



# Sustainability Risk Policy

## Definitions of Terms

AVANT IS	AVANT investiční společnost, a.s., Company ID number (IČO): 275 90 241, registered office at Rohanské nábřeží 671/15, Karlín, 186 00 Prague 8
ESG risks	Environmental, social and governance risks
Sustainability factors	Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters
QIF	Qualified Investor Funds
Regulation	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 (shortened also as "SFDR")
Sustainability risk	Environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment
Sustainable investment	Investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance

This Policy has been made in accordance with Article 3 section 1 in conjunction with Article 5 section 1 of the Regulation, and bearing in mind that AVANT IS deems itself to be a financial market participant obliged to publish on its website information about their policies on the integration of sustainability risks in their investment decision-making process, including information how AVANT IS's remuneration policies are consistent with the integration of sustainability risks.

AVANT IS offers help with investment implementation and asset portfolio management through the most effective, safest and most transparent tool – a qualified investor fund, as a regulated instrument for cooperation between larger and smaller groups of investors with a shared investment goal. A QIF offers a wide range of possibilities for investment focus and limits (securities, real estate, renewable resources, debt, loans, trademarks, works of art, etc.). Relationships between AVANT IS and its clients are based on long-term trust and openness. AVANT IS's intent is to use the structure of qualified investors to obtain funds for the implementation of projects, development of companies, to strengthen the capital or for the management buy-out, but also to promote the growth of GDP and employment.

**AVANT IS's vision is to create opportunities for people who care about the impact their investments have on the world around them.**

The position of AVANT IS as the leader and fastest growing investment company in the QIF market is not only an achievement, but also a significant commitment. Integrating social and environmental factors in everyday corporate operations and interactions has naturally become a part of each and every step taken by AVANT IS to implement its strategy. AVANT IS's business strategy, values and mission are based on

social responsibility. In that regard, AVANT IS promotes the idea that sustainable financing should become common practice, and it is convinced that transparency that can help direct private investments in financial products pursuing environmentally sustainable goals can be an effective instrument how to consider the impacts of financial products and services on sustainability.

Services provided by AVANT IS include offers of investments in funds managed by AVANT IS, it can acquire investment instruments issued by other investment funds into its ownership. In the selection of investment instruments, AVANT IS takes account of funds' investment strategy and their approach to sustainability factors. The investment strategies of funds managed by AVANT IS have different focuses. Besides real estate funds, the funds include private - equity investment and investment in financial instruments; investment areas that has recently become increasingly common include renewable resources, Alzheimer's treatment centres and retirement homes, and other industry and technology sectors. Sustainability risks are taken into account as part of standard risk management processes conducted by funds in compliance with generally binding legislation and internal rules of AVANT IS. When making decisions about investments, their due diligence process focusses mainly on the compliance of target companies' business activities with the applicable legislation. Considerations of sustainability and ESG parameters of investments are partly incorporated in the decision-making process as part of the analysis of legal and economic risks which the investment may cope with in the future.

**AVANT IS does not specifically consider adverse impacts of investment decisions on sustainability factors due to the current lack of generally accepted methodology regarding, for instance, the method of obtaining supporting information, etc. In the light of the foregoing, AVANT IS's remuneration policies are consistent with the integration of sustainability risks in investment decision-making processes.**

Investment strategies of funds managed by AVANT IS are neither primarily, nor secondarily focussed on investment or sustainability and ESG goals. If there is demand for pursuing such goals in the future, AVANT IS will update its decision-making processes accordingly.

Target companies are typically relatively small entities with limited options for reporting required data. Any forced implementation of such instruments would lead to significant competitive disadvantage over companies who have not implemented such policies.

AVANT IS evaluates, in view of the above, the needs for future implementation, taking into account the development in this area. Since no rules for the implementation or unifying rules were known in advance, nor they have been published so far, AVANT IS does not anticipate such implementation before 2022. At the same time, AVANT IS monitors the development of the implementing legislative process and is ready to consider adverse impacts on sustainability factors as soon as it has more detailed information and recommendations and as soon as it is obvious what the legislation entails and brings. Relevant documentation will be updated and disclosed on a regular basis.

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Signature date **10 March 2021**

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Mgr. Ing. Pavel Doležal, LL.M.,  
Chairman of Board and CEO  
AVANT investiční společnost, a.s.

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