



Statement on principal adverse impacts of investment decisions on sustainability factors

act differently

IMPact SGR S.p.A.

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Aderente al Fondo Nazionale di Garanzia

Financial market participant: IMPact SGR S.p.A. (815600463D0CE2A96184)

Summary

IMPact SGR S.p.A. (815600463D0CE2A96184) considers principal adverse impacts of its investment decisions on sustainability factors¹. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of IMPact SGR S.p.A.².

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

We consider Principal Adverse Impact at entity level by measuring and monitoring, depending on data availability and quality, the weighted average negative impact on sustainability factors of our investment funds; we consider and measure the mandatory principal adverse impact indicators and two voluntary indicators in compliance with the Sustainable Finance Disclosure Regulation (SFDR)³.

Quantitative information on the principal adverse impacts of the products managed by the SGR, by which we mean the UCITS managed by the SGR, for the reference period from 1st January to 31st December 2024, will be disclosed, depending on the availability and quality of data, by 30th June 2025.

Indicators applicable to investments in corporate issuers

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse Gas Emissions:

1. Greenhouse gas emissions
2. Carbon footprint
3. Greenhouse gas intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of consumption and production of non-renewable energy
6. Intensity of energy consumption by high-impact climate sector

Biodiversity:

7. Activities that adversely affect biodiversity-sensitive areas

Water:

8. Emissions to water

Waste:

9. Hazardous waste ratio

¹ For consideration of negative effects on sustainability factors in relation to IMPact SGR's investment advisory services, please refer to the following link:
<https://www.impactsgroup.it/sfdr/?lang=en>

² This statement applies as of 1 January 2023. It will be reviewed at least annually. In case of any inconsistency in translations of this statement, the English version will prevail.

³ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

INDICATORS ON SOCIAL AND PERSONNEL ISSUES, RESPECT FOR HUMAN RIGHTS, AND ISSUES RELATED TO COMBATING ACTIVE AND PASSIVE CORRUPTION

Indicators on social and personnel-related issues:

1. Violations of the principles of the UN Global Compact and the Organization for Economic Cooperation and Development (OECD) guidelines for multinational enterprises
2. Lack of compliance processes and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises
3. Unadjusted gender pay gap
4. Gender diversity of the board of directors
5. Exposure to controversial weapons (landmines, cluster munitions, chemical weapons, and biological weapons)

Indicators applicable to investments in sovereign and supranational issuers

ENVIRONMENTAL:

6. Greenhouse gas intensity

SOCIAL:

7. Exposure to countries responsible for social violations

Other indicators of the main negative effects on sustainability factors

OTHER INDICATORS RELATED TO CLIMATE AND ENVIRONMENT.

Water, waste and material emissions:

8. Exposure to areas of high water stress

ADDITIONAL INDICATORS ON SOCIAL ISSUES AND CONCERNING PERSONNEL, RESPECT FOR HUMAN RIGHTS, AND ISSUES RELATED TO COMBATING ACTIVE AND PASSIVE CORRUPTION.

9. Number of identified cases of serious human rights problems and incidents.

Description of the principal adverse impacts on sustainability factors

The mandatory indicators defined by the SFDR are shown in Table 1 below for the years 2022, 2023 and 2024. These indicators must be taken into account to ensure that the negative effect on key sustainability factors is taken into account. For each of these indicators, information has been included describing the actions taken and those to be taken, as well as the targets set to avoid or reduce the main negative effects identified.

Information on the effect of our funds' investments on these indicators will be published by 30 June 2025 and on an annual basis. This information will cover the period between 1 January and 31 December of the previous year.

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
		CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	3,922.70	8,312.78	4,875.48	Sum of carbon emissions of portfolio companies - Scope 1 (tCO ₂ e) weighted by the value of the portfolio's investment in a company and the company's most recent available company value, including cash. The figure reported is calculated internally from MSCI data and methodologies, in compliance with regulatory methodological requirements.	Actions taken: - For Article 9 funds, the Company intentionally pursues the achievement of an annual decarbonisation trajectory consistent with a carbon neutrality scenario by 2050 for a significant share of the portfolio investments, as defined in the prospectus. - The objective of a minimum annual reduction rate of carbon intensity at the investment level enables the investment strategy to allocate capital in favor of companies that play a crucial role in contributing to absolute greenhouse gas emissions reduction targets, even while operating in high carbon-intensity sectors. - In addition, the Company is committed to continuously improving data coverage and calculation
		Scope 2 GHG emissions	571.53	1,009.19	722.20	Sum of carbon emissions of portfolio companies - Scope 2 (tCO ₂ e) weighted by the value of the portfolio's investment in a company and the company's most recent available company value, including cash. The figure reported is calculated internally from MSCI data and methodologies in compliance with regulatory methodological requirements.	
		Scope 3 GHG emissions	21,330.33	39,989.77	29,126.99	Sum of carbon emissions of investee companies - Scope 3 (tCO ₂ e), weighted by	

⁴ Explanation of difference in impact reported will be published by 30 June 2023, and continuously on an annual basis.

