

ESG Annual Report 2022



Improvements in our sustainability journey

Alto Partners strongly believes in a value creation model that includes the integration of sustainability criteria.

During 2022 Alto Partners continued along the path of promoting ESG principles and values both at GP and at funds level with a process of active engagement with portfolio companies and its stakeholders.

As for Alto Capital IV fund, classified within Article 6 of Regulation 2019/2088 (SFDR), Alto Partners has continued in the monitoring of the progress of ESG Action Plans of the investees.

As for Alto Capital V, a November 2022 vintage classified within Article 8 of Regulation 2019/2088 (SFDR) the Fund has drafted an annex to the pre-contractual documentation outlining Alto Capital V's commitment to the promotion of selected environmental and social characteristics. Alto Capital V has Defined a structured ESG integration approach at Fund level, which foresees a process of responsible investment starting from the execution of a full ESG Due Diligence for all fund investments, continuing with the definition of ESG Action Plans and the monitoring of performance through the integration of ESG factors during ownership, up to the inclusion of ESG factors in the exit phase.

Alto Partners, during 2022, has developed and adopted an ESG Policy that defines Alto Partners' ESG principles, ESG Governance, Alto Partners' ESG commitments, and the Responsible Investment Process into which ESG criteria are integrated. Furthermore, it has delivered internal training sessions on EU Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 together with advisor ERM with the aim to create internal awareness and consciousness of sustainability principles and regulations that may have an impact on Alto Partners' activities.

The Responsible Investment Policy is expected to be updated in the coming months, to align contents to UN PRI's updated framework and the Bank of Italy's expectations on climate and environmental risks monitoring.



