



## **Zurich Global Private Asset Solutions SICAV S.A. – Zurich Private Debt ELTIF**

### **Sustainability-related disclosures**

#### **SFDR website disclosure**

FUND: Zurich Global Private Asset Solutions SICAV S.A. (the “**Umbrella Fund**”)  
LEI: 636700J34QVVSPBN6191  
ISIN: N/A

FUND: Zurich Global Private Asset Solutions SICAV S.A. – Zurich Private Debt ELTIF  
(a “**Sub-Fund**” of the Umbrella Fund)  
LEI: 636700Z7RQPX05ZZ0D24  
ISIN: N/A

MANAGER: Waystone Management Company (Lux) S.A. (the “**AIFM**”)  
LEI: 529900S3BWN6CYL81492  
ISIN: N/A

DELEGATED PORTFOLIO MANAGER: Pemberton Asset Management S.A. (the “**Investment Manager**”)  
LEI: 549300HWN6RLQJN5J25  
ISIN: N/A

INVESTMENT ADVISOR: Pemberton Capital Advisors LLP. (the “**Investment Advisor**”)  
LEI: 549300DWOZX8BZGULN40  
ISIN: N/A

PUBLISHED: 13 Nov 2023  
VERSION: 1.0  
VERSION HISTORY: 1

This document sets out sustainability-related disclosures in relation to the Fund, for the purposes of Article 10 of the EU Sustainable Finance Disclosure Regulation (“**SFDR**”).

#### **(a) Summary**

The Sub-Fund promotes the environmental characteristic of management of environmental impact and the social characteristic of management of social impact through the application of the following exclusion criteria to the Direct Lending Assets :

- Exclusion of investments active in the following sectors:
- Production or sale of weapons
- Tobacco production
- Adult content or violent material
- Short-term consumer finance / gambling
- Exclusion of investments operating in oppressive regimes

- Exclusion of investments violating animal welfare
- Exclusion of investments with significant carbon emitting activities
- Exclusion of investments generating significant amounts of hazardous waste
- Exclusion of investments in violation of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exclusion of investments showing a lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

All Borrowers in respect of Direct Lending Assets will be subject to a request to complete a due diligence questionnaire including questions on environmental, social, and governance (“ESG”) aspects. Post investment, if the Investment Manager becomes aware of a material event that could affect negatively its assessment of a Direct Lending Asset from an ESG perspective, it will engage with the Borrower to understand that event and any steps that the Borrower intends to take to remedy the issue. If, in the view of the Investment Manager’s ESG Committee, the Borrower is not taking sufficient steps to remedy the issue, the Sub-Fund would generally not make any new investments with that Borrower unless specifically approved by the conflicts committee and the investment committee on an ad hoc basis. (together, the “E/S Characteristics”).

It should be noted that the E/S Characteristics will not be applied to the UCITS Eligible Assets, which will therefore not be subject to the process described above.

No reference benchmark has been designated for the purpose of attaining the E/S Characteristics promoted by the Sub-Fund.

**(b) No sustainable investment objective**

The Sub-Fund promotes environmental and social characteristics, but does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

Following the end of the Investment Period, the Sub-Fund expects to have invested, and expects to continue to invest, a minimum of 50% of total commitments made to the Sub-Fund in Investments in non-UCITS eligible assets related to Borrowers aligned with the E/S Characteristics. This percentage may differ during the ramp up and ramp down period due to the nature and investment strategy of the Fund.

In relation to the transactions which do not meet the sustainability indicators, such investments will still be subject to the investment process which the Investment Manager follows for the Fund and the minimum safeguards contained therein.

**(c) Environmental or social characteristics of the financial product**

The Sub-Fund seeks to promote the environmental characteristic of climate change impact reduction (the “E/S Characteristic”) by targeting transactions

originated by Counterparty Financial Institutions which, in the view of the Investment Manager, are working towards a reduction in their carbon emissions.

The Investment Manager will, when measuring the extent to which the Sub-Fund attains the promoted E/S Characteristics by financing a given Borrower, use the sustainability indicators set out below:

- % of borrowers aligned with the exclusion criteria;
- % of borrowers for which due diligence, including environmental, social and governance questions, has been requested.

(d) **Investment strategy**

The Sub-Fund will mainly invest in loan assets, being direct lending assets and broadly syndicated loans, in each case that qualify as Eligible Investment Assets within the meaning of the ELTIF Regulation and which will include:

- senior secured, first lien loans or bonds, second lien or mezzanine loans issued by and/or granted to a Qualifying Portfolio Undertaking; and
  - holding company Payment-in-Kind loans and equity instruments resulting from a debt restructuring (the “Subordinated Obligations”), issued by and/or granted to a Qualifying Portfolio Undertaking; and,
  - broadly syndicated loans,
- (the “**Direct Lending Assets**”).

The Sub-Fund may also invest, in accordance with ELTIF Regulation, in UCITS Eligible Assets which will include listed securities backed by working capital trade finance payables and receivables issued by securitization vehicles.

The Investment Manager will analyse whether a potential investment in a Direct Lending Asset meets the E/S Characteristics of the Sub-Fund. Please note that UCITS Eligible Assets will not be subject to the E/S Characteristics.

