

This document is an extract from the Prospectus of LOYS Sicav and should be read in conjunction with the Prospectus. If the language versions of the Prospectus and this document differ at any point, the version of the Prospectus shall prevail.

## ANNEX A

### Pre-contractual information on financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Name of the product:  
LOYS Sicav – LOYS Global

Company identifier (LEI code):  
5299001DPRQH3SFFJQ48

### Ecological and/or social characteristics

A sustainable investment is an investment in an economic activity that contributes to the achievement of an environmental objective or a social objective, provided that the investment does not significantly compromise any environmental objectives or social objectives and the enterprises invested in apply good governance practices.

The EU taxonomy is a classification system set out in Regulation (EU) 2020/852 that provides a list of environmentally sustainable economic activities. This regulation does not specify a list of socially sustainable economic activities. Sustainable investments with an environmental objective may or may not be taxonomy-compliant.

#### Does this financial product target sustainable investments?

Yes

No

A minimum share of **sustainable investments with an environmental objective** is thus made: \_\_\_%

in economic activities that are classed as environmentally sustainable according to EU taxonomy.

in economic activities that are not classed as environmentally sustainable according to EU taxonomy.

A minimum share of **sustainable investments with a social objective** is thus made: \_\_\_%

It **advertises environmental/social features** and although it does not target sustainable investments, it includes a minimum 20% sustainable investment content.

with an environmental objective in economic activities that are classed as environmentally sustainable according to EU taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under EU taxonomy

with a social objective

It advertises environmental/social features but does **not make sustainable investments**.

#### What environmental and/or social features are being promoted with this financial product?

The Sub-Fund invests a predominant part of its assets in investments that contribute to relevant environmental (in particular reduction of greenhouse gas emissions, potential contribution to the reduction of global warming, reduction of the use of fossil fuels as well as reduction of energy consumption) and social (in particular respect for human rights and protection of health) characteristics. The Sub-Fund aims to promote these environmental and social characteristics by investing in equities selected under an appropriate ESG/sustainability approach.

The Sub-Fund holds sustainable investments within the meaning of Article 2 (17) of the Sustainability Disclosure Regulation EU 2019/2088 ("SFDR") to the extent of at least 20% of the Sub-Fund's net assets. In doing so, the Sub-Fund has a broad objective of supported environmental and social goals and is aligned with the UN Sustainable Development Goals ("UN SDG").



The Sub-Fund does not seek to make sustainable investments within the meaning of the EU taxonomy regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund does not use a benchmark.

**Sustainability indicators** measure the extent to which the environmental or social characteristics advertised with the financial product are achieved.

**What sustainability indicators are used to measure the achievement of the individual environmental or social features promoted by this financial product?**

The Sub-Fund uses various sustainability indicators for the selection of investments in order to be able to assess the suitability of the investments in terms of the contribution of the advertised environmental and social characteristics. The sustainability indicators are obtained from the external data provider MSCI. The Sub-Fund will apply the following elements in its portfolio management, i.e. in the selection of investments as well as in the management of existing investments:

1) Exclusion criteria

<b>Exclusion criteria</b>
Turnover from the manufacture and/or sale of military equipment
Turnover from the manufacture and/or distribution of outlawed weapons
Turnover from the production of tobacco
Turnover from the production and/or distribution of coal
Serious violations of the UN Global Compact Code (with no positive outcome)

2) ESG rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG Rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Article 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance.

**What are the objectives of the sustainable investment that the financial product is partly intended to achieve, and how does the sustainable investment contribute to these objectives?**

The Sub-Fund aims to contribute positively to the UN SDGs with a portion of its assets. In doing so, the Sub-Fund pursues a general strategy in relation to the promotion of the SDGs. The goals of the UN SDGs pursue, among other things, the fulfilment of basic needs, e.g. UN SDG 6 “Clean water and sanitation”, or empowerment, e.g. UN SDG 4 “Quality education”.

The Sub-Fund aims to hold sustainable investments within the meaning of Article 2 (17) SFDR, but not sustainable investments within the meaning of the EU taxonomy regulation.

