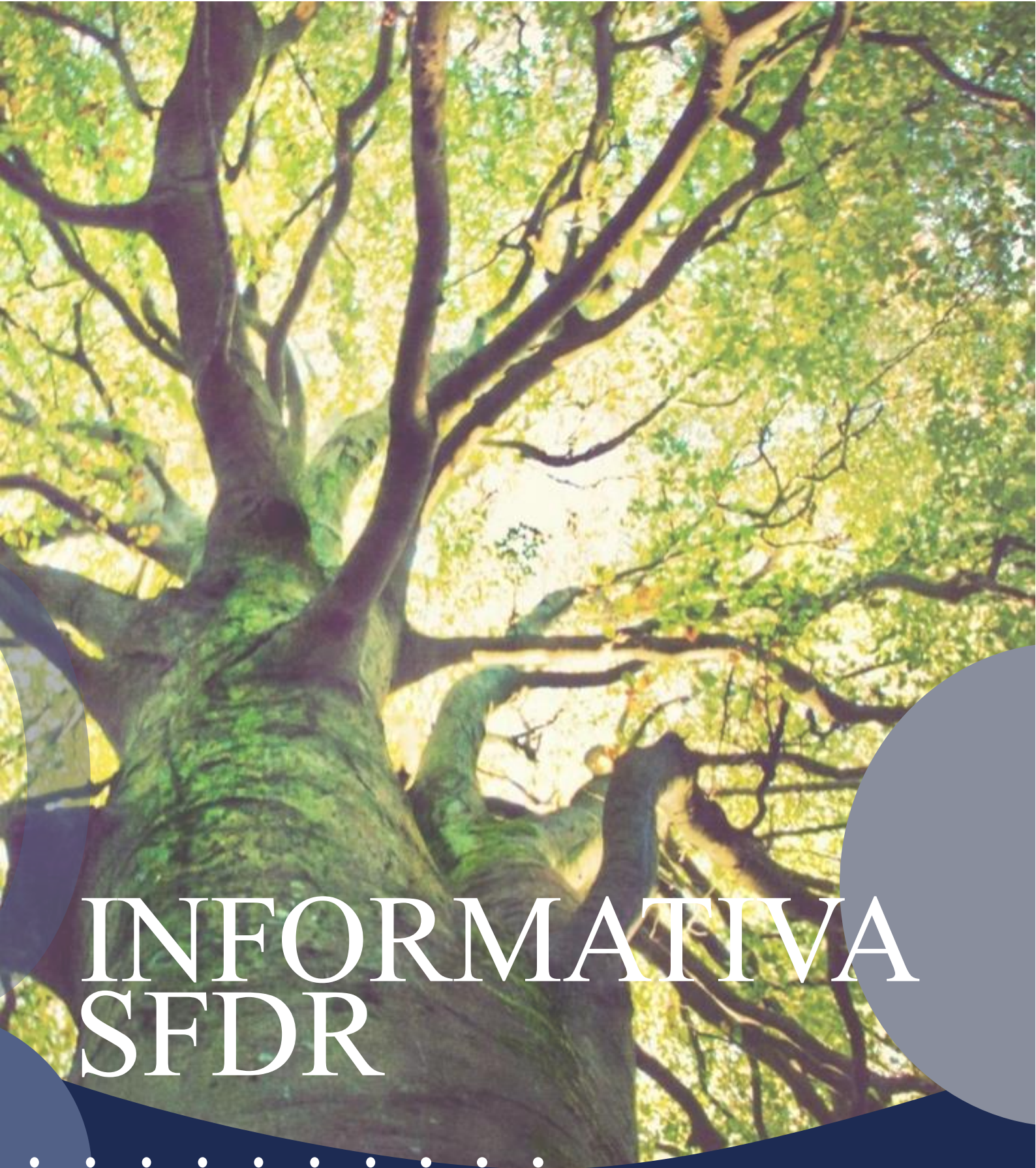




FININT
INVESTMENTS



INFORMATIVA SFDR



SFDR Disclosure at subject level

Finint Investments

Finint Investments has adhered to the Principles for Responsible Investment since 2021 and in 2020 adopted its first Policy on ESG criteria, establishing an ESG Committee as a result. This Committee, alongside other committees, is responsible for monitoring the ESG profiles of issuers and funds. Their role includes reviewing investment, risk management and reporting processes. Investing with ESG in mind means introducing environmental, social and governance factors into the decision-making process of portfolio construction alongside purely financial analysis. With this in mind, some assets and sectors are excluded from the investable universe.

