




LEA 02	Discretionary Mandatory	Gateway
<p>By default, assets for which we have no responsibility (e.g. unlisted securities) are excluded from our portfolio. However, we may consider the inclusion of such securities in our portfolio if they are necessary for the diversification of our portfolio or if they are otherwise in the best interests of our investors.</p> <p>Our engagement strategy is based on the following principles:</p> <ul style="list-style-type: none"> <li>• To support investment decisions that are consistent with our ESG objectives</li> <li>• To influence companies to improve their ESG performance</li> <li>• To engage with companies on ESG issues that are material to their business and to our investors</li> <li>• To engage with companies on ESG issues that are material to our investors</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisions consistent with our ESG objectives</li> <li><input checked="" type="checkbox"/> To influence companies to improve their ESG performance</li> <li><input checked="" type="checkbox"/> To engage with companies on ESG issues that are material to their business and to our investors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with internal staff</li> <li><input type="checkbox"/> To support investment decisions consistent with our ESG objectives</li> <li><input type="checkbox"/> To influence companies to improve their ESG performance</li> <li><input type="checkbox"/> To engage with companies on ESG issues that are material to their business and to our investors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with collaborative engagements</li> <li><input type="checkbox"/> To support investment decisions consistent with our ESG objectives</li> <li><input type="checkbox"/> To influence companies to improve their ESG performance</li> <li><input type="checkbox"/> To engage with companies on ESG issues that are material to their business and to our investors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage with service providers</li> </ul>

# RI TRANSPARENCY REPORT

## 2017

Quoniam Asset Management GmbH

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Private	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 17	Innovative features of approach to RI	-	n/a							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
LEI 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	-	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 11	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 12	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 13	ESG issues in index construction	🔒	n/a	✓						
LEI 14	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 15	Measurement of financial and ESG outcomes of ESG incorporation	✓	Private	✓						
LEI 16	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 17	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 15	Examples of ESG engagements	✓	Private		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 20	Confirmation of votes	✓	Private		✓					
LEA 21	Securities lending programme	✓	Private		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 25	Shareholder resolutions	✓	Private		✓					
LEA 26	Examples of (proxy) voting activities	✓	Private		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive,active strategies	✓	Private							✓
FI 02	Option to report on <10% assets	🔒	n/a							✓
FI 03	Breakdown by market and credit quality	✓	Private							✓
FI 04	Incorporation strategies applied	✓	Public	✓						
FI 05	ESG issues and issuer research	✓	Private	✓						
FI 06	Processes to ensure analysis is robust	✓	Public	✓						
FI 07	Types of screening applied	✓	Public	✓						
FI 08	Negative screening - overview and rationale	✓	Public	✓						
FI 09	Examples of ESG factors in screening process	✓	Private	✓						
FI 10	Screening - ensuring criteria are met	✓	Public	✓						
FI 11	Thematic investing - overview	🔒	n/a	✓						
FI 12	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 13	Thematic investing - assessing impact	🔒	n/a	✓						
FI 14	Integration overview	✓	Public	✓						
FI 15	Integration - ESG information in investment processes	✓	Public	✓						
FI 16	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 17	ESG incorporation in passive funds	🔒	n/a	✓						
FI 18	Engagement overview and coverage	✓	Private		✓					
FI 19	Engagement method	🔒	n/a	✓	✓					
FI 20	Engagement policy disclosure	🔒	n/a	✓	✓					
FI 21	Financial/ESG performance	✓	Private							✓
FI 22	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI 23	Communications	✓	Public		✓				✓	
FI End	Module confirmation page	✓	-							

# Quoniam Asset Management GmbH

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Quoniam offers quantitative asset management expertise in all major geographic regions in the asset classes equity, fixed income and multi asset.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Germany

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

103

**OO 02.4** Additional information. [Optional]

Like last year Quoniam reports the figure by summarizing the time-share of every single employee no matter if the employee is full time or part time. Counting only employees that are full time - as suggested in the explanatory notes - the figure would be 98.

