SFDR STATEMENT COÖPERATIEVE WIRE GROUP U.A.

About Wire Group

Wire Group works towards a Conscious Economy - a value(s) driven economy that has wellbeing for all of life as its foundation. We are a holistic wealth partner and have been a specialist in impact investing and conscious wealth allocation since 2010. As a collective of individuals, families and strategic partners, we research and develop ways to manage wealth in a way that generates multiple returns: social, ecological, financial and personal. We have a full spectrum service offering: from facilitating conscious wealth journeys, including the aspects of personal growth and family dynamics, to developing impact strategies, and supporting our relations in deploying their wealth more consciously. In each partnership we have the ambition to realise tangible results that contribute to a better world.

In 2022 we transitioned our organisation from a limited liability company (BV) to a cooperative. Through this transition we have put the purpose of our organisation – contributing towards a Conscious Economy – at the heart of everything we do. Apart from having a team that is intrinsically motivated to deliver on this purpose, the purpose is further safeguarded by the Wire Group Foundation, which also shares in the Wire Group Coop profits.

Wire Group distinguishes three 'lines of business':

1. Wire Academy: trainings and workshops with individuals and families to help them orient themselves in the world of Conscious Wealth
2. Wire Journeys: supporting and guiding individuals and families in a bespoke and dedicated manner to help them make their own journey towards Conscious Wealth
3. Wire Investments: managing Conscious Capital on behalf of our clients and investors

This SFDR Statement applies to the work Wire Group does in managing Conscious Capital through the several investment funds it manages. While Wire Group never intended to become a fund manager, the funds we manage emerged as a service to the individuals and families that we worked with over the years, and as a contribution to the 'ecosystem' of Conscious Wealth and impact investing.

Our fund management activities in the context of SFDR

The two goals of the SFDR, as stated by the European Commission are as follows:

> *"Compliance with sustainability-related disclosures will contribute to strengthening investor protection and reduce greenwashing. This will ultimately support the financial system's transition towards a more sustainable economy." (Link to EC article)*

Transparency is one of the core values of Wire Group and hence we strongly support the transparency that the SFDR seeks to achieve. Indeed, in a Conscious Economy transparency would be a given. A personal and strong connection between fund managers and their investors would enable investors to make a clear assessment of the intentions, authenticity and integrity of the fund manager and the way the manager will contribute to a more sustainable future.

Beyond the formal disclosure requirements that the SFDR puts in place, Wire Group has always built close and personal relationships with its clients and investors and we maintain an 'open door' policy through which our investors can ask us anything about the investment choices we make, including the dilemma's that come with investing for positive impact.

Wire Group also wholeheartedly supports the goal of transitioning the financial system towards a more sustainable economy. In our view, all investments should be premised on 'multiple returns', with wellbeing for all of life as the foundation. At the same time, we know from our nearly 15 years of experience of investing for impact that this is not a straightforward process. It is not just about investing in some sectors while avoiding others. It is also not about deploying ESG checklists. It is much more about mindset, awareness, worldview and intentions.

You may choose not to invest in meat companies, but investing in a company that produces an alternative to meat is no guarantee for positive change either. The production process may involve genetically modifying yeast, and then it comes down to the question of whether you believe GMOs are part of the problem or the solution. And what about investing in an oil company and using your shareholder voice to entice that company to pivot towards being a renewables company? Or is it better to starve the fossil fuel industry of capital so that smaller alternative companies get a chance?

Aside from the nuances of investing for impact, a specific complication that applies to Wire Group's funds is that they are 'fund-of-funds': we don't invest directly into companies but into funds ('Portfolio Funds'), which in turn invest into companies ('Portfolio Companies'). Below we show this schematically, using WPMF as an example. We therefore don't exercise full control over the sectors or the specific companies we invest in. Nor can we always engage directly with the management of the companies or have full access to the data that we need to make an ESG or sustainability assessment.