In 2021, Finint Investments then aligned itself with the new provisions of EU Regulation No. 2088/2019 (the Sustainable Finance Disclosure Regulation, or SFDR^{***}) and EU Regulation No. 2020/852 on the establishment of a framework to facilitate sustainable investment (or Taxonomy). It also actively contributes to achieving the Sustainable Development Goals. All the documents mentioned above are available on the website www.finintsgr.com.

Finint Investments' activities include investments in both the real estate and securities sectors with a focus on the private capital segment. All the activities managed require a careful assessment of the counterparties with which to enter into investments, partnerships and contractual relationships. Each type, managed according to specific internal procedures, is functional to achieving the objectives of return, risk diversification and value creation. The assessment criteria encompass various elements such as ESG positioning, prospects for ESG improvement, and alignment with the adopted sustainable strategy. In line with this, Finint Investments abstains from engaging in any investment, activity or financial service that has any association, direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other established practices, direct or indirect, lead to exclusion: for example cases of corruption, money laundering, violations of human rights, violations of fundamental labour principles, production of goods harmful to health, the environment and morality, hindering sustainability in general. Finint Investments assigns priorities and manages financial resources in a targeted and selective manner, thus contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders, companies and all other stakeholders.

This communication aims to illustrate the choices made by Finint Investments as expressly required by Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (hereinafter, the "SFDR") relating to sustainability disclosure in the financial services sector with reference to:

- information on the policies on the integration of sustainability risks adopted by Finint Investments in their investment decision-making processes and in the provision of the advisory service (Art. 3 of the SFDR);
- information where Finint Investments takes into account or does not take into account the main negative effects of investment decisions on sustainability factors (Art. 4 of the SFDR);

- information on how Finint Investments has aligned its remuneration policy with the sustainability risk management objectives (Art. 5 of the SFDR)

Sustainability Risk Management (Art. 3 SFDR)

In line with Finint Investments' strategic vision for responsible investment, the concept of “sustainability risks” has been incorporated into its investment decision-making processes. This integration involves considering environmental, social and governance (ESG) opportunities, which play a vital role throughout all stages of managing its investment activities. Finint Investments therefore identifies, measures, monitors and mitigates sustainability risks by implementing its own ESG strategies. When formulating its sustainable approach, Finint Investments identified specific thematic areas of sustainability where it can make a tangible and meaningful contribution to mitigating some of the risks identified by the United Nations in the 2030 Agenda. The ESG metrics, risks and opportunities considered material for investment are monitored and taken into account when defining ESG objectives as well as during the decision-making processes concerning investments related to the assets under management. With this in mind, Finint Investments has introduced ESG assessment metrics, defining frameworks and models for assessing risks and environmental and social impacts. The planned interventions on the Funds' assets, in line with the strategies of each Fund, highlight improvements that generate positive environmental, social and governance impacts. Specifically, the Company has implemented an approach based on four key elements that are integrated into a single vision:

1. regulatory screening based on exclusion criteria on standards, values, involvement in controversial economic activities;
2. ESG integration by adopting appropriate internal and external assessment models as well as actively contributing to some of the objectives proposed by the United Nations (so-called 2030 Agenda);
3. active impact through dialogue with operators;
4. reporting for clear and transparent communication with the outside world and with its customers.

In addition to what is governed by company regulations at the investment process level, for each asset under management that will pursue sustainable objectives, the Company supplements the Strategic Guidelines dictated by the Board of Directors with specific ESG criteria, which will differ depending on the type of Sustainable Product (with or without the *Finint Sustainable* label): the former will incorporate a strong focus on sustainability policies while the latter may contain, in part, also non-sustainable investments.

Our ESG policy and approach is also adopted for the creation of new projects, i.e. the development of new funds that are also classified according to the level of sustainability pursued by the individual product in a very clear and transparent manner.

Consequently, Finint Investments incorporates sustainability risks into the investment process of managed assets by defining dedicated methodologies for investment selection and monitoring. This involves integrating ESG metrics with traditional financial valuation analysis. The Risk Management Function is utilised to assess the potential impact of sustainability risks on the return of assets under management.

Securities Funds

Finint Investments has a range of products, called “Finint per l’Economia Reale” [Finint for the Real Economy], which includes all the funds structured to support the system of small and medium-sized Italian companies. The impacts on GDP, employment and income from work can be identified on these products.

