



ASSET
MANAGEMENT

WEBSITE PRODUCT DISCLOSURE FOR FINANCIAL
PRODUCTS REFERRED IN ARTICLE 8 (1-2A) REGULATION
(EU) 2019/2088 AND ARTICLE 5 OF REGULATION (EU)
2020/852



Product name: INVL Private Equity Capital Fund II (hereinafter – “the Feeder Fund”)

Legal entity identifier: N/A

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 ____% 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

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

☐ YES	☒ NO
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I Summary

The Feeder Fund invests in INVL Private Equity Fund II (hereinafter – “the Master Fund”). As further explained in this document, the Feeder fund’s sustainability disclosure essentially reflects the information disclosed by the Master fund. The Feeder Fund promotes the same environmental or social characteristics as the Master Fund, since its investment strategy is fully aligned with that of the Master Fund. The Master Fund is responsible for all investment decisions, including investment selection, the application of sustainability criteria, and the integration of sustainability risks into the investment process. Accordingly, the role of the Feeder Fund is limited to providing transparency to investors on how the environmental and social characteristics of the Master fund are promoted, without itself carrying out separate investment or risk management processes.

The Master Fund invests in companies that can benefit from INVL support; the Master Fund strives to develop regional market leaders. The Master Fund seeks control positions either by itself or with like-minded partners, or significant minority stake with certain control mechanisms enshrined in legal documentation.

The relevant characteristics promoted by the Master Fund consist of investing in, and scaling, solutions with positive environmental and social impact, as measured by sustainability indicators and promoting sustainable practices in portfolio companies.

The Master Fund expects that portfolio companies develop plans to reach specific sustainability targets in areas which is most relevant based on Sustainability Accounting Standards Board (“SASB”) materiality map and industry in which portfolio company operates.

Master Fund will highlight that the biggest focus should be put on:

- GHG emissions intensity reduction: the Master Fund promotes reduction of GHG emissions intensity at the portfolio company, focusing on Scope 1 and Scope 2 emissions.
- Reduce negative environmental or social impact created by companies in which the Master Fund has invested in each portfolio company is examined during the investment cycle. The Master Fund is identifying the key findings in a variety of categories in each of the E/S/G parameters as deemed relevant and applicable given the particularities of the portfolio company itself and the industry it operates in. Given the identified ESG profile, KPIs are established for portfolio companies aiming to improve environmental or social impact.
- Governance: portfolio companies are expected to have a Master Fundamental sustainability governance platform as well as a sustainability board champion to ensure strategic commitment to a sustainability strategy at the board level. Additional expectations include conducting a materiality analysis and having a strategy aiming to achieve at least one ambitious target which is specific to the business model or material sustainability opportunities of the portfolio company.

To assess, measure and monitor the environmental and social characteristics promoted by the Master Fund, it is required by the portfolio companies to disclose progress on the following core KPIs and track their journey and performance over the ownership period:

- Scope 1&2 GHG emissions intensity
- Company-specific ESG KPIs
- Share of the companies with ESG policies
- To track the overall ESG progress of portfolio companies during the investment cycle, the Master Fund uses a proprietary tool – internal ESG Index. In accordance with the Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, and amending Regulations (EU) 2019/2088 and (EU) 2023/2859, the Master Fund's ESG Index will be used exclusively internally and is not intended for public disclosure.

Promoting environmental and social characteristics and sustainability in general is part of the consideration of all investment decisions made in the Master Fund. More specifically, the Master Fund uses the following binding elements to select investments to attain the social and environmental characteristics promoted by the Master Fund:

- Application of the exclusion criteria in INVL Responsible Investment & Sustainability Risk Integration Policy and Master Fund's own exclusion list.
Evaluation of ESG risks and potential issues in the screening phase.
- ESG due diligence assessing selected sustainability criteria:
 - Overview of the Environmental, Social and Governance aspects
 - Established ESG KPIs given the identified ESG profile
 - Identified contributions of the Target to Sustainable Development Goals ("SDGs")
 - Improvement Plan
 - Master Fund's internal ESG Index (scoring of E / S / G topics).
- Engagement with the portfolio company in creating ESG strategy and on ESG related issues.
- Implementation of ESG policy and ESG metrics to ensure business sustainability and value creating opportunities.
- Guiding the portfolio companies to reduce negative sustainability impact and identify opportunities.

It is anticipated that a substantial proportion (being at least 90 %) of the Master Fund's investments by invested capital will promote environmental and social characteristics according to the binding element of the investment strategy.

Monitoring of environmental and social characteristics is carried out at the level of the Master Fund in accordance with the Master Fund's procedures. Internal and external control measures include a comprehensive ESG check in accordance with Invest Europe recommendations, completion of questionnaires, preparation of ESG assessment documents, and approval by the Investment Committee. The entire ESG assessment and monitoring process is continuously monitored, updated, and reviewed in the event of changes.

