

Sustainability disclosure in Fondo Italiano d'Investimento SGR in accordance with EU Reg. 2019/2088

Art. 3: Transparency on sustainability risk integration policies adopted in investment decisions

Fondo Italiano d'Investimento ("Fondo Italiano" or the "SGR") is aware that sustainability risks, understood as an environmental, social or governance event or condition, can adversely affect the value of its investments and that consideration of these types of risks is a prerequisite for the creation of lasting value for all its stakeholders.

These considerations are integrated in the approach that Fondo Italiano has adopted for its investment activities and that reflects the commitment undertaken by signing the United Nations "Principles for Responsible Investment". The consideration of such risks is, moreover, for the SGR, a fundamental element in the realization of its commitment to contribute positively to the United Nations 2030 Agenda and to the achievement of the sustainable development goals envisaged by the latter.

The approach that Fondo Italiano d'Investimento has adopted to integrate sustainability risks into its investment activities consists of processes designed to monitor them throughout the entire life cycle of investments. With reference to direct investments, the SGR provides for due diligence activities according to ESG criteria for the selection of targets, to assess any critical issues and align investment decisions also with respect to these issues, and monitoring activities of sustainability performance for the duration of the investment. About indirect investments, the SGR considers it necessary to first assess the strategies and controls adopted by third-party managers to integrate sustainability risks and, subsequently, to activate procedures to monitor the management implemented for such risks. Furthermore, Fondo Italiano d'Investimento believes that the adoption of certain safeguards by the companies and funds in which it invests represents an essential safeguard against sustainability risks and is therefore committed to verifying that the requirements established in this regard are met.

The "Responsible Finance Policy" document, which can be consulted on the "Corporate Documents" page of the website, formalises the strategy adopted by the SGR in relation to Responsible Investment, providing details of how sustainability risks are integrated into the various stages of the investment process.

Art. 4: Failure to take into account the negative effects of investment decisions on sustainability factors

Except for FoF Impact Investing, which has as its objective sustainable investments pursuant to Article 9 of Regulation (EU) 2019/2088 ("SFDR Regulation"), as at the date of publication of this disclosure, the SGR does not consider the principal adverse impacts of its investment decisions on sustainability factors pursuant to the overall regulatory framework set out in the SFDR Regulation and Commission Delegated Regulation (EU) 2022/1288 ("RTS").

The rationale for this position lies in the limited availability of information and data necessary for

their proper assessment and reporting as required by the regulations. However, the SGR is committed to gradually accompanying its portfolio companies in the implementation of adequate performance monitoring processes relating to environmental, social and governance factors.

More specifically, Fondo Italiano has established products that promote, among others, environmental and social characteristics in accordance with Article 8 of the SFDR and has adopted a framework to be applied to all direct investments such that, in the preliminary assessment and monitoring processes, particular attention is paid to the indicators relating to the negative effects in Table 1 of the RTS.

Art. 5: Transparency of remuneration policies with regard to the integration of sustainability risks

Fondo Italiano d'Investimento believes that the proper implementation of the integration policies adopted is functional to the sound and effective management of sustainability risks. Consistently with this orientation, the inclusion of sustainability objectives within the remuneration schemes is a useful tool to reinforce the commitment of personnel in effectively implementing sustainability risk integration policies. To this end, the SGR has updated its staff remuneration policies with the aim of better aligning variable remuneration with sustainability objectives associated with the integration of sustainability risks in investment processes. Moreover, in relation to specific products, part of the extra return generated by management (so-called carried interest) is linked to the achievement of ESG objectives, based on what is defined in the respective management regulations.

Disclosure Update

Disclosure	Last update	Reasons for the changes
Art. 3	-	-
Art. 5	December 2022	Updating of remuneration policies and introduction of new products