

## Statement on principal adverse impacts of investment decisions on sustainability factors

### Financial market participant (Schoellerbank AG – LEI 529900ESWL1AEC189F69)

#### Summary

Schoellerbank AG (LEI 529900ESWL1AEC189F69) is currently partially considering the key adverse effects of its investment decisions on sustainability factors. This statement is the consolidated statement of principal adverse effects on the Sustainability factors from Schoellerbank AG. This statement on the main adverse effects on the sustainability factors relates to the reference period from January 1, 2023 to December 31, 2023. This information on sustainability factors is based on the average of the indicators for the calendar year 2023, which were calculated for four key dates: March 31, June 30, September 30 and December 31.

#### Description of the principal adverse impacts on sustainability factors

All investments in asset management products were taken into account to calculate the sustainability factors (Principal Adverse Impacts, PAIs). Schoellerbank AG takes into account those for which plausible data on the PAIs was available as of the reporting date. Securities – i.e. stocks, bonds and fund units – are considered investments, but deposits at banks are not. Fund shares were calculated as far as possible on the basis of the individual stocks. The fund holdings, which could not be calculated, as well as other investments for which no data were available, accounted for an average of 9.4% of the total investments in 2023 (in 2022 it was 13%) and these were not included in the calculation.

The individual PAIs are calculated by selecting the items relevant for the specific indicator. Share and bond issues of companies including banks and international organisations were relevant for the PAIs 1 to 14 in Table 1 and PAI 4 in Table 2 and PAI 9 in Table 3. Sovereign bonds were included as relevant investments for PAI 15 and 16 in Table 1. PAI 17 and 18 in Table 1 were not considered due to the absence of real estate investments.

Calculations were only made for investments for which data were available as of the reporting date. The coverage ratio is indicated below the relevant PAI amount with "CR". This means that every PAI amount was determined on the basis of items which are relevant for the PAI and for which data were available.

Data availability was still low in some areas. For the items Share of non-renewable energy consumption and production (PAI 5), Energy consumption intensity per high impact climate sector (PAI 6), Emissions to water (PAI 8) and Unadjusted gender pay gap (PAI 12) data was available for only a small number of investee companies. So far, no reporting data whatsoever has been available for Hazardous waste and radioactive waste ratio (PAI 9). For this reason, the explanations given in the aforementioned data fields are not meaningful.

The minimum standards of Schoellerbank AG (exclusion criteria are very serious violations of the UN Global Compact; extraction of hydrocarbons using controversial techniques or in areas with high environmental impact; controversial, nuclear or morally unacceptable weapons; mining of thermal coal or production of energy from thermal coal; Countries that do not meet the requirements of the Financial Action Task Force (FATF) or that have not signed the Paris Agreement 2015; some with turnover limits for companies or share limits for funds) apply to all asset management mandates.

In the sustainable asset management mandates (in accordance with Article 8 of the EU Disclosure Regulation / SFDR; hereinafter "Article 8 asset management products"), the most important negative impacts on investment decisions on sustainability factors are taken into account. In the asset management products without a sustainable investment approach, no explicit consideration is given to the most important negative impacts on sustainability factors in order not to restrict the investment universe too much.

#### Description of policies to identify and prioritise principal adverse impacts on sustainability factors

In Article 8 asset management products of Schoellerbank AG the PAI indicators which are relevant for the specific asset class and issuer, and for which adequate data coverage is available, will be considered. Such indicators involve environmental factors in the areas of climate and biodiversity as well as social indicators in the areas of human rights, the UN Global Compact principles and board gender diversity.

In addition, there are company-wide defined minimum protection criteria that apply to all asset management products, such as the ban on controversial weapons and the avoidance of investments in thermal coal.

#### Engagement policies

Schoellerbank AG does not exercise voting rights in respect of shares on behalf of its customers when performing its asset management functions.

#### References to international standards

In using exclusion criteria, Schoellerbank AG has embraced the goals and requirements of international standards. These include the UN Global Compact, the Paris Climate Agreement, a number of international conventions on controversial and disreputable weapons, and the requirements of the Financial Action Task Force to combat anti-money laundering and terrorist financing. UniCredit Group complied with the reporting standards of the Global Reporting Initiative when preparing its sustainability reports.

