

SFDR Disclosure on Remuneration Policy

As per Article 5 of SFDR, financial market participants are required to include in their remuneration policies information on how these policies are consistent with the integration of sustainability risks and shall publish that information on their websites.

At Funds For Good (FFG), ESG is at the center of our daily lives and the reason for being of the company. All employees contribute to the social goal of the company, FFG Impact. Being the non-profit organization within FFG, FFG Impact supports entrepreneurs with great ideas but lacking financial resources, focusing on unemployed entrepreneurs or entrepreneurs having a societal or environmental project. In practice, FFG Impact provides honor loans (interest-free subordinated loans) and free coaching. To finance these entrepreneurs, FFG Impact receives donations from FFG Invest, which is the “for-profit” activity of FFG. FFG Invest creates qualitative socially responsible investment funds, available through traditional distribution networks (banks, insurance companies). Every year, 10% of the revenue or 50% of the profit (the higher of two) generated by FFG Invest is donated to FFG Impact.

FFG executives and employees are remunerated with a fixed remuneration that is solely based on market standards and experience. In addition, a variable remuneration may be paid subject to the achievement of certain targets. The variable remuneration of executives depends on their achievement of targets set by the Board of Directors; the variable remuneration of the business development staff is based on their success in bringing new clients and revenues. All employees also receive a variable remuneration upon reaching certain social and financial targets at company level.

As FFG delegates the investment management activity of all its funds to third party investment managers, FFG employees cannot influence the performance and risk profile of the funds. We therefore believe that there is no inconsistency or risk of misalignment of FFG's employee remuneration policy with the integration of sustainability risks into the investment decision-making process within the investment funds for which FFG acts as distribution coordinator. We believe that our remuneration policy does not encourage negative behavior (such as excessive risk-taking) that would be detrimental to the sustainability risk factors in our portfolios.

With respect to investment management activities that are delegated to suitably qualified third-party investment managers, each delegated investment manager shall ensure that it adopts remuneration policies and procedures that are consistent with the integration of sustainability risks into the investment decision process. FFG will require each delegated investment manager to periodically confirm that these policies are being adhered to and that remuneration structures do not encourage excessive risk taking in relation to sustainability risks.