



RESPONSIBLE INVESTMENT POLICY



September 2026

POLICY - RESPONSIBLE INVESTMENT

Version	Approval date	Approved by	Description of changes
V1/2020	24.04.2020	Board of Directors of Entangled Capital SGR S.p.A.	First version
V2/2023	31.07.2023	Board of Directors of Entangled Capital SGR S.p.A.	Integration of climate-related risks into the investment process, in line with the Bank of Italy Supervisory Expectations on Climate and Environmental Risks
V3/2026	23.09.2026	Board of Directors of Entangled Capital SGR S.p.A.	Integration of the investment strategy adopted for the ENTG II Fund, in line with its classification as an Article 8 financial product under SFDR

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INTRODUCTION & VISION STATEMENT

As a private equity investor, Entangled Capital SGR S.p.A. (hereinafter “Entangled Capital” or the “Asset Manager”) is committed to creating long-term value for the Italian economy and its investors. Entangled Capital pursues this objective by providing capital to support company growth and by implementing tools that facilitate effective generational transitions. In pursuing this mission, Entangled Capital recognizes that a responsible investment approach is essential to maximizing opportunities, securing strategic advantages for its investments, reducing risk, and ensuring compliance with evolving regulation.

The Asset Manager acknowledges that integrating environmental, social and governance (ESG) factors – including climate-related considerations – into the investment process strengthens risk management, improves the quality of decision-making, and supports the resilience and long-term performance of portfolio companies.

This Responsible Investment Policy (hereinafter the “Policy”) defines Entangled Capital’s approach to systematically and explicitly embedding ESG considerations, throughout the entire investment lifecycle, from initial screening to exit. It is designed in line with the legislative requirements of the EU Sustainable Finance Disclosure Regulation (“SFDR”), the European Supervisory Authorities’ Final Report on Draft Regulatory Technical Standards (“RTS”) and recognized international best practices.

Entangled Capital primarily invests in industrial, manufacturing, and technology-driven companies. While certain ESG matters– such as sound governance practices and climate-related impacts – are relevant across all sectors, the Asset Manager adopts a case-by-case approach that focuses on those ESG issues that are most material and have the greatest potential to influence long-term value creation and portfolio performance. To support this approach, Entangled Capital leverages a network of entrepreneurs and managers (“Operating Partners”) to deepen sector-specific analysis, including the assessment of ESG-related factors.

This Policy applies to all funds managed by Entangled Capital, including financial products falling within the scope of Articles 6 and 8 SFDR, as well as to all employees and collaborators involved in investment activities.

REGULATORY FRAMEWORK AND INTERNATIONAL STANDARDS

This Policy is built on a clear set of guiding principles and aligned with the relevant regulatory frameworks and recognized international standards and initiatives. As a member of AIFI (Associazione Italiana del Private Equity, Venture Capital e Private Debt), Entangled Capital has developed this Policy in accordance with AIFI’s guidelines on sustainability and responsible investment in the private capital industry.

As a signatory to the United Nations-supported Principles for Responsible Investment (UN PRI), the Asset Manager is committed to integrating and promoting these principles across all stages of the investment process.

In applying its responsible investment approach, Entangled Capital considers the following key international standards and regulatory frameworks:

- **International standards and initiatives**
 - United Nations Principles for Responsible Investment (UN PRI)
 - United Nations Global Compact (UN Global Compact)
 - OECD Guidelines for Multinational Enterprises
 - International Labour Organization (ILO) Conventions

- **European regulatory framework**

- Regulation (EU) 2019/2088 - Sustainable Finance Disclosure Regulation (SFDR), which establishes transparency requirements regarding the integration of sustainability risks and the consideration of adverse sustainability impacts in investment decision-making processes.
- Commission Delegated Regulation (EU) 2022/1288, as amended, which sets out the applicable Regulatory Technical Standards (“RTS”) specifying the content, methodologies and presentation of sustainability-related disclosures under SFDR;
- The Bank of Italy’s Supervisory Expectations on the integration of climate and environmental risks, which require supervised entities to embed such risks into governance, business strategy, risk management and disclosure frameworks.

OUR ESG STRATEGY TO CREATE VALUE

Entangled Capital aims to ensure that its approach as an asset manager, and its activities at portfolio company level, are both closely aligned with creating value for the environment and society. To support this ambition, the asset manager has defined a set of ESG priorities that are directly aligned with its investment strategy.

Environment

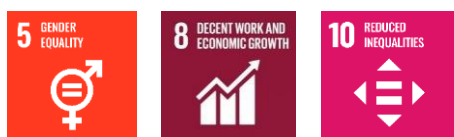


Environmental and climate-related factors are embedded across the entire investment lifecycle. The aim is to systematically identify, assess, and mitigate environmental risks, while enhancing environmental performance and supporting long-term value creation.

