



PRINCIPAL ADVERSE IMPACT STATEMENT

BANOR CAPITAL LIMITED

The Sustainable Finance Disclosure Regulation (“SFDR” or the “Regulation”) entered into force on 10 March 2021. The Regulation requires fund managers like Banor Capital Limited (“Banor”, the “Firm” or “we”), as an authorised Alternative Investment Fund Manager (“AIFM”), to provide information to investors with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment.

This document specifically addresses Article 4 of the Regulation:

Financial market participants shall publish and maintain on their website:

- a. where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available; or
- b. where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts.

Banor applies the definition of Principal Adverse Impacts (“PAIs”) prescribed by Recital 20 of the Regulation: *“Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors”*.

NO CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS

Article 4 (b) of the Regulation requires fund managers to provide clear reasons why they do not consider the adverse impacts of investment decisions on sustainability factors.

Banor does not consider PAIs as the size, nature and scale of the Firm’s fund activities are not deemed likely to create material adverse impacts on sustainability factors, and the risk-profile of the funds are mainly determined by risk factors other than sustainability-related risk factors. Collecting and verifying PAIs data also involve a material cost which indirectly impact the end investors and investee companies required to produce them. For the abovementioned reasons, Banor does not consider such costs to be justifiable and in the best interests of the investors. Additional information on the consideration of PAIs can be accessible via https://www.banorcapital.com/en/banor_esg/