21 Invest
Sustainability Policy
2025

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Sustainability Policy

Introduction and objectives of the document

21 Invest Group ("**21 Invest**" or "**Group**") is convinced of the need to embrace sustainability principles in its management criteria as a matter of priority, because such principles represent a key factor in pursuing sustainable value creation in social and environmental terms, as well as in financial terms.

This Group Sustainability Policy ("Policy") aims to define guidelines on sustainability matters, in order to ensure the integration of sustainability factors in business processes and to identify strategies for the pursuit of sustainable development objectives, by contextualizing and summarizing regulatory drivers and international standards of reference.
In particular, the Policy is intended to:

- present the Group's sustainability vision;
- promote knowledge and facilitate the application of responsible investment processes within the Group;
- ensure compliance with the Sustainable Finance Disclosure Regulation ("SFDR") – EU 2019/2088;
- prevent 21 Invest from being involved in activities that do not conform to the principles of ethics and integrity that constitute the foundation of its approach to business.

In detail, the Policy defines the principles and guidelines useful to ensure a sound, effective and comprehensive management of the Group's sustainability model.
It outlines the overall organizational architecture, value creation strategy, initiatives and processes, means and resources regarding sustainability within the Group and the portfolio companies.
The Policy reflects and promotes the United Nations Principles of Responsible Investment – the world's leading independent proponent of responsible investment – ("PRI"), to which 21 Invest has been a signatory since 2009.

Scope of application

This Policy applies to the Group, specifically to 21 Invest Italy and 21 Invest France.

Organizational Architecture

At Group level, 21 Invest's approach is modelled in a way that consents nimble and effective decision making, to influence the Group's trajectory towards sustainability. Nevertheless, each management company's organization also depends on various and specific local factors, that may not be relevant or applicable at Group level. In this regard, the specific application of these factors, which in turns influence each management company's local strategy, can be found in the annexed documents to the Policy, where deemed necessary.

Value creation strategy

21 Invest engages with portfolio companies to grow and generate value creation both for shareholders and stakeholders, including employees, clients and suppliers. 21 Invest's value creation approach is based on three drivers: **Institutionalization**, **Growth** and **Sustainability**.

Institutionalization consists in efficiently structuring companies' resources and organization to increase their resilience and enable them to reach their growth objectives.

Growth consists in supporting companies to increase their sales and margins in domestic and international markets, through organic growth and external expansion.

Sustainability consists in improving companies' business through consideration of ESG opportunities and risks, using the "triple bottom line approach", thus ensuring that business practices not only seek profit but also strive to protect the environment and foster social equity. Environmentally, it involves minimizing ecological footprints by reducing waste and conserving resources. Socially, it emphasizes fair labour practices, community engagement, and improving quality of life. Economically, it focuses on creating long-term economic value without compromising the other two dimensions.

In addition to that, 21 Invest considers the Sustainable Development Goals (SDGs) promoted by the United Nations as a framework to design, assess and monitor its sustainability strategy. In that regard, 21 Invest identified 3 strategic SDGs and their

associated targets and indicators:
- Goal 5 “Gender equity”;
- Goal 8 “Decent work and economic growth”;
- Goal 13 “Climate action”.

In line with Goal 13 “Climate action”, 21 Invest encourages portfolio companies to structure an advanced approach towards climate change through initiatives that focus on their most material climate-related sustainability factors. Such initiatives include, but are not limited to, climate-related risks and opportunities assessment, detailed carbon footprint, definition of Science-Based Targets (SBTs), integration of climate-related criteria in supplier selection and development of low-carbon products and services.

21 Invest also complies with the highest responsible investment standards, being a long-standing signatory of the PRI and participating annually in the PRI Reporting Framework to provide information on its responsible investment approach. The Board of Directors of at least one management company reviews and approves the PRI Reporting Framework before publishing it on the website.

As an example of 21 Invest approach, which goes beyond the aforementioned frameworks and initiatives, 21 Invest had partnered with the Shared Value Initiative since 2016. Launched by Michael Porter, an Emeritus Bishop William Lawrence University Professor of the Harvard Business School, this initiative supported a global community of organizations solving social and environmental issues as an essential direction for business development. When possible and relevant, 21 Invest develops a shared value approach with portfolio companies, which can be considered a form of impact investing, where financial returns and societal or environmental benefits are intrinsically linked.

Commitments and Objectives

21 Invest has been raising awareness about sustainability at the management company and portfolio level for more than 15 years and it maintains an active role in promoting sustainability best practices as value creation drivers.

Our commitment towards sustainability, both within the management company and across the portfolio companies, includes the following core elements:
- integration of ESG risks and opportunities up to the highest standards;
- fight climate change by promoting and embracing decarbonization;
- build a path towards long overdue gender equality.

