

Sustainability-related information pursuant to art. 10 of EU Reg. 2019/2088 (“SFDR”) for “KAIROS INTERNATIONAL SICAV – SMART BOND 03/2028”, which promotes environmental or social characteristics according to art. 8 SFDR

	Date	Description
First version	01-07-2025	First version of the document
First review	01-07-2026	Review of contents due to the substitution of data provider and streamlining of disclosures

a) Summary

1. This financial product promotes environmental and social characteristics, while limiting the weight of issuers with low ESG quality.
2. Although this product only promotes environmental and social characteristics, it does not have a sustainable investment objective.
3. In particular, the product promotes the preservation of the environment and natural resources, as well as fair work conditions, democracy, human and social rights on the social side.
4. The responsible investment strategy is to pursue the environmental and social characteristics described above and the limitation of investment in low-quality ESG issuers, following, in addition, the allocative criteria described in the next point.
5. A minimum proportion of 80% of the financial product net assets are invested in issuers which promote the environmental and social characteristics as detailed in the sections above and which have an ESG Score higher than 1.429/10. Investments in any financial products classified as either Article 8 SFDR or Article 9 SFDR are also considered to be aligned with the environmental and social characteristics promoted by the financial product. Up to 20% of the financial product's net assets may be invested in money market instruments or consists of margins, collateral and market value of derivative instruments, or a mix of those and investments in issuers that have no ESG Score or have an ESG Score lower than 1.429/10 (limited to corporate issuers, assuming they have passed the good governance test), subject to a maximum limit of 10% of the financial product net assets for the latter.
6. Environmental and social characteristics are pursued by the investment Management Company on a discretionary basis. The Management Company's Risk Management team monitors the adherence of the portfolio to its strategy on an ongoing basis.
7. The methodologies, used for assessing the environmental and social characteristics of the countries and investee companies and for identifying issuers subject to exclusion, are those developed by the third-party providers specifically selected by the Management Company.
8. The data are produced by the third-party providers and can be either those reported by the companies themselves or estimated by the providers (see paragraph (h) below); they are managed and processed electronically, via computer flows that directly connect the third-party providers with the Management Company's Risk Management team.

9. The main limitations of the analysis methods are the degree of coverage of portfolio issuers by external providers, possible inaccuracies resulting from the normalization of different measurement systems used by different providers, and the use of data estimated by them.
10. The correct application of ESG assessments is ensured by the automatic way in which they are downloaded or transposed, as well as by the parameterization of ESG limits in the front office and risk management systems.
11. With reference to active shareholding practices, the SGR, in addition to adhering to the Italian Stewardship Principles issued by Assogestioni, has prepared a documented and publicly available Engagement Policy, summarized in paragraph k) below.
12. The financial product does not have a reference benchmark for the purpose of measuring the achievement of its promoted environmental or social characteristics.

Sintesi

1. Il presente prodotto finanziario promuove caratteristiche ambientali e sociali, limitando al contempo l'incidenza di emittenti con bassa qualità ESG.
2. Sebbene il prodotto promuova caratteristiche ambientali e sociali, non persegue un obiettivo di investimento sostenibile.
3. In particolare, il prodotto promuove la salvaguardia dell'ambiente e delle risorse naturali, nonché condizioni di lavoro eque, la democrazia e i diritti umani e sociali.
4. La strategia di investimento responsabile mira a perseguire le caratteristiche ambientali e sociali sopra descritte e a limitare gli investimenti in emittenti con bassa qualità ESG, nel rispetto dei criteri di allocazione indicati al punto successivo.
5. Una quota minima dell'80% del patrimonio netto del prodotto finanziario è investita in emittenti che promuovono le caratteristiche ambientali e sociali descritte nelle sezioni precedenti e che presentano un punteggio ESG superiore a 1,429/10. Sono considerati allineati alle caratteristiche ambientali e sociali promosse dal prodotto finanziario anche gli investimenti in prodotti finanziari classificati ai sensi dell'Articolo 8 o dell'Articolo 9 del regolamento SFDR. Fino al 20% del patrimonio netto del prodotto finanziario può essere investito in strumenti del mercato monetario o costituito da margini, garanzie e valore di mercato di strumenti derivati, oppure da una combinazione di tali elementi e investimenti in emittenti privi di punteggio ESG o con un punteggio ESG inferiore a 1,429/10 (limitatamente agli emittenti societari, a condizione che abbiano superato la verifica di buona governance), fermo restando un limite massimo del 10% del patrimonio netto del prodotto finanziario per quest'ultima categoria.
6. Le caratteristiche ambientali e sociali sono perseguite dalla Società di gestione su base discrezionale. Il team di gestione del rischio della Società di gestione monitora costantemente la conformità del portafoglio alla strategia adottata.
7. Le metodologie utilizzate per valutare le caratteristiche ambientali e sociali dei paesi e delle società partecipate, nonché per individuare gli emittenti soggetti a esclusione, sono quelle sviluppate dai fornitori terzi appositamente selezionati dalla Società di Gestione.
8. I dati sono prodotti dai fornitori terzi e possono essere sia quelli comunicati dalle società stesse sia stime effettuate dai fornitori (si veda il paragrafo (h) seguente); essi sono gestiti ed elaborati elettronicamente, tramite flussi informatici che collegano direttamente i fornitori terzi al team di Risk Management della Società di Gestione.
9. I principali limiti dei metodi di analisi sono rappresentati dal grado di copertura degli emittenti in portafoglio da parte dei fornitori esterni, da possibili imprecisioni derivanti