1. Introduction

2. 2022 Highlights

3. Our ESG Path

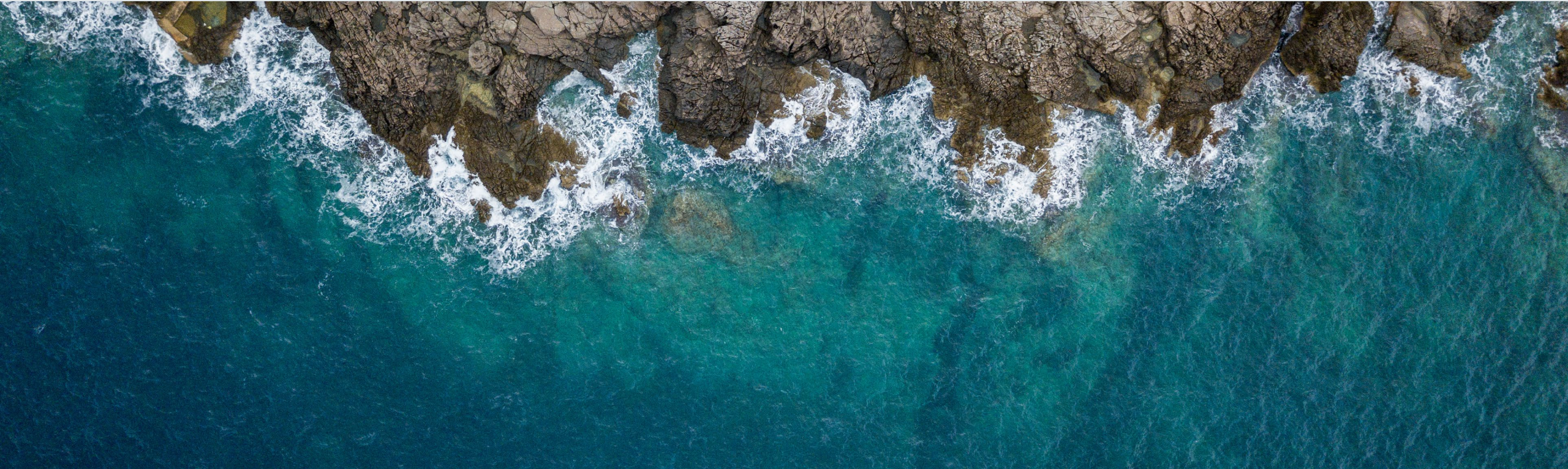
4. Alto Capital IV

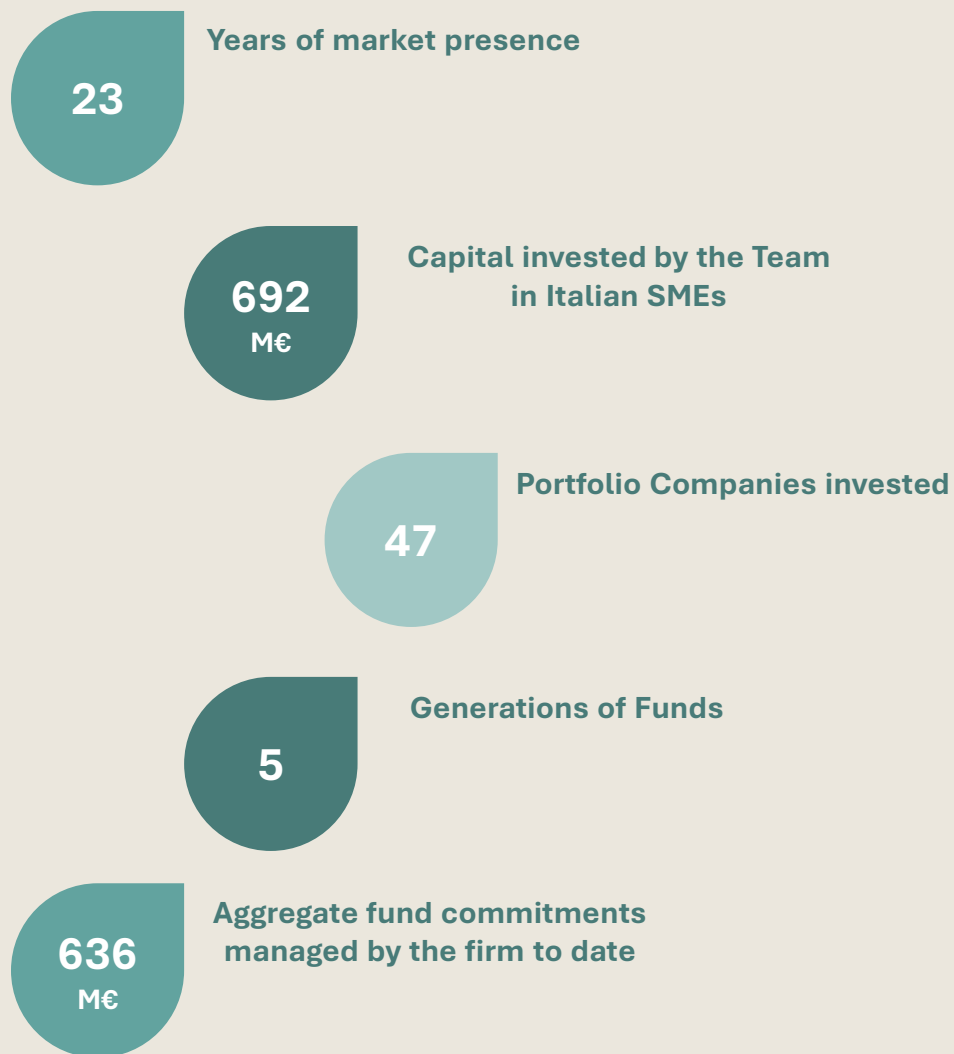
5. Alto Capital V

6. 2023 Outlook

1. Introduction

Introducing Alto Partners





Our business at a glance

- Alto Partners SGR is an **independent company**, controlled by its expert multidisciplinary team to promote and manage private equity funds investing in small-to-medium-sized Italian companies
- We are a proven, experienced, professional and reliable partner in **supporting the medium-to-long-term development of our portfolio companies**. Together, we work alongside **families, entrepreneurs** and **managers** to oversee generational transition and growth programs
- Its experience, the number of transactions completed, and its achievements make the firm one of the **leading Private Equity fund managers** active in the Italian mid-market
- The team benefits from a reputation for **integrity** and **professionalism** in the financial and business community built over 23 years, with a consistent investment strategy and a successful track-record
- We can rely on a **loyal** and **diversified investor base** thanks to **long-standing relationships** which often allow us privileged access to family-owned businesses and a proprietary deal flow



Expertise

Alto Partners can count on **23 years of market presence**

Established relationships

Consolidated relationships with entrepreneurs and managers, and the ability to evaluate each investment from an industrial and long-term perspective

Sector knowledge

Significant knowledge of industry sectors, accrued through the extensive number of transactions assessed and carried out

Customized deals

Qualified LP base

Alto Partners can avail itself of many of its LPs' experience and industry knowledge. On a case-by-case basis, they provide valuable strategic advice to portfolio companies.

Fund LPs stem from both the institutional landscape and the private sector in Italy and abroad. Such a diversified range of investors constitutes a significant opportunity for Alto Partners to gather general and specific information on deals analyzed

Management skills

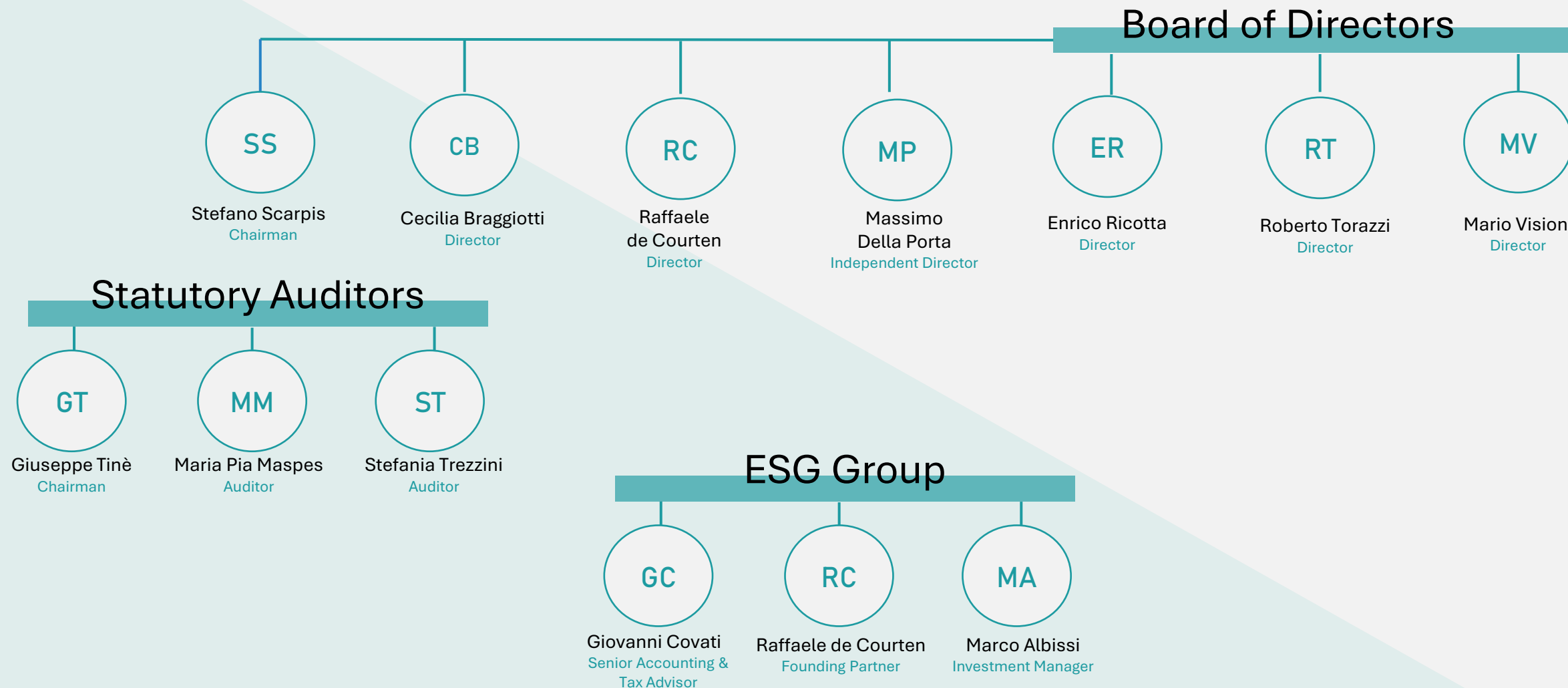
Speed, accuracy and confidentiality in the implementation of investment transactions; profound understanding of the dynamics of family businesses

