

CLIMATE REPORT | 2024

**Nextalia**  
INVESTMENT MANAGEMENT

# CONTENTS

<b>1. Assessment of climate change-related risks and opportunities within the investment process</b>	<b>3</b>	<b>5. Exposure to physical and transition risks of the Nextalia Ventures portfolio</b>	<b>22</b>
2.1 Nextalia Climate Risk Assessment Tool	6	5.1 Nextalia Climate Risk Assessment Tool – Portfolio Heatmap	23
2.2 Nextalia GHG Monitoring Tool	7	5.2 Financed emissions of Nextalia Ventures	24
<b>3. Exposure to physical and transition risks of the Nextalia Private Equity portfolio</b>	<b>8</b>	5.3 Hlpy e Shop Circle	25
3.1 Nextalia Climate Risk Assessment Tool – Portfolio Heatmap	9	<b>6. Mitigation of climate change-related risks: opportunities for Nextalia Private Equity and Nextalia Credit Opportunities</b>	<b>26</b>
3.2 Financed emissions of Nextalia Private Equity	10	6.1 Regardia: Reduction of the environmental impact of the agri-food supply chain (meat, milk and eggs) and support for bioenergy production	27
3.3 Firstance	11	6.2 Italtel: Results of the CDP Questionnaire	31
3.4 Digit'Ed	12		
3.5 Deltatre	13		
3.6 Diagram	14		
3.7 Regardia	15		
<b>4. Exposure to physical and transition risks of the Nextalia Credit Opportunities portfolio</b>	<b>16</b>		
4.1 Nextalia Climate Risk Assessment Tool – Portfolio Heatmap	17		
4.2 Financed emissions of Nextalia Credit Opportunities	18		
4.3 Roma Gas & Power e Pjt. Hunter – Holmo	19		
4.4 Italtel	20		
4.5 Silvano Toti Holding, Gruppo Basso and Via Sicilia 57	21		

# 01. ASSESSMENT OF CLIMATE CHANGE-RELATED RISKS AND OPPORTUNITIES WITHIN THE INVESTMENT PROCESS

# 1. Assessment of climate change-related risks and opportunities within the investment process

## 1 Preliminary ESG Due Diligence

During the preliminary **ESG Due Diligence**, the ESG Manager, with the support of the Investment Team, carries out an **initial assessment of the climate risk (physical and transition)** to which the investment under consideration is exposed, through the use of an internal tool, the Nextalia Climate Risk Assessment Tool.  
**Based on the outcomes of the preliminary assessment, the appropriate in-depth analyses to be carried out during the ESG Due Diligence phase are defined.**

## 2 ESG Due Diligence and definition of the ESG Next Rating

During the **ESG Due Diligence** phase, **any findings emerging from the preliminary ESG Due Diligence relating to risks and opportunities associated with climate change are further analysed**, taking into account the output of the Nextalia Climate Risk Assessment Tool.

## 3 ESG Action Plan and active monitoring

During the post-investment monitoring phase, the assessment of climate risk is regularly updated for all assets included in the Nextalia funds. In the absence of a proprietary calculation model adopted by the company, Nextalia's internal tool is used for the estimation of CO<sub>2</sub> emissions.

## Risk Management Function analysis

Throughout all phases of the investment process, the Risk Management Function has adopted a **more quantitative and granular calculation methodology**, in line with the provisions of the action plan developed internally to address the **Supervisory Expectations on the monitoring of climate and environmental risks**, which provides for: i) with regard to **transition risk**, a model which – starting from the evolution of pollutant emissions and the corresponding values of the so-called carbon tax for each scenario proposed by the NGFS (Network for Greening of the Financial System) – makes it possible to calculate, for each company in the funds' portfolio, the annual monetary cost to be incurred in order to address the required emissions reductions; ii) with regard to **physical risk**, the use of a third-party provider which, based on the geographical location of each individual company/asset, provides a quantification of exposure to the main categories of natural catastrophes/impacts, following a statistical approach that allows compliance with the main international standards on the matter.

Tool Name	Phase of use of the tool during the investment process	Nextalia funds using the tool
Nextalia Climate Risk Assessment Tool	1 2 3	Nextalia PRIVATE EQUITY Nextalia CREDIT OPPORTUNITIES Nextalia VENTURES
Nextalia GHG Monitoring Tool	3	Nextalia PRIVATE EQUITY Nextalia VENTURES

# 02.

## **PROPRIETARY ASSESSMENT TOOLS**

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02.1 Nextalia Climate Risk Assessment Tool

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02.2 Nextalia GHG Monitoring Tool

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# NEXTALIA CLIMATE RISK ASSESSMENT TOOL

ASSESSMENT AREAS

### PHYSICAL RISK ANALYSIS

### TRANSITION RISK ANALYSIS

#### Analysis of corporate assets using public geoportals

Extreme temperatures	Water stress	Wildfire	Coastal flooding
Riverine flooding	Cyclones and storms	Landslides	

#### Analysis of corporate business

Exposure to physical risk along the supply chain (geographical distribution of suppliers)	Exposure to physical risk along the supply chain (type of supply)	Indirect impact of physical events related to business activities
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#### Regulatory risk

Assessment of the company's exposure to the continuous evolution of the regulatory framework on sustainability-related matters, at both national and international level, taking into account the emissions intensity of the type of business and of the relevant sector, as well as the company's size.



#### Market/Technology risk

Assessment of the company's exposure to changes in demand and technology, considering a transition of the value chain towards low environmental impact solutions.



#### Reputational risk

Assessment of the company's exposure to reputational risk arising from:

1. increased pressure from stakeholders, including investors, lenders, employees, customers and local communities, on environmental and sustainability-related matters;
2. inadequate management of environmental and sustainability-related aspects.

TOOL APPLICATION

The tool is applied starting from the preliminary due diligence phase. In particular, on the basis of a proprietary checklist and public geoportals for physical risk, the tool identifies three levels of potential exposure for each physical or transition risk class.

**LOW Risk**



**MODERATE Risk**



**POTENTIALLY HIGH Risk**



### NEXTALIA GHG MONITORING TOOL

ASSESSMENT AREAS

#### EMISSION SOURCES SCOPE 1 – GHG PROTOCOL



##### Stationary combustion

Emissions arising from the combustion of fuels in stationary equipment (e.g. oil or gas combustion in an on-site heating system) owned or controlled by the company



##### Mobile combustion

Emissions arising from vehicles or other means of transport (e.g. corporate fleet, trucks) owned or controlled by the company



##### Refrigerants

Emissions arising from unintentional leakage of refrigerant gases from refrigeration systems owned or controlled by the company

#### EMISSION SOURCES SCOPE 2 – GHG PROTOCOL



##### Electricity consumption

Indirect emissions resulting from purchased electricity generated off-site and consumed by the company



##### Steam/heat/cold imported/purchased

Indirect emissions resulting from purchased energy other than electricity (steam, heat or cooling), generated off-site and consumed by the company

TOOL APPLICATION

The tool is applied on an annual basis to calculate Scope 1 and Scope 2 emissions of the companies included in **Nextalia's portfolio**, where such companies do not have an internal assessment tool in place. In particular, energy consumption related to the emission sources listed above is mapped and, through the use of emission factors sourced from internationally recognised databases (e.g. DEFRA) and updated on an annual basis, greenhouse gas emissions are calculated.

$$\sum \text{Energy consumption}_\alpha \times \text{Emission factor}_\alpha = \text{Total Scope 1 and Scope 2 Emissions}$$

$\alpha$  = emission sources

# 03.

## EXPOSURE TO PHYSICAL AND TRANSITION RISKS OF THE NEXTALIA PRIVATE EQUITY PORTFOLIO

03.1 Nextalia Climate Risk Assessment Tool  
Portfolio Heatmap

03.2 Financed emissions  
of Nextalia Private Equity

03.3 Firstance

03.4 Digit'Ed

03.5 Deltatre

03.6 Diagram

03.7 Regardia

### 3.1. Nextalia Climate Risk Assessment Tool – Portfolio Heatmap Monitoring Tool

PHYSICAL RISK EXPOSURE	FIRSTANCE <small>PRIVATE INSURANCE PLATFORM</small>	Digit <sup>1</sup> Ed	deltatre	DIAGRAM <small>Digital Agriculture Management</small>	regardia
Extreme temperatures	●	●	●	●	●
Water stress	●	●	●	●	●
Wildfire	●	●	●	●	●
Coastal flooding	●	● ↓	●	● ↓	●
Riverine flooding	●	● ↓	●	● ↓	●
Cyclones and storms	●	●	● ↓	●	●
Landslides	●	●	●	●	●
Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●	●	●	●	●
Exposure to physical risk along the supply chain (type of supply)	●	●	●	●	● ↓
Indirect impact of physical events related to business activities	● ↓	●	●	●	●
TRANSITION RISK EXPOSURE	FIRSTANCE <small>PRIVATE INSURANCE PLATFORM</small>	Digit <sup>1</sup> Ed	deltatre	DIAGRAM <small>Digital Agriculture Management</small>	regardia
Regulatory risk	●	●	●	●	●
Market/Technology risk	●	● ★	●	● ★	● ★
Reputational risk	●	●	●	●	● ↓

