Green Bonds impact report May 2022

Eurizon Fund - **Absolute Green Bonds**
Eurizon Fund - **Green Euro Credit**

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Green Bonds impact report

May 2022

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Aware investment to **safeguard the planet**

Themes related to climate change are now almost universally acknowledged as crucially important, and the role played by sustainable finance is fundamental in consistently channelling available resources towards improving conditions on the planet. In addition to financial return on invested capital, sustainable finance tools, such as **Green Bonds**, can generate positive externalities as well, to the benefit of the environment and of society.

Green Bonds are debt instruments, the proceeds of which are used exclusively to finance or refinance, entirely or in part, new or existing projects that have a positive impact on the environment.

In 2021, the Green Bond market grew to around **530 billion dollars in equivalent emissions**. In 2022, analyst forecasts point to growth to between 800 and 900 billion dollars, up by around 60% compared to 2021 (data and forecast source: Climate Bonds Initiative, Bloomberg, Eurizon elaborations - December 2021). The growth factors lie on the demand side – an increasing number of AM players adopt ESG/SRI strategies in fixed income investment – as well as in the growth of investments by private issuers, governments, and supranational bodies, for the transition towards a net-zero economy.

The **creation of shared standards** and the drawing up of a **taxonomy for the classification of projects** are two important steps in supporting the growth of the green bond market. The role played by the central banks will also be important: the Bank of England (BoE) was the first to take a new approach to asset purchases in the direction of sustainable finance ("Greening our Corporate Purchase Scheme"). The BoE has openly set the target of cutting the carbon intensity of its bond portfolio by 25% by 2025, in view of the full alignment with the objective of reaching zero net emissions by 2050. Furthermore, under the **Next Generation EU Recovery Fund**, the European Commission will issue 225 billion euros in green bonds.

Twenty-twenty-one was also the year of COP26, the most important achievement of which was a stricter approach to climate policies: for the first time, the acknowledged goal is to **contain the increase of global temperature to within 1.5°C** above the pre-industrial level, a goal more ambitious than laid out by the Paris Agreement (2°C).

Source: Eurizon Capital SGR S.p.A.
There can be no assurance that these objectives will be achieved or that there will be a return on capital.

Climate change: **risks and consequences on global growth**

How can the risks tied to climate change be measured, therefore allowing the consequences on the economy to be estimated? There are two indicators to consider: **physical risk**, and the **transition risk**. Physical risk is the financial impact of climate changes, including increasingly frequent extreme meteorological events and gradual changes in the weather, as well as environmental degradation, i.e. air, water and soil pollution, water stress, loss of biodiversity, and deforestation. Transition risk represents the financial loss a business entity may incur directly or indirectly as a result of the transition towards a low-carbon emission, more environmentally sustainable economy[1].

CONSEQUENCES ON GLOBAL GDP

The stress test drawn up by Swiss Re Institute, presented in the report published in April 2021[2] and conducted on 48 economies that account for 90% of the world economy, illustrates the **potential consequences of the physical risk to global economic growth**. The research paper focuses on four different scenarios for the increase of global temperatures. According to the Institute, an increase in the average temperature of more than 3°C would result in a potential contraction of the global economy by 18% over the next 30 years. The paper also stresses that the impact could be reduced if both the public and private sector take determined action.

The reduction of GDP at the global levels could stop at 4% if average temperatures do not rise by more than 2°C, allowing the goals laid out by the agreements signed in 2015 by the governments to be achieved. The "Climate and natural catastrophe risk" classifies countries based on vulnerability metrics to extreme weather events, such as droughts and flooding, and on resilience. The final ranking shows that **the hardest hit countries are those that lack structures that allow adjustment to change**.

These countries are concentrated in the developing regions, and include for instance Malaysia, Thailand, India, the Philippines and Indonesia, that are already suffering due to higher temperatures, whereas the Western countries (for instance the USA, Canada, Switzerland, and Germany) seem to be better prepared. However, the string of extreme weather events observed over the past few years are cause for alarm; in 2021 alone, the German village of Schuld was hit by severe flooding in July when the river Ahr overflowed destroying roads and houses, a record-high temperature of 34.8°C was recorded in Moscow in the month of June, storm Filomena brought unprecedented snowfall to Madrid at the beginning of January, causing 1.4 million

1 - https://www.bankingsupervision.Europe.eu/ecb/pub/pdf/ssm.202011finalguideonclimate-relatedandenvironmentalrisks~58213f6564.it.pdf

2 - https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-economics-of-climate-change.html

Climate change: **risks and consequences on global growth**

euros in damage, and a severe storm hit Texas in February, 3.5 million homes and businesses without power, and many vulnerable people in extreme danger due to the cold. These were only a few of the **many extreme weather events** recorded **in 2021** alone.

EFFECTS OF THE TRANSITION TO A ZERO-EMISSIONS ECONOMY

For what concerns the transition, in January 2022 McKinsey published a paper with the title *"The net-zero transition: what it would cost, what it could bring"*, estimating the **negative and positive effects of the transition to a zero-emissions economy**. McKinsey analysed the scope of the economic changes needed to achieve the zero net emissions goals, considering 69 countries and the business sectors that account for 85% of total emissions. The study is based on the Net Zero 2050 scenario outlined by the Network for Greening the Financial System (NGFS).

The analysis led to numerous considerations. First of all, the transition needs to be **universal**: all sectors and countries should participate. The scale of the economic transformations required is significant. The consulting firm estimates at 275 thousand billion dollars (USD 9,200 billion per year on average) the capital that needs to be invested by 2050, equivalent to **7.5% of global GDP**.

Therefore, an extra 3,500 billion dollars need to be invested per year on average, compared to the present, in low-carbon technologies and infrastructures, ranging from renewable energy sources to electric mobility, and spanning all the other sectors (industries, buildings, agriculture, hydrogen production, land and forest management).

At present, around 20% of global GDP is generated by activities that produce high greenhouse gas emissions, whereas the "net-zero" scenario implies a very sharp reduction in the use of all fossil fuels by mid-century. McKinsey also point out the many risks stemming from a "disorderly" transition, i.e. managed too sluggishly by governments and businesses, as well as potential price volatility in the event of energy supply shortages, that would result in higher economic and social costs.

Although the transition to a net-zero economy is dense with near-term risks, in the longer run the process will reduce physical risks and the resulting increases in energy costs, with important effects especially in regions of the world with low per capita incomes. In fact, electricity costs could increase by 25% by 2040, and subsequently drop back to below their present levels after 2050, thanks to the lower operating costs of renewable energy sources.

An interesting aspect pointed out by the paper is that, despite the corrective measures that will have to be put in place at the economic and social levels, the transition should generate **growth opportunities across business sectors and geographical regions**. The net balance of jobs lost and created would be positive by +202 million, created directly and indirectly by the transition.

NET ZERO 2050

The achievement of **net-zero emissions** by 2050 calls for a fundamental transformation of the global economy, although the risks deriving from a "business as usual" approach, or from inadequate climate change policies, are perceived as high by the financial community.

The perception of the high level of risk tied to climate change is by now considered crucial and urgent. At the beginning of January 2022, the World Economic Forum (WEF) published the 17th edition of the Global Risk Report[3], that illustrates the results of the survey of risks as perceived by experts and decision-makers in the various sectors of the global economy.

The "Global Risks Report 2022" places "extreme weather" and "climate action failure" among the five major risks on a near-term horizon (0-2 years).

3 - https://www.weforum.org /reports/global-risks-report-2022/in-full

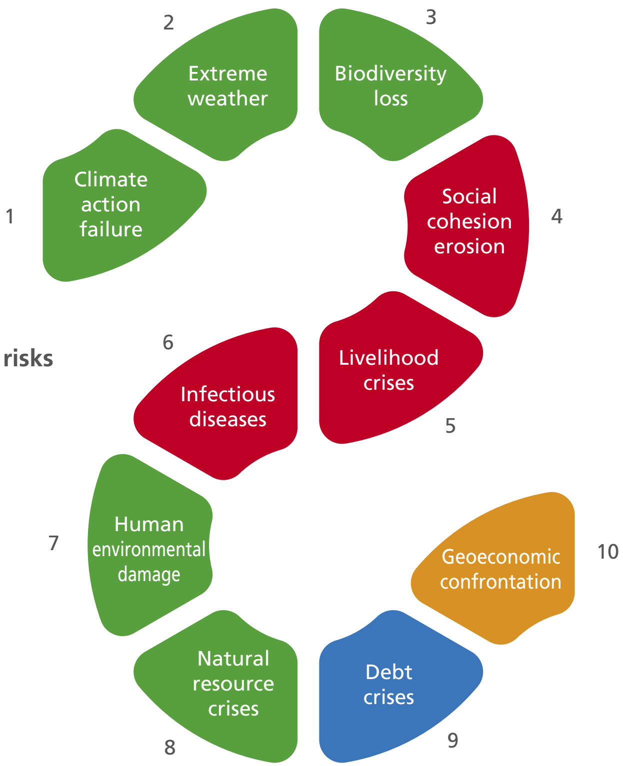
Climate change: **risks and consequences on global growth**

Source: WEF – The Global Risks Report 2022 https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf

In the longer term (5-10 years), the top five perceived risks are all tied to environmental themes. While these findings were already evident in the previous survey (2019-2020) conducted by the WEF, the difference in 2022 is the mounting concern over the possibility of the policies put in place to fight climate change failing, also in light of the economic risks and of the social fractures deriving from the diffusion and management of the Covid-19 pandemic. The COP26 climate change conference, with the adoption of the **Glasgow Climate Pact**, was considered by some commentators as "disappointing" in relation to the many environmental themes discussed, whereas others considered it the best compromise possible.

