

Integration of Sustainability Risks in Remuneration

1. Introduction

Regulation (EU) 2019/2088 (the 'Sustainable Finance Disclosure Regulation' or the 'SFDR') obliges financial market participants ('FMPs') to publish a statement describing how their Remuneration incorporates considerations of sustainability risks in determining employees' remuneration.

Graduate Entrepreneur Fund Management B.V., operating under the name Graduate Ventures, strives to be a responsible investment firm having a positive impact on the planet and our society. Graduate Ventures updated its Remuneration Policy to include the consideration of effective risk management practices, and to prevent excessive risk taking, considered disproportionate to the portfolios' risk profiles.

Sustainability Risks

Sustainability risks are understood as financial risks of environmental, social or governance (ESG) events or conditions that, if they occur, could cause an actual or potential negative impact on the value of the investment (found in Article 2(22) SFDR).

Graduate Ventures integrates sustainability risks into its investment process to ensure appropriate employee incentives and considers it an essential part of it. Remuneration at consists of the following elements:

Besides a salary and a carry package dependent on the level of the employee of the investment team, there is a performance bonus. In the process of determining the extent to which a bonus is given at year end, performance on the ESG risks are taken into account. Moreover, if an employee continuously under performs on ESG risk related topics, this will be reflected in the remuneration.

2. Remuneration Policy Objectives

The Remuneration policy outlines a framework to ensure that the following objectives are met for Graduate Ventures:

To take into account the firm's strategic goals and values, as well as the interests of clients, employees and the wider public, to stimulate the employment of responsible practices which support long-term sustainability, to avoid conflicts of interest.

3. Sustainability Risks and Remuneration

As Graduate Ventures manages impact-focused funds, the consideration of sustainability risks are an important aspect of the firm's remuneration.

The following measures have been implemented to tie the consideration of sustainability risks to the remuneration:

Take into account ESG related performance in determining bonuses.

Taking into account ESG related performance in remuneration and promotions.

Specifically, this is done in the following ways:

- incorporated in performance reviews between managers and employees;
- personal development plans including ESG related options;