**Disclosure pursuant to Article 10 of Regulation (EU) 2019/2088 – SFDR**

**Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites**

**Large Ventures Fund**

## (a) Summary

The Large Ventures Fund (ID 815600B95D128277B955) is a Fund classified as Article 8 under Regulation (EU) 2019/2088. The Fund adopted this classification on 4 September 2023, following approval by CONSOB. This document, published on the Manager's website, has been prepared in accordance with Article 10(1)(d) of Regulation (EU) 2019/2088 (SFDR).

The Fund applies sector exclusion criteria to avoid investments in critical activities and conducts ESG due diligence on portfolio companies, assessing their organisational soundness, the adoption of good governance safeguards, and their ability to direct projects towards the environmental and social characteristics promoted by the Fund. Alignment is monitored both ex ante and ex post through a proprietary tool that collects quantitative and qualitative data tailored to the different types of investment.

For the purpose of monitoring environmental and social characteristics, both during the ex ante ESG assessment phase and the ex post monitoring phase, carried out at least annually, the Management Company's Investment Team relies on an investment assessment and monitoring model based on qualitative and quantitative indicators that are consistent with industry best practices and applicable regulations.

The process of integrating the environmental and social characteristics promoted by the Fund, as well as the collection of information, is carried out through the completion by the target company of a dedicated ESG screening tool. The accuracy of the information provided remains the responsibility of the target company.

The information collected enables the Investment Team, with the support of the Sustainability Team, to periodically assess the contribution of portfolio companies to the promotion of environmental and social characteristics, implement any necessary corrective actions, and ensure transparency in reporting to investors.

## (b) No sustainable investment objective

This financial product promotes environmental characteristics, but does not have as its objective sustainable investment

## (c) Environmental or social characteristics of the financial products

The Fund invests its assets in innovative companies following a generalist approach, with the objective of capturing market opportunities in line with its investment strategy. This approach is complemented by an assessment of the environmental, social and corporate governance ("ESG") information of target companies, with the aim of promoting the environmental and social characteristics of the Fund.

The Fund promotes the following environmental and social characteristics:

- Gender equality
- Energy efficiency and the use of energy from sustainable sources
- Quality and skilled employment
- Sustainable innovation

The characteristics promoted are aligned with the following United Nations Sustainable Development Goals (SDGs), respectively: SDG 5 – Gender Equality; SDG 7 – Affordable and Clean Energy; SDG 8 – Decent Work and Economic Growth; and SDG 9 – Industry, Innovation and Infrastructure.

A minimum of 80% of the portfolio investments will be allocated to companies that exhibit characteristics consistent with at least one of the aforementioned environmental and social characteristics. Furthermore, the Fund may invest, up to a maximum of 20% of its portfolio, in companies that do not satisfy any of the characteristics described above.

If, as a result of the periodic monitoring carried out by the Management Company, one of the portfolio companies is found not to be aligned with the environmental and social characteristics promoted by the Fund, the Management

Company will undertake **active engagement initiatives** aimed at fostering the achievement of performance levels consistent with at least one of such characteristics.

Engagement activities may vary depending on the type of characteristics under review and the specific rights that the Management Company may exercise on behalf of the Fund, taking into account its role as an investor in the relevant company, as well as the other features of the investment transaction (for example, whether the Fund acts as a lead investor or co-investor, the nature of the instruments held, and the rights attached thereto).

## (d) Investment Strategy

The Fund's strategy for promoting environmental and social characteristics invests at least **80% of its portfolio** in companies that satisfy at least one of the characteristics promoted by the Fund. This level is determined through an assessment based on the performance of the **Key Performance Indicators (KPIs)** associated with each environmental and social characteristic promoted by the Fund.

This analysis, carried out during the ESG due diligence phase, is intended to assess the degree of integration of environmental and social characteristics within the target companies' business models, as well as the sustainability risks to which they may be potentially exposed.

Where, during the periodic monitoring process, a company achieves a score below the minimum performance threshold across all characteristics promoted by the Fund, short-term action plans will be defined in agreement with the company's management and monitored throughout the investment holding period, with the objective of fostering the achievement of performance levels consistent with at least one of the characteristics promoted by the Fund[1].

