

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Azimut Life DAC (635400CDH4BEZWGN6W58)

Summary

Azimut Life DAC (635400CDH4BEZWGN6W58) considers the main adverse effects of its investment decisions on sustainability factors. This statement is the consolidated statement on the main adverse effects on sustainability factors of Azimut Life DAC.

This statement on the main negative effects on sustainability factors covers the reporting period from January 1 2024, to December 31, 2024.

The document aims to describe:

- the main adverse effects on sustainability factors, including their effects and any actions taken, planned, and targets set for the next reporting period
- the policies related to the identification and prioritization of the main adverse effects on sustainability factors
- the engagement policies adopted to support consideration of key adverse effects on sustainability factors
- compliance with responsible business conduct codes and internationally recognized standards of due diligence and reporting
- the annual historical comparison of the performance of indicators related to the principal adverse impacts on sustainability factors, starting from 2022

Sintesi

Azimut Life DAC (635400CDH4BEZWGN6W58) prende in considerazione i principali effetti negativi delle proprie decisioni di investimento sui fattori di sostenibilità. La presente dichiarazione è la dichiarazione consolidata sui principali effetti negativi sui fattori di sostenibilità di Azimut Life DAC.

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

Il documento ha l'obiettivo di descrivere:

- i principali effetti negativi sui fattori di sostenibilità, includendo i loro effetti ed eventuali azioni adottate, programmate e gli obiettivi fissati per il periodo di riferimento successivo
- le politiche relative all'individuazione e alla prioritizzazione dei principali effetti negativi sui fattori di sostenibilità
- le politiche di impegno adottate a supporto della considerazione dei principali effetti negativi sui fattori di sostenibilità
- il rispetto di codici di condotta d'impresa responsabile e le norme riconosciute a livello internazionale in materia di dovuta diligenza e di reportistica

- il raffronto storico annuale della performance degli indicatori dei principali effetti negativi sui fattori di sostenibilità a partire dal 2022

Description of the principal adverse impacts on sustainability factors

Table I

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact [year 2024]	Impact [year 2023]	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	324.603	283.775	The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovder (data coverage for this PAI in 2024 was 87,6% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates; increased volumes took into account in order to perform the calculation, which increased significantly the value of the indicator. Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.	During the reporting period, the following actions were taken: <ul style="list-style-type: none">- Exclusions:<ul style="list-style-type: none">- Thermal Coal: maximum 20% of the annual turnover- Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “Engagement policies” of this document- ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “Description of policies to identify and prioritize principal adverse impacts on sustainability factors” of this document- Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
		Scope 2 GHG emissions 2	58.359	53.462		
		Scope 3 GHG emissions	1.958.326	1.723.055		
		Total GHG emissions	2.429.873	2.033.527		
	2. Carbon footprint	Carbon footprint	322	291	The difference between PAI value in 2023	During the reporting period, the following actions were taken:

				<p>and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 87,6% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<ul style="list-style-type: none"> - Exclusions: <ul style="list-style-type: none"> - Thermal Coal: maximum 20% of the annual turnover - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</i>” of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
3. GHG intensity of investee companies	GHG intensity of investee companies	636	582	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 90,5% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - Exclusions: <ul style="list-style-type: none"> - Thermal Coal: maximum 20% of the annual turnover - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</i>” of this document - Fund selection: favoring Article 9 SFDR financial

					products or, as a second choice, those classified as Article 8 SFDRs
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7%	7%	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 91,6% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - Exclusions: <ul style="list-style-type: none"> - Thermal Coal: maximum 20% of the annual turnover - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: <i>“Engagement policies”</i> of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: <i>“Description of policies to identify and prioritize principal adverse impacts on sustainability factors”</i> of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
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	43%	37%	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 85,2% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - Exclusions: <ul style="list-style-type: none"> - Thermal Coal: maximum 20% of the annual turnover - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: <i>“Engagement policies”</i> of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section:

					years, in order to evaluate remedial actions, where deemed necessary.	<i>“Description of policies to identify and prioritize principal adverse impacts on sustainability factors” of this document</i> <ul style="list-style-type: none">- Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	SECTION A - AGRICULTURE, FORESTRY AND FISHING	0,00008	0,00005	The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage by sector ranges from 4,8% to 89,3%); asset allocation variations due to the asset management activities; ESG data updates. Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.	During the reporting period, the following actions were taken: <ul style="list-style-type: none">- Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: <i>“Engagement policies”</i> of this document- ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: <i>“Description of policies to identify and prioritize principal adverse impacts on sustainability factors”</i> of this document- Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
		SECTION B - MINING AND QUARRYING	0,01	0,03		
		SECTION C - MANUFACTURING	0,10	0,14		
		SECTION D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0,12	0,16		
		SECTION E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0,01	0,01		
		SECTION F - CONSTRUCTION	0,001	0,001		
		SECTION G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0,01	0,01		
		SECTION H - TRANSPORTATION AND STORAGE	0,03	0,04		
		SECTION L - REAL ESTATE ACTIVITIES	0,00	0,01		

Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	5,83%	0,38%	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovder (data coverage for this PAI in 2024 was 91,3% of the assets in scope); asset allocation variations due to the asset management activities; significant ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</i>” of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
Water	8. Emission to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,0	0,6	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovder (data coverage for this PAI in 2024 was 20,0% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</i>” of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1,88	1,17	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 77,9% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</i>” of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
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	0,4%	0,7%	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 90,4% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</i>” of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second

					deemed necessary.	choice, those classified as Article 8 SFDRs
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.	4%	25,3%	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 90,3% of the assets in scope); asset allocation variations due to the asset management activities; significant ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none">- Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document- ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</i>” of this document- Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs	
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	4,6%	2,2%	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 67,9% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none">- Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document- ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to</i>	

					Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.	<i>Identify and prioritize principal adverse impacts on sustainability factors” of this document</i> <ul style="list-style-type: none">- Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	27,7%	23,9%	The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 89,8% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates. Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.	During the reporting period, the following actions were taken: <ul style="list-style-type: none">- Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies” of this document</i>- ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors” of this document</i>- Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs	
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,03%	0,03%	The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 90,3% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.	During the reporting period, the following actions were taken: <ul style="list-style-type: none">- Exclusions:<ul style="list-style-type: none">- Nuclear weapons: maximum 1.5% of the annual turnover- Controversial weapons: no exposure (Any Tie)- Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies” of this document</i>- ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse	

					<p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>impacts. More information on actions planned during the next reference period are available in the section: <i>“Description of policies to identify and prioritize principal adverse impacts on sustainability factors”</i> of this document</p> <ul style="list-style-type: none"> - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs <p>Please note that the PAI value is greater than 0 because the exclusion strategy only applies to direct investment and does not apply to third party funds.</p>
Indicators applicable to investments in sovereigns and supranationals						
Environmental	15. GHG intensity	GHG intensity of investee countries	57	108	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 80,3% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: <i>“Description of policies to identify and prioritize principal adverse impacts on sustainability factors”</i> of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs

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	5 (7%)	0,25 (1%)	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 100% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: <i>"Description of policies to identify and prioritize principal adverse impacts on sustainability factors"</i> of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs -
Indicators applicable to investments in real estate assets						
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	-			- N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	-			- N/A

Table 2

Additional climate and other environment-related indicators						
Adverse sustainability indicator		Metric	Impact [year 2024]	Impact [year 2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	29,90%	22,03%	The difference between PAI value in 2023 and 2024 is due to:	During the reporting period, the following actions were taken: - Exclusions: - Thermal Coal: maximum 20% of the annual turnover

					<p>different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 93,6% of the assets in scope); asset allocation variations due to the asset management activities; ESG data updates.</p> <p>Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.</p>	<ul style="list-style-type: none"> - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts. More information on actions planned during the next reference period are available in the section: “<i>Description of policies to identify and prioritize principal adverse impacts on sustainability factors</i>” of this document - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
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Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Adverse sustainability indicator		Metric	Impact [year 2024]	Impact [year 2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0,00	0,00	<p>The difference between PAI value in 2023 and 2024 is due to: different coverage on data from the infoprovider (data coverage for this PAI in 2024 was 87,7% of the assets in</p>	<p>During the reporting period, the following actions were taken:</p> <ul style="list-style-type: none"> - Active ownership: through the “ISS”, an independent third party proxy voting service provider. More information on actions planned during the next reference period are available in the section: “<i>Engagement policies</i>” of this document - ESG integration: integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts.

					scope); asset allocation variations due to the asset management activities; ESG data updates. Azimut will monitor the PAI trend in the following years, in order to evaluate remedial actions, where deemed necessary.	<p>More information on actions planned during the next reference period are available in the section: <i>"Description of policies to identify and prioritize principal adverse impacts on sustainability factors"</i> of this document</p> <ul style="list-style-type: none"> - Fund selection: favoring Article 9 SFDR financial products or, as a second choice, those classified as Article 8 SFDRs
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Description of policies to identify and prioritize principal adverse impacts on sustainability factors

Principal Adverse Impacts PAI(s) should be understood as those impacts of investment decisions that result in negative effects on sustainability factors.

The ESG Policy, describing the policies to identify and prioritize principal adverse impacts on sustainability factors, has been approved by the Board of Directors in Q4 2024.

Adverse impacts on sustainability factors are taken into account and mitigated in four ways.