21 Invest has defined a set of qualitative and quantitative objectives to monitor its advancement on each commitment.

COMMITMENTS	MANAGEMENT COMPANY'S OBJECTIVES	PORTFOLIO COMPANIES' OBJECTIVES
Integration of ESG risks and opportunities up to the highest standards	– 100% of employees trained each year on Sustainability – Sustainability included in the appraisal of all employees	– For each portfolio company demonstrate a tangible improvement regarding reporting on management of material sustainability factors over the holding period
Fight Climate change by promoting and embracing decarbonization	– Conduct an annual carbon footprint (scope 1, 2 and 3) – Define a GHG emissions reduction plan and submit the targets to the Science-Based Targets initiative (SBTi)	– Gradually improve coverage of GHG emissions measurement – By 2030, at least 30% of investments (in value) with approved SBTs
Build a path towards long overdue gender equality	– By 2030, 25% of women in the funds' investment committee – By 2030, 25% of women in the funds' investment team	– By 2030, 30% of women occupying c-level roles

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The aforementioned commitments will allow to align business, societal and environmental impact in a single value creation strategy, to assist 21 Invest's portfolio companies in their forward-looking perspective to build resilient and future-proof business models.

Initiatives & Processes

Sustainability management, aimed at the creation of value for stakeholders, involves a responsible and ongoing commitment to environmental, social and governance issues. 21 Invest applies these principles both at the management company and portfolio companies' level.

Management Company

Talent-driven company

As a management company, 21 Invest's employees are its most important asset. 21 Invest takes great care in providing a safe, dynamic and stimulating work environment and it is committed to make its people grow as they themselves support portfolio companies in their path towards sizeable growth.

21 Invest conduces performance interviews with all its employees, at least on an annual basis, to review objectives, understand their expectations and to provide and receive feedback from them. As such, sustainability is included in the formal appraisal process for all 21 Invest employees, providing every one of them with the opportunity to receive specific training and support their career development over the long term.

21 Invest strives to provide equal working conditions and access to career development opportunities, with no difference made in the treatment given, based on the employees' gender or ethnicity.

High standards on Governance and Ethics

21 Invest has always considered Responsibility as a core value of the management company. Operational excellence is driven by a singular approach to managing risks and ensure compliance at all levels.

Climate Change

21 Invest sees climate change as a systemic risk that, if left unchecked, will have dire consequences for the biosphere and human societies throughout the world, in the near future.

21 Invest is committed in fighting climate change and intends to lead by example on this matter. Periodic carbon footprint measurements are conducted on the management company's direct operations and a decarbonization path will be implemented. 21 Invest is committed to lower its GHG emissions in relative and absolute terms to be in line with the Paris Agreement. Moreover, in the near future, 21 Invest intends to better assess and disclose climate-related risks and opportunities in line with the most updated standards and recommendations.

Portfolio companies

21 Invest has developed an integrated approach which sees sustainability as its anchor, throughout the whole investment cycle. In addition to the integration of ESG analyses into the investment process described below, more detailed information on the investment process of individual funds under management may be provided in the annexed documents.

Prior to investment

In the initial screening process of a potential investment, 21 Invest ensures that the target company's core business is not related to certain sectors, as specifically detailed in the rules of each fund.
21 Invest excludes all investments based on the organization's values, inter alia excluding those whose main business is related to the following sectors:
→ human cloning in the strict sense, including human cloning for reproductive purposes and excluding technologies using stem cells or similar technologies for the treatment of medical diseases;
→ tobacco;
→ distilled alcoholic beverages and related products;
→ narcotics production and commercialization;
→ weapons and ammunition of any kind;
→ casinos and equivalent enterprises;
→ internet gambling and online casinos;
→ pornography and child pornography;
→ provision of services of sexual nature;

- electronic data programs or solutions, which are intended to enable to illegally enter into electronic data networks or download electronic data;
- any kind of fossil fuels or any kind of activities directly related to fossil fuels (extraction, production, transportation, etc.);
- research and exploitation of mineral resources;
- fur production;

For each potential investment, several analyses are conducted, in order to account for ESG risks, opportunities and, if relevant, adverse impacts on sustainability factors. Should any of these be material , additional and more in-depth analysis are conducted.

Based on the outcome of these analysis, 21 Invest may mandate a primary-standing third-party consultant, to conduct an ESG Due Diligence whilst the investment team, with the support of the sustainability team, conducts an ESG risks assessment. This Due Diligence has two main objectives: review and update the preliminary analysis conducted and work with the company management and 21 Invest to define a Sustainability Roadmap, where feasible. All relevant analysis are systematically included in the investment memo and discussed during the Investment Committee. If no ESG Due Diligence has been conducted prior to investment, 21 Invest undertakes to carry one out within 6 months after the acquisition.

Holding period

Throughout the entire holding period, the investment team works alongside portfolio companies management to improve the company's structure and approach to sustainability.
During the holding period, an annual sustainability monitoring is conducted based on information provided directly by the portfolio companies and specific sustainability KPIs are examined, including ESG risks. Results are submitted for discussion to the Board of Directors or the Executive Committee. The outcome of the analysis is then reviewed by portfolio companies and discussed with the investment team.

Detailed quantitative and qualitative information about the sustainability performance of each portfolio company is included in a report which is made available to all investors, while consolidated indicators at Group level are presented in a publicly available Sustainability Report. The Board of Directors of at least one management company reviews and approves the Sustainability Report before uploading it on the website.

