

Product name: Fonditalia Clean Energy Solutions

Legal entity identifier 5493000H1FYALUC0M953

### Sustainable investment objective

#### Does this financial product have a sustainable investment objective?

**X** Yes

It made **sustainable investments with an environmental objective: 87.58%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective: 86.36%**

**No**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



#### To what extent was the sustainable investment objective of this financial product met?

The Sub-fund has the objective to mitigate climate change and aims at achieving this by investing in climate mitigation-related securities. The use of numerical KPIs, aimed at achieving a better ESG score than the benchmark, helps the sub-fund to meet the objective by selecting the most virtuous investment solutions or issuers in terms of emission impact on the environment.

The Sub-fund aimed to invest in companies across all the sector spectrum as long as they promote and develop clean energy solutions or any technology or process promoting decarbonization as a pillar of the issuer's business activity such as: clean mobility like electric vehicles and railways, energy efficiency systems aiming to reduce energy consumption, low emission fuels, renewable energy generation and equipment like solar, wind, waste to energy, hydropower, storage systems (e.g. batteries and hydrogen), green building, smart energy and insulation solutions, industrial systems promoting energy efficiency and reduced energy consumption, forest based climate solutions, financing of clean energy solutions.

The Sub-fund may be involved in engagement activities in order to promote and stimulate the adoption and the development of zero carbon or low-carbon technologies among the investee companies. Specific KPIs were defined in order to measure the portfolio environmental contribution overtime.

In order to reach its sustainable objective, the Investment Manager adopted the firmwide sustainable

investment framework built around the United Nations Sustainable Development Goals (UN SDGs). This framework helped the Investment Manager to assess the extent companies' products and services address at least one of the selected social and environmental challenges, as defined by the UN Sustainable Development Goals (UN SDGs) without conflicting with any of the 17 SDGs.

The Sub-fund aimed to contribute towards the following sub-set of environmental and social SDGs:

- Goal 7: Affordable and Clean Energy
- Goal 9: Industry, Innovation and Infrastructure
- Goal 11: Sustainable Cities and Communities
- Goal 12: Responsible Production and Consumption
- Goal 13: Climate Action

A reference benchmark with specific focus on the sustainable thematic has been adopted for the purpose of attaining the sustainable investment objective. The benchmark of the Sub-fund is the following index: "MSCI ACWI IMI Clean Energy Infrastructure Index" (the "Benchmark"). The Benchmark does not qualify as an EU Climate Transition Benchmark or EU Paris- aligned Benchmark.

The sustainable investment objective was pursued through the indicators listed in the section: "How did the sustainability indicators perform?".

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained

### ● **How did the sustainability indicators perform?**

The Sub-fund pursued the sustainable investment objective through the following sustainability indicators:

1. The Sub-fund's weighted carbon footprint (scope 1+2) on the last available year compared to the designated Benchmark (based on EVIC- Enterprise Value Including Cash) (78.2 mt Co2 per 1 mil EUR EVIC invested vs 81.3);
2. The Sub-fund's weighted carbon GHG intensity (scope 1+2) on the last available year compared to the designated Benchmark (319.0 mt Co2 per 1 mil EUR of sales vs 343.6);
3. The application of FAMI's Exclusion policy for sectors and critical issuers: FAMI's Exclusion policy for sectors and critical issuers applies to 100% of the portfolio;
4. The % of investments which have a positive contribution to one or more of the environmental SDGs selected. The criteria assumed for measuring the positive contribution of each investment, is based on the components defined by "MSCI ESG Research" within its methodological framework "SDG Alignment Methodology" (100%):
  - "Product Alignment", i.e. the indicator of the degree of "net alignment" of an issuer's products and services to the targets associated with each SDG; this indicator aims to (i) estimate the revenue of companies issuing products and services that respond to one or more relevant SDGs and (ii) identify products and services that have potentially negative impacts with respect to the achievement of the SDGs (89%);
  - "Operational Alignment", i.e. the indicator of the degree of alignment of the production processes of the issuing companies with respect to specific Sustainable Development Goals (SDGs). This metric takes into account the internal policies, objectives and practices implemented by the issuers (100%).

### ● **...and compared to previous periods?**

Not applicable, given that no prior periodic disclosure, as mandated by Regulation 2022/1288, has been presented.

### ● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

The sustainable investment framework based on UN SDGs is built around the concept of SDGs alignment as much as misalignment. Each investee company is evaluated in relation to both metrics therefore any misalignment to at least one of the 17 SDGs is considered a breach of the Do Not Significantly Harm (DNSH) criteria and it excludes the opportunity to invest in the issuer. Additional third-party data provides further tools and KPIs to assess if and how any investee company pass the Do Not Significantly Harm (DNSH) test.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The significant harm to any environmental or social sustainable investment objective (represented by one or more of each SDGs) is avoided by the monitoring of any principal adverse impacts (“PAIs”) as set out in annex I of the Commission Delegated Regulation (EU) 2022/1288 caused by each sustainable investment on sustainability factors. Impacts on PAI are managed directly through the application of the exclusion policy (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and the active engagement by FAMI on investee companies. Investment Manager checked the PAIs data concerning the Sub-fund through a periodic monitoring report, in which it can consult the values of the indicators at level of the Sub-fund and, where relevant and possible, at respective benchmark level in order to include this information in the investment decision-making process. The Investment Manager considered all the fourteen mandatory PAIs, any relevant ones. Further information on the PAI indicators which were taken into account by the Investment Manager can be found on the Investment Manager’s website.

— ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Investment Manager’s Sustainable and Responsible Investment Policy specified that corporate approach to sustainable and responsible investments was inspired by the principles contained in documents such as UN Global Compact principles (UNGC), UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for multinational enterprises, International Labor Organization Conventions. This approach followed the methodology for the definition of “sustainable investments” with specific reference to the Do Not Significantly Harm Principle.

The Investment Manager monitored the entire portfolio on the basis of a series of environmental, social and governance indicators (via third party data), including the violations of the UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Issuers characterized by a severe and serious dispute equal to “Red” (also referring to selected global norms and conventions, including the United Nations Global Compact Principles, the International Labour Organization’s conventions, and the United Nations Guiding Principles on Business and Human Rights) were excluded from the investment perimeter.



**How did this financial product consider principal adverse impacts on sustainability factors?**

The Sub-fund considered all the fourteen mandatory PAIs.

The PAIs were subject to data availability and may therefore over time changed and evolved with improving data quality and availability.

FAMI portfolio managers can check the PAI data concerning their products through a periodic monitoring report, where can be consulted the values of the indicators at product level and, where present and possible, at respective benchmark level in order to include this information in the investment decision-making process. However, considering the large variability of PAI data at sectoral and geographical level, as well as their retrospective nature, no thresholds or stringent limits were set at portfolio level.



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:  
31/08/2024 - 31/08/2024

Largest Investments	Sector	% Assets	Country
BYD CO LTD-H	MANUFACTURING	8.83%	China
CONTEMPORARY AMPEREX TECHN-A	MANUFACTURING	7.04%	China
LINDE PLC	MANUFACTURING	5.03%	Ireland
SCHNEIDER ELECTRIC SE	MANUFACTURING	4.97%	France
PACCAR INC	MANUFACTURING	4.48%	United States of America
AIR PRODUCTS & CHEMICALS INC	MANUFACTURING	4.19%	United States of America
VESTAS WIND SYSTEMS A/S	MANUFACTURING	3.63%	Denmark
IBERDROLA SA	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	3.39%	Spain
SUNRUN INC	MANUFACTURING	2.87%	United States of America
ENPHASE ENERGY INC	MANUFACTURING	2.73%	United States of America
FIRST SOLAR INC	MANUFACTURING	2.70%	United States of America
AIR LIQUIDE SA	MANUFACTURING	2.25%	France
CUMMINS INC	MANUFACTURING	2.12%	United States of America
GE VERNOVA INC	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1.96%	United States of America
BLOOM ENERGY CORP- A	MANUFACTURING	1.61%	United States of America



## What was the proportion of sustainability-related investments?

### Asset allocation

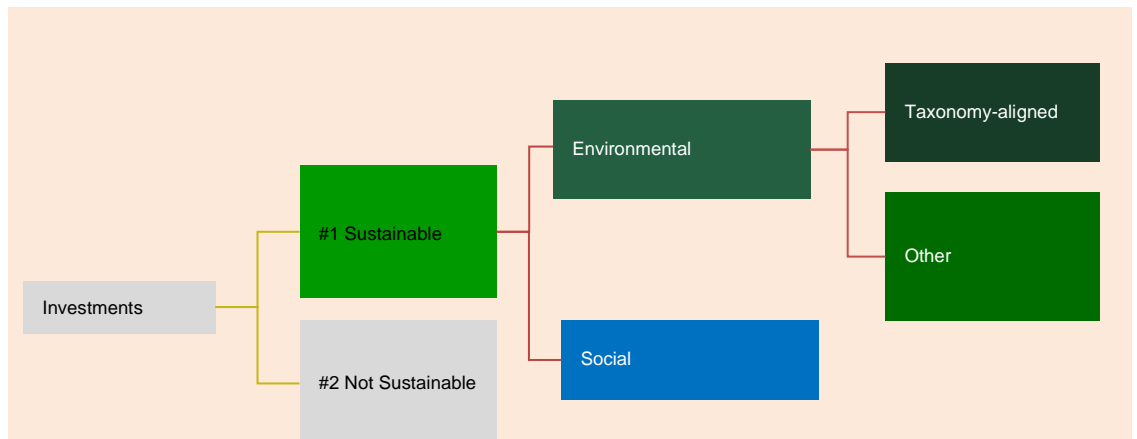
describes the share of investments in specific assets.

### ● What was the asset allocation?

The Sub-fund was fully invested in sustainable investments by its own mandate of Art. 9 fund. The Investment Manager set a minimum target at 80% (box #1 Sustainable) only to allow some degree of flexibility related to financial market conditions that would at certain times encourage a prudent approach with some build up of cash or money market instruments. In accordance with the binding elements of the investment strategy adopted for pursuing a sustainable investment objective, the proportion of the sustainable investments as of 31/08/2024 was 97.46%.

Some investments contributed to both the social and the environmental objective given their alignment to both social and environmental Sustainable Development Goals (SDGs).

Assets which are not sustainable only included cash and money market instruments (2.54% of total investments).



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments

● **In which economic sectors were the investments made?**

Sector	Sub-sector	% Assets
MANUFACTURING	C	71.82%
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	D	18.27%
Transporting and storage	H	3.69%
CONSTRUCTION	F	2.20%
FINANCIAL AND INSURANCE ACTIVITIES	K	0.95%
INFORMATION AND COMMUNICATION	J	0.47%
WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	E	0.45%

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Based on the current available data the Investment Manager set a minimum target of 5% classified as aligned to the EU taxonomy.

The proportion of the investments classified as aligned to the EU taxonomy as of 31/08/2024 was 9.22%.

While the Investment Manager did not provide compliance assured by auditors or third parties, the only EU taxonomy alignment data utilized and reported is based on companies provided data and not on third party estimates which are still subjected to different methodologies and are based on a general assessment of the business.

The Sub-fund could invest in sovereign bonds. The Investment Manager believes that green bonds issued by OECD countries may be compliant to taxonomy rules but it seemed prudent for now not to include them in the taxonomy aligned investment portion in the absence of a clear rule.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>**

Yes

In fossil gas

In nuclear energy

No

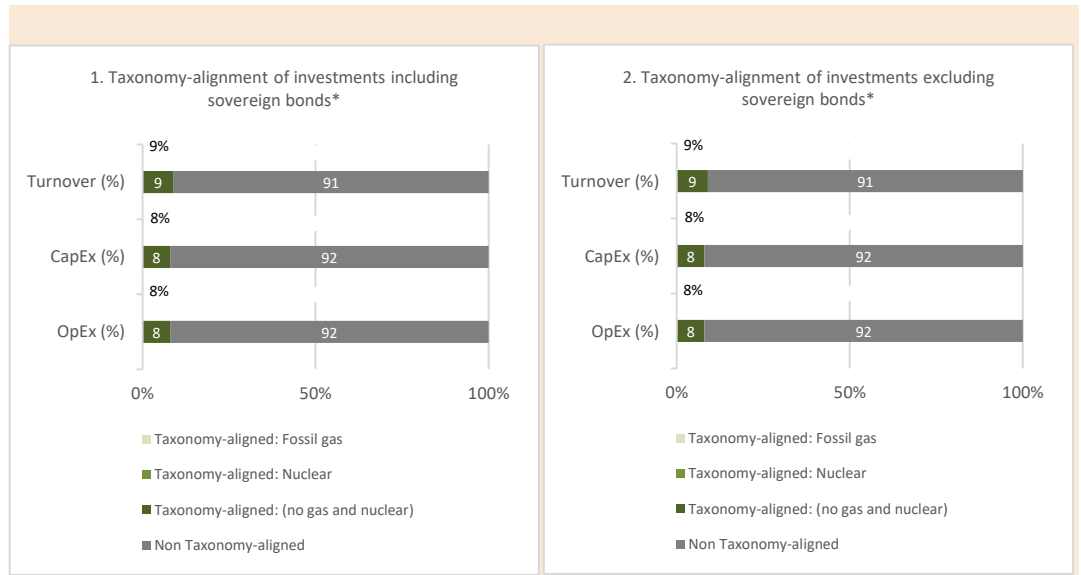
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

transition to a green economy.  
**- operational expenditure (OpEx)** reflecting green operational activities of investee companies.



This graph represents 100.00 % of the total investment.

*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

● **What was the share of investments made in transitional and enabling activities?**

The share of investments in transitional activities was 0%. The share of investments in enabling activities was 0%.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable, given that no prior periodic disclosure, as mandated by Regulation 2022/1288, has been presented.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Sub-fund, as of 31/08/24, invested 78.36% of its investments in sustainable investments with environmental objectives that are not aligned with the EU Taxonomy, compared to the minimum threshold of 70%.



**What was the share of socially sustainable investments?**

At least 1% of net assets were dedicated to socially sustainable investments. The proportion of socially sustainable investments as of 31/08/2024 was 86.36%. Even if the product does not have an explicit social sustainable objective, according to our methodology, the proportion of social sustainable investment was higher than the minimum requirement according to the methodology used.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



## What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Only cash, money market instruments and financial derivative instruments used for hedging are included under not sustainable investments and a basic due diligence is conducted to ensure the respect of minimum environmental or social safeguards.



## What actions have been taken to attain the sustainable investment objective during the reference period?

1. The Sub-fund is an impact fund classified under SFDR Art. 9 therefore the first binding element is the mandatory requirement to invest only in sustainable investments, as defined by article 2(17) SFDR in accordance with the Investment Manager’s methodology for selecting sustainable investments, which is available in the Management Company’s website.
2. The Sub-fund must be compliant with FAMI’s Exclusion policy. Limitations are related to:
  - a. sector exclusions such production, sales, maintenance and storage of controversial weapons or extractive activities, production and distribution of electricity connected with thermal coal, companies exposed to production and distribution of conventional weapons, alcohol, tobacco, gambling and adult entertainment;
  - b. “critical” issuers are restricted or excluded from the entirety of assets under management (so called “ESG binding screening”). Those issuers are the ones highly exposed to ESG risks or involved in particularly serious business controversies like violations of international treaties or principles such as the UN Global Compact and ILO Core Conventions.
3. The following Sub-fund indicators must be lower than the ones of the designated Benchmark:
  - a. Weighted carbon footprint (scope 1+2) on the last available year based on EVIC- Enterprise Value Including Cash;
  - b. Weighted carbon GHG intensity (scope 1+2) on the last available year. The binding elements are monitored on ongoing basis by the Investment Manager’s risk manager and by the portfolio manager.



## How did this financial product perform compared to the reference sustainable benchmark?

The following Sub-fund indicators were lower than the ones of the designated Benchmark:

- a. Weighted carbon footprint (scope 1+2) on the last available year based on EVIC- Enterprise Value Including Cash;
- b. Weighted carbon GHG intensity (scope 1+2) on the last available year.

### ● **How did the reference benchmark differ from a broad market index?**

The Benchmark differs completely from a relevant broad market index.

First and foremost the index is built only on clearly defined environmentally sustainable themes, secondly several business and norm based exclusions are applied.

As a result several sectors or companies even with relevant market cap are not present in the reference Benchmark.

### ● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**

The Benchmark indicators used to pursue the sustainable investment objective were:

- a. Weighted carbon footprint (scope 1+2) on the last available year based on EVIC- Enterprise Value Including Cash: (t CO<sub>2</sub>e/\$M INVESTED) is 4% lower than benchmark;
- b. Weighted carbon GHG intensity (scope 1+2) on the last available year: (t CO<sub>2</sub>e/\$M SALES) is 7% lower than benchmark.

### ● **How did this financial product perform compared with the reference benchmark?**

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

The following Sub-fund indicators were lower than the ones of the designated Benchmark:

- a. Weighted carbon footprint (scope 1+2) on the last available year based on EVIC- Enterprise Value Including Cash;
- b. Weighted carbon GHG intensity (scope 1+2) on the last available year.

● ***How did this financial product perform compared with the broad market index?***

The Benchmark performed differently from a broad market index since it was built only on environmental and social sustainable themes, secondly several business and norm based exclusions are applied. As a result several sectors or companies even with relevant market cap are not present in the reference Benchmark.