

Disclosure of sustainability-related company information

of Bank Gutmann Aktiengesellschaft (LEI: 549300KFLI6V2PUY8522) in accordance with Article 3 of Regulation (EU) 2019/2088 ("SFDR") on transparency of sustainability risk policies and Article 5 SFDR on transparency of remuneration policies in relation to the integration of sustainability risks, as well as Article 4 SFDR and Article 11 of Delegated Regulation (EU) 2022/1288 ("DeLR") on transparency of adverse sustainability impacts at entity level.

Status: 25 October 2023 (update of the initial publication of 10 March 2021)

Policies on the integration of sustainability risks

General

The increasing importance of global problems such as the waste of natural resources, the exploitation of people, the destruction of the environment and the resulting impact on society and the economy is relevant to both investments and banking business. In order to address these challenges and apply the necessary due diligence in relation to sustainability factors, given the size as well as the nature and scope of the business activities of Bank Gutmann Aktiengesellschaft, particular attention is paid to adequately addressing sustainability risks.

According to the SFDR, sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters are identified as sustainability factors in the SFDR.

Sustainability risks and sustainability factors as well as their adequate consideration are examined in more detail in the Guideline on the integration of sustainability risks of the Financial Market Authority (FMA) of 2 July 2020. Based on the direction of causes and effects in the materialization of sustainability risks, a distinction is made between those risks that are caused by companies and can negatively influence sustainability factors ("inside-out") and those that can have actual or potential negative effects on assets or companies ("outside-in").

Due to the potential or actual impacts of climate change on society, on companies and on investments, in addition to other sustainability risks in particular climate risks are in the focus of public attention. Climate risks include all those risks that arise from climate change or that are exacerbated as a result of climate change. In the case of climate risks, a distinction is made between physical risks, which arise directly from the consequences of changed climatic conditions, and transition risks, which arise from the transition to a climate-neutral and resilient economy and society. These risk categories can interact and each can lead to a devaluation of assets. Apart from direct effects, climate risks can also have an indirect impact on companies and investments.

In terms of due diligence, the sustainability approach of Bank Gutmann Aktiengesellschaft incorporates sustainability risks in investment decisions and in investment advisory activities. To ensure adequate consideration of sustainability risks in the services offered, Bank Gutmann Aktiengesellschaft has developed the strategies described in this document. These strategies also take into account that sustainability risks can

manifest themselves in known and established risk categories such as market risk, operational risk, credit and counterparty risk or reputational risk.

General policies on the integration of sustainability risks

Bank Gutmann Aktiengesellschaft is committed to its overall responsibility and therefore considers sustainability risks in their various forms and effects. With the aim of dealing appropriately and responsibly with sustainability issues such as the relevant sustainability risks, appropriate roles in the various departments, cross-divisional teams and committees at management level have been established as key elements of the general strategy.

With regard to "inside-out" risks, sustainable and responsible action is a matter of course for Bank Gutmann Aktiengesellschaft, and the infrastructure, processes and procedures of Bank Gutmann Aktiengesellschaft are therefore continuously improved and reviewed in order to avoid negative impacts on sustainability factors wherever possible or to reduce them appropriately. Sustainability-related impacts, risks and potentials are investigated, documented and managed in relation to banking business.

With regard to "outside-in" risks, i.e., dealing with sustainability risks that may have a negative impact on assets and companies, sustainability risks are considered a component of the overall bank risk strategy and integrated into existing risk management. Bank Gutmann Aktiengesellschaft does not see the requirements of a sustainable economy as a limiting factor for investment opportunities, but rather as broadening the field of vision when making investment decisions. Sustainability risks and the reactions to them are not without consequences for most companies and can therefore have a significant impact on the value and profitability of an investment.

