WEBSITE DISCLOSURE

The financial market participant: PENM Partners ApS, company registration number: 35029001 (hereinafter the “Investment Manager”)

The financial product: Private Equity New Markets IV K/S, company registration number: 35436758 (hereinafter the “Fund”)

Sustainability related disclosures

The EU has adopted ambitious goals aimed to improve financial markets participants’ sustainability reporting and, among other things, include a significant focus on the financial sector in relation to implementing transparency frameworks, for investors to obtain greater insight into the real level of sustainability of financial products and prevent greenwashing.

For the Investment Manager, Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (the Sustainability Finance Disclosure Regulation, SFDR), is of particular relevance. The Sustainability Finance Disclosure Regulation contains explicit and mandatory disclosure obligations and requirements for financial market participants to inform investors whether and how its investment decisions affect the green and social agenda.

Art 3 - Integration of sustainability risks in the investment decision-making process

The procedures set out in this text are intended to describe how the Investment Manager integrate sustainability risk in the investment decision-making process in the daily operations of the Fund. “Sustainability risk” refers to environmental, social and governance (“ESG”) events that if they occur, could cause an actual or a potential material negative impact on the value of the Fund.

Thus, as described beneath, the Investment Manager integrates ESG in all investment cases and investment decisions. Sustainability risks are thus assessed and monitored throughout the whole investment process, with relevant and specific modifications based on the circumstances of each investment case and the data available.

It is the Investment Manager’s policy that all of its investment activities shall be carried out in an ESG responsible manner, and in accordance with the rules laid down in the limited partnership agreement with due consideration to prevent, control and mitigate adverse ESG impacts.

Screening

The Investment Manager conducts ESG screening of prospective new investments in order to categorize transactions based on their ESG risk. The Investment Manager conducts an internal screening of prospective investee companies in order to determine whether such prospective investee companies are involved in activities that can have significant, adverse and/or long-term ESG impact that are sensitive, diverse, irreversible or unprecedented which shall mean excluded activities or category A activities as listed below.

The Fund may not invest in any company which the Investment Manager's partner team, after having made reasonable and customary due diligence investigations, believe to be involved in activities which are listed on the excluded activities list.

In the event that an investment is made in an investee company which at the time of the investment is involved in category A activities, the Investment Manager shall prior to completion of the investment cause an ESG impact assessment to be prepared by a qualified external consultant to identify and assess the future ESG impacts associated with the prospective investee company in question, identify potential ESG improvement opportunities and recommend any measures needed to prevent, minimize and mitigate adverse impacts.

Due Diligence

The Investment Manager conducts an ESG due diligence assessment for each proposed investment which has been categorised as an investment that may involve high ESG risks, including all investments in companies involved in activities listed in category A activities. The level of detail will vary and will be based on the ESG risk of each project.

The Investment Manager's staff conduct a site visit as part of the ESG due diligence process. The Investment Manager's staff shall meet with site managers, health and safety officers, HR officers as well as technical staff who are well-informed of the ESG implications of processes associated with the prospective investee company's operations. The Investment Manager's staff shall observe potential ESG concerns during its site visit(s). Significant concerns/findings must be reported in an ESG section of the final review memorandum submitted to the supervisory board prior to completion of any investment.

For high-risk investments, a more in-depth assessment of ESG requirements is necessary to fully understand potential ESG risks associated with the company's operations. All investments in Category A list activities require an ESG assessment by external experts before the investment is completed.

Corrective action plans

In the event of ESG findings that require follow up by the prospective investee company, the Investment Manager's staff can develop a formal corrective action plan with a timeframe for the prospective investee company to implement appropriate mitigation measures.

In some investment cases the Fund's ownership share is limited and in such cases the Fund's ability to command changes is equally limited. Generally, the Investment Manager strongly favour a cooperative process where agreement with our co-owners and the managers of investee companies on ESG improvements is met.

In general, the Investment Manager has committed to use its best efforts to make portfolio companies comply with all applicable national environmental, occupational health and safety and social laws and regulations. While compliance with national laws and regulations shall be required by all investee companies, the nature and scope of such regulations are not always easy to determine and implementation of national requirements by all companies in emerging markets may be delayed or pending clarification of the actual requirements. The Investment Manager is, however, committed to make its portfolio companies comply with national standards.

Further, the Investment Manager endorse the UN Global Compact principles concerning human rights, labour, environment, and anti-corruption. We have since the inception of our first fund worked to ensure that the investee companies are in compliance with these principles. However, considering the current state of affairs in Vietnamese companies, the UN Global Compact principles can in most cases only be viewed as future targets and the Investment Manager aims to work towards improvement for all its investee companies in these areas.

In relation to investee companies undertaking category A activities, the Investment Manager shall use reasonable efforts to cause the investee companies to implement any measures recommended by the external environmental and social consultant and apply IFC Performance Standards and the relevant EHS Sector Guidelines of the World Bank Group over time.

The Fund shall not invest in a company if no corrective action plan has been adopted or if the Fund cannot contractually bind the prospective investee company to agree to the corrective actions plan. However, if the Investment Manager can demonstrate that ESG risks are or will be addressed in an appropriate other way, the Supervisory Board may dispense from the requirement of a binding action plan.

Covenants

The Investment Manager seek to incorporate ESG clauses into legal agreements with prospective investee companies to require such companies to comply with the Investment Manager's ESG requirements.

Monitoring

The Investment Manager shall monitor the compliance of investee companies with its ESG requirements and shall report on the development in these areas. The scope of monitoring and reporting will depend on the company's operations and can include periodic site visits.

