



Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant

Flossbach von Storch Invest S.A., LEI 529900T8IKDN4RDCEY98

Summary

Flossbach von Storch Invest S.A. considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Flossbach von Storch Invest S.A.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

The principal adverse impacts on sustainability factors (PAIs or PAI indicators) are understood to be the impacts of investment decisions that result in negative effects on environmental, social and employee matters, respect for human rights and anti-corruption and anti-bribery matters. These risks can give rise to sustainability risks, which, if they occur, can have material or potentially significant negative impacts on the value of an investment. Exclusions can work towards reducing or avoiding individual adverse sustainability impacts.

As a long-term investor, Flossbach von Storch attaches importance to portfolio companies managing their environmental and social footprint responsibly and actively counteracting the negative impacts of their activities. To enable negative impacts to be identified at an early stage, how the portfolio companies – with the exception of indirect investments (derivatives, external target funds) – manage

their respective environmental and social footprint is examined and assessed. For this purpose, the PAIs, an additional climate-related indicator and two further social indicators of the Disclosure Regulation are taken into account in the in-house investment process. The indicators are prioritised according to relevance, severity of negative impacts and data availability. Assessment and monitoring is not based on rigid ranges or thresholds that organisations must meet or achieve. Rather, the focus is on positive developments in the approach to the individual indicators and, where possible and necessary, work is carried out on them as part of the engagement policy (engagement, voting). Focus is placed on the serious negative impacts of certain PAI indicators. These include greenhouse gas emissions (Scope 1 and 2)¹, greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption from non-renewable energy sources. Compliance with the Principles of the UN Global Compact (UNGC) and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, as well as the implementation of appropriate monitoring processes for these Principles and Guidelines, is also assessed.

The tables presented in the document contain the indicators for determining the principal adverse sustainability impacts with regard to the climate, the environment, social issues, as well as explanations of the legally prescribed calculation formulae, data availability and the engagement policy implemented.

With the exception of the exclusions, Flossbach von Storch predominantly draws on primary data from companies for the calculations, without adding its own estimates to this data in the absence of a database. Since not all the relevant data for calculating the PAIs is currently available from the portfolio companies, the report does not provide 100% data coverage. To improve the quality and coverage of PAI data, Flossbach von Storch is in direct contact with the relevant portfolio companies.

¹ The categories Scope 1, 2 and 3 describe the differentiation for the classification of greenhouse gas emissions (carbon emissions):

- Scope 1: Direct carbon emissions; these are direct emissions generated by sources controlled by the company issuing the underlying assets.
- Scope 2: Indirect CO₂ emissions; these are indirect emissions caused by the consumption of purchased electricity, steam or other primary forms of energy purchased.

- Scope 3: All other carbon emissions; these are all other emissions generated in the reporting company's value chain, including upstream and downstream emissions.