Independence

- **Premio Demattè AIFI 2020:** special award for SME development
- **Premio Demattè AIFI 2015:** winner for best deal of the year (IDM)
- **Premio Demattè AIFI:** 2014-2022, 16 nominations for best deal of the year in the Buyout and Expansion categories
- **Premio Demattè AIFI 2014:** special Jury Mention for the Rancilio expansion deal
- **Private Equity Exchange & Awards (Paris):** Silver Award for the Best Italian LBO fund (2004-2021)



The People of Alto Partners



The People of Alto Partners

Investment Professionals

SS

Stefano Scarpis
Founding Partner
and Chairman

RC

Raffaele de Courten
Founding Partner

ER

Enrico Ricotta
Senior Partner

MV

Mario Visioni
Partner

SB

Stefano Baiardo
Senior Transaction
Advisor

GC

Giovanni Covati
Senior Accounting &
Tax Advisor

FZ

Federico Zaffaroni
Director

FB

Fabrizio Basilico
Senior Financial Advisor

IC

Ilenia Corbelli
Senior Investment
Manager

MA

Marco Albissi
Investment Manager

PM

Pietro Marchianò
Investment Manager

Business Advisors

DS

Daniele Selleri

GC

Gianni Capaci

SC

Stefano Cianchi

AM

Angelo Mazziere

LR

Luca Rancilio

Finance, Administration and Support

RT

Roberto Torazzi
Finance Director

BF

Barbara Ferrari
Executive Assistant and
Team Support

SS

Silvia Santin
Administration
and Back Office

EI

Elisa Iannuario
Office Management
& IT

What makes us different

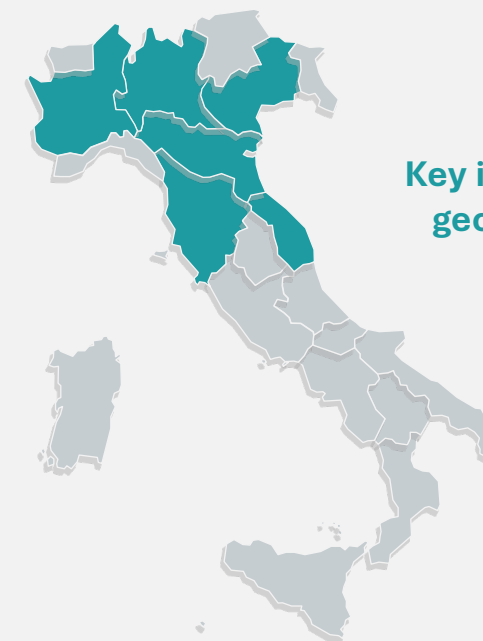
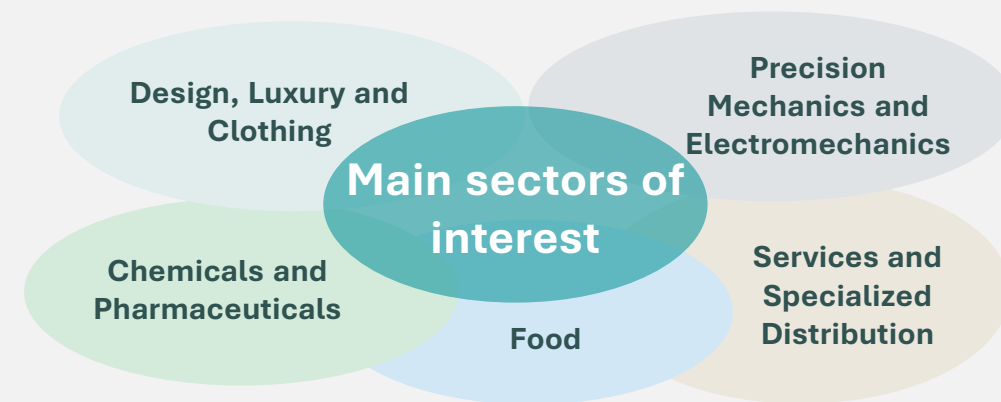
Alto Partners focuses upon **attractive, growing and profitable businesses belonging to industry sectors where the team has acquired specific expertise**. The firm invests throughout Italy, mainly in its northern regions, with the aim of **accelerate the growth of family owned small and medium-sized companies**. Diversification is sought in our activities **across a number of sectors that represent Italian entrepreneurship worldwide**. Such investments may represent ideal platforms for developing premier niche leaders into valuable assets for strategic trade buyers or acquisitive sector consolidators over a three-to-five-year period.