***To what extent will the sustainable investments to be made with the financial product in part not significantly harm any of the environmental or social sustainable investment objectives?***

An assessment is made based on selected MSCI Key Issue Scores to review investments for compliance with the DNSH principle.

All investments that are to qualify as sustainable according to Article 2 (17) SFDR must not have a score lower than 2.9.

*How were the indicators for adverse effects on sustainability factors considered?*

The Sub-Fund systematically takes into account – for the respective share of investments – specific criteria and sustainability indicators at various levels (exclusion criteria, ESG rating, contribution to UN SDGs, Key Issue Scores) as part of the ESG/sustainability strategy. The content requirements of the adverse impact indicators in Annex I, Table 1 (Impact Areas) are taken into account indirectly via selected MSCI Key Issue Scores. None of the investments that are to qualify as sustainable pursuant to Article 2 (17) SFDR may have a score lower than 2.9. In addition, the indicators 4, 10, 14 for adverse effects according to Annex I, Table 1 are limited via defined exclusion criteria.

*How do sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights? More details:*

The “MSCI Controversies & Global Norms” module is used to assess UN Global Compact, Human Rights Compliance and Labour Compliance. Any investment that is to qualify as sustainable according to Article 2 (17) SFDR must not show any non-compliance in this respect.

*The EU’s taxonomy sets out the principle of “avoiding significant adverse effects”, according to which taxonomy-compliant investments must not significantly impair the objectives of the EU’s taxonomy, and specific EU criteria are attached.*

The principle of “avoiding significant adverse effects” only applies to investments on which the financial product is based, which take into account the EU criteria for ecologically sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*All other sustainable investments must also not significantly compromise environmental or social objectives.*

*Note: the Sub-Fund does not seek to make sustainable investments within the meaning of the EU taxonomy regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.*



**Does this financial product take into account the main adverse effects on sustainability factors?**

**X**

The **main adverse effects** are the most significant adverse effects of investment decisions on sustainability factors in the areas of environment, social and employment issues, respect for human rights and combating corruption and bribery.

Yes, the Sub-Fund takes into account the following main adverse sustainability effects (or principal adverse impact, "PAI") for investments intended to contribute to the achievement of the environmental and social characteristics:

#	PAI	Cover	
		Via	Type of investment <sup>1</sup>
<b>Shares and corporate bonds</b>			
<b>CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS</b>			
1	GHG emissions	Key Issue Score	# No. 1 A – Sustainable investments
2	Carbon footprint	Key Issue Score	# No. 1 A – Sustainable investments
3	GHG emission intensity of the companies in which investments are made	Key Issue Score	# No. 1 A – Sustainable investments
4	Exposure to companies active in the fossil fuel sector	Exclusion criterion	# No. 1 – E/S characteristics
		Key Issue Score	# No. 1 A – Sustainable investments
5	Share of energy consumption and generation from non-renewable energy sources	Key Issue Score	# No. 1 A – Sustainable investments
6	Intensity of energy consumption by climate-intensive sectors	Key Issue Score	# No. 1 A – Sustainable investments
7	Activities that adversely affect areas with biodiversity in need of protection	Key Issue Score	# No. 1 A – Sustainable investments
8	Emissions in water	Key Issue Score	# No. 1 A – Sustainable investments
9	Proportion of hazardous and radioactive waste	Key Issue Score	# No. 1 A – Sustainable investments
<b>INDICATORS IN THE AREAS OF SOCIAL AFFAIRS AND EMPLOYMENT, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY</b>			
10	Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	Exclusion criterion	# No. 1 – E/S characteristics
		Key Issue Score	# No. 1 A – Sustainable investments

<sup>1</sup> # 1 – E/S characteristics – refers to “#1 Aligned with environmental or social characteristics” from asset allocation. Under “#1 – E/S characteristics”, both equities and corporate bonds as well as government bonds are included, whereby it should be noted that dedicated PAI indicators for equities & corporate bonds and government bonds are taken into account in each case.

