



Disclosure pursuant to Regulation (EU) 2019/2088 of the European Parliament relating to the information on the sustainability in the financial services sector

Last update: October 14th, 2024

Art. 3 - Regulation on Sustainability Related Disclosures in the Financial Sector (“SFDR”), Transparency of sustainability risk policies

Star Capital SGR S.p.A. (hereinafter also “Star Capital” or “Asset Manager”) has embodied sustainability risks within its investment activity through the implementation of processes aimed at their identification and monitoring. Sustainability risks are defined as environmental, social or governance (ESG) events or conditions that, if they occur, could cause a negative material impact on the value of the investments.

Star Capital has established a structured approach to manage sustainability risks and opportunities related to investments. The approach adopted by Star Capital throughout all stages of the investment process is described in the ESG Policy and it can be summed up as follows:

- Screening phase: In the process of selecting and evaluating investment opportunities, the exclusion list is applied, allowing for the identification of a set of sectors where Star Capital precludes itself from investing.
- Pre-investment phase: during the pre-investment phase, Star Capital conducts an in-depth analysis of the ESG risks and opportunities of the potential investment by performing an ESG Due Diligence through the support of external expert ESG consultants. The ESG assessment allows for the mapping of ESG risks and opportunities related to the investment, on which to base the preliminary identification of ESG improvement actions that will converge into the drafting of a detailed ESG Action Plan during the ownership phase.
- Ownership and monitoring phase: Based on the results of the ESG Due Diligence, an ESG Action Plan is developed with the goal of improving the performance of the invested companies in terms of the sustainability issues deemed material, through the implementation of improvement actions that allow for ESG risk minimization and ESG opportunity enablement. Throughout the holding period, ESG performance of portfolio companies is monitored. This involves regular tracking of ESG Key Performance Indicators (KPIs) utilizing a proprietary tool for data collection and monitoring (“ESG Data Collection and Monitoring Tool”). Based on the ESG monitoring activity’s results, a review and update of ESG Action Plans could be conducted to address any potential ESG risks or critical issues identified.

Comprehensive information about how the investment process considers sustainability risks and opportunities is reported in the ESG Policy, publicly available on the website of the Asset Manager.

Art. 4 - Regulation on Sustainability Related Disclosures in the Financial Sector ("SFDR"), Transparency of adverse sustainability impacts at entity level

Considering STAR V Private Equity Fund, Star Capital considers the adverse effects of its investment decisions on sustainability factors (also referred to as "PAIs," "Principal Adverse Impacts") as part of its efforts to foster a responsible investment process.

As formalized in the ESG policy, Star Capital has defined a structured approach for the identification and assessment of Principal Adverse Sustainability Impacts through the conduction of a ESG Due Diligence in the pre-investment phase and through a monitoring process that enables to monitor a set of ESG KPIs including PAI indicators (listed in Tables 1, 2 and 3 of Annex 1 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022). In alignment with the adopted comply approach, the mandatory PAI indicators listed in Table 1 will be monitored, along with two indicators selected from Table 2 and 3 as additional indicators.

¹ Please note that the approach adopted by Star Capital for the identification and assessment of Principal Adverse Sustainability Impacts on sustainability factors refers only to the investment activity of the Private Equity Fund "STAR V", aligned with Article 8 of the European Regulation 2019/2088 (SFDR). Quantitative information regarding the consideration of the negative effects of investment decisions on sustainability factors will be disclosed once investee companies have achieved an adequate level of maturity in the ESG data collection process, adopting a step-by-step approach. To this end, the Fund fosters a continuous engagement with each investee, with the objective of adopting tools and capabilities required to fulfill reporting obligations comprehensively and in compliance with regulations. Following the first data collection, values for the indicators identified in the latest Reporting Technical Standards ("RTS") by the European Supervisory Authorities ("ESA") will be available. Please note that PAI indicators will be monitored and disclosed only considering STAR V and not at Asset Manager level.