



# Information for investors in funds managed by TMF Fund Management S.A.

Sustainable Finance Disclosure

October 2024



## Sustainable Finance Disclosure at TMF Fund Management S.A.

regarding:

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended (“**SFDR**”)

Regulation (EU) 2020/852 of The European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended (“**Taxonomy**”)

Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports (“**SFDR RTS**”)

The SFDR lays down harmonized rules for financial market participants (including UCITS Management Companies and AIFMs) and financial advisers in the European Union on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability - related information with respect to financial products.

The Taxonomy establishes an EU-wide classification system or 'framework' intended to provide businesses and investors with a common language to identify to what degree economic activities can be considered environmentally sustainable.

These regulations aim to provide greater transparency on the degree of sustainability of financial products and differentiate financial products with SFDR criteria sustainable investments from greenwashing investments.

TMF Fund Management S.A. has implemented a policy in respect of the integration of sustainability risks in its investment decision-making process. It provides a description of activities carried out toward the integration of sustainability criteria as defined in the SFDR and Taxonomy into the investment management of the (Sub-)Funds for which TMF Fund Management S.A. performs the function of Portfolio Manager.



In the same vein, TMF Fund Management S.A. has integrated sustainability risks in its risk management process.

‘Sustainability risk’ means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

In accordance with article 4 of the SFDR, TMF Fund Management S.A., taking due account of their size, the nature and scale of their activities and the types of financial products they make available, considers the principal adverse impacts of their investment decisions on sustainability factors within the relevant field and/or practices. According to the SFDR, principal adverse impacts (“PAIs”) should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors. In general, and except for the products mentioned in section 2 below, TMF Fund Management S.A. does not consider principal adverse impacts of the investment decisions on sustainability factors due to the reasons mentioned in section 1 below. Should this change in the future, the disclosures on the website of TMF Fund Management S.A. will be updated accordingly.

When delegating the portfolio management function to a third-party, TMF Fund Management S.A. ensure the performance of the PAIs assessment, monitoring, validation and reporting/disclosure in accordance to the investment strategy and the applicable law and regulations, with particular reference to each managed fund falling under the scope of the article 8 of the SFDR (i.e. promoting environmental and social characteristic) and funds under the scope of article 9 of the SFDR (i.e. promoting sustainable investments).



# 1. Mainstream products

With regard to the SFDR and the Taxonomy, the (Sub-)Funds below listed do not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4 (1) b of the SFDR.

In light of the above, the (Sub-)Funds consider sustainability risks and Principal Adverse Impacts as not relevant according to but not limited to the following points:

- The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation;
- The key investment sector is recognized not to have major ESG adverse impacts.

As a consequence, the below list of (Sub-)Funds is neither in scope of Article 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

For any additional information, please contact [legal.fundmanagement@tmf-group.com](mailto:legal.fundmanagement@tmf-group.com).

## Fund/Sub-Fund

### SELECTRA INVESTMENTS SICAV

#### **J. Lamarck Biotech**

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4.1 (b) of SFDR.

In light of the above, the Sub-Fund considers sustainability risks and Principal Adverse Impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation;
- The key investment sector (i.e. the biotechnology industry) is recognized not to have major ESG adverse impacts.

As a consequence, the Sub-Fund is neither in scope of 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

#### **J. Lamarck Pharma**

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4.1 (b) of the SFDR.

In light of the above, the Sub-Fund considers sustainability risks and Principal Adverse Impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation; The key investment sector (i.e. the pharmaceutical industry) is recognized not to have major ESG adverse impacts.

As a consequence, the Sub-Fund is neither in scope of 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



**Moneikos  
Balanced Fund**

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4.1 (b) of the SFDR.

In light of the above, the Sub-Fund considers sustainability risks and Principal Adverse Impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation.

As a consequence, the Fund is neither in scope of 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Shield  
Opportunities  
Fund**

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4.1 (b) of the SFDR.

In light of the above, the Sub-Fund considers sustainability risks and Principal Adverse Impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation.

As a consequence, the Fund is neither in scope of Article 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## GLOBAL AIFM PLATFORM SICAV-SIF

### AlphaStar Equity Hedge Fund

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4 (1) b of the SFDR. The Sub-Fund considers sustainability risks and principal adverse impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key environmental, social and governance (ESG) impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation.

The Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR. As a consequence, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### Banca Profilo - Profilo East German Real Estate

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4 (1) b of the SFDR. The Sub-Fund considers sustainability risks and principal adverse impacts as not relevant according to the following points:

- The list of prohibited investments will likely have already integrated the key environmental, social and governance (ESG) impacts according to the Sub-Fund's ESG risk appetite;
- Most of the investments are made in countries covered by the SFDR or equivalent regulation.

The Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR. As a consequence, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## MADE IN ITALY FUND

1. In relation to the investment activity of the Fund, the General Partner enacts an internal policy for the promotion of a sustainable approach for investments (so called environmental, social and governance) as further described in this section 6.7 (the “**ESG Policy**”).
2. The Fund, pursuant to the ESG Policy, is not invested in the sectors listed under previous section 6.1 paragraph 6, which are not considered suitable for investments from an ESG standpoint.
3. According to the ESG Policy, where deemed appropriate the General Partner may perform a specific ESG due diligence on potential target companies, aimed at assessing whether and to which extent said potential target companies can be considered ESG compliant, also highlighting potential improvements that may be made from an ESG perspective by such companies through the investment of the Fund.
4. The General Partner takes into account the results of the ESG due diligence (if any) in the context of the performance of each investment transaction retaining full discretion in the decision to carry out investment transactions within the limits set out in this Issuing Document.
5. According to the ESG Policy the General Partner carries out an annual ESG assessment on each Portfolio Company, eventually with the support of an external advisor with specific expertise in verifying the ESG compliance (the “**ESG Advisor**”), for the purpose of assessing its current level of ESG compliance and the improvements (or any lack thereof) (the “**ESG Annual Report**”).
6. The ESG Annual Report is presented – upon their respective request – to the Advisory Board and to the Investors by the General Partner with the support of the ESG Advisor. In case the Advisory Board requests so, a specific Advisory Board meeting shall be called every year for the purpose of presenting the ESG Annual Report within 30 (thirty) days from the delivery date of said report under section 18.1, paragraph 5 below. During the Advisory Board meeting the members of the Advisory Board may address to the General Partner and the ESG Advisor any relevant question on the ESG Annual Report.





## ENPAPI LIQUIDITY FUND

The sustainability risks and Principal Adverse Impacts are not relevant according to the following points:

- o The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- o Most of the investments are made in countries covered by the SFDR or equivalent regulation;

As a consequence, the Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



## MAGNETICA S.A. SICAV-RAIF

### **WAVE FUND II EU MASTER FEEDER FUND**

The Sub-Fund does not consider the adverse impacts of investment decisions on sustainability factors in line with Article 4 (1) b of the SFDR.  
In light of the above, the Sub-Fund considers sustainability risks and Principal Adverse Impacts as not relevant according to the following points:

- o The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- o The limited available ESG data on target funds limits the utility of the integration of these indicators in the investment process.

As a consequence, the Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR

## IMMOBEL REAL ESTATE FUND SCSP, SICAV-RAIF

This disclosure being applicable for each compartment of the Fund :

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Partnership is required to disclose the manner in which Sustainability Risks (i.e. environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investments made by the Partnership (each a "Sustainability Risk")) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Partnership.

The Partnership does not actively promote Sustainability Factors (i.e. environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters ("Sustainability Factors")) and does not maximize portfolio alignment with Sustainability Factors, however it remains exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at portfolio level. Accordingly, further detail and specific information is given for each relevant Sub-Fund, if appropriate.

The AIFM does not consider the adverse impacts of its investment decisions on Sustainability Factors because there is no sufficient and satisfactory data available to allow the AIFM to adequately assess the potential adverse impact of its investment decisions on Sustainability Factors. The AIFM might consider it as the situation evolves.

Notwithstanding the above, the Partnership does not follow a dedicated ESG investment strategy and sustainability is neither the objective, nor a mandatory part of the investment process of the Partnership and the Sub-Fund. In particular, the underlying investments of the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities which are determined by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended from time to time.



## PALLADIUM FUND MANAGEMENT S.C.A. SICAV-SIF

**Palladium Fund I** Palladium USA incorporates ESG strategies, employs energy efficiency measures, and green building resilience standards throughout the lifecycle of the projects. The Sub-Fund does not however promote social or environmental characteristics and does not have sustainable investment as its objective within the meaning of article 8 and article 9 of SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



## BRAZIL REAL ESTATE OPPORTUNITIES FUND III, S.C.S.

The Sub-Fund considers sustainability risks and Principal Adverse Impacts as not relevant according to the following points:

- o The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- o The key investment sector (Real Estate Development) is regulated by local standards which mitigate major ESG adverse impacts.

As a consequence, the Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## LAGUNA INVESTMENT RAIF

### **LAGUNA GLOBAL FUND**

The Compartment does not follow a dedicated environmental, social and governance (“ESG”) investment strategy and sustainability is neither the objective, nor a mandatory part of the investment process of the Compartment. In particular, the underlying investments of the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

The AIFM does not consider directly at its level the principal adverse impacts of its investment decisions on sustainability factors according to article 6 of SFDR.

The Compartment does not consider adverse impacts of investment decisions on sustainability factors within the meaning of article 4 SFDR, given that the Compartment does not follow a dedicated ESG investment strategy and sustainability factors are not a part of the Compartment’s investment process.

### **LAGUNA ALTERNATIVE FUND**

The Compartment does not follow a dedicated environmental, social and governance (“ESG”) investment strategy and sustainability is neither the objective, nor a mandatory part of the investment process of the Compartment. In particular, the underlying investments of the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

The AIFM does not consider directly at its level the principal adverse impacts of its investment decisions on sustainability factors according to article 6 of SFDR.

The Compartment does not consider adverse impacts of investment decisions on sustainability factors within the meaning of article 4 SFDR, given that the Compartment does not follow a dedicated ESG investment strategy and sustainability factors are not a part of the Compartment’s investment process.

## RINASCIMENTO FUND S.C.A. SICAV-RAIF

### ETHICAL FUND

Pursuant to the SFDR, the Fund is required to disclose the manner in which sustainability risks are integrated into the investment decision and the results of the assessment of the likely impacts of sustainability risks on the returns of the Fund.

The Fund recognises the importance of sustainability factors, but the specific framework for how sustainability factors are managed within a portfolio will be specified in each Sub-fund's Appendix. If not disclosed otherwise in the relevant Appendix, the Fund does not actively promote sustainability factors and does not maximize portfolio alignment with sustainability factors. The Fund is also exposed to sustainability risks. Such sustainability risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a sustainability risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Unless specified otherwise in an Appendix, each Sub-fund has a highly diversified portfolio. Therefore, the AIFM believes that the Sub-funds will be exposed to a broad range of sustainability risks, which will differ from investment to investment. Some markets and sectors will have greater exposure to sustainability risks than others. For instance, some sectors or individual companies may be subject to greater regulatory or public pressure than other sectors and, thus, greater risk. However, it is not anticipated that any single sustainability risk will drive a material negative financial impact on the value of the Sub-funds.

Notwithstanding the above, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities which are determined by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended from time to time.

## VORIANA SPECIAL SITUATIONS FUND III SCSP

The European Commission adopted its Action plan on Financing Sustainable Growth in May 2018, targeting all financial market participants, and cutting across every aspect of financial services and beyond. It aims to introduce measures to clarify asset managers' duties in integrating environmental, social and governance ("ESG") factors and risks into investment, as well as to clarify and standardise transparency duties and ESG reporting requirements. There are currently a series of initiatives at an EU level that are at varying stages of progress to implement of the EU's Action plan on Financing Sustainable Growth. Regulation (EU) 2019/2088 on Sustainability-related disclosures in the financial services sector (the "Disclosure Regulation") was published on 9 December 2019 and entered into force on 29 December 2019, and has been further amended by Regulation (EU) 2020/852 on the Establishment of a Framework to Facilitate Sustainable Investment (the "Taxonomy Regulation"). The Disclosure Regulation will have a staggered application. Although the Disclosure Regulation has direct effect on the AIFM and the Fund and the majority of its provisions have applied since March 10, 2021, the practical implementation of the Disclosure Regulation is contingent on the Regulatory Technical Standards ("RTS") put in place by the Joint Committee of the ESAs (which includes the European Securities and Markets Authority). These RTS have now been finalized but their application has been delayed until July 1, 2022. The European Commission's Action plan on Financing Sustainable Growth also includes a number of delegated regulations amending MiFID II Delegation Regulation 2017/565 ("Level 2 MiFID II") and Commission Delegated Regulation (EU) 231/2013 ("Level 2 AIFMD") to integrate ESG considerations into investment advice and portfolio management and to incorporate sustainability risks. Compliance with the Disclosure Regulation, the RTS, the Taxonomy Regulation and other ESG related rules is expected to result in increased legal, compliance, reporting and other associated costs and expenses which will be borne by the Fund.



