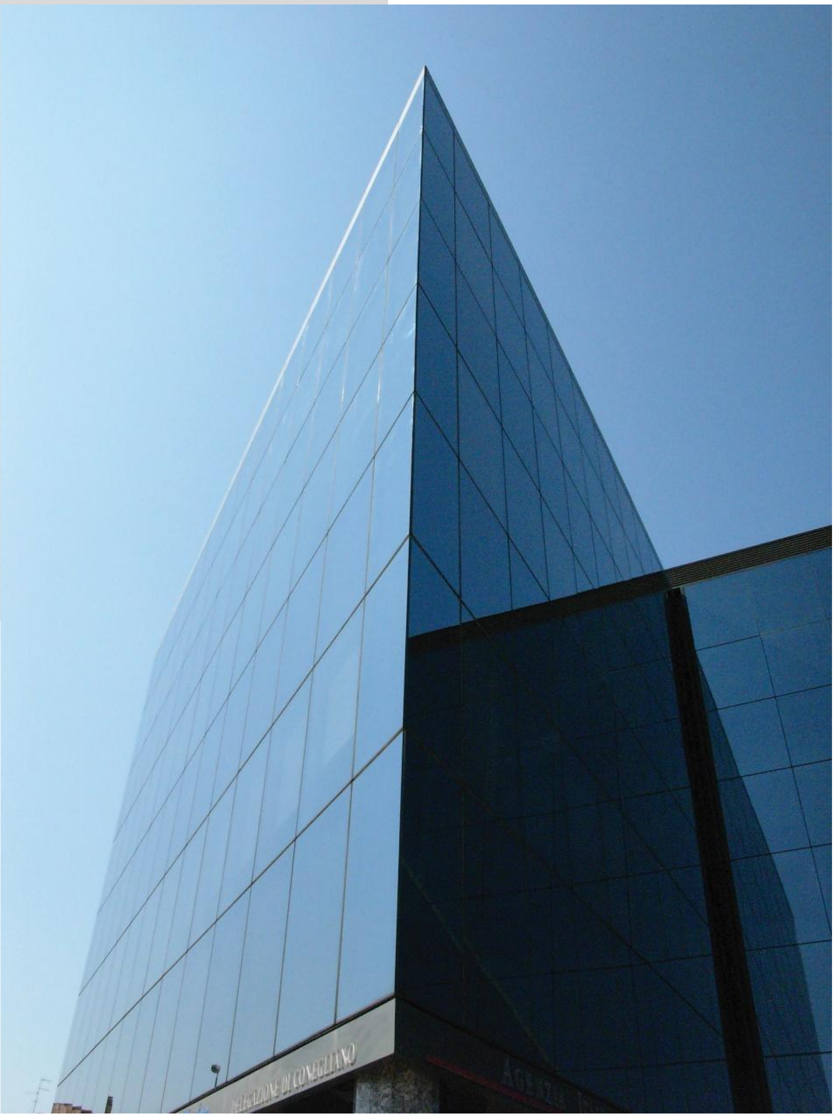
FININT INVESTMENTS



POLICY

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Process Owner Function	ESG Office
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Past Updates

Version	Date	Revisions Implemented
V 1.0	12/2020	First Document Version

APPLICABLE INTERNAL REGULATIONS

POLICY	▪ Group Policy for ESG Risk Management
GROUP'S DIRECTIVE	–
INTERNAL REGULATIONS	▪ ESG Committee Regulation; ▪ ESG Regulation for Managed Assets; ▪ Regulation on the Establishment of New Products and Services; ▪ Regulation on the Investment and Divestment Process of Managed Assets; ▪ Regulation on the Management of Conflicts of Interest; ▪ Regulation on the Exercise of Engagement Activities and Voting Rights; ▪ Regulation on the Selection and Management of Suppliers; ▪ Any other regulation closely related to the provisions set out in this document. ▪
METODOLOGIES	▪ Methodology for the Analysis and Measurement of Material Risks for Managed Assets
PROCEDURES	▪ Q Any procedure closely related to the provisions set out in this document
OPERATIVE INSTRUCTIONS	▪ Operating Instruction for the Preparation and Management of Offering Documentation for UCIs ▪ Operating Instruction for the Drafting of Management Reports for UCIs
OPERATIONAL MANUALS	–

