

SUSTAINABILITY REPORT 2023



FSI

Credits

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At FSI, we believe that responsible investing begins with establishing a robust governance framework (“**Go**”) for portfolio companies. Effective Governance leads to stronger management teams and more engaged employees (“**S**”).

The execution of G and S first allows to achieve better results, generating incremental resources to be invested for CAPEX and OPEX in environmental projects including emissions reduction (“**E**”).



GoSETM
by  FSI

Our sustainability framework, known as GoSE, is ingrained in our daily operations and has been patented as reflection of our commitment.

Letter from the CEO 5

- Shaping the future through investments in technology and life sciences

FSI Highlights 6

CHAPTER 1

Investment Strategy 9

CHAPTER 2

Sustainability Updates 17

- GoSE strategy
- FSI Seminar on Sustainability and Corporate Purpose
- Claudio Dematté Private Equity of the Year Award by AIFI

CHAPTER 3

FSI Climate Strategy 29

- Overview of Climate Strategy
- Bank of Italy: Supervisory expectations on climate and environmental risks
- FSI Transition Roadmap

CHAPTER 4

A Sustainable Governance 37

- FSI Sustainability Committee activities review
- FSI Double materiality assessment
- Sustainable Development Goals Alignment
- Investee companies ESG Governance

CHAPTER 5

Social Impact 55

- A Responsible Employer
- FSI for Diversity, Equity & Inclusion
- Portfolio companies people management and performance

CHAPTER 6

Environmental Impact 79

- FSI environmental footprint
- Portfolio environmental footprint

CHAPTER 7

FSI for the Community 93

CHAPTER 8

Appendix 101

- GRI Content Index
- Methodological Note
- Contacts





Maurizio
Tamagnini

Letter from the CEO

Shaping the future through investments in technology and life sciences

FSI has always been a responsible private capital investor strongly conscious of its role in the Italian economy. This means making choices, defining strategies, and taking actions to build sustainable businesses for the long term. Success requires a clear, sustainable investment strategy, effectively applied through the continued addition of specialised competences and active support to investee companies. An effective strategy must combine economic returns with sustainable business models to ensure credibility with investors and investees.

At FSI, we focus especially on Technology and Life Sciences, applying an unique investment formula based on transformational growth and partnership with entrepreneurs, institutions, banks, and managers. To date, we have invested approximately €1.5 billion in these sectors, representing 80% of the FSI I fund's capital and all the capital called for the newly established FSI II fund.

Why investing in these sectors in Italy is crucial?

1. Future-Oriented Business Models: Companies in Technology and Life Sciences focus on innovation and growth, evidenced by high Research & Development spending and a strong emphasis on sustainability, inclusion, and gender gap reduction. For instance, 43% of executives in Life Sciences and 27% in Technology are women, compared to a national average of 21%.

2. Suitability for Institutional Investment: Despite their fragmented nature, these sectors in Italy are particularly appealing for institutional investment. However, Italian companies show lower capital openness compared to peer countries. With the right approach, private equity can effectively support strategic and transformative growth. One example is Kedrion, which has been transformed from a local producer to a global operator with revenues growing from €280 million to approximately €1.4 billion, primarily through strategic acquisitions and organic growth.

3. Specialised Competences Required: Investing successfully in these sectors requires specific techni-

cal and scientific expertise. Private equity has yielded above-average returns in these sectors, which generate a more significant impact on employment compared to others. FSI is the largest Italian investor entirely dedicated to supporting the key players in these strategic sectors for the country.

Private capital is often the most suitable partner for guiding a company through various stages of development, following industrial logics and shared ambitious goals. Again, the case of Kedrion illustrates how FSI Partnership capital contributed to transform and scale up a medium-sized Italian company into a global player while maintaining family involvement. FSI's experience shows that traditional LBO approaches often do not meet the growth needs of the Technology and Life Sciences sectors in Italy. A compatible investment formula, willingness to understand the founding partner's psychology, and bringing tangible value to the partnership are crucial. We have also supported banks and other financial institutions in transformative paths of fintech companies. A clear example is Cedacri, a former portfolio company which at FSI entry was mainly focused on servicing core shareholders that was transformed with FSI active involvement into a dynamic open market company with significant business expansion through new major client acquisitions.

At FSI we believe also that good private equity must design development paths that extend beyond exit, ensuring companies are handed over to the best owner for future growth. Also, Institutional investors should actively participate in creating an ecosystem that enables Italian companies to continue growing and innovating.

In conclusion, FSI is conscious of its unique role and responsibility to shaping the future by investing in Technology and Life Sciences, supporting sustainable growth, and fostering innovation in Italy. Through our strategic approach and dedicated partnerships, we aim to build companies that not only thrive economically but also contribute positively to the society.

FSI Highlights

(As of 31/12/2023)



€ 2.4 bln
Assets under management



50%
Of assets under management Art 8 SFDR



44 (+10%)

Total workforce

14 women (32%)

30 men (68%)

Including industrial partners



Winner

Of the Premio Dematté in the Expansion category for the 3rd year in a row



100%

Portfolio companies subject to ESG due diligence

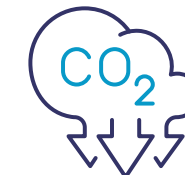


20%

Of Board of Directors Women and Independent

ESG at portfolio level

(As of 31/12/2023)



Emissions

6 tCO₂e/€mn
Portfolio carbon footprint

-27%

8.2 tCO₂e/€mn in 2022

OF WHICH

6.5 tCO₂e/€mn
Considering like for like portfolio composition

-48%

12.6 tCO₂e/€mn in 2022



Waste

2.3 t/€mn
Waste generated

-50%

4.6 t/€mn in 2022

OF WHICH

2.8 t/€mn
Considering like for like portfolio composition

-52%

5.7 t/€mn in 2022



Water

85.6 m³/employee
Water consumption

-14%

99.5 m³/employee in 2022



Employees

9,903
Total portfolio companies employees *

VS

11,539 in 2022

OF WHICH

+46
Considering like for like portfolio composition

* the decrease of the total number of employees at portfolio level is mainly due to the exit of one of the portfolio companies, Cedacri.



Women

21%

Women in the BoD

VS

19% in 2022

46%

Women employees

VS

47% in 2022



Shanghai, 2016

Investment Strategy

As a patient institutional investor, FSI focuses on long-term value creation. Our investment strategy is designed to support and sustain businesses over an extended period, ensuring they have the necessary resources to grow and thrive. By adopting a medium to long-term horizon, we can provide stability and continuity, which is crucial for fostering innovation, development, and competitiveness.

Our complete dedication to Italy means that we are deeply committed to contributing to the economic growth and prosperity of the country, and that we understand local communities and the key cultural values of different Italian regions.

We invest in a wide range of sectors and regions, aiming to support local enterprises, infrastructure projects, and community initiatives. Our goal is to enhance the overall economic landscape, create

jobs, and drive sustainable development. This long-term approach allows us to build strong relationships with our investee companies, understanding their needs and challenges, and working collaboratively to achieve shared objectives.

We believe that this patient capital model not only benefits the businesses we invest in but also generates positive outcomes for the broader Italian economy and society.

As of end of 2023, our portfolio compositions are the following:

Fund I



Anima Holding S.p.A.



Missoni S.p.A.



Kedron Holding S.p.A.



Lynx S.p.A.



Numia Group S.p.A.



Cerved Group S.p.A.

Fund II



Nice S.p.A.



Top performance

FSI I Fund is among the top-performing funds in Europe in terms of financial returns and capital paid back to investors (DPI).

The first five distributions have shown the significant growth and value FSI has added to the portfolio companies, reflected in increased revenues, improved margins, higher business diversification and higher employment. For three consecutive years, FSI won the award “Premio Claudio Dematté” for the investment of the year by the Association of Italian Private Equity, Venture Capital and

Private Debt (Cedacri 2021, Adler Pelzer 2022 and Kedrion 2023).

Our track record demonstrates exceptional performance and the ability to identify and nurture high-potential companies. The impressive growth of our initial investments underscores our strategic approach and the value we bring to our portfolio companies. These companies have not only expanded their revenue streams but have also created, among other things, more job opportunities, contributing positively to the economy.



Mission critical

FSI invests in outstanding Italian companies that are market leaders and hold strategic value for the country. We partner with some of the most respected family businesses that operate globally or are leaders in their verticals. Our focus is directed through dedicated teams and Industrial Partners in the sectors of Fintech, Digital Technology, and Healthcare, where the FSI I fund has invested approximately 80% of its capital.

In these sectors, which are pivotal to the future of the Italian economy, we allocate our resources to drive advancements and transformation. Our targeted investments aim to accelerate development, enhance competitiveness, and promote sustainable growth. Through our sector-specialised teams and Industrial Partners, we provide strategic support and guidance to our portfolio companies, helping them achieve their full potential and create long-term value.



Investing in partnership

We have developed a trust-based relationship with entrepreneurs and other shareholders, aimed at sharing key strategic objectives. The experience gained by FSI senior partners in different key sectors and growth capital investments translates into a network that ensures a constant generation of proprietary investment opportunities on a bilateral basis. Our established network is a significant asset, it allows us to have direct access to unique deals

that are not available through traditional market channels. This is built on years of industry relationships, trust, and a proven track record of successful investments. This proactive approach to deal sourcing and relationship building enables us to stay ahead of market trends and capitalise on emerging opportunities, ultimately driving the growth and success of the businesses we invest in.



Focus on growth

We focus on growth and low or no leverage, a formula particularly well-suited to the current economic environment. We contribute to the development of companies’ growth projects based on innovation, international market penetration, sector consolidation, and the management of succession plans.

Our strategy emphasizes organic growth, while maintaining a conservative approach to financial leverage. This approach ensures financial stability

and resilience, which is especially important in today’s volatile economic landscape. We also play a crucial role in defining and implementing growth projects for our portfolio companies. These projects often centre on innovation, enabling businesses to stay competitive and adapt to technological advancements.

Finally, when we exit our investments, we carefully seek the best possible next owner or partner for our investees.

ESG measurable

FSI II is classified as an Article 8 SFDR (Sustainable Finance Disclosure Regulation) fund, indicating that it promotes environmental or social characteristics and integrates sustainability criteria into its investment decisions.

We operate with our proprietary GoSE formula. It underscores our commitment to starting with robust governance as the foundation and then implementing concrete initiatives that drive social impact and ecological transition across our investments. In 2023, our commitment to these

principles resulted in a significant achievement: we successfully reduced the carbon footprint of our portfolio by almost 50% if we consider the like-for-like composition. Through our GoSE formula, we ensure that each investment is not only financially sound but also contributes to a more sustainable and equitable world.

This holistic approach allows us to create value that extends beyond financial returns, fostering positive impacts on society and the environment.





GoSE Strategy

At FSI, we believe that responsible investing begins with establishing a robust governance framework (“**Go**”) for portfolio companies.

This is particularly key for the majority of family businesses we work with and it involves creating an organisational structure substantially based on meritocratic principles, empowering management with clear responsibilities and proxies, implementing succession plans, and addressing gender pay disparities. Effective governance leads to stronger management teams and more engaged employees (“**S**”).



To cultivate and enhance human capital, FSI aims at implementing evidence-based performance and incentive programs, welfare initiatives, promotes diversity and inclusion, nurtures young, talented individuals, and attracts skilled professionals. By properly incentivizing better human capital, we foster stronger industrial and financial plans that fully integrate sustainability objectives. The execution of G and S first allows to achieve better results,

generating incremental resources to be invested for CAPEX and OPEX for environmental projects including emissions reduction (“**E**”).

Our sustainability framework, known as “**GoSE**” (commonly referred to as ESG), is ingrained in our daily operations and has been patented as a testament to our commitment.

We aim to bring different perspectives to portfolio companies and focus on reinforcing their governance functions, strengthening management team more effectively, and integrating social and environmental issues into strategic business decisions and operations.

Such a governance-focus investment strategy enables us to select the most skilled people to lead the growth journey of companies. Industry experts with understanding of sustainability practices are key to shed light on effective solution to reduce environmental impact and navigate the secular energy transition. It requires a paradigm shift of corporate culture but also investors’ mindset to better align all the internal and external stakeholders.

We strongly believe there is no competition between financial and non-financial performance. In fact, sustainability factors are crucial in long-term value creation of stakeholders. This approach will help portfolio companies to adopt business modus operandi with lower impact on natural resource and higher impact on people and society.



Our sustainability framework, known as “GoSE”, is ingrained in our daily operations and has been patented as reflection to our commitment.

Go - Governance for a sustainable growth

Our sustainability implementation starts with the optimisation of Governance functions and mechanisms.

By reinforcing governance practices in portfolio companies, we aim to enhance operational resilience, improve decision-making processes, and create sustainable long-term value for investors and stakeholders alike. Effective governance is

crucial for driving growth, managing risks, and maintaining trust and confidence in the business environment.

A solid governance structure is necessary to incorporate sustainability objectives into the company’s growth journey.

Some of the reinforcement mechanisms include:



Governance policies and procedures

Establish clear guidelines on ethical standards, providing management with clear and defined responsibilities and accountabilities.



Board composition and effectiveness

Ensure a balance of industry expertise, diversity and independence, separation of Chairman and CEO roles.



Executive compensation and incentives

Align executive compensation structure with long-term performance goals and shareholders’ interest.



Exit planning and succession

Develop robust exit strategies and succession plans to ensure smooth transitions in leadership and governance oversight.



Integration of sustainability practices at corporate level

Establishment of ESG Committee, incorporating social and environmental targets into strategic planning, implementing sustainability initiatives including promoting diversity and inclusion.



S - People as key success factor

We leverage on the entrepreneurs’ long-term industry expertise and market knowledge to accelerate the company’s growth. We ensure that companies’ policies include compensation mechanisms are sufficiently appealing to retain key roles and attract new talents at the same time. We promote a corporate culture based on fairness and equality both at our company level and at portfolio companies’ level, where all the individuals feel empowered, respected and valued.

Improving Diversity and Inclusion (D&I) at the corporate level involves creating a strategic frame-

work that integrates inclusive practices into every facet of the organisation. This starts with a firm commitment from leadership to champion D&I initiatives and hold themselves accountable for progress. Career development opportunities must be accessible to all employees, with mentorship and sponsorship programs tailored to foster diverse talent.

Supply chain is another key issue of focus - we ensure that portfolio companies conduct proper supply chain due diligence to prioritise local suppliers and eradicate child and forced labour issues.

E - Less emissions for a better planet

Addressing the climate issue is not only a matter of compliance and risk management but also an opportunity for companies to innovate and en-

hance resilience for a long-term business success. Decarbonising at the corporate level and aligning with the goals of the Paris Agreement require a systematic approach and commitment to reducing greenhouse gas emissions.

We encourage our portfolio companies to develop a comprehensive environmental policy with effective mitigation measures and action points utilising a science-based approach.

A good climate policy sets ambitious, measurable, and time-bound targets for reducing greenhouse gas emissions and transitioning to renewable energy sources. These goals should be aligned with international agreements like the Paris Agreement.

All the portfolio companies have started to conduct a thorough assessment of the current emissions across all operational activities and to monitor the trends over time. Furthermore, they have also started to implement energy efficiency measures.

FSI Seminar on Sustainability and Corporate Purpose

FSI hosted an event on the 5th and 6th of June 2023 with focus on sustainability and corporate purpose.

It brought together forward-thinking industry experts and academic professors from renowned universities including Harvard Business School and Politenico Milano to explore the pivotal role that sustainability and a strong corporate purpose would play in shaping the future of business and investment strategies.

In today’s rapidly evolving market landscape, the importance of integrating sustainable practices into business models and corporate purpose cannot be overstated. Companies that prioritize environmental stewardship, social responsibility, and robust governance frameworks are not only contributing to a better world but are also positioning themselves for long-term success and resilience. As such, understanding and investing in these principles has never been more critical. Our seminar was designed to provide deep in-

sights into the latest trends and best practices in sustainable investing. We gathered distinguished experts and influential corporate leaders at the forefront of this movement. Their experiences and case studies offer valuable perspectives on how sustainability practices and corporate purpose can drive both financial performance and positive societal impact.

It was an excellent platform for learning, discussion, and networking. It kicked off with key FSI figures including our CEO Maurizio Tamagnini, CIO Barnaba Ravanne and ESG Director Sabrina Cirillo presenting on FSI sustainability integration strategy and sustainable value creation. We had senior partners from Boston Consulting Group discussing about the most effective way to build a sustainability focused framework in the corporate strategies and the role of green technologies in decarbonisation.

Professors from Harvard Business School including Das Naryandas and Krishna G. Palepu shared few relevant business case studies that led to very constructive discussions.



Das Narayandas - Edsel Bryant Ford Professor of Business Administration at the Harvard Business School. Das previously has been Senior Associate Dean, Harvard Business Publishing; Senior Associate Dean, External Relations; Senior Associate Dean, Executive Education; Chair of the HBS Executive Education Advanced Management Program and the Program for Leadership Development. Das currently serves on the Board of Directors of AllianceBernstein, Neurolens, Harvard Business Publishing and Harvard University Press.



Krishna G. Palepu - Ross Graham Walker Professor of Business Administration and has served previously as Senior Advisor to the President of Harvard University, and Senior Associate Dean at the Harvard Business School. In the area of corporate governance, Professor Palepu’s work focuses on board engagement with strategy.



Claudio Dematté Private Equity of the Year Award by AIFI (Kedrion)

2023 was a great year of achievements for FSI: The FSI investment case in Kedrion, an investment completed in November 2019 followed by a high profile exit in 2022, won in 2023 the Claudio Dematté Private Equity of the Year Award by Italian Association of Private Equity, Venture Capital and Private Debt, in the “Expansion” category.