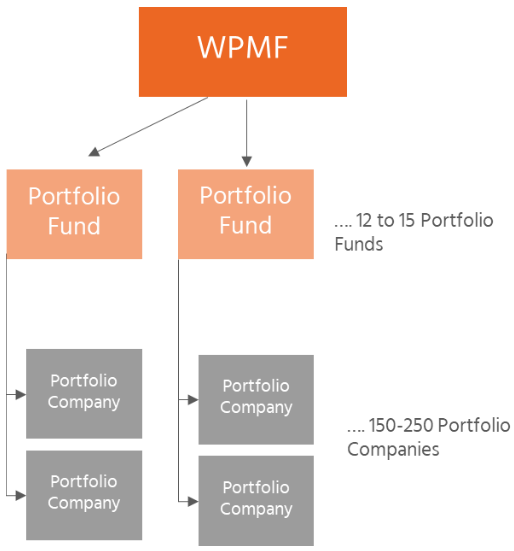

Figure 8: Structure of WPMF as a fund-of-funds

A summary of how Wire Group complies with the SFDR

- We have a strong conviction that the investments we make, and the way that we invest, align with the SFDR's goals of promoting transparency and supporting a transition towards a more sustainable economy.
- As a manager with a compact and dedicated team, we focus our efforts on investing for positive change, as we have been doing for 10+ years, and we trust that this SFDR Statement and related documents show that we do so transparently and effectively
- We manage sustainability-related risks at the level of the Portfolio Funds we invest in rather than at the level of individual Portfolio Companies, and this SFDR Statement and related documents will describe how the management of sustainability-related risks is embedded throughout our investment process. (**SFDR Articles 3 & 6**)
- Our investment strategy and process are designed to pursue a 'do no significant harm' (DNSH) investment approach.
- At the time of writing we do not make any claim that our investments are in line with the EU Taxonomy
- Understanding the potential for adverse impacts and unintended negative consequences is at the core of our investment process. However, as a manager with a compact team, and as a fund-of-funds with limited control over investment choices and company-level processes of the fund managers we in turn invest in, we make use of the 'opt-out' possibility for small managers and will not report separately on the 'Principle Adverse Impacts' of our investments other than the way in which we report on impact in accordance with our impact measurement framework. **(SFDR Articles 4 & 7)**
- Wire Group's organizational culture, including its organizational structure and remuneration policy, have evolved over time to anchor very strongly the organization's purpose of contributing to a Conscious Economy, thereby always stimulating actions on the part of team members that contribute to positive change rather than do harm. **(SFDR Article 5)**
- The investments we make with our investment funds contribute to the promotion of positive environmental and social outcomes. In the fund-level documents we outline how the pursuit of such positive outcomes is embedded throughout our investment process, and how through our impact measurement framework we show and communicate such outcomes to our investors. Moreover, in our engagement with the Portfolio Funds we invest in, we pursue 'good governance'. **(SFDR Article 8)**
- As a manager of a number of fund-of-funds in private markets we do not have the level of access to data required to 'prove' in line with SFDR requirements that we make 'sustainable investments'. Furthermore, we do not exercise direct control over investments in Portfolio Companies to the extent that we could prevent investing in, or divest from, a Portfolio Company that does not meet the SFDR 'sustainable investment' criteria. Hence, despite investing exclusively for positive change, we will not qualify our funds as 'Article 9' funds. **(SFDR Article 9)**

Disclosure on managing sustainability risks (Article 3)

Wire Group believes very strongly that all investors should take into account sustainability risks. This includes both the risks of *not* investing in sustainability and the risks of investing in sustainability. The risks of *not* investing sustainably are both financial and existential. Wire Group therefore only invests sustainably ('impact investing') and is aware that even in so-called sustainable investments ('impact investments') sustainability risks remain.

Hypothetical examples of such sustainability risks, and the related financial consequences, are:

- A company focused on recycling waste has health and safety issues resulting in workplace accidents and subsequent government fines
- A meat alternatives company uses genetically modified organisms (GMOs) in its production process and faces a consumer boycott
- A company focused on installing solar panels turns out to source its solar panels from a supplier that is implicated in forced labour and the company is excluded from government contracts as a result
- A company managing data servers that use less electricity has located its servers in an area of water scarcity and has to shut down its servers during periods of drought

Wire Group manages these sustainability risks at the level of the Portfolio Funds it invests in. As the fund-level SFDR Statements show in more detail, in our investment process we analyse whether the Portfolio Funds we intend to invest in have policies and procedures in place to adequately manage the sustainability risks of the companies they invest in. And when we find these policies and procedures lacking we engage with the fund managers to improve them. We also monitor the extent to which Portfolio Funds manage sustainability risks periodically. **To be clear: managing sustainability risks is no guarantee that sustainability risks, and financial consequences such as the hypothetical examples provided above, will not occur.**

Principle adverse impacts statement (Article 4)

Understanding the potential for adverse impacts and unintended negative consequences is at the core of our investment process. However as a fund-of-funds we have limited control over investment choices and company-level processes. Hence, as a manager with a compact team (12 people at the time of writing), we make use of the 'opt-out' possibility for small managers with fewer than 500 employees. We will not report separately on the 'Principle Adverse Impacts' of our investments other than the way in which we report on impact in accordance with our impact measurement framework.