APPLICABLE EXTERNAL REGULATIONS

WITHIN THE EUROPEAN FRAMEWORK	▪ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the so-called Taxonomy Regulation).
WITHIN THE NATIONAL FRAMEWORK	▪ Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented ("Consolidated Law on Financial Intermediation", "Consolidated Law" or "TUF");Measure of the Bank of Italy dated 19 January 2015, as subsequently amended (Regulation on Collective Asset Management);Regulation of the Bank of Italy dated 5 December 2019, issued in implementation of Articles 4-undecies and 6, paragraph 1, letters b) and c-bis), of the Consolidated Law (TUF).

TABLE OF CONTENTS

1. INTRODUCTION

1.1. PURPOSE AND OBJECTIVES OF THE DOCUMENT

This Policy aims to define the environmental, social and governance (ESG) principles that Finanziaria Internazionale Investments SGR S.p.A. (hereinafter also referred to as “Finint Investments”, the “Company”, or simply the “SGR”) pursues both at a corporate level and with respect to the assets under its management.

The document also outlines the guidelines adopted by the SGR to align, from an ESG perspective, its collective asset management and investment services, remuneration and incentive policies, conflict of interest management, investment decisions for UCIs and the related risk management, and, more broadly, transparency and disclosure practices towards clients.

1.2. DOCUMENT UPDATES

This Policy shall be subject to review following any material change in the relevant regulatory framework, or whenever deemed necessary by the Company’s ESG Committee, including in relation to the launch of new Products or Services.

Any amendment or update to this document must be submitted for approval to the Company’s Board of Directors or, alternatively, to the Chief Executive Officer, provided that the latter has been duly vested with the necessary powers.

2. Finint Investments Actions Plan

In defining its sustainable approach, Finint Investments has first identified the key sustainability themes on which to take action, aiming to provide — for each of them — a concrete and tangible contribution towards mitigating some of the risks highlighted by the United Nations in the 2030 Agenda.

Specifically, these areas are:

7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	**Affordable and Clean Energy and Climate Action** The Company, fully aware of the potential negative impact its activities may have on the surrounding environment, aims to operate in a manner that minimizes such impact as much as possible. In the management of its Funds and related portfolios, the Company conducts an assessment of environmental factors in order to raise awareness among companies and Funds about the importance of environmental protection.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Sustainable Cities and Communities** The SGR invests in the real estate sector through ongoing dialogue with both public and private stakeholders, with the aim of promoting urban renewal and regeneration initiatives. The management and promotion of social housing Funds contribute to reducing inequalities among citizens, fostering community life and social interaction, and supporting residential development even in peripheral areas located away from metropolitan centers.
8 DECENT WORK AND ECONOMIC GROWTH	**Decent work and economic growth** The Company aims to ensure appropriate working conditions within the companies in which the Funds it manages invest, while promoting and supporting the social development of the communities in which those companies operate. It primarily encourages a resource management approach focused on preserving and enhancing employees' skills and capabilities, fostering a work culture based on equal opportunities and merit-based criteria, and rejecting all forms of discrimination. The SGR also monitors both the direct and indirect impacts on employment and on the broader economic system generated through the Italian companies in which its real economy Products invest.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Industry, Innovation and Infrastructure** The SGR promotes innovation and technological development within Italian SMEs in which its real economy Funds invest, through transactions that support these companies along their growth path.

5 GENDER EQUALITY	**Gender Equality** The SGR is committed to regularly assessing the presence of women in key positions within its organization and to promoting the role of senior women in the financial
3 GOOD HEALTH AND WELL-BEING	**Good Health and Well-Being** The SGR supports the development of the healthcare system through real estate investments in residential care facilities (RSAs), with the aim of making healthcare
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Responsible consumption and production** The SGR ensures sustainable models of production and consumption, with particular focus on the real estate sector, prioritizing construction and investments in properties with high energy certification.

The Company has therefore developed an action plan aimed at improving the impacts it may generate on the external environment, adopting a conduct that is respectful of both the environment and individuals. This action plan is updated annually by the Company's ESG Committee, which monitors its progress and defines the short- to medium-term objectives to be pursued.

