



**Statement on principal adverse impacts of investment decisions on sustainability factors**

**First Version: June 2023**

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Indicators applicable to investments in investee companies						
<i>Adverse sustainability indicator</i>	<i>Metric</i>	<i>Impact (year 2022)</i>	<i>Explanation</i>	<i>Actions taken, actions planned, and targets set for the next reference period</i>		
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS<sup>1</sup></b>						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	17,21	33% of Fund's PCs monitor its Scope 1 GHG emissions (1 PC). The rest of the PCs (2 PCs) have limited Scope 1 GHG emissions' impact as they do not perform production activities (they are engaged in assembly and engineering activities).	ITAGO IV intends to support its Portfolio Companies in calculating their Scope 1 and Scope 2 GHG emissions. In addition to monitoring and data availability purposes for the next PAIs reporting cycle, the goal is to define a baseline and work on GHG emissions' reductions initiatives/energy efficiency initiatives (where material).  Once Scope 1 and Scope 2 GHG emissions will be calculated, ITAGO will evaluate the support to PCs to calculate their Scope 3 GHG emissions, according to a materiality criteria (e.g. focusing on PCs that externalize production).	
		Scope 2 GHG emissions	-	Fund's PCs monitor energy consumption but they have not yet calculated their Scope 2 GHG emissions.		
		Scope 3 GHG emissions	-	Fund's PCs have not yet performed an estimation of their Scope 3 GHG emissions.		

<sup>1</sup> Please note that for some climate and other environment-related indicators, it has not been feasible to obtain complete data from investees since they were not available. Specifically, no data were available for the following PAIs: 1. GHG Scope 2 emissions, 2. Carbon footprint and 3. GHG intensity of investee companies. Moreover, the data coverage (which indicates the share of investments in the portfolio in relation to which the adverse impact on sustainability factors could be calculated) for the PAI indicator "Scope 1 GHG emissions" is equal to 33% (i.e. 1 out of 3 Portfolio Companies, provided this data) and "share of non-renewable energy consumption and production" is equal to 66% (i.e. 2 out of 3 Portfolio Companies, provided this data).

		Total GHG emissions	-	see answers above	see answers above
	2. Carbon footprint	Carbon footprint	-	see answers above	see answers above
	3. GHG intensity of investee companies	GHG intensity of investee companies	-	see answers above	see answers above
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	None of the PCs is active in the fossil fuel sector.	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	53,24 <sup>2</sup> %	One of the fund's PCs purchases part of its electricity through a contract covered by Certificates of Origin. The rest of the PCs purchases electricity through standard contracts.	66% of the Fund's PCs have developed an ESG Action Plan, which includes an improvement action related to the increase of the % of energy deriving from renewable sources.
	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	None of the PCs is active in a 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	0%	None of the PCs is located in or near biodiversity-sensitive areas.	n.a.

<sup>2</sup> KPI restatement due to double counting of non-renewable electricity.

		negatively affect those areas			
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	None of the PCs generates emissions to water.	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	0,002	The data refer to the limited amount of hazardous waste generated by one PC. The rest of the PCs do not generate hazardous waste.	n.a.
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
Social and employee matters	10. Violations of UN Global Compact principles and Organisation 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 portfolio companies has been involved in UNGC principles or OECD guidelines violations.	n.a.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/	100%	All ITAGO IV Portfolio Companies have implemented an Organizational Model pursuant the Italian L.Decree 231/2001, aiming at preventing prevent crimes and corrupt practices, including a Code of Ethics and a whistleblowing system. The implemented Code of Ethics does	ITAGO, in collaboration with the PCs ESG reference person, will evaluate whether a review of the current Code of Ethics is necessary to align to UNGC Principles and/or OECD Guidelines.

	for Multinational Enterprises	complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises		not directly refer to the UNGC Principles nor to the OECD Guidelines.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	17,77 <sup>3</sup> %	According to available data (Eurostat) <sup>4</sup> at EU Level , the unadjusted gender pay gap is currently above EU average (12%).	ITAGO will support PCs in the annual monitoring of this KPIs. Potential improvement activities will be identified, if material for the PCs.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	7,89%	The three PCs are small enterprises with a limited number of Board members. The gender unbalance is strictly related to the reported difficulty of the PCs in changing the Board composition (selecting new Board members with the required experience in the core business of the company)	-
	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%	None of the PCs is involved in manufacturing/selling controversial weapon.	n.a.
Additional climate and other environment-related indicators					

<sup>3</sup> KPI restatement due to data review and identification of miscalculation.

<sup>4</sup> Source: [The unadjusted gender pay gap, 2021 \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

Water, waste and material emissions	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	0,1	The data refer to the limited amount of hazardous waste generated by one PC, which cannot be recycled.	n.a.
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters					
Social and employee matters	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	28,69	The data refer to workdays lost due to one work-related injury and two commuting injuries. The work-related injury was minor (<30 lost days).	All PCs manage Health and Safety aspects in line with national regulations on Occupational H&S (L.Decree 81/08). Activities to improve H&S related aspects have been included in the PCs ESG Action plan, where material.