

Sustainability disclosures regarding the Sustainable Finance Disclosure Regulation (SFDR)

Sustainability risks (Article 3 of the SFDR)

StartGreen Capital's [sustainability policy](#), which Borski follows, describes how sustainability risks are identified and mitigated. Sustainability risk is defined as an environmental, social or governance event or circumstance that, if it occurs, could cause a material adverse effect on the value of the investment.

The aim of our ESG policy is to identify both ESG risks (potential negative return effects) and ESG opportunities (potential value creation). For example, we exclude sectors that do not align with our values, such as the arms industry, oil and gas industry (fossil fuels), tar sands oil companies and tobacco industry. During the due diligence phase, we identify potential company-specific ESG risks, such as nitrogen emissions, and opportunities, such as strengthening diversity. If we decide to invest, material ESG risks (if any) are monitored periodically. The combination of these practices should lead to fewer risks (for example reputational risk), more future-proof and attractive portfolio companies (both for talent and prospective investors), and thus better returns. Please find below our ESG process in a schematic overview, where Borski focusses on "diversity & inclusiveness", thus "S" from ESG.

ESG in the investment process:

Selection procedure	Due diligence procedure	Management procedure
Positively select companies based on impact KPIs.	Conduct ESG survey.	Draw up an ESG plan of action.
Negatively screen companies based on high-level ESG scan.	Engage external experts if relevant.	Evaluate ESG actions in periodic reporting.
Discuss ESG policy of the company.	Discuss conclusions with company.	Consolidate annually ESG metrics for each fund.
Assess management's position on ESG.	Include ESG items in deal structuring.	Monitor changes in ESG risks.
	Make Go/No-go decision based on ESG survey.	Make companies ESG exit ready.
	Include findings in investment memorandum.	
	Assessment by investment committee.	

Before we provide financing to a company, we use our ESG survey to investigate whether the company has a potential negative impact on sustainability factors (inside-out), such as environmental pollution or child labor in the supply chain. We also analyse for each company whether it faces serious external sustainability risks (outside-in), for example a physical climate risk that, if it occurs, could lead to a material adverse effect on the value of the investment.

Below is an overview of the ESG items that we analyse to the extent relevant for the specific portfolio companies prior to providing a financing, with an emphasis on "social" for Borski.

	Environmental	Social	Governance
Internal	Resource efficiency	Human Capital	Organization, implementation, control
	Energy	Diversity & inclusivity	Transparent processes & responsibilities
	Water	Training	Company policy
	Other scarce raw materials	Health & safety employees	Monitoring system
	Environmental Compliance		Business Integrity
	Environmental permits		Code of ethics (anti-corruption)
	Environmental guidelines		CDD
			ESG Vision
			ESG integration
			ESG disclosure
External	Pollution Control	Negative Social Impact	Stakeholder Management / Communication
	GHG emissions	Customers	Transparent stakeholders
	Water / ground pollution	Surroundings	Relationship with stakeholders
	Non-recyclable waste		Communication policy
	Supply Chain Effects - Environmental	Supply Chain Effects - Social	Supply Chain Effects - Governance
	Environmental impact of supply chain	Human rights	Transparency in supply chain
			Reputation risk supply chain
	Physical Climate Risks		
Other	Effect of climate on the organization		
	Other (future) Risk - Environmental	Other (future) Risk - Environmental - Social	Other (future) Risk - Governance

Consideration of Principal Adverse Impacts (Article 4 of the SFDR).

Since 2021, Borski has been doing annual surveys on its portfolio companies to report on issues arising from the SFDR, including the "adverse impacts on sustainability" more commonly known as Principal Adverse Impacts (PAIs). These are indicators on potential adverse impacts on people (including on diversity, worker safety, human rights) and environment (including through greenhouse gases and waste of biodiversity).

Many of Borski's portfolio companies are relatively young and small. Because of the size of the companies, data on these are often not available publicly or through a data provider (as is the case for some large publicly traded companies). In addition, the portfolio companies themselves often do not have the resources and/or obligation to report on these PAI indicators. Therefore, the survey is completed on a "best-effort" basis. Because Borski depends on the quality of the information it receives from portfolio companies, in prior years it could not guarantee the necessary completeness and quality required for a publication of PAI statements.

As per financial year 2024, Borski shall report on Principal Adverse Impacts (PAIs) in accordance with Article 4 of the SFDR at entity level. In doing so, Borski's goal is to improve the quality and completeness of this information each year, including through better guidance to portfolio companies and through the use of improved applications.

Remuneration policies related to the integration of sustainability risks (Article 5 of the SFDR)

Borski pays all employees a fixed monthly remuneration that is not dependent on targets. Borski may pay discretionary variable bonus, which bonus is linked to the employee's performance (financial and non-financial targets), but also to Borski's financial solidity. The ratio of fixed and variable bonuses are appropriate and can never exceed 20% of fixed income. Borski does not work with guaranteed variable bonuses.