- The first is through the integration of ESG factors into the investment process: companies with high E, S and G ratings normally have lower principal adverse impacts (in absolute terms and/or in relation to their industry) due to higher standards/better operating practices.
In order to further improve the quality of the ESG rating, the Group is developing a proprietary methodology, which aggregates information obtained by additional ESG data providers, in addition to MSCI ESG, including Sustainalytics, Mainstreet Partners, ISS for corporate issuers, and Sustainalytics and ISS for government issuers.
The aggregated score can be adjusted based on the assessments made by the portfolio management team. The score is then standardized through a Z-scoring, and the issuers with a Z-score equal to or less than -2 are excluded.
In addition, investee companies marked with a red flag (as outlined above) which is based on an assessment of a company's direct involvement in the most serious adverse impacts, which have not yet been mitigated to the satisfaction of all implicated stakeholders, are excluded from the investment scope.
- The second is through the application of the Exclusion policy, which prohibits investment in companies operating in sectors that are considered as non-sustainable and/or may involve significant environmental and social risks. The exclusion of the issuers that are most likely to generate adverse impacts on sustainability factors helps to reduce the PAIs at portfolio level.

- The third way is through active ownership. Azimut Life DAC subscribed into ISS's Sustainability Policy which is in line with the United Nations' Principles for Responsible Investments (PRI), votes at each resolution are cast in a way intended to incentivize invested companies to adopt higher standards, improve their practices, and minimize the PAIs on the environment and society
- The fourth way is through financial products selection, which seeks to favour, where possible and if available, financial products that are classified as Article 9 SFDR or, as a second choice, those classified as Article 8 SFDRs (not precluding the possibility of holding Article 6 SFDR funds in the portfolio as well). The greater the weight of funds classified as Article 9 or 8 SFDR, the greater the containment of PAIs is expected to be.

Whereas all mandatory PAI(s) included in the table 1 of the Annex I of Delegated Regulation (EU) 2022/1288 (RTS) are calculated and monitored, Azimut Life DAC focuses on the prioritization of a specific sub-set of PAIs according to each financial product's specific characteristics and in general according to the relevant actions planned and targets set at an Entity Level (ex art. 4 SFDR).

Azimut Life DAC constantly monitors PAIs data through an ad-hoc tool where PAI(s) values can be consulted both at position and aggregate level, in order to consider them in the investment decision-making process along with ESG scores and traditional financial metrics. However, considering the still limited availability of reliable data on many PAIs, the large variability of PAI data at sectoral and geographical level, as well as their backward-looking nature, no thresholds or stringent limits are set.

The first reason why no stringent limits on PAIs are set, is that currently, the percentage of companies reporting on PAIs is at times still very low, and it is reasonable to expect that new companies will begin to report data on PAIs in the future. Since portfolio-level PAIs are calculated only on companies that publish relevant data, it is possible that over time the value of portfolio-level PAIs may rise as companies begin reporting. In this case, the increase in the value at the portfolio level of PAIs does not necessarily imply that the portfolio is invested in companies with worse adverse impacts, but rather simply be an effect of increased coverage. The portfolio manager, therefore, assess the evolution of PAIs adjusted for the distorting effect caused by the increased coverage.

An additional reason why stringent limits on PAIs have not been set is that focusing only on the absolute value of the PAI can lead to suboptimal choices in terms of sustainability, especially if companies have embarked on a path to improve their practices, as PAIs are precisely a backward-looking indicator. The most important reduction in adverse impacts is possible precisely by incentivizing those companies that today have low operating standards and therefore high adverse impacts, to improve their practices by supporting them financially in the transition and exercising our duty as responsible investor by steering the strategic business decisions of investee companies through active ownership in such a way as (inter-alia) to reduce the companies' adverse impacts.

It is also possible that investee companies may over the years' experience instances where one or more of their PAIs rise rather than fall. The portfolio manager therefore makes the assessment of the PAIs first at the aggregate level to determine which is the overall sustainability path of the company, and second on each PAI separately.

Calculations for PAI statements were made according to the following assumptions:

- Derivatives, at numerator level, are not considered to perform the calculations, due to current lack of data and methodologies

- PAI 16 (“Investee countries subject to social violations”), was obtained from the list of investee countries subject to social violation present in at least one quarter of 2024.

Engagement policies

Engagement aims at raising awareness among the management of the companies in which Azimut Life DAC invest by strengthening their ESG risk management and promoting their sustainability performance. It is an ongoing strategy, which aims at improving practices of good governance and good social and environmental behavior, so as to generate positive impacts in terms of sustainable development.

Where necessary, Azimut Life DAC interacts with the top management of the companies in which it invests to better understand the risk of negative impacts on sustainability factors and to actively vote on solutions of ordinary and extraordinary shareholders' meetings in order to promote best environmental, social and governance practices.

Azimut Life DAC pays particular attention to the policies implemented by the issuers in which it invests in the belief that sound corporate policies and practices that incorporate environmental, social and governance issues are capable of creating long-term shareholder value.

