

## Sustainability information in accordance with Articles 3, 4 and 5 of the Sustainable Finance Disclosure Regulation (SFDR)

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## *Policies on the integration of sustainability risks during investment decisions-making process (Article 3)*

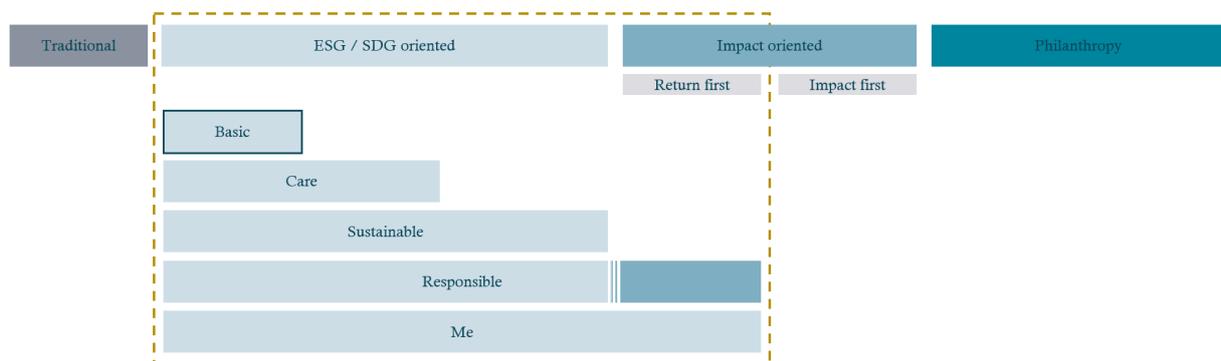
For Unifinanz Trust reg. and its sister companies, responsible business activity is a mission. Unifinanz Trust reg. aims to focus increasingly on sustainability within our product and service universe in the future. Over the last few years, various steps have been taken to ensure that processes are in place to meet this requirement. The adoption in January 2022 of the new business strategy that was conceived several years ago means the courses of action it entails will now be implemented step by step.

For Unifinanz Trust reg., taking sustainability aspects into account also means considering sustainability risks in the investment decision-making process. We define sustainability risk as an environmental, social or governance (hereinafter, “ESG”) event or condition that might negatively impact the value of the investment within our clients’ portfolios.

And we have adopted various strategies and processes to ensure that sustainability risks are included in investment decisions. As part of the sustainability preferences inquiry under MiFID II, a financial firm ensures that each existing or new client is asked about their sustainability preferences. There are three options to choose from:

1. alignment according to EU taxonomy
2. **orientation towards sustainable investments according to SFDR definition (in %)**
3. quantitative / qualitative consideration of principle adverse impacts (PAIs)

In order to simplify the application and with the aim of individually determining sustainability preferences, Unifinanz has decided to create various implementation packages within the framework of **Option 2** "Alignment with sustainable investments according to the definition of the SFDR". For the integration of sustainability topics, Unifinanz follows a modular structure. The customer has the option to choose individual standard packages or to select his preferred modules independently. The various modules are separated from each other by means of thematic differentiation features. This favors a systematic application in the individual packages as well as in an individual solution.



Unifinanz basically offers 4 package solutions as well as the possibility of individualization (Me) for the implementation of sustainability preferences.

- **Basic** = ESG integration according to Unifinanz model (minimum standard for all mandates)
- **Care** = Basic + norm-based / exclusion criteria
- **Sustainable** = Basic + Care + focus on ESG / SDG consideration

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- **Responsible** = Basic + Care + Sustainable + focus on involvement & participation
  - **Me** = Individual package

For all modules, an effective restriction of the investment universe is effected based on the respective thematic sustainability factor. The most important modules that are applied to the individual packages are:

- ESG
- SDG
- Sector Based Screening
- Norm Based Research
- Climate Impact (& Carbon Risk)
- Country Controversy
- EU Taxonomy
- Norm Based Engagement
- Proxy Voting

Unifinanz offers investors the possibility to actively (more) participate via proxies by means of suitable tools and thus, for example, to indirectly participate in the development of companies in the ESG area or to actively exercise voting rights (according to plans or individually). More detailed information on the possibilities will be presented upon request. During the integrated ESG analysis, the current and future sustainability activities of companies and/or states are analysed and investment decisions are made based on sustainability opportunities and risks. Various means are employed to that end, including internal sustainability filter models, which rate a company's ESG risk based on research both internal (publicly available information) and external. The ESG risk rating is only one possible characteristic, and its importance varies depending on the strategy model.