**OO 03** **Mandatory** **Public** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2016

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM		26	453	775	144
Currency	EUR				
Assets in USD		28	310	922	985

**OO 06** **Mandatory** **Public** **Descriptive** **General**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**OO 06.1** How you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	56	0
Fixed income	41	0
Private equity	0	0
Property	0	0

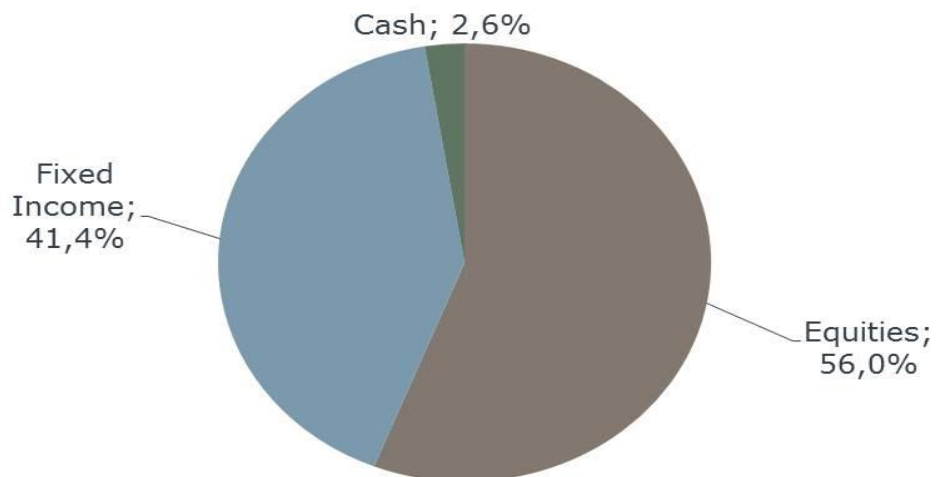
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	3	0
Other (1), specify	0	0
Other (2), specify	0	0

○ as broad ranges

OO 06.2

Publish our asset class mix as per attached image [Optional].

## Quoniam's asset class mix



Figures as of december 31st, 2016

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Seite 1

OO 06.3

Provide contextual information on your AUM asset class split. [Optional]

About 13% of all equities, fixed income and cash is consolidated within the asset class multi asset meanwhile the rest of the assets is part of either equities or fixed income products.

## Gateway asset class implementation indicators

OO 10

Mandatory

Public

Gateway

General

OO 10.1

Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.

- We incorporate ESG in our investment decisions on our internally managed assets
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 10.2

Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- We engage with companies on ESG factors via our staff, collaborations or service providers
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

OO 10.3

Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Fixed income - SSA
- Fixed income - corporate (financial)
- Fixed income - corporate (non-financial)
- Fixed income - securitised
- Cash
- None of the above

# Quoniam Asset Management GmbH

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

Guidelines of the German Asset Management Association (BVI) regarding code of conduct and responsible Investment policy

Other, specify (2)

other (2) description

EFAMA Code of External Governance

Other, specify (3)

other (3) description

Principles for Responsible Investments (former United Nations)

None of the above

No

**SG 01.6**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Quoniam discloses its responsible investment policy via its homepage. The URL is:  
[https://www.quoniam.com/fileadmin/templates/images/datenfakten/Responsible\\_Investment\\_Policy.pdf](https://www.quoniam.com/fileadmin/templates/images/datenfakten/Responsible_Investment_Policy.pdf)

**SG 02**

**Mandatory**

**Public**

**Core Assessed**

**PRI 6**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 02.1**

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

URL

[https://www.quoniam.com/fileadmin/templates/images/datenfakten/Responsible\\_Investment\\_Policy.pdf](https://www.quoniam.com/fileadmin/templates/images/datenfakten/Responsible_Investment_Policy.pdf)

Attachment (will be made public)

Screening / exclusions policy

Engagement policy

(Proxy) voting policy

URL/Attachment

URL

URL

[https://www.quoniam.com/fileadmin/templates/images/datenfakten/Voting\\_Policy.pdf](https://www.quoniam.com/fileadmin/templates/images/datenfakten/Voting_Policy.pdf)

Attachment (will be made public)

We do not publicly disclose our investment policy documents

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

The policy on managing potential conflicts of interest in the investment process is part of our Code of Conduct. Quoniam has adopted the BVI Rules of Conduct (BVI Wohlverhaltensregeln), which are published by the German Association of Investment Management (BVI) and is also committed to the Efama Code of External Governance. Acceptance of these guidelines is mandatory for all employees and includes rules on personal securities trading, acceptance of gifts and entertainment, money laundering, compliance with laws, regulations and company policies, and prohibits payments and contributions.

Additionally, Quoniam has a proprietary policy on conflicts of interest disclosed to public. In this proprietary policy potential conflicts of interest are defined, principles are phrased and measures are taken in order to avoid conflicts of interest.

No

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed



SG 05.2

Additional information. [Optional]

As Quoniam provides customized portfolio management for its clients there are no hard objectives defined aiming a certain percentage or amount in assets under management that has to be invested responsible. Nevertheless we are able to manage every portfolio in a "responsible" way. In order to increase the amount of assets being responsible invested we inform customers about the benefits of SRI-portfolios encouraging them to make use of the ESG expertise we do provide. Also, 2016 Quoniam started to convert its SICAV strategies addressing ESG-criteria by transforming 5 of 11 strategies. At the end of year 2016 the share of responsible invested assets accounted approximately 30% of all assets managed by Quoniam.

## Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

### Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number
--------

0

<b>SG 07.4</b>	Additional information. [Optional]
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Quoniam's investment process is constructed in a way that every portfolio manager is able to implement and observe responsible investments. Therefore there is no necessity to provide dedicated responsible investment staff. Nevertheless Quoniam disposes of two portfolio manager that are specialised in ESG issues. Furthermore Quoniam has established an ESG committee supervising a principles based screening process that is applies to the Quoniam Funds Selection SICAV.

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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### Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
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- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Quoniam commented on the proposal of the Task Force on Climate-related Financial Disclosures through our parent company Union Investment. Furthermore we are implementing the extended code of conduct of the German asset association that in one ample chapter focuses on responsible investments.

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Quoniam is registered at IIGCC supporting the Global Investors Statement on Global Change. Initiated by the Environmental Agency (UK) Quoniam signed the sign-on letter to companies on their climate lobbying activities.

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Reference to the UN Global Compact is made under the leadership principle: DZ BANK AG - being mother company of Quoniam's mother company Union Asset Management Holding AG - is signatory of the UN Global Compact and requested all of its affiliates to report on the 10 principles regarding human rights, labour, environment and anti-corruption issues.

- Other collaborative organisation/initiative, specify  
German Association for Investment Managers (BVI)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Quoniam supports the BVI-Code of Conduct as well as the BVI-Responsible Investment Policy. Both rules have been merged into one document and have been expanded in various themes such as responsible investments. Quoniam is implementing the new code/rules.

Other collaborative organisation/initiative, specify

EFAMA Code of External Governance

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Quoniam supports the EFAMA Code of External Governance. Principles 1 and 5 are covered by own resources while principles 2,3,4 and 6 are covered through a Service Level Agreement signed with Union Investment 2015.

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

<b>SG 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**SG 10.1**

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

No

<b>SG 10.3</b>	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
----------------	---

Quoniam initiated the discussion panel "Are there any "alpha" women?" together with the German initiative "Women in the Supervisory Board" (FidAR) in June 2016 which addressed the topic gender equality in the asset management industry. Furthermore Quoniam participated in Union Investments germanwide survey on social responsible investments conducted in March 2016.

**Implementation not in other modules**

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
----------------	--

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify  

We analysed the Impact of the implementation of the UN GC-principles to the return/risk-profile of our portfolios.
- We do not execute such scenario analysis and/or modelling

<b>SG 12.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
----------------	---

- We do the following
- We do not consider ESG issues in strategic asset allocation

# Quoniam Asset Management GmbH

## Reported Information

Public version

Direct - Listed Equity Incorporation

## PRI disclaimer

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## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03

Mandatory

Public

Gateway

PRI 1

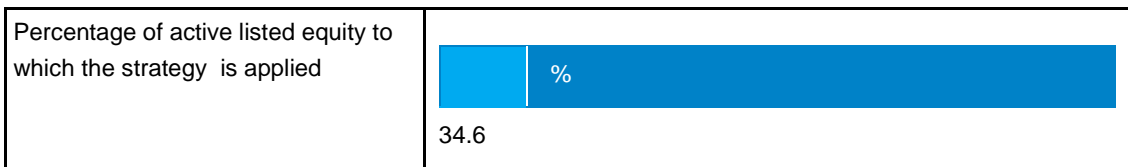
**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

#### ESG incorporation strategy (select all that apply)

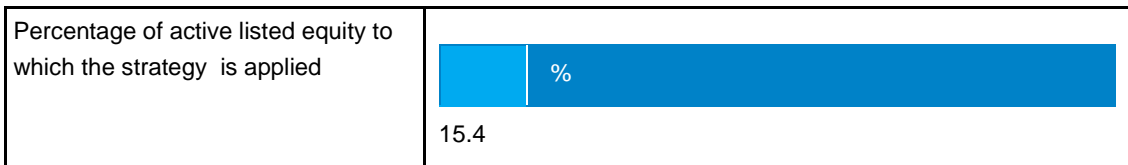
Screening alone (i.e. not combined with any other strategies)



Thematic alone (i.e. not combined with any other strategies)

Integration alone (i.e. not combined with any other strategies)

Screening and Integration strategies

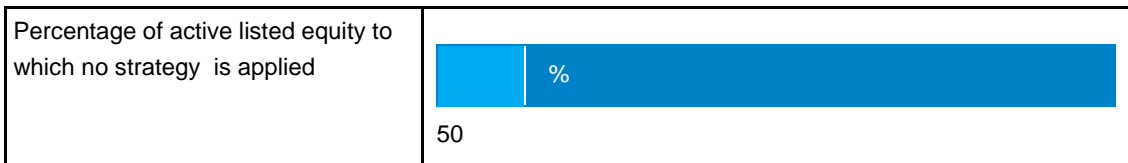


Thematic and integration strategies

Screening and thematic strategies

All three strategies combined

We do not apply incorporation strategies



Total actively managed listed equities

100%



**LEI 03.2**

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

Quoniam believes in social responsibility and the long term relationship between sustainable business and economic value. In accordance with Quoniam's "Responsible Investment Policy" we consider sustainability to be a key factor in the future success of the companies we invest in.

