

Azimut Group, € 7 billion in sustainable investments

Azimut presents the new ESG strategy, with € 7 billion investment in this asset class by year end. Giuliani "*It is the largest undertaking ever made in Italy in terms of converting investments towards sustainability*"

Main points of the strategy:

- Presentation of the new ESG policy of Azimut Holding
- Set up of a sustainability committee in Azimut Holding
- Adherence to the principles of PRI sustainability (Principles of Responsible Investment) and CDP (formerly the Carbon Disclosure Project)
- Integration of ESG policies in all existing funds, up to 33% of the assets converted into sustainable investments
- Launch of new 100% ESG funds, with the creation of the Azimut Sustainable brand
- Overall investments of € 7 billion in ESG assets
- Vigeo Eiris rating on 20 product segments
- Investment of € 10 billion in SMEs through Azimut Libera Impresa within the next 5 years

Milan, 13 November 2019

Azimut Holding announces a **new sustainable investment strategy**, which places the Company among the best-in-class at European level in relation to ESG principles (environmental, social, governance). It also becomes the largest Italian asset manager with assets dedicated to ESG investments (€ 7 billion by year end) as well as in Italian SMEs (€ 10 billion by 2024). Today's announcement follows Azimut's recent participation at the Sustainable Finance Forum, a non-profit association that brings together financial operators and other organizations interested in the environmental and social impact of investments. Furthermore, the Group recently signed both the **PRI** (Principles for Responsible Investment) and **CDP** (formerly Carbon Disclosure Project), a non-profit organization that offers companies a system for measuring and managing information regarding climate change.

With the new ESG policy, Azimut undertakes to respect ESG principles in management decisions and will communicate its objectives and actions in this field in a transparent and consistent manner.

Alongside the commitment to align business objectives with the ESG policy, Azimut introduces a new range of investments that fully respects the principles of environmental, social and governance sustainability.

Azimut Sustainable, the new range of sustainable products, is fully compliant with the principles of sustainability in building investment portfolios with an adequate governance and corporate organization. The definition of the Group's ESG product policy can be outlined below:

- Exclusion: negative selection excluding companies that conflict with ESG objectives
- Best in class: positive selection of companies that have leadership in sustainable development
- ESG integrated: integration of ESG factors in portfolio construction
- Sustainability themed and Impact investing: thematic and impact investments
- Supervision by the new sustainability committee within the Investment Department

Thanks to the integration of ESG principles in the investment process, **by the end of 2019 Azimut will invest € 7 billion (about 30% of the funds managed by AZ Fund Management) in companies with a sustainability rating of at least BBB**, as per ESG MSCI. Product communication will be integrated with full transparency on the assigned rating.

Furthermore, a rating of Vigeo Eiris (rating agency and research specialized in sustainability) will be obtained on at least 20 sub-funds by the end of the year.

During the first quarter of 2020, the Group targets to launch a new **range of fully compliant SRI funds (100% invested in ESG shares) and thematic products**.

This is the **largest intervention ever made in Italy in terms of conversion of investments towards ESG activities**.

The contribution to the Group's social issues is also seen through its commitment to the real economy, thanks to **Azimut Libera Impresa SGR**, creating and managing closed-end alternative investment funds with a high impact on the environment and the real economy. The targets of this division will be to reach at least € 10 billion of AUM within the next

five years, investing in small to medium-sized unlisted companies. In this context, Azimut will also be launching a social infrastructure fund dedicated to institutional clients by 2020.

Finally, Azimut's commitment to the community and territory continues thanks to “**Azione Azimut per le Comunità**”, a work group dedicated to CSR (Corporate Social Responsibility) aimed at promoting culture and responsibility, thanks to initiatives involving philanthropy, financial education, support for vulnerable groups, promotion of culture, art and sporting activities. Also the **Azimut Foundation**, established in 2011, continues its journey, where it has made over € 4.5 million donations since inception.

"Our new sustainability strategy, in perfect alignment with our values, has been declined both at a corporate and at a business level. On the corporate front, Azimut is now a company and stock that fully responds to the increasing attention of international investors on sustainability. On the business front, we are integrating ESG principles in a large number of investment portfolios in accordance with the client's risk-return profile. With this conversion, Azimut ranks first amongst Italian asset managers on the ESG theme," said Pietro Giuliani, Chairman of Azimut Holding.

Azimut is Italy's leading independent asset manager (active since 1989). The parent company Azimut Holding was listed on the Italian stock exchange on 7 July 2004 (AZM.MI) and, among others, is a member of the main Italian index FTSE MIB. The shareholder structure includes over 1,900 managers, employees and financial advisors as well as Peninsula Capital, bound by a shareholders' agreement that controls 24% of the company. The remaining is free float. The Group comprises various companies active in the sale, management and distribution of financial and insurance products, with Registered Offices mainly in Italy, Luxembourg, Ireland, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Brazil, Singapore, Egypt, Mexico, Australia, Chile, USA, UAE and Turkey. In Italy, Azimut Capital Management SGR sells and manages Italian mutual funds, Italian alternative investment funds, as well as being active in the discretionary management of individual investment portfolios. Furthermore, Azimut Capital Management SGR, following the demerger by incorporation of Azimut Consulenza SIM, distributes Group and third party products in Italy via a network of financial advisors while Azimut Libera Impresa focuses on the Alternatives business. Overseas main operations are AZ Fund Management SA (founded in Luxembourg in 1999), which manages the multi strategy funds AZ Fund 1 and AZ Multi Asset and the Irish AZ Life DAC, which offers life insurance products.

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