SFDR Disclosures

Pursuant to the European Sustainable Finance Disclosure Regulations (2019/2088, the **SFDR**), Krisos B.V. (**Krisos**) is required to publish certain disclosures on its website on how Krisos integrates sustainability considerations into its investment decisions. The SFDR aims to increase transparency of sustainability-related characteristics of investments and to increase comparability of such sustainability disclosures for investors. Krisos supports these objectives. In the below statement, we disclose information on (i) the integration of sustainability risks in the investment decision process (article 3(1) SFDR), (ii) the consideration of principal adverse impacts of investment decisions on sustainability factors (article 4(1)(b) SFDR) and (iii) consistency of our remuneration policy with the integration of sustainability risks (article 5(1) SFDR). While Krisos recognizes the importance of the transition to a more sustainable economy, funds managed by Krisos do not qualify as so-called 'Article 8' or 'Article 9' funds within the meaning of the SFDR.

Integration of sustainability risks in the investment process

A sustainability risk in this context means "an environmental, social or governance (**ESG**) event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment". For Krisos, sustainability risks are risks which, if they were to crystallize, would cause a material negative impact on the financial position of the businesses Krisos' invests in and therefore entail a risk of decreasing the value of an investment.

Currently, Krisos does not apply a general (ESG) policy for integrating sustainability risks into its investment decisions. Before any investment decisions are made, Krisos performs general confirmatory pre-investment due diligence aimed at identifying any material risks associated with each proposed investment. This due diligence process covers various aspects of the relevant business, including general considerations in respect of the environmental impact of the business. When the due diligence process is completed, Krisos will assess the outcome of any identified risks during the due diligence process alongside other relevant factors set out in an investment proposal. As potential environmental impact can also impact the value development of an investment, this will also be taken into consideration when selecting new investments. Ultimately, Krisos makes an investment decision in accordance with our investment policy, restrictions (which also excludes investments in businesses active in certain industries such as tobacco and weapon manufacturing) and objectives and may decide to make an investment even if sustainability risks have been identified, taking appropriate mitigation measures, where deemed necessary. Krisos continues to monitor and aims to remain in dialogue with its investors on ESG issues and may consider it appropriate to integrate sustainability risks into its investment decisions in the future depending on the development of the organization.

No consideration of adverse sustainability impacts

As described above, sustainability risks can affect Krisos' investment decisions. Conversely, however, investment decisions themselves can also negatively impact sustainability factors. A sustainability factor in this context means "environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters".

At present, we do not yet specifically consider adverse impacts of investment decisions on sustainability factors when making our investment decisions. We believe that insufficient reliable data is currently available to determine the potential adverse effects of investments on sustainability factors with sufficient certainty. The cost and time investment of gathering, assessing and including these assessments in our investment decisions is currently disproportionate to the early stage, small size and available resources of our organization. In the future, we may expand our approach on these matters and gradually increase the consideration of adverse impacts of investment decisions on sustainability factors over time. However, we have not set a specific timeframe for doing so, as this will depend on the development of our organization.

Our remuneration policy

Under our remuneration policy, Krisos pays its team a fixed monthly remuneration which does not depend on individual performance or performance targets. Consideration of sustainability risks are not specifically considered in the determination of the fixed remuneration of our team.

Krisos will periodically test whether its remuneration policy complies with, among other things, the applicable laws and regulations and market standards. This evaluation may include an assessment of whether the remuneration may encourage undesirable behavior and whether the remuneration policy provides for appropriate measures to prevent and mitigate undesirable behavior, including consideration of sustainability risks.