Our organisation's approach to incorporation of ESG strategy is based on:

1. Thematic themes: we take into account the legal and regulatory requirements associated with:

-UN Global Compact -EFAMA Code of External Governance -Oslo Convention on Cluster Munitions -UN PRI -BVI-Code of Conduct -BVI-Responsible Investment Policy -OFAC sanction list

2. Screening - Quoniam's sustainable investment policy exclude securities according to the following criteria, which identifies controversial business practices and controversial business activities:

Norges Bank exclusion list (Norwegian government pension fund exclusion list) Producers of cluster munitions and anti-personnel landmines Violation of labour standards (ILO) Violation of human rights Environmental pollution scandals Corruption Tobacco

We are open to discuss additional screenings, as already employed in the context of existing mandates.

3. Integration - includes the systematic application of KPIs in our investment universe

Environment; Social Governance other KPIs i.e sustainable business, carbon, carbon footprint etc.

Quoniam is able to fully automatically include any positive or exclusionary lists involving the ESG considerations of our clients. Additionally, we have developed our own exclusion list for the Luxembourg domiciled Quoniam Funds Selection SICAV, which follows internationally accepted guidelines such as the UN Global Compact, the Principles of Responsible Investment and the Oslo convention.

**LEI 03.3**

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

We combine screening technics identifying controversial business practices and controversial activities, business practices such as companies which violate human rights or carry out systematic violations against labour rights, companies which caused environmental harm or are convicted to corruption. Controversial business activities: such as the production of tobacco or the production of controversial weapons, such as anti-personnel mines and cluster munitions. In case the portfolio has the objective to achieve a higher ESG score than the benchmark index, we will calculate an ESG score based on the clients preferences for a better performance base on a screening technique, which is used to filter out companies with ESG KPIs significantly worse than the universe and/or companies violating norms based screening criteria. The standardized KPIs score are used during portfolio construction to "shift" the portfolio towards superior ESG characteristics. We ensure that the score is "better" than the benchmark value. The integration of such an approach is on the basis of a holistic process and does not result in a deterioration of the risk/return profile. The result is that the portfolio is tilted towards a better score compared to the benchmark whereas scores do not take priority over the fundamentals of a company.

**(A) Implementation: Screening****LEI 06****Mandatory****Public****Descriptive****PRI 1****LEI 06.1**

Indicate and describe the type of screening you apply to your internally managed active listed equities.

**Type of screening**

- Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

We have developed our own exclusion list for the Luxembourg domiciled Quoniam Funds Selection SICAV, which follows internationally accepted guidelines such as the UN Global Compact, the Principles of Responsible Investment and the Oslo convention. This list excludes companies with controversial practices or activities in focus areas such as human and labour rights, environment and climate change, corruption, production of controversial weapons and tobacco.

- Positive/best-in-class screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

Some of our clients have chosen to use specific positive (i.e. "white list") screening lists based on a variety of criteria.

- Norms-based screening

**Screened by**

- UN Global Compact Principles
- The UN Guiding Principles on Business and Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Universal Declaration of Human Rights.

Quoniam also uses a negative screening targeting at companies involved in unethical activities (e.g. production of controversial weapons).

	Description
--	-------------

Negative screening is applied to all mandates, other norm-based screening is applied when it is required from our customer.

<b>LEI 06.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

Screening criteria are established by our ESG committee, who analyse systematically the incorporation of screening criteria from both internal research in cooperation with external research providers. Screening lists are reviewed on a regular basis. We encourage clients to include information on these reviews in their customized reporting. Concerning this matter we also would like to refer to answer LE02.1.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure screening is based on robust analysis.
-----------------	--

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

<b>LEI 07.2</b>	Additional information. [Optional]
-----------------	------------------------------------

In a first stage, Quoniam systematic analysis incorporates ESG resources and capabilities from a dedicated ESG team of our parent company, Union Investment, who compiles and validates data from various research providers such as MSCI, Reprisk, Imug Eiris, Assets4, Trucost and the world Bank and links them to the capital market data structures of five asset classes.

