

OLTRE

IMPACT

Statement on Principal Adverse Impacts of investment decisions on sustainability factors
30th June, 2024

1. SUMMARY

Oltre Impact SGR SpA – GESTORE EUVECA (hereinafter also “Oltre”) considers the Principal Adverse Impacts (hereinafter also “PAIs”) of its investment decisions on sustainability factors. The present statement is the consolidated statement on PAIs on sustainability factors of the current portfolio companies of Oltre III Fund and Oltre III Italia Fund, i.e. Medea S.r.l., Ubiquicom S.r.l., Jobtech S.r.l., Faba S.r.l.. Portfolio companies Cera Care Ltd, Fifteen SAS and Refurbed Marketplace GmbH have been excluded from the calculation as further explained (see *Chapter 7 “Further Notes” of the present document*). This PAIs statement covers the reference period from January 1st, 2023 to December 31st, 2023. It compares the indicators from this reporting year with the indicators regarding the reporting year 2022.

2. DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

2.1 CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022 ¹	Δ	Explanation	Actions taken, actions planned, and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions (tons of CO ₂)	Scope 1	48.48	42.66	+14%	The increase in absolute values is attributed to the rise in revenues and the growth in the number of employees (+15%) at portfolio level. As such, GHG intensity recorded a very slight increase (+2%). Additionally, the increase is linked to a more extensive data entry process for scope 3 GHG emissions.	In 2022, Oltre started monitoring the carbon footprint of its portfolio companies, supporting them in tracking their GHG emissions and developing effective GHG reduction strategies accordingly. The relevant categories included in
		Scope 2	6.64	6.44	+3%		
		Scope 3	101.03	51.86	+95%		
		Total GHG emissions	156.16	100.97	+55%		
	2. Carbon footprint	Carbon footprint	4.94	2.98	+66%		
3. GHG intensity of investee companies	GHG intensity of investee companies	6.22	6.07	+2%			

¹ Greenhouse gas emissions metrics (Adverse sustainability indicators 1, 2 and 3) were restated due to data review and identification of miscalculation. Values reported in 2022 were equal to 4173.48 tons of CO₂ for scope 1, 10.3 tons of CO₂ for Scope 2, 326.58 tons of CO₂ for Scope 3. The values to calculate the impact 2022 were computed based on the current value of investment in 2022, excluding Ceracare Ltd, Refurbed Marketplace GmbH and Fifteen SAS (accounting for less than 2% of total value of current investments), due to Oltre’s investment position of follower (not lead investor). The value did not include portfolio company Kippy, as no data were available for greenhouse gas emissions.

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	/	No variations with respect to 2022. Oltre does not invest in companies active in the fossil fuel sector.	<p>the assessment are the following: Scope 1: Heating, cooling. Scope 2: Electricity. Scope 3: Meals in the office (meat-based vs vegetarian), business travel, commuting.</p> <p>For each portfolio company, an ESG Action Plan was developed to enhance performance related to GHG emissions, aiming to reduce emissions within three years of investment. Given that the companies operate through offices and do not engage in production activities, the GHG reduction measures are centered on sourcing electricity from renewable energy.</p>
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	96%	97% ²	-1%	There was no significant change in the share of non-renewable energy consumption compared to 2022. Currently, one PC sources its electricity from renewable sources, while others committed to do so as part of their ESG Action Plans.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0	0	/	No variations with respect to 2022. Oltre does not invest in high-impact climate sectors.	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	/	No variations with respect to 2022.	Since Oltre exclusively invests in companies that operate through offices and no production activity, the topic of "Biodiversity" is not considered material. Therefore, Oltre has not set

² Data was restated due to data review and identification of miscalculation. Value reported in 2022 was equal to 43%

							improvement targets for this area.
Water	8. Emission to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	0	/	No variations with respect to 2022. All of Oltre's companies operate through offices and have no production activities. Therefore, they do not release polluting substances in water nor produce hazardous and radioactive waste.	Since Oltre exclusively invests in companies that operate through offices and have no production activities, the topic of "Water Management" is not considered material. Therefore, Oltre has not set improvement targets in this area.
Waste	9. Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0	0	/		Since Oltre exclusively invests in companies that operate through offices and have no production activities, the topic of "Waste Management" is not considered material. Therefore, Oltre has not set improvement targets in this area.

