

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial Market Participant: Generali Investments TFI S.A.

Summary

Generali Investments TFI S.A. takes into account the principal adverse impacts of investment decisions on sustainable development factors. Generali Investments TFI S.A. has made efforts to assess the principal adverse impacts on sustainability factors in its portfolio and takes their management into account in its investment decisions.

Generali Investments TFI, in terms of the principal adverse impact on sustainable development, strives to minimize exposure to entities whose activities have significant adverse effects on sustainable development, guided by the best interest of Clients and fund participants, selection criteria and type of investments made, specific rules for diversification of investments and other investment restrictions, adopted benchmarks and reference rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market.

This report satisfies, to the best of our understanding, the requirements currently expressed in the regulations, taking into account the limitations encountered, such as the availability of data and topics of interpretation of the regulations, as well as in terms of the use of third-party services and methodologies in terms of both data and reporting solutions.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Generali Investments TFI.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2025 to 31 December 2025. The comparability of results is influenced by several factors, but in view of the significant number of financial instruments that were in the investment portfolio of Generali Investments TFI S.A., it is not possible to assess the specific impact of each of them. Such main factors may include:

- changes in the level of data coverage and the level of estimated data
- changes in the calculation methodology by the data provider
- changes in the values reported by issuers
- changes in the composition or weight of issuers in investment portfolios
- changes in business valuations

Data source: external data provider (mainly MSCI Inc.). Information in terms of the level of data coverage for each indicator refers to the value of investments in instruments of the entities covered by the factor.

In case of doubt, the Polish version shall prevail.

Description of the principal adverse impacts on sustainability factors

TABLE 1

Indicators applicable to investments in investee companies

| Adverse sustainability indicator | Metric | Impact 2025 | Impact 2024 | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|---|------------------|-----------------------|-------------|-------------|-------------|-------------------|---|--|
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | | | | | | | |
| Greenhouse gas emissions | 1. GHG emissions | Scope 1 GHG emissions | 264 675,66 | 308 072,20 | 401 736,24 | 747 952,11 | Sum of portfolio companies' Carbon Emissions Scope 1 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. | Generali Investments TFI notes that due to the construction of Polish stock market indices and the substantial number of issuers from sectors deemed in need of emission improvements, Poland's efforts to gradually transition to an economy based in greater part on renewable energy sources are important. The result of the accelerating transition to a low-carbon economy should be a natural and gradual decline in indicators related to greenhouse gas emissions. Generali Investments TFI, taking into account issues related to greenhouse gas emissions, will be guided in doing so by the best interests of clients and fund participants, selection criteria and the type of investments made, specific rules for diversification of investments and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market. Generali Investments TFI will undertake activities in the following areas: Limits and investment lists: Generali Investments TFI, in order to control its exposure to the coal sector, uses a coal list and appropriate exposure limits. The Society has not made significant changes in this regard and will maintain this approach. Negative selection: Generali Investments TFI has introduced internal restrictions on investments in entities that derive direct income from tar sands production. Product offer: Generali Investments TFI will seek to increase the number of products that aim to make sustainable investments or promote the environmental or social aspect, as well as the amount of assets accumulated in such products, which should promote a reduction in indicators related to greenhouse gas emissions. The Society in 2025 did not make any significant changes to its product offer regarding this type of products. Actions as an active stakeholder/owner: Generali Investments TFI will evaluate the necessity of actively engaging in dialogue with issuers |
| | | | | | | | Coverage: 86,41% | |
| | | | | | | | Reported: 82,35% | |
| | | | | | | Estimated: 4,06% | | |
| | | Scope 2 GHG emissions | 21 761,82 | 42 066,22 | 31 824,06 | 32 228,67 | Sum of portfolio companies' Carbon Emissions Scope 2 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. | |
| | | | | | | | Coverage: 86,41% | |
| | | | | | | | Reported: 81,96% | |
| | | | | | | | Estimated: 4,45% | |
| | | Scope 3 GHG emissions | 744 783,45 | 945 527,17 | 524 171,23 | 682 887,94 | Sum of portfolio companies' Carbon Emissions Scope 3 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. | |
| | | | | | | Coverage: 87,06% | | |
| | | | | | | Reported: 0,00% | | |
| | | | | | | Estimated: 87,06% | | |