This award highlights, besides the impressive financial returns, FSI’s robust ESG integration process and its impact on sustainability performance of the portfolio companies.



↑ | Barnaba Ravanne Co-Managing Partner FSI, Innocenzo Cipolletta Chairman AIFI, Paolo Marcucci Chairman Kedrion



After the exit, FSI has made a significant investment in the newly formed entity combining Kedrion and UK-based peer BPL.

Kedrion is a leading multinational pharmaceutical company, specializing in plasma-derived medications; it is the fifth largest operator in the world. The drugs produced by Kedrion are used in various highly critical therapeutic areas such as immunology, hematology, emergency therapy. The company, founded by the Marcucci family and headquartered in the province of Lucca, now has 7 plants in Europe and the United States, approximately 5,000 employees, and a commercial presence in over 100 countries.

This investment was driven by a medium to long-term vision based on several key pillars. These included the strong, long-term growth potential of the plasma derivatives sector and the opportunity to achieve additional growth.

There was significant potential for executing transformational operations globally. Moreover, Kedrion was uniquely positioned as a “scarce asset” with multiple exit options. Finally, there was a strategic alignment with the majority shareholder, the Marcucci family, to enhance the company’s future positioning. Due to the efforts undertaken in collaboration with FSI, Kedrion structured its governance further improving its competitiveness

in international markets. This includes strengthening production capacity in the United States in terms of both fractionation capacity and plasma collection through the opening of new centers and acquiring intellectual property and a plant in Canada to produce an orphan drug intended for the treatment of a rare disease.

The close collaboration between the Marcucci Family and FSI has represented a significant mile-

stone in Kedrion’s history, laying the foundation for the subsequent partnerships and showcasing to the US public institutions as best owner of BPL in a transformational transaction creating a global industry leader.

The company has significantly strengthened its social impact proposition by placing a heightened emphasis on advancing treatments for rare diseases.

Some of the actions implemented:



Strengthening of management

This initiative was carried out in collaboration with the family, aiming to strengthen the overall management framework and improve decision-making processes within the company.



Establishment of a Technical Committee within the Board of Directors

This committee was formed to support the operational upgrading process and CAPEX deployment. It focuses on transitioning to adopting best manufacturing practices, thereby enhancing the company’s operational excellence and quality standards.



Significant operational upgrade

Significant capital expenditures were allocated to enhance operational capabilities. This investment is geared towards achieving sustainable long-term growth, improving efficiency, and supporting the company’s expansion plans.



Key new hirings

Marcucci family and FSI partnered with a top-tier executive search firm to identify and recruit a new CEO with significant experience in the industry, ensuring leadership that aligns with the company’s strategic goals and vision.



Creation of a Steering Committee for extraordinary transactions

This committee was established to oversee and guide critical and extraordinary business transactions. It ensures that such transactions align with the company’s strategic objectives and are executed effectively and efficiently.



Throughout the investment period, with FSI’s contribution the company has achieved significant results also in sustainability practices.



↑ | Comparison 2021 vs 2019



Chile, 2000

Overview of Climate Strategy

The European Commission has defined climate strategy as a “top priority” of its actions. To combat the ongoing climate change, it has oriented its decisions towards achieving the “Net Zero” goal by 2050, as established by the 2015 Paris Agreement.

The European regulatory framework for the implementation of sustainability themes in the financial sector is rapidly evolving, with the adoption of increasingly specific measures.

This involves a comprehensive approach to integrating climate-related considerations into investment decisions, portfolio management, and overall business operations. It aims to align investments with global climate objectives, mitigate risks associated with climate change, and drive value creation through sustainable practices. Setting clear climate goals, such as achieving net-zero emissions by a specified year, is crucial. This involves establishing interim targets, incorporating climate risk assessments into due diligence processes, and

ensuring that portfolio companies develop and implement robust climate action plans.

Consistent with this vision, FSI actively commits to integrating sustainability factors, not only by promoting sustainability practices within the management of the FSI I fund portfolio but also with the launch of the FSI II fund, which is classified as Article 8 of the SFDR promoting environmental and social characteristics of investments. FSI has developed a climate transition roadmap, where the gradual adoption of new measures and their implementation both at the corporate level and within portfolio companies emphasise FSI’s strong commitment to a greener future.

 *FSI has developed a climate transition roadmap, where the gradual adoption of new measures and their implementation both at the corporate level and within portfolio companies emphasise FSI’s strong commitment to a decarbonised economy.*



Bank of Italy: Supervisory expectations on climate and environmental risks

The Bank of Italy, aligning with the European Central Bank (ECB) initiatives, has published a set of supervisory guidelines for banking and financial intermediaries in integrating climate and environmental risks into their business strategies, governance structures, control systems, risk management frameworks and disclosure practices.

These expectations are designed to provide general, non-binding guidance to ensure that institutions progressively incorporate sustainability considerations into their operations.

By setting these supervisory expectations, the Bank of Italy aims to encourage a proactive approach among financial intermediaries, ensuring that they are well-prepared to manage the evolving

risks associated with climate change and environmental sustainability.

This initiative represents a significant step towards integrating sustainability into the core of financial regulation and supervision. In response, FSI has drawn up a transition roadmap with guidance on different measures and implementation, both at corporate and portfolio company level.



FSI Transition Roadmap

Our transition roadmap is a strategic plan that guides FSI in reducing its emissions and transitioning to a sustainable and low carbon future.

It sets specific, measurable targets for short-term and long-term goals, aligned with global climate goals such as the Paris Agreement.

Among all the targets, FSI successfully achieved the following ones for 2023:

Sustainability in Governance



Corporate Sustainability Oversight

FSI has established Sustainability oversight at the corporate level by identifying the Sustainability function within the organisational structure, appointing an Sustainability Director and expanding the team. This ensures a dedicated focus on sustainability issues and integrate Sustainability considerations into the company’s core operations and strategic decisions.



Sustainability Training and Performance Objectives

It has integrated sustainability training and objectives into the performance goals (MBO) for key roles within the Funds. This involves educating staff on Sustainability principles and practices and linking their performance evaluations and incentives to the achievement of sustainability goals.



PRI Reporting

We have consistently upheld our commitment to the Principles for Responsible Investment. This demonstrates a commitment to transparency and accountability in sustainability performance, adhering to internationally recognised standards.

Risk Management Incorporating ESG factors

ESG Enhanced Risk Model

It has integrated ESG risks into the overall risk management framework and it uses risk model during the pre-investment phase based on negative and positive screening and ESG scoring through a dedicated checklist.

It has also incorporated updates to excluded sectors as indicated by the United Nations in the Investment Memorandum.

This ensures that all investments are screened for ESG risks and opportunities before being finalised.

Integrating sustainability factors into portfolio management

Contractual provisions for ESG Performance Improvement

FSI has made contractually binding ESG commitments for portfolio companies. This means including specific ESG performance criteria and improvement goals in investment agreements with portfolio companies, ensuring they are held accountable for their sustainability performance.

Establishment of ESG Committees

It has established different ESG Committees at portfolio companies. These committees oversee the implementation of ESG policies and practices, ensuring that sustainability is embedded in each company’s governance structures.

Implementation of SFDR Article 8 procedure for FSI II

The application of SFDR Article 8 procedure involves identifying and defining environmental or social characteristics, developing methodologies for their assessment and monitoring, providing transparent pre-contractual and periodic disclosures.

By addressing key areas such as energy efficiency, renewable energy, sustainable sourcing, innovation and governance, companies can effectively manage their environmental impact and contribute to global climate goals. This structured approach not only mitigates risks but also drives long-term value creation and resilience.

2023 Targets	Status	Performance
1 Establishment of sustainability oversight functions		Appointed Sustainability Director and expanded Sustainability team
2 Sustainability training and performance objectives for key roles		Linking performance evaluations and incentives to the achievement of sustainability goals (MBO)
3 PRI Commitment		Submitted PRI reporting for 2023 Policy Governance and Strategy 78% Direct - Private equity 93% Confidence building measures 80%
4 Pre-investment ESG Screening		Negative screening and ESG scoring
5 Contractual obligations to fulfil sustainability commitments		Specific ESG performance criteria and improvement goals in investment agreements with portfolio companies
6 Establishment of ESG Committees		Setting different ESG governance functions at portfolio companies
7 Implementation of SFDR Article 8 procedure		Assessment of social and environmental characteristics

↑ | Target achievement



London, 2014

FSI Sustainability Committee activities review

In 2023, the Sustainability Committee of FSI made significant strides in enhancing the company’s sustainability initiatives and aligning with best practices in sustainability standards.



FSI published a formalised document containing sustainability Committee rules and guideline with the purpose to define the role, composition and operating procedures of the committee. The committee is chaired by Barnaba Ravanne, who is also the Chairman of the Investment Committee. All the functions within the company are represented in the sustainability committee to provide all necessary inputs.

The Board of Directors (BoD) continues to oversee Sustainability governance, and the composition remains unchanged from last year. It is composed of Umberto della Sala (President), Maurizio Tamagnini (CEO), Barnaba Ravanne (CIO), Nannj Longo (CFO), Paola Camagni (Indipendent).

Last year FSI undertook a significant expansion of its sustainability team to further strengthen its commitment to sustainability and responsible

business practices. It is fully integrated in the investment team.

This strategic initiative aimed to enhance the company’s capabilities in addressing sustainability challenges and opportunities. The expansion increased the team’s expertise and specialisation, bringing in diverse backgrounds in social impact, sustainable finance and academic knowledge.

This expansion also enhanced the team’s analytical and reporting capabilities improving the accuracy and depth of ESG data collection, analysis and reporting.

It has significantly reinforced FSI’s ability to drive impactful sustainability initiatives and meet ambitious ESG targets. With a larger, more specialised team, the company is better equipped to manage ESG risks, seize opportunities for innovation, and enhance its overall sustainability performance.

Here are some of the key highlights of the Committee’s progress throughout the year:



Definition of Sustainability journey

The Sustainability Committee has defined the FSI’s Sustainability journey, outlining a clear path towards achieving its sustainability goals. It includes short-term actions, medium-term milestones, and long-term aspirations. It provides a structured approach to integrating sustainability considerations into business operations, fostering a culture of sustainability, and driving continuous improvement.



Approval of FSI Sustainability plan

The Board of Directors has approved the FSI Sustainability Plan, a strategic document outlining the company’s sustainability objectives, initiatives, and targets for the coming years. This plan serves as a roadmap for integrating sustainability into all aspects of the business. It includes specific goals for reducing environmental impact, enhancing social responsibility, and strengthening governance practices. It marked a significant milestone in the company’s Sustainability journey, demonstrating a firm commitment to sustainable development.



Double materiality analysis through stakeholder engagement

The Sustainability Committee has prioritised the annual materiality analysis, a critical process that identifies and assesses the importance of various material sustainability topics to FSI and its stakeholders. This process involved comprehensive stakeholder engagement, including surveys and interviews. The feedback collected has helped the company prioritise the most significant topics, ensuring that the Sustainability strategy aligns with stakeholder expectations and addresses the most pressing sustainability challenges.



Impact report

The Committee is overseeing the process of impact report development, which is an in-depth report detailing the social and environmental outcomes of its operations and portfolio companies. This report, aligned with the global reporting standard such as the Global Reporting Initiative (GRI), provides transparency on the portfolio’s Sustainability performance. It includes key metrics, case studies and progress towards companies’ Sustainability goals.



Tools selection to collect and manage ESG data

To streamline the collection, management, and analysis of ESG data, the Sustainability team is in the process of selecting advanced tools and technologies. The integration of these tools ensures that data collection is efficient, reliable, and scalable, facilitating better decision-making and more robust ESG reporting.



Review of Sustainable Finance regulations and compliance

The Sustainability Committee has initiated a comprehensive review of the company’s regulatory and policy framework. This review aims to incorporate Sustainability considerations into the corporate governance structure, ensuring that the full compliance of all relevant regulations. This also includes Sustainable Finance Disclosure Regulation (SFDR).

FSI Double materiality assessment

In 2023 FSI started the process of shifting from single materiality to double materiality due to the broader and more inclusive perspective it provides.

Single materiality focuses solely on how environmental, social, and governance (ESG) issues impact a company's financial performance. In contrast, double materiality also considers the effects of the company's activities on the environment and society. Double materiality also enhances stakeholder value by considering the interests of employees, investors, communities, and academic world, thereby fostering stronger relationships and trust. It aligns with emerging regulatory requirements, particularly in the European Union, where frameworks like the Corporate Sustainability Reporting Directive (CSRD) mandate. This alignment helps companies stay compliant and avoid legal and reputational risks.

Understanding Double Materiality

The process involves defining the context, identifying the most relevant sustainability-related impacts that are connected with the undertaking's business (inside-out perspective), as well as sustainability-related financial risks and opportunities, including those deriving from dependencies on natural, human and social resources (outside-in perspective). Next, findings must be validated with stakeholders, and the results documented. The outcome is a clear audit trail that supports

The Corporate Sustainability Reporting Directive (CSRD) is an EU regulation aimed at enhancing and standardising the sustainability reporting requirements for companies. It builds on the previous Non-Financial Reporting Directive (NFRD) and significantly expands the scope and depth of sustainability disclosures. Double materiality is a core concept within the CSRD, ensuring that companies provide a comprehensive view of their sustainability performance from both financial and societal perspectives.

By integrating double materiality into their reporting, companies can provide valuable information to a wide range of stakeholders and demonstrate their commitment to sustainable and responsible business practices.

In 2023 FSI conducted a comprehensive double materiality assessment with an in-depth analysis of the results. FSI is in the process of elaborating adequate action plans and therefore incorporate the key findings into strategic decisions.

regulatory compliance, improves non-financial disclosure, and contributes to the sustainability strategy of the company.

Potential material topics were initially identified based on a comparison with FSI's peers, and the material topics from FSI's previous materiality matrix, as an analysis of the Principal Adverse Impact indicators defined by the SFDR and the relevant sectors' mapping from Sustainability Accounting Standards Board.



Subsequently, for each of the selected topics, FSI identified specific impacts, risks, and opportunities. Impacts were used to evaluate the impact materiality of each topic, while risks and opportunities to evaluate financial materiality:



Impacts

Impact refers to the direct and indirect effects of a company’s operations, products, and services on the environment and society. This includes positive impacts, such as job creation and community development, as well as negative impacts, such as pollution and human rights violations. Assessing impacts involves measuring these effects and understanding their broader implications.



Risks

Risk in the context of double materiality involves both financial risks and risks related to the company’s broader impacts. These risks are environmental, social, or governance-related events or conditions of uncertain nature that, if they occur, could have a significant negative effect on the company’s strategy, business model, ability to achieve its objectives, and create value. Identifying and managing these risks is crucial for ensuring long-term resilience and sustainability.



Opportunities

Opportunities arise from proactively addressing Sustainability matters. These opportunities are environmental, social, or governance-related events or conditions of uncertain nature that, if they occur, could have a significant positive effect on the company’s strategy, business model, ability to achieve its objectives, and create value. By leveraging these opportunities, companies can create value and drive sustainable growth.

Stakeholder Engagement and Validation

Stakeholder validation is a fundamental part of the double materiality process. It involves engaging with FSI’s key stakeholders to define material topics and validate the findings of the double materiality assessment. This engagement enhances the assessment’s credibility and ensures that sustainability efforts align with stakeholder expectations. This process fosters transparency, accountability, and informed decision-making. Key stakeholders were identified based on their influence and relevance and classified into different categories. For FSI they included the management

team, employees, investors, portfolio companies, and other external collaborators. Communication and outreach efforts ensured stakeholders understood the survey’s importance, encouraging broad participation through various channels. Once data was collected, it was analysed to identify Sustainability topics with the highest priority from both financial and impact perspectives. Preliminary findings were then shared with stakeholders for validation and feedback, ensuring the analysis accurately reflects their views.

Key Findings

The analysis has revealed several high-priority subjects for FSI, with a strong consensus among different categories of stakeholders on major focus areas, particularly social and governance topics such as **talent attraction and retention, responsible investment practices**, and **business ethics**.

To identify the most relevant matters from different perspectives, FSI conducted an in-depth analysis of risks and opportunities. This included additional analysis of the evaluations from different stakeholder groups regarding risks and opportunities.

From a risk perspective, the material issues identified for FSI are:

- Data transparency and responsible investment practices
- Business integrity
- Privacy and cybersecurity
- Digitalisation

The analysis by stakeholder category highlighted a substantial alignment among the different groups to the themes listed above. Additionally, our portfolio companies identified “Health and Safety” as an additional source of risk.