The Master Fund's investment team works closely with the management of portfolio companies, advising them on ESG issues, among other things, and helping to implement data collection mechanisms and prepare performance improvement plans. Although ESG data is obtained directly from companies, its quality may be limited due to the immaturity of sustainability disclosure. However, the Master Fund considers that these limitations do not have a material impact on the achievement of environmental or social objectives, as continuous monitoring and data reliability are ensured.

Finally, the Master Fund's management company has adopted a Stewardship and Voting Policy, which is mandatory for all products managed by the Management company and is publicly available on its website. Its application ensures a consistent, transparent, and effective engagement process that enables the pursuit of environmental and social objectives across all portfolio companies.

It should be noted that ESG factors are only one of many aspects that the Master Fund takes into account when making investment decisions, and in certain circumstances other aspects may be more important than sustainability aspects. The integration of ESG factors is an important part of the Master Fund's investment management, but it does not replace the primary investment objective of prioritizing financial returns for clients. It is also important to note that the integration of ESG indicators does not guarantee better financial results for investments and is not the primary investment objective.

Kopsavilkums

Finansujošais fonds investē fondā INVL Private Equity Fund II (turpmāk – "Fonds"). Kā sīkāk izskaidrots šajā dokumentā, Finansujošā fonda ilgtspējas informācijas atklāšana būtībā atspoguļo Fonda sniegto informāciju. Finansujošais fonds veicina tās pašas vides vai sociālās iezīmes kā Fonds, jo tā ieguldījumu stratēģija ir pilnībā saskaņota ar Fonda stratēģiju. Fonds ir atbildīgs par visiem ieguldījumu lēmumiem, tostarp ieguldījumu atlasī, ilgtspējas kritēriju piemērošanu un ilgtspējas risku integrēšanu ieguldījumu procesā. Attiecīgi Finansujošā fonda loma ir ierobežota ar pārredzamības nodrošināšanu investoriem par to, kā tiek veicinātas Fonda vides un sociālās iezīmes, pašam neveicot atsevišķus ieguldījumu vai risku vadības procesus.

Fonds investē uzņēmumos, kas var gūt labumu no INVL atbalsta; Fonds cenšas attīstīt reģionālos tirgus līderus. Fonds cenšas iegūt kontrolpaketes vai nu pats, vai kopā ar domubiedriem, vai arī nozīmīgas mazākuma daļas ar noteiktiem kontroles mehānismiem, kas ietverti juridiskajos dokumentos.

Fonda veicinātās būtiskās iezīmes ir investīcijas un mēroga palielināšana risinājumos, kam ir pozitīva ietekme uz vidi un sabiedrību, ko novērtē pēc ilgtspējas rādītājiem, un ilgtspējīgas prakses veicināšana portfeļa uzņēmumos.

Fonds sagaida, ka portfeļa uzņēmumi izstrādās plānus, lai sasniegtu konkrētus ilgtspējas mērķus jomās, kas ir visnozīmīgākās, pamatojoties uz Ilgtspējas grāmatvedības standartu padomes (SASB) būtiskuma karti un nozari, kurā portfeļa uzņēmums darbojas.

Fonds uzsvērs, ka galvenā uzmanība jāpievērš:

- Siltumnīcefekta gāzu emisiju intensitātes samazināšanai: fonds veicina siltumnīcefekta gāzu emisiju intensitātes samazināšanu portfeļa uzņēmumā, koncentrējoties uz 1. un
- Negatīvās ietekmes uz vidi vai sabiedrību samazināšana, ko rada uzņēmumi, kuros Fonds ir veicis ieguldījumus katrā portfeļa uzņēmumā, tiek pārbaudīta ieguldījumu cikla laikā. Fonds identificē galvenos secinājumus dažādās kategorijās katrā no E/S/G parametriem, kas tiek uzskatīti par atbilstošiem un piemērojamiem, ņemot vērā portfeļa uzņēmuma un nozares, kurā tas darbojas, īpatnības. Ņemot vērā identificēto ESG profilu, portfeļa uzņēmumiem tiek noteikti KPI, kuru mērķis ir uzlabot ietekmi uz vidi vai sabiedrību.
- Pārvaldība: no portfeļa uzņēmumiem tiek sagaidīts, ka tiem ir Master Fundamentāla ilgtspējīgas pārvaldības platforma, kā arī ilgtspējīgas attīstības padomes vadītājs, lai nodrošinātu stratēģisku apņemšanos īstenot ilgtspējīgas attīstības stratēģiju padomes līmenī. Papildu prasības ietver būtiskuma analīzes veikšanu un stratēģijas izstrādi, kuras mērķis ir sasniegt vismaz vienu ambiciozu mērķi, kas ir specifisks portfeļa uzņēmuma biznesa model

