

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: PINOVA Fund 3 GmbH & Co. KG

Legal entity identifier: 529900WK33AT7T3JD606

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

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



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

The Financial Product promotes environmental and social characteristics through the incorporation of ESG considerations within its investment processes. The factors listed in the pre-contractual disclosure had not been considered as conclusive or final, since the investments the Financial Product makes could not be defined at the time (so-called "Blind Pool"). Thus, the factors have been refined and revised since then. Specifically, the Financial Product promoted the following environmental and social characteristics:

Environmental characteristics

The Financial Product aims to promote environmental characteristics in the portfolio companies it owns, thereby striving to achieve various goals measured by specific KPIs:

- Reduction of air pollution (measured via GHG intensity in tons CO2 per million EUR of revenue)
- Enhancement of energy efficiency (measured via energy consumption intensity per high impact climate sector in GWh per million EUR of revenue)

- Improvement of waste management (measured via hazardous waste and radioactive waste generated in tons per million EUR of revenue)

Social characteristics

The Financial Product aims to promote human rights practices in the portfolio companies it owns, including:

- Considering employee working conditions such as health and safety of work force (measured in number of days per employee lost to injuries, accidents, or illness)
- Avoiding discrimination based on gender (measured in unadjusted gender pay gap in %)
- Complying with international conventions on human rights (measured in number of violations of the UNGC principles or OECD Guidelines for Multinational Enterprises)

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

The achievement of the environmental and social characteristics promoted by the Financial Product is measured by the respective sustainability indicator mentioned above.

- GHG intensity in t CO₂ per €m revenue: 268.6
- Energy consumption intensity per high impact climate sector in GWh per million EUR of revenue: 0,1
- Hazardous waste and radioactive waste generated in tons per million EUR of revenue: 0,0
- Number of days per employee lost to injuries, accidents, or illness: 11.5
- Unadjusted gender pay gap in %: 12,1
- Number of violations of the UNGC principles or OECD Guidelines for Multinational Enterprises: 0

The listed sustainability indicator measurement is not subject to assurance by an auditor.

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

No previous periodic reports were provided so far.

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

Not applicable, because the Financial Product does not have a sustainable investment objective and does not make sustainable investments.

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



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

The pre-contractual disclosures state that the Financial Product does not consider principal adverse impacts on sustainability factors. However, in the meantime it was decided that, despite the lack of pre-contractual commitment and despite the fact that the Financial Product does not make sustainable investments, Principal Adverse Impact Indicators are measured on an annual basis.

Principal Adverse Impact Indicators were measured for all investee companies of the Financial Product for the reporting period 01.01. – 31.12.2023. The results are as follows:

Indicator	Metric	Unit	Value/Answer	Coverage	Explanation / Actions	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	Scope 1 GHG emissions	† CO ₂ equivalent	197,7 t	100,0%		
	Scope 2 GHG emissions (market-based)	† CO ₂ equivalent	170,3 t	100,0%		
	Scope 3 GHG emissions	† CO ₂ equivalent	14.086,5 t	100,0%		
	Carbon footprint	† CO ₂ equivalent per million EUR of current value of investment	122,5 t	100,0%		
	GHG intensity of investee companies	† CO ₂ per million EUR of revenue	268,6 t	100,0%		
	Activity in the fossil fuel sector	% (yes)	0,0%	100,0%		
5	Share of non-renewable energy consumption and production	%	55,2%	100,0%		
6	Energy consumption intensity per high impact climate sector p.a.	GWh per million EUR of revenue	0,1 GWh	100,0%	Two investee companies have activities in high impact climate sector "Manufacturing"	
Biodiversity	7	Do you have any sites/operations located in or near to biodiversity-sensitive areas where your activities negatively affect those areas?	% (yes)	0,0%	100,0%	
Water	8	Tonnes of emissions to water (i.e. discharge of solid, liquid or gaseous pollutants or contaminants into a body of water)	† per million EUR of revenue	0,0 t	100,0%	
Waste	9	Tonnes of hazardous waste and radioactive waste generated	† per million EUR of revenue	0,0 t	100,0%	
Additional KPI		Is the company lacking carbon emission reduction initiatives aimed at aligning with the Paris Agreement?	% (yes)	24,4%	100,0%	Concerns one investee company; reduction initiatives are being implemented starting 2024.
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10	Has your company been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises?	% (yes)	0,0%	100,0%	
	11	Do you have policies to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises or complaints handling mechanisms to address violations of these principles?	% (yes)	75,6%	100,0%	Currently one investee company without policy; will be implemented starting 2024.
	12	Unadjusted gender pay gap	%	12,1%	48,9%	Two investee companies currently do not report unadjusted gender pay gap; all companies have salary ranges in place which ensure equal pay for equal work, regardless of gender (adjusted gender pay gap close to 0%)
	13	Board gender diversity: Average ratio of female to male board members	%	0,0%	100,0%	
14	Exposure to controversial weapons: Is your company involved in the manufacture or selling of controversial weapons?	%	0,0%	100,0%		
Additional KPI		Number of days lost to injuries, accidents, or illness	# days per employee	11,5	100,0%	Employee health programmes exist in the majority of investee companies

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.



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01.01. – 31.12.23

Largest investments	Sector	% Assets	Country
Riepe Holding GmbH	Industrial Technology	24.4%	Germany

One investment was completed during the reference period. % Assets refers to the investment's share in the market value of the Financial Product as of 31.12.23.