In assessing the Fund's investments, the Management Company also carries out a screening process aimed at excluding investments in companies operating in sectors that have a demonstrated negative impact on society and/or the environment. In particular, in accordance with the Regulation, investments in the following sectors are excluded:

I. Companies or entities involved in the production, trade, storage, sale, transfer, import, export, or any other activity or service associated therewith (including technological research) relating to "Controversial Weapons" or key components (structural components, support services, etc.) of any such weapons systems. "Controversial Weapons" shall include the following categories of weapons: nuclear weapons, chemical weapons, biological weapons, depleted uranium weapons, anti-personnel mines, anti-tank mines, cluster munitions and submunitions / cluster bombs or munitions;
II. Cultivation, processing, or distribution of tobacco and tobacco-related products (e.g., cigarettes, cigars, pipe tobacco);
III. Production or distribution, through any channel, of pornographic material;
IV. Activities and services that facilitate or promote prostitution, including advertising thereof;
V. Exploration, extraction, processing, treatment, storage, distribution, and trading of thermal coal. Generation of energy from coal;
VI. Exploration, extraction, processing, treatment, storage, refining, distribution, and trading of fuel oil. Generation of energy from fuel oil;
VII. Companies whose activities are directly or indirectly aimed (e.g., through support services) at producing goods or providing services related to gambling activities (e.g., slot machines, casinos, etc.);
VIII. Production or trading of asbestos or asbestos-related products.

Furthermore, the Fund does not invest its assets in Target Companies that exhibit one or more of the

[1] The assessment of compliance with the environmental and social characteristics adopted by the Fund is performed with reference to each individual portfolio company and not on a portfolio-wide basis. In particular, the minimum threshold of **80%** applies to companies that satisfy at least one of the environmental and social characteristics described above. Investments that do not satisfy any of the environmental and social characteristics adopted by the Fund will therefore be included within the remaining **20%** of the portfolio.

following characteristics:

I. are resident in, incorporated under the laws of, operating from, or acting on behalf of persons or entities resident in, incorporated under the laws of, or operating from countries or territories subject to Sanctions in breach of the international sanctions framework (including, therefore, Embargoed Jurisdictions);

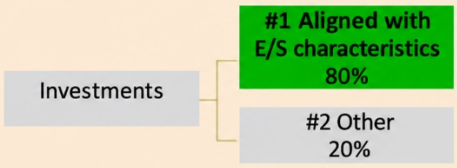
II. are directly or indirectly subject to, or affected by, Sanctions that restrict or prohibit their financial and/or commercial operations;

The Fund may not invest in Target Companies that are not consistent with the principles underlying socially responsible investments, understood as investments characterised by high standards of transparency, integrity and appropriateness, as defined under the Invest Europe (formerly EVCA guidelines).

Potential investments are assessed against a number of specific indicators designed to evaluate compliance with good governance practices, including, by way of example, the existence of a Code of Ethics, the absence of anti-competitive practices, the adoption of measures aimed at preventing corruption, the implementation of organisational models pursuant to Legislative Decree 231/2001, and the adoption of risk management policies.

**(e) Proportion of investments**

The Fund invests in Target Companies that comply with the binding elements and the investment strategy described above, with a minimum allocation of 80% of its assets. Up to 20% of the Fund may be allocated to assets that do not promote environmental and social characteristics. Examples of such assets may include derivative financial instruments, cash holdings, and investments that do not comply with the environmental and social characteristics promoted by the Fund.




**#1 Aligned with E/S characteristics**: includes the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product.

**#2 Other:** includes the remaining investments of the financial product that are not aligned with environmental or social characteristics, nor are considered sustainable investments.

The **category #1 Aligned with E/S characteristics** includes:
- the sub-category **#1A Sustainable**, which includes sustainable investments with environmental or social objectives;
- the sub-category **#1B Other E/S characteristics**, which includes investments aligned with environmental or social characteristics that are not considered sustainable investments.

**(f) Monitoring of environmental or social characteristics**

During the ex-ante ESG assessment phase and during the ex post monitoring phase, carried out at least annually, the Management Company's Investment Team applies an investment assessment and monitoring

model based on qualitative and quantitative indicators that are consistent with industry best practices and applicable regulations.
In particular, the Company assesses the level of alignment of each portfolio company with the environmental and social characteristics promoted by the Fund through a proprietary methodology based on specific Key Performance Indicators (KPIs) and predefined minimum performance thresholds

As part of the active monitoring of the contribution made by portfolio companies to the environmental and social characteristics promoted by the Fund, the Investment Team may engage in dialogue with such companies and request additional documentation to further support and deepen its assessment

**(g) Methodologies for environmental or social characteristics**

The Company assesses the level of alignment of each portfolio company with the environmental and social characteristics promoted by the Fund through a proprietary methodology based on specific Key Performance Indicators (KPIs) and predefined minimum performance thresholds.