## VORIANA FEEDER SCSP

The manner and extent to which the AIFM integrates “sustainability risks” within the meaning of the EU Sustainable Finance Disclosure Regulation (“SFDR”) into the Fund’s investment decision making policy is set out below.

In the AIFM’s view, sustainability risks may adversely affect the value of investments held by the Fund and/or the ability of the Fund to dispose of investments at attractive valuations, but it is not possible to meaningfully forecast the likely impact of sustainability risks on the returns of the Fund at this time.

As part of the Fund’s investment processes the AIFM may consider sustainability and seek to manage sustainability risks to avoid any material impact on the returns of the Fund, but given the lack of certainty as to future sustainability developments it is impossible to say with any certainty that this will be successful.

The AIFM will not be considering principal adverse impacts on sustainability factors at this time. Although the AIFM may consider sustainability as part of its investment processes, the uncertainties surrounding the content and implementation date of the regulatory technical standards relating to the SFDR make it impossible to determine what would be an appropriate level of assessment to carry out at this time, and the AIFM believes that the most appropriate course of action is to wait for the regulatory technical standards before undertaking this exercise in order to ensure that the assessment undertaken is appropriate.

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.



## PRADERA REAL ESTATE INVESTMENT SICAF S.P.A.

The sustainability risks and Principal Adverse Impacts are not relevant according to the following points:

- o The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- o The limited available ESG data on target funds limits the utility of the integration of these indicators in the investment process.

As a consequence, the Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## PRADERA EUROPEAN LONG INCOME FUND SCSp, SICAV-RAIF

### (a) 'Summary'

Unless expressly provided otherwise or the context otherwise requires, words, expressions and capitalised terms, which are defined in the Information Memorandum shall have the same respective meanings in this disclosure.

Pradera European Long Income Fund SC's, SICAV-RAIF (the "Partnership") is characterised as a financial product falling within Article 8 of the SFDR.

The Partnership promotes environmental or social characteristics, but does not have as its objective sustainable investment. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation (EU) 2020/852.

The Partnership seeks to promote the environmental characteristic of climate change mitigation (the "Characteristic") by investing a proportion of its assets in Investments which are aligned with the Characteristic.

The Partnership employs a three phase investment strategy to attain its environmental or social characteristics promoted, including (1) Selection, (2) Development and (3) Integration. To measure the attainment of the environmental Characteristics, the Investment Advisor uses external assessments and sets up ESG Targets.

Although the AIFM, in consultation with the Investment Advisor, takes into account ESG Risks in the manner described in the Investment Memorandum in respect of the Partnership, the AIFM does not currently consistently evaluate the adverse impacts of investment decisions made on a uniform set of sustainability factors for the purposes of the SFDR.

The Partnership does not use a reference benchmark to assess its environmental or social performance, albeit progress towards set ESG Targets of its investments is monitored and benchmarked against Carbon Risk Real Estate Monitor ("CRREM"), Global Real Estate Sustainability Benchmark ("GRESB") and Building Research Establishment Environmental Assessment Method ("BREEAM") or any other applicable market certification standard. In addition, through the implementation of the investment strategy, the Investment Advisor actively engages with tenants on ESG issues where there is a reasonable change of influencing their behaviours and positioning positively towards achieving ESG Targets.

### (a) 'Zusammenfassung'

Sofern nicht ausdrücklich etwas anderes vorgesehen ist oder der Kontext etwas anderes erfordert, haben Wörter, Ausdrücke und großgeschriebene Begriffe, die im Informationsmemorandum definiert sind, in dieser Offenlegung dieselbe Bedeutung.

Pradera European Long Income Fund SCSp, SICAV-RAIF (die "Partnerschaft") wird als ein Finanzprodukt charakterisiert, das unter Artikel 8 der SFDR fällt.

Die Partnerschaft fördert ökologische oder soziale Merkmale, hat aber keine nachhaltigen Investitionen zum Ziel. Die Investitionen, die diesem Finanzprodukt zugrunde liegen, berücksichtigen nicht die EU-Kriterien für ökologisch nachhaltige Wirtschaftstätigkeiten, wie sie in der Taxonomieverordnung (EU) 2020/852 definiert sind.

Die Partnerschaft ist bestrebt, das Umweltmerkmal der Abschwächung des Klimawandels (das "Merkmal") zu fördern, indem sie einen Teil ihres Vermögens in Investitionen investiert, die auf das Merkmal ausgerichtet sind.

Die Partnerschaft wendet eine dreiphasige Investitionsstrategie, bestehend aus (1) Auswahl, (2) Entwicklung und (3) Integration, an, um die geförderten ökologischen oder sozialen Merkmale zu erreichen. Um die Umsetzung der Umweltmerkmale zu messen, verwendet der Anlageberater externe Bewertungen und legt ESG-Ziele fest.

Obwohl der AIFM in Absprache mit dem Anlageberater ESG-Risiken in der Weise berücksichtigt, wie sie im Investitionsmemorandum für die Partnerschaft beschrieben sind, bewertet der AIFM derzeit nicht konsequent die negativen Auswirkungen von Investitionsentscheidungen auf eine einheitliche Reihe von Nachhaltigkeitsfaktoren für die Zwecke der SFDR.

Die Partnerschaft verwendet keine Referenzbenchmark, um ihre ökologische oder soziale Leistung zu bewerten, obwohl der Fortschritt in Bezug auf die festgelegten ESG-Ziele ihrer Investitionen überwacht und mit dem Carbon Risk Real Estate Monitor ("CRREM"), dem Global Real Estate Sustainability Benchmark ("GRESB") und der Building Research Establishment Environmental Assessment Method ("BREEAM") oder einem anderen anwendbaren Markt Zertifizierungsstandard verglichen wird. Darüber hinaus setzt sich der Anlageberater im Rahmen der Umsetzung der Anlagestrategie aktiv mit den Mietern in Bezug auf ESG-Themen auseinander, wenn die Möglichkeit besteht, ihr Verhalten zu beeinflussen und sich positiv zu positionieren, um die ESG-Ziele zu erreichen.

**(b) 'No sustainable investment objective'**

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. The financial product does not currently consider the principal adverse impacts of its investments on sustainability factors.

**(c) 'Environmental or social characteristics of the financial product'**

The Partnership seeks to promote the environmental characteristic of climate change mitigation (the "Characteristic"), by investing a proportion of its assets in investments which will be aligned with the Characteristic but does not have as its objective sustainable investment.

The AIFM, in conjunction with the Investment Advisor, has identified the following sustainability indicators against which it will measure the extent to which the Partnership's investments promote the Characteristic: **Energy Performance Certificates** – The Partnership will invest in assets which have a minimum rating of "C" (or, where an asset has not yet obtained such rating, such asset is in the opinion of the investment Advisor of a standard to obtain such rating) and are in compliance with local regulations and requirements. **BREEAM In-Use Certification Rating** or any other applicable market certification standard – The Partnership will invest in assets which have obtained a minimum rating of "three stars" equivalent to a "Good" rating from BREEAM (or, where an asset has not yet obtained such rating, such asset is in the opinion of the Investment Advisor of a standard to obtain such rating).

**Viable pathway to improving performance** – The Partnership will invest in assets whose promotion of the Characteristic, in the view of the AIFM (in conjunction with the Investment Advisor) has the potential to be

improved through a targeted development plan by, for example, reducing its direct greenhouse gas emissions (Scope 1 and Scope 2) against measurable targets through the installation of low carbon equipment or the use of renewable energy sources.

#### **(d) 'Investment strategy'**

The Partnership will look to invest (directly or indirectly via participations in Real Estate Companies) in Real Estate in the form of long income real estate in primarily the Target Countries to deliver reliable income returns. The Partnership's primary focus will be on the grocery sector which is characterised by inflation-linked leases let to dominant and market leading operators with strong financial covenants.

With the objective of achieving the target returns of the Partnership, the AIFM, in conjunction with the Investment Advisor, intends to source grocery long income acquisition opportunities in the key economic growth regions of the Target Countries which display sound location and demographic fundamentals and promote the environmental Characteristic of climate change mitigation.

The AIFM's approach (in conjunction with the Investment Advisor) to selecting investments for the Partnership has three main phases: selection, development and integration.

##### *(1) Selection*

In the selection phase, in addition to being reviewed against certain other considerations outlined in the Information Memorandum, the potential investments are analysed to ascertain whether there are any related environmental and/or social risks/opportunities. As a general matter, the Partnership intends to invest in assets, which exhibit the European Union's recommended energy intensity levels for retail assets in the Partnership's Target Countries. The Partnership is looking to invest in assets which have:

- **Energy Performance Certificates** in place with a minimum required rating from "A" to "C" and be in compliance with local regulations or the Partnership will otherwise seek to obtain such certification during the Term;
- **BREEAM In-Use Certification**, or any other applicable market certification standard, rated "three stars" equivalent of a "Good" rating and above, or otherwise seek to obtain such rating during the Term.

The Partnership intends to look into Energy Performance Certificates and a BREEAM In-Use Certification or any other applicable market certification standard for all investments, which promote environmental and/or social characteristics i.e. 50% of the Partnership portfolio. Where the assets do not have a BREEAM In-Use Certification, or the rating is below "three stars" the Partnership can still invest in the asset, but will formulate a plan to improve the rating of the asset over the holding period.

In addition, all assets are screened against controversy exclusions such as violation of human rights, bribery, corruption, land contamination, health and safety concerns by external consultants within the due diligence process.

##### *(2) Development*

Following the acquisition of an Investment, the AIFM in conjunction with the Investment Advisor intends to establish a development plan for that Investment, part of which will include an ESG strategy and action plan that identifies how the environmental attributes of the Investment may be improved and any identified ESG Risks mitigated, with the related ESG Risks for each Investment being monitored at least annually. To the extent applicable to an Investment, the ESG strategy and action plan will include a plan to enhance the Investments promotion of the Characteristic and improve the metrics for that Investment in relation to the identified sustainability indicators (see above).

In particular, the teams responsible for the day-to-day management of an Investment will carry out building, technical and biodiversity surveys, tenant satisfaction surveys and put in place and execute improvement plans.

### *(3) Integration*

In the integration phase, the ESG strategy and action plan is implemented. Progress towards set ESG targets is monitored, benchmarked against CRREM, GRESB and BREEAM In-Use or any other applicable market certification standard and reported against (including in compliance with the periodic reporting requirements under Article 11 of Regulation (EU) 2019/2088).

The ESG strategy and action plans will be reviewed annually (1) to adjust for any external regulatory changes; (2) to confirm continued for alignment with the overall portfolio strategy; and (3) to confirm progress against the Partnership's targets, ongoing promotion of the Characteristic and that an Investment continues to meet the identified sustainability indicators.

The Partnership invests in real assets and not in investee companies so will not have to assess good governance practices of the investee companies.

### **(e) 'Proportion of investments'**

The Partnership seeks to allocate 50% investments into assets which promote the Characteristic but do not qualify as sustainable investments. The other 50% will be invested in assets, which do not promote environmental or social characteristics but display sound location and demographic fundamentals and fixed income characteristics.

### **(f) 'Monitoring of environmental or social characteristics'**

Following the acquisition of an Investment, the AIFM in conjunction with the Investment Advisor intends to establish a development plan for that Investment, part of which will include an ESG strategy and action plan that identifies how the environmental attributes of the Investment may be improved and any identified ESG Risks mitigated.

The ESG strategy and action plan will include a plan to enhance the Investments promotion of the Characteristic and improve the metrics for that Investment in relation to the identified sustainability indicators.

In particular, the teams responsible for the day-to-day management of an Investment will carry out building, technical and biodiversity surveys, tenant satisfaction surveys and put in place and execute improvement plans.

Whilst not all assets in which the Partnership invests will promote the Characteristic at time of investment, the AIFM, assisted by the Investment Advisor, will seek to put in place and implement a strategy and development plan for each asset with the aim of enhancing those assets during the holding period, so as to bring them in line with the sustainability indicators outlined above.

### **(g) 'Methodologies'**

The methodology used to measure the attainment of the environmental characteristic promoted by the Partnership is part of the third phase ("Integration") of the investment strategy and will be reviewed annually.

#### **(h) 'Data sources and processing'**

The Partnership invests in Real Assets and not investee companies but will rely on the European Union's recommended energy and greenhouse gas emissions intensity levels for retail assets and certification for investments to attain the environmental Characteristic promoted by the financial product. The energy data obtained for investments will be collected by an external software provider, checked by the Investment Advisor and verified by a sustainability consultant to ensure its quality. Energy data and greenhouse gas emissions will be reported to GRESB on an annual basis and checked against the CRREM decarbonisation pathway.

#### **(i) 'Limitations to methodologies and data'**

Some limitations may arise due to the limited data, however those limitations will not affect the environmental Characteristic. The AIFM, in conjunction with the Investor Advisor, will actively engage with tenants to obtain data. Where it is not possible, the AIFM in conjunction with the Investor Advisor will appoint the sustainability consultant to estimate the missing energy data to be able to assess investments' progress against their decarbonisation pathways.

