

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:

Generali Investment SICAV – Sycomore
Sustainable European Equity

Legal entity identifier:

549300FC30FNMIBUX492

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No

☐ It will make a minimum of **sustainable investments with an environmental objective:** ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Sub-fund promotes environmental and social characteristics pursuant to Article 8 of the Regulation (EU) 2019/2088 by investing with a Socially and Responsible Investment (**SRI**) process, in listed equities from European companies that demonstrate superior ESG performance based on the Investment Manager's proprietary methodology.

In addition, the Investment Manager aims at having an overall better result at a Sub-fund Level compared to the MSCI Europe – Net Total Return Index, the Sub-fund's ("**Benchmark**") on the Net Environmental Contribution (NEC) and the GHG intensity.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of the social and environmental characteristics promoted by the Sub-fund are:

- The share of securities within the portfolio with exposure to economic activities set out in the Investment Manager's SRI exclusion policy (as described in the "*What investment strategy does this financial product follow?*" question below).
- The investee companies' overall Controversy Rating (as described in the "*what investment strategy does this financial product follow?*" question below);
- The investee companies' overall SPICE (i.e. Suppliers & Society, People, Investors, Clients and Environment)¹¹ rating
- The Sub-fund's overall Net Environmental Contribution (NEC)¹² compared to that of the Benchmark;
- The Sub-fund's overall Greenhouse Gas (GHG) intensity¹³ compared to that of the Benchmark;

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investments that the Sub-fund partially intends to make aim to finance companies that make a positive contribution to environmental and social issues through their products and services or their sustainable practices. An investment is identified as having a positive contribution if it meets the minimum score for at least one of the metrics defined in the Investment Manager's definition of a sustainable investment.

Companies identified as sustainable investments must not cause significant adverse impacts and must follow good governance practices.

The Investment Manager (Sycomore AM) uses its internal definition to assess all companies qualified as sustainable investments. Further information can be found in the Investment Manager's ESG integration policy¹⁴.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Sub-fund does not invest in any company involved in activities identified in the Investment Manager's SRI exclusion policy for their controversial social or environmental impacts, in companies affected by a level 3/3 controversy and in companies with a SPICE rating equal or less than 3/5.

Four layers are implemented to avoid occurrence of significant harm to any environmental or social sustainable investment objective, on an *ex ante* basis, prior to any investment-decision. Indeed, investments targeted by one or more of the criteria below will not be considered as a sustainable investment:

1. **As per the Investment Manager's SRI exclusion policy:** activities are excluded for their controversial social or environmental impacts, as defined in Sycomore AM's core

¹¹ More information can be found on the website page indicated at the end of this document

¹² More information can be found on the website page indicated at the end of this document

¹³ More information can be found on the website page indicated at the end of this document

¹⁴ <https://en.sycomore-am.com/download/381500688>

policy (applicable to all Sycomore AM's direct investments), and in the Socially Responsible Investment Policy (SRI) policy (applicable to all open-ended UCITs, mandates and dedicated funds managed according to an SRI strategy).

2. **Companies affected by a level 3/3 controversy:** such companies are considered in violation of one of the principles of the United Nations' Global Compact.
3. **SPICE rating below 3/5:** The SPICE methodology covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the draft Regulatory Technical Standards. A lower rating, below 3/5, indicates a lower sustainability performance on one or more adverse impacts; and,
4. **As per Sycomore AM's Principle Adverse Impact (PAI) policy:** a PAI policy applied to identify further potential significant harm across environmental and social matters targeted by the PAI indicators listed in Table 1 of Annex I is implemented. Companies meeting any exclusion criterion regarding GHG emissions, biodiversity, water, waste, gender equality, UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance, or controversial weapons, will be reported as "not sustainable".

Upon meeting the criteria required to be considered as "sustainable" as described under this section and the following subsections, the investment in a company is considered as included in the sustainable investments portion of the portfolio.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Adverse impacts on sustainability factors involve indicators at two levels:

1. **For sustainable investments only: a PAI policy** directly drawing from indicators of Table 1 of Annex I and any relevant indicators in Tables 2 and 3.
2. **For all investments of the financial product** invested exclusively in equities of listed companies: the SPICE analysis framework, going through all issues targeted by all adverse sustainability indicators, with ability to use them to feed the analysis.

