

# Sustainability-Related Disclosures Summary

This document provides an overview of the sustainability-related information about PrimeStone Capital Fund ICAV (the "ICAV").

## No Sustainable Investment Objective

The ICAV promotes environmental and social characteristics, but does not have as its objective sustainable investment.

## Environmental or Social Characteristics of the Financial Product

The environmental and social characteristics promoted by the ICAV will vary depending on the materiality of the characteristic for the investment. Examples of promoted characteristics are:

Environmental Characteristics:

- Carbon emissions disclosures
- Reduction targets

Social Characteristics:

- Fair split of value creation between employees and managers
- Social and gender diversity
- Full compliance with labour laws

## Investment Strategy

The ICAV is a fundamental long-term value-added financial product focused on a concentrated portfolio of lead minority positions in mid-cap publicly listed Western European companies. The investment strategy takes a hands on approach, actively engaging with the companies in which the ICAV invests, both thinking and acting like a long-term owner. The ICAV intends to achieve its investment objective by managing a concentrated portfolio of lead minority positions and through these positions, seeking to constructively influence the management of these companies to promote and effect positive change while creating value for its investors.

## Proportion of Investments

The Investment Manager does expect that a majority of investments (70%) in the ICAV's portfolio will at any point in time be aligned with the promotion of the environmental and/or social characteristics. The ICAV does not commit to making sustainable investments and as such the taxonomy-alignment of investments is 0%.

## Monitoring of Environmental or Social Characteristics

The data assessed to monitor the environmental or social characteristics will also be utilised as part of the due diligence process to fully understand the ESG risks and opportunities that the investment faces. The indicators used to measure attainment will vary depending on the individual investment.

- For environmental characteristics these include indicators such as reduced intensity of emissions, levels of waste and rates of recycling.
- For social characteristics these include indicators such as reduced work place accident rates, increased employment satisfaction.

In order to monitor the promoted characteristics, we will assess the relevant data points that are available and engage with company management in order to get a clear insight into the development of these characteristics and the internal management of their exposure to the drivers of these characteristics.

An area that we will engage on is the disclosure of relevant data so that we and the broader market can better understand the material drivers of financial performance.

The responsibility for monitoring corporate data, which given the fundamental role ESG plays in the investment process will include the environmental and/or social characteristics chosen for promotion, lies with the ICAV's investment team.

## Methodologies

The Investment Manager will use the deep due diligence process and engagement with investee companies to collect the relevant data, alongside the internally produced ESG related information from the corporate, to appropriately measure how the environmental and social characteristics that are promoted by the ICAV, are being met via its investment in the relevant company.

## Data Sources and Processing

The majority of research is done internally, and the Investment Manager will collect data through the deep due diligence process and engagement with investee companies, along with data from public corporate disclosures, which predominantly includes annual and/or sustainability reports, publicly available regulatory filings, as well as direct communication with the company, to inform the investment due diligence view. This data will be used to understand how each company is attaining each environmental or social characteristics promoted, as well as their underlying indicators.

All data will go through an internal quality check process, and where concerns around data quality arise, the Investment Manager will engage with company management to understand how the data was derived. Data will be processed through a proprietary reporting template, and in circumstances where data has not been disclosed, the Investment Manager will not use estimations.

## Limitations to Methodologies and Data

The availability and quality of data will likely vary across the portfolio, whilst data that is reported may not be exactly aligned with the measurement of the environmental and/or social characteristics that the ICAV is promoting. There are also likely to be challenges in terms of the accuracy of data being reported.

It is not expected that these limitations will have a significant impact, as part of the investment strategy also includes engagement to promote increased understanding and disclosure on indicators linked to the relevant environmental and social characteristics.

The Investment Manager also expects existing data challenges to improve through greater standardisation of reporting frameworks, growing corporate awareness and regulatory initiatives in relation to ESG data.

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## Due Diligence

The investment approach for the ICAV is one of deep fundamental due diligence on the companies that we invest in. The Investment Manager views ESG considerations as another lens through which to understand the risks and opportunities that a company faces.

ESG is imbedded in our investment process and involves four key types of investment activity:

- **Investigate and analyse** ESG practices as part of our due diligence
- **Engage** with boards and management of companies we invest in to disseminate best practices, including the promotion of environmental and social characteristics
- **Use our vote and voice** when necessary to drive positive change
- **Walk away** from seemingly attractive opportunities that we cannot influence to meet our standards

Included in this due diligence is the requirement for each investee to have been assessed against our proprietary ESG investment checklist.

## Engagement Policies

Given that the ICAV will take substantial minority positions (5-15%) in each portfolio company, it takes an active sponsorship approach, and is able to engage without needing the support of other shareholders. Engagement through board participation and/or direct communications with company management is used to maximise investment returns and the promotion of environmental and social characteristics.

Where the ICAV does not see change towards better practices based on our engagement activities or sees a sustainability-related controversy that breaches our ethical standards and beliefs, we will walk away from the investment.

## Designated Reference Index Benchmark

The ICAV does not have a designated reference index benchmark for the purpose of meeting the environmental or social characteristics promoted by the fund.