Remuneration policy (Article 5)

Wire Group's organizational culture, including its organizational structure and remuneration policy, have evolved over time to anchor very strongly the organization's purpose of contributing to a Conscious Economy, thereby always stimulating actions on the part of team members that contribute to positive change rather than do harm.

In 2022 Wire Group transitioned from a limited liability company (BV) to a cooperative. Through this transition we have put the purpose of our organisation – contributing towards a Conscious Economy – at the heart of everything we do. Apart from having a team that is intrinsically motivated to deliver on this purpose, the purpose is further safeguarded by the Wire Group Foundation, which also shares in the Wire Group Coop profits and has a vote in the annual members meeting.

The amount of money that team members of Wire Group earn can be described as significantly 'moderated' compared to financial sector benchmarks. Team members that have been with Wire Group for two years can join the cooperative and share in the profits. The extent to which a team member shares in the profits is partly determined through an annual conversation between team members in which team members express the 'added value' that they believe their fellow team members contributed throughout the year. In these conversations it is understood, both explicitly and implicitly, that 'added value' refers not only to financial value but also to making a contribution to the Wire Group purpose. Moreover, the total amount of financial value, including fixed fee payments and any profit sharing, that a team member can receive is maximized (at the 'Wire Peak'), as we believe that in a Conscious Economy there should be a limit to financial returns. Wire Group's remuneration policy is embedded in a broader set of rules about how we work together as a team. This document ('Spelregels') is available upon request.

Finally, the variable pay that team members receive as a result of their work on the investment funds Wire Group manages ('carried interest'), is (partly) conditional upon the investment funds demonstrably delivering positive impact. This is yet another way in which team members are encouraged to avoid sustainability risks and pursue positive outcomes. Furthermore, please note that carried interest payments are also part of the maximization of financial value for each individual team member under the Wire Peak rules.

Promotion of environmental and social characteristics (Article 8)

The investments we make with our investment funds contribute to the promotion of positive environmental and social outcomes. In the fund-level documents we outline how the pursuit of such positive outcomes is embedded throughout our investment process, and how through our impact measurement framework we show and communicate such outcomes to our investors. Moreover, in our engagement with the Portfolio Funds we invest in, we pursue 'good governance'.

We believe that the promotion of environmental and social characteristics ('impact investing') can contribute to mitigating sustainability risks. Founders, entrepreneurs and fund managers that set up and/or manage companies with explicit environmental or social objectives are more likely to be aware of, and prevent, sustainability risks. However, there is clearly no guarantee that this is the case. Impact-minded founders of fast growing companies may indeed be too distracted to understand, or not have the financial means to adequately manage, sustainability risks. As such we integrate the management of sustainability risks separately in our investment process, as described under 'Disclosure on managing sustainability risks' in this document and in the relevant fund-level documents.

EU Taxonomy

At the time of writing we do not make any claims that our investments are in line with the EU Taxonomy. The principal reason for this is that we manage several 'fund-of-funds' and as such we do not have access to the granular data, such as the turnover and capital expenditures, of the Portfolio Companies in which we are indirectly invested. Without such data it is not possible for us to 'prove' alignment. Because the Portfolio Companies that we indirectly invest in are privately owned, we can also not rely on public sources of data to analyze Taxonomy alignment.

Furthermore, a large share of our fund-of-funds are invested Portfolio Funds outside of the European Union, which in turn invest in Portfolio Companies outside of the European Union. These Funds and

Portfolio Companies are not covered by the EU Taxonomy and therefore have no obligation to report in line with this regulation.

We do not feel that we are in a position to 'force' Portfolio Funds to gather and disclose the requisite data, as we already ask them to put in extra efforts into gathering the data required for our extensive impact measurement framework. We will, however, monitor the situation. If and when the EU-based Portfolio Funds that we invests in (and potentially non-EU Funds as well) start reporting the percentage of investments that are aligned with the EU Taxonomy, we will assess whether the fund manager has taken appropriate steps to adequately adhere to the EU Taxonomy guidelines and, if we are so satisfied, may choose to include such a percentage in our own periodic reporting.

With regards to the 'do no significant harm' principle of the EU Taxonomy, we do, of course, strive to ensure that our investments do no significant harm to the objectives stated in the EU Taxonomy. We cover this as part of our process of managing sustainability risks. Please see 'Disclosure on managing sustainability risks (Article 3)' in this document and the relevant fund-level documents.

Related documents

- Fund-level pre-contractual SFDR statements
- Fund-level pre-contractual disclosures (Annex II)
- Renumeration policy / 'Spelregels' (available upon request)
- Impact Assessment Protocol (available upon request)
- We have an 'open door' policy and we encourage our investors to engage with us on any topic related to the investments we manage, including topics related to sustainability, ESG, impact, etc.