

## No consideration of adverse impacts of investment decisions on sustainability factors

Due to GRO Capital's size, the AIFM is not required to consider PAI on entity level. GRO Capital's funds consider ESG risks, impacts and opportunities as part of the funds' investment process, as specified in GRO Capital's Responsible Investment Policy and the Sustainability-related information disclosed on the funds. However, GRO Capital does not currently consider principal adverse impacts of investment decisions on sustainability factors (PAI) as stipulated in Article 4 of the Sustainable Finance Disclosure Regulation (SFDR).

GRO Capital has decided not to do so, based on an assessment of risk, costs, and benefits, as well as ability to obtain the necessary data required according to the SFDR in developing the PAI-statement cf. Annex I of the SFDR delegated act. Due to GRO Capital's limited size and investment strategy, the company finds that the full application of the regulation is not currently viable from a cost and capacity perspective. GRO Capital primarily invests in smaller portfolio companies, which are not generally at this time in a position to provide the data required by the regulation, in sufficient quality and extent.

The existing ESG policies and procedures at current stage are deemed appropriate by the company to support the ESG ambition and management of the funds. The current approach is proportionally tailored to the fund's investment strategies and GRO Capital's Responsible Investment Policy.

GRO Capital continues to monitor market- and regulatory developments, as well as developments in data availability. GRO Capital will on a continuous basis, and minimum once a year, undertake an assessment of the viability of complying.