EQUINOX

Subject : **Article 3 SFDR Disclosure(s)**
Date : 1st March 2021

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), Equinox AIFM S.A. is required to disclose the manner in which sustainability risks (as defined hereafter) are integrated into the investment decision-making process.

"Sustainability Risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made.

As of today, Equinox does not actively promote environmental or social characteristics and does not have sustainable investment as its main objective. However, Equinox is firmly convinced that the value creation for its shareholders and in general the development of a long term strategy for its portfolio companies require the introduction of environmental, social and corporate governance ("ESG") guidelines into all the stages of its activity (investment, management and divestment stages). Equinox's commitment in this sense has been formalised by signing the Principles for Responsible Investment (PRI) in 2019, a voluntary and aspirational set of investment principles promoted by the United Nations that offer a menu of possible actions for incorporating ESG issues into investment practices.

The integration of ESG factors and Sustainability Risk(s) analysis in the investment process is based on the following approach.

In the pre-investment stage, Equinox will not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities:

- whose business activity consists of an illegal economic activity (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant company or entity, including without limitation, human cloning for reproduction purposes);
- which substantially focus on the production of and trade in tobacco and distilled alcoholic beverages and related products, excluding – for the sake of clarity – wines and beers;
- which substantially focus on the financing of the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
- which substantially focus on the management of casinos, on-line gambling and equivalent enterprises;
- which substantially focus on the research, development or technical applications relating to electronic data programs or solutions, which aim specifically at:
    - supporting any activity referred to under items above;
    - internet gambling and online casinos;
    - pornography;
- or are intended to enable to illegally:
    - enter into electronic data networks; or
    - download electronic data.

The AIFM's exposure to the sectors above identified would be reduced to a minimum, so that critical issues, as well as specific unmitigated risks, could lead to stop the acquisition process. In this respect, the Investment manager may seek the Equinox's Investors Committee prior advice in all cases in which it is willing to carry out an investment in a business whose exclusion from the restricted sectors above is uncertain or when the incidence of the restricted activities on the overall business of the Target is low or minimizeable. Moreover, AIFM might depart from the aforementioned investment restrictions subject to the prior approval of the Investors Committee which, in any case, cannot waive the minimum legal and diversification requirements.

During the due diligence, Equinox analyses the Sustainability risks and opportunities related to ESG issues of the target company and of its industry, also considering current and future sustainability trends, along with a careful and thorough assessment of the ethics and reputation of its corporate management.

Due diligence analysis mainly focus on:

- the relevant risks for the sector and for the target;
- the context where the target operates;
- ESG best practices in relation to the target sector;
- alignment with the most up-to-date internationally recognized standards;
- any mitigation actions taken by the target.

The results of the ESG due diligence are presented into the ESG opinion, to be included in the Preliminary Investment Memorandum and the Final Investment Memorandum; the ESG opinion reflects the risks and opportunities related to the target company that have to be considered jointly to its financial valuation. Specific criteria and best practices will be included in order to prioritise the activities to be implemented relying on the company's ability to cope with the issues identified. These documents are subject to preliminary evaluation by the Equinox Corporate Bodies.

Once the acquisition is completed, Equinox selects the issues with the highest risks to be mitigated and/or the issues characterized by the greater potential of improvements and, alongside the management of the portfolio company, defines goals to be achieved and the related reasonable time scheduling of actions to be taken.

After the acquisition, an ESG Action plan, declined in specific improvement objectives, will be set up; Equinox requires portfolio companies to start implementing and adopting the ESG Action Plan actively engaging with portfolio companies' management: at this stage engagement is an essential driver in order to make each company responsible and accountable on ESG topics.
On this basis, each portfolio company, with the support of Equinox, is required to:

- as stated above, identify an ESG representative responsible for the adoption and monitoring of ESG issues within the portfolio company with the aim of encouraging and promoting the management of these issues;
- adopt an ESG policy to formalise the company's sustainability principles and commitments;
- implement the Action Plan, addressing general and specific ESG issues for the company; the performance of the company in completing the Action Plan will be monitored through a periodical collection of ESG Key Performance Indicators (KPIs).

In this regard, KPIs common to all portfolio (“cross portfolio KPI”) and any company-specific KPIs ("company-specific KPIs") are defined on the basis of international non-financial reporting standards (e.g. GRI Standards).

Periodical reporting and monitoring

Equinox is committed to collect portfolio companies’ periodical reporting to monitor the status and progress of their respective ESG Action Plans, which are presented to Equinox Board of Directors for review at least once per year. The information collected is disclosed in the Fund’s reporting documents for the investors: relevant issues and related corrective actions implemented could also be included.
Furthermore, on an annual basis, Equinox fills in the PRI’s Transparency Report, made publicly available on the PRI website.

Exit

Equinox strongly believes in the value generated through the implementation of a responsible investment process and, for this reason, it is committed to share ESG outcomes achieved by portfolio companies with potential buyers, in order to outline the path of continuous growth of its portfolio after their exit from the Fund.

EQUINOX

Subject : **Article 6 SFDR Disclosure(s)**
Date : 1st March 2021

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), Equinox AIFM S.A. (the "Manager"), acting as Manager of Equinox III, SLP-SIF, is required to disclose the manner in which Sustainability Risks (as defined hereafter) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of Equinox III, SLP-SIF (the "Fund").

"Sustainability Risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Fund.

The identification of the Sustainability Risks has been recently integrated into the investment decision making and monitoring, as it is shared opinion that the identification and mitigation of these Sustainability Risks, through the implementation of ESG Action Plans at portfolio companies, will represent an opportunity to maximizing the long-term returns. Until today, the Manager has assessed and monitored Sustainability Risks potentially affecting portfolio companies and potential investment targets thanks to the execution of assessment and due diligence activities but has not yet actively promoted environmental, social or governance practices and has not yet maximized portfolio alignment with sustainability factors. However, the Manager is launching a long term plan to actively promote environmental, social and governance best practices at portfolio companies, fostering the adoption of appropriate ESG policies.

It is finally highlighted that the impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Article 6.1(b) – Sub-Fund Level

Equinox III, SLP-SIF is composed of a sole compartment, namely the "Equity Compartment". The Equity Compartment's portfolio invests in a wide range of sectors and industries in Italy: therefore, and as per concentration limits provided by the Fund's constitutive documents, the Equity Compartment's portfolio aims to spread the investments' risk amongst a diversified portfolio. As a consequence, the Fund's Manager believes that the Fund will be also exposed to a range of Sustainability Risks that may differ from asset to asset. Some investments' sectors and industries will have greater exposure to Sustainability Risks than others, however it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the global value of the Equity Compartment of the Fund. In this respect, the Fund's Manager should assess an *ad-hoc* environmental, social and governance due diligence for each asset held in portfolio, aiming to identify the specific Sustainability Risk(s) of each asset.

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Subject	:	**Article 4 SFDR Disclosure(s)**
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Equinox is committed to use its best efforts to take into account the potential adverse impact of its investment decisions. However, it shall be noted that, since non-financial data of SMEs are not always available in satisfactory quality and quantity, the AIFM is not frequently able to assess the potential adverse impact of Equinox investment decisions on the global sustainability factors.

Subject	:	**Article 5 SFDR Disclosure(s)**
Date	:	1st March 2021 – Final Version

Equinox's Remuneration Policy does not encourage risk-taking which is inconsistent with our risk profile as well as the risk profiles of the funds Equinox manages including sustainability risks stemming in particular from climate-related events or from the society's response to climate change.

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