

# “Criteria for Schoellerbank’s sustainable investment products”

The following ESG criteria – i.e. environmental, social, and governance criteria – apply to financial instruments and service products that are offered as sustainable investment products at Schoellerbank, specifically:

- Asset management
- Investment funds
- Structured products

## CRITERIA FOR EQUITIES AND CORPORATE BONDS:

### Exclusion criteria:

Companies that generate a material proportion of their revenues in the following industries are generally excluded from the investment universe.

### Mandatory exclusion criteria:

- Production and extraction of coal (from 25% of revenues)
- Production of controversial weapons such as land mines and chemical weapons (absolute ban from 0% of revenue)
- Production of nuclear energy (from 10% of revenues)\*

### Product-specific additional criteria\*:

- Production of tobacco (from 10% of revenues)
- Production of alcohol (from 10% of revenues)
- Production of pornography (from 10% of revenues)
- Gambling (from 10% of revenues)

## Compliance with the UN Global Compact

Companies with severe violations of the UN Global Compact code of conduct are excluded from the investment universe. This involves the issues of respecting human rights, the freedom of assembly, and the right to collective bargaining, the abolishment of forced labour and child labour, the elimination of discrimination, a responsible and precautionary approach to environmental challenges, and the prevention of corruption.

### Best-in-class approach with regard to ESG criteria:

For all other sectors, only the companies that are among the top 75% in the given industry with regard to environmental, social, and governance (ESG) criteria are included in the investment universe.

## CRITERIA FOR GOVERNMENT BONDS

Bonds from the following countries are excluded from the investment universe:

- Countries that flagrantly and continuously violate basic democratic rights and human rights
- Countries with a high level of corruption (Corruption Perception Index\*\* of Transparency International below 50%)
- Countries that apply the death penalty
- Countries with especially high military budgets (more than 2% of GDP)
- Countries that have not signed the Kyoto Protocol and the Paris Agreement
- Countries that do not undertake enough climate protection efforts (Climate Change Performance Index\*\*\* scores less than 40).
- Countries that cover more than 10% of their primary energy needs with nuclear power and do not have a nuclear power phase-out scenario or a moratorium on nuclear power plants

\*) Applied in sustainable asset management.

\*\*) The Corruption Perception Index is published annually by the NGO Transparency International, which is headquartered in Berlin. The index ranks countries by degree of perceived corruption in government and public administration. Thirteen individual indices from twelve independent institutions are collated for this. The index is based on data collected in interviews of experts, on surveys, and on other research. The index scale ranges from 0 to 100, with a higher score indicating lower corruption. Only around one third of the assessed countries have a score of 50 or higher (as of 2020). Further information can be found at <https://www.transparency.de/cpi/>

\*\*\*) The Climate Change Performance Index is published annually by the not-for-profit association Germanwatch e.V., which is headquartered in Bonn. The index evaluates efforts undertaken by countries to protect the climate. It assesses 14 indicators in the following four categories: greenhouse gas emissions, renewable energy, energy consumption, and climate policy. The index scale ranges from 0 to 100. The best countries achieve index scores above 60. An index score below 40 indicates very weak climate performance. Further information can be found at <https://germanwatch.org/de/ksi>

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Every capital investment involves risk. The value of the investment and the earnings generated by the investment can change suddenly and considerably and therefore cannot be guaranteed. Currency fluctuations can also influence the performance of the investment. The investor may fail to recover the full amount of capital invested, for example, if the capital is only invested for a short period. Under extraordinary circumstances, it is possible to lose all of the invested capital, including the purchasing fees. Please note that the provided figures and performance information refer to past performance, which is not a reliable indicator of future performance.

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