



**Information pursuant to Art. 3
and 5 of Regulation (EU)
2019/2088 (SFDR) on
sustainability-related
disclosure requirements in the
financial services sector**



FS Impact Finance
Investing today for a better tomorrow



Information in accordance with the sustainability-related disclosure requirements in the financial services sector¹

We as FS Impact Finance² take responsibility for shaping the transformation to a sustainable economy.

We are therefore committed to the Sustainable Development Goals of the United Nations and acknowledge the Paris Agreement on Climate Change.



Consideration of sustainability risks in our investment decision-making process

We aim to deliver impact driven financial services to third parties with no financial long-term investments on our own part. Equal to traditional financial risks, the occurrence of **sustainability risks** may have significant negative impacts on the value and thereby return of investments. On behalf of projects and mandates we manage for institutional investors, we take into account sustainability risks and report and monitor negative impacts of such sustainability risks accordingly. Sustainability risks are assessed according to **environmental, social and governance (ESG) aspects** of (potential) investee companies.

In reference to Article 3(1) of Regulation (EU) 2019/2088 (SFDR), FS Impact Finance integrates sustainability risks into its investment decision making processes in its capacity as fund manager of the **GLS Alternative Investments - Mikrofinanzfonds**. This mutual fund (ISIN: LU1309710678/ WKN: A142F2) is distributed through GLS Bank, Bochum and its network of branches. The fund is a financial product according to Article 9 SFDR. Information regarding this fund including statements on sustainability objectives is available on the webpage of [GLS Gemeinschaftsbank eG](https://www.gls-bank.de). Publications of sales documents, the sales prospectus and further SFDR-related disclosures according to Article 10 SFDR can be retrieved through the alternative investment fund management (AIFM) company [IP Concept](https://www.ipconcept.com) (search for ISIN: LU1309710678).

Adverse sustainability impacts at entity level

Following a holistic perspective, FS Impact Finance considers, in addition to sustainability risks, potential adverse sustainability impacts on investment decisions at entity-level pursuant to Art. 4 of Regulation (EU) 2019/2088. Further details may be found in our [statement](#) on **Principal Adverse Impacts (PAI)** on sustainability factors. Sustainability risks are further mitigated by the investment strategies of our products in combination with the application of exclusion criteria.

In addition, high priority concerning sustainability objectives is implemented in various ways within FS Impact Finance. For more information, we refer to our **Sustainability Agenda (ESG Policy)**.

1 Information pursuant to Art. 3, 4 and 5 of Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation, i.e. SFDR) on sustainability-related disclosure requirements in the financial services sector

2 FS Impact Finance is the brand name of Frankfurt School Financial Services GmbH and its subsidiaries

Inclusion of sustainability risks in our remuneration policy

In addition to the above, FS Impact Finance considers sustainability risks as an integral part of its remuneration framework in relation to Article 5 SFDR.

The compensation system of FS Impact Finance is designed in such a way that incentives for managers and employees to take disproportionately high risks are avoided and the compensation system does not create a conflict of interest with the monitoring function of our control units. Focus is the sustainability of our companies and to avoid above mentioned risks.

The principles governing the FS Impact Finance compensation system cover both, the compensation system for management and for employees. Their appropriateness is reviewed and adjusted if necessary, at least once a year by the management and the shareholder of FS Impact Finance.

FSIF applies an **equal pay for equal function** principle.

FS Impact Finance combines fixed compensation components and variable compensation (bonus) in the remuneration of its managers and employees. The structure and weighting of the components takes into account the tasks and performance of our managers and employees on the one hand and the interests of FS Impact Finance on the other.

The fixed remuneration component represents the main focus of the remuneration and is designed in such a way that a dependency on variable remuneration is excluded. The fixed compensation component is deemed appropriate in internal and external comparison. The personal and professional development of the employees is taken into account.

