

Article 10 (SFDR)
Website disclosure for an article 8 fund
Apis Growth Markets Fund III SCSp

Fund Name: **Apis Growth Markets Fund III**

Does this financial product have a sustainable investment objective?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <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 will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it has a minimum proportion of 0% of sustainable investments <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 checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

A. Summary

These sustainability-related disclosures relate to Apis Growth Markets Fund III SCSP (the "Fund" or "financial product") are made pursuant to Article 10(1) of Regulation (EU) 2019/2088 ("SFDR").

Environmental or social characteristics - the Fund is categorised as falling under Article 8 of SFDR, meaning that the Fund promotes, amongst other characteristics, environmental or social characteristics, but does not have a sustainable investment objective. The social impact mandate of Apis Growth Markets Fund III is centred around financial sector development - the Fund will invest in companies that democratise access to more transparent and affordable financial services, increasing financial inclusion and wellness, and deepening the formal financial sector.

Investment strategy - The Fund makes equity investments in growth stage companies across the financial services sector in Growth Markets in (but not limited to) Africa, South Asia and South East Asia, within the following sub-verticals: Payments, Banking, Insurance, Asset Management, Contextual Financial Services and Capital Markets. The Fund will help to achieve social impact in this context by making investments in companies that serve low and middle-income consumers (directly and indirectly), that create good quality equal opportunity employment, and that contribute to the deepening of the financial sector in the regions in which they operate in.

Monitoring of environmental or social characteristics and Methodologies - Apis has an extensive ESGI Policy - our Code of Responsible Investment, which sets out requirements, recommendations and management systems to invest responsibly. This outlines the Fund's commitment to ESGI (environmental, social, governance, and impact) and also what is required by the Fund from portfolio companies in this regard. In addition, the Fund's investment strategy benefits from a fully integrated ESG and Impact management system to assess, manage and monitor ESGI issues at all

stages of the investment process. Further, for Apis to measure, manage, and report the impact created by the Fund's investment activities, Apis has created 'AIMS', the Apis Impact Management System, which incorporates Apis' proprietary impact measurement framework - AIMS helps Apis to optimise the Fund's impact creation activities, actively manage risks to impact, and ultimately increase the overall impact created by Apis.

Data sources and processing - The sustainability indicators used to measure the attainment of the social characteristics promoted by the Fund are outlined within Apis' proprietary impact measurement framework, which allows over 50 impact metrics (sustainability indicators) to be monitored and reported for the Fund's portfolio companies.

Due diligence - In the course of its investment process, the Fund will conduct a due diligence process on the underlying Fund investee companies, which will include a dedicated ESG & Impact ('ESGI') due diligence process. This will be conducted primarily on an in-house basis using a proprietary methodology, and is conducted at the pre-investment stage across six dimensions: ESG management, impact, working conditions, business integrity, anti-money laundering and countering the financing of terrorism, as well as financial services specific factors.

Engagement - During the ownership phase of the investment process, the Fund is committed to active engagement with the Fund's investee companies and their management on matters of ESG and Impact ('ESGI'). This can be via the regular discussion with founders, management, or participation in the board meetings.

B. No sustainable investment objective

Does this financial product have a sustainable investment objective?

This Fund promotes environmental and social characteristics but does not have sustainable investment as its objective.

C. Environmental or social characteristics of the financial product

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

The social impact mandate of Apis Growth Markets Fund III is centred around financial sector development - the Fund will invest in companies that democratise access to more transparent and affordable financial services, increasing financial inclusion and wellness, and deepening the formal financial sector in the geographies that the Fund invests in. Whilst the social characteristics promoted by the Fund are of course rooted in the financial services sector (as described), it will also promote other key social characteristics such as working conditions for employees, diversity and inclusion, and consumer protection.

In a growth markets context, the specific and granular expected social impact outcomes the Fund (whose mandate and focus on financial services in emerging markets is the same as Apis Growth Fund II) will create are financial inclusion; enhanced employment and livelihoods; and strong governance, which will ultimately lead to financial sector development, economic opportunity, and evolved organisations.

D. Investment strategy

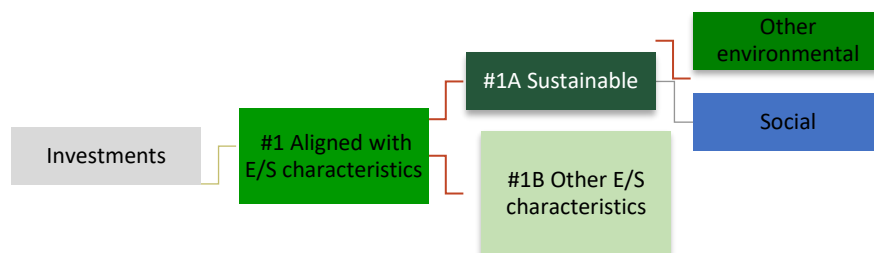
What investment strategy does this financial product follow?

