




Article 10 (SFDR)

Website disclosure for an article 8 fund

Borromin Capital Fund IV SCS, SICAV-RAIF

A	SUMMARY
	<p>Developing sustainable and profitable businesses is at the heart of Borromin's philosophy. One measure contributing to this objective is the enhancement of long-term value of Borromin's portfolio companies by considering ESG aspects. Borromin is convinced that this approach leads to improved risk management and to better identification of value creation potential linked to investments made.</p> <p>The term ESG stands for Environmental, Social and Governance. In Borromin's understanding consideration of ESG translates into covering subjects such as:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start; margin-top: 20px;"> <div style="text-align: center;">  <div style="background-color: #f0f0f0; padding: 10px; margin-top: 10px;"> Environmental pollution, waste management, consumption of natural resources. </div> </div> <div style="text-align: center;">  <div style="background-color: #f0f0f0; padding: 10px; margin-top: 10px;"> Social child labour, fair trade, health and safety in the work environment, and equal opportunities. </div> </div> <div style="text-align: center;">  <div style="background-color: #f0f0f0; padding: 10px; margin-top: 10px;"> Governance anti-bribery / corruption, business ethics, risk management and control systems. </div> </div> </div> <p>At Borromin, ESG is approached in a participatory manner and managing partners as well as investment associates are equally exposed to the subject within the daily work. Borromin will not invest in unethical businesses.</p> <h3>Integration of ESG in investment activities</h3> <p>ESG aspects are considered at the different phases of the investment activities.</p> <h4>Pre-Investment</h4> <p>The ESG subjects most relevant to a target company will be investigated by Borromin, or an external ESG advisor engaged by Borromin, as part of the transaction process and results will be recorded in investment decisions.</p> <p>Borromin puts a strong emphasis on governance aspects, which are always considered to be material. For this reason, an in-depth compliance questionnaire has been developed and installed as integral part of due diligence in the pre-investment phase. Environmental and social aspects and materiality thereof might vary depending on the industry and the specific target company itself.</p> <p>Potential ESG issues that have been identified during due diligence will not necessarily stop Borromin from investing in a company, but instead will be included as topics of improvement requiring action during the holding period.</p> <p>Depending on the specific nature of a transaction, Borromin may perform a more comprehensive ESG assessment subsequent to the closing of the transaction.</p> <h4>Exclusion List</h4> <p>✗ tain sectors and economics activities cannot be aligned with Borromin's values and philosophy and are principally excluded in the investment universe.</p> <div style="background-color: #f0f0f0; padding: 10px; margin-top: 20px;"> <p>Current exclusions amongst others include:</p> <ul style="list-style-type: none"> production of & trade in tobacco and cannabis distilled alcoholic beverages and related products financing of the production of & trade in weapons and ammunition of any kind casinos and equivalent enterprises pornography </div>

Post-investment

Borromin invests in a diverse range of SMEs which may have limited resources for engaging in ESG aspects. However, Borromin will strive to utilise capacities in the best interest of investors and portfolio companies. During the holding period Borromin will take action to manage and / or encourage portfolio companies to manage identified ESG risks and value creation opportunities. Measures and actions are subject to Borromin's determination of what is reasonable and appropriate for each investment, but might include:

- **Monitoring:** Where there are material issues identified during the diligence process these issues will be monitored throughout the life of the investment. Where management of, or performance on, a material issue is considered by Borromin to require improvement, Borromin will work with company management to support the development of a corrective action plan.
- **Engagement:** Borromin will encourage the management teams of portfolio companies to identify and raise material ESG issues to the relevant decision makers, including, where appropriate, board-level individuals.
- **Reporting:** Borromin will urge management teams of portfolio companies to report ESG incidents and progresses to Borromin on a regular basis. Where appropriate, throughout the investment cycle, Borromin will seek to actively engage relevant stakeholders in an effort to make informed decisions that may affect these stakeholders.

