Plenisfer INVESTMENTS

CODE 28

OBJECT Investment Sustainability Policy

APPROVAL	Board of Directors
DATE OF APPROVAL	September 27th, 2024
DATE OF VALIDITY	From September 27th, 2024
VERSION	04

REVISION HISTORY	DATE	APPROVAL/ VALIDATION	CHANGES INTRODUCED
1	June 30th, 2021	Board of Directors	
2	June 30th, 2022	Board of Directors	Annual update Implementation Bank of Italy's expectations in the communication 0583741/22 of07/04/2022.
3	September 29th, 2023	Board of Directors	Annual update Incorporation of a company level exclusion criteria and other sustainability topics.
4	September 27th, 2024	Board of Directors	Annual update. Integration of Principles for Responsible Investment (PRI) adherence.

1. External and Internal Regulations

The Investment Sustainability Policy ("**Policy**") has been developed following, inter alia, the regulatory guidance provided by:

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of the EU on sustainability reporting and transparency in financial services;
- Regulation (EU) 2020/852 of the European Parliament and of the Council of the EU on establishing a framework to encourage sustainable investment and amending Regulation (EU) 2019/2088;
- Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021 amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, sustainability risks, and sustainability preferences into certain organizational requirements and operating conditions for investment firms;
- the Bank of Italy's Supervisory Expectations on Climate and Environmental Risks of 8 April 2022.

In addition, the Policy has been developed with reference to various Generali Group policies, practices and guidelines, such as the Asset Management Companies Investment Process Group Guideline. To this end, the Company is represented on the Generali Investments Sustainability Committee by the Company's COO.

2. Background

The purpose of this Policy is to illustrate how Plenisfer Investments SGR S.p.A. ("**Company**" or "**Plenisfer**") integrates the analysis and mitigation of sustainability risks (as defined below) and the analysis and the integration of the sustainability factors (as defined below) within its own process of choice and evaluation of investments for funds established and / or managed.

Plenisfer believes that governance structure, environmental impact and social factors have an economic impact for the companies, instruments, countries or asset classes in which it invests. Evidence suggesting a lack of consideration for governance, environmental or social impact may indicate wider sustainability issues and could reduce the attractiveness of the investment. Firms and other economic actors that respect these sustainability considerations are more likely to attract more capital and reduce their cost of finance over time.

In addition, since July 2024, Plenisfer has been a signatory of the UN-supported Principles for Responsible Investment (PRI). The PRI are criteria established by the United Nations, adhered to by an international network of certified investors, whose goal is the development of a more sustainable global financial system and supporting its signatories in integrating such aspects into investment decisions and active shareholding.

Maintaining membership in the PRI network entails the obligation to annually prepare a Transparency Report (publicly available on the PRI website), which evaluates Plenisfer's adherence to the espoused principles of responsible investing.

Plenisfer believes becoming a signatory to the PRI is aligned with and complementary to this Policy.

3. Scope of Application

In general terms, this Policy applies to Plenisfer as a financial market participant and to all managed Funds that:

- integrate sustainability risks into investment decisions, in accordance with the transparency requirements set out in Article 6 of Regulation (EU) 2019/2088;
- promote environmental or social characteristics, or a combination thereof, provided the companies in which the investments are made comply with good governance practices within the meaning of Article 8 of Regulation (EU) 2019/2088.

Plenisfer has not established or currently manages products promoting environmental or social characteristics or products having sustainable objectives as set out in Article 9 of EU Reg. 2088/2019.

4. Definitions

In Article 2 ("*Definitions*"), paragraph 1 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of the EU on sustainability reporting and transparency in financial services,

- "sustainability risk" is defined as 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;
- “sustainability factors” means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

5. Principle Adverse Impacts (PAI)

At the moment, the Company does not to consider PAI’s of investment decisions on sustainability factors in the context of its role as investment manager.

Sustainability factors as defined by SFDR are environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Such factors are of great importance to Plenisfer. However, the Company’s size, multi-strategy approach, which includes investing in developed and developing markets, and the known limitations regarding reliable and consistent sustainability data in many developing markets makes measuring adverse impacts very challenging. Such challenges coupled with the developing regulatory technical standards would place significant administrative burdens and costs of obtaining, implementing and monitoring compliance measures to the extent that such measures could have a material negative impact on the investment results.

The Company will continue to monitor the SFDR implementing measures, including the regulatory technical standards, and the feasibility of data and analytics regarding the information, methodologies and tools required to implement the adverse sustainability impact statement.