Regarding opportunities, the material topics identified for FSI are:

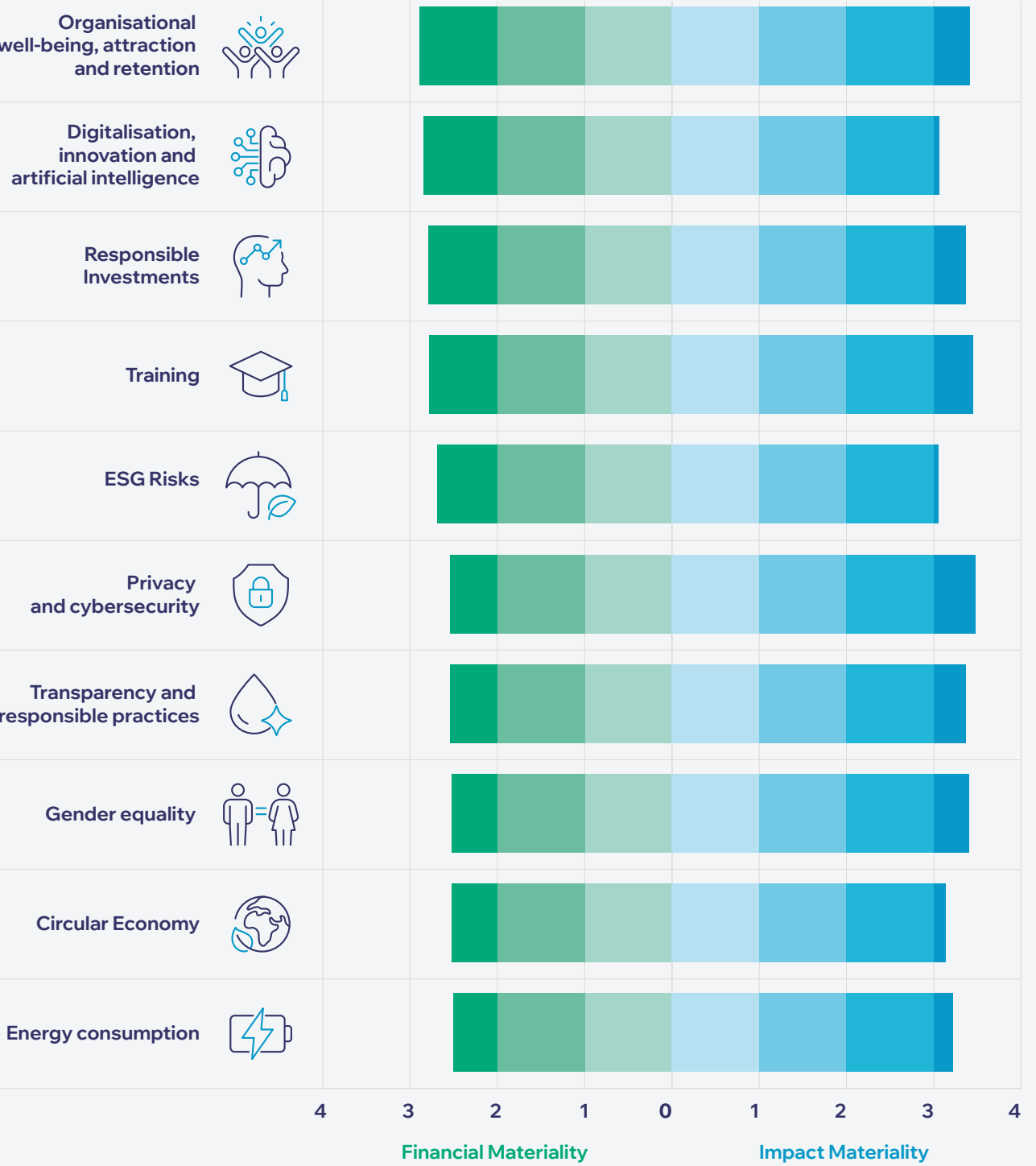
- Innovation, digitalization and artificial intelligence
- Organisational well-being, attraction and retention, as well as training
- Climate change and decarbonization focusing on both mitigation and adaptation

The analysis by stakeholder category revealed a substantial alignment among the different groups on the themes listed above. They agreed that digital innovation is crucial for businesses to remain competitive in today’s rapidly evolving digital landscape, as it helps streamline operations and unlock new revenue opportunities.

To incorporate these findings into strategic decisions, the prioritised topics will be aligned with FSI’s strategic objectives through cross-referencing and gap analysis. Therefore, FSI is in the process of identifying necessary actions and inform the development of strategic initiatives and action plans with clear goals, responsibilities, and timelines. These plans will be integrated into investment decisions, with a periodic monitoring of the progresses. Moreover, transparent reporting to stakeholders ensures accountability and supports continuous adaptation of strategies based on evolving data and stakeholder feedback. This approach ensures that sustainability efforts are both effective and aligned with our long-term vision.

↓ | Double materiality chart

FSI plotted a materiality matrix to represent the ten prioritised material topics resulting from the stakeholder engagement proces with a particular focus on the financial perspective. The output is the graph in the next page. For each material topic identified, the resulting value of financial and impact materiality obtained in the assessment phase was plotted on a 1 to 4 scale. In the graph the themes are listed from the one with the highest financial materiality, to the lowest.



Sustainable Development Goals Alignment

The 2030 Agenda for Sustainable Development presented in 2015 by the United Nations identifies the 17 Sustainable Development Goals (SDGs) - common targets that drive companies toward the creation of an economic model that protects both the planet and society.

In line with our commitment to the Principles for Responsible Investment (PRI), FSI conducted an analysis in 2023 to assess our portfolio companies' alignment to the Sustainable Development Goals (SDGs). This analysis was carried out to demonstrate the tangible commitment of our portfolio companies to environmental, social, and governance (ESG) principles.

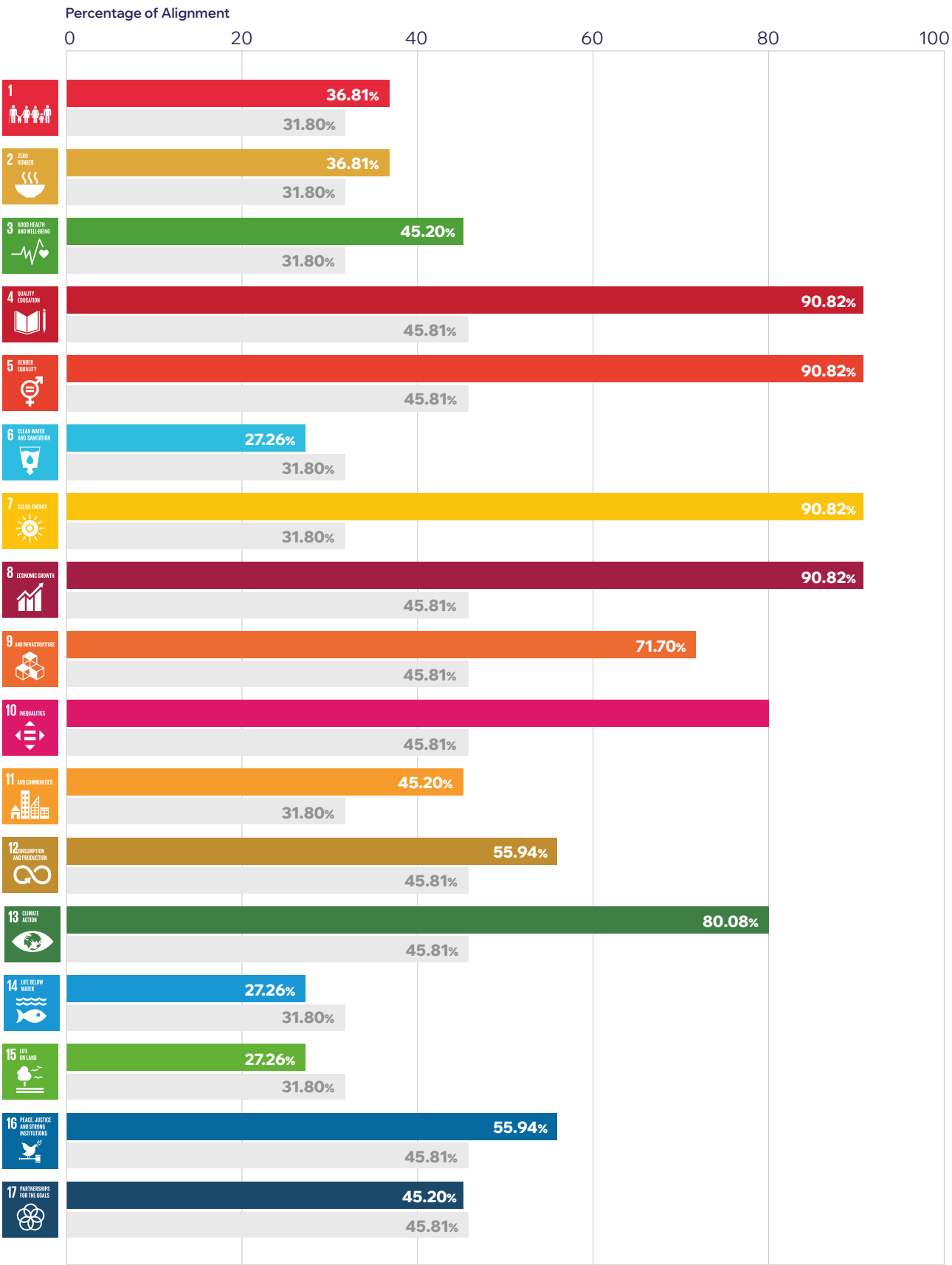
The following chart depicts the percentage of assets of FSI Fund I aligned with all the SDGs. This comparative analysis reveals a general improvement in contribution, reflecting a growing commitment from our portfolio companies to integrate SDG considerations into their strategies and daily operations.

The portfolio companies which contributed the most to the increase of the commitment to SDGs over the period 2022-2023 are Numia and Lynx.

Numia has recently strengthened its commitment to SDGs by expanding its ESG strategy with additional action plans, therefore it has enhanced the overall contribution at portfolio level.

Lynx, on the other hand, has started its sustainability roadmap to provide a structured approach for integrating sustainable practices into its business activities. Lynx has conducted a thorough SDG mapping and it involves identifying the areas where the company's operations, products, and services have the most significant impact through materiality analysis and aligning them with relevant SDGs. Another major contributor is Anima. Its Board of Directors has updated its sustainability strategy incorporating additional SDGs into its action plans.

In 2022, the main contributors were Cerved and Kedrion. In particular, Kedrion has been an UN Global Compact signatory with continuous efforts to integrate the Ten Principles into business strategy and to contribute to SDGs.

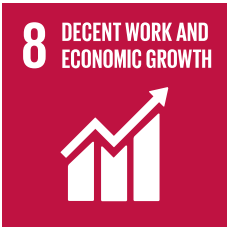


↑ SDG Alignment

Overall, the most relevant SDGs for FSI’s portfolio companies in 2023 are:



Goal 4
“Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.”



Goal 8
“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”



Goal 5
“Achieve gender equality and empower all women and girls.”



Goal 10
“Reduce inequality within and among countries.”



Goal 7
“Ensure access to affordable, reliable, sustainable and modern energy for all.”



Goal 13
“Take urgent action to combat climate change and its impacts.”

The positive trend represents an important step towards more integrated sustainable and responsible business practices. FSI remains committed to supporting our portfolio companies on their journey towards a more sustainable and equitable world.



Investee companies

ESG Governance

2023 was a meaningful year for **Numia** with tremendous governance ramp ups, from development and implantation of company’s policies to establishing different governance control functions.

The company officially adopted the Code of Ethics, Diversity and Inclusion policy and Organisational and Management Model under Legislative Decree 231/01.

Numia’s strong commitment to sustainability has translated into the establishment of dedicated

ESG governance structure with clear roles, responsibilities and reporting lines. The company has developed comprehensive ESG policies and procedures that articulate the company’s goals and standards for addressing sustainability issues.

They aim to combine industry best practices, regulatory requirements, and stakeholders’ expectations.

ESG committee has been established to oversee and guide Numia’s policies, strategies and practices related to sustainability and corporate responsibility.

More in detail, the primary functions include:



Strategy development and oversight

Defines and oversees the company’s ESG strategy, ensuring alignment with overall business objectives and stakeholder expectations; develops and recommends policies and initiatives that promote sustainable and responsible business practices.



Risk management

In conjunction with Risk Committee identifies, assesses and manages ESG risks and opportunities and integrate them into the company’s risk management framework to ensure proper mitigation measures are taken.



Long-term value creation

Ensures that ESG initiatives contribute to the long-term value creation and resilience of the company; integrate ESG considerations into strategic planning and decision-making processes to enhance the company’s overall sustainability performance.



Diversity and inclusion

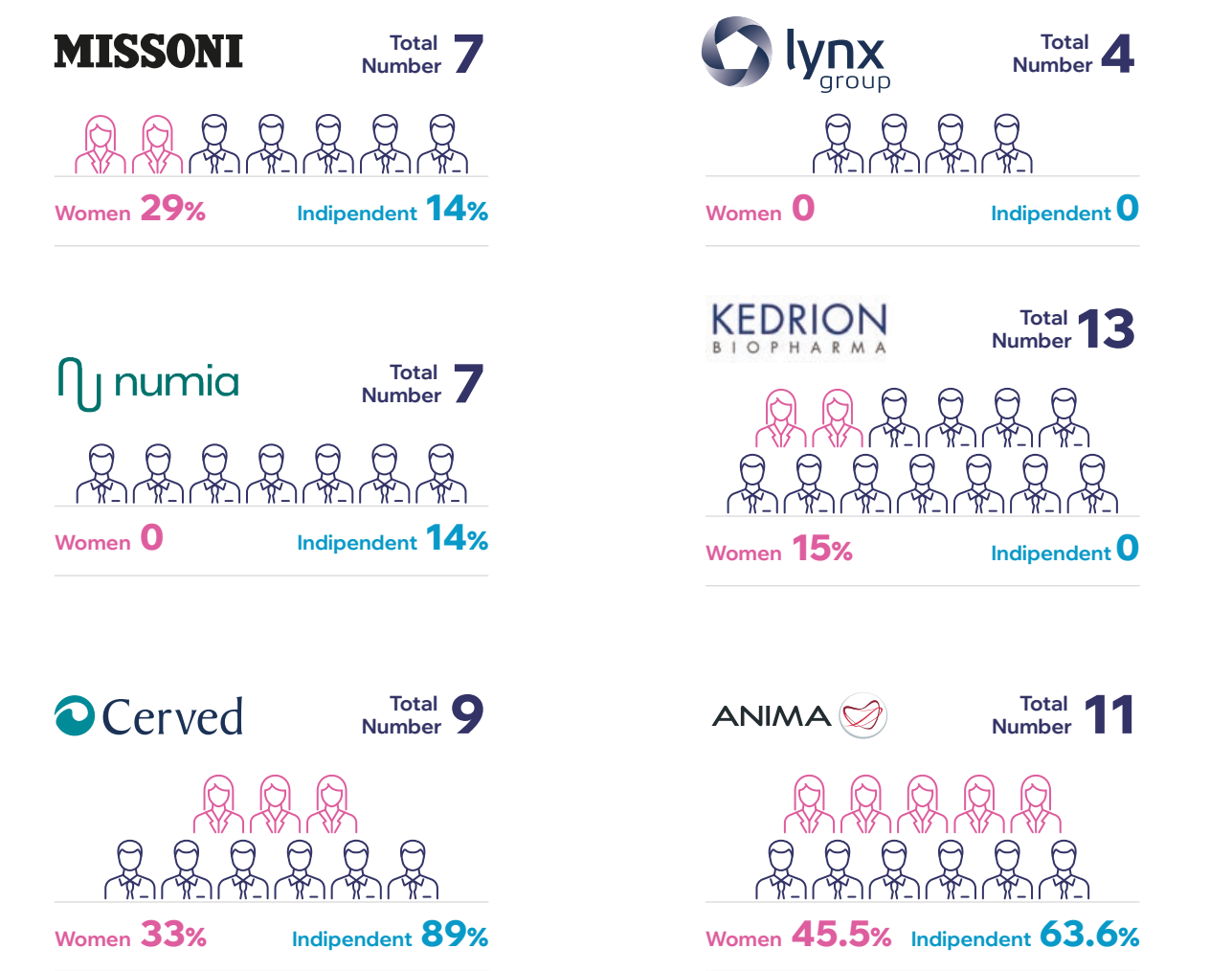
Promotes diversity and inclusion within the company and monitors progress towards D&I goals and recommend proper actions.



Community and environmental impact

Oversees initiatives aimed at minimising the environmental impact of the company’s operations; supports community engagement and development projects that align with the company’s Sustainability goals.

↓ | Board composition



The Board of Directors has nominated an ESG Ambassador, a designated role to ensure a comprehensive coordination of different governance functions and business units in ESG matters. She is also responsible for data collection and evaluation process and other sustainability initiatives. In 2023 Numia conducted an in-depth materiality analysis with KPMG to identify key climate physical and transition risks related to operational and reputational aspects and appropriate mitigation mechanisms.

Numia is currently in the phase of definition of adequate metrics and criteria related to sustainability and expects to formalise the action plan with set targets by end of 2024.

Last year **Kedrion** also strengthened its ESG governance function by making strategic hires and dedicating additional resources to the Transformation Management Office. This move aims to bolster the company’s sustainability efforts and ensure robust ESG practices across its operations. They play key roles in engaging with stakeholders to ensure ESG considerations are integrated into the company’s decision-making processes. The analyst focuses also on the meticulous collection, analysis and reporting of ESG data.

In 2023 **Cerved** established the ESG Steering Committee, which includes the participation of the CEO, tasked with the following duties:

- Oversees the process of defining, approving, and updating medium to long-term ESG and Sustainability guidelines and objectives, promoting the implementation of best practices and/or regulatory guidelines in alignment with corporate strategies and goals (support for the CEO, Board of Directors, and General Management Committee).
- Consolidates and proposes an ESG and Sustainability initiative plan as an integral part of the group’s Business Plan, monitoring

its execution, achievement of targets, and priority areas for intervention.

- Supervises the promotion and implementation of ESG and Sustainability aspects in the Group’s strategies and operations (including emerging or relevant issues such as Climate Change, Water Security, Forests & Biodiversity, etc.), in collaboration with other departments.