#### **(j) 'Due diligence'**

Robust due diligence is conducted on all potential investments that have passed the initial screening phase. Under this framework, the potential investments are analysed with CRREM to ascertain where they are on their decarbonisation pathway and whether there are any related environmental risks/opportunities. In addition, the potential investments are screened for serious violation including in respect of human rights, bribery, corruption, land contamination and health and safety concerns.

A detailed assessment of investment performance against these themes is performed to determine whether there are any unmanageable risks ("red flags") that would hold the transaction.

The ESG Risks will then be evaluated more thoroughly through a combination of the Investment Advisor's own due diligence and that performed by third parties (including through financial, tax, technical and environmental surveys), the findings of which will be presented to the Investment Advisor's investment committee for approval.

The Investment Advisor will not recommend an investment in asset which has serious violations of any of the foregoing. If the decision to invest is made, as standard practice, the ESG Targets are formulated.

The investment committee papers will include potential for improvements, opportunities in terms of green certification (EPC, BREEAM In-Use or any other applicable market certification standard), renewable energy, water conservation and waste management. Where ESG Risks are identified, an Investment may still be made if it is felt that such ESG Risks can be managed and/or mitigated.

#### **(k) 'Engagement policies'**

The Partnership invests in Real Assets and not investee companies but has a sound governance model to identify, monitor and mitigate ESG risks. Through the implementation of the investment strategy, the AIFM in conjunction with the Investment Advisor will actively engage with tenants on the ESG issues where there is a reasonable change of influencing their behaviours and positioning positively.



**(I) 'Designated reference benchmark'**

No reference benchmark has been designated for the purpose of attaining the Characteristic promoted by the Partnership.





## PRADERA EUROPEAN RETAIL PARKS SCSp

The sustainability risks and Principal Adverse Impacts are not relevant according to the following points:

- o The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- o The limited available ESG data on target funds limits the utility of the integration of these indicators in the investment process.

As a consequence, the Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



## TRIDENT INVESTMENTS LUXEMBOURG S.C.A. SICAV-RAIF

The sustainability risks and Principal Adverse Impacts are not relevant according to the following points:

- o The list of prohibited investments will likely have already integrated the key ESG impacts according to the Sub-Fund's ESG risk appetite;
- o The limited available ESG data on target funds limits the utility of the integration of these indicators in the investment process.

As a consequence, the Sub-Fund is neither in scope of Article 8 nor of Article 9 of the SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## 2. Products Promoting Environmental or Social Characteristics

With regard to the Regulation (EU) 2019/2088 and Regulation (EU) 2020/852, the below list Sub-Fund's falls within the scope of **Article 8 of SFDR**, i.e. qualifies as a products that promote environmental or social characteristics.

### EOS ENERGY FUND II S.C.A. SICAV-RAIF

*Disclosure pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR")<sup>1</sup>*

#### Summary

EOS Energy Fund II S.C.A. SICAV-RAIF (the "Fund") promotes, among other characteristics, environmental characteristics in the context of article 8 of SFDR, but does not have as its objective sustainable investment, by investing in a diversified portfolio of projects which generate or enable the generation of electricity from renewable energy sources with a particular focus (but not exclusively) on greenfield unsubsidised solar photovoltaic parks. The investment strategy of the Fund is based on establishing long-term partnerships with successful and experienced developers, investing, and creating value by being significantly involved since the development and lead first-hand the construction, financing and operational stage of a greenfield project. Once the infrastructure projects have been running for several years and fully optimised, the Fund will exit the projects by selling them on to industrial or financial players in the secondary infrastructure market. Within the promotion of environmental characteristics scope, the Fund uses non-financial criteria during the pre-investment phase, meaning the commitment to ESG integration and the consideration of exclusion criteria. In particular, the Fund adopts, among others, the following strategies:

- *negative screening*: relates to the exclusion of business that fall short of a set of absolute environmental, social, or economic standards; and
- *positive screening*: relates to the inclusion of economic activities that are contributing to the environmental characteristics promoted by the Fund, also following the criteria mentioned below (1- 5). The same reasoning is applicable on the supply chain side, where positive screening helps selecting reputable major suppliers that adopt an ESG approach.

TMF Fund Management S.A. (the "AIFM") and EOS Investment Management Ltd ("EOS IM") integrate ESG Policy as part of their investment decision process, taking into account the following non-financial criteria: 1. **Sustainable Development**: contribution to the protection of natural resources by developing renewable and alternative energy infrastructures; 2. **Environmental Footprint**: contribution towards

<sup>1</sup> Updates dated October 2024 relate to the Summary section of the disclosure, with adjustments to the structure of the disclosure itself without any major substantial change to the information previously published.



decarbonization and development of innovative energy efficient services; 3. **Local Engagement:** contribution to local development of non-polluting solutions protective of the population health while assuring the proper conservation of flora and fauna; 4. **Social Governance:** assuring that at the level of investee, economic activities are carried out to substantially align with the applicable and relevant minimum safeguards laid down in the EU Taxonomy, setting forth human rights, labour, environmental and anti-corruption principles and standards are met; 5. **Third Party Interactions:** selection of supply chain including sustainability criteria in terms of environment and social standards; 6. **Controversial activity:** exclusion of sectors that are proven to have a detrimental impact on society and environment, such as coal, tobacco, pornography, gambling, alcoholic beverage, production financing and trade of weapons.

EOS IM also assesses good governance practices of investee companies, including, if applicable, compliance with legal requirements (e.g., adoption of Organizational and Management Model pursuant to Italian Legislative Decree no. 231/2001), sound management structures, employee relations, remuneration of staff and tax compliance. The foregoing is performed under the oversight of the AIFM. ESG topics and issues are included in the transaction documents as resulting from ESG due diligence findings which take into consideration elements such as: (i) savings in terms of CO<sub>2</sub> produced, (ii) contribution to creation of employment opportunities in local communities, (iii) strong preference to utilise, for the installation of power plants, low grade agricultural land, preferably not used for agricultural purposes, no hampering ecosystems and in underdeveloped social areas, (iv) selection of key suppliers (seller of the project developer, landlord, PV and inverter suppliers and EP contractors) after duly consider their ESG ethos and track records. Moreover, in light of the Fund's preferred investment strategy to acquire SPVs owning the rights to the projects over which the Fund manager retains control, the Fund oversees and has full control on their operations and effectively implement the performance optimisation strategy and ESG issues and risks management while timing the best exit opportunity. Given the combination of the assets being PV Plants and the owning structures being SPVs, without the requirement for extensive personnel resource, the ESG factors are encompassed and managed directly by EOS IM under the oversight of the AIFM.

Except for a limited amount that can be committed to development stage investments and of cash held as ancillary liquidity, all the portfolio is to be invested directly in renewable energy projects or projects which enable the production of energy from renewable sources. The attainment of the promotion of the above-mentioned environmental characteristics by those investments is measured through the indicators, defined ex-ante, that are, among others:

- renewable energy produced (kWh), utilising the annual equivalent expected households consumption served (thousands), as demonstrable comparative;
- renewable energy produced, expressed as a percentage of total energy produced by the Fund's assets;
- CO<sub>2</sub> avoided (tons) compared to a non-renewable energy production scenario;
- percentage of capital invested into renewables energy assets.

In addition, the Fund addresses and seeks to minimize the adverse impacts associated with all the investment phases and monitors the adverse sustainability indicators related to (i) GHG emissions, (ii) biodiversity, (iii) water, (iv) waste and (v) social and employee matters. Additional adverse impacts on sustainability factors may be considered, subject to the assessment of their materiality and data availability with respect to the investments to be made, in accordance with the provisions of the Delegated Regulation (EU) 2022/1288.

EOS IM has an internal monitoring process using ESG data as metrics during the overall investment process of the Fund, starting from the construction of the plants. The standardized process in place allows to assess each metric with respect to an established threshold deemed acceptable. The source of this data comes from both (i) the suppliers involved during the construction phase of investments, that are contractually bound to give all the information as agreed, and (ii) the plants themselves, that

are owned by the SPV, over which the fund manager retains control. Data are then processed internally based on the indicators used to measure the promotion of environmental characteristics, also according to information and data made available by authoritative sources for what concerns comparative figures or input factors needed for calculations. The foregoing is performed under the oversight of the AIFM.

*Informativa ai sensi dell'Articolo 10 del Regolamento (UE) 2019/2088 del Parlamento Europeo e del Consiglio del 27 Novembre 2019 relativo all'informativa sulla sostenibilità nel settore dei servizi finanziari ("SFDR")*

## Sintesi

EOS Energy Fund II S.C.A. SICAV-RAIF (the "Fund") promuove, tra le altre, caratteristiche ambientali, nell'accezione dell'articolo 8 dell'EU SFDR e non ha come obiettivo l'investimento sostenibile, investendo in un portafoglio diversificato di progetti che generano o sono in grado di generare elettricità da fonti rinnovabili con un focus particolare (ma non esclusivo) in parchi solari fotovoltaici greenfield non sovvenzionati.

La strategia di investimento è basata sulla creazione di partnership di lungo periodo con sviluppatori di successo e con esperienza nel campo, sull'investire e creare valore tramite un coinvolgimento significativo a partire dalle fasi di sviluppo e la conduzione in prima persona di costruzione, finanziamento e fase operativa di un progetto greenfield. Una volta che i progetti infrastrutturali sono stati operativi per anni e pienamente ottimizzati, il Fondo procederà con l'exit dai progetti cedendoli a operatori industriali o operatori finanziari nel mercato secondario delle infrastrutture. Nell'ambito della promozione delle caratteristiche ambientali, il Fondo utilizza criteri non-finanziari durante la fase pre-investimento, che comporta l'impegno verso l'integrazione ESG e la considerazione di criteri esclusione. In particolare, il Fondo adotta, tra le altre, le seguenti strategie:

- *negative screening*: riguarda l'esclusione di business che non presentano standard assoluti in ambito ambientale, sociale o economici; e
- *positive screening*: riguarda l'inclusione di attività economiche che contribuiscono alle caratteristiche ambientali promosse dal Fondo, anche sulla base dei criteri citati di seguito (1- 5). Lo stesso approccio è applicabile alla catena del valore, laddove lo screening positivo aiuta a selezionare fornitori importanti e rinomati che adottano un approccio ESG.

TMF Fund Management S.A. (il "GEFIA") e EOS Investment Management Ltd ("EOS IM") integrano l'ESG Policy come parte del proprio processo decisionale di investimento, considerando anche i seguenti criteri non-finanziari: 1. **Sviluppo Sostenibile**: contribuzione alla protezione delle risorse naturali tramite lo sviluppo di infrastrutture per l'energia rinnovabile ed alternativa; 2. **Impronta ambientale**: contribuzione alla decarbonizzazione e allo sviluppo di innovativi servizi efficienti dal punto di vista energetico; 3. **Engagement locale**: contribuzione allo sviluppo a livello locale di soluzioni non inquinanti a tutela della salute della popolazione che allo stesso tempo assicurano un'adeguata conservazione di flora e fauna; 4. **Governance**: assicurare che, a livello delle società partecipate, le attività economiche sono svolte in modo tale da essere sostanzialmente allineate con le principali salvaguardie minime applicabili come definite nell'ambito della Tassonomia Europea, la quale stabilisce i principi e gli standard relativi ai diritti umani, al lavoro, all'ambiente e alla lotta contro la corruzione; 5. **Rapporti con le terze parti**: selezione degli attori della supply chain considerando criteri legati alla sostenibilità in termini di ambiente e standard sociali; 6. **Attività controverse**: esclusione di settori per cui è riprovato l'impatto negativo sulla società e l'ambiente, quali carbone, tabacco, pornografia, gioco d'azzardo, bevande alcoliche, produzione, finanziamento e commercio d'armi.

EOS IM valuta anche le prassi di buona governance delle società partecipate, inclusa, se applicabile, la conformità con i requisiti normativi (ad es. adozione di un Modello Organizzativo e di Gestione ai sensi del d.lgs. 231/2001), le strutture di gestione solide, le relazioni con i dipendenti, la remunerazione



del personale ed il rispetto degli obblighi fiscali. Quanto sopra è eseguito sotto la supervisione del GEFIA.

I temi e le problematiche ESG, come risultanti dalle attività di ESG Due Diligence, sono riportati all'interno dei documenti delle transazioni che tengono in considerazione elementi quali: (i) risparmio in termini di CO<sub>2</sub> prodotta, (ii) contribuzione alla creazione di opportunità di impiego nelle comunità locali, (iii) preferenze ad utilizzare nell'installazione degli impianti, terreni agricoli di bassa qualità, preferibilmente non utilizzati per scopi agricoli, che non ostacolino gli ecosistemi e in aree sociali sottosviluppate, (iv) selezione di fornitori chiave (seller dello sviluppatore del progetto, proprietari terrieri, fornitori di fotovoltaico e di inverter e appaltatori di EP) a valle della considerazione attenta del relativo ethos e track record in merito agli aspetti ESG. Inoltre, alla luce della strategia di investimento indirizzata dal Fondo, che prevede l'acquisizione di SPV che possiedono i diritti sui progetti di cui il gestore del Fondo mantiene il controllo, il Fondo supervisiona e ha il pieno controllo sulle relative operazioni e attua efficacemente la strategia di ottimizzazione delle prestazioni e la gestione delle questioni e dei rischi ESG, individuando al contempo le tempistiche con le migliori opportunità di exit. Grazie alla combinazione del fatto che gli asset sono impianti fotovoltaici e le strutture proprietarie sono SPV, che non richiedono risorse estensive in termini di personale, i fattori ESG sono considerati e gestiti direttamente da EOS IM sotto la supervisione del GEFIA.

