

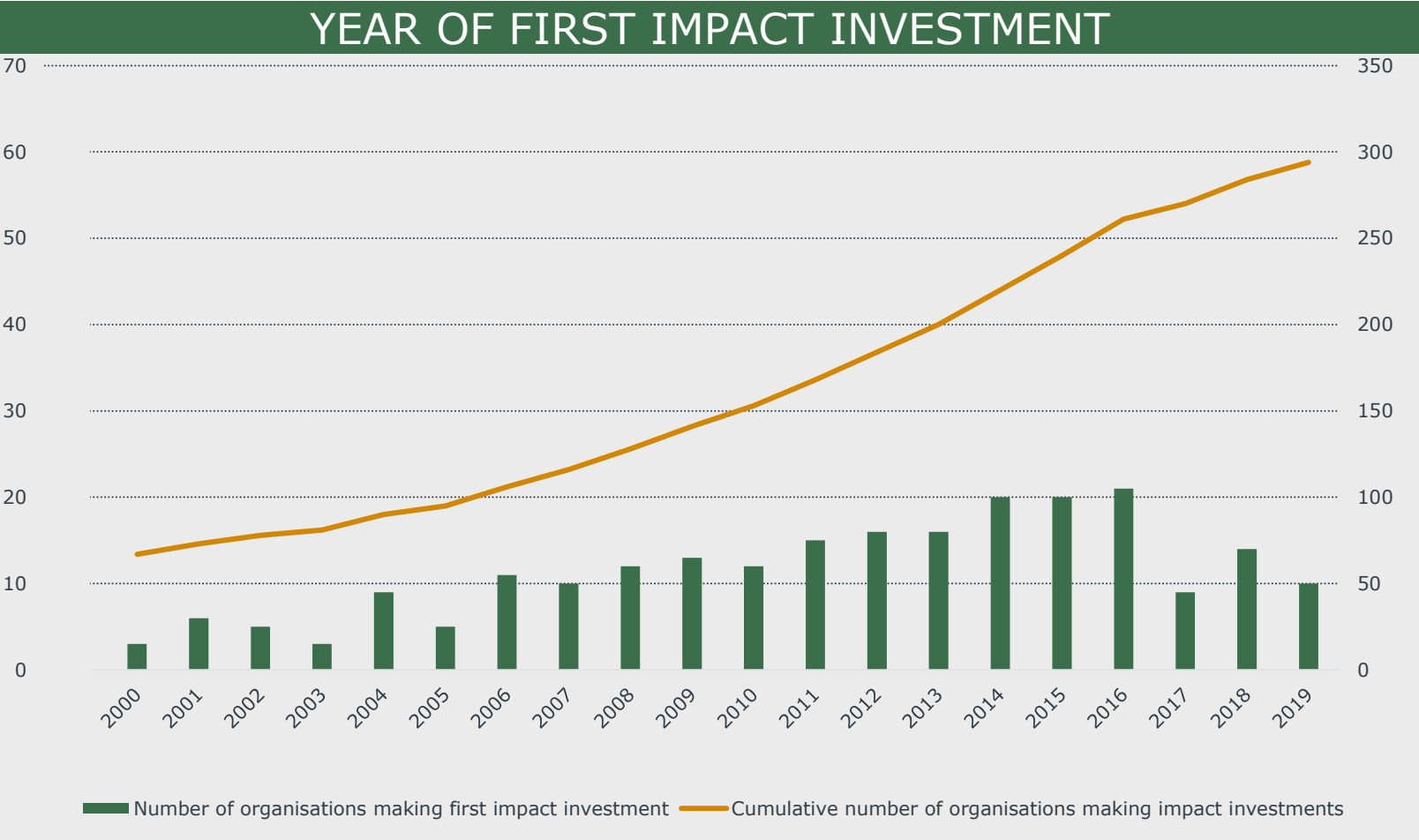


Incorporating UN Sustainable Development Goals into investment decisions

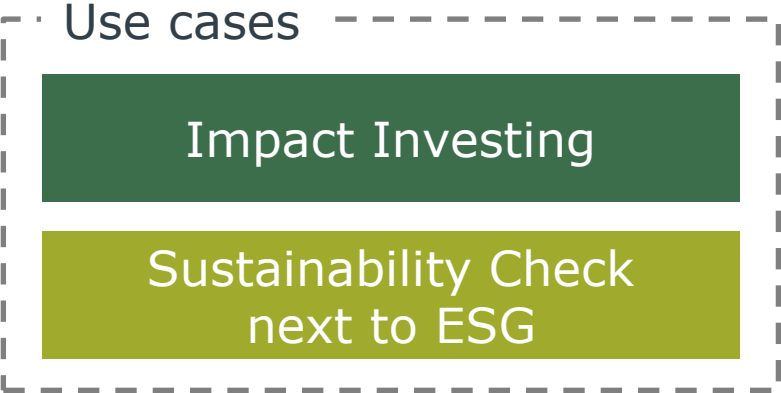
5th July 2021



Why are the Sustainable Development Goals (SDGs) relevant?



Collectively, respondents to the survey manage USD 404 billion of impact investing assets. [...] There is broad use of the SDGs with 73% using this framework for at least one measurement and management purpose. (GIIN Report 2020)



