

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

Product name: ICECAPITAL Global Private Debt Fund (AIF)

Legal entity identifier: 3595008-1

## Environmental and/or social characteristics

### 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 will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum 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 promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?

This financial product promotes environmental and social characteristics, but it does not pursue sustainable investments as its primary objective.

The Fund promotes the following environmental characteristics:

1. Climate change mitigation through transparency and monitoring of greenhouse gas emissions at underlying portfolio company level.
2. Reduction of exposure to sectors excluded under ICECAPITAL's responsible investment framework.



**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

3. Promotion of climate-related data availability and target setting among underlying fund managers.

The Fund promotes the following social characteristics:

1. Promotion of responsible investment practices and ESG integration among underlying fund managers.
2. Compliance with international norms and standards (UN Global Compact, OECD Guidelines).
3. Promotion of sound governance and risk management practices in underlying funds.

The Fund promotes environmental and social characteristics by integrating sustainability considerations into its investment activities. This includes incorporating ESG factors into pre-investment due diligence, conducting look-through assessments of fund managers and their underlying sub-strategies during the investment period, applying industry-level exclusions, and engaging in ongoing dialogue with fund managers. The Fund operates in accordance with ICECAPITAL's Principles for Responsible Investment.

For clarity, the Fund may invest in platform structures where the investment strategy is defined on a lookthrough basis at the level of a sub-strategy or component within a broader fund. These sub-strategies may be managed by different portfolio management entities, and their investment strategies, including ESG integration, can vary significantly. Throughout this document, "fund" refers to the relevant target fund or, in the case of platform structures, the applicable component or sub-strategy.

The Fund encourages the management companies of its target funds to embed sustainability considerations across their operations. During the investment period, the portfolio managers monitor and evaluate ESG practices and performance based on the target funds' ESG reporting and an annual ESG questionnaire. The Fund also actively engages with managers to reduce the likelihood of sustainability risks materialising.

Additionally, the Fund encourages management companies to report climate-related data and set climate targets. The Fund contributes to climate change mitigation by reporting Scope 1, 2, and 3 CO<sub>2</sub> emissions on a look-through basis, with a minimum of 75% coverage.

The Fund's ESG integration approach aims to evaluate how fund managers address material ESG topics throughout the investment lifecycle. Prior to commitment, the primary objective is to assess the management company's current level of ESG maturity. All target fund management companies are required to have an ESG policy and to commit to responsible investment practices.

The Fund will not make new commitments to managers that lack an ESG policy or do not commit to responsible investment standards. In evaluating new investments, the Fund reviews each manager's exclusion practices and seeks to avoid exposure to sectors excluded by ICECAPITAL Global Private Debt. The manager may deviate from these exclusion criteria under specific circumstances. Additional exclusions may also be specifically agreed with target fund managers.

Before committing capital, the Fund conducts its own ESG assessment of the target fund. Good corporate governance is a mandatory requirement for all target fund managers.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

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

Environmental indicators:

- % of underlying portfolio companies (look-through) with reported Scope 1 and 2 emissions
- % of underlying portfolio companies with Scope 3 reporting
- Weighted average carbon intensity (WACI)
- % data coverage of financed emissions

The indicators are monitored on a best-efforts look-through basis. The Fund targets a minimum of 75% data coverage for financed emissions reporting.

Social and governance indicators:

- % of target fund managers committed to internationally recognised responsible investment principles (e.g. UN Global Compact, PRI or equivalent)
- % of target fund managers with a formal ESG policy and clearly assigned ESG responsibility at management or investment committee level
- % of investments subject to documented ESG due diligence prior to commitment
- % of target fund managers subject to annual ESG monitoring and reassessment using ICECAPITAL's internal ESG evaluation framework (100% coverage at target fund manager level)
- % of underlying portfolio companies screened for compliance with international norms and standards (including UN Global Compact and OECD Guidelines), where data is available

The Fund conducts an annual ESG assessment of each target fund manager and collects data relevant to monitoring the Fund's environmental and social characteristics. Data is not third-party verified. Data completeness is monitored and reported. Where data is not available, the Fund applies best-efforts collection and engages with managers to improve reporting over time.

