

STEWARDSHIP HIGHLIGHTS 2024

Etica Funds¹

The range of Luxembourg funds includes three ESG sub-funds that aim to replicate the consolidated strategies adopted by the Italian range.

More information on Etica Funds:

www.eticasgr.com/sicav



For more information on the complete report:

www.eticasgr.com/en/stewardship-report



What is Stewardship?

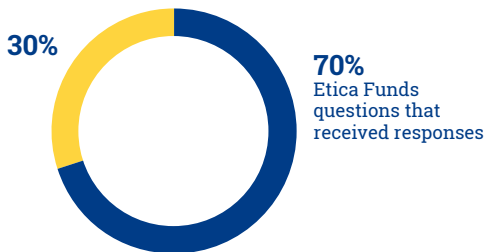
Stewardship, described as the “**management of business on behalf of savers**”, seeks to protect and increase the value of savings by consciously managing the environmental and social impact of investments. This practice involves direct **dialogue** with companies to encourage sustainable behaviours, **active shareholder** participation through voting at shareholder meetings, and **advocacy** with governments and regulators to incorporate ESG principles into social, economic, and legislative policies.



DIALOGUE

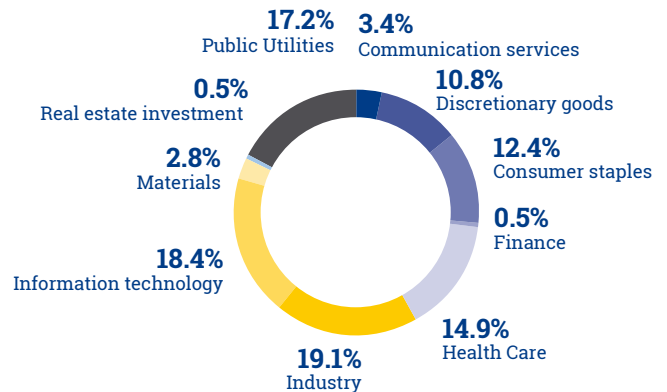
NUMBER OF QUESTIONS RAISED BY ETICA FUNDS TO COMPANIES **435**

Response rate

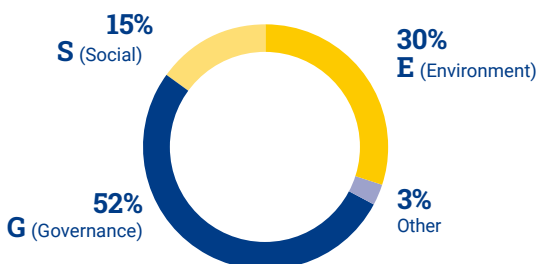


NUMBER OF COMPANIES IN ACTIVE DIALOGUE WITH ETICA FUNDS **75**

Breakdown by sector



ESG distribution by size²



Company breakdown by country

UNITED STATES	46.7%
JAPAN	25.4%
ITALY	10.7%
IRELAND	5.4%
SWITZERLAND	4.0%
AUSTRALIA	1.3%
DENMARK	1.3%
FINLAND	1.3%
FRANCE	1.3%
GERMANY	1.3%
NETHERLANDS	1.3%

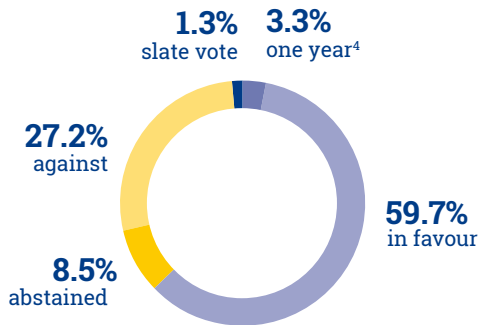
¹ Etica Funds® is a registered trading name of Etica Sgr S.p.A., and refers to three sub-funds of the Luxembourg SICAV called Multilabel Sicav, established by Carne Global Fund Managers (Luxembourg) S.A. (Carne LUX), for which Etica Sgr S.p.A. acts as investment manager and global distributor. Effective 1 February 2024, the Management Company will be known as Carne Global Fund Managers (Luxembourg) S.A. (Carne LUX), following the acquisition of GAM (Luxembourg) S.A.

² “ESG” refers to cross-sector disputes on ESG issues.

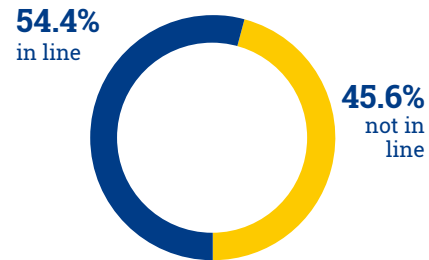
VOTING

VOTES CAST BY ETICA FUNDS 332

Breakdown by type of vote³



Breakdown of votes by management recommendations⁴



72 Motions voted on⁵

Case study

Kurita Water

Voting

Systemic context

Sustainability governance

During the meetings held in Japan, we engaged in discussions with **Kurita Water, a prominent leader in the water treatment and industrial processes sector**. In the past, we had asked the company to include key performance indicators related to responsible water resource management among the criteria for assessing variable remuneration. **Accordingly, we requested an update from the company on the evaluations conducted by the Remuneration Committee and the Board of Directors regarding this matter.**

Results

As of 2023, the company has included three sustainability-related indicators in the variable remuneration structure for executives: **water saving, greenhouse gas reduction and waste reduction.**



³ In accordance with the specific role given to minority shareholders by the Italian legislator, since 1996 Assogestioni member companies and other Italian and foreign institutional investors submit lists (slates) of candidates for the appointment of independent directors and minority auditors in the main Italian listed companies through the Managers' Committee (so-called Assogestioni list).

⁴ One Year indicates how often shareholders request a vote on an agenda item.

⁵ A motion refers to a resolution, typically proposed by minority shareholders, that is added to the items on the agenda at a company's shareholder meeting.

To find out more:

www.eticasgr.com/en/