Description of the principal adverse impacts on sustainability factors

Table 1
Indicators applicable to investments in investee companies

| Adverse sustainability indicator | Metric | Impact 2023 | Impact 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 | 308,684.64 tCO ₂ e | 380,368.97 tCO ₂ e | <p><u>Calculation basis</u></p> <p>The impact is the sum of the Scope 1 values of the investee companies for which directly reported data is available and was determined taking account of the respective participation in the respective company. The impact is indicated in tonnes of CO₂ emissions.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator (eligibility) is 67.76 (previous year: 71.45) per cent. The share of investments covered by data in relation to all investments (coverage) is 47.34 (previous year: 58.38) per cent.</p> | <p>As a long-term investor, Flossbach von Storch takes care to ensure that portfolio companies set themselves climate targets and gradually reduce their greenhouse gas emissions. This includes having a responsible approach to energy consumption.</p> <p>The following explanations refer to indicators 1–6</p> <p><u>Engagement</u></p> <p>In the preceeding reporting period, Flossbach von Storch began to engage in active exchange with portfolio companies that have not yet set themselves climate targets or for which, in the opinion of Flossbach von Storch, the formulated targets are not yet comprehensive enough. This long-term engagement is intended to raise awareness of the relevance of reducing greenhouse gas emissions and switching to renewable energies, and to accompany companies on their way to achieving set climate targets.</p> <p>To improve the quality and coverage of the Scope 3 emission data and information on energy production from non-renewable energy sources and in the preceeding reporting period, Flossbach von Storch Invest S.A. began</p> |
| | | Scope 2 GHG emissions | 77,020.89 tCO ₂ e | 145,605.70 tCO ₂ e | <p><u>Calculation basis</u></p> <p>The impact is the sum of the Scope 2 values of the investee companies for which directly reported data is available and was determined taking account of the respective participation in the respective company. The impact is indicated in tonnes of CO₂ emissions.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 47.04 (49.67) per cent.</p> | |
| | | Scope 3 GHG emissions | 5,825,481.03 tCO ₂ e | 3,971,698.63 tCO ₂ e | <p><u>Calculation basis</u></p> | |



| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|---------------------|--|---|---|---|
| | | | | <p>The impact is the sum of the Scope 3 values of the investee companies for which directly reported data is available and was determined taking account of the respective participation in the respective company. The impact is indicated in tonnes of CO₂ emissions.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 43.03 (53.04) per cent.</p> | <p>entering into direct exchange with those portfolio companies for which there is a high probability of a negative impact. Due to insufficient availability and quality, these figures are not yet taken into account in the investment process.</p> <p>This long-term engagement will be continued in the upcoming reporting period.</p> <p><u>Voting</u></p> |
| | Total GHG emissions | 6,259,462.11 <i>tCO₂e</i> | 4,497,673.30 <i>tCO₂e</i> | <p><u>Calculation basis</u></p> <p>The impact is based on the data recorded under Scope 1–3 for investee companies that reported scope values. The impact is indicated in tonnes of CO₂ emissions.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 47.34 (58.83) per cent.</p> | <p>If in Flossbach von Storch’s opinion a company does not take the necessary steps to a sufficient extent, the fund management will use its voting rights in connection with the in-house investment funds.</p> <p><u>Exclusions</u></p> <p>The mutual funds of Flossbach von Storch, as well as certain special funds, funds and mandates with environmental and social characteristics, do not invest in companies that generate > 30% of their turnover from mining and/or selling coal.</p> |
| 2. Carbon footprint | Carbon footprint | 118.53 <i>tCO₂e/Mio. EUR</i> | 88.32 <i>tCO₂e/Mio. EUR</i> | <p><u>Calculation basis</u></p> <p>The impact is based on the data recorded under Scope 1–3 for investee companies that reported scope values.</p> <p>The impact has been set in EUR million, taking account of the respective value of the investment in the enterprise value in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated in tonnes of CO₂ emissions per EUR millions of total investment value.</p> <p><u>Data availability</u></p> <p>Data is currently not yet available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of</p> | |



| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|----------------------------------|--|---|--|---|--|--|
| | | | | investments covered by data in relation to all investments is 47.34 (58.83) per cent. | | |
| 3. | GHG intensity of investee companies | GHG intensity of investee companies | 284.99 <i>tCO₂e/Mio. EUR</i> | 299.72 <i>tCO₂e/Mio. EUR</i> | <p><u>Calculation basis</u></p> <p>The impact is based on the data recorded under Scope 1–3 for investee companies that reported scope values.</p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets and in relation to the company's turnover. The impact is indicated in tonnes of CO2 emissions per EUR millions of total company turnover.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 56.18 (63.00) per cent.</p> | |
| 4. | Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 3.61 % | 3.32 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability:</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 60.83 (40.04) per cent.</p> | |
| 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 | A: 22.46 % B: 0.19 % | A: 29.02 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> | |



| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|--|--|---|---|--|--|
| | compared to renewable energy sources, expressed as a percentage of total energy sources | | | <p>A: Share of energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources.</p> <p>B: Share of energy production of investee companies from non-renewable energy sources compared to renewable energy sources.</p> <p><u>Data availability</u></p> <p>Extensive data in sufficient quality is currently not yet available for all investments in companies.</p> <p>A: The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 41.96 (43.29) per cent.</p> <p>B: The share of investee companies that are relevant to this indicator is 67.76 per cent. The share of investments covered by data in relation to all investments is 2.44 per cent.</p> | |
| 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 | A: 0.00 <i>GWh/EUR Million</i> B: 0.02 <i>GWh/EUR Million</i> C: 0.02 <i>GWh/EUR Million</i> D: 0.00 <i>GWh/EUR Million</i> E: 0.00 <i>GWh/EUR Million</i> F: 0.00 <i>GWh/EUR Million</i> G: 0.00 <i>GWh/EUR Million</i> | A: 0.00 <i>GWh/EUR Million</i> B: 0.05 <i>GWh/EUR Million</i> C: 0.03 <i>GWh/EUR Million</i> D: 0.01 <i>GWh/EUR Million</i> E: 0.00 <i>GWh/EUR Million</i> F: 0.00 <i>GWh/EUR Million</i> G: 0.00 <i>GWh/EUR Million</i> | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets.</p> <p>The impact is indicated in GWh per million EUR of revenue.</p> <p><u>Sector definition (NACE A-H; L):</u></p> <p>A: Agriculture, forestry and fishing</p> <p>B: Mining and quarrying</p> <p>C: Manufacturing</p> <p>D: Electricity, gas, steam and air conditioning supply</p> <p>E: Water supply; sewerage; waste management and remediation activities</p> <p>F: Construction</p> | |



| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|---|--|--|--|---|
| | | H: 0.00 <i>GWh/ EUR Million</i> L: 0.00 <i>GWh/ EUR Million</i> | H: 0.00 <i>GWh/ EUR Million</i> L: 0.00 <i>GWh/ EUR Million</i> | G: Wholesale and retail trade; repair of motor vehicles and motorcycles H: Transporting and storage L: Real estate activities <u>Data availability:</u> Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator (eligibility) and the share of investments covered by data in relation to all investments (coverage) are shown below by sector (Eligibility;[previous year]/Coverage;[previous year]) in per cent : A: (0.03;[0.02]/0.00;[0.00]) B: (1.17;[3.29]/1.15;[3.15]) C: (24.60;[28.70]/23.79;[28.54]) D: (0.22;[0.25]/0.14;[0.23]) E: (0.03;[0.03]/0.01;[0.01]) F: (0.03;[0.02]/0.00;[0.00]) G: (3.25;[3.80]/3.18;[2.29]) H: (0.21;[0.29]/0.16;[0.28]) L: (0.82;[1.09]/0.67;[0.80]) | |
| 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 | 2.63 % | 2.00 % <u>Calculation basis</u> The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage . <u>Data availability</u> Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 2.66 (3.03) per cent. | In the in-house analysis, companies' holistic approach to biodiversity is examined and any potential negative effects are assessed. <u>Engagement</u> The factor mentioned here has low data availability and insufficient data quality at this time. In the previous reporting period, Flossbach von Storch Invest S.A. began to engage directly with relevant portfolio companies in order to improve data |



