

RESPONSIBLE INVESTMENT POLICY



Who we are

Progressio SGR S.p.A. is an independent private equity firm, founded in 2005 and focused on investing in best-in-class, mid-market Italian companies.

Our mission is to build a stronger, resilient and inclusive economy by uncovering the hidden champions of Italian excellence and by generating winners through operational improvements. Grounded on our strong belief in the values of trust, transparency and open communication, our Team works every day with dynamism and determination to pursue our mission.

We focus on best in class Italian companies operating in the sectors where Italy has a strong expertise, namely mechanical engineering, fashion & luxury, pharma & chemicals, food & beverage. We proactively scout and build meaningful relations with businesses and entrepreneurs that demonstrate untapped potential and we develop tailored, sector-specific approaches together with their management teams.

As such, we leverage on operational improvements to create value by reorganising, repositioning and revitalising companies and to generate a positive socio-economic impact in the communities where our companies operate.

This approach allows us to create well-positioned, rapidly-growing market-leading businesses benefitting from professional management structures, clear strategy, sustainable growth and a simplified ownership structure.

Our commitment

We believe that, in order to achieve true Progress, we must consider the environment and society in the choices we make and balance economic growth with the pursuit of social development and the respect of the environment.

With the publication of this Responsible Investment Policy, we commit to pursuing an investment strategy that aims at achieving financial returns while ensuring the utmost respect for the rights and dignity of the people and for the environment in which we live.

In particular, we believe that environmental, social and corporate governance-related factors (ESG) can influence investment risks and returns, as well as ensure a complete and forward-looking view of their real value. Therefore, we have decided to incorporate environmental, social and governance criteria into our investment analysis and decision-making processes and into our ownership policies and practices with the goal of creating a shared and long-lasting value for all.

Responsible Investment Governance and Scope

The respect of the Responsible Investment Policy is ensured by the ESG Manager, responsible for its supervision and overall implementation, and by the Investment Teams, responsible for ensuring its proper implementation at the portfolio companies level.

The Board of Directors and CEO of each portfolio company are responsible, respectively, for the definition and the execution of the Company's ESG strategy, in compliance with the Progressio Responsible Investment Policy, and can count on the Progressio Management Team for its full support and strategic guidance throughout all stages of the process.

The present Responsible Investment Policy applies to all active investments, in which Progressio holds a position as majority shareholder. In case of investments where Progressio detains a minority stake, we commit to divulging our Responsible Investment Policy as to raise awareness and positively influence the company's management team towards an improved sustainability performance.

Our Responsible Investment cycle

At Progressio, we integrate our responsible investment principles throughout all the main phases of the investment cycle.

Before the investment:

All potential investments undergo a screening process, to ensure the target company's activities and business practices are in line with our ethical standards. In particular, specific sectors may be excluded from the investable universe, as specified in each fund's investment guidelines.

In addition, all target companies undergo an ESG screening process aimed at assessing, in parallel to their financial performance, their potential opportunities and risks associated with the ESG criteria that are relevant to Progressio.

Relevant ESG criteria include, at a minimum:

Environmental criteria:

- Energy consumption
- Greenhouse gas emissions
- Water management

Social criteria:

- Occupational health and safety
- Human resources management practices
- Respect for human rights and labor rights

Governance criteria:

- Compliance
- Supply chain responsible management
- Anti-corruption practices
- ESG Policies and practices

Additional ESG criteria may be applied to specific investment funds, as further detailed in the investment guidelines of each fund.

During the holding period:

ESG criteria constitute an integral part of the Progressio approach towards the monitoring and evaluation processes of the performance of the portfolio companies. All portfolio companies are encouraged to adopt governance structures that allow for an adequate management of ESG issues, including the potential adoption of appropriate policies, procedures and management systems.

For what concerns the ESG criteria that are relevant to Progressio, all portfolio companies are encouraged to monitor and evaluate their sustainability performance and to potentially put in place dedicated improvement plans based on the insights coming from the ESG performance evaluation. Indeed, during the entire holding period, the Investment Teams works alongside the portfolio companies to help identify ESG priority areas, potential risks and improvement opportunities to be included in each company's improvement plan.

Finally, all the portfolio companies in which we invest are encouraged to provide the Investment Teams with appropriate disclosure on ESG issues, as to promote high standards of transparency and continuous performance improvement.