Lastly, in line with the provisions of the PRI, Azimut Life DAC is committed to ensuring full transparency on the approach adopted for responsible investment and is committed to promoting the dissemination of the principles of responsible investment to all its stakeholders: managers, investors and service providers.

As signatories to the UN Principles for Responsible Investments (UN PRI) Azimut Life DAC seeks to positively influence environmental, corporate and governance behaviors through proxy voting, engagement with management, internal research on governance, and participation in industry surveys and events.

Thanks to the strategic partnership between Azimut and ISS Governance – leading proxy voting advisor – Azimut Life DAC exercises its voting rights based upon the recommendations of ISS Governance’s Sustainability Policy (the one specifically designed for UN PRI signatories).

For more details refers to the Azimut DAC engagement Policy.

Furthermore, during 2024, Azimut Holding participated the Joint engagement sponsored by the Carbon Disclosure Project (CDP), to engage with 1998 international companies with a high carbon footprint and push them to disclose through CDP questionnaire and boost transparency and drive-up rates of corporate disclosure. More information are available to the following link: <https://www.cdp.net/en/investor/engage-with-companies/non-disclosure-campaign>.

Moreover, the Group is a signatory of the Integrate Assess Monitor (IAM) initiative, a multidisciplinary working group composed of representatives from Italian and international offices across investment, risk, legal, and product functions. The aim of this initiative is to advance the integration of ESG factors within the Group’s investment processes. Over the past two years, IAM focused on the due diligence process for new ESG rating providers to complement MSCI ESG, with the additional goal of developing a proprietary sustainability rating methodology at the Group level, which is currently in the finalization and testing phase. The IAM members in Italy and Luxembourg are involved in both individual and collective engagement initiatives, also making use of the different expertise that make up IAM.

References to international Standards

Azimut Life DAC, as a member of Azimut Group, in 2019 signed the Principles for Responsible Investment (PRI) on a voluntary basis, a set of investment principles aimed at incorporating ESG issues into investment practices and enriching investor information in this regard.

For more details refers to the Azimut DAC engagement Policy.

Azimut Life undertakes every year a climate change risk assessment on both physical and transition risks, using the dataset and the information provided by the NFGS platform. The scenario chosen for the exercise is the NET Zero 2050. The results provided by this assessment indicates that the climate change risk borne by the Company is not material.

Historical comparison

During the reference period Azimut Life DAC experienced differences in terms of PAI performance, with reference to the years 2023 and 2022.

Major changes, where present, similarly to what is explained in Table 1 of this document, in the column “explanation” of section “**Description of the principal adverse impacts on sustainability factors**” are mainly due to changes in methodology, data coverage and ordinary asset management operations.

Azimut Life DAC will monitor PAI performance through the years, and, where deemed necessary, even considering Regulatory developments and data availability, will evaluate applying proper remedial action. The table below presents the historical comparison of the PAI indicators over the years.

Historical comparison of indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Impact [year 2024]	Impact [year 2023]	Impact [year 2022]
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas Emissions	1. GHG emissions	Scope 1 GHG emissions	324.603	283.775	86.646
		Scope 2 GHG emissions	58.359	53.462	17.761
		Scope 3 GHG emissions	1.958.326	1.723.055	632.771
		Total GHG emissions	2.429.873	2.033.527	762.532
	2. Carbon footprint	Carbon footprint	322	291	266
	3. GHG intensity of investee companies	GHG intensity of investee companies	636	582	627
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	7%	7%	6%

	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	43%	37%	43%
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	SECTION A - AGRICULTURE, FORESTRY AND FISHING	0,00008	0,00005	0,00004
			SECTION B - MINING AND QUARRYING	0,01	0,03	0,11
			SECTION C - MANUFACTURING	0,10	0,14	0,21
			SECTION D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0,12	0,16	0,11
			SECTION E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0,01	0,01	0,004
			SECTION F - CONSTRUCTION	0,001	0,001	0,001
			SECTION G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0,01	0,01	0,05
			SECTION H - TRANSPORTATION AND STORAGE	0,03	0,04	0,04
			SECTION L - REAL ESTATE ACTIVITIES	0,00	0,01	0,01
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas		Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	5,83%	0,38%	0,1%
Water	8. Emission to water		Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,0	0,6	0,8

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1,88	1,17	678
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	0,4%	0,7%	0,4%
	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	4%	25,3%	27,9%
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	4,6%	2,2%	1,8%
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	27,7%	23,9%	23,6%
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,03%	0,03%	0,1%
Historical comparison of indicators applicable to investments in sovereigns and supranationals					
Environmental	15. GHG intensity	GHG intensity of investee countries	57	108	12

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	5 (7%)	0,25 (1%)	0 (0%)
Historical comparison of indicators applicable to investments in real estate assets					
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	-	-	-
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	-	-	-