IMPACT REPORT 2022

FIEE SGR S.p.A.

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Registered in the Register of art. 35 of the Consolidated Act on Finance – Section Managers of AIF with no. 140
Share capital EUR 1,100,000 f.p.
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Table of contents

Letter to the Stakeholders

“The EU can and must perform a guiding role in achieving the objectives set by the Paris agreements, implementing a profound transformation of the economy and society to reach climatic neutrality.”

- A new strategic agenda for 2019-2024, drawn up in June 2019

With these words, the European Council urged for greater efforts towards fighting climate change and asked the European Commission to commit to a climate-neutral EU. Precisely to achieve these goals, the European Commission presented the European Green Deal at the end of 2019: a new growth strategy aimed at turning the EU into a modern economy, efficient under the profile of resources as well as competitive.

To achieve the objectives of climate neutrality by 2050, it will be necessary to transform European society and economy, which must be efficient in terms of costs, fair and socially balanced.

In this European panorama, the role of FIEE SGR S.p.A. (hereinafter “SGR” or “Company”) and its managed Funds, the Fondo Italiano per l’Efficienza Energetica (hereinafter “FIEE I”) and Italian Energy Efficiency Fund II (hereinafter “IEEF II”, jointly the “Funds”), becomes crucial.

Since their foundation, both Funds have had their own management regulation, in order to guarantee the maximum transparency of investments. These regulations implement the correct management of the portfolios: from the traditional exclusion of controversial sectors to the more recent and innovative sustainable finance.

This approach is the result of a choice that SGR has adopted, by completing the adhesion process to the UN PRI (United Nations Principles for Responsible Investment) in 2019 and by integrating the sustainability risk assessment, as defined by regulation (EU) 2019/2088, within the framework of their investment process, in order to identify and manage sustainability risks that are susceptible to creating potential impact for the Company and the Funds.

In line with its mission, the Company has started a journey centred on transparency and responsibility, embracing social and environmental management and aiming to draw up certified Funds' Sustainability Reports on sustainable and responsible investment policies for the capital raised by signatories. The Company also intends to pursue its commitment to achieving the *Sustainable Development Goals* (hereinafter "SDGs"), promoted under the framework of Agenda 2030, especially through SDGs 7, 9, 11, and 13 which directly involve the core business of the Funds.

Furthermore, in view of global cooperation towards achieving sustainable development goals and choosing to begin a virtuous and shared journey, in 2021 the Company decided to publish the first edition of this Impact Report. The report is intended to show the environmental and social results achieved through the investments made by the Funds over 2020, providing an overview of the Company's activities and highlighting that these activities comply with the pursued principles and policies as well as some of the SDGs.

Lastly, by means of the "Climate and Environmental Risks" Action Plan sent to the Bank of Italy, the SGR has committed to systematically and continuously adapting its strategy, business model, governance system and risk management system, providing adequate disclosure to the market on the investment process in accordance with the SFDR Regulation. With the Action Plan, the SGR also confirms and strengthens its strategic positioning in the area of sustainability.

Thanks to its investments, the skills of its people and confident in the mission that has guided it since its inception, the SGR is therefore ready to seize all opportunities to consolidate and develop its leadership in the sustainable energy transition process.

Andrea Marano	**Raffaele Maria Mellone**
Managing Director	Managing Director

Sustainability Model

PARTNERSHIP

REGULATION

- IEEF II ex. Art. 8

ESG Policy

- Sustainability Report

Environmental KPI

INVESTEE COMPANIES

469.875 tCO2
Emissions avoided

333.712 MWh
Energy Saved

490.372 MWh
Generation of electricity by renewable sources

Social KPI

INVESTEE COMPANIES

100%
of employees have permanent contracts

0
corruption cases

100
training hours provided

0
work accidents

Governance KPI

INVESTEE COMPANIES

Code of Ethics

Anticorruption/AML Code (Modello 231)

Eligible investements by Fund's Rules

The evolution of sustainable finance

When it comes to sustainable finance, we refer to the union between sustainable development and financial activity aimed at creating long-term value, through investment decisions capable of generating positive impacts. In 2019, the European Union presented **Green Deal**, i.e. a “strategy“ including a series of measures - as well as new regulations and investments - to make energy production and European citizens’ lifestyles more sustainable and environment-friendlier. Along with the Green Deal, the European Union has also taken a series of measures intended for companies and participants in financial markets, for the purpose of raising themes of disclosure and reporting and, therefore, improving transparency in relation to ESG themes. These Regulations and Directives, such as the **EU Sustainable Finance Disclosure Regulation (2019), Non-financial Reporting Directive (2021), EU Taxonomy Regulation (2020),** represent the European Union’s Plan of Action to fight climate change through the use of sustainable finance and financial tools.

GREEN DEAL

EU Sustainable Finance Disclosure Regulation (SFDR)

- **It regulates how participants in the financial market should disseminate sustainability information** to final investors and property owners;
- **Participants in the financial market require suitable information from associated companies** to fulfil the SFDR requirements.

Non-financial Reporting Directive (→NFRDCSRD)

- **Set the requirements based on what the companies need to report on and how;**
- **Asks the companies to report** on how **sustainability issues** affect their performance, position and development, as well as their impact on people and the environment.

EU Taxonomy Regulation

- **It classifies sustainability activities in environmental terms;**
- **It requires that NFRD/CSRD companies measure some** environmental sustainability and business **indicators** according to taxonomy

The European Green Deal and Fit For “55”

The **European Green Deal** is a package of strategic initiatives, launched by the Commission in December 2019, which aims to set the European Union on the path to a green transition, and includes initiatives on climate, the environment, energy, transport, industry, agriculture and sustainable finance. The Green Deal was born out of the need to **transform the EU into a fair and prosperous society** with **a modern, competitive economy**.

The set of measures included in the Green Deal also underlines the need for a **holistic, cross-sectoral approach in which all strategic sectors contribute to the ultimate climate goal: to achieve climate neutrality by 2050 by keeping the temperature increase below 1.5°.** An intermediate target of 2030 has been set before the final target; by that time the EU wants to **reduce emissions by 55%** compared to 1990 levels. The **Fit for 55** legislative package defines precisely the actions needed to reach the 2030 target. The “**Fit for 55**” package is a **set of proposals to review and update EU regulations** and implement new initiatives to ensure that EU policies are in line with the climate objectives agreed by the Council and the European Parliament. The proposals contained in the package aim to provide a coherent and balanced framework for achieving the EU’s climate objectives, capable of:

- ensuring a fair and socially just transition;
- maintaining and strengthening the innovation and competitiveness of EU industry while ensuring a level playing field with economic operators in third countries;
- supporting the EU’s leading position in the global fight against climate change.

EU means of reducing greenhouse gas emissions by 2030 by at least

55%

- Implement an EU Emissions Trading Scheme and a border carbon adjustment mechanism
- Create a Social Climate Fund
- Set emission reduction targets for Member States
- Control of emissions and removals resulting from land use activities
- Adopt CO_2 emission standards for cars and vans
- Reduce methane emissions in the energy sector
- Use sustainable fuels for aviation and maritime transport
- Improve infrastructure for alternative fuels
- Investments in renewable energy and energy efficiency
- Increase the energy performance of buildings
- Adopt a hydrogen and decarbonised gas market package
- Energy taxation

The *Action Plan on Sustainable Finance* and sustainable finance

Sustainable finance refers to finance that considers environmental, *social* and corporate governance factors in the investment decision-making process, directing capital towards long-term sustainable activities and projects. Sustainable finance is, therefore, the application of the concept of sustainable development within financial activity.

In March 2018, the European Commission published *the Action Plan on Sustainable Finance,* which set out a strategy to redirect capital flows towards sustainable investments in order to achieve sustainable growth and connect finance to sustainability. A prerequisite for this channelling is a standardised definition of what qualifies a sustainable economic activity. This plan is structured in ten main actions divided into three categories:

In May 2018, the Commission published a package of legislative proposals, the so-called *Sustainable Finance Package*, containing, among others, the proposal for what later became the *Sustainable Finance Disclosure Regulation* (SFDR), adopted in November 2019 by Regulation (EU) 2019/2088.