**Legend:**  
outputs of the  
Nextalia Climate  
Risk Assessment  
Tool

- Low Risk
- Moderate Risk
- Potentially high Risk

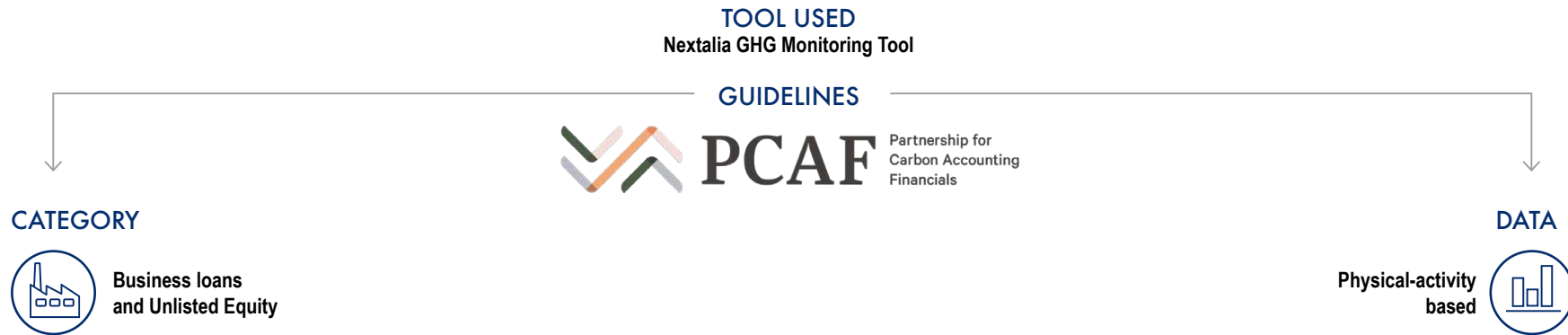
↓ Mitigated Risk taking into account the specific characteristics of the company and its assets, as well as the actions implemented by the company itself

★ Opportunities related to the transition for the type of service/product offered

### 3.2. Financed emissions of Nextalia Private Equity

#### Scope 3 – Category 15 Emissions

CALCULATION METHODOLOGY



#### Financed emissions of Nextalia Private Equity in 2024 (tCO<sub>2</sub>e)

RESULTS

Emissions Scope 3 Category 15 were calculated in accordance with the PCAF guidelines and the physical activity-based approach, taking into account the emissions related to the NPE portfolio.



Financed emissions  
Location-based

**3.733,47**

Financed emissions  
Market-based

**4.559,79**

### 3.3. Exposure to physical and transition risks - Firstance

NEXTALIA CLIMATE RISK ASSESSMENT TOOL

#### PHYSICAL RISK EXPOSURE

	Extreme temperatures	●
	Water stress	●
	Wildfire	●
	Coastal flooding	●
	Riverine flooding	●
	Cyclones and storms	●
	Landslides	●
	Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●
	Exposure to physical risk along the supply chain (type of supply)	●
	Indirect impact of physical events related to business activities	● ↓ **

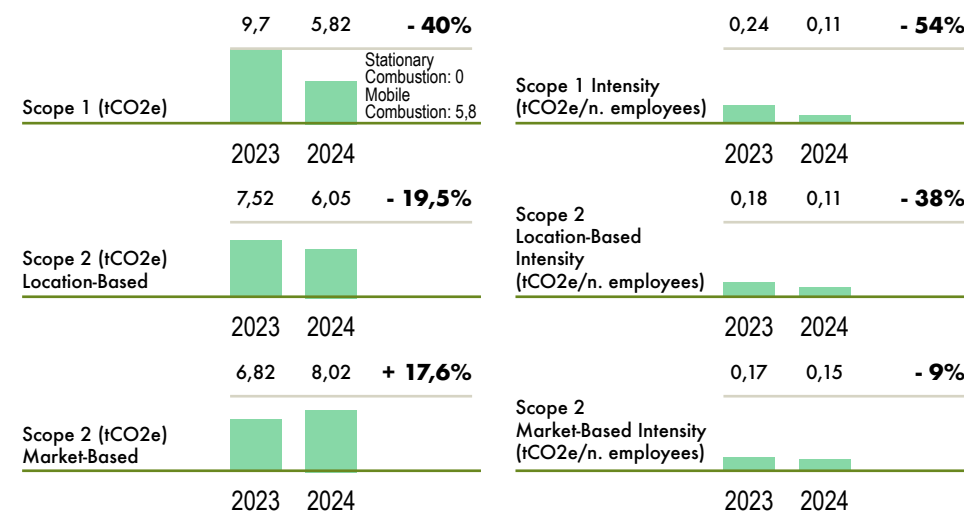
\*\* Exposure to the insurance business, which is directly impacted by adverse natural events. The impact is mitigated thanks to a diversified client base and the type of services provided.

#### TRANSITION RISK EXPOSURE

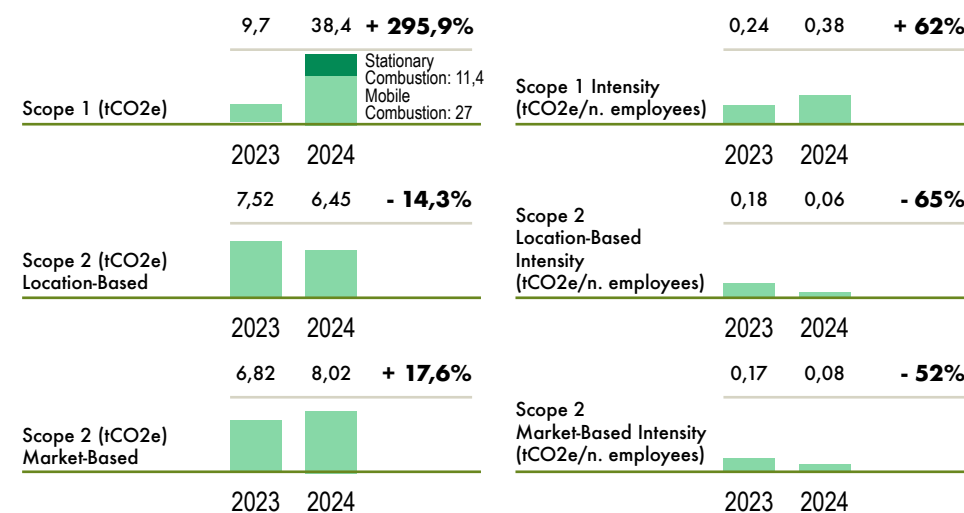
	Regulatory risk	●	Business with a limited direct carbon footprint
	Market/Technology risk	●	Low market risk due to the type of service provided
	Reputational risk	●	Low reputational risk due to the type of service provided

NEXTALIA GHG MONITORING TOOL

#### 2023-2024 WITHOUT ADD-ON TRANSACTIONS COMPLETED IN 2024



#### 2023-2024 WITH ADD-ON TRANSACTIONS COMPLETED IN 2024



### 3.4. Exposure to physical and transition risks – Digit'Ed

NEXTALIA CLIMATE RISK ASSESSMENT TOOL

#### PHYSICAL RISK EXPOSURE

	Extreme temperatures	●
	Water stress	●
	Wildfire	●
	Coastal flooding	● ↓
	Riverine flooding	● ↓ **
	Cyclones and storms	●
	Landslides	●
	Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●
	Exposure to physical risk along the supply chain (type of supply)	●
	Indirect impact of physical events related to business activities	●