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
						the value of the portfolio's investment in a company and by the company's latest available enterprise value, including cash. The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	capabilities to enable the monitoring of these indicators. - In parallel, the SGR carries out ongoing engagement activities with investee companies to assess the consistency of corporate behavior with the commitments undertaken.
		Total GHG emissions	25,799.26	49,287.15	34,717.20	The total annual greenhouse gas emissions - Scope 1, Scope 2, and estimated Scope 3 - associated with the market value of the portfolio. The carbon emissions of the companies are allocated across all outstanding shares and bonds (based on the latest available enterprise value, including cash). The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	During 2024, IMPact SGR undertook engagement actions with several companies that play a central role in the European energy transition. - Finally, the SGR takes into account these PAI indicators together with specific sustainability indicators related to climate, physical, and transition risks, with the dual purpose of monitoring, on a semi-annual basis, the exposure of all portfolios to such risks, and of verifying the "do no significant harm" principle when assigning the qualification of sustainable investment.
	2. Carbon footprint 2. Carbon footprint	Carbon footprint	329.46	509.15	506.21	The total annual greenhouse gas emissions - Scope 1, Scope 2, and estimated Scope 3 - associated with €1 million invested in the portfolio. The carbon emissions of the companies are allocated across all outstanding shares and bonds (based on the latest available enterprise value, including cash). The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	- In order to pursue the objective of reducing the adverse impacts related to these indicators, the Company has implemented the Sustainable Finance Products Management Policy by introducing additional exclusion criteria, with the aim of excluding from the investable universe corporate issuers that derive more than 50% of their revenue from business lines typically associated with high carbon intensity

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
	3. GHG intensity of investee companies	GHG intensity of investee companies	862.42	810.31	798.43	Weighted average greenhouse gas intensity of investee issuers (Scope 1, Scope 2, and estimated Scope 3 greenhouse gas emissions per million euros of revenue). The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	and that at the same time do not meet any of the following criteria: (a.) Scope 1, 2, and 3 emissions on a trajectory for an annual reduction of 7% compared to the reference year (2019, 2020, or 2021 depending on data availability), in line with the provisions of Delegated Regulation (EU) 2020/1818; (b.) Taxonomy-aligned revenue equal to or greater than 10%; (c.) Taxonomy-aligned capital expenditure equal to or greater than 20%; (d.) Positive taxonomy alignment spread between capital expenditure and revenue. - The SGR also classifies investee companies based on an indicator called the “Transition Risk Score” (TRS), which incorporates four qualitative and quantitative categories of information related to: -Taxonomy alignment; -Adoption of decarbonisation targets (SBTi); - Effective pursuit of a decarbonisation trajectory; - Involvement in high carbon-intensity economic activities;
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	12.76%	13.91%	11.00%	The percentage of the portfolio’s market value exposed to issuers with activities related to fossil fuels, including the extraction, processing, storage, and transportation of oil products, natural gas, and thermal and metallurgical coal. The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production by investee companies from non-renewable energy sources compared to renewable energy sources, expressed	62.50%	63.03%	74.82%	Share of non-renewable energy consumption and non-renewable energy production by investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources.	

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
		as a percentage of total energy sources.					Corporate issuers that receive a TRS score below 2 are classified as “High” risk and are specifically monitored.
	6. Energy consumption intensity per high climate impact sector	Energy consumption in GWh per million EUR of revenue of investee companies, by high climate impact sector				The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	<u>Planned Actions:</u> During Q4 2024, the SGR adopted climate targets with a time horizon to 2030 for all its portfolios and investment strategies. These targets are primarily based on an analysis of high climate-impact sectors and aim to express a concrete commitment to reducing greenhouse gas emissions.
		NACE Code A (Agriculture, forestry, and fishing)	0.00	0.00	0.00	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code A (agriculture, forestry, and fishing).	
		NACE Code B (Mining and quarrying)	0.00	0.00	0.00	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code B (mining and quarrying).	
		NACE Code C (Manufacturing)	0.00	0.00	0.00	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code C (manufacturing industry).	
		NACE Code D (Electricity, gas, steam, and air conditioning supply)	0.01	0.01	0.03	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code D (electricity, gas, steam, and air conditioning supply).	