Outlined below are the main areas in which the Company has taken action at the corporate level, with reference to the internal regulations in force from time to time for further details.

2.1. ADHERENCE TO THE PRI AND OTHER PRINCIPLES

Among the objectives set out in the Company's ESG Action Plan is the annual adherence to, updating, and monitoring of the Principles for Responsible Investment (so-called PRI), the principles promoted by the United Nations to encourage sustainable approaches in the financial sector and to support the integration of environmental, social, and governance (ESG) factors into traditional investment processes.

Finint Investments has been a signatory of the PRI since 2021, renewing its commitment each year to supporting sustainability-related matters through the continuous updating of information concerning the Company's activities, governance, and internal regulations.

The six Principles for Responsible Investment identified by the United Nations — which the Company draws upon to guide its ESG growth path — can be summarized as follows:

1. Incorporate ESG issues into investment analysis and decision-making processes;
2. Be active owners and incorporate ESG issues into ownership policies and practices;
3. Seek appropriate disclosure on ESG issues by the entities in which the Company invests;

4. Promote acceptance and implementation of the Principles within the financial sector;
5. Work together to enhance the Company’s effectiveness in implementing the Principles;
6. Report on the Company’s activities and progress toward implementing the Principles.

Lastly, the SGR is committed to pursuing a positive ESG impact by also drawing inspiration from the principles of the following initiatives:

- United Nations Global Compact (UNGC);
- Global Reporting Initiative (GRI), the standard adopted at Group level to promote and ensure the Group’s accountability with respect to sustainable impact;
- International Standard on Assurance Engagements ISAE 3000 (Revised), issued by the IAASB;
- Sustainability Accounting Standards Board (SASB);
- Task Force on Climate-Related Financial Disclosures (TCFD), aimed at promoting transparency towards stakeholders regarding climate-related risks.

2.2. HUMAN RESOURCES POLICY MANAGEMENT

Human capital represents the SGR’s primary resource, as it is the foundation of all its activities.
For this reason, the Company is committed to ensuring:
(i) the qualitative and quantitative adequacy of its workforce; (ii) the development and enhancement of personnel, seeking the best alignment between individual profiles and competencies and the requirements of each role, as well as excellence in performance; (iii) employee motivation and a strong sense of belonging; (iv) the dissemination of the SGR’s and the Group’s core values, which guide employee conduct.

2.2.1. Staff Recruitment and Management

In line with the above principles, the Company is committed to ensuring that the selection of its personnel is conducted impartially and is based on the quality and professionalism of the candidates, while valuing diversity as a means to enrich knowledge and skills.
For this reason, human resource management within the Company is guided by principles of non-discrimination, inclusiveness, equal opportunity, and respect for individual dignity.
To ensure compliance with these principles, the Company periodically monitors gender diversity trends (e.g. “female quotas”), comparing them with industry averages and with results from previous years.

2.2.2. Training

The Company strives to ensure that its employees can acquire specific skills through training programs organized on an annual basis and tailored to the different roles they hold.

Among the training courses offered are those focused on sustainability in the investment sector, in which at least one member from each organizational unit is invited to participate. This approach aims to promote a widespread and consistent understanding of ESG topics across the entire Company workforce.

2.2.3. Remuneration and Incentive Scheme

The Company has established an incentive plan targeting key personnel, with the aim, among others, of attracting and motivating talent, rewarding performance and fostering a results-oriented culture, while also recognizing and promoting virtuous behaviors that contribute to the achievement of objectives.

Accordingly, the remuneration structure adopted for the aforementioned personnel includes a fixed component, which reflects the role held and the scope of responsibilities, taking into account the experience and skills required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to business results. It also includes a potential variable incentive component, designed to reward achievements by establishing a direct link between compensation and actual results—at both Company and individual level—over the short, medium, and long term, and in line with the defined risk profile.

For Fund managers overseeing products with sustainability objectives, the variable remuneration is also tied to non-financial performance indicators related to ESG matters, taking into account the actual results achieved by the Fund in this area. These ESG objectives, along with those linked to the performance of the UCI and, more broadly, the SGR, are included in an individual performance sheet and assessed annually by comparing targets with actual results.