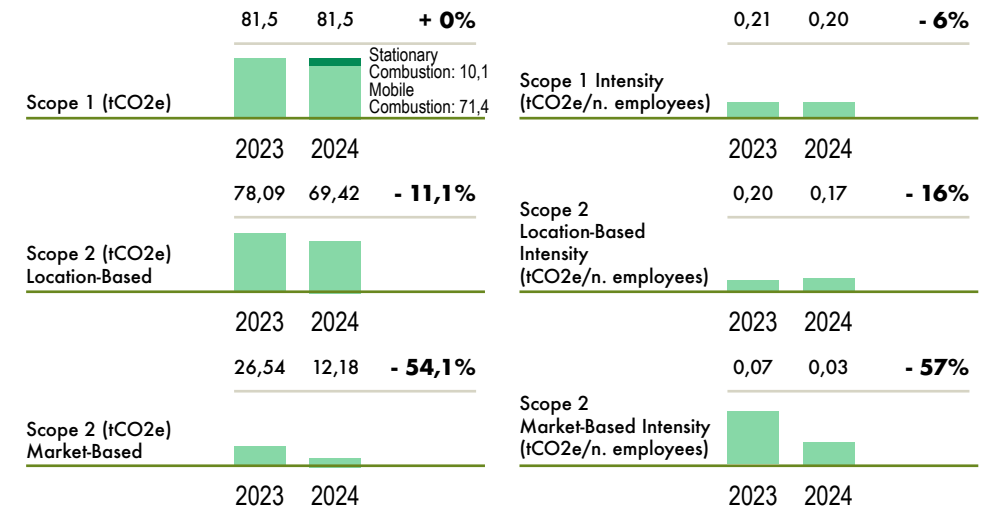
\*\* The actual impact of adverse events in the area on Accurate is limited, taking into account the actual location and characteristics of the offices, as well as the type of business carried out by the company (no industrial sites).

#### TRANSITION RISK EXPOSURE

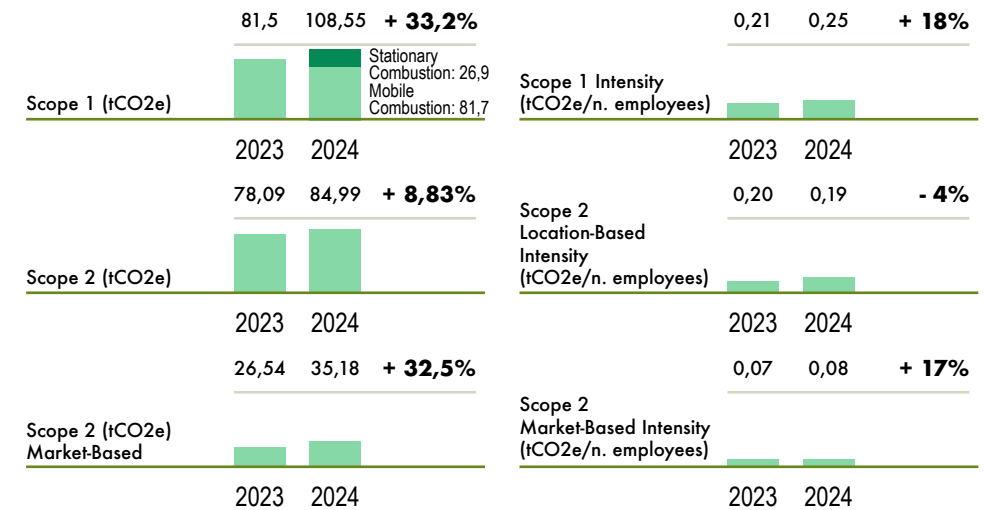
	Regulatory risk	●	Business with a limited direct carbon footprint
	Market/Technology risk	● ★	Opportunity: addressing the knowledge gap on environmental matters
	Reputational risk	●	Low reputational risk due to the type of service provided

NEXTALIA GHG MONITORING TOOL

#### 2023-2024 WITHOUT ADD-ON TRANSACTIONS COMPLETED IN 2024



#### 2023-2024 WITH ADD-ON TRANSACTIONS COMPLETED IN 2024



### 3.5. Exposure to physical and transition risks – Deltatre

NEXTALIA CLIMATE RISK ASSESSMENT TOOL

#### PHYSICAL RISK EXPOSURE

	Extreme temperatures	●
	Water stress	●
	Wildfire	●
	Coastal flooding	●
	Riverine flooding	●
	Cyclones and storms	● ↓ **
	Landslides	●
	Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●
	Exposure to physical risk along the supply chain (type of supply)	●
	Indirect impact of physical events related to business activities	●

\*\* Some of the areas in which Deltatre's offices are located have been affected in the past by cyclones and storms (most recently in 2020), albeit to a limited extent, mainly resulting in heavy rainfall.

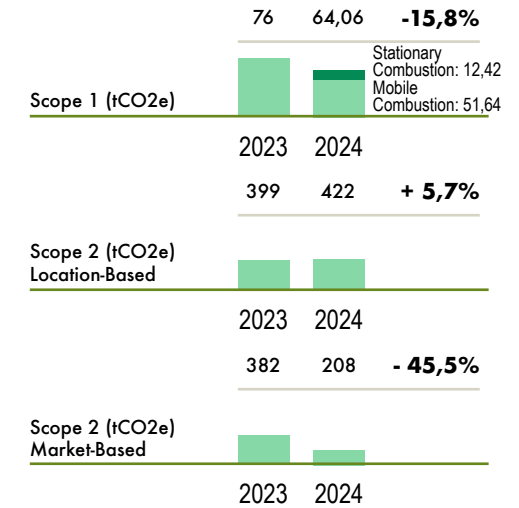
The impact on Deltatre's business is considered limited, taking into account the considerations set out above and the nature of the business carried out by the company (no industrial sites).

#### TRANSITION RISK EXPOSURE

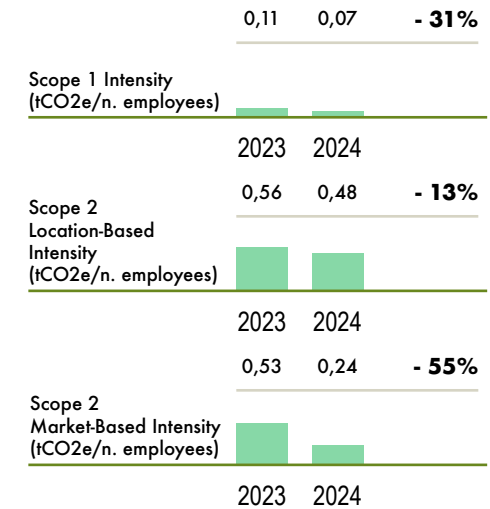
	Regulatory risk	●	Business with a limited direct carbon footprint
	Market/Technology risk	●	Low market risk due to the type of service provided
	Reputational risk	●	Low reputational risk due to the type of service provided

NEXTALIA GHG MONITORING TOOL

#### 2023-2024 ABSOLUTE EMISSIONS



#### 2023-2024 EMISSIONS INTENSITY



### 3.6. Exposure to physical and transition risks – Diagram

NEXTALIA CLIMATE RISK ASSESSMENT TOOL

#### PHYSICAL RISK EXPOSURE

	Extreme temperatures	●
	Water stress	●
	Wildfire	●
	Coastal flooding	● ↓
	Riverine flooding	● ↓ **
	Cyclones and storms	●
	Landslides	●
	Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●
	Exposure to physical risk along the supply chain (type of supply)	●
	Indirect impact of physical events related to business activities	●

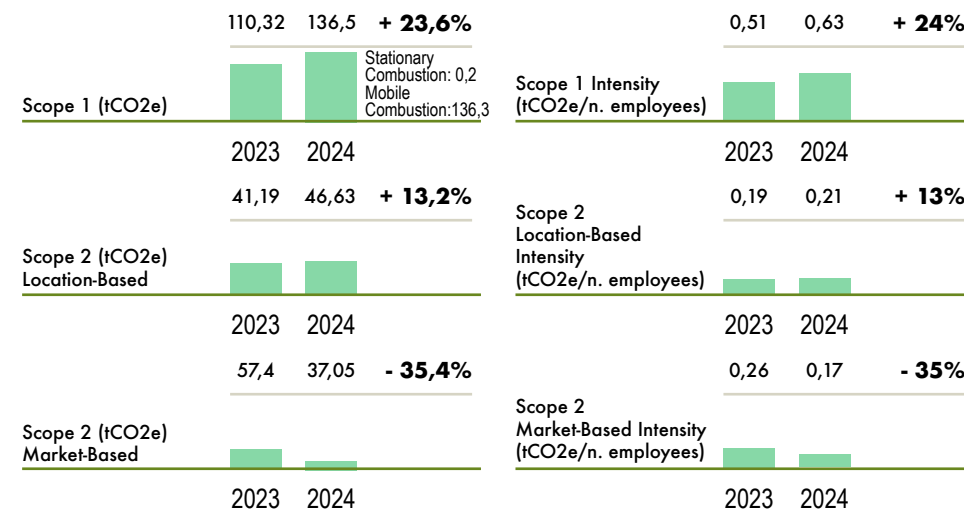
\*\* According to the findings of the Nextalia Climate Risk Assessment Tool, the areas where the offices of the Diagram Group are located in Cesena, Ferrara and Mantova are exposed to a medium/high risk of coastal flooding and riverine flooding. **The actual impact of adverse events in the area on the Diagram Group is considered limited**, taking into account the actual location and characteristics of the offices, as well as the nature of the business carried out by the company (no industrial sites).