Borski has the statutory objective to “have a significant positive impact on society and the environment in general through its business operations and activities”. Employee remuneration is therefore always linked to objectives that ideally make a positive contribution to, but in no case have a negative impact on, one of the Sustainable Development Goals. Investments and financing may only be eligible for the quantitative objectives if the ESG risks have been sufficiently assessed and approved in advance by the committee mandated for this purpose.

Read the [full remuneration policy](#) here.

Website fund disclosures (Article 10 of the SFDR)

In addition to the [sustainability policy](#), key aspects of our sustainability disclosures are summarized below. This summary is in accordance with Articles 45 to 57 of Delegated Regulation (EU) 2022/1288 (SFDR RTS).

(a) Summary

Product name	Borski Fund Cooperative U.A.
Sustainable investment objective of the product	Encouraging more diversity in companies, more women venture capitalists and more women venture investors.
Investment strategy	The fund provides venture and growth capital for ambitious companies with at least one female founder/entrepreneur with at least 5% of the shares. The fund targets companies with a minimum turnover of €500k, growth potential and solid ambition and femtech companies that positively contribute to the reduction of inequality through gendered innovation.
Preventing significant damage to investment objective	The fund ensures that the portfolio companies in which it invests do not cause significant harm to the sustainable investment objectives through the ESG policy, part of the sustainability policy.
Proportion of investments	All financing (i.e. 100%) is aimed at achieving the fund's sustainable objective. No other type of investments will be made from the fund.
Monitoring	At least once a year per company, progress on the selected impact KPIs is monitored.
Methodology	Prior to a financing, at least three impact KPIs are selected for the company that relate to the fund's objective. Here a quantitative estimate is made of the potential impact, which is reviewed by the investment committee.
Data sources and processing	Data sources used are diverse (scientific articles, Internet sources, existing benchmarks, companies).
Limitations methodologies and data	Impact data are not always reviewed at the detail level of each company each year by an outside organization, as this can be a costly and time-consuming process. So this means that the

	data provided by the company is not reviewed by an independent party, which can potentially make the data less accurate or inaccurate.
Due diligence	Before an investment is made, the potential impact is quantified during an impact due diligence. If relevant, external experts are hired for this purpose. The outcome is always reviewed by the investment committee.
Involvement	The management of the company is often involved from the first contact phase with the objectives of the fund. During periodic meetings, progress (and any deviations) regarding the impact / ESG planning made can be discussed.
Reference benchmark	No external reference benchmark is used for now.

(b) No significant harm to the sustainable investment objective

The fund ensures that the companies in which it invests do not cause significant harm to the sustainable investment objectives through the ESG policy, part of the [sustainability policy](#). In short, for each investment it examines whether the company has significant adverse effects on people, the environment and society. This includes an assessment of whether the company acts in line with the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Our ESG policy describes how we at Borski have integrated environmental, social and governance factors into our entire investment process: from selection to exit. The goal of the ESG policy is to identify both ESG risks (potential negative return effects) and ESG opportunities (potential value creation). For example, we initially exclude sectors that do not align with our values, such as the arms industry. During the due diligence phase, we identify potential company-specific ESG risks, such as nitrogen emissions, and opportunities, such as strengthening diversity. If we decide to invest, these material items are monitored periodically. The combination of these practices should lead to fewer risks (e.g., reputational risk), more future-proof and attractive companies (both for talent and prospective investors), and thus better returns. See the overviews under the "sustainability risks" heading above for more insight into our ESG process and ESG items analysed for each financing.

With our ESG survey, we thoroughly investigate whether the company has a potential negative impact on sustainability factors (inside-out), such as environmental pollution or child labour in the supply chain. We also analyse for each company whether it faces serious external sustainability risks (outside-in), e.g. a physical climate risk that, if it occurs, could lead to a material adverse effect on the value of the investment.

(c) Sustainable investment objective of the financial product

Encouraging more diversity in companies, more women venture capitalists and more women venture investors.

(d) Investment strategy

The fund seeks to achieve its objective by providing financing to companies that demonstrably contribute to the objective described in paragraph c above. The fund provides risk and growth capital for ambitious companies with at least one female founder/entrepreneur with at least 5% of the shares.

The fund focuses on companies with a minimum turnover of €500k, growth potential and strong ambition, and femtech companies that make a positive contribution to reducing inequality through gendered innovation. The ESG policy safeguards good corporate governance (including management structure, employee relations, remuneration policy and tax compliance).