GIIN Annual Impact Investor Survey 2020 ([Link](#))

Measuring impact: The 17 United Nations sustainable development goals

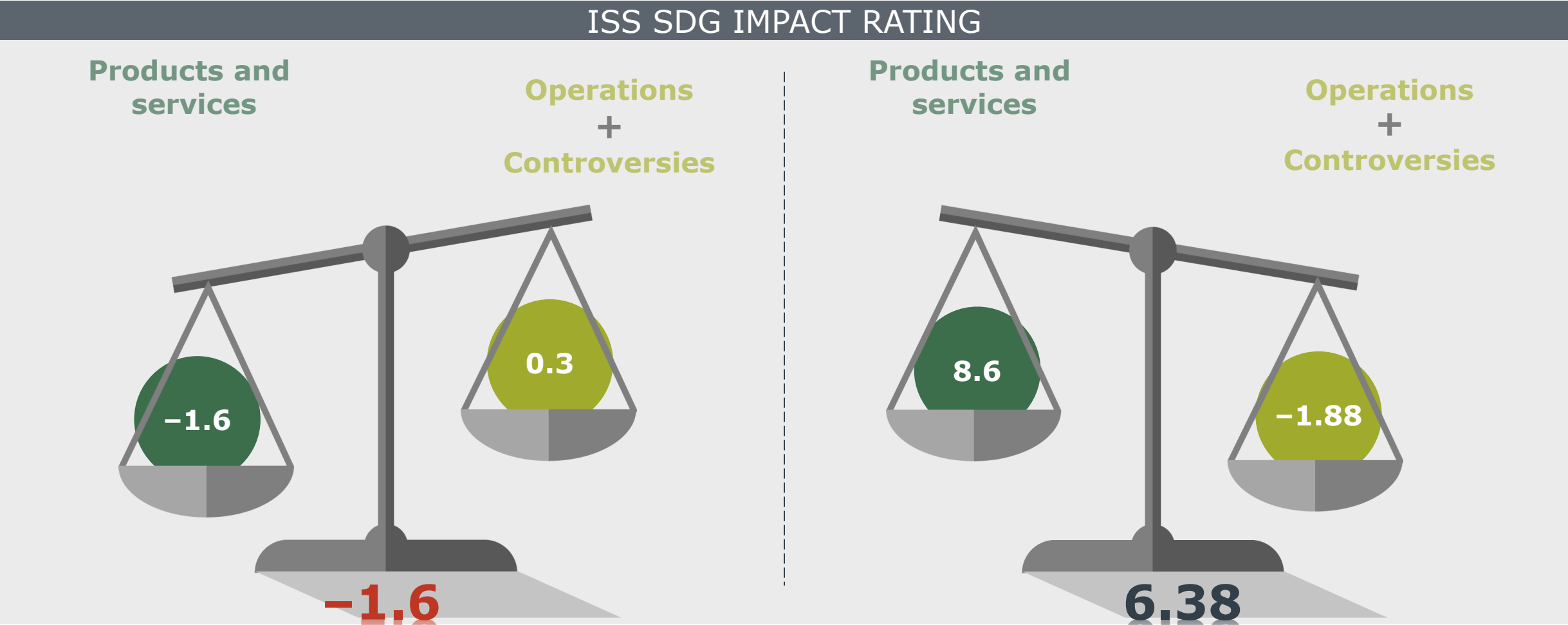


ISS SDG IMPACT RATING

- PRODUCT & SERVICES**
 - ▶ Measuring the impact of a product or service on the SDGs
- OPERATIONS**
 - ▶ Minimise negative externalities
- CONTROVERSIES**
 - ▶ Do no harm