In particular, the KPIs used to measure compliance with the environmental and social characteristics promoted by the Fund include, for example, the following:

- Indicators linked to the “Gender Equality” characteristic: (i) percentage of the underrepresented gender among the total members of the Board of Directors; (ii) percentage of the underrepresented gender among senior managers / first-level executives; (iii) percentage of the underrepresented gender relative to the total workforce; (iv) adoption of a Diversity & Inclusion policy;
- Indicators linked to the “Energy Efficiency and Use of Energy from Sustainable Sources” characteristic: (i) energy intensity; (ii) existence of energy efficiency certifications and/or an environmental policy including commitments relating to energy efficiency; (iii) contribution of the product or service provided to energy efficiency;
- KPIs linked to the “Quality and Skilled Employment” characteristic: (i) number of jobs created during the year; (ii) percentage of employees with permanent employment contracts; (iii) adoption of a Code of Ethics or an equivalent document;
- KPIs linked to the “Sustainable Innovation” characteristic: (i) number of patents registered and/or innovative services and/or products introduced to the market over a three-year period; (ii) number of employees involved in innovation projects as a percentage of total employees; (iii) research and development expenditure as a percentage of total costs.

This assessment framework is used by the Management Company to identify the ability of portfolio companies to promote environmental and social characteristics, with a view to determining their eligibility for inclusion within the 80% allocation of investments promoting environmental and social characteristics (i.e., a company that achieves the minimum contribution score for at least one environmental and/or social characteristic among those promoted by the Fund).

**(h) Data sources and processing**

- *the data sources used to attain each of the environmental or social characteristics promoted by the*

*financial product*

Data are collected annually through standardised questionnaires issued to company representatives, who undertake to complete and provide the information required to assess the contribution to the environmental and social characteristics promoted by the Fund.

- *the measures taken to ensure data quality*

Once received, the data provided are subject to a data quality review process carried out by the Management Company's Investment Team, with the support of the Sustainability Team. Where inconsistencies are identified (e.g., the presence of outliers or inconsistencies in historical data series), the Management Company engages with the target companies to request clarifications and additional information.

- *Data processing methodology*

Data are provided by the Target Companies through confidential documentation and are stored within the Management Company's internal digital systems.

- *Proportion of estimated data*

The Management Company is committed to using only data that are accurate and relate to the relevant reporting period. However, it reserves the right, as a measure of last resort, to rely on estimated data where such information is unavailable due to circumstances that are not directly attributable to the Management Company.

**(i) Limitations to methodologies and data**

Given the Fund's investment strategy, the availability of data required to measure compliance with the environmental and social characteristics promoted by the Fund depends on the adoption of appropriate ESG reporting systems by the Target Companies, as well as on their ability to collect reliable, robust and timely data.
The Management Company is committed to support all portfolio companies in the implementation of appropriate improvement measures if only partial alignment with the aforementioned characteristics are identified.

**(j) Due Diligence**

The ESG Due Diligence process carried out by the Management Company on target companies is structured to systematically assess the quality of sustainability safeguards and their alignment with the environmental and social characteristics promoted by the Fund.
First, the level of adoption of good governance policies and tools is assessed, including codes of ethics, anti-corruption safeguards and internal control mechanisms. These elements are considered essential to ensure that companies operate within a structured framework and in compliance with the requirements applicable to Article 8 SFDR products.
The specific contribution of each company to the environmental and social characteristics promoted by the Fund is assessed through the proprietary tool used by the Investment Team with the support of the Sustainability Team.

**(k) Engagement policies**

Engagement and active dialogue with portfolio companies represent an essential component of the Fund's strategy. Where significant shortcomings are identified in a company's contribution to the environmental and social characteristics promoted by the Fund, the Management Company

will monitor the ESG profile of portfolio companies in order to foster their sustainable growth and gather ongoing feedback to support the further development of the strategy, while maintaining a transparent and continuous dialogue.
If, as a result of the periodic monitoring carried out by the Management Company, a portfolio company is found not to be aligned with the environmental and social characteristics promoted by the Fund, the Management Company will undertake active engagement initiatives aimed at fostering the achievement of performance levels consistent with at least one of such characteristics.

## (I) Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.