



# Remuneration Policy in relation to the integration of sustainability risks

## EU Sustainable Finance Disclosure Regulation

The Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR" or "the Regulation") entered into force on 10 March 2021. The Regulation requires alternative investment fund managers ("AIFM") like Norvestor Investment Management S.à r.l. ("NIM") as an authorised AIFM to provide information to investors with regards to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment.

This document specifically addresses Article 5 of the Regulation:

*"Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks and shall publish that information on their websites.*

*The information referred to in paragraph 1 shall be included in remuneration policies that financial market participants and financial advisers are required to establish and maintain in accordance with sectoral legislation, in particular Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97 and (EU) 2016/2341."*

More information to be disclosed under the SFDR, and Norvestor's approach to ESG and Responsible Investment in general, can be found on Norvestor's website (click [here](#) or copy the following hyperlink in your browser: <https://www.norvestor.com/sustainable-equity>), including:

- Sustainability Risk Policy
- Principal Adverse Impact Statement
- Responsible Investment Policy

## NIM's Remuneration Policy

This document provides a summary of NIM's Remuneration Policy. The entire Remuneration Policy is available upon request at NIM's registered office.

NIM's Remuneration Policy aims to promote sound and effective risk management, and to discourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the alternative investment funds NIM manages, and to avoid conflicts of interest as required by the Conflict of Interest Policy adopted by NIM.

The Remuneration Policy has been adopted by the Board of NIM in accordance with the binding rules implementing EU Directive 2011/61/EU on alternative investment fund managers and the relevant implementing Regulations (together, the "AIFMD"), and in accordance with the principle of proportionality.

**Remuneration Policy considerations in relation to the integration of sustainability risks**

NIM's Remuneration Policy (i) promotes sound and effective risk management with respect to sustainability risks, ensuring that the structure of remuneration does not encourage excessive risk-taking with respect to sustainability risks and (ii) is linked to risk-adjusted performance (cf. recital 22 of the SFDR). NIM also considers the effect of potential conflicts of interest on remuneration in a way that is consistent with the integration of sustainability risks, including (but not limited to), any activities that give rise to greenwashing, misselling, or misrepresentation of investment strategies.

**Remuneration**

Remuneration of the employees having a material impact on the managed funds' risk profile comprises of fixed and variable remuneration. Remuneration levels shall be justified according to the performance of the individual concerned and the proportion of the variable remuneration shall be capped to the extent applicable as defined in the AIFMD.

**Portfolio Manager**

The Portfolio Manager may receive performance related variable remuneration. The total amount of variable remuneration shall be based on a combination of the assessment of the performance of the employee and of the overall results of NIM, as well as the conduct of the employee under the internal procedures and compliance requirements applicable to NIM.

This includes an assessment of the performance of the employee under the Responsible Investment Policy. The assessment of the performance under the Responsible Investment Policy is discretionary, and shall be based on (i) how the employee integrates sustainability risks into investment decisions, and (ii) the extent to which the employee promotes the principles set out in the Responsible Investment Policy in the management of the portfolio, thereby reducing sustainability risks for NIM and contributing to NIM's sustainability objectives.

**Risk Manager**

The Risk Manager may receive variable remuneration based on the achievement of the objectives linked to his or her functions, independent of the performance of the business areas they control. The variable remuneration of the Risk Manager includes an assessment of compliance with and performance under the Risk Management Policy, which includes market, credit, liquidity, counter-party and operational risk, as well as sustainability risk as set out in the Responsible Investment Policy and the Sustainability Risk Policy.

**Board approval and revision**

The Remuneration Policy is approved by the Board of NIM. It shall be reviewed by the Board at least annually and updated if deemed necessary or desirable.