

ANNEX 2

2023 periodic 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: Inven Capital – Podfond B (“Sub-Fund B”)
 Legal entity identifier: 75160706 (NIČ of Sub-Fund B)

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Environmental and social characteristics promoted by Sub-Fund B

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 (REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019).

Sub-Fund B is committed to investing in a responsible way by actively integrating environmental, social and governance considerations into our investment selection and ongoing monitoring process. Specifically, Sub-Fund B aims 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 B invests ideally benefit investors, society and the environment.

We monitor several metrics during our investment process that are listed in our ESG policy (document Inven ESG policy) published on our website www.invencapital.cz in the section Info for Investors.

The ESG metrics we consider in our investment process can be divided into the following areas: general environment, carbon footprint, material management, supply chain, employees, customers, community, diversity and inclusion, general governance and board of directors.

● ***How did the sustainability indicators perform?***

Performance of ESG characteristics promoted by Sub-Fund B

Even though we invested into Sub-Fund B portfolio companies between 2018-2020, i.e. before the SFDR regulation came into force, we considered a number of sustainability indicators during our investment process. First, we ensured that the activities of our portfolio companies did not belong to a list of excluded activities (e.g. activities harming the environment and society, child labor, weapons production etc) as defined in Sub-Fund B statute. Then, we also checked that the companies we invest in benefit the society or environment in some way.

After we formulated our ESG policy and framework in a structured way during 2022 (as described in detail in our Inven ESG policy on our website), we approached our portfolio companies with ESG data questionnaires and held interviews with them to determine their approach to ESG.

In 2023, we implemented Worldfavor, a professional sustainability data collection platform and conducted the first data collection in June 2023 for the period 2022. Based on this data, we published a statement on the principle adverse sustainability impacts of our portfolio companies according to Annex 1 of the Commission Regulation (EU) 2022/1288 in June 2023.

At the beginning of 2024, we carried out a second data collection through the Worldfavor platform. An overview of the data we thus obtained from our portfolio companies for the year 2023 is summarized in several broad categories below. A comparison with the 2022 data obtained in June 2023 is also shown here.

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

In 2024 we collected data from 6 out of the total of 7 portfolio companies that comprised Sub-Fund B as of the end of 2023, i.e. from 86% portfolio companies that comprise 99% of Sub-Fund B fair value. We will strive to get data from all our portfolio companies in the next reporting period.

General commitment towards ESG

A commitment towards ESG goals was demonstrated in 86% of portfolio companies in 2023, i.e. in all companies that reported data to us.

Environmental metrics

86% of Sub-Fund B companies promote environmental characteristics. All monitored companies paid attention to climate change. Their activities included a range of activities from measuring their carbon footprint and setting goals for its reduction, through the supervision of the board of directors on the fulfillment of environmental goals or the assessment of risks resulting from global warming.

29% of Subfund B companies measured their carbon footprint (scope 1 to 3) in 2023, the same as in 2022.

Furthermore, almost half of the portfolio companies of Subfund B (43%) have waste management initiatives, as in 2022. The same number of companies use renewable energy sources, as in 2022.

Social metrics

86% of Subfund B companies promote social characteristics. In the social area, we focused in particular on the analysis of the workforce, the supply chain and guidelines in the field of data protection and IT.

Subfund B companies employed an average of 33% women in 2023, in 2022 it was 34%. In management positions, on average, it was 19% women in 2023, compared to 18% in 2022. The majority (86%) of Sub-Fund B's portfolio measured their employee satisfaction in 2023, the same as in 2022. Employee turnover increased in 2023 to an average of 28%, in 2022 it was reported at an average of 9%.

In 2023, 57% of Sub-Fund B companies had the HR Directive, the same as in 2022.

In 2023, 71% of portfolio companies of Subfund B had a supply chain directive, in 2022 it was 57% of companies.

In 2023 and 2022, 86% of the portfolio companies of Subfund B had a directive regarding the handling of personal data.

71% of companies had a directive regulating IT security in 2023, the same as in 2022.

Governance metrics

In the area of governance, we monitored the functioning of the board of directors and the existence of some basic mechanisms such as whistleblowing and anti-corruption measures.

43% of Subfund B companies had at least one independent board member in 2023, compared to 29% in 2022.

71% of companies have a whistleblowing mechanism in place, the same as in 2022. 71% of companies formulated an anti-corruption policy in 2023, which represents an increase from 57% of companies in 2022. Code of conduct policies were present at 86% of companies in 2023, as in in 2022.

● **...and compared to previous periods?**

Comparing the years 2023 and 2022, we see similar results in promoting the environmental and social properties of the product. A comparison of individual indicators with the year 2022 is given for individual indicators in the section above.

Data collection is also coordinated with other investors in companies, and there is a noticeable tendency to limit the number of collected indicators. More and more emphasis is placed on indicators relevant to the given company.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives

Sub-Fund B didn't intend to make any sustainable investments in 2023.

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.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

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

Sub-Fund B didn't intend to make any sustainable investments in 2023.

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

Sub-Fund B didn't intend to make any sustainable investments in 2023.



How did this financial product consider principal adverse impacts on sustainability factors?

Even though Sub-Fund B did not make any sustainable investments, it considered the principal adverse indicators on sustainability. It published the Principal adverse sustainability impacts statement defined in Appendix 1 of COMMISSION DELEGATED REGULATION (EU) 2022/1288 on Inven's website ([Inven Capital](#)) in the section Info for investors in June 2023.

