

Statement on Principal Adverse Impacts of investment decisions on sustainability factors

A. SUMMARY

Oltre Impact SGR SpA – GESTORE EUVECA considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of the entire portfolio (more specifically Medea, Kippy, Fifteen, Ubiquicom, Jobtech, Faba, Refurbed). Cera Care has been excluded from the calculation as it will be further explained.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 2022 to December 2022.

B. INDICATORS DISCLOSURE

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions

1. GHG emissions

	2022	2021
Scope 1 GHG emissions	4173.48	0.000

	2022	2021
Scope 2 GHG emissions	10.28	0.000

	2022	2021
Scope 3 GHG emissions	326.59	0.000

	2022	2021
Total GHG emissions	4510.36	0.000

2. Carbon footprint

	2022	2021
Carbon footprint	260.82	0.000

3. GHG intensity of investee companies

GHG intensity of investee companies

2022	2021
1155.29	N/A

4. Exposure to companies active in the fossil fuel sector

Share of investments in companies active in the fossil fuel sector

2022	2021
0%	N/A

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

2022	2021
46.32%	N/A

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

2022	2021
0	N/A

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

2022	2021
0%	N/A

Water
8. Emission to water

Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average

2022	2021
0	N/A

Waste
9. Hazardous waste and radioactive waste ratio

Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average

2022	2021
0	N/A

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

Social and employee matters

10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

2022

2021

0%

N/A

Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises

11. Lack of process and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

2022

2021

0%

N/A

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

12. Unadjusted gender pay gap

2022

2021

6.8%

N/A

Average unadjusted gender pay gap of investee companies

13. Board gender diversity

2022

2021

15.52%

N/A

Average ratio of female to male board members in investee companies, expressed as a percentage of all board members

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

2022

2021

0%

N/A

Share of investments in investee companies involved in the manufacture or selling of controversial weapons

Adverse sustainability indicator		Metric	Impact 2022	Actions taken, actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions (tons of CO ₂)	Scope 1	4173.48	<p>Despite Oltre does not invest in climate-intense sectors, it has been developed an internal tool to calculate GHG emissions, with an external third party. Oltre has hence encouraged all the companies in portfolio to perform the calculation. None of them but two had already calculated it before, hence it is a first effort to indicate the path to reduction.</p> <p>The external consultant has indeed developed an Action Plan with each investee to suggest initiatives for reducing the overall footprint focusing on scope 1, 2, and 3.</p> <p>The intention is one to perform the same calculation in one-year time hoping to see a reduced result thanks to the abovementioned actions.</p>
		Scope 2	10.287	
		Scope 3	326.589	
		Total GHG emissions	4510.358	
	2. Carbon footprint	Carbon footprint	260.82	
	3. GHG intensity of investee companies	GHG intensity of investee companies	1155.292	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.000%	
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	46.316%		
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	N/A		
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%	<p>None of Oltre investments are in areas that can negatively affect biodiversity sensitive areas.</p> <p>In addition, considering Oltre investment sectors (e.g. AgriFood), only company with positive, intentional aim are considered, namely ones that can solve agricultural challenges, among which biodiversity loss.</p>

Water	8. Emission to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.000	Oltre is seeking to improve data collection of this indicator
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.000	Given the majority of Oltre investments being services companies, non of the companies produce hazardous nor radioactive waste.
Social and employee matters	10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	None of the invested companies have been involved in UNGC principles or OECD guidelines violations.
	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	57.655%	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	6.805%	As part of the ESG monitoring performed both pre-investment, but also in a post-investment reporting, all the portfolio companies are asked to share data relative to their gender pay gap. This is a data we collect yearly.
	13. Board gender diversity	Average ratio of female to male boardmembers in investee companies, expressed as a percentage of all board members	15.524%	As part of the ESG monitoring performed both pre-investment, but also in a post-investment reporting, all the portfolio companies are asked to share data relative to their female representation in the board of directors. This is a data we collect yearly.

Social and employee matters	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	0.000%	Oltre does not invest in companies engaged in both conventional and controversial 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.
-----------------------------	--	--	--------	---

C. 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 1, Indicator 9:
Investments in companies producing chemicals: 0%
Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
- Table 2, Indicator 12:
Operations and suppliers at significant risk of incidents of child labour: 0%
Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation

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

Oltre Impact recognizes the importance of sustainability factors, which encompass environmental, social, and employee matters, respect for human rights, and anti-corruption and anti-bribery measures. The organization has implemented robust policies to identify and prioritize principal adverse impacts (PAIs) on these sustainability factors.