This mechanism currently applies to all C-level roles and, to a lesser extent, to support staff involved in the management and administration of ESG-related Funds. The Company also plans to progressively extend this approach to all employees who are directly or indirectly engaged in ESG-related activities.

2.3. ENVIRONMENTAL RESPONSIBILITY

Although the nature of the business and the relatively small size of the SGR do not entail a particularly significant environmental impact, the Company has nonetheless adopted several measures to contribute concretely to environmental protection:

- Efficient resource management, involving the conscientious consumption of energy and materials to avoid any form of waste, supported by an appropriate waste management system;
- Action plans aimed at reducing energy consumption, while promoting the use of certified renewable energy sources;
- Implementation of paper-saving policies, by minimizing the printing of color copies whenever possible;
- Awareness-raising on travel practices for business trips, encouraging employees to opt for high-speed rail instead of car and/or air travel whenever feasible;
- Gradual conversion of the corporate vehicle fleet to hybrid cars and, subsequently, to electric vehicles, depending on the advancements made by car manufacturers.

2.4. Conflicts of Interest

In accordance with applicable regulatory provisions (including the so-called MiFID II Directive), the Company has adopted specific internal regulations on conflicts of interest, aimed at defining operational procedures for the prevention, identification, analysis, management, and monitoring of actual or potential conflict-of-interest situations that may arise in the course of its institutional activities and that could harm the interests of one or more of the Managed Portfolios and their respective Participants and clients, or conflict with the environmental or social characteristics potentially promoted by the UCIs.

Taking into account the nature, size, and complexity of its business activities (based on the principle of proportionality), the Company has identified appropriate safeguards for the prevention and management of conflict-of-interest situations, to be applied depending on the specific circumstances. These safeguards also include measures to be activated in cases where a conflict is identified as arising from the investment activity of UCIs, which may result in a sustainability risk incompatible with the relevant Portfolio, or give rise to greenwashing practices, due to features that are inconsistent with the classification assigned to the Fund under the applicable regulatory framework (EU SFDR Regulation and EU Taxonomy) or with the sustainability policies adopted by the Company and applicable to the relevant Fund.

2.5. Establishment and Marketing of New Products and Services

The Company is required to assess and define all aspects related to the establishment and distribution of new Products and Services, including the client segments to which such Products or Services are to be offered, taking into account the nature and characteristics of the investment product, including its complexity, risk/return profile, sustainability features, liquidity, and innovative nature.

For the purpose of identifying the Target Market of a Product it intends to establish, the Company must specify, among other elements, the financial objectives and client needs the Product is designed to address, including general financial goals or the investment strategy typically adopted by the identified clients. In particular, the Company must indicate:

– whether the product promotes environmental and/or social characteristics pursuant to Article 8 of Regulation (EU) 2019/2088 (“SFDR”) or has sustainable investment objectives pursuant to Article 9 of the SFDR, or whether it does not promote any sustainability characteristics or objectives under the above-mentioned provisions;
– whether the product takes into account the principal adverse impacts (PAIs) as defined in the SFDR;
– whether the product pursues environmentally sustainable objectives under Regulation (EU) 2020/852 (“EU Taxonomy”) and whether it complies with the “do no significant harm” (DNSH) principle set out in the same regulation.

Lastly, in the offering documentation to be made available to investors, the SGR must specify, among other aspects and depending on the type of Fund:

– ESG-related disclosures for AIFs and UCITS falling under Articles 8 or 9 of the SFDR, in accordance with the format set out in Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, which supplements Regulation (EU) 2019/2088 of the European Parliament and of the Council;
– the types of assets in which the AIF may invest, the techniques it may employ, and all associated risks (including the sustainability risk as defined in Article 2, point 22, of the SFDR), as well as any applicable investment limits.

2.6. SUPPLIERS SELECTION AND MANAGEMENT

The Company has identified the general principles to be followed by both the SGR and the Managed Portfolios when selecting a supplier or consultant to whom a specific activity is to be assigned.

As a general rule, one or more quotes must be obtained depending on the type and significance of the requested service or work, and the selection of the supplier—and thus the quote—must comply with specific parameters.