	 Cybersecurity ISO 27001
MISONI	✗
	✓
numia	✗
	✗
	✓
	✓

↑ | Cybersecurity

Sustainability governance is also reinforced by the role of Sustainability Ambassadors, identified within each business area, are responsible for coordinating and implementing or completing the numerous Sustainability initiatives undertaken, as well as consistently evaluating new opportunities and cross-functional projects in this area. Cerved has followed the new GRI guidelines directly involving various stakeholders and has

updated the materiality analysis accordingly.

Anima also has a dedicated function, the Committee for Controls, Risks and Sustainability, which oversees sustainability issues related to the company’s activities. Additionally, there is the Strategic Risks and Sustainability Service, which is responsible of coordination at corporate level and supporting the Committee in its supervisory role.

	 231 Model	 Code of Ethics	 ISO 37001	 Corruption Episodes	 Whistleblowing Mechanism
MISONI	✓	✓	✗	0	✓
	✓	✓	✓	0	✓
numia	✓	✓	✗	0	✓
	✓	✓	✗	0	✓
	✓	✓	✓	0	✓
	✓	✓	✓	0	✓

↑ | Anti-corruption certifications

In 2023, at portfolio level we had no corruption cases.

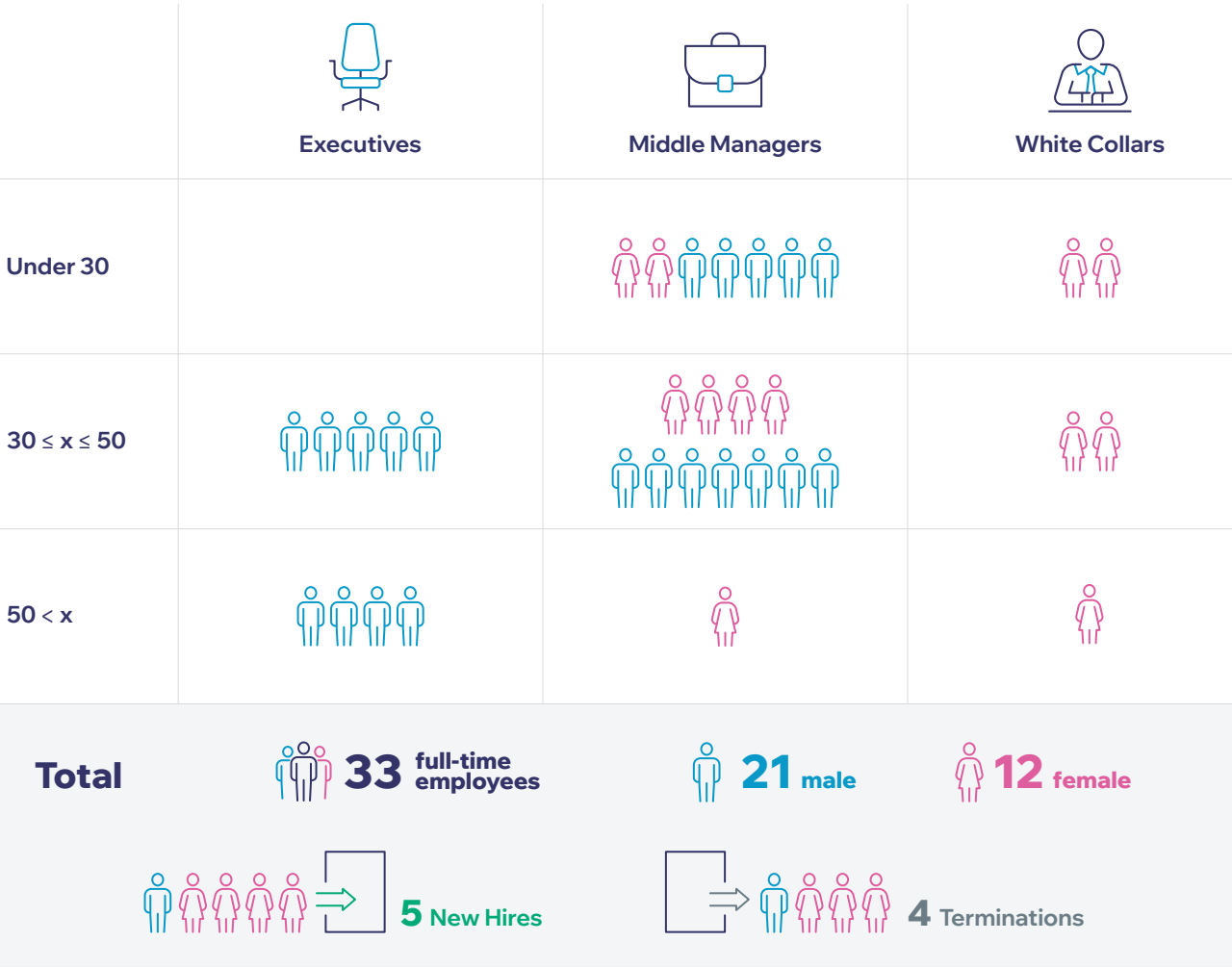


Bangkok, 2006

A Responsible Employer

The recruitment, development, and retention of a skilled and diverse team are fundamental to our success.

We offer comprehensive training programs and opportunities for career advancement, ensuring fair compensation for our employees. Understanding the significance of employee satisfaction and well-being, we are committed to creating a healthy workplace environment and providing tools and benefits to enhance both mental and physical health. Our flat organizational structure facilitates a culture of open communication.



↑ | FSI Composition and Turnover

We grew as a company in 2023 and we added 5 more people to our total workforce from the previous year. Sustainability also involves creating healthy and safe workplaces. In 2023 we continued to maintain 0 accidents at workplace.

FSI employee training

Advancing our strategic objectives depends on our ability to attract, retain and motivate smart people. We encourage employees to take responsibility for their own development, working with HR and their line managers to design personal training programs to support the achievement of their individual aspirations, consistent with FSI objectives.

Given the specialised nature of many of the roles in FSI, an emphasis is placed on work-based learning, with the provision of development opportunities supported by appropriate training and mentoring. This is supplemented by formal

courses and seminars conducted both internally and externally.

During 2023 we provided formal specialist training on areas and skills including:

-  Leadership training
-  Financial modelling
-  Executive coaching
-  Unconscious BIAS
-  Sustainability



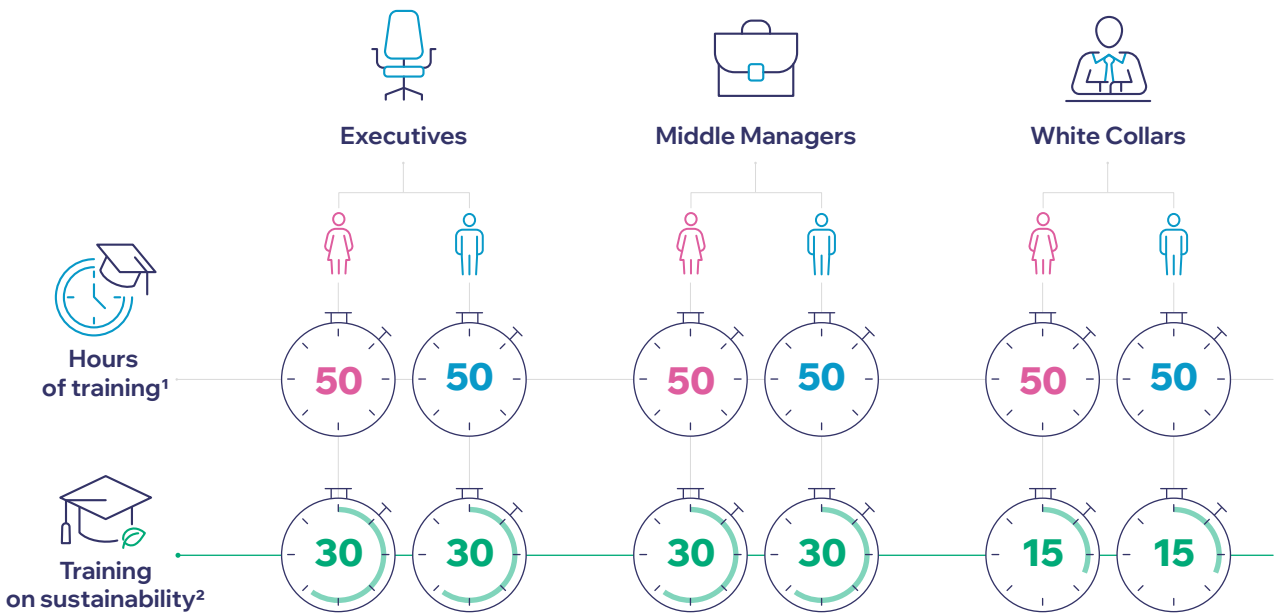
In addition, we launched the internal FSI Private Equity Academy.

Last year we organised training sessions led by the FSI ESG Director, focusing on understanding sanctions, and mitigating the risks associated with greenwashing litigation. More importantly, we conducted comprehensive training sessions specifically centred on climate change. These sessions included an in-depth presentation of the FSI climate change strategy, detailing our approach to reducing carbon emissions, enhancing sustainability practices, and aligning with international climate goals. The training aimed to equip our team with the knowledge and tools necessary to implement and advocate for effective climate action within their respective roles, ensuring that everyone is aligned with our long-term environmental objectives. All employees receive training on regulatory conduct rules and have a mandatory conduct objective

that is assessed as part of their annual performance review. It is essential for all FSI employees to be familiar with these rules and understand these obligations and restrictions. Our policies and procedures are communicated and enforced through annual training and periodic auditing. The Head of Compliance develops various e-learning modules, frequently followed by an assessment. These include:

- Anti-money laundering
- Managing inside information
- Anti-bribery/ 231 Decree
- Financial crime/ Cybersecurity
- Regulatory Conduct Rules
- Preventing Market Abuse
- MIFID

↓ | Average hours of training per year per employee



1 - Report the average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category. 2 - Report the average hours of training on sustainability topics that the organization's employees have undertaken during the reporting period, by gender and employee category.

FSI performance evaluation

Transparent communication with our staff is of paramount importance to us. We foster a culture of open dialogue between our employees and senior management. As a small organization with a relatively flat structure and minimal hierarchical barriers, our Board of Directors maintains an open-door policy.

We actively encourage feedback from employees to senior managers through both informal conversations and formal meetings. This includes regular off-site team meetings to discuss our strategy, as well as through the annual appraisal process.



↑ | *"Don't be afraid, breathe deeply, see the big picture, and look far ahead"*

FSI for Diversity, Equity & Inclusion

FSI Equal Opportunities and Diversity, and Recruitment and Selection policies establish that all FSI employees (temporary and permanent), contracts workers and job applicants are treated fairly and are offered equal opportunity in selection, training, career development, promotion, and remuneration. We cultivate an inclusive environment for existing and prospective employees which respects, involves and leverages diverse talent for greater organisational good. FSI outlines its approach to Diversity, Equity and Inclusion also in its Code of Ethics.

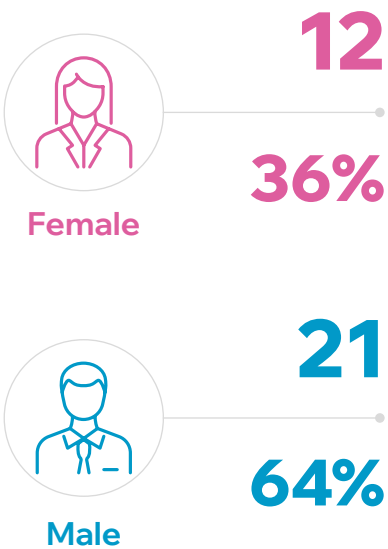
We consider diversity in all recruitment process and explore initiatives to address the perceived barriers to entry into our sector.

However, we are a small organisation with relatively low turnover and recruitment volumes, which means that achieving greater diversity is a gradual process.

Achieving gender balance is important to FSI and we believe we are making reasonable progress.

Of the 5 new hires made during the year, 4 were female and 1 were male.

At 31 December 2023, FSI total of 33 employees was broken down as following:



FSI is an official sponsor of Level 20

Level 20 is a non-for-profit organisation dedicated to improving gender diversity in the European private equity industry. It is sponsored by over 80 private equity firm around Europe.

Its ambition is for women to hold 20% of senior positions in this dynamic industry. It works to empower women who already work within the industry, encourage new talent to join and provide leadership teams with insight and best-practice solutions to help them address current gender imbalances within the industry and their firms.

It has four key pillars of activity which contribute to its goals:

- Mentoring and development
- Networking and events
- Outreach and advocacy
- Research

In May 2023 Level 20 published the latest Level 20/BVCE report on UK private equity and venture capital www.level20.org.

40% of the total workforce are women and 20% of all senior roles (across all positions) are held by women.

In investment roles there has been a visible progress – 12% of senior roles are held by women, double since 2018 when the proportion was 6%.



Bocconi

FSI in partnership with Bocconi University

Women Award Program

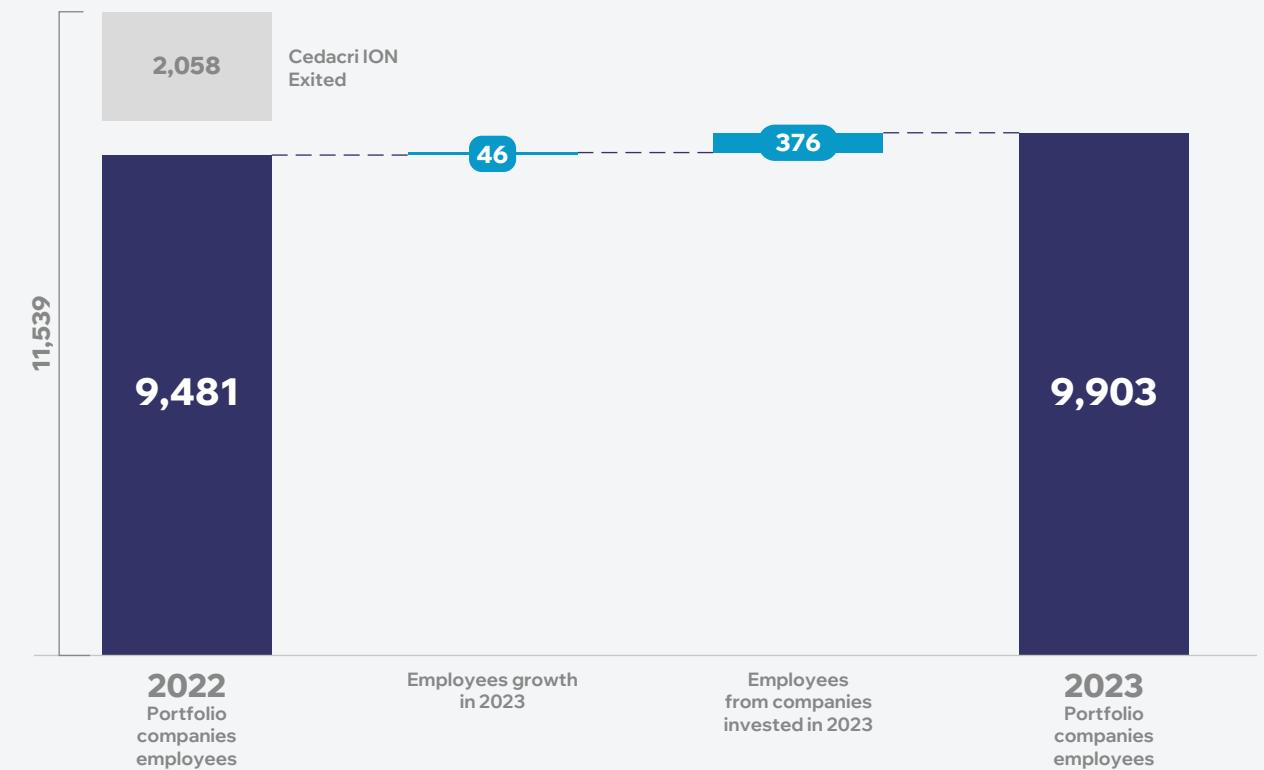
FSI contribution to the Bocconi 2022-2023 “Women Award” project with full waivers for two deserving female students admitted to MSc preferably in the following graduate programs:

- MSc in Finance
- MSc in Economics and Social Sciences
- MSc in International Management
- MSc in Business and Management Innovation

