

Sustainability Disclosures

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VV-Strategie – Wertstrategie 30 ESG

Summary

The VV-Strategie – Wertstrategie 30 ESG investment fund is classified as a financial product with sustainability characteristics in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation or SFDR (Regulation (EU) 2019/2088). The activities of the financial product include the promotion of characteristics of an environmental, social and governance-related nature.

While the financial product is used to promote such ecological and social characteristics, its objective is not sustainable investment within the meaning of Article 9 of the SFDR (i.e. it is not a so-called impact product).

Sustainability criteria, in particular ecological, ethical, social and governance aspects, are taken into account in the selection of the financial instruments for investment. To this end, LRI Invest S.A. avails itself of data from the sustainability data provider MSCI ESG Research LLC or similar recognised analysts, among other things.

The ESG policy of which the ecological and social characteristics being promoted in this manner form an integral part provides the basis for the investment strategy, and comprises the following sustainability strategies for the attainment of the promoted ecological characteristics:

- Exclusion of direct investments in individual instruments linked to activities in controversial areas of business
- Exclusion of direct investments in individual instruments linked to controversial business practices or the violation of international standards
- Exclusion of direct investments in individual instruments issued by governments which do not satisfy the required sustainability criteria
- Exclusion of financial instruments which are directly linked to soft commodities
- Exclusion of financial instruments with a poor ESG rating
- Impact on attainment of the 17 UN Sustainable Development Goals
- Maintenance of an above-average overall ESG score

The ESG policy ensures compliance with ESG principles (both at the time the investment in question is made and on an ongoing basis at the portfolio level). LRI Invest S.A only invests in financial instruments which are classified as sustainable on the basis of said ESG policy.

In order to enable the measurement of the degree of the attainment of the ecological and social characteristics being promoted, LRI Invest S.A. uses methods for the validation of ESG ratings, the proportion of revenue generated in controversial areas of business, the existence of contentious issues having an impact on the environment, society and / or corporate governance aspects, compliance with international standards, the impact on 17 UN Sustainable Development Goals, the sustainability criteria of governments, the existence of a direct link to soft commodities and the attainment of an above-average overall ESG score.

The aforementioned methods are primarily based on data sources of the sustainability data provider MSCI ESG Research LLC or similar recognised analysts. Updated sustainability data is currently provided by the latter on an at least weekly basis. If there is no ESG data available for certain companies in the context of this data provision arrangement, LRI Invest S.A will not invest in the companies in question.

It is intended that at least 80% of the financial product's investments will contribute towards the attainment of the ecological or social characteristics which are being promoted, and no more than 20% will either not contribute towards the attainment of the ecological or social characteristics which are being promoted or not be classified as sustainable investments (cash held as additional liquidity and derivatives held for hedging purposes). The financial product will allocate its investments with a view to long-term asset growth and is prepared to invest a significant proportion of its funds in financial instruments which are subject to more marked fluctuations in price and the risk of sustained losses in order to achieve higher returns. It intends to have the proportion of its overall investments represented by investments in shares and equivalent financial instruments amount to no more than 30%.

The upholding of the precautions and processes of an organisational nature implemented in connection with the financial product will be monitored and, where applicable, verified by independent departments within our company (Compliance and Auditing) and also by our external auditors.