Alto Partners highlights

- Investment pace continuity: from 2005 to 2023, 1 to 3 investments each year without exception
- Sole or lead financial investor, whether in majority investments (approx. 3/4 of portfolio) or minority investments (approx. 1/4 of portfolio)
- Valuable family-related LP base in Italy, with privileged access to family-owned businesses and an unequalled proprietary deal flow
- History of building businesses alongside industrial families to source, grow and divest portfolio companies
- Track record of achieving industrial acceleration and successfully building businesses with an industrial approach to value creation
- Capacity to organize convergence of interests with remaining managers/owners
- Partner of choice for Italian sellers with succession issues and expansion plans

Italian market

- Italy is the **second largest manufacturing economy and the second largest exporting economy in Europe**
- Italy possesses by far the **largest number of small-to-medium-sized companies in Europe**
- **Family-owned businesses** represent 75% of all Italian companies and 65% of companies with revenues > €20m
- The **Northern regions of Italy** (Lombardy, Veneto, Emilia Romagna, Tuscany, Piedmont) showcase a high number of profitable and growing medium-sized companies who represent the ideal targets for the Fund



Key investment geographies

Our investment strategy

Investment strategy

Focused on two types of transactions:

1. Buy – In/Out (majority investment)
2. Expansion/Replacement (controlling minority investment)

Three main objectives:

1. Facilitating generational transition
2. Financing expansion programs
3. Supporting domestic and/or international acquisitions

A long-term partnership with companies and entrepreneurs that translates into tangible results

+41%

Size*

Aggregate growth in revenues of investee companies (from 559 to 789 million Euro)

+1,060

Employment*

Total net increase in employees (from 1,707 to 2,867)

General latest investment metrics

- Enterprise Value: **€50-100m**
- Revenues: **€40-100m**
- EBITDA: **€10-15m**
- Equity ticket (including add-ons): **€20-40m**
- Portfolio companies (per fund): **+/- 8**

- **23** exits out of **29** investments since inception (Alto II, III, IV and V)
- Capital invested*: **€217m**
- Capital returned*: **€492m**
- Gross MoIC*: **2.3x**
- Gross IRR*: **18.2%**

* Based on 23 realized investments: 10 in Alto Capital III, 8 in Alto Capital III and 5 in Alto Capital IV

Active ownership

Company support

Alto Partners provides broad support by leveraging on its network of companies and industry experts

1

Top-line growth

2

Evaluation, selection and negotiation of strategic acquisitions

3

Hiring of qualified HR

4

Implementation of best practices in corporate governance

5

Improving relationships with the banking system

ESG value creation strategies

9

Networking with portfolio companies and sector entrepreneurs

8

Introduction to new potential customers or suppliers

7

Brand development and positioning

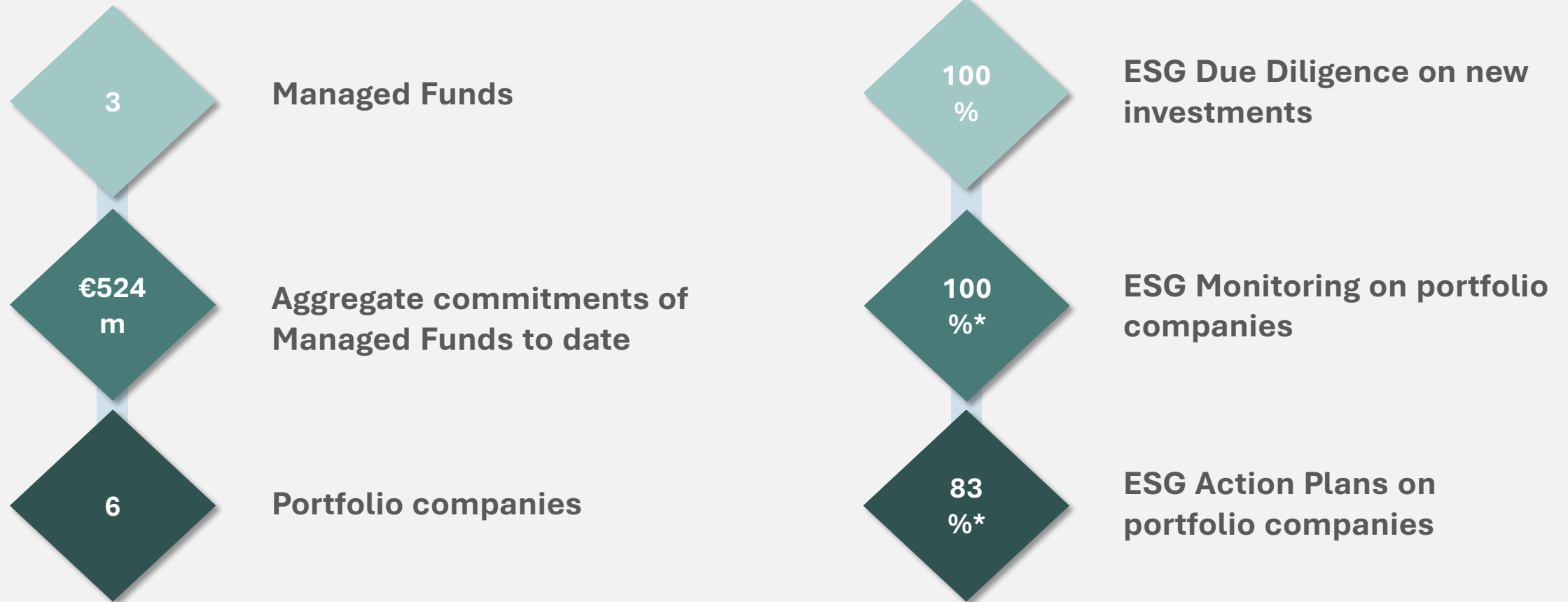
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2. 2022 Highlights