Ad eccezione di un ammontare limitato che può essere impegnato in investimenti in fase di sviluppo e di liquidità accessoria, tutto il portafoglio è investito direttamente in progetti di energia rinnovabile o progetti che abilitino la produzione di energia da fonti rinnovabili. La soddisfazione della promozione delle suddette caratteristiche ambientali da tali investimenti è misurata tramite indicatori, definiti ex-ante, tra cui:

- energia rinnovabile prodotta (kWh), utilizzando l'equivalente di consumo annuale atteso da parte delle famiglie (in migliaia), come misura di comparazione dimostrabile;
- energia rinnovabile prodotta, espressa come percentuale dell'energia totale prodotta dagli asset del Fondo;
- CO<sub>2</sub> evitata (tonnellate) rispetto ad uno scenario di produzione di energia da fonti non rinnovabili;
- percentuale del capitale investito in asset in ambito energia rinnovabile.

In aggiunta, il Fondo indirizza e mira a minimizzare gli impatti negativi associati a tutte le fasi di investimento e monitora gli indicatori di impatto negativo sulla sostenibilità connessi a (i) emissioni GHG, (ii) biodiversità, (iii) acqua, (iv) rifiuti e (v) questioni sociali e legate al personale. Ulteriori effetti negativi sulla sostenibilità possono essere considerati, in funzione della valutazione di materialità e alla disponibilità di dati con riferimento al singolo investimento da effettuare, in accordo con le disposizioni del Regolamento Delegato (UE) 2022/1288.

EOS IM ha un processo interno di monitoraggio che prevede dati ESG quali metriche per valutare durante l'intero processo di investimento, a partire dalla costruzione degli impianti. Il processo standardizzato in atto consente di valutare ogni metrica rispetto ad una soglia stabilita ritenuta accettabile. La fonte di tali dati proviene sia (i) da fornitori coinvolti durante la fase di costruzione degli investimenti, i quali sono tenuti contrattualmente a fornire le informazioni concordate, sia (ii) dagli impianti stessi che sono detenuti dalle SPV su cui il Fund Manager ha il controllo. I dati sono successivamente elaborati internamente sulla base degli indicatori utilizzati per misurare la promozione delle caratteristiche ambientali, anche in base a informazioni e dati messi a disposizione da fonti autorevoli per quanto riguarda l'utilizzo di misure comparative o fattori di input necessari per il calcolo. Quanto sopra è eseguito sotto la supervisione del GEFIA.



## No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

## Environmental or social characteristics of the financial product

For the purpose of SFDR and EU Taxonomy disclosures, in light of the investment objective, strategy and guidelines applicable to EOS Energy Fund II S.C.A. SICAV-RAIF (the “Fund”) and as part of the implementation of such objective and strategy, the Fund seeks to promote, among other characteristics, environmental characteristics in the context of article 8 of SFDR, by investing in a diversified portfolio of projects which generate or enable the generation of electricity from renewable energy sources with a particular focus (but not exclusively) on greenfield unsubsidised solar photovoltaic parks. Therefore, the Fund will seek to predominantly invest in economic activities which are able to contribute substantially to climate change mitigation, being investments in projects generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, as defined in the applicable provisions of EU Taxonomy. For the sake of clarity, as far as the “do no significant harm” principle as per EU Taxonomy is concerned, this applies only to those investments that are intended to take into account the EU criteria for environmentally sustainable economic activities, which is not the case for the investments of this Fund as previously stated.

## Investment strategy

The investment strategy of the Fund is based on establishing long-term partnerships with successful and experienced developers, investing, and creating value by being significantly involved since the development and lead first-hand the construction, financing and operational stage of a greenfield project. Once the infrastructure projects have been running for several years and fully optimised, the Fund will exit the projects by selling them on to industrial or financial players in the secondary infrastructure market. Within the promotion of environmental characteristics scope, the Fund uses non-financial criteria during the pre-investment phase, meaning the commitment to ESG integration and the consideration of exclusion criteria. In particular, the Fund adopts, among others, the following strategies:

- *negative screening*: relates to the exclusion of business that fall short of a set of absolute environmental, social, or economic standards; and
- *positive screening*: relates to the inclusion of economic activities that are contributing to the environmental characteristics promoted by the Fund, also following the criteria mentioned below (1- 5). The same reasoning is applicable on the supply chain side, where positive screening helps selecting reputable major suppliers that adopt an ESG approach.

The AIFM and EOS IM integrate ESG Policy as part of their investment decision process, taking into account the following non-financial criteria:

1. **Sustainable Development**: contribution to the protection of natural resources by developing renewable and alternative energy infrastructures;
2. **Environmental Footprint**: contribution towards decarbonization and development of innovative energy efficient services;
3. **Local Engagement**: contribution to local development of non-polluting solutions protective of the population health while assuring the proper conservation of flora and fauna;
4. **Social Governance**: assuring that at the level of investee, economic activities are carried out to substantially align with the applicable and relevant minimum safeguards laid down in the EU Taxonomy, setting forth human rights, labour, environmental and anti-corruption principles and standards are met;
5. **Third Party Interactions**: selection of supply chain including sustainability criteria in terms of environment and social standards;



**6. Controversial activity:** exclusion of sectors that are proven to have a detrimental impact on society and environment, such as coal, tobacco, pornography, gambling, alcoholic beverage, production financing and trade of weapons.

The above criteria will be assessed in the pre-due diligence and due diligence phases according to sound practices, internationally commonly recognized standards and the applicable technical standards, from time to time set by the applicable regulations including but not limited to regulatory technical standards envisaged in EU Taxonomy and reflected in the Fund's policies. EOS IM also assesses – under the oversight of the AIFM – good governance practices of investee companies, including, if applicable, compliance with legal requirements (e.g., adoption of Organizational and Management Model pursuant to Italian Legislative Decree no. 231/2001), sound management structures, employee relations, remuneration of staff and tax compliance, as seen in point 4 above. Within the scope of SFDR and EU Taxonomy regulation, and unless differently stated in the applicable law and regulation, from the financial year ending on the 31 December 2022, the Fund will issue to Investors periodic disclosure, on annual basis, including sustainability indicators measure which how the environmental characteristics promoted by the Fund are attained.

### **Proportion of investments**

The Fund is formally and substantially focused on renewable energies with a focus on greenfield solar photovoltaics (PV) energy generation plants. The Fund will also take into consideration other opportunities, with particular reference to wind, energy storage and (but this would not change the focus) energy generation from renewable sources to allow production of “green” energy. For the sake of clarity, the Fund may also invest a limited amount of commitment in the development stage (i.e., before the construction permit for a PV plant is issued) of greenfield projects. Except for this case and for cash held as ancillary liquidity, all the portfolio is to be invested directly in renewable energy projects or projects which enable the production of energy from renewable sources.

### **Monitoring of environmental or social characteristics**

The Fund ensures the attainment to the promotion of the above-mentioned environmental characteristics through monitoring efforts. The attainment of the environmental characteristics promoted by this financial product is measured through specific indicators derived from the main international standards available: these indicators, which are defined ex-ante consistently with the Fund's investment strategy, are, among others:

- renewable energy produced (kWh), utilising the annual equivalent expected households consumption served (thousands), as demonstrable comparative;
- renewable energy produced, expressed as a percentage of total energy produced by the Fund's assets;
- CO<sub>2</sub> avoided (tons) compared to a non-renewable energy production scenario;
- percentage of capital invested into renewables energy assets.

During the post-investment phase, the investee companies in the portfolio are assessed to ensure the implementation of recommendations arising during the investment acquisition process. In addition, concerning the stakeholder's engagement in relation to the Fund and its investments (portfolio companies), EOS IM also actively engages through the Fund significant ownership and its appointment of board directors of the portfolio companies.

### **Methodologies for environmental or social characteristic**

EOS IM has an internal monitoring process using ESG data as metrics to assess during the overall investment process, starting from the construction of the plants. The standardized process in place allows to assess each metric with respect to an established threshold deemed acceptable. A





remediation plan will be put in place, whenever required in relation to the status when assessed against the aforementioned thresholds. This is designed to overcome potential issues and in order to guarantee the respect of the environmental characteristics promoted by the Fund.

### **Data sources and processing**

The source of these data comes from both (i) the suppliers involved during the construction phase of investments, that are contractually bound to give all the information as agreed, and (ii) the plants themselves, that are owned by the SPV, over which the fund manager retains control. Data are then processed internally based on the indicators used to measure the promotion of environmental characteristics, also according to information and data made available by authoritative sources for what concerns comparative figures or input factors needed for calculations.

### **Limitations to methodologies and data**

To date no limitations have been identified with respect to sources and methodologies: for the sake of clarity in few cases methodologies and data processing may rely on external inputs that may not be updated to the time of reporting but still being reliable to the aim of calculation since they are issued by authoritative sources on the subject matter.

### **Due diligence**

ESG topics and issues are included in the transaction documents as resulting from ESG due diligence findings which take into consideration elements such as: (i) savings in terms of CO<sub>2</sub> produced, (ii) contribution to creation of employment opportunities in local communities, (iii) strong preference to utilise, for the installation of power plants, low grade agricultural land, preferably not used for agricultural purposes, no hampering ecosystems and in underdeveloped social areas, (iv) selection of key suppliers (seller of the project developer, landlord, PV and inverter suppliers and EP contractors) after duly considering their ESG ethos and track records. All those contractual agreements are structured in order to grant, during both the construction and operational phases, the full compliance with legal and voluntary environmental and social (including safety) undertakings. All the material ESG issues are kept under due control along the power plants life cycle with ongoing controls and prevention measures.

### **Engagement policies**

Fund's preferred investment strategy is to acquire SPVs owning the rights to the projects, over which the Fund manager retains control. Objective is to oversee and have full control on their operations and effectively implement the performance optimisation strategy and ESG issues and risks management while timing the best exit opportunity. Given the combination of the assets being PV Plants and the owning structures being SPVs, without the requirement for extensive personnel resources, the ESG factors are encompassed and managed directly by EOS IM under the oversight of the AIFM. As stated before, for the type of investment and business model, EOS IM is directly exposed to ESG considerations. Thus, EOS IM actively manages rather than simply influences ESG topics. In relation to the Fund, investee SPVs always establish boards of directors who receive training designed to ensure the appropriate awareness and understanding of relevant ESG topics.

## EOS Next Transition Fund II S.C.A. SICAV-RAIF

### Disclosure pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”)

#### Summary

The reserved alternative investment fund called EOS Next Transition Fund II S.C.A. SICAV-RAIF generally promotes environmental characteristics but does not have as its objective sustainable investment. This financial product promotes environmental characteristics by predominantly selecting investment opportunities on companies running business activities which may directly or indirectly contribute to the transition towards a (i) climate-neutral, (ii) greener, and (iii) more sustainable and/or inclusive economy.

In particular, the Fund will select potential investment opportunities, resulting in a percentage no lesser than 75% of the Gross Invested Capital, among companies running business activities falling within the following investment scope:

(a) Energy Transition and Energy Efficiency: (i) companies which directly or indirectly enable the renewable energy production and related infrastructures, including its transmission and distribution and maintenance of key equipment; (ii) companies directly engaged in providing solutions and/or measures which allow a lower consumption of energy in carrying out a manufacturing process or providing a service or using less energy while conducting any energy-dependent activity in households,

(b) Circular Economy: companies directly acting as enabler for other companies, business and households for the adoption of model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. Companies typically acting in the water and waste treatment, reduction, reuse and recycling, waste-to-energy, waste-to-fuel, waste-to-material, bio-fuels, pollution control equipment, environmental engineering and consulting, and

(c) Sustainable Agriculture and Food Systems: companies offering products, solutions and services or directly acting for the adoption of farming models which reduce the overall use and risk of chemical pesticides, reduce nutrient losses, increase agricultural land under organic farming, reduce use of non-organic fertilizers, protect or improve i) the water quality, ii) environmental impact also by reducing the pressure on water resources by improving irrigation efficiency.

In promoting environmental characteristics, the Fund will target investments that are able to contribute to one or more of the following United Nations Sustainable Development Goals (“SDG(s)”): Clean Water and Sanitation (SDG 6), Affordable and Clean Energy (SDG 7), Industry, Innovation and Infrastructure (SDG 9), Sustainable Cities and Communities (SDG 11), Responsible Consumption and Production (SDG 12), Climate Action (SDG 13), and Life on Land (SDG 15).