#### Historical comparison

The statement on the main adverse effects of investment decisions on sustainability factors was published for the first time for the calendar year 2022. In most areas, data availability in 2022 was still very patchy. What's more, the calculation methodology of many PAIs was adjusted in 2023 due to regulatory clarification. The calculation basis for an indicator is no longer the respective asset class - company or state - but the respective indicator refers to the entire investment volume included in the calculation (excluding liquidity). In addition, the data situation in 2023 is significantly better than in 2022, the calculation of fund positions has been improved and the coverage ratio has increased.

Due to these circumstances, a direct comparison of the results of 2023 with 2022 is not possible in many cases. See more details in the "Historical Comparison" section on page 16.

**Description of the principal adverse impacts on sustainability factors**

**Indicators applicable to investments in investee companies**

**CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS**

Adverse sustainability indicator	Metrics	Impact					Explanation	Actions taken, and actions planned and targets set for the next reference period
		2022	2023					
Greenhouse gas emissions	1. THG emissions	Scope 1 GHG emissions (include all direct emissions from sources controlled by companies themselves)	24,696 CR*: 53%	51,645 CR*: 69%			Measured in CO2 equivalents (tons)	In accordance with company-wide minimum protection requirements, companies that are involved in the coal industry with more than 25% of sales are excluded from all Schoellerbank AG asset management products. From 2024, companies that are involved in controversial oil and gas extraction methods (e.g. fracking, oil sands, Arctic oil) with more than 25% of their sales will also be excluded.  For Article 8 asset management products**, investments in coal with a turnover share of 10% or more (5% from 2024) are excluded. In addition, investments in controversial funding methods are excluded if the share of sales exceeds 10% (5% from 2024).
		Scope 2 GHG emissions (are indirect emissions from the purchase of electricity, heat, steam or cooling from external sources)	10,540 CR*: 53%	15,624 CR*: 69%			Measured in CO2 equivalents (tons)	
		Scope 3 GHG emissions (are indirect emissions that occur along the entire value chain of the product and are not included in either Scope 1 or Scope 2)	425,408 CR*: 53%	955,120 CR*: 69%			Measured in CO2 equivalents (tons)	
		Total GHG emissions (sum of scope 1, 2, and 3 emissions)	460,643 CR*: 53%	1,022,389 CR*: 69%			Measured in CO2 equivalents (tons)	
	2. Carbon footprint	Carbon footprint	306.2 CR*: 53%	373.9 CR*: 69%			Weighted average of Scope 1, 2 and 3 emissions in tons per EUR 1 million enterprise value	

\* Coverage ratio (CR) is the proportion of companies or countries that provide data on the specified PAI in relation to total assets.

\*\* The total volume of all Article 8 wealth management products accounts for 7.4% of all wealth management at Schoellerbank AG (as of December 31, 2023).

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Adverse sustainability indicator		Metrics	Impact					Explanation	Actions taken, and actions planned and targets set for the next reference period
			2022	2023					
Greenhouse gas emissions	3. GHG intensity of investee companies	GHG intensity of investee companies	902.7 CR*: 66%	759.6 CR*: 70%				Weighted average of Scope 1, 2 and 3 emissions in tons per EUR 1 million in total sales	Companies that are involved in the coal industry and, from 2024, in controversial oil and gas production methods are eligible for all asset management products with a turnover share of 25% and above and for Article 8 asset management products** with a turnover share of 10% (from 2024 5 %) excluded.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (Extraction, processing and marketing of fossil fuels and energy production with fossil fuels)	5.55% CR*: 65%	5.40% CR*: 70%				Expressed as a percentage of the portfolio value of all companies included in the calculation	In addition, PAI 3 and 4 are taken into account as part of the sustainable investment process for Article 8 asset management products**.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	72.22% CR*: 30%	23.19% CR*: 42%				Expressed as the weighted average of all companies included in the calculation	These indicators are not yet taken into account in the assessment process because we do not yet consider the data to be meaningful due to the lack of consistent availability in the area of energy consumption from non-renewable sources.
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0.03% CR*: 64%	2.46% CR*: 69%				Expressed as the weighted average of all companies included in the calculation	

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Statement on principal adverse impacts of investment decisions on sustainability factors in the year 2023

