

PROGRESSIO SGR S.p.A.

*TRANSPARENCY OF SUSTAINABILITY RISK POLICIES
PURSUANT TO REGULATION (EU) 2019/2088*

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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.