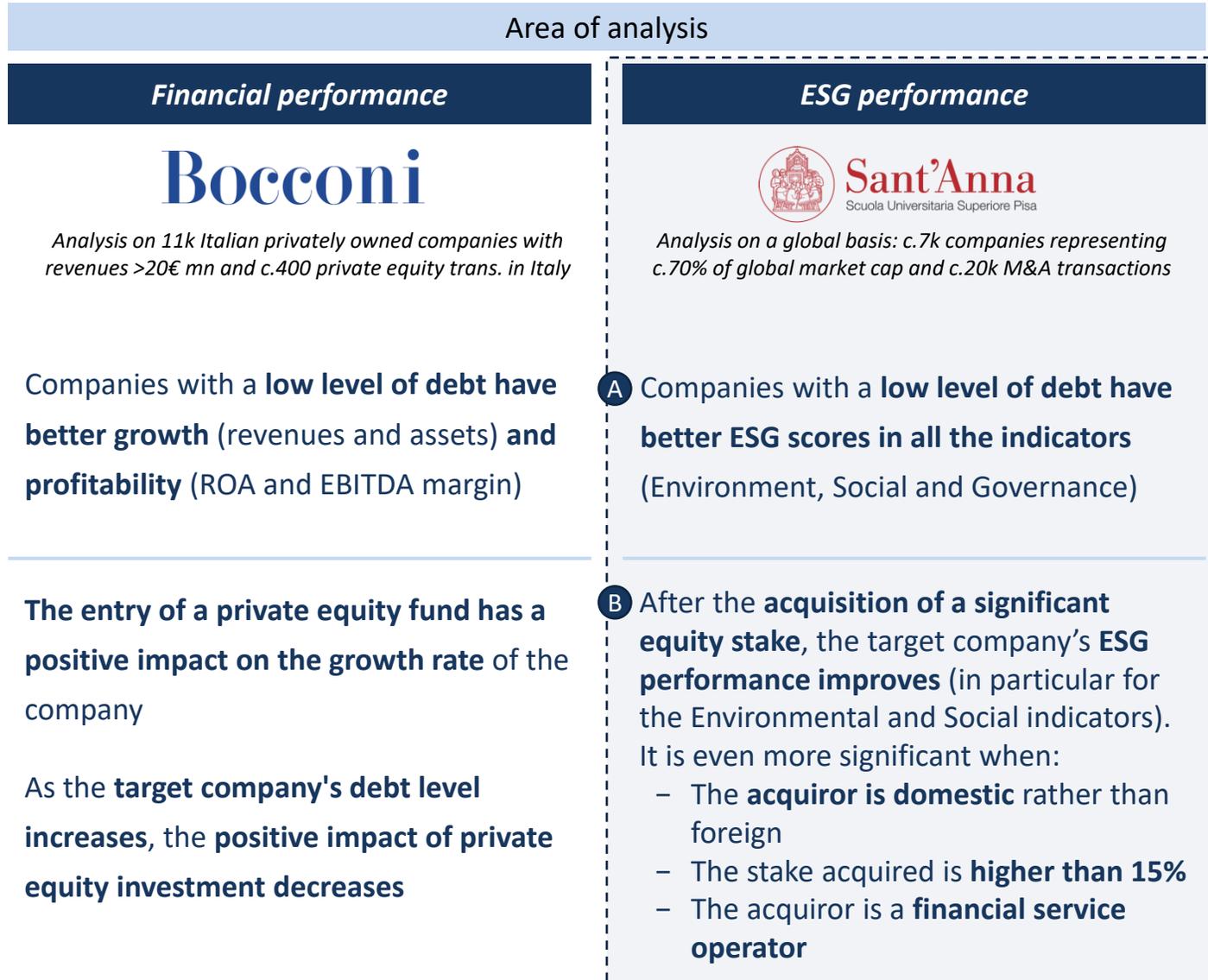


FSI and ESG - two studies in partnership with primary Italian Universities: Bocconi e Sant'Anna

Main findings



Key questions

What's debt level impact on companies performance?

What's the effect of PE investments and M&A transactions on target companies?



- **FSI Formula centered on equity and not on leverage.** We believe, also supported by these studies, that it is the right partnership formula
- **FSI is dedicated to the excellent Italian companies: geographical proximity and local decision making**, as well as FSI's **investment stakes** (varying between 25% and 50% of current portfolio companies), are significant elements to effectively support our companies and their communities in an ethical way

DETAILED NEXT

A. Companies' debt level vs. ESG performance

Evidence from the study

Debt levels are negatively associated with all the aggregate ESG scores and pillars

The negative relationship is statistically significant also for the majority of the category scores

Legend	N=negative
Level	P=Positive
Not significant	n.s.
Low	
Medium	
High	

ESG variables	Debt impact
Overall ESG Score	N
Environment Pillar	N
Emission	N
Eco-Innovation	n.s.
Eco-Efficiency	N
Climate Change	N
Social Pillar	N
Community	N
Human Rights	N
Product Responsibility	n.s.
Workforce	N
Governance Pillar	N
Management	N
Shareholders	n.s.
CSR Strategy	N

B. Impact of M&A on ESG performance

Evidence from the study

After receiving a significant equity stake, the overall ESG score, and in particular the Environmental and Social indicators, improve (illustrated in table)

In addition, the target's ESG performance further improves when:

- The acquiror is domestic rather than foreign
- The stake acquired is higher than 15%
- The acquiror is a financial service operator

Legend	N=negative
Level	P=Positive
Not significant	n.s.
Low	
Medium	
High	

ESG variables (6yrs after inv.)	M&A impact
<u>Overall ESG Score</u>	<u>P</u>
Environment Pillar	P
Emission	P
Eco-Innovation	P
Eco-Efficiency	P
Climate Change	P
Social Pillar	P
Community	n.s.
Human Rights	P
Product Responsibility	P
Workforce	n.s.
Governance Pillar	n.s.
Management	N
Shareholders	n.s.
CSR Strategy	n.s.