With regard to the assessment of the economic impacts deriving from the application of ESG principles in the collective asset management activity carried out by Finint Investments, we can distinguish between:

- direct impacts such as the contributions generated through the performance of the respective economic activities by the Italian companies in which the Funds managed by Finint Investments invest;
- indirect impacts, i.e. the contributions generated by local suppliers thanks to the purchases made by the companies in which the Funds managed by Finint Investments invest;
- induced impacts such as contributions due to the consumption expenditure of workers directly employed by the financed companies.

The social impacts of the “Finint per l’Economia Reale” product range are found in the identification of jobs and consequently in the distribution of income directly, indirectly and induced.

Real Estate Funds

In real estate, it is essential that the adoption of clear and detailed ESG criteria is also implemented with the intention of obtaining, for funds with sustainable objectives, international ratings – issued for example by the Global Real Estate Sustainability Benchmark (GRESB). Indeed, the GRESB provides a system for assessing and comparing the ESG performance of real estate portfolios, based on standardised and validated data. The valuation criteria, which are divided into two main components, represent the guidelines for the ESG management of the real estate portfolio:

- The Management component assesses the level of integration of ESG principles within the company business strategy with the aim of identifying the level of ESG commitment within the Company with the definition of an ESG policy, non-financial reporting, risk assessments, due diligence and a defined action plan for monitoring the ESG performance of the portfolio; verifying the level of stakeholder engagement (employees, suppliers, investors, etc.).
- The Performance component evaluates the quantitative data and therefore the environmental data, which account for around 70% of the total assessment. These data must be collected and monitored for both the asset and the tenants (thus including common areas and private areas) and are an integral part of an ESG action plan aimed at improving portfolio performance.

Investors can therefore rely on the results obtained from international valuations and/or certifications for their investment choices.

In addition to the above, it should be noted that Finint Investments is currently very active in the energy sector through the management of its energy efficiency funds. The input of renewable energy on an annual basis is a figure that can be easily deduced from the funds managed by Finint Investments and is a clear contribution of the Company in favouring the input of electricity from renewable and certified sources into the Italian national system. In addition, the Company, through its investments, is also active in the social housing sector, thus making a decisive contribution to social integration on multiple levels (intercultural, social, residential and territorial). One of the main characteristics of social housing projects, in fact, is the

redevelopment of existing public and private assets, to provide new housing through limited land consumption. The Company's heavy focus on specific types of investments translates into a greater commitment to develop and promote initiatives involving both public and private partnerships with public entities and student housing and residence management operations, interpreting the different housing needs.

Consideration of negative effects for sustainability (Art. 4 SFDR)

The SFDR Regulation requires the SGR to publish the methods with which it takes into account the potential negative effects of its investment decisions on ESG sustainability factors or, alternatively, reasons for the impossibility of considering these impacts. In compliance with Art. 4 of the SFDR, relating to sustainability disclosure in the financial services sector, the Company does not currently take into account the main negative effects of its investment decisions on sustainability factors.

As a responsible investor, Finint SGR promotes the evolution towards sustainable business models at all companies in the portfolio/assets of all Managed Funds by providing transformational capacity, specific expertise and full support in managing ESG-related risks and opportunities. However, pursuant to Art. 4 of the SFDR Regulation, the SGR does not currently take into consideration the negative effects of investment decisions on sustainability factors. This approach reflects the limited availability on the market of the data necessary to adequately assess the potential negative effects of investments on sustainability factors in line with the metrics outlined in the regulatory technical standards of Regulation (EU) 2019/2088. However, the SGR maintains a proactive approach and has taken steps to identify appropriate indicators and metrics, while monitoring the evolution of reference practices and regulations.

Remuneration policies (Art. 5 SFDR)

In line with the provisions of the SFDR¹ and within the limits of its sphere of influence, Finint Investments integrates responsible investment principles into its activities and recognises the importance of managing risks and exploring opportunities related to environmental, social and governance (ESG) aspects in financial processes. Consistently, the ESG aspects play a role in shaping the remuneration policy adopted, which also encompasses the objective of promoting robust and effective risk management. The remuneration policy of Finint Investments envisages a portion of variable remuneration linked to individual performance, based on financial metrics and qualitative performance indicators, which constitute a significant component of the assessment process, including non-financial indicators relating to the ESG sphere.

With reference to the Funds that fall within the category of products pursuant to Art. 8 of EU Regulation 2019/2088 (SFDR), the disclosure pursuant to Art. 10 SFDR at financial product level is reported in the specific section of the website of Finint Investments relating to funds under management.

¹ Article 5 SFDR – transparency of remuneration policies in relation to sustainability risks



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