6. Integrating sustainability assessments into the investment process

The Company's investment process is designed to respond to the priority need to ensure the effectiveness and efficiency of the decision-making process, maximising the different skills and professionalism of the people involved in the governance system, and taking due account of investment sustainability and sustainability risk.

In order to guarantee the aforesaid protection, Plenisfer ensures:

(a) the efficiency and effectiveness of the investment processes;
(b) the appropriate identification of risks and related management measures;
(c) the reliability and integrity of data and information, including accounting information, relating to management profiles;
(d) the performance of activities in compliance with the criteria of sound and prudent management.

To this end, the Company has formalised in its own investment decision-making process and in specific operating procedures, the allocation of functions and responsibilities among all the various subjects involved in the management activity, avoiding overlaps and favouring an effective and constructive dialectic among them.

6.1 Preliminary evaluation

The Company places the understanding of ESG and sustainability risks as a key component of its proprietary fundamental and macroeconomic analytical process. This analytical process forms the basis for the Company's investment decisions. As such, the Company's approach evaluates sustainability risks as a key part of the investment decision making process.

In evaluating investment opportunities, the Company analyses financial and non-financial criteria. The non-financial evaluation includes an analysis of ESG criteria and sustainability risks, which may arise relative to specific investments in question.

The evaluation of ESG criteria and sustainability risks includes the analysts and portfolio managers' consideration of the following non-exhaustive items:

- the geographical areas in which companies and issuers operate;
- governance practices and trends related to the companies and issuers in question;
- reputation and track record of management related to environmental issues and labour relations;
- profile related to operational and reputational event management, especially relating to environmental issues and labour relations;
- trends related to ESG and sustainability risk metrics, qualitatively and quantitatively where possible.

In the end, the analysis of ESG and sustainability risks[1] forms a key part of each investment caseand to assist in this activity, the Company has engaged a third party ESG data provider. As such,the main socio-environmental considerations become an integral part of the final decision-making process.

6.2 Company Level Exclusion Criteria

The Company shall apply an overall exclusion criteria to its investment decisions unless otherwise directed by external clients where the Company is acting as a delegated investment manager. Under this overall exclusion criteria, the Company shall not purchase securities issued by companies or entities that meet the following criteria:

[1] As reported within the Company's official website, the Company has chosen not to consider adverse impacts of investment decisions on sustainability factors in the context of its role as investment manager. Sustainability factors as defined by SFDR are of great importance to Plenisfer. However, the Company's size, multi-asset approach, which includes developed and developing markets, and the known limitations regarding reliable and consistent sustainability data in such markets and asset classes makes measuring such adverse impacts very challenging.

- Direct involvement in manufacturing or selling controversial weapons (cluster munitions, anti-personnel mines and / or biological / chemical weapons);
- Direct involvement leading to violation of the Treaty on the Non-Proliferation of Nuclear Weapons adopted on July 1, 1968, and entered into force on March 5, 1970, signed in Washington, London, and Moscow, under the auspices of the United Nations;
- Direct involvement on public lists of entities subject to international sanctions (e.g. OFAC, UN, EU, UK).

In addition, the Italian Law n. 220/2021 has introduced a total ban on "financing of companies in any established legal form, having their headquarters in Italy or abroad, which, directly or through subsidiary or associated companies, pursuant to article 2359 of the civil code, carry out construction, production, development, assembly activities, repair, preservation, use, storage, possession, promotion, sale, distribution, import, export, transfer or transport of antipersonnel mines, ammunition and cluster submunitions, of any nature or composition, or parts thereof. It is also forbidden to carry out technological research, manufacture, sale and transfer, for any reason, export, import and possession of ammunition and cluster submunitions, of any nature or composition, or parts thereof".

In compliance with L. 220/2021, the Company periodically, and at least once a year, consults ESG data providers and relevant publicly available lists in order to identify, to the greatest extent possible on the best effort basis, the companies that fall under the scope of L. 220/2021. No new purchase is allowed regarding companies that fall under the scope of the Law. For any issuers falling within the scope of Law 220/2021, the Company shall place operating blocks in the front-end system.

Annually, the Compliance Function reports to the Board of Directors on the controls performed in this regard.

6.3 Post-investment ESG approach

During the holding period of its investments, the Company monitors investment positions to ensure proper safeguarding of assets including assessment of underlying and changing sustainability risks.

6.4 Shareholders and engagement

The dialogue with issuers is a fundamental activity in responsible investment management. The Company believes regular interaction with the companies and issuers in which it invests is necessary and contributes to the creation of value.

