





PAIs for a Sustainable Future

At Oquendo, responsible investing is at the core of our philosophy. For this reason, we follow best practices in our investment decisions such as the Principal Adverse Impact Indicators (PAIs) in line with environmental, social and governance aspects. PAIs refer to the significant negative outcomes or risks that can arise from the company's operations and can have adverse effects on society or the planet, such as corruption litigations for the projects that stakeholders and investors invest in.

An article 8 Fund under SFDR is defined as “a fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.” Oquendo publicly discloses PAIs indicators for our article 8 funds to align our investment strategies with principles of sustainability, creating a positive impact on society while delivering utmost value to our esteemed clients.

Participant in financial markets	OQUENDO CAPITAL, S.G.E.I.C., S.A.; LEI: 959800EYXNU3LZXBDY29
<p>Summary</p> <p>• OQUENDO CAPITAL, S.G.E.I.C., S.A., with LEI number 959800EYXNU3LZXBDY29, (“Oquendo”), considers the Principle Adverse Impact indicators (the “PAIs”) in our investment decisions on sustainability factors. This statement is the consolidated statement on the IAPs in Oquendo’s sustainability factors in relation to the following Luxembourg funds under management: (i) Oquendo Senior Debt Fund SCA SICAV-RAIF; (ii) Oquendo Senior Debt Fund II SCA SICAV-RAIF; (iii) Oquendo Senior Debt Fund II ELTIF SCA SICAV-RAIF; (iv) Oquendo IV SCA SICAV-RAIF; and (v) Oquendo IV ELTIF SCA SICAV-RAIF (the “Funds”).</p> <p>This statement on the IAPs on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.</p> <p>The PIAs that Oquendo takes into consideration are the following:</p> <div><div><p>Greenhouse gas (GHG) emissions: (i) Carbon footprint, (ii) Proportion of production and consumption of non-renewable energy and (iii) Air pollutant emissions</p></div><div><p>Social and labour affairs: (i) Violations of the principles of the United Nations Global Compact and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, (ii) Absence of compliance processes and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, (iii) Unadjusted gender pay gap, (iv) Accident rate and (v) Absence of a grievance management mechanism related to labor issues</p></div><div><p>Human rights: Absence of human rights policy</p></div><div><p>Fight against corruption and bribery: Absence of anti-corruption and anti-bribery policies</p></div></div>	

Greenhouse gas (GHG) emissions			
Sustainability indicator in relation to adverse events	Parameter	Incidence 2022	Explanation
2. Carbon footprint	Carbon footprint	327,835.15 TnCO ₂ eq	Total emissions (scopes 1+2) of investee companies that measure and report their emissions
5. Share of production and consumption of non-renewable energy	Share of non-renewable energy consumption/production of enterprises investing from non-renewable energy sources compared to renewable energy sources (share of total energy sources)	81%	Share of investee companies’ non-renewable energy production from non-renewable energy sources versus renewable energy sources, expressed as a percentage of total energy sources

Social and labour affairs			
Sustainability indicator in relation to adverse events	Parameter	Incidence 2022	Explanation
10. Violations of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Proportion of investments in companies that have been linked to infringements of principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	0%	Percentage of investments in companies that have been implicated in violations of the principles of the UN Global Compact in accordance with the OECD Guidelines
11. Absence of compliance processes and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Proportion of investments in companies without policies to monitor compliance with the principles of the UN Global Compact or the Lines OECD Guidelines for Multinational Enterprises or without grievance or grievance management mechanisms to address breaches of the UN Global Compact Principles or Guidelines. OECD Agency for Multinational Enterprises	30%	Percentage of investments in companies that lack policies to monitor compliance with the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises, or grievance management mechanisms to address violations of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises
12. Gender pay gap, unadjusted	Average wage gap between men and women, unadjusted, of the companies in which it is invested	3%	Average non-gender-adjusted wage gap of investee companies

Additional indicators on social and labour issues, respect for human rights, and the fight against corruption and bribery		
Sustainability indicator in relation to adverse events	Parameter	Incidence 2022
2. Accident rate	Accident rate in investee companies (weighted average)	4%
5. Absence of a grievance management mechanism related to labour matters	Proportion of investments in companies without a mechanism to handle labour-related grievances or grievances	19%
15. Absence of anti-corruption and anti-bribery policies	Proportion of investments in entities without anti-corruption and anti-bribery policies consistent with the United Nations Convention against Corruption	26%