The final version, subscribed to by almost 200 countries, makes explicit mention, for the first time, of the need to limit the use of fossil fuels, although the goal laid out is a phase-down, rather than a phase-out.

Identifying the major risks on a global scale in the next 10 years

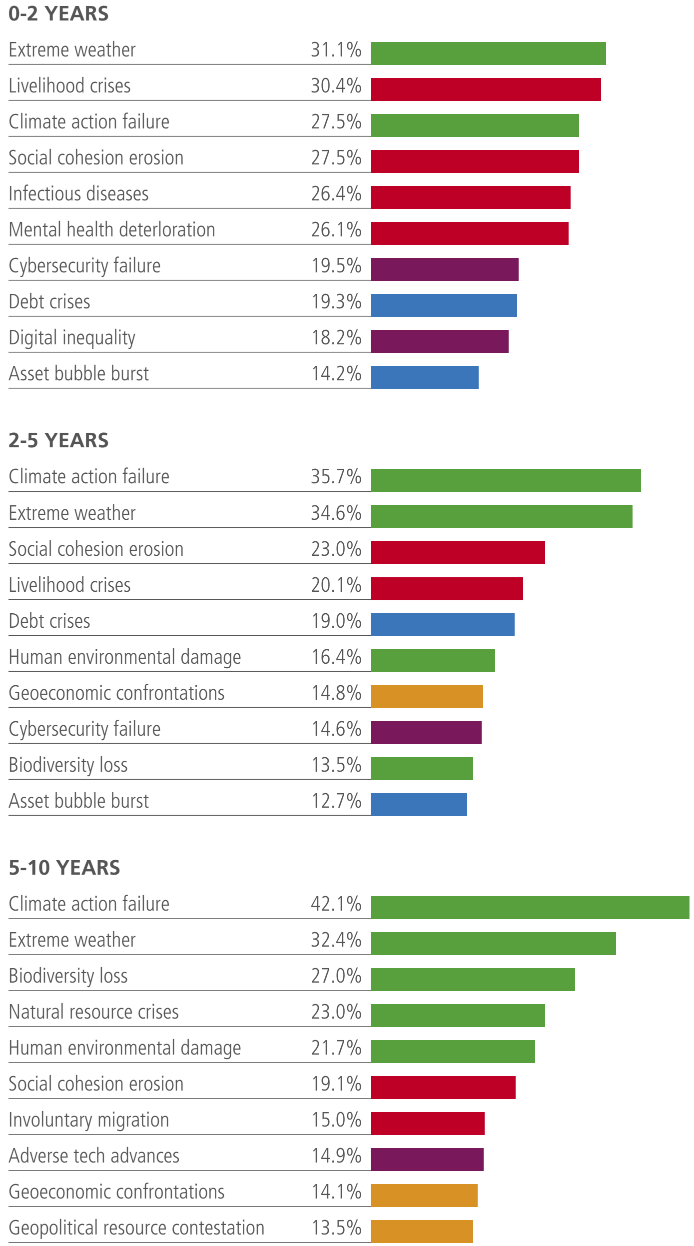


- Economic
- Environmental
- Geopolitical
- Societal
- Technological

Fonte: World Economic Forum
Global Risks Perception Survey 2021 - 2022

Global Risk Horizon

To what extent will this become a critical risk for the planet?



Eurizon's **green** solutions

Eurizon's range of products includes **two funds specialised in investing in Green Bonds: Eurizon Fund - Absolute Green Bonds**, established in 2018 as the first Green Bond sub-fund created by an Italian asset manager, specialised in the international bond markets, and **Eurizon Fund - Green Euro Credit**, established in February 2021 and specialised in green corporate bonds.

The two sub-funds of the Eurizon Fund Luxembourg fund, established by Eurizon Capital S.A. and managed by Eurizon Capital SGR, are **Article 9 funs as per Regulation (EU) 2019/2088** and are therefore considered an impact investment, as they use investment selection methodologies aimed at generating a social or environmental impact, as well as a measurable financial return (so-called **"Impact investing"**).

Eurizon Fund - Absolute Green Bonds contributes to financing projects benefiting the environment, and offers diversification by issuer and by geographical region. The many projects financed by green bonds include wind farms, solar power plants, or other re renewable energy plants, the circular economy (aimed at making devices and/or all their parts recyclable, therefore repeatedly reusable), the creation of barriers against erosion and sea level rise, protections against flooding, and high-energy-efficiency homes. The fund **aims to achieve positive absolute return in the medium term. The management style is flexible** and uses credit, currency and duration strategies. More in detail, the product's duration profile may vary significantly over time: a further advantage in a context of low yields. **Eurizon Fund – Green Euro Credit**, on the other hand, is a **benchmark fund that invests in corporate bonds** mostly denominated in euros, issued to finance projects that benefit the environment. This a sub-fund of the Luxembourg fund Eurizon Fund, established by Eurizon Capital S.A. and managed by Eurizon Capital SGR. The fund aims to achieve a stronger performance than the green corporate bond market as a whole as measured by the benchmark index **(Bloomberg MSCI Euro Corporate Green Bond 5% Capped Index) and adopts an active management style**, using macroeconomic and market analysis to determine portfolio strategies (top-down approach), whereas the selection of green issues is based on a bottom-up approach to identify the assets with the strongest positive environmental or social impact. The fund may also invest in corporate bonds that finance social projects, albeit residually.

The risk/return category indicated may not remain unchanged, and the classification of the fund may change over time. Based on a simulation of historical return over the past five 5 years, **Eurizon Fund - Absolute Green Bonds** is classified as **Category 4**, and **Eurizon Fund - Green Euro Credit** as **Category 3**, on a scale from 1 (minimum) to 7 (maximum). Other risks shared by the two funds that are not adequately represented by the synthetic index are: counterparty risk and risks tied to collateral – an entity with which the fund trades, including entities with temporary or long-term custody of fund assets, may not be willing, or be able, to meet its obligations towards the fund; insolvency risk – the issuers of some bonds may not be able to make payments on their bonds; liquidity risk – any asset could become hard to value or to sell at the desired price or time. Liquidity risk may have an impact on the value of the fund and could induce the fund to suspend operations on its shares; operational risk – fund operations may be subject to human error, process or governance defects, or technological malfunctions, including lack of prevention or the discovery of cyber attacks, data theft, sabotage, or other incidents of an electronic nature; risk tied to standard practices – well-established investment management practices that led to positive results in the past – could prove ineffective in taking on specific conditions. Please read the KIID and the Prospectus for a detailed description of the risks tied to investing in theses sub-funds.

No guarantee is offered that these objectives will be reached, or that the investment will generate return.

Eurizon's **green** investment process

Both products, **Eurizon Fund - Absolute Green Bonds** and **Eurizon Fund - Green Euro Credit** managed by the Green and Sustainable Finance team, adopt an asset selection process that excludes bonds issued by issuers or in industries that have a low ESG score, or that are involved in the controversial weapons industry. Also, the bonds must adopt a due diligence programme that complies with the **Green Bond Principles (GBP)**, as defined by the **International Capital Market Association (ICMA)**, and with the Green Bond Standard (GBS) European regulatory framework. In assessing the individual projects, credit fundamentals analysis is combined with specialised techniques aimed at assessing the "greenness" of the bond, selecting those that hold the highest value. Specifically, the bonds are classified based on a **"greenness scale" with five levels, from "brown" to "dark green"**, combining qualitative and quantitative analyses. The first step is an ex-ante or qualitative analysis of the projects financed, followed by an ex-post or quantitative analysis:

- **Ex-ante valuation:** conducted using a mostly qualitative process, geared to analysing the issue before it is placed on the market, or in the period prior to the publication of the impact report by the issuer, and based on the documentation made available by the issuer and the information gathered during bond placement.

- **Ex-post valuation:** conducted using a mostly quantitative process, based on the impact reports published by the issuer and based on an analysis of the documentation provided by the issuer, and/or calls with the issuer, and/o information made available by external info providers. Furthermore, the environmental goals updated by the company are assessed, as also the various environmental metrics, based on both punctual data and their evolution over time tempo. The process is repeated at least annually, or when new information on the issuer/issue become available on the market.

How we identify **green issues**: from theory to practice

We make considerable efforts on the research front to avoid instances of greenwashing.
More in detail, we scan the "green" universe and select financial instruments that boast a high level of environmental sustainability, awarding a preference to the sectors in which the positive environmental impact is stronger. Our process for the selection of green issues is detailed below.

Source: Eurizon.
There can be no assurance that the investment objective will be achieved or that there will be a return on capital.

Use of proceeds

- List of key project categories
- Project examples
- Ratio of Expected uses/Proceeds greater than one
- Indication of the percentage of financing and/or refinancing
- Length of the lookback period

Process for Project Evaluation and Selection

- Detailed description of the selection process of the projects to be funded
- Dedicated governance units with description of the organizational role of these structures
- Involvement of experts external to the company

External review

- Robustness of the Green Bond Framework and alignment with the GBPs
- Quality of the certification
- Presence of the CBI certification
- Indication of the SDG targets associated to the projects
- ESG coverage by a rating agency

Management of Proceeds

- Level of disclosure related to the allocation of proceeds
- Presence of internal and/or external auditors
- Dedicated accounts
- Fund allocation tracking
- Existence of a replacement process in case of partial or complete project withdrawal

Reporting

- Presence of an Annual Sustainability Report
- Verification of changes related to the GBPs and adjustments made by the company
- Indication of KPIs (key sustainability performance indicators)

Why an **Impact Report**

The impact report is a document that **describes and quantifies the environmental impact of projects financed through green issues**. It is a very useful tool for investors interested in assessing the positive externalities generated by their investments. Investors are given a **detailed breakdown** of where their capital is invested, of what they are financing, mostly on the environmental front, but also in the social sphere, and of the results they are achieving.

