Disclosure regarding sustainability in FSI SGR S.p.A in accordance with the

REG. (UE) 2019/2088

Last update: November 2026*

- Art. 3: Transparency of sustainability risk policies
- Art. 4: No consideration of adverse impacts of investment decisions on sustainability factors
- Art.5: Transparency of remuneration policies in relation to the integration of sustainability risks

(*) Updated by publishing on the website the disclosures in Articles 3, 4 and 5. Specifically: (i) Art. 3: changes due to the evolution in the approach that have occurred since the date of first publication of the disclosure; (ii) Art. 4: changes due to failure to take into account the main negative effects of investment decisions on sustainability factors; (iii) Art. 5: changes due to the fact that the remuneration policies have been updated.

Art. 3: Transparency of sustainability risk policies

Sustainability risk is defined as an environmental, social or governance event or condition that, should it occur, could have a significant negative impact on the value of the investment.
FSI SGR S.p.A. (hereinafter also referred to as "*FSI*" or the "*SGR*") recognises that consideration of these elements is crucial and is committed to incorporating ESG implications and risks into the management of FSI internal operations and its investments, drawing inspiration from responsible investment principles and outlining the criteria to be followed to put this commitment into practice in order to align investors' interests with the broader objectives of society as a whole. As part of its investment process, FSI assesses various types of risk that can be classified in the environmental, social and good governance spheres and that can be traced back to the incorrect management of the following aspects:



Environmental

Physical and transition climate risks - Energy consumption and GHG emissions;
Waste and hazardous materials management;
Water resources management;
Biodiversity protection;
Critical raw materials and components.



Social

Pay equity;
Diversity and inclusion;
Consumer and product safety;
Risks to affected communities.



Governance

Business ethics and integrity, anti-corruption and anti-money laundering;
Responsible supply chain management;
Adherence to good governance practices;
Responsible use of Artificial Intelligence.

Consistent with this approach to integrating ESG issues into the management of the SGR and its investment portfolio, FSI has publicly engaged to observe six principles for responsible investment, signing the "*United Nations Principles for Responsible Investment*" ("*UN PRI*"). The valuation of sustainability risks in the context of the investment decision process is, in fact, consistent with Principle 1: "*We will incorporate ESG issues into investment analysis and decision-making processes*".

Once sustainability risks have been identified, FSI integrates them into its decision-making processes related to investments. This integration occurs, in fact, both in a pre-investment stage, through ESG Due Diligence and the formulation of an ESG Rating to verify the level of ESG integration of target companies, in the post-investment stage, through ESG engagement activity, monitoring of sustainability performance and the implementation of ESG remediation action plans aimed at bridging any gaps encountered during the pre-investment phase, in accordance with the principle of materiality.

The process described is functional to overseeing the main risks and opportunities connected with the material issues; FSI reserves the right to make changes to the identification of sustainability risks if the materiality matrix is updated

FSI sets out its responsible investment strategy in the "*ESG Guidelines*" document, published in the "*Sustainability*" section of this website and available at the following link https://www.fondofsi.it/linee-guida-esg; please refer to this document for further details on how sustainability risks are integrated into investment decisions.

Art. 4: No consideration of adverse impacts of investment decisions on sustainability factors

FSI includes within its proprietary frameworks of ESG Due Diligence, ESG Rating and post-investment monitoring the indicators related to the principal adverse impacts (or "PAIs") of its investment decisions on sustainability factors provided for in Appendix 1 of Delegated Regulation 2022/1288.

Notwithstanding this, in consideration of the information and data required for the adequate assessment and reporting of PAIs in accordance with the provisions of the regulations, especially with regard to the actions and objectives aimed at minimising them, and in light of the - tendentially - minority stakes of FSI, as of the date of publication of this disclosure FSI adopts the "*explain*" approach. Therefore, FSI does not consider PAIs under the overall regulatory framework defined by Regulation (EU) 2019/2088 ("SFDR") and Commission Delegated Regulation (EU) 2022/1288 ("RTS").

Art.5: Transparency of remuneration policies in relation to the integration of sustainability risks

FSI promotes the consistency of its activities and those of the portfolio companies with the sustainability topics identified as material for FSI and the portfolio companies. The proper management of these aspects allows FSI to take into due consideration sustainability risks and opportunities.

FSI deems that the effective integration of sustainability risks may depend also on the inclusion of sustainability objectives in the remuneration schemes. Accordingly, FSI adopts an incentive system linking the variable remuneration also to sustainability objectives. FSI believes that these objectives can positively influence the fulfilment of its strategic objectives and for this reason encourages their achievement by providing within its remuneration policies sustainability parameters to which it links variable remuneration.