Entangled Capital is committed to identifying and managing the environmental impacts of its investment activities, with a clear focus on addressing **climate change**, supporting the transition to **renewable energy**, and promoting the **efficient use of natural resources**.

Entangled Capital works with portfolio companies to progressively strengthen their environmental practices. This includes **monitoring and reducing greenhouse gas emissions**, **adopting energy-efficient solutions**, and **integrating circular economy principles to minimize waste and reduce resource consumption**.

Social



As a signatory to the UN Global Compact, Entangled Capital embeds **human rights principles** at the core of its business strategy and organizational culture and promotes their respect across all responsible investment activities.

These principles underpin its approach to responsible investment, with the clear objective of fostering **fair, inclusive and safe working environments** both within its own organization and across its portfolio. In line with this commitment, Entangled Capital actively supports the implementation of robust social practices, with a particular focus on **diversity, equity and inclusion, employee well-being, and stringent health and safety standards**.



Entangled Capital is committed to embedding high standards of corporate governance across its operations and investment activities, recognizing governance as a core driver of long-term value creation and effective risk management. Governance considerations are integrated throughout the investment lifecycle, with a clear focus on establishing sound management structures, defining roles and responsibilities transparently, and maintaining robust oversight mechanisms.

The Asset Manager promotes **ethical business conduct and transparency**, encouraging portfolio companies to adopt governance frameworks that are aligned with recognized industry best practices. Entangled Capital also fosters collaboration and partnerships across its portfolio, supporting the consistent adoption of leading standards and approaches. This is reinforced through its active participation in key initiatives and organizations, including AIFI, the UN Global Compact and Invest Europe.

OUR ESG GOVERNANCE STRUCTURE

Entangled Capital has established a robust governance framework to drive its commitments and objectives and to ensure that ESG factors are systematically integrated across all investment activities.

This governance framework operates across four levels:

- **Investment Team:** The Investment Team is responsible for embedding ESG considerations into the investment process. The team conducts operational ESG analyses to screen and identify material ESG risks and opportunities associated with prospective investments. The findings from these assessments are incorporated into the Investment Memorandum.
- **Investment Committee:** The Investment Memorandum is reviewed by the Investment Committee, which provides advisory opinions on investment decisions, with particular attention to ESG and climate-related risks.
- **Board of Directors:** The final investment decision is taken by the Board of Directors. The Board approves this Policy and subsequent updates and oversees the full alignment of investment activities with the ESG Strategy and vision.
- **ESG Officer:** The ESG Officer holds overarching responsibility for defining, developing, and overseeing the correct implementation of this Policy. The ESG Officer also promotes sustainability initiatives at Entangled Capital and across the funds' portfolio companies. This role includes overseeing the assessment and monitoring of ESG risks and opportunities throughout the investment process. In addition, the ESG Officer monitors progress in the ESG performance of portfolio companies, which is communicated through the annual ESG report to investors and other relevant stakeholders. On an annual basis, the ESG Officer reports portfolio ESG performance to the Board of Directors.



At the portfolio company level, a designated **ESG representative** is appointed within each company. This representative acts as the primary point of contact for ESG-related matters and supports the implementation of ESG initiatives.

OUR COMMITMENT TO INTEGRATE ESG INTO THE INVESTMENT PROCESS

The integration of ESG considerations throughout the investment lifecycle is a crucial part of Entangled Capital's activities. The objective is to prevent or mitigate potential negative impacts and risks on all stakeholders, while capturing value creation opportunities.

- **Pre-investment phase:** In the process of selecting and evaluating investment opportunities, the principle of **exclusion** is carefully applied, in accordance with the constraints of the Funds' Management Rules, allowing for the identification of a set of sectors in which the Funds will not invest. Further information on the list of exclusions is provided in the Management Rules of the relevant Funds.

The Investment Team performs a **preliminary assessment** of ESG trends and risks that may be relevant for the target company considering the industry in which it operates. This analysis is conducted on the basis of publicly available information and in collaboration with Entangled Capital's Operating Partners and may be supported by a proprietary tool, built upon recognized ESG reporting standards (e.g., SASB), which enables the preliminary identification of ESG issues that are material for the target company based on the sector in which it operates.

The preliminary results of this assessment are presented to both the Investment Committee and the Board of Directors, with the key ESG elements identified during the internal analysis reflected in the Investment Memorandum. Where relevant, ESG topics identified as material in relation to the sector and operational context of the target company may be further analyzed through a dedicated **ESG due diligence process**, which is conducted with the support of qualified external ESG consultants. The Investment Team works closely with its consultants to investigate the ESG profile of the target company and to identify opportunities for value creation that can be promoted and unlocked during the investment lifecycle. During the due diligence phase, a high-level climate-related screening is performed on all investment targets to assess their exposure to physical and transitional risks and/or opportunities.

