

Principal Adverse Impact (PAI)
SFDR Statement



Calle Jenner 3, 28010, Madrid

www.qimpact.com

Financial market participant: Q-Impact Investment Management, S.G.E.I.C., S.A. (LEI code: 959800V96YJ1DM1JJN21)

1. Introduction

The Sustainable Finance Disclosure Regulation ("SFDR") (Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019) requires Q-Impact Investment Management, S.G.E.I.C., S.A. ("Q-Impact") to make a "comply or explain" decision regarding whether it takes into consideration the Principal Adverse Impacts ("PAIs") of its investment decisions on sustainability factors at an entity level, in accordance with the specific regime described in the SFDR.

PAIs are described as impacts that result, or could result, in negative effects on sustainability factors, such as social and labour issues, respect for human rights, anti-corruption or bribery.

2. Explanation on the consideration of PAI indicators at entity level

Q-Impact considers ESG factors as part of the investment process in accordance with its ESG Policy. However, at this time, it will not consider at entity level PAIs on "sustainability factors" as specifically contemplated in the EU Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088).

Q-Impact manages two social and environmental impact funds:

- Q-Impact I, FESE, in which ESG and social and environmental impact criteria have been taken into account when making investment decisions, following the IMP (Impact Management Project) standards, analysing investments — both at pre-contractual stage and through periodic monitoring — across 5 dimensions (What, Who, How Much, Contribution and Risk) in order to address the social or environmental problem identified through the companies in which it invests. Q-Impact acknowledges that, for this vehicle, which has been in its divestment period since December 2022, it would be difficult to comply with the PAI regime set out in the aforementioned Disclosure Regulation, due to the current lack of readily available data to meet the reporting requirements; it nonetheless considers that the existing ESG policies and procedures are adequate, proportionate and tailored to this fund's investment strategy.
- Q-Impact II, comprising Q-Impact Fund II, FESE and Q-Impact Sociedad de Inversión II, S.C.R., jointly classified as Article 9 under the SFDR, does take PAIs into account in its investment decisions. In such cases, information on how Q-Impact considers PAIs in relation to the sustainability factors of these vehicles will be provided in the relevant pre-contractual documentation and in periodic investor reporting.

3. Our approach

Q-Impact will keep this position under review and may consider PAIs for investment decisions on entity-level sustainability factors when, for example, the data required to report is more readily available or all funds are required to report PAIs. Q-Impact will review, at least annually, its decision not to comply with the PAI regime and reserves the right to change its position in the future.