PAI policy: each sustainability factor targeted by Table 1 of Annex I was associated with an exclusion criterion. Details of these exclusion criteria are provided in the Investment Manager's PAI policy¹⁵.

SPICE rating: The SPICE methodology covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within Annex I of the Commission Delegated Regulation (EU) 2022/1288.

More specifically, Sycomore AM's fundamental analysis model SPICE, is an integrated model, allowing to get a holistic view of companies of the **investment universe**. It was built taking into account the Organisation for Economic Cooperation and Development ("**OECD**") guidelines for Multinational Enterprises. It fully integrates ESG factors to capture how companies are managing adverse impacts as well as key sustainable opportunities following a double materiality approach.

Exclusion policy: finally, Sycomore AM's exclusion policy targets adverse sustainability impact indicators including controversial weapons, exposure to fossil fuel sector, chemical pesticide production, and more broadly was drafted to target companies in breach of the UN Global Compact ("**UNGC**") principles and OECD Guidelines for Multinational Enterprises.

Once the analysis – SPICE analysis including review of controversies, exclusion policy compliance – is performed, it impacts investment decisions in the following ways:

¹⁵ <https://en.sycomore-am.com/download/1709414913>

- As indicated in the previous question, it provides a safeguard against significant harm to any sustainable investment objective, by excluding companies not meeting minimum safeguard requirements, i.e., a company attaining a SPICE overall rating equal to or less than 3/5 is excluded, or a company exposed to any economic activity mentioned in Sycomore AM's exclusion policy;
- It also impacts the financial investment case in two ways: 1. assumptions related to the company's prospects (growth and profitability forecasts, liabilities, M&A, etc.) can be fed by certain SPICE outputs as relevant, and 2. some core assumptions of valuation models are systematically linked to SPICE outputs.

— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The development of Sycomore AM's analysis framework "SPICE" as well as the exclusion policy have been inspired by the OECD's Guidelines for multinational companies, the UNGC principles, the International Labour Organization's international standards and the UN Guiding Principles on Business and Human Rights. To assess the fundamental value of a company, analysts systematically examine how a firm interacts with its stakeholders. This fundamental analysis is designed to understand strategic challenges, business models, management quality and degree of involvement, and the risks and opportunities faced by the company. Sycomore AM has also defined its Human Rights Policy in compliance with the UN Guiding Principles on Business and Human Rights.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, as indicated in the previous sub-section, principal adverse impacts ("**PAIs**"), as well as all other adverse impacts, are considered for any investment excluding in:

- Ancillary Liquid Assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions, and
- cash equivalents (i.e., bank deposits, Money Market Instruments, money market fund), pursuant to the Sub-fund Investment Policy, and
- government bonds, corporate bonds, convertibles and participation rights, that are not subject to the SRI process) of the portfolio through SPICE analysis and outputs, complemented by Sycomore AM's exclusion policy.

For all investments of the financial product: the SPICE analysis framework, going through all issues targeted by all adverse sustainability indicators, with ability to use them to feed the analysis.

Among 14 PAIs indicators, 9 are environmental indicators addressed within the E section of SPICE analysis, 2 are social indicators addressed within the P section of SPICE analysis, and 3 are targeted by the company's exclusion policy.

In addition, to qualify as a sustainable investment, any investment must comply with the PAI policy specifically addressing principal adverse impacts.

More information on how PAI are considered during the reference period will be made available in the periodic reporting of the Sub-fund.

☐ No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Sub-fund's investment strategy is based on a portfolio exposure of at least 90% to listed equities issued by European companies. These equities are selected based on a thorough fundamental analysis of companies, without sector or capitalisation restrictions. The process of researching and selecting stocks in the investment universe includes binding extra-financial criteria.

Negative screening or "exclusions"

■ The Investment Manager's exclusion policy

The Investment Manager excludes companies involved in activities identified in the Investment Manager's SRI exclusion policy for their controversial social or environmental impacts. Those activities restricted for their controversial social or environmental impacts, as defined and revised annually in Sycomore AM's core policy (applicable to all Sycomore AM's direct investments), and in the Socially Responsible Investment Policy (SRI) policy (applicable to all open-ended UCITs, mandates and dedicated funds managed according to an SRI strategy) such as violation violations of fundamental rights, controversial and nuclear weapons, conventional weapons and ammunitions, thermal coal, tobacco, pesticides, pornography, carbon-intensive energy generation, oil & gas.