| | | | | | | | |
|--|---|--------------|--------------|------------|--------------|--|--|
| | Total GHG emissions | 1 028 189,00 | 1 276 501,23 | 958 110,67 | 1 463 974,01 | <p>The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</p> <p>Coverage: 86,40% Reported: 0,00% Estimated: 86,40%</p> | <p>Possibly in collaboration with other investors, to promote a just transition toward reducing greenhouse gas emissions. In 2024, the Society has been included in the group of entities for which the Active Ownership team within the Generali Asset Management SGR structure will conduct engagement, proxy voting and relationship-building activities with issuers, while identifying vulnerabilities, opportunities and setting expectations for sustainable development. Building trust and exercising voting rights are fundamental to influencing issuer behavior and accountability on sustainability issues. The Society intends to publish the results of these activities in Generali Investments TFI S.A.'s report on the implementation of the engagement policy for 2026.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action. The Society develops methods of assessing and managing risks for sustainable development on the continuous basis.</p> |
| 2. Carbon footprint | Carbon footprint | 505,20 | 641,08 | 911,77 | 1 439,22 | <p>The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</p> <p>Coverage: 86,40% Reported: 0,00% Estimated: 86,40%</p> | <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations |
| 3. GHG intensity of investee companies | GHG intensity of investee companies | 693,35 | 986,03 | 634,16 | 962,95 | <p>The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).</p> <p>Coverage: 86,55% Reported: 0,00% Estimated: 86,55%</p> | |
| 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 9,47% | 8,20% | 10,81% | 13,25% | <p>The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.</p> <p>Coverage: 88,66% Reported: 88,66% Estimated: 0,00%</p> | |
| 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | 71,14% | 80,21% | 75,48% | 92,25% | <p>The portfolio's weighted average of issuers' energy consumption and/or production from nonrenewable sources as a percentage of total energy used and/or generated.</p> <p>Coverage: 79,14% Reported: 79,14% Estimated: 0,00%</p> | |
| 6. Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | | | | | | <p>For sectors with a high climate impact, energy consumption is one of the factors used to create ESG ratings considered by Generali Investments TFI in its investment process.</p> |
| | NACE Code A (Agriculture, Forestry and Fishing) | 0,39 | 0,54 | 0,65 | 1,36 | <p>The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code A (Agriculture, Forestry and Fishing)</p> <p>Coverage: 80,96% Reported: 80,96% Estimated: 0,00%</p> | <p>Generali Investments TFI, while taking into account ESG ratings issues, will be guided by the best interests of clients and fund participants, selection criteria and the type of investments made, specific rules for diversification of investments and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market.</p> <p>Actions as an active stakeholder/vote: Generali Investments TFI will evaluate the possibility of actively engaging in dialogue with issuers, possibly in collaboration with other investors, to promote a just transition toward reducing greenhouse gas emissions. In 2024, the Society has been included in the group of entities for which the Active Ownership team within the Generali Asset Management SGR structure will conduct engagement, proxy voting and relationship-building activities with issuers, while identifying vulnerabilities, opportunities and setting expectations for sustainable development. Building trust and exercising voting rights are fundamental to influencing issuer behavior and accountability on sustainability issues. The Society intends to publish the results of these activities in Generali Investments TFI S.A.'s report on the implementation of the engagement policy for 2026.</p> |
| | NACE Code B (Mining and Quarrying) | 0,96 | 2,37 | 0,90 | 1,24 | <p>The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code B (Mining and Quarrying)</p> <p>Coverage: 80,96% Reported: 80,96% Estimated: 0,00%</p> | <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action.</p> |
| | NACE Code C (Manufacturing) | 0,76 | 2,22 | 0,98 | 2,17 | <p>The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code C (Manufacturing)</p> <p>Coverage: 80,96% Reported: 80,96% Estimated: 0,00%</p> | <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations |
| | NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply) | 6,20 | 5,86 | 1,82 | 6,96 | <p>The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)</p> <p>Coverage: 80,96% Reported: 80,96% Estimated: 0,00%</p> | |

