

## No Consideration of Principal Adverse Impacts at the Entity Level (*Article 4 of the SFDR*)

2024

Contrarian Ventures acknowledges the regulatory framework regarding Principal Adverse Impacts (PAI) assessment on sustainability factors as outlined by the Sustainable Finance Disclosure Regulation (SFDR). While we do not currently evaluate PAI at the entity level, our approach considers specific challenges inherent to our investment strategy and target market, as outlined below:

1. **Sustainability Risk and ESG Due Diligence:** Contrarian Ventures actively integrates sustainability risk assessments and has implemented ESG and impact due diligence procedures within one of our funds. This approach allows us to identify and address key ESG risks and opportunities as part of our investment decision-making process. We prioritize a fund-specific focus on impact, ensuring that our portfolio companies contribute positively to the environment while carefully managing any potential adverse impacts.
2. **Commitment to Portfolio Engagement:** As a signatory to the UN Principles for Responsible Investment (UN PRI), Contrarian Ventures is committed to proactive engagement with our portfolio companies. This engagement helps ensure alignment with responsible business practices and supports each company's progress toward meaningful environmental impact. By actively working with our portfolio, we aim to enhance positive outcomes and mitigate potential negative effects, in line with our responsible investment mandate.
3. **Data Limitations:** Many of the early-stage companies we support lack comprehensive Environmental, Social, and Governance (ESG) data required to perform meaningful PAI analysis. This makes adherence to SFDR's prescribed PAI indicators challenging within the scope of our investments.

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4. **Strategic Focus:** Our investment portfolio is focused on early-stage climate-tech companies, where entity-level PAI assessments may not align with our core strategic objectives. Instead, our priority lies in company-level impact measurement and advancing net-zero initiatives, supporting companies in making meaningful progress toward climate solutions.

### **Commitment to Annual Reassessment**

While we do not currently engage in entity-level PAI assessments, we are committed to annually reassessing this position to account for improvements in data availability, shifts in regulatory requirements, and changes in our strategic direction. We will communicate any updates in our approach to PAI assessment to our partners and investors, ensuring transparency and alignment with evolving sustainability standards.

Through this annual review process, Contrarian Ventures remains open to adapting our practices in response to the industry's development and the growing importance of understanding sustainability impacts.

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