Policies on the integration of sustainability risks in the investment decision-making process

As a financial market participant, Bank Gutmann Aktiengesellschaft provides portfolio management services and incorporates sustainability risks into its investment decision-making processes. Gutmann Portfolio Management serves to preserve and increase the value of the client's assets and is therefore strategically geared to keeping sustainability risks in the portfolio as low as possible, considering the client's ideas and objectives.

The application of exclusion criteria in the investment decision process serves as a fundamental strategy for the adequate integration of sustainability risks. With the negative selection carried out in this process, those investments are excluded from the available universe of possible investments that would inappropriately increase the sustainability risk in the managed portfolio, thereby creating an investable universe that avoids inappropriately high sustainability risks. The investable universe is evaluated in cooperation with Gutmann Kapitalanlage Aktiengesellschaft, which also incorporates sustainability risks into its investment decision-making processes. The exclusion criteria are applied to all financial instruments of the issuing companies as well as to financing companies.

The evaluation and review of the exclusion criteria and the resulting investable universe are carried out using data from an established ESG data provider and on the basis of observation and assessment by internal experts. When evaluating sustainability risks, various relevant aspects from the environmental, social and good corporate governance areas are included.

The sustainability risks are integrated into the existing risk management and the respective processes and procedures, taken into account accordingly in the investment decision and the monitoring of the investments made, and form a component in the risk assessment of the managed portfolio. The assessment and monitoring of sustainability risks by the risk management are carried out independently of the portfolio

management and include external data. Sustainability ratings (scores) from an established provider are used. Based on the ESG data for individual securities and funds, a weighted Gutmann sustainability score is determined, the level of which results in a classification with regard to sustainability risks, which is monitored on an ongoing basis. The criteria are monitored automatically via the risk management system of Bank Gutmann Aktiengesellschaft. For investments in self-managed financial products of Gutmann Kapitalanlageaktiengesellschaft, the same methodology is used for independent monitoring at the level of the respective financial product.

In order to provide clients with sufficient and comprehensible information on sustainability risks, Bank Gutmann Aktiengesellschaft informs its clients with appropriate Disclosures of risk about the exposure of the managed portfolio to sustainability risks and that these may have an impact on value and profitability.

In the case of special mandates that are to be managed according to specific deviating specifications of the client or special legal requirements, the policies described here may be deviated from in order to comply with these specifications, while maintaining due diligence and transparency vis-à-vis the client. In doing so, the existing processes will be applied as far as possible, provided that the special wishes of the client do not preclude this.

Policies on the integration of sustainability risks in investment advice

As a financial adviser, Bank Gutmann Aktiengesellschaft provides investment advisory services and incorporates sustainability risks in its investment advisory activities. The purpose of investment advice is to provide sound independent investment recommendations to enable clients to make informed investment decisions and is therefore also strategically geared towards keeping sustainability risks as low as possible in line with the client's ideas and objectives.

The integration of sustainability risks of the products considered for advice is carried out in the existing product review process. The main method for considering sustainability risks in investment advice is the selection of the advisory universe upstream of the advisory activity. Only those products are included in the advisory universe that do not carry inappropriately high sustainability risks.

The application of exclusion criteria in the selection process serves as a fundamental strategy for the adequate integration of sustainability risks. With the negative selection carried out in this process, those investments are excluded from the available universe of possible investment recommendations that would inappropriately increase the sustainability risk for the customer and thereby form an advisory universe that avoids inappropriately high sustainability risks. This upstream selection process for the advisory universe takes place in cooperation with Gutmann Kapitalanlageaktiengesellschaft, which also incorporates sustainability risks in its investment decision-making processes for its financial products. The exclusion criteria are applied to all financial instruments of the issuing companies as well as to financing companies.

The evaluation and review of the exclusion criteria and the resulting advisory universe are carried out using data from an established ESG data provider and on the basis of observation and assessment by internal experts. When evaluating sustainability risks, various relevant aspects from the environmental, social and good corporate governance areas are included. Sustainability ratings (scores) from an established provider are used. Based on the ESG data for individual securities and funds, a weighted Gutmann sustainability score is determined, the level of which results in a classification with regard to sustainability risks, which is monitored on an ongoing basis.