| | | | | | | | | | | | | | | |
|--------------|---|--|-------|-------|-------|-------|---|-----------|--------|-----------|--------|------------|--------|---|
| | | NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities) | 1,09 | 1,20 | 1,60 | 2,06 | <p>The portfolio's weighted average of Energy Consumption Intensity (Gwh/million EUR revenue) for issuers classified within NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)</p> <table border="1"> <tr><td>Coverage:</td><td>80,96%</td></tr> <tr><td>Reported:</td><td>80,96%</td></tr> <tr><td>Estimated:</td><td>0,00%</td></tr> </table> | Coverage: | 80,96% | Reported: | 80,96% | Estimated: | 0,00% | |
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| Reported: | 80,96% | | | | | | | | | | | | | |
| Estimated: | 0,00% | | | | | | | | | | | | | |
| | | NACE Code F (Construction) | 0,90 | 0,28 | 0,81 | 41,42 | <p>The portfolio's weighted average of Energy Consumption Intensity (Gwh/million EUR revenue) for issuers classified within NACE Code F (Construction)</p> <table border="1"> <tr><td>Coverage:</td><td>80,96%</td></tr> <tr><td>Reported:</td><td>80,96%</td></tr> <tr><td>Estimated:</td><td>0,00%</td></tr> </table> | Coverage: | 80,96% | Reported: | 80,96% | Estimated: | 0,00% | |
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| Reported: | 80,96% | | | | | | | | | | | | | |
| Estimated: | 0,00% | | | | | | | | | | | | | |
| | | NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles) | 0,08 | 2,93 | 0,05 | 0,09 | <p>The portfolio's weighted average of Energy Consumption Intensity (Gwh/million EUR revenue) for issuers classified within NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)</p> <table border="1"> <tr><td>Coverage:</td><td>80,96%</td></tr> <tr><td>Reported:</td><td>80,96%</td></tr> <tr><td>Estimated:</td><td>0,00%</td></tr> </table> | Coverage: | 80,96% | Reported: | 80,96% | Estimated: | 0,00% | |
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| Reported: | 80,96% | | | | | | | | | | | | | |
| Estimated: | 0,00% | | | | | | | | | | | | | |
| | | NACE Code H (Transportation and Storage) | 2,24 | 3,32 | 0,39 | 1,65 | <p>The portfolio's weighted average of Energy Consumption Intensity (Gwh/million EUR revenue) for issuers classified within NACE Code H (Transportation and Storage)</p> <table border="1"> <tr><td>Coverage:</td><td>80,96%</td></tr> <tr><td>Reported:</td><td>80,96%</td></tr> <tr><td>Estimated:</td><td>0,00%</td></tr> </table> | Coverage: | 80,96% | Reported: | 80,96% | Estimated: | 0,00% | |
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| Estimated: | 0,00% | | | | | | | | | | | | | |
| | | NACE Code L (Real estate activities) | 0,32 | 0,36 | 0,74 | 1,02 | <p>The portfolio's weighted average of Energy Consumption Intensity (Gwh/million EUR revenue) for issuers classified within NACE Code L (Real estate activities)</p> <table border="1"> <tr><td>Coverage:</td><td>80,96%</td></tr> <tr><td>Reported:</td><td>80,96%</td></tr> <tr><td>Estimated:</td><td>0,00%</td></tr> </table> | Coverage: | 80,96% | Reported: | 80,96% | Estimated: | 0,00% | |
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| Estimated: | 0,00% | | | | | | | | | | | | | |
| 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 | 2,16% | 4,13% | 1,56% | 0,08% | <p>The percentage of the portfolio's market value exposed to 'issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</p> <table border="1"> <tr><td>Coverage:</td><td>89,69%</td></tr> <tr><td>Reported:</td><td>0,00%</td></tr> <tr><td>Estimated:</td><td>89,69%</td></tr> </table> | Coverage: | 89,69% | Reported: | 0,00% | Estimated: | 89,69% | <p>Generali Investments TFI has taken steps to examine exposures to entities for the severity of controversies related to a company's use or management of natural resources. The impact of issuers on biodiversity is one of the factors used to create ESG ratings considered by Generali Investments TFI in its investment process.</p> <p>In doing so, Generali Investments TFI, guided by the best interests of clients and fund participants, selection criteria and the type of investments made, specific rules for diversification of deposits and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market, will strive to maintain a lack of exposure to issuers whose level of this controversy indicates an ongoing, very serious negative controversy in this regard, in which the company is directly involved through its overall business, operations or through its products and at the same time violates the UNGC Global Compact's environmental principles.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action. The Society develops methods of assessing and managing risks for sustainable development on the continuous basis.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations |
| Coverage: | 89,69% | | | | | | | | | | | | | |
| Reported: | 0,00% | | | | | | | | | | | | | |
| Estimated: | 89,69% | | | | | | | | | | | | | |

