ESG AND RESPONSIBLE INVESTMENT POLICY

Corporate Procedures Manual
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WISE EQUITY'S ESG COMMITMENT

BUSINESS STRATEGY AND VALUES

Wise Equity SGR S.p.A. (hereinafter also "Wise Equity" or the "Asset Manager"), an independent asset management company established in 2000, specialises in the management of closed-end Private Equity funds (the "Funds").

Wise Equity operates primarily in Italy, pursuing an investment strategy focused on business growth and increasing the strategic relevance of its portfolio companies.

The Asset Manager focuses its investments on outstanding Italian companies that are leaders in niche markets and have an export-oriented profile, with the aim of making these businesses even stronger and more competitive internationally.

Wise Equity is a member of AIFI (Italian Private Equity, Venture Capital and Private Debt Association) and adopts:

i. the Code of Conduct[2], which sets out commitments articulated in nine articles to be promoted and complied with in the performance of professional activities;

ii. the principles - where applicable - set out more specifically in the Internal Code of Conduct for Private Equity Asset Managers[3].

Wise Equity is also a full member of Invest Europe, the leading global association of private capital providers, and has adopted its Code of Conduct[4]. In addition, a Senior Partner of the Asset Manager sits on Invest Europe's Mid-Market Council, while the CFO of the Asset Manager is a member of the ESG Working Group, an internal working group of the Invest Europe ESG Committee (ESGC), which promotes the open exchange of ideas and informed discussion on responsible investment practices and ESG matters in European private equity.

Since 2015, Wise Equity has been among the first Italian firms to become a signatory to the PRI (Principles for Responsible Investment), a set of voluntary investment principles (the "Principles") setting out actions for incorporating ESG issues into investment practices. Following its adherence to the PRI, Wise Equity completes the annual Transparency Report, which summarises the responsible investment activities carried out by the Asset Manager during the relevant year and is publicly available on the PRI website.

The Principles were developed by investors, for investors: by implementing them, PRI signatories contribute to developing a more sustainable financial system.

[2] https://www.aifi.it/visualizzaallegatodocumenti.aspx?chiave=1tEh42vaa91N6UJqpXz0W3652w8i8x
[3] https://www.aifi.it/visualizzaallegatodocumenti.aspx?chiave=59wlMcf5tneB1Bd8YDL88201xkY55E
[4] https://www.investeurope.eu/industry-standards/professional-standards/code-of-conduct/

- **Principle 1** incorporate ESG (Environmental, Social and Governance) issues into investment analysis and decision-making processes.
- **Principle 2** be active owners and incorporate ESG issues into ownership policies and practices.
- **Principle 3** seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4** promote acceptance and implementation of the Principles within the financial sector.
- **Principle 5** work together to enhance effectiveness in implementing the Principles.
- **Principle 6** report on activities and progress towards implementing the Principles.

Wise Equity therefore recognises the importance of responsible business management. In order to create sustainable value in the short, medium and long term for all relevant stakeholders, Wise Equity is committed to integrating environmental, social and governance factors into its investment process.
To this end, Wise Equity has adopted this ESG and Responsible Investment Policy (the "Policy") to formalise its commitment to responsible investment.

The Asset Manager has also defined specific ESG governance roles and responsibilities in order to coordinate and monitor the implementation of ESG provisions within the investment process, promote alignment with market trends and requirements, and encourage active dialogue with portfolio companies, including through Wise Equity's direct participation on their Boards of Directors.

Wise Equity's ESG governance is aimed at continuously increasing awareness of ESG matters, with the ultimate objective of fostering an internal sustainability culture as a driver of sustainable business and value creation for all stakeholders involved.

Both at Asset Manager level and throughout the selection, management and monitoring of the investment portfolio, Wise Equity aims to generate a positive social and environmental impact for local communities and the wider territory.

SUSTAINABILITY AT WISE EQUITY

COMMITMENT TO PEOPLE

Relationships among Wise Equity people are based on the values of fairness, transparency and trust.