Adverse sustainability indicator	Metrics	Impact					Explanation	Actions taken, and actions planned and targets set for the next reference period
		2022	2023					
Greenhouse gas emissions	6. Energy consumption intensity per high impact climate sector							
	NACE code A	Agriculture, forestry and fishing	N/A	0.00 CR*: 9%			Energy consumption in GWh per EUR 1 million of revenue of investee companies, per high impact climate sector	These indicators are not yet taken into account in the investment process because we do not yet consider the data to be meaningful due to the lack of availability in some sectors.
	NACE code B	Mining and Quarrying	0.94	0.03 CR*: 12%				
	NACE code C	Manufacturing	0.27	0.20 CR*: 28%				
	NACE code D	Electricity, gas, steam and air conditioning supply	0.76	0.04 CR*: 10%				
	NACE code E	Water supply; sewerage; waste management and remediation activities	0.08	0.00 CR*: 9%				
	NACE code F	Construction	N/A	0.03 CR*: 9%				
	NACE code G	Wholesale and retail trade; repair of motor vehicles and motorcycles	0.05	0.00 CR*: 10%				
	NACE code H	Transporting and storage	0.44	0.00 CR*: 10%				
	NACE code L	Real estate activities	N/A	0.00 CR*: 9%				
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.00% CR*: 65%	0.00% CR*: 70%				

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Adverse sustainability indicator		Metrics	Impact					Explanation	Actions taken, and actions planned and targets set for the next reference period
			2022	2023					
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies	0.07 CR*: 2%	0.00 CR*: 1%				Expressed as a weighted average in tons of water per EUR 1 million invested	This indicator is not yet taken into account in the assessment process because the database is still insufficient.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies	There is no plausible data to calculate the proportion of "hazardous waste" within the meaning of Article 3 number 2 of Directive 2008/98/EC of the European Parliament and of the Council and of "radioactive waste" within the meaning of Article 3 number 7 of Directive 2011 /70/Euratom of the Council for the year 2022.						

**INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS**

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	1.73% CR*: 65%	1.50% CR*: 70%				Expressed as a percentage of the portfolio value of all companies included in the calculation	Within the framework of the minimum protection criteria, Schoellerbank AG Vermögensverwaltung avoids investing in companies where very serious violations of the principles of the UNGC principles have occurred.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	8.25% CR*: 58%	12.48% CR*: 64%				Expressed as a percentage of the portfolio value of all companies included in the calculation	As part of the sustainable investment process for Article 8 asset management products**, serious violations*** of the UNGC principles are considered additional grounds for exclusion for a company from individual securities and funds of Schoeller Invest KAG.

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\*\*\* The assessment of the level of violation is based on data from an independent ESG research and rating company.

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Adverse sustainability indicator		Metrics	Impact					Explanation	Actions taken, and actions planned and targets set for the next reference period
			2022	2023					
Social and employee matters	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	3.77% CR*: 5%	0.26% CR*: 6%				Difference between the average hourly wages of male and female employees in percent	This indicator is not yet taken into account in the assessment process because the database is still insufficient.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	37.10% CR*: 28%	17.55% CR*: 50%				Expressed as a percentage of female members in relation to all members	Indicator is taken into account as part of the sustainable investment process for Article 8 products **
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00% CR*: 66%	0.00% CR*: 71%				Expressed as a percentage of the portfolio value of all companies included in the calculation	Investments in companies involved in the production or distribution of controversial weapons are not permitted in Schoellerbank's asset management products in accordance with the minimum protection requirements.

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Indicators applicable to investments in sovereigns and supranationals									
Adverse sustainability indicator		Metrics	Impact					Explanation	Actions taken, and actions planned and targets set for the next reference period
			2022	2023					
Environmental	15. GHG intensity	GHG intensity of investee countries	238.4	80.0				GHG emissions intensity of the countries given as a weighted average of the total greenhouse gas emissions per EUR 1 million of gross domestic product	The indicator is taken into account as part of the sustainable investment process for Article 8 asset management products**. In addition, sustainable asset management mandates do not invest in countries that have not ratified the Paris Climate Protection Agreement.
			CR*: 29%	CR*: 25%					
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	4	4				Absolute number of countries violating social regulations	The indicator is taken into account as part of the sustainable investment process for Article 8 asset management products**.
			19.96%	2.88%				Expressed as a percentage of the portfolio value of all countries included in the calculation	
			CR*: 29%	CR*: 25%					

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Statement on principal adverse impacts of investment decisions on sustainability factors in the year 2023