To support our investment decision-making process, the defined investment universe is expanded to include information and data on sustainability aspects for all asset classes, thereby making it available to anyone making investment decisions. It combines external data and ESG ratings from research and rating agencies with any internal research and analyses.

Furthermore, our analysts, portfolio managers, and compliance and risk managers are regularly trained on ESG topics and innovations in regulatory affairs and internal processes.

Unifinanz Trust reg. bases its investment decisions on ESG integration. Details are available at the customer's request.

At Unifinanz Trust reg., ensuring that sustainability risks are considered during investment decisions is part of the internal investment process, which is a binding work instruction for the portfolio managers in charge. Issuers' ESG risk ratings are spot-checked using random samples of ESG ratings from a second data provider. And processes to monitor sustainability risks are carried out in the controlling department of Unifinanz Trust reg. Depending on the package/module composition, this may have an impact on the risk/return characteristics of the portfolio. In our opinion, it is not possible to make a general statement on the extent to which this could have a negative impact on the expected return (performance), and this must be examined on the basis of the given case constellation.

Furthermore, Unifinanz has decided to join the UN PRI community as a signatory in 2022 (<https://www.unpri.org/unifinanz/10273.article>). The first reporting is planned for 2023.

For more information on how sustainability risks are incorporated into investment decision-making processes, please see our service presentations.

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### *Transparency of adverse sustainability impacts at entity level during investment decisions (Article 4)*

By integrating sustainability issues into its business strategy, Unifinanz Trust reg. has laid the foundation for systematically and comprehensively considering sustainability and climate aspects during its business activities, which will now be further expanded step by step.

By adopting the new business concept, Unifinanz Trust reg. has defined various measures that will lead the company even closer to effectively integrating ESG criteria and the support of the 17 SDG [Sustainable Development Goals] defined by the United Nations. These measures will be increasingly applied to corporate governance, the service landscape, human resource management and the business operations themselves (including processes). Anchoring this in the business concept will consistently encourage the commitment to these areas for a more sustainable and responsible future.

It goes without saying that by anchoring sustainability factors in the business concept, adverse effects of investments related to the sustainability factors of environment, social affairs and governance are also optimally considered on the service provision level, specifically during asset management and investment controlling (depending on the selected strategy package). However, **only** in the case of a sustainability preference **choice of option 3**, the **focus** is on so-called **PAIs** (Principle Adverse Impact). This is because the packages that can be selected under option 2, for example, simply focus on other sustainability factors that we hope will have at least as great a positive sustainability impact. Nevertheless, in individual packages, indirectly adverse sustainability impacts are taken into account in investment decisions. Also if option 1 is chosen, PAI factors are not automatically added, especially since each customer is free to choose several orientations at the same time when defining sustainability preferences.

Unifinanz Trust reg. ensures that the sustainability factors relevant to the chosen strategy are firmly anchored in its investment decisions. This requires usable, meaningful information being available from the data providers.

In case option 3 is selected, i.e. considering the main adverse impacts when making the investment decision (dependent on Option 3 and on the choice of strategy) ensures that achieving the investment objective will not adversely impact other sustainability areas. Deciding on the investment also includes checking the thresholds for adverse sustainability impacts. If tests reveal that those thresholds have been exceeded, the asset being considered might be excluded.

Unifinanz Trust reg. uses publicly available information from issuers (found in annual and sustainability reports, for example), external research or rating agencies to determine which associated adverse sustainability impacts to consider during an investment decision. In addition, Unifinanz has committed to the UN PRI Code as a signatory (<https://www.unpri.org/unifinanz/10273.article>). A first reporting is planned for 2023.

### *Transparency of remuneration policies in relation to the integration of sustainability risks (Article 5)*

One of our main responsibilities is to be guided by our customers' needs and the needs of our social environment. And this entails firmly anchoring social, ecological and responsible corporate governance criteria into our business

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strategy. Besides the strategies described for including sustainability risks and adverse sustainability impacts in the investment process (and the investment controlling process, if possible), the remuneration policy of Unifinanz Trust reg. also involves considering sustainability risks. As part of our remuneration policy, we ensure that our employees' performance is not remunerated or evaluated in a way that conflicts with our duty to act in our customers' best interests.

The staff appraisals, which take place at least once a year, promote behaviour that supports the role of Unifinanz Trust reg. as a customer-oriented, innovative and sustainable financial company.