PCP

Article 10 (SFDR)

Website disclosure for an Article 8 fund

P Capital Partners V Lux, SCSp

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Product name: P Capital Partners V Lux, SCSp	**Legal entity identifier:**
Does this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

A. Summary

The environmental and social characteristics promoted by P Capital Partners V Lux, SCSp (the "**Partnership**") is providing, through its investment in P Capital Partners V D AB (the "**Downstream Fund**") together constituting the "**Fund**", debt financing to companies whose business models obtain a high-level of ethical standards, or in other words fulfil all of the Fund's positive assessment criteria as set out in the Ethical Policy and/or companies that work actively to reduce their negative environmental impact.

The Downstream Fund Manager integrates ESG considerations throughout the investment decision making process in respect of the Fund based on the Ethics and sustainability Evaluation Process, including the (1) Stage zero analysis, (2) Stage one-two analysis, (3) Due Diligence, and (4) Review, as further described under section D. Investment Strategy. With respect to the above, the Downstream Fund Manager uses the Negative Assessment Criteria and the Positive Assessment Criteria to select investments to attain the environmental and social characteristics promoted by the Fund (and accordingly, through its investment in the Downstream Fund, by the Partnership).

Through the application of the investment strategy, the Downstream Fund Manager ensures that the Fund (and accordingly, through its investment in the Downstream Fund, by the Partnership):

- Maintains the share of investments (in terms of NAV) deriving significant revenue (as defined below) from economic activities/sectors that are excluded based on the negative assessment criteria set out in the Ethical Policy further described below, at 0%.
- Maintains the share of investments (in terms of NAV) in compliance with the Fund's the responsible governance and corruption criteria, the human rights criteria, and the climate change and environment criteria as part of the Fund's positive assessment criteria, at 100% (excluding cash, cash equivalents, etc.).
- The percentage of new investments with an ethical standard below high will be maintained at 0%.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Partnership.

B. No sustainable investment objective

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

C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

The environmental and social characteristics promoted by the Partnership is providing, through its investment in the Downstream Fund, debt financing to companies whose business models obtain a high-level of ethical standards, or in other words fulfil all of the Fund's positive assessment criteria as set out in the Ethical Policy (described below) and/or companies that work actively to reduce their negative environmental impact.

To that end, the Downstream Fund Manager has adopted an Ethical Policy, which sets out the said positive and negative assessment criteria in relation to ESG aspects and the Downstream Fund Manager shall use commercially reasonable efforts to ensure that all of the Downstream Fund's investments (and accordingly, the investments made by the Partnership through its participation in the Downstream Fund) are made in accordance with this Ethical Policy.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Partnership.

D. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

The Partnership is a debt fund whose purpose is, through its investment in the Downstream Fund, to provide mid-sized companies, incorporated in Switzerland, the United States, the United Kingdom and each country which is a member of the European Union or the European Economic Area with funding to enable them to realise their potential. The Downstream Fund Manager sees good ethics and a holistic view on sustainability as a prerequisite for companies to be able to deliver long-term return. Incorporating the ethics and the sustainability aspects in the investment process as an active credit investor and loan provider supports the Funds' overall goals.

The Downstream Fund Manager has integrated ESG considerations throughout the investment decision making process in respect of the Fund based on the below "Ethics and sustainability Evaluation Process":

1. **Stage zero analysis**: Check that the company or company group comply with the negative assessment criteria as well as the positive assessment criteria.

2. **Stage one-two analysis**: Engage the ESG committee in investment processes where the Ethics and Sustainability aspect is viewed material and ensure that the initial analysis conducted on the positive assessment criteria achieves a satisfactory outcome.
3. **Due diligence**: Validate the initial analysis of the positive assessment criteria from the stage two analysis.
4. **Review**: Review all existing investments at least annually to validate and ensure that the underlying positive assessment criteria are satisfied.

With respect to the above, the Downstream Fund Manager uses the following elements to select investments to attain the environmental and social characteristics promoted by the Fund (and accordingly, through its investment in the Downstream Fund, by the Partnership):

- **Negative Assessment Criteria**.
  The negative assessment criteria are checked early in the process (stage zero analysis). If the company or the company group do not comply with the negative assessment criteria, the Downstream Fund Manager refrains from making the investment. The Partnership, through its investment in the Downstream Fund, will not participate in companies or company groups deriving revenue (i.e., typically this means the lower of (i) one percent of the reported income or (ii) EUR one million) to certain economic activities/sectors that are involved in unethical practices.
  The full list of excluded sectors is
    1. alcohol and other recreational drugs,
    2. gambling,
    3. pornography,
    4. tobacco,
    5. weapons and
    6. certain raw materials.

