Disclosure pursuant to Article 3 of the SFDR Regulation - Transparency of sustainability risk policies

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The SGR recognises the importance of proper management of sustainability risks in order to protect the value and profitability of the assets in which AIFs are invested and, to this end, has defined the following in its "ESG Policy":

- policies for the integration of sustainability risks into business processes and investment decisions, in the management and development of managed portfolios. These policies provide for:
  - the integration of the map of risks to which assets and AIFs are exposed, including sustainability risks;
  - the analysis and measurement of the risks to which investments are exposed, including sustainability risks, using specific qualitative and quantitative risk parameters and indicators;
  - the assessment, through sustainability risk analysis, of the main negative impacts on sustainability related to investment decisions and fund management;
  - the preparation of periodic risk reports with the definition, where appropriate, of actions aimed at mitigating the sustainability risks to which the assets and AIFs are exposed;
- the model through which the Company identifies, measures and assesses the sustainability risks of the SGR and the funds it manages. With regard to the Company, a specific tool is used to calculate the ESG reputational risk rating, which takes into account various elements such as, for example, the asset management Company's stakeholders, the ESG score of the funds, and the "sustainability governance" structure adopted by the Company. With regard to the assessment of sustainability risks relating to the AIFs, the tool developed by the Company allows for:
  - quantify potential catastrophic risks, i.e. natural or man-made events that cause significant damage to people, property and infrastructure;
  - identify the measures in place to mitigate potential catastrophic risks within individual assets – or those that may need to be strengthened – for the purpose of calculating residual catastrophic risk;
  - calculate the sustainability risk rating as a weighted average of the environmental (taking into account the residual catastrophic risk), social and governance ratings;
  - calculate potential losses arising from acute physical risks, chronic physical risks and transition risks.

Finally, the SGR also analyses sustainability risks in relation to investment opportunities through:

- conducting a preliminary analysis of climate risks, both physical and transition risks, using a proprietary screening tool. This tool, through both qualitative and quantitative analysis, provides a summary assessment of exposure to physical and transition risks, according to a three-level scale (low, medium or high);
- in-depth analysis, during due diligence, of the risks associated with potential investments, including sustainability risks.

In the assessment process for each investment transaction, the Risk Management Function pays particular attention to the sustainability risks that emerged during due diligence, highlighting any critical issues to the decision-making body. If the due diligence process reveals a "medium" or "high" risk exposure, the SGR may, if deemed necessary, carry out further investigations either during the pre-investment phase or directly in the post-acquisition phase, considering any measures to mitigate the risks identified.

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