The implementation of the investment strategy ensures that ESG criteria are applied throughout the sequential phases of the investment cycle, from the scouting of the investment opportunities until the divestment, and deploys multiple layers of ESG strategies, in particular:

- negative screening based on the exclusion list adopted by the Fund which limits the investment universe to specific sectors, countries and/or individuals and is consistent with the ESG Policy of the Portfolio Manager

- positive screening to identify target companies falling within the investment scope, based on the current or potential level of profitability in sectors that contribute to the transition towards a (i) climate-neutral, (ii) greener, and (iii) more sustainable and/or inclusive economy, and to assess, during the pre-due diligence and the due diligence phases, (i) good governance, (ii) management of specific topics deemed as material after a materiality analysis conducted by the Fund, and (iii) specific criteria, also encompassing the value chain.

More specifically, during the due diligence the Portfolio Manager conducts specific ESG evaluations based on parameters autonomously adopted and that may include an ESG risk rating or through Functional Partners, aimed at the detailed understanding of the strategies, procedures and actions implemented (or to be implemented) by the target companies in order to monitor the thematic areas of environment, social inclusion and business ethics and corporate governance, both in organizational and operational terms. At this stage compliance with legal requirements, sound management structures, employee relations, remuneration of staff and tax compliance are assessed in order to evaluate good governance practices. Specific ESG action plans implemented throughout the investment period and drafted according to the pre-investment findings might include the adoption of policies and procedures and/or the development of specific actions aimed at fostering good governance practices, while adherence to such practices is monitored through the pursuit of a specific minimum governance parameters (also by availing of a Functional Partner).

In addition, the investment strategy, which is consistent also with the ESG Policy, takes into consideration sustainable risks and principal adverse impacts of the investment decisions: in particular, the Fund addresses and seeks to minimize the adverse impacts associated with all the investment phases and monitors the adverse sustainability indicators related to (i) GHG emissions, (ii) biodiversity, (iii) water, (iv) waste and (v) social and employee matters. Additional adverse impacts on sustainability factors may be considered, subject to the assessment of their materiality and data availability with respect to the investments to be made, in accordance with the provisions of the Delegated Regulation (EU) 2022/1288.

Monitoring and engagement activities are regularly conducted in order to ensure the promotion of environmental characteristics by portfolio companies as well as to address adverse impacts on sustainability factors. More specifically, the attainment of the environmental characteristics promoted by this financial product is measured through specific indicators, derived from the main international standards available on the subject published by recognised market bodies and institutions, and that are defined ex-ante, before each investment is executed, coherently with the environmental characteristics promoted by the portfolio company. Data for the monitoring of the attainment of the environmental characteristics are collected directly from portfolio companies and processed internally by the Portfolio Manager. The monitoring will also consider ESG KPIs designed to ensure the implementation of recommendations arising during the investment acquisition process, whether a company specific ESG action plan (e.g., “100-days plan”) has been defined and adverse sustainability indicators.

The Fund aims to allocate its assets - in a proportion no lesser than 75% of the Gross Invested Capital - in investments that meet environmental characteristics and that comply with good governance practices. The remaining part of the investments (not included in investments promoting environmental and/or social characteristics) will possibly be limited to cash and cash equivalents that may be held for treasury needs or in the event of time lags in the use of resources and/or derivatives that may only be held for hedging purposes and not for promoting environmental and social characteristics.

*Informativa ai sensi dell'Articolo 10 del Regolamento (UE) 2019/2088 del Parlamento Europeo e del Consiglio del 27 Novembre 2019 relativo all'informativa sulla sostenibilità nel settore dei servizi finanziari (“SFDR”)*

## Sintesi

Il fondo alternativo di investimento denominato EOS Next Transition Fund II S.C.A. SICAV-RAIF promuove a livello generale caratteristiche ambientali ma non ha come obiettivo investimenti sostenibili. Tale prodotto finanziario promuove caratteristiche ambientali selezionando prevalentemente opportunità di investimento in società che svolgono attività di business che possono contribuire, direttamente o indirettamente, alla transizione verso un'economia (i) *climate-neutral*, (ii) più green e (iii) più sostenibile e/o inclusiva.

In particolare, il Fondo selezionerà potenziali opportunità di investimento, per un ammontare non inferiore al 75% del Capitale Investito Lordo, in società che svolgono attività di business ricadenti nel seguente ambito di investimento (ovvero l'“Ambito di investimento”):

(a) Transizione Energetica ed Efficienza Energetica: (i) società che, direttamente o indirettamente, abilitano la produzione di energia rinnovabile e le infrastrutture inerenti, inclusa la trasmissione e la distruzione della stessa e la manutenzione delle componenti chiave; (ii) società direttamente impegnate a fornire soluzioni e/o misure che consentano un minor consumo di energia nello svolgimento di un processo produttivo o nella fornitura di un servizio o che utilizzino meno energia nello svolgimento di qualsiasi attività dipendente dall'energia nelle abitazioni,

(b) Economia Circolare: società che agiscono direttamente in qualità di abilitanti dell'adozione, da parte di altre imprese, business o famiglie, di modelli di produzione e consumo che implicano il condividere, affittare, riutilizzare, riparare, rimettere a nuovo e riciclare materiali e prodotti esistenti il più a lungo possibile. Società tipicamente operanti nel trattamento di acqua e rifiuti, nella riduzione, riuso e riciclo, nella conversione dei rifiuti in energia (“*waste-to-energy*”), combustibili (“*waste-to-fuel*”) o materiali (“*waste-to-material*”), biocombustibili, inquinamento, ingegneria e consulenza ambientale, e

(c) Agricoltura e Sistemi alimentari Sostenibili: società che operano direttamente o offrono prodotti, soluzioni e servizi per l'adozione di modelli agricoli che riducono l'utilizzo ed il rischio complessivo legato a pesticidi chimici, riducono la perdita di nutrienti, incrementano la superficie agricola con metodi di agricoltura biologica, riducono l'uso di fertilizzanti non organici, proteggono o migliorano i) la qualità dell'acqua, ii) l'impatto ambientale anche riducendo la pressione sulla risorsa idrica con il miglioramento dell'efficienza nell'irrigazione.

Nel promuovere caratteristiche ambientali, il Fondo sarà orientato verso investimenti in grado di contribuire ad uno o più dei seguenti Obiettivi per lo Sviluppo Sostenibile delle Nazioni Unite (ovvero “SDG”): Acqua Pulita e Servizi igienico-sanitari (SDG 6), Energia Pulita e accessibile (SDG 7), Imprese, Innovazione e Infrastrutture (SDG 9), Città e Comunità sostenibili (SDG 11), Consumo e Produzione Responsabili (SDG 12), Lotta contro il Cambiamento Climatico (SDG 13), e La Vita sulla Terra (SDG 15).

L'implementazione della strategia di investimento garantisce che i criteri ESG siano applicati durante le fasi sequenziali del ciclo di investimento, dallo *scouting* delle opportunità di investimento fino al disinvestimento, e prevede l'applicazione di vari livelli di strategie ESG, in particolare:

- *negative screening* sulla base della lista di criteri di esclusione adottata dal Fondo che limita l'universo di investimento rispetto a specifici settori, paesi e/o soggetti ed è consistente con la Policy ESG del Gestore di Portafoglio
- *positive screening* per identificare società target che ricadono nell'ambito di investimento, sulla base del livello attuale o potenziale di profittabilità in settori che contribuiscono alla transizione verso un'economia (i) *climate-neutral*, (ii) più verde, e (iii) più sostenibile e/o inclusiva, e per valutare, durante le fasi di *pre-due diligence* e *due diligence*, (i) prassi di buona governance, (ii) gestione di specifici aspetti ritenuti materiali a valle dell'analisi di materialità condotta dal Fondo, e (iii) specifici criteri, anche con riferimento alla catena del valore

Nello specifico, durante la *due diligence* il Gestore di Portafoglio esegue specifiche valutazioni ESG sulla base di parametri autonomamente adottati, e che possono includere un rating del rischio ESG, o tramite i *Functional Partner*, volte ad acquisire una comprensione dettagliata delle strategie, procedure e azioni implementate (or da implementare) da parte delle Società Target al fine di monitorare le aree tematiche relative all'ambiente, all'inclusione sociale e all'etica di business e corporate governance, sia in termini organizzativi ed operativi. In questa fase, sono valutate la conformità rispetto ai requisiti normativi, la presenza di solide strutture di gestione, le relazioni con il personale, la remunerazione del personale ed il rispetto degli obblighi fiscali al fine di valutare le prassi di buona governance. Gli specifici piani d'azione ESG, implementati durante il periodo di investimento e definiti in base alle risultanze emerse nella fase pre-investimento, possono includere l'adozione di politiche e procedure e/o lo sviluppo di specifiche iniziative volte a rafforzare le prassi di buona governance, mentre l'aderenza a tali prassi è monitorata tramite il raggiungimento di specifici parametri minimi di governance (anche avvalendosi dei *Functional Partner*).

Inoltre, la strategia di investimento, che è coerente con la Policy ESG, prende in considerazione i rischi di sostenibilità e i principali effetti negativi sulla sostenibilità delle decisioni di investimento: in particolare, il Fondo indirizza e mira a minimizzare gli impatti negativi associati a tutte le fasi di investimento e monitora gli indicatori di impatto negativo sulla sostenibilità connessi a (i) emissioni GHG, (ii) biodiversità, (iii) acqua, (iv) rifiuti e (v) questioni sociali e legate al personale. Ulteriori impatti negativi sulla sostenibilità possono essere considerati, in funzione della valutazione di materialità e alla disponibilità di dati con riferimento al singolo investimento da effettuare, in accordo con le disposizioni del Regolamento Delegato (UE) 2022/1288.

Le attività di monitoraggio ed engagement sono regolarmente condotte al fine di garantire la promozione di caratteristiche ambientali da parte delle società in portafoglio, come anche per gestire eventuali impatti negativi sui fattori di sostenibilità. Nello specifico, il raggiungimento delle caratteristiche ambientali promosse da questo prodotto finanziario è misurato per mezzo di determinati indicatori, tratti dai principali standard internazionali disponibili in materia e pubblicati da organi ed istituzioni di mercato, e che sono definiti ex-ante, prima che ogni investimento sia effettuato, in coerenza con le caratteristiche promosse dalla società in portafoglio. I dati per il monitoraggio del raggiungimento delle caratteristiche ambientali sono raccolti direttamente dalla società in portafoglio ed elaborati internamente dal Gestore di Portafoglio. Il monitoraggio tiene in considerazione i KPI ESG designati per garantire l'implementazione delle raccomandazioni emerse durante il processo di acquisizione, nel caso in cui specifici piani d'azione ESG siano stati definiti (ad es. "100-days plan") e gli indicatori di impatto avverso sulla sostenibilità.

Il Fondo mira ad allocare gli investimenti – in misura non inferiore al 75% del Capitale Investito Lordo - in investimenti diretti che soddisfano le caratteristiche ambientali e ad effettuare investimenti in società che rispettano prassi di buona governance. La parte residua degli investimenti (non inclusa tra gli investimenti che promuovono caratteristiche ambientali e/o sociali) sarà possibilmente limitata a disponibilità liquide ed equivalenti, che possono essere detenute per esigenze di tesoreria o in caso di ritardi nell'utilizzo delle risorse, e strumenti derivati, che possono essere detenuti solo a scopo di copertura e non per promuovere caratteristiche ambientali e sociali.

*Déclaration conformément à l'article 10 du Règlement (UE) 2019/2088 du Parlement européen et du Conseil du 27 novembre 2019 sur la publication d'informations en matière de durabilité dans le secteur des services financiers (« SFDR »).*

## Résumé

En principe, le fonds d'investissement alternatif réservé appelé [nom du fonds] (ci-après « le Fonds ») met en avant des spécificités environnementales, mais n'a pas l'investissement durable pour objectif principal. Ce produit financier favorise des aspects environnementaux en sélectionnant avant tout des

possibilités d'investissement dans des sociétés exerçant des activités commerciales susceptibles de contribuer directement ou indirectement à la transition vers une économie (i) climatiquement neutre, (ii) plus verte et (iii) plus durable et/ou inclusive.

Ce Fonds sélectionnera notamment des opportunités d'investissement susceptibles de générer un pourcentage non inférieur à 75% du Capital Brut Investi, et ce parmi les sociétés exerçant des activités commerciales dans les secteurs d'investissement suivants :

(a) *la Transition Énergétique et Efficacité Énergétique* : à savoir (i) des entreprises qui permettent directement ou indirectement de produire de l'énergie renouvelable et les infrastructures connexes, y compris sa transmission, sa distribution et la maintenance des équipements clés ; (ii) des entreprises directement actives dans la fourniture de solutions et/ou de mesures qui permettent soit de réduire la consommation d'énergie durant un processus de fabrication ou lors de services fournis, soit d'en utiliser moins dans les ménages pour toutes sortes d'activités tributaires d'énergie.