11	Lack of processes and compliance mechanisms to monitor adherence to the UNGC Principles and OECD Guidelines for Multinational Enterprises	Key Issue Score	# No. 1 A – Sustainable investments
12	Unadjusted gender pay gap	<i>Due to a lack of or inconsistent data coverage, a consideration of these PAIs cannot be guaranteed at the current point in time.</i>	
13	Gender diversity in the management and control bodies		
14	Engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Exclusion criterion	# No. 1 – E/S characteristics
		Key Issue Score	# No. 1 A – Sustainable investments

The results are reported on in the annual report.

■ No



The **investment strategy** serves as a guide for investment decisions, taking into account certain criteria such as investment objectives or risk tolerance.

### What is the investment strategy for this financial product?

The investment objective of **LOYS Sicav – LOYS Global** (“Sub-Fund”) is to invest the Sub-Fund’s assets internationally in securities in accordance with the principle of risk diversification in order to achieve appropriate income and the highest possible long-term capital growth.

In the context of investment decisions and on an ongoing basis throughout the period of investment of existing investments in the Sub-Fund, the Fund Manager takes into account any risks associated with sustainability (environmental, social and governance factors).

However, no assurance can be given that the aforementioned objectives of the investment policy will be achieved.

The Sub-Fund’s ESG/sustainability strategy, as previously outlined, takes into account the following elements depending on the extent to which the investments are expected to contribute to the advertised environmental and social characteristics:

- Negative screening (exclusion criteria)
- Positive screening (ESG rating)
- Sustainable investments according to Article 2 (17) SFDR
- Consideration of PAIs (*applies exclusively to “# 1 A – Sustainable investments”*)

### ● **What are the binding elements of the investment strategy used to select investments to meet the advertised environmental or social objectives?**

All potential investments are subject to an assessment by the Fund Manager. The Fund Manager bases this assessment on the data and information provided by MSCI.

The following sustainability indicators are binding in the context of the investment decision, whereby exclusion criteria and ESG rating must be complied with at least for investments in accordance with “#1 Aligned with environmental or social characteristics”, and for investments in accordance with #1A “Sustainable investments” the requirements in accordance with the contribution to the UN SDGs are also relevant.<sup>23</sup>

<sup>2</sup> See “Asset allocation” section

<sup>3</sup> See “Asset allocation” section

1) Exclusion criteria

The following exclusion criteria are relevant for at least 70% of the net Sub-Fund assets. An exclusion criterion is applicable if an investment does not comply with the respective limit value.

<b>Exclusion criteria</b>	<b>Limit</b>
Turnover from the manufacture and/or sale of military equipment	≤ 10%
Turnover from the manufacture and/or distribution of outlawed weapons	0%
Turnover from the production of tobacco	≤ 5%
Turnover from the production and/or distribution of coal	≤ 30%
Serious violations of the UN Global Compact Code (with no positive outcome)	

2) ESG rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG Rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

At least 51% of the Sub-Fund’s investments must have a minimum rating of “BB”.

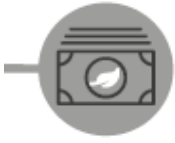
3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Article 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs. The assessment of the positive contribution is made based on information from the “MSCI Sustainable Impact Metrics” module. The “SDG Net Alignment Score” sustainability indicator is used to assess the positive contribution. This sustainability indicator measures the contribution of the investment per UN SDG on a scale from “Strongly Misaligned” (most negative contribution) to “Strongly Aligned” (most positive contribution). An investment must make a positive contribution in this respect, i.e. “Aligned” or “Strongly Aligned” with at least one UN SDG.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account. The “Key Issue Scores” are assigned in relation to sustainability-relevant key risks on a scale of 0–10. To ensure compliance with the “do no significant harm principle”, investments are required to achieve a score of ≥ 2.9.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance. This final assessment is based on information from MSCI’s “MSCI Controversies & Global Norms” module. The assessment consists of four individual assessments where the outcome can be “Pass”, “Watch List” or “Fail”. The investments must be at least a “Pass” in all individual assessments.

Investments that meet the requirements of all three steps are fully qualified as sustainable investments according to Article 2 (17) SFDR.



**Good governance practices** include sound **management structures**, employee relations, employee remuneration and tax compliance.

The **asset allocation** indicates the respective share of investments in specific assets.

- **By what minimum rate is the size of the investments considered before applying this investment strategy reduced?**

The Sub-Fund has not set a minimum rate of reduction for the investments under consideration.

