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Brightlands Venture Partners Fund IV B.V. Pre-Contractual Disclosures

Legal entity identifier: Brightlands Venture Partners Fund IV B.V. (“The Fund”)

This document provides sustainability-related information about this fund according to the requirements of the EU Sustainable Finance Disclosure Regulation (SFDR).

1 Does the financial product have a sustainable investment objective?

This fund *has sustainable investment as its objective within the meaning of Article 9 of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector*. 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.

This product will make:

- A minimum of **30%** investments with an environmental objective.
- A minimum of **40%** investments with a social objective.

Investments with an environmental objective include investments in environmentally sustainable activities that are beyond the scope of the EU Taxonomy. The EU Taxonomy is a classification system that establishes a list of environmentally sustainable economic activities.

2 What is the sustainable investment objective of this financial product?

The sustainable investment objective of the fund is to invest in activities whose contributions to environmental and social objectives clearly outweigh any (possible) environmental and social costs.

Social objectives are considered in a broad sense that also recognizes contributions to humanity's knowledge and public health.

Environmental objectives aligned with the objectives defined in Regulation (EU) 2020/852 include:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

The fund also seeks (i) environmental and (ii) social sustainable objectives beyond the ones defined in the EU regulation:

- Aim to promote or enable treating and recycling waste as well as the re-use of materials (Environmental)
- Aim to contribute or enable removing or reducing GHG emissions emitted (Environmental)
- Aim to promote people's physical and mental health (Social)
- Aim to promote or enable good nutrition with respect for nature, animal and/or human welfare (Social)

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

2.1 What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Attainment of the sustainable investment objective is measured by net impact ratio. Net impact ratio is a resource efficiency indicator that comprehensively captures investment's impacts on society, knowledge, health, and the environment, considering both positive and adverse impacts.

The net impact ratio indicator is based on the Upright Net Impact Framework. Table 1 provides an overview of the top-level impact categories included in the framework.

<i>Dimension</i>	<i>Impact category</i>
<i>Society</i>	Taxes
	Jobs
	Societal infrastructure
	Equality
	Societal stability
<i>Knowledge</i>	Scarce human capital
	Knowledge infrastructure
	Creating knowledge
	Distributing knowledge
<i>Health</i>	Physical diseases
	Mental diseases
	Nutrition
	Relationships
	Meaning & Joy
<i>Environment</i>	GHG emissions
	Non-GHG emissions
	Biodiversity
	Scarce natural resources
	Waste

Table 1: Impact categories in Upright Net Impact Framework

The data for the indicators is primarily provided by the external data provider Upright.

In addition to Upright's Net Impact Framework, BVP aims to align with a variety of Sustainable Development Goals (SDG's). BVP has identified the following SDG's that are principally relevant for BVP's investment focus:

- End hunger, achieve food security and improved nutrition and promote sustainable agriculture (SDG 2)
- Ensure healthy lives and promote well-being for all (SDG 3)
- Ensure access to affordable, reliable, sustainable and modern energy (SDG 7)

- Build resilient infrastructure, promote sustainable industrialization and foster innovation (SDG 9)
- Ensure sustainable consumption and production patterns (SDG 12)
- Take urgent action to combat climate change and its impacts (SDG 13)

The fund's alignment with the SDG's is not binding, it functions as a guiding principle for its investment practices.

2.2 How do sustainable investments not cause significant harm to any environmental or social investment objective?

The primary binding element of the investment strategy is based on net impact ratio, a resource efficiency indicator that comprehensively captures investment's impacts on society, knowledge, health, and the environment, considering the scale of both positive and adverse impacts.

Therefore, that binding element already assures that the scale of the adverse impacts of each investment is insignificant compared to the scale of the positive impacts.

As a supplementary layer of assurance that sustainable investments do not significantly harm any environmental or social objective, Principal Adverse Impact indicators (part of Regulation (EU) 2019/2088) are taken into account as described in the following section (Section 2.2.1).

2.2.1 How are indicators for adverse impacts on sustainability factors taken into account?

Principle adverse impacts are considered separately for each individual investment according to the following process:

1. Identification of relevant adverse impact indicators for an investment. This step is skipped for indicators that are considered "mandatory" in the Regulation (EU) 2019/2088 and its regulatory technical standards, as such indicators are always treated as relevant.
2. Assessment of the scale of possible adverse impacts related to an investment, in relation to the scale of its positive impacts. The assessment is done based on disclosed and modeled data for individual principal adverse indicators and relevant correlated indicators. Correlated indicators are used when no data is available for specific principle adverse indicators that would be relevant to consider. Used correlated indicators include, but are not limited to, Upright net impact metrics and UN Sustainable Development Goals (SDG) alignment metrics.
3. Based on the assessment, a conclusion is made on whether:
 - A. The potential harm related to the investment is insignificant.
 - B. The potential harm related to the investment harms is significant.
 - C. There is no, or insufficient, data to make a conclusion on whether there is significant harm related to the investment.

The above assessment is performed for both new (as part of the due diligence process) and existing sustainable investments. The analysis for existing investments is updated every 12 months. The assessments are primarily driven by data from external data provider Upright.

Our PAI statement can be found here: <https://brightlandsventurepartners.com/wp-content/uploads/2022/09/Principal-Adverse-Impact-Statement-website.pdf>

2.2.2 How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Known severe breaches in minimum behavioral norms detailed in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are a reason for exclusion from the fund's eligible investment universe.

Breaches are monitored both for new and existing investments. Given that data may not be available especially for investments in smaller companies, all investments cannot be guaranteed to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

BVP expects its portfolio companies to do business in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

3 Does this product take into account principal adverse impacts on sustainability factors?

Principal adverse impacts on sustainability factors are taken into account for two purposes:

- The Do No Significant Harm (DNSH) assessment, with the process as described in Section 2.2.1.
- Risk management, according to the fund's overall risk management process.

4 What investment strategy does this financial product follow?

The sustainable investment objective is attained by:

Investing in companies whose core business is aligned with the sustainable investment objectives.

The binding elements are integrated into both the due diligence and ownership phases of the investment process as follows:

1. Investments are assessed against the binding elements of the investment strategy as part of the due diligence phase that is conducted before an investment decision is made.
2. For existing investments, the sustainability indicators are reviewed every 12 months.

While sustainable investments are the prime objective, to some extent other investments are allowed, if so required under sector specific rules.

4.1 What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The strategy contains the following binding elements for sustainable investments:

1. The net impact ratio of each investment target must exceed 0%, AND
2. Investments must not do significant harm to any environmental or social objective. Assessment of no significant harm is described in Section 2.2.

Binding elements for the environmental and social sustainable objectives described in Section 2 are as followed:

- Environmental: The positive impact score for the environment must be higher than +1.0
- Social: The sum of the positive impact scores for categories Physical health, Mental health, and Nutrition must be higher than +1.5

4.2 What is the policy to assess good governance practices of the investee companies?

Good governance is assessed and carried out via traditional governance structures such as a supervisory board and/or shareholder meetings. The fund makes investments in Western-European entities for which corporate governance is either already formalized or installed by the fund.

5 What is the asset allocation and the minimum share of sustainable investments?

At least **80%** of the funds will be allocated to sustainable investments. **20%** of funds may be allocated to investments that don't classify as sustainable.



All investments	Investments that classify as sustainable <i>Minimum: 80%</i>	Investments with environmental objective <i>Minimum: 30%</i>	Investments with environmental objective, aligned with EU taxonomy <i>Minimum: 25%</i>
			Investments with environmental objective, not aligned with EU taxonomy <i>Minimum: 0%</i>
		Investments with social objective <i>Minimum: 40%</i>	
Investments that don't classify as sustainable			

Table 2: Sustainable asset allocation

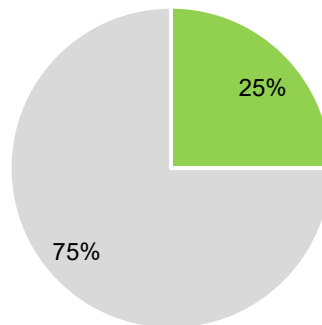
5.1 How does the use of derivatives attain the sustainable investment objective?

The product does not use derivatives to attain sustainable investment.

5.2 To what minimum extent are sustainable investments with an environmental objective aligned with the EU taxonomy?

The graph below shows, in green, the minimum percentage of investments that are aligned with the EU Taxonomy (present and upcoming). As there is no appropriate methodology to determine the Taxonomy-alignment of investments, the graph shows the Taxonomy-alignment in relation to all the investments of the financial product.

1. Taxonomy-alignment of investments



■ Taxonomy-aligned ■ Other investments

5.3 What is the minimum share of investment in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is **0%**. However, transitional and enabling technologies are within the investment scope of the Fund. The Fund may therefore still make investments in such technologies.

5.4 What is the minimum share of sustainable investment with an environmental objective that are *not aligned* with the EU Taxonomy?

The minimum share of investments that are not aligned with the EU taxonomy is **0%**.

5.5 What investments are included under “#2 Not sustainable”, what is their purpose, and are there any minimum environmental or social safeguards?

The purpose of the investments that don't classify as sustainable is to allow for investments for which all the criteria cannot be verified due to insufficient data.

As a minimum environmental safeguard and social safeguard, other investments are screened against severe violations of norms. This is implemented by:

- In-house monitoring of news, company press releases, and other public sources
- Norm-violation data provided by Upright, which extracts and aggregates norm-violation data from news and other public sources.

The delivery of the sustainable investment objective is not affected by the proportion of investments that don't classify as sustainable, because:

- Investments that don't classify as sustainable are only allowed when there is insufficient data to classify an investment as sustainable, but the investment is deemed likely to be, in fact, sustainable.
- Such investments are reassessed when additional data on their sustainability becomes available.
- The maximum proportion of such investments is limited to **20%**.

6 Can I find more information online?

More information is available at:

<https://brightlandsventurepartners.com/impact/>