

SUB-FUND D (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 D (“Sub-Fund D”) which was established as of 1.1.2023.

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 D invests into later-stage climate tech start-ups with resilient business models and commitment towards ESG practices.

Sub-Fund D promotes environmental and social characteristics but does not have as its objective a sustainable investment. The Fund considers principal adverse sustainability impacts as defined in SFDR and also follows an ESG assessment which includes the application of a proprietary ESG assessment tool for screening ESG risks (“ESG framework”).

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

During the sourcing phase we verify that the start-up is not active in any of the excluded business activities listed in Inven ESG policy.

During the pre-investment phase we also perform anti-bribery and anti-corruption due diligence on the target companies.

We aim to bring up ESG early in the process of a due diligence in order to get a sense of the founders’ mindset and the general start-ups approach towards ESG management. 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.

During the holding period 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 will be 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 D promotes environmental and social characteristics and invests into companies with good governance practices but does not have sustainable investment as its objective. Therefore, investments underlying Sub-fund D 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 D considers principal adverse sustainability impacts as defined in SFDR and performs also an 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

Our investment strategy intends to promote environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices in accordance with Article 8 of SFDR.

We are committed to investing in a responsible way by actively integrating environmental, social and governance considerations into our investment selection and ongoing monitoring process. Specifically, we aim at:

- a) investing into companies where we see a commitment towards ESG goals,
- b) supporting these companies with the process of defining their own ESG strategy and policy as well as their implementation,
- c) ensuring that the companies in which the Sub-Fund D invests ideally benefit investors, society and the environment.

4. Investment strategy

We invest into later- stage start-ups in climate-tech sector with resilient and scalable business models and responsible ESG practices.

We invest in companies in Europe Union. We usually participate in Series A to Series C financing rounds and acquire minority stakes in investee companies, ideally gaining a board membership simultaneously.

During our investment process we eliminate companies involved in any excluded activities as defined in Inven's ESG policy. As part of our subsequent due diligence process, we perform anti-bribery and anti-corruption due diligence (ABAC), financial, tax, legal, technical and HR due diligence. We also assess start-up's commitment towards ESG goals and evaluate the start-up using our ESG framework consisting of ESG questionnaire and interviews. We include ESG matters in investment proposals/ termsheet, discuss them during the investment committee meetings and reflect them in the investment agreements with the portfolio companies.

Later during the holding period, 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 D 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 D will perform 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 D 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 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

During the pre-investment phase we perform ESG assessment leveraging our proprietary ESG due diligence tools simultaneously with other due diligence procedures. The results of the ESG due diligence are presented and discussed in the investment committee and are considered as one of the key factors in deciding whether or not to invest.

The ESG due diligence process aims to identify risks from ESG factors and areas for ESG engagement post-investment with the goal to protect value for our investors and help the start-up set up a responsible ESG policy.

11. Engagement policies

Inven's investment managers actively engage with target/portfolio companies both through the due diligence process and the ownership period. Being a venture capital investor, the Sub-Fund D 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 D pursues an active investment management strategy and therefore does not invest by reference to any index and does not intend to do so.