Exit

When divesting the investment, the team makes an overall assessment of the portfolio company, to evaluate the degree of value creation completion considered at the time of the investment decision (as possibly updated at a later stage). While there are no specific constraints, the sustainability profiles of the investment may be relevant in this regard, in addition to economic and financial considerations. If deemed appropriate, during the exit phase the ESG performances of the investee companies are highlighted to bring out the ESG value creation generated by the investment.

Means and resources

External providers

21 Invest regularly uses services from sustainability experts, consulting or legal firms, to assist the Sustainability team and the Investment team in the definition and implementation of the Group's sustainability strategy and processes.

Proprietary Tools

To support portfolio companies in achieving their objectives, and comply with SFDR disclosure obligations, 21 Invest developed a set of proprietary tools based on existing ESG frameworks such as the UN SDGs or the SASB. These tools are detailed in the annexed documents related to each fund under management.

Annex III

21 Invest SGR S.p.A. – ESG Bodies and Officers

The present document (hereinafter "**ESG Bodies and Officers**") formalizes the integration of ESG issues into the corporate governance of 21 Invest SGR S.p.A. (hereinafter the "**SGR**") by defining specific bodies, roles, functions and responsibilities. It also defines the methods of coordination among the corporate functions involved in the implementation of sustainability policies, with particular regard to the investment team and the heads of control functions.

The ESG Bodies and Officers therefore aims to define tools and measures to empower the governing body to perform an active steering and governance role with respect to ESG issues, both with respect to the SGR and its related investment activities.

The Sustainability Officer

The increasing focus on sustainable practices as a strategic aspect in both corporate and financial matters has led the SGR to formalize the role of internal sustainability policy officer (hereinafter the "**Sustainability Officer**"), defining his or her functions and duties.

The appointment of the Sustainability Officer also responds to the need to equip the SGR with the necessary resources and expertise to enable the effective integration of sustainability risks into its investment activities, as required by Delegated Regulation 2021/1255.

The duties of the Sustainability Officer are listed below:

- → monitoring of regulatory and interpretative developments - and related compliance - in particular with reference to Regulation 2019/2088 (hereinafter "**SFDR Regulation**") on sustainability-related disclosures in the financial services sector;
- → coordinating activities related to the PRI, to the Shared Value Initiative, the annual sustainability reporting to investors, and the preparation of the annex to the periodic disclosure addressed to investors as required by Article 11 of the SFDR Regulation, where applicable;
- → ensuring that the investment and monitoring processes of portfolio companies carried out by the investment team include consideration of sustainability factors;
- → verifying that the investment team has assessed whether - and how - sustainability risks have been taken into account by portfolio companies;
- → ensuring internal coordination with the investment team and the Risk Management, Compliance and Internal Audit functions in all matters under their responsibility, providing and receiving any appropriate information;
- → promoting the development of further initiatives and dialogue on sustainability-related issues with the relevant industry, investors, stakeholders and regulators;
- → requesting the Managing Director to convene the Sustainability Policy Coordination Committee, when necessary, for the consideration of issues that fall within its duties;
- → making proposals for the preparation and revision of the Sustainability Policy, when necessary;
- → monitoring sustainability standards and frameworks and coordinating any ESG performance measurement, evaluation and reporting activities related to the company's business, when required by industry regulations.

The Sustainability Officer reports to the Managing Director an annual report on activities carried out and issues addressed with regard to ESG topics.

The Sustainability Policy Coordination Committee

The Sustainability Policy Coordination Committee (hereafter the "**Committee**") is the intermediate body between the Sustainability Officer and the Board of Directors, with a role of verification, evaluation and stimulus, as well as coordination between the Sustainability Officer and other functions concerned with ESG issues.

The Committee consists of the

Sustainability Officer, the Risk Management Officer, the Compliance Officer, the Internal Audit Officer and the Managing Director, in his dual capacity as a member of the Board of Directors and the investment team, the latter serving as chairman.

The tasks of the Committee are listed below:

- reviewing the Sustainability Officer's annual reports, proposed revisions to the Sustainability Policy submitted by the Sustainability Officer, other changes and updates to the sustainability strategy as deemed appropriate, taking into account regulatory and industry developments, as well as indications and requests from supervisory authorities, submitting a note for the Board of Directors in relation to any resolutions to be adopted;

- examining issues that may arise in the application of the SGR's sustainability policies and in the coordination of the Sustainability Officer with the investment team and the Risk Management, Compliance and Internal Audit functions, providing guidance and promoting appropriate solutions;

- defining and promoting initiatives to raise awareness about sustainability issues in the business context (e.g., from staff, towards suppliers and/or business partners etc.);

- identifying, also upon stimulus from the Sustainability Officer, the areas in which the SGR may need to receive support, either recurrently or on specific matters, from consultants specialized in sustainability issues, reporting to the Board of Directors for any resolutions to be adopted;

- dealing with other sustainability issues entrusted by the Board of Directors.

The Committee meets whenever requested by the Sustainability Officer or the Board of Directors, when convened by the Managing Director. In any case, the Committee meets at least once a year.