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
		NACE Code E (Water supply; sewerage, waste management, and remediation activities)	0.02	0.02	0.02	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code E (water supply; sewerage, waste management, and remediation activities).	
		NACE Code F (Construction)	0.00	0.00	0.00	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code F (construction).	
		NACE Code G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.00	0.00	0.00	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code G (wholesale and retail trade; repair of motor vehicles and motorcycles).	
		NACE Code H (Transportation and storage)	0.01	0.00	0.01	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code H (transportation and storage).	
		NACE Code L (Real estate activities)	0.00	0.00	0.00	Portfolio-weighted average energy consumption intensity (GWh/million euros of revenue) for issuers classified under NACE Code L (real estate activities).	

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
Biodiversity	7. Activities negatively impacting biodiversity-sensitive areas	Share of investments in investee companies that have sites or operate in biodiversity-sensitive areas, or adjacent areas, where the activities of such companies negatively impact those areas.	3.40%	6.19%	0.00%	The percentage of the portfolio's market value exposed to issuers that have declared operating in biodiversity-sensitive areas or nearby, and that have been involved in controversies with severe or very severe environmental impacts. The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	In our funds, we commit to considering the potential adverse impacts on biodiversity. Issuers identified as outliers on the biodiversity indicator or showing a high negative impact across multiple indicators may be subject to engagement, divestment, or exclusion. Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator. Finally, we take this PAI indicator into account to verify the “do no significant harm” principle when assigning the sustainable investment qualification. The Company has already initiated specific monitoring activities for issuers involved in serious controversies negatively impacting biodiversity-sensitive areas, placing these issuers on a dedicated watchlist. The possibility of divestment or further engagement activities is currently under evaluation.
Water	8. Emissions into water	Tonnes of water emissions generated by investee companies per million EUR invested (value	0.00	0.01	0.48	The total annual wastewater discharged (reported metric tonnes) into surface waters as a result of industrial or production activities associated with €1 million invested in the portfolio. The water emissions of the companies are allocated across all outstanding shares and	In our funds, we take into account water emissions generated by investee companies. Issuers identified as outliers on the water emissions indicator or showing a high negative impact across multiple

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
		expressed as a weighted average)				bonds (based on the latest available enterprise value, including cash). The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	indicators may be subject to engagement, divestment, or exclusion. Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator. Finally, we consider this PAI indicator to verify the “do no significant harm” principle when assigning the sustainable investment qualification.
Waste	9. Ratio of hazardous waste to radioactive waste	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested (value expressed as a weighted average)	0.62	0.34	0.75	The total annual hazardous waste (reported metric tonnes) associated with €1 million invested in the portfolio. The hazardous waste of the companies is allocated across all outstanding shares and bonds (based on the latest available enterprise value, including cash). The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	In our funds, we consider the share of hazardous and radioactive waste generated by investee companies. Issuers identified as outliers on the indicator or showing a high negative impact across multiple indicators may be subject to engagement, divestment, or exclusion. Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator. Finally, we take this PAI indicator into account to verify the “do no significant harm” principle when assigning the sustainable investment qualification.

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
		INDICATORS REGARDING SOCIAL ISSUES AND CONCERNING PERSONNEL, RESPECT FOR HUMAN RIGHTS, AND MATTERS RELATING TO THE FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION					
Indicators regarding social issues and concerning personnel	10. Violations of the principles of the United Nations Global Compact and the guidelines of the Organisation for Economic Co-operation and Development (OECD) aimed at multinational enterprises	Share of investments in investee companies that have been involved in violations of the United Nations Global Compact principles or the OECD guidelines for multinational enterprises.	0.00%	0.00%	0.33%	The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's activities and/or products. The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	In the investment process, we take into account the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. Our objective is that the investee companies in which our funds invest comply with these standards. Our funds are subject to screening based on behavioral standards, which allows the identification of investee companies involved in violations of the United Nations Global Compact principles or the OECD Guidelines for Multinational Enterprises. For products under Articles 8 and 9 (SFDR), if an investee company violates these behavioral standards, it is excluded from the investable universe and divested. Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable the monitoring of this indicator.
	11. Lack of procedures and compliance mechanisms to monitor adherence	Share of investments in investee companies that do not have policies to monitor compliance with the United Nations	0.00%	0.00%	24.46%	The percentage of the portfolio's market value exposed to issuers that are not signatories of the United Nations Global Compact. The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with	Finally, we consider these PAI indicators to verify the "do no significant harm" principle when assigning the sustainable investment qualification.