The report is divided into two sections. The first offers a definition of green bond, analysing the impetuous growth of the market in recent years, both in terms of the number of issues and of diversification (for instance, by issuer, by business sector, and by country). **The findings of the quantitative analysis of the impact of the green investments are** then **described**, providing evidence of the **sustainable development goals (SDG) intercepted**. Green bonds are instruments that relate to the theme of sustainable development finance, and therefore help achieve these objectives.

MainStreet Partners

MainStreet Partners was founded in 2008 with a big dream in mind: to help investors achieve consistent financial returns while improving people's lives and protecting our planet.

Today MainStreet Partners has become one of the most established companies specialised in ESG Advisory and Portfolio Analytics on sustainable, ESG and impact investments.

MainStreet Partners is based in London and regulated by the Financial Conduct Authority and consists of two main divisions:

- **ESG Investment Advisory** offers bespoke investment solutions for creating ESG multi-asset and multi-manager portfolios with mutual funds, single stocks and bonds. The company develops products with its partners which target United Nations Sustainable Development Goals or thematic investments;

- **Portfolio Analytics** provides a holistic approach to ESG data analysis such as transparent and detailed equities, bonds and funds ESG ratings, assessment of clients' portfolios to enhance their ESG profile and align them with the "green" regulations.

European taxonomy and **Greenwashing**

When talking of green bonds, there is increasing mention of the word **Taxonomy**. What does it mean, and most importantly, what is it for? In 2018 the **European Commission** published an **action plan on financing sustainable growth**, in accordance with the recommendations provided by a technical Expert Group (EU TEG) appointed by the European Commission. The taxonomy is one of the instruments identified by experts to **channel financial capitals towards sustainable assets, manage financial risks tied deriving from climate change, promote transparency, and achieve sustainable and inclusive growth in Europe**. In addition to the taxonomy, other tools are the creation of green standards and labels for financial products, and the introduction of new categories of low-carbon benchmarks.

WHAT IS THE EU TAXONOMY FOR?

The European taxonomy is aimed at **identifying which economic and financial activities are** environmentally **sustainable or not**. The taxonomy **creates a common European language** to protect investors and businesses from Greenwashing.

Greenwashing consists of providing misleading information on a company's environmental friendliness and sustainability. At the European level, the taxonomy system is crucial to achieve the objectives Europe has laid out fir itself, and will help businesses in the transition process towards an economy in line with the European goals: both the intermediate objective of cutting net CO_2 emissions by 55% by 2030, and the climate-neutrality goal by 2050. Within the EU, the taxonomy has already become part of Community Law through the adoption of a dedicated regulation (2020/852), that came into force in July 2020, and that lays out **six highly challenging objectives: climate change mitigation and adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, the reduction and**

reuse of waste, pollution prevention and control, and the protection and restoration of biodiversity and of ecosystems.

Based on the taxonomy timeframe, by the end of 2023 the taxonomy eligibility and alignment of assets will have to be reported by financial operators, including asset managers and banks.

The eligibility of an un asset essentially rests on a certain activity making a substantial contribution to at least one of the taxonomy's objectives, whereas alignment goes further and identifies activities that meet the technical screening criteria, as well as the "Do Not Significant Harm" (DNSH) and Minimal Social Safeguards (MSS) criteria. At the beginning of February 2022, the European Commission approved a delegated act (subject to the veto of the European Parliament and the European Council) that includes, under strict conditions, activities tied to the gas and nuclear energy sectors in the list of economic activities covered by the EU Taxonomy. The Commission stressed that **the technical criteria required for gas and nuclear are in line with the EU's goals on climate and on the environment**, and will help accelerate the transition from fossil fuels, that have a higher environmental impact, to a carbon-neutral future.

Actual enforcement of the taxonomy will be gradual, to allow financial operators to equip themselves with the necessary tools for its full adoption. The Non- Financial Reporting Directive (NFRD) requires financial and non-financial institutions to disclose the percentage of their taxonomy-eligible activities by the end of 2022, in relation, however, only to the first two requirements, i.e. climate change mitigation and adaptation.

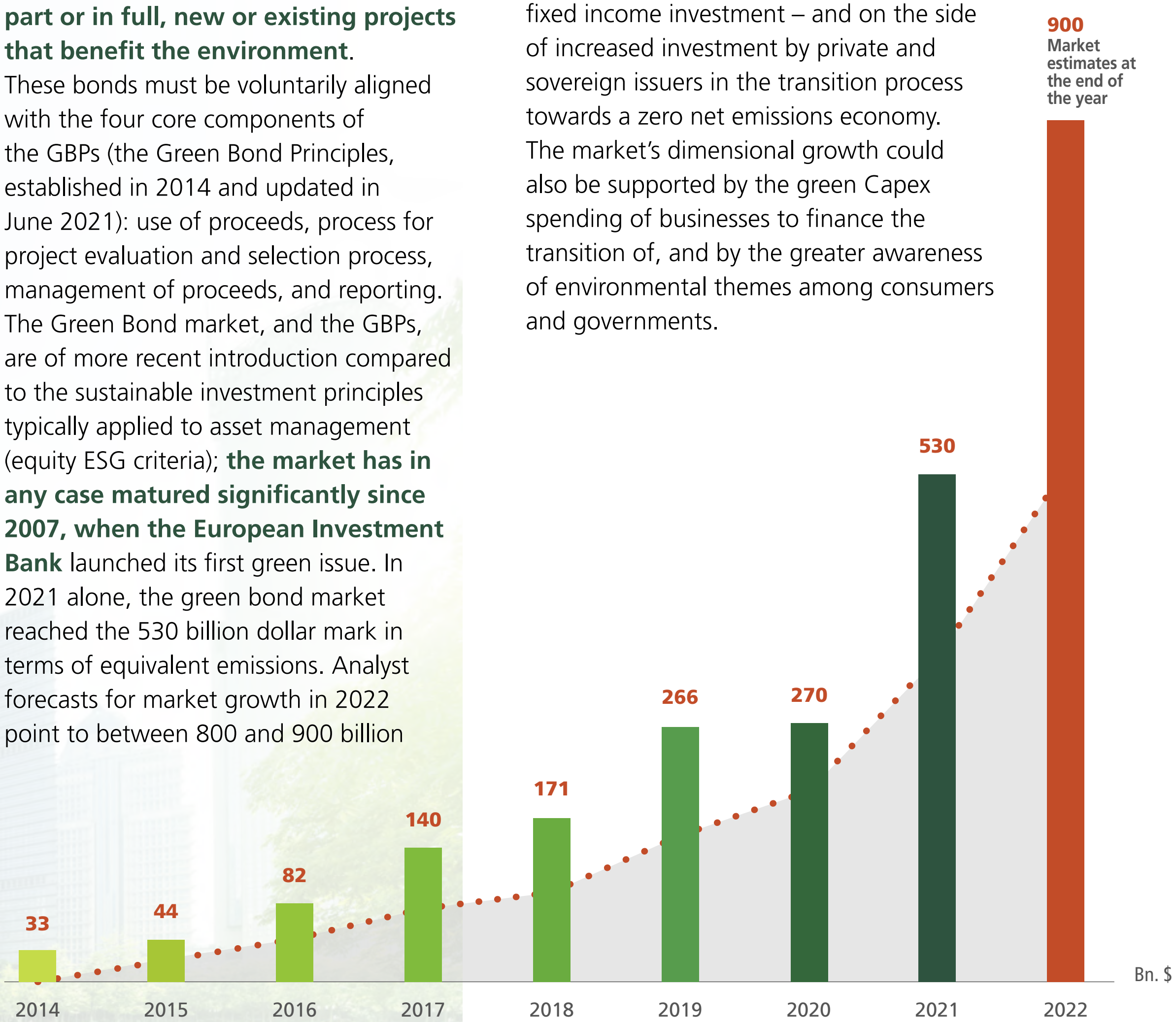
Starting in 2024, financial firms will have to certify their alignment with the taxonomy. Furthermore, by the end of 2023, banks will have disclose their Green Asset Ratio (GAR, assets that finance EU Taxonomy-eligible activities on the total banking book, excluding the government bond component) required and monitored by the EBA, and asset managers their Green Investment Ratio (GIR).

By the end of
2023
Disclosure of the Green Asset Ratio by banks (assets that finance EU taxonomy-eligible activities in relation to the banking book, excluding the sovereign component)

Starting in
2024
Starting in 2024, financial firms will have to publish their alignment with the taxonomy

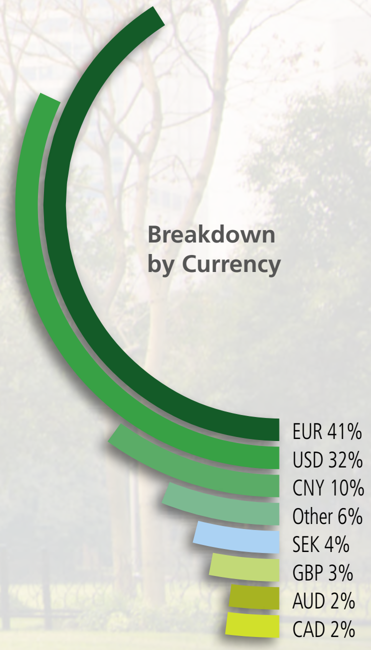
The **Green Bonds** market

WHAT IS A GREEN BOND?
Green Bonds are bond instruments the proceeds of which will be used exclusively to finance or refinance, in part or in full, new or existing projects that benefit the environment.
These bonds must be voluntarily aligned with the four core components of the GBPs (the Green Bond Principles, established in 2014 and updated in June 2021): use of proceeds, process for project evaluation and selection process, management of proceeds, and reporting. The Green Bond market, and the GBPs, are of more recent introduction compared to the sustainable investment principles typically applied to asset management (equity ESG criteria); **the market has in any case matured significantly since 2007, when the European Investment Bank** launched its first green issue. In 2021 alone, the green bond market reached the 530 billion dollar mark in terms of equivalent emissions. Analyst forecasts for market growth in 2022 point to between 800 and 900 billion dollars, around 60% more than in 2021. Growth factors are positioned both on the demand side – an increasing number of players adopt SRI/ ESG strategies in fixed income investment – and on the side of increased investment by private and sovereign issuers in the transition process towards a zero net emissions economy. The market's dimensional growth could also be supported by the green Capex spending of businesses to finance the transition of, and by the greater awareness of environmental themes among consumers and governments.