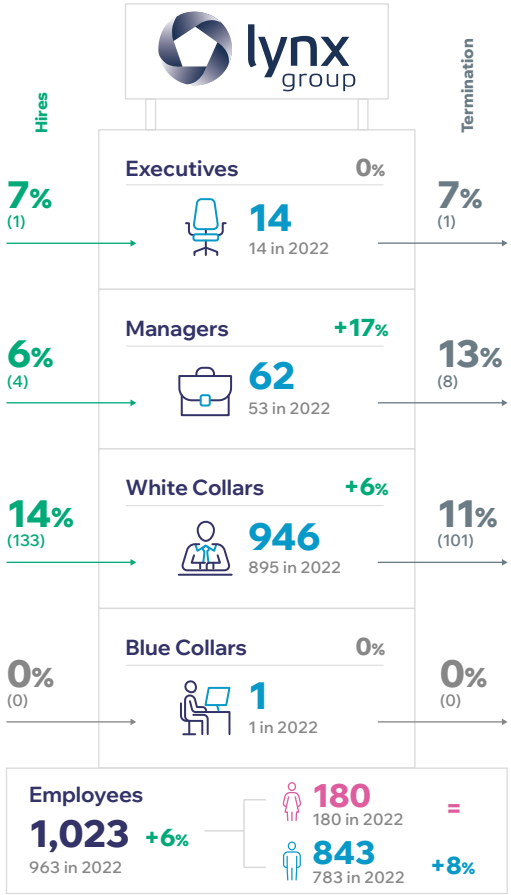
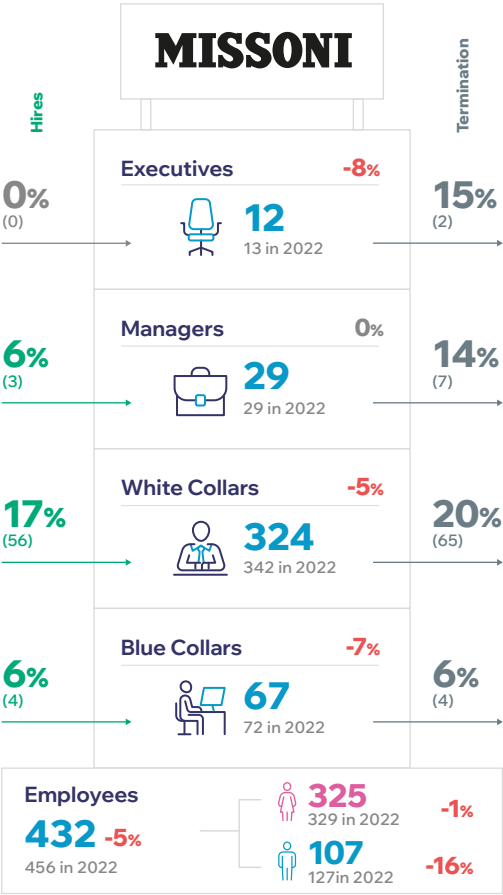
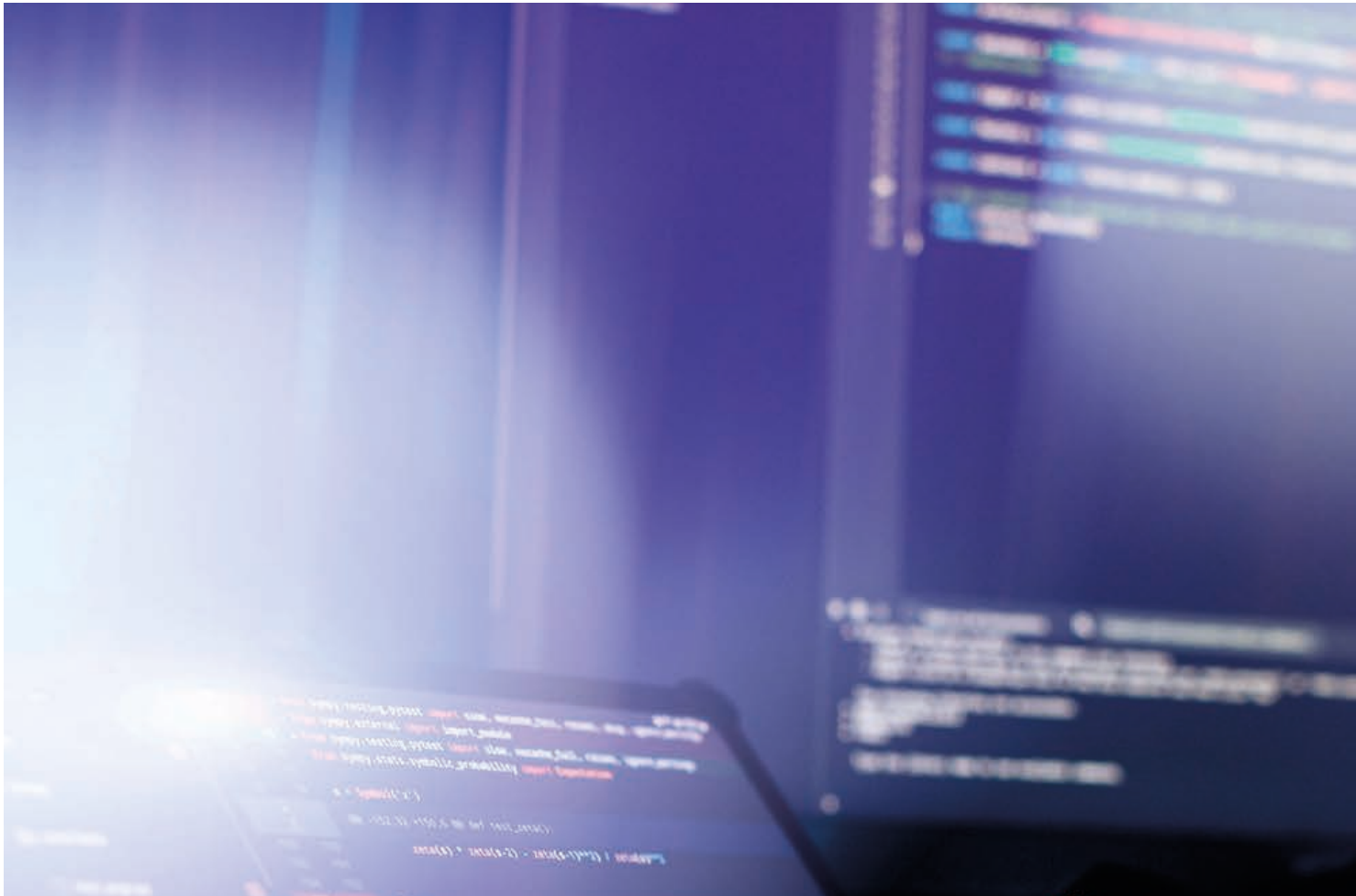
Portfolio companies people management and performance

FSI is a business centred around people. We work closely with portfolio companies to preserve such a key asset that is human capital.

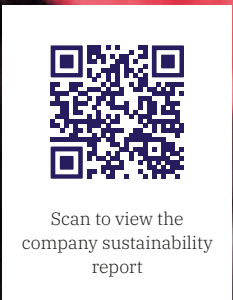
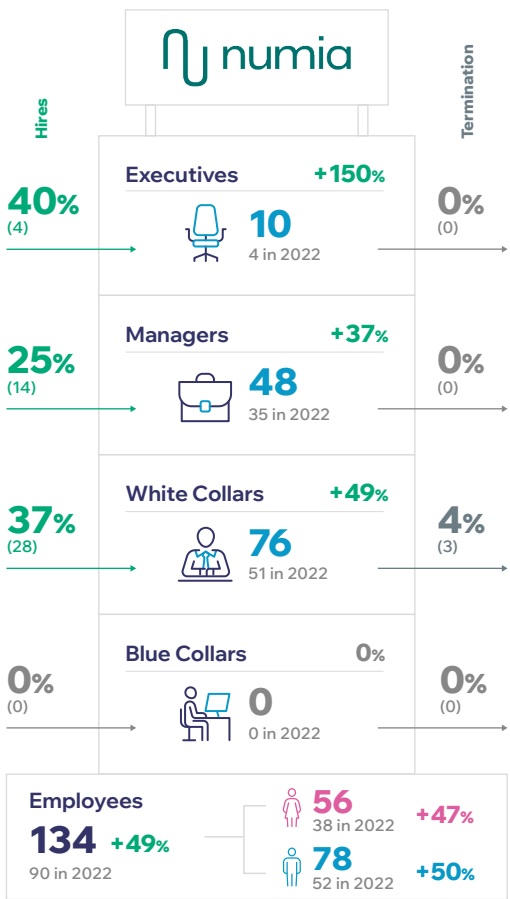
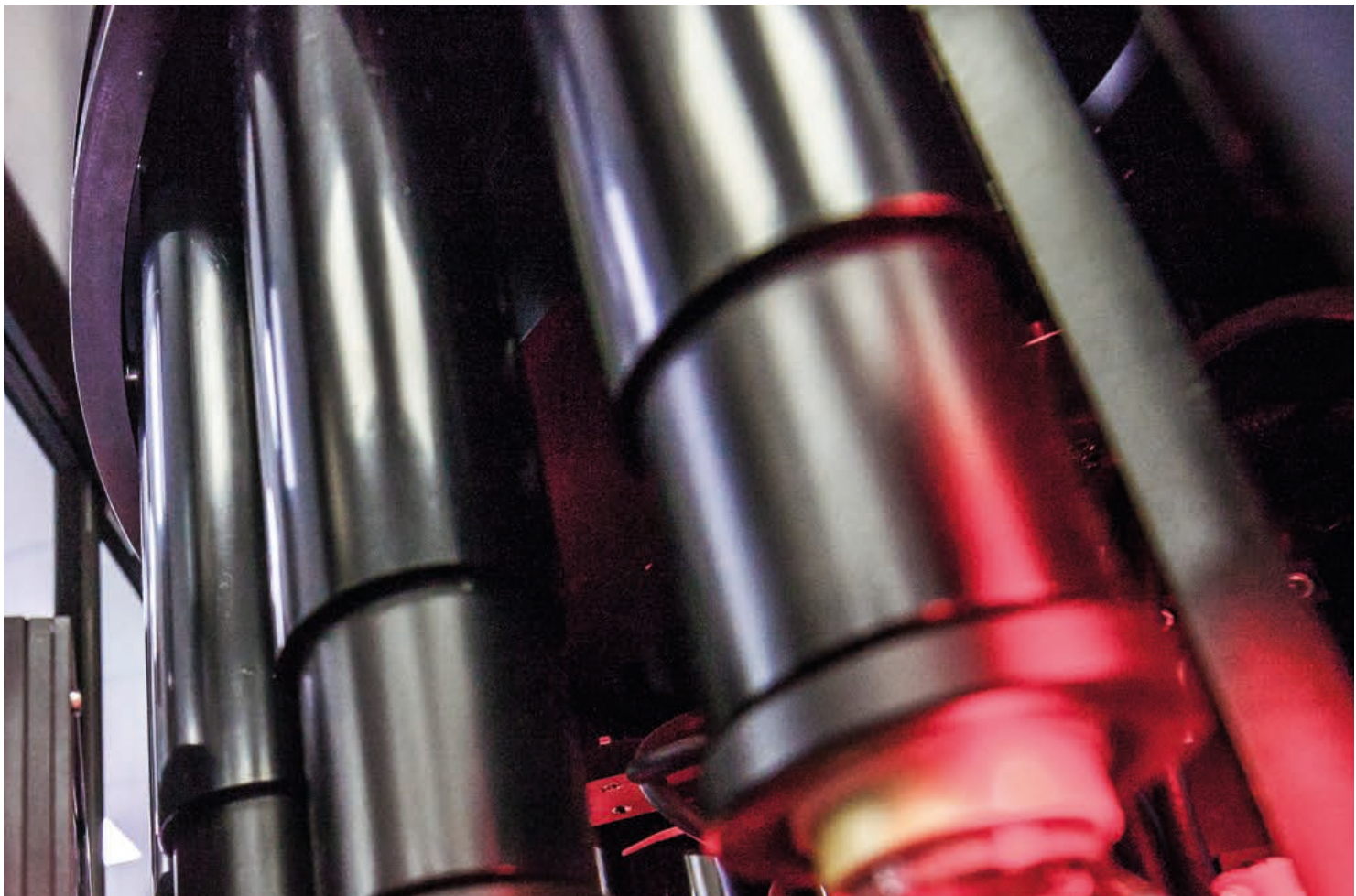
We aim to build an inclusive culture where all forms of diverse talents can flourish by providing proper guidance and coaching and fostering a positive and healthy work environment.



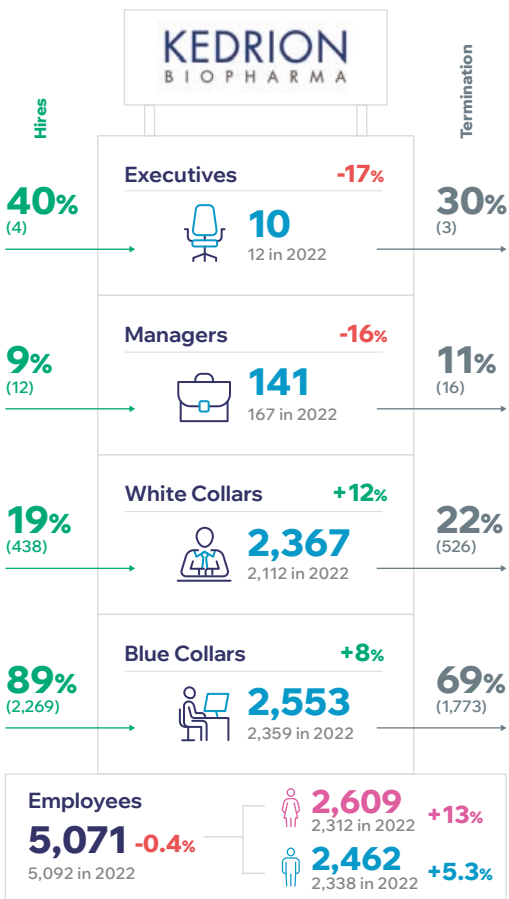
↑ | Portfolio employees evolution



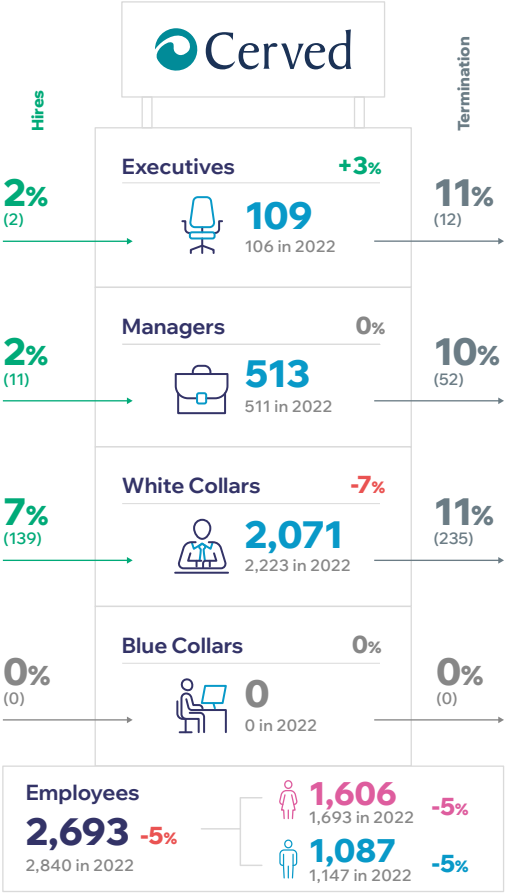
Note: In 2023 there was a change of reporting scope due to merger and acquisition operations.



Scan to view the
company sustainability
report



Note: 2022 data are partial as they do not include some entries reported by BPL Plasma Centers (450), for which we have no details on breakdown.



Scan to view the
company sustainability
report



Scan to view the
company sustainability
report

In 2023 the portfolio companies have increased the hours of training across different areas including anti-corruption practices, safety at work place, mental wellbeing and so on.

Training

Employee training and development is a process that helps employees acquire and improve the skills, knowledge, and competencies necessary to perform their jobs effectively and contribute to organizational success.

Therefore, it is a strategic investment that benefits both employees and organisations by improving performance, engagement, retention and compliance.

In 2023 the portfolio companies have increased the hours of training across different areas including anti-corruption practices, safety at work place, mental wellbeing and so on.



	 Hours of Training
	35.5 25.2 in 2022 +41%
	5.5 3 in 2022 +41%
	24 22 in 2022 +9%
	2 2 in 2022 =
	7 7 in 2022 =

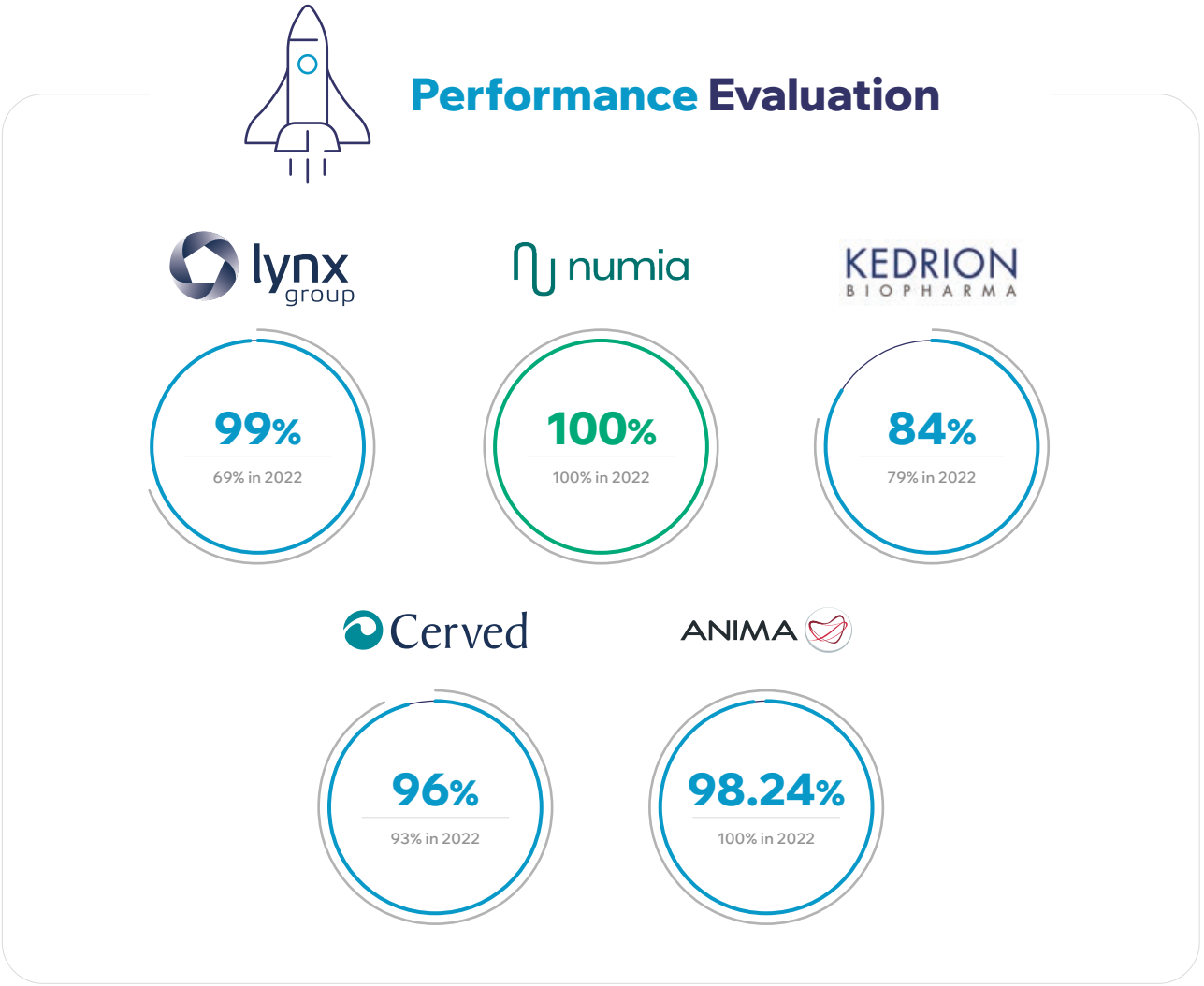
↑ | Average training hour per employee

Performance evaluation

Employee performance evaluation is a critical process that supports organizational success by providing feedback, aligning goals, identifying training needs, recognizing achievements, facilitating career development, and ensuring legal and

ethical compliance in performance management practices.