- **How are the good governance practices of the companies invested in assessed?**

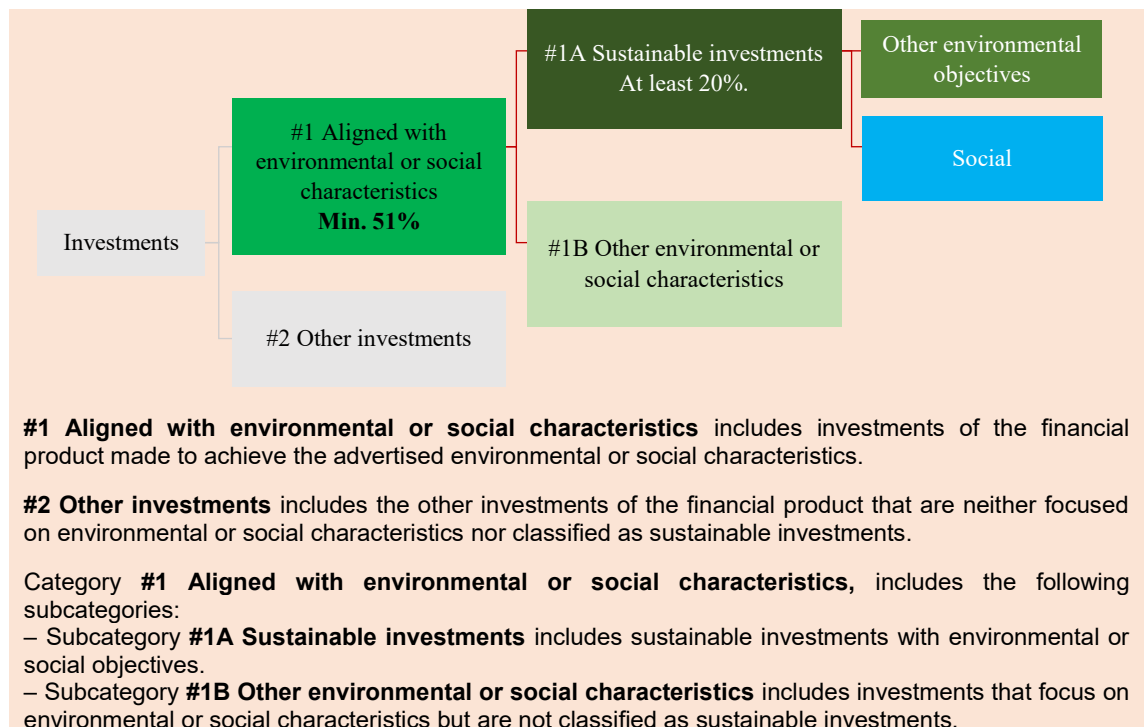
The assessment of compliance with good corporate governance standards is taken into account directly via the exclusion criterion “Serious violations of the UN Global Compact Code (with no positive outcome)” and indirectly via the MSCI ESG Rating (min. BB) for the respective investment. MSCI also takes into account companies’ good governance practices when assessing and valuing them. This applies to all investments that are intended to contribute to the achievement of the Sub-Fund’s advertised environmental and social characteristics (“#1 Aligned with environmental or social characteristics”).

### What asset allocation is planned for this financial product?

For the allocation of the Sub-Fund, please refer to the following:

Taxonomy-compliant activities expressed by the share of:

- **Sales revenues** reflecting the share of revenues from environmentally friendly activities of the companies in which investments are made
- **Capital expenditure (CapEx)** showing the green investments of the companies invested in, e.g. for the transition to a green economy
- **Operating expenses (OpEx)** that reflect the environmentally friendly operational activities of the companies in which investments are made.



- **To what extent does the use of derivatives achieve the environmental or social characteristics advertised by the financial product?**

The Sub-Fund does not use derivatives to promote the advertised environmental and social characteristics.



## To what minimum extent are sustainable investments with an environmental objective compliant with EU taxonomy?

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

**Enabling activities** have a direct enabling effect on other activities making a significant contribution to environmental objectives.