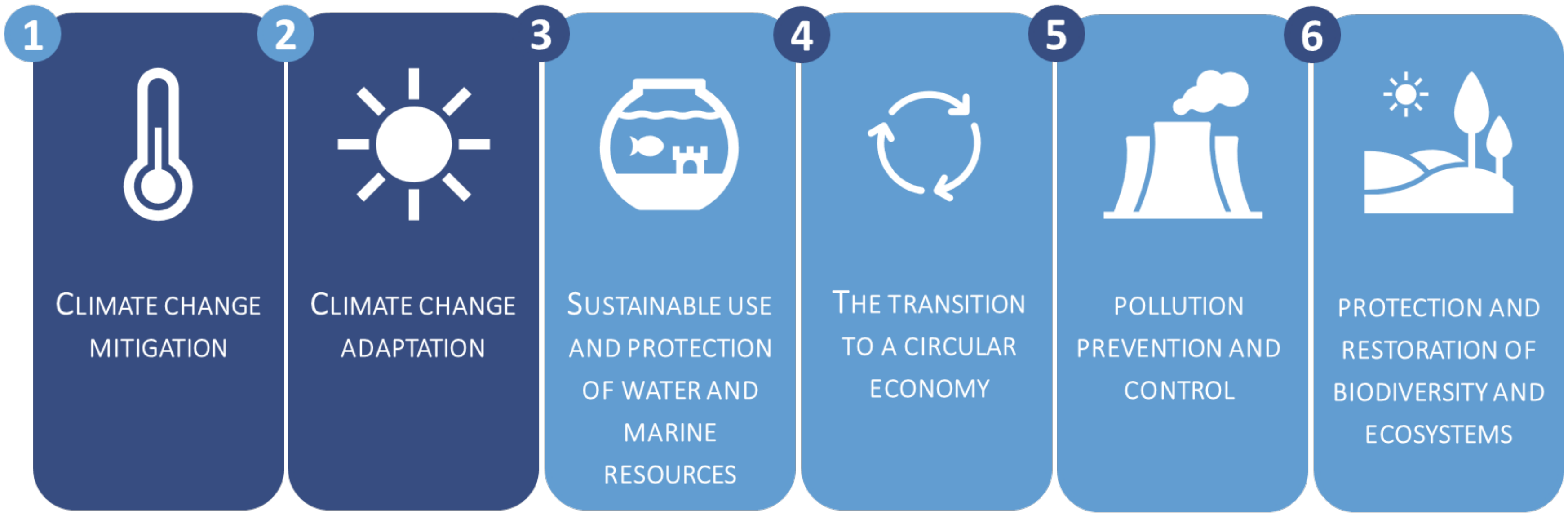
European Taxonomy

The Taxonomy represents the first action of the “Sustainable Finance Action Plan”.

As part of the policies to achieve Europe’s goal of carbon neutrality by 2050, the European Commission considered it of crucial importance to introduce a classification system for economic activities that considers their impact on climate change. These considerations led to the adoption of Regulation (EU) 2020/852 or Taxonomy.

The Taxonomy is conceived as a tool to guide the choices of investors and companies towards a transition to economic growth without negative impacts on the environment and, in particular, the climate. The ultimate aim of Regulation (EU) 2020/852 RE is the harmonisation of economic activities that can be defined as sustainable with respect to the strict environmental objectives of the Union.

The Taxonomy therefore defines the criteria for determining whether an economic activity can be considered environmentally sustainable if, among other things, it contributes substantially to at least one of the six European environmental objectives:



Furthermore, for an activity to be defined as sustainable, in addition to contributing substantially to at least one of the six environmental objectives, it must not produce negative impacts on any other environmental objective and must be carried out in full compliance with minimum social guarantees.

Regulation (EU) 2020/852 has three areas of application. It, in fact, concerns:

- the measures taken by Member States or the EU that establish obligations for financial market participants or issuers in relation to financial products or corporate bonds made available as environmentally friendly;
- the transparency rules of financial market participants who make financial products available;
- the disclosure requirements for companies subject to the obligation to publish an individual or consolidated Non-Financial Statement.

Sustainable Finance Disclosure Regulation (SFDR) and delegated acts

As part of the ninth action of the *Action Plan on Sustainable Finance*, "Strengthening sustainability disclosure and accounting rule-making", in May 2018 the European Commission published a proposal for a regulation on the disclosure of sustainable investments and sustainability risks. The proposal was adopted as part of the sustainable finance package. Regulation (EU) 2019/2088, on sustainability-related disclosures in the financial services sector, aims to standardise and expand the information that is provided to investors regarding ESG financial products, i.e. products that consider environmental, social and governance aspects.

The objective of the Regulation is to reduce information asymmetries in principal-agent relationships with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment, by requiring financial market participants and financial advisers to make pre-contractual and ongoing disclosures to end investors when they act as agents of those end investors (principals).

The Regulation introduces disclosure requirements both at the level of financial market participants and at the level of the financial product. In particular, with regard to this last point, it is stipulated that some information must always be provided; other types of information, on the other hand, are compulsorily required only in the event that the financial product promotes environmental or social characteristics, or aims at **sustainable investments**.

SUSTAINABLE INVESTMENT

Article 2.17 of Regulation 2019/2088 introduces, for the first time, a definition of sustainable investment:

"an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance."

Market participants are required to publish information on their websites about their policies on integrating sustainability risks into their investment decision-making processes or advice. In addition, if they consider the main adverse impacts of investment decisions on sustainability factors, they must publish a statement on their websites concerning their due diligence policies regarding these impacts. If they do not consider the adverse impacts of investment decisions on sustainability factors, they must instead publish the reasoning on their websites according to the principle of "comply or explain". Lastly, financial market participants shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites.

Delegated Regulation (EU) 2022/1288, containing the new Regulatory Technical Standards (RTS), supplementing the Financial Services Sector Disclosure Regulation (SFDR), comes into force on 1 January 2023. *The Regulatory Technical Standards* (RTS) specify:

- The details of the content and presentation of information relating to the "Do not significant harm" principle;
- The content, methodologies, and presentation of information on sustainability indicators and the adverse sustainability impacts;
- The content and presentation of information regarding the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

Compliance with disclosure on sustainability will help strengthen investor protection and reduce greenwashing. Ultimately, this will support the financial system's transition to a more sustainable economy.

How FIEE SGR has integrated the SFDR in its investments

In adherence with **Regulation (EU) 2019/2088** ("SFDR") of the European Parliament and Council of 27 November 2019, SGR published a disclosure on **Articles 3, 4, 5** of the EU **financial market sustainability information statement.**

Art. 3 - Transparency of policies concerning sustainability risk

The company is among the first Italian providers to deal specifically with energy efficiency and, in this context, it pays particular attention to the issue of sustainability and the impact of its investment activities. For this purpose, the Company agreed to the Principles for Responsible Investment set forth by the United Nations while integrating the sustainability risk assessment, as defined by Regulation (EU) 2019/2088, within the framework of its investment process, in order to identify and manage any sustainability risks which may create potential impact for the Company and the managed Funds.

In particular, the regulations of the Funds managed by the Company require it to exclude investments in sectors of activity characterised by greater exposure to sustainability risks because to their specific features.

In other respects, the identification, analysis and management of sustainability risks are also integrated into the Company's investment process through the adoption of specific procedures. Along these lines, the Company is required, while assessing and selecting investment opportunities, to identify any sustainability risks - especially those which may play a significant role with respect to the specific characteristics of a potential investment or target company, as well as economic sector or geographical areas that the Company is active in. For this purpose, in the pre-investment phase, these processes require that prior to pursuing an investment opportunity, a due diligence activity is carried out by external advisors with the aim of assessing the risks and opportunities, including with reference to sustainability risks. The results of this analysis are included in specific due diligence reports, which are examined by the Management Team, the risk management department and the Environmental & Social Officer appointed by the Company. These documents, together with the risk report prepared by the risk management department, which also highlights any sustainability risks associated with the potential transaction, represent, in addition to the other assessment elements, the set of documents that is used by the Board of Directors to make its decisions on the relative investment opportunity.

Lastly, during the holding period of a shareholding, the Company periodically monitors sustainability factors on the basis of information provided directly by the companies in their portfolio, in relation to specific sustainability KPIs.

Art. 4 – Transparency of negative effects for sustainability at the level of the individual

SGR does not currently take into consideration the negative effects of investment decisions, nor has it defined policies regarding the identification and prioritisation of the main negative effects for sustainability and the relative indicators, considering the difficulty of defining, at present, objective indicators and metrics with which to make a realistic assessment of the potential negative impacts of its investment activity on the environment, social issues or in relation to factors - not limited to - concerning personnel, respect for human rights and issues related to the fight against active or passive corruption.

The Company currently does not consider the Principal Adverse Impacts ("PAIs") of investment decisions concerning sustainability factors. However, following the entry into force and adoption of the regulatory technical standards - which will establish detailed requirements on the information contents, methods and presentation for the sustainability indicators identified by the SFDR - and after clarifying relevant, still open interpretation issues, the Company will reassess its position as to the publication of adverse impacts on sustainability factors. If the Company decides to provide such information, the website will be updated accordingly.

Art. 5 – Transparency of remuneration policies with regard to the integration of sustainability risks

The Company is required to devise sound and prudent remuneration and incentive policies reflecting and promoting effective risk management while discouraging risk-taking that is inconsistent with the risk profiles and regulations of the Funds it manages. In application of this principle, the Company's remuneration policies do not encourage taking sustainability risks.

In particular, the assessment of the results taken into account by the Company for the purposes of awarding variable remuneration is carried out net of any negative impacts arising - before or after - from the risks taken on by the Company, including any sustainability risks. Lastly, SGR obtained an opt-in from the Bank of Italy, upon completion of the application procedure for voluntary subjection to the regime of ordinary SGRs and the marketing procedure, carried out pursuant to Article 43 of the Consolidated Law on Financial Intermediation.

Articles 8 and 10 - Transparency of the promotion of environmental or social characteristics in pre-contractual disclosures and Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites

Italian Energy Efficiency Fund II (the "Fund") set up by FIEE SGR S.p.A. ("SGR"), classified pursuant to art. 8 of the SFDR, promotes environmental and/or social characteristics by investing in projects that contribute to the energy transition and decarbonisation process. The financial product promotes environmental or social characteristics, but does not have sustainable investment as the objective.