2.2 INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Δ	Explanation	Actions taken, actions planned, and targets set for the next reference period
Social and employee matters	10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for	0%	0%	/	No variations with respect to 2022.	None of the portfolio companies have been involved in violations of UNGC principles or OECD guidelines. However, to ensure proper adherence to these principles, Oltre

	(OECD) Guidelines for Multinational Enterprises	Multinational Enterprises					has included the adoption of an Organizational and Control Model compliant with Legislative Decree 231/2001 in each ESG Action Plan developed for the portfolio companies.
	11. Lack of process and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	75% ³	100%	-25%	The decrease in the percentage is attributable to the fact that one PC has developed and adopted an Organizational and Control Model compliant with Legislative Decree 231/2001 in 2023 (representing the 25% of the companies having policies with compliance tools in place), while others committed to do so as part as their ESG Action Plans. During 2023 and beginning of 2024, one additional PC has already developed a whistleblowing policy and will likely develop a Code of Ethics and a 231 Model over the next year.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	20%	18% ⁴	+2%	No significant variation from 2022. Nevertheless, the companies are committed to improve the indicator as outlined in the ESG Action Plans.	Oltre collects gender pay gap data from its portfolio companies annually. Additionally, it encourages PCs to enhance diversity and inclusion and monitor human resources-related KPIs by incorporating specific actions into the ESG Action Plan.
	13. Board gender diversity	Average ratio of female to male Board members in investee companies, expressed as a percentage of all board members	18%	23% ⁵	-4%	Oltre's portfolio companies have increased the number of male board members over all board members, which led to a lower percentage of board member diversity. The companies are committed to improve the indicator as	

³ Adverse sustainability indicators 11 for 2022 was restated due to data review and identification of miscalculation. Value reported in 2022 was equal to 57%.

⁴ Adverse sustainability indicators 12 for 2022 was restated due to data review and identification of miscalculation. Value reported in 2022 was equal to 6.8%.

⁵ Adverse sustainability indicators 13 for 2022 was restated due to data review and identification of miscalculation. Value reported in 2022 was equal to 15.52%.

						outlined in the ESG Action Plans.	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	/	No variations with respect to 2022. Oltre does not invest in companies involved in the manufacture or selling of controversial weapons.	Oltre does not invest in companies engaged in production/selling of weapons including small arms and light weapons and goods which have no practical use other than for the purpose of "capital punishment, torture or other cruel, inhuman, or degrading treatment or punishment. Therefore, Oltre has not set improvement targets for this area.

2.3 OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACT ON SUSTAINABILITY

In addition to the set of mandatory indicators above, we consider two additional indicators subject to data availability and quality.

Table 2, Indicator 9

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Δ	Explanation	Actions taken, actions planned, and targets set for the next reference period
Water, waste and material emissions	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	0%	0%	0%	No variations with respect to 2022. Oltre has not invested in companies producing chemicals.	Since Oltre exclusively invests in companies that operate through offices and have no production activities, the topic of "Water Management" is not considered material. Therefore, Oltre has not set improvement targets in this area.

Table 3, Indicator 13

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Δ	Explanation	Actions taken, actions planned, and targets set for the next reference period
Human Rights	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation	0%	0%	0%	No variations with respect to 2022. Oltre ensures its portfolio companies develop robust supply chain management systems by incorporating specific actions in the ESG Action Plan to mitigate supply chain risks.	Oltre ensures its portfolio companies develop robust supply chain management systems by incorporating specific actions in the ESG Action Plan to mitigate supply chain risks.

3. DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Oltre recognizes the importance of sustainability factors, which encompass environmental, social, and employee matters, respect for human rights, and anti-corruption and anti-bribery measures. As outlined in its ESG Policy, being currently updated, the Asset Manager has implemented robust policies to identify potential risks and opportunities linked to its investment decisions and prioritize Principal Adverse Impacts on these sustainability factors.

1.1 ESG Safeguards and Screening Criteria

Oltre applies specific safeguards to ensure its investments meet a minimum Environmental, Social, and Governance (ESG) standard. In the pre-investment phase, the Asset Manager applies an exclusion list and norm-based screening. In addition, it performs an ESG due diligence with the support of external ESG consulting firms based on the ESG topics materiality defined in accordance with the SASB standards and based on the sector, the type of operations and the geographical location. Oltre aims to avoid investing in companies with a negative impact on sustainability factors. Before closing an investment in a target company, Oltre establishes ex ante Key Performance Indicators (KPIs) connected to its sustainable investment objective together with the target company's business plan.

1.2 Integration of Principal Adverse Impacts in Investment Decision Making

The organization integrates the consideration of Principal Adverse Impacts in its investment decision-making process. In instances where high negative impacts on environmental and social factors are identified, the investment is not carried any further.