| | | | | | | | | |
|---|--|--|-------|-------|-------|--------|--|--|
| Water | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | 0,66 | 0,00 | 0,04 | 110,75 | <p>The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio .</p> | <p>Generali Investments TFI has taken steps to examine exposures to entities for the severity of controversies related to the company's water management practices. Issues such as water scarcity and the company's overall framework for managing water resources and reducing environmental impacts, where applicable to the sector, are among the inputs used to create ESG ratings considered by Generali Investments TFI in its investment process.</p> <p>In doing so, Generali Investments TFI, guided by the best interests of clients and fund participants, selection criteria and the type of investments made, specific rules for diversification of deposits and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market, will strive to maintain a lack of exposure to issuers whose level of this controversy indicates an ongoing, very serious negative controversy in this regard, in which the company is directly involved through its overall business, operations or through its products and at the same time violates the UNGC Global Compact's environmental principles.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action. The Society develops methods of assessing and managing risks for sustainable development on the continuous basis.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations <p>Exposure to issuers that violate of the Global Compact and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises is mainly due to indirect exposures arising from exposure in ETFs or mutual fund titles or units of mutual funds other than those managed by Generali Investments TFI SA.</p> |
| Waste | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 5,31 | 3,29 | 3,08 | 10,73 | <p>The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).</p> | <p>Generali Investments TFI has taken steps to examine exposures to entities for the severity of controversies related to the company's waste practices. Issues such as waste management practices, including the management of any hazardous waste and radioactive waste, insofar as they are relevant to the sector, are one of the inputs used to create ESG ratings considered by Generali Investments TFI in its investment process.</p> <p>In doing so, Generali Investments TFI, guided by the best interests of clients and fund participants, selection criteria and the type of investments made, specific rules for diversification of investments and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market, will strive to maintain a lack of exposure to issuers whose level of this controversy indicates an ongoing, very serious negative controversy in this regard, in which the company is directly involved through its overall business, operations or through its products and at the same time violates the UNGC Global Compact's environmental principles.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action. The Society develops methods of assessing and managing risks for sustainable development on the continuous basis.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations |
| 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 | 0,04% | 0,43% | 0,13% | 0,39% | <p>The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.</p> <p>Generali Investments TFI has taken steps to examine exposures to entities for the severity of controversies related to the company's waste practices. Issues such as waste management practices, including the management of any hazardous waste and radioactive waste, insofar as they are relevant to the sector, are one of the inputs used to create ESG ratings considered by Generali Investments TFI in its investment process.</p> <p>In doing so, Generali Investments TFI, guided by the best interests of clients and fund participants, selection criteria and the type of investments made, specific rules for diversification of investments and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market, will strive to maintain a lack of exposure to issuers whose level of this controversy indicates an ongoing, very serious negative controversy in this regard, in which the company is directly involved through its overall business, operations or through its products and at the same time violates the UNGC Global Compact's environmental principles.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action. The Society develops methods of assessing and managing risks for sustainable development on the continuous basis.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations <p>Exposure to violators of the Global Compact and the Organization for Economic Co-operation and Development (OECD) Guidelines for</p> | |