1.1 ESG Safeguards and Screening Criteria

Oltre Impact applies specific safeguards to ensure its investments meet a minimum Environmental, Social, and Governance (ESG) standard. This includes the utilization of exclusion lists and norm-based screening. By performing an ESG due diligence pre-investment, Oltre Impact aims to avoid investing in companies with a negative impact on sustainability factors.

1.2 Integration of PAI 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 Measurement and Monitoring of Negative Impact

Oltre Impact monitors and measures the aggregated negative impact on sustainability indicators resulting from its investments. During the due diligence phase, before finalizing an investment in a social company, Oltre establishes ex ante social impact objectives (Key Performance Indicators - KPIs) together with the target company's business plan. Post-investment, the portfolio company provides periodic updates on these KPIs or sustainability indicators. During due diligence phase, both climate and sustainability risks are taken into account thanks to the analysis performed with the support of an external consultant that performs the ESG dd.

1.4 Impact measurement and management

Oltre Impact 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 explained in the website. Impact is monitored and reported annually in the impact report.

E. ENGAGEMENT POLICIES

Oltre Impact mission is one to invest in companies that are intentionally targeting social or environmental impact, we are committed to carefully include Environmental, Social and Governance factors in our decision making.

In this sense, our ESG policy foresees a measuring at the level of the Management Company and at its investees one, with the support and certification of a leading independent auditing firm at all stages of analysis and investment and divestment processes.

Before the investment, an ESG due diligence is carried in parallel with the legal and financial due diligences and an external independent auditing firm carries out an assessment of the company on all the ESG factors, providing us with a final reporting that confirms the possibility to invest. Out of that, an action plan is delivered to the company intended to identify key areas of improvement for their environmental, social and governance practices.

We continually strive to promote the adoption of ESG practices at the level of the management company and with our investee companies, beginning with the appointment of an internal ESG manager in the companies and within our team. Finally, according to EU Taxonomy we apply the “Do No Significant Harm” principle, by investing in companies that provide no harm to environment or people.

Besides that, our 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 the impact and what KPIs fit best for each investee. During the last two years, the board decided to introduce two dedicated roles in the company: a ESG responsible, in charge of implementing supervising the ESG Policy, and a Head of Impact, who supervises all analysis and measurement impact-related activities. The communication between the team and the board is assured by the CEO who reports on a regular basis to the BoM. All the people involved in the process have access to courses and ad-hoc learning session on an annual basis, at the least.

Oltre is also working with external advisors to strengthen research and collecting of specific data coming from investee companies and from Oltre itself. This allows to regularly monitor their performance in term of impact.

Oltre is strongly committed to keep the investors up to speed: the annual reporting is integrated to show the evolution of the KPI for each company in portfolio and an Impact Report is published yearly in Oltre’s website.

In February 2022, Oltre subscribed the UN PRI with purpose to assess Oltre’s status quo in terms of governance, business model and strategy, risk systems and remuneration policies, reporting.

F. 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

G. HISTORICAL COMPARISON

Oltre made its first investments as of 2022, hence no investments were performed in 2021. For this reason, PAI are hereby

reported only for 2022, and will be monitored yearly.

This will allow a comparison among the years, 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.

H. FURTHER NOTES

1. Cera Care Ltd is not considered in the PAI calculation, because Oltre owns a very small stake of the company. As a consequence, retrieving data would be too difficult and costly. In addition, Cera is a software company, which is not active in any climate-intense sector.
2. Data are referred only to 2022 which has been the first investment year of the fund and hence the first reporting period.

I. DISCLAIMER

This document has been prepared by Oltre Impact and/or its partners, and is intended for informational purposes only and should not be considered as a solicitation or an offer to buy or sell financial instruments. The information contained in this document does not constitute legal, tax, financial, or any other form of advice. Investment decisions should not be based solely on the information provided herein.

This document has not been approved by a regulatory body. Recipients are advised to seek their own professional advisors for an independent analysis of the information presented. Oltre Impact makes every effort to ensure the accuracy and quality of the information provided. However, Oltre Impact does not guarantee the completeness or reliability of the information, and it may be subject to change without prior notice.

The information in this document should not be construed as a promise, commitment, or representation, whether past or future. Oltre Impact disclaims any liability for actions taken or not taken based on the information contained herein. This document is specific to Oltre Impact and may not be applicable to other entities. Please note that references to international standards are provided for informational purposes only and do not imply endorsement or affiliation.