

Sustainability-related disclosures for Fonditalia Clean Energy Solutions

This document provides you with a summary of sustainability-related information available on our website about this financial product. It is prepared in relation to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088. The information disclosed is required by law to help you understand the sustainability characteristics and/or objectives and risks of this financial product.

Date of Publication: 13 December 2023

Legal entity identifier 5493000H1FYALUC0M953

<p>Summary</p>	<p>This Sub-fund has a sustainable investment objective. The Investment Manager identifies the sustainable investments according to SFDR on the basis of UN SDGs as described in more detail below in the section "Methodologies". The Investment Manager identifies the sustainable investments according to SFDR on the basis of UN SDGs as described in more detail below in the section "Methodologies". 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 Sub-fund has the following sustainability indicators:</p> <ol style="list-style-type: none"> 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); 2. The Sub-fund's weighted carbon GHG intensity (scope 1+2) on the last available year compared to the designated Benchmark; 3. The application of FAMI's Exclusion policy for sectors and critical issuers; 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": <ul style="list-style-type: none"> • "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; • "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. The assessment of the good governance practices is a central pillar of the investment process adopted by the Investment Manager and it consists of the assurance that the governance of the issuers (or investee companies) is based on rules of conduct aligned to international best practices and inspired by the consideration of all stakeholders' interests also by means of a remuneration policy. <p>Compliance with issuers' good governance practices is ensured through the application of ESG and SRI exclusions criteria and through extensive screening based on third party data provider based on specific relevant factors, among them employee practices, ownership and management structures, tax and accounting compliance and open or past controversies.</p> <p>Good governance practices involves an engagement process with the investee companies in particular on themes related to decarbonization. The Investment Manager's approach includes the adoption of sustainable strategies in line with the Principles for Responsible Investments (the "PRI principles"). These strategies can be integrated into different steps of the investment process and they are based on exclusion criteria (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and an investment approach that enables to pursue specific sustainability objectives which can generate a positive and measurable social or environmental impact for each investment objective (so called "Impact investing"). 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".</p> <p>The investment objective of the Sub-fund is to generate positive returns, measured in Euro, with the potential for capital growth by investing in a balanced diversified portfolio which may include: equities, fixed-interest and floating rate securities, cash and derivatives.</p> <p>For the construction of the portfolio, the Investment Manager aims to select securities of companies promoting and developing clean energy solutions or any technology or process promoting decarbonisation as a pillar of the issuer's business activity such as, but not exclusively: 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 contribution of each investment to the investment objectives is monitored by the Investment Manager on a continuous basis. Investments which do not contribute to the investment objective are subject to potential exclusion. The Sub-fund is 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 buildup of cash or money market instruments.</p> <p>Assets which are not sustainable will only include cash, money market instruments and financial derivative instruments for hedging purposes. With the aim of preventing, containing and managing the main adverse impacts of investment decisions on sustainability factors, the Management Company conducts engagement actions - both individual and collective with other investors - and exercises its voting rights on the issuers in its portfolio, in order to create awareness and orient the issuers' behaviors towards specific sustainability issues, according to the times and methods formalized in its "Engagement Policy" and in the "Strategy for the exercise of the attendance and voting rights attached to the financial instruments held by the UCITS under management".</p>
-----------------------	---

<p>No significant harm to the sustainable investment objective</p>	<p>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.</p> <p>The sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.</p> <p>FAMI adheres to the following standards and codes of conduct:</p> <ul style="list-style-type: none"> - the United Nations Principles for Responsible Investment; - the United Nations Global Compact Principles (PAI 10-11); - the OECD Principles of Corporate Governance (PAI 10-11); - the OECD Guidelines for multinational enterprises (PAI 10-11); - the United Nations Guiding Principles on Business and Human Rights (UNGPs) (PAI 10-11); - the ILO fundamental conventions and recommendations (PAI 10-11); - the United Nations Conventions against Corruption (UNCAC) (PAI 10-11); - the United Nations Sustainable Development Goals (UN SDGs) (across all PAIs); - the greenhouse gas emission reduction targets of the Paris Agreement on climate change (PAI 1-2-3-15)
<p>Sustainable investment objective of the financial product</p>	<p>This Sub-fund has a sustainable investment objective. The Sub-fund is fully invested in sustainable investments by its own mandate of Art. 9 fund. The Investment Manager set a minimum target at 80% only to allow some degree of flexibility related to financial market conditions that would at certain times encourage a prudent approach with some buildup of cash or money market instruments. The minimum share of sustainable investments with social objective is 1%.</p> <p>Assets which are not sustainable will only include cash, money market instruments and financial derivative instruments for hedging purposes.</p> <p>The Investment Manager commits to investing a minimum of 5% of the Sub-fund's NAV in sustainable investments with environmental objective Taxonomy-aligned investments.</p> <p>The Sub-fund aims 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 decarbonisation 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.</p> <p>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 are defined in order to measure the portfolio environmental contribution overtime.</p> <p>In order to reach its sustainable objective the Investment Manager (hereafter also "FAMI") adopts the firmwide sustainable investment framework built around the United Nations Social Development Goals (UN SDGs). This framework helps 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.</p> <p>The Sub-fund aims to contribute towards the following sub-set of environmental and social SDGs:</p> <ul style="list-style-type: none"> - Goal 7: Affordable and Clean Energy - Goal 8: Industry, Innovation and Infrastructure - Goal 11: Sustainable Cities and Communities - Goal 12: Responsible Production and Consumption - Goal 13: Climate Action <p>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.</p>
<p>Investment strategy</p>	<p>The Investment Manager's approach includes the adoption of sustainable strategies in line with the Principles for Responsible Investments (the "PRI principles"). These strategies can be integrated into different steps of the investment process and they are based on exclusion criteria (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and an investment approach that enables to pursue specific sustainability objectives which can generate a positive and measurable social or environmental impact for each investment objective (so called "Impact investing"). 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".</p> <p>The investment objective of the Sub-fund is to generate positive returns, measured in Euro, with the potential for capital growth by investing in a balanced diversified portfolio which may include: equities, fixed-interest and floating rate securities, cash and derivatives.</p> <p>For the construction of the portfolio, the Investment Manager aims to select securities of companies promoting and developing clean energy solutions or any technology or process promoting decarbonisation as a pillar of the issuer's business activity such as, but not exclusively: 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 contribution of each investment to the investment objectives is monitored by the Investment Manager on a continuous basis. Investments which do not contribute to the investment objective are subject to potential exclusion.</p>