| Adverse sustainability indicator | | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|--|--|-----------------|-----------------|--|---|
| | | | | | | transparency. This long-term engagement will be continued in the coming reporting period. |
| Water | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average. | 0.00 t/Mio. EUR | 0.00 t/Mio. EUR | <p><u>Calculation basis</u></p> <p>The impact has been determined in tonnes per EUR million in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 7.19 (7.53) per cent.</p> | <p>In the in-house analysis, companies' holistic approach to water is examined on the basis of several indicators and any potential negative impacts are assessed.</p> <p><u>Engagement</u></p> <p>The indicator mentioned here has low data availability and insufficient data quality at this time.</p> <p>In the previous reporting period, Flossbach von Storch Invest S.A. began to engage directly with relevant portfolio companies in order to improve data transparency. This long-term engagement will be continued in the coming reporting period.</p> |
| 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. | 0.07 t/Mio. EUR | 0.06 t/Mio. EUR | <p><u>Calculation basis</u></p> <p>The impact has been determined in tonnes per EUR million in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 24.48 (30.54) per cent.</p> | <p>In the in-house analysis, companies' holistic approach to waste is examined on the basis of several indicators and any possible negative impacts are assessed.</p> <p><u>Engagement</u></p> <p>The indicator mentioned here has low data availability and insufficient data quality at this time.</p> <p>In the previous reporting period, Flossbach von Storch Invest S.A. began to engage directly with relevant portfolio companies in order to improve data transparency. This long-term engagement will be continued in the coming reporting period.</p> |



| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|---|--|---|-------------|-------------|--|--|
| 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. | 0.00 % | 0.00 % | <p>The Principles of the UNGC and the OECD Principles do not constitute a certified standard or a regulatory instrument. Rather, the initiatives are seen as a dialogue platform for companies. Consequently, the UNGC and OECD initiatives do not maintain an official directory of whether and to what extent a company violates the Principles.</p> <p>This factor is therefore based on the in-house assessment in the context of the ESG analysis. The data point mentioned includes companies with serious violations.</p> <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 67.04 (69.24) per cent.</p> | <p>Serious violations of the UNGC Principles and OECD Guidelines by investee companies are monitored and assessed as part of the in-house ESG analysis. In the process, Flossbach von Storch Invest S. A. takes care to ensure a responsible approach to the circumstances leading to the violations and their positive outlook.</p> <p><u>Engagement</u></p> <p>If one of the portfolio companies has an inadequate approach to a violation, the issue will be addressed with the company and an attempt made to work towards a positive development.</p> <p>Investee companies are excluded if the in-house ESG analysis finds that they have not improved their approach to violations identified as serious over a reasonable period of time.</p> <p><u>Voting</u></p> <p>If in Flossbach von Storch's opinion a company does not take the necessary steps to a sufficient extent, the fund management will use its voting rights in connection with the in-house investment funds.</p> <p><u>Exclusions</u></p> <p>The mutual funds of Flossbach von Storch, as well as certain special funds, funds and mandates with environmental and social characteristics, do not invest in companies that commit serious</p> |



| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|--|-------------|-------------|---|---|
| | | | | | violations (without a positive outlook) of the Principles of the UNGC. |
| 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. | 8.13 % | 9.27 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 59.61 (44.41) per cent.</p> | <p>Flossbach von Storch Invest S.A. takes care to ensure that companies entrench monitoring processes that are based on the UNGC Principles and OECD Guidelines in their corporate structures.</p> <p><u>Engagement:</u></p> <p>If Flossbach von Storch Invest S.A. finds deficiencies in the processes and compliance mechanisms of investee companies in the context of the ESG analysis, a commitment is made to work toward a positive development.</p> |
| 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of the investee companies. | 4.52 % | 3.14 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 5.14 (3.54) per cent.</p> | <p>In the in-house analysis, companies' holistic approach to diversity is examined and any potential negative effects are assessed.</p> <p><u>Engagement</u></p> <p>The factor mentioned here has low data availability and insufficient data quality at this time.</p> <p>In the upcoming reporting period, Flossbach von Storch Invest S.A. will be in direct contact with relevant portfolio companies in order to improve data transparency.</p> |
| 13. Board gender diversity | Average ratio of female to male board members in investee companies, expressed | 18.36 % | 16.48 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including</p> | <p>In the in-house analysis, companies' holistic approach to diversity is examined and any potential negative effects are assessed.</p> |



| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|---|-------------|-------------|---|--|
| | as a percentage of all board members. | | | <p>investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 59.38 (55.29) per cent.</p> | <p><u>Voting:</u></p> <p>If in Flossbach von Storch's opinion a company does not take the necessary steps to a sufficient extent, the fund management will use its voting rights in connection with the in-house investment funds.</p> |
| 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. | 0.00 % | 0.00 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.76 (71.45) per cent. The share of investments covered by data in relation to all investments is 67.76 (71.45) per cent.</p> | <p>The mutual funds of Flossbach von Storch, as well as funds and mandates, do not invest in companies that generate > 0 % of their turnover from controversial weapons.</p> |