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
	to the United Nations Global Compact principles and the OECD guidelines for multinational enterprises	Global Compact principles or the OECD guidelines for multinational enterprises, nor mechanisms for handling complaints or reports of violations of the United Nations Global Compact principles or the OECD guidelines for multinational enterprises.				regulatory methodological requirements. The reported value refers to the percentage of investments for which the information is not publicly available.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap in investee companies	9.20%	3.70%	10.59%	Portfolio-weighted average of the difference between the average gross hourly wages of male and female employees, expressed as a percentage of the gross male wage. The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	In our funds, we consider the unadjusted average gender pay gap of investee companies, based on data quality and availability. Issuers identified as outliers on the indicator, or showing a high negative impact across multiple indicators, may be subject to engagement, divestment, or exclusion. Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator. Finally, we consider this PAI indicator to verify the “do no significant harm” principle when assigning the sustainable investment qualification.

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
	13. Board gender diversity	Average ratio of women to men among board members of investee companies, expressed as a percentage of all board members.	41.06%	40.62%	39.37%	Portfolio-weighted average of the ratio between female and male board members. The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	In our funds, we consider the average ratio of female to male board members, expressed as a percentage of all board members of investee companies, depending on data quality and availability. Issuers identified as outliers on the indicator, or showing a high negative impact across multiple indicators, may be subject to engagement, divestment, or exclusion. Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator. Finally, we consider this PAI indicator to verify the “do no significant harm” principle when assigning the sustainable investment qualification.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and	Share of investments in companies involved in the production or marketing of controversial weapons	0.00%	0.00%	0.00%	The percentage of the portfolio’s market value exposed to issuers with an industrial link to anti-personnel mines, cluster bombs, chemical weapons, or biological weapons. Note: industrial links include ownership, production, and investments. Links to anti-personnel mines do not include related security products. The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	Our funds do not invest in companies involved in the production or development of cluster munitions, anti-personnel mines, biological weapons, chemical weapons, weapons with undetectable fragments, incendiary and blinding laser weapons, or depleted uranium munitions. Corporate issuers involved are excluded from the investable universes and all SGR financial products.

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
	biological weapons)						Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator. Finally, we consider this PAI indicator to verify the “do no significant harm” principle when assigning the sustainable investment qualification.
		Indicators applicable to investments in sovereign issuers and supranational organizations					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of the countries benefiting from the investments	0.00	0.00	0.00	Portfolio-weighted average greenhouse gas emission intensity of sovereign issuers (Scope 1, 2, and 3 emissions/EUR million GDP). The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	We are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator.
Social	16. Countries benefiting from investments subject to	Number of countries benefiting from investments and subject to social violations	0.00	0.00	0.00	The number of unique sovereign issuers in the portfolio subject to restrictive measures (sanctions) by the European External Action Service (EEAS) on imports and exports.	We comply with investment restrictions imposed by the EU, UN, and USA. Sovereign bonds are also assessed based on their human rights performance, which is grounded in the United

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
	social violations	(absolute number and relative number divided by all countries benefiting from investments), pursuant to international treaties and conventions, United Nations principles, and, where applicable, national legislation.				The reported figure is calculated internally based on data and according to MSCI methodologies, in compliance with regulatory methodological requirements.	Nations Universal Declaration of Human Rights and other recognized standards. Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator.
		Indicators applicable to investments in real estate assets					

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transportation, and production of fossil fuels	N/D	N/D	N/D	N/D	Not applicable given the investable universe of our funds.
Energy efficiency	18. Exposure to energy inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/D	N/D	N/D	N/D	Not applicable given the investable universe of our funds.
		Other indicators of the principal adverse impacts on sustainability factors					
		Table 2					
		Other indicators related to climate and the environment					
Water, waste, and material emissions	1. Exposure to areas with high water stress	Share of investments in investee companies with sites located in areas of high-water stress but that do not implement	1.05%	1.65%	2.11%	Percentage of the portfolio's market value exposed to issuers that have declared operations in areas of high water stress but have shown no evidence of a water management policy. The reported data is calculated internally based on data and according to MSCI	We take into consideration an indicator related to the exposure of the funds' holdings to areas of high water stress. Regarding this indicator, we monitor the share of investments in investee companies with sites located in areas of high water stress without a water management policy.

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
		water management policies				methodologies in compliance with regulatory methodological requirements.	Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator. Finally, we consider these PAI indicators in order to verify the principle of no significant harm when assigning the sustainable investment label.
		Table 3					
		Supplementary indicators concerning social issues related to personnel, respect for human rights, and matters regarding the fight against active and passive corruption					
	14. Number of identified cases of serious issues and incidents related to human rights	Number of cases of serious human rights issues and incidents connected to investee companies based on a weighted average	0.00	0.00	0.00	Weighted average of the portfolio of the number of severe and very severe controversies of issuers in the last three years related to human rights violations. The reported data is calculated internally based on data and according to MSCI methodologies in compliance with regulatory methodological requirements.	We also consider an indicator related to identified cases of serious human rights issues and incidents. Regarding this indicator, we monitor and identify the number of cases of serious human rights issues and incidents in investee companies. Additionally, we are committed to continuously improving data coverage and calculation capabilities to enable monitoring of this indicator. Finally, we take these PAI indicators into account in order to verify the principle of no significant harm when

		Indicators applicable to investments in investee companies					
Adverse sustainability indicator		Metric	Effect 2024	Effect 2023	Effect 2022	Explanation ⁴	Actions taken, and actions planned and targets set for the next reference period
							granting the sustainable investment qualification.

