

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Bank Gutmann Aktiengesellschaft (LEI: 549300KFLI6V2PUY8522)

Summary

Bank Gutmann Aktiengesellschaft (LEI: 549300KFLI6V2PUY8522) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the statement on principal adverse impacts on sustainability factors of Bank Gutmann Aktiengesellschaft. This statement on principal adverse impacts on sustainability factors covers the reference period from 1. January 2023 to 31. December 2023.

The considered principal adverse impacts of Bank Gutmann Aktiengesellschaft on sustainability factors have affected the following indicators:

- Climate and other environment-related indicators
 - GHG emissions
 - Carbon footprint
 - GHG intensity of investee companies
 - Exposure to companies active in the fossil fuel sector
 - Share of non-renewable energy consumption and production
 - Energy consumption intensity per high impact climate sector
 - Activities negatively affecting biodiversity-sensitive areas
 - Emissions to water
 - Hazardous waste and radioactive waste ratio
- Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters
 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
 - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
 - Unadjusted gender pay gap
 - Board gender diversity
 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Indicators applicable to investments in sovereigns and supranationals
 - GHG intensity
 - Investee countries subject to social violations
- Additional climate and other environment-related indicators
 - Investments in companies without carbon emission reduction initiatives
- Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters
 - Lack of due diligence

The description of principal adverse impacts on sustainability and the other indicators mentioned above can be found in the table below.

Description of the principal adverse impacts on sustainability factors¹

Indicators applicable to investments in investee companies

| Adverse sustainability indicator | Metric | Impact Year 2023 | Impact Year 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|--------|---------------------|---------------------|-------------|---|
|----------------------------------|--------|---------------------|---------------------|-------------|---|

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

| | | | | | | |
|--------------------------|---|---|------------|------------|------------------|---|
| Greenhouse gas emissions | 1. GHG emissions | Scope 1 GHG emissions | 108 852,87 | 90 073,16 | Coverage: 73,71% | - |
| | | Scope 2 GHG emissions | 21 481,68 | 18 291,75 | Coverage: 73,71% | - |
| | | Scope 3 GHG emissions | 658 491,29 | 631 310,22 | Coverage: 73,71% | - |
| | | Total GHG emissions | 796 719,23 | 737 749,86 | Coverage: 73,64% | - |
| | 2. Carbon footprint | Carbon footprint | 380,78 | 381,29 | Coverage: 73,64% | - |
| | 3. GHG intensity of investee companies | GHG intensity of investee companies | 773,94 | 713,46 | Coverage: 81,95% | - |
| | 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 5,55% | 2,35% | Coverage: 81,01% | - |
| | 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and 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 | 65,07% | 66,60% | Coverage: 75,96% | - |

¹ Derivative financial instruments were not included in the following calculations of the indicators.

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|--|--|--|--|------------------|--|
| 6. Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | Agriculture, forestry and fishing (NACE Code A): 0,19 | Agriculture, forestry and fishing (NACE Code A): 0,26 | Coverage: 78,07% | |
| | | Mining and quarrying (NACE Code B): 1,08 | Mining and quarrying (NACE Code B): 2,02 | Coverage: 78,07% | |
| | | Manufacturing (NACE Code C): 0,35 | Manufacturing (NACE Code C): 0,46 | Coverage: 78,07% | |
| | | Electricity, gas, steam and air conditioning supply (NACE Code D): 1,70 | Electricity, gas, steam and air conditioning supply (NACE Code D): 6,78 | Coverage: 78,07% | |
| | | Water supply; sewerage; waste management and remediation activities (NACE Code E): 1,33 | Water supply; sewerage; waste management and remediation activities (NACE Code E): 1,99 | Coverage: 78,07% | |
| | | Construction (NACE Code F): 0,12 | Construction (NACE Code F): 0,16 | Coverage: 78,07% | |
| | | Wholesale and retail trade; repair of motor vehicles and motorcycles (NACE Code G): 0,16 | Wholesale and retail trade; repair of motor vehicles and motorcycles (NACE Code G): 0,17 | Coverage: 78,07% | |

| | | | | | | |
|--------------|---|--|--|--|------------------|---|
| | | | Transporting and storage (NACE Code H): 1,37 | Transporting and storage (NACE Code H): 1,70 | Coverage: 78,07% | |
| | | | Real estate activities (NACE Code L): 0,41 | Real estate activities (NACE Code L): 0,48 | Coverage: 78,07% | |
| 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 | 8,77% | 4,38% | Coverage: 80,24% | - |
| Water | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | 0,20 | 14,03 | Coverage: 0,64% | - |
| Waste | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 1,11 | 1,01 | Coverage: 64,96% | - |

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 | 0,03% | 3,23% | Coverage: 81,47% | - |
| | 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 | 1,63% | 9,65% | Coverage: 81,01% | - |

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|--|---|--------|--------|------------------|---|
| 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | 15,47% | 14,21% | Coverage: 59,87% | - |
| 13. Board gender diversity | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 35,93% | 33,90% | Coverage: 78,80% | - |
| 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0,13% | 2,81% | Coverage: 81,38% | - |

Indicators applicable to investments in sovereigns and supranationals

| Adverse sustainability indicator | | Metric | Impact Year 2023 | Impact Year 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|---|--|--------------------------------|--------------------------------|--------------------------------------|--|
| Environmental | 15. GHG intensity | GHG intensity of investee countries | 239,27 | 258,56 | Coverage: 54,55% | - |
| 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 | Absolute: 8 Relative: 6,23% | Absolute: 2 Relative: 2,43% | Coverage: 54,49% Coverage: 54,49% | - |

