Palero Capital GmbH

Investment Manager

Reported assets

Internally managed

- [x] Private equity

Palero Capital GmbH has met PRI's minimum requirements ✓

Minimum requirement indicators

The PRI uses four indicators to assess the minimum requirements, which represent baseline expectations for signatory status. Each indicator is scored out of 100, based on the policies, AUM coverage and responsibilities a signatory has disclosed.

PG 1: Responsible investment policy coverage

100 /100

This indicator measures the breadth of responsible investment elements covered within an organisation's formal policy.

The score reflects the proportion of relevant policy elements that are addressed.

PG 2: AUM coverage of RI policy

100 /100

This indicator measures the proportion of an organisation's AUM that is covered by its responsible investment policies.

The score reflects the extent of AUM covered by the organisation's responsible investment policy.

PG 4: Senior-level oversight and accountability

100 /100

This indicator measures whether senior leadership has formal oversight and accountability of implementing responsible investment policies.

The score reflects the extent to which responsibility is assigned across senior roles and governance bodies.

PG 5: Responsibility for implementation

100 /100

This indicator measures whether responsibility for implementing responsible investment policies is assigned to internal and/or external roles.

The score reflects the extent to which implementation responsibilities are clearly allocated.

Senior leadership accountability

SLA 1

Purpose and approach

This statement describes why this organisation engages in responsible investment, setting out its overall approach and the key commitments it has made. It reflects senior leadership's perspective on how responsible investment supports the organisation's objectives and creates long-term value.

"Responsible investment" is one of the core topics that represents crucial potential for palero capital, palero experts and palero associates. We are aware that a company can only be successful on the market and in society if it complies with environmental, social and legal standards. We understand responsible investment as future-proof investment. Thus, we committed to set-up the current fund as an Article 8-type fund under the SFDR, meaning that the fund promotes, amongst other characteristics, environmental and/or social characteristics and that the companies in which investments are made follow good corporate governance practices. Palero does not make direct investments in companies in certain sectors that are considered incompatible with ESG values. This minimizes ESG risks. Excluded sectors include: • Weapons: Manufacture of or trade in controversial weapons or ammunition • Products or activities with a high risk of addiction: the manufacture of or trade in tobacco, gambling, drugs, and narcotics (except for medical purposes or as permitted by law) • Pornography and the sex industry: the production or commercial exploitation of pornography or the sex industry • Animal testing: Companies that specialize exclusively in animal testing • Termination of human life: Companies that promote the termination of human life, for example through abortion and/or euthanasia • Fossil fuels: Direct extraction or development of fossil fuels (oil, tar sands, coal, gas). As part of the ESG reporting process in alignment with the ESRS, data for the 2025 reporting year is currently being collected and will also be used to monitor PAI for all investments made by palero. The report is scheduled for completion and publication in Q3 2026. Palero intends to take PAI into account in its due diligence in the future as soon as sufficient ESG data of adequate quality is available for potential investments.

SLA 2

Progress and outcomes

This statement describes the organisation's progress during the reporting year on the responsible investment issues it considers most relevant or material. It reflects on performance against objectives and targets, key actions taken and any challenges encountered.

In the reporting year, palero adhered to the exclusion criteria defined in its responsible investment strategy. Accordingly, palero did not make direct investments in companies in sectors that are considered incompatible with ESG values. As part of the process of establishing group-wide sustainability reporting in accordance with the European Sustainability Reporting Standards (ESRS), the palero Group further developed its strategy in 2025. This was based on the double materiality analysis in accordance with ESRS, which was conducted for the first time in 2025 for the entire Group, including all portfolio platforms. Seven topic areas were identified as material: • Corporate governance (G1) • Climate Change (E1) • Own Employees (S1) • Environmental Pollution (E2) • Biodiversity (E4) • Circular Economy (E5) • Workers in the Value Chain (S2). The strategy and the first Group-wide ESG report initially focus on the first three standards: climate change, employees, and corporate governance. The remaining key topics will be systematically integrated in the coming years. In addition to the ESRS, the strategy development process was guided by other international frameworks: the Principles for Responsible Investment (PRI), to which Palero has been committed since 2012; the requirements of the Sustainable Finance Disclosure Regulation (SFDR, Article 8); and the United Nations Sustainable Development Goals (SDGs). With regard to the 17 SDGs, the Group's focus and contribution lie on the following three goals: • Goal 8: Decent Work and Economic Growth • Goal 12: Responsible Consumption and Production • Goal 13: Climate Action The strategy covers all phases of the Palero Group's value chain—from investment decisions through active portfolio management to exit—and applies to the entire portfolio. It sets binding guidelines for portfolio companies and ensures that environmental, social, and governance (ESG) considerations are systematically incorporated into business decisions. Palero's partners and the ESG management are responsible for developing and refining the strategy. The ESG strategy is reviewed at least once a year. Its effectiveness is monitored using a structured system of key performance indicators. In terms of content, the strategy is divided into six chapters: • Principles of sustainable corporate governance • Climate protection with a science-based decarbonization pathway in line with the 1.5-degree target • Fair working conditions and an attractive employer brand for our own employees • Responsible corporate governance with clear ethical standards • Responsible investment strategy in line with the PRI, SFDR Article 8, and the SBTi requirements for financial institutions • Effective ESG governance for efficient processes, clear responsibilities, and transparent management

SLA 3

Forward-looking commitments

This statement sets out the specific steps the organisation plans to take over the next two years to advance its commitment to responsible investment. It provides a forward-looking view of priorities, planned actions and areas of focus.

Palero plans to expand the ESG risk analysis in the investment process to include a high-level materiality analysis that examines not only risks but also impacts and opportunities in accordance with the ESRS. Palero intends to take PAI into account in its due diligence in the future as soon as sufficient ESG data of adequate quality is available for potential investments. From the reporting year 2025 palero will monitor PAI for all investments made by palero.

"The PRI welcomes Palero Capital GmbH completion of the 2026 Reporting Framework. This report offers an early view of leadership accountability and governance practices, and signals the start of the reporting outputs to come. We look forward to supporting signatories as they engage with deeper insights through the PRI's reporting and data tools."

Cambria Allen-Ratzlaff
Interim CEO, PRI