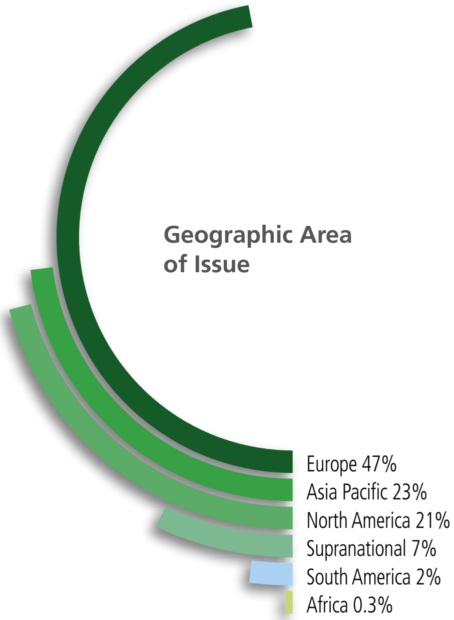


Source: Clima Bonds Initiative Bloomberg Data and estimate - December 2021

Over time, **an important market has developed for this type of bonds**, both in absolute terms, from a size standpoint, and in terms of geographical and currency diversification. Most green are **rated investment grade**, also thanks to the contribution made in terms of credit standing by governments, agencies, and supranational bodies that issue assets. As regards currencies, **over 80% of the market is denominated in three currencies** (euro, US dollar, and Chinese renminbi). However, other G10 currencies are also commonly used, such as the Swedish krona, pound sterling, the Australian dollar, the Canadian dollar, and some emerging country currencies. For what concerns geographical distribution, **Europe remains the most important contributor** (led by France, followed by Germany and Holland), ahead of North America and the Asia-Pacific region (mostly accounted for by China). Among advanced country sovereign issuers, **Italy made its mark by issuing its first green bond in March 2021**, that was welcomed by investors: issues of 8.5 billion maturing in 2045 sparked investor demand worth 76 billion euros. In October 2021, the EU launched a 15-year bond worth at total of 12 billion euros, subsequently tapped in January 2022 for a further 2.5 billion euros.



Source: Climate Bond Initiative Data - December 2021



Source: Climate Bond Initiative Data - December 2021

The European Union plans to implement a large green bond issuance plan up to 2026, to finance 30% of the NGEU programme, amounting to around 250 billion euros to promote projects aligned with the international agreements entered into (Paris Agreement). In the course of 2022, the European Union is expected to place around 30 billion euros in green bond issues. This forecast could be revised upwards should the EU decide to step up green issues to finance the new REPowerEU plan. Further issues are also expected from numerous European governments, some of which will address the green bond market for the first time. As regards corporate issuers, analysts expect **growth** to be **driven by the demand for energy from renewable sources, for energy stocking, and energy efficiency**. The most active sectors could include real estate, the automotive sector, TMT, and the industrial sector. Issuers will mostly be investment grade, although the presence of high yield issuers should increase. In the emerging markets group, developing countries will contribute to growth, but will continue to lag the advanced markets, and the European market in particular.

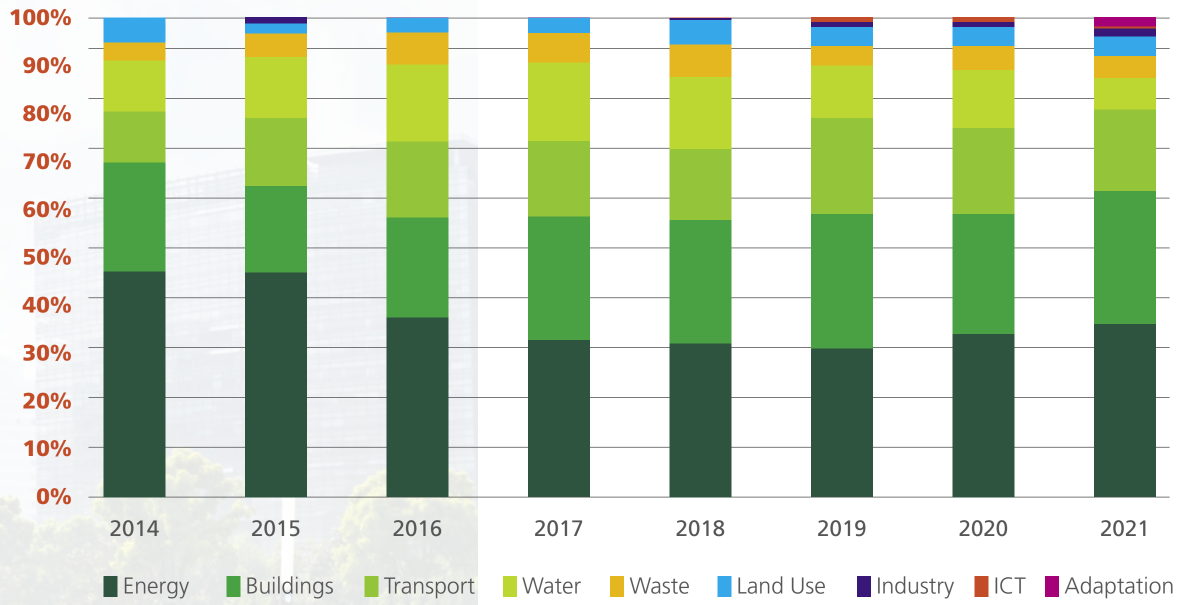
The **financial sector continues to represent an important segment of the market, accounting for a share of around 33%**, while the weight of other corporate issuers is also increasing, accounting for a 30% share of total issues since the market was created (Bnef data). Mounting interest in, and awareness of, climate change and pollution control themes have further helped the growth in issues, that have also diversified by seniority (senior, subordinate, etc.) and rating. The participation of High Yield corporate issuers has in fact increased.

The creation of shared standards and the drawing up of a taxonomy for the classification of projects are two important steps in supporting the growth of the green bond market. The role played by the central banks will also be important. The **Bank of England** was the first central bank to take a new approach to asset purchases in the direction of sustainable finance ("Greening our Corporate Purchase Scheme"). **The BoE has openly set the target of cutting the carbon intensity of its bond portfolio by**, in view of the full alignment with the objective of reaching zero net emissions by 2050, and also stresses the need for a greater and more standardised disclosures by issuers.

Twenty-twenty-one was also the year of **COP26**, held in Glasgow after being postponed twice due to the spread of Covid-19. After two weeks of intense negotiations, the **COP26** yielded the **Glasgow Climate Pact**, considered by some commentators as disappointing in relation to the many environmental themes discussed during the conference, while others believe it represents the best possible compromise. The final version, subscribed to by almost 200 countries, makes explicit mention, for the first time, of the need to limit the use of fossil fuels. For the first time, it is acknowledged that the aim of climate policies must be to keep global warming limited to within 1.5°C compared to pre-industrial levels. Having set a more ambitious target than the 2°C goal of the Paris Agreement is one of the most important results of COP26. **The Glasgow Climate Pact** also calls on nations to **update their nationally determined contributions (NDCs) to decarbonisation by 2022**, and on the richer countries to **double financing initiatives to support the adaptation of developing countries to climate change.**

Achievement of the 100 billion dollars per year promised in 2009 in Copenhagen has been postponed to 2023. Progress has also been made in the finalisation of the Paris Rulebook, that provides practical guidance for the implementation of the Paris Agreement. After several years of negotiation, consensus has been reached among the parties involved on Article 6, one of the sections left pending. Lastly, the energy crisis and the current international geopolitical context are creating **new balances**, and are **factors that may help accelerate the energy transition** and reduce dependence on Russian gas imports and, more in general, on fossil fuels.

Sector Evolution



Source: Climate Bonds Initiative - data as of 31/12/2021

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Eurizon Fund -
Absolute Green Bonds

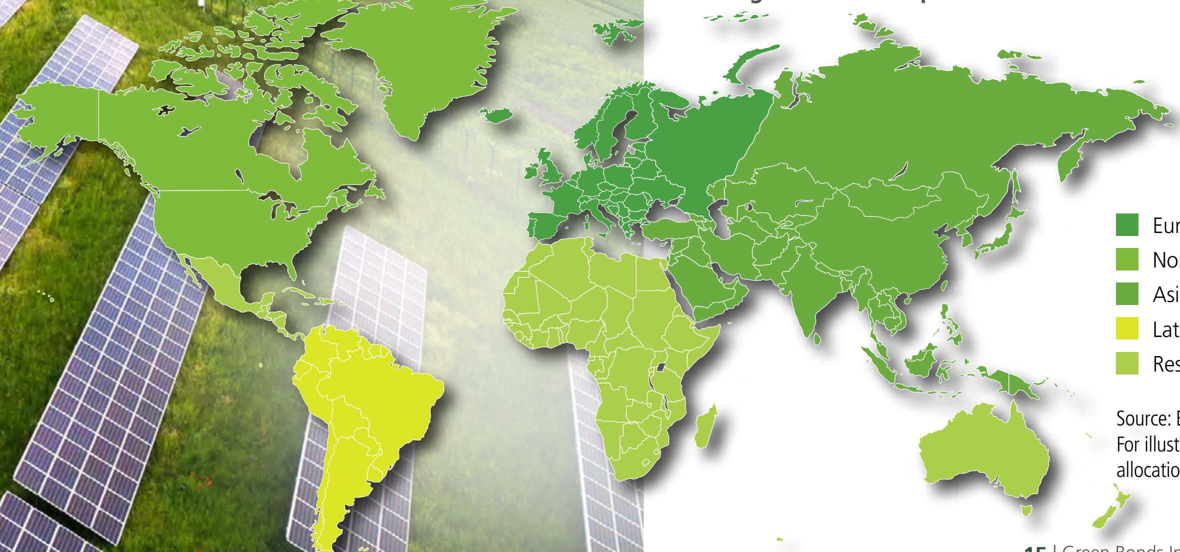
From 1 January 2021 to 31 December 2021, the sub-fund invested in 508 green bonds and green themes.