In order to provide clients with sufficient and comprehensible information on sustainability risks, Bank Gutmann Aktiengesellschaft informs its clients with appropriate Disclosures of risk about the exposure of the financial instruments and financial products that are the subject of investment advice to sustainability risks and that these may have an impact on value and profitability.

Review and adaptation of the policies on the integration of sustainability risks

With regard to the availability and quality of relevant data for the assessment of sustainability risks, there is still a need for further developments and improvements in some cases, especially with regard to the data situation at issuer level. The available methodological approaches, industry standards, regulatory guidelines and legal requirements are subject to constant further development in order to take into account new findings and changed framework conditions.

Due to such innovations, there may be a need to adapt the present policies. Bank Gutmann Aktiengesellschaft therefore monitors developments at national and European level on an ongoing basis and regularly reviews these policies, adapting and republishing them as necessary.

Integration of sustainability risks in remuneration policy

As a financial market participant and financial advisor, Bank Gutmann Aktiengesellschaft promotes sound and effective risk management and therefore takes sustainability risks into account in its remuneration policy. To ensure adequate integration of sustainability risks, the remuneration structure does not incentivize excessive risk-taking regarding sustainability risks in investment decisions or investment recommendations, or neglect of sustainability risks in risk management. Accordingly, considering the principle of proportionality, for employees who have a direct influence on investment decisions, on investment recommendations, or on risk management and who receive variable remuneration components, the adequate inclusion of sustainability risks is taken into account when agreeing on performance targets and documenting the agreed targets and the target achievement of these employees.

Sustainability impacts at entity level

Statement on principal adverse impacts of investment decisions on sustainability factors

As a financial market participant, Bank Gutmann Aktiengesellschaft considers the principal adverse impacts of investment decisions on sustainability factors in accordance with Article 4 (1) SFDR. In accordance with the related legal requirements of Articles 4 to 10 of the DeIR, Bank Gutmann Aktiengesellschaft has published a current statement on its website based on Table 1 in Annex I of the DeIR, which contains the information to be disclosed in this regard. This statement covers the period from 1 January to 31 December of the year preceding publication and is published again by 30 June of each year.

Statement on the consideration of principal adverse impacts on sustainability factors in investment advice

As a financial advisor, Bank Gutmann Aktiengesellschaft takes into account the principal adverse impacts on sustainability factors in accordance with Article 4 (5) SFDR when providing investment advice services.

In order to be able to make an investment recommendation, Bank Gutmann Aktiengesellschaft first ascertains which financial instruments are suitable for the client on the basis of the desired investment objectives, risk tolerance, loss-bearing capacity and knowledge and experience. In addition to this financial information of the client, the sustainability preferences of the client are collected and considered accordingly when preparing the investment recommendation.

The financial instruments generally considered for investment advice are checked for their degree of sustainability using external data from an established ESG data provider. Based on this data, the advisory universe can be narrowed down to those investment opportunities that meet the client's individual sustainability preferences. The external ESG data used for the assessment takes into account the information published directly by the product manufacturers in accordance with the SFDR and the DeIR, which is additionally enriched with further data by the data provider and subjected to quality assurance.

In the case of self-managed financial products of Gutmann Kapitalanlageaktiengesellschaft and the financial instruments contained therein, the principal adverse impacts on sustainability factors are already taken into account at the level of the respective financial product and the information published in accordance with the SFDR and the DeIR is used directly to check suitability with regard to sustainability preferences.

Insofar as no sufficient data is available to make an appropriately reliable classification with regard to the sustainability of an investment opportunity, it is assumed in case of doubt that it does not correspond to the desired level of sustainability. If it is not possible to make a suitable investment recommendation with the information provided by the client on the investment objectives and the sustainability preferences due to insufficient data, the client will be informed accordingly, and the client can adjust his sustainability preferences.