The investment strategy laid down in the Fund's management regulations (the "Regulation") pursues the promotion of environmental or social characteristics through:

- limitations to the investment in companies that are not in line with these characteristics;
- the integration of particular environmental, social and governance criteria in the choice of investments;
- the implementation in the associated companies of transparency principles and reporting practices that allow for constant monitoring.

Investments are solely allocated to companies complying with the limitations set by the fund's investment policy summarised above. Associated companies are monitored periodically on the basis of information provided by the companies in the portfolio and is reflected in the sustainability reports that SGR sends to its investors. Sustainability performance is measured through overall sustainability benchmarks and three specific energy streamlining and emission reduction indicators. Correspondence to the environmental and/or social characteristics identified in the Regulation is carried out at the pre-investment stage when, prior to pursuing an investment opportunity, due diligence is carried out by specialised advisors in relation to these aspects.

ESG – A new sustainability model

By managing Funds, the Company is committed to generating positive impacts on the environment and Society, with the aim of contributing to the sustainable development of its country, the EU and the planet. SGR's actions are inspired by four cornerstones, which have been progressively defined by the foundation and implemented over the years.

First pillar

Sustainable Development Goals

On 25 September 2015, more than 150 international leaders met at the United Nations to contribute to global development, promote human well-being and protect the environment.

The community within the United Nations has approved the Global Agenda for sustainable development and its 17 SDGs, including 169 targets. SDGs aim to end poverty, promote social and economic development, and fight inequality. Furthermore, SDGs pertain to aspects of fundamental importance for sustainable development such as combating climate change and building peaceful societies by the year 2030.

SDGs are universally valid and all countries are called upon to contribute, according to their capacities, to the effort to guide the world onto a sustainable path, no longer distinguishing between developed, emerging and developing countries.
The Company supports the sustainable development goals and aligns company objectives, policies and Fund regulations with them, with a view to incorporating ESG issues into its business and financial scope. Below are the pursued objectives:

*Through the IEEF II fund, the SGR helps achieve Sustainable Development objectives 7, 9 and 13 suggested by the UN through the activities of the investees **Comunità Energetiche, PLT energia** and **Corre Energy,** leaders in energy production from renewable sources and innovative energy storage systems.*

Through the FIEE I and IEEF II fund, the SGR helps achieve Sustainable Development objectives 9, 11 and 13 suggested by the UN through the activities of City Green Light, Comat, PlanGreen2e, and Selettra, Cold Chain Capital and Metrotermica, active in the public lighting, energy efficiency, HVACR (heating, ventilation and air conditioning) sectors, as well as heat management.

Principles of responsible investment

In 2005, the then UN Secretary Kofi Annan started the process that led to the establishment of the UN PRI (United Nations Principles for Responsible Investment), a voluntary initiative aimed at creating guidelines for investing in endowment capital sustainably and responsibly. Since 2006, the first year of PRI membership, the number of signatory companies has steadily increased year after year, reaching approximately 5.000 registrations.

The project, in partnership with Global Compact and the UN EPFI (United Nations Environment Programme Finance Initiative) and through the support of a group of 70 experts, set forth the following six principles:

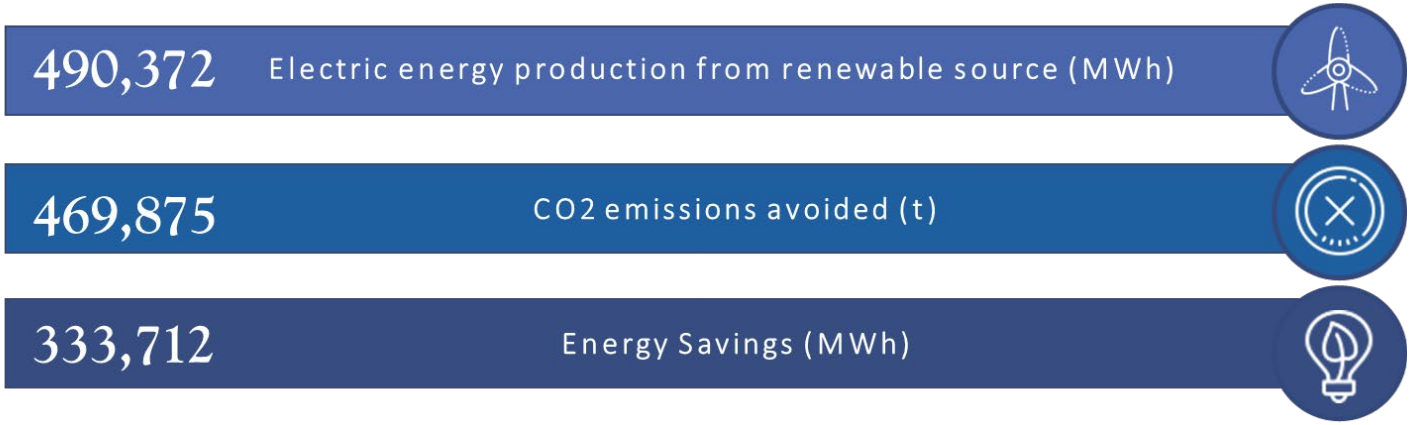
1. Integrating ESG themes into investment analysis and decision-making processes
2. Being active shareholders and incorporating ESG themes into our policies and active share ownership practices
3. Demanding adequate communication about ESG themes from the bodies we invest in
4. Promoting the acceptance and application of the Principles in the financial sector
5. Working together to improve our effectiveness in applying the principles
6. Communicating our activities and progress in applying the principles

In December 2019, the company formalised its adherence to the PRIs as part of the journey, initiated with the implementation of the environmental and social management system, of integrating ESG themes into investment choices. For SGR, observing the PRIs represents the natural evolution of its journey, which has always been distinguished by the ethical and responsible management of the capital raised and invested.

Second pillar

The Environmental and Social Management System

The environmental and social management system implemented by SGR allows the Company to communicate its values and decisions to its stakeholders in a concise and comprehensive manner. One of the objectives of this management system is to disseminate to the Funds' associated companies an approach of close analysis of ESG themes that may be relevant for improving their sustainability, financial and ESG risk management performance.



The data also include the performance of PLT energia, whose shareholding was sold by the FIEE I and IEEF II Funds on 29 December 2022

In this regard, the main risks identified by the Company from an ESG point of view are:

- **Reputational risk**, identified in the risk, for the Funds' associated companies, of negative reputation in the eyes of stakeholders, due to the failure to apply and comply with social and environmental regulations.

- **Legal risk**, identified in the risk of losing or reducing the value of the portfolio activities due to failure to comply with environmental and social regulations.

- **Environmental and social risk**, where environmental risk means the potential risk to the environment caused by negative consequences attributable, for example, to waste disposal and the decommissioning of plants; social risk means the potential risk to people attributable to the negative consequences of the incorrect management of health and safety in the workplace.

The SGR has appointed an *Environmental and Social Officer* ("ESO"), responsible for environmental and social management. With a view to monitoring the Funds' associated companies, these management criteria aim to establish a virtuous model for monitoring environmental, social and reputational issues within the Funds' shareholding structure and associated companies. The ESO starts by assessing the investment and then monitors the associated companies, in order to verify their environmental management system so that it is in line with the Funds' *mission*. In particular, the Company follows these steps to define its investment choices:

1. Identification and selection of investment opportunities
2. Preliminary analysis
3. Assessment of the Risk Management department

4 Pre-closing and closing activities

1	2		3		4
IDENTIFICATION AND SELECTION OF INVESTMENT OPPORTUNITIES	**PRELIMINARY ANALYSIS**	**INVESTIGATION STAGE**	**ASSESSMENT OF THE *RISK MANAGEMENT* DEPARTMENT**	**DECISION OF THE BOD**	**PRE-CLOSING AND CLOSING ACTIVITIES**
The Investment Team ensures that the selected investment opportunities do not include activities from the sectors excluded by the EIA (Environmental Impact Assessment) Directive. Based on the activity carried out by the Target Company, the Environmental and Social Officer (ESO) identifies which reference Directive to apply.	The Environmental and Social Officer (ESO) draws up a preliminary report to assess the social and environmental impact of the selected investment opportunity and the subsequent risks. The results highlighted by the report are shared with the Investment Team in order to identify which attention points to resolve before the investment is made.	The ESO and the Key Manager appoint an external subject to produce social and environmental due diligence. The ESO supports the Key Manager upon contract preparation to include suitable social and environmental forecasts.	The ESO updates the preliminary report and shares the results with the Investment Team and the Risk Manager. The latter assesses the investment risk rating by taking into account the results of the social and environmental assessment performed by the ESO with a focus on the potential legal and reputational risks.	During investment approval, the BoD makes sure that the social and environmental impacts have been thoroughly assessed and then shares the results and any identified risk mitigation measures.	The ESO verifies that the prepared contracts properly implement the agreed social and environmental clauses, and that any relevant commitments are upheld.

