



SFDR Entity Disclosures
January 2026

This document contains disclosures of BI-Invest Endowment Management S.à r.l. (the "Manager") in accordance with articles 3(1), 4(1) and 5(1) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"), which concern the integration of sustainability risks in investment decision-making processes, transparency of adverse sustainability impacts at entity level and transparency of remuneration policies in relation to the integration of sustainability risks.

Transparency of sustainability risk policies (Article 3, SFDR)

Sustainability risks are defined in SFDR as environmental, social or governance ("**ESG**") events which if they occur could cause an actual or a potential negative impact on the value of the investment.

The Manager is a member of the Investindustrial Group, a group of independently managed investment, holding, advisory and management companies ("**Investindustrial**"), and it follows the Investindustrial Group's sustainability related policies and procedures. Investindustrial maintains a Responsible Investment Policy, which sets out Investindustrial's approach to integrating sustainability risks throughout the investment lifecycle. Dedicated resources within Investindustrial advise on sustainability activities, namely an in-house Sustainability team, which supports the Manager in conducting sustainability risk assessment and monitoring processes. The Manager also engages external advisers to support it in the evaluation and monitoring of sustainability risks, where applicable.

Sustainability risks, and opportunities, are assessed together with other economic and financial criteria as part of the investment process. Investindustrial considers sustainability risks and opportunities across all stages of the investment lifecycle, from pre-investment activities through the post-investment holding period and exit and takes into account sustainability risks as part of the investment process, with the results forming a key element of the overall analysis on investment opportunities. Specifically, as part of the investment decision process, Investindustrial considers the potential material valuation implications of sustainability risks and opportunities alongside traditional factors in the investment process to assess the likely impact of these on returns for any proposed investment opportunity.

1. **Pre-investment stage:** Investindustrial seeks to identify and understand the relevant sustainability risks and opportunities related to a proposed investment, which are considered alongside other material risks as part of its holistic approach to its investment decision-making processes. Investindustrial collects information on potential or actual material sustainability risks through the completion of a Sustainability Due Diligence Questionnaire. Investindustrial engages external advisors to assist with the Sustainability Due Diligence Questionnaire, where appropriate. The Sustainability Due Diligence Questionnaire captures information on compliance with the United Nations Global Compact ("**UNGC**") Principles, relevant sector of operation, sustainability management, human capital, corporate governance and environmental issues.

In addition to the data collected via the Sustainability Due Diligence Questionnaire, the sustainability risk assessment includes, where applicable:

- a) an analysis of climate transformation risks (e.g. increased regulations related to sustainability, increased cost of greenhouse gas emissions etc.) and physical risks (e.g. increase in frequency and severity of extreme temperatures, drastic changes in weather patterns, increase in frequency and severity of weather events etc.), where relevant;
- b) an analysis of data from the RepRisk Index to identify and assess material ESG risks. The RepRisk Index is a proprietary algorithm that dynamically captures and quantifies the reputational exposure to sustainability and business conduct risks based on media reports and other public sources external to the portfolio company;
- c) a desk-top analysis of sustainability risks deemed pertinent to the relevant industry based on expert opinion and peer benchmark analysis;
- d) a bespoke peer benchmarking review to assess the portfolio company's business against other competitors and identify any existing or potential material sustainability risks. There is no standardised methodology for such a review and the scope is determined by the Sustainability team on case-by-case basis;

- e) a set of internal benchmarks/score cards¹ with respect to sustainability metrics in order to assess the level of sophistication of the portfolio company in relation to sustainability matters which assists in identifying material sustainability risks;
- f) interviews with service providers to better assess and understand the culture and ethics of the target portfolio company along with many other pertinent sustainability-related issues and how these may impact the value of the business;
- g) an analysis of supply chain risks based on main manufacturing facilities and multi-tier suppliers; and
- h) an in-house sanctions and embargo analysis using proprietary sources on the target, key suppliers and customers.

Investindustrial will also seek to understand whether a potential portfolio company has proposals in place to address defined significant future legislation on sustainability issues, including but not limited to climate-related transition or physical risks.

Investindustrial assesses the information collated and the results are typically presented and considered at both the preliminary investment recommendation and final investment recommendation stages which are discussed at investment committee meetings. In addition to considering such sustainability risks and opportunities as Investindustrial determines are relevant in respect of a proposed investment, Investindustrial will not knowingly approve investments in portfolio companies that are involved in certain excluded activities, as determined by Investindustrial from time to time. Investindustrial will assess all other sustainability risk criteria on a case-by-case basis.

2. **Post-investment stage:** Investindustrial will seek to engage with each portfolio company in relation to sustainability risk and opportunity issues and to establish a dialogue between representatives of portfolio companies and stakeholders encouraging alignment of sustainability approaches and the adoption and integration of the appropriate sustainability strategy by the portfolio company. Investindustrial uses the sustainability assessment carried out at the pre-investment state to recommend an action plan for each portfolio company in respect of sustainability issues to address material sustainability risks. For the avoidance of doubt, it is the responsibility of the management of each portfolio company to operate the company on a day-to-day basis and to implement compliance systems and procedures. The decision by any portfolio company or its affiliates to adopt, enact, amend, or take any action pursuant to, any sustainability policy or related matter will be a decision for the board of directors (or similar governing body) of such portfolio company or its affiliates as applicable, and not a decision of any direct or indirect shareholder including Investindustrial's fund or of Investindustrial or its affiliates. Investindustrial expects that portfolio companies apply a rigorous and conservative approach to sustainability based on clear roles and with full accountability.

The Sustainability team reports on the status of agreed key sustainability milestones and provide its assessment on the value created or risks mitigated through sustainability related mechanisms at the relevant portfolio company

Although the sustainability assessment and ongoing engagement process is sought to be applied to all material investments of Investindustrial's funds, in certain cases, Investindustrial will perform limited due diligence for certain assets such as minority investments, listed companies or where other circumstances impact Investindustrial's ability to assess material sustainability risks.

¹ Investindustrial's scoring system evaluates companies across five categories (environmental, social, governance, corporate sustainability and ratings), both in terms of processes and policies in place (contributing to a 'base' score) and quantitative data (contributing to a 'performance' score). 'Learner', 'mature' and 'advance' designations are given based on a combination of both base and performance scores.

Transparency of adverse sustainability impacts at entity level (Article 4, SFDR)

The Manager does not consider the principal adverse impacts (“PAI”) of investment decisions on sustainability factors in the manner prescribed by Article 4(1)(a) of the SFDR.

The Manager does not currently do so because it believes that its existing policies and procedures, including the Investindustrial Responsible Investment Policy, are proportionate and appropriate to the funds it manages and their investments. The Responsible Investment Policy sets out the manner in which material sustainability factors are integrated throughout the investment process.

The Manager will keep this position under review, taking into account applicable sustainability-related regulations.

Transparency of remuneration policies in relation to the integration of sustainability risks (Article 5, SFDR)

The Manager has set out a governance process to ensure that the structure of total compensation and potential rewards are aligned with investors’ interests and that remuneration does not encourage excessive risk taking with respect to sustainability risks.

Investindustrial does not adopt any explicit sustainability-related KPIs as part of employee’s remuneration process and performance evaluation and assessment. However, as an implicit part of the value creation plan established for each portfolio company, the variable remuneration pools and awards available to certain Investindustrial employees take into account, among other financial and non-financial criteria, the progress and successful integration of Investindustrial’s sustainability approach into each portfolio company. Such individuals’ activities can have a material impact on the risk profile of the Manager or the funds it manages and, accordingly, variable remuneration is linked to the sustainability performance of the portfolio companies.

