

NO CONSIDERATION OF PRINCIPAL ADVERSE
IMPACTS ON SUSTAINABILITY FACTORS AT
ENTITY LEVEL



SFDR COMPLIANCE 2023

Pechel Industries Partenaires (hereafter “Pechel”) is an independent management company specializing in private equity.

The management company is currently managing 2 financial products:

- Pechel IV fund, launched in 2014, currently in divestment, and classified as Article 6 under the SFDR regulations
- Responsible Growth (ReG) fund, launched in 2022 and classified as Article 8 under the SFDR regulations

Article 4 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“the SFDR Regulation”) requires financial market participants to ensure transparency in terms of consideration of Principal Adverse Impacts of investment decisions on sustainability factors at entity level.

Given that these two financial products are at very different stages of their life cycle and given the strong heterogeneity of their respective portfolio companies, Pechel is currently unable to consider Principal Adverse Impacts of investment decisions on sustainability factors at entity level.

However, **Pechel consider Principal Adverse Impacts of investment decisions on sustainability factors at ReG fund level.** The information regarding this disclosure is available from the management company upon request.

It is worth noticing that both funds do integrate and monitor ESG criteria into their investment process according to their own applicable procedure. This includes but is not limited to an ESG due diligence to identify the main risks and opportunities prior any investment and a post-transaction extensive ESG review conducted by a third-party firm to define a dedicated ESG action plan. ESG data, including PAI indicators, are collected annually both for ReG and Pechel IV portfolio companies. However, given the differences in terms of maturity level of portfolio companies, data consolidation at the entity level is not carried out at this stage.