Disclosure in accordance with the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “SFDR”)

Art. 3 – Transparency of sustainability risk policies

In accordance with article 3 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (hereinafter, “Sustainable Finance Disclosure Regulation” or “SFDR”), Style Capital SGR S.p.A. (“the Firm”) foresees the inclusion of sustainability risks into its investment decisions.

A sustainability risk is an environmental, social or governance event or condition that, if occurs, could cause a negative material impact on the value of the investment. Style Capital considers those risks mainly linked to the environmental sphere (e.g., climate change and decarbonization, waste management, water and air pollution), social sphere (e.g., health and safety, diversity and inclusion, community engagement, sustainable supply chain management, customer satisfaction, employee development) and governance sphere (e.g., board diversity, anticorruption and integrity).

Style Capital is aware of how important the consideration of sustainability risks is in the management of the daily activities of the Firm and in the investment decisions. Within its Risk Policy, the Firm describes the procedures and tools used to identify, measure, manage and monitor on an ongoing basis, among others, the sustainability risk ("ESG risk").

Style Capital considers sustainability risks as part of the investment decision-making and risk management processes. Before any investment decisions is made, investment opportunities are screened against an exclusion list and are subject to a positive screening, that involve a proprietary ESG rating methodology. ESG risks are also monitored throughout the holding period and assessed when an exit approaches. Style Capital believes that the adoption of policies and procedures by companies in which it invests represents an essential safeguard against sustainability risks and is therefore committed to verifying the implementation of such practices established in this regard.

The consideration of ESG risks in the investment decision making process is performed throughout the lifecycle of the investment and is consistent with the approach the Firm has adopted. Style Capital supports the six principles for responsible investment of the United Nations Principles for Responsible Investments, among which there is the consideration of sustainability risks in investment decisions.

More information on the consideration of sustainability risks within the investment decisions can be found in the ESG Policy.

Art. 4 – Transparency of adverse sustainability impacts at entity level

Principal adverse sustainability impacts statement

Summary

In accordance with article 4 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (hereinafter, "Sustainable Finance Disclosure Regulation" or "SFDR"), Style Capital SGR S.p.A. ("the Firm"), taking due account of its size, the nature and scale of its activities and the types of financial products it makes available, considers the principal adverse impacts (PAI) of its investment decisions on sustainability factors.

As principal adverse impacts Style Capital intends the effects of investment decisions that result in negative impacts on sustainability factors, meaning the environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Style Capital adopts an engagement strategy aimed at raising awareness of portfolio companies' management on ESG aspects and to create long-term value. To this end, Style Capital considers sustainability risks and principal adverse impacts of its investment decision on sustainability factors.

Description of policies to identify, prioritise and reduce principal adverse sustainability impacts

Style Capital, taking due account of its size, the nature and scale of its activities and the types of financial products it makes available, considers the following principal adverse impacts (PAI) of its investment decisions on sustainability factors:

PRINCIPAL ADVERSE IMPACTS (PAIs)	INDICATORS
Greenhouse gas (GHG) emissions	GHG emissions
	Carbon footprint
	GHG intensity of investee companies
	Exposure to companies active in the fossil fuel sector
	Share of non-renewable energy consumption and production
	Energy consumption intensity per high impact climate sector
Biodiversity	Activities negatively affecting biodiversity-sensitive areas

Water	Emissions to water
Waste	Hazardous waste ratio
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap
	Board gender diversity
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Additional adverse impacts might be taken into consideration depending on the related materiality assessment and the evolution of the investment portfolio.

The identified adverse impacts are then prioritized during the ESG due diligence phase, and the monitoring process carried out during the holding period whose results are formalized in the occasion of the reporting carried out annually.

In light of the results of the above, the Firm plans actions to mitigate PAI, including – but not limited to:

- engagement activities with portfolio companies, that besides the ESG data monitoring processes, foresee:
    i. the provision of appropriate ESG training to company's Management
    ii. the integration of ESG content in the agendas of the Boards of Directors
    iii. the appointment of an ESG activity manager and of an internal contact person to the Board to facilitate the sharing of decisions on ESG issues
- definition of ad hoc ESG action plans drafted basing on the results of the previous phases.

References to international standards

Style Capital conducts its activities and relates to the companies in its portfolio inspired by the values contained in its Code of Ethics and embracing the guidelines and recommendations defined by institutions and authoritative organizations at international level that work for the dissemination of the principles of sustainability (i.e., United Nations

Principles for Responsible Investment (UNPRI), United Nations Sustainable Development Goals (UN SDGs), EU Regulations on sustainability in the financial sector).