Description of policies related to the identification and prioritization of principal adverse impacts on sustainability factors

The SFDR defines sustainability factors as environmental, social, and employee-related issues, respect for human rights, and the fight against corruption and bribery. Principal Adverse Impact (PAI) generally refers to the negative effect caused by an investment decision or investment advice on these factors. The SFDR includes a set of specific indicators that can be used to measure the negative impact of an issuer or investee company on sustainability factors, enabling the identification of the principal adverse impacts of investments by a financial market participant.

In our funds, we have implemented safeguards to ensure that our investments meet a minimum sustainability standard and use specific processes to identify, mitigate, and manage principal adverse impacts where possible.

Where applicable, our sustainability safeguards include applying exclusion lists related to involvement in severe ESG controversies and certain socially controversial activities, as well as integrating PAIs into our investment decision-making processes. By applying general screening criteria related to sustainability factors at the investment level, we aim to limit investments in companies with a negative impact on sustainability factors. Identification of a high negative impact on environmental and social factors leads to more in-depth analysis and may encourage exclusion, divestment, or active ownership activities, including voting and engagement, as means to mitigate such impact. A high negative impact on sustainability factors, sustained over time and in the absence of adequate mitigation measures, may ultimately lead to divestment. Monitoring of principal adverse impacts is subject to data availability and quality.

Furthermore, consistent with the ESG policy, the identification and prioritization of principal adverse impacts on sustainability factors is performed based on the SFDR classification and therefore according to the sustainability ambition level of the individual investment strategies/products.

The SGR has therefore defined the following principles to prioritize, at the entity level, certain PAIs and their related indicators:

- Consistency between the selected PAIs and the sustainability ambition level of the financial products;
- Availability and coverage of data from external sources.

With reference to funds under Articles 8 and 9, the SGR determines, on a case-by-case basis depending on the product characteristics, whether and which PAIs to actively manage. More detailed information is provided within the specific annex to the fund prospectus.

We consider PAIs at the entity level by measuring and monitoring the aggregated negative impact on the sustainability indicators of our funds' investments⁵.

Due to their systemic relevance, we consider the following PAIs as priorities in the management of UCITS:

1. Greenhouse gas emissions:
 - Scope 1 greenhouse gas emissions
 - Scope 2 greenhouse gas emissions
 - Scope 3 greenhouse gas emissions
 - Total greenhouse gas emissions
2. Greenhouse gas intensity of investee companies
3. Violations of the United Nations Global Compact (UNGC) principles and the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises: share of investments in investee companies involved in violations of the UNGC principles or the OECD guidelines for multinational enterprises.
4. Lack of compliance processes and mechanisms to monitor adherence to the UNGC principles and the OECD guidelines for multinational enterprises: share of investments in investee companies without policies to monitor compliance with the UNGC principles or the OECD guidelines for multinational enterprises, or without complaint/grievance management mechanisms to address violations of the UNGC principles or OECD guidelines for multinational enterprises
5. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons): share of investments in investee companies involved in the manufacture or sale of controversial weapons.

Selection of indicators

Our Sustainable Finance Product Management Policy ⁶ outlines the framework governing our approach to sustainability-related investments. Our sustainability strategy adopts a differentiated approach based on the level of sustainability ambition expressed through the SFDR classification of our investment funds and identifies the following areas of focus:

- Climate change mitigation and adaptation
- Human rights
- Human health
- Labor practices and rights
- Good corporate governance

⁵ Please note that the level and manner of consideration of principal adverse impacts may vary depending on the fund strategy. We will report on the principal adverse impacts of all our financial products, based on data availability and quality.

⁶ IMPact SGR's Sustainable Finance Product Management Policy is available at the following link: https://www.impactsgroup.it/wp-content/uploads/2023/03/Policy-per-la-gestione-dei-prodotti-di-finanza-sostenibile_definitiva.pdf

Our approaches to sustainability risk, climate-related risks, and the integration of sustainability factors and adverse impact indicators into investment decision-making processes are described in greater detail in our Sustainable Finance Product Management Policy.