The Fund makes equity investments in growth stage companies across the financial services sector in Growth Markets in (but not limited to) Africa, South Asia and South East Asia, within the following sub-verticals: Payments, Banking, Insurance, Asset Management, Contextual Financial Services and Capital Markets. Apis is a proponent of the positive change that responsible investment can bring about. The Fund will achieve this by making investments in companies that serve low and middle-income consumers (directly and indirectly), that create good quality equal opportunity employment, and that contribute to the deepening of the financial sector in the regions in which they operate in. A robust financial infrastructure can support more vulnerable strata of society against volatility and uncertainty, and can enable investments in better health, education, and employment opportunities. The Fund's endeavour is to promote the democratisation of finance so that people can access the appropriate products and tools to simplify and enhance their lives.

This strategy is implemented in the investment process on a continuous basis by virtue of the specificity of the investment mandate as described.

E. Proportion of investments

What is the asset allocation planned for this financial product?



#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.

#2 Other 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.

The Fund does not expect to invest in any investments which are to be considered as "sustainable investments pursuant to SFDR, but expects 100% of investments made by the Fund to be in companies that promote and are aligned with the social characteristics outlined.

F. Monitoring of environmental or social characteristics

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product?

Apis has an extensive ESGI Policy - our Code of Responsible Investment, which sets out requirements, recommendations and management systems to invest responsibly. This outlines the Fund's commitment to ESGI (environmental, social, governance, and impact) and also what is required by the Fund from portfolio companies in this regard.

This Policy also sets out an Exclusion List which is a binding element of the Fund's investment selection process as it details a number of activities that the Fund will not invest in, either directly and, also indirectly through the activities of investee companies' own borrowers / merchants / customers. This list has been curated based on guidelines provided by the International Finance Corporation ('IFC'), European Development Finance Institutions ('DFIs'), as well as ILO Conventions.

In addition, the Fund's investment strategy benefits from a fully integrated ESG and Impact management system to assess, manage and monitor ESGI issues at all stages of the investment process. This enables the assessment of social characteristics for each of the investments that the Fund intends to invest in, and ensures that the social characteristics promoted by the Fund are identified and measured at all stages of the investment process:

Pre-investment analysis & the decision making processes

Ownership policies & performance management

Feedback, reporting & review

G. Methodologies

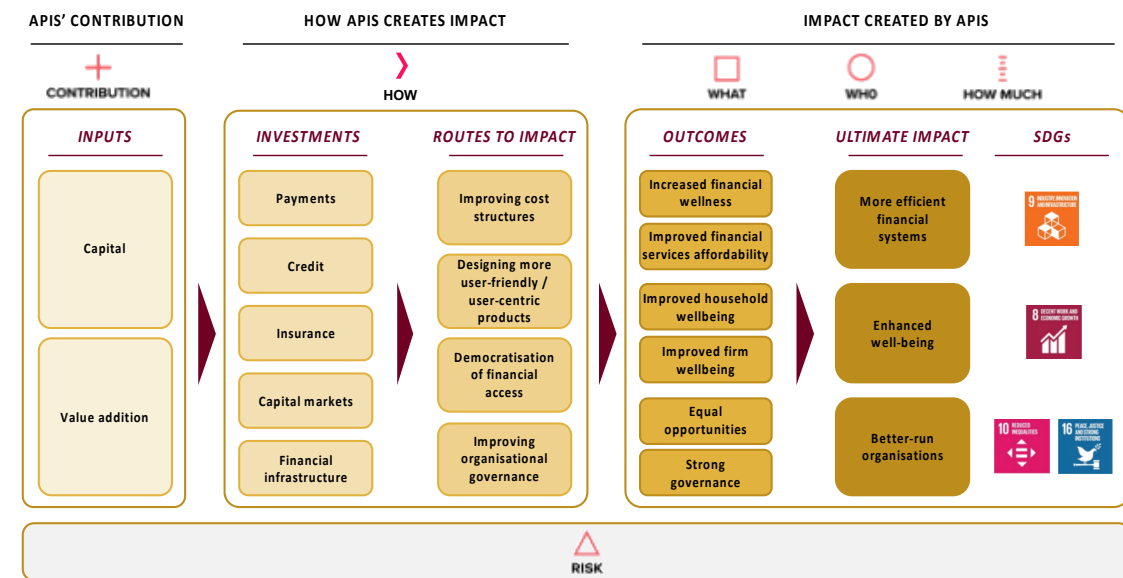
What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

As described, Apis has an extensive ESGI Policy - a Code of Responsible Investment, which sets out requirements, recommendations and management systems to invest responsibly overall. This includes the Fund's commitment to ESGI and also what is required by Apis from Fund portfolio companies in this regard.

