

THC IV

Website Disclosure

Version 1.0

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Summary

This financial product (THC IV SICAV-RAIF SA, hereinafter referred to as the Fund) does not have as its objective sustainable investment as defined under SFDR. However, it promotes environmental and social characteristics by investing in companies aware and respectful of environmental boundaries based on selected exclusions and the integration of sustainability risks in the entire investment life-cycle. These characteristics are met and measured via dedicated procedures and KPIs as presented in The Fund's Responsible Investment Policy.

While methodological or data limitations might apply due to the inherent complexity of the related topics and companies' own context, the Fund's direct investment and active ownership approach are well suited to enable the achievement of the Funds' targeted environmental and social characteristics.

In line with the Fund's absolute return logic, no reference benchmark has been designated.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have sustainable investment as its objective.

Environmental or social characteristics of the financial product

The Fund invests in companies aware and respectful of environmental boundaries and social standards which translates in the following environmental and social characteristics:

- Characteristic 1: The absence of investments in companies that have a meaningful involvement in activities or practices that have the (proven) potential to significantly harm the environment or the society, namely: fossil fuels, controversial weapons, tobacco, gambling, pornography and adverse practices as per major international standards.

Characteristic 2: Investments in companies with reasonable exposure to material sustainability risks, investigated ex ante and addressed via active ownership with a view to mitigate Principal Adverse Impacts.

Investment strategy

The Fund makes direct investments in Polish SMEs in the (modern) manufacturing, B2B services and healthcare sector.

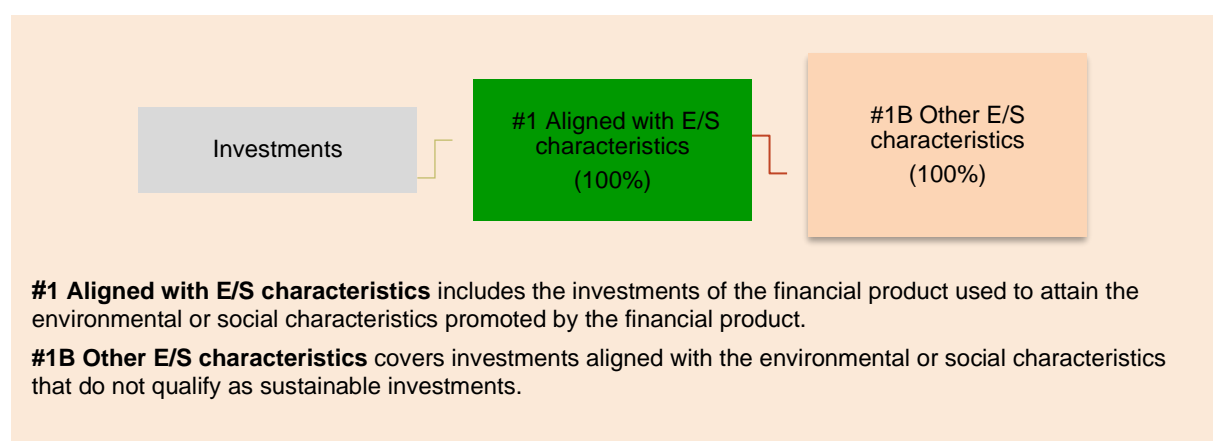
In order to meet the targeted environmental and social characteristics the Fund applies the following procedures:

- The ex-ante exclusion of companies based on the business activities and norms listed under Characteristic 1 (cf section Environmental or social characteristics of the financial product) in connection to the DNSH concept.
- The execution of a materiality-driven due diligence on sustainability risks along the Fund's sustainability framework, including good governance practices, informing the investment decision.
- The integration of a binding ESG commitment (for the invested company) in the deal structure, in relation to the priorities identified during the due diligence phase.
- The active involvement in portfolio companies' sustainable development based on a jointly defined ESG action plan.

The procedures are further described in in The Fund's Responsible Investment Policy.

Proportion of investments

Except for potential cash considerations, the Fund's assets will be allocated entirely to direct investments aligned with the promoted environmental and social characteristics.



