

Integration of Sustainability Risks in Remuneration

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.

PhotonVentures strives to be a responsible investment firm having a positive impact on the planet and our society. PhotonVentures 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).

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

Besides a salary and a carry package dependent on the level of the employee within the investment team, PhotonVentures may opt to also grant a performance bonus. In determining the extent to which a bonus is awarded at year-end, performance on ESG risks is considered. Moreover, if an employee continuously underperforms on ESG risk-related topics, this will be reflected in their remuneration.

Although there is no bonus scheme in place yet, once it is established, it will include these ESG metrics in the evaluation.

The inclusion of ESG-related metrics and performance evaluation in the determination of remuneration and promotions is currently under review. Our objective is to establish a fair and transparent policy by 2025 that aligns incentives with the fund’s goals, including those related to ESG considerations.

The Remuneration Policy will outline a framework to ensure that the following objectives are met for PhotonVentures:

- To align with the firm’s strategic goals and values, as well as the interests of clients, employees, and the wider public.
- To promote responsible practices that support long-term sustainability.
- To avoid conflicts of interest.