



QuattroR SGR S.p.A.

Responsible Investment Policy

APPROVED VERSION ON OCTOBER 23RD, 2020

I. Principles and scope

QuattroR SGR S.p.A. (hereafter known as “QuattroR” or the “Firm”) strongly believes that the integration of Environmental, Social and Governance (ESG) principles into all its business decisions is essential to creating value for its stakeholders and to developing a more sustainable long-term strategy for its portfolio companies. ESG risks are considered as part of the overall risk management strategy of the Firm and of its target companies. Within this frame, QuattroR also aims at supporting its portfolio companies to be more resilient and prepared to anticipate potential future risks and opportunities arising from sustainability challenges (i.e. climate change and depletion of natural resources).

This Responsible Investment Policy (hereafter “Policy”) describes the main commitment of QuattroR in this respect.

In this context, QuattroR is committed to:

- comply with all the ESG applicable requirements and laws;
- be aware of any potential negative ESG impact by identifying and managing related risks;
- increase and enhance any positive ESG impact; and
- adopt and comply with the international best practice standards.

This Policy applies to all QuattroR’s portfolio companies and all employees and business partners, who are expected to incorporate responsible objectives into their business behaviours.

The Firm appoints within its team an ESG Manager. The latter must ensure the correct execution of this policy, coordinating the implementation and the update of the ESG strategy. In this context, the ESG Manager integrates all information concerning relevant ESG aspects within the Annual Reporting for Investors (ESG section) and provides relevant updates to the Board of Directors, where applicable. Furthermore, the Investment Team supports ESG integration during the entire investment lifecycle.

QuattroR is also fully committed to adhering to the United Nations-backed Principles for Responsible Investment (PRI), integrating ESG factors into all stages of its responsible investment process.

As also expressly indicated in QuattroR Fund Rules, the Firm excludes some sectors from its investment strategy:

- Production or trade of any product or activity deemed illegal by the compliance with national laws or regulations, or prohibited by international conventions;
- Gambling;
- Pornography, prostitution and similar activities;
- Production and trade of arms and ammunitions;
- Manufacturing of drugs;
- Production and trade of products or services that promote the termination of human life; and
- Production and trade of tobacco.

II. QuattroR ESG commitments

Environmental

QuattroR deems essential to investigate the impact of portfolio companies’ operations, products, services and supply chain on the environment. QuattroR is therefore committed to promoting greater environmental responsibility through the analysis and monitoring of environmental impacts (both positive and negative) with a focus on:

- Transition to a low carbon / low emission economy; and
- Promotion of the “circular economy” approach, aimed at minimizing waste and increasing recycling.

Social

QuattroR deems essential to take into account the social impacts of the investment activity, particularly as regards the portfolio companies and its stakeholders.

In this context, QuattroR will:

- Prohibit child labour or other forms of forced labour;
- Promote a safe and inclusive work environment together with employees’ wellbeing;
- Promote equal opportunities and diversity by recruiting, developing and retaining the best talent as well as respecting and enhancing employees’ skills; and
- Actively engage with local communities.

Governance

QuattroR understands that a sound corporate and ESG governance is essential for investing in a responsible way.

In this context, QuattroR will:

- Review/establish, as appropriate, robust anti-corruption practices;
- Demonstrate honesty, integrity, fairness and respect in all its business dealings;
- Promote transparency and accountability also at portfolio companies level; and
- Adopt a rigorous business ethic together with a robust sustainability approach thus providing a framework to create value and strengthen portfolio companies’ reputation.

III. Integrating ESG commitment into the investment process

In line with the above points, QuattroR focuses on ESG matters during the investment process and throughout its whole investment lifecycle. Since QuattroR invests in different sectors, a case-by-case approach will be adopted in all stages of the investment process:

- i. **Pre-investment.** In order to ensure that ESG considerations are integrated into the business strategies of portfolio companies, the evaluation of ESG factors typically starts at an early stage of the investment process by identifying key relevant ESG topics to be properly investigated during the due diligence. The investment team works closely with its consultants to evaluate the ESG policy and approach of the target company. During the due diligence process, the team identifies potential material risks and opportunities that need to be mitigated or promoted along the investment lifecycle. The main results of this process are presented to the Investment Committee and to the Board of Directors according to the Investment Procedures.
- ii. **Portfolio Management.** The investment team supports portfolio companies in improving their ESG profile. After investment, the due diligence results are presented and discussed with portfolio companies’ top management, identifying critical ESG issues and responsibilities, including communication flows. Throughout the Portfolio Management phase, the investment team works constantly with its portfolio companies’ top management through board meetings, ESG workshops and training, promoting QuattroR’s ESG commitment and ensuring the implementation of ESG action plans. Ongoing progresses are periodically monitored through specific KPIs.
- iii. **Exit.** QuattroR will disclose relevant ESG information on the portfolio companies’ performances to potential buyers prior to exit.

IV. Sustainability at the Management Company level

QuattroR pursues the integration of ESG factors also at the Management Company level. This results in a strong commitment towards an inclusive approach to enhancing its human capital, the adoption of the highest standards of corporate governance and business ethics and an efficient use of resources and energy.

V. Advocacy and external reporting

QuattroR is committed to enhancing its sustainability programme and to promoting acceptance and implementation of responsible investment principles within the investment industry by actively participating in ESG initiatives and sharing its experience. QuattroR is also committed to reporting on its activities and providing its investors with information regarding ESG performance and the progress of its portfolio companies, including any material ESG issues.

VI. Policy disclosures and update

All employees and collaborators are made aware of the contents of this Policy through appropriate training, procedures and tools.

This Policy will be reviewed and updated as appropriate.

The Policy was last updated as of August 2020.