In the investment process, social-environmental variables are also taken into account, if necessary, as part of verifying the applicability of the provisions set forth in the EIA Directive (Directive 2011/92/EU for Environmental Impact Assessment), the Habitats Directive (Directive 92/43/EEC), the Birds Directive (Directive 2009/147/EC) and/or any other directive that is subsequently issued on the subject and that is applicable to investment activities. Against this backdrop, leveraging the implementation of said management system, the Company has kicked off a process aimed at including several sustainability-related variables. Nowadays, sustainability has become a decisive factor for operating in the markets in a regulatory framework that is increasingly more stringent and regulated, and represents an added value for the proper management of investments and business model risks. Adopting a sustainable management approach contributes to significantly reducing both financial and non-financial key risks. For SGR, operating and investing in a sustainable manner means endorsing a multi-faceted vision rooted in the consideration of environmental and social risks, in order to generate not only profits, but above all value and prosperity in the framework it operates in.
An additional fundamental activity carried out by SGR, once the investment process has been concluded, is constantly monitoring the

associated companies by collecting information about specific sustainability KPIs.

Figure 1 The compliance of the companies of the FIEE I and IEEF II Funds as at 31.12.2022

Occupational health and safety	All of the associated companies fulfil the Consolidated Safety Act (It. Lgs. D. 81/08). In addition, City Green Light, Comat SE PLT and Comunità Energetiche apply the ISO 45001 system, while Cold Chain Capital Holding Europe is completing the transition from OHSAS 18001 to ISO 45001.
Instances of non-compliance with national and EU law	None of the associated companies have recorded any non-compliance with national and EU laws during the reporting period.
Instances of non-compliance with the environmental legislations and occupational health and safety	None of the associated companies have recorded any non-compliance with environmental laws and health and safety in the workplace during the reporting period.
Environmental management (water resources, waste, etc.):	Each of the associated companies fulfils the requirements of the Consolidated Environmental Act (It. Lgs. D. no. 152/2006). Nevertheless, City Green Light, Comat, PLT, Selettra, Cold Chain Capital Holdings Europe and Comunità Energetiche S.p.A. implemented a specific management system (ISO 14001) and the related procedures.

Third Pillar

Building the portfolio

The Company's investment choices are governed by internal guidelines that SGR has adopted, which include strict eligibility requirements in relation to both the nature and the sector of the projects. Specifically, the Company, through its Funds, only invests in **Qualified Projects** that have decarbonisation and energy transition as their goal, and in the **Qualified Sectors** below:

1. Energy efficiency, with a focus on projects related to: public lighting, smart cities, residential energy services, co-generation and tri-generation plants; production of electricity, heat or energy carriers from low-carbon sources; energy efficiency technologies and products.
2. Renewable energy: plants, products and related technologies.

In addition, particularly strict guidelines have been created, listing the characteristics of the sectors that SGR, because of its mission, cannot take into account when assessing the investment decision. These guidelines are summarised in the annexes to the regulations of the two Funds, which are binding for FIFE I and IEEF II management:

Fundamental requirements. Contracts, environmental and social aspects

- **Legal compliance requirement**: the companies taken into consideration must, as a basic requirement, comply with national legislation and, within the EU territory, with the applicable Community regulations (including contract, environmental and social regulations). This compliance is assessed through specific due diligence as well as contractual obligations undertaken by each Associated Company;
- **Fundamental requirements - contracts**: the Company ensures that Community contract regulations are complied with for each investment transaction in EU territory. For investment procedures implemented under a concession scheme, SGR ensures that the appointment procedure complies with the requirements of transparency, publicity, fairness, equal

opportunities and fair risk sharing. For all other investment procedures, the Company ensures compliance with the procedures in force for private tenders;

- **Fundamental requirements - environmental and social standards**: the Company places an additional constraint on compliance with national and Community legislation in relation to environmental and social legislation. In addition, a contractual obligation to comply with these mandatory requirements on an ongoing basis and to report any violations must be obtained from each Associated company.

Eligible Investments/Eligibility of investments

Eligible Investments are defined as Investment Transactions carried out through the direct or indirect acquisition of Instruments issued by the Associated companies, which:

- comply with the annexes of the Funds‘ Regulations;
- comply with the "Eligible Investments" sections under "Greenfield Infrastructures" or under "Brownfield Infrastructures", as set forth in the Funds‘ annexes.

The annex to the IEEF II Regulation sets out the criteria for eligible investments.

Excluded Sectors

Because of its mission, the Company cannot invest in sectors that produce negative effects on the environment or society. For this reason, the following is a list, by way of example and not exhaustive, of the sectors considered to be outside the Company‘s area of focus:

- Production or activities involving the use of forced or child labour;
- Tobacco production and/or trade;
- Production of and/or trade of arms, ordnances and ammunition of any kind;

- New palm oil plantations.

In addition to these three guidelines, there are two more that are only binding towards IEEF II:

Forbidden Activities

- Power generation projects with greenhouse gas emissions exceeding the EIB's emission performance standard (EPS) of 250 gCO2 equivalent per kWh-e;
- Non-validated technologies, TRL8 and below, as defined by EU Commission Horizon 2020.

Annex 5: Technical and Economic Criteria

For both main investment sectors, i.e. Renewable Energy and Energy Efficiency, the Company has set forth technical-economic criteria that companies must fulfil in order to proceed with the investment. In general, these are requirements regarding emissions into the atmosphere, compliance with international standards, respect for water and soil resources, certifications.

Fourth Pillar

The Sustainability Report of the two Funds

FIEE I's first Sustainability Report was drawn up based on data from the first half of 2019 with a view to reporting on the economic, social and environmental performance of its investments. The second Sustainability Report of FIEE I was published on 31 December 2019. In 2020, with the launch of IEEF II, SGR decided to prepare both annual Sustainability Reports as of 31 December 2020. Both reports were prepared following the standards laid down in 2016 by the Global Reporting Initiative (GRI), according to the "core" reporting option. In 2022, SGR continued to prepare the Sustainability Reports of both Funds, in keeping with the previous year, adopting the "in accordance with the GRI Standards" method of reporting.

The Company prepares the Sustainability Reports of its Funds to prove its commitment to sustainable development. Given the nature of the two Funds, it is clear that it is important to report their results not only in a purely economic stance, but with a focus on the environment, society and territory that the Funds operate in. At the level of Corporate Responsibility, a Sustainability Report is a useful and functional tool to demonstrate the achieved results while communicating the commitment to environmental issues to your stakeholders. By preparing these reports, the Company pursues an image of an ethical and sustainable business, which naturally develops from the constant achievement of the objectives it sets itself internally. This commitment is also confirmed by the choice of certification by an external body. As of 31 December 2019, EY S.p.A. has been performing the limited assurance activity in line with auditing standard ISAE 3000 Revised on the sustainability reports issued by SGR for both Funds.

SGR

FIEE SGR S.p.A. is a savings management company, whose operations can be described as the performance of the investment services pursuant to article 33 paragraph 1 of the TUF. The Company operates as “above threshold” following the notification made to the Bank of Italy-on 1 February 2021-which pertained to its intention to voluntarily subject itself to the regime of ordinary SGRs and to the related authorisation obtained from the supervisory authority, with the favourable opinion of Consob, dated 22 June 2021.

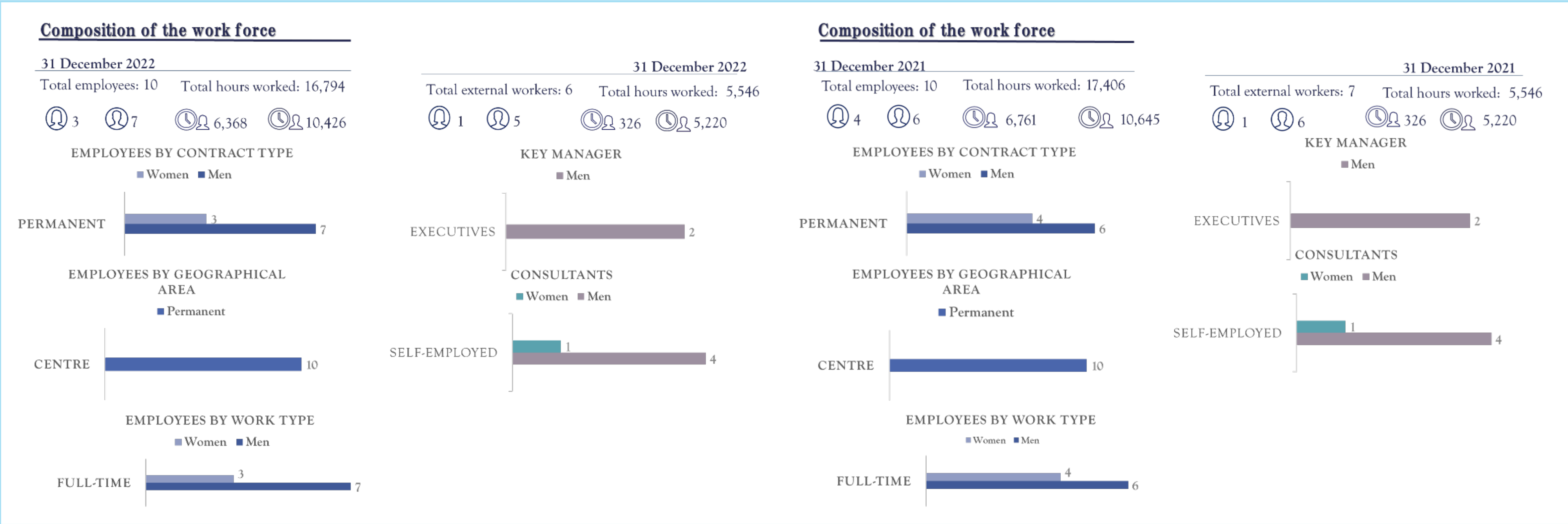
On 15 July 2016, the company established FIEE I, a reserved alternative investment fund with a duration of twelve years starting 8 September 2016. On 4 May 2020, the Advisory Board of FIEE I decided on the early closure of the investment period in accordance with the relative Management regulations.