(b) *l'Économie Circulaire*, à savoir des entreprises ouvrant directement la voie à d'autres entreprises, commerces et ménages pour appliquer, aussi longtemps que possible, des modèles de production et de consommation impliquant le partage, la location, la réutilisation, la réparation, la remise à neuf et le recyclage de matériaux et produits existants. Dans ces cas, il s'agit en général de sociétés actives dans le traitement de l'eau et des déchets, dans la réduction, la réutilisation et le recyclage, dans la transformation des déchets en énergie, en carburants ou en d'autres matériaux, dans les biocarburants, dans les équipements de contrôle de la pollution, dans l'ingénierie et dans le conseil en matière d'environnement, et

(c) *l'Agriculture et les Systèmes Alimentaires Durables* : à savoir des entreprises qui proposent des produits, des solutions et des services ou qui agissent directement en faveur de l'application de modèles agricoles susceptibles de réduire l'utilisation générale ainsi que les risques inhérents aux pesticides chimiques, de réduire les pertes de nutriments, de développer les terres consacrées à l'agriculture biologique, de réduire l'utilisation d'engrais non biologiques, de protéger ou d'améliorer i) la qualité de l'eau, ii) les répercussions sur l'environnement, de même que de réduire la pression sur les ressources en eau en améliorant l'efficacité des méthodes d'irrigation.

En promouvant des caractéristiques environnementales, le Fonds ciblera des investissements capables de contribuer à un ou à plusieurs des objectifs de développement durable (ODD) suivants des Nations Unies : *Eau propre et assainissement* (ODD 6), *Énergie propre et d'un coût abordable* (ODD 7), *Industrie, innovation et infrastructure* (ODD 9), *Villes et communautés durables* (ODD 11), *Modes de consommation et de production responsables* (ODD 12), *Mesures relatives à la lutte contre les changements climatiques* (ODD 13), et *Vie terrestre* (ODD 15).

La mise en œuvre de la stratégie d'investissement garantit que les critères ESG sont appliqués tout au long des phases séquentielles du cycle d'investissement, à partir du moment d'identification d'opportunités d'investissement jusqu'au désinvestissement, déployant plusieurs niveaux de stratégies ESG dont, en particulier :

- une sélection négative basée sur la liste d'exclusion adoptée par le Fonds qui limite l'univers d'investissement à des secteurs, des pays et/ou des individus spécifiques, en conformité avec la politique ESG du gestionnaire de portefeuille,
- une sélection positive destinée à identifier des sociétés entrant dans le champ d'investissement ciblé, en fonction du niveau de rentabilité actuel ou potentiel et dans des secteurs qui contribuent à la transition vers une économie (i) climatiquement neutre (ii), plus verte et (iii) plus durable et/ou inclusive, aussi pour évaluer (i) la bonne gouvernance, (ii) la gestion de sujets spécifiques jugés importants après une analyse de matérialité menée par le Fonds et (iii) des critères spécifiques, englobant également la chaîne de valeur durant les phases préalables et effectives de vérification vigilance.

En termes plus précis : au cours des contrôles préalables, le gestionnaire de portefeuille effectuera des évaluations ESG spécifiques selon des paramètres adoptés de manière autonome susceptibles d'inclure une notation du risque ESG ou en passant par des « partenaires fonctionnels », dont la tâche consiste à comprendre en détail les stratégies, les procédures et les actions mises en œuvre (ou à encore mettre en œuvre) par les sociétés cibles afin de contrôler et de suivre l'application correcte des thématiques de l'environnement, de l'inclusion sociale, de l'éthique des affaires et de la gouvernance d'entreprise, à la fois en termes organisationnels et opérationnels. À ce stade, la conformité aux exigences légales, les structures de gestion saine, les relations avec les employés, la rémunération du personnel et la conformité fiscale sont évaluées afin de déterminer si les pratiques de bonne gouvernance sont bel et bien données.

Les plans d'action ESG spécifiques réalisés tout au long de la période d'investissement et rédigés en fonction de conclusions pré-investissement peuvent comprendre l'adoption de politiques et de procédures et/ou l'élaboration d'actions spécifiques visant à encourager les pratiques de bonne gouvernance, tandis que l'adhésion à ces pratiques est contrôlée en fonction du suivi d'un minimum spécifique de paramètres de gouvernance (également en recourant à un « partenaire fonctionnel »).

Par ailleurs, chaque stratégie d'investissement également conforme à la politique ESG tiendra compte des risques concernant les aspects de durabilité et des principaux effets négatifs de décisions d'investissement. Ainsi, le Fonds abordera et cherchera à minimiser les répercussions négatives associées à toutes les phases d'un investissement et surveillera les indicateurs négatifs de durabilité liés (i) aux émissions de GES, (ii) à la biodiversité, (iii) à l'eau, (iv) aux déchets et (v) aux questions sociales et aux aspects concernant les employés. D'autres impacts négatifs sur les facteurs de durabilité peuvent également être pris en compte, sous réserve de l'évaluation de leur matérialité et de la disponibilité des données relatives aux investissements à réaliser, conformément aux dispositions du Règlement délégué (UE) 2022/1288.

De plus, des activités de suivi et de mobilisation sont menées régulièrement auprès des, et avec les sociétés d'un portefeuille donné afin d'assurer qu'elles appliquent les paramètres environnementaux et remédient aux impacts négatifs sur les facteurs de durabilité. Ainsi, l'atteinte des objectifs environnementaux promus par un produit financier est mesurée au moyen d'indicateurs spécifiques, déterminés selon les principales normes internationales disponibles en la matière, et publiés par des organismes et des institutions de marché reconnus définis ex ante, donc avant l'exécution de chaque investissement, de manière cohérente avec les paramètres environnementaux promus par la société en portefeuille.

Les données nécessaires au contrôle de la réalisation des paramètres environnementaux sont collectées directement auprès des sociétés en portefeuille et traitées en interne par le gestionnaire de portefeuille. Le contrôle portera également sur les indicateurs clés de performance ESG définis pour garantir l'application des recommandations découlant du processus d'acquisition d'investissements, sur la définition d'un plan d'action ESG spécifique à la société (par exemple, un « plan de 100 jours ») et sur les indicateurs défavorables de durabilité.

L'objectif du Fonds est d'allouer ses actifs — dans une proportion non inférieure à 75 % du Capital Brut Investi — à des investissements qui favorisent des paramètres environnementaux et qui respectent des pratiques de bonne gouvernance. La partie restante des investissements (soit hors investissements promouvant des critères écologiques et/ou sociaux) sera éventuellement limitée à des liquidités et à des équivalents de liquidités qui pourront être détenus pour des besoins de trésorerie, de décalages horaires dans l'utilisation de certaines ressources et/ou d'acquisitions de produits dérivés ne pouvant être détenus qu'à des fins de couverture, non pas pour promouvoir des paramètres environnementaux et sociaux.

### **No sustainable investment objective**

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

### **Environmental or social characteristics of the financial product**

The reserved alternative investment fund called EOS Next Transition Fund II S.C.A. SICAV-RAIF generally promotes environmental characteristics. This financial product promotes environmental characteristics by predominantly selecting investment opportunities on companies running business activities which may directly or indirectly contribute to the transition towards a (i) climate-neutral, (ii) greener, and (iii) more sustainable and/or inclusive economy.

In particular, the Fund will select potential investment opportunities, resulting in a percentage no lesser than 75% of the Gross Invested Capital, among companies running business activities falling within the following investment scope (the “Investment Scope”):

(a) Energy Transition and Energy Efficiency: (i) companies which directly or indirectly enable the renewable energy production and related infrastructures, including its transmission and distribution and maintenance of key equipment; (ii) companies directly engaged in providing solutions and/or measures which allow a lower consumption of energy in carrying out a manufacturing process or providing a service or using less energy while conducting any energy-dependent activity in households

(b) Circular Economy: companies directly acting as enabler for other companies, business and households for the adoption of model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. Companies typically acting in the water and waste treatment, reduction, reuse and recycling, waste-to-energy, waste-to-fuel, waste-to-material, bio-fuels, pollution control equipment, environmental engineering and consulting, and

(c) Sustainable Agriculture and Food Systems: companies offering products, solutions and services or directly acting for the adoption of farming models which reduce the overall use and risk of chemical pesticides, reduce nutrient losses, increase agricultural land under organic farming, reduce use of non-organic fertilizers, protect or improve i) the water quality, ii) environmental impact also by reducing the pressure on water resources by improving irrigation efficiency.

In promoting environmental characteristics, the Fund will target investments that are able to contribute to one or more of the following United Nations Sustainable Development Goals (“SDG(s)”):

- i. Clean Water and Sanitation (SDG 6),
- ii. Affordable and Clean Energy (SDG 7)
- iii. Industry, Innovation and Infrastructure (SDG 9)
- iv. Sustainable Cities and Communities (SDG 11)
- v. Responsible Consumption and Production (SDG 12)
- vi. Climate Action (SDG 13), and
- vii. Life on Land (SDG 15).

### **Investment strategy**

For the purpose of the attainment of the environmental characteristics promoted by the Fund, it has to be noted that this financial product invests in a diversified portfolio of companies which predominantly run their business in economic activities that contribute to the transition towards a (i) climate-neutral, (ii) greener, and (iii) more sustainable and/or inclusive economy.



The implementation of the investment strategy ensures that ESG criteria are applied throughout the sequential phases of the investment cycle, from the scouting of the investment opportunities till the divestment. The investment strategy foresees, among others, the following steps:

- Negative screening: exclusion from the investment universe of controversial businesses and sectors where it is assessed that in general the activities will not be in compliance with the ESG ethos and principles established for the Fund. The exclusion list includes:

#### Sector Based Exclusions

- Modern Slavery and/or Human Trafficking, including forced labour or child labour;
- Exclusions based on screening against minimum standards of business practice based on international norms (UN Human Rights Declaration, Security Council Sanctions, UN Global Compact);
- Legally required exclusions (required by domestic/international law, bans, treaties, embargoes);
- Any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
  - Ozone depleting substances, PCB's ("Polychlorinated Biphenyls") and other specific, hazardous pharmaceuticals, pesticides/herbicides and/or other chemicals which are not managed in an environmentally responsible manner;
  - Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora ("CITES"); or
  - Unsustainable fishing methods;
  - Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations;
  - Destruction of high conservation value areas;
 

Destruction means the elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or modification of a habitat in such a way that the area's ability to maintain its role is lost. High Conservation Value ("HCV") areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance.
  - Radioactive materials and unbounded asbestos fibres;
 

This does not apply to equipment such as medical, quality control (measurement) or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.
- Pornography or prostitution;
- Racist and anti-democratic media;
- Coal;
- Tobacco;
- Gambling;
- Production, financing, and trade of weapons.

#### Geographical Based Exclusions

In addition to the Legally required exclusions (required by domestic/international law, bans, treaties, embargoes), the exclusions specifically prohibit the interaction of Fund(s) with parties and conduct of activities in UN, EU, and UK sanctioned jurisdictions.

#### Individual Based Exclusions

In addition to the Legally required exclusions (required by domestic/international law, bans, treaties, embargoes), the exclusions specifically prohibit the interaction of Fund(s) with individuals listed on the UN, EU and UK sanctions lists.

All potential investments are screened against the exclusion list and are not contrary to the ESG Policy.

- Positive screening: identification of target companies falling within the investment scope based on the current or potential level of profitability in sectors that contribute to the transition towards a (i) climate-neutral, (ii) greener, and (iii) more sustainable and/or inclusive economy and assessment, during the pre-due diligence and the due diligence phases, of (i) good governance practices, (ii) management of specific topics deemed as material after a materiality analysis conducted by the Fund, and (iii) specific criteria, also encompassing the value chain
- Monitoring: monitoring of (i) ESG KPIs designed to ensure the implementation of recommendations arising during the investment acquisition process, whether a company specific ESG action plan (e.g., “100-days plan”) has been defined, also to further enhance its potential to contribute to the promotion of the environmental characteristics addressed by the investment strategy; (ii) adverse sustainability indicators.

Good governance practices are ensured by assessing, during the pre-due diligence and due diligence phases, compliance with legal requirements, sound management structures, employee relations, remuneration of staff and tax compliance. More in the specific, indicators related to the abovementioned aspects, such as the adoption of Organisational and Management Model pursuant to Italian Legislative Decree no. 231/2001, the adoption of anti-corruption policies and procedures, the adoption of human rights and workers’ protection policies and procedures are included in the ESG due diligence.

Specific ESG action plans implemented throughout the investment period and drafted according to the pre-investment findings might include the adoption of policies and procedures and/or the development of specific actions aimed at fostering good governance practices. Adherence to good governance practices by the companies in which AIFM and Portfolio Manager invest is monitored through the pursuit of a specific minimum governance parameters (also by availing of a Functional Partner).