In a second stage, this data, which covers 32,000 securities, 7,000 issuers, 4,500 companies and 95 countries is automatically imported in our data base.

In a third stage a validation process starts. In this stage, after we validate the data quality, we incorporate our in-house research and other external sources e.g. the exclusion list published by the Norwegian government fund.

In a fourth stage, we formally incorporate systematically the ESG/Responsible investment policy of our clients applying either positive/exclusionary lists or ESG factors in the investment process. If the exclusions lists are applied to reduce the individual universe of each fund, then the automated investment process can only choose equities from the reduced fund's universe. Further, these lists are part of the daily investment monitoring process. This includes an analysis of the complete company structure, which reflects corporate actions such as mergers and acquisitions.

In the last stage, the negative, positive and norm-based ESG lists applied in the portfolio management process also feed into the audit system from Princeton (MIG 21). Therefore changes to the lists will lead to passive ESG guideline breaches and trigger appropriate guideline conform actions in portfolio management.

## (C) Implementation: Integration of ESG issues

LEI 10	Mandatory	Public	Core Assessed	PRI 1
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LEI 10.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<p><b>Environmental</b></p> <p><input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We do not review environmental issues</p>
Social	<p><b>Social</b></p> <p><input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We do not review social issues</p>
Corporate Governance	<p><b>Corporate Governance</b></p> <p><input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We do not review corporate governance issues</p>

LEI 10.2

Additional information. [Optional]

We review ESG issues if our clients specifically ask for potential significance of those issues or if there is some significant event taking place which we identify as a matter of fact.

## Communication

LEI 17	Mandatory	Public	Core Assessed	PRI 2,6
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<b>LEI 17.1</b>	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

<b>LEI 17.5</b>	Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.
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- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

<b>LEI 17.6</b>	Indicate how frequently you typically report this information.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- We do not proactively disclose it to the public and/or clients/beneficiaries

<b>LEI 17.7</b>	Additional information. [Optional]
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We disclose esg issues in a monthly basis. Our reporting includes a disclosure on active ESG exposure and active esg attribution by sector, carbon footprint exposure and attribution by sector.

# Quoniam Asset Management GmbH

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2

Indicate what your engagement policy covers:

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Engagements following on from decisions
- Other, describe
- None of the above

Attach document

[File 1:CC\\_UnionEngagement\\_NEU.pptx](#)

LEA 01.4

Provide a brief overview of your organization's approach to engagement

As an active investor, we use our influence to promote sustainable business practices and good corporate governance. To achieve this, we work closely with our service provider the Union Investment Group. To facilitate this, we have the same engagement politic as our parent company, which has developed its own guidelines in the area of securities investment. They are implemented through dialogue with companies and by voting in line with the guidelines at general meetings

No

As a responsible, proactive asset manager, we maintain a constructive dialogue with the companies in which we invest. Our goal is to actively influence these companies with regard to their environmental, social and corporate governance (ESG) practices, thereby helping to improve the sustainability of their actions and increasing their enterprise value in the long term. To achieve this, we work closely with other companies in the Union Investment Group, who is hired as our service provider. First of all, this brings the advantage of participating with a unique "voice" within the Union Investment group. Besides, we have access to a dedicated team and communicate in an uncomplicated environmental.

Engagement is implemented through dialogue with companies via their engagement platform, UniVoice, and by voting in line with the guidelines at general meetings.

The engagement approach essentially consists of three stages: pre-engagement, actual engagement and post-engagement .

The pre-engagement stage and associated research lay the groundwork and detect any problem areas for our service provider engagement activities. In this stage, a group of professionals analyze and discussed the sustainability and weakness associated with the companies based on several research sources and the expertise of 42 sector analysts within the Union Investment.

In the engagement stage, a combination of constructive dialogue with companies (UnionVoice) and the exercising of our voting rights at annual general meetings (UnionVote) takes place.

These activities are accompanied by intensive global sustain ability research and studies on sustainability/engagement issues aimed at institutional investors.

Issues that are regularly addressed by our service provider at annual general meetings include:

- Corporate governance
- Corporate Actions
- investment performance
- controversial shareholdings
- CO2 emissions and the switch to renewable energy sources
- environmental issues
- social standards
- diversity

The post-engagement process has a long time horizon, with results sometimes only becoming apparent after months or years. The engagement activities and their results are therefore evaluated at regular intervals. In terms of taking consequences for a company, It is not out of the question for engagement activities that have already been undertaken to be re-evaluated. If we are not satisfied with the responses and actions of certain companies in spite of our repeated engagement, the ESG committee can systematically exclude those companies from the investment universe.



Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify To address client specific ESG policies <input type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements conducted with/on your behalf by service providers

LEA 07	Mandatory	Public	Core Assessed	PRI 2,4
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 07.1** Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

Yes

**LEA 07.2**

Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- Discuss the topic (or ESG issue(s)) of engagement
  - Discuss the rationale for engagement
  - Discuss the objectives of the engagement
  - Select the companies to be engaged with
  - Discuss the frequency/intensity of interactions with companies
  - Discuss progress towards the engagement objectives
  - Monitor and review outcomes that have been achieved from the engagement
  - Discuss next steps for engagement activity
  - Participate directly in certain engagements with your service provider
  - Ad hoc monitoring and review of engagement processes.
  - Other, specify
- No

**LEA 07.3**

Additional information. [Optional]

For the mandates which we are instructed, we engage through our service provider. We engage in several Environmental, Social and Governance themes: e.g. we have the objective to improve environmental data by taking part in the CDP and disclosing relevant KPIs, We encourage company to answer the CDP questionnaire. We also encourage companies to have an independent management board and we also encourage companies in several social themes such as labor practices, human rights and to sign of the UN global compact.

**LEA 08****Mandatory****Public****Core Assessed****PRI 2,6****LEA 08.1**

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

**LEA 08.2** Additional information. [Optional]

We have a quarterly report on engagement activities provided by our service provider and we have a regular meeting to discuss the quality of the service

## General processes for all three groups of engagers

**LEA 10**

**Mandatory**

**Public**

**Gateway**

**PRI 2**

**LEA 10.1** Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
<b>Service provider engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

**LEA 10.2** Additional information. [OPTIONAL]

We receive a quarterly report and an annual report with all engagement activities.

## Communication

**LEA 16**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2,6**

**LEA 16.1** Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

**LEA 16.8** Additional information. [Optional]

Quoniam is restricted through the Investment Management agreements between Quoniam and its clients to treat information privately. Therefore no information on the engagement activities are disclosed publicly.

## (Proxy) voting and shareholder resolutions

## Overview

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 17.1** Indicate whether your organisation has a formal voting policy.

Yes

**LEA 17.2** Indicate what your voting policy covers:

- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Share blocking
- Regional voting practices
- Record keeping
- Company dialogue pre/post vote
- Securities lending process
- Other, describe
- None of the above

**LEA 17.3** Attach or provide a URL to your voting policy. [Optional]

URL

[https://www.quoniam.com/fileadmin/templates/images/datenfakten/Voting\\_Policy.pdf](https://www.quoniam.com/fileadmin/templates/images/datenfakten/Voting_Policy.pdf)

**LEA 17.4** Provide a brief overview of your organization’s approach to (proxy) voting.

When Quoniam is commissioned with voting, the guidelines outlined in our published voting policy, along with the respective mandate specific agreements will apply. Additionally, we authenticate the results using leading independent providers of global governance services such as IVOX /Glass Lewis research. However, we are restricted to respect the investment management agreement within the contractual partners (KVG or investors). These contractual partners have the sole discretion as to which party (e.g. the KVG, portfolio manager, external service provider) is given the power to exercise voting rights.

**LEA 17.5** Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

If we are commissioned with voting, then either we ensure that our voting process is adhered via regular reports and regular meetings from the voting service provider, or we will vote according to our voting policy. The voting points are released weeks before the general meetings, which give us time to identify environmental, social and governance themes issues that we want to address. The service provider and Ivov/ Glas Lewis provide us with their own research, which support our voting policy. We report to our clients if we defer from the management recommendations with a regular report.

No

**Process**

**LEA 18** **Mandatory** **Public** **Descriptive** **PRI 2**

**LEA 18.1** Indicate how you typically make your (proxy) voting decisions.

**Approach**

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

**Based on**

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

**LEA 18.2** Additional information.[Optional]

Besides following our own voting policy we also are contractually obligated to consider voting policies of our clients.

**LEA 22** **Mandatory** **Public** **Core Assessed** **PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 22.1</b>	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
  - Votes for selected markets
  - Votes relating to certain ESG issues
  - Votes for significant shareholdings
  - Votes for companies we are engaging with
  - On request by clients
  - Other
- Neither we nor our service provider raise concerns with companies ahead of voting

<b>LEA 22.2</b>	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

<b>LEA 22.3</b>	Additional information. [Optional]
-----------------	------------------------------------

We transparently communicated via reports the rationale behind the vote against the management or when we abstain from voting.