With particular regard to general sustainability principles, the SGR promotes a responsible and sustainable management of its supply chain, structuring its processes around contractual relationships based on transparency, compliance with national regulations, and alignment with the ESG-related corporate directives in force from time to time (covering environmental, social, and governance aspects), as also set out in its Code of Ethics.

Accordingly, the SGR applies these principles in the supplier selection process as well, requiring formal acceptance by suppliers of the ethical and social guiding principles and the standards of conduct defined in the SGR's Code of Ethics and Supplier Code of Conduct. Furthermore, it seeks to establish collaborative relationships with suppliers aimed at the continuous improvement of each party's sustainability-related corporate policies.

2.7. TRANSPARENCY AND DISCLOSURE

The Company is consistently committed to disseminating its ESG efforts and the results achieved.

2.7.1. Website Transparency and Disclosure

The Company also takes into account the obligations imposed on financial intermediaries by Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

Particularly relevant are the provisions set out in Article 3, "Transparency of sustainability risk policies", and Article 4, "Transparency of adverse sustainability impacts at entity level", of the aforementioned Regulation.

Pursuant to these articles, the SGR:

- publishes on its website information on the policy adopted for the integration of sustainability risks into its investment decision-making processes;
- taking due account of its size, nature, and scope of activities, as well as the types of financial products it promotes, publishes and regularly updates on its website either:
    - a statement concerning due diligence policies with respect to the principal adverse impacts of investment decisions on sustainability factors; or
    - a clear explanation of the reasons for not considering such adverse impacts, including, where applicable, whether and when the Company intends to do so in the future.

In light of the above, the SGR uses its website as a means to provide updates on key ESG initiatives and progress made, publishing documents such as:

- the internal regulations adopted by the Company to govern ESG matters;
- SFDR-related disclosures (Sustainable Finance Disclosure Regulation);
- sustainability disclosures for each Fund under management that falls within the category of products referred to in Article 8 of Regulation (EU) 2019/2088 (SFDR).

2.7.2. Transparency in Marketing Communications

The SGR complies with both European and national regulations concerning advertising and promotional communications, with specific reference to the obligations applicable to intermediaries, including in relation to ESG investment products:

– to provide clients with information that is accurate, clear, and not misleading, including within advertising and promotional communications;
– to ensure that the information contained in marketing materials is consistent with that provided to clients in relation to the offered products.

For further details, please refer to the following paragraph and to Chapter 3.4 of this document.

2.7.3. Pre-contractual Disclosure

With regard to ESG investments, and in line with applicable regulatory technical standards, the Company provides information—either in the pre-contractual documentation or, alternatively, in related documents (such as product sheets)—concerning the objectives and characteristics that qualify the Product or Service as having a sustainable, ethical, or socially responsible investment objective. This includes, where applicable, the allocation of proceeds generated by the offered products and services to social or environmental initiatives.

Such pre-contractual disclosure is provided by the SGR in compliance with the provisions of MiFID II and Regulation (EU) 2019/2088 and may be supplemented, where appropriate, with further details in the product sheet and offering documentation.

In particular, the Company provides more detailed information within the pre-contractual disclosure to clients, or in related documents, to clarify:

a) whether the product intends to make sustainable investments or promotes environmental or social characteristics;
b) whether there is a reference benchmark used to assess the environmental or social characteristics promoted.

For further details, please refer to Chapter 3.4 of this document.

2.7.4. Periodic Reporting

In order to enhance the impact of responsible investment activities, the SGR reports to its investors on the actions undertaken and the results achieved through the implementation of its sustainable finance policies.

This includes highlighting the alignment of managed portfolios with ESG criteria (both in absolute terms and relative to benchmarks), and ensuring transparency regarding the promotion of environmental or social characteristics of sustainable investments in the annual reports of UCIs, pursuant to Article 11 of Regulation (EU) 2019/2088 (“SFDR”) for Funds falling under Articles 8 or 9 of the same Regulation, and in accordance with the reporting format set out in Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

For further details, please refer to Chapter 3.4 of this Policy.

3. Sustainability Across Managed Portfolios

The Company acknowledges that the integration of ESG factors into collective asset management is one of the key measures identified in the European Commission's Action Plan on Financing Sustainable Growth.

Indeed, investing with an ESG perspective means incorporating environmental, social, and governance factors into the decision-making process related to portfolio construction and monitoring, alongside traditional financial analysis.