Borromin is committed to responsible and sustainable investment principles. Environmental, social and corporate governance ("ESG") issues and considerations underpin our investment approach. Borromin is a signatory of the UN supported Principles of Responsible Investment ("PRI"):

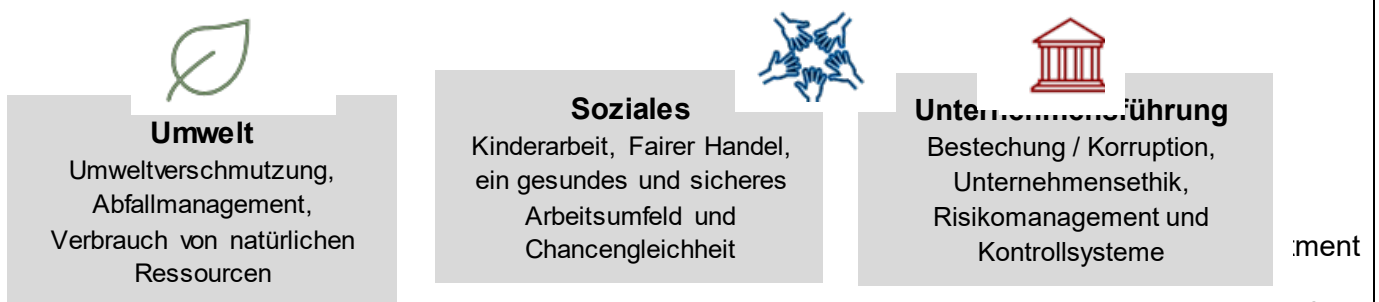
Signatory of:



German Version :

Die Weiterentwicklung von nachhaltigen und profitablen Unternehmen ist der Kern von Borromins Beteiligungsphilosophie. Ein wesentliches Element hierbei ist die langfristig orientierte Steigerung des Unternehmenswerts unserer Beteiligungsgesellschaften durch die Berücksichtigung von ESG Aspekten. Borromin ist überzeugt, dass dieser Ansatz das Risikomanagement verbessert und die Identifizierung von Wertschöpfungspotenzialen in den Beteiligungsunternehmen erleichtert.

Der Begriff ESG steht für Environmental, Social und Governance (Umwelt, Soziales und Unternehmensführung). Hierunter versteht Borromin Folgendes:



nicht entsprechen.

Berücksichtigung von ESG bei neuen Unternehmensbeteiligungen

Bei Borromin werden ESG Aspekte in den verschiedenen Phasen einer Unternehmensbeteiligung berücksichtigt.

Vor der Unternehmensbeteiligung

Die für ein Zielunternehmen relevanten ESG Themen werden von Borromin oder einem von Borromin mandatierten ESG Berater im Rahmen des Transaktionsprozesses geprüft und im Entscheidungsprozess entsprechend berücksichtigt. Borromin prüft besonders detailliert die ESG Aspekte der Unternehmensführung. Hierfür wurde ein ausführlicher Compliance Fragebogen entwickelt, der ein wichtiger Bestandteil des Due Dilligence Prozesses ist. Die Relevanz von ökologischen und sozialen Aspekten kann je nach Branche und dem spezifischen Zielunternehmen unterschiedlich ausgeprägt sein. Werden potenzielle ESG Probleme während der Due Dilligence Prüfung identifiziert führt dies nicht automatisch zum Abbruch des Transaktions-prozesses, sondern wird als Optimierungspunkt auf die Agenda für die Zeit während des Beteiligungszeitraums aufgenommen. Abhängig vom Geschäftsmodell des Unternehmens, wird Borromin bei Bedarf nach Abschluss der Transaktion eine zusätzliche umfassendere ESG Prüfung durchführen.

Ausschlussliste

Bestimmte Branchen und Tätigkeitsfelder passen nicht zu Borromins Wertvorstellungen bzw. Philosophie. Sie sind daher grundsätzlich von Beteiligungen ausgeschlossen.