Also in 2020, SGR founded the Italian Energy Efficiency Fund II. The placement activity with Italian professional investors led to a first closing of IEEF II on 15 August 2020 of 127.5 million euro, exceeding the minimum threshold of 100 million euro. On 15 January 2021, a second closing was finalised of a further 22.2 million euro, bringing the total capital raised to 149.7 million euro.

On 15 September 2021, the Company’s Board of Directors decided the third closing of the Fund, with entry into force on 4 October 2021 for an additional 16.7 million euros, resulting in the overall collection of 166.4 million euros. It is necessary to highlight how on 22 December 2021 the Board of Directors of the company decided the final closing of the Fund effective as of 26 January 2022 for an overall collection of 201.4 million euros.

The purpose of both Funds is to invest in projects that contribute to the energy transition and decarbonisation process.

Human resource management at SGR



HOURS OF TRAINING

AVERAGE HOURS OF TRAINING | GRI 404-1	2022	2021	2020
Executives	**9**	**9**	12
Men	9	9	12
Women	-	-	-
Junior managers	11	9	11
Men	9	9	9
Women	14	9	13
White collars	**-**	**5**	**22**
Men	-	-	-
Women	–	**5**	**22**
Blue collars	**-**	-	-
Men	–	-	-
Women	–	-	-
Total men	**9**	**9**	**11**
Total women	**9**	**7**	**17**
Total	**9**	**8**	**13**

Health and safety in the workplace

SGR is committed to preventing risks in the workplace for all of its workers, both internal and external. For this purpose, the company has created a safe and healthy working environment, taking the safety measures required by the relevant regulations (Consolidated Act on Health and Safety at Work - It. Legislative Decree No. 81/08). The Company is not certified and does not apply a specific management system (OH SAS 18001 or ISO 45001:2018). In particular, during the hazard identification and risk assessment phases, the Company prepared the required documentation, namely the RAD (Risk Assessment Document). Furthermore, the Company is committed to constant involvement and communication through specific training at all levels. Finally, the company has appointed a physician to ensure the applicability of the regulations.

The corporate governance model

The Company has embraced a traditional governance model, with a Board of Directors and a Board of Statutory Auditors, whose powers are defined by the regulations in force and by SGR's Articles of Association.

Board of Directors

SGR has an internal structure, based on which the Board of Directors covers a pivotal role in determining the company's decision-making process, i.e. "strategic supervision". The Board of Directors also holds broader ordinary and extraordinary management powers in terms of Company's activities, it being called upon to perform any action that is deemed to be necessary and appropriate for the achievement of the corporate purpose, within the limits and provisions of the law. The BoD currently consists of seven members, one of whom is an Independent Director, and who also holds the position of anti-money laundering officer. All members of the BoD meet the necessary requirements of professionalism and integrity, as set forth by current sector regulations.

Board of Statutory Auditors

The Board of Statutory Auditors currently consists of five members, three being acting ones and two alternates, appointed at the Shareholders‘ Meeting. The five members of the Board of Statutory Auditors, including the two alternates, meet the necessary requirements of professionalism, integrity and independence laid down by current legislation.

Board of statutory auditors

Giuseppe Ascoli
Chairman

Silvia Lirici
Acting auditor

Guido Zavadini
Acting auditor

Michele Farina
Alternate auditor

Giorgia Carrarese
Alternate auditor

Supervisory Body

The Company’s Supervisory Body consists of two external members, both of whom have the necessary qualifications in terms of the law and necessary control issues. This composition ensures, on the one hand, the presence of people capable of helping pursue the Supervisory Board‘s goals as best as they can. On the other hand, it guarantees that the independence and continuity requirements - provided for by the law and in line with the prevailing jurisprudence trends - are complied with effectively. Lastly, the members of the Supervisory Board meet the integrity and no-conflict-of-interest requisites needed, together with professional profiles that guarantee impartiality, authority and ethics.

Model 231

With a view to ensuring fairness and transparency in its operations as well as protecting its responsibility, image and shareholders, SGR deemed it appropriate to proceed, on 25 May 2017, with implementing the Organisation, Management and Control Model, pursuant to It. Lgs. D. 231/2001, updated to the current regulation, case law, corporate best practices and the guidelines prepared by Assogestioni, ABI and Confindustria.

The Code of Ethics

The Company has its own Code of Ethics, approved by the Board of Directors on 25 May 2017. The Code identifies the shared ethical and behavioural principles that all recipients (corporate bodies, employees, suppliers, etc.) are required to observe. In this direction, SGR‘s operations can comply with the reference legislation and be carried out with transparency, fairness, integrity and to professional standard, also in order to spread a legality culture through training and information dissemination. The Company also aims to ensure that the Code of Ethics is considered a best practice standard for business conduct by the stakeholders which the Company has long-term relationships with. Lastly, in the context of relationships with its suppliers, SGR selects them on the basis of a meticulous evaluation of objective technical-economic criteria, using the parameters of: the analysis of products/services, competence and reliability.

The Funds of FIEE SGR

I – Italian Energy Efficiency Fund I

2016

- **July** Fondo Italiano per l'Efficienza Energetica (FIEE) was established. The first closed type of alternative investment fund promoted and managed by FIEE SGR.
- **September** First closing of 86 million euro.

2017

- **May** Plangreen 2e S.r.l. was established as a result of FIEE and Plangreen collaboration.
- **December** Final closing at €166 million, above the original target of €150 million.

2018

- **February** Investment in City Green Light S.r.l.
- **April** Investment in Selettra S.p.A.
- **July** Investment in Comat SE S.p.A.

2019

- **June** Acquisition of interest in the capital of PLT energia S.r.l.

2020

- **April** Acquisition of interest in the capital of Cremonesi S.r.l.
- **May** Investment closing period.

2021

- **October** Entry of new foreign investor (purchase of defaulting investor shares).

2022

- **January** Merger of Cremonesi S.r.l. and Comat Servizi Energetici S.p.A.
- **December** Selettra S.p.A. finalised the sale of 100% of Selettra Pubblica Illuminazione S.r.l. to the German fund Patrizia SE. The investee PLT Energia was fully sold to Eni Plenitude at an *enterprise value* of €900 million.

FIEE I was founded on 15 July 2016, and its placement activity led to a first closing of 86 million euro on 8 September 2016 and a final closing of 166 million euro on 22 December 2017, thus exceeding the initial target of 150 million euro. The duration of FIEE I is 12 years from the first closing, including any grace period which may extend up to three years. During this time, the objective of FIEE I is to generate investor returns of 10-12%, achieved through the use of established technologies and limited financial leverage.

FIEE I is a private equity fund dedicated to financing energy efficiency projects in partnership with energy service companies ("ESCo"), which play an industrial role and are entrusted with the operational management of the projects.

The final beneficiaries of energy efficiency measures are both public and private bodies. Nevertheless, the focus of FIEE I is to also pursue the sustainability of investments that contribute to environmental and social development. FIEE I is independent and focuses on the sector of energy efficiency and renewable energy.

The portfolio of FIEE I

Plangreen 2e S.r.l. ("P2E")

PlanGreen 2e S.r.l. ("P2e") is an ESCo [Energy Service Company] operating in the field of energy efficiency, sustainability and innovation. It provides its services at private large-scale retail operators who mainly carry out lighting work using LED technology luminaires. PlanGreen 2E is the vehicle for direct investments in FIEE I Energy Efficiency Projects, putting project finance to the service of corporate clients.

City Green Light S.r.l. ("CGL")

City Green Light ("CGL"), is the leading private operator in Italy in the field of public lighting, from retrofitting to ordinary and extraordinary maintenance. The company's main object is to compete for both public and private contracts. The range of services offered is wide and flexible, adapted to meet the needs of different territories. CGL is mainly committed to develop, streamline and manage public lighting installations across Italy.

Selettra S.p.A. ("SELETTRA")

Selettra S.p.A. ("Selettra"), an ESCo that, for over 35 years, has operated in the public lighting market, in the implementation of electrical and electronic systems for public lighting. It was established in Southern Italy and provides its services in the Italian and foreign markets with a specific focus on Southern Italian regions such as, Basilicata, Puglia and Cilento (not overlapping with City Green Light). The company is active in international trading, in the construction of electrical and electronic systems and in the design and construction of plants for the production of energy forms from renewable sources.

Comat SE S.p.A.

