally recognized standards for due diligence and reporting. These standards serve as important guidelines for the operations and enable BG FUND MANAGEMENT LUXEMBOURG S.A.to align its practices with global sustainability objectives, including those outlined in the Paris Agreement. For all sub-funds under management, irrespective of their SFDR classification, PAI 10, and specifically the compliance with the UNGC is considered. The UNGC provides a comprehensive framework for promoting responsible business practices in the areas of human rights, labour, environment and anti-corruption. By monitoring compliance with the UNGC, the management of all sub-funds ensures that responsible business practices are upheld. This commitment demonstrates a dedication to ethical conduct and sustainability, hence creating alignment with international standards and best practices. Embracing the principles set forth by the UNGC not only benefits BG FUND MANAGEMENT LUXEMBOURG S.A. itself but also contributes to global efforts in promoting a more inclusive, just, and sustainable world. At Banca Generali group level, there is a strategic objective of achieving net zero emissions by 2040. This objective is closely linked to the goals of the Paris Agreement, which seeks to limit global warming to well below 2 degrees Celsius above pre-industrial levels. This commitment to carbon neutrality aligns with Principal Adverse Impact 4 (PAI 4), which is explicitly considered for two specific sub-funds within the scope of this statements. Moreover, PAI 4 is being monitored for all sub-funds, irrespective of their SFDR classification, on a semi-annual basis, ensuring ongoing assessment and mitigation of carbon-related adverse impacts. As also outlined in the Strategic Plan, the ESG monitoring system implemented by Banca Generali Group aims to support the strategic objective of achieving net zero emissions by 2040. By closely monitoring and managing the carbon footprint of its investments, Banca Generali Group is committed to minimizing its environmental impact and contributing to a more sustainable future. Banca Generali Group has set some specific environmental targets to guide its efforts in reducing carbon emissions. These targets include: • Phasing out coal by 2030 for all corporate investments; • Achieving net zero emissions by 2040; Banca Generali Group believes that ESG governance can be a crucial accelerator for climate transition. The path toward a low-carbon economy, which began with the Group's 2022–2024 Strategic Plan, continues with the new Climate Transition Plan, approved at the beginning of 2025. This plan sets ambitious greenhouse gas emission reduction targets for both operational activities and corporate issuers by 2030, with the goal of achieving net-zero emissions by 2040. To support the achievement of these goals, Banca Generali Group has identified several medium- (2030) and long-term levers, including the continuous strengthening of internal regulations—particularly with a focus on sustainable finance—and the enhancement of Engagement activities with investee companies, especially regarding climate mitigation. Additionally, as a demonstration of the commitment to responsible investment practices, on 20 December 2022, Banca Generali Group completed the process of becoming a member of the United Nations – Principles for Responsible Investing (hereinafter "UN PRI") and on 23 January 2023 it formally became a signatory to the UN PRI by signing the 6 Principles (hereinafter "the Principles") for Responsible Investments. The Principles to which the group has adhered to are the following: 1. incorporate environmental, social and governance (ESG) parameters in the financial analysis and decision-making processes concerning investments; 2. be active shareholders and incorporate ESG metrics into share ownership policies and practices; 3. require investee companies to report on ESG parameters; 4. promote acceptance and implementation of the Principles in the financial industry; 5. work together to improve the application of the Principles; 6. periodically report on the activities and progress made in applying the Principles. In this sense, Banca Generali Group's adherence to the UN PRI guarantees the consideration of the principal adverse impacts on sustainability factors. Also several delegated investment managers have adhered to different international standards in the context of their sustainability measures, examples include the UN PRI, the Net Zero Asset Managers Initiative and the Institutional Investors Group on Climate Change (IGCC). Detailed information on the participation of the delegated investment managers to international initiatives and standards can be found on their specific websites. In light of the continuously evolving regulatory framework, the lack of comprehensiveness and the massive use of estimation in the methodologies currently available on the market, the Management Company does not deem the use of a forward-looking climate scenario to be relevant. The Management Company will continue to conduct an assessment of the metrics and methodologies available to ascertain appropriate data sources and providers.

4.4 Historical comparison

Historical comparison

In the historical comparison between the PAIs reported as of June 2024 (referring to the year 2023) and the PAIs reported as of June 2025 (referring to the year 2024), key differences have been identified, as listed below:

Mandatory PAIs applicable to investments in investee companies:

- **PAI 1 – GHG Emissions:** We observed a decrease by 12% mainly driven by a 22% reduction in the Scope 2 carbon footprint;
- **PAI 2 – Carbon Footprint:** Compared to 2023, we observed a decrease by 10% mainly driven by reduced contributions of Article 6 funds;
- **PAI 6 – Share of Investments in Companies with High Energy Consumption in Climate-Sensitive Sectors:** The PAI decreased by 68%, primarily due to an 80% reduction in energy intensity for NACE C sector companies.
- **PAI 9 - Hazardous waste ratio**: Compared to 2023, we observed a decrease by 28% driven by enhanced sustainability efforts and strategic realignments within companies or investment portfolios;
- **PAI 11 - Violations of UN Global Compact and OECD Guidelines for Multinational Enterprises ("Lack of Process")**: We observed a decrease from 11.56% to 5.59% reflecting a convergence of improvements in company practices, compliance frameworks, and strategic investment choices.

Additional PAIs applicable to investments in investee companies:

- **Investments in companies without carbon emission reduction initiatives:** We observed a decrease from 33.5% to 27.9% capturing the impact of changing investor priorities, corporate sustainability efforts, and regulatory developments.