Die aktuelle Ausschlussliste enthält unter anderem:


- Herstellung und Vertrieb von Tabak und Cannabis
- Destillierten alkoholischen Getränken und ähnlichen Produkten
- Finanzierung der Produktion und des Handels mit Waffen und Munition jeglicher Art
- Spielkasinos und ähnliche Unternehmen
- Pornographie

Nach der Beteiligung

Borromin beteiligt sich an einem breiten Spektrum kleiner und mittelständischer Unternehmen, welche möglicherweise begrenzte Ressourcen für die Umsetzung von ESG Aspekten haben. Borromin wird sich jedoch bemühen, vorhandene Kapazitäten zur Umsetzung der ESG Ziele im Interesse der Investoren und Portfoliounternehmen einzusetzen. Während des Beteiligungs-zeitraums wird Borromin Maßnahmen ergreifen und Portfoliounternehmen dabei unterstützen, um die identifizierten ESG-Risiken und Wertschöpfungsmöglichkeiten in den Unternehmen zu adressieren. Es obliegt der Einschätzung von Borromin, welche Maßnahmen für das individuelle Unternehmen angemessen und geeignet sind. Diese könnten Folgendes beinhalten:

- **Überwachung:** Wesentliche ESG Themen, die während der Due Dilligence Prüfung identifiziert wurden, werden während des gesamten Beteiligungszeitraums überwacht. Wenn in Bezug auf ein wesentliches Problem kein befriedigender Umgang oder kein Fortschritt zu erkennen ist, wird Borromin gemeinsam mit der Geschäftsleitung des Unternehmens einen Plan entwerfen, wie das Problem behoben werden kann.
- **Engagement:** Borromin wird die Geschäftsleitung der Portfoliounternehmen ermutigen, ESG Probleme zu identifizieren und – sofern sie wesentlich sind - den zuständigen Entscheidungsträgern, gegebenenfalls auch Mitgliedern des Beirats, anzuzeigen.
- **Berichterstattung:** Borromin wird die Geschäftsleitung der Portfoliounternehmen auffordern, ESG Vorfälle und Fortschritte im Umgang mit ESG Problemen regelmäßig an Borromin zu melden. Gegebenenfalls wird Borromin im Laufe des Beteiligungszeitraums versuchen, von einem spezifischen ESG Problem betroffene Interessensgruppen aktiv mit einzubeziehen, um hierzu fundierte Entscheidungen, welche wiederum diese Interessensgruppen betreffen könnten, fällen zu können.

Borromin verpflichtet sich zu einem verantwortungsbewussten und nachhaltigen Investment-ansatz. Überlegungen aus den Bereichen Umwelt, Soziales und Unternehmensführung (ESG) sind fester

	<p>Bestandteil unseres Beteiligungsansatz. Borromin unterstützt die von Investoren in Partnerschaft mit den Vereinten Nationen formulierten „Principles for Responsible Investment“ („PRI“):</p> <p><i>Signatory of:</i></p> 
B	<u>NO SUSTAINABLE INVESTMENT OBJECTIVE</u>
	This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.
C	<u>ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT</u>
	<p>Borromin puts a strong emphasis on governance aspects, which are always considered to be material. Environmental and social aspects and materiality thereof might vary depending on the industry and the specific target company itself.</p> <p>Certain sectors and economics activities cannot be aligned with Borromin's values and philosophy and are principally excluded in the investment universe (such as financing of the production of and trade in weapons and ammunition of any kind). Current exclusions amongst others are:</p> <ul style="list-style-type: none"> • production of & trade in tobacco and cannabis • distilled alcoholic beverages and related products • financing of the production of & trade in weapons and ammunition of any kind • casinos and equivalent enterprises • pornography <p>During the holding period Borromin will take action to manage and / or encourage portfolio companies to manage identified ESG risks and value creation opportunities.</p>
D	<u>INVESTMENT STRATEGY</u>
	<p>Borromin's investment strategy is to acquire and build a portfolio of approximately 10-12 (primarily) majority investments in highly profitable, small and medium-sized enterprises (SMEs or Small Mid-Caps) operating across a range of industries, ensuring risk diversity across a wider group of companies and sectors.</p> <p>Geographically, the investment focus is upon German-speaking countries in the DACH (Germany, Austria and Switzerland) and the Benelux (Belgium, Netherlands, and Luxembourg) regions which, by the end of the investment period will represent at least 70% of the portfolio.</p> <p>Borromin puts a strong emphasis on governance aspects, which are always considered to be material. For this reason, an in-depth compliance questionnaire has been developed and installed as integral part of due diligence in the pre-investment phase.</p>
E	<u>PROPORTION OF INVESTMENTS</u>
	All assets within Borromin's funds promote social and environmental characteristics. Similarly, all assets are direct investments. None of the investments underlying Borromin V do take into account the EU criteria for environmentally sustainable economic activities.