With specific reference to the investment activities of the Fund classified under Article 8 of Regulation (EU) 2019/2088 (SFDR), a dedicated analysis is conducted to assess the potential contribution of the target company to the environmental characteristics promoted by the Fund, adopting a materiality-based approach.

Where material ESG risks or critical issues are identified and cannot be adequately mitigated, the Funds may decide not to proceed with the investment.

Based on the outcome of the ESG analysis and due diligence activities, specific ESG improvement objectives and priority areas for intervention may be identified. For investments made by financial products classified under Article 8 SFDR, these objectives are translated into specific ESG Target KPIs for each investment, taking into consideration relevant characteristics of the target company, including its sector, geographic location, size and number of employees.

- **Execution phase:** To ensure that ESG factors are taken into account in all investment decisions, prior to the closing of each new investment on behalf of the Funds, the findings of the ESG due diligence and the results of the desktop analyses are included within the Investment Memorandum and are reviewed by the Investment Committee and the Board of Directors. These findings are considered as part of the overall assessment supporting the investment decision, ensuring that ESG aspects are appropriately evaluated at the time the investment is approved.
- **Ownership and monitoring phase:** Throughout the ownership phase, the Investment Team

maintains an ongoing dialogue with the top management of portfolio companies to promote the integration of ESG considerations and oversee the processes in place to manage ESG risks and opportunities, as well as to prevent potential ESG incidents.

First, an ESG representative is designated within each portfolio company as the point of reference for ESG matters.

For investments made by financial product classified under Article 8 SFDR, Entangled Capital supports portfolio companies in developing a dedicated ESG Action Plan based on the findings of the preliminary ESG assessment and ESG due diligence. The ESG Action Plan identifies concrete actions aimed at mitigating material ESG risks, addressing areas for improvement, enhancing ESG-related opportunities and supporting the promotion of the environmental characteristics promoted by the relevant Fund. The Action Plan is generally integrated into the portfolio company's broader business strategy and is regularly reviewed and updated to reflect evolving priorities, regulatory developments and strategic objectives. During the ownership and monitoring phase, Entangled Capital monitors the ESG performance of portfolio companies through proprietary tools that enable the periodic collection of ESG data and the calculation and monitoring of selected ESG indicators. These include relevant principal adverse impact ("PAI") indicators set out in the Regulatory Technical Standards adopted under SFDR, as well as the indicators used to assess the attainment of the environmental characteristics promoted by the relevant Fund.

Portfolio companies held by Article 8 Funds are also assessed annually through an internal value creation analysis, which evaluates different performance areas, including ESG aspects, based on specific Key Performance Indicators (KPIs). This assessment supports the calculation of an overall performance score and the assessment of progress compared with the initial baseline, identifying areas for improvement and further development.

Moreover, Entangled Capital also monitors, on an annual basis, the progress achieved by each portfolio company against the ESG Target KPIs defined during the pre-investment phase.

Based on the results of the ESG performance monitoring activity, a review and update of the defined ESG action plan could be undertaken to address potential ESG risks and critical issues, whether identified.

- **Exit phase:** During the divestment phase, the ESG trajectory of portfolio companies is assessed by comparing its position at the time of the initial investment with the status observed at exit. This analysis is intended to assess the progress achieved during the holding period, considering improvements in overall ESG performance as well as, for investments carried out by Article 8 Funds, the extent to which the environmental characteristics promoted by the relevant Fund and applicable to the portfolio company have been attained. Where relevant, an ESG Vendor Due Diligence may be conducted to ensure transparency and support the evaluation process carried out by third parties. The ESG progress and results achieved during the investment period may also be reflected in the documentation shared with potential buyers prior to exit, with the aim of demonstrating the long-term value generated through active ownership and the integration of ESG factors throughout the investment lifecycle.

STEWARDSHIP AND REPORTING

As part of its commitment to enhancing the ESG performance of its portfolio, Entangled Capital adopts an active stewardship approach grounded in ongoing dialogue and collaboration with investee companies. Engagement is not a one-off exercise, but a continuous process designed to support portfolio companies in identifying, managing and mitigating ESG risks.

For investments made by financial product classified under Article 8 SFDR, stewardship activities also include monitoring the implementation of ESG Action Plans and encouraging continuous improvement in ESG performance. The objective is to reinforce the promotion of the environmental characteristics identified by the Fund and ensure that these characteristics are translated into measurable outcomes over time. The Investment Team works closely with portfolio company management to support the effective implementation and monitoring of ESG Action Plans. In doing so, it leverages Entangled Capital's expertise and network to promote the adoption of ESG best practices and to embed sustainability into business decision-making.

Where engagement activities do not lead to the expected results, Entangled Capital raises the identified issues directly with the portfolio company and may propose appropriate corrective measures to address ESG risks or criticalities.