A description follows below of how the bonds contribute to the pursuit of Sustainable Development Goals (SDGs), as approved by the United Nations (UN). Each green bond and green theme can contribute to one or more SDG.

Source: Eurizon Capital SGR S.p.A. For illustrative purposes only. Holdings/allocations are subject to change.

13 CLIMATE ACTION	497	97%
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	496	97%
7 AFFORDABLE AND CLEAN ENERGY	427	83%
3 GOOD HEALTH AND WELL-BEING	412	80%
11 SUSTAINABLE CITIES AND COMMUNITIES	410	80%
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	227	44%
6 CLEAN WATER AND SANITATION	143	28%
2 ZERO HUNGER	126	25%
14 LIFE BELOW WATER	101	20%
15 LIFE ON LAND	101	20%

In which regions of the world we generate an impact



- Europe 65.8%
- North America 23.4%
- Asia and Pacific 6.5%
- Latin America 2.9%
- Rest of the World 1.5%

Source: Eurizon Capital SGR S.p.A.
For illustrative purposes only. Holdings/allocations are subject to change.

Eurizon Fund -
Green Euro Credit

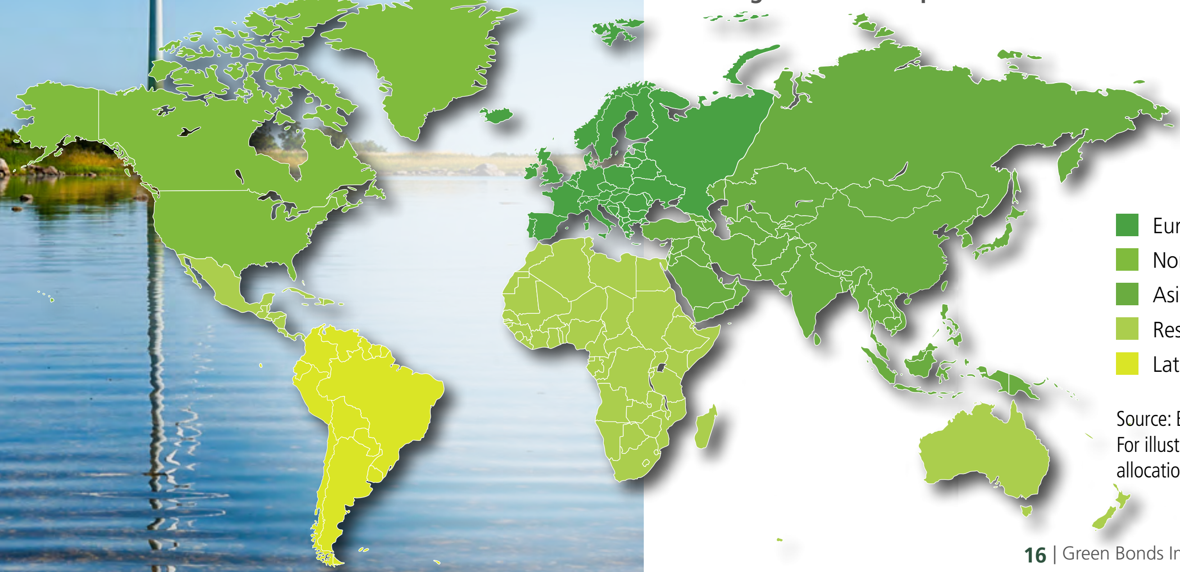
Eurizon Fund – Green Euro Credit has been launched on february 2021. From 1 June 2021 to 31 December 2021, the sub-fund invested in 263 green bonds and green themes.

A description follows below of how the bonds contribute to the pursuit of Sustainable Development Goals (SDGs), as approved by the United Nations (UN). Each green bond and green theme can contribute to one or more SDG.

Source: Eurizon Capital SGR S.p.A. For illustrative purposes only. Holdings/allocations are subject to change.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	256	96%
13 CLIMATE ACTION	253	95%
11 SUSTAINABLE CITIES AND COMMUNITIES	223	84%
3 GOOD HEALTH AND WELL-BEING	215	81%
7 AFFORDABLE AND CLEAN ENERGY	215	81%
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	106	40%
6 CLEAN WATER AND SANITATION	62	23%
2 ZERO HUNGER	57	21%
14 LIFE BELOW WATER	47	18%
15 LIFE ON LAND	47	18%

In which regions of the world we generate an impact



- Europe 91.3%
- North America 6.0%
- Asia and Pacific 2.3%
- Rest of the World 0.4%
- Latin America 0.0%

Source: Eurizon Capital SGR S.p.A. For illustrative purposes only. Holdings/allocations are subject to change.

SDG Case Study

GOOD HEALTH AND WELL-BEING

SDG 3 GOOD HEALTH AND WELL-BEING

We have made great progress against several leading causes of death and disease. Life expectancy has increased dramatically; infant and maternal mortality rates have declined, we've turned the tide on HIV and malaria deaths have halved.
Good health is essential to sustainable development and the 2030 Agenda reflects the complexity and interconnectedness of the two. It takes into account widening economic and social inequalities, rapid urbanization, threats to the climate and the environment, the continuing burden of HIV and other infectious diseases, and emerging challenges such as noncommunicable diseases. Universal health coverage will be integral to achieving SDG 3, ending poverty and reducing inequalities. Emerging global health priorities not explicitly included in the SDGs, including antimicrobial resistance, also demand action.
But the world is off-track to achieve the health-related SDGs. Progress has been uneven, both between and within countries. There's a 31-year gap between the countries with the shortest and longest life expectancies. And while some countries have made impressive gains, national averages hide that many are being left behind. Multisectoral, rights-based and gender-sensitive approaches are essential to address inequalities and to build good health for all.

Banco Comercial Português

- **Emittente**: Banco Comercial Português, also Portuguese Commercial Bank, is the largest private bank in the country. The bank has been partnering with several institutions to provide solutions to severe health difficulties, for example via initiatives such as "Children with Cancer" or assisting the "Burned Unit" of the Estefânia Hospital for the purchase of specialised medical equipment.
- **Use of Proceeds:** Proceeds are in part directed towards healthcare facilities, such as public hospitals, clinics and healthcare centres providing free of charge medical care. Some of the loans granted thanks to this bond are also directed towards research and development on antiviral drugs and/or vaccines as well as manufacturing and acquisition of relevant pandemics-related medicines and medical equipment.

CLEAN WATER AND SANITATION

SDG 6 CLEAN WATER AND SANITATION

Water scarcity affects more than 40 percent of people, an alarming figure that is projected to rise as temperatures do. Although 2.1 billion people have improved water sanitation since 1990, dwindling drinking water supplies are affecting every continent.
More and more countries are experiencing water stress, and increasing drought and desertification is already worsening these trends. By 2050, it is projected that at least one in four people will suffer recurring water shortages.
Safe and affordable drinking water for all by 2030 requires we invest in adequate infrastructure, provide sanitation facilities, and encourage hygiene. Protecting and restoring water-related ecosystems is essential.
Ensuring universal safe and affordable drinking water involves reaching over 800 million people who lack basic services and improving accessibility and safety of services for over two billion.
In 2015, 4.5 billion people lacked safely managed sanitation services (with adequately disposed or treated excreta) and 2.3 billion lacked even basic sanitation.

SDG Case Study

Bazalgette Finance Plc

- **Issuer**: Thames Tideway Tunnel, the institution behind the bond, is a company owned by a consortium of investors managing a range of infrastructure assets across the UK
- **Use of Proceeds**: The organisation will use the bond to reach its objective to provide a 25 km sewer running the tidal section of the River Thames across Inner London that will capture and store raw sewage and rainwater that overflows into the estuary. It is expected that the development of the tunnel will reduce the amount of sewage discharged into the River Thames by 95%.

SDG 7 AFFORDABLE AND CLEAN ENERGY

Between 2000 and 2018, the number of people with electricity increased from 78 to 90 percent, and the numbers without electricity dipped to 789 million.

Yet as the population continues to grow, so will the demand for cheap energy, and an economy reliant on fossil fuels is creating drastic changes to our climate.

Investing in solar, wind and thermal power, improving energy productivity, and ensuring energy for all is vital if we are to achieve SDG 7 by 2030.

Expanding infrastructure and upgrading technology to provide clean and more efficient energy in all countries will encourage growth and help the environment.

SSE Plc

- **Issuer**: SSE plc is a Scottish multinational energy company, with strong presence across the UK and Ireland. The company is one of the leading generators of renewable electricity and one of the largest electricity network companies in the UK.
- **Use of Proceeds**: The issuance of the green bond, which will finance renewable energy and transmission infrastructure, will help SSE achieve its long-term commitment of reaching net zero by 2050. As one of the largest energy providers in the UK, SSE has announced plans to substantially increase their investment in the construction of new renewable energy generation facilities, as well as carrying out improvements to the transmission of renewable energy to the main grid.