The Investment Manager, together with the Investment Advisor, undertake due diligence on each potential Borrower in respect of a Direct Lending Asset. This due diligence process includes, but is not limited to, requiring the Borrower to provide comprehensive information and responses to diligence inquiries, which include environmental, social and governance related questions. The data provided by the Borrower through the diligence process enables the Investment Manager to assess various environmental, social and governance aspects relating to the Borrower’s business. The Investment Manager and the Investment Advisor will use the information provided by the prospective Borrower during the diligence process to determine whether the prospective Direct Lending Asset, in the view of the Investment Manager and the Investment Advisor aligns with the E/S Characteristics .

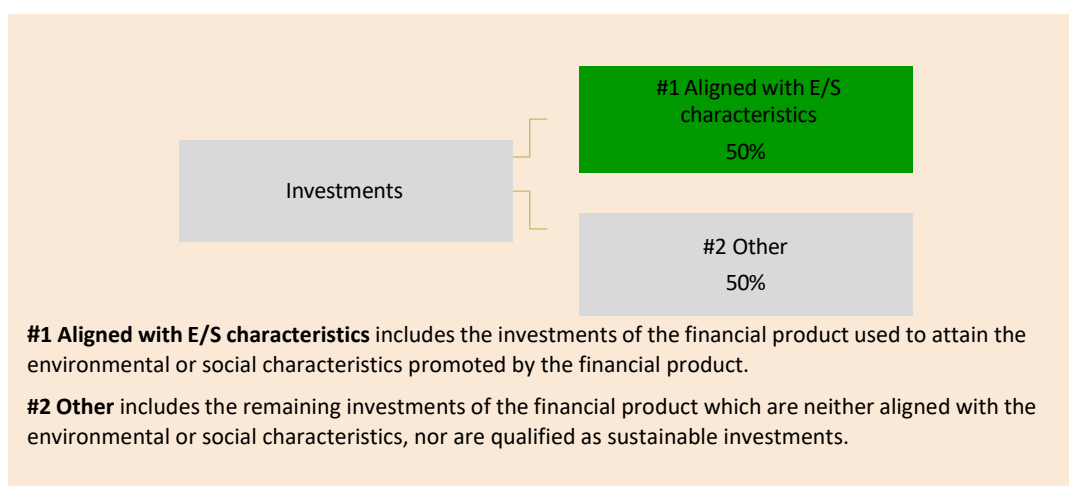
The Investment Manager will monitor (post-investment or financing of a given Borrower) the extent to which the Direct Lending Assets continue to align with the promoted E/S Characteristics. Borrowers are provided with a proprietary questionnaire relating to various environmental, social and governance issues on an annual basis in order to assist with its ongoing monitoring of the Sub-Fund’s promotion of the E/S Characteristics.

(e) **Proportion of investments**

Following the end of the Investment Period, the Sub-Fund expects to have invested, and expects to continue to invest, a minimum of 50% of total commitments made to the Sub-Fund in Investments in non-UCITS eligible assets related to Borrowers aligned with the E/S Characteristics. This percentage may differ during the ramp up and ramp down period due to the nature and investment strategy of the Fund.

Investments falling in the remaining 50% do not promote the environmental and social characteristics above defined. It encompasses derivatives and other transactions entered into for hedging purposes that are not aligned with the E/S characteristics, cash and cash equivalents, held for liquidity purposes, as well as any other UCITS Eligible Assets not aligned with the E/S characteristics that the fund may invest in for diversification purposes. While these investments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, and such investments will still be subject to the investment process which the Investment Manager follows for the Sub-Fund. No minimum environmental or social safeguards are applied.

In relation to the transactions which do not meet the sustainability indicators, such investments will still be subject to the investment process which the Investment Manager follows for the Fund and the minimum safeguards contained therein.



(f) **Monitoring of environmental or social characteristics**

The Investment Manager will monitor (post-investment or financing of a given borrower) the extent to which the borrowers in respect of which the Fund has invested continue to meet the screening criteria. Borrowers are provided with a proprietary questionnaire relating to various environmental, social and governance issues on an annual basis in order to assist with the ongoing monitoring of the Fund's promotion of the environmental and social characteristics.

The Investment Manager will monitor periodically and will endeavour to report material negative ESG events, with the understanding that the Fund

may not have the opportunity to divest the exposure to such borrower.

