LIVONIA
PARTNERS

Sustainable Finance Disclosure Regulations (SFDR), Article 4, Principal Adverse Impacts (PAI) Disclosure

Livonia Partners recognizes the importance of pursuing more sustainable investment strategies by reducing the negative externalities on sustainability caused by investments. We are committed to investing a significant share of capital into businesses that have a meaningful positive impact on climate change and the environment at large, society's well-being and health, and sustainable, fair, and socially responsible communities.

While we continue to take ESG factors into account in our investment process (please see the 'Vision' section), we do not currently consider the Principal Adverse Impacts (PAI) of our investment decisions on sustainability factors as defined by Article 4 of the EU Sustainable Finance Disclosure Regulation (SFDR). This is primarily due to the fact that we invest in small and medium-sized companies. Additional data collection is needed as small and medium-sized companies are currently not required to report this data and lack the processes for doing so.

Nevertheless, we acknowledge that transparency and comparability of different investment strategies is needed to support the financial system's transition towards a more sustainable economy. This is why we are committed to align with the disclosure framework of Principle Adverse Impacts, as specified in the technical standards released by the European Commission on 6 April 2022. We are currently working to review our policies and are collecting additional data from our Fund II portfolio companies, in order to provide required processes and transparency in regards to the specified metrics.

When we begin to consider any impacts that are adverse to sustainability, in regards to our investment decisions on sustainability factors, we shall disclose the relevant information to investors and on our website.