Our portfolio companies implement a period evaluation of their employees' performance.



↑ | Performance evaluation

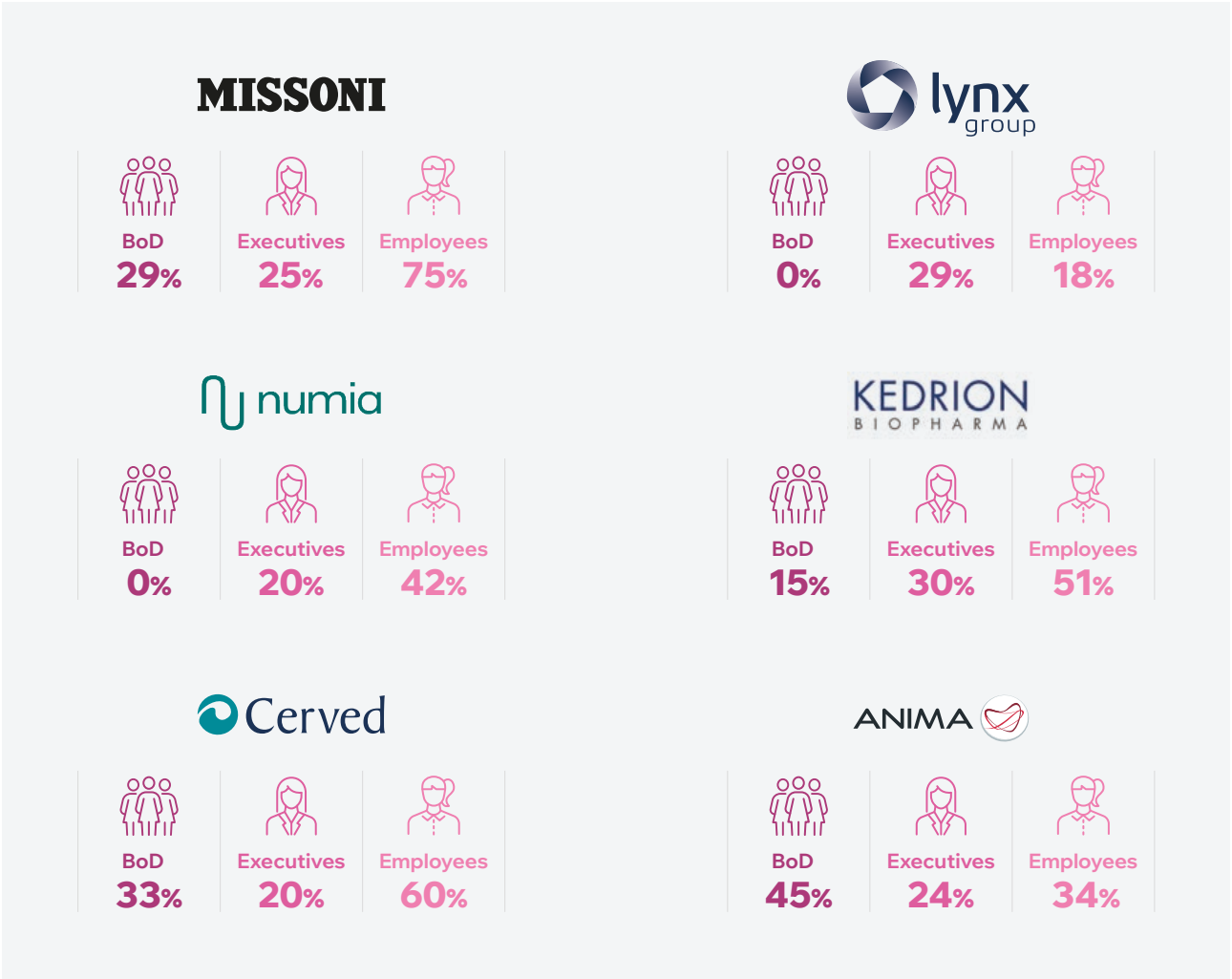
Our portfolio companies implement a period evaluation of their employees' performance.



Diversity, Equity and Inclusion

Companies that demonstrate a commitment to gender equality and fair pay are often seen as more sustainable and resilient over the long term. They are also better positioned to attract and retain top talent, foster innovation, and mitigate legal and

regulatory risks. By promoting gender equality and fair pay, companies can unlock the full potential of their workforce, drive innovation, and improve overall business performance.



↑ | Female representation

All the portfolio companies have dedicated policies to promote a fair working culture and environment. For example, **Cerved**’s Diversity & Inclusion Policy shows the company’s commitment to ensuring equal opportunities for everyone, regardless

of gender, race, geographical origin, age, religious belief, physical condition, marital status, sexual orientation, citizenship, or ethnic background. It has led to the definition of specific quantitative targets related to gender equality. It implies

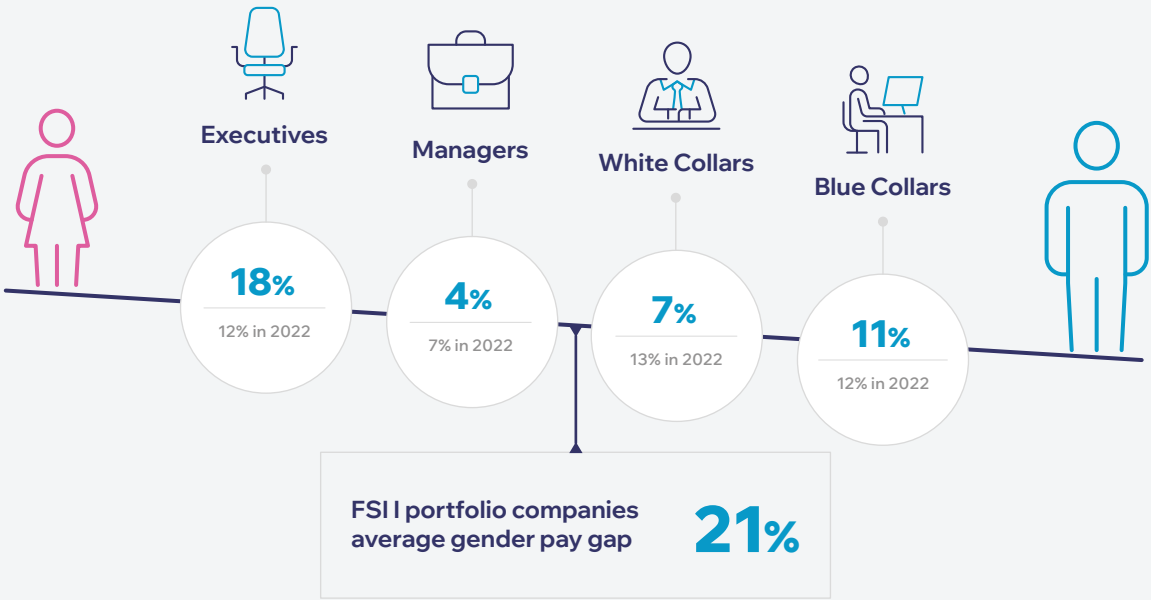
increasing the number of women in managerial positions, starting with the definition of specific policies for hiring, promotion, and succession planning. It also has established a **Diversity & Inclusion Committee**, supported by “D&I Voices” composed by representatives across company.

In 2023 Cerved elaborated an internal D&I Report describing achievements and the Committee’s re-view. On account of all the efforts, Cerved reduced tremendously gender pay gap, more visibly at Executive level.

	 Executives	 Managers	 White Collars	 Blue Collars	 Average GPG
MISSONI	19% -23% in 2022	-5% -2% in 2022	9% 22% in 2022	17% 25% in 2022	11%
	1% -4% in 2022	-2% 6% in 2022	5% 6% in 2022	Not Applicable	1%*
	37% 41% in 2022	12% 15% in 2022	1% 8% in 2022	Not Applicable	26%
	-1% 2% in 2022	1% 2% in 2022	9% 8% in 2022	4% 0% in 2022	7%
	8% 19% in 2022	9% 11% in 2022	20% 28% in 2022	Not Applicable	32%
	43% 43% in 2022	7% 12% in 2022	-3% -5% in 2022	Not Applicable	31%

* This number refers to the core business, which is more than 90% of the group.

↑ | Gender pay gap



↑ | FSI Fondo I gender pay gap

Numia has addressed gender pay gap issue in several instances.

The Board of Directors has initiated the process of Salary Review and structural mechanisms have been implemented to reduce the difference between average compensation of female and male employees at different levels of seniorities with particular focus on management aiming for a reduction of up to 13%. Furthermore, it has been discussed also at Remuneration Committee to be incorporated at a wider company compensation policy.

Kedrion continues its strong commitment to Diversity and Inclusion with periodic monitoring of

gender data of the management population. It has significant increased the representation of women in managerial position.

It has also improved the gender pay gap, especially at executives and managers levels. It continues to participate in the “Valore D” association, which provides management team with dedicated training and consultancy to sustain and promote gender equality and an inclusive company culture.

As result of diversity & inclusion initiatives and strengthened policies across the entire portfolio, we saw a significant reduction of gender pay gap at all seniorities, especially at Executive level.

Health & Safety

Health and safety represent one of the key pillars of portfolio companies’ sustainability practices.

FSI is strongly committed to ensure and monitor that all our portfolio companies have robust procedures and adequate implementation of company health and safety policies.

	 Injury Rates
MISSONI	1,1 2.2 in 2022
	0 0 in 2022
	0 0 in 2022
	2.3 2.8 in 2022
	0.03 0.1 in 2022
	0 0 in 2022

↑ | Injury rates

In 2023, at portfolio level the average injury rate was **0.28**. All the portfolio companies have a strict Health and Safety policy and are aiming for zero injuries at workplace.

In particular, Kedrion has seen an improvement of injury rate. Within the Operations function, the “Zero Accidents” objective for 2023 involved all production sites in implementing Standard Work practices such as Gemba walks conducted by site leadership teams and Job Safety Observations performed by supervisors to reinforce leadership and risk control.

The initiative to encourage employees to report not only accidents but also near misses and unsafe conditions or behaviors successfully met and exceeded the 2023 target of at least one report per person. For 2024, this target has been increased to 1.4 reports per person.

 *In 2023, at portfolio level the average injury rate was 0.28. All the portfolio companies have a strict Health and Safety policy and are aiming for zero injuries at workplace.*





New York, 2009

FSI environmental footprint

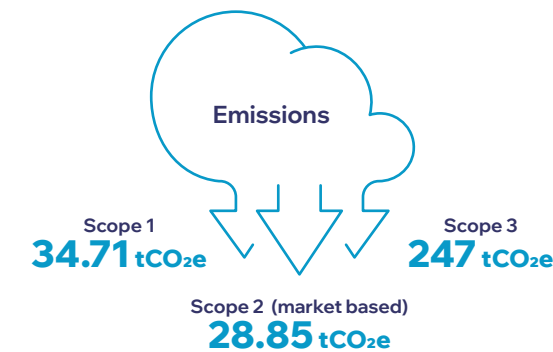
We are dedicated to evaluating our direct environmental footprint, focusing on energy conservation and promoting environmental protection among our stakeholders.

Although our business operations do not significantly impact emissions, we are firmly committed to monitoring our carbon footprint and raising employee awareness about various environmental initiatives.

FSI's scope 1 includes all the direct emissions from sources owned or controlled. The biggest component comes from company-leased vehicles which represents 91% of the total scope 1.

In 2023 we adopted a different methodology of carbon accounting related to the use of the company's vehicles. We followed the apportioning ratios suggested by the Automobile Club d'Italia (ACI) for all the cars of mix use. As a consequence, we see a reduction of overall Scope 1.

Scope 2 emissions from the electricity purchased from the national grid. They are calculated using



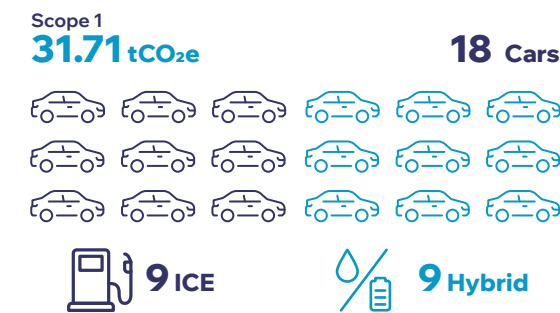
↑ | Emissions

the market-based approach, as FSI primarily uses energy from 100% renewable sources.

FSI's Scope 3 comprises mainly emissions coming from: 1) business travel: emissions resulting from transportation modes such as flights, trains, and car rentals. 2) employee commuting: emissions generated from employees traveling between their homes and the workplace.

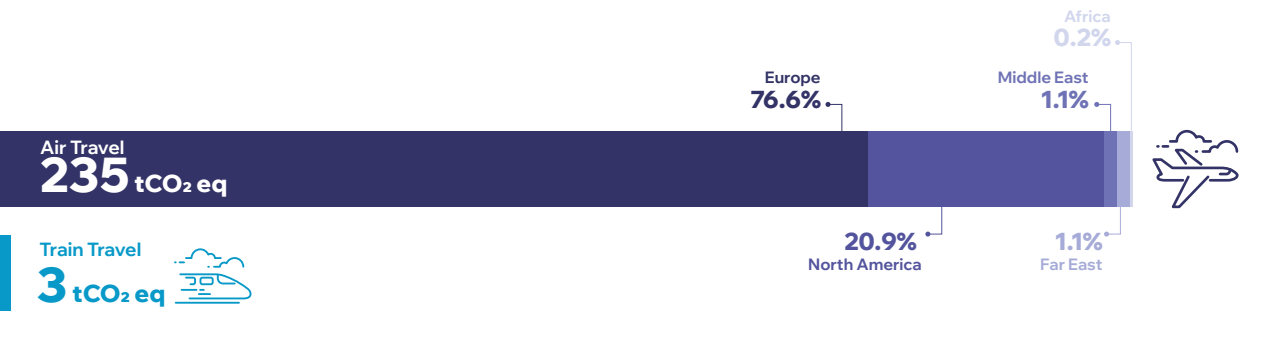
Business travels represent the biggest component; the significant increase compared to past years is mainly due to the launch of FSI II Fund and the resumption of fund-raising activities after the slowdown during the Covid period.

Air travel is a major contributor to GHG emissions due to the high carbon footprint per passenger mile, especially for long-haul flights.

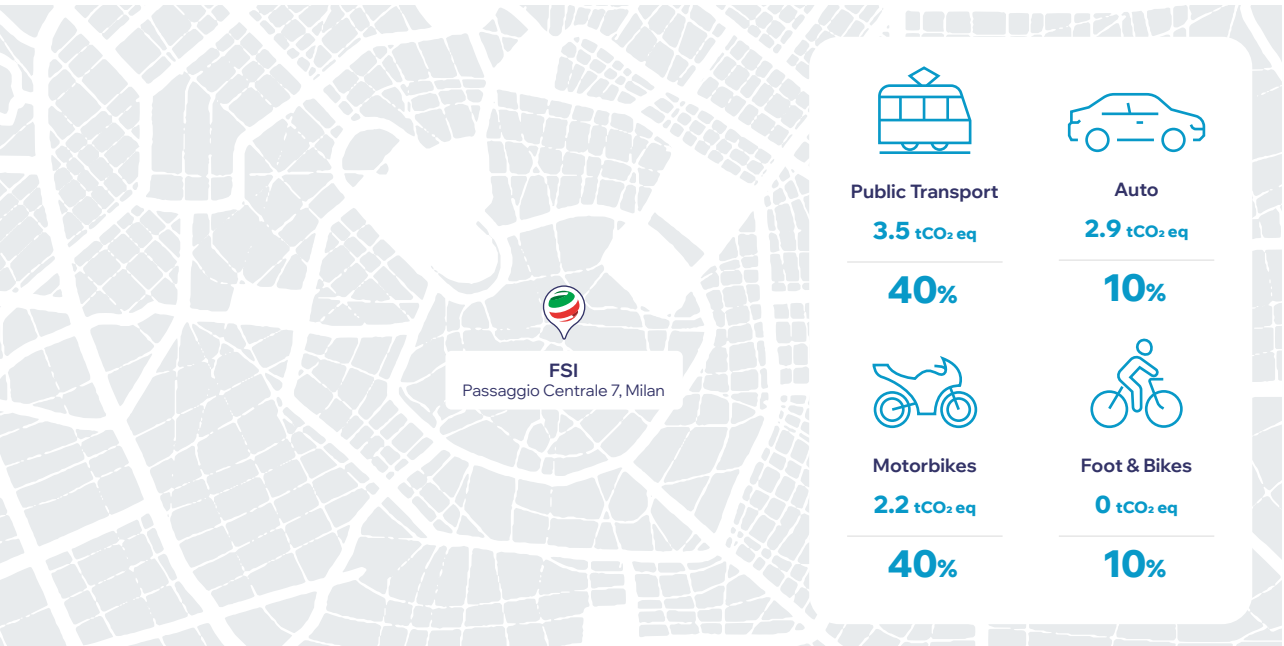


↑ | Scope 1 breakdown: company-leased vehicles

↓ | Scope 3 breakdown: Business travel



↓ | Scope 3 breakdown: Commute



Portfolio environmental footprint

The recent reports from the Intergovernmental Panel on Climate Change (IPCC) have emphasised the urgent need for immediate and sustained actions to fight against climate change. According to the IPCC, global temperatures have already risen by approximately 1.1°C above pre-industrial levels.

