

PROGRESSIO SGR S.p.A.

*NO CONSIDERATION OF ADVERSE IMPACTS OF
INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS*

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Premise

On April 6, 2022, the European Commission adopted the Delegated Regulation (EU) 2022/1288 ("RTS") supplementing Regulation (EU) 2019/2088 ("SFDR") with regard to regulatory technical standards specifying the content, methodologies and presentation of information in relation to adverse sustainability impacts. In particular, PAI is defined as the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Motivation for not considering the adverse impacts of investment decisions on sustainability factors

Progressio SGR S.p.A. ("Progressio" or "SGR"), in accordance with the provisions of Article 4(1)(b) of the SFDR Regulation, does not consider PAIs.

Indeed, during the investment process, the SGR assesses the negative external impacts of the target or portfolio companies in a different manner than that provided in Annex I RTS.

In the first place, mandatory restrictions related to ESG factors are defined in advance – within investment guidelines of the funds managed by the SGR – excluding from investment certain companies operating in specific sectors deemed to be in conflict with Progressio's ethical standards (negative screening).

Then, a specific due diligence is carried out to identify relevant environmental, social and governance criteria (ESG due diligence) such as:

- 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.

The related performance of portfolio companies is then monitored and periodically assessed during the entire holding period. Companies are also encouraged, with the support of the SGR, to put in place dedicated improvement plans.