The Fund also foresees the integration into the investment process of sustainability risks, considered as an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. It has to be noted that all the relevant ESG risks are generally company-specific in terms of impact, degree of potential risk and application, rather than portfolio-wide. Such risks are thus usually reversible and almost promptly addressed and mitigated. The Fund performs an ex-ante evaluation and an ex-post review of the risks; although the Fund targets investments with positive environmental characteristics, the investments to be made are likely to be materially affected by sustainability risks with potential consequences on returns. The Fund will evaluate the possibility of integrating into the risk models suitable systems for assessing the likelihood of ESG relevant risks with respect to the Fund’s returns.

### **Proportion of investments**

The Fund aims to allocate its assets - in a proportion no lesser than 75% of the Gross Invested Capital - in direct investments that meet environmental characteristics and to make investments in companies that comply with good governance practices.

The remaining part of the investments (not included in investments promoting environmental and/or social characteristics) will possibly be limited to:

- cash and cash equivalents that may be held for treasury needs or in the event of time lags in the use of resources;
- derivatives that may only be held for hedging purposes and not for promoting environmental and social characteristics.

### **Monitoring of environmental or social characteristics**

In the management of the Fund, the attainment of the environmental characteristic promoted by this financial product is measured through specific indicators, derived from the main international standards available on the subject published by recognised market bodies and institutions. Those may include a selection of indicators relating to the main principal adverse impacts on sustainability factors resulting from investment decisions (so-called "PAI"), by way of preference or priority, those listed in Table I of Annex I of EU Delegated Regulation 2022/1288 (known as "Regulatory Technical Standard" or "RTS" and containing the technical standards relating to the application of EU Regulations 2019/2088 (so-called EU SFDR) and 2020/852 (so-called Taxonomy Regulation)). This selection includes the indicators relating to the main negative impacts on sustainability factors resulting from investment decisions. The indicators are defined ex-ante, being before each investment is executed, coherently with the investment strategy envisaged by the Fund based on the environmental characteristics promoted by the single portfolio company. For those investments falling within the investment scope, sustainability indicators used to measure the attainment of the environmental characteristics are, among others:

- a) Energy Transition and Energy Efficiency:
  - the (annual equivalent) renewable energy that can be produced (in kWh) thanks to the contribution of the product and or services rendered by the target companies, possibly compared to the (annual equivalent) expected households energy consumption served (in thousands);
  - the amount of energy consumption reduced or avoided thanks to the contribution of the product and/or services rendered by the target companies;
  - the amount of energy consumed by the target companies themselves that comes from renewable sources.
- b) Circular Economy:
  - the amount of water consumption,
  - the amount of consumption of materials (including but not limited to raw material),
  - the amount of materials (and their proportion compared to total used material) that can be reduced or avoided or/and reused or recycled (as the case may be) thanks to the contribution of the product and/or services rendered by the target companies.
  - the proportion of water cleaned/reused,
  - the proportion of consumption of materials reduced and/or avoided and/or recycled by the target companies themselves.
- c) Sustainable Agriculture and Food Systems:
  - the amount of water consumption,
  - the amount of consumption of chemical pesticides and/or additives,
  - the amount of fossil fuels power energy (including those for transport),
  - soil exploitation/land surface required for farming

that can be reduced or avoided or/and reused or recycled (as the case may be) thanks to the adoption of efficient form of farming compared to traditional agricultural and food production methods, also through technology and digitalization, achieved by the significant contribution of target companies' products and services.

Monitoring activities also cover (i) ESG KPIs designed to ensure the implementation of recommendations arising during the investment acquisition process, whether a company specific ESG action plan (e.g., "100-days plan") has been defined, also to further enhance its potential to contribute to the promotion of the environmental characteristics addressed by the investment strategy; (ii) adverse sustainability indicators.

## Methodologies

The methodology that will be used is inspired by internationally recognised frameworks and identified according to the KPIs that will be defined after the investment in portfolio companies.

## Data sources and processing



Data are collected directly from portfolio companies and processed internally by the Portfolio Manager according to the dashboards of KPIs that will be defined in order to monitor the promotion of the environmental characteristics by each of them. The Portfolio Manager will undertake an initial assessment of needs to ensure data quality. On a case-by-case basis, the Portfolio Manager may rely on the support of external advisors.

### **Limitations to methodologies and data**

To date no limitations have been identified with respect to sources and methodologies. Nevertheless, limitations may occur in case portfolio companies need to establish adequate systems to gather the data needed which may require time to be implemented.

### **Due diligence**

The Portfolio Manager conducts specific ESG evaluations based on parameters autonomously adopted and that may include an ESG risk rating or through the Functional Partner, aimed at the detailed understanding of the strategies, procedures and actions implemented (or to be implemented) by the Target Companies in order to monitor the thematic areas of environment, social inclusion and business ethics and corporate governance, both in organizational and operational terms.

The Portfolio Manager, through the Functional Partner or another leading independent expert, will carry out the following activities for each investment opportunity that has positively passed the pre-assessment and screening of investment opportunities:

- a. ESG Qualitative Assessment (identification of strengths and weaknesses relating to the sustainability of the Target Company; analysis of the sustainability and corporate social responsibility policies and actions already undertaken; identification of any improvement actions and priorities for intervention in relation to the evidence gathered).
- b. ESG Quantitative Assessment (measurement through ESG indicators that the Portfolio Manager has identified as key performance indicators relevant and material for each and every Target Company and that are made explicit in the Fund's investment policy).

### **Engagement policies**

Engagement activities will be carried out on a regular basis by the Portfolio Manager as a process to monitor on the promotion of the environmental characteristics by portfolio companies.

## EUROPEAN STUDENT ACCOMMODATION CORE FUND SCA SICAV-RAIF

### **Sustainable Finance Disclosure Regulation**

The European Commission has introduced a series of legal measures (the primary one being the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088), “SFDR”) requiring firms that manage investment funds to provide transparency regarding how financial market participants integrate sustainability risks into the investment process.

The following is designed to address the AIFM’s disclosure obligations in respect of the Fund:

#### *Integration of Sustainability Risks*

The AIFM and the Investment Adviser believe that material environmental, social and governance (“ESG”) factors are an important driver of long-term investment returns from both an opportunity and a risk-mitigation perspective. As such, the AIFM and the Investor Adviser consider sustainability risks and opportunities in their assessment of each investment of the Fund. The AIFM and the Investment Adviser consider such analysis as crucial given that the Fund promotes ESG and is classified as Article 8 under the SFDR.

In respect of the Fund, the responsible investment policy (the “Responsible Investment Policy”) intends to provide a broad framework for the approach to ESG integration. The Responsible Investment Policy is a guideline for formalizing and focusing responsible investment efforts, while recognising the importance of the built environment in matters of environmental sustainability and that ESG issues have a meaningful impact on delivering investment results for investors. In managing the Fund and in providing non-discretionary investment advice with respect to the Fund, each of the AIFM and the Investment Adviser respectively have regard to the terms of the Responsible Investment Policy when determining what investments the Fund should make. In doing so, the AIFM and the Investment Adviser will integrate ESG factors (including but not limited to the consideration of sustainability risks) into the investment decision-making process and its investment advice, respectively.

The investment selection process for each proposed real estate asset acquisition follows a structured process through selection, review and approval:

1. Pre-due diligence on each real estate asset, during which ESG factors, including sustainability risks, are assessed; and
2. Post-due diligence on each real estate asset, during which the results of the initial ESG screening as well as any post-acquisition measures are considered.

Further details on the AIFM’s and the Investment Adviser’s approach to ESG integration and sustainability-related stewardship can be found at [www.esacf.com/esg](http://www.esacf.com/esg).

#### *Assessment of the likely impacts of sustainability risks on the returns of the Fund*

Factoring an assessment of the likely impact of sustainability risks into the investment decision-making process (and the investment advice) has the potential to impact the returns of the Fund. For example, it is possible that such an assessment may influence a decision by the AIFM not to make an investment or dispose of an existing investment that would otherwise be considered as attractive to invest in or retain when confining the factors considered to financial-related elements such as financial position, revenue, capital structure, etc. Accordingly, the Fund, which is classified as Article 8 under SFDR, may underperform or perform differently relative to other comparable funds that do not promote environmental and/or social characteristics.

Ultimately, it is difficult to predict with any accuracy the precise impact of sustainability risks on the returns of the Fund. The impact would depend on the nature, scope and severity of such risks.

*Environmental or social characteristics promoted by the Fund*

The Investment Adviser has established a Responsible Investment Policy for the Fund which sets long-term ESG objectives and defines clear short and medium-term milestones for achieving these long-term ESG objectives.

To meet these objectives, a strategy that has five main components has been formulated:

1. **Strategic Risk Framework:** Our investment process and a distinctive value creation approach is constructed and implemented in order to future-proof asset classes, being conscious on the one hand on the fiduciary duty towards investors and on the other hand considering our ESG limits. With this in mind the AIFM in conjunction with the Investment Adviser always strives to ensure an effective response to risk factors through critical exclusions and active ESG risk screening and management. This includes ensuring that mitigation measures, such as improving the carbon performance of the asset (Environmental) or improving students' wellbeing (Social) are underwritten and embedded in the asset business plans. On the other hand, the AIFM in conjunction with the Investment Adviser actively pursues all opportunities to enhance value through green practices, to set and achieve ambitious targets with respect to climate change, e.g. improving carbon performance, obtaining EPC certifications, etc. (Environment) and effect positive social impact and support the well-being of users of the Fund's real estate assets in alignment with the WELL Health-Safety Rating for Facility Operations and Management (Social), while delivering competitive risk-adjusted financial returns. While good governance for real estate assets cannot be assessed at the real estate level itself, the lessor of the real estate assets and other external counterparties and/or service providers engaged in the acquisition, holding and disposal of the real estate assets will be subject to proper initial and ongoing due diligence reviews.
2. **Investment Plan:** The purpose of the investment plan is to set out the key objectives for the portfolio in the forthcoming year, based on the current portfolio composition and past performance, as well as revised forecasts for each asset in the portfolio based on the latest market forecasts and recommendations.
3. **Investment Selection:** Investment selection follows a structured process through selection, review, and approval and involves the investment committee of the Investment Adviser and the investment committee of the AIFM, together the "**Investment Committees**". The AIFM's investment committee has the objective of delivering the Fund's target return within a pre-defined strategic risk framework and considering the environmental and social characteristics that it promotes. The Investment Adviser's investment committee may include a representative from the General Partner's and the AIFM's ESG teams, providing insight and oversight on relevant topics. Approval for any proposed acquisition is divided into two distinct stages: (1) pre-due diligence, when initial ESG screening is undertaken, and (2) post-due diligence (final approval), when due diligence results and any post-acquisition measures/underwriting are considered. The Investment Committees consider the findings of the pre- and post-due diligence, screening and analysis during the investment selection process. The Investment Committees seek to apply an asset-class specific set of criteria when evaluating assets and key counterparties. This information is presented in each deck prepared by the Investment Committees and as otherwise deemed appropriate.
4. **Asset Management:** Following acquisition, each asset is on-boarded onto an appropriate ESG data monitoring system ("**DMS**"), including the data collected during the DMS profile which is the responsibility of the lessor(s). The Investment Adviser works in collaboration with external specialist advisors, property managers, tenants, third-party data providers and other parties.

An ESG action plan is developed for each individual investment, as appropriate for the asset type taking into account the environmental and social characteristics promoted by the Fund. The action plan is based on an assessment of the asset's sustainability performance. The actions and targets are embedded in the asset business plan and executed.

5. **Reporting:** Yearly reporting is shared with investors where the identified environmental and social characteristics promoted by the Fund are considered in the portfolio performance: (1) backward looking performance against the Fund's ESG strategy and timeline applicable for the investment strategy including all metrics and KPIs; (2) ESG risk profile; and (3) annual ESG action plan and implementation status.

Detailed information on the Responsible Investment Policy can be found on: [www.esacf.com/esg](http://www.esacf.com/esg)

Please refer to the Fund's SFDR Annex attached to this Memorandum which contains additional SFDR disclosures for the Fund.

The SFDR Annex has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in the SFDR applicable to an Article 8 financial product, and follows the form of the template in Annex II of the Commission Delegated Regulation (EU) 2022/1288.

Unless defined in the SFDR Annex, all defined terms used in the SFDR Annex shall have the same meaning as in the Memorandum.

It is noted that some matters of interpretation of SFDR remain open (subject to ongoing exchanges between the European Supervisory Authorities and the European Commission). It is likely that the SFDR Annex will need to be reviewed and updated once further clarification is provided on the open matters of interpretation of SFDR. Such clarifications could require a revised approach to how the Fund seeks to meet the SFDR disclosure obligations.

Disclosures in the SFDR Annex may also develop and be subject to change due to ongoing improvements in the data provided to, and obtained by, financial market participants and financial advisers to achieve the objectives of SFDR in order to make sustainability-related information available to investors.

Compliance with the SFDR pre-contractual disclosure obligations is therefore made on a best efforts basis and the Fund issues the SFDR Annex as a means of meeting these obligations.

