



Joint-stock investment companies with fixed capital “FT Social Infrastructure 2 SICAF S.p.A.”

Disclosure according to Article 10 of Regulation (EU) 2019/2088

1. Summary

The Joint-stock investment companies with fixed capital named “FT Social Infrastructure 2 SICAF S.p.A.”, in abbreviated form **FT Social Infrastructure 2 – SICAF S.p.A.** (hereinafter, the “**SICAF**” or the “**SICAF 2**”), established and managed by Silver Fir Capital SGR S.p.A. (hereinafter, the “**ManCo**” or the “**Company**”), falls under the category of products referred to in Article 9 of the Regulation (EU) 2019/2088 on Sustainability Reporting in the Financial Services Sector (hereinafter, the “**SFDR Regulation**”), i.e., among financial products that have sustainable investment objectives.

This disclosure is made by the ManCo in accordance with the provisions of the SFDR Regulations, under which managers of alternative investment funds (such as “financial market participants”) are required to provide, for financial product that qualify under Article 9 of the SFDR Regulations, information about how the sustainable investment objective promoted by each AIF is met.

<p>No significant harm at the sustainable investment objective</p>	<p>The SICAF is committed to do no significant harm (“DNSH”), to any of the sustainable investment objectives, in particular, not to result in a significantly negative environmental effect under any circumstances, and to promote, where possible, initiatives that reduce pollution and wastage of running water, as well as support biodiversity and sustainable transport. Negative effects are monitored through the monitoring of KPIs i.e., quantitative and qualitative social and environmental rating indicators and performance metrics, codified in accordance with the policies adopted by the ManCo.</p>
<p>Sustainable investment objective of the financial product</p>	<p>The purpose of the SICAF is to acquire and manage social and university residences, university buildings, schools of all levels , other educational centers, and universities and their ancillary infrastructure, and additional facilities intended for the same purposes (hereinafter, the “Social Infrastructure”) with the aim of contributing to the development of a sustainable society by generating positive impacts on the community through long-term investments in Social Infrastructure while protecting the environmental impacts generated by its investments.</p> <p>Investment in Social Infrastructure aims to create impact on four SDGs namely: #4 quality education; #7 clean and affordable energy; #8 decent work and economic growth; and #11 sustainable cities and communities.</p>
<p>Investment strategy</p>	<p>Without prejudice to the section above, the management of the SICAF is aimed at pursuing an investment strategy that combines the objectives of social</p>

	sustainability, pursued in accordance with Article 9 of the SFDR Regulations, with increasing the value of the SICAF's assets, to be achieved through the fulfillment of operations of valorization and/or development of facilities for the educational sector, located in Italy, as well as to allow the SICAF's shareholders to benefit from the income derived from the properties held in the portfolio. In addition, the SICAF's investment policy is subject to the same exclusion criteria applicable for all investments promoted by the ManCo.
Proportion of investments	The minimum percentage of sustainable investments is identified as 80 percent.
Monitoring of the sustainable investment objective	Silver Fir, to measure the achievement of the sustainable investment objective promoted by the SICAF, adopts a special management and measurement framework based on ESG indicators, defined with the support of a specialized consultant and updated from time to time in accordance with relevant regulations, standards and international industry best practices.
Methodologies	Silver Fir has adopted a matrix through which the achievement of each characteristic promoted by the SICAF will be measured, monitored and evaluated in accordance with identified sustainability parameters.
Data sources and processing	Data are collected and uploaded directly by Silver Fir, referring to third parties (tenants, property management, etc.). Data is saved on company servers and the dedicated tool. Most data are real, but where this is not possible, and collection is not dependent on the ManCo, they may be estimated.
Limitations of methodologies and data	The main limitation of the above methodology lies in the dependence on third parties in data collection. Nevertheless, most of the data is correctly collected and considered for the purpose of evaluation.
Due diligence	In evaluating the investment opportunities identified for the SICAF, Silver Fir conducts a due diligence process aimed at assessing, in a comprehensive manner the return expectations, risk profiles and sustainability aspects related to the potential investment. With particular regard to environmental and sustainability due diligence, Silver Fir conducts the following sub-activities: (i) the inspection of the property; (ii) the sustainability assessment from an ESG perspective using a sustainability checklist, as further detailed in the section entitled "Due Diligence."
Engagement policies	N/A
Achievement of the sustainable investment objective	No benchmark has been designated for the purpose of measuring the achievement the sustainable investment objective pursued by the SICAF.