#### TRANSITION RISK EXPOSURE

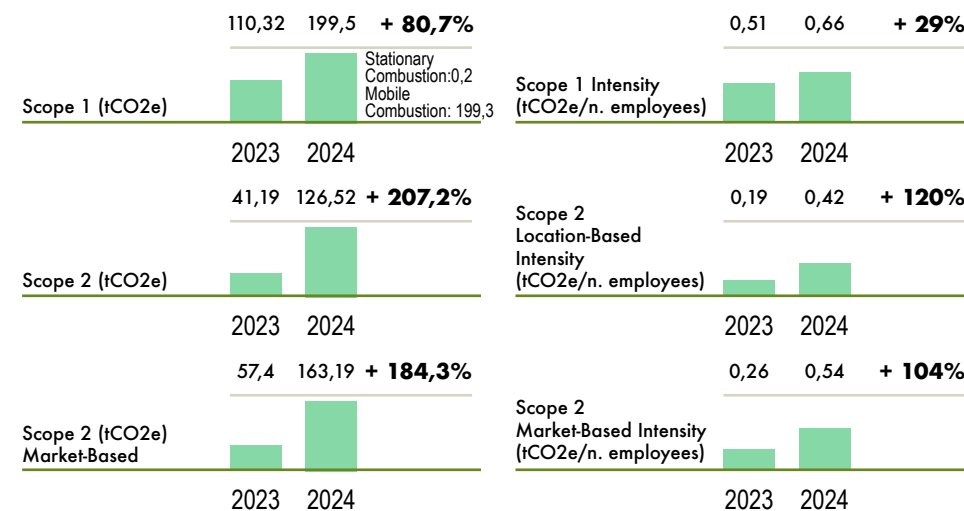
	Regulatory risk	●	Business with a limited direct carbon footprint
	Market/Technology risk	● ★	Opportunity: monitoring and mitigation of climate and environmental risks along the agri-food supply chain
	Reputational risk	●	Low reputational risk due to the type of service provided

NEXTALIA GHG MONITORING TOOL

#### 2023-2024 WITHOUT ADD-ON TRANSACTIONS COMPLETED IN 2024



#### 2023-2024 WITH ADD-ON TRANSACTIONS COMPLETED IN 2024



### 3.7. Exposure to physical and transition risks – Regardia

NEXTALIA CLIMATE RISK ASSESSMENT TOOL

#### PHYSICAL RISK EXPOSURE

	Extreme temperatures	●
	Water stress	●
	Wildfire	●
	Coastal flooding	●
	Riverine flooding	●
	Cyclones and storms	●
	Landslides	●
	Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●
	Exposure to physical risk along the supply chain (type of supply)	● ↓ **
	Indirect impact of physical events related to business activities	●

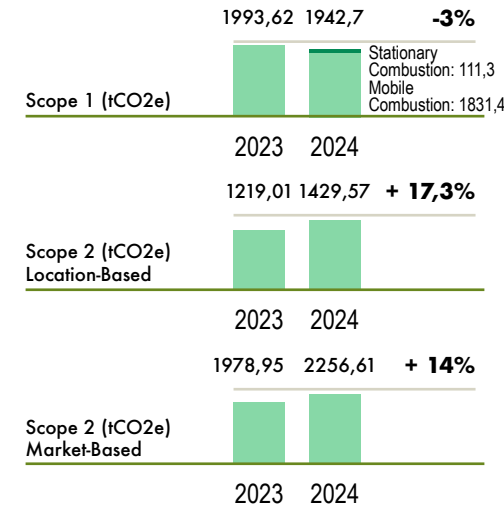
\*\*Some of Regardia's product lines include, within their production formula, agricultural raw materials in addition to former food products. **In order to mitigate the risk of supply chain interruptions of raw materials due to adverse natural events, Regardia pursues a supplier diversification strategy.**

#### TRANSITION RISK EXPOSURE

	Regulatory risk	●	Business with a moderate emissions footprint and included in the list of energy-intensive
	Market/Technology risk	● ★	<b>Opportunity: support in mitigating the environmental impact of the agri-food supply chain and in the production of bioenergy</b>
	Reputational risk	● ↓	Productive business with a significant carbon footprint. The reputational risk is mitigated by the environmental impact benefits delivered by Regardia's products

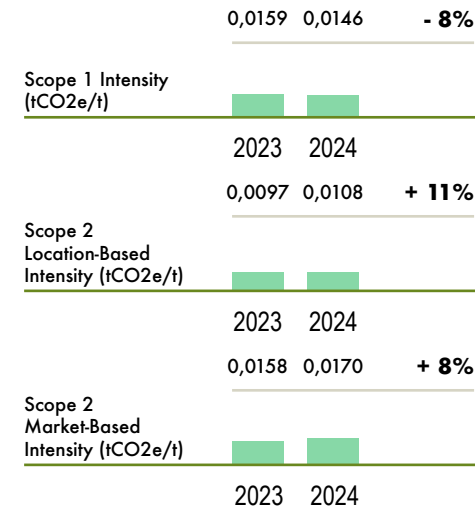
NEXTALIA GHG MONITORING TOOL

#### 2023-2024 ABSOLUTE EMISSIONS



Zoo Assets was not included in the summary table of Scope 1, Scope 2 Location-Based and Scope 2 Market-Based emissions, as it is associated with extremely limited emission levels that are not significant for the purposes of the overall analysis.

#### 2023-2024 EMISSIONS INTENSITY (per tonne of finished product)



# 04. EXPOSURE TO PHYSICAL AND TRANSITION RISKS OF THE NEXTALIA CREDIT OPPORTUNITIES PORTFOLIO

- 04.1 Nextalia Climate Risk Assessment Tool  
Portfolio Heatmap
- 04.2 Financed emissions of  
Nextalia Credit Opportunities
- 04.3 Roma Gas & Power e Pjt. Hunter – Holmo
- 04.4 Italtel
- 04.5 Silvano Toti Holding, Gruppo Basso  
e Via Sicilia 57

## 4.1. Nextalia Climate Risk Assessment Tool – Portfolio Heatmap

PHYSICAL RISK EXPOSURE		HUNTER				
 Extreme temperatures	●	●	●	●	●	●
 Water stress	●	●	●	●	●	●
 Wildfire	●	●	●	●	●	●
 Coastal flooding	●	●	●	●	●↓	●
 Riverine flooding	●	●	●↓	●	●↓	●
 Cyclones and storms	●	●	●	●	●	●
 Landslides	●	●	●	●	●	●
 Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●	●	●	●	●	●
 Exposure to physical risk along the supply chain (type of supply)	●	●	●	●	●	●
 Indirect impact of physical events related to business activities	●	●↓	●	●	●	●
TRANSITION RISK EXPOSURE		HUNTER				
 Regulatory risk	●	●	●	○	○	○
 Market/Technology risk	●↓	●	●	○	○	○
 Reputational risk	●	●	●	○	○	○

### Legend: outputs of the Nextalia Climate Risk Assessment Tool

- Low Risk
- Moderate Risk
- Potentially high Risk

○ Given the real estate nature of the assets underlying the Fund's investment, the assessment focused on physical risk.