Indicators applicable to investments in real estate assets

| Adverse sustainability indicator | | Metric | Impact Year 2023 | Impact Year 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|--|--------|------------------|------------------|-------------|--|
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| | | | | | | |
|-------------------|---|--|------|------|-------------------------|---|
| 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 | N.A. | N.A. | Currently not available | - |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | N.A. | N.A. | Currently not available | - |

Other indicators for principal adverse impacts on sustainability factors

Bank Gutmann Aktiengesellschaft selected the following indicator in the area of emissions with regard to the additional climate and other environment-related indicators:

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|---|---|
| 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: 31,63% (Coverage: 81,22%) |
|---|---|

Bank Gutmann Aktiengesellschaft selected the following indicator in the area of human rights with regard to the additional indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters:

| | |
|---------------------------|--|
| 10. Lack of due diligence | Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts: 19,83% (Coverage: 80,98%) |
|---------------------------|--|

No other indicators were used to identify and assess additional principal adverse impacts on a sustainability factor.

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

The principal adverse impacts on sustainability factors are integrated into the investment process by comparing the development of the principal adverse impacts on sustainability factors, taking into account the data available from the data provider. When selecting the individual investments, a focus is placed on the development of the indicators in order to work towards improving the respective indicator.

Due to the importance and scope of the potential impact of the indicators listed in the table above on investments, Bank Gutmann Aktiengesellschaft takes these indicators into account accordingly. The potential effects of the indicators, in particular the probability of occurrence and the severity of these adverse effects on the investments, are determined in particular by analysing the data available on these indicators.

The data on the principal adverse impacts on sustainability factors are collected with the assistance of an established data provider in the ESG area. Bank Gutmann Aktiengesellschaft currently works with the data provider "MSCI". MSCI is a leading global provider of sustainability analyses and ratings in the areas of environmental, social and corporate governance. The company has 40 years of research expertise and, in particular, has broad coverage of the companies analysed and the individual factors of sustainability analysis.

The data is based on MSCI ESG and is updated regularly. For companies included in the MSCI ACWI Index, this usually occurs after publication of their annual reports. All other companies within the coverage

universe are usually reviewed within 12 months. Data sets with dynamic source updates outside of annual filings, such as carbon emissions, board composition and controversies, are reviewed weekly and updated if there is a change in the underlying data.

MSCI ESG Research considers a broad range of dimensions when defining quality: Completeness and exhaustiveness of data, timeliness, accuracy, and traceability to source (evidence). The automated and manual quality checks performed by MSCI ESG Research cover the key aspects of data consistency and data accuracy. MSCI ESG Research's model is based on query extracts from the internal database and indicates when predefined conditions are triggered in relation to changes in the score or when suspicious values are present. The data that does not meet the quality standards is subject to further review and correction.

Measures that MSCI ESG Research applies to the data that flows into MSCI's SFDR module include, for example:

- Quality assurance through double vendor validation to validate the data against alternative sources using natural language processing (NLP) or artificial intelligence (AI) for extraction
- Keyword scan to detect disclosures/capture; change-based (outlier)/range-based quality assurance for all quantitative data to check for large deviations and anomalies
- Negative disclosure checks for qualitative data points
- Data validation and data entry constraints

Engagement policies

The principal adverse impacts on sustainability factors are generally taken into account in the engagement policy of Bank Gutmann Aktiengesellschaft, with the general aim of reducing the adverse impacts on sustainability factors or at least keeping them unchanged for each reference period. The issuers in which investments are made are monitored with regard to important matters, in particular with regard to strategy, financial and non-financial performance and risks, capital structure, social and environmental impact and corporate governance as part of the investment process, which is based on the investment objectives of the financial product. In addition to a careful selection and monitoring process, ESG issues such as the adverse impacts on sustainability factors may also be addressed where necessary, for example in investor meetings with the company's representatives or in the course of any participation in general meetings and other gatherings. The engagement policy of Bank Gutmann Aktiengesellschaft in accordance with the Austrian Stock Exchange Act (§ 185 Börsegesetz 2018, as amended) can be found on the company's website.

References to international standards

Bank Gutmann Aktiengesellschaft signed the UN financial initiative "Principles for Responsible Investment" in August 2023. The six principles of the PRI require signatories to incorporate ESG (environment, social, governance) considerations into their investment analyses and decision-making processes, to be active owners and integrate ESG issues into their ownership policies and practices, to seek appropriate disclosure of ESG issues by the companies in which they invest, to promote acceptance and implementation of the principles within the investment industry, to work together to increase effectiveness in implementing the principles and to report on their activities and progress in implementing the principles. As a signatory to the UN PRI, Gutmann is committed to the following 6 principles: (1) We will integrate environmental, social and governance (ESG) issues into investment analysis and decision-making processes; (2) We will be active owners and integrate ESG issues into our ownership policies and practices; (3) We will ensure appropriate disclosure of ESG issues at the companies in which we invest; (4) We will promote acceptance and implementation of the Principles in the investment industry; (5) We will work together to increase our effectiveness in implementing the Principles; (6) We will report on our activities and progress in implementing the Principles.

Historical comparison

A historical comparison of the 2023 reporting period with the previous 2022 reporting period with regard to the principal adverse impacts on sustainability factors is disclosed in accordance with Article 10 of Delegated Regulation (EU) 2022/1288 above in the section "Description of the principal adverse impacts on sustainability factors".