Relevant updates



Key performance for 2022



** Portfolio companies close to exit are not considered*

Our portfolio

Track record



* re-investment in the context of exit

 Investment realized
 Investment in exit zone

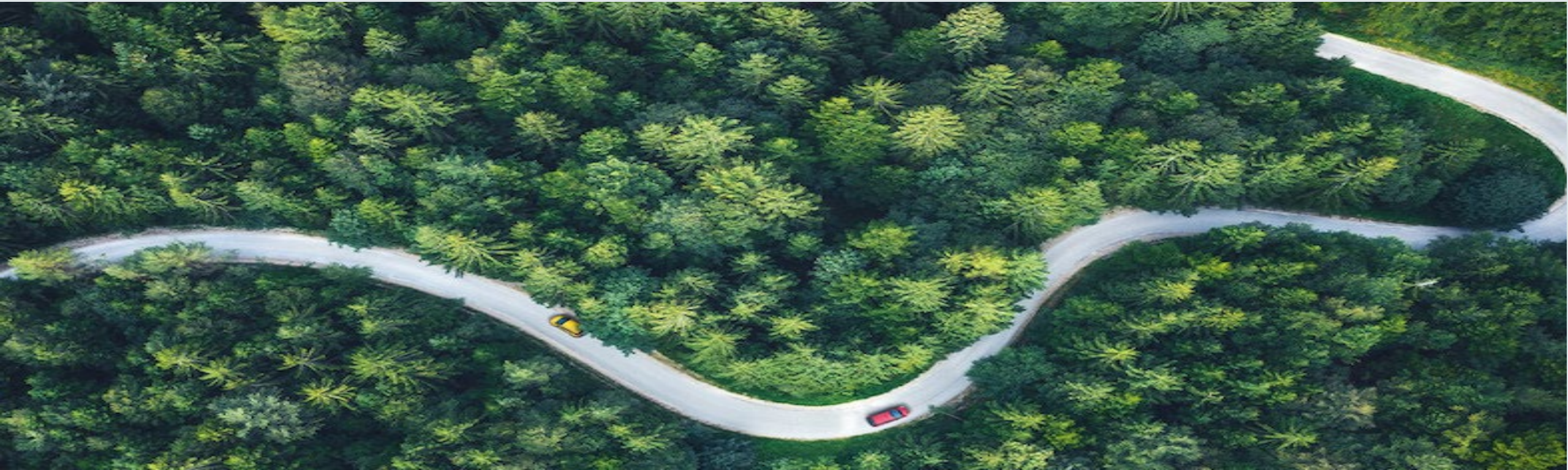
 Investment in portfolio currently involved in ESG program

 Investment in portfolio (Minority)

 Investment in portfolio (Majority)

3. Our ESG Path

Responsible investment approach



Our ESG Commitments

Starting from 2021, we have undertaken a path of integrating ESG criteria within our investment strategy, structuring a responsible investment strategy that is guided by our ESG commitments, as follows:

Environment

- assess the impact of our investee companies' activities, services and products on environmental components with the aim of minimising potential risks and increasing positive effects on the environment through improvement actions;
- contribute to the fight against climate change by supporting the objectives set out in the Paris Agreement, through a commitment to reducing the impact of investees, taking into consideration, when possible, the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

Social

- guarantee working conditions that promote and protect the health and safety of all employees and collaborators;
- guaranteeing respect for workers' rights and creating a climate of personal protection that eliminates any form of discrimination based on gender, religion, ethnicity, political orientation, sexual orientation, ensuring its employees respect for dignity, well-being and diversity;
- promote professional growth, including through employee training;
- taking into account the impacts of activities on stakeholders and the local community.

Governance

- guarantee honesty, fairness and transparency in all our activities, and prohibit all stakeholders involved from making or receiving payments in exchange for favorable treatment;
- implement best practices in the field of Corporate Governance;
- ensure diversity and balance in the formation of corporate bodies;
- adopt appropriate measures to prevent corruption and money laundering;
- promptly identify any anomalies that could lead to negative impacts and adopt the consequent corrective measures;
- adopt a consistent approach to sustainability and business ethics, enabling both the creation of value and the strengthening of the reputation of the SGR and its portfolio companies;
- define an ESG governance and responsibility structure within the investee companies to support them in monitoring ESG issues.

ESG Governance Structure



Board of Directors

The Board of Directors approves Alto Partners' ESG policy and strategies. In particular, it determines the relevance of ESG factors in terms of their impact on Alto Partners' business, its investments and its stakeholders, considering the reports produced by the ESG Group. The Board of Alto Partners is committed to assessing the work of the ESG Group and the Management Team with respect to the implementation of the ESG Policy and Roadmap.



