SFDR Disclosures

Disclosures on Sustainability Risk Integration (Art. 3 SFDR)

In compliance with the Sustainable Finance Disclosure Regulation (SFDR), Primo Capital has integrated sustainability risks into its investment decision-making processes. The firm recognizes that sustainability risks—defined as an environmental, social, or governance (ESG) event or condition that could have a material negative impact on an investment's value—are an integral component of its comprehensive risk management framework. According to its ESG policy, Primo Capital performs an ESG due diligence on all target companies across all managed funds, with a more in-depth analysis for products classified under Article 8 or Article 9 of the SFDR. This due diligence is based on company disclosures and assesses a range of specific indicators, including for example: carbon footprint analysis, sustainable supply chain or sector specific indicators such as the employment of green coding practices under the environmental sphere; workplace safety certifications, cyber security and privacy policies, employee gender diversity ratios, and structured training and corporate welfare plans under the social sphere; and board of directors gender diversity or the presence of independent directors under the governance sphere.

The firm's risk management function formally evaluates these factors by integrating sustainability risk indicators into its overall analysis. Sustainability risks are systematically identified, assessed, and monitored throughout the entire investment lifecycle, from the initial preliminary due diligence to the final investment decision and ongoing portfolio management. The findings are regularly reported to the management body to ensure continuous oversight and control.

For investments made by funds classified under Article 8 or Article 9 of the SFDR, Primo Capital also takes into account Principal Adverse Impacts (PAIs) on sustainability factors as part of its investment process. The firm's approach to identifying, assessing, and managing these risks is a key part of its fiduciary duty and is designed to create and preserve long-term value for its clients.