In this context, the Asset Manager has always been committed to providing working conditions that promote equal opportunities, support personal dignity and encourage a professional and participative working environment.

Wise Equity also promotes these practices in its dialogue with the main stakeholders with whom it interacts in the course of its activities.

Wise Equity promotes the development of its people and the enhancement of their skills, including through annual participation in training events such as an annual webinar dedicated to ESG matters and sustainable finance. The objective is to develop an ESG culture, which represents one of the value-creation drivers of the investment strategy.

Diversity is an important strength for value creation, both for the Asset Manager and its people. Wise Equity values diversity and condemns all forms of discrimination based on gender, age, health status, sexual orientation, nationality, political opinions and religious beliefs, starting from the recruitment process.

Wise Equity recognises and embraces the benefits of diversity among employees, collaborators and members of governing bodies, promoting the application of this principle in selection processes wherever possible.

COMMITMENT TO INVESTORS

Wise Equity is committed to maintaining and promoting strong relationships with investors based on trust and transparency.

The Asset Manager ensures that its activities are conducted in accordance with the principles of fairness, integrity and transparency.

Wise Equity also promotes dialogue and is committed to communicating periodically with its investors, seeking maximum transparency regarding results achieved, including in ESG matters, in compliance with applicable regulations.

Wise Equity aims to continue its path of ongoing engagement and dialogue with all investors, ensuring transparency and regularity of communications.

COMMITMENT TO THE ENVIRONMENT

Wise Equity is committed to reducing waste in the consumption of energy and resources, encouraging the efficient and responsible use of office materials and, where possible, favouring recycled or recyclable materials. Plastic bottles have been eliminated from the offices, a drinking-water dispenser has been installed and staff have been provided with reusable bottles. Paper use is limited in order to encourage the digitalisation of processes and archives.

The Asset Manager also promotes responsible management of waste generated by its activities, through separate collection and proper disposal.

Wise Equity also promotes the use of sustainable means of transport with a lower environmental impact.

In particular, Wise Equity aims to renew its company car fleet by including low-emission vehicles, in order to reduce CO2 emissions arising from business travel.

COMMITMENT TO COMMUNITIES

As part of its commitment to promoting social and cultural initiatives in the areas in which it operates, Wise Equity supports, through donations and sponsorships and the direct involvement of its founding partners, various foundations and associations dedicated to scientific research and patient care, support for children in vulnerable situations, social innovation and the promotion of a culture of social-impact investing.

Wise Equity aims to maintain its commitment to communities over time through investments in local social and cultural initiatives.

RESPONSIBLE INVESTMENT POLICY

INTRODUCTION AND SCOPE

The Policy formalises Wise Equity's ESG commitment and, in particular, the approach adopted to integrate sustainability considerations throughout the entire life cycle of investments made by the funds managed by the Asset Manager.

The Policy takes into account the relevant regulatory framework and, in particular, Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), as well as the related technical standards laid down in the relevant delegated regulations (the "Level 2 Rules").

The Policy applies in full to all Private Equity investments made by Wise Equity Funds, in accordance with applicable regulations.

With reference to the management of Funds that promote environmental and/or social characteristics ("E/S Characteristics" or "Characteristics") pursuant to Article 8 of the SFDR ("Article 8 Funds") - namely Wisequity VI[5], Wisequity VII[6] and subsequent Funds - specific procedures are also in place in light of the applicable regulatory regime, including, for example, verification of good governance practices at investee companies and monitoring of the Characteristics promoted by the Fund (Figure 1).

Where Wise Equity holds a minority interest, it will likewise seek, to the extent possible, to promote the integration of ESG factors into the investment process, notwithstanding its more limited ability to influence the company.