If current trends continue, we are likely to exceed 1.5°C between 2030 and 2052, leading to severe consequences for the planet and its inhabitants. Therefore, FSI and its portfolio companies are strongly committed to reduce environmental impact of their operations.



For instance, businesses that invest in energy-efficient lighting, heating, cooling systems, and machinery can significantly reduce their utility bills.

Furthermore, reducing energy consumption and emissions can lead to substantial cost savings. Energy-efficient technologies and practices often result in lower operational costs over time.

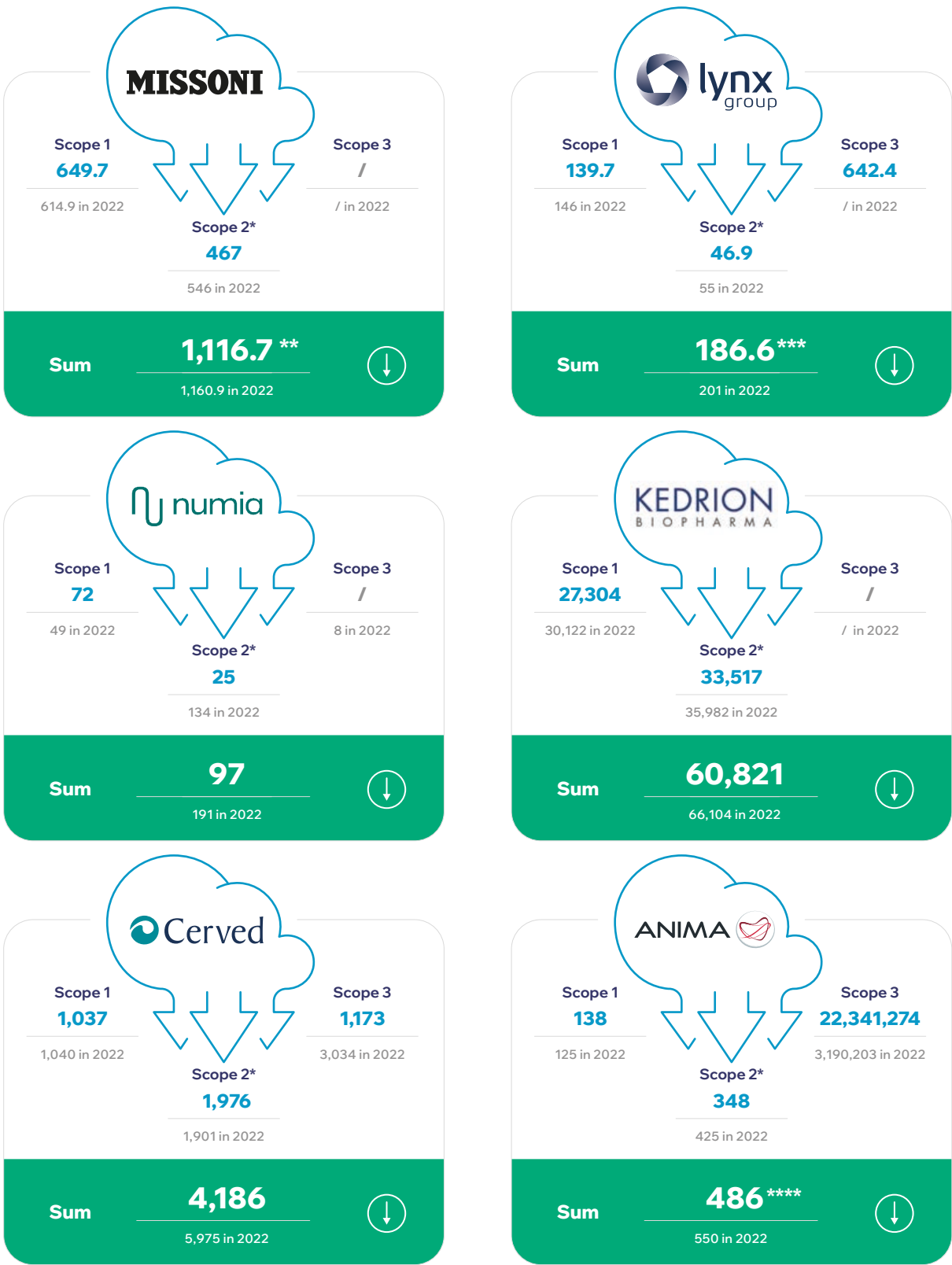
For instance, businesses that invest in energy-efficient lighting, heating, cooling systems, and machinery can significantly reduce their utility bills. In addition, companies that minimize waste and improve resource efficiency often see improvements in their bottom line through reduced material costs and enhanced productivity.

There is a growing expectation from the society

for companies to act responsibly and sustainably. Consumers, investors, and other stakeholders increasingly prefer to engage with businesses that demonstrate a commitment to environmental stewardship. Companies that reduce their emissions and energy consumption can enhance their reputation, build brand loyalty, and attract and retain customers who value sustainability.

At portfolio level we have seen a meaningful decrease of carbon emissions across Scope 1 and Scope 2 for all the portfolio companies, demonstrating the effectiveness of the overall climate efforts.

↓ | Carbon emissions of all companies (in tCO₂e)



* Location based. ** The company has changed the methodology of calculation, therefore the direct historical comparison might not be accurate.
*** Scope 3 not included as the company has started to report it only from 2023. **** Scope 3 is not included in the comparison to last year as Anima did not include sovereign debt in their 2022's scope 3 calculation, therefore a direct comparison might not be meaningful.



One notable example is **Missoni**, which has been focusing on reducing energy usage and increasing efficiency. In 2023 with the help of a specialist consultant, the company successfully implemented a series of energy consumption optimisation measures. This collaboration has led to significant improvements in energy efficiency and a reduction in overall energy usage, contributing to both cost

savings and environmental sustainability. The consultant conducted thorough energy audits across all company facilities to identify key areas where energy was being wasted or inefficiently used. Based on these audits, several targeted initiatives were introduced. These include advanced building management system to monitor and control energy use in real-time.

 *Process optimisation in manufacturing and production lines led to more efficient operations, reducing energy usage without compromising productivity.*

Additionally, the company integrated renewable energy sources into its energy mix by installing solar panels, which would be operative from end of 2024.

Process optimisation in manufacturing and production lines led to more efficient operations, reducing energy usage without compromising productivity. Regular monitoring and reporting ensured that energy savings were tracked and sustained over time.

Another success story is **Lynx**, which has obtained ISO 14064 certification for the second consecutive year, an important milestone on the journey to net zero. Lynx has taken concrete actions to reduce energy consumption and to accelerate the path toward Net Zero by following guidelines laid out in the company's climate policy. It updated the internal guide-

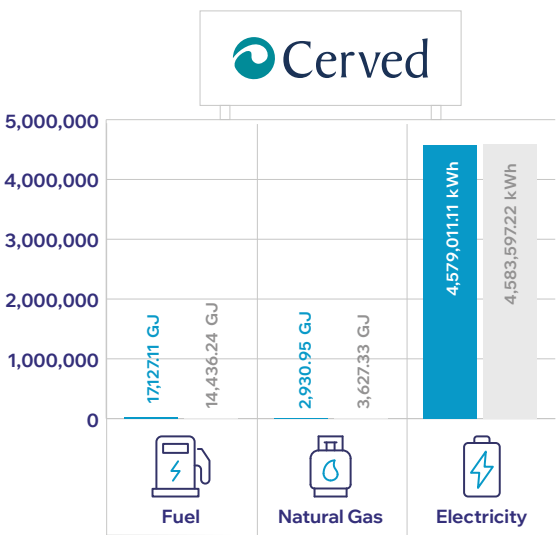
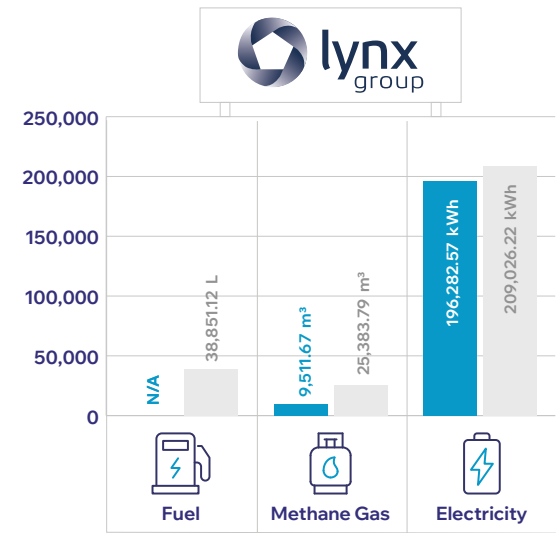
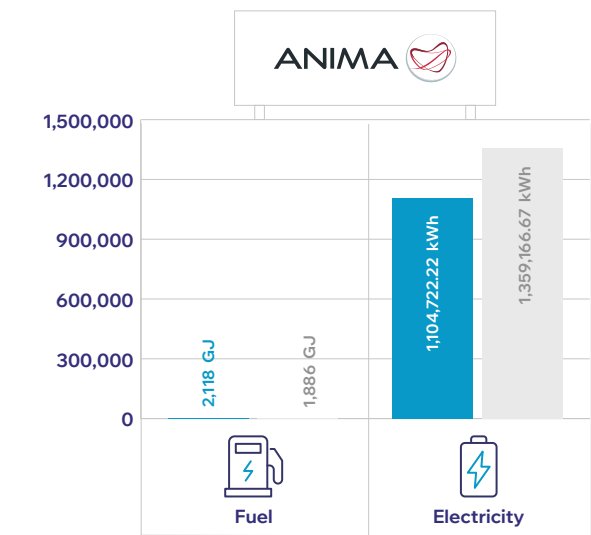
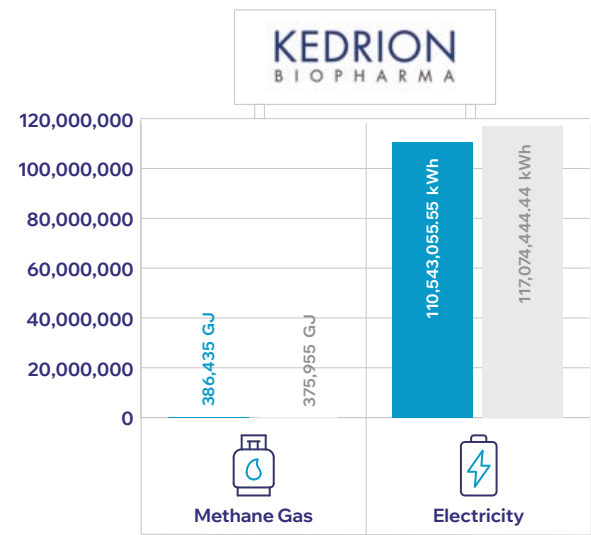
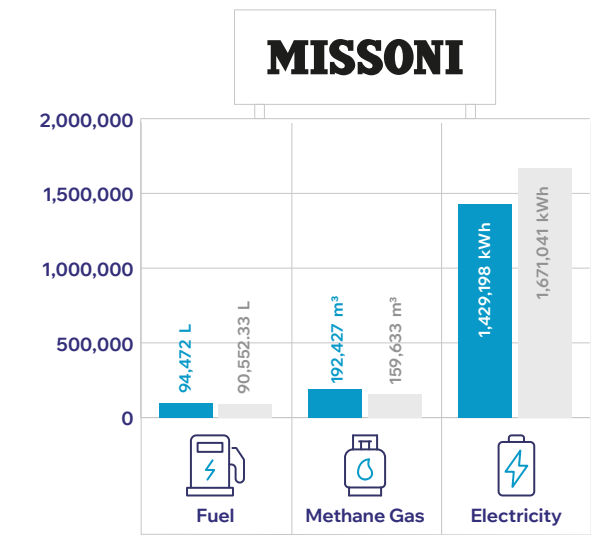
lines in 2023 including best practices to reduce energy consumption and waste management.

The company is implementing various measures to address energy efficiency and carbon emissions. These include conducting energy management and carbon footprint audits to increase accountability and transparency. It facilitates the process of setting adequate targets. Additionally, there is an increasing focus on procuring renewable energy sources to reduce reliance on fossil fuels.

Employee training programs are also being organised to educate staff on energy-saving and climate-friendly actions. Furthermore, efforts are underway to decrease overall energy consumption and minimize greenhouse gas emissions. Specific initiatives include implementing energy-saving measures and upgrading lighting systems to reduce energy consumption.

↓ | Energy consumption

2023 2022



*Conversion of Electricity from GJ to kWh on www.convertunits.com





The company has implemented several procedures to address Scope 3 emissions. These include conducting screenings to identify relevant categories, ensuring that the greenhouse gas emissions report undergoes third-party verification, and updating the greenhouse gas inventory at least once a year. Moreover, there is an ongoing corporate-level greenhouse gas inventory in place to monitor emissions in accordance with the GHG protocol or other greenhouse gas accounting standards.

The company has replaced diesel vehicles with 100% electric cars in the proposed car lists for drivers and uses only recycled paper for printing. Furthermore, they are reducing print volumes by utilizing sharing applications like Teams and Onedrive. Best practices for reducing electricity

replacing outdated components and optimising energy usage. The company has been engaging with a specialised climate consultant to develop and implement in immediate future the Net Zero Masterplan.

Cerved has continued its efforts in purchasing energy from renewable resources. This initiative saved the emission of approximately 1,732 tons of CO2 (calculated using the Market-based approach). The recent installation of a photovoltaic system with a capacity of 327.60 kWp at the Mangone (CS) headquarters represents another significant step towards adopting more sustainable energy sources and reducing our environmental impact.

In 2023, 99% of the electricity of Cerved's offices in Italy was sourced from renewable energy from certified renewable.

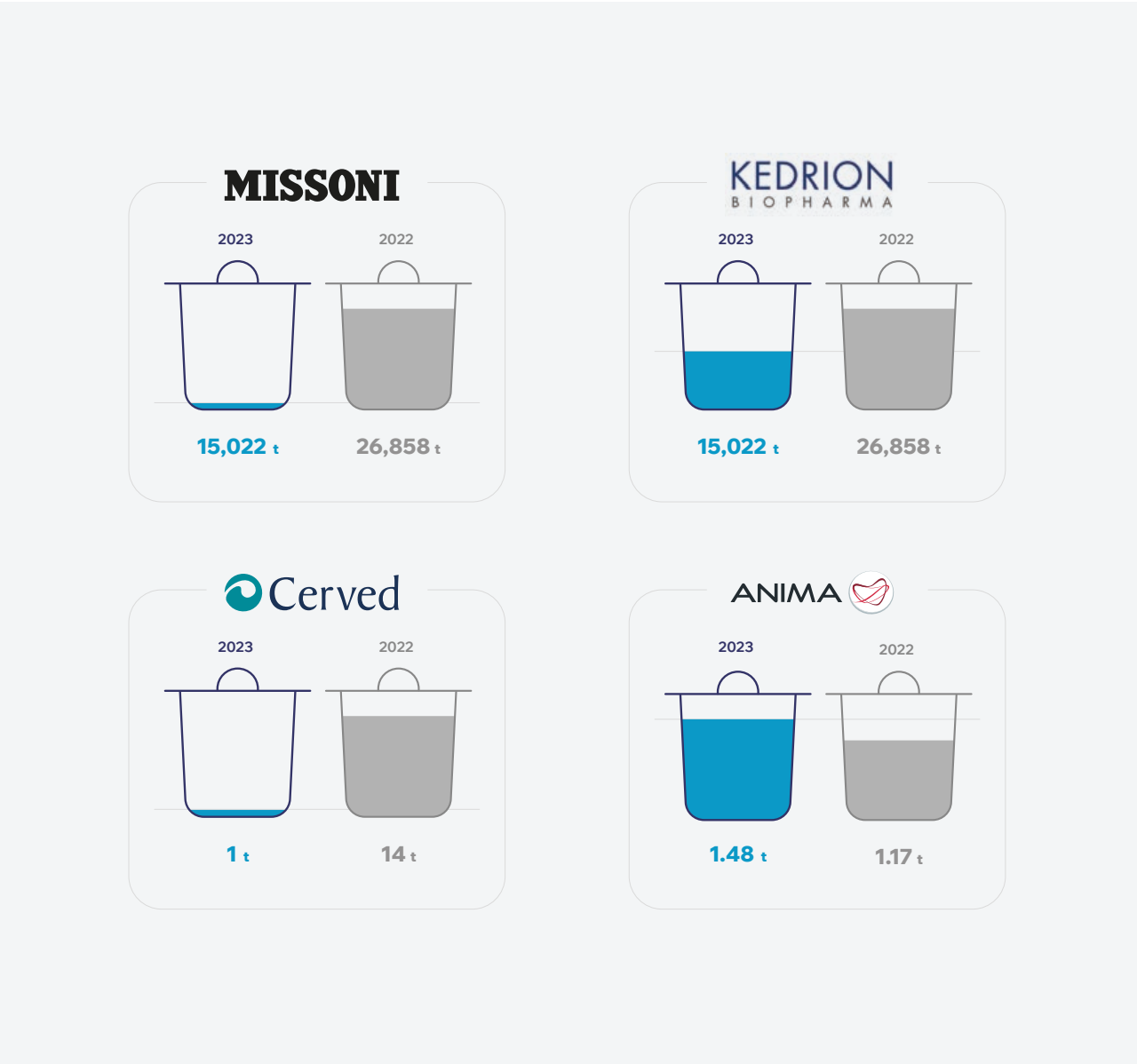
consumption are being adopted, and contracts with Berg PHI and Canon have been established for environmentally friendly toner disposal and sustainable printing, respectively. These initiatives demonstrate the company's commitment to minimizing its environmental footprint and promoting sustainability in its operations.

