



Net Zero Progress Report 2023

NZAM target disclosure

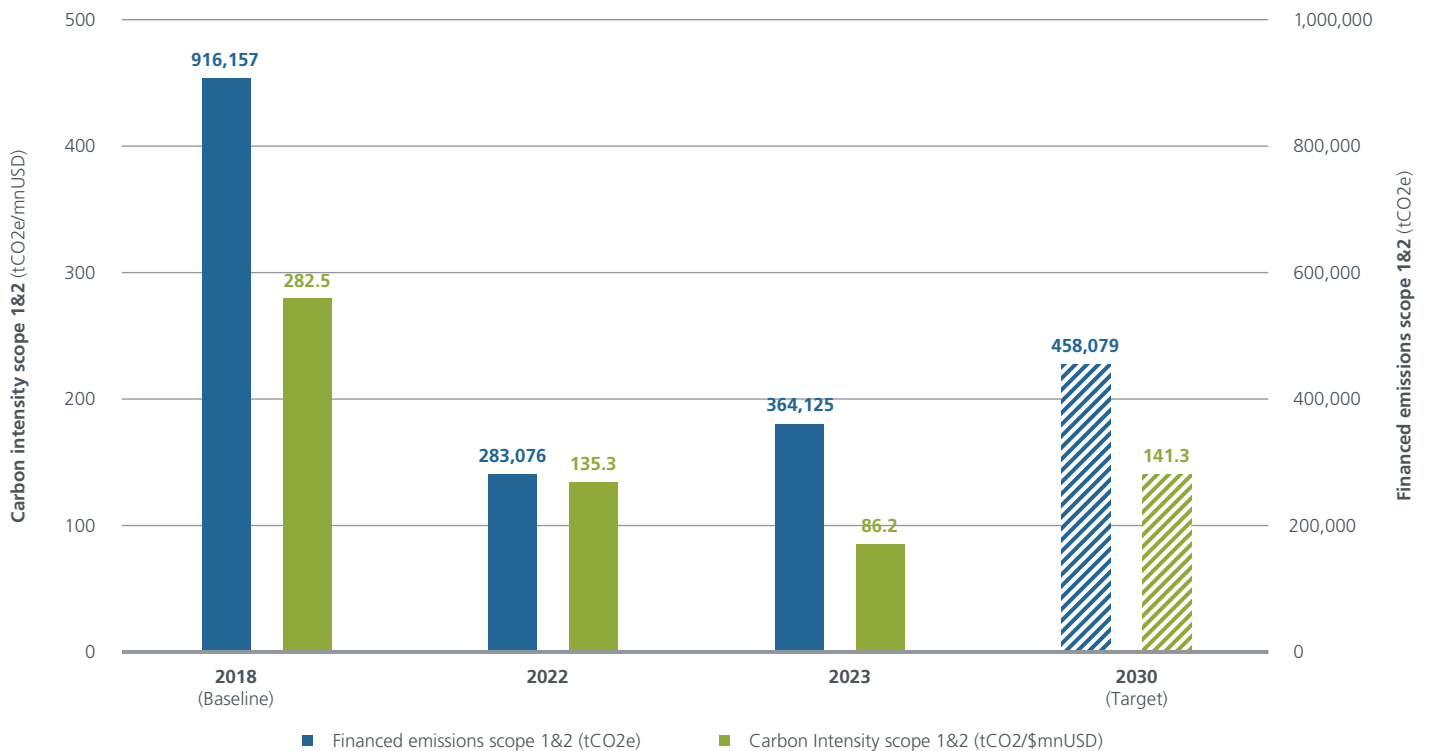
In November 2022, we disclosed our initial targets as part of our commitment to the Net Zero Asset Managers Initiative, covering 56% of our total assets under management (AUM), equivalent to \$12.2 billion at the time. Our interim targets are based on 2018 benchmarks, with goals to reduce portfolio emissions by 50% both in absolute and intensity terms by 2030.