SDG 11 SUSTAINABLE CITIES AND COMMUNITIES

More than half of us live in cities. By 2050, two-thirds of all humanity—6.5 billion people—will be urban. Sustainable development cannot be achieved without significantly transforming the way we build and manage our urban spaces.

The rapid growth of cities—a result of rising populations and increasing migration—has led to a boom in mega-cities, especially in the developing world, and slums are becoming a more significant feature of urban life.

Making cities sustainable means creating career and business opportunities, safe and affordable housing, and building resilient societies and economies. It involves investment in public transport, creating green public spaces, and improving urban planning and management in participatory and inclusive ways.

AP Moller Maersk

- **Issuer**: AP Moller Maersk is the largest container shipping operator in the world. The company issued their inaugural green bond with the aim of accelerating the transition of the shipping industry and have committed to reach net zero from their ocean activities by 2050.
- **Use of Proceeds**: As part of their de-carbonization efforts, AP Moller Maersk will finance the acquisition of container vessels that can operate with 'green' methanol, which will bring substantial greenhouse gas emission reductions to their operations. The company is the first from the industry to commission

SDG
Case Study

low-carbon container vessels, representing an important step towards decarbonising the shipping sector.

SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Achieving economic growth and sustainable development requires that we urgently reduce our ecological footprint by changing the way we produce and consume goods and resources. Agriculture is the biggest user of water worldwide, and irrigation now claims close to 70 percent of all freshwater for human use.
The efficient management of our shared natural resources, and the way we dispose of toxic waste and pollutants, are important targets to achieve this goal.
Encouraging industries, businesses and consumers to recycle and reduce waste is equally important, as is supporting developing countries to move towards more sustainable patterns of consumption by 2030.
A large share of the world population is still consuming far too little to meet even their basic needs. Halving the per capita of global food waste at the retailer and consumer levels is also important for creating more efficient production and supply chains. This can help with food security, and shift us towards a more resource efficient economy.

Micron Technology
- **Issuer**: Micron Technology is one of the world's largest semiconductor companies, with the company primarily engaged in the production of computer memory and data storage solutions.
- **Use of Proceeds**: Due to the nature of the industry, production processes usually release large amounts of hazardous substances, which pose environmental and health risks if not properly treated. As part of their Use of Proceeds, the company will be financing the development of products that make efficient use of materials and the recovery/reuse of components across the supply chain. These activities are in line with the company's 2030 target of reusing, recycling, and recovering 95% of the waste they produce, whilst ensuring that zero waste is sent to landfill.

SDG 13 CLIMATE ACTION

There is no country that is not experiencing the drastic effects of climate change. Greenhouse gas emissions are more than 50 percent higher than in 1990. Global warming is causing long-lasting changes to our climate system, which threatens irreversible consequences if we do not act.
The annual average economic losses from climate-related disasters are in the hundreds of billions of dollars. This is not to mention the human impact of geo-physical disasters, which are 91 percent climate-related, and which between 1998 and 2017 killed 1.3 million people, and left 4.4 billion injured.
The goal aims to mobilize US$100 billion annually by 2020 to address the needs of developing countries to both adapt to climate change and invest in low-carbon development.
Supporting vulnerable regions will directly contribute not only to Goal 13 but also to the other SDGs. These actions must also go hand in hand with efforts to integrate disaster risk measures, sustainable natural resource management, and human security into national development strategies. It is still possible, with strong political will, increased investment, and using existing technology, to limit the increase in global mean temperature to two degrees Celsius above pre-industrial levels, aiming at 1.5°C, but this requires urgent and ambitious collective action.

CBRE Global Investors
- **Issuer**: CBRE Global Investors is one of the largest global commercial real estate firms, with infrastructural assets across Europe, North America, and Asia. In the

European Union, it is estimated that 75% of current building stock is not energy efficient. The renovation of existing buildings is therefore crucial to reduce EU's energy consumption.

- **Use of Proceeds**: As part of the issuer's their efforts to decarbonize their portfolio, CBRE will finance the acquisition of newly built energy efficient buildings and the renovations of buildings, in line with the criteria set by the EU Taxonomy activities related to real estate. This activity is aligned with CBRE's goal of ensuring that by 2030 at least 50% of its portfolio is certified as "energy-efficient".

EURIZON
ASSET MANAGEMENT

Eurizon Fund - **Absolute Green Bonds Impact** Report

The environmental and social results of Eurizon Fund - Absolute Green Bonds sub-fund are shown in the charts below. The most common analysis metrics were used, calculating the impact generated by the portfolio as a whole and for each million euros invested in the strategy.

From 1 January 2021 to 31 December 2021 Eurizon Fund - Absolute Green Bonds has invested in 508 Green and thematic bonds. The investments made by Eurizon Fund - Absolute Green Bonds contributed to the achievement of the following environmental and social impact results:*

*Source: see methodological notes - data as of 31/12/2021

The plants financed for the production of renewable energy have a generating capacity of
965 Megawatt

Equal to 3,016,434 solar panels installed on homes

The energy production deriving from these plants is eq ual to
2,253,793 Megawatt/hour

Equal to the energy consumed by 626,054 European citizens in a year

Investments in sustainable infrastructure (real estate and transport) have contributed to energy savings of
121,728 Megawatt/hour

Enough to make 1,308,908 trips between Milan and Rome with an electric car

Overall, annual emissions were reduced by
1,913,475 tons of carbon dioxide

Equivalent to the amount absorbed by 9,122 square kilometres of forest in a year

Investments in production plants and production processes have allowed
590,230,014 litres of water

Equal to 236 olympic swimming pools

Funding for waste management projects has led to the recycling of
56,476 tons of waste

Equal to 11,295,156 recycled garbage cans

Equal to the annual production of waste by 112,502 people

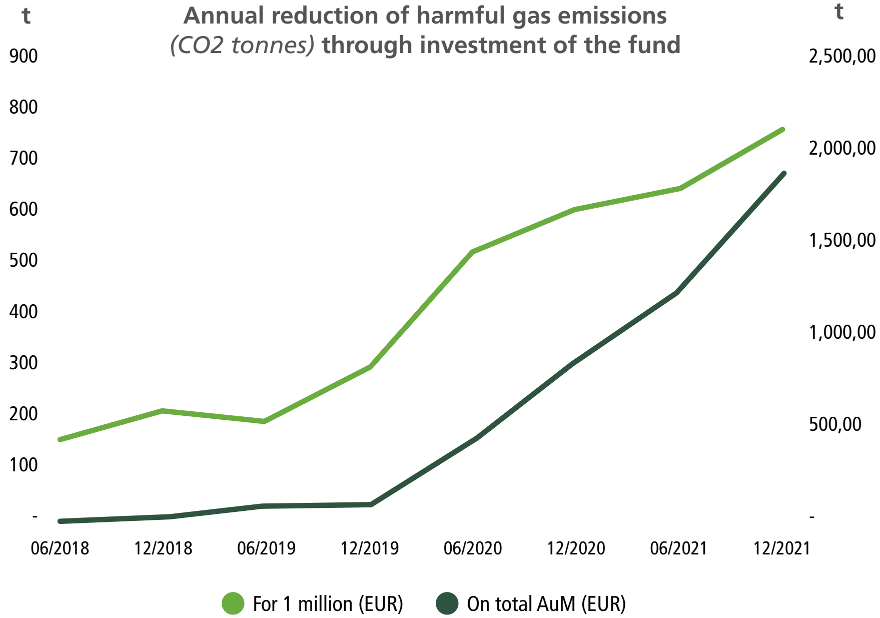
The employment created by the total portfolio is equal to
13 jobs

0 5 5
Sustainability Score

Source: Eurizon Capital SGR S.p.A.
For illustrative purposes only. Holdings/allocations are subject to change
Source of the data and rating: MainStreet Partners. Please see page 26 of this document for more information on the rating calculation methodology.

Eurizon Fund - **Absolute Green Bonds Impact** Report

Annual reduction of harmful gas emissions *(CO2 tonnes)* **through investment of the fund**



Source of rating: MainStreet Partners. Please see page 26 of this report for more information on the calculation methodology of this rating.

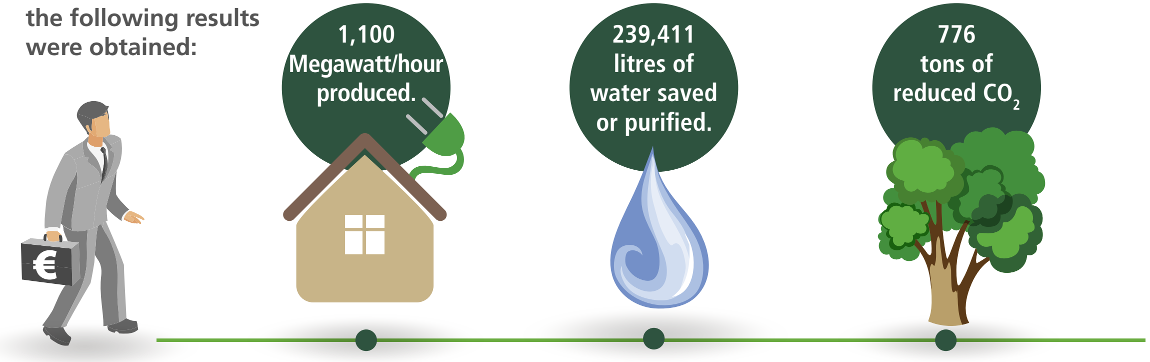
Through which types of projects have we generated an impact*.