Comat SE S.p.A. ("Comat SE") is active in the energy efficiency market in the civil and industrial sector. The company is owned by Comat S.p.A., a historical company that has been active in civil and industrial plant engineering for over 60 years. Comat is a UNI 11352-certified E.S.Co (Energy Service Company), supports companies adopting efficient technological solutions and promotes interventions through Third-Party Financing with guaranteed results in terms of energy savings (Energy Performance Contract - EPC).

PLT Energia S.r.l.

PLT energia S.r.l is involved in the development, construction and operation of wind, photovoltaic and biomass plants as well as the sale of electricity and gas. In December 2022, the investee PLT Energia was fully sold to ENI Plenitude at an enterprise value of €900 million.

Certifications of FIEE I companies

As illustrated in the internal procedures, the investee Companies, by setting up and maintaining the Environmental and Social Management System, are committed to ensuring that FIEE I complies with national and EU environmental and social legislation, also through the implementation of corporate management systems in the areas of energy, quality, environment and health and safety. Given the above, the investee companies are therefore in possession of the following certificates:

Plangreen 2e S.r.l.*	CERTIQUALITY UNI CEI 11352:2014 - ESCO								
City Green Light S.r.l.	CERTIQUALITY UNI CEI 11352:2014 - ESCO	ISO 9001:2015	ISO 14001	ISO 50001	ISO 45001:2018	SA 8000	ISO 27001	ISO 37001:2016	DNV Regolamento (CE) 303/2008
Selettra S.p.A.	CERTIQUALITY UNI CEI 11352:2014 - ESCO	ISO 9001:2015	ISO 14001	ISO 50001		ISO 18001:2007			
Comat SE S.p.A.	CERTIQUALITY UNI CEI 11352:2014 - ESCO	ISO 9001:2015	ISO 14001	ISO 50001	ISO 45001:2018	F-GAS Certification			
PLT energia S.r.l.		ISO 9001:2015	ISO 14001		ISO 45001:2018				

**Given the peculiar nature of Plangreen 2° S.r.l., which was founded as a corporate vehicle between Plangreen and FIEE I, the company does not need any management system certifications for quality, environment, energy, health and safety in the workplace to perform its activities.*

II – Italian Energy Efficiency Fund II

2020	July	Italian Energy Efficiency Fund II (IEEF II) was established. The second closed type of alternative investment fund promoted and managed by FIEE SGR.
2020	August	First closing of 127.5 million euro, above the original target of 100 million euro.
2020	September	Investment in Cold Chain Capital Holdings Europe S.p.A.
2020	October	Investment in Free Genera S.r.l.
2020	October	Investment in Metrotermica S.p.A.
2021	January	Second closing of 149.7 million euro.
2021	March	Investment in PLT energia S.r.l.
2021	June	Investment in Corre Energy B.V. through convertible debt issues.
2021	October	Third closing of 166.4 million euro.
2022	January	Final closing of 201.4 million euro, above the original target of 200 million euro.
2022	December	The investee PLT Energia was fully sold to Eni Plenitude at an *enterprise value* of €900 million.

SGR launched its second fund, "Italian Energy Efficiency Fund II" in 2020. IEEF II's collection target is 175 million euro, with a hard cap of 200 million euros. The placement activity of IEEF II with qualified Italian investors resulted in a first closing of 127.5 million euro on 15 August 2020, exceeding the minimum threshold of 100 million euro. The second closing of IEEF II was formalised on 15 January 2021 with a total collection of 149.7 million euro and, subsequently, on 15 September 2021 the Company's Board of Directors resolved the Fund's third closing, effective as of 4 October 2021, for a further 16.7 million euro, which, therefore, brought the total collection to 166.4 million euro for 2021. With the Final Closing of 26 January 2022, Fund II has collected a total of 201.4 million euro.

The purpose of IEEF II is to invest in projects that contribute to the energy transition and decarbonisation process, to be carried out in partnership with energy service companies ("ESCo"), i.e. directly in the share capital of the target companies.

Founding IEEF II represents a further element of acceleration of the growth of the energy transition sector, allocating financial resources to projects carefully selected on their merits, and helping to foster the growth of the size of the companies operating within the sector itself.

The portfolio of IEEF II

Cold Chain Capital Holdings Europe S.p.A.

Cold Chain Capital Holdings Europe S.p.A. (“Cold Chain Capital”) is an Italian holding company founded in 2019 with the objective of building a leading player in innovative HVACR technologies in Europe, through the acquisition, integration or development of medium and small players in the sector. To date, Cold Chain Capital has already completed the acquisition of 4 companies: Roen EST S.p.A., Enex S.r.l., Arctic SA, the Kobol business unit, Samifi SAS, Morgana and EMICON S.p.A.

Comunità Energetiche S.p.A.

Comunità Energetiche S.p.A. (“Comunità Energetiche”) is a multidisciplinary Company with many years of experience in the fields of providing engineering services, building integrated systems for the industrial sector and providing O&M (Operation & Maintenance) services, producing energy from renewable sources and providing energy consulting services. Comunità Energetiche is the platform of IEEF II for the development of energy communities and the production of energy from renewable sources for self-consumption.

Metrotermica S.p.A.

Metrotermica S.p.A. (“Metrotermica”) with more than 500 active contracts offers operation and maintenance services and energy services in central Italy (today mainly concentrated in the city of Rome). Specifically, it deals with the design, installation, management and maintenance of heating systems in the residential sector. The Company has been operating in the market since 1977: in addition to the classic maintenance and operation activities, Metrotermica also carries out activities relative to the execution of redevelopment, regulatory compliance and restructuring.

PLT Energia S.r.l.

PLT energia S.r.l ("PLT") is involved in the development, construction and operation of wind, photovoltaic and biomass plants as well as the sale of electricity and gas. In December 2022, the investee PLT Energia was fully sold to ENI Plenitude at an enterprise value of €900 million.

Corre Energy B.V.

Corre Energy is an operator active in energy storage in underground salt caverns through air compression systems. The company, established in 2017, aims to become the European leader in LDES (Long Duration Energy Systems) through compressed air energy storage. Specifically, Corre develops, builds and operates grid-scale energy storage systems together with green hydrogen production in Northern Europe.

Certifications of IEEF II Fund companies

As with the FIEE I Fund, also for the IEEF II fund, in order to guarantee compliance with the Environmental and Social Management System, the Company is committed to ensuring compliance with national and EU environmental and social legislation, also through the implementation of corporate management systems in the areas of energy, quality, environment and health and safety. Given the above, the associated companies are therefore in possession of the following certificates:

PLT energia S.r.l.	ISO 9001:2015	ISO 14001	ISO 45001:2018	SA 8000
Metrotermica S.p.A.	ISO 9001:2015			
Comunità Energetiche S.p.A.	ISO 9001:2015	ISO 14001	ISO 45001:2018	
Cold Chain Capital Holdings Europe S.p.A.	ISO 9001:2015	ISO 14001		OHSAS 18001

[6] As detailed in the paragraph about the associated company, Cold Chain Capital Holdings owns two companies: Roen Est S.p.A. and Enex S.r.l. The company Enex is UNI EN ISO 9001: 2015 certified. In addition to possessing UNI EN ISO 9001: 2015, Roen Est holds the other certifications identified in the graph.

Measuring impacts

SGR measures its impacts through a continuous process of data analysis and monitoring in order to ensure the accuracy of the results obtained over time.

1. **Classification and measurement of impacts:** data relative to the activities of the subsidiaries are divided according to the environmental theme that they belong to. Impacts are measured against specific benchmarks that quantify the results achieved in the wake of SGR's involvement in the share capital of its subsidiaries.
2. **Data collection:** data collection is a continuous process throughout the reporting year, conducted on a quarterly basis. At the end of each quarter, the associated company's ESO submits the identified KPIs to SGR's ESO for the social and environmental impact generated by the relevant industrial activity to be assessed and quantified.
3. **Data assessment:** SGR's ESO performs its own checks based on the documentation received from the associated company's counterpart. The outcome of the above inspections, the social and environmental impact generated by associated companies' industrial activities and by any suggested risk mitigation measures are brought to the attention of SGR's Board of Directors at least once a year for sharing and assessing any actions to be taken. At the end of the reporting year, some aggregated data are included in the sustainability reports of the two Funds. These reports and the relative data are certified by auditing company EY S.p.A.
4. **Calculation of the impact:** the energy saving calculation is defined through the energy savings achieved thanks to the implementation of energy streamlining projects by the Fund's associated companies. The avoided CO2 emissions are calculated through the identification of a conversion factor[2]. This multiplier makes it possible to identify the tonnes of CO2 emissions avoided