ESG Group

The ESG Group, composed of representatives of Alto Partners' governing bodies, is committed to develop the ESG Strategy and to support and verify its implementation. The main responsibilities entrusted to the ESG Group are the review of the Responsible Investment Policy, verifying the compliance with Alto Partners' ESG objectives as a signatory to the PRI in all Asset Manager activities, the achievement of the ESG Roadmaps goals, the integration of ESG criteria into investment procedures, the scheduling of specific training sessions dedicated to the Asset Manager's staff, to allow the entire team a complete overview and constant updating on industry regulations and good practices in ESG terms and the inclusion of an ESG section in annual investor meetings, with the aim of updating investors and informing them on ESG performance trends at Asset Manager and at fund level.



Management Team

Alto Partners' Management Team is committed to integrating ESG criteria into the processes, in order to assess also the extra-financial profile of investments, following a precise path of evaluation of the related sustainability risks and opportunities. The process of integrating ESG criteria into the investment process is detailed in section 5: 'Integrating ESG criteria into the investment process'.

Performed training sessions

ESG Training Session

During 2022, a deep-dive ESG training was provided to Alto Partners Board of Directors and Investment Managers.

The objective of the training session has been to learn how to recognize potential ESG risk and opportunities when looking at investment opportunities, and how to create a proper engagement approach with existing portfolio companies.

The stewardship approach has been explained to investment professionals, and potential risks that could emerge during ownership period have been highlighted with the support of existing case studies and interactive exercises.

Finally, a focus on Alto Partners' proprietary tools has been made, in order to ensure that Investment Team held the necessary expertise to support portfolio companies in data collection process.

SFDR Training Session

As the regulatory framework and standards are changing rapidly, we have to keep up-to-date proactively. At Alto Partners, we want to maintain a high level of internal awareness through specific training for our employees, and at the same time be involved in external efforts to raise awareness within the financial community. The commitment to ESG integration is reflected in the promotion and implementation of training activities in order to strengthen individual expertise on ESG issues.

During 2022, a specific training on EU Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 has been held, in order to align the entire Alto Partners Management Team and ensure proper awareness on the topic. Moreover, with reference to Alto Capital V, a focus has been made in understand how to promote environmental and social characteristics across portfolio.



Our Responsible Investment Process along all the phases

During 2021 we have developed an Investment Process that integrates ESG criteria along all phases. This process is supported by our ESG Governance structure and by our proprietary Tool, presented in the next slide.



PRE-INVESTMENT

During the pre-investment phase, Alto Partners engages in verifying compliance with the exclusion list defined in the Responsible Investment Policy and in identifying material issues for Due Diligence activities. The ESG Due Diligence activity is carried out with the support of external consultants, using a materiality approach based on a sector orientation defined by the Sustainability Accounting Standard Board (SASB).

In this phase, potential significant risks to be mitigated are identified and potential investment opportunities emerge, which will serve as the basis for drafting the dedicated ESG Action Plan. All relevant results emerging from the Due Diligence are included in the Investment Memorandum and presented by the Management Team, in consultation with the Risk Manager during this phase, to the Board of Directors. In addition, the SGR includes ESG clauses in the Investment Memorandum to guarantee the right to receive constant information and flows on the status of implementation of improvement actions and agreed ESG indicators.



OWNERSHIP

Starting from Alto Capital IV, the companies in Alto Partners' portfolio are followed and monitored to verify the correct integration of ESG criteria within their activities. The key KPIs emerging from the Due Diligence are constantly monitored by Alto Partners through the use of a proprietary ESG Data Collection and Monitoring Tool, modelled on the peculiarities and materiality of each target company on the basis of industry standards (e.g. SASB). Furthermore, Alto Partners undertakes to monitor the ESG performance of the companies throughout the duration of the investment through periodic dedicated meetings that allow a constant update on the ESG performance and the actions implemented by the investee. Moreover, for each portfolio company, Alto Partners defines a specific ESG Action Plan, with material objectives to be achieved within a precise timeframe. Finally, a responsible person within the investee that will be the point of reference for ESG issues is identified.



EXIT

Alto Partners is committed to provide an ESG Report outlining the activities carried out for the ESG improvement of the investee and the results achieved.

Alto Partners works with its investees to establish ESG responsibilities, the presence of an appropriate governance structure and the adoption of responsible and sustainable procurement practices.

Frameworks and Regulations

EU Regulation 2019/2088 - Sustainable Finance Disclosure Regulation

As a participant in the financial markets, we provide disclosure in accordance with Regulation (EU) 2019/2088 on Sustainability Disclosures in the Financial Services Sector and according to the Final Report on Regulatory Technical Standards (RTS) published by the European Supervisory Authorities, latest version 2022.

Please refer to the dedicated section on our website for more details on our alignment to EU Regulation 2019/2088 SFDR.

Current positioning of our Funds against SFDR Regulation	
Alto Capital III	n.a. (the fund is approaching its liquidation)
Alto Capital IV	Art.6
Alto Capital V	Art. 8

We are a signatory of the UN PRI and we have included UN PRI principles as a framework to develop our Responsible Investment Policy and procedures.

Alto Partners is a signatory to the Principles for Responsible Investment ("PRI") promoted by the United Nations as a guideline for the integration of ESG aspects into all phases of investment. By adhering to the PRI, Alto Partners is committed to respecting their indications, adopting a responsible approach with reference to the SGR itself, in selecting investments and incorporating ESG criteria into its fund management strategies.

