

## **Velocity | SFDR website disclosures**

In order to comply with the sustainable finance disclosure regulation (**SFDR**)<sup>1</sup>, Velocity Fund Management B.V. (**Velocity**) makes the following disclosures.

### **Integration of sustainability risks**

A sustainability risk means "an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment".

Before any investment decisions are made on behalf of a fund that Velocity manages, an investment decision process is followed which includes the approval of the management board of Velocity and, in regard to specific investments, also of the advisory committee and/or investment committee of such fund. Velocity views ESG as a standard topic in the pre-investment process. Part of the investment decisions process is that Velocity assesses the risks attached to a potential investment opportunity, which includes sustainability risks. Identified sustainability risks are considered by Velocity when making investment decisions.

In addition, Velocity pays staff a combination of fixed remuneration and variable remuneration (including a possible bonus). Variable remuneration for relevant staff also takes into account compliance with all policies and procedures which are in effect within Velocity, including those relating to taking into account sustainability risks on the investment decision making process.

Employees are made aware of the applicable policies and procedures when starting their employment with Velocity.

### **No consideration of sustainability adverse impacts**

Velocity does take ESG considerations into account when making investment decisions. However, in accordance with article 4 sub 1 (b) of the SFDR, Velocity states that it does not consider adverse impacts of investment decisions on sustainability factors as set forth in article 4 sub 1 (a) of the Disclosure Regulation and therefore does not make the disclosures as described in article 4 sub 1 (a) of the SFDR. Given the small size of the organisation of Velocity, such disclosure as set forth in article 4 sub 1 (a) of the SFDR and the administrative burden in connection therewith would not be proportional.

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<sup>1</sup> Regulation (EU) 2019/2088