2. No significant harm at the sustainable investment objective

The SICAF is committed to no significant harm ("DNSH"), to any of the sustainable investment objectives, not worsening the situation present at the time of investment acquisition, implementing what is possible to improve the situation and reduce pre-existing impacts. Monitoring of adverse effects is carried out by monitoring specific KPIs, taking into account the indicators of adverse effects related to real estate assets provided in

Tables 1, 2 and 3 of Annex I of EU Delegated Regulation 2022/1288. The Company takes these effects into account through the monitoring of relative KPIs, as better explored in the paragraph called "Methodologies".

3. Sustainable investment objective of the financial product

The SICAF pursues a sustainable social investment objective that is not aligned with taxonomy. Specifically, the SICAF aims to contribute to the development of a sustainable society by generating positive community impacts through long-term investments in Social Infrastructure. Such investments are subservient to the performance or facilitation of social services that help build strong communities while protecting environmental impacts. The aforementioned objectives permeate the entire investment process and asset management phase, through tools and strategies based on impact management best practices and aimed at long-term support of the "Sustainable Development Goals" ("SDGs") established by the United Nations. Investment in Social Infrastructure aims to create impact on four of those SDGs namely: #4 quality education; #7 clean and affordable energy; #8 decent work and economic growth; and #11 sustainable cities and communities. The goal of SICAF is to improve performance in these four SDG areas through one or more of the following enhancement tools:

- facility improvements: the objective is to have a positive impact through the improvement of acquired infrastructure through renovations and improvements;
- targeted development practices: investment opportunities may arise with the conversion of buildings and other structures into Social Infrastructure. Other opportunities may also arise with the expansion of building spaces for use in the provision of Social Infrastructure services;
- partnerships with tenants and the community: the involvement of tenants and management company is critical to the success of Social Infrastructure investments, therefore the SICAF aims to support its tenants operationally and financially, contributing to the increase of social services provided by them; in some cases the SICAF cooperates with its tenants, and with its local partners, in order to find new ways of providing service to the community;
- long-term capital contribution: the objective is to maintain over time the quality of investments that are already performing socially and economically, and instead enhance, through direct investment and active engagement with tenants, assets with unexpressed potential in order to improve social services and related environmental impacts. In some cases, SICAF can gain access to public funds and provide liquidity to municipalities and other tenants of a public nature and within public-private partnerships;
- environmental initiatives: the objective is to not have a significantly negative environmental impact under any circumstances, and promote, wherever possible, initiatives that reduce pollution and wastage of running water, as well as support biodiversity and sustainable ways of transport.

4. Investment strategy

The management of the SICAF is aimed at pursuing an increase in the value of the SICAF's assets primarily through the completion of development or redevelopment transactions for educational sector, through a

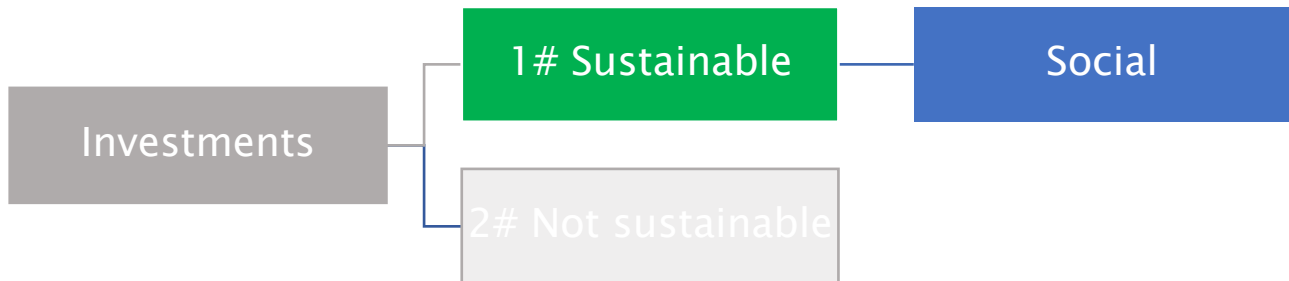
sustainable investment strategy in accordance with Article 9 of the SFDR Regulations, as well as to enable SICAF shareholders to benefit from the income derived from the properties held in the portfolio. The SICAF's investment policy is subject to the same exclusion criteria applicable for all investments promoted by the ManCo; specifically, the SICAF may not invest in real estate ventures that have one or more of the following characteristics:

- properties (i) intended for the production, processing or storage of fossil fuels, tobacco and tobacco related products, or (ii) characterized by the presence of polluting materials – where it is not possible to remediate such pollution as an activity part of the investment business plan;
- development of projects in protected natural areas or that have a negative impact on cultural heritage sites;
- activities prohibited by biodiversity conservation legislation applicable in the location of the project or with international conventions relating to the protection of biodiversity resources or cultural resources;
- real estate or development operations related to economic activities considered controversial or contrary to international treaties and conventions;
- construction of real estate for energy intensive production activities (e.g., to produce armaments or intensive industrial activities such as paper mills, tanneries, etc.) not powered by renewable sources.

In addition, the SICAF may not lease properties forming part of its assets, nor invest in real estate ventures whose tenants operate in sectors deemed not to be "socially responsible," that is, characterized by clear involvement in production or marketing, or whose activities are in any way related to:

- manufacture of weapons identified and banned by international treaties and conventions (landmines; cluster bombs; nuclear weapons; depleted uranium; biological weapons; chemical weapons; invisible fragmentation weapons; blinding lasers; incendiary weapons; white phosphorus);
- pornography and prostitution;
- involvement in systematic human rights violations;
- prohibited substances in the jurisdiction where the property is located;
- adverse impacts on endangered or protected wildlife;
- construction of new power generation facilities using coal.

5. Shares of investments



The SICAF is characterized by its sustainable investments with a social objective, which are not aligned with the taxonomy. Specifically, the SICAF's assets consist of at least 80% in investments with these characteristics. The remaining 20% of the SICAF's assets may consist of cash to be used for the purpose of ordinary operations or held in anticipation of future investments.

6. Monitoring of environmental or social characteristics

In order to measure the achievement of each environmental or social characteristic promoted by the SICAF, the ManCo adopts a specific management and measurement framework based on ESG indicators (hereinafter, the "**ESG Framework**"), defined with the support of a specialized consultant and updated from time to time in accordance with the relevant regulations, standards and international industry best practices. Within the ESG Framework are defined the methods of analysis and monitoring of specific KPIs, based on data and information, both quantitative and qualitative, collected and provided by the stakeholders involved.

In particular, the ManCo uses quantitative and qualitative social and environmental rating indicators and performance metrics, codified in accordance with policies adopted by the ManCo. Many of these are derived from the standards identified by: (i) the classification system of economic activities and environmental impacts defined by the taxonomy of the European Union (EU Regulation no 2020/852); (ii) the Global Reporting Initiative (GRI), an independent international organisation that assists economic actors in managing their environmental and social impact; (iii) the Global Impact Investing Network (GIIN), a non-profit organisation dedicated to the dissemination of investments with a positive social and environmental impact, in particular through the so-called "Impact Reporting and Investment Standards" ("IRIS").

In addition, the ManCo, in order to evaluate and monitor the SICAF's performance in the social field, has identified certain KPIs covering the following macro areas:

- type and number of enrolled students;
- type and number of guests in student housing;

- type and number of staff hired;
- community-based social initiatives;
- urban redevelopment activities.

Information on the extent to which the sustainable investment objective promoted by the SICAF are achieved is rendered in the semi-annual and annual reports on the management of the SICAF itself.

7. Methodologies

In the investment process related to the SICAF (i.e. from the scouting phase to the divestment phase), the ManCo, in accordance with the provisions of the internal investment and divestment policy, integrates sustainability risks, adopting the relevant assessment and mitigation parameters, and analyzes the relevant sustainability factors, consistent with the investment strategies defined for the SICAF, providing in this context to: (i) complete the risk profile of the investment; (ii) identify any opportunities for intervention; (iii) estimate the impact of these risks on the value creation process; and (iv) assess their consistency with the SICAFs classification.

The Company adopts a collaborative approach with all stakeholders involved in each operation, with the aim of expanding and making more usable the social services housed in the properties owned by the SICAF and reducing the environmental impact and exposure to climate risks of the properties themselves, with a solid perspective of value creation for all stakeholders.

The evaluation of performance in the ESG area at the ManCo and SICAF level is done by periodically calculating the KPIs mentioned in the section called "Monitoring of Environmental or Social Characteristics," which provide a representation of the as-is situation of the Company and the SICAF and the differential from the target to be achieved within a specific time horizon. In the case of indicators with a value close to or below a certain minimum threshold, corrective actions and initiatives are planned in response to any critical points or opportunities for improvement.