Identification and assessment of principal adverse impacts (PAI)

As a starting point, our funds apply screening filters based on involvement in socially controversial activities, severe environmental, social, and governance controversies, and violations of laws and international standards related to environmental protection, human rights, labor standards, and anti-corruption. These filters identify impacts related to principal adverse impact indicators. To identify the negative impact of our investment decisions concerning the selected mandatory and optional adverse impact indicators on sustainability factors, we have developed an internal PAI monitoring system based on third-party sustainability data. Exposure to PAIs is assessed both at the individual investment level and at the product level.

Investee companies with anomalous values related to product-level relevant PAI indicators undergo further analysis by the sustainability team and may be subject to exclusion, engagement, or divestment.

The possible range of actions is as follows:

- No action: the investee company's PAI indicator value is deemed acceptable, and no further action is necessary at this time. The investee company will continue to be evaluated on an ongoing basis.
- Engagement: companies identified as having a high negative impact on one or more adverse impact indicators may be selected as candidates for engagement activities.
- Exclusion: the company is considered unsuitable for investment in our portfolios and is added to our exclusion list.
- Divestment: the investee company is considered unsuitable for investment due to PAI performance below minimum standards and is sold.

The most relevant entity-level PAI indicators are identified based on the areas of focus mentioned above and are periodically reassessed, at least annually, by the Sustainability Committee.

Margin of error of methodologies

The methodology for identifying PAIs is always subject to data availability and quality. The PAI statement has been prepared exclusively using data provided by third-party data providers. We strive to use reported data; however, when reported data are unavailable or of inadequate quality, we use proxy and estimated data supplied by external providers. A limitation related to data availability is that we may not be able to collect the same level of information on the impact of indirect investments, such as investments in fund-of-funds and certain derivatives. We are continuously committed to improving data coverage.

Governance in relation to policies

Responsibility for implementing these policies is distributed among different functions, according to the procedures and policies of the SGR. The Sustainable Finance Product Management Policy is updated annually and was approved in its current and updated form by the Board of Directors of IMPact SGR in December 2024.

In this regard, the SGR adopts the so-called "traditional" corporate model. Specifically, the strategic supervisory function lies with the SGR's Board of Directors, which is vested with the broadest powers for the ordinary and extraordinary management of the Company and identifies the objectives and strategies of the SGR, taking into

account, among other things, sustainable finance goals and, in particular, the integration of environmental, social, and governance (ESG) sustainability factors into business decision processes, investment processes, and policy definition. This body is therefore responsible for approving and adopting the Sustainable Finance Product Management Policy and its future amendments, as well as for integrating sustainability factors into business decision processes.

The management functions are assigned to the Chief Executive Officer (CEO), who implements the corporate policies, including the Sustainable Finance Product Management Policy, as defined by the body with strategic supervisory functions, and verifies their adequacy and effective implementation. The CEO reports periodically-and in any case at least every two months-to the body with strategic supervisory functions and the control body on the general management progress and its foreseeable evolution.

The Board of Statutory Auditors serves as the supervisory body and stands at the top of the SGR's internal control system.

Within its organizational structure, the SGR has also established, for sustainability-related matters:

- A Sustainability Committee, a technical advisory body aimed at providing preparatory and advisory support to the Board of Directors in defining sustainable investment strategies and analyzing the results periodically recorded in advisory activities, portfolio management, and UCITS management. The members of the Sustainability Committee are appointed by the Company's Board of Directors.

This Committee is tasked with: (i) performing an advisory and propositional role to ensure the Company adopts sustainability policies and practices in investment management consistent with the corporate purpose and the SGR's bylaws; (ii) identifying, within asset management, appropriate environmental and social sustainability criteria to apply in the selection of issuers, consistent with contracts signed with clients and with the regulations and prospectuses of the UCITS managed by the SGR; (iii) identifying additional extra-financial criteria for assessing the extra-financial risks of companies, supranational bodies, and states; (iv) supporting the relevant internal areas of the SGR in implementing sustainable investment management strategies; (v) analyzing, also based on evidence produced by the SGR's Risk Management function, the outcomes of sustainable investment decisions made, with particular regard to compliance with limits on exposure to extra-financial risks; (vi) contributing to the definition of social, environmental, and governance methodologies and criteria to be adopted in issuer selection.

The analyses and proposals of the Sustainability Committee are presented to the SGR's Board of Directors for appropriate evaluation and/or resolutions. In supporting the SGR's Board of Directors, the Sustainability Committee ensures that the investment guidelines and risk limits proposed to the Board conform to the Sustainability Policy and to applicable Italian and European sustainable finance regulations.