■ Controversy Rating

The Investment Manager carries out a full monitoring of the controversies impacting the companies based on several sources of external data. The controversies are integrated to the Investment Manager's analysis tool and matched with the SPICE criteria. Each controversy is assigned a rating from 0 to 3 based on the severity, type and status of the controversy, and on the company's attitude and reaction to the event. The Investment Manager excludes companies that affected by a level 3/3 controversy.

Positive screening

■ SPICE rating

ESG analysis, being simultaneously and fully integrated into the investment process, is conducted through the Investment Manager (Sycomore Asset Management)'s proprietary "SPICE" methodology. SPICE is the acronym for the Investment Manager's extra-financial methodology. It aims in particular to understand the distribution of the value created by a company between all its stakeholders (society and suppliers, people – i.e. employees, investors, clients and environment), the Investment Manager's conviction being that an equitable sharing of the value between its stakeholders is determinant to ensure its sustainable growth. This methodology leads to a SPICE rating from 1 to 5 (5 being the highest rate).

Through the integration of ESG criteria into the investment strategy of the Sub-fund, the Investment Manager aims at identifying risks and opportunities to which companies are exposed following a double materiality approach, and more specifically:

- On the Environment, the E pillar (which represents at least 20% of the SPICE rating) assesses how companies take into account the preservation of the environment in the management of their activities as well as in their offer of products and services. It also looks at how the environment may affect the company's business. It fully integrates the analysis of the exposure to transition and physical risks;

- On the Social, the P, S and C pillars (which represent at least 20% and up to 40% of the SPICE rating) aim at understanding how companies incorporate risks and opportunities related to human capital, suppliers and clients relationships as well as the society at large. In particular, the respect of working rights, the health and safety of the employees, the quality of the working environment, the societal contribution of the products and services, the capacity of companies to contribute to quality jobs creation and the respect of human rights in the entire value chain of companies are key issues covered through the analysis.

On the Governance, the I pillar (which represents 40% of the SPICE rating, of which 50% is dedicated to the Governance, i.e. Governance represents 20% of the SPICE rating) looks at how companies acknowledge the interests of all stakeholders by sharing value equitably. It notably includes the analysis of the governance structure, the alignment of the top management with the strategy as well as the quality of the integration of sustainability issues into the strategy.

The SPICE analysis covers at least 90% of the net assets of the Sub-fund (excluding government bonds and cash) and is applied on an ongoing basis. The Investment Manager selects companies that attain an overall SPICE rating strictly above 3/5. The average SPICE rating of the Sub-fund shall constantly be higher than the average SPICE rating of its Initial Investment Universe after eliminating at least 25% of initial securities ranking the worst in terms of SPICE rating.

Monitoring exposure and/or contribution to SDGs

The SPICE methodology also contributes to analyzing a company's exposure and/or contribution to the United Nations SDGs:

- Within the People pillar, the approach to evaluating human capital in the company refers explicitly to SDGs 3, 4, 5, 8 and 10 on social issues such as health, lifelong learning, gender equality, full employment, decent work and reducing inequality.
- Within the Society & Suppliers pillar, the assessment of the societal contribution is based on the analysis of positive and negative contributions from business activities under 4 pillars (access and inclusion, health and security, economic and human progress and employment) and refers explicitly to SDGs 1, 3, 4, 6, 7, 8, 9, 10, 11, 12, 16 and 17.
- Within the Environment pillar, the assessment of the net environmental contribution (NEC) analyses the positive and negative impacts of companies and their products and services on 5 issues (climate, biodiversity, water, waste/resources and air quality) directly related to environmental SDGs 2, 6, 7, 9, 11, 12, 13, 14 and 15.

The Sub-fund also undertakes to report annually on the portfolio companies' exposure to SDGs through their products and services.