ESG APPROACH IN THE INVESTMENT PROCESS

Through investments by the managed Funds in portfolio companies, Wise Equity intends, among other things, to contribute to the transition towards more environmentally sustainable economic models and to respect for fundamental human rights. In particular, the Asset Manager intends to contribute to the Paris Agreement objective of holding the increase in the global average temperature to well below 2°C above pre-industrial levels, while pursuing efforts to limit the increase to the critical 1.5°C threshold[7], and to promote respect for fundamental human rights, such as the right to decent working conditions, the right to adequate remuneration without discrimination, and the rejection of forced labour and child labour, in line with leading international human-rights frameworks, including the Universal Declaration of Human Rights.

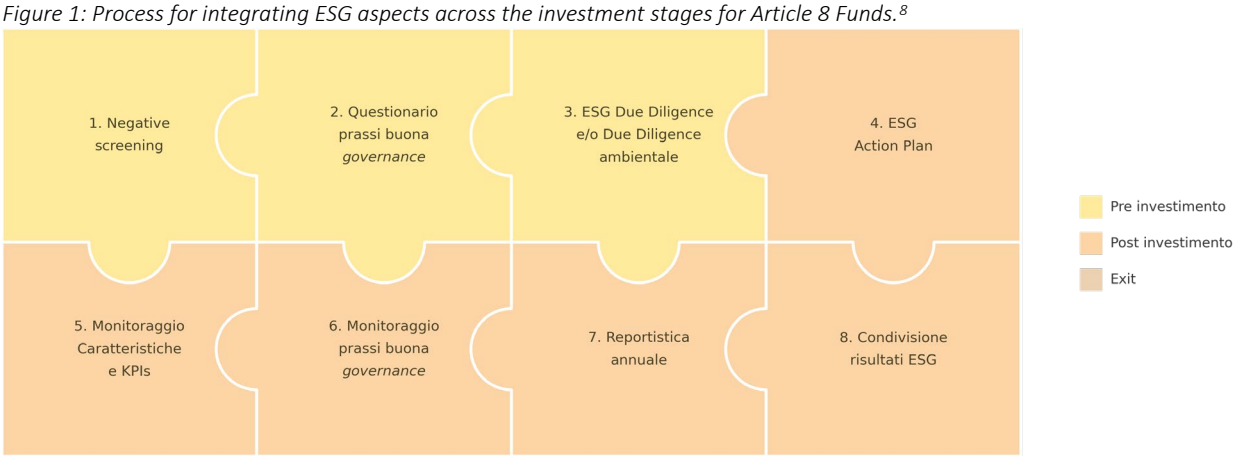
[5] Set out below are the Characteristics promoted by the Wisequity VI Fund. "A" Characteristics: (i) improving energy efficiency, (ii) reduction of GHG emissions, (iii) circular economy in the use and management of materials/components, (iv) research and production of products with a reduced product life cycle environmental impact, (v) raising awareness and knowledge of environmental sustainability, climate change and their importance, (vi) environmentally sustainable production sites and buildings. "S" Characteristics: (vii) inclusion and protection of disadvantaged groups, (viii) inclusion and protection of equal opportunities and diversity, (ix) protection of workers' physical and mental health and safety, (x) welfare services for the wellbeing of workers and their families, (xi) pay equity. "A&S" Characteristics: (xii) responsible business models, (xiii) sustainable and responsible supply chains, (xiv) monitoring, assessment and reporting of ESG performance.

[6] Set out below are the Characteristics promoted by the Wisequity VII Fund. Please note that, compared to Wisequity VI Fund VI, the number of promoted characteristics has been streamlined and optimised, reflecting the evolution of the approach based on experience gained. "A" Characteristics: (i) energy efficiency improvement, (ii) reduction of GHG emissions, (iii) circular economy in the use and management of materials/components. "S" Characteristics: (iv) inclusion and protection of equal opportunities and diversity, (v) pay equity, (vi) protection of workers health and safety, (vii) welfare services for the wellbeing of workers and their families, (viii) responsible supply chains.

[7] The 1.5°C objective has been retained because the most recent scientific guidance indicates that a possible overshoot of the threshold does not justify a reduction in climate ambition. It remains a priority to limit the peak of global warming and pursue actions to bring temperatures back within that threshold as soon as possible, consistent with the objectives of the Paris Agreement.

