

**DISCLOSURE OF POLICIES ON
INTEGRATION OF SUSTAINABILITY RISKS IN
INVESTMENT DECISION-MAKING PROCESSES
(SFDR, Sustainable Finance Disclosure Regulation)**

MARCH 2021

ART 3, PARAGRAPH 1 OF REGULATION (EU) 2019/2088

"Policies on integration of sustainability risks in investment decision-making processes".

(Publication on the website)

Sustainability risk is defined as an environmental, social or governance event or condition which, if it occurs, could cause a significant negative impact on the value of the investment.

EUREKA! Venture SGR S.p.A., EuVECA manager (hereinafter the "SGR") is aware that through the adoption and implementation of investment processes and strategies aimed at the prevention and identification of so-called ESG (Environmental, Social and Governance) risks, it is possible to promote innovation and support economic development, contributing significantly to the sustainable development of the country.

The SGR has adopted a "Sustainable Investment Policy" (the "ESG Policy") in order to incorporate in the design and management of the Investment Funds also extra-financial considerations, which aim at generating a social and environmental added value, through the integration of sustainability and social responsibility criteria in the evaluation and selection of investment opportunities.

The SGR has integrated environmental, social and governance principles into the investment decision-making process with the aim of assessing and mitigating potential negative effects on the performance of managed funds by monitoring the life cycle of investments.

In the evaluation and selection of investment opportunities, the SGR assesses the ESG risk profile of the target/initiative company, the specific ESG issues, the ability of the target/initiative company to address ESG issues (analysing any ESG policies already adopted by the targets), and the target/initiative's ability to address the issues identified.

ESG due diligence is carried out both by the Investment Team and by external consultants with expertise in the field, and the findings are documented in ESG due diligence reports that supplement the information set for the investment decision-making process.

Finally, following the identification of ESG risks and opportunities, the SGR defines an action plan ("ESG Action Plan") to be followed once the acquisition has been completed, with the aim of facilitating the achievement of sustainability objectives and subsequent periodic monitoring.

ARTICLE 4, PARAGRAPH 1 OF REGULATION (EU) 2019/2088

"Principal adverse sustainability impacts (PAI) statement"

(Publication on the website - ad hoc section¹ "No consideration of sustainability adverse impacts")

Article 4 of the SFDR requires fund managers to explicitly state whether or not they take 'principal adverse effects' into account. Although ESG issues and sustainability risk are central and are taken seriously, EUREKA! Venture, with reference to the requirements of Regulation (EU) 2019/2088 Art. 4 on Sustainability Disclosures in the Financial Services Sector, does not take into account the Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors. This is

¹ Pursuant to RTS, Chapter II, Section 3, Art. 11

due to the current uncertainty about the scope and extent of the required disclosures, as the Final Report on draft Regulatory Technical Standards (hereinafter "RTS") is still subject to approval by the European Commission. This is the current position as of 10 March 2021, i.e. at the time when the SGR carried out its assessments and published its initial approach, which may therefore be updated at a later date.

With reference to the investment decision-making process, the SGR aims to align its investment policy with the new SFDR regulatory framework by integrating it with a methodology for assessing sustainability risks and principal adverse effects (PAIs).

ARTICLE 5, PARAGRAPH 1 OF REGULATION (EU) 2019/2088

Transparency of remuneration policies in relation to the integration of sustainability risks

As the SGR is a sub-threshold manager under the AIFM Directive, it is exempt from adopting appropriate remuneration policies.