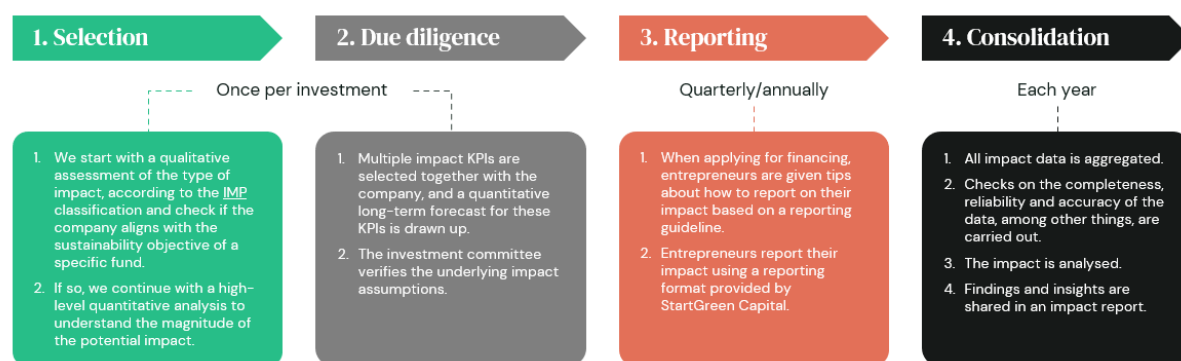
(e) Proportion of investments

All financing (i.e. 100%) will be aimed at achieving the objectives described in paragraph c above. No other type of investments will be made from the fund.

(f) Monitoring sustainable investment objective

Prior to a financing, a minimum of three impact KPIs are selected for the company that relate to the fund's objective. Here a quantitative estimate is made of the potential impact. Progress on the selected impact KPIs is then monitored for each company at least once a year. Finally, the data is aggregated at the fund level once a year, allowing the contribution to the objective to be monitored. Below is a schematic overview of this process.

The process for measuring impact is similar for all StartGreen Capital funds:



(g) Methodologies

In our analysis of the impact made, we always measure the absolute impact of the entire company. This choice was made because it is often difficult to distinguish strictly between the exact impact realized from the additional investment and the impact that hypothetically would have been made even without this investment. In addition, it is more practical for companies to report the total impact. Thus, the impact presented refers to the companies' contribution, made possible in part by funding from Borski. The impact of companies after an exit is not included, and the focus is on the direct impact of companies which was realised during the last financial year. See the appendix of the [StartGreen Impact Report](#) for a detailed description of the methodology used.

(h) Data sources and processing

Data sources: in most cases the impact is linked to the company's output. For example, 1ton of CO₂ equivalent savings per year per product sold. Data on outputs are received from the company. The impact factor is examined for funding by the investment team. Data sources used for this are diverse (scientific articles, internet sources, existing benchmarks, the companies).

Measures to ensure data quality: for funding, during due diligence, assumptions are validated as much as possible by multiple sources (triangulation). The proposal is always submitted to an external advisory body, and then the investment committee must decide unanimously to make the investment. During the management phase, the investment team does sanity checks on the reported figures. In some

cases, (part of the) data are prepared and/or audited by an independent auditor. Finally, data are analyzed at the fund level, where the impact of similar technologies can be compared and checked for major discrepancies.

How data are processed: data are retrieved at least annually through a sustainability management platform, where entrepreneurs and investment teams can enter data. The output is then entered into an impact database. Analyses are performed on this database. By periodically retrieving data from our companies, we expect to make no or limited estimates of data points. Missing data points will be left blank.

(i) Methodologies and data limitations

- Limitations: many of Borski's portfolio companies are relatively young and small. Because of the size of the companies, data on them are often not available publicly or through a data provider (as is the case with some large publicly traded companies). In addition, the portfolio companies themselves do not always have the resources to retrieve and report the desired data. As a result, reporting is not always complete. In addition, the impact data are not always verified at the detail level of each company each year by an external organization, as this can be a costly and time-consuming process. Accordingly, this means that data provided by the company is not reviewed by an independent party, which can potentially make the data less accurate or inaccurate.
- No impact on objectives: large deviations will most likely be revealed by sanity checks and benchmarking. Accordingly, what remains are mainly minor deviations, where the impact at the fund level is expected to be limited.
- Mitigating limitations: by collecting more and more impact data over multiple years and multiple companies, increasingly better comparisons can be made to detect discrepancies, with which it is attempted to mitigate the impact of the limitations. When providing impact data, substantiation is always requested with a quantitative formula. Both the investment team and the sustainability lead perform sanity checks on the entered data, looking in detail at the larger contributors (the top 10 often together account for more than 50% of the total reported impact) and outliers.

(j) Due diligence

The investment proposal has a section dedicated to the impact analysis of the company, describing how and how much (i.e. quantitatively) the company can potentially contribute to the fund's objective in the coming years. This is based on internal and (if relevant) external research, "Impact Due Diligence". As described earlier, the data sources used for this are diverse (scientific articles, internet sources, existing benchmarks, the companies). If relevant, external experts are hired to assist the investment team during the Impact Due Diligence process. The proposal is always submitted to an external advisory body, and then the investment committee must unanimously decide to make the investment.

(k) Engagement policy

The management of the company is often involved from the first contact phase with the objectives of the fund. It provides input for the impact analysis and reports frequently (at least once a year) on the impact made by the company. At general meetings of shareholders, progress (and any deviations) regarding the impact made can be discussed. Also for a follow-up investment, the company's impact and progress on the relevant ESG items is reviewed and discussed with management.

(I) Achieving the sustainable investment objective.

No external reference benchmark is used for now.

Periodic disclosure - Annex V RTS

Please see on the SFDR page of the website the link to Annex V of the SFDR RTS as attached to our annual report: SFDR RTS Annex V - Periodic disclosure