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

- Yes, This product monitors the underlying investments on look through-basis and on manager level. The Fund monitors the mandatory PAI indicators defined under the SFDR RTS where data is available. On a look-through basis, the Fund targets a minimum of 75% data coverage of underlying investments for PAI monitoring. On manager level we monitor this with annual ESG questionnaire. The information is available in the periodic reports to be published annually as required by the SFDR.

- No



## What investment strategy does this financial product follow?

The Fund's assets are primarily invested in unlisted debt that may be secured or unsecured. The fund invests its assets indirectly in other funds that invest in European and North American private debt arrangements or other debts of mainly unlisted companies.

### ***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?***



1. The Fund will only make investments in target funds that provide sufficient transparency and ESG data on a look-through basis, including the data required to monitor the sustainability indicators described above.
2. A minimum of 75% of the Fund's investments are aligned with the environmental and social characteristics promoted by the Fund. Alignment is assessed using the sustainability indicators listed above, based on look-through ESG data obtained from target funds.
3. Good corporate governance is a mandatory requirement for all target fund managers. All target fund management companies are required to have an ESG policy and to commit to responsible investment practices.
4. If a target fund or its manager no longer meets the binding ESG requirements, the Fund will take appropriate corrective actions within a reasonable timeframe, including engagement, suspension of new commitments or divestment as a last resort.

While the SFDR classification of target funds is considered, the Fund's assessment of alignment with environmental and social characteristics is primarily based on its own binding ESG criteria and the availability of sufficient look-through ESG data from target funds.

*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.*

### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

ICECAPITAL is committed to implementing the binding elements described above. The binding ESG requirements restrict the eligible investment universe by excluding

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

target funds that do not meet the Fund’s minimum ESG criteria. The precise quantitative reduction cannot be determined ex-ante.

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

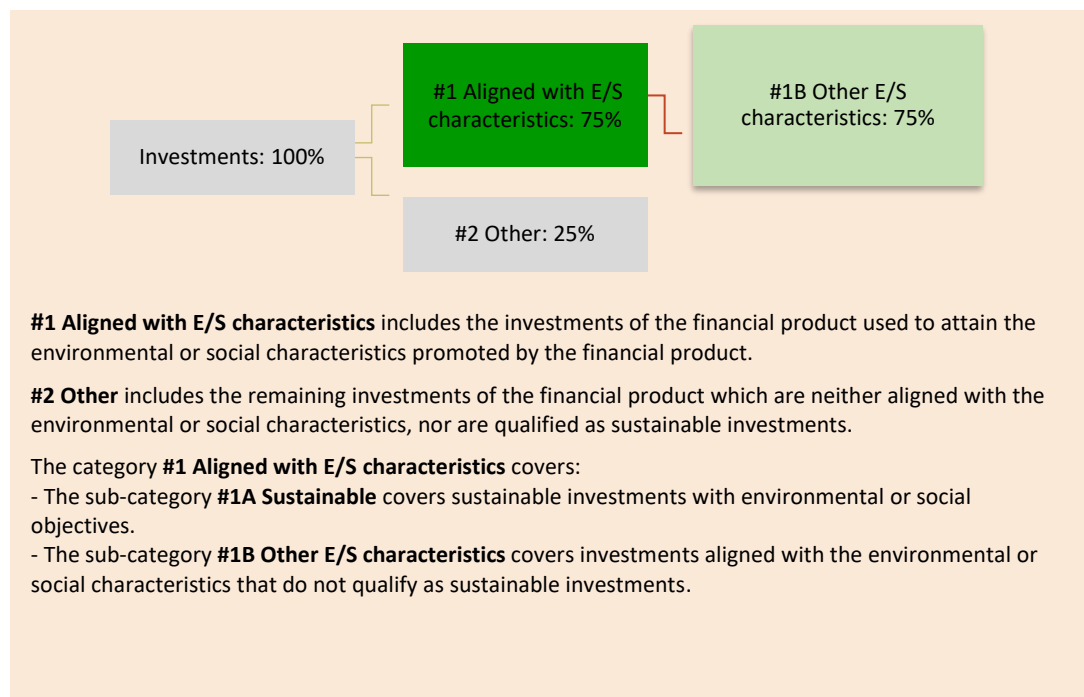
When selecting the fund’s underlying fund managers, good governance is ascertained in the due diligence phase. In addition, the governance practices of the managers are surveyed through a sustainability analysis carried out before making the investment and annually thereafter, with the aim of monitoring the implementation of good governance also during the investment’s life cycle.

