

# SUSTAINABILITY-RELATED DISCLOSURE

QFS SICAV - Global Risk Premia

## **Information on Art. 10 para. 1 lit. a) SFDR**

### Description of the environmental and social characteristics

Quoniam Asset Management GmbH ([Quoniam](#)) invests the fund's assets predominantly in securities that have been selected based on sustainability criteria. Sustainability is understood to mean ecological (Environment - E) and social (Social - S) criteria as well as sound corporate and governance (Governance - G). We pursue a holistic ESG approach. We achieve a more sustainable orientation of the portfolio by considering various sustainability criteria. Sustainability criteria include environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery.

When considering environmental and social aspects, we invest in companies and issuers that apply sound corporate governance practices. We analyse compliance with sound corporate governance standards based on data from various providers.

## **Information on Art. 10 para. 1 lit. b) SFDR**

### Assessment and measurement of environmental and social characteristics

We determine whether an asset can be categorized as sustainable through a multi-stage process. As part of this process, the sustainability criteria and indicators described below are used to measure the environmental and social characteristics of each company.

The companies/issuers in the fund are assigned sustainability criteria and indicators to make their environmental and social characteristics transparent. The sustainability data applied includes proprietary indicators, ESG ratings, as well as carbon footprint and impact data based on the United Nations Sustainable Development Goals (SDG Impact). We can assess the ESG score of each security in the investment fund at any time by applying data from our data providers (such as MSCI, Trucost, ISS ESG). Their data is aggregated in our research database. The data are then processed and quality-assured before being used in the investment process. As a quantitative asset manager, the analysis of a large amount of data, also in the ESG context, plays an essential role. To achieve an improved ESG profile for the portfolio, we individually apply an SRI strategy consisting of three building blocks.

First, we exclude companies from the investment universe based on controversial business practices or activities. The criteria are approved by our SRI Committee and reviewed on a quarterly basis. The criteria include the exclusion of manufacturers of controversial weapons. We also consider client-specific exclusion lists: for example, excluding the securities of companies that seriously violate the principles of the UN Global Compact, or which generate a defined share of their turnover through the production of armaments, coal mining or tobacco.

As part of our ESG integration, we take sustainability data into account in portfolio construction. For example, we reduce the ESG risk of the fund by targeting companies with a better ESG profile or lower carbon footprint. We can optimise these sustainability metrics considering all material indicators simultaneously in our investment process.

The exclusion criteria and all sustainability indicators are available for portfolio management at any time via Quoniam's portfolio management system. Portfolio management can review and adjust the various sustainable strategies as necessary. In this way, we can monitor the fulfilment of the environmental and social characteristics.

In addition, we conduct company dialogues and exercise our voting rights as part of a collaborative engagement approach with our parent company Union Investment. By pooling our voting rights, we increase our influence at general meetings and in discussions with company representatives. These dialogues examine whether and to what extent sustainability is part of the business strategy. On the other hand, we demand that companies pursue sustainability where it is advantageous for the investor.

We expect the companies we invest in to show responsible corporate governance that not only considers financial targets, but also social, ethical and environmental aspects. These targets are particularly supported if they promote the long-term interests of shareholders and creditors and thus the long-term value of the company. We require companies to comply with good corporate governance standards regarding, among other things, shareholder and creditor rights, composition and remuneration of the executive board and supervisory board, corporate actions, auditors and transparency.

We actively participate in the coordination of the Engagement Agenda set forth by Union Investment. We focus on relevant sustainability topics to be addressed in corporate dialogues. The activities and results are recorded quarterly in an Engagement Report. The basis for exercising our voting rights is our current [Voting Policy](#). In addition, we have described our sustainability approach in a [Guidelines for Responsible Investment](#).

## Monitoring of environmental and social characteristics

The fulfilment of the fund's ecological and social characteristics is measured via the so-called sustainability indicators (consisting of sustainability ratios and exclusion criteria). Within our investment process, exclusion criteria are considered as part of portfolio optimisation and monitored by Risk Controlling.

Our portfolio managers can call up various sustainability indicators simultaneously at any time and adjust them if necessary in our portfolio optimisation system. In this way, we monitor and control the fulfilment of the ecological and social characteristics. In addition, the regular preparation of internal analyses makes it possible to track the fulfilment of the environmental and social characteristics of the investment fund over time. In addition, a compliance software is integrated into our portfolio management and trading system to monitor and ensure that the investment restrictions for environmental and social fund characteristics as set forth in the investment guidelines are met. Examples include the application of exclusion criteria or minimum requirements for sustainability indicators.

Data used to analyse companies and/or assets with regard to sustainability indicators is procured from external service providers. We use various data providers (e.g. MSCI ESG Research LLC, Trucost, ISS ESG) to benefit from the highest possible data quality. In addition to diversification, we ensure high data quality through automated random sample checking mechanisms. Raw data is fed into the portfolio management front-end system. The front-end system processes the corresponding data automatically. Only a very small proportion of input data needs to be estimated due to a lack of reporting at the company level. In these cases, we resort to average values of industries or sectors. Where a complete assessment of the companies and/or assets with regard to the fulfilment of environmental and social characteristics is not possible due to a lack of measurability or data availability, we also draw on our own additional research to ensure the most comprehensive coverage possible and thus incorporate the sustainability information into the investment process.

### **Information on Art. 10 para. 1 lit. c) SFDR** **Comparative standard**

There is no comparative standard applied to this fund.