**IMPORTANT: Investors should note that as a financial product which promotes environmental or social characteristics, the Fund may underperform or perform differently relative to other comparable funds that do not promote environmental or social characteristics.**

#### **Taxonomy Regulation disclosure**

The Fund promotes environmental and/or social characteristics, but it does not have a sustainable investment objective and will not make any sustainable investments. In addition, the AIFM does not integrate a consideration of environmentally sustainable economic activities into the investment process for the Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Where the Fund is classified as Article 8 under the SFDR, i.e., a financial product which seeks to promote ESG, such fund bears the risk that because investments are selected and managed taking into account both financial and non-financial considerations, the fund may underperform the broader market or other funds that do not utilize ESG criteria when selecting and managing assets. ESG investing is to an extent subjective and there is not guarantee that all investments made by the Fund will reflect the beliefs or values of any particular investor.



Exclusion or disposal of assets which do not meet the Fund's ESG criteria may cause the Fund to perform differently compared to similar funds that do not have an ESG focus.



## LIFESTYLE FUND II

1. In relation to the investment activity of the Fund, the General Partner enacts an internal policy for the promotion of a sustainable approach for investments (so called environmental, social and governance) as further described in this Section 6.7 (the “**ESG Policy**”). The General Partner has categorised this Fund as a financial product that promotes environmental or social characteristics (Article 8 of SFDR) for the purposes of the SFDR. Information referred in the SFDR, including the information related to the environmental or social characteristics of the Fund, shall be disclosed to investors along with this Issuing Document.
2. Sustainability risks, as in compliance with the ESG Policy, can arise from environmental and social impacts on a potential asset, as well as from the corporate governance of the lessee or seller of an asset. Examples include reputational damage and/or punitive measures, physical risks, and transition risks caused, for instance, by climate change. Sustainability risks may have an amplifying effect on the risks described under the previous Section **Error! Reference source not found.**. To the extent that sustainability risks materialize, they may have a significant impact - up to and including a total loss - on the value and/or return of the assets concerned and, accordingly, on the Fund.
3. The investments underlying this Fund do not take into account the European Union criteria for environmentally sustainable economic activities.
4. The Fund, pursuant to the ESG Policy, is not invested in the sectors listed under previous Section 6.1.6, which are not considered suitable for investments from an ESG standpoint.
5. According to the ESG Policy, where deemed appropriate the General Partner may:
  - a) perform a specific ESG due diligence on potential target companies, aimed at assessing whether and to which extent said potential target companies can be considered ESG compliant, also highlighting potential improvements that may be made from an ESG perspective by such companies through the investment of the Fund. The objective of the consideration of sustainability risks by the General Partner is to avoid corresponding capital investments as early in the acquisition process or to identify as early as possible the occurrence of these risks and to take appropriate measures to minimize the impact on the affected assets or the impact on the overall portfolio of the Fund; and
  - b) use key risk indicators to measure sustainability risks. Key risk indicators may be of a quantitative or qualitative nature that are based on ESG aspects and serve to measure the risk of the aspects under consideration.
6. The General Partner takes into account the results of the ESG due diligence (if any) in the context of the performance of each investment transaction retaining full discretion in the decision to carry out investment transactions within the limits set out in this Issuing Document.
7. According to the ESG Policy and the ESG information and data collected during the monitoring of Portfolio Companies the General Partner carries out an annual ESG assessment on each Portfolio Company, eventually with the support of an external advisor with specific expertise in verifying the ESG compliance (the “**ESG Advisor**”), for the purpose of assessing its current level of ESG compliance and the improvements (or any lack thereof) (the “**ESG Annual Report**”).



8. The ESG Annual Report is made available to the Investors at the registered office of the Fund and it is presented – upon request – to the Advisory Board by the General Partner with the support of the ESG Advisor (if any). In case the Advisory Board requests so, a specific Advisory Board meeting shall be called every year for the purpose of presenting the ESG Annual Report. During the Advisory Board meeting the members of the Advisory Board may address to the General Partner and the ESG Advisor any relevant question on the ESG Annual Report.

## NECRON LOGISTICS FUND 1 SCSP

- The AIFM, in consultation with the Adviser, has categorized the Partnership as a financial product which promotes environmental characteristics, within the meaning of Article 8 of the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “SFDR”), but does not have sustainable investment as its objective. The Partnership’s pre-contractual disclosures, as financial product which promotes environmental characteristics, have been produced in line with applicable laws and regulations and are available at Appendix D of the Offering Document.
- Pursuant to Article 6 of the SFDR, the Partnership is required to disclose (a) the manner in which Sustainability Risks (as defined hereafter) are integrated into the investment decision and (b) the results of the assessment of the likely impacts of the Sustainability Risks on the returns of the Partnership.
- **“Sustainability Risks”** is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Investments made by the Partnership. Such risks are principally linked to climate-related events resulting from climate change (i.e. a physical risks) or to the society’s response to climate change (i.e. transition risks), which may result in unanticipated losses that could affect the Partnership’s Investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

### Integration of Sustainability Risks (Article 6(1)(a) of the SFDR)

- An assessment of the likely impacts of Sustainability Risks on the returns of the Partnership has been carried out, and the findings show that the impacts following the occurrence of a Sustainability Risk event may be numerous and vary in significance depending on industries, regions and asset classes. The Sustainability Risks that are particularly relevant to the Partnership include:

The exposure to potential physical risks resulting from climate change (for example, the tail risk of significant damage due to increasing erratic and potentially catastrophic weather phenomena such as droughts, flooding and heavy precipitations, heat/cold waves, landslides or storms). As the frequency of extreme weather events increases, the Partnership’s assets exposure to these events will also increase.

The exposure to environmental risks emerging from the need to mitigate climate change. The Partnership may face public pressure calling for improvement in energy and water management, among other, in order to reduce emissions. Efforts to cope with this pressure and to meet strengthening regulatory requirements may impose higher financial input, which could impede the total performance of the Partnership. Failure for the Partnership to cope with this pressure may lead to reputational damage, which could also impede the Partnership’s returns.

- Such Sustainability Risks are integrated, directly or indirectly, into the investment decision-making and risk-monitoring of the Partnership to the extent they represent a potential or actual material risk and/or an opportunity to maximize the long-term risk-adjusted returns of the Partnership. Before any investment decisions are made with respect to the Partnership, the proposed asset will be subject to in-depth due diligence processes designed to identify the material risks, including Sustainability Risks, associated with such potential investment. The result of these due diligences will be taken into consideration alongside other relevant factors when making investment decisions in relation to the Partnership.



- Sustainability factors include environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Assessment of Sustainability Risks' likely impact on return (Article 6(1)(b) of the SFDR)

- The identification and assessment of the Sustainability Risks will take place on an investment-by-investment basis. As a result of such risk management process it is not anticipated that the Sustainability Risks will have a material negative impact on the returns of the Partnership, although there could be no guarantee that the process will identify and mitigate all material risks.

Transparency of adverse sustainability impacts of investment decisions on sustainability factors (Article 7 (2) of the SFDR)

- The AIFM, together with the Adviser, does not specifically consider the adverse impacts of the investment decisions on sustainability factors at the level of the Partnership, as it believes that there is not sufficient data available in satisfactory quality in order to allow the AIFM and the Adviser to adequately assess such potential impact on sustainability factors.
- The position will be kept under review as the underlying rules are finalized and are embedded in the short to medium term.
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## SILVER ECONOMY FUND SICAV-RAIF

1. In relation to the investment activity of the Fund, the General Partner enacts an internal policy for the promotion of a sustainable approach for investments (so called environmental, social and governance) as further described in this Section 6.7 (the “**ESG Policy**”). The General Partner has categorised this Fund as a financial product that promotes environmental or social characteristics (Article 8 of SFDR) for the purposes of the SFDR. Information referred in the SFDR, including the information related to the environmental or social characteristics of the Fund, shall be disclosed to investors along with this Issuing Document.
2. Sustainability risks, as in compliance with the ESG Policy, can arise from environmental and social impacts on a potential asset, as well as from the corporate governance of the lessee or seller of an asset. Examples include reputational damage and/or punitive measures, physical risks, and transition risks caused, for instance, by climate change. Sustainability risks may have an amplifying effect on the risks described under the previous Section 6.6(2). To the extent that sustainability risks materialize, they may have a significant impact - up to and including a total loss - on the value and/or return of the assets concerned and, accordingly, on the Fund.
3. The investments underlying this Fund do not take into account the European Union criteria for environmentally sustainable economic activities.
4. The Fund, pursuant to the ESG Policy, is not invested in the sectors listed under previous Section 6.1 (7), which are not considered suitable for investments from an ESG standpoint.
5. According to the ESG Policy, where deemed appropriate the General Partner may
  - (a) perform a specific ESG due diligence on potential target companies, aimed at assessing whether and to which extent said potential target companies can be considered ESG compliant, also highlighting potential improvements that may be made from an ESG perspective by such companies through the investment of the Fund. The objective of the consideration of sustainability risks by the General Partner is to avoid corresponding capital investments as early in the acquisition process or to identify as early as possible the occurrence of these risks and to take appropriate measures to minimize the impact on the affected assets or the impact on the overall portfolio of the Fund; and
  - (b) use key risk indicators to measure sustainability risks. Key risk indicators may be of a quantitative or qualitative nature that are based on ESG aspects and serve to measure the risk of the aspects under consideration
6. The General Partner takes into account the results of the ESG due diligence (if any) in the context of the performance of each investment transaction retaining full discretion in the decision to carry out investment transactions within the limits set out in this Issuing Document.
7. According to the ESG Policy and the ESG information and data collected during the monitoring of Portfolio Companies the General Partner carries out an ESG assessment on each Portfolio Company, eventually with the support of an external advisor with specific expertise in verifying the ESG compliance (the “ESG Advisor”), for the purpose of assessing its current level of ESG compliance and the improvements (or any lack thereof) (the “ESG Annual Report”).



8. The ESG Annual Report is made available to the Investors at the registered office of the Fund and it is presented – upon request – to the Advisory Board by the General Partner with the support of the ESG Advisor (if any). In case the Advisory Board requests so, a specific Advisory Board meeting shall be called every year for the purpose of presenting the ESG Annual Report. During the Advisory Board meeting the members of the Advisory Board may address to the General Partner and the ESG Advisor any relevant question on the ESG Annual Report.

## INDUSTRY 4.0 FUND

1. In relation to the investment activity of the Fund, the General Partner enacts an internal policy for the promotion of a sustainable approach for investments (so called environmental, social and governance) as further described in this Section 6.7 (the “**ESG Policy**”). The General Partner has categorised this Fund as a financial product that promotes environmental or social characteristics (Article 8 of SFDR) for the purposes of the SFDR. Information referred in the SFDR, including the information related to the environmental or social characteristics of the Fund, shall be disclosed to investors along with this Issuing Document.
2. Sustainability risks, as in compliance with the ESG Policy, can arise from environmental and social impacts on a potential asset, as well as from the corporate governance of the lessee or seller of an asset. Examples include reputational damage and/or punitive measures, physical risks, and transition risks caused, for instance, by climate change. Sustainability risks may have an amplifying effect on the risks described under the previous Section 6.6(2). To the extent that sustainability risks materialize, they may have a significant impact - up to and including a total loss - on the value and/or return of the assets concerned and, accordingly, on the Fund.
3. The investments underlying this Fund do not take into account the European Union criteria for environmentally sustainable economic activities.
4. The Fund, pursuant to the ESG Policy, is not invested in the sectors listed under previous Section 6.1 (7), which are not considered suitable for investments from an ESG standpoint.
5. According to the ESG Policy, where deemed appropriate the General Partner may:
  - (a) perform a specific ESG due diligence on potential target companies, aimed at assessing whether and to which extent said potential target companies can be considered ESG compliant, also highlighting potential improvements that may be made from an ESG perspective by such companies through the investment of the Fund. The objective of the consideration of sustainability risks by the General Partner is to avoid corresponding capital investments as early in the acquisition process or to identify as early as possible the occurrence of these risks and to take appropriate measures to minimize the impact on the affected assets or the impact on the overall portfolio of the Fund; and
  - (b) use key risk indicators to measure sustainability risks. Key risk indicators may be of a quantitative or qualitative nature that are based on ESG aspects and serve to measure the risk of the aspects under consideration.
6. The General Partner takes into account the results of the ESG due diligence (if any) in the context of the performance of each investment transaction retaining full discretion in the decision to carry out investment transactions within the limits set out in this Issuing Document.
7. According to the ESG Policy and the ESG information and data collected during the monitoring of Portfolio Companies the General Partner carries out an annual ESG assessment on each Portfolio Company, eventually with the support of an external advisor with specific expertise in verifying the ESG compliance (the “**ESG Advisor**”), for the purpose of assessing its current level of ESG compliance and the improvements (or any lack thereof) (the “**ESG Annual Report**”)
8. The ESG Annual Report is made available to the Investors at the registered office of the Fund and it is presented – upon request – to the Advisory Board by the General Partner with the support of the ESG Advisor (if any). In case the Advisory Board requests so, a specific Advisory Board meeting shall be called every year for the purpose of presenting the ESG Annual Report. During the Advisory Board meeting the members of the Advisory Board may address to the General Partner and the ESG Advisor any relevant question on the ESG Annual Report.