EMSA's Compliance with the EU Sustainable Finance Disclosure Regulation (SFDR)
The EU Sustainable Finance Disclosure Regulation (SFDR), effective from March 10, 2021, requires financial market participants like EMSA to disclose sustainability-related practices, including risk integration, adverse impacts, and promotion of environmental/social characteristics.

This document addresses SFDR Article 5 on remuneration policies related to sustainability risks, stating that financial market participants must align their remuneration practices with sustainability risk integration and disclose this on their websites.

Sustainability Risk
Sustainability risks refer to environmental, social, or governance events that could negatively affect an investment. EMSA incorporates these risks into its investment decisions as part of its overall risk management process (please refer to Investment Procedures for more details).

Integration of Sustainability Risk in Remuneration Policy
EMSA aligns its compensation model with sustainability principles, promoting long-term value creation. Sustainability risks are factored into both fixed and variable compensation components.

Fixed Remuneration
EMSA offers competitive base salaries, benchmarked against European industry standards. This ensures the retention of top talent while preventing high-risk tolerance due to an overreliance on performance-based pay.

Variable Remuneration
Bonuses are based on individual, fund, and company performance, with sustainability and ESG considerations integrated into performance metrics.

Carried Interest
Selected employees receive carried interest based on performance and tenure.

Remuneration Policy Review
The Managing Board reviews the compensation structure annually to ensure it remains aligned with sustainability objectives and performance standards.