The Company further believes circumstances may arise where active intervention is warranted. To manage circumstances calling for active intervention transparently, the Company has adopted a publicly available Engagement Policy.

7. Reporting

The Company is subject to the Sustainability and ESG reporting obligations established by EU Regulation 2088/2019.

In line with the requirements of Regulation 2088/2019, Plenisfer makes available on its website:

- information about its policies on the integration of sustainability risks into its investment process;
- its statement regarding its due diligence policies on the main negative effects of investment decisions on sustainability factors;
- information on how its remuneration policy is consistent with the integration of sustainability risks.

8. Governance

To ensure proper implementation of the adopted policies, the Company's governance system is set out below.

Board of Directors

- defines and approves this Sustainability Policy and subsequent revisions;
- periodically verifies the correct implementation of the Policy based on the controls carried out by Risk Management;
- periodically monitors the different sustainability factor exposures of the funds managed by the Company;
- defines a reporting system on climate and environmental risks with a focus on the medium-term outlook, specifying minimum content and frequency of information;
- monitors measurable and quantifiable key performance indicators (KPI's) and key risk indicators (KRI's), which consider climate and environmental risks. In the absence of robust and consistent quantitative metrics, the reporting makes use of internal and external qualitative information in order to ensure an adequate representation of climate and environmental risks;
- monitors climate and environmental risks in a manner that is consistent with and proportional to the assessed materiality;
- ensures that remuneration policies are an effective tool to stimulate behaviour consistent with the desired sustainability approach;
- ensures that the Company has sufficient training, IT and data resources, risk management and compliance tools and resources and a proper overall control framework to ensure ESG and Sustainability Risks are properly assessed and managed.

Investment Committee

- provides advisory support to the Board of Directors in defining, implementing, and reviewing this Policy;
- assesses and monitors the ESG profile and sustainability risks of companies and issuers;
- oversees engagement activities and their results;
- contributes to the definition of the ESG methodologies and criteria to be adopted in the selection of target companies and monitors the achievement of the objectives of this Policy;
- plays an active advisory role in relation to the consideration of sustainability factors and risks in the investment decision-making process, supporting Risk Management in this regard and actively participating in the process of identifying reaction measures to deal with the occurrence of an event;
- prepares a semi-annual summary ESG risk monitoring report for the Board of Directors.

Product & Distribution Committee

- evaluates and recommends a product / strategy level approach to sustainability risks associated with new products / strategies.

Risk Management

- provides regular reporting as required by the Board of Directors;
- maps climate and environmental risks (physical and transitional) and integrates such into the risk management system accordingly;
- defines the relevant methodologies and processes for the management of sustainability risks;
- agrees with the Chief Investment Officer appropriate ESG KRI's aligned with the risk profile of each portfolio / product before the launch;
- The risk profile[2] is reviewed at least on an annual basis and at any time required by market conditions.

Compliance

- periodically checks the adherence of the investment process to the Policy.

Internal Audit:

- Evaluates periodically, based on the approved audit plan, the completeness, adequacy, functionality and reliability of the system of internal controls established as well as the effectiveness and efficiency of the processes and organisation concerning sustainability issues.

9. Sustainability training

The Company provides its employees and the Members of the Management and Supervisory Bodies with the necessary training and tools to ensure that they have adequate knowledge and awareness of this Policy as well as of the best practices in the field of Sustainability, taking into account the activities carried out by Plenisfer. The Compliance department in agreement with the Corporate Administration department defines the annual training plan, which will include special training sessions on sustainability topics.

10. Disclosure and updating of the Policy

The CEO will ensure this Policy is communicated to all Plenisfer's personnel and will evaluate whether specific training is required for specific areas of the Company.

The Managers of the corporate functions, with particular reference to the Investment Team, are entrusted with the task of integrating the commitments defined by the Policy within business decisions and operations.

For assets delegated to the Company by third parties, the Sustainability approach is defined in agreement with the delegator.

This Policy will be reviewed at least once a year and updated should any the national and international trends, legislation, regulation or practice in responsible investment change substantially. Once approved, the Policy and any updates are made available on the Company's website.

[2] the risk profile is defined based on a set of key performance indicators (KPIs) and key risks indicators (KRIs) that shall be independently monitored by the Plenisfer's Chief Investment Officer on an ongoing basis. Reference thresholds on such KPIs and KRIs are set in order to ensure that investment reviews and escalation procedures are triggered whenever the value of the metrics is approaching critical levels.