

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

Product name: **Invenio Partners Fund III SCSp**

Legal entity identifier: B300225

Environmental and/or social characteristics

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

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**

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

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

Invenio Partners Fund III SCSp is planning to promote environmental characteristics by encouraging resource and energy efficiency, monitoring emissions at firm and portfolio level, and supporting circular economy and sustainable sourcing models, while excluding harmful sectors. It is also planned to promote social characteristics through job creation, access to education and healthcare, fair labour standards, and the promotion of diversity and inclusion with a particular focus on women in leadership. These characteristics are reinforced by strong governance measures, including professional board structures, tax compliance, and the appointment of ESG officers in portfolio companies, and are aligned with the UN Global Compact and selected Sustainable Development Goals (3, 4, 5, 8, 9, 12 and 16). No reference benchmark has been designated for the attainment of these characteristics.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?** *Invenio Fund III SCSp doesn't intend to include sustainability indicators as it doesn't aim at making sustainable investments. However, it will promote environmental and social characteristics and will take ESG characteristics into consideration as part of the due diligence process on potential investments.*
- **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?** *N/A*
- **How do the sustainable investments that the financial product partially intends**

The sustainable investments of Invenio Partners Fund III SCSp are foreseen to be subject to a "do no significant harm" assessment. This is expected to include exclusions of harmful sectors, screening against principal adverse impact indicators, and the requirement for portfolio companies to adopt proportionate ESG policies and provide regular reporting. These measures are intended to ensure that sustainable investments do not undermine other environmental or social objectives.

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 EU criteria.

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

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

to make, not cause significant harm to any environmental or social sustainable investment objective? *Invenio Partners Fund III SCSp will not make sustainable investments but will promote environmental and social objectives. The investments of Invenio Partners Fund III SCSp are intended to be subject to a "do no significant harm" assessment in line with the SFDR framework. To support this objective, the Fund is expected to apply sector exclusions, such as tobacco, alcohol, military, gambling, and environmentally harmful activities,*

- — — *How have the indicators for adverse impacts on sustainability factors been taken into account? The indicators for adverse impacts on sustainability factors set out in Table 1 of Annex I of the SFDR Regulatory Technical Standards, and where relevant in Tables 2 and 3, are intended to be taken into account through the fund's ESG due diligence and monitoring framework. These indicators are expected to include greenhouse gas emissions, exposure to companies active in controversial sectors, board gender diversity, violations of UNGC principles or OECD Guidelines, and employee-related factors such as turnover and health and safety. Portfolio companies are foreseen to provide periodic data on these indicators, which will be reviewed at fund level in order to monitor and address material adverse impacts.*
- — — *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 indicators for adverse impacts on sustainability factors set out in Table 1 of Annex I of the SFDR Regulatory Technical Standards, and where relevant in Tables 2 and 3, are intended to be taken into account through the fund's future ESG due diligence and monitoring framework. These indicators are expected to include greenhouse gas emissions, exposure to companies active in controversial sectors, board gender diversity, violations of UNGC principles or OECD Guidelines, and employee-related factors such as turnover and health and safety. Portfolio companies are foreseen to provide periodic data on these indicators, which will be reviewed at fund level in order to monitor and address material adverse impacts.*

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.



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

- Yes
- No. *The targeted portfolio companies are entities in development stage and the fund doesn't intend to monitor PAIs. It is intended to include ESG analysis and due diligences when assessing a potential investment, along with exclusion list (as listed above).*

What investment strategy does this financial product follow? *Invenio Partners Fund III SCSp intends to follow a private equity investment strategy focused on lower mid-market companies in South-Eastern Europe. The strategy is expected to target equity investments in the range of EUR 5–10 million in sectors such as manufacturing, services, healthcare, and financial infrastructure, with the objective of supporting sustainable growth and value creation. The investment process is foreseen to include comprehensive financial, operational, and ESG due diligence prior to commitment, followed by active ownership with board representation and implementation of structured value creation plans. ESG considerations are intended to be integrated on a continuous basis through mandatory ESG onboarding of portfolio companies, the appointment of ESG officers, adoption of ESG policies, and periodic reporting on environmental, social, and governance indicators.*



- **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 of the investment strategy of Invenio Partners Fund III SCSp are intended to include the systematic integration of ESG due diligence prior to each investment, the application of sector exclusions covering activities such as tobacco, alcohol, gambling, military and environmentally harmful industries, and the requirement for portfolio companies to adopt proportionate ESG policies and appoint an ESG officer. These binding elements are foreseen to apply throughout the holding period to support the attainment of the environmental and social characteristics promoted by the financial product.*
- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?** *Invenio Partners Fund III SCSp does not commit to a minimum rate of reduction in the scope of investments. Instead, it applies binding sector exclusions and ESG due diligence as part of its investment strategy.*
- **What is the policy to assess good governance practices of the investee companies?** *Invenio Partners Fund III SCSp is intended to assess good governance practices of investee companies through due diligence of management structures, employee relations, tax compliance, and anti-corruption safeguards. After investment, portfolio companies are expected to adopt proportionate governance policies, establish professional board structures, and appoint ESG officers. Governance is foreseen to be monitored on an ongoing basis through board representation, regular reporting, and engagement with management teams.*

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

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

Invenio Partners Fund III SCSp does not commit to a minimum share of investments in transitional or enabling activities within the meaning of Regulation (EU) 2020/852. The minimum share is therefore 0%.

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 minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 10%. These investments contribute to environmental outcomes such as resource efficiency, circular economy and sustainable sourcing but are not Taxonomy-aligned, as the investee companies are predominantly small and mid-sized enterprises that are not subject to EU Taxonomy reporting obligations.



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 asset allocation planned for this financial product?

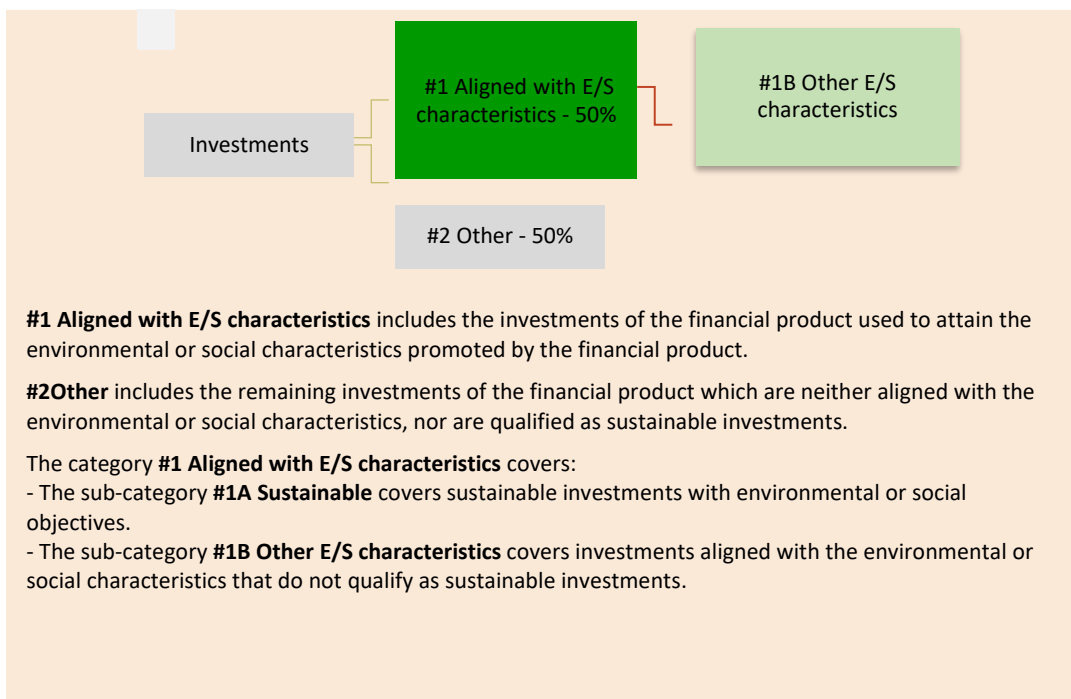
- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?** *Invenio Partners Fund III SCSp does not plan to use derivatives to attain the environmental or social characteristics it promotes.*



- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** *Invenio Partners Fund III SCSp does not commit to a minimum proportion of sustainable investments with an environmental objective that are aligned with the EU Taxonomy. Taxonomy alignment is expected to be 0% at this stage, as the fund plans to invest primarily in small and mid-sized enterprises in South-Eastern Europe that are not subject to EU Taxonomy reporting obligations. Where data becomes available, alignment will be assessed based on turnover, capital expenditure and operational expenditure in accordance with Article 6 of Regulation (EU) 2020/852.*

The graphical representations below show the minimum percentage of investments aligned with the EU Taxonomy. Both charts indicate that 0% of the investments are expected to be Taxonomy-aligned, with 100% non-Taxonomy-aligned.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**



#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.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

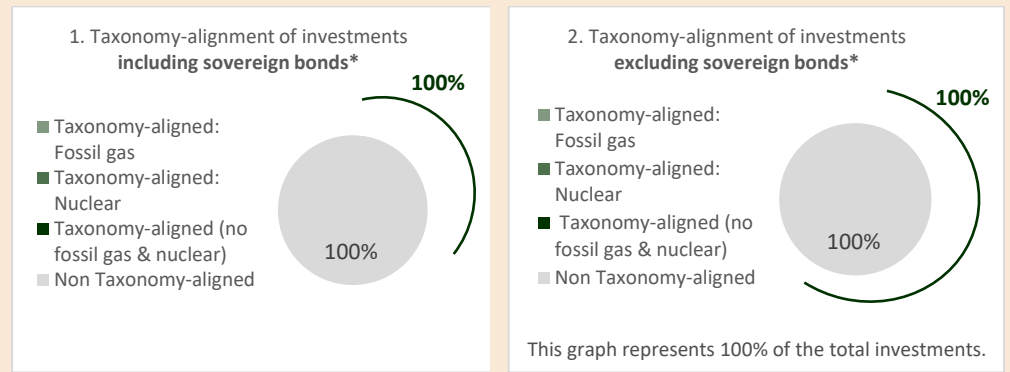
Yes: *[specify below, and details in the graphs of the box]*

In fossil gas In nuclear energy

No

¹ 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.

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.

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

Invenio Partners Fund III SCSp does not commit to a minimum share of investments in transitional or enabling activities within the meaning of Regulation (EU) 2020/852. The minimum share is therefore 0%.

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



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

What is the minimum share of socially sustainable investments? *Not applicable.*



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards? *Not applicable.*



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? *No index has been designated as a reference benchmark to determine whether Invenio Partners Fund III SCSp is aligned with the environmental or social characteristics that it promotes.*

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?** *Not applicable. Invenio Partners Fund III SCSp has not designated a reference benchmark for the purpose of attaining the environmental or social characteristics that it promotes.*

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?** *Not applicable. Invenio Partners Fund III SCSp has not designated a reference benchmark for the purpose of attaining the environmental or social characteristics that it promotes.*

- **How does the designated index differ from a relevant broad market index?** *Not applicable. Invenio Partners Fund III SCSp has not designated a reference benchmark for the purpose of attaining the environmental or social characteristics that it promotes.*
- **Where can the methodology used for the calculation of the designated index be found?** *Not applicable. Invenio Partners Fund III SCSp has not designated a reference benchmark for the purpose of attaining the environmental or social characteristics that it promotes.*



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://invenio.partners/>

