

# Preliminary PAI Statement

Preliminary statement on principal adverse impacts of investment decisions on sustainability factors

Version 1.0

Dated 05/04/2024

## **Financial Market Participant**

The present statement is the preliminary statement on principal adverse impacts on sustainability factors of THC IV SICAV-RAIF SA, (hereinafter referred to as the Fund).

## **Summary**

The Fund considers principal adverse impacts of its investment decisions on sustainability factors and is expected to make its first investment in 2024.

Consequently, the first reference period to be covered will be 2024/25, to be reflected in the subsequent PAI Statement.

This statement presents the indicators and principles that will be applied for future statements.

## Description of the principal adverse impacts on sustainability factors

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation, actions taken, and actions planned and targets set for the next reference period	
<b>Indicators applicable to investments in investee companies</b>					
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	n.a.	n.a.	The initial step will consist in measuring/estimating GHG emissions in order to understand related potential adverse impacts and design an improvement path.  Forward-looking scenario in connection to the Paris Agreement may be considered in ulterior statements.
		Scope 2 GHG emissions	n.a.	n.a.	
		Scope 3 GHG emissions	n.a.	n.a.	
		Total GHG emissions	n.a.	n.a.	
	2. Carbon footprint	Carbon footprint	n.a.	n.a.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	n.a.	n.a.	

	4.Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	n.a.	n.a.	Companies active in the fossil fuel sector are subject to exclusion as per the Fund's Responsible Investment Policy.
	5.Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	n.a.	n.a.	Given the Fund's sector focus (inc. manufacturing), GHG emissions is a key topic integral to the scope of the sustainability risk integration procedures as described in the Fund's Responsible Investment Policy.
	6.Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	n.a.	n.a.	

Biodiversity	7.Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	n.a.	n.a.	Depending on the portfolio companies considered, biodiversity might or not be a highly material issue and will be addressed accordingly as per the Fund's Responsible Investment Policy (biodiversity being part of the related sustainability framework under the environmental footprint pillar).
Water	8.Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	n.a.	n.a.	Depending on the portfolio companies considered, water might or not be a highly material issue and will be addressed accordingly as per the Fund's Responsible Investment Policy (water being part of the related sustainability framework under the environmental footprint pillar).
Waste	9.Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed	n.a.	n.a.	Depending on the portfolio companies considered, waste might or not be a highly material issue and will be addressed accordingly as per the Fund's Responsible Investment Policy (waste being part of the related sustainability framework under the environmental footprint pillar).

		as a weighted average			
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	n.a.	n.a.	This factor is subject to exclusion (under Adverse Practices) as per the Fund's Responsible Investment Policy.
	11. Lack of processes and compliance mechanisms to monitor	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or	n.a.	n.a.	The implementation of appropriate procedures to address compliance with international standards will be part of the default engagement agenda.

	compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			
	12.Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	n.a.	n.a.	Gender issues transcend sectors and are an integral part of the Fund's sustainability framework, addressed accordingly as per the Fund's Responsible Investment Policy.
	13.Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	n.a.	n.a.	
	14.Exposure to controversial weapons (anti-	Share of investments in investee companies involved in the manufacture or	n.a.	n.a.	Companies exposed to the controversial weapons business are subject to exclusion as per the Fund's Responsible Investment Policy.



	personnel mines, cluster munitions, chemical weapons and biological weapons)	selling of controversial weapons			
<b>Indicators applicable to investments in sovereigns and supranationals</b>					
No investments are made in sovereigns and supranationals.					
<b>Indicators applicable to investments in real estate assets</b>					
No investments are made in real estate assets.					
<b>Other indicators for principal adverse impacts on sustainability factors</b>					
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
Energy performance	5. Breakdown of energy consumption by type of non-renewable	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	n.a.	n.a.	Given the Fund's sector focus (inc. manufacturing), energy performance is a key topic integral to the scope of sustainability risk integration procedures as described in the Fund's Responsible Investment Policy.

	sources of energy				
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
Social and employee matters	3. Number of days lost to injuries, accidents, fatalities or illness	number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	n.a.	n.a.	Given the Fund's sector focus (inc. manufacturing), health and safety is a key topic integral to the scope of sustainability risk integration procedures as described in the Fund's Responsible Investment Policy.
Human Rights	14. Number of identified cases of severe human rights issues and incidents	number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	n.a.	n.a.	This factor is subject to exclusion (under Adverse Practices) as per the Fund's Responsible Investment Policy.

## **Description of policies to identify and prioritise principal adverse impacts on sustainability factors**

As described in The Responsible Investment Policy V1.0 adopted and published on 05/04/2024, the identification and prioritisation of Principal Adverse Impact on sustainability factors is guided by a set of exclusions for the most fundamental adverse impacts and the concept of materiality for more complex sustainability factors.

This approach is implemented by the Fund from deal investigation to exit based on primary information gathered directly from the company and its stakeholders as well as external sources (experts, news review,...), in line with the Fund's investment setup (direct investment in private markets) and engagement approach.

## **Engagement policies**

The Fund seeks a majority stake in its investments. Consequently, the Fund is best positioned to engage portfolio companies' top management on sustainability issues (and take corrective measures as relevant).

As described in in the Fund's Responsible Investment Policy, the engagement agenda is formally defined individually for each company shortly after the transaction is concluded via the ESG action plan. Further engagement topics can be defined based on current affairs, events and priorities so as to ensure the appropriate management of sustainability risks and the continued progress that is jointly sought with portfolio companies.

## **References to international standards**

As described in the Responsible Investment Policy, the Fund's framework and procedures are aligned with international standards and in particular in the context of Principal Adverse Impacts:

- the UN Global Compact
- the OECD guidelines for Multi-National Enterprises
- the UN Guiding Principles on Business and Human Rights

The framework is used as an anchor to ensure consistency in the analysis of sustainability risks while offering a structure for monitoring and reporting.

For diligence purposes, the adherence to those standards is evaluated via the screening of related controversies (news review) and the analysis and monitoring of companies' practices before and post-investment (described in the Fund's Responsible Investment Policy under the Monitoring section).

Related findings will be reported in future statements via the appropriate PAI indicators (indicators n° 10, 11 of the core social indicators and indicator n° 14 of the additional social indicators).

## **Historical comparison**

No data and historical comparison are available in this preliminary statement.