

SFDR Disclosures – Morphosis Capital Coöperatief U.A. and of Morphosis Capital Fund I Coöperatief U.A.

01.03.2023

Morphosis Capital Coöperatief U.A. (the **AIFM**), a Dutch-based registered alternative investment fund manager within the meaning of article 3(2)(b) of Directive 2011/61/EU of 8 June 2011 on alternative investment fund managers (**AIFMD**), makes the following disclosures for the purposes of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (**SFDR**) and Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the **Taxonomy Regulation**). As clarified by the European Commission in its Q&As on sustainability-related disclosures published on 14 July 2021, the AIFM must comply with certain SFDR requirements applicable to registered alternative investment fund managers.

The AIFM acts as registered alternative investment fund manager of Morphosis Capital Fund I Coöperatief U.A. (the **Fund**).

The Fund qualifies under article 6 of the SFDR as it does not promote environmental or social characteristics (article 8 of the SFDR) nor does it have sustainable investments as its objective (article 9 of the SFDR).

I. AIFM-related disclosures

Transparency of sustainability risk policies and transparency of the integration of sustainability risks – article 3(1) and article 6 of the SFDR

General overview

A sustainability risk refers to an environmental, social or governance (**ESG**) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The AIFM does not integrate sustainability risks in its investment decision-making process for the following reasons:

- (i) the performance tools used by the AIFM to estimate returns of the Fund do not take into account such risks but mainly economic and financial risks;
- (ii) since the portfolio companies in which the Fund invests do not usually report on such risks, the AIFM is not in a position to assess and integrate such risks in its investment decision-making process and
- (iii) in view of the AIFM size it is not intended to change the investment decision-making process of the AIFM to integrate such sustainability risks as this will be too costly and not relevant with respect to the Fund.

No consideration of adverse impacts of investment decisions on sustainability factors – article 4(1)(b) of the SFDR

Article 4(1) of the SFDR requires fund managers such as the AIFM to provide a clear statement as to whether or not they consider the "principal adverse impacts" of investment decisions on sustainability factors, e.g. environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Although ESG and sustainability risks are important to the AIFM, the latter does not consider the adverse impacts of investment decisions on sustainability factors in the manner prescribed by article 4(1) of the SFDR, in particular due to the fact that (i) no reliable and sufficiently available or accessible data is available to perform such impact measurement and provide the mandatory reporting imposed by the regulatory technical standards in a

consistent manner; and (ii) the underlying investments are not generally required to report on such factors in the manner prescribed by SFDR.

The AIFM does not intend to consider principal adverse impacts of investment decisions on sustainability factors in the near future as a mandatory investment decision criteria, but it intends to consider such principal adverse impacts for all investments for which the ESG data is either readily available or can be accessed within the same time-frame as the rest of the data on which the investment decision is based (financial, legal, tax, commercial etc).

Transparency of remuneration policies in relation to the integration of sustainability risks – article 5(1) of the SFDR

For the purposes of article 5(1) of the SFDR, the AIFM declares that it does not incorporate sustainability risk in the remuneration of employees because this is not part of the investment policy and therefore it is not part of any remuneration criteria or policy.

II. Fund-related disclosures

Transparency of other financial products in pre-contractual disclosures and in periodic reports – article 7 of the Taxonomy Regulation

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.