Kedrion also has managed to reduce the energy consumption by 12%, and therefore decrease emissions by 9%, mainly due to the implementation of various energy efficiency measures. Different sites have upgraded the operations by

Anima's total energy consumption was 6,095 GJ in 2023, reflecting a 10.1% reduction compared to the previous year. This total includes 2,522 GJ from non-renewable sources and 3,573 GJ from renewable sources.

In 2023, the Group procured 90% of its electricity from renewable sources, verified by certificates of guarantee of origin provided by the supplier. Additionally, starting in April 2023, ANIMA has enhanced its sustainability efforts by installing charging stations in company parking spaces, facilitating the use of plug-in hybrid and electric company cars.

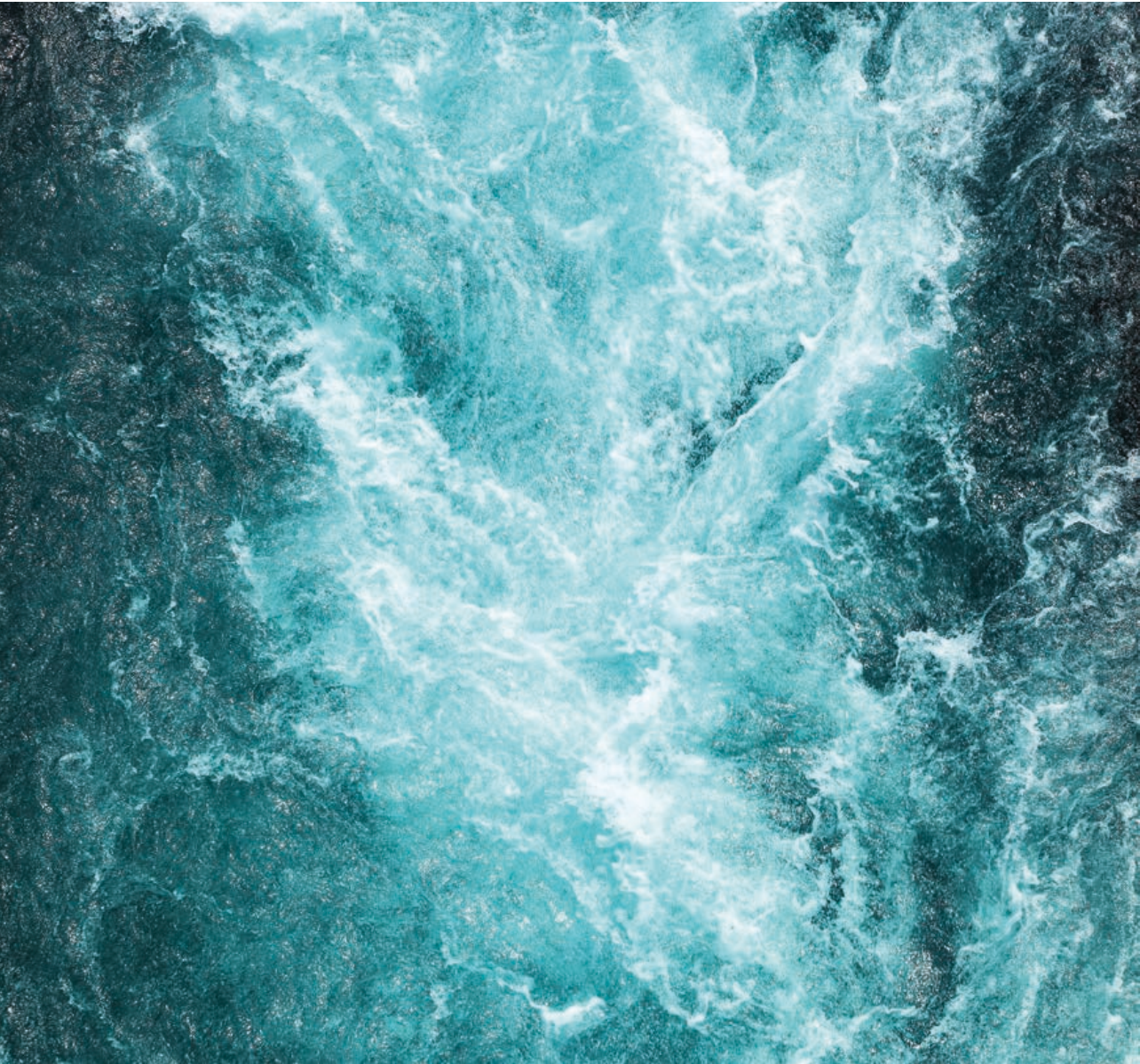
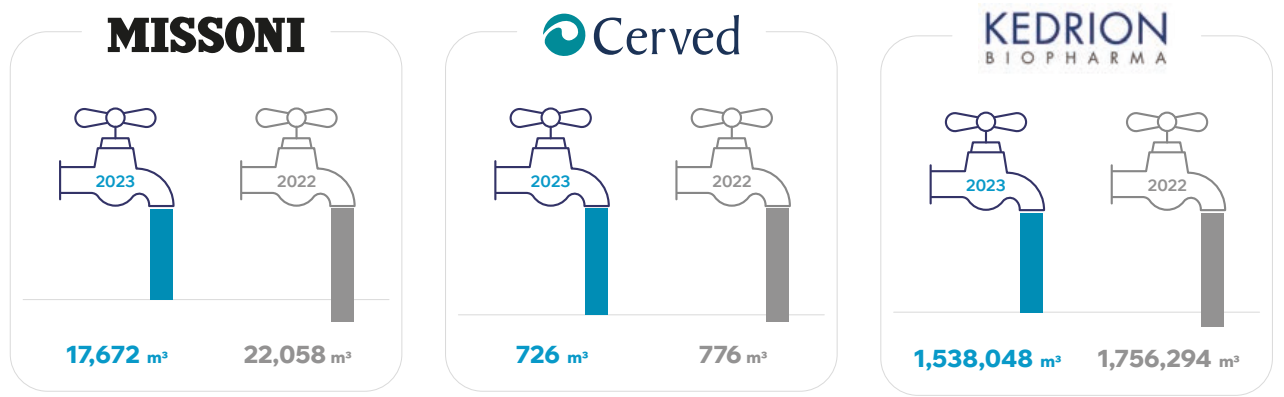
↓ | Waste generated (in t)



Cerved saw a drastic reduction of waste production of 93% due to the implementation of meticulous waste management measures to minimise the impacts associated with disposal. Particular attention is given to the collection and disposal of special waste. Although this sporadic activity, Cerved has specific contracts with specialised companies. These companies handle the collection and disposal of mainly used toner cartridges with

safety and expertise, ensuring they are reintegrated into the production cycle and promoting the recovery of special waste. **Kedrion** is the portfolio company with the highest water consumption mainly due to the use for the powering of cooling systems, softeners, steam production and sanitation. In 2023 the company managed to reduce water consumption by 12%.

↓ | Water consumption (in m³)





Hong Kong 2016

Strategic Champions Project

FSI believes that sports play a crucial role in social development in disadvantaged areas and contexts, fostering inclusion, especially for young prisoners, refugees, unaccompanied minors, or those from highly conflictual families.

The “Strategic Champions Project” together with Francesca Rava Foundation project “Palla al Centro”, involves the participation of some CONI athletes, alongside FSI employees, at the Beccaria Juvenile Detention Center in Milan. In this protected environment, and in close coordination with the Foundation’s educators, the athletes and FSI

employees engage with the young offenders to convey the value of sports as an educational and social tool. Furthermore, in collaboration with CONI, FSI has awarded seven two-year scholarships to young athletes identified by the Federation to support their training and help them become future Olympic champions for the Paris Olympics.



↑ | Strategic Champions Project - Beccaria Juvenile Detention Centre

LILT Mobile Clinic Space

FSI supported the purchase of a 10-meter long, 12-ton Mobile Clinic. The LILT Mobile Clinic is fully equipped to provide healthcare services to those in need, even in remote areas.

LILT Milan Monza and Brianza |→



“Soup Kitchen Project”

The Soup Kitchen is OSF’s historical service, the first to be established, offering nutritious, balanced, and complete meals free of charge to those in need, both at lunch and dinner.

Over the years, the service has modernized and expanded – now there are two Soup Kitchens – but the values of hospitality remain the same as they were over 60 years ago. Today, OSF is capable of serving 2,500 meals per day.



↑ | Opera San Francesco



Chaire Gynai Project

A project initiated in 2018 by Pope Francis, aimed at refugee women (with children) and migrant women in vulnerable situations who lack other forms of protection.

[↑ | Scalabrinian Missionary Sisters](#)



Job Grant Project FSI supports a one-year job grant for a researcher dedicated to observational studies at the Nemo Clinical Centre in Milan.

Specifically, the project aims to hire a Study Coordinator biologist dedicated to conducting crucial clinical studies to gather information, find causes, and discover new biomarkers for diseases that currently have no cure, such as ALS (Amyotrophic Lateral Sclerosis) and Duchenne Muscular Dystrophy. These are highly debilitating and progressive diseases that lead to paralysis and complications such as respiratory and cardiac crises.

Bocconi University

Contribution to the Bocconi 2022-2023 “Women Award” Project: Full scholarships for two deserving female students admitted to the master’s degree, preferably in:

-  MSc in Finance
-  MSc in Economics and Social Sciences
-  MSc in International Management
-  MSc in Economics and Management Innovation

Contribution to the Bocconi 2024-2025 Project: Full undergraduate scholarships for two students from economically disadvantaged families.

[↓ | Bocconi University building in Milan |→](#)



Francesca Rava Foundation

“Emilia Romagna Emergency”

A project dedicated to people affected by the devastating flood in Emilia Romagna. The aid included sending a mobile bakery to the displaced populations.

“Corporate Volunteer Project”

Since 2020, FSI teams up with the Francesca Rava Foundation every year to organize three corporate volunteer days. FSI employees, together with the Foundation’s educators, accompany a group of about 20-25 children from the Cooperativa Onlus Tempo per

l’infanzia in Milan (aged 6 to 17) on trips, promoting experiential activities outside their family context to foster social integration. During these days, which include various cultural and recreational activities, the children benefit from positive relationships and acquire new skills.



↑ | Tempo per l’infanzia ONLUS – Safari Park July 2023

VIDAS

FSI supports the “Casa Sollievo Bimbi” project, the first pediatric hospice in Lombardy, which since June 2019 has been welcoming young patients who cannot be cared for at home.



Turkey Mozaik Foundation

FSI’s donation to an accredited foundation in Turkey allowed for the swift delivery of initial aid to populations affected by the devastating February 2023 earthquake.





Pechino, 2016

GRI Content Index

Statement of use

FSI SGR S.p.A. has reported on annual basis the information cited in this GRI content index for the period 01/01/2023 – 31/12/2023 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure		Location	
			FSI SGR S.p.A.	Portfolio companies
GRI 2: General Disclosures 2021 version	2-1	Organisational details	105, 81	/
	2-2	Entities included in the organisation's sustainability reporting	10	/
	2-3	Reporting period, frequency and contact point	102, 112	/
	2-4	Restatements of information	105	/
	2-6	Activities, value chain and other business relationships	6-7, 10-15	/
	2-7	Employees	56, 60	7, 63-69
	2-9	Governance structure and composition	38	50-51, 73
	2-11	Chair of the highest governance body	38	/
	2-12	Role of the highest governance body in overseeing the management of impacts	38-39	/
	2-13	Delegation of responsibility for managing impacts	38-39	/
	2-14	Role of the highest governance body in sustainability reporting	39	/
	2-16	Communication of critical concerns	105	/
	2-19	Remuneration policies	33	20, 75
	2-22	Statement on sustainable development strategy	4-5	18-21
	2-23	Policy commitments	39, 58	/
	2-24	Embedding policy commitments	32, 39, 58-59	/
	2-27	Compliance with laws and regulations	15, 39, 41	/
	2-28	Membership associations	61, 94, 99	75
	2-29	Approach to stakeholder engagement	43-44, 61, 94-99	52

GRI 3: Material Topics 2021	3-1	Process to determine material topics	41-44	52
	3-2	List of material topics	45	/
Community relations and philanthropy				
GRI 3: Material Topics 2021	3-3	Management of material topics	61, 94-99	/
Independence in governing bodies				
GRI 3: Material Topics 2021	3-3	Management of material topics	6	51
Energy consumption				
GRI 3: Material Topics 2021	3-3	Management of material topics	45	82-89
GRI 302: Energy 2016	302-1	Energy consumption within the organization	/	82-89
GHG emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	80-81	82-89
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	80-81	82-89
	305-2	Energy indirect (Scope 2) GHG emissions	80-81	82-89
	305-3	Other indirect (Scope 3) GHG emissions	80-81	82-89
Management of water				
GRI 3: Material Topics 2021	3-3	Management of material topics	/	90-91
GRI 303: Water and Effluents 2018	303-5	Water consumption	/	90-91
Training and development				
GRI 3: Material Topics 2021	3-3	Management of material topics	45, 57-59	70-71
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	57-58	70
	404-3	Percentage of employees receiving regular performance	59	71
Employee health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	45, 56	76
GRI 403: Occupational Health and Safety 2018	403-8	Health and Safety policy	56	76
	403-9	Work-related injuries	56	76

Diversity, inclusion and non-discrimination				
GRI 3: Material Topics 2021	3-3	Management of material topics	45, 6, 56, 60	50-51, 63-69, 73-75
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	6, 56, 60	50-51, 63-69, 73
	405-2	Ratio of basic salary and remuneration of women to men	/	74-75
Business ethics, integrity and transparency				
GRI 3: Material Topics 2021	3-3	Management of material topics	45, 58	53
GRI 205: Anticorruption 2016	205-2	Communication and training about anti-corruption policies and procedures	58	53
	205-3	Confirmed incidents of corruption and actions taken	/	53
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics	/	90
GRI 306: Waste 2020	306-3	Waste generated	/	90
Systemic risk management and business resilience				
GRI 3: Material Topics 2021	3-3	Management of material topics	45, 38-39, 32-34	20-21, 50-53
Cybersecurity and data privacy				
GRI 3: Material Topics 2021	3-3	Management of material topics	45, 58	52
Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics	45, 56	63-69
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	56	63-69
Forced labour				
GRI 3: Material Topics 2021	3-3	Management of material topics	/	21
GRI 409: Forced or Compulsory Labor 2016	409-1	Forced labour	/	21

Methodological Note

The Sustainability Report 2023 of FSI SGR S.p.A. is a voluntary non-financial reporting document. Regulatory provisions currently in force regarding non-financial reporting do not envisage any obligation to disclose for the Company. For this reason, the document was not subject to external Assurance.

This is the fifth non-financial reporting document issued by FSI, in order to report about the progress in its Sustainability trajectory, as well as to facilitate the stakeholders’ understanding of the Company and its portfolio commitment to ESG objectives.

The Report is based on data collected internally and from the portfolio companies including their sustainability reports. Its content relates to the sustainability performance recorded during the reference financial year (January, 1st - December, 31st, 2023). The data were collected following the Global Reporting Initiative (GRI) standard.

The portfolio companies’ Sustainability performance considered within the scope of this report

refer to: Anima Holding, Cerved, Kedrion BPL, Lynx, Missoni and Numia. For comparison purposes, data related to the fiscal years 2022 have been presented with reference to the portfolio composition at that time, which included BCC Pay, Cedacri ION, Cerved, Kedrion, Lynx and Missoni. BCC Pay has been renamed in Numia.

With reference to the Social impact section, employees data are presented with reference to the consolidated entities. The topics covered in this document were deemed to be material following a materiality analysis carried out in order to implement the responsible management of FSI’s internal operations and its investment activities.

The importance of the sustainability topics was therefore considered in terms of FSI corporate sustainability and of sustainable portfolio management.

FSI Management, the portfolio companies’ and FSI’s main stakeholders, such as investors, were directly involved in this analysis. Moreover, during 2023 FSI exited Cedacri and added Anima Holding to its portfolio.

Notes

Contacts

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Partnering for growth