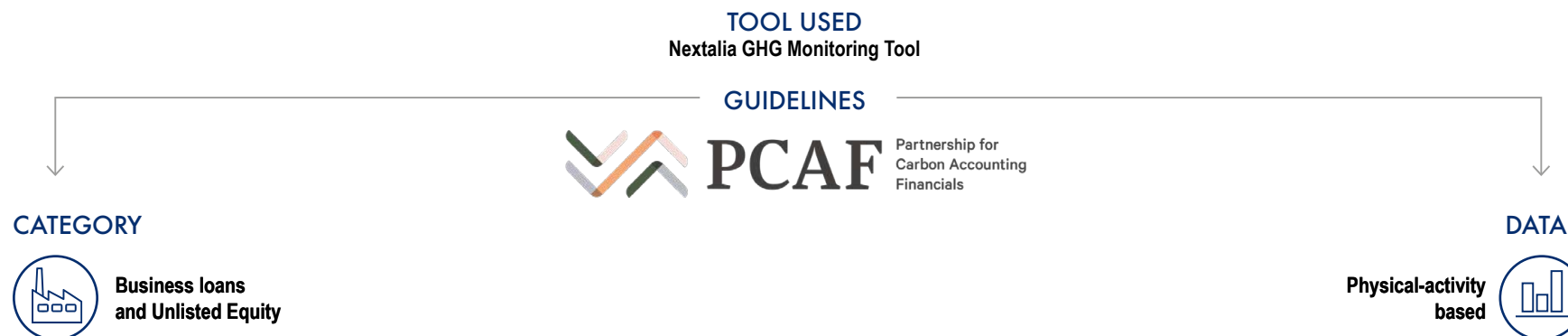
↓ Mitigated Risk taking into account the specific characteristics of the company and its assets, as well as the actions implemented by the company itself

★ Opportunities related to the transition for the type of service/product offered

## 4.2. Financed emissions of Nextalia Credit Opportunities

### Scope 3 – Category 15 Emissions

CALCULATION  
METHODOLOGY



### Financed emissions of Nextalia Credit Opportunities in 2024 (tCO<sub>2</sub>e)

RESULTS

Emissions Scope 3 Category 15 were calculated in accordance with the PCAF guidelines and the physical activity-based approach, taking into account the emissions related to the NCO portfolio.



Financed emissions  
**Location-based**

**860,44**

Financed emissions  
**Market-based**

**381,63**

### 4.3. Exposure to physical and transition risks – Roma Gas & Power e Pjt. Hunter (Holmo)

NEXTALIA CLIMATE RISK ASSESSMENT TOOL - ROMA GAS & POWER

#### PHYSICAL RISK EXPOSURE

	Extreme temperatures	●
	Water stress	●
	Wildfire	●
	Coastal flooding	●
	Riverine flooding	●
	Cyclones and storms	●
	Landslides	●
	Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●
	Exposure to physical risk along the supply chain (type of supply)	●
	Indirect impact of physical events related to business activities	●

#### TRANSITION RISK EXPOSURE

	Regulatory risk	●	Business with a limited direct carbon footprint
	Market/Technology risk	● ↓	In order to mitigate market risk associated with an increase in demand for energy from renewable sources and low-carbon solutions, the company has initiated specific initiatives aimed at expanding its offering, with a view to developing the energy efficiency sector
	Reputational risk	●	Low reputational risk due to the type of service provided

NEXTALIA CLIMATE RISK ASSESSMENT TOOL - HOLMO

#### PHYSICAL RISK EXPOSURE

	Extreme temperatures	●
	Water stress	●
	Wildfire	●
	Coastal flooding	●
	Riverine flooding	●
	Cyclones and storms	●
	Landslides	●
	Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●
	Exposure to physical risk along the supply chain (type of supply)	●
	Indirect impact of physical events related to business activities	● ↓ **











\*\* Exposure to the insurance business, which is directly affected by adverse natural events. The impact is mitigated through Unipol's customer diversification strategy and through the development of insurance products with positive social and environmental impact.

#### TRANSITION RISK EXPOSURE




	Regulatory risk	●	Business with a limited direct carbon footprint
	Market/Technology risk	●	Low reputational risk due to the type of service provided
	Reputational risk	●	Risk mitigated through the development of insurance products with a positive social and environmental impact

## 4.4. Exposure to physical and transition risks – Italtel

### PHYSICAL RISK EXPOSURE












































	Extreme temperatures	<span style="color: green;">●</span>
	Water stress	<span style="color: green;">●</span>
	Wildfire	<span style="color: green;">●</span>
	Coastal flooding	<span style="color: green;">●</span>
	Riverine flooding	<span style="color: orange;">●</span> ↓ **
	Cyclones and storms	<span style="color: green;">●</span>
	Landslides	<span style="color: green;">●</span>
	Exposure to physical risk along the supply chain (geographical distribution of suppliers)	<span style="color: green;">●</span>
	Exposure to physical risk along the supply chain (type of supply)	<span style="color: green;">●</span>
	Indirect impact of physical events related to business activities	<span style="color: green;">●</span>

### TRANSITION RISK EXPOSURE

	Regulatory risk	<span style="color: green;">●</span> Business with a limited direct carbon footprint
	Market/Technology risk	<span style="color: green;">●</span> Low market risk due to the type of service provided
	Reputational risk	<span style="color: green;">●</span> Low reputational risk due to the type of service provided

\*\* According to the findings of the Nextalia Climate Risk Assessment Tool, the areas where the offices of the Italtel Group in Peru (Santiago de Surco) and Brazil (Barra da Tijuca) are located are exposed to a medium/high risk of riverine flooding. **The actual impact of adverse events in these areas on the Italtel Group is considered limited, taking into account both the geographical distribution of the offices and the effective relevance of the offices in Peru and Brazil for the Group, as well as the actual location and characteristics of the offices and the nature of the business carried out by the Group.**

## 4.5. Exposure to physical risk – Silvano Toti Holding, Gruppo Basso and Via Sicilia 57

PHYSICAL RISK EXPOSURE			
 Extreme temperatures			
 Water stress			
 Wildfire			
 Coastal flooding		 **	
 Riverine flooding		 **	
 Cyclones and storms			
 Landslides			
 Exposure to physical risk along the supply chain (geographical distribution of suppliers)			
 Exposure to physical risk along the supply chain (type of supply)			
 Indirect impact of physical events related to business activities			

\*\*According to the findings of the Nextalia Climate Risk Assessment Tool, the areas in which most of the properties of the Gruppo Basso managed by the NCO Fund are located are exposed to a medium/high risk of coastal flooding and riverine flooding. **The actual impact on the value of the properties is mitigated** through an all-risk insurance policy, which also covers potential damage resulting from natural catastrophes.

# 05.

## **EXPOSURE TO PHYSICAL AND TRANSITION RISKS OF THE NEXTALIA VENTURES PORTFOLIO**

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05.1 Nextalia Climate Risk Assessment Tool  
Portfolio Heatmap

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05.2 Financed emissions of Nextalia Ventures

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## 5.1. Nextalia Climate Risk Assessment Tool – Portfolio Heatmap

PHYSICAL RISK EXPOSURE	hlpv	Shop Circle
 Extreme temperatures	●	●
 Water stress	●	●
 Wildfire	●	●
 Coastal flooding	●	●
 Riverine flooding	●	● ↓
 Cyclones and storms	●	●
 Landslides	●	●
 Exposure to physical risk along the supply chain (geographical distribution of suppliers)	●	●
 Exposure to physical risk along the supply chain (type of supply)	●	●
 Indirect impact of physical events related to business activities	●	●
TRANSITION RISK EXPOSURE	hlpv	Shop Circle
 Regulatory risk	●	●
 Market/Technology risk	●	●
 Reputational risk	●	●

