

## **Disclosure pursuant to Article 10 of Regulation (EU) 2019/2088 - SFDR Transparency of the promotion of environmental or social characteristics on websites**

**Product name: Neva II Italia**

**Legal entity identifier: Neva AMC S.p.A.**

### **a) Summary**

The "Neva II Italia" Investment Fund (the "Fund"), managed by Neva SGR (the "Management Company" or the "AMC"), is a venture capital investment product that invests in high-technology Target Companies operating mainly in Italy. The Fund does not target sustainable investments; instead, it aims to promote, *inter alia*, environmental and social characteristics and good governance practices in one hundred per cent of its investments. In particular, the Fund is based on major international standards with a focus on the Sustainable Development Goals (hereinafter also referred to as the SDGs) of the 2030 Agenda. Therefore, no other investments are planned which are not in line with the promotion of environmental and social characteristics.

The Fund identifies investments through a process of negative (sector exclusion) and positive screening. Positive screening is implemented through a proprietary methodology that involves the administration of a questionnaire designed to determine the application of environmental, social and governance issues associated with the promoted features through the assignment of a score based on reported responses. Scoring is differentiated according to size characteristics of the Target Company (such as, for example, the number of employees). In addition, the relevance of ESG areas to the sectors in which they operate is taken into consideration.

The results of the assessment are aggregated into a synthetic sustainability indicator, the ESG score, which provides an overall assessment of the Target Company's promotion of environmental and social characteristics.

Furthermore, the AMC's proprietary methodology is also used in monitoring.

To date, the Fund has not established any direct commitment policies in place during the investment management process. The AMC, on behalf of the Fund, measures the Portfolio Companies' promotion of environmental and social characteristics in order to verify the trend and identify any deviations, which can be the subject of in-depth analysis with the Portfolio Company in order to identify possible actions aimed at strengthening sustainability performance.

Finally, the AMC has not identified a benchmark index to determine the achievement of environmental and/or social characteristics.

### **b) No sustainable investment goal**

This financial product promotes environmental and social characteristics but does not target sustainable investments.

### **c) Environmental and social characteristics of the financial product**

The financial product is a venture capital investment fund that invests in high-tech Target Companies, operating both in Italy and abroad, and aims to promote social and environmental characteristics through its investments.

In particular, the Fund promotes the following matters:

- protection of human and labour rights;
- respect for diversity and a culture of inclusion;
- environmental preservation and the transition to a green and circular economy;
- innovation and digital transformation.

The environmental and social features promoted are based on the following Sustainable Development Goals (hereinafter also SDGs) of the 2030 Agenda:

<b>Environmental/social characteristics promoted</b>	<b>Reconciliation with the SDGs</b>
Respect for diversity and a culture of inclusion	SDG no. 5 Gender Equality
Protection of human and labour rights	SDG no. 8 Decent work and economic growth
Innovation and digital transformation	SDG no. 9 Industry, innovation and infrastructure
Environmental preservation and the transition to a green and circular economy	SDG no. 12 Sustainable consumption and production and SDG no. 13 Climate action

In addition to promoting these characteristics, the AMC, when investing the Fund's assets, carries out a preliminary verification of compliance with good governance practices by potential Target Companies and also checks for the presence of disputes, through specific ESG Due Diligence activities.

The investments underlying this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

#### **d) Investment strategy**

The Fund's ESG investment strategy is based on the following two pillars:

- **Negative screening.** As part of the Fund's investment activity, the AMC applies specific sectoral exclusion criteria, with the aim of eliminating from the investment universe activities that are deemed to have a negative impact on society and, to some extent, on the environment. Thus, investments in companies in relation to which there is evidence of human rights violations and in entities which are active, or which control, directly or indirectly, those which are active in a series of sectors, including but not limited to, the following, are excluded:
  - production, trade or other activities that are prohibited according to the regulations in force in the countries in which they take place, including, in any case, human cloning (which is defined as the production of a human being genetically identical to another, excluding the production of copies of human cells, tissues or organs for medicinal purposes)
  - thermal coal mining and/or electricity generation from thermal coal;
  - extraction of unconventional oil and gas through the exploitation of tar sands, oil shale (kerosene-rich deposits), shale gas, shale oil, coal seam gas, coal bed methane and onshore/offshore Arctic operations;
  - production of and/or trade in tobacco;
  - production of and/or trade in distilled alcoholic beverages and related products;
  - production of and/or trade in military systems, firearms and/or explosives, armaments - including non-conventional weapons, such as: nuclear weapons, depleted uranium,

biological weapons, chemical weapons, invisible fragmentation weapons, blinding lasers, incendiary weapons, white phosphorus (considering any exceptions with regard to activities permitted by specific Treaties or Conventions, such as the Ottawa Treaty) - and military supplies or ammunition or activities in the field of defence and armament materials that are prohibited pursuant to Italian Law 185/90 and subsequent amendments and/or Italian Law no. 220/2021 and subsequent amendments;