- Renewable Energy 23.8%
- Clean Transport 15.7%
- Energy Efficiency 15.2%
- Ecological Housing 15.1%
- Water management 8.7%
- Waste management 8.3%
- Sustainable Resource Management 6.1%
- Adaptation to Climate Change 2.7%
- Circular Economy 2.0%
- Other 1.6%
- Socio-economic advancement 0.4%
- SME Financing 0.4%

Source: see methodological notes - data as of 31/12/2021

*The types of projects funded reflect those established by the Green Bond Principles promoted by the ICMA. The data refer to the percentage of the portfolio accounted for by Green and theme bonds.

For each million invested, the following results were obtained:



Equivalent to the energy consumed by 305 European citizens in a year

Equivalent to 6,840 showers saved

Equivalent to the CO_2 absorbed by 3.70 km² of forest in a year

Source: Eurizon Capital SGR S.p.A.
For illustrative purposes only.
Holdings/allocations are subject to change.

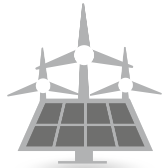
Data source: MainStreet Partners.

Eurizon Fund - **Green Euro Credit Impact** Report

The environmental and social results of Eurizon Fund - Green Euro Credit sub-fund are shown in the charts below. The most common analysis metrics were used, calculating the impact generated by the portfolio as a whole and for each million euros invested in the strategy.

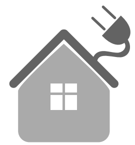
From 1 June 2021 to 31 December 2021 Eurizon Fund - Green Euro Credit has invested in 263 Green and thematic bonds. The investments made by Eurizon Fund - Absolute Green Bonds contributed to the achievement of the following environmental and social impact results:*

The plants financed for the production of renewable energy have a generating capacity of
47 Megawatt



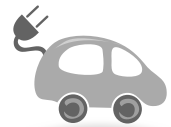
Equal to 145,520 solar panels
installed on homes

The energy production deriving from these plants is eq ual to
106,133 Megawatt/hour



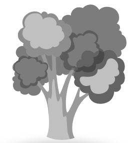
Equal to the energy consumed by 29,481 European citizens
in a year

Investments in sustainable infrastructure (real estate and transport) have contributed to energy savings of
8,240 Megawatt/hour



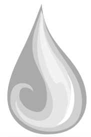
Enough to make 88,603 trips
between Milan and Rome with an electric car

Overall, annual emissions were reduced by
84,676 tons of carbon dioxide



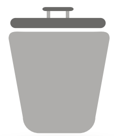
Equivalent to the amount absorbed by 404 square kilometres
of forest in a year

Investments in production plants and production processes have allowed
25,686,712 litres of water



Equal to 10 olympic swimming pools

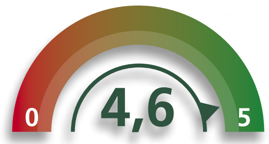
Funding for waste management projects has led to the recycling of
710 tons of waste



Equal to 141,944 recycled garbage cans

Equal to the annual waste production of 1,414 people

The employment created by the total portfolio is equal to
62 jobs

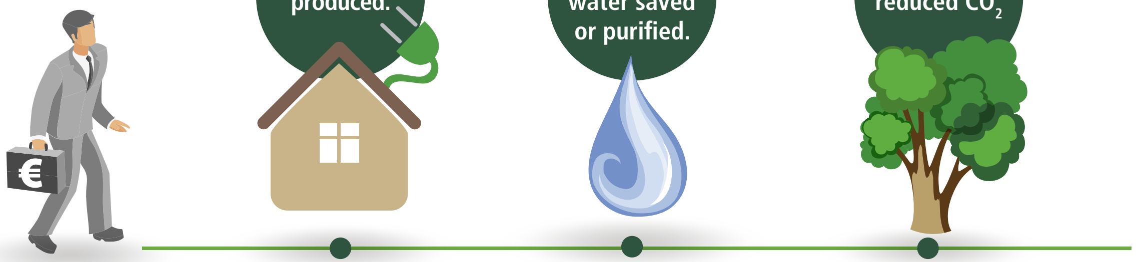


Sustainability Score

*Source: see methodological notes - data as of 31/12/2021.
Source: Eurizon Capital SGR S.p.A.
For illustrative purposes only. Holdings/allocations are subject to change.
Rating source: MainStreet Partners. Please see page 26 of this document for more information on the rating calculation methodology.

Eurizon Fund -
Green Euro Credit
Impact Report

For each million invested, the following results were obtained:



618 Megawatt/hour produced.

Equivalent to the energy consumed by 172 European citizens in a year

149,486 litres of water saved or purified.

Equivalent to 4,271 showers saved

493 tons of reduced CO_2

Equivalent to the CO_2 absorbed by 2.35 km² of forest in a year

Through which types of projects have we generated an impact*.

- Renewable Energy 33.0%
- Ecological Housing 22.5%
- Clean Transport 13.9%
- Energy Efficiency 11.8%
- Pollution Prevention an Control 5.2%
- Water management 4.7%
- Sustainable Resource Management 3.7%
- Circular Economy 1.4%
- Other 1.4%
- SME Financing 1.0%
- Healthcare 0.8%
- Adaptation to Climate Change 0.7%

Source: see methodological notes - data as of 31/12/2021

*The types of projects funded reflect those established by the Green Bond Principles promoted by the ICMA. The data refer to the percentage of the portfolio accounted for by Green and theme bonds.

Source: Eurizon Capital SGR S.p.A.
For illustrative purposes only.
Holdings/allocations are subject to change.

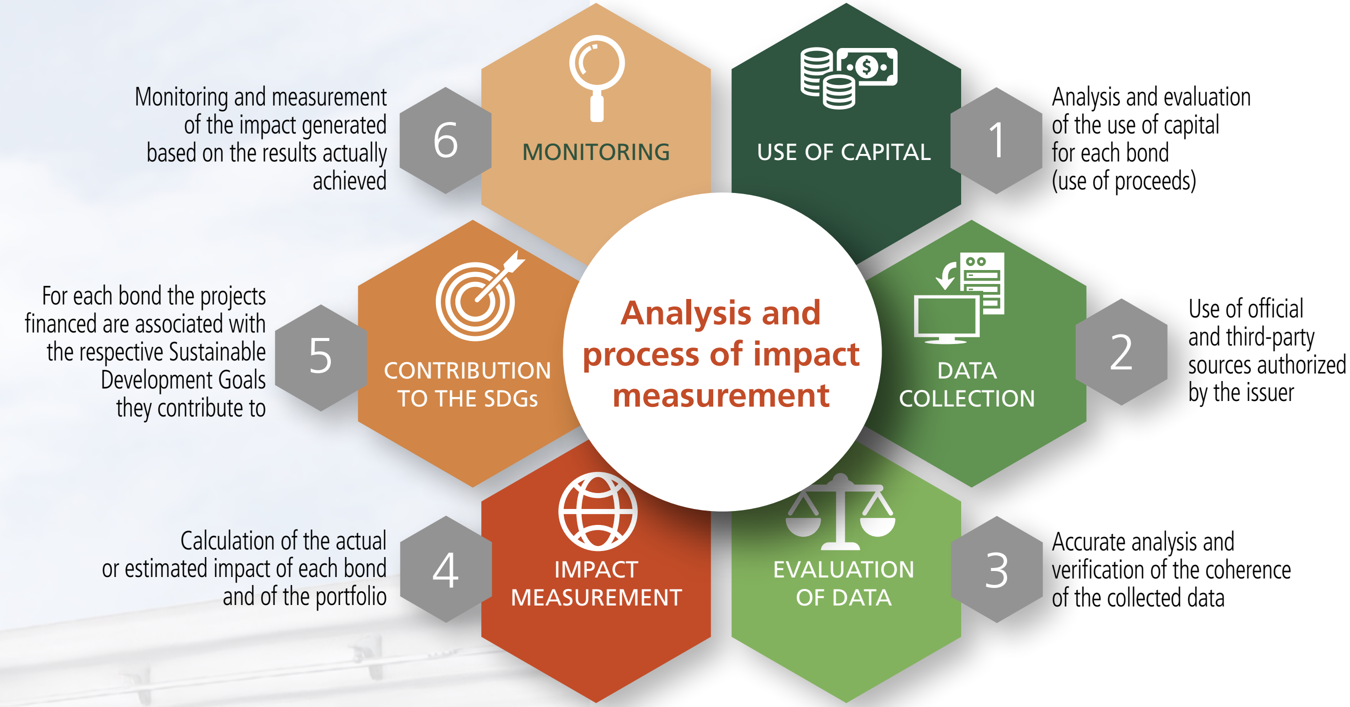
Rating source: MainStreet Partners.
Please see page 26 of this document for more information on the rating calculation methodology.