### Legend: outputs of the Nextalia Climate Risk Assessment Tool

- Low Risk
- Moderate Risk
- Potentially high Risk

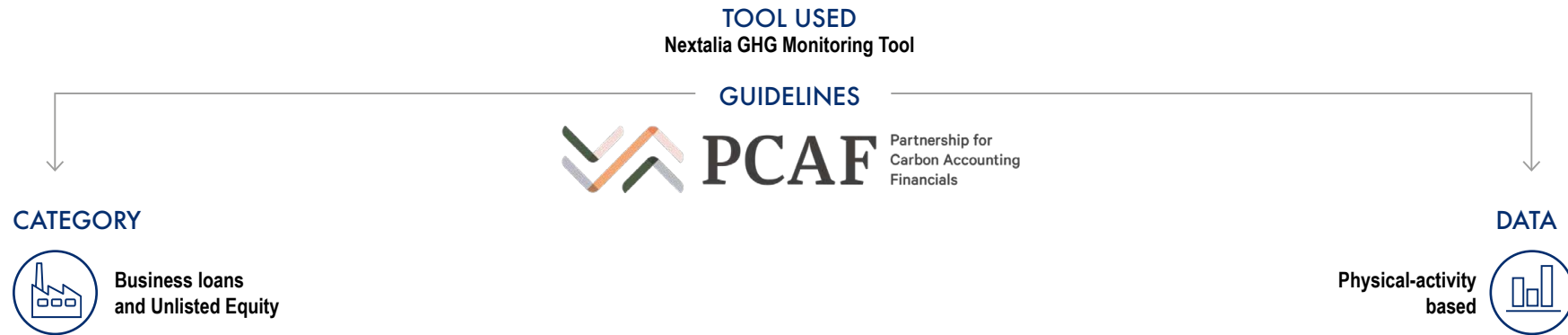
↓ Mitigated Risk taking into account the specific characteristics of the company and its assets, as well as the actions implemented by the company itself

★ Opportunities related to the transition for the type of service/product offered

## 5.2. Financed emissions of Nextalia Ventures

### Scope 3 – Category 15 Emissions

CALCULATION  
METHODOLOGY



### Financed emissions of Nextalia Ventures in 2024 (tCO<sub>2</sub>e)

RESULTS

Emissions Scope 3 Category 15 were calculated in accordance with the PCAF guidelines and the physical activity-based approach, taking into account the emissions related to the NVE portfolio.



Financed emissions  
**Location-based**

**13,05**

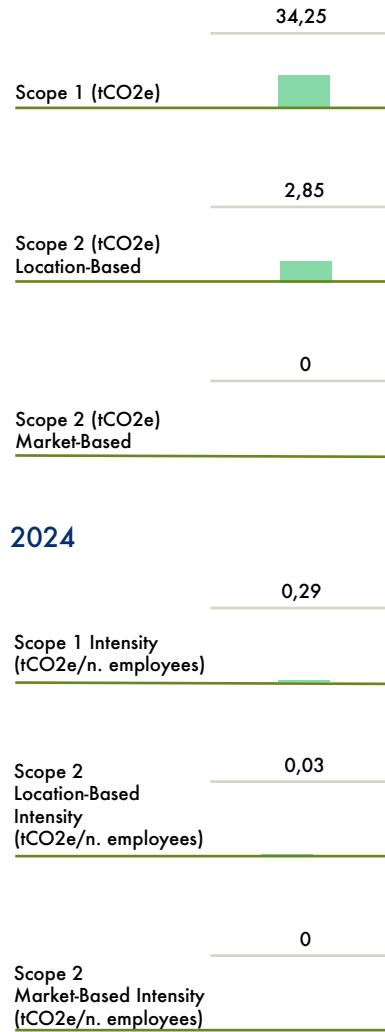
Financed emissions  
**Market-based**

**12,64**

### 5.3. Nextalia GHG Monitoring Tool – hlpv e Shop Circle

NEXTALIA GHG MONITORING TOOL

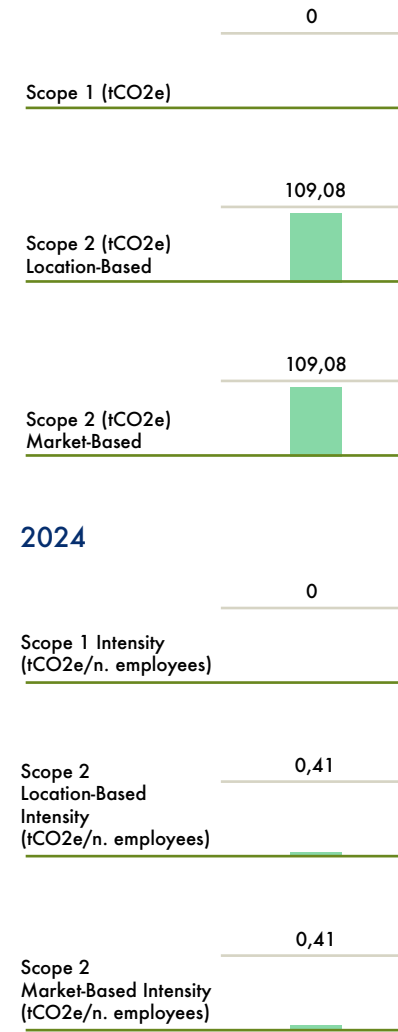
#### hlpv 2024



Employees 2024:  
**116**

NEXTALIA GHG MONITORING TOOL

#### Shop Circle 2024



Employees 2024:  
**266**

# 06.

## MITIGATION OF CLIMATE CHANGE-RELATED RISKS: OPPORTUNITIES FOR NEXTALIA PRIVATE EQUITY AND NEXTALIA CREDIT OPPORTUNITIES

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06.1 Regardia: Reduction of the environmental impact of the agri-food supply chain (meat, milk and eggs) and support for bioenergy production

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06.2 Italtel: Results of the CDP Questionnaire

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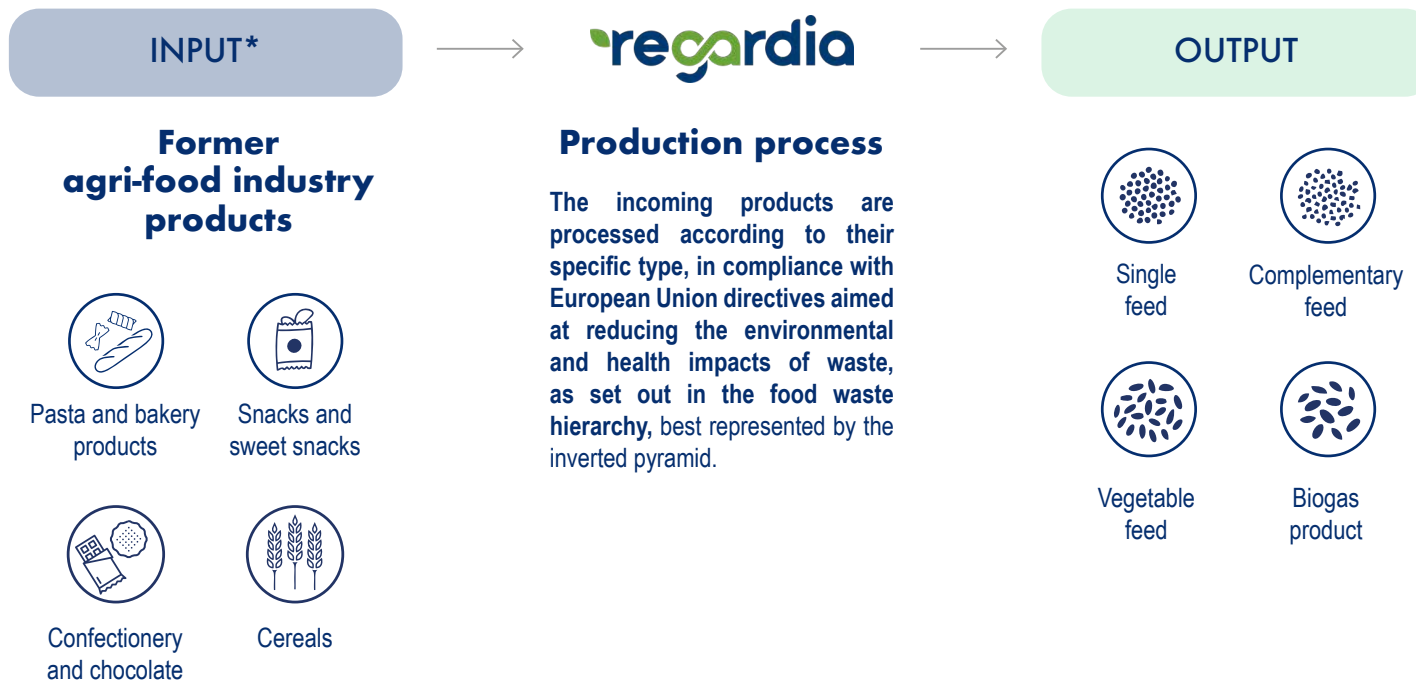
## 6.1. Regardia: Reduction of the environmental impact of the agri-food supply chain (meat, milk and eggs) and support for bioenergy production