- gambling and equivalent activities;
  - production of and/or trade in pornographic and child pornography;
  - production of and/or trade in furs;
  - production or marketing of electronic solutions or programs that are specifically contrived to illegally enable:
    - (a) access to electronic networks and/or electronic data storage systems, and/or
    - (b) The downloading of data in electronic format;
  - research and development and/or the technical application of programs, electronic solutions or other activities that specifically support any of the areas mentioned in the above points or intended for Internet betting and/or online gambling activities.
- **Positive screening.** The AMC selects investments on behalf of the Fund on the basis of the sustainability performance of potential Target Companies, assessed using a proprietary methodology based on a specific ESG Due Diligence. This process is carried out with the support of a special questionnaire and with the possible support of expert consultants. This methodology makes it possible to verify the counterparty's monitoring of environmental and social issues, generating an ESG score that is used for investment decision-making purposes. Following the investment selection phase, during the management phase, the AMC, on behalf of the Fund, measures the promotion of the environmental and social characteristics of the Portfolio Companies, in order to verify the trend and identify any deviations, which may be the subject of in-depth analysis with the Portfolio Company with a view to identifying possible actions aimed at strengthening ESG sustainability performance. Pursuant to Article 6 of the SFDR Regulation, the AMC has integrated sustainability risks into its investment process through a combination of: (a) negative screenings, through the exclusion of companies involved in specific activities or in specific sectors deemed unfinanceable as they are more exposed to sustainability risks, (b) positive screenings, used to ensure the compliance of the investment transaction with the principles established in the AMC's Sustainability Policy and in the Fund management regulations, designed to contain the level of sustainability risks implicit in the investments made, and (c) periodic monitoring of sustainability risks, also carried out through specific analyses carried out by the Risk Management function. The AMC considers that, despite the safeguards adopted, sustainability risks could have a significant negative impact on the value of the investment.

## e) Share of investment

One hundred per cent of the investments made by the Fund promote environmental and social characteristics and do not qualify as sustainable investments.

Where deemed to be in the interests of the Fund's capital stability, the AMC may use techniques and transactions, including derivative financial instruments, solely for the purpose of hedging risks, including foreign exchange risk and risks arising from borrowing.

## f) Monitoring of environmental and social characteristics

In order to monitor compliance with environmental and social characteristics of Portfolio Companies, the AMC plans to periodically apply the AMC's proprietary methodology for promoting environmental

and social characteristics, which was previously used during positive screening. This generates the ESG score. The goal is to monitor the trend and identify any deviations, which can then be investigated with the Portfolio Company with a view to identifying possible actions aimed at strengthening sustainability performance.

### **g) Methodologies**

Compliance with the environmental and social characteristics promoted by the Fund is measured on a periodic basis through a proprietary methodology developed by the AMC. The methodology evaluates investments based on their sustainability profile, which is translated into a summary opinion by generating an ESG score. The score summarizes the verification of ESG characteristics inspired by the main internationally recognized sustainability reporting standards (e.g. the GRI Standards), designed to assess and measure environmental, social and governance characteristics.

### **h) Sources and processing of data**

In order to comply with the environmental, social and governance characteristics promoted, the Fund uses the ESG score developed by the AMC, subjecting potential Target Companies to an ESG Due Diligence with a view to understanding the environmental and social characteristics identified by the Fund. Data used for the purpose of measuring the environmental characteristics promoted by the Fund are collected and stored in internal systems. The Company periodically monitors the quality and reliability of data provided by Portfolio Companies, checking their adequacy and completeness through the ESG Due Diligence.

### **i) Limitations of the methodologies and data**

To measure the promoted environmental and social characteristics, the Fund bases its sustainability strategy on the ESG scoring mechanism calculated and defined through the proprietary methodology, which is carried out by the AMC on the basis of data provided by potential Target Companies. These limitations do not significantly affect how the environmental and social characteristics promoted by the Fund are met because the availability, completeness, and accuracy of the data are verified through ESG Due Diligence activities.

### **j) Due diligence**

First and foremost, the investment strategy defined for the management lines and described in the corresponding "Investment Strategy" section includes the implementation of ESG Due Diligence analysis on the investments. Compliance with the investment strategy criteria is monitored periodically by the relevant departments of the AMC. In addition, as highlighted in the "Monitoring of Environmental and Social Characteristics" section, the invested portfolio is monitored to assess effective compliance with the promoted characteristics.

### **k) Commitment policies**

The Fund does not have direct commitment policies in place during investment management. The AMC, acting on behalf of the Fund, measures the promotion of the environmental and social characteristics of the Portfolio Companies, in order to verify the trend and identify any deviations, which can be the subject of in-depth analysis with the Portfolio Company with a view to identifying possible actions aimed at strengthening sustainability performance.