Reporting

The Investment Manager prepares an ESG monitoring report covering investee companies which are determined to be involved in activities that can have significant, adverse and/or long-term ESG impact that are sensitive, diverse, irreversible, or unprecedented and may, as applicable, include the following information:

- Overall exposure to ESG risk and performance
- ESG due diligence process prior to approval of Category A investments
- Major ESG risks of individual transactions, including cases of non-compliance
- Significant ESG accidents or incidents related to a transaction
- Implementation and changes in these ESG procedures

In addition to the general reporting requirements, the outcome of the ESG impact assessment relating to category A projects, together with the proposed action plan, shall be submitted to the Fund’s Supervisory Board prior to completion of the investment.

Excluded activities:

The Fund shall not invest in companies with activities included in the excluded activities list:

- Production or activities involving forced labor or child labor
- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements
- Any business relating to pornography or prostitution
- Trade in wildlife or wildlife products regulated under CITES
- Production or use of or trade in hazardous materials such as radioactive materials, unbounded asbestos fibers and products containing PCBs
- Cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length

- Production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans
- Destruction of Critical Habitat.
- Production and distribution of racist, anti-democratic and/or neo-nazi media

In addition to the above, the financing of projects is excluded, when the following activities form a substantial part of a project sponsor's primary operations or those of the project:

- Production or trade in
  - weapons and munitions
  - tobacco
  - hard liquor
- Gambling, casinos and equivalent enterprises

To the extent that prospective investee companies are involved in activities included in the Category A list, the Investment Manager shall procure that an external expert perform an ESG analysis, and the Fund shall invest only after having duly considered the findings of such ESG analysis prior to completion of the investment.

The main conclusions from all ESG due diligence reports prepared by the external expert must be submitted to the supervisory board of the Fund's general partner ("the Supervisory Board") for approval before the investment is completed.

Category A activities:

The following sectors are considered usually to be high risk industry sectors, for both new developments (greenfield) and for existing companies (brownfield). Depending on project specifics, the ESG risks of an individual project may be medium. In such cases detailed rationales for categorization must be documented.

The sectors as listed below cover the activities as defined under the heading 'Applicability' of the corresponding IFC's Environmental, Health, and Safety Guidelines as defined under IFC's Performance Standards or directly trigger IFC Performance Standard 5-8.

Infrastructure

- Railways
- Ports, harbors, and terminals
- Airports
- Toll roads
- Crude oil and petroleum product terminals
- Pipelines
- Long distance overhead transmission lines
- Large dams (hydro power plants / irrigation/water supply)
- River-run-off hydro power plants (> 50 MW)
- Waste management / Waste treatment facilities
- Thermal power: new plants (> 50 MW)
- Thermal power: existing plants (> 50 MW)
- Wind parks (> 100 MW installed capacity)

Oil & Gas

- Offshore oil and gas development
- Onshore oil and gas development
- Liquefied natural gas (LNG) facilities

Large Scale Primary Production (Plants / Animals)

- Plantation crop production
- Forestry
- Aquaculture
- Animal production

Heavy Industry

- Cement and lime manufacturing
- Glass manufacturing
- Construction materials extraction
- Integrated steel mills
- Base metal smelting and Refining
- Pulp and paper mills
- Foundries
- Pharmaceuticals and biotechnology manufacturing
- Coal processing
- Natural gas processing
- Oleo chemicals manufacturing
- Nitrogenous fertilizer manufacturing
- Phosphate fertilizer manufacturing
- Pesticides manufacturing and packaging
- Petroleum-based polymers manufacturing
- Petroleum refining
- Large volume petroleum-based organic chemicals manufacturing
- Large volume inorganic compounds manufacturing and coal tar distillation

Mining

- Mining (open pit and underground)

Socially Critical Projects

- Projects with large groups of low-skilled labor, for instance in free trade zones etc. (e.g., textiles manufacturing projects which may affect indigenous or tribal populations)
- Projects which may affect areas of archaeological or cultural significance
- Projects which cause or have caused (during last 5 years) physical or economic resettlement
- Projects which cause retrenchment of more than 10% of the present work force (or > 50 workers)

Environmentally Critical Projects

- Projects in or bordering ecological sensitive or protected areas (e.g., agriculture in Amazon area, large scale tourism projects)
- Large scale conversation of natural habitats
- Large scale land reclamation
- Projects that have potential to heavily impact ecosystem services (e.g., due to intensive use of ground water)

Art 4 - No consideration of adverse impacts of investment decisions on sustainability factors

The Investment Manager does not consider any adverse impacts of our investment decisions on sustainability factors on an entity level in accordance with point (b) of Article 4(1) of the Sustainability Finance Disclosure Regulation.

The main reason why the Investment Manager does not consider any adverse impacts of our investment decisions on sustainability factors on an entity level is the structure of the Investment Manager's financial products, being investment funds investing in minority shares of Vietnamese companies. This investment strategy currently does not allow the Investment Manager to collect sufficient data to correctly identify and report on the adverse impact of the Fund's investments in portfolio companies by reference to the indicators listed in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 with regard to regulatory technical standards.

The Investment Manager will, however, consider adverse impacts of our investment decisions on sustainability factors on product level for any future financial products referred to in Article 8(1) of the Sustainability Finance Disclosure Regulation which the Investment Manager makes available.

The Investment Manager will on a regular basis evaluate whether to consider, on a financial market participant level, adverse impacts on sustainability factors of future investment decisions, including as more compliance and methodology guidelines become available in respect of the Sustainability Finance Disclosure Regulation.

Art 5 - Remuneration policies

The Investment Manager's remuneration policies are structured to the effect that these do not encourage excessive risk-taking with respect to sustainability risks. Further, the Investment Manager's remuneration structures are linked to risk-adjusted performance.