Statement on Principal Adverse Impacts (PAIs) (Art. 4 SFDR)

Primo Capital is committed to considering the Principal Adverse Impacts (PAIs) of its investment decisions on sustainability factors. The firm formally assesses and reports on all mandatory PAI indicators as defined under the Sustainable Finance Disclosure Regulation (SFDR) for all investments made by funds classified as Article 8 or Article 9. This commitment is supported by a robust and systematic process. Data on Principal Adverse Impacts is collected directly from portfolio companies through a dedicated digital platform. This platform provides specific guidance on each indicator, helping to ensure the accuracy and consistency of the data received. While direct disclosures from portfolio companies serve as the primary source, the platform allows for the use of estimated data, basing these estimates on market standard benchmarks related to company size, sector, and business activities. Primo Capital maintains historical data on these indicators, providing a basis for trend analysis and monitoring improvement over time, with data collection beginning in 2024.

The consideration of PAIs is a core component of the firm's investment and risk management processes, with findings systematically integrated into the risk framework for continuous monitoring and oversight. The firm’s engagement policy is tailored to each company based on the principle of materiality. For all Article 8 and Article 9 funds, Primo Capital uses the outcomes of the ESG due diligence to agree on an action plan with portfolio companies, which is then formalized in the investment documentation. As the firm's current managed funds all exclude investments in companies operating in high-emitting sectors, the firm's engagement often focuses on other specific PAIs, such as gender inequality, or other ESG topics, including good governance and GDPR compliance. This proactive approach encourages the achievement of higher ESG standards.

To facilitate this process, portfolio companies formally or informally nominate an ESG referee responsible for ESG matters and reporting. Where the firm has the right to appoint a member to the board of directors, Primo Capital requests that companies periodically report ESG matters to the board. The management company also collaborates with other investors, particularly in syndicated venture capital deals, and participates in industry initiatives to further these goals. As a demonstration of its commitment, Primo Capital joined the UN Principles for

Responsible Investment (UN PRI) in 2024 and is continuously working to improve its structure and commitment to ESG. This rigorous process is part of the firm's commitment to transparency and its fiduciary duty to create and preserve long-term value for its clients by addressing material sustainability risks.