A dedicated procedure is in place to ensure the timely identification and reporting of material ESG incidents involving portfolio companies. Portfolio companies are required to notify Entangled Capital using a standardized reporting form submitted by the designated ESG representative. This mechanism ensures that relevant information is escalated promptly to the appropriate internal governance bodies and, where appropriate, disclosed to investors.

In accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"), Entangled Capital publishes on its website information regarding:

- the integration of sustainability risks into the investment decision-making process (Article 3); and
- the consideration of Principal Adverse Impacts ("PAIs") on sustainability factors (Article 4).

For the financial product classified under Article 8 of the SFDR, additional disclosures are provided in accordance with:

- Article 10, concerning the website disclosure relating to the environmental characteristics promoted by the financial product; and
- Article 11, covering periodic disclosures on the extent to which those environmental and/or social characteristics have been promoted during the reporting period.

Beyond the regulatory disclosure requirements, Entangled Capital provides investors with an Annual ESG Report covering the progress of ESG integration at both organizational and fund level. The Annual ESG Report includes information on the integration of ESG considerations into the investment process, portfolio company ESG performance, relevant ESG indicators, the implementation status of ESG Action Plans and key ESG initiatives undertaken across the portfolio. For financial product classified under Article 8 SFDR, the Annual ESG Report also includes an assessment of each portfolio company's ESG progress and performance against the applicable ESG Target KPIs, together with an overview of the Fund's overall ESG performance and the attainment of the environmental characteristics promoted by the relevant Fund.

As a UN PRI signatory, Entangled Capital reports annually on its responsible investment practices through the PRI reporting process, demonstrating transparency and accountability to stakeholders. In addition, through its participation in industry associations such as AIFI and Invest Europe, Entangled Capital remains aligned with evolving market practices and actively contributes to advancing responsible investment within the private equity sector.

POLICY COMMUNICATION & REVIEW

All employees and collaborators are made aware of the contents of this Policy and Entangled Capital provides them with the necessary tools and information to understand and implement the responsible investment principles. The Board of Directors oversees the implementation of this Policy.

The Policy will be reviewed and updated as required to reflect evolutionary changes in both regulatory framework and ESG practice.

Once approved, the updated version is made available to all relevant internal stakeholders and is published on the Asset Manager's website to ensure full transparency and accessibility.

DEFINITIONS

Responsible investment: integration of ESG factors within the process related to investment selection and management, up to the divestment phase, with the goal of generating financial returns and achieving positive outcomes for the environment and community, while avoiding negative ones.

ESG risk: an environmental, social, or governance event or condition that, if it occurs, could cause a significant actual or potential negative impact on the value of the investment.

Article 8 Fund under Regulation (EU) 2019/2088 (SFDR): a fund that promotes, among other characteristics, environmental and/or social characteristics, or a combination of such characteristics, provided that the investee companies follow good governance practices.

ESG Action Plan: a document that lists specific actions/measures defined for each Portfolio Company in the attempt to improve their sustainability performance, reducing ESG risks and maximizing opportunities.

PAI (Principal adverse impact)¹: refers to the negative effects that are material or likely to be material on sustainability factors and that are caused, aggravated by or directly linked to investment decisions.

Physical climate risk²: it refers to the financial impact resulting from the increase in natural events whose occurrence can be defined as "extreme" or "chronic." Acute physical risks arise from the occurrence of extreme environmental phenomena (such as floods, heat waves, and droughts) related to climate change which contributes to increase their intensity and frequency. Chronic physical hazards, on the other hand, arise from progressive shifts, such as increasing temperatures, sea-level rises, water stress, biodiversity loss, land use change and resource scarcity.

Transition climate risk/opportunity³: financial impact resulting from, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by the adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

EU Regulation 2019/2088: Regulation on Sustainable Finance Disclosure Regulation (hereinafter also SFDR Regulation), concerning sustainability reporting in the financial services sector.

RTS (Regulatory Technical Standards): it refers to the Technical Standards on ESG disclosure for financial market participants on EU Regulation EU 2019/2088 (SFDR).

UN PRI (UN Principles for Responsible Investments): it is a United Nations-supported international network of investors working together to implement its six aspirational principles, often referenced as "the principles". It works to promote the incorporation of environmental, social, and corporate governance factors (ESG) into investment decision-making.

¹ Definition provided by the 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 (SFDR).

² Definition used by Bank of Italy in the document "Supervisory Expectations on Climate-related and Environmental Risks," April 8, 2022. This definition is derived from the following sources: ECB Guide on climate-related and environmental risks and the EBA report on management and supervision of ESG risks for credit institutions and investment firms.

³ Please, consider the previous footnote.

ANNEX

- Annex 1: ESG Incidents Reporting Form (ENTG II Fund)