**Transition activities** are activities for which low-carbon alternatives are not yet available and which, among other things, have GHG emission values that correspond to the best performance.

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU taxonomy regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>4</sup>

Yes

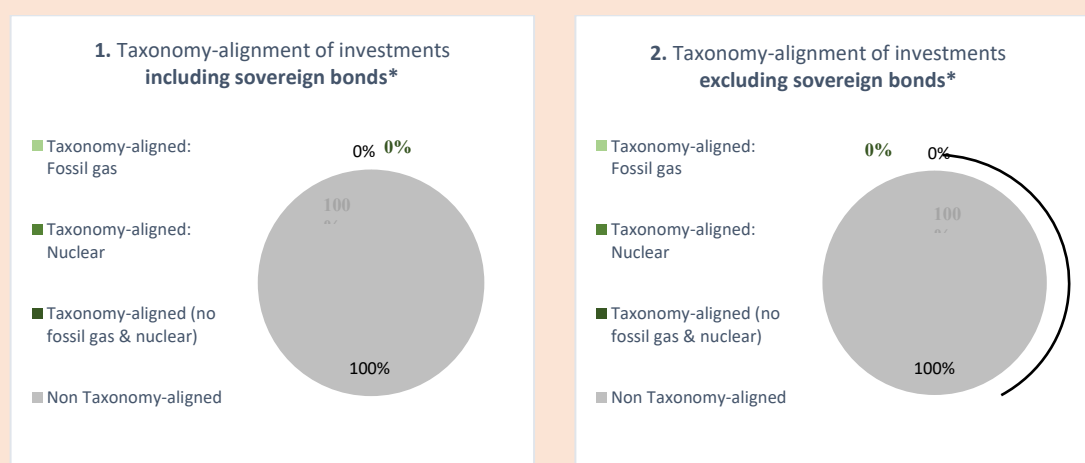
In fossil gas

In nuclear energy

No

The sub-fund does not seek to make taxonomy-compliant investments, in particular in the fossil gas and/or nuclear energy sectors. Nevertheless, as part of the investment strategy, it may also invest in companies that are in any case also active in these areas.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purposes of this chart, the term "government bonds" includes all risk positions vis-à-vis states.

### What is the minimum proportion of investment in transitional and enabling activities?

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU taxonomy regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

### What is the minimum percentage of sustainable investments with an environmental objective that are not compliant with the EU's taxonomy?

 are sustainable investments with an environmental objective that do **not take into account the criteria** for environmentally sustainable economic activities according to the EU's taxonomy.



<sup>4</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



Sustainable investments are examined as a contribution to the SDGs. As these include both environmental and social objectives, no minimum percentage is set.



Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.  
**What is the minimum percentage of socially sustainable investments?**

Since, as previously explained, a separation is not possible in the valuation of sustainable investments, no minimum share is specified.



Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.  
**Which investments fall under “#2 Other investments”, what is their investment purpose and is there a minimum level of environmental or social protection?**

These may be bank deposits, derivatives in the context of hedging transactions or in the course of the application of techniques and instruments for efficient portfolio management, as well as investments that do not meet the sustainability indicators or do not have sufficient information to allow an appropriate assessment.

The above-mentioned minimum exclusions, which take into account both environmental and social criteria and thus provide a certain minimum level of protection, apply to at least 70% of the net Sub-Fund assets. For the remaining investments, no special criteria are provided with regard to minimum environmental or social protection.



**Has an index been determined as a reference value to determine whether this financial product is aligned with the advertised environmental and/or social characteristics?**

The Sub-Fund does not use a benchmark.

- ***To what extent is the reference value continuously aligned with the environmental and social characteristics advertised with the financial product?***

The Sub-Fund does not use a benchmark.

- ***How is the continuous alignment of the investment strategy with the index method ensured?***

The Sub-Fund does not use a benchmark.

- ***How does the particular index differ from a relevant broad market index?***

The Sub-Fund does not use a benchmark.

- ***Where can the method for calculating the particular index be viewed?***

The Sub-Fund does not use a benchmark.



**Where can I find more product-specific information online?**

***Further product-specific information is available at:***

You can find more information about the product via the following link: [www.hal-privatbank.com](http://www.hal-privatbank.com)