

SUB-FUND A (FINANCIAL PRODUCT) LEVEL SFDR WEB DISCLOSURES

INVEN CAPITAL, SICAV, a.s. is a venture capital fund with its registered office at Pod křížkem 1773/2, 147 00, Prague, Czech Republic (the “Fund” or “Inven”). The Fund has four sub-funds as of 1.1.2023 (“Sub-funds”) which are separate financial products. These disclosures are relevant to the sub-fund Inven Capital – Podfond A (“Sub-Fund A”) which was established as of 1.2.2018.

These disclosures are prepared according to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”) and the Delegated regulation (EU) 2022/1288 (“RTS”). The aim of these regulations is to provide more transparency to investors on sustainability risk integration, on the consideration of adverse sustainability impacts in the investment processes and on the promotion of environmental, social and/or governance (“ESG”) factors. It requires financial market participants to disclose specific ESG-related information to investors on their websites.

Sustainability risks are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investments.

Inven ESG policy is a document describing how Inven considers ESG factors in its investment process and is available in the “Info for Investors” section of our website.

[Sustainability related disclosures for financial products that promote environmental or social characteristics \(Article 24 of the delegated regulation \(EU\) 2022/1288, i.e. RTS\)](#)

For financial products that promote environmental or social characteristics, financial market participants shall publish the information referred to in Article 10(1) of Regulation (EU) 2019/2088 and Articles 25 to 36 of the Delegated regulation (EU) 2022/1288.

1. Summary

Sub-Fund A is currently in its divestment phase and does not invest into new companies. During its investment phase Sub-Fund A invested into later-stage climate tech start-ups with resilient business models.

Sub-Fund A evaluates commitment of its portfolio companies towards ESG practices and considers principal adverse sustainability impacts as defined in SFDR but performs also an ESG assessment which includes the application of a proprietary ESG assessment tool for screening ESG risks (“ESG framework”).

Inven’s ESG framework is applicable throughout the whole investment process including sourcing investment opportunities, pre-investment due diligence, portfolio management as well as exit processes.

Our methodology consists of 10 clusters portraying different topics the start-up should take into considerations: general environment, carbon footprint, material management, supply chain, employees, customers, community, diversity and inclusion, general governance, board of directors. Initially we perform a screening of the start-up’s ESG readiness and collect ESG data (please refer to Inven ESG policy for a list of collected KPIs) to analyze them and evaluate them using scores. Based on the results we formulate an ESG evaluation conclusion that we work with in the subsequent portfolio management.

We first present red flags and potential opportunities to the start-up leadership team and conduct an ESG workshop for them. Later we perform annual assessment to detect progress in the risk and opportunity areas that we have discussed.

The above methodology and KPIs are described in detail in the document Inven ESG policy document available in the Info for Investors section of our website. Our ESG policy is regularly updated based on market and regulatory developments. To stay up to date we are partnering with leading global communities such as VentureESG group, Global Impact Tech Alliance, Leaders for Climate Action and Worldfavor.

2. No sustainable investment objective

Sub-Fund A assesses environmental and social characteristics and has invested into companies with good governance practices but does not have sustainable investment as its objective. Therefore, investments underlying Sub-fund A do not take into account the EU criteria for environmentally sustainable economic activities. We do not commit to invest into taxonomy aligned investments.

Sub-Fund A considers principal adverse sustainability impacts as defined in SFDR but performs also an internal ESG assessment which includes the application of proprietary ESG assessment tools to assess ESG risks and opportunities.

3. Environmental or social characteristics of the financial product

We are committed to investing in a responsible way by actively integrating environmental, social and governance considerations into our existing portfolio companies in accordance with Article 8 of SFDR. Specifically, we aim at:

- a) supporting these companies with the process of defining their own ESG strategy and policy as well as their implementation,
- b) ensuring that the companies in which the Sub-Fund A has invested ideally benefit investors, society and the environment.

4. Investment strategy

Sub-Fund A has been in the divestment phase since the 1st of January 2022. During its investment phase it invested into later- stage start-ups in climate-tech sector with resilient and scalable business models.

We invested in companies in European Union, UK and Israel. We usually participated in Series A to Series C financing rounds and acquired minority stakes in investee companies, ideally gaining a board membership simultaneously.

During our investment process we eliminated companies involved in any excluded activities as defined in Inven's ESG policy. As part of our subsequent due diligence process, we performed anti-bribery and anti-corruption due diligence (ABAC), financial, tax, legal, technical and HR due diligence. Later during the year 2022 we started to assess start-up's commitment towards ESG goals and evaluate the start-up using our ESG framework consisting of ESG questionnaire and interviews.

We actively support our portfolio companies in the process of designing their ESG strategy and policies, and setting meaningful ESG goals, which we monitor on regular basis.

5. Proportion of investments

Sub-Fund A only makes direct investments in portfolio companies, and hence does not invest in derivatives or any other financial instruments.

6. Monitoring of environmental or social characteristics

Sub-Fund A performs a qualitative assessment of defined ESG KPIs on a regular basis (at least annually) through data collection and interviews with the portfolio companies.

7. Methodologies

Sub-Fund A ESG assessment and management methodology was developed in cooperation with:

- a) [GITA: The Global Impact Tech Alliance](#)
- b) [VentureESG](#).

8. Data sources and processing

We collect data directly from our portfolio companies as they are not publicly available for start-up companies. The data is collected through a Worldfavor platform and during subsequent interviews performed by investment managers that use reasonable efforts to quality check the reported data.

9. Limitations to methodologies and data

Limitations to the methodologies and data referred to in the above sections include but are not limited to absence of certain data as we invest in start-up companies that are often in process of building their reporting systems and defining KPIs to collect, human error in the provision of data due to possible lack of reporting applications. We expect the data quality and availability to continuously improve as the start-ups mature and implement more advanced reporting processes/systems.

10. Due diligence

As Sub-Fund A does not invest into new companies anymore, it does not perform due diligence.

11. Engagement policies

Inven's investment managers actively engage with target/portfolio during the ownership period. Being a venture capital investor, the Sub-Fund A typically holds minority interests in portfolio companies and therefore can have a limited influence on the decision making of the portfolio company.

When we hold a seat at the board of directors of a portfolio company, we also try to ensure that ESG related topics are included in the board of director's agendas. Even when we are not present at the board try to support the portfolio company based on their individual needs.

12. Designated reference benchmark

Sub-Fund A pursues an active investment management strategy and therefore does not invest by reference to any index and does not intend to do so.