Lai novērtētu, izmēritu un uzraudzītu fonda veicinātās vides un sociālās īpašības, portfeļa uzņēmumiem ir jāatklāj progress attiecībā uz šādiem galvenajiem KPI un jāuzrauga to attīstība un sniegums īpašumtiesību periodā:

- un 2. līmeņa siltumnīcefekta gāzu emisiju intensitāte
- Uzņēmumam specifiski ESG KPI
- Uzņēmumu daļa, kam ir ESG politika
- Lai izsekotu portfeļa uzņēmumu kopējo ESG progresu investīciju cikla laikā, fonds izmanto paša izstrādātu rīku – iekšējo ESG indeksu. Saskaņā ar Eiropas Parlamenta un Padomes 2024. gada 27. novembra Regulu (ES) 2024/3005 par vides, sociālās atbildības un pārvaldības (ESG) reitingu darbību pārredzamību un integritāti un ar ko groza Regulas (ES) 2019/2088 un (ES) 2023/2859, Fonda ESG indekss tiks izmantots tikai iekšēji un nav paredzēts publiskai izpaušanai.

Vides un sociālo raksturlielumu un ilgtspējības veicināšana kopumā ir daļa no visiem fonda pieņemtajiem investīciju lēmumiem. Konkrētāk, fonds izmanto šādus saistošus elementus, lai atlasītu investīcijas, kas atbilst fonda veicinātajiem sociālajiem un vides raksturlielumiem:

- INVL atbildīgo investīciju un ilgtspējības riska integrācijas politikā un fonda paša izslēgšanas sarakstā noteikto izslēgšanas kritēriju piemērošana.
- ESG risku un potenciālo problēmu novērtēšana atlases posmā.
- ESG pārbaude, novērtējot izvēlētos ilgtspējas kritērijus:
 - Pārskats par vides, sociālajiem un pārvaldības aspektiem
 - Noteikti ESG KPI, ņemot vērā identificēto ESG profilu
 - Identificētais mērķa ieguldījums ilgtspējīgas attīstības mērķos (SDG)
 - Uzlabošanas plāns
 - Fonda iekšējais ESG indekss (E / S / G tēmu novērtējums).
- Sadarbība ar portfeļa uzņēmumu ESG stratēģijas izstrādē un ESG saistītos jautājumos.
- ESG politikas un ESG rādītāju īstenošana, lai nodrošinātu uzņēmējdarbības ilgtspēju un vērtības radīšanas iespējas.
- Portfeļa uzņēmumu vadīšana, lai samazinātu negatīvo ietekmi uz ilgtspēju un identificētu iespējas.

Paredzams, ka ievērojama daļa (vismaz 90 %) no fonda ieguldījumiem pēc ieguldītā kapitāla veicinās vides un sociālās īpašības saskaņā ar ieguldījumu stratēģijas saistošo elementu.

Vides un sociālo īpašību uzraudzība tiek veikta fonda līmenī saskaņā ar fonda procedūrām. Iekšējās un ārējās kontroles pasākumi ietver visaptverošu ESG pārbaudi saskaņā ar Invest Europe ieteikumiem, anketu aizpildīšanu, ESG novērtējuma dokumentu sagatavošanu un apstiprināšanu Investīciju komitejā. Viss ESG novērtēšanas un uzraudzības process tiek nepārtraukti uzraudzīts, atjaunināts un pārskatīts, ja notiek izmaiņas.

Fonda investīciju komanda cieši sadarbojas ar portfeļa uzņēmumu vadību, konsultējot tos, cita starpā, par ESG jautājumiem un palīdzot ieviest datu vākšanas mehānismus un sagatavot darbības uzlabošanas plānus. Lai gan ESG dati tiek iegūti tieši no uzņēmumiem, to kvalitāte var būt ierobežota, jo ilgtspējas informācijas atklāšana vēl nav pilnībā attīstīta. Tomēr fonds uzskata, ka šie ierobežojumi būtiski neietekmē vides vai sociālo mērķu sasniegšanu, jo tiek nodrošināta nepārtraukta uzraudzība un datu uzticamība.

Visbeidzot, fonda pārvaldības sabiedrība ir pieņēmusi pārvaldības un balsošanas politiku, kas ir obligāta visiem pārvaldības sabiedrības pārvaldītajiem produktiem un ir publiski pieejama tās tīmekļa vietnē. Tās piemērošana nodrošina konsekventu, pārredzamu un efektīvu iesaistīšanās procesu, kas ļauj sasniegt vides un sociālos mērķus visos portfeļa uzņēmumos.

Jāatzīmē, ka ESG faktori ir tikai viens no daudziem aspektiem, ko Fonds ņem vērā, pieņemot ieguldījumu lēmumus, un noteiktos apstākļos citi aspekti var būt svarīgāki par ilgtspējības aspektiem. ESG faktoru integrācija ir svarīga daļa no Fonda ieguldījumu pārvaldības, taču tā neaizstāj galveno ieguldījumu mērķi – prioritizēt finanšu atdevi klientiem. Tāpat ir svarīgi atzīmēt, ka ESG rādītāju integrācija negarantē labākus finanšu rezultātus ieguldījumiem un nav galvenais ieguldījumu mērķis.

Kokkuvõte

Finantseeriv fond investeerib fondi INVL Private Equity Fund II (edaspidi – "Fond"). Nagu kāesolevas dokumentis üksikasjalikumalt selgitatud, peegeldab Finantseeriva fondi jätkusuutlikkuse teabe avalikustamine põhimõtteliselt Fondi avaldatud teavet. Finantseeriv fond edendab samu keskkonna- või sotsiaalseid omadusi nagu Fond, kuna selle investeerimisstrateegia on täielikult kooskõlas Fondi strateegiaga. Fond vastutab kõigi investeerimisotsuste eest, sealhulgas investeringute valiku, jätkusuutlikkuse kriteeriumide rakendamise ja jätkusuutlikkuse riskide integreerimise eest investeerimisprotsessi. Seega on Finantseeriva fondi roll piiratud investoritele läbipaistvuse tagamisega selle kohta, kuidas edendatakse Fondi keskkonna- ja sotsiaalseid omadusi, ilma et ta ise viiks läbi eraldi investeerimis- või riskijuhtimise protsessi.

Fond investeerib ettevõtetesse, mis saavad kasu INVL-i toetusest; fondi eesmärk on arendada piirkondlikke turuliidreid. Fond püüab saavutada kontrollpositsiooni kas ise või sarnaste partneritega või olulise vähemusosaluse koos teatavate kontrollimehhanismidega, mis on sätestatud juriidilistes dokumentides.

Fondi edendatavad asjakohased omadused hõlmavad investeerimist ja laiendamist lahendustesse, millel on positiivne keskkonna- ja sotsiaalne mõju, mida mõõdetakse jätkusuutlikkuse näitajate abil, ning jätkusuutlike tavade edendamist portfelli kuuluvates ettevõtetes.

Fond eeldab, et portfelli kuuluvad ettevõtted töötavad välja plaanid konkreetsete jätkusuutlikkuse eesmärkide saavutamiseks valdkondades, mis on kõige olulisemad vastavalt Jätkusuutlikkuse Raamatupidamisstandardite Nõukogu (Sustainability Accounting Standards Board, SASB) olulisuse kaardile ja portfelli kuuluva ettevõtte tegevusalale.

Fond rõhutab, et suurim tähelepanu tuleks pöörata järgmistele valdkondadele:

- Kasvuhoonegaaside heitkoguste intensiivsuse vähendamine: fond edendab kasvuhoonegaaside heitkoguste intensiivsuse vähendamist portfelli
- Fondi investeerimisringi jooksul uuritakse fondi investeerimisportfelli kuuluvate ettevõtete negatiivset keskkonna- või sotsiaalset mõju. Fond määrab kindlaks olulisemad järeldused mitmesugustes kategooriates iga E/S/G parameetri puhul, mida peetakse asjakohaseks ja kohaldatavaks, arvestades portfelli kuuluva ettevõtte iseärasusi ja tööstusharu, kus see tegutseb. Kindlaksmääratud ESG-profiili alusel kehtestatakse portfelli kuuluvatele ettevõtetele KPI-d, mille eesmärk on parandada keskkonna- või sotsiaalset mõju.
- Juhtimine: portfelli kuuluvatelt ettevõtetelt oodatakse, et neil oleks olemas põhjalik jätkusuutlikkuse juhtimise platvorm ning jätkusuutlikkuse eestvedaja juhatuses, et tagada strateegiline pühendumus jätkusuutlikkuse strateegiale juhatus tasandil. Lisaks oodatakse neilt olulisuse analüüsi läbiviimist ja strateegia olemasolu, mille eesmärk on saavutada vähemalt üks ambitsioonikas eesmärk, mis on spetsiifiline portfelli kuuluva ettevõtte ärimudelile või olul

Fondi poolt edendatavate keskkonna- ja sotsiaalsete omaduste hindamiseks, mõõtmiseks ja jälgimiseks peavad portfelli kuuluvad ettevõtted avaldama edusammud järgmiste põhiliste KPI-de osas ning jälgima oma arengut ja tulemuslikkust omandiperioodi jooksul:

- 1. ja 2. ulatuse kasvuhoonegaaside heitkoguste intensiivsus
- Ettevõttespetsiifilised ESG-KPI-d
- ESG-poliitika ettevõtete osakaal
- Portfelli kuuluvate ettevõtete üldise ESG-edusammude jälgimiseks investeerimistsükli jooksul kasutab fond omaenda vahendit – sisemist ESG-indeksit. Vastavalt Euroopa Parlamendi ja nõukogu 27. novembri 2024. aasta määrusele (EL) 2024/3005 keskkonna-, sotsiaal- ja juhtimistavade (ESG) reitingute läbipaistvuse ja terviklikkuse kohta ning määruste (EL) 2019/2088 ja (EL) 2023/2859 muutmise kohta kasutatakse fondi ESG-indeksit ainult sisemiselt ja seda ei ole mõeldud avalikuks avaldamiseks.

Keskkonna- ja sotsiaalsete omaduste ning üldise jätkusuutlikkuse edendamine on osa kõigist fondi poolt tehtavatest investeerimisotsustest. Täpsemalt kasutab fond järgmisi siduvaid elemente, et valida investeeringud, mis vastavad fondi poolt edendatavatele sotsiaalsetele ja keskkonnavalastele omadustele:

- INVL vastutustundliku investeerimise ja jätkusuutlikkuse riski integreerimise poliitika välistamiskriteeriumide ja fondi enda välistamismekirja kohaldamine.
- ESG-riskide ja potentsiaalsete probleemide hindamine sõelumisfaasis.
- ESG-nõuetekohane hoolsus, millega hinnatakse valitud jätkusuutlikkuse kriteeriume:
 - Ülevaade keskkonna-, sotsiaalsetest ja juhtimisaspektidest
 - Kindlaksmääratud ESG-KPI-d, arvestades kindlaksmääratud ESG-profiili
 - Sihtrühma kindlaksmääratud panus säästva arengu eesmärkide (SDG) saavutamisse
 - Parenduskava
 - Fondi sisemine ESG indeks (E / S / G teemade hindamine).
- Koostöö portfelli kuuluva ettevõttega ESG strateegia loomisel ja ESG-ga seotud küsimustes.
- ESG poliitika ja ESG mõõdikute rakendamine, et tagada äri jätkusuutlikkus ja väärtuse loomise võimalused.
- Portfelli kuuluvate ettevõtete juhendamine negatiivse jätkusuutlikkuse mõju vähendamiseks ja võimaluste kindlaksmääramiseks.

Eeldatakse, et oluline osa (vähemalt 90 %) fondi investeeringutest investeeritud kapitali järgi edendab keskkonna- ja sotsiaalseid omadusi vastavalt investeerimisstrateegia siduvale osale.

Keskkonna- ja sotsiaalsete omaduste järelevalve toimub fondi tasandil vastavalt fondi protseduuridele. Sise- ja väliskontrollimeetmed hõlmavad Invest Europe soovitude kohast põhjalikku ESG-kontrolli, küsimustike täitmist, ESG-hindamisdokumentide koostamist ja investeerimiskomitee heakskiitu. Kogu ESG-hindamis- ja järelevalveprotsessi jälgitakse pidevalt, ajakohastatakse ja muudatuste korral vaadatakse läbi.

Fondi investeerimismeeskond teeb tihedat koostööd portfelli kuuluvate ettevõtete juhtkonnaga, nõustades neid muu hulgas ESG-küsimustes ning aidates rakendada andmete kogumise mehhanisme ja koostada tulemuslikkuse parandamise kavasid. Kuigi ESG-andmed saadakse otse ettevõtetelt, võib nende kvaliteet olla piiratud jätkusuutlikkuse avalikustamise ebaküpsuse tõttu. Fond leiab siiski, et need piirangud ei mõjuta oluliselt keskkonna- või sotsiaalsete eesmärkide saavutamist, kuna tagatakse pidev järelevalve ja andmete usaldusväärsus.

Lõpuks on fondi valitseja võtnud kasutusele haldus- ja hääletamispoliitika, mis on kohustuslik kõigi valitseja hallatavate toodete puhul ja on avalikult kättesaadav tema veebisaidil. Selle rakendamine tagab järjepideva, läbipaistva ja tõhusa kaasamisprotsessi, mis võimaldab keskkonna- ja sotsiaalsete eesmärkide saavutamist kõigis portfelli kuuluvates ettevõtetes.

Tuleb märkida, et ESG-tegurid on vaid üks paljudest aspektidest, mida fond investeerimisotsuste tegemisel arvesse võtab, ning teatud asjaoludel võivad muud aspektid olla jätkusuutlikkuse aspektidest olulisemad. ESG-tegurite integreerimine on oluline osa

fondi investeeringute haldamisest, kuid see ei asenda peamist investeerimiseesmärki, milleks on klientide finantstulu prioriteetseks seadmine. Samuti on oluline märkida, et ESG-näitajate integreerimine ei taga investeeringute paremaid finantstulemusi ega ole peamine investeerimiseesmärk.

II No sustainable investment objective

Does the financial product have as its objective sustainable investment, and if so, how do such sustainable investments contribute to that objective?

Both Feeder Fund and this Master Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

III Environmental or social characteristics promoted of the financial product

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

The relevant characteristics promoted by the Master Fund consist of investing in, and scaling, solutions with positive environmental and social impact, as measured by sustainability indicators and promoting sustainable practices in portfolio companies.

The Master Fund expects that portfolio companies develop plans to reach specific sustainability targets in areas which are most relevant based on Sustainability Accounting Standards Board ("SASB") materiality map and industry in which portfolio company operates.

The Master Fund will highlight that the biggest focus should be put on:

- GHG emissions intensity reduction: the Master Fund promotes reduction of GHG emissions intensity at the portfolio company, focusing on Scope 1 and Scope 2 emissions.
- Reduce negative environmental or social impact created by companies in which the Master Fund has invested in each portfolio company is examined during the investment cycle. The Master Fund is identifying the key findings in a variety of categories in each of the E/S/G parameters as deemed relevant and applicable given the particularities of the portfolio company itself and the industry it operates in. Given the identified ESG profile, KPIs are established for portfolio companies aiming to improve environmental or social impact.
- Governance: portfolio companies are expected to have a Master Fundamental sustainability governance platform as well as a sustainability board champion to ensure strategic commitment to a sustainability strategy at the board level. Additional expectations include conducting a materiality analysis and having a strategy aiming to achieve at least one ambitious target which is specific to the business model or material sustainability opportunities of the portfolio company.

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

To assess, measure and monitor the environmental and social characteristics promoted by the Master Fund, it is required by the portfolio companies to disclose progress on the following core KPIs and track their journey and performance over the ownership period:

- Scope 1&2 GHG emissions intensity
- Company-specific ESG KPIs
- Share of the companies with ESG policies
- To track the overall ESG progress of portfolio companies during the investment cycle, the Master Fund uses a proprietary tool – internal ESG Index. In accordance with the Regulation (EU) 2024/3005 of the European Parliament and of the Council of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, and amending Regulations (EU) 2019/2088 and (EU) 2023/2859, the Master Fund's ESG Index will be used exclusively internally and is not intended for public disclosure.

The Feeder fund will monitor and report to investors on the sustainability indicators disclosed by the Master fund for measuring progress, to the extent that such information is provided to it by the Master fund.

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

- ✕ Yes, the Master Fund has integrated principal adverse impact indicators throughout the investment process, partly as a form of risk avoidance. Investment teams seek to identify principal adverse impacts of all new and existing investments, with the identification and prioritization of impacts depending on the industry sector. The Master Fund seeks to engage, promote and improve the overall awareness of principal adverse impacts and operating performance of investee companies. (In some cases new investments might do not have data to report on principal adverse impact indicators but Master Fund will put best efforts and help portfolio company to calculate these indicators).

The Feeder fund will monitor and report to investors on the Principal Adverse Impact (PAI) indicators disclosed by the Master fund for measuring progress, to the extent that such information is provided to it by the Master fund.

V Investment strategy

What investment strategy does this financial product follow?

The investment strategy of the Feeder Fund is to invest in the Master Fund.

The Master Fund invests in companies that can benefit from INVL support; the Master Fund strives to develop regional market leaders. The Master Fund seeks control positions either by itself or with like-minded partners, or significant minority stake with certain control mechanisms enshrined in legal documentation. The Master Fund in case it takes significant minority stake requires a suite of control and governance rights enshrined in legal documentation, ensuring (a) a decisive influence (or veto rights) on strategic and financing decisions of the company and (b) on the change the senior management team, and (c) appropriate protections, including control of the path to exit, e.g., through the drag-along rights or other mechanisms. Investment decisions within the Master Fund are made according to the binding elements of the investment strategy used to attain the listed environmental and social characteristics listed in section below.

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 Master Fund is exclusively responsible for the selection of investments.

The Master Fund uses the following elements to select investments to attain the social and environmental characteristics promoted by the Master Fund:

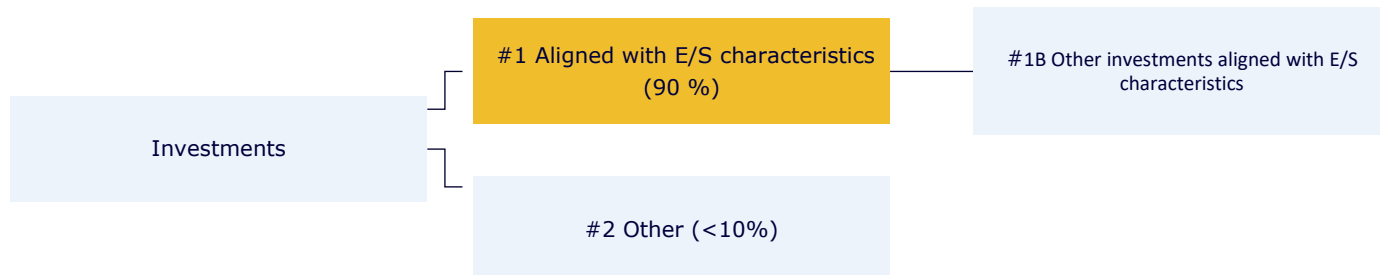
- Application of the exclusion criteria in INVL Responsible Investment & Sustainability Risk Integration Policy and Master Fund's own exclusion list.
- Evaluation of ESG risks and potential issues in the screening phase.
- ESG due diligence assessing selected sustainability criteria:
 - Overview of the Environmental, Social and Governance aspects
 - Established ESG KPIs given the identified ESG profile
 - Identified contributions of the Target to Sustainable Development Goals ("SDGs")
 - Improvement Plan
 - Master Fund's internal ESG Index (scoring of E / S / G topics).
- Engagement with the portfolio company in creating ESG strategy and on ESG related issues.
- Implementation of ESG policy and ESG metrics to ensure business sustainability and value creating opportunities.
- Guiding the portfolio companies to reduce negative sustainability impact and identify opportunities.

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

There is no fixed committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

VI Proportion of investments

The Feeder fund will allocate all of its investments to the Master fund. The Master fund intends to promote environmental and social characteristics with the majority of its investments (at least 90% based on invested capital). Neither the Feeder fund nor the Master fund commits to making investments that would be considered sustainable investments.



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

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

The category “**#1 Aligned with E/S characteristics investments**” includes:

- the subcategory “**#1B Other investments aligned with E/S characteristics**,” which consists of investments aligned with environmental or social characteristics that are not considered sustainable investments.

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

Neither the Feeder Fund, nor the Master Fund intend to use hedging or derivatives for investment purposes but may from time-to-time use derivative financial instruments such as futures, options, futures contracts and swaps (collectively “Derivatives”) to protect the Master Fund from fluctuations of interest rates, currency prices. The Derivatives will not be used as a mean to promote the environmental characteristics of the Master Fund, but the Master Fund does consider minimum ESG safeguards, including that the Derivatives must be traded on a regulated market or by private agreement (OTC) entered with first class financial institutions or reputable entities specialized in this type of transactions.

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

The Master Fund does not intend to make investments that are in environmentally sustainable economic activities as defined in Article 3 of Regulation (EU) 2020/852. Consequently, there will be no assurance provided by auditors or reviews conducted by third parties regarding compliance with the requirements laid down in the Regulation.

It cannot be excluded that some investments might be aligned with the Taxonomy criteria for environmentally sustainable economic activities. The Master Fund will monitor and report environmentally sustainable investments according to Regulatory Technical Standards.

The Master Fund’s strategy focuses on investing in various lower mid-market private equity firms. These companies typically operate in sectors or at scales where the level of environmentally sustainable economic activities is low. The Master Fund prioritizes financial performance and growth potential in these firms, which may not yet have the capacity or resources to align fully with the EU Taxonomy for environmentally sustainable activities.

The Master Fund does not plan to include sovereign exposures in its investment portfolio.

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..*

**1. Taxonomy-aligned of investments
including sovereign bonds***

**2. Taxonomy-alignment of investments
excluding sovereign bonds***

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

The Master Fund does not have sustainable investment objective and does not commit to make sustainable investments.

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

The Master Fund does not have sustainable investment objective and does not commit to make sustainable investments.

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

Both the Feeder Fund and the Master Fund may have cash and cash equivalents or other financial instruments in certain circumstances for liquidity management and/or hedging purposes. Since cash and cash equivalents are not intended for investment purposes, no specific environmental or social safeguards apply to them.

VII Monitoring environmental or social characteristics
How are the environmental and social characteristics monitored throughout the lifecycle of the financial product and the related internal/external control mechanisms?

The Feeder Fund does not make any investment decisions and relies on the procedures applied by the Master Fund. The Master Fund has integrated ESG considerations throughout the investment decision making process and the ownership period to ensure the Master Fund attains environmental and social characteristics. A pre-due diligence screening is carried out on all potential investments. Using an exclusion list, an investment is rejected if it is currently, or if it is likely to in the future, generate a significant share of its revenue from excluded industries or products. Next, the Master Fund conducts a comprehensive ESG due diligence to determine the sustainability proposition of the target business.

For all investments in the Master Fund, periodical ESG review will take place. Portfolio Company's ESG Assessment shall be updated in case any major developments / changes affecting the overall ESG risk profile occur.

Based on this assessment, the Master Fund works together with the Portfolio Company to ensure it aims to cover both the short-term issues identified as well as long-term KPIs. The KPIs are continuously monitored and reported. This is an important tool to drive progress. The Master Fund aggregates the findings from the individual company reports into a final Master Fund report that is communicated to investors. This report shall present the Portfolio Companies' ESG performance and the progress they make over time and identifies case examples of value creation.

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

An assessment of good governance practices, including management structure, employee relations, remuneration of staff and tax compliance, is part of the pre-investment due diligence.

Furthermore, the Master Fund has a comprehensive set of governance policies that all Portfolio Companies should adhere to (based on Invest Europe ESG DD Questionnaire). These represent the Master Fund's help guide action in critical areas such as anti-corruption and whistleblowing. All Portfolio Companies assign responsibility for ESG to a senior member of staff and make sure that relevant ESG issues are part of the agenda at board meetings.

VIII Methodologies

What are methodologies used to measure the attainment of the social or environmental characteristics promoted by the financial product using sustainability indicators?

The Master Fund's investment team applies a multi-stage procedure for integrating sustainability indicators into different investment cycles. The entire procedure is described in the Master Fund's ESG Procedure, which is provided to investors along with all other Master Fund documents.

Preliminary investment assessments are carried out using the Invest Europe questionnaire, which integrates key sustainability management issues and PAI indicators. A detailed ESG check based on Invest Europe is carried out alongside a legal, financial, and tax audit of potential investments. Based on the questionnaire, an ESG assessment document is prepared, covering key ESG risks and issues (ESG profile), ESG KPIs for investments to be pursued during the investment management period, and contribution to SDG goals. The ESG improvement plan is prepared taking into account the sustainability risks identified as relevant to the specific investment (if the investment does not have information on sustainability issues relevant to it, the Master Fund team may use SASB or other similar international methodologies to determine the relevance of the investment sector) and issues.

The ESG assessment document is submitted to the Investment Committee prior to the investment and its implementation is monitored during the investment management period. The Master Fund also uses an internal ESG performance tracking tool (ESG Index), which measures the performance of all investments in all ESG areas, assessing their progress from the start to the end of the investment. Due to regulatory restrictions, the the ESG Index itself is not disclosed to investors and is only monitored internally by the Master Fund team.

IX Data sources and processing

What data sources were used to attain each of the environmental or social characteristics (including information on how the data is processed, what measures are taken to ensure data quality, and what proportion of data is estimated)?

Information is obtained directly from Portfolio Companies. This data is processed and assessed by the relevant deal team, validated by each of the Portfolio Companies. Metrics, data (where available) are collected directly from Portfolio Companies and may be compared to industry or national averages where relevant to assess the Portfolio Company's performance relative to the rest of the country/industry. Estimations may be used where there is a lack of available data and will aim to reflect the true economic reality as closely as possible.

X Limitations to methodologies and data

What limitations surrounded the described methodologies and data sources (including what actions are taken to address such limitations).

The ESG data for the Master Fund is obtained directly from portfolio companies, but due to the maturity level of portfolio companies' sustainability and the lack of mandatory sustainability disclosure and auditing, the accuracy and quality of all data cannot be fully guaranteed. Despite these limitations in data sources, the Master Fund believes that this does not have a material impact on the achievement of the environmental or social characteristics promoted by the financial product, as the Master Fund team is actively involved in investment management, works closely with companies, and continuously monitors both financial and non-financial indicators, thus ensuring a high level of data reliability and the effective implementation of sustainability objectives.

XI Due diligence

What internal and external controls were in place on that due diligence?

The investment team of the Master Fund works in a collaborative manner, and knowledge sharing between team members is encouraged. Internally, team members discuss the findings of their due diligence to ensure their findings are interpreted consistently among the team. The main findings of the ESG due diligence are taken into consideration by the Investment Committee before a final investment recommendation is made. ESG specialist is involved to assist with ESG due diligence, implementation, and monitoring.

External control is ensured by conducting a comprehensive ESG check in accordance with Invest Europe recommendations – potential investment representatives are provided with a special questionnaire, which is completed together with other questionnaires: legal, financial, and tax.

XII Engagement policies

The management company of the Master Fund has approved a Stewardship and Voting Policy, which is mandatory for all products of the management company and is publicly available on the management company's website at <https://www.invl.com/apie-mus>. This ensures a consistent and transparent engagement process, enabling the effective pursuit of environmental and social characteristics across all portfolio companies.

Engagement activities are carried out on an ongoing basis and in close cooperation with the management of portfolio companies. The Master Fund's investment team is actively involved in the ESG assessment process, from detailed ESG screening to setting and monitoring ESG KPIs throughout the investment period. In cooperation with the management of each company, key ESG indicators are set and reviewed periodically, with progress monitored on an ongoing basis and results discussed with both the company's management and the Master Fund's investment committee. In addition, the Master Fund team advises portfolio companies on ESG data collection, progress plans, and the implementation of sustainability initiatives. The Master Fund team monitors how companies implement their ESG improvement plans and periodically reports on progress to the Investment Committee.

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

Version	Changes	Date
No. 1	Publication	2024-05-14
No. 2	Updated format, detailed procedures in accordance with the management company's updated internal procedures	2025-11-13