Our targets include scope 1 and scope 2 emissions, where we have data covering 95.6% of our AUM in 2018 and 97.6% in September 2022. We monitor Scope 3 emissions across most of our AUM; however, due to data quality issues, these are not yet integrated into our systematic investment processes. We aim to enhance scope 3 inclusion as data quality improves, guided by the Net Zero Investment Framework and IPCC net zero pathways.

Additional Notes

- The financed emissions fluctuate depending on the total assets managed as well as the categorization of the portfolios.
- Our committed AUM exclude certain assets or asset classes, e.g. derivatives are not considered as well as non-discretionary mandates where we cannot ensure net zero compliance due to external constraints. Due to changes in the classification of investments as sustainable against the backdrop of regulatory changes such as SFRD II in particular, 26.25% of our AUM are in scope for net zero as at the reporting date of 31 December 2023.
- Our policy on coal and other fossil fuel investments is currently under review, reflecting ongoing transitions within the sector and our commitment to recognizing and adapting to these changes.
- The analysis is based on data from S&P Trucost (up to 2022) and MSCI (from 2023), supplemented by our own calculations. All data are reported as of the end of the year.

Reduction target progress



Source: MSCI, Trucost, own calculations

NZAM reporting survey 2024

The NZAM 2024 survey, hosted by the Principles for Responsible Investment (PRI), is designed to collect information from asset managers who are committed to fulfilling their annual NZAM reporting obligations. This survey plays a crucial role in assessing the progress towards net-zero targets and other sustainability goals.

Which of the following have been a primary focus of your net zero implementation activity for in-scope assets in the past 12 months?

- Creation of internal systems (e.g., data, research, IT, policies and procedures) to integrate climate factors into investment process
- Investee engagement on climate as a material issue
- Facilitation of investment in climate solutions

In which of the following areas do you believe you have contributed to material progress in the past 12 months?

- Increased investee net zero ambition and action
- Improved policy or regulation with regard to climate as a financial/economic issue

Which of the following, if any, limit your ability to increase the proportion of AUM within your net zero commitment at this time?

- Client awareness
- Inaccurate market pricing of climate risk

How would you assess the progress your firm is making toward your initial targets?

- We are progressing as expected

How do you track progress against your interim targets and net zero commitments?

- System for monitoring, evaluating and planning—centralized
- Regular progress reports to the board and senior management

What steps are you taking to account for material portfolio Scope 3 emissions?

- Participating in efforts to improve practice in this area

Which of the following apply to your approach to investing in climate solutions

- We offer discrete climate solutions products
- We are engaged in developing methodologies regarding climate solutions approaches

Which of the following apply to your approach to carbon offsets?

- We do not use carbon offsets

Which best describes your engagement with clients in support of your net zero commitment over the last 12-month period ?

- We have created new climate-related investment strategies
- We have produced thought leadership related to climate topics

Which of the following form part of your stewardship and engagement approach to achieving net zero emissions?

- We have a stewardship and engagement strategy on climate issues
- We have an escalation framework for climate issues

Which of these policies/strategies are publicly disclosed ?

- Our stewardship and engagement strategy for climate issues
- Our escalation framework for climate issues

Which aspects of climate-related stewardship and engagement are included in your approach to managing the investment risks and opportunities of the net zero transition?

- Engagement with high emitting investees
- Collaborative engagement through investor initiatives
- Proxy voting in support of action to reduce climate financial risk

With which of the following have you engaged in the last 12 months in support of your NZAM Commitments?

- Data and service providers

Which of the following policy advocacy actions, if any, have you undertaken over the past 12-month period?

- Collaborative engagement with policy makers and standard setters in relation to climate

How do you publish information on TCFD/ISSB themes of climate-related governance, strategy, risk management, and metrics and targets?

- Annually

Would your organization be interested in being the subject of a case study published by the NZAM Secretariat?

- Not at this time

Please indicate your preference for future reporting:

- I prefer this standalone reporting platform

Disclaimer

The use of investment services as well as investments in financial instruments are conjoint with risks. For more information and guidance on opportunities and risks, please visit www.quoniam.com/riskstatement.

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