Agreements are made to ensure that the managers follow the UN Global Compact principles or other comparable principles in their investment operations. If misconduct or breaches of norms are detected in a company that the fund has invested in, the usual portfolio management measures include engaging in dialogue with the fund manager, depending on the severity, nature and scope of the breach.

Stopping making new allocations to the fund or divesting the investment is the last resort if this is deemed necessary due to the severity, nature and scope of the misconduct or breaches and the fund has not taken action to prevent the misconduct or breaches within a reasonable timeframe. A case-by-case assessment is applied to the situations.

**What is the asset allocation planned for this financial product?**

75 % of the investments in the fund are aligned with E/S characteristics. The investment in the remaining 25% (“#2 Other”) may include cash and hedging instruments, and investments made for diversification purposes or investments for which there is insufficient data available to determine that they promote the E/S characteristics defined for the product.



**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

**Asset allocation** describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Derivatives are not included in the primary investment strategy but are used only for hedging (e.g. currency hedging) purposes.



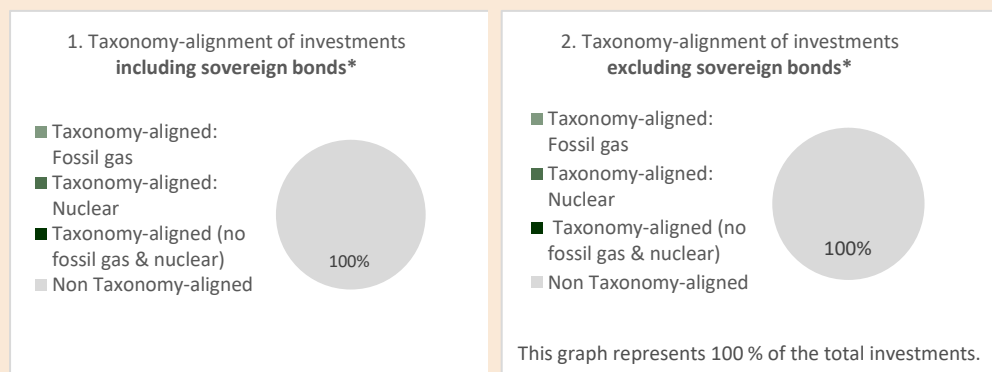
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0%. It is not the purpose of the fund’s investment strategy to make sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund may make investments that are defined sustainable under the EU Taxonomy, provided the investments meet the investment criteria of the product, but does not target a specific allocation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
  - In fossil gas
  - In nuclear energy
- No

*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.

**What is the minimum share of investments in transitional and enabling activities?**

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The Fund does not commit to a minimum share of investments in transitional or enabling activities under the EU Taxonomy.



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

The Fund does not commit to making sustainable investments, including sustainable investments with an environmental objective.



**What is the minimum share of socially sustainable investments?**

The Fund does not commit to making sustainable investments with a social objective.



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

“#2 Other” includes the cash and cash equivalents and derivatives held by the fund ensuring its smooth operation when fulfilling its investment strategy. The fund employs the minimum safeguards by screening for compliance with the international norms and standards including the UN Global Compact and the OECD Guidelines for Multinational Enterprises.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund does not use a reference benchmark to determine whether it attains the environmental and social characteristics that it promotes. As no reference benchmark is designated for this purpose, this question is not further addressed.

*How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

*How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

*How does the designated index differ from a relevant broad market index?*

N/A

*Where can the methodology used for the calculation of the designated index be found?*



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

N/A



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://www.icecapital.fi/asset-management-fi/>