Indicators applicable to investments in sovereigns and supnationals

| | | | | | | |
|---------------|-------------------|--------------------------------------|---|---|--|---|
| Environmental | 15. GHG intensity | GHG intensity of investee countries. | 33.85 <i>tCO₂e/Mio. EUR</i> | 19.32 <i>tCO₂e/Mio. EUR</i> | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets, and in relation to the countries' gross domestic products. The impact is indicated in tonnes of CO₂ emissions per EUR millions of gross domestic product.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in countries. The share of investee countries that are relevant to this indicator is 15.73 (7.64) per cent. The share of countries covered by data in relation to all investments in countries is 14.55 (7.28) per cent.</p> | <p>In the in-house analysis, investee countries' approach to the environment is examined for potential opportunities and risks.</p> |
|---------------|-------------------|--------------------------------------|---|---|--|---|



| Adverse sustainability indicator | | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|---|---|-------------|-------------|--|---|
| 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. | 0.00 | 0.00 | <p><u>Calculation basis</u></p> <p>The impact has been determined as a single number.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in countries. The share of investee countries that are relevant to this indicator is 15.73 (7.64) per cent. The share of countries covered by data in relation to all investments in countries is 14.55 (7.28) per cent.</p> | In the in-house analysis, investee countries' approach to social matters is examined for potential opportunities and risks. |

Indicators applicable to investments in real estate assets

| | | | | | | |
|-------------------|---|---|----------------|----------------|--|----------------|
| 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. | Not applicable | Not applicable | Flossbach von Storch Invest S.A. does not invest in real estate assets. Any holdings are the result of portfolio transfers in private client mandates. | Not applicable |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets. | Not applicable | Not applicable | Flossbach von Storch Invest S.A. does not invest in real estate assets. Any holdings are the result of portfolio transfers in private client mandates. | Not applicable |



Other indicators for principal adverse impacts on sustainability factors

Table 2
Additional climate and other environment-related indicators

| Adverse sustainability indicator | Metric | Impact 2023 | Impacts 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|---|---|--|--------------|-------------|---|--|
| Indicators applicable to investments in investee companies | | | | | | |
| Emissions | 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. | 11.61 % | 15.42 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.74 (71.43) per cent. The share of investments covered by data in relation to all investments is 67.74 (68.18) per cent.</p> | <p><u>Engagement</u></p> <p>In the preceding reporting period, Flossbach von Storch Invest S.A. began to engage in active exchange with portfolio companies that have not yet set themselves climate targets or whose formulated targets are not yet comprehensive enough in the opinion of Flossbach von Storch Invest S.A. This long-term engagement is intended to raise awareness of the relevance of reducing greenhouse gas emissions and switching to renewable energies, and to accompany companies on their way to achieving set climate targets.</p> |



Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|---|---|---|-------------|-------------|---|---|
| Indicators applicable to investments in investee companies | | | | | | |
| Human rights | 9. Lack of a human rights policy | Share of investments in entities without a human rights policy. | 7.89 % | 7.51 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.74 (71.43) per cent. The share of investments covered by data in relation to all investments is 66.60 (66.35) per cent.</p> | <p>In the in-house analysis, investee companies' approach to this factor is examined for potential opportunities and risks.</p> <p><u>Engagement</u></p> <p>If Flossbach von Storch Invest S.A. finds deficiencies in the processes and compliance mechanisms of investee companies in the context of the ESG analysis, a commitment is made to work toward a positive development.</p> |
| Anti-corruption and anti-bribery | 15. Lack of anti-corruption and anti-bribery policies | Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption. | 0.27 % | 0.49 % | <p><u>Calculation basis</u></p> <p>The impact has been determined in relation to all investments of Flossbach von Storch Invest S.A., including investments in other assets. The impact is indicated as a percentage.</p> <p><u>Data availability</u></p> <p>Data is not currently available for all investments in companies. The share of investee companies that are relevant to this indicator is 67.74 (71.43) per cent. The share of investments covered by data in relation to all investments is 66.60 (66.15) per cent.</p> | <p>In the in-house analysis, investee companies' approach to this factor is examined for potential opportunities and risks.</p> <p><u>Engagement</u></p> <p>If Flossbach von Storch Invest S.A. finds deficiencies in the processes and compliance mechanisms of investee companies in the context of the ESG analysis, a commitment is made to work toward a positive development.</p> |



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

The **principal adverse impacts** (PAIs or PAI indicators) are identified, prioritised and evaluated as part of the analysis process on the basis of specific ESG analyses that are prepared individually for invested issuers. In the course of the ESG analyses, sustainability factors are examined for potential opportunities and risks to enable potential serious negative impacts on certain sustainability factors to be identified at an early stage. Each of the factors is considered from a long-term investor's perspective in order to assess how a company manages its environmental and social footprint and thereby influences its long-term earnings prospects.

The PAI indicators are prioritised according to relevance, severity of negative impacts, and data availability. Monitoring is not based on rigid ranges or thresholds that companies must meet or achieve. Rather, the focus is on positive developments in the approach to the indicators and, where possible and necessary, work is carried out on them. This means that, if a company is assumed to consume a high amount of energy due to its economic activities (e.g. chemicals company), the company has not yet published any data and has not yet communicated any actions to reduce energy consumption, e.g. by increasing the share of renewable energy sources, the engagement is classified as more urgent than the exchange with a company that does not have high energy consumption due to its economic activity (e.g. banks).

In line with the investment philosophy, the actions taken and actions planned focus on the serious negative impacts of certain PAI indicators. These include greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of energy from non-renewable energy sources. Compliance with the Principles of the UNGC and the OECD Guidelines for Multinational Enterprises, as well as the implementation of appropriate monitoring processes for these Principles and Guidelines, is also assessed.

The categories Scope 1, 2 and 3 describe the differentiation for the classification of greenhouse gas emissions (carbon emissions):

In addition to these focus PAIs, we consider other indicators that we regard as essential in our analyses. These include examining whether an initiative to reduce CO₂ emissions, a human rights policy, and anti-corruption and anti-bribery measures are in place. These can provide useful information on the company's approach to the sustainability factors in focus.

The findings of ESG analyses are an essential source of information for preparing our company analyses. Only if there are no serious sustainability conflicts that significantly jeopardise the future potential of a company or issuer is an investment idea entered in the focus list (for equities) or guarantor list (for bonds), thus becoming a potential investment. As a general rule, Flossbach von Storch Invest S.A. can only invest in securities that are on the internal focus or guarantor list. This principle ensures that invested securities comply with the common understanding of quality. The ESG analyses are updated at least once a year.

Exclusions can reduce or avoid individual adverse sustainability impacts. The investment funds managed by Flossbach von Storch Invest S.A. and certain mandates with environmental and social characteristics take a minimum set of exclusion criteria into account. Investments are excluded in companies that generate

> 0 % of their turnover from controversial weapons,

> 10 % of their turnover from producing and/or selling armaments,

> 5 % of their turnover from producing tobacco products,

> 30 % of their turnover from mining and/or selling coal.

Companies that commit serious violations of the Principles of the UNGC without a positive outlook and government issuers that are deemed "not free" according to the Freedom House Index are also excluded.

