Sustainability Policy of Fondo Italiano d'Investimento SGR pursuant to Regulation EU 2019/2088

Art. 3: Transparency of sustainability risk policies adopted in the investment decision-making process

Fondo Italiano d'Investimento is aware that sustainability risks, understood as an event or environmental, social or governance condition, can negatively affect the value of its investments and that consideration of this type of risk is an essential condition for the creation of lasting value for all its stakeholders. In particular, the AMC considers it necessary to pay particular attention to the types of environmental, social and governance risks that may arise due to inadequate management of the following aspects:

- Environmental sphere: energy consumption and greenhouse gas (GHG) emissions into the atmosphere.

- Social sphere: working conditions, active participation for community development, innovation for social development, diversity and inclusion.

- Governance sphere: business ethics and integrity, privacy protection, responsible business management.

These considerations are integrated in the approach that Fondo Italiano has adopted for its investment activities, reflecting the commitment made with the signing of the United Nations "Principles for Responsible Investment". Furthermore, for an AMC the consideration of these risks is fundamental for the realisation of its commitment to make a positive contribution to the United Nations 2030 Agenda and the achievement of the sustainable development goals envisaged by the latter.

The approach adopted by Fondo Italiano d'Investimento to integrate sustainability risks in investment activities consists of functional processes to monitor these risks throughout the entire life cycle of investments. In particular, with reference to direct investments, the AMC envisages due diligence according to ESG criteria for the selection of targets, in order to assess any critical issues and align investment decisions with regard to the same, and it monitors sustainability performance for the duration of the investment. With regard to indirect investments, the AMC first considers it necessary to assess the strategies and safeguards adopted by the third-party asset managers to integrate the sustainability risks and then activates procedures to monitor the management implemented for such risks. In addition, Fondo Italiano d'Investimento believes that the adoption of certain safeguards by the companies and funds it invests in represents an essential protection against sustainability risks and therefore it undertakes to verify that the requisites established in this regard are met.

The "Responsible Finance Policy", available on the "Corporate documents" page of this site formalises the strategy adopted by the AMC in relation to Responsible Investment, providing a detailed description of how sustainability risks are integrated in the various phases of the investment process.

Art. 4: Transparency of adverse sustainability impacts

Given the size, nature and a scope of its activities and the type of financial products offered, Fondo Italiano undertakes to implement due diligence policies aimed at identifying and prioritising the principal adverse impacts on sustainability that its investment decisions could have, with particular reference to direct investments. In relation to indirect investments, the AMC ensures that the Managers of the funds it subscribes in turn adopt due diligence policies that support the identification and prioritisation of any adverse impacts of their investments.

Subsequently, Fondo Italiano, monitors the impact of its investment decisions by means of sustainability performance indicators as part of the non-financial reporting process: the 2019 Sustainability Report, published on the "Sustainability" section of this site, contains the results of this monitoring, including

findings on which of the monitored aspects actually generated impacts on sustainability factors. In addition, the AMC undertakes to implement actions to mitigate the adverse impacts detected through appropriate engagement activities.

When integrating these considerations in its processes, Fondo Italiano d'Investimento is inspired by the founding principles of international reporting organisations, such as the "Principles for Responsible Investment" of the United Nations.

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

Fondo Italiano d'Investimento believes that proper implementation of the integration policies adopted is necessary for the sound and effective management of sustainability risks. In line with this belief, the inclusion of sustainability objectives in remuneration policies is a useful tool for strengthening staff's commitment to effectively implementing the integration policies for sustainability risks. To this end, the AMC is evaluating the updating of staff remuneration policies with the aim of better aligning variable remuneration with sustainability objectives associated with the integration of sustainability risks in investment processes.