## Outputs and outcomes

<b>LEA 23</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 23.1</b>	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	--

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

100

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

**LEA 23.2** Explain your reason(s) for not voting certain holdings

- Shares were blocked
  - Notice, ballots or materials not received in time
  - Missed deadline
  - Geographical restrictions (non-home market)
  - Cost
  - Conflicts of interest
  - Holdings deemed too small
  - Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
  - We do not vote on environmental resolutions
  - We do not vote on social resolutions
  - On request by clients
  - Other
- We do not track or collect this information

**LEA 24**

**Mandatory**

**Public**

**Additional Assessed**

**PRI 2**




**LEA 24.1**

Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

**LEA 24.2**

Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 75
Against (opposing) management recommendations	 23
Abstentions	 2

100%

**LEA 24.3** Describe the actions you take after voting against management recommendations.

We will report to our clients with an explanation and reasons behind our voting against the management

No, we do not track this information

## Communication

LEA 27

Mandatory

Public

Core Assessed

PRI 2,6

**LEA 27.1** Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

We disclose it to clients/beneficiaries only

**LEA 27.5** Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

All voting decisions

Some voting decisions

Only abstentions and opposing vote decisions

Summary of votes only



Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 27.6** Indicate how frequently you report voting information.

- Continuously (primarily before meetings)
  - Continuously (soon after votes are cast)
  - Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

**LEA 27.8** Additional information. [Optional]

We normally report voting information on a quarterly basis, however for significant events in ESG issues, we will report to the client.

# Quoniam Asset Management GmbH

## Reported Information

Public version

Direct - Fixed Income

## PRI disclaimer

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## ESG incorporation in actively managed fixed income

### Implementation processes

FI 04	Mandatory	Public	Gateway	PRI 1
FI 04.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

Corporate (financial)	Screening alone	25
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	1
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	74
		100%
Corporate (non-financial)	Screening alone	25
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	2

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	73
		100%

**FI 04.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

The particular ESG incorporation strategy is typically selected by discussing ESG techniques with clients. Whatever strategy fits the best with the client's requirements is then applied to the portfolio.

Quoniam believes in social responsibility and the long term relationship between sustainable business and economic value. In accordance with Quoniam's "Responsible Investment Policy" we consider sustainability to be a key factor in the future success of the companies we invest in.

Our organization's approach to incorporation of ESG strategy is based on:

1. Thematic themes: we take into account the legal and regulatory requirements associated with:
  - UN Global Compact -EFAMA Code of External Governance -Oslo Convention on Cluster Munitions -UN PRI -BVI-Code of Conduct -BVI-Responsible Investment Policy -OFAC sanction list
2. Screening - We exclude securities according to the following criteria:
  - Norges Bank exclusion list Producers of cluster munitions and anti-personnel landmines Violation of labor standards (ILO) Violation of human rights Environmental pollution scandals Corruption Tobacco

We are open to discuss additional screenings, as already employed in the context of existing mandates.
3. Integration - includes the systematic application of KPIs in our investment universe
  - Environment; Social Governance other KPIs i.e sustainable business, carbon, carbon footprint etc.

**FI 04.3** Additional information [Optional].

Quoniam is able to fully automatically include any positive or exclusionary lists involving the ESG considerations of our clients. Additionally, we have developed our own exclusion list for the Luxembourg domiciled Quoniam Funds Selection SICAV, which follows internationally accepted guidelines such as the UN Global Compact, the Principles of Responsible Investment and the Oslo convention.

So far the ESG incorporation strategy "screening + integration" is applied to one Fixed Income account only. In this case the portfolio has the objective to achieve a higher ESG score than the benchmark index. We will calculate an ESG score based on the clients preferences for a better performance based on a screening technique, which is used to filter out companies with ESG KPIs significantly worse than the universe and/or companies violating norms based screening criteria. The remaining universe is integrated in the portfolio optimization process. The standardized KPIs score are used during portfolio construction to "shift" the portfolio towards superior ESG characteristics. We ensure that the score is "better" than the benchmark value. The integration of such an approach is on the basis of a holistic process and does not result in a deterioration of the

risk/return profile. The result is that the portfolio is tilted towards a better score compared to the benchmark whereas scores do not take priority over the fundamentals of a company.

FI 06	Mandatory	Public	Additional Assessed	PRI 1
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<b>FI 06.1</b>	<b>Indicate how you ensure that your ESG research process is robust:</b>
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- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify

	specify description
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Client lists being regularly updated and processed through risk controlling with a direct feed into database. Regular ESG committee meetings.

- None of the above

<b>FI 06.2</b>	<b>Describe how your ESG information or analysis is shared among your investment team.</b>
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- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

<b>FI 06.3</b>	<b>Additional information. [Optional]</b>
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In order to ensure accurate and equal information for every employee involved in the ESG process, ESG data is stored in a centralized database. Dedicated employees are responsible for the update of this data which automatically feeds into the portfolio construction process and the audit system from princeton (MIG 21).