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|---|---|--------|-------------|-------------|-------------|---|--|-----------|-------------------|-----------|------------------|------------|--------|---|
| | | | | | | | <table border="1"> <tr><td>Coverage:</td><td>89,56%</td></tr> <tr><td>Reported:</td><td>0,00%</td></tr> <tr><td>Estimated:</td><td>89,56%</td></tr> </table> | Coverage: | 89,56% | Reported: | 0,00% | Estimated: | 89,56% | Multinational Enterprises is mainly due to indirect exposures arising from exposure in ETFs or mutual fund titles or units of mutual funds other than those managed by Generali Investments TFI SA. |
| Coverage: | 89,56% | | | | | | | | | | | | | |
| Reported: | 0,00% | | | | | | | | | | | | | |
| Estimated: | 89,56% | | | | | | | | | | | | | |
| 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 | 3,34% | 1,93% | 3,33% | 52,39% | <p>The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact.</p> <p>The quality of ESG controversy management policies and violations of international standards are among the inputs used to create ESG ratings considered by Generali Investments TFI in its investment process.</p> <p>Generali Investments TFI monitors the actions taken at all times, guided by the best interests of clients and fund participants, selection criteria and the type of investments made, specific rules for diversification of investments and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action. The Society develops methods of assessing and managing risks for sustainable development on the continuous basis.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations <table border="1"> <tr><td>Coverage:</td><td>89,78%</td></tr> <tr><td>Reported:</td><td>89,78%</td></tr> <tr><td>Estimated:</td><td>0,00%</td></tr> </table> | Coverage: | 89,78% | Reported: | 89,78% | Estimated: | 0,00% | | |
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| Reported: | 89,78% | | | | | | | | | | | | | |
| Estimated: | 0,00% | | | | | | | | | | | | | |
| 12. Unadjusted gender pay gap | Średnia nieskorygowana luka płacowa między kobietami a mężczyznami w przypadku spółek, w które dokonano inwestycji | 20,52% | 15,93% | 11,31% | 22,48% | <p>The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.</p> <p>Evaluation of issuers' corporate governance frameworks and policies is one of the elements used to create ESG ratings considered by Generali Investments TFI in its investment process.</p> <p>In doing so, Generali Investments TFI, guided by the best interests of clients and fund participants, selection criteria and the type of investments made, specific rules for diversification of deposits and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market, will strive to maintain a lack of exposure to issuers whose level of this controversy indicates an ongoing, very serious negative controversy in this regard, in which the company is directly involved through its overall business, operations or through its products and at the same time violates the UNGC Global Compact's principles on labor and social issues.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action. The Society develops methods of assessing and managing risks for sustainable development on the continuous basis.</p> <table border="1"> <tr><td>Coverage:</td><td>64,47%</td></tr> <tr><td>Reported:</td><td>64,47%</td></tr> <tr><td>Estimated:</td><td>0,00%</td></tr> </table> | Coverage: | 64,47% | Reported: | 64,47% | Estimated: | 0,00% | | |
| Coverage: | 64,47% | | | | | | | | | | | | | |
| Reported: | 64,47% | | | | | | | | | | | | | |
| Estimated: | 0,00% | | | | | | | | | | | | | |
| 13. Board gender diversity | Average unadjusted gender pay gap of investee companies | 33,25% | 26,65% | 31,68% | 29,63% | <p>The portfolio holdings' weighted average of the ratio of female to male board members.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations <table border="1"> <tr><td>Postoim pokrycia danymi dla tego wskaźnika</td><td>75,98%</td></tr> <tr><td>Dane raportowane:</td><td>75,98%</td></tr> <tr><td>Dane estymowane:</td><td>0,00%</td></tr> </table> | Postoim pokrycia danymi dla tego wskaźnika | 75,98% | Dane raportowane: | 75,98% | Dane estymowane: | 0,00% | | |
| Postoim pokrycia danymi dla tego wskaźnika | 75,98% | | | | | | | | | | | | | |
| Dane raportowane: | 75,98% | | | | | | | | | | | | | |
| Dane estymowane: | 0,00% | | | | | | | | | | | | | |
| 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0,01% | 0,25% | 0,0% | 0,04% | <p>The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products.</p> <p>Generali Investments TFI's negative selection approach to direct investments is to exclude or limit investments involving entities that have any connection to cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons and/or undetectable fragments. Generali Investments TFI will maintain this approach. Exposure is derived from the methodology adopted by the third-party data provider and is derived from indirect investments.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action. The Society develops methods of assessing and managing risks for sustainable development on the continuous basis.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations <p>Exposure from controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is mainly due to indirect exposures from ETFs.</p> <table border="1"> <tr><td>Coverage:</td><td>89,78%</td></tr> <tr><td>Reported:</td><td>89,78%</td></tr> <tr><td>Estimated:</td><td>0,00%</td></tr> </table> | Coverage: | 89,78% | Reported: | 89,78% | Estimated: | 0,00% | | |
| Coverage: | 89,78% | | | | | | | | | | | | | |
| Reported: | 89,78% | | | | | | | | | | | | | |
| Estimated: | 0,00% | | | | | | | | | | | | | |
| Indicators applicable to investments in sovereigns and supranationals | | | | | | | | | | | | | | |
| Adverse sustainability indicator | Metric | | Impact 2024 | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | | | | | | | |

| | | | | | | | | | |
|---------------|---|--|--------|--------|--------|--------|---|--|---------|
| Environmental | 15. GHG intensity | GHG intensity of investee countries | 396,52 | 464,59 | 599,82 | 727,36 | The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP). | <p>Generali Investments TFI notes that due to the construction of the benchmarks, it is important that Poland work towards a gradual transition to an economy based in greater part on renewable energy sources. The result of the accelerating transition to a low-carbon economy, including programs related to improving energy efficiency, should be a natural and gradual decline in benchmarks related to greenhouse gas emissions. Generali Investments TFI's actions will be guided by the best interests of clients and fund participants, selection criteria and the type of deposits made, specific rules for diversification of deposits and other investment restrictions, adopted benchmarks and benchmark rates, compliance with the strategy and investment objective, availability and liquidity of financial instruments, competitiveness and profitability compared to alternative financial instruments available on the market, and the level of the described index will be derived from investments in government bonds and bonds issued at the supranational level.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in valuations | |
| | | | | | | | Coverage: | | 100,00% |
| | | | | | | | Reported: | | 100,00% |
| | | | | | | | Estimated: | | 0,00% |
| 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 | 2 | 6 | 6 | 6 | The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports. | <p>Direct investments made by Generali Investments TFI in government bonds and bonds issued at the supranational level include the limitation or exclusion of investments in issuers deemed non-compliant with international guidelines and standards on money laundering, terrorist financing or tax practices, presenting very serious environmental issues (deforestation) and are made in accordance with applicable sanctions. Exposure is derived from the methodology adopted by the external data provider. Exposure is mostly derived from indirect investments.</p> <p>The ESG & Engagement Committee of Generali Investments TFI will evaluate at least once a year the effectiveness of the measures taken and the need for further action.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations | |
| | | | | | | | Coverage: | | 99,98% |
| | | | | | | | Reported: | | 0,00% |
| | | | | | | | Estimated: | | 99,98% |
| | | | 4,71% | 5,75% | 5,89% | 7,89% | Exposure of the investment portfolio to the number of countries on the lists published by EEAS relative to the number of total countries in which bonds are invested. | | |
| | | | | | | | Coverage: | 99,98% | |
| | | | | | | | Reported: | 0,00% | |
| | | | | | | | Estimated: | 99,98% | |

Indicators applicable to investments in real estate assets

| Adverse sustainability indicator | | Metric | Impact 2025 | Impact 2024 | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|---|--|----------------|----------------|----------------|----------------|-------------------------------|--|
| Fossil fuels | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels | Not applicable | Not applicable | Not applicable | Not applicable | No investments in real estate | Not applicable |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | Not applicable | Not applicable | Not applicable | Not applicable | No investments in real estate | Not applicable |