Environmental performance against the Benchmark

In the framework of the SRI label, the Investment Manager aims at having an overall better result at a Sub-fund level compared to the Sub-fund's Benchmark on the two following factors based on the Environment pillar:

- The Net Environmental Contribution (NEC);
- Green House Gas (GHG) intensity.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements are the application of the negative screening, the positive screening, and the enhanced environmental performance against the Benchmark, and include the following:

- Excluding investments in companies exposed to economic activities set out under the Investment Manager's SRI exclusion policy;
- Excluding investments in companies affected by a level 3/3 controversy;
- Selecting companies that attain an overall SPICE rating strictly above 3/5. The average SPICE rating of the Sub-fund shall constantly be higher than the average SPICE rating of its initial investment universe after eliminating at least 25% of initial securities ranking the worst in terms of SPICE rating;
- An overall better result at a Sub-fund level compared to the Benchmark on the Net Environmental Contribution (NEC) and the GHG intensity indicators.

In addition, the Sub-fund commits to the following binding element:

- At least 50% of the net assets of the Sub-fund are invested in sustainable investments, of which at least 1% are with an environmental objective, and at least 1% are with a social objective. The criteria for qualifying an investment as a 'sustainable investment' are set out in the question above 'What are the objectives of the sustainable investments that the financial product partially intends to achieve and how do these investments contribute to these objectives?' and the quantitative and qualitative thresholds are set out in the sustainable investment definition available in the Investment Manager's ESG integration policy¹⁶.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The weighted average SPICE rating of the Sub-fund has to be significantly higher (i.e. better) than the average SPICE rating of its initial investment universe. This implies that the weighted average SPICE rating of the Sub-fund may in no case be lower than the average SPICE rating of the initial investment universe after elimination of the 25% worst companies.

The initial universe is made up of listed equities issued by mainly European companies securities covered by our ESG data providers, plus a minority of additional securities covered by a proprietary analysis carried out by our analysts. These data are used to establish ratings according to our SPICE methodology and may be supplemented as required by internal analyses based mainly on information published by companies and other external sources.

● ***What is the policy to assess good governance practices of the investee companies?***

Governance is part of the SPICE analysis, including a dedicated governance section within the Investors "I" section involving a significant focus on management structures, and governance items embedded into the other parts of the analysis framework, notably employee relations and remuneration of staff within the People "P" section, and tax practices within the Society & Suppliers "S" section. Overall governance of issues

¹⁶ <https://en.sycomore-am.com/download/381500688>

associated with each type of stakeholder (Society, People, Investors, Clients and the Environment) is addressed in each according section.

Further requirements to exclude from the investable universe insufficient governance practices from the “G” section, associated with a minimum threshold, can be found in Sycomore AM’s exclusion policy.



Asset allocation describes the share of in investments specific assets.

What is the asset allocation planned for this financial product?

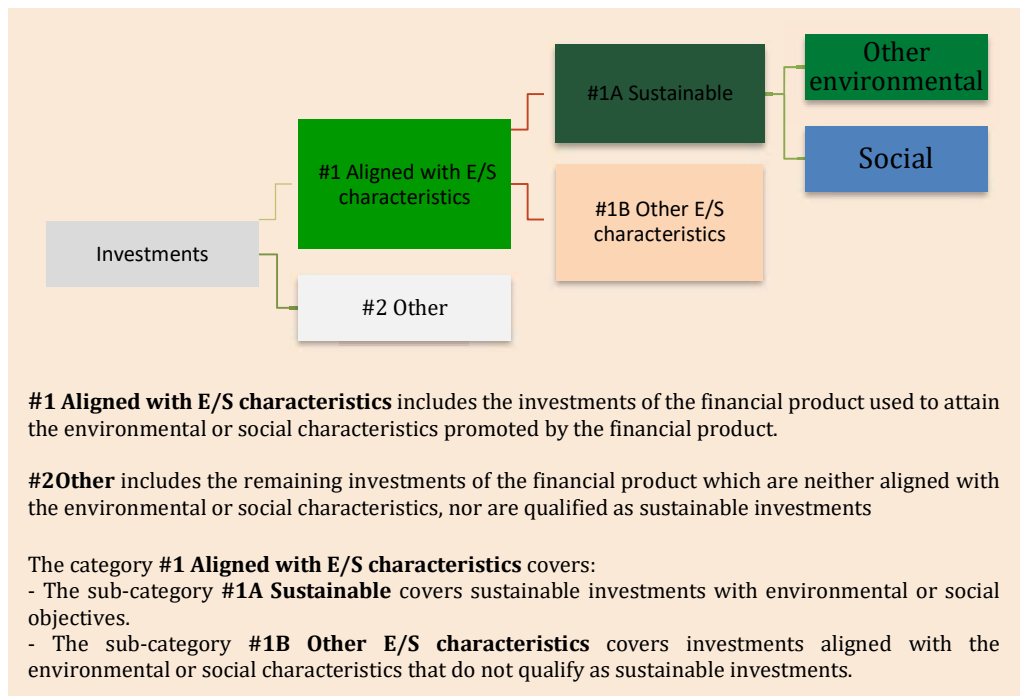
Under normal market conditions, a minimum of 90% of the Sub-fund’s net assets will be invested in equity securities that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics).