### Market opportunity:

Supporting clients in reducing the environmental impact associated with animal feed and in the production of bioenergy



THE OFFERING OF REGARDIA GROUP - reuse of former food products for the production of feed ingredients and for biogas production

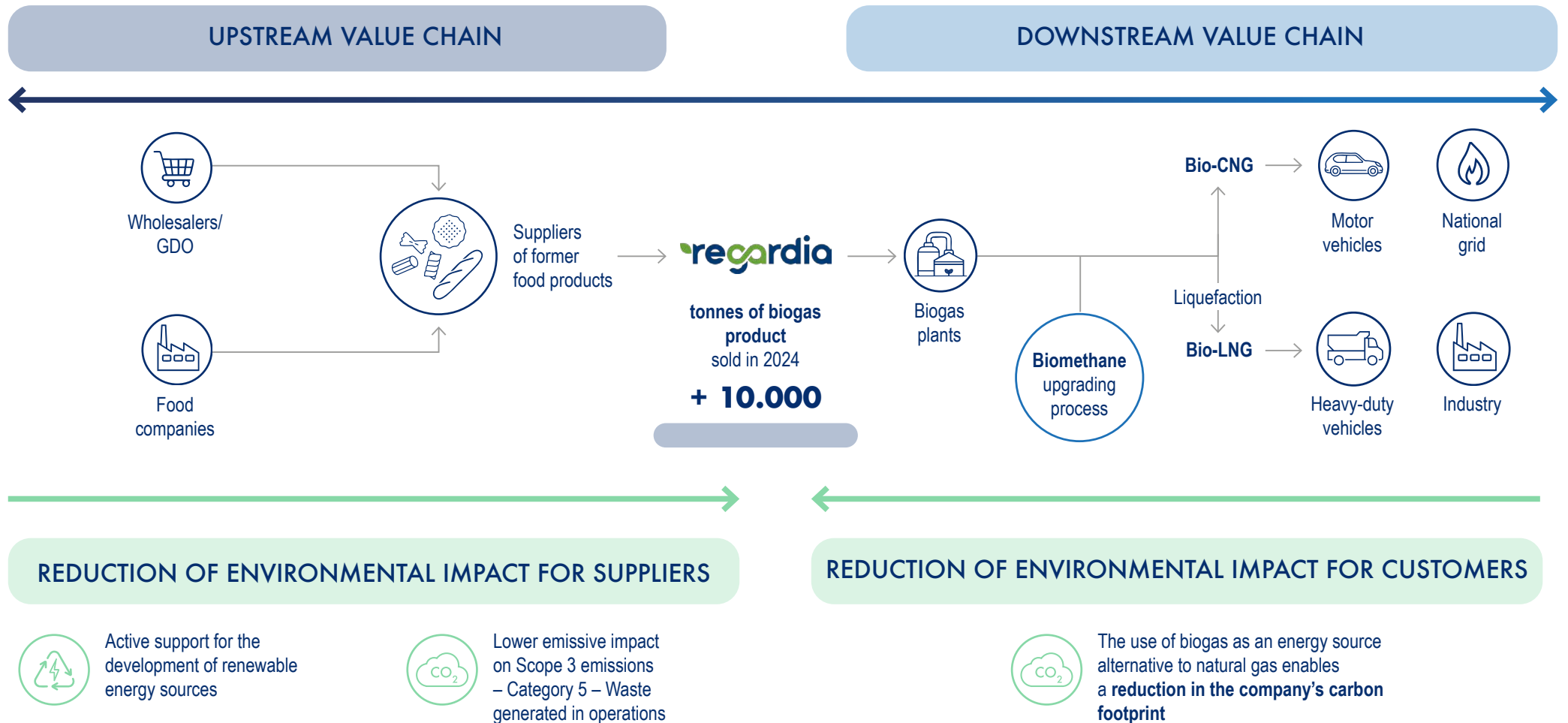


1. Prevention at source
2. Donation and redistribution
3. Animal feed **regardia**
4. Recycling
5. Energy recovery **regardia**
6. Disposal

\*The Regardia product blends also include, to a residual extent, agricultural raw materials and additives.

## 6.1. Regardia: Reduction of the environmental impact of the agri-food supply chain (meat, milk and eggs) and support for bioenergy production

SUPPORT IN BIOENERGY PRODUCTION – Regardia’s positioning within the value chain



# Circular solutions for climate mitigation: the environmental value of Regardia feed ingredients

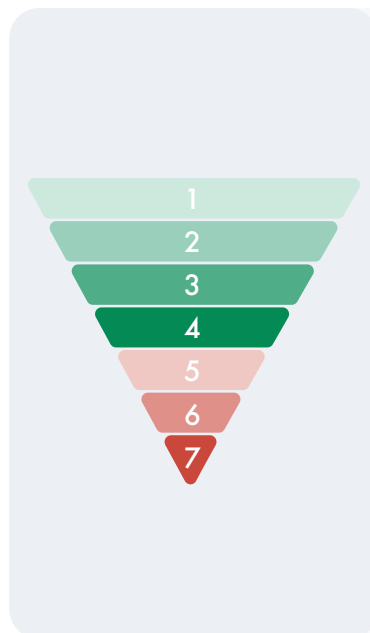
In 2024, Regardia completed a **Life Cycle Assessment (LCA)** on two strategic product lines, with the objective of transparently measuring the environmental impact along the value chain and quantifying the **climate benefits associated with the use of secondary raw materials derived from food waste**.

The study was developed in accordance with international standards **ISO 14040 and ISO 14044**, with an external critical review carried out by an independent panel, as required for the development of comparative claims. The methodology follows the **GFLI protocol (v2.1, 2023)** for the feed sector and adopts a cradle-to-gate perspective (from raw material sourcing to the factory gate or customer).



## MAIN CHARACTERISTICS OF THE STUDY

- **Functional unit:** 1 tonne of feed produced at the Regardia site or delivered to the customer.
- **Primary data:** collected for the year 2023 at the Italian production site.
- **Electricity modelling:** based on the Italian residual mix (AIB 2023), in accordance with the ISO 14067 hierarchy.
- **Circular approach:** production waste is treated in accordance with the Circular Footprint Formula (CFF), in line with the PEF methodology.
- **Databases used:** Ecoinvent 3.10, Agrifootprint v6.3 and WFLDB 3.10.
- **Main impact assessment methodology:** Environmental Footprint (EF) 3.1, with complementary results also calculated according to ReCiPe 2016.



<b>1. PREVENTION AT SOURCE</b>	Avoiding the generation of food surpluses throughout the entire food supply chain
<b>2. DONATION OR REDISTRIBUTION OF SURPLUS FOOD</b>	Donate surplus food for human consumption, or redistribute it through food banks or other redistribution organisations
<b>3. USE AS ANIMAL FEED</b>	Use food no longer intended for human consumption as animal feed
<b>4. INDUSTRIAL USE</b>	Transform food materials (which are not waste) into value-added products for food and non-food uses (e.g. pharmaceutical products, cosmetics)
<b>5. RECYCLING AND NUTRIENT RECOVERY</b>	Transform food waste into low value-added products, such as compost and biogas (with nutrient recovery), construction materials, adhesives, etc.
<b>6. ENERGY RECOVERY</b>	Biogas (without nutrient recovery) or biofuel production from food waste. Incineration of food waste with energy recovery
<b>7. DISPOSAL</b>	Incineration of food waste without energy recovery Disposal of food waste in landfill

## COMPARISON WITH THE NUTRITIONAL BENCHMARK

In order to assess the environmental benefits on a comparable basis, the LCA included a **comparison with a conventional feed product equivalent from a nutritional standpoint**. This benchmark was developed with the support of two animal nutrition experts (one internal and one external), using the professional software Plurimix System®.

 Primary data	  Assumptions and premises	   Secondary inventory data and background system	  EF 3.1 method
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The study provides results that are consistent with the **GHG Protocol Corporate Standard** and with the methodological requirements of initiatives such as the **Science Based Targets initiative (SBTi)**, in support of advanced climate reporting.