The United Nations Principles for Responsible Investment (or PRI) were launched by the United Nations in 2006 with the intention of encouraging the spread of sustainable and responsible investment among institutional investors.



4. Alto Capital IV

Our investment funds



Alto Capital IV

Portfolio: Diatech

diatech

Diatech (based in Jesi, Ancona, Marche), founded in 1998 by Fabio Biondi, is a leading producer and distributor of reagents and comprehensive solutions in pharmacogenetics and pharmacogenomics. The company provides customized genomics testing solutions in the oncological disease niche, aimed at optimizing cancer treatment effectiveness through increased diagnosis precision.



Since The Company was already in the portfolio of Alto Capital IV when we started our ESG Path, it was not subjected to a preliminary ESG Due Diligence. Instead, the ERM Team conducted an ESG Assessment, which paved the way for the ESG Action Plan

ESG ASSESSMENT OF THE PORTFOLIO COMPANY

Monitoring process using the ESG Data Collection and Monitoring Tool



ESG Action Plan developed



COMPANY HIGHLIGHTS FOR 2022

- 100% of employees currently receiving performance review
- Waste generation decreased of 56% (with respect to 2020)
- Partnerships and agreements with Schools and Universities



2021 Year of Investment



41M€ 2022 Group Revenues



69 Group Employees

Alto Capital IV

Portfolio: Millefili

MILLEFILI

Millefili, founded in 1981 in Carpi (Modena, Emilia Romagna) by Francesco Galli, develops, produces and markets yarns, often specifically and exclusively designed. It serves the Italian market, as well as Europe and the US. Millefili was initially founded as a distributor of yarns for the knitwear industry, before subsequently evolving into a manufacturing company. It stands out from the competition due to its creativity, ability to capture fashion trends, and its high level of services. These factors have allowed Millefili to grow and establish itself as a leader in the core business. The company serves leading international brands in the fashion and luxury industries.



Since The Company was already in the portfolio of Alto Capital IV when we started our ESG Path, it was not subjected to a preliminary ESG Due Diligence. Instead, the ERM Team conducted an ESG Assessment, which paved the way for the ESG Action Plan

ESG ASSESSMENT OF THE PORTFOLIO COMPANY

Monitoring process using the ESG Data Collection and Monitoring Tool



ESG Action Plan developed



COMPANY HIGHLIGHTS FOR 2022

- Development of a Sustainability Policy
- Improve safety of plants through machine revamping and trainings of machinery equipment to all the employees
- 100% of waste sent to recycling
- Natural gas consumption reduced of 42%
- Water consumption reduced of 66,7%



2018 Year of Investment



75M€ 2022 Revenues



106Employees

Alto Capital IV

Portfolio: MIPHARM



Mipharm, founded in 1998 and headquartered in Milan (Lombardy), is a pharmaceutical Contract Development Manufacturer, active in the development and manufacturing for third parties of a broad spectrum of products, both branded and white label. Mipharm operates through an integrated and state-of-the-art manufacturing site and offers its clients R&D services through a dedicated business unit.

In March 2022, Alto Partners completed the acquisition of 100% Mipharm's shares, through a Management Buy-Out transaction.



ESG ASSESSMENT OF THE PORTFOLIO COMPANY

ESG Due Diligence



Monitoring process using the ESG Data Collection and Monitoring Tool



ESG Action Plan developed



COMPANY HIGHLIGHTS FOR 2022

- Development of an ESG Action plan
 - Process definition to obtain Ecovadis certification
- Data collection process to submit first Carbon Disclosure Project disclosure
- Energy efficiency initiatives (co-generation projects)
- ESG responsible person identified



2022 Year of Investment



48M€ 2022 Revenues



279 Employees

Alto Capital IV

Portfolio: Olimpia Splendid



Olimpia Splendid's core business is the production and distribution of HVAC (Heating, Ventilation and Air Conditioning) solutions, with a broad product range from cooling to domestic heating. Its manufacturing activities are entirely based in Italy.

Olimpia Splendid's main strengths are design and technical innovation, factors which have allowed the company to become a respected player in its reference market, and to achieve sustained growth over recent years. Its revenues extend over several countries in Europe, as well as the US, Asia and Oceania.



Since The Company was already in the portfolio of Alto Capital IV when we started our ESG Path, it was not subjected to a preliminary ESG Due Diligence. Instead, the ERM Team conducted an ESG Assessment, which paved the way for the ESG Action Plan

ESG ASSESSMENT OF THE PORTFOLIO COMPANY

Monitoring process using the ESG Data Collection and Monitoring Tool



ESG Action Plan developed



COMPANY HIGHLIGHTS FOR 2022

- GHG Emissions (Scope 1 and 2) reduced of 30%
 - Natural gas consumption decreased of 44%.
- 41% of sourced electricity from renewable sources, 28% of it is self-generated through the photovoltaic system.
- 100% of waste sent to recycling
- Cars' diesel consumption reduced of 13%



2019 Year of Investment



120M€ 2022 Group Revenues



115 Group Employees

5. Alto Capital V

Our investment funds



Alto Capital V

During 2022, Alto Partners launched a product aligned with Article 8 of Regulation 2019/2088 (SFDR), the Alto Capital V Fund, onto the market.

