

Comparison of ESG Criteria: Changes over time

Applicable from: 23 February 2022

The comparison below refers to the following documents:

- Pre-contractual information on asset management (as of 31 January 2022)
- Pre-contractual information for investment funds and structured products (as of 31 January 2022)

As of January 31, 2022, the sustainability criteria of Schoellerbank AG were adjusted due to Regulation (EU) 2019/2088. The table below compares the obsolete sustainability criteria (applicable until 31 January 2022) with the new sustainability criteria (applicable from 1 February 2022).

This English translation is provided for your convenience only. In the event of discrepancies the German original text shall prevail over the English translation.

sustainability criteria (applicable until 31 January 2022)	new sustainability criteria (applicable from 1 February 2022)
Criteria for equities and corporate bonds	Criteria for equities and corporate bonds
Exclusion criteria	Exclusion criteria¹
Production and haulage of coal (25 % or more of turnover) .	Production and haulage of coal and energy generation from thermal coal (>10% of turnover) .
Production of controversial weapons such as landmines and chemical weapons (absolute ban from 0 % of turnover) .	Production of or trade in controversial weapons, e.g. landmines, chemical weapons ... (>0 % of turnover) .
Production of nuclear energy (10 % or more of turnover) .	Production of nuclear energy (>15 % of turnover) .
	Controversial fossil fuel production methods, e.g. fracking, Arctic oil... (>10 % of turnover) .

¹ Companies which generate a significant proportion of their turnover in the following sectors are generally excluded from the investment universe. A company's share of revenue may instead also be used as a criterion.

	production of tobacco (>15 % of turnover).
Additional product criteria	Transparency criteria (designation required)²
Production of tobacco (10 % or more of turnover).	
Production of alcohol (10 % or more of turnover).	Production of alcohol (>15 % or more of turnover).
Production of pornography (10 % or more of turnover).	Production of pornography (>15 % or more of turnover).
Gambling (10 % or more of turnover).	Gambling (>15 % or more of turnover).
	Production of weapons (>5 % of turnover).
	Genetically modified organisms (>5 % of turnover).
	Animal testing (>5 % of turnover with the exception of medication development).
Compliance with UN Global Compact principles	Compliance with UN Global Compact principles
<p>Companies which significantly contravene the UN Global Compact code of conduct are excluded from the sustainable investment universe. The objective is to promote human rights, the right of assembly and the right to collective bargaining, the abolition of forced labour and child labour, prohibition of discrimination, the pursuit of responsible and farsighted environmental policies, and the prevention of corruption.</p> <p>Best-in-Class approach in regard to ESG criteria:</p> <p>Of the companies of all other sectors, only those which belong to the top 75% of the relevant sector in terms of ecological criteria, social criteria and criteria for responsible corporate governance (ESG criteria) are considered for inclusion in the sustainable investment universe.</p>	<p>Companies which massively contravene the UN Global Compact principles are excluded from the sustainable investment universe (e.g. disregard for human rights, child labour, forced labour...). In a second step, the issuers still included in the selection process undergo a positive screening process in regard to their social and environmental standards. In this second phase, companies whose sustainability factors are more acceptable than those of other companies in the same sector are given preference in the remaining investment universe.</p> <p>(= Best-in-Class approach).</p>
sustainability criteria (applicable until 31 January 2022)	new sustainability criteria (applicable from 1 February 2022)
Exclusion criteria for sovereign bonds	Exclusion criteria for sovereign bonds
	Countries which do not meet the minimum standards of the anti-money laundering provisions (catalogue of measures of the global Financial Action Task Force - FATF).
Countries which substantially and permanently violate fundamental rights in regard to democracy and human rights.	Countries which substantially and permanently violate fundamental rights in regard to democracy and human rights.

² Sustainable investment products investing in companies which generate a significant proportion of their turnover in the indicated sectors, are designated accordingly.

Countries with a high corruption level (Corruption Perception Index score of less than 50).	
Countries which use the death penalty.	Countries which use the death penalty.
Countries with exceptionally high military budgets (more than 2 % of GDP).	Countries with exceptionally high military budgets (more than 4 % of GDP).
Countries which have not signed the Kyoto Protocol and the Paris Agreement.	Countries which have not signed the Paris Climate Agreement.
Countries which have made insufficient efforts to tackle climate change (Climate Change Performance Index of below 40).	Countries which have made insufficient efforts to tackle climate change (e.g. Climate Change Performance Index ³ of German Watch e.V. of below 40 or comparable indicator).
Countries with a primary nuclear electricity share of over 10 % without any plans for exiting from nuclear energy and with no moratorium on nuclear power plants.	Countries with a primary nuclear electricity share of over 10% and no plans for exiting from nuclear energy and with no moratorium on nuclear power plants.
	Countries which have not signed the UN Convention on International Trade in Endangered Species.

³ The Climate Change Performance Index is published annually by Germanwatch e.V., a non-profit organisation based in Bonn. The index measures the climate mitigation efforts of countries around the world using 14 indicators in each of the following four categories: Greenhouse gas emissions, Renewable energy, Energy use and Climate policy. The index scale ranges from 0 to 100. The countries with the best performance have a score of over 60. A score of less than 40 indicates a very poor climate performance. Further details are available at <https://germanwatch.org/de/ksi>