Sub-Fund B considers the following adverse sustainability impacts:

- greenhouse gases emissions,
- carbon footprint,
- the intensity of greenhouse gas emissions of companies in which investments are made,
- exposure to companies operating in the fossil fuel sector,
- share of energy consumption and production from non-renewable sources,
- the intensity of energy consumption by sector with a high impact on the climate,
- activities with a negative impact on areas sensitive to biological diversity,
- emissions into water,
- share of hazardous waste and radioactive waste,
- violation of the principles of the United Nations Global Compact and the guidelines of the Organization for Economic Co-operation and Development (OECD) for multinational enterprises,
- missing procedures and mechanisms for monitoring compliance with the principles of the UN Global Compact and OECD guidelines for multinational enterprises,
- the unadjusted difference in the remuneration of women and men,
- gender diversity in the board of directors,
- exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons),
- investments in companies without initiatives to reduce carbon emissions,
- missing supplier code of conduct,
- missing policies in the area of combating corruption and bribery.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **1.1.2023-31.12.2023**

Largest investments	Sector	% Assets	Country
Zolar	EVs installations	41%	Germany
Woltair	EVs,HVAC installations	18%	Czech Republic
Forto	Logistics	14%	Germany
Tado	Energy efficiency	12%	Germany

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

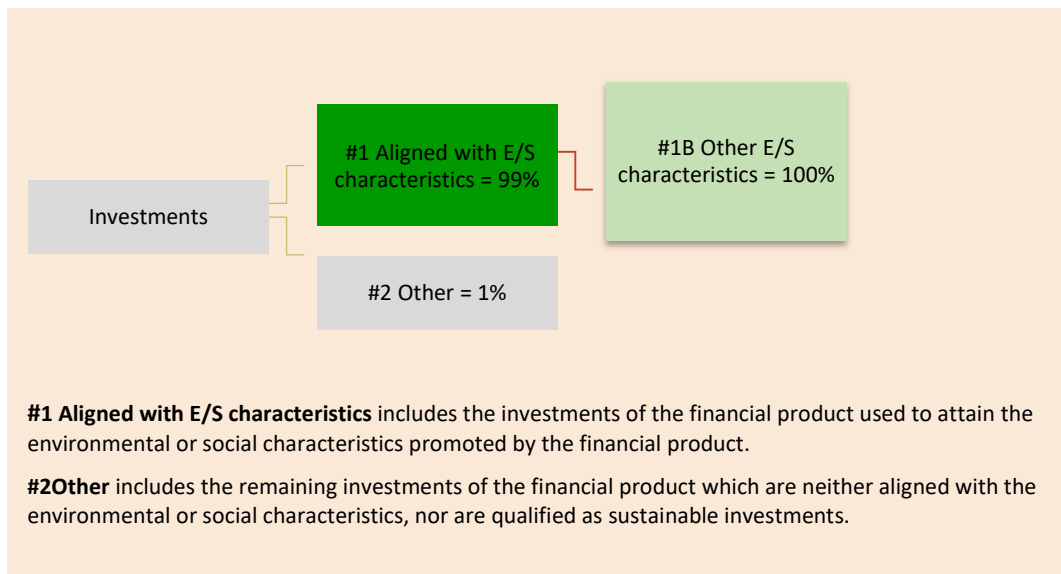
Any other sustainable investments must also not significantly harm any environmental or social objectives.



What was the proportion of sustainability-related investments?

Sub-Fund B had not made a commitment to do sustainable investments with a social objective.

● What was the asset allocation?



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

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Note: **#2 Other** includes one portfolio company that we did not gather data from.

● In which economic sectors were the investments made?

The investments were made into the following sectors:

- hydrogen production,
- electromobility,
- logistics,
- EVs and heatpumps installations,
- energy consumption optimization,
- AI.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

Asset allocation describes the share of investments in specific assets.

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.



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

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

- Yes
 - In fossil gas
 - In nuclear energy
- No

Sub-Fund B does not pursue the goal of sustainable investments in the reference period, however, it is gradually preparing to implement the screening of sustainable economic activities at its portfolio companies in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework for facilitating sustainable investments, as amended (EU Taxonomy"). Due to the lack of available data and the readiness of companies to report this data, we consider the compliance of Sub-Fund B's portfolio with the EU taxonomy to be 0% by the end of 2023. The companies in which Sub-Fund B has invested are private start-ups whose data is usually not publicly available.

Sub-Fund B will present the results of the screening of sustainable economic activities according to the EU Taxonomy for its portfolio companies in the following periods.

- **What was the share of investments made in transitional and enabling activities?**

There were no investments in transitional and enabling activities.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Currently, it is not the intention of Sub-Fund B to make sustainable investments. The percentage share of these investments has therefore not changed compared to the previous reference period.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Sub-Fund B doesn't hold sustainable investments with an environmental objective.



What was the share of socially sustainable investments?

Sub-Fund B didn't intend to make any sustainable investments in 2023.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under „other“ are investments that we did not collect data from in 2023. This is a company that mainly develops an IT product, it underwent a pre-investment review and a screening for prohibited activities. In the next reference period, we will try to obtain and evaluate the data.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Inven's investment managers were actively monitoring the activities of portfolio companies and participated in the meetings of the boards of directors of these companies (in most companies, Inven has a member on the board of directors). In 2023, investment managers presented the results of their sustainability data collection to their portfolio companies and presented Inven's sustainability strategy. Inven evaluated companies' approach to sustainability using the Worldfavor reporting platform, its questionnaires and subsequent interviews with company representatives. Based on the evaluation of the established facts, Inven helps its portfolio companies set priorities and goals in the field of sustainability depending on the individual needs of each company.

Regular monitoring of sustainability indicators will take place annually in the first half of the year for the previous year.



How did this financial product perform compared to the reference benchmark?

We haven't designated any reference benchmark to compare environmental and social characteristics of this financial product.

- ***How does the reference benchmark differ from a broad market index?***

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

- ***How did this financial product perform compared with the broad market index?***

N/A