

Article 10(1) of Regulation (EU) 2019/2088, related to the transparency of the promotion of environmental or social characteristics and of sustainable investments on websites for Article 8(1) products

SFDR level 1 requirements for the 10 of march 2021

PG IMPACT CREDIT STRATEGIES 2020 S.C.A., SICAV-RAIF

Description of E / S characteristics - SFDR art 10 (1) (a)

The Fund promotes, among other characteristics, environmental and social characteristics in line with the article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR").

The Manager, based on the consultation, information and recommendations received from the Adviser, is committed to investing in a responsible way by actively integrating environmental, social and governance ("ESG") considerations in its investment selection and ongoing monitoring process. By integrating ESG factors into the investment process, the Manager aims at:

- (i) enhancing investment returns and protect value for the Fund; and
- (ii) ensuring that the companies and assets in which the Fund invests ideally benefit, investors, society and the environment.

Information on the methodologies used to assess, measure and monitor the environmental or social characteristics - SFDR art 10 (1) (b)

The Manager seeks to generate investment returns in a way that complies with relevant local and international laws, including adherence to international protocols on banned products, and potential for negative impacts on society or the environment. The investment approach includes a best-in-class impact assessment and an analysis of investments against the SDGs.

The Manager follows dedicated processes in deciding from a responsible investment perspective whether it is appropriate to invest in a company or other asset. The Manager applies specific tools and processes to ensure a thorough integration of ESG factors. Furthermore, the Manager monitors the Investments on an ongoing basis to ensure any potential ESG issues are quickly identified.

For Private Debt Investments, the Manager establishes a comprehensive risk-based approach to ESG integration throughout the life cycle of a direct deal.

The Manager actively includes impact and ESG criteria in its investment process. Investment themes are defined in alignment with the environmental and social characteristics promoted by the Fund. During the deal sourcing, business models are identified which are attractive both from a commercial and from an impact point of view. During the due diligence process, impact is assessed based on a best-in-class impact methodology. A logic model is developed linking the investment to potential outputs, outcomes and ultimately SDG/SDT impacts. This is used as the basis to set key impact targets. A specific ESG analysis and assessment will be completed to identify and mitigate material Sustainability Risks. Both impact assessment and ESG analysis are presented to and discussed in the investment committee.

One of the Manager's objectives for Private Debt Investments is risk mitigation. Identifying potential Sustainability Risks as early as possible is critical during Private Debt Investments due diligence.

When potentially material Sustainability Risks are identified through the proprietary ESG assessment tool, the investment teams work together to deepen their understanding of material Sustainability Risks through conversations with borrowers, sponsors and external advisors. Investment teams monitor the management of Sustainability Risks during ownership and engage as needed, subject to the Fund's role as investor.

The Fund has a private market strategy aiming at both generating positive financial return and at achieving positive social impact, as framed by the SDGs, while aiming to protect the environment. To achieve these objectives, the Fund integrates impact considerations throughout the investment lifecycle, including a best-in-class impact assessment and reporting methodology.

Target companies and assets are selected only after thorough impact assessment, during both deal sourcing and due diligence for their potential to generate positive SDG-relevant environmental and social impacts. The results of impact assessments are considered by the Fund as one of the key factors in deciding whether or not to invest.

Impact-related metrics are monitored throughout the ownership and reported in annual impact reports. Upon exit, thorough analysis is conducted of the achieved versus target impact results of all Private Debt Investments. The Fund will integrate learnings on how to create and sustain impact into new and existing impact investments.

The Manager invests in the growth of attractive social enterprises with a proven business model, high development potential and a measurable and scalable social/environmental impact. The Manager flexibly invests through debt structures, including senior (first and second lien) debt, junior/ subordinated debt, mezzanine and growth debt. Depending on the Fund's role as investor, it will work closely with the respective management teams throughout the life of the Investments to achieve the growth, value and impact creation targets.

The Fund invests across all impact sectors while prioritizing financial inclusion, affordable housing, energy access, food & agriculture, healthcare and education. Investment strategies are defined for each priority sector on the basis of the long-term viability of business models, growth/value-creation opportunities (for growth debt and mezzanine only), as well as scale and depth of impact.

The Manager operates a comprehensive and sophisticated investment process to identify and invest in the most attractive impact investment opportunities. This process is consistently applied across all investment opportunities, ensuring the assessment and management of any social and/or environmental impact forms an integral part of the investment process.

Information from Prospectus compliant to Art. 8 - SFDR art 10 (1) (c)

See related PPM

Information from Yearly Report compliant with Art. 11 - SFDR art 10 (1) (d)

No periodic report published yet