

PROGRESSIO SGR S.p.A.
DISCLOSURE PURSUANT TO REGULATION (EU) 2019/2088

10th, March 2021

Disclosure pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector.

Art. 3 - Transparency of sustainability risk policies

Progressio SGR S.p.A. ("Progressio") pays particular attention to issues related to sustainability in order to achieve its financial objectives while ensuring the utmost respect for the rights and dignity of people and the environment, and integrating the assessment of sustainability risks, as defined by Regulation (EU) 2019/2088), within its investment process.

In particular, Progressio excludes the possibility of investing in sectors that are, by their nature, more exposed to sustainability risks, and adopts and implements specific processes and procedures aimed at analysing and managing, both during the preliminary assessment of the investment and in the phase following its implementation, certain categories of sustainability risks that may be relevant in relation to the specific characteristics of the potential investment, the target company and the economic sector in which it operates. In the pre-investment phase, these processes include a due diligence activity, carried out by external advisors, aimed at assessing the risks and opportunities of the investment, also with reference to sustainability risks. The results of this analysis are included in the documents of the Management Team and are shared with the compliance and risk management functions and with the ESG Manager appointed by Progressio and constitute, together with other elements of evaluation, the basis for the decision made by the Board of Directors regarding the continuation of the investment process.

Progressio ensures that sustainability risks are adequately identified, assessed and monitored, including in the post-acquisition phase, and endeavors to ensure that investee companies comprehensively review the relevant sustainability risks in relation to their main operations and analyze the processes and procedures in place for this purpose. All portfolio companies are encouraged to monitor and assess their respective sustainability performance and potentially implement dedicated improvement plans based on insights from the assessment of their relative performance. Throughout the holding period, the investment team works alongside portfolio companies to support them in identifying potential sustainability risks and opportunities for improvement to be included in the relevant strategic plan.

The persons in charge of carrying on the relevant investments, the investment managers, the Chief Financial Officer and - in particular - the ESG Manager ensure the implementation of systems for the collection and analysis of information flows from the investee companies and include sustainability risks, with reference to specific and defined indicators, in their risk monitoring activities.

Art. 4 - Transparency of adverse sustainability impacts at entity level

Progressio currently does not take into account, in the sense envisaged in Article 4(1) of Regulation (EU) 2019/2088, the negative impacts of investment decisions on sustainability factors. Following the adoption and entry into force of the regulatory technical standards that will establish detailed requirements regarding the content,

methodologies and presentation of information about the sustainability indicators identified in the Regulation, and following the clarification of relevant interpretation issues, Progressio will reassess its position in relation to the publication of negative impacts on sustainability factors and, should it decide to provide such information, will update the website accordingly.

Art. 5 - Transparency of remuneration policies with regard to the integration of sustainability risks

Progressio is required to adopt sound and prudent compensation and incentive policies that reflect and promote sound and effective risk management and do not encourage risk-taking that is inconsistent with the risk profiles and regulations of the funds it manages. In application of this principle, Progressio's compensation policies do not encourage sustainability risk-taking.

In particular, the assessment of the results taken into account by Progressio for the purpose of assigning the variable remuneration is carried out net of any negative impact deriving - ex ante or ex post - from the sustainability risks assumed.