

**SFDR Disclosure Statement – Synova Capital B.V.****1. Introduction**

This disclosure is made in accordance with the requirements set out in the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”) and the EU Taxonomy Regulation (EU) 2020/852. As an Alternative Investment Fund Manager (AIFM) registered under the Dutch AIFMD-light regime, Synova Capital B.V. (“Synova Capital”) is required to disclose the manner in which sustainability risks are integrated into its investment decision-making processes.

At Synova Capital, we recognise the increasing relevance of environmental, social, and governance (ESG) considerations to the financial sector. However, the fund(s) currently managed by Synova Capital do not promote environmental or social characteristics within the meaning of Article 8 SFDR, nor do they have sustainable investment as their objective as referred to in Article 9 SFDR.

Nevertheless, Synova Capital acknowledges that sustainability risks may have a potential material impact on the financial performance of its investments and, as such, considers these risks where appropriate as part of its investment analysis and decision-making.

**2. Integration of Sustainability Risks into Investment Decisions****2.1 Definition and Scope**

According to the SFDR, a “sustainability risk” is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment. These risks can manifest in various forms, including:

- Environmental risks such as climate change, resource scarcity, pollution, and biodiversity loss.
- Social risks including human rights violations, labour issues, health and safety, and community relations.
- Governance risks related to corporate behavior, corruption, lack of transparency, and weak board oversight.

Sustainability risks may affect individual investments or have broader systemic effects across sectors, geographies, or economies. They may also interact with traditional financial risks such as market, credit, or operational risks.

**2.2 Approach by Strategy****Real Estate Investment Strategy**

In the real estate investment strategy, Synova Capital conducts a comprehensive due diligence process prior to the acquisition of any property. This due diligence includes a technical and environmental assessment, which may address the following sustainability-related aspects:

- The presence of hazardous materials (e.g., asbestos or lead)
- Soil contamination and environmental liability risks
- Energy performance and efficiency (e.g., EPC/energy label ratings)
- Condition and sustainability of technical installations (e.g., heating, insulation)
- Exposure to physical climate risks such as flooding, extreme heat, or subsidence

When potential sustainability risks are identified, Synova Capital evaluates the potential financial implications and explores relevant mitigation or remediation measures. For instance, risks related to physical climate change are partly mitigated through geographical and asset diversification, as well as long-term maintenance strategies.

### Hedge Fund Strategy

Within the hedge fund strategy, which involves trading in listed equities and derivative instruments, Synova Capital currently does not integrate sustainability risks into its investment processes in a systematic manner. Due to the nature of this strategy—characterised by short to medium-term positions, high liquidity, and quantitative trading models—sustainability risks are not deemed likely to have a material influence on performance at this time. However, this position may be revisited as regulatory expectations and data availability evolve.

## 2.3 Risk Monitoring and Review

Sustainability risks are considered on a case-by-case basis and are reassessed periodically as part of the ongoing portfolio management and risk monitoring process. As market practices and ESG data availability improve, Synova Capital will continue to evaluate how sustainability risks may be more systematically incorporated into its investment risk framework.

## 3. Principal Adverse Impact Statement

In accordance with Article 4(1)(b) SFDR, Synova Capital does **not currently consider the principal adverse impacts (PAIs)** of its investment decisions on sustainability factors. This decision is based on the current size and structure of the organisation, as well as the characteristics of the strategies it manages. In particular, Synova Capital does not currently have the resources or data access necessary to conduct a robust PAI analysis across its investment universe.

Synova Capital may reassess this position in the future, taking into account the evolution of regulatory standards, industry practice, and internal capacity.

#### **4. Sustainability Risks and Remuneration Policy**

Under the AIFMD registration regime applicable in the Netherlands, Synova Capital is not required to maintain a remuneration policy. Given the limited size of the organisation and the absence of employees, Synova Capital has not adopted a voluntary remuneration policy. Consequently, the integration of sustainability risks into a remuneration policy is not applicable.

#### **5. Future Developments and Commitment**

Although Synova Capital does not currently promote environmental or social characteristics or make sustainable investments, we are committed to remaining informed and responsive to evolving ESG standards and regulatory developments. We continue to monitor guidance issued by regulatory authorities and market best practices, and may update our policies and procedures accordingly.

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