dalla normalizzazione di diversi sistemi di misurazione utilizzati dai vari fornitori e dall'utilizzo di dati da essi stimati.

10. La corretta applicazione delle valutazioni ESG è garantita dalle modalità automatizzate di acquisizione o recepimento dei dati, nonché dalla parametrizzazione dei limiti ESG nei sistemi di front office e di gestione del rischio.
11. Con riferimento alle pratiche di azionariato attivo, la SGR, oltre ad aderire ai Principi italiani di Stewardship (Italian Stewardship Principles) emanati da Assogestioni, ha predisposto una Politica di Engagement documentata e resa pubblica, sintetizzata nel paragrafo k) seguente.
12. Il prodotto finanziario non dispone di un benchmark di riferimento ai fini della misurazione del raggiungimento delle caratteristiche ambientali o sociali promosse.

b) No sustainable investment objective

This financial product promotes environmental and social characteristics, but does not have as its objective sustainable investments.

c) Environmental or social characteristics of the financial product

This financial product promotes both the preservation of the environment and natural resources, and fair work conditions, democracy, and human and social rights on the social side.

d) Investment strategy

The financial product ESG strategy is based on two pillars:

1. the promotion of certain environmental and social characteristics,
2. the limitation of investments in issuers with low ESG quality.

More specifically:

1. This financial product promotes in particular:
 - a. the preservation of the environment and natural resources through the exclusion of companies involved in the entire thermal coal value chain, specifically in the energy production, energy industry support services, and extraction sectors, which accounts for more than 30% of their revenues, as identified through data and analysis from the third-party data provider used by the Management Company;
 - b. the respect of human rights or other significant violations of international law through the exclusion of:
 - i. corporate issuers involved in the production or commercialization of controversial weapons, which include anti-personnel land mines, cluster munitions, biological, chemical, blinding weapons, depleted uranium, white phosphorus and which have mostly been banned by UN treaties, as identified through data and analysis from the third-party data provider used by the Management Company;
 - ii. corporate issuers involved in the production or commercialization of nuclear armaments domiciled in countries not adhering to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT);

- iii. countries sanctioned, as identified by the ESG Policy to which the financial product adheres, based on data and analysis from the third-party data provider used by the Management Company;
- c. the protection of human health through the exclusion of issuers involved in the cultivation and production of tobacco, as identified through the third-party data provider's sectoral classification;
- d. the protection and respect of human rights, the safeguarding of fair labour standards, the preservation of the environment, and the fight against corruption through the exclusion of issuers violating the UNGC principles or OECD guidelines for multinational enterprises, as identified through data and analysis from the third-party data provider used by the Management Company.

The above exclusions are determined by the Management Company based on the analysis carried out by specialized third party ESG data providers.

The ESG quality of the financial product is monitored to avoid a high concentration of poorly rated issuers, where the concentration is taken into consideration in absolute terms (i.e. with reference to the net assets of the financial product) and not relative to a benchmark (i.e. not in relation to its composition in terms of ESG scores). Issuers are selected so that less than 10% of the financial product's net assets are invested in corporate or government issuers without an ESG Score or with an ESG Score below 1.429/10 (limited to corporate issuers, assuming they have passed the good governance test), on a scale from 0 to 10 (where 10 is the maximum/best). Furthermore, a minimum proportion of 80% of the financial product net assets are invested in issuers which promote the environmental and social characteristics as detailed in the sections above and which have an ESG Score higher than 1.429/10. Investments in any financial products classified as either Article 8 SFDR or Article 9 SFDR are also considered to be aligned with the environmental and social characteristics promoted by the financial product.

Regarding the application of ESG scores to corporate or government issuers, the Management Company uses scoring data of third party ESG data providers.

The overall ESG quality of the financial portfolio is monitored on a continuous basis and issuers with no ESG Score or with an ESG Score lower than 1.429/10 are evaluated at each quarterly meeting of the Investment Committee of the Management Company.