In this context, the investment plans developed by Finint Investments for the assets of the Funds—consistent with each Fund's strategy—reflect an approach grounded in the guidelines promoted by the Principles for Responsible Investment (PRI) and aligned with best practices adopted by other financial market participants. Specifically, the approach is based on four key pillars that converge into a unified vision:

1) Regulatory screening, applying exclusion criteria based on legal frameworks, ethical values, and involvement in controversial economic activities;
2) ESG integration, through the adoption of appropriate internal and external assessment models, and active contribution to selected United Nations objectives (the so-called 2030 Agenda);
3) Active impact, achieved through engagement, education, and dialogue with stakeholders;
4) Reporting, aimed at delivering clear and transparent communication to the public and to clients.

3.1. Negative Screening (or *Exclusion*)

Negative screening (or exclusion) involves the adoption of predefined investment rules through which certain investments are excluded in advance based on regulatory frameworks (e.g., the Ottawa Treaty, which aims to eliminate the production and use of landmines worldwide), values (e.g., excluding investments in companies operating in sectors not aligned with the principles of the United Nations Global Compact, such as tobacco, nuclear, chemical or biological weapons), controversial economic activities (e.g., excluding investments in companies involved in controversial practices such as child labor, human rights violations, or tax evasion), and geographic areas or countries (e.g., excluding investments in specific activities or sectors in certain countries or regions).

In this context, the SGR has therefore committed not to support—either directly or indirectly—investments whose activities:

- involve illegal economic activities (meaning the production, trade, or other activities that are illegal under the applicable legislation governing the SGR, its managed Funds, or the companies in which it invests, including, by way of example, human cloning for reproductive purposes);

- are substantially focused on:
    - the production and marketing of tobacco, distilled alcoholic beverages, and related products;
    - the production and marketing of firearms and ammunition of any kind, except where such activities are part of, or otherwise ancillary to, European Union policies;
    - gambling and equivalent activities;
    - gold trading and retail trading of precious metals;
    - the production or marketing of pornographic material;
    - human cloning or the use of genetically modified organisms;
- are linked to companies that do not guarantee respect for human rights in the conduct of their business.

In addition, in line with ESG regulatory developments, the SGR carefully and appropriately assesses all investments related to:

- the production of fossil fuels and related activities, such as: (i) extraction, production, transport, and storage of coal; (ii) exploration and production of gas and oil;
- industries characterized by high energy intensity and/or high CO_2 emissions, including in particular: (i) manufacture of other basic organic and inorganic chemicals; (ii) manufacture of fertilizers and nitrogen compounds; (iii) production of virgin plastics; (iv) cement production; (v) production of steel, iron, and aluminum.

This does not entail an automatic exclusion or screening, but rather a careful assessment by the various investment and management committees of the potential environmental impacts and consequences of such investments, as well as of the actions undertaken by counterparties to mitigate the related environmental risks.

The list of exclusions may also be expanded depending on the type of Fund and may be determined in agreement with investors, without prejudice to the principles previously adopted by the Company.

Additionally, it should be noted that the ESG Committee is responsible for continuously monitoring the exclusion principles adopted by the Company to ensure their alignment with the guidelines set out under the PRI framework and with the exclusion from the investable universe of companies or activities linked to sectors not compliant with the principles of the UN Global Compact.

3.2. ESG INTEGRATION

ESG integration involves incorporating specific ESG factors into the financial analysis and portfolio construction process of the managed Funds, with particular attention to achieving a sustainable balance in light of the complexity of the investments.

ESG indicators can thus provide complementary information that enables a deeper understanding of the opportunities and risks associated with an investment decision.
Within investment processes, the systematic approach to ESG integration varies depending on the asset class in which the UCI is allowed to invest and in accordance with the Fund's investment strategy. Therefore, in order to generate investment decisions that adhere to ESG criteria while also meeting financial and sustainability objectives, the Company shall rely on ESG research providers and rating agencies, in addition to conducting its own sustainability analyses.

3.2.1. Ratings

As part of its ESG integration process, the Company employs various methodologies to qualitatively and quantitatively assess the sustainability performance of the assets under management.