(g) **Methodologies**

Based on the investment strategy applied by the Sub-Fund, the binding elements used to select the investments to attain each of the E/S Characteristics promoted can be summarised as follows:

### Negative Screening

The Investment Manager excludes from the Sub-Fund's potential investment universe Direct lending Assets which are active in the following sectors:

Sector	Negative screening criteria applied by the Investment Manager
Production or Sale of Weapons	<p>Manufacture and sale of weapons and weapons (including material with a dual purpose) systems whose activities are associated with weapons that contravene conventions, i.e. weapons such as anti-personnel landmines and cluster munitions.</p> <p>Activities associated with weapons that contravene conventions may include the use, development, production, acquisition, storage, retention or transfer of anti-personnel landmines and cluster munitions or crucial components thereof.</p>
Oppressive Regimes	<p>Companies that operate in countries that violate the political or civil rights of their people unless the companies' policies respect and promote human rights.</p> <p>Companies that operate in countries subject to a UN, U.S. or EU sanctions restriction by operating in sanctioned industry sectors or associated with sanction named individuals or entities.</p>
Tobacco Production	Manufacturers of tobacco products.
Adult Content or Violent Material	Pornographic or violent material: this includes print, digital and broadcast media or dedicated licensed sex premises of any type.
Short term consumer finance / gambling	<p>Includes any business providing short term consumer finance on terms which are materially out of line with major core finance providers (such as banks) in the relevant market. These include, but are not limited to, payday lenders, pawn brokers or gold purchasers.</p> <p>Includes borrowers that operate without a responsible gaming policy or in an unregulated gaming market. For the avoidance of doubt, Pemberton would consider borrowers such as the UK National Lottery and other lotteries operated for the benefit of organisations with charitable purposes.</p>
Animal Welfare	This includes, but is not limited to: (i) companies that use animals to test cosmetic or household products (noting that pharmaceutical manufacturers using animals to test pharmaceutical products do not fall under the negative screening criteria); and (ii) the protection of animals kept for farming purposes in accordance with general rules for the protection of animals of all species kept for the production of food, wool, skin or fur or for other farming purposes, including fish, reptiles or amphibians.
Carbon Intensity	No lending to companies with significant carbon emitting activities without an agreement within the lending document or engagement with the borrowers and/or sponsors on mitigating strategies or policies to encourage, periodically monitor and verify specific improvement in business practices to improve the carbon footprint.
Hazardous Waste	No lending to companies which generate significant amounts of hazardous waste without an agreement within the lending document or engagement with the borrowers and/or sponsors on mitigating strategies or policies to encourage, periodically monitor and verify specific improvement in business practices to improve the environmental impact.
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	

## **Request for investments to complete the due diligence questionnaire including questions on environmental, social, and governance aspects**

All Direct Lending Assets will be subject to a request to complete the due diligence questionnaire including questions on environmental, social, and governance (“ESG”) aspects.

### **Good Governance Criteria**

The Investment Manager assesses good governance of Borrowers (including, where relevant, a consideration of sound management structures, employee relations, remuneration of staff and tax compliance) through leveraging external resources and its own detailed research approach.

In making an assessment as to whether a Borrower follows good governance practices, the Investment Manager will consider factors such as:

<b>Governance Factor</b>	<b>Governance indicators considered by the Investment Manager</b>
Corporate Governance Practices	Demonstrates openness and transparency of performance, clarity of decision making and effective risk management.  Compliance with local governance requirements.  Clear policies and procedures on bribery and corruption.  A commitment to diversity at senior management level.
Business Practices	Demonstrates clear policies that encourage good principles of business behaviours and ethics.  Has in place or are working towards an appropriate externally accredited international standard of responsible business practice.
Community Relations	Demonstrates commitment to community and/or charitable work.

### **(h) Data sources and processing**

The data sources used to attain each of the environmental or social characteristics are mainly the result of the investment due diligence process mentioned above. The borrowers are primarily SME's not currently subject to sustainability reporting requirements.

The ESG data collected does not necessarily reflect the situation upon the day financing has been approved and is subject to change of over time. Further, such ESG data may not be representative of Pemberton's approach to SFDR or other regulatory initiatives.

Pemberton uses ESG data acquired through its own internal due diligence, external consultants and third party data analytical tools when considering a prospective borrower's adherence to ESG Factors, ESG risks and their potential impact on the fund's returns. Such due diligence relies on the availability and accuracy of various sources, such as borrower disclosures, which often include forward looking statements of intent and are not necessarily fact-based or objectively measurable. In assessing a particular investment, Pemberton may be dependent upon information and data obtained through third parties that may be incomplete, inaccurate or

unavailable. Such data gaps could result in the incorrect assessment of a sustainability practice and/or related sustainability risks and opportunities. Pemberton is also dependent on the subjective judgements in respect of ESG risks of its investment analysts. Each of the foregoing means that an ESG risk relevant to a particular Investment may not be identified prior to an investment being made and losses may be suffered as a result.

(i) **Limitations to methodologies and data**

See (h) above.

(j) **Due diligence**

The Investment Manager, together with the Investment Advisor, undertake due diligence on each potential borrower. This due diligence process includes, but is not limited to, requiring the borrower to provide comprehensive information and responses to Pemberton's diligence inquiries, which include environmental, social and governance related questions. The data provided by the borrower through the diligence process enables the Investment Manager to assess various environmental, social and governance aspects relating to the borrower's business.

The Investment Manager and the Investment Advisor will use the information provided by the prospective borrower during the diligence process to determine whether the prospective borrower, in the view of the Investment Manager and the Investment Advisor, complies with the screening criteria

(k) **Engagement policies**

If the Investment Manager becomes aware of a material event that could affect negatively its assessment of a borrower, it will engage with that borrower to understand that event and any steps that the borrower intends to take to remedy the issue.

(l) **Designated reference benchmark**

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