Wise Equity is committed to investing capital responsibly by integrating ESG considerations into decision-making processes at the pre-investment, post-investment and exit stages, opening new channels of dialogue between the Asset Manager and target and portfolio companies, as described below.

Figure 1: Process for integrating ESG aspects across the investment stages for Article 8 Funds.[8]



To ensure appropriate risk management throughout all investment stages, Wise Equity has incorporated into its Risk Management Policy a description of the policies, procedures and tools used to monitor, measure and manage sustainability risks[9] ("ESG risks"), assessed both at individual portfolio-company level and at Fund level. These sustainability risks include climate risks (physical and transition risks)[10], for which quantitative analyses are carried out to measure physical risk and the transition costs that a company would incur to align its greenhouse-gas emissions with the maximum amount envisaged under a Net Zero 2050 scenario; social risks, measured by considering aspects such as the gender pay gap and gender diversity ratio; and governance risks, measured by considering aspects such as environmental and social certifications and incentive/remuneration plans linked also to sustainability objectives.

Further details on how ESG considerations are integrated into each investment stage (pre-investment, post-investment and exit) are set out below, taking into account the specific procedures adopted for Article 8 Funds.

PRE-INVESTMENT

Through negative screening, Wise Equity excludes from investment companies whose business consists of an illegal economic activity and companies or other entities whose principal activity falls within sectors considered controversial, as specified in the Fund Rules.

In particular, Wise Equity has adopted a sector-exclusion policy that prohibits investment in certain economic activities and sectors, including, by way of example and without limitation, entities whose business activity consists of an illegal economic activity (i.e. production, trade or other activity that is illegal under laws or regulations applicable to the Fund or the relevant company or entity, or under international conventions and agreements), including, by way of example, (a) human cloning for reproductive purposes, (b) prostitution, including research, development or technical applications of electronic data programs or solutions specifically aimed at prostitution, and (c) human trafficking. For

[8] ESG aspects are also integrated, where applicable, into the various investment stages of the other types of funds managed by Wise Equity.
[9] A "sustainability risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment (Article 2(22) of the SFDR).
[10] Physical risks arising from climate change may result from events (acute) or long-term shifts (chronic) in climate patterns. Transition risks towards a lower-carbon economy may fall within the following categories: policy and legal risks, technology risks, market risks and reputational risks.

further details on investment exclusions, reference should be made directly to the relevant Fund documentation and, for Funds promoting E/S Characteristics pursuant to Article 8 of the SFDR, to the pre-contractual disclosure attached to the offering document and the website disclosure pursuant to Article 10 SFDR.

At the pre-investment stage, Wise Equity carries out - with the support of an external adviser - an in-depth analysis comprising:

- verification of good governance practices through a dedicated good governance questionnaire assessing the company against the four specific areas set out in the Level 2 Rules ("sound management structures", "employee relations", "remuneration of staff" and "tax compliance"). Based on the questionnaire findings, the Board of Directors of the Asset Manager performs an overall assessment when approving the investment, as a positive outcome is a necessary condition for investment by Article 8 Funds under the SFDR;

- assessment of the sustainability profile of target companies through ESG due diligence. In particular, both sustainability risks and opportunities relating to the target's potential alignment with the promoted E/S Characteristics are assessed, together with its level of awareness and commitment to ESG matters. The ESG due diligence covers environmental matters (including energy consumption, greenhouse-gas emissions, use of materials and waste generation), social matters (including diversity and inclusion, occupational health and safety and respect for human rights), and governance matters (including business ethics, anti-corruption and supply-chain management);

- where the target company, due to its activities or sector, is exposed to potentially material environmental risks, Wise Equity carries out specific environmental due diligence to investigate in greater depth the environmental impacts and risks associated with the potential investment.

In addition, before the investment is made, the Risk Management function, as formalised in the Risk Management Policy, monitors the climate risks (physical and transition) to which the target is exposed through quantitative analyses using data provided by external providers and considering the Net Zero 2050 scenario.