  Furthermore, the Partnership, through its investment in the Downstream Fund, will not invest in capital in securities issued by companies or company groups who have any business undertaking in any occupied territory or which is an industrial real estate business whose main purpose is to provide real estate for any of the activities restricted by the negative assessment criteria or who otherwise provide real estate that has been modified to a point exceeding what can be considered normal tenant adaption, to facilitate any of the activities restricted by the negative assessment criteria.

- **Positive Assessment Criteria**
  The Downstream Fund Manager chooses to invest the Funds' capital in responsible companies or company groups. Prior to any investment the investment team is expected, through the Ethics and sustainability Evaluation Framework, to make a preliminary analysis of the positive assessment criteria listed below to ensure an acceptable outcome. The positive assessment criteria, all of which companies need to fulfil to meet the Fund's high-level of ethical standards, are:

    a) **Responsible governance and Corruption (G)** - Uphold responsible governance, meaning make efforts to *systematically prevent all forms of bribery and corruption* in their *business relations.*
    - *Systematically prevent* means having a strategy and action plan to enhance responsible governance and to counter corruption. Suitable strategies of responsible governance are based for example on the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact. Suitable strategies to counter corruption are based for example on the activity principles produced by Transparency International.
    - By *all forms of bribery and corruption is meant both direct and indirect forms.*
    - *Business relations* include subsidiary companies, joint venture partners, agents, suppliers and other business partners.

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b) **Climate and environment (E) -** Companies that work to actively reduce their negative environmental impact, by the company or company group having defined the most important goals for its environmental work and has objectives for its environmental strategy and has produced a strategy and an action plan with a timeframe or working consistently to reduce the company's negative environmental impact.

c) **Human rights (S) -** Additionally, the Downstream Fund Manager shall seek to influence companies to systematically work with fundamental work rights for their employees and to have a policy, code of conduct or equivalent which includes human rights as defined in the International Labor Organization's Convention.

All existing investments are reviewed at a minimum of once per year to validate that the positive assessment criteria remains satisfied.

As a result of the positive and negative assessment criteria, when the Downstream Fund Manager sees business models obtaining a high ethical standard, the Fund (and accordingly, the Partnership, through its investment in the Downstream Fund) may over-allocate to those industries.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Downstream Fund Manager applies the following binding elements to attain the environmental and social characteristics promoted by the Fund (and accordingly, through its investment in the Downstream Fund, by the Partnership) that are ensured through the application of the investment strategy section above:

- Maintain the share of investments (in terms of NAV) deriving significant revenue (as defined below) from economic activities/sectors that are excluded based on the negative assessment criteria set out in the Ethical Policy further described below, at 0%.
- Maintain the share of investments (in terms of NAV) in compliance with the Fund's the responsible governance and corruption criteria, the human rights criteria, and the climate change and environment criteria as part of the Fund's positive assessment criteria, at 100% (excluding cash, cash equivalents, etc.).
- The percentage of new investments with an ethical standard below high will be maintained at 0%.

What is the policy to assess good governance practices of the investee companies?

To further ensure good governance practices of the investee companies, the Downstream Fund Manager has adopted an Ethical Policy, which sets out positive and negative assessment criteria in relation to Governance aspects and the Downstream Fund Manager shall use commercially reasonable efforts to ensure that all of the Fund's (and accordingly, the Partnership's, through its investment in the Downstream Fund) investments are made in accordance with this policy. Moreover, the Downstream Fund Manager has developed a Code of Conduct, which sets out the Downstream Fund Manager's core values and is shared with all companies in which the Fund invests. By sharing it, the Downstream Fund Manager communicates its core values which shall also apply in its investment activities.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

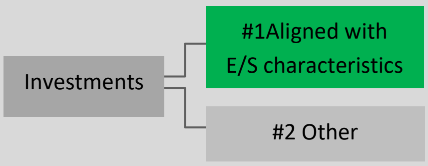
☒ No

E. Proportion of investments

What is the planned asset allocation for this financial product?

The Fund (and accordingly, the Partnership through its investment in the Downstream Fund) is expected to invest at least 98% of its NAV in assets that are aligned with one or several of the environmental and/or social characteristics promoted by the Fund (and accordingly, through its investment in the Downstream Fund, by the Partnership) (#1 Aligned with E/S characteristics).

The Fund (and accordingly, the Partnership through its investment in the Downstream Fund) can invest up to 2% of its NAV in cash, cash equivalents, and/or hedging instruments (#2 Other).



