

Reserved Alternative Investment Fund

"ORA"

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

1. Summary

The reserved real estate alternative investment fund named "ORA" (hereinafter, the "**Fund**" or the "**AIF**"), 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 8 of the Regulation (EU) 2019/2088 on Sustainability Reporting in the Financial Services Sector (hereinafter, the "**SFDR Regulation**"), i.e., among financial products that promote, among others, environmental or social characteristics, or a combination of such characteristics.

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 funds that qualify under Article 8 of the SFDR Regulations, information about how the environmental or social characteristics promoted by each fund are met.

No sustainable investment objective	The Fund does not have a sustainable investment objective.
Environmental or social characteristics of the financial product	The Fund intends to promote (i) the mitigation of the effects of climate change through the implementation of energy efficiency-oriented property management policies and/or the construction of properties characterized by low energy consumption and reduced or absent (direct or indirect) GHG emissions, as well as the monitoring of the environmental performance of the assets and raising awareness on the use of renewable energy sources (e.g., photovoltaic panels, LEDs, thermal collectors, etc.) also by the tenants of the properties themselves;
Investment strategy	<p>Subject to the above section, the management of the Fund is aimed at pursuing the increase in the value of the Fund's assets primarily through the completion of development or enhancement transactions, through an investment strategy that promotes environmental or social characteristics in accordance with Article 8 of the SFDR Regulations, as well as to enable participants to benefit from the income derived from the properties held in the portfolio.</p> <p>The Fund may not invest in real estate initiatives that have one or more of the following characteristics: (i) properties intended for the production, processing, or storage of fossil fuels, tobacco or tobacco related products, and/or characterized by the presence of polluting materials; (ii) development of projects in protected natural areas or that have a negative impact on cultural heritage sites; (iii) activities prohibited by biodiversity conservation legislation; (iv) properties or development operations related to economic activities considered controversial or contrary to international treaties and conventions; and (v) construction of properties intended for energy intensive production activities not powered by renewable sources. In addition, the Fund may not lease the properties forming part of its assets, nor invest in real estate ventures whose</p>

	tenants operate in sectors deemed not to be "socially responsible," as more fully specified in the section entitled "Investment Strategy."
Proportion of investments	The minimum percentage of investments that promote environmental or social characteristics is identified as 80 percent.
Monitoring of environmental or social characteristics	Silver Fir, to measure the achievement of each environmental or social characteristic promoted by the Fund, 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 Fund 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 Fund, 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."
Designated reference benchmark	No benchmark has been designated for the purpose of measuring the achievement of environmental or social characteristics promoted by the Fund.

2. No sustainable investment objective

The Fund promotes environmental or social characteristics in accordance with Article 8 of the SFDR Regulations but does not have a sustainable investment objective.

3. Environmental or social characteristics of the financial product

The Fund promotes the following characteristics:

- environmental: the mitigation of the effects of climate change through the implementation of energy-efficiency oriented property management policies or the construction of properties characterized by low energy consumption and reduced or absent (direct or indirect) GHG emissions, as well as the monitoring of the environmental performance of the properties and the raising of awareness on the use of renewable energy sources (e.g., photovoltaic panels, LED lighting, thermal collectors, etc.),

including by the tenants of the properties themselves; ; In addition, buildings will be able to have rainwater recovery systems to reduce the consumption and waste of water resources.

- In managing the Fund, the ManCo identifies the main objectives in line with the SDGs. The investment seeks to create a specific impact on four SDGs, namely: #6, clean water and sanitation; #7, affordable and clean energy; #8, decent work and economic growth; and #9, Industry, Innovation and Infrastructure.

4. Investment strategy

The management of the Fund is aimed at pursuing an increase in the value of the Fund's assets primarily through the completion of development or redevelopment transactions, through an investment strategy that promotes, among others, environmental or social characteristics in accordance with Article 8 of the SFDR Regulations, as well as to enable participants to benefit from the income derived from the properties held in the portfolio.