The results of the pre-investment analysis are included in the documents prepared by the Investment Team for discussion with the Fund Investment Committee (where applicable) and the Board of Directors of the Asset Manager, so that the risks and opportunities relating to the target company are represented as part of the transaction approval process.

The acquisition agreements for the target company will subsequently include sustainability commitments to be observed by management in managing the acquired companies in accordance with the Asset Manager's policies.

POST-INVESTMENT

Based on the ESG matters identified and the results of the ESG Due Diligence carried out at the pre-investment stage, the management of each portfolio company prepares an action plan (the "ESG Action Plan"), setting out specific objectives to mitigate identified ESG risks or capture identified ESG opportunities, to be implemented over a multi-year horizon during the investment period. Once prepared, the ESG Action Plan is approved by the Board of Directors of the portfolio company in order to ensure senior-level commitment to implementation of the ESG objectives.

Since 2025, Wise Equity has defined a predetermined set of ESG objectives to be pursued within a specified timeframe, in order to standardise the implementation of relevant ESG measures across the portfolio. The main predetermined ESG objectives include:

- Environmental: implementation of energy-efficiency initiatives; quantification and, where possible, reduction of GHG emissions; adoption of environmental management systems; use of renewable energy;
- Social: adoption of occupational health and safety management systems; adoption of policies and procedures designed to promote diversity and equal opportunities;
- Governance: commitment to prepare and adopt an organisation and management model pursuant to Italian Legislative Decree No. 231/2001 and a Code of Ethics, where these are not already in place at the time of acquisition of the investee company; implementation of ESG criteria in supplier assessment.

During the formalisation and monitoring of the ESG Action Plan, Wise Equity provides for periodic exchanges of information with portfolio companies through both formal channels (for example, during Board meetings) and informal channels (for example, as part of day-to-day dialogue and engagement between the Asset Manager and the company). Wise Equity also promotes the participation of portfolio-company senior management in dedicated annual workshops, including to facilitate the sharing of successful experiences across the portfolio.

To monitor progress against the ESG Action Plan and the ESG performance of companies invested in by Funds managed by the Asset Manager, a number of Key Performance Indicators (KPIs) have been defined on the basis of international sustainability reporting standards[11].
For Article 8 Funds, these KPIs enable the Asset Manager to verify how and to what extent portfolio companies meet the E/S Characteristics promoted by those Funds, in order to understand the contribution of the investment activity to the pursuit of the environmental and social characteristics promoted by the Fund. In addition, for Article 8 Funds, good governance practices are monitored during the investment period to verify that portfolio companies maintain (and, where considered appropriate, improve) their governance practices in the four specific areas set out in the Level 2 Rules.

Since 2024, Wise Equity has required portfolio companies to report their ESG KPIs and monitor progress against the ESG objectives formalised in their Action Plans through a dedicated IT platform. This improves ESG data collection, reporting and monitoring, enabling Wise Equity to assess performance more effectively and support portfolio companies in achieving their sustainability objectives.

The ESG performance of portfolio companies is assessed annually, also with the support of a specialised external adviser, and is reported through annual reporting to investors included within the financial reporting required under the relevant Fund Rules.

For Article 8 Funds, information relating to the E/S Characteristics is also included in a dedicated annex to the periodic disclosure provided to investors, as required by Article 11 of the SFDR.

EXIT

At the exit stage, Wise Equity is committed to making relevant ESG information and the results achieved by the portfolio company available to potential purchasers.

The ESG Action Plan and ongoing monitoring of KPIs enable the Asset Manager to compare the company's environmental, social and governance performance before and after the investment period, assessing progress achieved and the value generated through sustainability investments.

[11] These indicators are based on the most recent international standards (i.e. the VSME Standard or other recognised international standards).

ROLES AND RESPONSIBILITIES

Wise Equity has defined ESG roles and responsibilities for the various corporate actors involved in investment management, in order to integrate ESG aspects throughout the different investment stages and foster effective and constructive dialogue among them.