Eurizon's **Sustainable Funds** characteristics

Characteristics	Eurizon Fund – Absolute Green Bonds	Eurizon Fund - Green Euro Credit
Objective	To achieve a positive return regardless of market conditions (absolute return) - Actively managed (not in reference to a benchmark).	To increase the value of your investment over time and to outperform euro corporate green bond markets - Actively managed in reference to the benchmark.
Benchmark	None	Bloomberg MSCI Euro Corporate Green Bond 5% Capped Index® (total return). For designing the portfolio, measuring performance and calculating performance fee.
ISIN	Class R: LU1693963701 Class Z: LU1693963883 Class ZD: LU2093577554	LU2215042321 (Class R) LU2215042594 (Class Z)
Risk and reward profile (from 1 to 7)	4	3
Entry charge	Class R: Max 2.50%	Class R: Max 1.50%
Ongoing charge	Class R: 1.24% of which management fees 1.00% Class Z: 0.52% of which management fees 0.35% Class ZD: 0.52% of which management fees 0.35%	Class R: 1.40% of which management fees 1.15% Class Z: 0.47% of which management fees 0.30%
Performance fee (Class R, Z and ZD)	20% the positive difference between: (i) the percentage increase of the Net Asset Value per Unit of each Class recorded during a calendar year over the High Water Mark and (ii) the performance of the Bloomberg Barclays Euro Treasury Bill Index®+1.30% p.a.	20.00% of the positive difference between any returns the Fund achieves above the highest Net Asset Value per Unit reached at the end of the five previous calendar years and the Bloomberg Barclays MSCI Euro Corporate Green Bond 5% Capped Index per year
Subscription fee	Class R: Max 15 euros (in favor of the paying agent)	Class R: Max 15 euros (in favor of the paying agent)

Before taking any investment decision, you must read the Prospectus, the Key Investor Information Document (the "KIID"), as well as the Management Regulations and the last available annual or semi-annual financial report (please refer in particular to section 12 "Investment Objective and Risks Factors").

Methodological notes



Analysis and process of MainStreet Partners

Methodological notes

The data published in this report is the result of the proprietary methodology developed by MainStreet Partners for the collection, classification and evaluation of the environmental, social and governance results generated by the thematic bonds, together with their contribution to the United Nations Sustainable Development Goals ("SDGs"), held in the Eurizon Fund - Absolute Green Bonds fund from 1 January to 31 December 2021 and in and Eurizon Fund - Green Euro Credit fund from 1 June to 31 December 2021.

During this period, on average 99% of the Eurizon Fund - Absolute Green Bonds portfolio was invested in thematic bonds. 69% of the bonds in the overall portfolio have reported data relating to the social and environmental impact of funded projects while an additional component of 15% has been estimated.
Eurizon Fund - Green Euro Credit portfolio was 100% invested in thematic bonds. 62% of the bonds in the overall portfolio have reported data relating to the social and environmental impact of funded projects, while an additional 16% has been estimated.
Impact results are calculated based on the amount invested in each thematic bond in relation to the nominal amount issued together with the holding period of the investment. Impact results are expressed according to the following metrics: greenhouse gas emissions avoided, renewable energy capacity installed, renewable energy generated, energy efficiency savings, water savings, waste avoided, and jobs supported.
These metrics reflect the guidelines established by the ICMA Green Bond Principles, internationally recognized by investors, issuers and financial intermediaries. The impact results achieved are reported both for the entire portfolio and for every million Euros invested in the fund over the course of a year.

Bonds that do not report data and general purpose bonds are excluded from the calculation of environmental and social impact. Issuers of thematic bonds usually report impact data one year after the date of issuance.

The proprietary methodology developed by MainStreet Partners for the calculation of the results presented in this report can be broken down into the following six steps:

1. Classification of the use of proceeds of each bond in the portfolio;
2. Collection of social and environmental data using official sources, third party data, public data and data provided by the issuer themselves, according to the taxonomy provided by the ICMA Green Bond Principles;
3. Analysis and verification of the quality of the data collected and integration with estimated data where appropriate;
4. Calculation of the aggregate impact at the portfolio level;
5. Mapping with the SDGs;
6. Ongoing monitoring of the impact results by updating calculations with fresh data.

The first step consists of analysing the eligible use of proceeds pursuant to the issuer's Green Bond framework for every bond present in the portfolio and verifying that the use of proceeds is consistent with eligible categories according to the Green Bond Principles.

Next, MainStreet Partners collects relevant impact data for each thematic bond in the portfolio by reference to documents or reports published by the issuer, information provided by third parties (including second party opinions or similar documents), public data or data obtained by engaging with the issuer directly where necessary.

The resulting data is analysed to verify its accuracy and completeness. In some cases, thematic bonds are issued as part of a broader programme. In such a case, if the data relating to the individual bond is not available then data relating to the broader programme is analysed and prorated according to the bond's contribution to the programme.

Environmental and social results generated by individual bonds fall into two categories: actual data and estimated data. Actual data refers to results achieved by the net proceeds of the thematic bond whereas estimated data is either based on forecast data provided by the issuer prior to issuance of the thematic bond or predicted based on actual data reported for similar bonds previously issued by the same issuer. If data is not available, the bond is excluded from the impact analysis.

Once the accuracy and completeness of the data is verified, MainStreet Partners calcuates the environmental and social results of each bond based on the invested amount and bondholding period. Impact metrics reported are also translated into "equivalents" which are more intuitive and tangible than the pure scientific data. Translation of scientific data such as megawatt hours of renewable energy generated into equivalents such as the average annual energy consumption of a European household is based on information provided by government agencies, NGOs and in-house research.

In addition to checking the use of proceeds and the impact generated by each thematic bond in the portfolio, MainStreet Partners defines the contribution of each bond to the SDGs. Contribution to each of the 17 SDGs is determined by reference to the bond's use of proceeds and how it promotes various targets associated with each SDG. By aggregating the data it is possible to determine how many thematic bonds in the portfolio are positively contributing to each SDG.

Methodological notes

Finally, results are updated on a regular basis to take into account fresh data published by issuers following the first anniversary of issuance.

Definition of Thematic Bonds

Thematic bonds are bonds issued by governments, companies and supranational institutions with defined use of proceeds to (re)finance assets or projects according to certain eligible categories with the intention of generating positive environmental and social impact. Thematic bonds are divided into:

1. Green Bonds;
2. Social Bonds;
3. Sustainability Bonds.

According to the Green Bond Principles published by ICMA, "Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the GBP: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; 4. Reporting."

Eligible Green Projects include: (i) renewable energy; (ii) energy efficiency; (iii) pollution prevention and control; (iv) sustainable management of living natural resources and land use; (v) terrestrial and aquatic biodiversity conservation; (vi) clean transportation; (vii) sustainable water and wastewater management; (viii) climate change adaptation; (ix) eco-efficient and/or circular economy adapted products, production technologies and processes; and (x) green buildings.
Source: International Capital Market Association: https://www.icmagroup.org/green-social-and-sustainabilitybonds/green-bond-principles-gbp/

Fund Sustainability Rating
The sustainability rating of funds is assessed according to a proprietary methodology developed by MainStreet Partners composed of over 100 metrics and is scored on a scale from 1 to 5, where 1 represents the minimum score and 5 represents the highest.
The analysis is divided into three fundamental pillars equally weighted to produce the final score.
1. The asset management firm and fund management team, since this determines the ongoing credibility of the fund and the resources dedicated to it.
2. The strategy and sustainable investment objectives, evaluating how the eligible universe is determined and to what extent sustainability plays a role in security selection.
3. The portfolio holdings, in order to check their consistency with the sustainability objectives of the fund and their ESG profile.
This approach is particularly useful for assessing the sustainability profile of a fund over a long-term horizon.

*MainStreet Partners
• Independent advisory company, controlled by private shareholders and its management, based in London, regulated by the Financial Conduct Authority as investment advisor
• 10 years of track record dedicated exclusively to sustainable and impact investments
• International team, with over 15 years of experience in finance and complementary skills developed
in asset management, investment banks, consulting and supranational organizations
• MainStreet Partners is a member of the Green Bonds Principles

Green Bonds impact report May 2022

Access to Fund documents and other information in your country

Before taking any investment decision, you must read the Prospectus, the Key Investor Information Document (the "KIID"), as well as the Management Regulations and the last available annual or semi-annual financial report. These documents may be obtained at any time, free of charge at the Management Company's website: www.eurizoncapital.com. Paper copies of these documents may also be obtained from the Management company of the Fund upon request at Eurizon Capital S.A, 8 avenue de la Liberté, L-1020 Luxembourg, Grand Duchy of Luxembourg. The KIIDs are available in the official local language of the EU/EEA country of distribution. The Prospectus is available in English and French.

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***Luxembourg**: Custodian bank and paying agent: State Street Bank Luxembourg S.C.A, 49 Avenue J.F Kennedy, L-1855, Luxembourg.*

***Germany**: The net asset value of the Units is published daily on www.fundinfo.com.*

***Spain**: Eurizon Fund is registered for distribution with Comisión Nacional del Mercado de Valores (CNMV) under number 667 The Fund documents are also available in free of charge at the CNMV.*

***Switzerland**: The Units are registered with the Swiss Financial Market Supervisory Authority (FINMA). This marketing communication is intended for professional investors and institutional investors as per Article 4 (3) and (4) of the Federal Act on Financial Services (FinSA) and are not intended for retail investors. Swiss Fund documents available at the Swiss representative agent: ACOLIN Fund, Services AG, Affolternstrasse 56, CH-8050 Zurich. Paying agent in Switzerland: State Street Bank International GmbH, Munich, Zurich Branch, 19 Beethovenstrasse. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative. Daily publication of the prices of subscription and redemption and/or net asset values (with the mention "excluding commissions") of the Units distributed in Switzerland: www.fundinfo.com.*

The list of Sub-Funds and Units authorised for marketing in Switzerland is set out in the Swiss Prospectus of Eurizon Funds.

***U.S. Person**: The Funds and its Sub-funds are not registered under United States federal securities laws or any other applicable law in the states, territories and possessions of the United States of America. Consequently, they cannot not be marketed directly or indirectly in the United States (including its territories and possessions) and to or for the benefit of residents and citizens of the United States of America and the "U.S. Persons".*

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Important Information

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Source of information and data related to the Units of the Sub-Fund: Eurizon Capital SGR S.p.A, Società di gestione del risparmio, a public limited company (società per azioni) incorporated in Italy under number 15010 and having its registered office Piazzeta Giordano dell'Amore, 3, I20121 Milan and authorized to act as investment manager under the supervision of CONSOB.

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