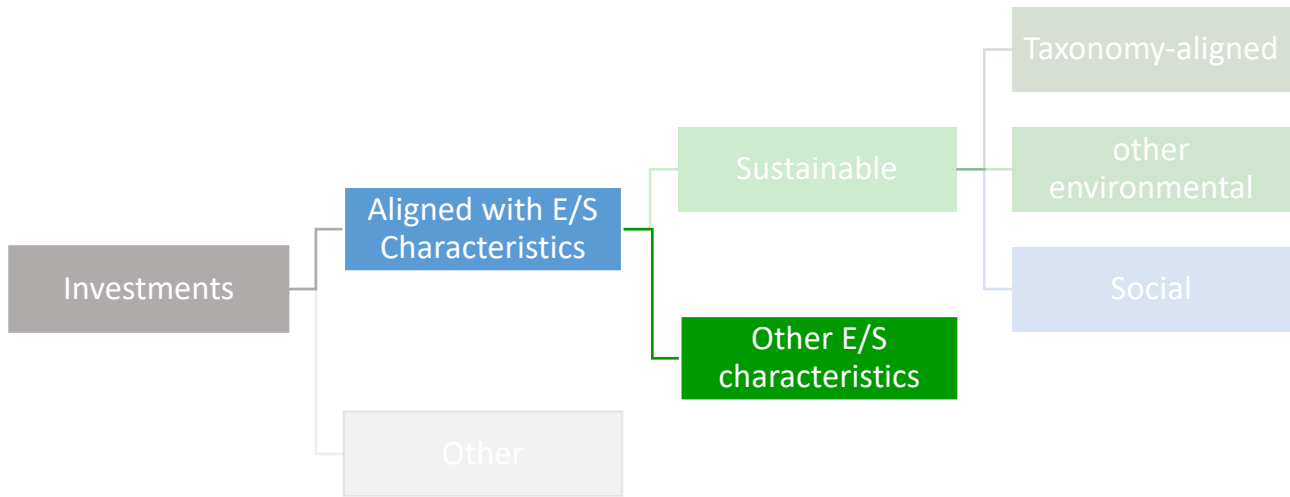
The Fund may not invest in real estate ventures that have one or more of the following characteristics:

- 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 Fund 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 Fund promotes environmental and social characteristics but does not include sustainable investments. Specifically, the Fund consists of a minimum of 80% in investments that promote the above characteristic.

6. Monitoring of environmental or social characteristics

In order to measure the achievement of each environmental or social characteristic promoted by the Fund, the company 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. By way of example only, to assess and monitor the Fund's environmental performance, Silver Fir has identified KPIs related to the following macro areas:

- energy efficiency;
- protection of water resources;
- air protection (monitoring and reduction of emissions);
- waste;
- biodiversity.

The KPIs identified by the company to assess and monitor performance in the social sphere cover the following macro areas:

- community-based social initiatives
- urban redevelopment activities.

Information on the extent to which the environmental or social characteristics promoted by the Fund are achieved is rendered in the annual reports on the management of the Fund itself.

7. Methodologies

The Company considers the integration of ESG factors into the AIF's investment process to be of fundamental importance, in the belief that these elements, in addition to fostering sustainable economic and social development, can contribute positively to the financial results of the AIF itself, while at the same time reducing its risks.

In the investment process related to the Fund (i.e. from the scouting phase to the divestment phase), the Company, 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 Fund, 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 Fund's 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 Fund 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 Fund 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 Fund 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 Fund level, KPIs can be used at two distinct stages:

- 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;
- on an ongoing basis, for the purpose of measuring the ESG performance achieved by the Fund and assessing related risks, defining appropriate improvement and enhancement actions.

The Company assesses that the high energy class condition of the properties in the AIF portfolio, which are characterized by low emissions, all other things being equal, determines a positive influence on the risk/benefit profile for the investor and the value of the investment.

To measure and assess the achievement of the environmental or social characteristics promoted by the Fund, the company defines a series 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 the Fund's specific reporting, as required by recent European regulations on the transparency of sustainability impacts.

The Fund 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:

- Waste production in operations;
- 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 each environmental or social characteristic promoted by the Fund 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 Fund), 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 environmental and social characteristics promoted by the Fund.

10. Due diligence

In evaluating the investment opportunities identified for the Fund, 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, occupant health, safety and welfare, socio-economic risks, and biodiversity.

11. Designated reference benchmark

No benchmark has been designated for the purpose of measuring the achievement of environmental or social characteristics promoted by the Fund.