<b>(A) Implementation: Screening</b>				
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FI 07	Mandatory	Public	Gateway	PRI 1
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<b>FI 07.1</b>	<b>Indicate the type of screening you conduct.</b>
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Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

**FI 07.2** Describe your approach to screening for internally managed active fixed income

General exclusion lists are applied to all Quoniam Fixed Income mandates. Moreover, Quoniam does apply client specific exclusion and inclusion lists incorporating specific goals (e.g. carbon emission).

**FI 07.3** Additional information. [Optional]

In order to understand to which extent ESG screening is incorporated in Quoniam Fixed Income portfolios please refer to the following table:

Fin. Corp.-Non-Fin.  
 Negative screening: 15.5% 20.4%  
 No screening: 84.5% 79.6%

**FI 08** **Mandatory** **Public** **Descriptive** **PRI 1**

**Corporate (financial)**

**Corporate (fin)**

- For legal reasons
- For non-legal reasons

**Corporate (non-financial)**

**Corporate (non-fin)**

- For legal reasons
- For non-legal reasons

<b>FI 08.2</b>	Describe your approach to ESG-based negative screening of issuers from your investable universe.
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Quoniam uses elaborated exclusion lists. These lists are applied to and do reduce the individual universe of each fund. The automated investment process can only choose from the reduced fund's universe to generate trades. Further these lists are part of the daily investment monitoring process. This includes an analysis of the complete company structure, which reflects corporate actions such as mergers and acquisitions. Therefore investments in excluded assets due to exclusion list changes or change of ownership of a company can be detected and have to be treated according to each fund's restriction setup.

<b>FI 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 10.1</b>	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<input type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">other description</div> Exclusion lists are included in the automated audit system from princeton (MIG 21) <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">other description</div> Exclusion lists are included in the automated audit system from princeton (MIG 21) <input type="checkbox"/> None of the above



FI 10.2	Additional information. [Optional]
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The negative, positive and norm-based ESG lists applied in the portfolio management process also feed into the audit system from princeton (MIG 21). Therefore changes to the lists will lead to passive ESG guideline breaches and trigger appropriate guideline conform actions in portfolio management.

**(C) Implementation: Integration**

FI 14	Mandatory	Public	Descriptive	PRI 1
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FI 14.1	Describe your approach to integrating ESG into traditional financial analysis.
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The universe is evaluated using quantitative ESG KPIs. These are subsequently translated into standardized scores. The standardized scores are then used during portfolio construction to "shift" the portfolio towards superior ESG characteristics.

	Corporate (financial)
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The above mentioned process is not applied to SSA and Covered but to Corp and Fin. There is no differentiation between Corp und Fin.

	Corporate (non-financial)
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The above mentioned process is not applied to SSA and Covered but to Corp and Fin. There is no differentiation between Corp und Fin.

FI 15	Mandatory	Public	Core Assessed	PRI 1
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FI 15.1	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply

	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into portfolio construction decisions	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is a standard part of internal credit ratings or assessment	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is regularly featured in internal research notes or similar	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>	<input type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	

FI 16	Mandatory	Public	Additional Assessed	PRI 1
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**FI 16.1** Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

## Corporate (financial)

Quoniam uses information from a dedicated ESG analyst team at Union Investment, our mother company and market leader in SRI-funds in Germany . This process leads to one ESG score per universe and benchmark asset. These scores are updated on a regular basis.

Our investment process uses a mathematical optimizer. The target function is a maximization of expected return. One of the restrictions of the optimization is that the weighted ESG score of the optimal portfolio has to be better than the one from the benchmark.

## Corporate (non-financial)

Quoniam uses information from a dedicated ESG analyst team at Union Investment, our mother company and market leader in SRI-funds in Germany . This process leads to one ESG score per universe and benchmark asset. These scores are updated on a regular basis.

Our investment process uses a mathematical optimizer. The target function is a maximization of expected return. One of the restrictions of the optimization is that the weighted ESG score of the optimal portfolio has to be better than the one from the benchmark.

## Communication

FI 23

Mandatory

Public

Core Assessed

PRI 2,6

FI 23.1

Indicate if your organisation proactively discloses information on your approach to RI across all of your fixed income investments.

- We disclose it publicly

Provide URL

[https://www.quoniam.com/fileadmin/templates/images/datenfakten/Responsible\\_Investment\\_Policy.pdf](https://www.quoniam.com/fileadmin/templates/images/datenfakten/Responsible_Investment_Policy.pdf)

FI 23.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

FI 23.3

Indicate the information your organisation proactively discloses to the public regarding your approach to RI incorporation.

- Broad approach to RI incorporation  
 Detailed explanation of RI incorporation strategy used

**FI 23.4**

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries