



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: Closed – end private equity investment fund for professional investors INVL BALTIC SEA GROWTH FUND (hereinafter – “the Fund”)

Legal entity identifier: NA

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 **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 will make a minimum of **sustainable investments 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

I Summary

A closed-end investment fund intended for informed investors, INVL Baltic Sea Growth Fund invests in companies that can benefit from INVL support; the Fund strives to develop regional market leaders. The Fund promotes environmental and social characteristics, but it does not pursue sustainable investments as its objective. The environmental and social characteristics promoted by the Fund are:

- Integration of environmental, social and governance (ESG) factors into the investment process
- Exclusion of investments that fall under the list of prohibited investments, as set out in the Fund’s investment strategy
- Aiming to reduce the negative environmental or social impact of the companies within the Fund’s investment portfolio
- Supporting and assisting the companies in the Fund’s investment portfolio in driving sustainability-related positive changes, measured through the Fund’s internal methodology and monitored annually

To assess, measure and monitor the environmental and social characteristics promoted by the Fund, portfolio companies are required to have ESG KPIs, set together with the Fund based on the internal materiality assessment, that are material to each company and to monitor their progress and effectiveness throughout the investment period. Examples of such ESG KPIs include the share of renewable electricity consumption, waste volumes, customer satisfaction, and energy efficiency indicators.

All sustainability indicators monitored by the Fund are tracked and disclosed at the level of individual portfolio companies. At the Fund level, only Principal Adverse Impact (PAI) indicators are disclosed on an aggregated basis in the Fund’s periodic SFDR disclosures.

The Fund has integrated principal adverse impact indicators throughout the investment process.

The Fund integrates ESG considerations throughout the investment cycle. At the screening stage, it excludes restricted activities and identifies ESG risks. During due diligence, it conducts ESG assessments, sets company-specific ESG KPIs, develops improvement plans, and calculates an internal ESG Index (no longer disclosed to investors from 2025 but tracked internally). In the ownership phase, the Fund engages with portfolio companies to build ESG strategies, mitigate negative impacts, and identify opportunities. Post-investment, it performs annual ESG monitoring to support long-term sustainability and value creation.

The Fund applies a comprehensive set of governance assessment measures that portfolio companies are expected to follow (based on the Invest Europe due diligence questionnaire). These include guidelines on critical areas such as anti-corruption measures and whistleblowing. All portfolio companies are required to assign ESG responsibility to a management-level representative and to ensure that relevant ESG issues are included in board agendas.

It is anticipated that a substantial proportion (being at least 85 %) of the Fund’s investments by invested capital will promote environmental and social characteristics according to the binding element of the investment strategy. The Fund may have cash and cash equivalents or other financial instruments in certain circumstances for liquidity management and/or hedging purposes. In certain circumstances, the Fund may invest in companies that may not match the Fund’s ESG criteria in its entirety but have the adequate minimum safeguards.

The Fund does not 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 to protect the Fund from fluctuations of interest rates, currency prices.

Monitoring of environmental and social characteristics is carried out at the level of the Fund in accordance with the 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 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 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 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 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 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.

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?

This 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 Fund promotes environmental and social characteristics, but it does not pursue sustainable investments as its objective. The environmental and social characteristics promoted by the Fund are:

- Integration of environmental, social and governance (ESG) factors into the investment process
- Exclusion of investments that fall under the list of prohibited investments, as set out in the Fund's investment strategy
- Aiming to reduce the negative environmental or social impact of the companies within the Fund's investment portfolio
- Supporting and assisting the companies in the Fund's investment portfolio in driving sustainability-related positive changes, measured through the Fund's internal methodology and monitored annually

The Fund expects its portfolio companies to prepare plans to achieve specific sustainability targets in their most material ESG areas.

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 Fund, portfolio companies are required to disclose ESG KPIs, set together with the Fund based on the internal materiality assessment, that are material to each company and to monitor their progress and effectiveness throughout the investment period.

Specific ESG KPIs are set individually for each portfolio company. Examples of such ESG KPIs include the share of renewable electricity consumption, waste volumes, customer satisfaction, and energy efficiency indicators.

All sustainability indicators monitored by the Fund are tracked and disclosed at the level of individual portfolio companies. At the Fund level, only Principal Adverse Impact (PAI) indicators are disclosed on an aggregated basis in the Fund's periodic SFDR disclosures.

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

Yes, the 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. In some cases new investments might do not have

date to report on principal adverse impact indicators but Fund will put best efforts and help portfolio company to calculate these indicators.

V Investment strategy

What is the investment strategy of this financial product?

The Fund invests in companies that can benefit from INVL support; the Fund strives to develop regional market leaders. The 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 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 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 Fund applies the following investment strategy elements:

Pre-investment screening

- Application of restricted investment list
- Identification of ESG risks and potential issues at the screening stage

Due diligence

- ESG due diligence on investments (based on the Invest Europe questionnaire)
- Definition of ESG KPIs for individual investments, considering the ESG profile identified
- Development of ESG improvement plans
- Calculation of the Fund's ESG Index (internal methodology-based assessment of ESG themes across all investments). Due to changes in regulatory requirements for ESG ratings as of the end of 2024, the ESG Index score is no longer disclosed to investors from 2025 onwards, although it continues to be monitored internally

Ownership and engagement

- Collaboration with portfolio companies in developing ESG strategies and addressing ESG-related matters
- Guidance and support to portfolio companies in reducing negative impacts on sustainability and identifying opportunities

Ongoing monitoring

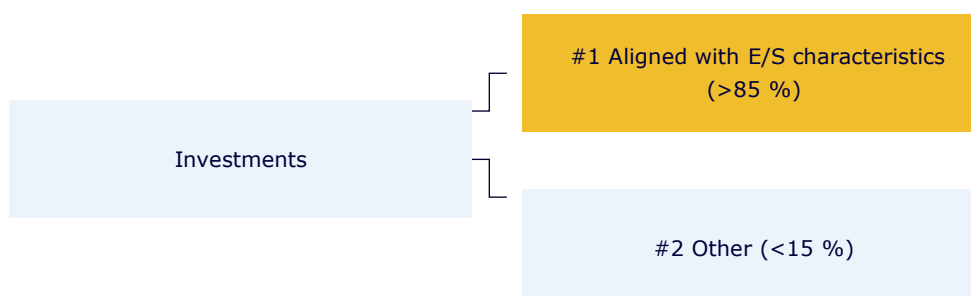
- Annual post-investment ESG monitoring to ensure business sustainability and value creation opportunities

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 Fund does not commit to include investments that qualify as sustainable investments. It is anticipated that a substantial proportion (being at least 85 %) of the Fund's investments by invested capital will promote environmental and social characteristics.



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

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

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

The Fund does not 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 Fund from fluctuations of interest rates, currency prices. The Derivatives will not be used as a mean to promote the environmental characteristics of the Fund, but the 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?

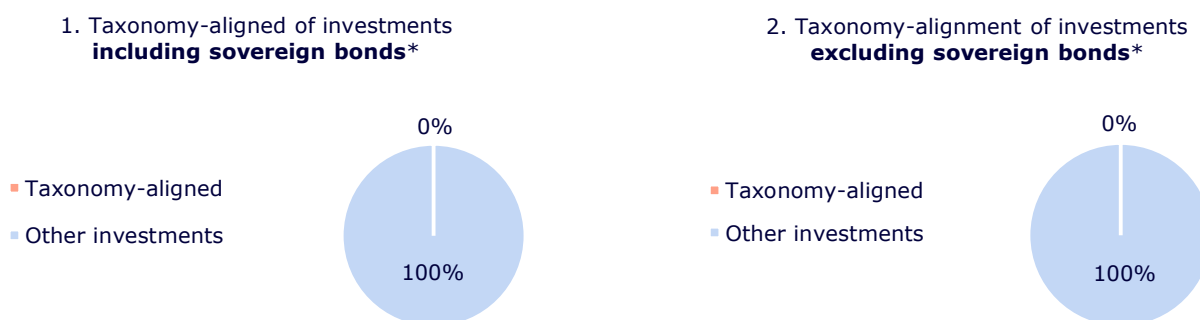
The Fund does not intend to make investments that are in environmentally sustainable economic activities as defined in Article 3 of Regulation (EU) 2020/852. Consequently, there will be no assurance provided by auditors or reviews conducted by third parties regarding compliance with the requirements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

The 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 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 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.*



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

The 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 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?

The Fund may have cash and cash equivalents or other financial instruments in certain circumstances for liquidity management and/or hedging purposes.

In certain circumstances, the Fund may invest in companies that may not match the Fund's ESG criteria in its entirety but have the adequate minimum safeguards. Accordingly, in such cases, the Fund would commit to aim to influence relevant ESG changes within the holding period and categorize as "#1 Aligned with E/S characteristics".

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 Fund has integrated ESG considerations throughout the investment decision making process and the ownership period to ensure the 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 Fund conducts a comprehensive ESG due diligence to determine the sustainability proposition of the target business.

For all investments in the 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 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 Fund aggregates the findings from the individual company reports into a final 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 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 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 Fund's investment team applies a multi-stage procedure for integrating sustainability indicators into different investment cycles. The entire procedure is described in the Fund's ESG Procedure, which is provided to investors along with all other 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 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 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 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 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 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 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 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 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>. 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 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 Fund's investment committee. In addition, the Fund team advises portfolio companies on ESG data collection, progress plans, and the implementation of sustainability initiatives. The 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 Fund's website.

Version	Changes	Date
No. 1	Publication	2022-05-18
No. 2	Updated format, detailed procedures in accordance with the management company's updated internal procedures	2025-10-29