1.3 Monitoring of positive and negative Impact

During the ownership phase, Oltre monitors the aggregated negative impact on sustainability indicators resulting from its investments. More specifically, through an online data collection platform and through a proprietary GHG calculation tool developed by Oltre with the support of an external consultant, the Portfolio Company annually provides Oltre with the necessary data to compute and monitor:

- The Principal Adverse Impacts prioritized and considered by Oltre;
- The KPIs connected to the sustainable investment objectives defined for each Portfolio Company;
- Scope 1, 2 and 3 GHG emissions, carbon footprint, GHG intensity.

1.4 Impact measurement and management

Oltre is committed to tracing the positive change generated by its investees towards their beneficiaries, whether people or the planet. All the methodologies used to measure impact are thoroughly explained on the website. Impact is monitored and reported annually in the Annual Report and in the Impact Report. Oltre's management team receives a carried interest based on the portfolio companies' success in achieving sustainable investment objectives tied to key performance indicators (KPIs).

4. ENGAGEMENT POLICIES

Oltre aims at investing in companies that are intentionally contributing to creating a positive social or environmental impact. Oltre is committed to carefully include Environmental, Social and Governance factors into its decision-making process.

Before the investment, an ESG due diligence is carried in parallel with the legal and financial due diligences and an external independent consultant carries out an assessment of the company on all the ESG factors, providing us with a final reporting including a ESG evaluation. Following the investment, Oltre defines for each portfolio company specific KPIs connected its sustainable investment objectives and develops an ESG Action Plan for each portfolio company⁶ to identify key areas of improvement for their environmental, social and governance practices. Oltre engages with its portfolio companies annually to monitor the status of implementation of the ESG Action Plan.

In addition, with the support of an external ESG consultant, Oltre has developed a GHG tool to compute Scope 1, 2 and 3 GHG emissions of its organization and its investments. Categories included within the Scope 3 GHG are *Purchased goods and services, Waste, Business Travel* and *Employee Commuting*.

Annually, through the GHG tool and an online platform, Oltre collects data to compute and monitor:

- The Principal Adverse Impacts prioritized and considered by Oltre
- The KPIs connected to the sustainable investment objectives defined for each Portfolio Company
- Scope 1, 2 and 3 GHG emissions, carbon footprint, GHG intensity

Oltre continually strives to promote the adoption of ESG practices at the level of the management company and with its investee companies, beginning with the appointment of an internal ESG manager in the companies and within its team. Finally, according to EU Taxonomy, Oltre applies the "Do No Significant Harm" principle, by investing in companies that provide no harm to environment or people.

Besides that, Oltre's board members have an extensive experience in Impact Investing and are able to understand and properly assess sustainability and environmental risks in relation to each investment opportunity. Their long expertise in this sector allows them to have a clear idea on how measuring

⁶ For all portfolio companies where Oltre serves as lead investor

the impact and what KPIs fit best for each investee. During the last two years, the board decided to introduce an ESG responsible, in charge of implementing and supervising the ESG Policy the supervision of all analysis and measurement impact-related activities with the support of Investment Team. The communication between the team and the board of directors is assured by the CEO who reports on a regular basis to the board. All the people involved in the process have access to courses and ad-hoc learning sessions on an annual basis. Oltre is strongly committed to communicate to investors the portfolio's sustainability performance through the periodic disclosure as per article 11 of the Sustainable Finance Disclosure regulations and through the Impact Report, which is updated annually and made available on Oltre's website.

5. REFERENCE TO INTERNATIONAL STANDARDS

ESG and impact commitment is illustrated by the adoption of the following international standards:

1. The Principles for Responsible Investment (PRI)
2. The United Nations Sustainable Development Goals (SDGs)
3. 10 Principles of the United Nations Global Compact
4. The Theory of Change
5. The Impact Management Project
6. Sustainability Accounting Standards Board (SASB)

In February 2022, Oltre subscribed to the UN PRI to evaluate its governance, business model and strategy, risk systems, remuneration policies, and reporting. The first questionnaire was completed in 2023 and included climate-related ESG factors. Committed to transparency with its investors, Oltre will also complete the UN PRI Questionnaire in 2024, reflecting its 2023 performance.

6. HISTORICAL COMPARISON

Oltre published its first PAI statement in 2022 and 2023 represents the second year of reporting. This allows a comparison between the years 2022 and 2023, to enable an assessment of progress and performance in managing sustainability factors over time. By analyzing trends and changes, Oltre can identify areas of improvement and measure the effectiveness of its sustainability policies and initiatives.

7. FURTHER NOTES

Cera Care Ltd, Refurbed Marketplace GmbH, and Fifteen SAS are excluded from the PAIs calculation due to Oltre's minimal ownership stake in these companies (accounting for less than 2% of total value of investment). Retrieving data for them would be prohibitively difficult and expensive. Additionally, all three companies operate through offices and have no production activities, therefore their impact on the environment and people is considered limited.

8. DISCLAIMER

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