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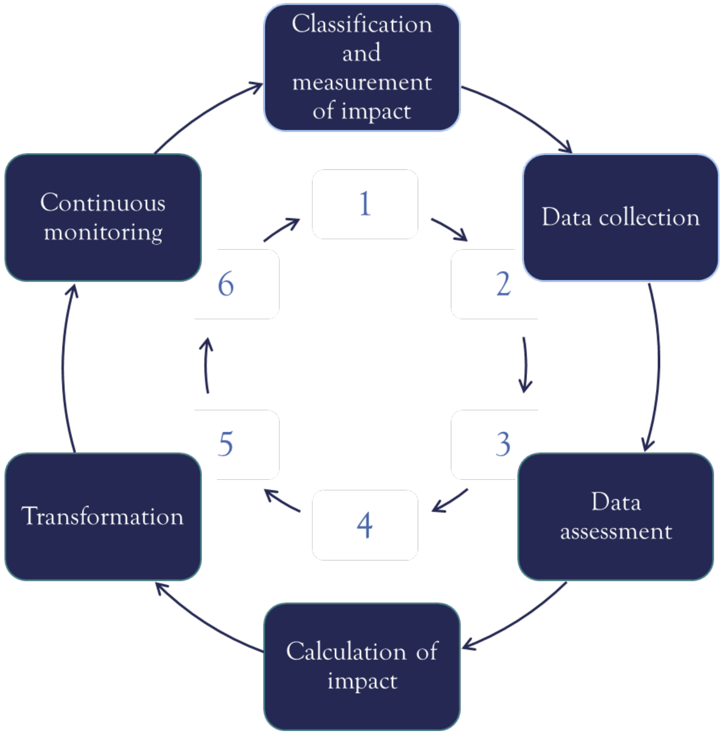
[2] The following coefficients are used to calculate avoided emissions: **Key social-economic and energy indicators 2017**, Terna (City Green Light S.r.l., Cremonesi S.r.l., Free Genera Ingegneria S.p.A., Plangreen 2e S.r.l., PLT energia S.r.l., Selettra S.p.A.); **CO2 emissions and emission factors for heat production by fuel type - natural gas 2016**, ISPRA (Comat SE S.p.A., Cremonesi S.r.l., Metrotermica S.p.A.); **Standard parameters - fuels/materials- natural gas 2018, ISPRA** (Metrotermica S.p.A.); **EU FS-Gas Regulation** (Cold Chain Capital Holdings Europe S.p.A.)

thanks to the implementation of energy streamlining projects and the generation of energy from renewable sources by the Funds' associated companies. For social KPI calculation, refer to the guidelines set forth by the Global Reporting Initiative (GRI). As for the calculation of the CO2 emissions avoided by Cold Chain Capital Holdings Europe S.p.A, once the conversion has been carried out, the difference between the emissions produced by the old plants compared to the newly installed ones is calculated.

5. **Transformation:** after the aggregation process, the data is correlated to the SDGs that they refer to, and reprocessed in a way that is easy to understand.

6. **Quarterly monitoring:** the generated impact is continuously monitored by analysing the output of the subsidiaries and their results on a quarterly basis.



FIEE I and IEEF II in numbers: generated impact

Using the investments made by the Funds as an instrument, the Company produced positive impacts in several areas of sustainable development, each of them related to a specific SDG of the UN 2030 Agenda.

2021

0.01
injury impact factor on 918 employees

0.003
injury on 761 external workers

13,570
hours of training provided

15
average hours of training

470,686 mWh
produced from renewable energy sources, to reduce the amount of energy from fossil fuels with increasing commitment

341,258 mWh
saved as a result of energy streamlining

371,752
replaced bulbs, contributing to the modernisation of city infrastructures

59%
of waste produced in comparison to previous year

385,971 tonnes
of CO2 avoided and as a direct result, significant drop in the produced environmental impact

69%
of hazardous waste is sent to reuse

70%
of non-hazardous waste is sent to recycle

9%
of non-hazardous waste is sent to reuse

2022

0.01
injury impact factor on 1,160 employees

0.002
injury on 563 external workers

20,315
hours of training provided

18
average hours of training

490,372 mWh
produced from renewable energy sources, to reduce the amount of energy from fossil fuels with increasing commitment

333,712 mWh
saved as a result of energy streamlining

491,561
replaced bulbs, contributing to the modernisation of city infrastructures

64%
of waste produced in comparison to previous year

469,875 tonnes
of CO2 avoided and as a direct result, significant drop in the produced environmental impact

72%
of hazardous waste is sent to recycle

75%
of non-hazardous waste is sent to recycle

16%
of non-hazardous waste is sent to reuse

Focus on Impacts

Energy Efficiency

Energy efficiency is defined as the ratio, within a given system (heating, cooling, lighting), between the output and the input of the used energy. Improving the energy efficiency of a system ensures that it consumes less energy to provide the same output, improving its performance in environmental and economic terms. The Company's activity in this area is part of an EU framework for action initiated in 2007, when EU leaders first set themselves the goal of reducing energy consumption by 20% by 2020 - a target that was later raised to 32.5% to be reached by 2030. According to Enea's Energy Efficiency Report[3], 7,400 ktoe[4] were saved in Italy alone in the period from 2014 to 2020 by implementing energy streamlining measures.

Case study – City Green Light

City Green Light S.r.l. is an E.S.Co (Energy Service Company) operating in the field of energy saving and streamlining through the integrated management of public lighting services across Italy. CGL supports its customers through the process of energy and digital transition by proposing development models for public lighting and related smart services.

The Company's core business includes managing public lighting, traffic lights and tunnel lighting systems not only by supplying the required energy but also by leveraging typical Energy Management tools - regulatory compliance, energy use streamlining, installation of consumption monitoring systems. Through the use of innovative, high-tech lighting solutions, it is possible to set up the perfect functioning of the offered service with the containment of costs and consumption. Alongside the public lighting sector, City Green Light offers a range of services designed to meet the sustainable development needs of local areas, from environmental solutions to mobility, energy communities, connectivity and other smart city services.

[3] Annual Energy Efficiency Report, Enea, 2021.
[4] Tonne oil equivalent in thousands.

Thanks to its knowledge of the local area and its infrastructures, its extensive network of maintenance providers, and its ability to reconcile financing instruments with the needs of public administrations, City Green Light is able to offer made-to-measure services and consultations for local authorities.

The main business lines are public lighting, traffic lights and video surveillance systems, including street, monumental and urban lighting, the management of traffic light systems and variable-message signs, tunnel management (from lighting to ventilation, fire-fighting and video surveillance), and the development of Video Analytics & AI solutions for the automatic processing of flows and events.

The Company serves the market by offering services that can be grouped into two lines of action:

- **Energy and support in the management of the integrated energy cycle:** the areas that the Company operates in are: the design and installation of electrical systems, electrical substations, tele-management and control systems, the maintenance and management of technological systems.
- **Global Service, Energy and Environment (ESCO):** the Company acts as the sole interlocutor for the customer, taking care to relieve said customer from any contractual liability arising from the relationship with the service providers in question. Experience, structure and reliability enable City Green Light to correctly interpret such a delicate role, acting as a single reference with the Customer/Client.

THE RESULTS OF CITY GREEN LIGHT IN 2022

- **0** cases of corruption

- **-64,363** TONNES OF CO_2 PER YEAR SAVED AS A RESULTS OF ENERGY STREAMLINING INVESTMENTS IN THE 2011-2022 PERIOD
- **252,404** MWH PER YEAR SAVED AS A RESULTS OF ENERGY STREAMLINING INVESTMENTS IN THE 2011-2021 PERIOD
- **750,000** MANAGED LIGHT FIXTURES
- **60%** ENERGY FROM RENEWABLE SOURCES TO SUPPLY THE MANAGED MUNICIPALITIES
- **22.2** MILLION EURO IN ENERGY STREAMLINING INVESTMENTS IN 2021

- **145** EMPLOYEES
- **95%** PERMANENT WORK CONTRACTS
- **100%** OF WORKERS ARE COVERED BY THE HEALTH AND SAFETY IN THE WORKPLACE MANAGEMENT SYSTEM
- **28%** MORE WOMEN IN THE WORKFORCE
- **+63%** TRAINING HOURS PROVIDED COMPARED TO 2021
- **1.228** WORK-RELATED INJURY RATE

- **4.5** MILLION RESIDENTS SERVED
- **9** QUALITY CERTIFICATIONS OBTAINED

Renewable energies

The need to change the energy production sector is on the European agenda, along with the urge to boost energy streamlining. In fact, EU legislation on the promotion of renewable energies has evolved significantly in the last 15 years. In 2018, the Union's leaders set a goal of 32% of gross final energy consumption produced by the Union by 2030. By applying the definitions and the calculation criteria envisaged by the RED II Directive[5] in order to monitor EU goals on RES by 2030, in 2021 the quota of total gross final energy consumption covered by RES in Italy was 19.03%. This concentration, compared to 2020, is due to the effects of the Covid-19 health emergency: in fact, faced with a relatively contained growth in RES energy consumption (+3.9%), the country's total energy consumption grew at a more than double rate compared to 2020.[6] FIEE SGR acknowledges and shares the urgent need to rethink the way energy is produced - which is why it has made renewable energy one of its core investment sectors.

Case study – Comunità Energetiche

Comunità Energetiche S.p.A is a company with twenty years of experience in the industrial and environmental sector, and **in Engineering, Procurement and Construction activities applied to renewable energies.** The Company develops, builds and invests in photovoltaic systems, directly taking care of all stages, from the preliminary ones all the way to design, installation and maintenance. The experience consolidated in high value-added projects makes the Company the right partner for companies that need complex energy efficiency projects with the development of renewable energy production plants at their core.
Sustainable development is a defining and structural element that guides the business choices and operational management of Comunità Energetiche.