ISS SDG Rating Impact Score represents the degree of impact a company has through its products or services and its corporate governance on the 17 UN Sustainable Development Goals. The score ranges from -10 (Significant Hindering) to 10 (Significant Contribution); Source: ISS

Example



Source: ISS ESG SDG Impact Rating

Refining the assessment - Ecological external costs


The impact of pollution



GREENHOUSE GASES




WATER






WASTE






AIR POLLUTION





LAND AND WATER POLLUTION


USE OF NATURAL RESOURCES



*Impact Ratios: Calculated by dividing the monetary cost of the absolute quantity of pollution units by the monetary value of the company's turnover. Source: Trucost, UN Sustainable Development Goals

Refining the assessment – Management commitment

MSCI Management Scores as indicators of commitment UN SDGs

THEMATIC FIELDS WITH REFERENCE TO THE SDGs

SOCIAL

Laboratory Management	Product Safety and Quality	Insuring Health and Demogr. Risk	Access to Communicat.
Health and Safety	Human Capital Development	Supply Chain Laboratory Standards	Access to Finance
Opportunities in Nutrition and Health	Access to Health Care		


ENVIRONMENT

Carbon emissions	Water Stress	Toxic Emissions and Waste	Clean Tech
Product Carbon Footprint	Biodiversity and Land Use	Electronic Waste	Renewable Energy
Chemical Safety			

ACCESS TO FINANCE

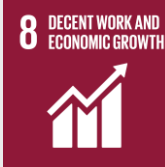
- ▶ Availability of credit, incentives for credit or product offers or product offerings
- ▶ Investment in micro-credit and micro-insurance
- ▶ Avoid collaboration with controversial clients