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)

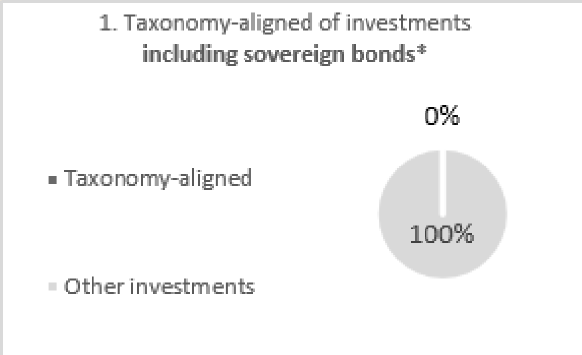
The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

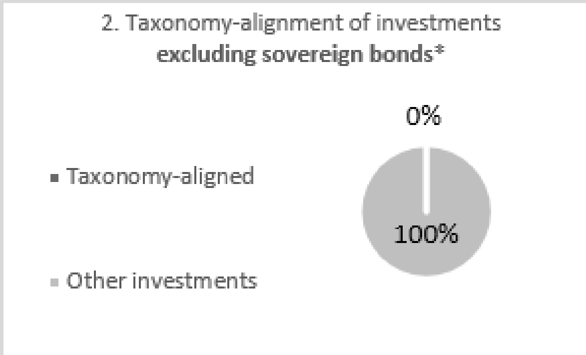
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

The Fund (and accordingly, the Partnership, by reason of its investment in the Downstream Fund) does not currently commit to invest in any "sustainable investment" within the meaning of the SFDR or the Taxonomy Regulation, accordingly the minimum share of Taxonomy-aligned investments is 0%.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Since the Fund (and accordingly, the Partnership, by reason of its investment in the Downstream Fund) does not currently commit to invest in any "sustainable investment" within the meaning of the Taxonomy Regulation, accordingly, the minimum share of investments in transitional and enabling activities is 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund does not currently commit to invest in any "sustainable investment" within the meaning of the Taxonomy Regulation, accordingly, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

"Other" investments may include investments kept for liquidity and/or hedging purposes like cash, cash equivalents and derivatives and they do not follow any minimum environmental or social safeguards.

F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The Downstream Fund Manager uses the following aggregated fund specific sustainability indicators to measure the attainment of the promoted E/S characteristics:

i. The share of investments (in terms of NAV) deriving significant revenue (as defined below) from economic activities/sectors that are excluded based on the negative assessment criteria set out in the Ethical Policy further described under section D. Investment strategy.
ii. The share of investments (in terms of NAV) in compliance with the Fund's responsible governance and corruption criteria, the human rights criteria, and the climate change and environment criteria as part of the Fund's positive assessment criteria.
iii. The percentage of new investments with an ethical standard below high.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The E/S characteristics are monitored as part of the overall investment monitoring process of the Downstream Fund Manager. The E/S characteristics of all existing investments are reviewed at least minimum of once per year to validate that the positive criteria analysis remains satisfied.

Investments that fail to achieve a satisfactory outcome based on the positive assessment criteria are monitored during the investment period, the Downstream Fund Manager shall work actively and systematically to influence the company through its board observer seat and where applicable also formulate action plans. Actively influence means to influence the companies to adopt and implement a policy, code of conduct or similar where needed.

G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The Downstream Fund Manager integrates ESG considerations throughout the investment decision making process in respect of the Fund based on the Ethics and sustainability Evaluation Process, including the (1) Stage zero analysis, (2) Stage one-two analysis, (3) Due Diligence, and (4) Review, as further described under section D. Investment Strategy. With respect to the above, the Downstream Fund Manager uses the Negative Assessment Criteria and the Positive Assessment Criteria (as also further described under section D. Investment Strategy) to select investments to attain the environmental and social characteristics promoted by the Fund (and accordingly, through its investment in the Downstream Fund, by the Partnership).

Through the application of the above, the Downstream Fund Manager ensures that the Fund (and accordingly, through its investment in the Downstream Fund, by the Partnership):

- Maintains the share of investments (in terms of NAV) deriving significant revenue (as defined below) from economic activities/sectors that are excluded based on the negative assessment criteria set out in the Ethical Policy further described below, at 0%.
- Maintains the share of investments (in terms of NAV) in compliance with the Fund's the responsible governance and corruption criteria, the human rights criteria, and the climate change and environment criteria as part of the Fund's positive assessment criteria, at 100% (excluding cash, cash equivalents, etc.).
- The percentage of new investments with an ethical standard below high will be maintained at 0%.

H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The Ethics and sustainability Evaluation Process includes assessment based on external market information as well as information received from the potential investment.

I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

In order to ensure that investments are not made in companies or company groups that conduct unethical activities, the investment team shall observe the negative assessment criteria before an investment is made, directly or indirectly, including by way of loans, charges, pledges, mortgages, liens or other security interest. Additionally, stage zero analysis and stage one-two analysis of the Ethics and sustainability Evaluation Process are then accompanied and/or followed by a due-diligence questionnaire before signing and closing to validate the initial analysis of the positive assessment criteria.

K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☐ Yes

☒ No

L. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

☐ Yes

☒ No