

Disclosure in accordance with 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 related to 21 Investimenti SGR SpA and 21 Centrale Partners SAS

Transparency of sustainability risk policies

21 Invest¹ integrates the analysis and management of sustainability risk, as defined by Regulation (EU) 2019/2088 (the “Regulation”), in its investment process². This analysis is conducted prior to investment and during the holding period of a portfolio company in the funds under management. The analysis is aimed at identifying the impact of these risks on a target company’s growth prospects in terms of sales, margins and future value.

During the due diligence process, the investment team examines environmental and social risk factors related to a target company’s activity and, if critical elements are found, analyzes them in-depth by conducting specific due diligence. For each new investment, a specific sustainability checklist is completed and attached to the investment memorandum and is presented to the investment committee, in order to have the necessary elements to assess the sustainability risk related to the investment opportunity.

During the holding period of a portfolio company of the funds under management, annual monitoring on sustainability factors is carried out based on information provided directly by the portfolio companies and specific sustainability related KPIs. Moreover, the risk management officer will annually examine the overall risk of the portfolio, including the risk related to environmental and social issues. If necessary, the investment team works with the portfolio company management to mitigate any risk factors.

Transparency of adverse sustainability impacts at entity level

21 Invest monitors specific sustainability indicators. Nevertheless, it currently does not consider the adverse impacts of investment decisions on sustainability factors, as defined by Article 4, para 1, of the Regulation. This choice will be reconsidered, and the website will be updated as soon as the regulatory technical standards that establish the content, methodologies and presentation of information on the sustainability indicators identified by the Regulation come into effect and as soon as the related interpretative issues, at present still unclear, are clarified.

Transparency of remuneration policies in relation to the integration of sustainability risks

21 Invest is required to adopt sound and prudent remuneration and incentive policies that reflect and promote sound and effective risk management and that do not encourage risk-taking that is inconsistent with the risk profile and management rules of the funds under management. In application of this principle, 21 Invest’s remuneration policies do not encourage taking on sustainability risk.

In particular, the performance assessment conducted by 21 Invest to award variable remuneration takes into account any negative impacts - ex ante or ex post - from the sustainability risks taken.

¹ With specific reference to Regulation (EU) 2019/2088 of the European Parliament, 21 Invest refers to management companies 21 Investimenti SGR SpA and 21 Centrale Partners SAS.

² With specific reference to the management company 21 Centrale Partners SAS only, in addition to the Regulation, a decree not yet published to date, to be taken in application of article L-533-22-1 of the French Monetary and Financial Code in its wording resulting from article 29 of the French law n° 2019- 1147 relating to energy and climate (i) will define a standard presentation of the information to be published with regard to the criteria relating to compliance with climate, environmental, social and governance quality objectives, (ii) will specify the information that can be given on the risks associated with climate change and biodiversity and (iii) will explain the methods of presentation of this information.