The above exclusions and limitations do not apply to positions derived from investments in other collective investment schemes or in index derivatives.

e) Proportion of investments

The financial product's strategic asset allocation is defined by its risk-return profile and implemented through the active investment in variable proportions.

A minimum proportion of 80% of the financial product net assets are invested in issuers which promote the environmental and social characteristics as detailed in the sections above and which have an ESG Score higher than 1.429/10. Investments in any financial products classified as either Article 8 SFDR or Article 9 SFDR are also considered to be aligned with the environmental and social characteristics promoted by the financial product.

Up to 20% of the financial product's net assets may be invested in money market instruments or consists of margins, collateral and market value of derivative instruments, or a mix of those and investments in issuers that have no ESG Score or

have an ESG Score lower than 1.429/10 (limited to corporate issuers, assuming they have passed the good governance test), subject to a maximum limit of 10% of the financial product net assets for the latter. Those issuers that have no ESG Score or have an ESG Score lower than 1.429/10 are deemed to be of interest from a strictly financial point of view and/or, given their characteristics, help to complete the thematic, sector and geographic profile of the portfolio. Those issuers will still be compliant with the exclusion criteria set out in the “Investment Strategy” section above.

f) Monitoring of environmental or social characteristics

The investment strategy is implemented by the portfolio management team on a discretionary basis. The risk management team monitors on an ongoing basis the compliance of the financial product with the ESG investment strategy, having due regard to ESG data provided by third party data providers. Any deviation from the intended ESG investment strategy (i.e. due to price movement or revision of the ESG classification/scoring of the assets in which this financial product is invested into) is analyzed by the Management Company and due consideration is given as to the continued holding, or not, as the case may be, of the relevant assets within the portfolio of the financial product, taking into account the best interests of its investors.

g) Methodologies

The methodologies, used to assess the environmental and social characteristics of the countries and investee companies and to identify issuers subject to exclusion, are those developed by the third-party providers selected.

Further details on the analysis of the methodologies used can be found on the websites of the companies, who are among the best known and widely used on the market, so that their well appreciated professional skills are the main assurance on the quality of their ESG data.

h) Data sources and processing

The data, used for assessing the environmental and social characteristics of countries and investee companies and for identifying issuers subject to exclusion, are those produced by the third-party providers used and can be either those reported by the companies themselves or estimated (by the provider). In this regard, for the corporate asset class, the third-party provider uses estimates solely to assess exposure to risks or opportunities related to specific relevant themes and sectors where companies do not provide detailed data. In general, no more than 15% of a company's rating may be based on estimates, although this may vary depending on the sector. However, in most cases, no estimated values are used. With respect to the government asset class, the use of estimates is even more limited, representing approximately 7% of the total data. In this area as well, estimated values are generally not used.

It is also reasonable to assume that the use of estimated data will decrease over time, given the coming obligations for companies to publish a larger set of sustainability related information and data points.

At the moment, the Management Company doesn't use internally estimated ESG data.

Data are managed and processed electronically, via information flows directly connecting third party providers with the Risk Management of the Management Company.

i) Limitations to methodologies and data

The main limitations to the analysis described above are represented by the degree of ESG coverage of the issuers in the portfolio of the financial product by external suppliers and by the possible inaccuracies deriving from the standardization of different measurement systems used by the various suppliers for the calculation of issuers ESG scores and the use of data estimated by them.

Such limitations do not affect how the environmental and social characteristics promoted by this financial product are met, because the ESG coverage of the invested issuers is very high.

j) Due diligence

The correct application of ESG assessments to the financial product assets is ensured by the automatic and electronic acquisition of third party ESG data, as carried out by the internal Risk Management function. Furthermore, the binding elements of the investment strategy are translated into investment restrictions, which are defined by the Management Company's Investment Committee, approved by its Product Committee and shared with the Board of Directors of the Management Company and of the SICAV. Those quantitative restrictions are then applied to the compliance software by the Risk Management team of the Management Company.

k) Engagement policies

With reference to active share ownership practices, the Management Company, in addition to adhering to the Italian Stewardship Principles issued by Assogestioni based on the EFAMA Stewardship Code, has prepared a documented and publicly available policy (see https://www.kairospartners.com/wp-content/uploads/2024/12/KPS_Politica-di-impegno-e-esercizio-di-voto-ENG.pdf) in which it describes how:

- it monitors investee companies, with shares admitted to trading on a regulated market in Italy or in another EU Member State, on relevant issues, including strategy, financial and non-financial results as well as risks, capital structure, social and environmental impact and corporate governance;
- it communicates with investee companies;
- it exercises voting rights and other rights connected to the shares;
- it collaborates with other shareholders;
- it communicates with the relevant stakeholders of the investee companies.

l) Designated reference benchmark

The financial product does not have a reference benchmark for the purpose of measuring the achievement of the environmental or social characteristics promoted.