- The Sustainability Office is responsible for: (i) continuously developing, updating, and improving methodologies used to assess sustainability performance at the individual issuer level; (ii) evaluating issuers' sustainability performance, verifying compliance with sustainability limits for Article 8 and 9 SFDR portfolios, and supporting portfolio managers in investment decisions to enhance sustainability performance and the margin of safety relative to the sustainability limits of Article 8 and 9 SFDR financial products; (iii) managing relationships with sustainability data providers; (iv) providing the necessary insights to ensure the Sustainability Committee can perform its advisory role in an informed manner; (v) conducting analyses and in-depth studies regarding inclusion and exclusion criteria for issuers and the definition of investable universes requiring the application of sustainability criteria, with the aim of submitting proposals on possible evolutions of the sustainable investment management strategy to the Sustainability Committee when deemed appropriate.

The SGR's Investment Committee, a consultative collegiate body, also intervenes in the investment strategy definition process with the purpose of providing preparatory and advisory support: (i) to the Board of Directors in defining investment strategies and analyzing the periodic results of advisory activities, portfolio management, and UCITS management; (ii) to the Head of the Investment Division and individual managers during the implementation of management strategies approved by the Board of Directors.

The implementation of the Sustainable Finance Product Management Policy adopted by the SGR is also ensured by the SGR's internal control functions (Compliance Function, Risk Management Function, and Internal Audit Function), which monitor and verify the correct execution of the sustainability strategy adopted by the SGR, each according to the tasks assigned by the applicable regulatory framework at the time.

In this context, the Board of Directors is responsible for ensuring the identification of the SGR's impact and sustainability objectives and strategies, guaranteeing the involvement of the corporate bodies and competent company structures to ensure the correct implementation of the Sustainable Finance Product Management Policy adopted by the SGR and careful monitoring of the risks connected thereto.

Data Sources

IMPact SGR integrates PAIs and sustainability factors into investment processes through the use of sustainability performance metrics and indicators developed by third parties, as well as through the internal development of metrics and indicators based on primary sustainability data obtained from third parties or collected internally. The data gathered and processed by the research team come from public or publicly available sources; additionally, ad hoc questionnaires are administered when deemed necessary to deepen understanding of sustainability issues specific to the strategy or in cases where certain issuers are not covered by third-party data providers. To this end, IMPact SGR has established partnerships with external sustainability data providers, selected based on data quality assessment and recognized in the market for their thematic expertise and provision of technologically advanced data solutions.

Engagement policies

IMPact SGR intends to fulfill its role as an impact investor by engaging in dialogue, voting, and participating in shareholder meetings of investee companies, aiming to contribute to the improvement of corporate governance practices, strategic vision, and the integration of sustainability issues within the companies in which the SGR invests from a long-term perspective.

For this reason, the SGR has established key principles that it promotes in its engagement and voting activities:

- Investee companies must act with the intent to create long-term shareholder value through a clear strategy that considers all stakeholders, as well as traditional risks and sustainability-related risks, with particular attention to climate risks.
- Investee companies should act by safeguarding the shareholders' rights.
- Investee companies should ensure an efficient and independent governance structure; their representatives should possess appropriate qualifications and reflect - at both managerial and non-managerial levels – an appropriate degree of diversity and expertise on key sustainability issues for the company.
- Investee companies should have an employee compensation policy that is aligned with the long-term shareholder interest and appropriately integrates sustainability goals.
- Investee companies should ensure that the preparation, drafting and disclosure of financial, operational and sustainability results are made in a timely, accurate, auditable and appropriate manner in accordance with internationally recognised regulations and frameworks.
- Investee companies should make sure that sustainability metrics information, with a special focus on labour standards, treatment of employees, commitment to combating climate change and reducing carbon emissions, and, in general, the negative environmental or social impacts generated by the company itself, is managed, made clear and verifiable and communicated responsibly to all stakeholders.

In engagement activities with companies, the Investment team and the Sustainability team jointly determine the specific topics considered relevant for dialogue and the modes of interaction with each investee company on a case-by-case basis, based on proposals from the portfolio manager responsible for the product or a member of the Sustainability team. Dialogues generally take place with company officials and/or through participation in annual general meetings and other dedicated events. Discussions with investee companies also occur through individual meetings, visits to the SGR offices, and video calls. For a more detailed treatment, please refer to IMPact SGR's Engagement Policy⁷.