Internal Ratings

Finint Investments has developed its own internal model to accurately assess the sustainability performance of both the real estate assets held by traditional Real Estate Funds and the target companies of Funds operating in Private Markets, with a specific focus on evaluating the sustainability risk of each asset based on its sector.
In particular, the "Finint ESG Score" enables asset-specific analysis by assigning an individual score to each KPI under the three ESG pillars (E: Environment, S: Social, G: Governance), tailored to the asset type, and aggregating the results into a final score.
This score is updated and monitored by the Front Office and the Risk Management Functions, and constitutes an integral part of the Funds' investment strategy and of the related disclosures made available to investors from time to time. The calculation of these scores is carried out using tools either developed internally or provided by external vendors, depending on the asset class being assessed (for example, Deepki for Real Estate assets and One Compliance for Private Markets assets).

The evaluation system described above not only allows for a precise assessment and monitoring of the sustainability performance of assets, but also establishes a minimum threshold score below which investments are not permitted.

External Ratings

In the real estate sector, it is essential that the adoption of clear and detailed ESG criteria is also implemented with the aim of obtaining international ratings for Funds with sustainable objectives such as those issued by the Global Real Estate Sustainability Benchmark (GRESB).

GRESB provides a standardized and validated framework for assessing and benchmarking the ESG performance of real estate portfolios. Its evaluation criteria, divided into two main components, serve as the guiding framework for ESG management of real estate assets:

- The Management component assesses the degree to which ESG principles are integrated into the company's business strategy, with the aim of:
  - identifying the level of ESG commitment within the Company through the definition of an ESG policy, non-financial reporting, risk assessments, due diligence, and a structured action plan to monitor the ESG performance of the portfolio;
  - evaluating the level of stakeholder engagement (employees, suppliers, investors, etc.).
- The Performance component focuses on quantitative data, particularly environmental metrics, which account for approximately 70% of the total score. These data must be collected and monitored both at the asset and tenant levels (including common and private areas), and must be part of an ESG action plan aimed at improving the portfolio's performance.

Investors can therefore rely on the results of such international ratings and/or certifications when making investment decisions.

For the Public Markets asset class, the SGR relies on the external provider MainStreet Partners to assign ESG ratings at both the individual asset level—assessing physical and transition risks—and the overall Fund level. The provider enables the identification, among more than 200 indicators, of the most relevant metrics for evaluating the 12 categories and 3 dimensions (Environmental, Social, and Governance) that comprise the ESG rating.

In particular:

- Transition and physical risks are assessed and monitored through two specific environmental scoring categories: Environmental Strategy and Production Process.
- The resulting scores offer a comprehensive risk assessment and integration approach that supports both pre-investment analysis and ongoing monthly monitoring, ensuring a full evaluation of sustainability-related risks.

To complete and validate this assessment process, the Company further investigates, evaluates, compares, and analyses additional data provided by other third-party data providers or by the issuers themselves through publicly available disclosures.

3.2.2. Integration of Sustainability Risk

Risk measurement and assessment represent a key phase within the broader risk management process implemented by the Company to ensure that all material risks are promptly and accurately identified and effectively managed.

The Risk Management Function is responsible for developing, validating, and maintaining appropriate systems for the measurement and control of each of the identified risk categories.

Among the risks to which individual assets within each Fund's portfolio may be exposed is sustainability risk, defined as the risk of a material negative impact—actual or potential—on the value of an investment, arising from the occurrence of an environmental, social, or governance-related event or condition.

Sustainability risk includes, among others, the so-called climate and environmental risk, which in turn is broken down into the following categories:

- Transition risk, which refers to the indicator that assesses the negative economic impact, whether direct or indirect, resulting from the adjustment process of the asset toward a low-carbon and more environmentally, socially, and governance-sustainable economy;
- Physical risk, which refers to the indicator that assesses the negative economic impact caused by climate change, particularly the consequences of weather-related events in the form of material damages or productivity losses, resulting from either gradual climate shifts or extreme events.

In light of the above, each Fund under management that invests in the following asset classes—Real Estate & Energy, Private Debt & Direct Lending, NPEs, Private Equity & Venture Capital, and Public Markets—includes an assessment of both transition risk and physical risk[1].