LINK TO THE SDG




1 NO POVERTY

Subtarget
1.4



8 DECENT WORK AND ECONOMIC GROWTH

Subtarget
8.3

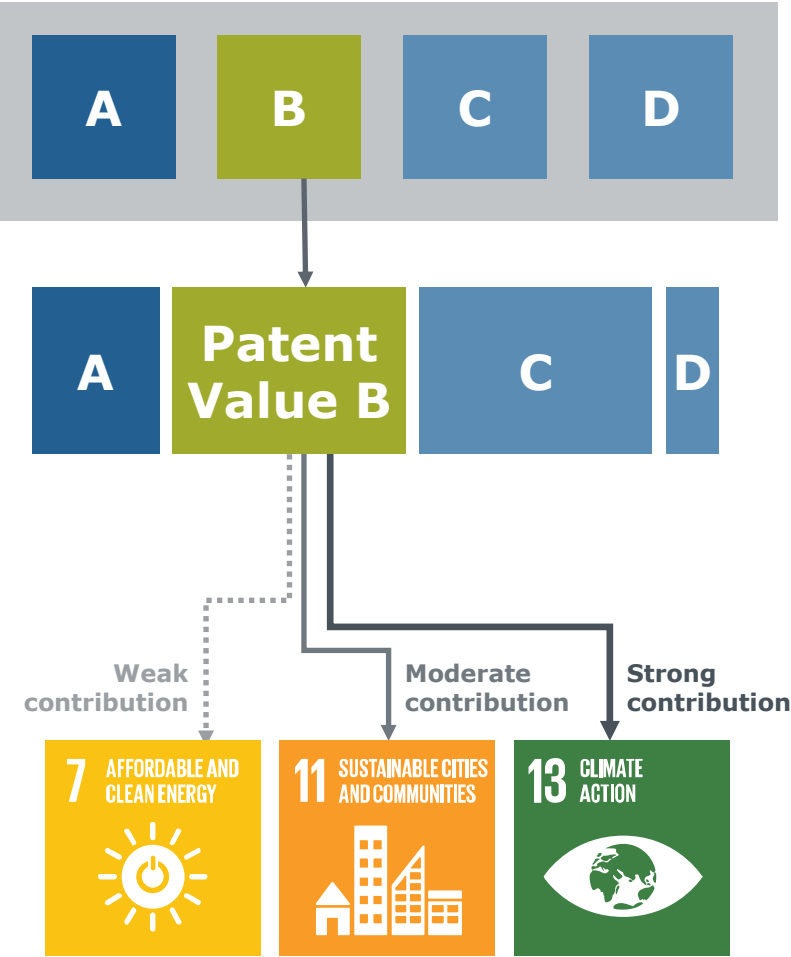


17 PARTNERSHIPS FOR THE GOALS

Subtarget
17.3

Source: MSCI, UN Sustainable Development Goals und Subtargets

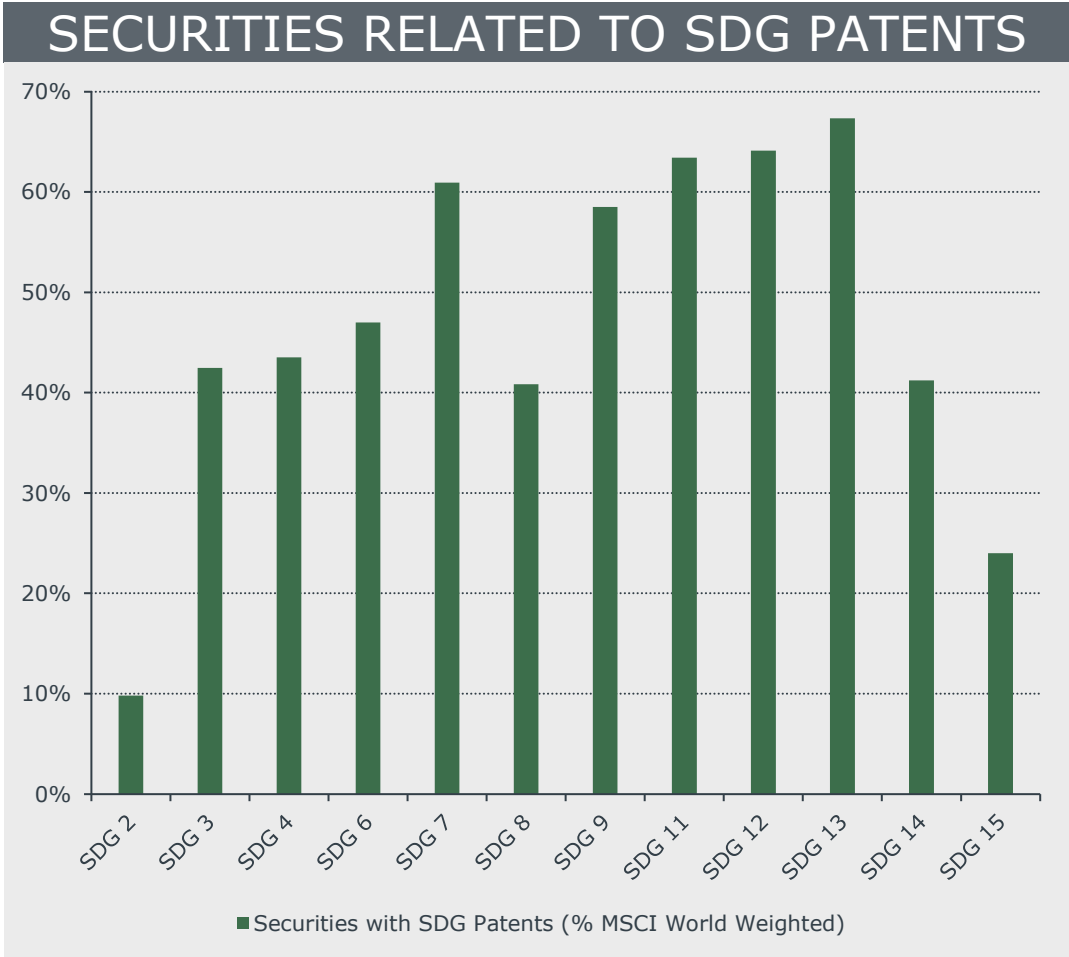
Refining the assessments – Capturing innovation



Patent Portfolio of a company
 Patent B is marked as sustainability-related

Patents are valued according to their value in comparison to previous patent transactions.