	<p>The assessment of the good governance practices is a central pillar of the investment process adopted by the Investment Manager and it consists on the assurance that the governance of each investee company is based on rules of conduct aligned to international best practices and inspired by the consideration of all stakeholder's interests also by means of a remuneration policy. The good governance assessment takes into account sound management structures, employee relations, remuneration of staff and tax compliance.</p> <p>Compliance with issuers' good governance practices is ensured through the application of ESG and SRI exclusions criteria. The absence of criticality in these areas is considered as a minimum requirement that guarantees the good governance of an issuer for inclusion in the investible universe.</p>
Proportion of investments	<p>The Sub-fund is 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 buildup of cash or money market instruments.</p> <p>Assets which are not sustainable will only include cash, money market instruments and financial derivative instruments for hedging purposes.</p>
Monitoring of sustainable investment objective	<p>The Investment Manager measures the attainment of the sustainable investment objective of the Portfolio using the sustainability indicators specified below.</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 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. <p>The binding elements are monitored on ongoing basis by the Investment Manager's risk manager and by the portfolio manager.</p>
Methodologies	<p>The score of the issuers is attributed in relation to the score of the three pillars of sustainability: environmental, social and corporate governance.</p> <p>For each pillar the provider performs a granular breakdown taking into account the basic component and the potential and actual risks associated with sustainability factors and a weighting of the weights of each component on the basis of the statistical analysis of the historical and prospectus information for the issuers and for the related sectors included in the proprietary database.</p> <p>The calculation of the ESG Score at product level represents the weighted average of the scores of each investment in the portfolio, modified with regards to the level of cover of the information.</p> <p>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.</p> <p>The Sub-fund must be compliant with FAMI's Exclusion policy. Limitations are related to:</p> <ol style="list-style-type: none"> 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. <p>The following Sub-fund indicators must be lower than the ones of the designated Benchmark:</p> <ol style="list-style-type: none"> 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. <p>SUSTAINABLE INVESTMENTS</p> <p>Sustainable investments are required to comply with all of the requirements of article 2(17) SFDR. The Management Company applies the following assessment in order to determine whether an investment can be determined as being sustainable:</p> <p>Issuers of financial instruments in the equity and bond category The model defined by FAMI provides for the evaluation of issuers on the basis of an internal methodology that uses the data made available by the specialized info-provider "MSCI ESG Research" and which aim to analyze and measure the degree of alignment of an issuer with the n. 17 SDGs promoted by the United Nations.</p>

The methodology involves the assessment of the degree of alignment with each of the SDGs with respect to the following components defined by "MSCI ESG Research" within its methodological framework "SDG Alignment Methodology":

1. "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;
2. "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;

Each component is assigned a synthetic score that can vary from +10 ("Strongly Aligned") to -10 ("Strongly Misaligned"), depending on the following n. 5 categories:

- Strongly Aligned > 5
- Aligned $\geq 2 \leq 5$
- Neutral $> -2 \leq 2$
- Misaligned $\leq -2 \leq -10$
- Strongly Misaligned = -10

The summary score of each SDG is determined by analysis (cd. "assessment") of the scores assigned to the two components, through the following matrix:

		PRODUCT ALIGNMENT											SM*										
		Strongly Aligned			Aligned			Neutral		Misaligned													
		10	9	8	7	6	5	4	3	2	1	0	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	
OPERATIONAL ALIGNMENT	Strongly Aligned	10	10	9.5	9.0	8.5	8.0	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	-10
		9	9.5	9.0	8.5	8.0	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-10
		8	9.0	8.5	8.0	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-10
		7	8.5	8.0	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-10
		6	8.0	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-10
	Aligned	5	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-10
		4	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-10
		3	6.5	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-10
		2	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-10
		1	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-10
Neutral	0	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-10	
	-1	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-10	
	-2	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-5.5	-10	
	-3	3.5	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-5.5	-6.0	-10	
	-4	3.0	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-5.5	-6.0	-6.5	-10	
Misaligned	-5	2.5	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-5.5	-6.0	-6.5	-7.0	-10	
	-6	2.0	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-5.5	-6.0	-6.5	-7.0	-7.5	-10	
	-7	1.5	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-5.5	-6.0	-6.5	-7.0	-7.5	-8.0	-10	
	-8	1.0	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-5.5	-6.0	-6.5	-7.0	-7.5	-8.0	-8.5	-10	
	-9	0.5	0.0	-0.5	-1.0	-1.5	-2.0	-2.5	-3.0	-3.5	-4.0	-4.5	-5.0	-5.5	-6.0	-6.5	-7.0	-7.5	-8.0	-8.5	-9.0	-10	
SM*	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	

SM* - Strongly Misaligned

In conclusion, FAMI believes that an investment can be considered "sustainable" if the issuer has at least 1 SDG with a score equal to "Aligned" or "Strongly Aligned", i.e. at least equal to 2 (≥ 2), and no SDGs with a score equal to "Misaligned" or "Strongly Misaligned", i.e. equal to or less than -2 (≤ -2). The financial instruments defined as "Green Bonds" or similar¹³, are considered "sustainable".

PRINCIPAL ADVERSE IMPACTS

The Sub-fund considers all the fourteen mandatory PAIs.

The PAIs are subject to data availability and may therefore over time change and evolve 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 are set at portfolio level.

Information on PAIs, will be available in Fonditalia's annual report in the specific section of the template "Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852".

The basic data related to such indicators are sourced by the specialised provider MSCI ESG Research and are aggregated internally at product level.

Data sources and processing

- The sources of data used to attain each of the environmental or social characteristics of the Sub-fund
- The process for the integration of ESG factors is based on products and services offered by MSCI ESG Research which provides for in depth researches, assessments and analysis on the approach and practices of

	<p>thousands of companies worldwide in relation to environmental, social and of governance matters. Additionally, data included in the EET is used as a source.</p> <ul style="list-style-type: none"> • measures adopted to guarantee the quality of the data The info-provider supported by artificial intelligence and by other technologies to increase the timeliness and precision of the collection and analysis of the data and to review and validate the quality of the data and the related sources. Moreover, the model for rating is often rebalanced to capture new and emerging risks more relevant for the core business's model of the company under assessment. • how is data processed The info-provider's data is used directly to apply the methodologies described in the section Methodologies according to the internal methodologies of the Management Company. • the proportion of non estimated data Where the data is not available, the value is prudentially set to 0, so that the investments with not available data are not considered as investments promoting environmental and/or social characteristics.
Limitations to methodologies and data	<p>The potential lack of data provided by companies in which an investment is made represents a limitation of sources of data with regards to the promotion of environmental and social characteristics. In order to avoid a misrepresentation of the percentage of investments that promote environmental and social characteristics, whereby for some investments data is not available, such investments are excluded from the quota proportion of investments promoting environmental and social characteristics.</p> <p>Also in relation to PAI, there are limitations to the methodology and the source of data. Due to the current limited availability of reliable data on a lot of PAI, the high variability of data on PAI at sectorial and geographical level as well as the their retrospective nature, no threshold or rigorous limit is set</p>
Due diligence	<p>The Investment Manager performs prior and ongoing Due Diligence on the underlying assets through data and methodologies provided by MSCI ESG Research, verifying that the investments promote environmental and social characteristics, according to the methodologies illustrated in the section Methodologies .</p>
Engagement policies	<p>With the aim of preventing, containing and managing the main adverse impacts of investment decisions on sustainability factors, the Management Company conducts engagement actions - both individual and collective with other investors - and exercises its voting rights on the issuers in its portfolio, in order to create awareness and orient the issuers' behaviors towards specific sustainability issues, according to the times and methods formalized in its "Engagement Policy" and in the "Strategy for the exercise of the attendance and voting rights attached to the financial instruments held by the UCITS under management".</p> <p>In this case, the Company informs the issuer about the identified criticalities, directing its decisions towards their immediate reduction. If these actions are not addressed in an effective and timely manner by the issuer, the Company evaluates to initiate specific reduction or disposal initiatives, even of a progressive nature, of the investment in these issuers.</p> <p>The initiatives carried out and the decisions taken regarding these activities are reported and formalized in order to guarantee a thorough traceability of the decision-making processes and outcomes</p>
Attainment of the sustainable investment objective	<p>The Sub-fund has 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);2. The Sub-fund's weighted carbon GHG intensity (scope 1+2) on the last available year compared to the designated Benchmark;3. The application of FAMI's Exclusion policy for sectors and critical issuers;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":</p> <ul style="list-style-type: none"> • "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; • "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.