

RESPONSIBLE INVESTMENT POLICY (‘RI POLICY’)



November 2023

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Identity

Progressio SGR S.p.A. is an independent private equity firm focused on investing in Italian mid-market companies. Founded in 2005 and active in the investment sector for about 20 years, it is wholly owned by the management team. Progressio invests in the best Italian companies operating in excellence sectors, with the aim of contributing to the development of a more prosperous, resilient and inclusive economy.

The Company believes that environmental, social and governance ('ESG') factors not only help to provide a comprehensive, long-term view of the real value of investments, but can influence their risk profile and returns. For this reason, Progressio - through its investment activity - strives to achieve financial returns for its investors while guaranteeing sustainable development.

For this purpose, through a proactive approach characterized by a marked industrial footprint and the adoption of a responsible investment process (as detailed below), Progressio aims to transform the target companies in which it invests into leading players in their respective sectors, implementing strategic plans geared towards sustainability and the creation of shared value towards all stakeholders.

Since 2021, the Company has been certified B Corp, becoming part of a global movement of corporations that respect high environmental and social standards and that commit to promote new ways of doing business with the aim to create value for all stakeholders.

Furthermore, in 2022, the Company acquired the legal Status of Benefit Company, assuming the commitment to carry out its business activity while pursuing certain specific purposes of common benefit. In particular:

- promote the growth and development of its employees, guaranteeing inclusion and balance between the personal and professional spheres;
- integrate ESG factors into investment strategies, promoting business models that can address current environmental and social challenges;
- develop a continuous and transparent dialogue with investors, encouraging the

monitoring and reporting of ESG performance and the impacts generated on the environment, the community and all stakeholders.

To further strengthen its responsible investment strategy, in 2022 Progressio adhered to the Principles for Responsible Investment ('PRI' or 'Principles') launched by the United Nations, thus committing itself to:

- incorporate ESG issues into investment analysis and investment decision-making processes;
- be active shareholders and incorporate ESG issues into shareholding policies and practices;
- request appropriate disclosure on ESG issues from investee companies;
- promote the acceptance and implementation of the Principles in the financial sector;
- collaborate to improve the effectiveness in the implementation of the Principles;
- report on the activities and progress made in the implementation of the Principles.

Moreover, to confirm the commitments made, Progressio has established its most recent fund, Progressio Investimenti IV ('PI IV'), in line with the requirements of Article 8 of EU Regulation 2088/2019 (Sustainable Finance Disclosure Regulation – SFDR), with the aim of promoting and supporting the sustainable development goals of the European Union.

Lastly, the Company has defined a series of activities to be carried out internally in the medium term, aimed at progressively integrating the assessments of climate and environmental risks of target companies into its investment process.

The Responsible Investment Process

Since 2018, Progressio has begun to incorporate ESG factors into its decision-making and organizational processes by adopting a Responsible Investment Policy ('RI Policy').

Therefore, when analysing and selecting, holding and exiting an investment, Progressio is committed to taking environmental, social and governance aspects into consideration. These include as a minimum:

Environmental commitment:

- Fight the climate change
- Responsible management of water resources

Social commitment:

- Promotion of health and safety at work
- Respect of diversity and promotion of equal opportunities
- Respect for human and workers' rights

Governance commitment:

- Business ethics and integrity
- Transparency.

The pre-investment phase

As part of the process of selecting a target company, Progressio excludes the possibility of investing in sectors that are by their nature more exposed to sustainability risks.

The Company also commits, through an in-depth due diligence activity carried out also by

specialized external advisors, to analysing the risks and opportunities of the investment, including sustainability aspects (comprising environmental and climate risks), which may be relevant in relation to the target company and / or the sector in which it operates.

The results of this analysis are included in the documents of the investment team and shared with the compliance and risk management functions and with the Sustainability Team (as defined below) and are used by the Board of Directors in order to take investment decisions.

The holding phase

The Company commits to evaluate and monitor the performance of the portfolio companies, also considering sustainability aspects.

All the companies are encouraged to adopt governance structures and models that allow a proper management of ESG areas of commitment, including the possible adoption of specific policies, procedures and management systems.

Throughout the entire holding period, Progressio's investment team and Sustainability Team support the management team of each portfolio company in the identification of priority areas of ESG commitment and in the assessment and monitoring of the sustainability risks and opportunities related to their operating activities.

With the support of Progressio's investment team and Sustainability Team, all portfolio companies are also required to evaluate and monitor their sustainability performance and to implement dedicated improvement plans, based on the results of the ESG performance assessment.

The exit phase

In the exit phase, Progressio commits to make available the information and data relating to the sustainability performance and targets achieved by the portfolio company in question.

Reporting

Progressio, from 2020, has been drawing up a Sustainability Report (publicly available on the Company's website) which represents an important evidence of the commitment to transparency undertaken towards stakeholders with respect to sustainability issues.

In addition to an extensive description of the pillars that characterize Progressio's sustainability strategy, the Sustainability Report also includes the results of both the Company ESG performance monitoring and the portfolio companies, in accordance with the responsible investment process.

As a Benefit Company, and as required by the Italian Law no. 208 of 28/12/2015, since 2022 Progressio also publishes an Impact Report (also publicly available on the website) aimed at reporting annually the results achieved and the objectives set with respect to the common benefit purposes included in the Company's Statute, described above.

Governance and Application Scope

Progressio has assigned dedicated roles and responsibilities through the Sustainability Team, responsible for the promotion and definition of the Company's sustainability strategy and its implementation and supervision.

In particular, the Sustainability Team - composed of the ESG Manager supported by the Chief Financial Officer - is responsible, inter alia, for the implementation of this RI Policy and for the coordination and supervision of the Company's activities and resources affected

by the application of this policy as well as for monitoring the ESG performance of portfolio companies and reporting activities.

The Sustainability Team reports directly to the Board of Directors of Progressio and - in the execution of their functions - may consider the collaboration of external consultants, if required

At portfolio company level, the Chief Executive Officer with the board of directors and management team – with the support and guidance of Progressio's Sustainability Team and investment team – are responsible for defining and executing the company's ESG strategy, in accordance with this RI Policy.

This RI Policy applies to all active investments in which Progressio has a majority interest. In case of minority investments - without prejudice to the commitments undertaken pursuant to the RI Policy and the activities envisaged during the pre-investment phase - the Company commits to disclose the RI Policy in order to raise awareness and increase sensitivity to sustainability issues among the company's management, aiming to improve the company's ESG performance and impact profile.

Disclosure

This RI Policy is, where necessary, updated periodically by the Company's designated corporate functions and made available to all stakeholders on the Company's website.