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

The strategy was approved by the Board of Directors of Generali Investments TFI S.A. on December 28, 2022. The Board of Directors of Generali Investments TFI is responsible for approving and reviewing the strategy for determining and prioritizing major adverse sustainability impacts and indicators. The Board of Directors of Generali Investments TFI S.A. approves the strategy upon the proposal of the CEO. The ESG and Engagement Committee, hereinafter referred to as the "ESG Committee," is responsible for preparing the strategy for identifying and prioritizing major adverse sustainability impacts and indicators and for implementing the strategy. "ESG Committee" is also responsible for monitoring the strategy. The strategy is implemented at the operational level at the level of processes related to product management, investment portfolio management, risk management including risk monitoring system, compliance, among others. The Supervisor is responsible for overseeing sustainability compliance

Regarding investment funds:

Generali Investments TFI strategy to identify and prioritize principal adverse impacts on sustainability factors is to select the types of sustainability controversies linked to indicators of major adverse sustainability impacts and then prioritize them in terms of their potential negative impact on sustainability.

With the most important investigated controversies in the Generali Investment TFI approach directly affecting the level of major adverse effects on sustainability are: involvement in the coal sector as part of the exposure from the fossil fuel company, controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons), environmental damage (activities adversely affecting biodiversity-sensitive areas, water emissions, waste).

Generali Investments TFI, in cases where access to data provided by third parties allows it, examines the involvement of potential issuers that may be included in investment portfolios in the aforementioned controversies in terms of their intensity (very serious, serious, moderate, low) and the type of issuer involvement (direct, indirect). On this basis, the Society creates restrictive, watch and carbon lists, as well as investment limits, i.e. maximum overall levels of investment portfolio exposure to entities on the aforementioned lists. The Society controls the limits by checking the impact of potential transactions prior to their conclusion and on a daily basis the levels of utilization of these limits.

The Society, through the reduction and management of the exposure associated with each controversy, influences the amount of adverse sustainability indicators.

In addition to evaluating issuers for controversy, the Society examines issuers for holistic characteristics related to sustainability using ESG ratings calculated and assigned by reputable third-party data providers.

In terms of exposure to coal mining and non-renewable energy production activities, Generali Investments TFI S.A., in addition to the environmental and climate aspect, also takes into account the social aspect in the spirit of "Just Transition," i.e. taking care to ensure that possible investment decisions in entities mainly in Central and Eastern Europe do not reduce their potential for transformation to climate-neutral activities and do not have a negative impact on local communities.

Regarding the asset management service:

Generali Investments TFI strategy for identifying and prioritizing the main adverse sustainability effects, when the Client declares a willingness to take adverse sustainability effects into account, is based on individual agreements. This means that in the event that the Client declares a willingness to take into account adverse sustainability impacts, Generali Investments TFI takes them into account in its investment decision-making process. In the event that the Client does not declare a willingness to take into account adverse sustainability effects, they will not be a criterion for selecting investments for the portfolio.

Regarding the investment advisory service:

Generali Investments TFI strategy for identifying and prioritizing the main adverse sustainability effects, when the Client declares a willingness to take adverse sustainability effects into account, is based on individual agreements. This means that in the event that the Client declares a willingness to take into account adverse sustainability impacts, Generali Investments TFI takes them into account in its investment decision-making process. In the event that the Client does not declare a willingness to take into account adverse sustainability effects, they will not be a criterion for the preparation of investment recommendations.

Data:

For indirect investments, the Society's approach is based on best efforts and utilizes the reporting solutions and methodology used by the data provider (MSCI). The Society is undertaking a best efforts assessment of the best available reporting solutions and processes to enhance the coverage, scope and quality of the reporting data covered in this document in the future.