Specifically, at the SICAF level, KPIs can be used at two distinct stages:

- o in the investment and divestment process, for the purpose of assessing the ESG profile of the asset being invested in and in such a way that due diligence investigation areas can be integrated with sustainability assessments;
- o on an ongoing basis, for the purpose of measuring the ESG performance achieved by the SICAF and assessing related risks, defining appropriate improvement and enhancement actions.

In order to measure and evaluate the achievement of the sustainable investment objective, the ManCo defines a set of measurable sub-objectives (so-called targets) and indicators, so that it can periodically communicate to all stakeholders the progress achieved, updating corporate reporting and in particular supplementing SICAF 2-specific reporting, as required by recent European regulations on the transparency of sustainability impacts.

The SICAF considers the Principal Adverse Impacts (i.e., "PAIs") of its investment decisions on sustainability factors.

Specifically, Silver Fir, in carrying out its investment activities takes into consideration the indicators set forth in EU Delegated Regulation 2022/1288, including the two mandatory indicators for the Real Estate sector:

- Exposure to fossil fuels through real estate assets;
- Exposure to energy-inefficient real estate assets;

and three additional indicators, one from Table 2 of Annex I, referring directly to the Real Estate sector:

- Waste generation in operations;

and two other optional custom indicators, provided in Table 3 of Annex I, applied to the main suppliers of the SICAF:

- lack of supplier code of conduct;
- Lack of anti-corruption and anti-bribery policies.

8. Sources and processing of data

The data and information necessary for the purpose of assessing and monitoring the achievement of the sustainable investment objective promoted by the SICAF are collected, either directly or through contracted parties, making use of public databases and sources (e.g., land registry, Internal Revenue Service, etc.) whenever possible.

Data uploaded into the monitoring tool are collected directly by Silver Fir with the support of external parties (e.g., property managers and tenants). These include building and tenant consumption data, social value data related to activities performed within the properties (or promoted by the SICAF), or even data taken from public databases (e.g., ISPRA database on hydrogeological risk).

A consistency check is performed at the time of data collection, and later when the data is uploaded to the tool. The collected data are saved on the company database, and also periodically uploaded to the dedicated tool provided by the external provider. In most cases the data are actual and real, however, estimation could be used to evaluate those data over which Silver Fir does not have direct control.

9. Limitations of methodologies and data

The main limitation of the methodology adopted lies in the dependence on tenants and third parties for data collection, as it cannot be collected directly by the ManCo. This can lead to a delay in obtaining data or imperfect collection. It is Silver Fir concern to make efforts to seek alternative and more accurate collection methods with a view to making itself more autonomous in data collection. Nonetheless, most of the data is properly collected and considered for the purposes of evaluation, so these limitations do not affect the assessments of sustainable investment objective promoted by the SICAF.

10. Due diligence

In evaluating the investment opportunities identified for the SICAF, Silver Fir conducts a due diligence process aimed at assessing, in a comprehensive manner, the return expectations, risk profiles and sustainability aspects

related to the potential investment. With particular regard to environmental and sustainability due diligence, Silver Fir conducts the following sub-activities:

- inspection of the property to assess its general condition, current condition, uses to which the property has been put, compliance with local rules and regulations, reconnaissance of the property to assess any environmental impacts, review of topographic, geological and hydrogeological maps, photographic documentation of the property (so-called Phase I environmental due diligence). If the need is identified, due to the specific characteristics of the property, for a more in-depth analysis on environmental issues, the property management area manager will take action in order to carry out, through specialized consultants, such further in-depth analysis, within the limits indicated by the investment committee or subject to its resolution;
- sustainability assessment from an ESG perspective using a sustainability checklist that, through the preparation of ad hoc questions aims to capture aspects related to the presence of sustainability certifications (BREEAM, LEED, WELL, ISO 14001 or similar), information on construction materials (type of material source, disposal options and embodied carbon), presence of technologies that harness renewable energy and reduce environmental impact, energy efficiency, water use efficiency, waste management, property management, as well as gather information to assess impacts in terms of health, safety and welfare of occupants, socio-economic risks, and biodiversity.

11. Achievement of the sustainable investment objective

No benchmark has been designated for the purpose of measuring the achievement the sustainable investment objective pursued by the SICAF.