⁷ IMPact SGR's Engagement Policy is available at the following link: https://www.impactsgri.it/wp-content/uploads/2021/12/Policy-di-engagement_sgr_Clean.pdf

References to international standards

Our ambition is that the companies in which the funds invest comply with the following specified international conventions and standards. These include, but are not limited to, those listed below with their respective PAI indicators used to measure adherence to the corresponding standards:

- UN Global Compact
 - PAI 1.10.1 UNGC breaches
- OECD Guidelines for Multinational Enterprises
 - PAI 1.10.1 UNGC breaches
 - PAI 1.11.1 UNGC policy
- UN Guiding Principles on Business and Human Rights
 - PAI 1.10.1 UNGC breaches
 - PAI 1.11.1 UNGC policy
- Universal Declaration of Human Rights
 - PAI 1.10.1 UNGC breaches
- Children's Rights and Business Principles
 - PAI 1.10.1 UNGC breaches
- ILO conventions on labour standards
 - PAI 1.10.1 UNGC breaches
- Rio Declaration on Environment and Development
 - PAI 1.10.1 UNGC breaches
- UN Convention on Corruption
 - PAI 1.10.1 UNGC breaches
- Convention on Cluster Munitions
 - PAI 1.14.1 Controversial weapons

We use sustainability data received from third-party providers. Company-disclosed data are prioritised whenever deemed appropriate and meeting minimum quality standards. For some indicators where availability of data is poor, we use proxy or estimated data provided by third-party data providers to enable assessment. External data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes.

Paris Agreement

We are committed to supporting the goal of achieving net-zero greenhouse gas emissions by 2050 or earlier, in line with global efforts to limit warming to 1.5°C. Our short- and medium-term targets aim to achieve this overall ambition, with a portfolio-specific carbon footprint reduction goal to align with 1.5°C. In particular, our Article 9 SFDR products aim to maintain a decarbonization trajectory consistent with the reduction targets set by the Paris Agreement for at least 40% of portfolio investments.

To assess investment alignment with the decarbonization trajectory consistent with a Net Zero scenario by 2050, we have developed an internal tool for evaluating carbon neutrality alignment that integrates PAI indicators according to the EU regulation on Climate Transition Benchmarks.

Historical Comparison and Methodological Note

In the section “Description of principal adverse impacts on sustainability factors,” a historical comparison between the years 2022, 2023, and 2024 is provided. The analysis of changes in PAI indicators is based on observing them over the available years. However, it should be noted that starting from the 2024 report, the calculation methodology has been significantly refined compared to the previous year, making it less comparable to prior periods.

Specifically, monetary exposure to investments has been determined at the single position level by multiplying the market price by the quantity held. For derivative positions—such as, by way of example but not limited to, contracts for difference (CFDs) or long and short index positions through derivatives—the calculation has been adjusted to account for the respective multipliers associated with the underlying contracts.

Furthermore, starting with the current reporting period, in accordance with applicable regulations, a look-through methodology has been applied to all funds and indexed instruments held within the compartments to represent more transparently the actual exposure to underlying issuers.

That said, in 2024, the only PAI indicators showing negative variation are three:

- PAI indicator 3 (GHG intensity of the investee companies),
- PAI indicator 9 (Waste), and
- PAI indicator 12 (Gender pay gap).

All other PAI indicators, including the additional ones (no. 8 in Table 2, no. 14 in Table 3), show stable or improving data compared to the previous period. Regarding the decrease observed in the PAIs related to emissions, this decline is primarily attributable to the reduction in invested assets.

Regarding PAI 3, this is an intensity indicator used to measure the level of CO₂eq emitted per unit of revenue, weighted by the investment. The possible factors contributing to its slight increase are therefore attributable to:

- Reduction in revenue (denominator): if companies have reduced their revenues (e.g., sectoral crisis, recession, economic slowdown), the tCO₂eq/revenue ratio may rise, even with stable or decreasing emissions.
- Increase in the share of more “carbon-intensive” companies: even if total emissions decrease, the weight (Market Value/EVIC) of companies producing more CO₂ per euro of revenue may have increased.
- Distortion from sectoral effects: some sectors (e.g., utilities, materials, transport) structurally have high carbon intensity values. If the portfolio has shifted toward these sectors, the overall indicator may increase.
- Effect of improved estimates: in some cases, moving from estimated to reported data (e.g., from proxy data to company data), emissions may be more precise—and potentially relatively higher.

Overall, the Article 9 compartments, which represent 65% of the total assets analyzed, experienced a carbon intensity decrease of -2.9%, driven by the Sustainable Global Credit compartment (-3.8%) and Impatto Italian Equity (-1.1%). Meanwhile, the Article 8 compartments contributed to a 13% increase compared to the 2023 value. It should be noted, however, that the changed methodology for calculating monetary exposure makes the indicator trends between 2023 and the current period less comparable.

Regarding PAI no. 9 (Total hazardous waste per year – reported in metric tons – associated with 1 million euros invested in the portfolio), the 2024 data, although increased compared to 2023, remains significantly low in absolute terms. The reasons for the increase in the indicator are mainly attributable to the greater availability of data provided by the third-party provider concerning the invested companies. Similarly, for PAI 12 (Gender pay gap), the increase in the indicator is mainly attributed to improved data availability on the invested companies.