| |
|--|
| <p>Engagement policies</p> <p>Generali Investments TFI has an enacted Engagement Policy describing, among other things, the rules for monitoring and conducting dialogue with public companies, exercising voting and other rights related to shares, cooperation and communication with other shareholders and members of public company bodies.</p> <p>Some of the issuers that are actually or potentially subject to engagement and voting in the framework of the a business of Generali Investments TFI may also be independently covered by the Generali Group's activities in this regard. The Society will evaluate the possibility of actively engaging in dialogue with issuers, possibly in cooperation with other investors, to promote a just transition toward reducing greenhouse gas emissions. In 2024, the Society has been included in the group of entities for which the Active Ownership team within the Generali Asset Management SGR structure will conduct engagement, proxy voting and relationship-building activities with issuers, while identifying vulnerabilities, opportunities and setting expectations for sustainable development. Building trust and exercising voting rights are fundamental to influencing issuer behavior and accountability on sustainability issues. The Society intends to publish the results of these activities in Generali Investments TFI S.A.'s report on the implementation of the engagement policy for 2026.</p> |
| <p>References to international standards</p> <p>Generali Group is a signatory to the PRI, PRI Net-Zero Asset Owner Alliance, Paris Pledge for Action.</p> <p>Generali Investmentts TFI is not a direct signatory to codes of responsible business conduct and internationally recognized standards for due diligence and reporting. Generali Investments TFI S.A. does not apply a forward-looking climate scenario, mainly due to the characteristics of the capital market and data on issuers of securities in Poland.</p> |
| <p>Historical comparison</p> <p>Compared to the values of the indicators published for 2022 and 2023, the value of most indicators has changed in 2024. In the Society's overall assessment, the level of most PAI indicators in 2025 was lower than those reported in 2024. The level of some PAI indicators was higher than reported in 2024.</p> <p>In 2025, there was a marked improvement in climate indicators. The company points to a clear improvement in most key indicators. Total greenhouse gas emissions have fallen, while emissions have fallen across the board. The decrease was also reflected in the improvement of relative indicators, with the carbon footprint decreasing from 641 to 505 (-21%) and the emission intensity from 986 to 693 (-30%). At the same time, the share of energy from non-renewable sources decreased significantly from 80.2% to 71.1%. With the Exposure to the fossil fuel sector increased slightly. The dynamics of improvement in indicators was lower than the dynamics of the decline in the level of data coverage. In addition to the indicators concerning greenhouse gases, the indicator on biodiversity improved (decrease from 4.13% to 2.16%). It was based entirely on estimated data. The hazardous waste index remained at low levels, but increased from 3.29 to 5.31 (+61%), but with very low data coverage (approx. 23%), suggesting an effect of an extension of the reporting scope rather than an actual deterioration. In the area of social and corporate governance, the observed levels of indicators were still low and showed different trends. There has been a decrease in exposure to violations of the UN Global Compact rules and a reduction in exposure to controversial types of weapons, which is currently close to 0% with a relatively high level of data coverage. As in 2024, exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) is mainly due to indirect exposure resulting from exposure to ETFs providing exposure to issuers from emerging markets and the Company's inability to influence the composition of investment portfolios of such instruments. In 2025, no issuer, based on the available data, was involved in the red level controversy and was not on the list of entities violating the UNGC rules, although there were entities on the watch list.</p> <p>In the Generali Investments TFI's assessment, the change in the value of PAI indicator levels was related to a number of factors, of which we can mention, for example:</p> <ul style="list-style-type: none"> • changes in the level of data coverage and the level of estimated data • changes in calculation methodology by the data provider • changes in the values reported by issuers • changes in the composition or weighting of issuers in investment portfolios • changes in company valuations |

TABLE 2 - Additional climate and other environment-related indicators

| Adverse sustainability impact | Adverse impact on sustainability factors (qualitative or quantitative) | | | Metric |
|---|---|---|--|---|
| Indicators applicable to investments in investee companies | | | | |
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | | | |
| Emissions | 4. Investments in companies without carbon emission reduction initiatives | | | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement |
| | 36,14% | Coverage: 86,36% Reported: 0,00% Estimated 86,36% | | |

TABLE 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

| INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | | | | |
|---|--|---|--|---|
| Adverse sustainability impact | Adverse impact on sustainability factors (qualitative or quantitative) | | | Metric |
| Indicators applicable to investments in sovereigns and supranationals | | | | |
| Governance | 22. Non-cooperative tax jurisdictions | | | Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes |
| | 0,00% | Coverage: 99,98% Reported: 0,00% Estimated 99,98% | | |