The Senior Partner and/or Partner responsible for the investment at the Asset Manager and serving as a member of the Board of Directors of the portfolio company is responsible for:

- implementing the ESG provisions and discussing progress against the ESG Action Plan and related monitoring at portfolio-company Board meetings;
- identifying, at least annually, the need for any corrective actions or measures. The Partner responsible for the company is required to report annually to the Board of Directors of the Asset Manager - as part of the update on the portfolio company's performance - a summary of the portfolio company's ESG performance in relation to progress against the ESG Action Plan, in order to assess whether corrective actions are required;
- promptly informing the Board of Directors of the Asset Manager of any serious ESG-related incidents involving the portfolio company and of any corrective actions taken and/or to be taken.

Principals and Investment Managers provide ongoing operational support to the Senior Partner and/or Partner in implementing these provisions through dialogue with the portfolio company and monitoring the company's performance against ESG KPIs.

The Chief Financial Officer is responsible for:

- monitoring the proper and effective implementation of this Policy;
- coordinating ESG activities;
- monitoring key ESG market trends and regulatory requirements and aligning the planning of any training activities accordingly;
- collecting, with the support of an external adviser, information relating to Key Performance Indicators and progress against each portfolio company's ESG Action Plan;
- preparing internal Fund reporting addressed to investors;
- communicating to investors, where significant, ESG developments relating to the Asset Manager and the portfolio companies of the managed Funds during the Annual General Meeting;
- communicating, in periodic investor reporting, any serious ESG-related incidents involving portfolio companies and the corrective actions taken.

From an organisational perspective, implementation of the ESG Policy is overseen by the following persons (the "ESG Officers"):

- Dedicated Senior Partner and executive director who is a member of the Investment Team;
- executive director holding the position of Chief Financial Officer.

ESG Officer	Responsibilities
Dedicated Senior Partner	facilitates and coordinates ESG matters within the Investment Team to support the effective implementation of the Asset Manager's ESG Policy

	and the various initiatives and objectives set out in the ESG Action Plans of the portfolio companies of the managed Funds.[12]
Chief Financial Officer	In coordination with the Dedicated Senior Partner, is responsible for defining the ESG Policy, with particular regard to market and regulatory updates, preparing reporting to the Board of Directors and investors, and collecting the ESG KPIs and ESG Ratio[13] required to quantify the ESG Bonus, etc.

Since 2023, in order to ensure consistency with the Asset Manager's objectives of promoting sustainability characteristics and to foster a culture of environmental, social and governance (ESG) factors at all levels of the organisation, an "ESG Bonus" has been introduced for all senior staff in the Investment Area (Senior Partners and Principals) and the Chief Financial Officer.

FINAL PROVISIONS

In the process of integrating ESG factors into the investment process, Wise Equity is supported by external advisers with specialist expertise in this area.

In particular, the Asset Manager is supported by ESG advisers in carrying out ESG due diligence, climate-risk analyses (physical and transition risks), and monitoring the ESG performance of portfolio companies.

The Asset Manager also undertakes to review and update the Policy at least every two years and, in any event, whenever considered necessary in order to reflect ongoing ESG developments arising from regulatory changes and industry best practices.

[12] The Asset Manager has adopted a set of minimum measures that each investee company commits to adopting.
[13] ESG Ratio: the degree of achievement of the ESG Plan by the portfolio companies.

Wise Equity SGR SpA

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Di cui all'art. 35 D. LGS. 58/98 Sezione Gestori fondi di Investimento Alternativi
Sede Operativa: Foro Buonaparte, 76 - 20121 Milano
Tel. +39 02 8545691 - Fax +39 02 80509485
Registro Imprese di Milano e Codice Fiscale 13142090151 - REA 1621382
Capitale Sociale Euro 1.250.000, interamente versato
Sede Legale: Viale Majno, 38 - 20129 Milano

www.wisesgr.com