Alto Capital V, in line with the requirements of Article 8 of European Regulation 2019/2088, has identified the environmental and social characteristics it intends to promote through its investment activity. In this context, appropriate quantitative indicators have been defined in order to measure the performance of the companies invested in and their contribution to the promotion of the characteristics. In particular, the following were identified as characteristics to be promoted:

Topic	Characteristic	Indicators
Climate Change	Promote the monitoring of Scope 1,2 and relevant Scope 1 and 2 carbon emissions and promote the reduction of relevant Scope 1 and 2 emissions	▪ % of PCs monitoring carbon emissions related to Scope 1 and 2 ▪ % of PCs monitoring Scope 3 carbon emissions ▪ % of PCs with a plan to reduce Scope 1 and 2 emissions ▪ Portfolio carbon intensity (weighted average)
Energy Management	Promoting the transition to renewable energy sources (self-generated or purchased)	▪ % of renewable energy sourced or self-generated
Employee engagement	Promote voluntary training (not related to health and safety issues and additional compulsory training). Offer welfare initiatives	▪ # Hours of voluntary training per employee ▪ Budget used for welfare initiatives per employee (excluding meal vouchers, health care and other benefits under the CCNL)
Diversity and Inclusion	Promoting diversity and inclusion and supporting the reduction of the Unadjusted Gender Pay Gap	▪ <i>Unadjusted gender pay gap</i> of PCs ▪ Ratio of women on average on the boards of invested companies
Health and Safety	Reduce rate of accidents	▪ Rate of accidents [No. of accidents / No. of employees * 1,000]

Alto Capital V

Furthermore, Alto Capital V has identified three governance characteristics that it intends to promote during its investment activity to spread good sustainable governance practices throughout its portfolio. These characteristics are listed below:

Topic	Characteristic	Indicators
Supply chain management	Promote the adoption by all PCs of ESG risks and opportunities screening systems related to their supply chain	% of PCs that have adopted an approach to screening suppliers' ESG risks/opportunities (questionnaire, checklists, audits)
Sustainability Management	Promote ESG Governance setup	% of PCs with a sustainability governance / task force (at least having a contact person for ESG issues in the governance structure) % of PCs with an ESG Action Plan
Business Ethics	Promote the adoption of MOG 231 on all PCs	% of PCs that have adopted a Code of Ethics and implemented the Organizational Model 231 (MOG 231 DLgs 231/2001)

Alto Capital V Responsible Investment approach

For Alto Capital V, during the ESG Due Diligence phase, a specific assessment is conducted in order to verify Target's potential maturity in promoting **environmental and social characteristics** promoted by the Fund. For this assessment, during 2022 Alto Capital V has developed a **proprietary Tool** that summarize through a **heatmap** the emerged output.

Of course, during ownership phase, Portfolio Companies **performance in environmental and social characteristics promotion** is monitored and reported to investors.

Alto Capital V

Portfolio: LARIOPLAST



Lario Plast, founded in 2009 and headquartered in Alzate Brianza (Como, Lombardy) is a company active in the design and moulding of multilayer plastic containers (HDPE and PET) for the personal care, detergency and food sectors. Product manufacturing is carried out in a state-of-the-art facility of 25,000 sqm.

Lario Plast manages the development and production phases of packaging solutions based on specific clients' needs, thus offering a customized and high-quality service. Lario Plast can rely on a solid and loyal customer base operating in resilient end markets.

ESG ASSESSMENT OF THE PORTFOLIO COMPANY

ESG Due Diligence



Monitoring process using the ESG Data Collection and Monitoring Tool

2023-
2024

ESG Action Plan developed

2023

Since LarioPlast was recently bought, the Monitoring Process and the ESG Action Plan will be better defined shortly.

LarioPlast has been the first Alto Capital V investment.

First step already conducted are:

- Inclusion of ESG aspects within 100-days plan
- Nominee of the ESG Responsible person



2023 Year of Investment



16,7 M€ 2022 Revenues



28 Employees

6. 2023 Outlook

Our next steps



2023 Outlook

UN PRI Reporting

During 2023, Alto Partners will disclose its first UN PRI Questionnaire.

In order to be prepared, Alto Partners will conduct a gap assessment to identify potential areas for improvement with respect to the PRI framework.

The PRI reporting will be an opportunity for Alto Partners to highlight the responsible investment practices it has developed over the past few years and ensure transparency towards its stakeholders.

Alignment to Bank of Italy expectations on climate and environmental risks

During 2023, Alto Partners developed an Action Plan in response to the “Supervisory Expectations on climate and environmental risks” published by the Bank of Italy in 2022.

The Action Plan will allow Alto Partners to strengthen the process of assessing climate, physical and transition risks with respect to its investments, with a focus on the Alto Capital V Fund.

Alto Capital V

Alto Capital V Fund will foster its investment activity during 2023.

Activities planned for next year include a strengthening of the ESG Due Diligence analysis, in order to ensure an assessment of the target's potential exposure to climate risks (physical and transitional) and the target's maturity in promoting the environmental and social characteristics promoted by the Fund.

Finally, 2023 data collection process will target the reporting of Principal Adverse Impact indicators in 2024.

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ESG

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Where we are

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20121 Milano – Italy

Regional Subsidiaries:

Piazza Galvani, 3

40124 Bologna – Italy

Our ESG Partner



We chose **ERM** to support us in the development of our ESG framework and tools to enhance our Responsible Investment approach. In particular, ERM is our reference consultant in ESG Due Diligence and Engagement processes with Portfolio Companies.

ERM is the largest global ESG and sustainability consultancy firm with a strong reputation based on its thought leadership with leading organizations and its expertise on sustainability topics.