Furthermore, a minimum of least 50% of the net assets of the Sub-fund are invested in sustainable investments, of which at least 1% are with an environmental objective, and at least 1% are with a social objective (#1A Sustainable).

The remaining 10% of the Sub-fund’s net assets will be invested in other instruments as further described in the question: “*What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?”* (#2 Other).

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

In managing the Sub-fund, the Investment Manager will only invest temporarily and on an ancillary basis in derivative financial instruments as described in Appendix A, for hedging or for efficient portfolio management purposes, as described in the Investment Manager’s ESG integration policy¹⁷.

¹⁷ <https://en.sycomore-am.com/download/381500688>

The use of the derivatives must be compliant and consistent with the Sub-fund's long-term objectives. The use of the derivatives cannot lead to significantly or lastingly distort the ESG process. The Sub-fund may not hold a short position via derivatives in a stock selected through the ESG selection process.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-fund does not currently commit to invest in any “sustainable investment” within the meaning of the EU Taxonomy. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹⁸?

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

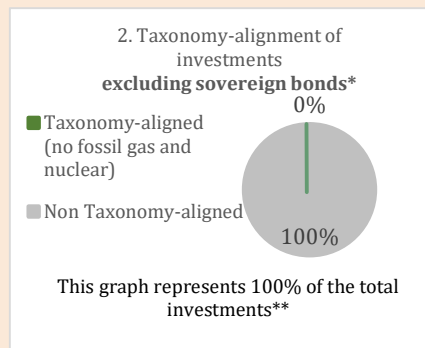
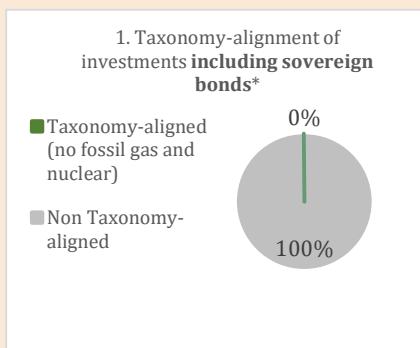
☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds




For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures. This percentage is purely indicative and may vary.

What is the minimum share of investments in transitional and enabling activities?

As the Sub-fund does not commit to invest any “sustainable investment” within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

¹⁸ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-fund promotes environmental and social characteristics and partially commits to make a minimum of 50% of its net assets in sustainable investments of which at least 1% are with a social objective and at least 1% are with environmental objective. As a consequence, the Sub-fund commits to a minimum share of 1% of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The Sub-fund will make a minimal commitment regarding a minimum share of investments in sustainable investments with a social objective (at least 1%).



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The “#2 Other” investments and/or holdings of the Sub-fund are comprised, directly or indirectly, of securities whose issuers are not subject to the SRI process described above considering those investments and/or holdings are not part of the core investments of the Sub-fund.

The #2 Other non-core investments include (i) Ancillary Liquid Assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions, and (ii) cash equivalents (i.e., bank deposits, Money Market Instruments, money market fund), pursuant to the Sub-fund Investment Policy, and (ii) government bonds, corporate bonds, convertibles and participation rights, UCITS or UCIs compliant with the provisions set out in Article 41 (1) e) of the UCI Law.

There are minimum environmental and social safeguards in respect of the (i) government bonds, corporate bonds, convertibles and participation rights, considering in-house ESG filters still applies and/or (ii) UCITS, UCIs Money Market Instruments, money market fund considering French SRI certification or equivalent in a member State of the European Union is required.

No minimum environmental or social safeguards are applied to the remaining “other” investments and/or holdings.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

More product information can be found on the website:

https://gipcdp.generalicloud.net/static/documents/GIS_Sycomore_Sustainable_European_Equity_Art10_Website_disclosures_EN.pdf