These risks are calculated, depending on the asset type, by using specific platforms adopted by the Company, with the support of third-party specialized providers[2], or through internal models that process the responses provided by target companies to qualitative questionnaires submitted annually.

3.3. ACTIVE IMPACT

In real economy investments, the dialogue between the SGR and the Target Company is part of a broader process that can be defined as one of "Education."

[1] with the exception of Funds that invest in Real Estate & Energy asset classes under liquidation, divestment, or distress, or that also invest in securitization products, and with the exception of Funds that invest in NPEs, for which sustainability analysis is carried out solely with respect to physical risk.

[2] Deepki Ready, Mainstreet Partners

The SGR therefore encourages Target Companies to adopt internal protocols and procedures aimed at identifying, preventing, and mitigating potential negative social and environmental impacts that may arise from their business operations and key corporate strategies.
A Target Company approaching the capital markets must thus develop awareness of the need to implement internal sustainability policies, so that its exposure to sustainability risk appears more limited to potential investors. To incentivize this approach, specific covenants or reward mechanisms may be introduced, based on the level of ESG rating associated with or achieved by the Target Company.

3.3.1. Engagement and Voting Rights

The management of corporate governance for companies and Funds within the portfolio represents one of the core principles underlying the SGR's responsible investment process.
To this end, the Company implements active ownership strategies, which include exercising voting rights at shareholders' meetings and/or engaging in dialogue with issuers in which its UCIs invest, with the aim of promoting transparency, the achievement of high standards of corporate governance, and the adoption of practices aligned with sustainable development.
Specifically, the Company has defined—within its Regulation for the Exercise of Engagement and Voting Rights—the minimum standards it adheres to in order to:

- integrate engagement into its overall investment strategy;
- monitor issuers on relevant matters, including strategy, financial and non-financial performance, risks, capital structure, social and environmental impact, and corporate governance;
- establish constructive dialogue with issuers in which the managed UCIs have invested, in relation to:
    1. sustainability-related issues in all their components (environmental, social, and governance);
    2. financially material events, such as corporate transactions;
    3. credit risk; and
    4. corporate strategies;
- exercise voting rights and other rights associated with the ownership of financial instruments;
- collaborate with other stakeholders and with key stakeholders of the companies in which the managed UCIs hold equity interests and/or controlling positions; and
- manage actual and potential conflicts of interest related to engagement activities.

3.4. ESG REPORTING

In order to enhance the impact of responsible investment activities, the SGR promotes transparency and accountability in its investments by ensuring that investors have access to clear and comparable information on the environmental, social, and governance characteristics of the Products, as well as on the achievement of any sustainability objectives pursued by the managed UCIs.

The Company must ensure that such information is properly integrated into periodic reports and communicated to the relevant stakeholders in accordance with applicable regulations.

Specifically, the annual management report of the relevant UCI must explicitly state that information on environmental or social characteristics is available in a dedicated annex to the report. In particular:

- for UCIs that promote environmental or social characteristics pursuant to Article 8 of Regulation (EU) 2019/2088 (SFDR), the annex must be drafted in accordance with the model set out in Annex IV of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, and must describe the extent to which the environmental and/or social characteristics have been met by the Fund;
- for Products that fall under Article 9 of Regulation (EU) 2019/2088, which have Sustainable Investments as their objective, the annex must be prepared in accordance with the model set out in Annex V of Commission Delegated Regulation (EU) 2022/1288, and must include:
  - the overall sustainability-related impact of the financial product using relevant sustainability indicators; or
  - where a benchmark has been designated as a reference index, a comparison between the overall sustainability-related impact of the financial product and the impacts of the designated benchmark and a broad market index, using sustainability indicators.

In both cases, if the UCIs consider principal adverse impacts (PAIs)[3] in their investment decisions, the annex to the management report must also provide specific disclosures regarding the assessment of the principal adverse impacts on sustainability factors, as described in the product's offering documentation[4].

[3] The assessment of PAIs (Principal Adverse Impacts) must be carried out in accordance with the methodology described in Annex I of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, providing information on the indicators set out in Tables 1, 2, and 3, as applicable to the relevant UCI.

[4] Section: "Does this financial product consider principal adverse impacts on sustainability factors?"