7Q ASSET MANAGEMENT LTD

SUSTAINABILITY RISK POLICY

September 2024

Action	Date	Version	Date of Board Approval
Creation	02/09/2024	1.0	06/09/2024

Contents

1. Introduction

7Q Asset Management Ltd (with registration number HE 401803) is an independent alternative investment fund manager with CySEC license number AIFM36/56/2023 (the "**Company**" or the "**AIFM**"), whose registered address is at 9, Archiepiskopou Makariou III Avenue, Severis Building, 3rd Floor, 1065 Nicosia, Cyprus.

The AIFM is acting in accordance with The Alternative Investment Fund Managers Law (of 2013 – 2021) as amended from time to time.

The AIFM has developed this Sustainability Risk Policy (the "**Policy**") while the principles employed within this Policy are appropriate to its size, the nature, the scope and the complexity of its business activities, whilst adhering to the provisions of Regulation (EU) 2021/1255 (amending Delegated Regulation (EU) No 231/2013 as regards the sustainability risks and sustainability factors to be taken into account by Alternative Investment Fund Managers) (the "**Regulation (EU) 2021/1255**") and of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR")**.

2. The Sustainability Risk Framework

2.1 Definition of Sustainability Risk

In accordance with the SFDR, "Sustainability Risk" (or ESG risk) means an environmental or social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

2.2 Scope and Objectives

This Policy describes the approach of the Company in identifying, handling and monitoring sustainability risks which may arise during the investment decision making process and overall, as part of its internal risk management processes and procedures.

This Policy undertakes to provide:

i. Information on the sustainability risk considerations which have been integrated in its investment decision making process.

ii. the Company's approach to manage and monitor sustainability risks which may have a material influence on managed funds based on the portfolio management activities performed by the Company.

This Policy aims, inter alia, to inform the investment community regarding the reduction of information asymmetries in integrating sustainability risks, the consideration of adverse impacts on sustainability and the promotion of environmental or social characteristics, as well as sustainable investments.

2.3 Roles and Responsibilities

Oversight and management of the Policy are incorporated into the Company's governance structure and risk management framework. The Board has the overall responsibility for the Policy and receives regular updates on matters affecting the Company's integration of the Policy.

The Policy shall be monitored by the control functions of the Company (i.e. the Compliance Department and the Risk Management Function).

3. The Sustainability Factors

3.1 Definition of Sustainability Factors

Sustainability factors (ESG Factors) are events that may be responsible for negative impact on portfolio returns and are defined as E- Environmental, S-Social and G- Governance.
Environmental matters concern the company's interaction with the natural environment, including, but not limited to, climate impact mitigation, reducing gas emissions and preventing environmental risks.

Social matters include, inter alia, the protection of the health and safety of staff, employees' rights, monitoring of the supply chain and respect for the interests of communities and social minorities.

Governance matters include, for example, anti-corruption measures, sound governance structures by boards and management, data protection.

4. Integration of Sustainability Risks in the Investment decision process

The aim of including sustainability risks in the investment decision making process is to identify the occurrence of these risks in a timely manner and to take appropriate measures to mitigate the impact on the investments or the portfolio as a whole.

Sustainability risks may be considered as separate risks or as drivers that have an impact on other portfolio risks.

At 7QAM sustainability risks are taken into consideration during the investment decision-making processes as well as in the provision of investment advice and/or portfolio management and are incorporated into the relevant ESG Investment Policy.

Key risk indicators can be used to assess sustainability risks. Key risk indicators can be of quantitative and / or qualitative nature, based on sustainability factors (ESG) and measure the adverse impacts on the monitored data.

4.1 The ESG Investment Policy

The Company shall during the exercise of its portfolio management duties implement an ESG investment process for the identification, management and settlement of sustainability risks and the recognition and gradual integration of ESG factors and sustainability risks into the decision-making process, portfolio management, investment advice and product development (ESG), as well as for complying to national and European regulatory developments.

When performing the risk management function on behalf of the managed funds, the Company will consider the impact of sustainability factors and sustainability risks on investments. In the event that financial products are offered or promoted by the Company, which may have special characteristics and/or ESG objectives, relevant Sustainability Investment Policy shall be developed by the Portfolio Manager and the Company will ensure that the relevant regulatory disclosures are implemented.

4.2 Investment Decision Process

During the process of making investment decisions and providing investment advice, in addition to common financial information, whenever feasible and material, the Portfolio Manager will examine and consider the impact of sustainability factors and sustainability risks on investments, where sufficient data are available regarding these factors for all issuers of financial instruments included in the collective (AIFs) and private portfolios it manages, as well as those it proposes to its clients when providing investment advice.

4.3 The Sustainability Risk Factors

For the implementation of its Sustainability Risk Policy, the Company takes into account, inter alia, the following risk factors during the investment decision making and portfolio management process:

CLIMATE AND OTHER FACTORS RELATING TO THE ENVIRONMENT (indicative):

- Greenhouse Gas Emissions
- Biodiversity
- Water
- Waste

SOCIAL FACTORS, LABOR RELATIONS, HUMAN RIGHTS

- Social and Labor Factors

CORPORATE GOVERNANCE FACTORS (indicative):

- Transparency
- Codes of conduct
- Ethics

In cases where sustainability risks are considered to be relevant to investments, the Risk Manager will make available the relevant results of the assessment of the potential impact of sustainability risks on the returns of investment management portfolios or on the investment advice they provide to the Portfolio Manager and the Investment Committee.

5. Consideration of PAIs on Sustainability Factors

The Company does not consider the PAIs of its investment decisions on sustainability factors in the manner prescribed by Article 4 of the SFDR since it is not currently feasible for the Company to undertake a systematic and/or comprehensive consideration of such adverse impacts on sustainability factors as part of its investment decision-making, taking into account the size and scale of the Company's business activities.

The Company may re-evaluate its position at a later stage with regards to such adverse impacts, and may revisit the above considerations, should circumstances change, in order to reflect the way these principal adverse impacts on sustainability factors will be taken into account.