Monitoring of environmental or social characteristics

The continued monitoring of environmental and social characteristics of the Fund is done via 3 types of indicators:

- A - The % exposure to the activities listed under Characteristic 1 (cf section Environmental or social characteristics of the financial product).
- B - Principle Adverse Impact indicators (as per SFDR RTS) related to Characteristic 1 and 2.
- C - Ad hoc indicators related to portfolio companies' progress on sustainability factors in relation to the Fund's active ownership approach (Characteristic 2).

Type A indicators are collected during the screening and due diligence phase.

Type B indicators are partially collected during the screening and due diligence phase. If an investment takes place, portfolio companies are then required to report (monthly to yearly depending on the topic and circumstances) on a list of KPIs including all necessary type B indicators.

Type C indicators relate to elements present in a company-specific ESG Action Plan which are set shortly after the investment is executed. The ESG Action Plan is subject to formal annual reviews and adjustments under the leadership of portfolio companies' supervisory boards.

Further, the Fund maintains a permanent and close relationship with portfolio companies and engages them on sustainability topics based on current affairs, events and priorities so as to ensure the appropriate monitoring and management of sustainability risks and the continued progress that is jointly sought.

Methodologies

The product's environmental and social characteristics are met and measured via the execution of the Fund's sustainability risks integration methodology detailed in the Responsible Investment Policy.

In essence, it builds on the Fund's sustainability framework, rooted in international standards, along the following methods:

- screening and exclusions (direct review of activities)
- materiality analysis of sustainability factors considering the potential impact of sustainability factors on the company and its stakeholders
- 3-dimensional analysis of companies' practices (leadership, implementation, results)
- active ownership including ESG action plans and reporting procedures

Data sources and processing

Data related to Characteristic 1 (cf section Environmental or social characteristics of the financial product) consists primarily of company-reported revenue categorization and description. Additional external data sources (lists of companies involved in specific activities) may be used as a complement when relevant.

Data related to Characteristic 2 consists of information about the companies' practices collected via a variety of techniques that may include documentary reviews (data room), questionnaires (structured along the Fund's sustainability framework), site visits as well as management and stakeholders' interviews.

Post-investment, this data is complemented by dedicated reporting prescribed by the Fund.

As the data is primarily collected directly from companies, the use of estimates is limited.

The data is treated and analysed directly by the Fund.

Limitations to methodologies and data

The Fund does direct investments. This means that it systematically accesses primary and targeted data from companies and their stakeholders (as opposed to secondary data accessed via providers as is the case for other types of products such as listed equities funds).

Coupled with a flexible methodological approach, the data is therefore adequate by design in order to achieve the targeted environmental and social characteristics.

Challenges might of course also exist at company level, where three risks can be considered:

- The (intentional) miscommunication of information by companies.
- The reliance on inaccurate or unsatisfactory underlying data (as may be the case e.g. for scope 3 GHG emissions data which are notoriously difficult to grasp).
- The inherent complexity of sustainability factors that are not easily reducible to simple KPIs.

The first point is addressed via an active and dynamic involvement of the Fund with the companies over the entire investment lifecycle whereby information is consistently challenged based on an in-depth knowledge and understanding of the companies' business and context. In the unlikely case of misconduct or negligence despite all necessary precautions and due diligence, the Fund is also in a position to take corrective actions (including by imposing management change in companies as required).

The second and third points are mitigated by the reliance on a variety of data and methods in order to meet the targeted environmental and social characteristics, therefore limiting the impact of a potentially missing or misleading data point. The use of third-party topical experts to tackle specific informational or analytical challenges further reduces the likelihood for related issues to arise.

Due diligence

The Fund's due diligence approach is designed to meet the targeted environmental and social characteristics as detailed in the Responsible Investment Policy under the corresponding section.

In essence, it consists in analysing material sustainability risks based on a direct engagement with the companies in order to inform the investment decision and, in

case of affirmative decision, take the necessary post-investment actions in order to mitigate adverse impacts and foster good practices.

Engagement policies

The Fund's engagement approach is designed to meet the targeted environmental and social characteristics as detailed in the Responsible Investment Policy under the Active Ownership section.

In essence, it consists in guiding and supporting the company based on a jointly defined ESG Action Plan, reporting requirements and the ability for the Fund to act based on its shareholder's position.

Designated reference benchmark

In line with the Fund's absolute return logic, no reference benchmark has been designated.