Through this Code, Apis works closely with investee companies to make required improvements to build sustainable value creation into the core operations of their businesses. This starts with basic compliance requirements (national laws) and works towards the adoption of internationally recognised standards of best practice, including from European DFIs, ILO Conventions, IFC Performance Standards, and the UK Bribery Act - these are the standards that Apis considers when assessing ESG risk and looking for areas where ESG value can be created. The ESG standards that our portfolio companies adhere to are often greater than those required by local law in the regions within which they operate.

In addition, for Apis to measure, manage, and report the impact created by the Fund's investment activities, and measure the attainment of the social characteristics promoted by the Fund, Apis has created 'AIMS', the Apis Impact Management System, which incorporates Apis' proprietary impact measurement framework. AIMS helps Apis to optimise the Fund's impact creation activities, actively manage risks to impact, and ultimately increase the overall impact created by Apis. AIMS also helps to define a theory of change for the Fund's focus on the financial services sector overall, as well as the definition of specific impact theses for each portfolio company that the Fund will invest in.

AIMS incorporates the principles and five dimensions of impact outlined by the [Impact Management Project \(IMP\)](#) (namely What, Who, How Much, Contribution), as well as the [United Nations Sustainable Development Goals](#) ('UN SDGs'), allowing us to improve and benchmark impact performance to global best practice standards and objectives, and to consider a comprehensive impact case for each of our portfolio companies:



H. Data sources and processing

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators used to measure the attainment of the social characteristics promoted by the Fund are outlined within Apis' proprietary impact measurement framework.

Apis' proprietary impact measurement framework is designed to provide specificity for measuring social impact within financial services, through a collection of quantitative as well as qualitative data at both the company and market levels, across three axes and 12 impact categories, that is arranged in mutually exclusive, collectively exhaustive groupings.

Apis' impact measurement framework allows over 50 impact metrics (sustainability indicators) to be monitored and reported for each of our portfolio companies, and these are also mapped as far as to IRIS+ standards, as well as HIPS0 / Joint-Impact Indicators, and World Economic Forum Core Metrics also:



I. Limitations to the methodologies and data

If any - what are the limitations to the methodologies and data sources? (including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

The Fund does not foresee any limitations to the above-mentioned methodology and data sources - the Fund's investee companies will be bound by the Fund's investment agreements to provide the data required and this, together with continuous engagement with these investee companies, will ensure that this data will be available. Where any data is unavailable (perhaps due to unforeseen circumstances), Apis will work with the respective investee companies to ensure that any impact of the missing or incomplete data can be mitigated.

J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

In the course of its investment process, the Fund will conduct a due diligence process on the underlying Fund investee companies, which will include a dedicated ESG & Impact ('ESGI') due diligence process. This will be conducted primarily on an in-house basis using a proprietary methodology, and is conducted at the pre-investment stage across six dimensions: ESG management, impact, working conditions, business integrity, anti-money laundering and countering the financing of terrorism, as well as financial services specific factors.

The diligence process methodology incorporates internationally recognised standards of best practice, including from European DFIs, ILO Conventions, IFC Performance Standards, and the UK Bribery Act. The ESGI due diligence assessment results will be included in the investment committee documentation for each potential Fund investment and will influence all investment decisions made for the Fund.

K. Engagement policies

Is engagement part of the environmental or social investment strategy?

Yes

No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

During the ownership phase of the investment process, the Fund is committed to active engagement with the Fund's investee companies and their management on matters of ESG and Impact ('ESGI').

This is achieved through implementing ESGI Action Plans that are defined at the time of investment (included within the investment documentation that portfolio companies are legally bound to), encouraging enhanced ESGI disclosure and implementation, and incorporating best practices through the Fund's active influence which is focused on the Fund's board representation within each portfolio company, as well as other in-person meetings and conference calls to understand ESGI related risks and opportunities at all Fund investee companies.

For these purposes, a professional for ESGI is appointed in each of the Fund's investee companies in order to create a professional reference person accountable for monitoring, stewardship, and ESG enhancement activities that the Fund intends to carry out.

Apis helps Fund investee companies to make tangible ESG & Impact improvements within their businesses - this includes improving employment standards, strengthening governance, enhanced

workplace health and safety, higher levels of responsible financial services provision, and finding new ways to empower women.

This often starts with the ESGI Action Plans that are drawn up for each company at the time of investment, to identify gaps between their existing operations and Apis' requirements. But it goes beyond this, in the form of best practices that are maintained after the achievement of Action Plan items, and a spirit of continuous improvement in this regard.

Reference Benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

- Yes
- No

No specific index is designated as a reference benchmark for this purpose.