Indicators applicable to investments in real estate								
Adverse sustainability indicator		Metrics	Impact				Explanation	Actions taken, and actions planned and targets set for the next reference period
			2022	2023				
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	No investments in real estate					
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	No investments in real estate					

**Other indicators for principal adverse impacts on sustainability factors**

**Table 2:**

**Additional climate and other environment-related indicators**

**Indicators applicable to investments in investee companies**

Adverse sustainability indicator		Metrics	Impact					Explanation	Actions taken, and actions planned and targets set for the next reference period
			2022	2023					
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	41.78% CR*: 65%	30.04% CR*: 71%				Expressed as a percentage of the portfolio value of all companies included in the calculation	The indicator is taken into account as part of the sustainable investment process for Article 8 asset management products**.

**Table 3:**

**Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters**

**Indicators applicable to investments in investee companies**

Adverse sustainability indicator		Metrics	Impact					Explanation	Actions taken, and actions planned and targets set for the next reference period
			2022	2023					
Human rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	11.81% CR*: 58%	29.26% CR*: 61%				Expressed as a percentage of the portfolio value of all companies included in the calculation	The indicator is taken into account as part of the sustainable investment process for Article 8 asset management products**.

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## Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Principle adverse indicators (PAIs) are aspects that must be considered in order to enable and promote sustainable economic activity. These include social, ecological and economic factors. These factors can be taken into account when developing products, services, processes and strategies. These factors can come from the areas of the environment, society, economy and technology, for example. They can also be applied to the different areas of sustainability such as energy, water, waste, mobility, agriculture, food, jobs, education, health and social justice.

### Advisory Board on Ethics and Sustainability

Schoellerbank AG has decided to establish its own "Advisory Board for Ethics and Sustainability". On the one hand, the reason lies in the legal requirements regarding sustainability, which sometimes have to be discussed controversially and for which the highest level of expertise is required. On the other hand, the advisory board was introduced in order to continuously develop the sustainability criteria.

### As part of the sustainable investment strategy, the following ecological and/or social features are taken into account for Article 8 asset management products:

In the ecological area, climate protection and the protection of natural ecosystems are important investment principles. Investments are avoided in economic activities that are particularly detrimental to these environmental goals, such as coal extraction and power generation, oil and gas extraction using problematic methods (e.g. fracking) or in particularly sensitive ecosystems (e.g. arctic oil) to do. 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, investments are made in bonds from countries that are committed to climate protection and the preservation of biodiversity. Additional environmental factors to be considered include phasing out nuclear power, avoiding the use of genetically modified organisms in food production, and banning animal testing unless there is a legal need for it.

In the social sphere, investments are made to promote democracy, respect human rights, fight corruption, gender equality and overcome discrimination. This is to be achieved through a catalog 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.

Compliance with the defined exclusion criteria is continually monitored. For this purpose, the sustainable investment universes are defined and updated on a quarterly basis. In addition, the portfolio companies are continuously monitored and evaluated with regard to their sustainability aspects.

The strategy for taking into account the most important adverse effects on sustainability factors was first published on June 30, 2023 on June 1, 2022 (decision date for publication) based on the resolution of the management bodies of Schoellerbank AG on the Disclosure Regulation (EU) 2019/2088 of November 27, 2019. The further development and specification of the strategy and its implementation can be found in the aforementioned disclosure and the list of changes to the adjustments to the disclosure (<https://www.schoellerbank.at/en/contacts/sustainability-information>).

Schoellerbank AG has appointed the Investment Management and Strategy department to implement and apply the 16 PAIs and the two additional indicators. This resolution was recorded in minutes on June 1, 2022.

The following PAIs are considered for Article 8 asset management products:

#### CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS:

- Companies and countries with a below-average greenhouse gas emission intensity - PAI 3 from Table 1 for companies or PAI 15 from Table 1 for countries set the total greenhouse gas emissions (tonnes of CO2 equivalent) in relation to sales (companies) or the number of inhabitants (countries). This indicator is compared with a reference value, which corresponds to the mean value of the investment universe. If the reference value is not reached, then this criterion is met.
- Companies that initiate initiatives to reduce CO2 emissions in accordance with the Paris Agreement - PAI 4 from Table 2 evaluates companies based on the targets set in terms of reducing greenhouse gas emissions in order to achieve climate targets.
- Non-Fossil Fuel Companies – PAI 4 from Table 1 relates to the extraction, processing and marketing of fossil fuels and the generation of energy using coal, oil or natural gas.
- Businesses whose operations do not adversely affect areas of vulnerable biodiversity – PAI 7 from Table 1 measures the proportion of businesses located or operating in or near areas of vulnerable biodiversity where the operations of those businesses adversely affect those areas affect.

#### INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

- Companies with internal human rights compliance processes – PAI 9 from Table 3
- Companies that have at least one third of their supervisory board occupied by women – PAI 13 from Table 1
- Companies that have procedures and mechanisms in place to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises – PAI 11 from Table 1
- Countries where ISS ESG has assessed that there are no relevant violations of established social norms, as defined by international treaties and conventions, United Nations Principles or, where applicable, national legislation – PAI 16 from Table 1

Furthermore, there are defined minimum protection requirements for all securities investments of Schoellerbank AG with regard to companies, states and supranational issuers (compliance with the UN Global Compact, no controversial weapons, reduction of thermal coal, avoidance of controversial extraction methods for oil and gas (e.g. fracking, oil sands, Arctic oil) , combating money laundering and participation in the Paris Climate Agreement).

#### External rating partner ISS ESG:

In order to assess the ecological and social characteristics of an investment, Schoellerbank AG relies on data from the company ISS ESG, which has internationally recognized specialist knowledge in all areas related to sustainable and responsible investment. ISS ESG provides Schoellerbank AG with extensive expertise and data on companies, states and supranational entities in the context of sustainability analyses, sustainability ratings, sustainability and climate-related data and consulting services. The spectrum of ISS ESG also includes topics such as climate change, the impact on achieving the UN Sustainable Development Goals, human rights, labor standards, corruption, controversial weapons and much more. In this way, we combine the expertise of two specialists – and thus offer the sustainable investor added value. Schoellerbank AG randomly checks the data provided by ISS ESG - including estimated values - for plausibility within the scope of the available options.

#### Explanation of how these methods take into account the likelihood of occurrence and the severity of these main adverse effects, including their potentially irreversible nature

The ESG data provided by the data provider ISS ESG also includes an assessment of the scope, severity and likelihood of occurrence and the potentially irreversible nature of ESG factors. These assessments are included in the decision-making process based on qualitative and quantitative characteristics. For up-to-date information on data sources, data collection measures when information related to an indicator is not readily available, and errors associated with data methods, please visit: <https://www.issgovernance.com/esg/methodology-information>

#### Error margins including explanation

With regard to the accuracy of the PAI data, it should be noted that Schoellerbank AG largely uses data from ISS ESG.

The disclosure of data by companies is sometimes restricted, so data estimates must be used. ISS ESG therefore regularly estimates data points, continuously improving the level of coverage and methodology. A margin of error is therefore to be expected due to the use of estimates for certain PAIs. ISS ESG estimates are based on a broad database to reduce the margin of error. In addition, only data from companies in relevant industries is collected for individual PAIs. Schoellerbank AG itself does not estimate sustainability indicators. The need for estimates will continue to decrease, among other things, as companies expand their sustainability-related reporting obligations.

## Engagement policies

Schoellerbank AG provides portfolio management services for investors. As part of the investment process - i.e. how and according to which criteria shares are acquired, held and sold for the respective securities account - all shares and the companies behind them are monitored on an ongoing basis. The analysis of the companies in which Schoellerbank invests as part of its asset management relates to their strategy, their financial and non-financial results, their capital structure, their social and ecological impact, their valuation and their corporate governance.

The following reasons are decisive for the fact that Schoellerbank AG does not consider it sensible to represent the interests of investors at general meetings as part of its individual asset management and therefore generally refrains from exercising voting rights:

- In consideration of the cost-benefit ratio, Schoellerbank AG does not exercise the voting rights at the respective general meetings, since the proportion of voting rights of all shares in those portfolios that are managed by Schoellerbank AG as part of individual asset management - i.e. consolidated across all mandates - due to diversification principles do not reach a significant proportion of the voting rights of all shareholders of the respective companies and are therefore insignificant.
- Schoellerbank AG's contracts for individual asset management do not provide for any express authorization to exercise the voting rights attached to the shares in the portfolio. The processes required to enable the representation and exercise of voting rights at the general meeting, whereby each customer would have to issue a corresponding power of attorney individually, also contributed to Schoellerbank AG's decision to generally oppose the representation and exercise of voting rights and other rights associated with shares.
- As a shareholder, every customer can exercise voting rights and other rights associated with shares at their own discretion, since the shares held as part of individual asset management are held in customer custody accounts.