F	<u>MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS</u>
	<p>Borromin invests in a diverse range of SMEs which may have limited resources for engaging in ESG aspects. However, Borromin will strive to utilise capacities in the best interest of investors and portfolio companies. During the holding period Borromin will take action to encourage portfolio companies to manage identified ESG risks and value creation opportunities. Measures and actions are subject to Borromin's determination of what is reasonable and appropriate for each investment, but might include:</p> <ul style="list-style-type: none"> • Monitoring: Where there are material issues identified during the diligence process these issues will be monitored throughout the life of the investment. Where management of, or performance on, a material issue is considered by Borromin to require improvement, Borromin will work with company management to support the development of a corrective action plan. • Engagement: Borromin will encourage the management teams of portfolio companies to identify and raise material ESG issues to the relevant decision makers, including, where appropriate, board-level individuals. • Reporting: Borromin will urge management teams of portfolio companies to report ESG incidents and progresses to Borromin on a regular basis. Where appropriate, throughout the investment cycle, Borromin will seek to actively engage relevant stakeholders in an effort to make informed decisions that may affect these stakeholders.
G	<u>METHODOLOGIES</u>
	Measures and actions are subject to Borromin's determination in the post-investment phase of what is reasonable and appropriate for each investment. Such indicators may contain the monitoring of material issues identified or reporting of ESG incidents or progresses by the portfolio company management.
H	<u>DATA SOURCES AND PROCESSING</u>
	<p>The data sources used to attain each of the environmental or social characteristics promoted by the financial product are provided by the portfolio companies on a regular basis within a Q&A process. Starting 2022 the portfolio companies provide the relevant data on PAI-KPIs.</p> <p>The data collected within the ESG assessment is processed by Borromin's ESG consultant who has extensive experience working with ESG-related data. To ensure data quality the consultant generally follows a four-eye principle. None of the data is estimated within the process.</p>
I	<u>LIMITATIONS TO METHODOLOGIES AND DATA</u>
	Borromin invests in a diverse range of SMEs which may have limited resources for engaging in ESG aspects. Moreover, investments are usually made on short notice, limiting the potential investment's capability to collect relevant ESG-related data. To account for these limitations, Borromin seeks in-depth discussions with companies through interviews and site visits.
J	<u>DUE DILIGENCE</u>
	The ESG subjects most relevant to a target company will be investigated by Borromin, or an external ESG advisor engaged by Borromin, as part of the transaction process and results will be recorded in investment decisions.

	<p>Borromin puts a strong emphasis on governance aspects, which are always considered to be material. For this reason, an in-depth compliance questionnaire has been developed and installed as integral part of due diligence in the pre-investment phase. Environmental and social aspects and materiality thereof might vary depending on the industry and the specific target company itself.</p> <p>Potential ESG issues that have been identified during due diligence will not necessarily stop Borromin from investing in a company, but instead will be included as topics of improvement requiring action during the holding period.</p> <p>Depending on the specific nature of a transaction, Borromin may perform a more comprehensive ESG assessment subsequent to the closing of the transaction.</p>
K	<u>ENGAGEMENT POLICIES</u>
	<p>During the holding period, Borromin will take action to encourage portfolio companies to manage identified ESG risks and value creation opportunities. Measures and actions are subject to Borromin's determination of what is reasonable and appropriate for each investment. Measures and actions usually include the monitoring of the identified issues, deeper engagement of the management teams on ESG topics and reporting provided by the management teams.</p>
L	<u>DESIGNATED REFERENCE BENCHMARK</u>
	n/a

References & Guiding notes

SFDR Delegated Regulation : [C 2022 1931 1 EN ACT part1 v6 \(1\).pdf](#)
(europa.eu)

Article 24

Sections of website product disclosure for financial products that promote environmental or social characteristics

For financial products that promote environmental or social characteristics, financial market participants shall publish the information referred to in Article 10(1) of Regulation (EU) 2019/2088 and Articles 25 to 36 of this Regulation in the following order and made up of all of the following sections titled:

- (a) 'Summary';
- (b) 'No sustainable investment objective';
- (c) 'Environmental or social characteristics of the financial product';
- (d) 'Investment strategy';
- (e) 'Proportion of investments';
- (f) 'Monitoring of environmental or social characteristics';
- (g) 'Methodologies';
- (h) 'Data sources and processing';
- (i) 'Limitations to methodologies and data';
- (j) 'Due diligence';
- (k) 'Engagement policies';
- (l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark'.

