

No Consideration of Sustainability Adverse Impacts Article 4 of Regulation (EU) 2019/2088

QuattroR SGR S.p.A. (hereafter known as “QuattroR” or the “Firm”) does not currently consider the adverse impacts of its investment decisions on sustainability factors as indicated by article 4 of the Regulation (EU) 2019/2088, due to the present uncertainty as to the scope and extent of the information required by the Regulation since the Regulatory Technical Standards to be issued by competent European Authorities are still to be approved by the European Commission. Moreover, the Firm has just launched a process for supporting portfolio companies in collecting information as regards the “adverse impacts of investment decisions on sustainability factors”, including the proposed KPIs contained in the draft Regulatory Technical Standards.

QuattroR has developed a process to integrate ESG risks into its investment decisions and to evaluate and mitigate the potential adverse impacts on the sustainability factors throughout the investment lifecycle. In the Pre-investment phase, QuattroR performs in-depth due diligence processes on all potential investment opportunities identifying potential material ESG risks that need to be mitigated. In the Portfolio Management phase, the Firm is committed to enhance the ESG profile of portfolio companies on the basis of the due diligence results. QuattroR supports portfolio companies in ensuring the deployment of ESG action plans together with the monitoring of specific KPIs.

More specifically, during 2020, Quattro R:

- Signed the Principles for Responsible Investment promoted by the United Nations (UN PRI) and developed an action plan to ensure the implementation of such Principles;
- Formalized its commitments to responsible investment in an updated ESG Policy;
- Performed ESG due diligence on all new investments;
- Launched the process for the development of ESG action plans for all portfolio companies.

Moreover, following publication of the draft Regulatory Technical Standards on February 2nd, 2021, QuattroR launched a project to assess any gaps in the portfolio companies’ collection process of the KPIs contained in the Standards. Following the outcome of the gap assessment, QuattroR will put in place mitigating actions based on the potential adverse impacts on the sustainability factors identified.

QuattroR seeks to publish in the near future information on its consideration of the “adverse impacts of investment decisions on sustainability factors” in accordance with Regulation (EU) 2019/2088, art. 4 as the scope of information required to be disclosed becomes clearer and subject to the effective completion of the gap assessment analysis as regards the portfolio companies.