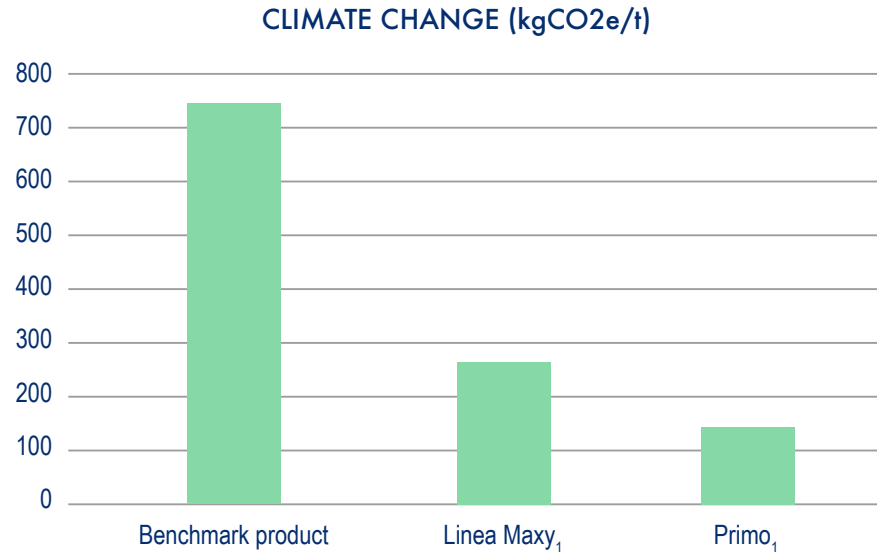
# Circular solutions for climate mitigation: the environmental value of Regardia feed ingredients

## RESULTS OF THE STUDY

The comparative Life Cycle Assessment (LCA) analysis shows that the **Primo and Maxy feed ingredients, developed by Regardia from former food products, result in a significant reduction in greenhouse gas emissions compared to a conventional feed product with equivalent nutritional value**

In particular:

- The **Primo** product shows a **reduction in the climate footprint of 81% per tonne of product**.
- The **Linea Maxy** allows for a **65% reduction in emissions**, again compared to the nutritional benchmark.
- These results confirm the **climate value of the circular model adopted by Regardia**, which makes it possible to avoid the use of agricultural raw materials and to valorise by-products and waste from the agri-food supply chain.
- The results also highlight **benefits across the majority of the other environmental impacts analysed**, such as acidification, eutrophication, land use and air pollution.



Avoided emissions  
in 2024<sub>2</sub>  
**31.630,54  
tCO2e**

IMPACT CATEGORY	BENCHMARK PRODUCT	UNITS	PRIMO	CHANGE (%)	LINEA MAXY	CHANGE (%)
Climate change	7.53E + 02	kgCO2e	1.43E + 02	● - 81%	2.60E + 02	● - 65%

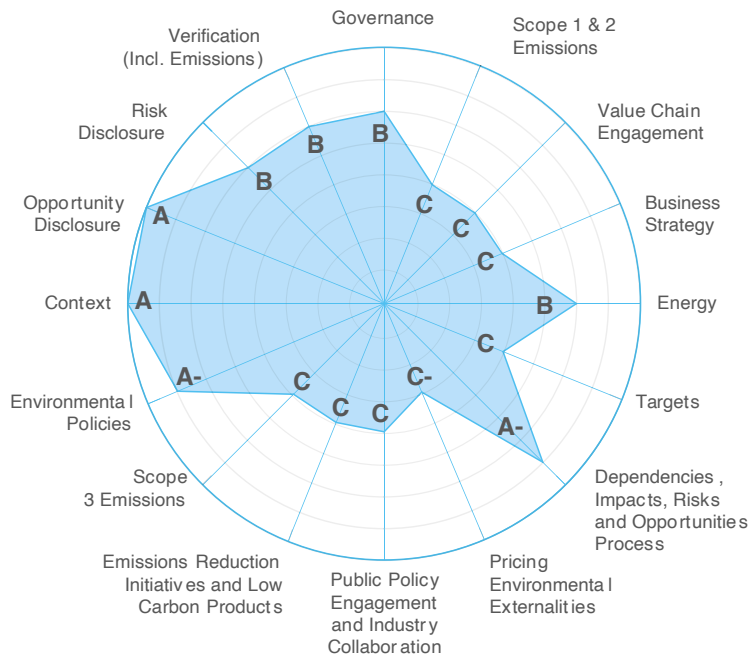
Results aligned with the GFLI methodology 

1.The data refer to the average case scenario of the sensitivity analysis, calculated through a weighted average of the percentage content of each ingredient over one year of production.  
2.The data are calculated on the basis of a best estimate approach, taking into account the tonnes of Linea Maxi and Primo products sold in 2024 and their related impacts under an average case scenario.

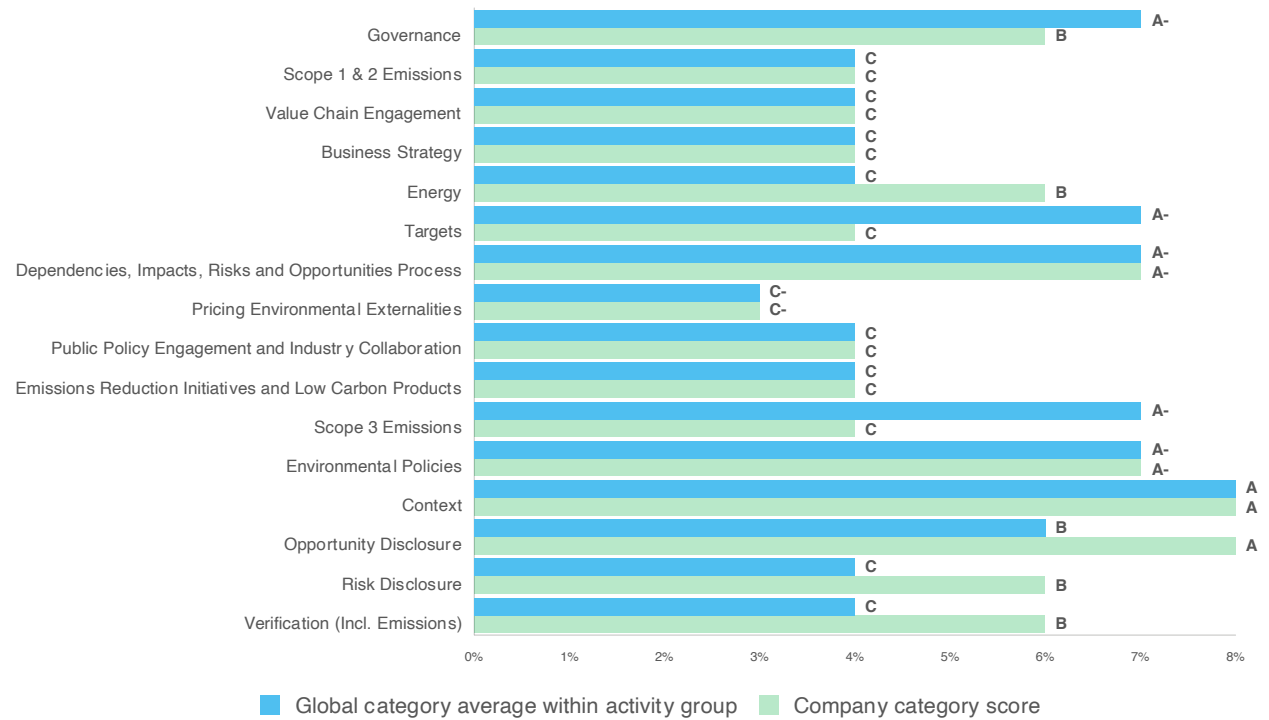
## 6.2. Italtel: Results of the CDP Questionnaire

In 2024, Italtel S.p.A. completed, for the first time, the Group CDP Climate Change questionnaire in its Full version, significantly increasing both the consolidated perimeter coverage and the scope of topics addressed. The CDP rating of Italtel S.p.A. was confirmed at level B (“Management” level). The following charts show the detailed breakdown of the score, including **four areas in the A/A- range** (“Leadership” level), as well as the benchmark comparison with peer companies in the sector. Improvements across the various areas were significant compared to 2023, with the overall score remaining unchanged. In addition, Italtel completed, for the first time, the Group CDP Water questionnaire, achieving a score of “C” (“Awareness” level).

### COMPANY CATEGORY SCORE



### CATEGORY SCORES BENCHMARKING



# Nextalia

INVESTMENT MANAGEMENT

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