Article 25

Website section 'Summary' for financial products that promote environmental or social characteristics

1. In the website section 'Summary' referred to in Article 24, point (a), financial market participants shall summarise all the information contained in the different sections referred to in that Article about the financial products that promote environmental or social characteristics. The summary section shall have a maximum length of two sides of A4-sized paper when printed.
2. The website section 'Summary' referred to in Article 24, point (a), shall be provided in at least the following languages:

- (a) one of the official languages of the home Member State and, where different and where the financial product is made available in more than one Member State, in an additional language customary in the sphere of international finance;
- (b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.

Article 26

Website section ‘No sustainable investment objective’ for financial products that promote environmental or social characteristics

1. In the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), financial market participants shall insert the following statement: “This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.”
2. Where the financial product commits to making one or more sustainable investments, financial market participants shall in the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), explain how the sustainable investment does not significantly harm any of the sustainable investment objectives, including all of the following:
 - (a) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account;
 - (b) whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Article 27

Website section ‘Environmental or social characteristics of the financial product’ for financial products that promote environmental or social characteristics

In the website section ‘Environmental or social characteristics of the financial product’ referred to in Article 24, point (c), financial market participants shall describe the environmental or social characteristics that the financial products promotes.

Article 28

Website section ‘Investment strategy’ for financial products that promote environmental or social characteristics

In the website section ‘Investment strategy’ referred to in Article 24, point (d), financial market participants shall describe all of the following:

- (a) the investment strategy used to meet the environmental or social characteristics promoted by the financial product;

- (b) the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Article 29

Website section ‘Proportion of investments’ for financial products that promote environmental or social characteristics

In the website section ‘Proportion of investments’ referred to in Article 24, point (e), financial market participants shall insert the information referred to in Article 14 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.

Article 30

Website section ‘Monitoring of environmental or social characteristics’ for financial products that promote environmental or social characteristics

In the website section ‘Monitoring of environmental or social characteristics’ referred to in Article 24, point (f), financial market participants shall describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

Article 31

Website section ‘Methodologies for environmental or social characteristics’ for financial products that promote environmental or social characteristics

In the website section ‘Methodologies for environmental or social characteristics’ referred to in Article 24, point (g), financial market participants shall describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.

Article 32

Website section ‘Data sources and processing’ for financial products that promote environmental or social characteristics

In the website section ‘Data sources and processing’ referred to in Article 24, point (h), financial market participants shall describe all of the following:

- (a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product;
- (b) the measures taken to ensure data quality;
- (c) how data are processed;
- (d) the proportion of data that are estimated.

Article 33

Website section ‘Limitations to methodologies and data’ for financial products that promote environmental or social characteristics

In the website section ‘Limitations to methodologies and data’ referred to in Article 24, point (i), financial market participants shall describe all of the following:

- (a) any limitations to the methodologies referred to in Article 24, point (g), and to the data sources referred to in Article 24, point (h);
- (b) how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met.

Article 34

Website section ‘Due diligence’ for financial products that promote environmental or social characteristics

In the website section ‘Due diligence’ referred to in Article 24, point (j), financial market participants shall describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

Article 35

Website section ‘Engagement policies’ for financial products that promote environmental or social characteristics

In the website section ‘Engagement policies’ referred to in Article 24, point (k), financial market participants shall describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.

Article 36

Website section ‘Designated reference benchmark’ for financial products that promote environmental or social characteristics

1. In the website section ‘Designated reference benchmark’ referred to in Article 24, point (l), financial market participants shall describe whether an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated.

2. Where part or all of the information referred to in paragraph 1 is published on the website of the administrator of the reference benchmark, a hyperlink shall be provided to that information.