UniCredit Invest Lux S.A.
ESG Exclusion Framework

As part of the UniCredit Group, UniCredit Invest Lux S.A. will ensure or procure to ensure that every fund under its responsibility under SFDR[1] complies with an exclusion policy, which is in line with UniCredit's ESG Product Guidelines. The Investment Managers appointed by UniCredit Invest Lux S.A. can additionally apply their own respective exclusion criteria while being bound to comply with this ESG Exclusion Framework.

As a result, a set of exclusion criteria has been defined for countries (as issuers) and companies linked to norm-based screening criteria as well as consolidated revenues exceeding predefined thresholds or involvement in certain sectors as further specified below (the **"ESG Exclusion Framework"**).

This ESG Exclusion Framework is only applicable to funds where the prospectus directly refers to.

For the sake of clarity, it is worth noting that delegates of UniCredit Invest Lux S.A. in charge of the portfolio management of the relevant funds may apply stricter and / or additional exclusion criteria in addition to this ESG Exclusion Framework, as further specified in the legal documentation of those funds.

The ESG Exclusion Framework consists of mandatory exclusion criteria applicable to all funds and additional exclusion criteria applicable to SFDR Art. 8 funds as further specified below.

1. MANDATORY EXCLUSION CRITERIA

The mandatory exclusion criteria are as follows:

1. Companies that are involved in very severe violations of the UN Global Compact[2]
2. Companies manufacturing, maintaining, or trading controversial, nuclear or morally unacceptable weapons, as identified through the international obligations, treaties and legislations
3. Companies involved in thermal coal production or production of energy from thermal coal which derive from these businesses more than 25% of their consolidated revenues (0% from 2029)
4. Companies involved in hydrocarbons extraction with controversial techniques or in areas with high environmental impact, such as Arctic Region[3] which derive from these businesses more than 25% of their consolidated revenues
5. Bonds issued by countries:
   a) that are not compliant with the Financial Action Task Force (FATF) recommendations (blacklist)
   b) which are not signatories of Paris 2015 Agreement on climate change when, based on a predefined external score, the country does not achieve an adequate environmental performance level[4].

When funds do not adhere to any of the above mandatory exclusion criteria, those funds shall not be allowed to invest more than 10% of their net assets in those investments. Notwithstanding the foregoing, all funds cannot invest in controversial weapons-related activities and banned companies involved in anti-personnel mines and cluster munitions[5], submunitions and parts thereof.

---

[1] In its capacity as "Financial Market Participant" under SFDR.

[2] https://www.unglobalcompact.org/

[3] Hydrocarbons extraction with controversial techniques is defined as all the activities (design, building, as well as expansion and/or upgrading, maintenance and ordinary operations) related to Upstream and Midstream sectors, involving:
- o Tar sands;
- o Ultra-Deep Water (more than 1500 meters / 5000 feet);
- o Shale (and fracking, only when in combination with shale Oil & Gas).

Arctic Oil & Gas activities, are defined as all the activities (design, building, as well as expansion and/or upgrading, maintenance and related operations) related to Upstream and Midstream sectors for:
- o Oil onshore,
- o Oil offshore,
- o Gas onshore,
- o Gas offshore,

conducted in Arctic Region (i.e., the region inside the Arctic Polar Circle located at 66°33' North).

[4] Methodology defined in Operative Instructions issued by Group Investment Strategy, Operational & Reputational Risk Management, Funds Selection & Investment product Specialists and Group ESG, available at Group Investment Strategy

[5] Italian Law of 9 December, 2021 n. 220 "*Misure per contrastare il finanziamento delle imprese produttrici di mine antipersona, di munizioni e submunizioni a grappolo*", (GU n.303 del 22-12-2021).

2. ADDITIONAL EXCLUSION CRITERIA FOR SFDR ART. 8 FUNDS

Furthermore, UniCredit Invest Lux S.A. must ensure that all SFDR Art. 8 funds are in compliance with an additional set of exclusion criteria aiming at excluding from each fund's portfolio, companies which derive more than 10% of their consolidated revenues from the following businesses:

- Companies involved in thermal coal production or production of energy from thermal coal (0% from 2029)
- Companies involved in hydrocarbons extraction with controversial techniques or in areas with high environmental impact, such as Artic Region
- Companies manufacturing tobacco
- Companies manufacturing military weapons
- Companies active in mining perform controversial activities.

When SFDR Art. 8 funds do not adhere to any of the above mandatory and additional exclusion criteria, those funds shall not be allowed to invest more than 10% of their net assets in those investments.

IMPORTANT INFORMATION