Sustainability-related patents contribute to various SDGs



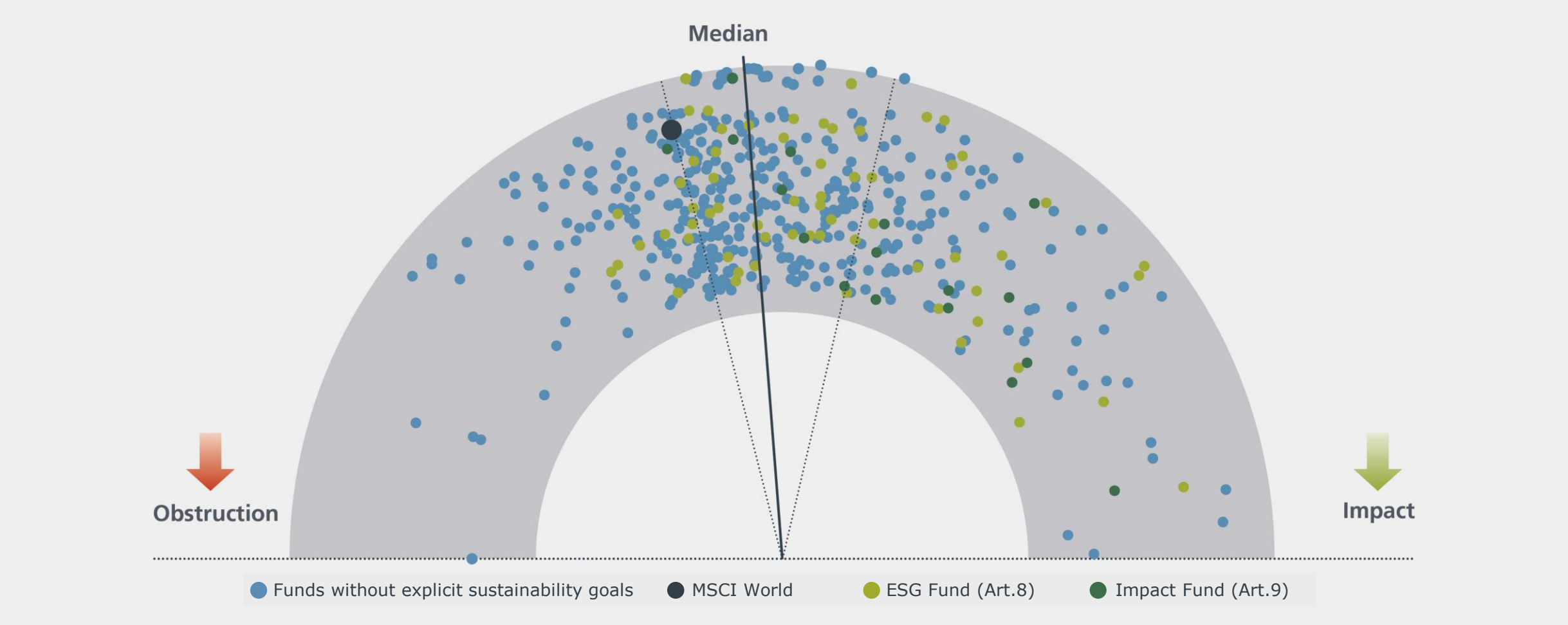
Source: IPR Strategies, own representation

A refined overall SDG model



Source: Quoniam

How do dedicated SRI products perform?



Source: Assessment Morningstar Category „EAA Fund Global Large-Cap Blend Equity“ (min. EUR 50M NAV) in relation to the SDG Assessment by Quoniam. Date: Februar 2021
*Sustainable Finance Disclosure Regulation (SFDR) Art. 8 product with environmental and/or social characteristics considering good governance practices, Art. 9 sustainable investments with respect to the ecological goals of the EU Taxonomy

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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