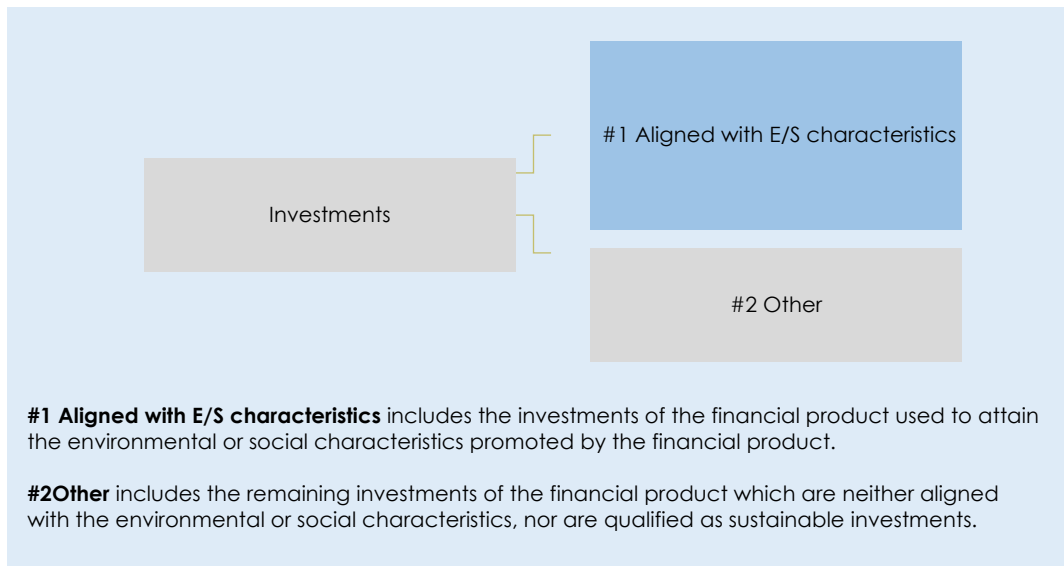


What was the proportion of sustainability-related investments?

The Financial Product does not commit to make sustainable investments within the meaning of the SFDR and the TAXR. However, the Financial Product targets that its investments will be aligned with E/S characteristics.

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?



100% of the investments in the reference period were aligned with environmental and social characteristics promoted by the Financial Product (#1).

● In which economic sectors were the investments made?

Investments were made exclusively in the Industrial Technology sector.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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.



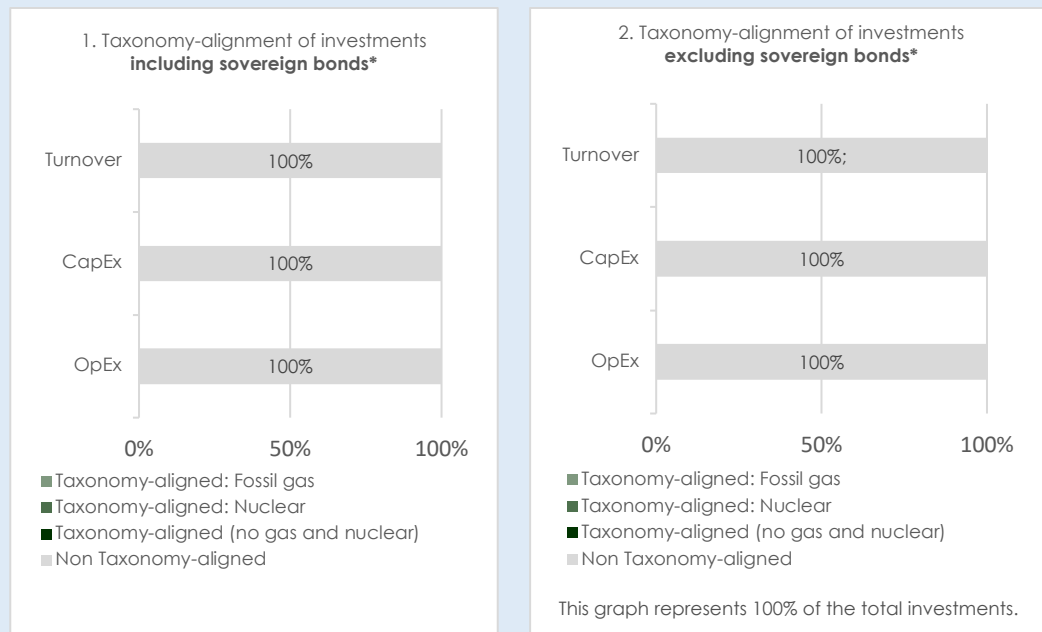
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable, because the Financial Product does not make sustainable investments with an environmental objective aligned with the EU Taxonomy. In particular, the Financial Product cannot mirror the compliance of the “do not significant harm” principle in all its portfolio companies by economically reasonable means.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

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

The graphs below show in green the percentage of investments that were 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 was the share of investments made in transitional and enabling activities?

The Financial Product does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the share of investments in transitional and enabling activities was 0%.

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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

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

No previous periodic reports were provided so far.



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

The Financial Product does not commit to make sustainable investments. Therefore, the share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy was 0%.



What was the share of socially sustainable investments?

The Financial Product does not commit to make socially sustainable investments. Therefore, the share of socially sustainable investments was 0%.



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

No investments under “other” occurred in the reference period.



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

Several actions have been taken by the Financial Product's investee companies at the suggestion of PINOVA, including but not limited to the following:

Environmental

- Switch to “green” energy tariffs
- Introduction of stricter office waste recycling processes
- Reduction of shipping volumes and transportation emissions due to the establishment of local production sites in core overseas markets
- Increase of share in e-vehicles in the company fleets, and development of concepts for vehicle charging infrastructure
- Installation of LED light bulbs and lighting sensors across production and office facilities to reduce energy consumption
- Introduction of a new recycling process for canisters, with empty canisters no longer being thrown away but returned to and re-used by the supplier

Social

- Introduction of company health programme in collaboration with a health insurance company
- Increased offering for staff training
- Introduction of job-bike leasing programme

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