

Summary of the sustainability-related disclosures for the asset management classic with individual stocks equities ESG

As of January 2023

The asset management classic with individual stocks equities ESG is a financial product in accordance with Art. 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosure requirements in the financial services sector ("Sustainable Finance Disclosure Regulation"). In accordance with Art. 10 of the Sustainable Finance Disclosure Regulation, Schoellerbank publishes the following information about the ecological and social characteristics of this product.

Summary: With the asset management classic with individual stocks equities ESG, ecological and social characteristics are advertised, but no sustainable investments are intended. This financial product contains a minimum share of 10% in sustainable investments.

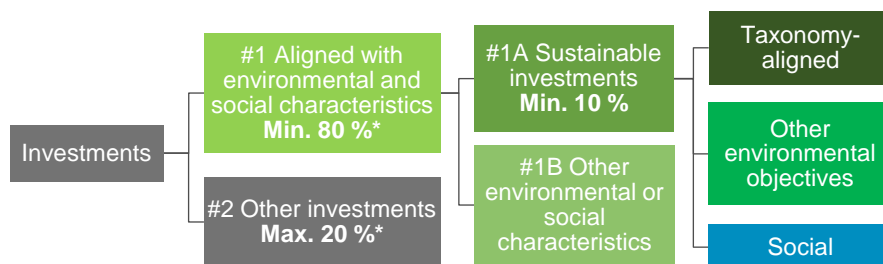
Environmental or social characteristics of the financial product: In the ecological area, climate protection and the protection of natural ecosystems are important principles when investing. The financial product avoids investing in economic activities that are particularly detrimental to these environmental goals, such as coal extraction and power generation, oil and gas extraction through fracking or in particularly sensitive ecosystems (e.g. arctic oil). On the other hand, companies that are working on improving their greenhouse gas footprint and do not endanger biodiversity in their sphere of influence are to be funded. In addition, asset management invests in bonds from countries that are committed to climate protection and the preservation of biodiversity. Additional environmental factors that this financial product considers include phasing out nuclear power, avoiding the use of genetically modified organisms in food production, and banning animal testing unless there is a medical need for it.

In the social sphere, asset management aims to promote democracy, respect human rights, gender equality and eliminate discrimination. This is to be achieved through a catalogue of criteria based on the Universal Declaration of Human Rights and the principles of the UN Global Compact. This also includes avoiding investments in companies that produce weapons and in countries with particularly high military spending. In addition, investments in the following controversial business areas are avoided: alcohol, tobacco, pornography and gambling.

Investment strategy: Schoellerbank has implemented ecological and social criteria in its investment process. For this purpose, suitable parameters are taken into account in the investments, which evaluate the ecological and social characteristics. In a two-stage selection process, the investment universe is first restricted by a series of exclusion criteria. The portfolio is put together from the remaining investment universe after these exclusion criteria have been applied. For this purpose, positive ecological and social criteria were defined, which are intended to help identify those issuers who are particularly well suited to achieving the environmental and social goals.

Depending on the variant, asset management invests in international equities and equity-equivalent securities of companies as well as in equity funds and ETFs. No derivatives are used. The portfolios are constantly checked regarding the criteria. If the requirements are not met - i.e. if exclusion criteria are violated or the minimum rate of sustainable investments is not reached - then the portfolio management adjusts the allocation immediately to restore the required state.

Proportion of investments: All securities in asset management must be in line with Schoellerbank's exclusion criteria and are reported under "#1 Aligned with environmental and social characteristics". As part of the investment strategy, part of the assets may be held in the form of account balances, which fall under "#2 Other Investments".



*) Note: At the start of asset management as well as in ongoing management during adjustments to the allocation, the account balance may be higher for a few days. These booking processes have no further impact on asset management.

Securities that meet all of Schoellerbank's positive ecological criteria in addition to the exclusion criteria are reported as an investment with an environmental objective under "Other environmental objectives". Social investments must meet the exclusion criteria and all social positive criteria of Schoellerbank.

Monitoring of environmental or social characteristics: Schoellerbank constantly checks whether all companies and countries in the portfolio comply with all exclusion criteria. Appropriate data for verification will be provided by ISS ESG. If deviations are found, the required condition is promptly restored through sales and new acquisitions.

Methodologies: The data provided by ISS ESG is implemented in Schoellerbank's IT system and aggregated at portfolio level. This affects all exclusion criteria and also the PAI indicators. In this way, the status can be evaluated with regard to the fulfilment of the exclusion and minimum criteria and the portfolio can be put together or rearranged according to the desired characteristics.

Data sources and processing: In order to be able to assess the ecological and social characteristics of an investment, Schoellerbank relies on data from ISS ESG, which in turn obtains this data either directly from the companies or from other sources. Some of the data may be estimates by ISS ESG.

Schoellerbank randomly checks the data provided by ISS ESG – including estimates – for plausibility. Schoellerbank only uses such data to check the exclusion criteria that are available for all eligible investments. With the positive criteria, a characteristic is only evaluated as positive if all the necessary data is available.

Limitations to methodologies and data: Schoellerbank cannot fully verify the data provided by ISS ESG and the availability of the data is not yet ideal in the area of the EU taxonomy and for individual PAI indicators. If new facts become known that call into question the suitability of an investment as an ecological or social investment, the item in question must be sold if the specified exclusion criteria are violated.

Due diligence: If deviations occur that require a response from portfolio management, the portfolio is adjusted promptly. The independent risk management function at Schoellerbank and internal audit monitor the process of compliance with the defined exclusion criteria and minimum criteria.

Engagement policies: Schoellerbank does not exert any direct influence on the companies in which it invests by exercising voting rights. If a company no longer meets the necessary ecological and social criteria, the investment will be sold promptly or, if the positive criteria are no longer sufficient, a replacement investment will be sought.

Designated reference benchmark: No index has been determined as a reference value for the environmental or social characteristics advertised with the financial product.