

Extract out of the CSR protocol

Date: 02/01/2023

3.2 ESG Integration and Consideration in the Investment Process

Art. 2 (22) of the SFDR defines “sustainability risk” as every environmental, social or governance (‘ESG’) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment; given that risk may have a negative impact on returns, the aim of Natam is to identify specific indicators in order quantify and mitigate the ESG risks, and therefore, in cooperation with the delegated investment managers, taking them into account in the investment process.

Natam integrated the ESG risk into the risk profiles of those sub funds which integrate sustainability risks into their investment decision-making processes (art.8 SFDR) but also keeps an internal control, through an in house model based on third party data, on the sub funds which do not adopt ESG criteria in the investment policy in order to monitor the sustainability risk in any case.

* * *

As of today (1 January 2023) one of the four sub-managers has formally integrated the ESG factors into its management process while the other three are evaluating this opportunity. For 8 out of the 19 sub funds that have designated Natam as Manco, the Prospectus has been integrated with the pre-contractual disclosure for financial products referred to in Article 8, paragraph 1, 2 and 2a, of Regulation (EU) 2019/2088, while the remaining 11 fall, for the moment, under art.6.