Comunità Energetiche S.p.A develops renewable energy and solutions for its customers, adopting various strategies. **By means of the production of solar energy**, the Company builds and manages photovoltaic systems, directly investing on the properties of its customers. **User efficiency systems** (also known as **UES**) are photovoltaic systems managed by a single producer and intended for the consumption of

[5] Directive (EU) 2018/2001, or RED II, transposed in Italy with Legislative Decree no. 199 of 2021, introduces pertinent amendments to the scope of items to be deemed as tracked by RED I, extending it, for example, to renewable energy supplied by the summertime use of heat pumps (cooling) and the methods to be applied in order to account for renewable sources in the transport sector.
[6] GSE - Statistical report 2021 "Energy from renewable sources in Italy".

a single end customer, through a direct connection of the system. The Company **uses the know-how it has accumulated over time** to stipulate purchase and sale contracts for energy from renewable sources with the most important players on the market.

Thanks to the technical skills it has consolidated through the years, the Company can develop and supply turnkey projects, through a consolidated development, design, and management system. Specifically, the stages envisage **a preliminary analysis**, in order to ascertain the suitability of the identified installation site; **the feasibility assessment** makes it possible to evaluate the installation of UES systems; **the energy audit service** aims at analysing pre-existing systems in order to develop update and renewal solutions from a technological point of view.
Lastly, Comunità Energetiche S.p.A **provides services relating to the management and maintenance of the systems**, offering **Asset Management** solutions that free the end customer from all types of bureaucratic burdens or from the onus of managing the photovoltaic system, directly handling the management of financial, fiscal, commercial and legal aspects. The Company, which has always been active in the protection of the local areas, increasingly places emphasis on **sustainability as an essential element of growth and creation of shared value**, with the goal of building solid relationships with all stakeholders who are directly or indirectly involved in its initiatives. Comunità Energetiche S.p.A. responds to the challenges that derive from climate change, translating them into business opportunities linked to increasing the efficiency of energy generation systems.

The results of Comunità energetiche in 2022

- **0** cases of corruption

- **-3,179** tonnes of CO_2 per year saved in 2022
- **7,079** MWh produced from renewable sources
- **4.5** million euro in investments in renewable energy in 2022
- **6.1** MWp installed power
- **12** systems installed

- **14** employees
- **100%** permanent work contracts
- **100%** of workers are covered by the Health and Safety in the Workplace Management System
- **0** cases of accident recorded in 2022

- **3** quality certifications obtained

Generated impacts divided by reference SDGs

City Green Light

FIEE I became part of CGL‘s capital in 2018. As of today it holds a 59,3%[7] share in the Company, also taking into account IPIN2e‘s share. Thanks to the intervention of FIEE I, CGL significantly increased the frequency of its operations and improved its performance. In numbers, 99% more light bulbs were replaced between 2020 and 2022, which directly resulted in energy savings and a 5% decrease in CO_2 emissions into the atmosphere.

Thanks to investments aiming to increase energy efficiency, **City Green Light has saved approx. 64,363 tonnes** of CO_2 emitted in the atmosphere, thus making a positive contribution to the mitigation of climate change.
At the same time, the Company has **reduced the consumption of electricity by over 252,000 MWh**, consolidating average energy savings of approximately **17%** in the three years 2020-2022. These savings are the result, inter alia, of the over **700,000 light fixtures** that the Company manages and which **are supplied - for approximately 60%** - by energy produced from renewable sources. These results have been made possible thanks to investments **whose total amount exceeds 22 million euro**, earmarked for the optimisation of energy efficiency processes.

When it comes to the well-being of its employees, **95% of the workforce has permanent contract**, while all employees enjoy the protection of the system by which occupational health and safety are managed.
The Company’s commitment to the professional and personal growth of its employees is made evident in the fact that, during 2022, **it provided 63% more training hours** compared to the previous year.

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[7] Including the share held by IPIN2e S.p.A. (24.49%), vehicle owned 100% by FIEE I.

City Green Light

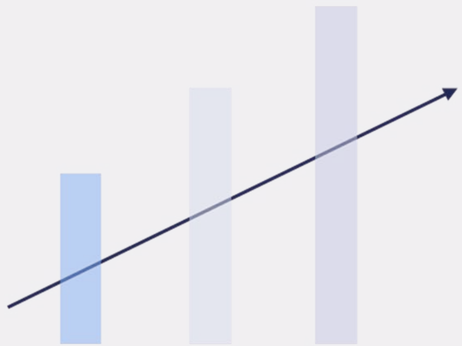
2020	2021	2022
192,820	277,965	383,404

THE NUMBER OF REPLACED BULBS INCREASED BY 38% FROM 2021 TO 2022

11 SUSTAINABLE CITIES AND COMMUNITIES

7 AFFORDABLE AND CLEAN ENERGY

IN THE THREE YEARS 2020-2022, ENERGY SAVINGS INCREASED BY AN AVERAGE OF 17%



2020	2021	2022
186,415 mWh	218,170 mWh	252,404 mWh

Comunità Energetiche S.p.A.

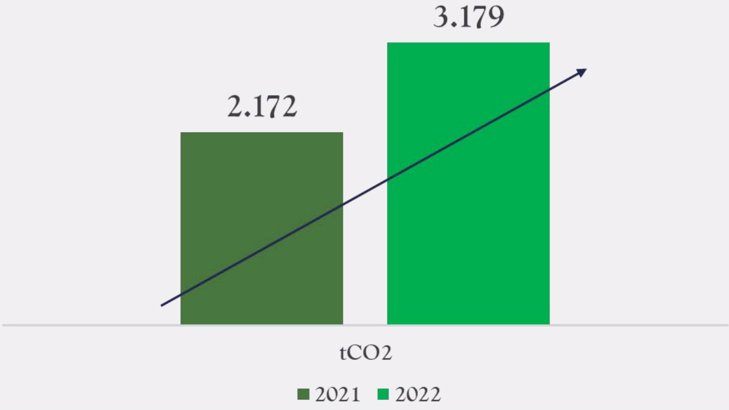
The Company is the platform of IEEF II for the development of energy communities and the production of energy from renewable sources for self-consumption. In 2020, FIEE SGR invested in the capital of Comunità Energetiche through IEEF II.

The large investment that was made starting in 2011 and until 2022, aiming **to increase the energy efficiency** of production systems, made it possible to **save approximately 3,200 tonnes of CO_2** in 2022, i.e. **46%** more compared to the previous year.
This strategy made for a positive contribution to the reduction of carbon dioxide emissions released into the atmosphere. In this sense, please note that, during 2022, Comunità Energetiche S.p.A. **produced over 7,000 MWh** of energy, directly from renewable sources. This figure is also higher compared to 2021, when it was 6,622. This commitment to renewable energy is the fruit of a massive investment that the Company made during the year, which finds concrete expression in an **expenditure of approximately 4.5 million euro,** with the precise goal of developing technologies for renewable production.

The Company's intense commitment to Social matters, and in particular to its workers, is evidenced by the fact that **100%** of the workforce has **permanent contract** and is covered by the occupational health and safety management system. Furthermore, no cases of corruption were recorded in 2022.

Comunità Energetiche

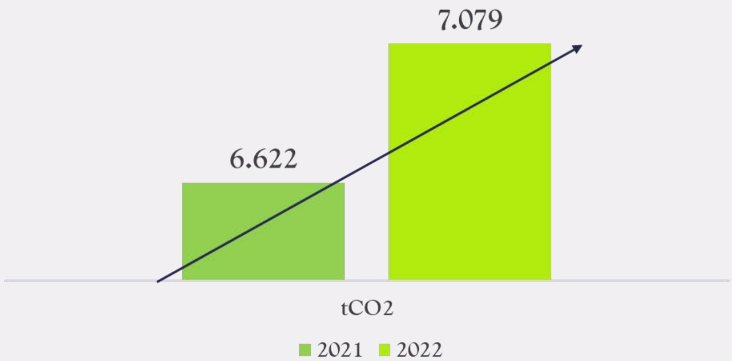
tCO_2 avoided between 2021 and 2022



The avoided tonnes of CO_2 have gone up by **46%** from 2021 to 2022

7,079 MWh produced from renewable energy sources

Production of energy from renewable sources



Conclusions

By drafting this Impact Report, the SGR bears witness to the impact and the positive externalities generated in the field of sustainability over time, following the growth of the SGR itself. Since 2016, FIEE SGR has acted with the goal of creating value for all stakeholders involved: investors, investee companies, employees, and the surrounding environment.

As the generated impacts, and thus the positive external effects, have grown, SGR‘s sustainability has become increasingly relevant, able to maintain the economic and non-economic results of the Funds. In fact, the sustainability model adopted, the internal procedures, and the Funds’ investment policy have led to extremely sustainable economic performance.

With this Impact Report, the SGR undertakes to progressively improve its results over time, and, at the same time, provides testimony of its contribution and that of the Funds’ investments in sustainable development.

The SGR continues on the sustainability path it has embarked on by clearly communicating to the Funds’ investee companies the importance of taking stock of environmental and social impacts, also by drafting sustainability reports with ESG ratings.

In the context of the evolution of the EU regulatory framework for the sustainability of participants in the financial markets, the SGR will assess the launch of new products with sustainable investments goals in compliance with art. 9 of the SFRD regulation and with the Green Taxonomy.