

DISCLOSURE PURSUANT TO REGULATION (EU) 2019/2088 ON SUSTAINABILITY-RELATED DISCLOSURES IN THE FINANCIAL SERVICES SECTOR

In relation to the transparency obligations introduced by Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (so-called *Sustainable Finance Disclosure Regulation*, "**SFDR**"), the SGR hereby discloses the following.

Disclosure pursuant to Article 3 of the SFDR

According to Article 3 of the SFDR "financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process".

The AIFs managed by the SGR are not among the products referred to in Article 8 of the SFDR, which promote environmental and social characteristics, nor among the products referred to in Article 9 of the SFDR, which aim at sustainable investments.

The SGR's activity is in any case carried out in a manner consistent with the principles of conduct that inspire the Intesa Sanpaolo Group and, among them, the principles of respect for human rights and the environment, the principles on *diversity* and *inclusion* contained in the Code of Ethics and in the Group's *Policies*.

In addition, it should be noted that the investment policy of the AIFs provides for certain exclusion criteria or limits the investment operations in certain sectors of activity - punctually identified in the respective AIF management Regulations - including, in particular:

1. manifest infringement of human rights
2. production, trade or other activities which are prohibited under the laws in force in the countries where they take place, including, in any case, human cloning;
3. production of and/or trade of tobacco;
4. production and/or trade of distilled alcoholic beverages and related products;
5. production of and/or trade of firearms and/or explosives;
6. gambling and equivalent activities;
7. pornography and child pornography;
8. production of and/or trade in fur;
9. research, development and/or technical application of electronic solutions and/or programmes that are specifically designed for the following activities:
 - (i) the production of goods substantially similar to those referred to in 1. to 8. above;
 - (ii) Internet betting and/or *online* gambling; or systems that are specifically designed to enable unlawful:
 - access to electronic networks and/or electronic data storage systems; or
 - downloading data in electronic format.

Disclosure pursuant to Article 4 of the SFDR

According to Article 4 of the SFDR, “Financial market participants shall publish and maintain on their websites:

- a) where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available; or**
- b) where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts”.**

The SGR does not take into account the negative effects of investment decisions on sustainability factors as set out in Article 4 of the SFDR.

The reason for this is due to the investment policies of the managed AIFs, which do not include explicit “sustainable investment” objectives as defined by the SFDR.

Disclosure pursuant to Article 5 of the SFDR

According to Article 5 of the SFDR “Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites”.

The SGR’s remuneration and incentive policies are consistent with the sustainability risk integration provisions under the SFDR.

In fact, the SGR is aware that it has a considerable impact on the social and environmental context in which it carries out its activities, choosing to act also with the aim of creating long-term value for the SGR, its people, its clients, the community and the environment.

The SGR wants to be responsible and generate long-term value, aware that innovation, the development of new products and services and corporate responsibility can contribute to reducing the impact on society of phenomena such as climate change and social inequality.

Consistently with its commitment to social, cultural and environmental sustainability, as well as in line with the provisions of the SFDR and with what has been defined by the Intesa Sanpaolo Group, as from 2021 the SGR has decided to introduce among the strategic action objectives that will be assigned to all management a specific “ESG” KPI (*environmental, social and governance*).

This KPI represents the evolution of the previous transversal KPI of the Intesa Sanpaolo Group, i.e. *Diversity & Inclusion*, which was focused on a specific area related to the social factor. The new KPI, on the other hand, takes into account several ESG factors and areas, in line with specific activities and projects carried out by the Company.

ESG KPIs are assessed both at Intesa Sanpaolo Group level, with a view to acknowledging the commitment of the Group as a whole, and at the level of the Government Area to which the SGR belongs, in order to enhance the areas of action of the individual Group structures.