## References to international standards

### UN Global Compact:

UniCredit is an active member of the UN Global Compact, the world's largest initiative for responsible corporate governance. The 10 universal principles of the UN Global Compact relate to the areas of labor standards, human rights, environmental protection and anti-corruption. UniCredit is constantly developing measures for all of these areas, which also apply to the Legal entities belonging to the group, such as Schoellerbank AG.

As far as possible, Schoellerbank AG avoids investing in issuers that show very serious violations of the principles of the UN Global Compact.

### Controversial weapons:

Controversial weapons are recorded in several international conventions (e.g. Nuclear Non-Proliferation Treaty, Biological Weapons Convention of 1972, Chemical Weapons Convention of 1993, Anti-Personnel Mines Convention of 1997, Cluster Bombs Convention of 2010).

Schoellerbank AG does not invest in companies that produce or trade in cluster munitions, nuclear, chemical or biological weapons, uranium ammunition and landmines.

### Paris Agreement:

In 2015, 195 countries committed to clear targets for climate protection. In its asset management, Schoellerbank AG only invests in countries that have signed the Paris climate protection plan. In addition, Schoellerbank AG does not invest in companies that generate more than a quarter of their sales from the production of thermal coal.

### Financial Action Task Force:

The Financial Action Task Force (FATF) is the global money laundering and terrorist financing watchdog. The intergovernmental body sets international standards aimed at preventing these illegal activities and the harm they cause to society. Schoellerbank AG does not invest in countries that are identified as particularly vulnerable to money laundering and terrorist financing on the FAFT gray and black lists.

### GRI (Global Reporting Initiative) Sustainability Reporting Standards:

When preparing the "Integrated Report", UniCredit adheres to the "GRI Sustainability Reports" and the "Financial Services Sector Disclosures", both published by the GRI (Global Reporting Initiative).

## Historical comparison

The statement on the main adverse effects of investment decisions on sustainability factors was published for the first time for the calendar year 2022. In most areas, data availability in 2022 was still very patchy. What's more, the calculation methodology of many PAIs was adjusted in 2023 due to regulatory clarification. The calculation basis for an indicator is no longer the respective asset class - company or state - but the respective indicator refers to the entire investment volume included in the calculation (excluding liquidity). In addition, the data situation in 2023 is significantly better than in the previous year, the calculation of fund positions has been improved and the coverage ratio has increased.

Below we describe the key changes and drivers in the PAI categories, where there are significant differences compared to 2022:

PAI 1-3 (GHG emissions, CO2 footprint, GHG emissions intensity): Emissions data is more available and GHG emissions have been revised upwards in many cases due to regulatory requirements for calculation methods and corresponding reporting requirements for companies.

PAI 5 (proportion of energy consumption and energy production from non-renewable energy sources): The value for energy consumption is significantly lower and energy production has increased, which is due not only to the ongoing switch to renewable energy sources but also to better data availability.

PAI 6 (intensity of energy consumption by climate-intensive sectors): Data availability is significantly better. The values are therefore not comparable to the previous year.

PAI 11 (Lack of processes for compliance with the UNGC principles and the OECD guidelines for multinational companies): The assessment of the indicator has been tightened by the data provider ISS ESG and the calculation for fund positions has been improved.

PAI 12 (Unadjusted Gender Pay Gap): The lower value is mainly due to better data quality and the changed calculation based on the overall portfolio instead of just corporate emissions.

PAI 13 (Gender diversity in management and control bodies): Better data quality and data coverage as well as the changed calculation based on the entire portfolio instead of just company emissions are also crucial here.

PAI 15 (GHG emission intensity of the countries): The significantly lower value is not comparable to the previous year due to a changed calculation logic (entire portfolio instead of just government bonds).

PAI 16 (countries that violate social regulations): The significantly lower value is not comparable to the previous year due to a changed calculation logic (entire portfolio instead of just government bonds).

PAI 4 Table 2 (Companies without initiatives to reduce CO2 emissions): Better data availability and the changed calculation logic (entire portfolio instead of just companies) are decisive for the lower value.

PAI 9 Table 3 (Lack of human rights policy): The assessment of the indicator has been tightened by the data provider ISS ESG and the calculation for fund positions has been improved.