The composition of investment funds and mandates can be adapted to client sustainability criteria and take further exclusions into account. The exclusions applied can therefore be customised. Any additional exclusion criteria are usually based on the exclusion of certain securities, sectors or even countries.

Whether exclusion criteria are met is measured on the basis of turnover thresholds using MSCI ESG research data and internal ESG analyses in some cases.

With regard indirect investments, e.g. certain derivatives or certain external target funds, the relevant data that must be used to determine and prioritise the adverse sustainability impacts is not currently available in the market or is not available to a sufficient extent. The actions described therefore do not include the target investment of external target funds.

Further information can be found in the respective sustainability-related disclosure obligations of the sub-funds and mandates, where relevant.

The strategies described above for determining and prioritising the principal adverse impacts of investment decisions on sustainability factors were approved for Flossbach von Storch Invest S.A. on 23 May 2022.

Calculation bases

The determination of the principal adverse impacts on sustainability factors relates to the reference period from 1 January 2023 to 31 December 2023. The table above contains indicators with respect to the climate, the environment and social issues, and provides in each case the simple average of the impacts as calculated on 31 March, 30 June, 30 September and 31 December 2023. The determination of the respective metrics for the indicators is based on legally prescribed calculation formulae, unless otherwise stated, and is given as an average value in each case. Due to possible currency and size conversions, the values may be distorted. The impacts are determined in relation to all investments of Flossbach von



Storch Invest S.A. If the equivalent value of all investments is taken into account in the calculation, this includes all portfolio holdings for which Flossbach von Storch Invest S.A. provides portfolio management or asset management services. If external target funds are used, these are taken into account with the respective equivalent value in relation to all investments. For the purpose of determining the respective impacts, derivatives (with the exception of derivatives based on individual underlying assets) are generally not converted.

Each indicator used to determine the principal adverse sustainability impacts refers to investments in either companies or governments (eligibility or eligible assets). Flossbach von Storch Invest S.A. does not use estimated data to determine the principal adverse sustainability impacts. Due to the primary data still being limited in some cases and there being existing cash and derivative holdings, the report does not provide 100% data coverage.

Data sources and data processing in relation to the adverse sustainability impacts:

Data forms the basis of the in-house ESG analysis, which is prepared to identify possible serious negative environmental and social impacts of the portfolio companies' activities. Carrying out a meaningful assessment of the portfolio companies with regard to their sustainability factors and approach to negative impacts means that data quality and data availability are the top priority. The analysis process predominantly draws on primary data from the companies (e.g. sustainability reports, international reporting standards). ESG data from third-party providers (Bloomberg and MSCI) is used as a secondary source. This data can provide meaningful guidance and supplementary information for assessing sustainability factors (including PAIs) and critical ad-hoc events, but it does not replace the in-house analysis.

The following PAIs are based on in-house collection of companies' primary data: PAIs 1–3 and 5–13 from Table 1, PAI 4 from Table 2, PAIs 9 and 15 from Table 3.

For the following PAIs, MSCI data is collected to calculate the impacts: PAIs 4, 14, 15 and 16 from Table 1.

The data is collected by the ESG analyst team and is digitally recorded and documented in the in-house analysis system. This approach makes it possible to initially engage in a critical analysis of the data itself and the company's approach to the factors in the context of corporate strategy and communication. This is an important building block for understanding the company as best as possible.

To improve the quality and coverage of the PAI data, Flossbach von Storch is in direct contact with the relevant portfolio companies and target fund managers.

Mandates and funds managed by Flossbach von Storch Invest S.A.:

For special funds, funds and mandates, external data providers can also be used to measure and monitor the principal adverse impacts on sustainability factors.

Publicly available data from the fund management companies is used when considering the principal adverse impacts of investment decisions on sustainability factors when using external target funds.

Data sources and data processing in relation to the exclusion criteria:

MSCI ESG research data is used to create and check the exclusion criteria applied. With regard to the controversial weapons exclusion, an exclusion list based on MSCI ESG research data and, for example, incorporating the blacklist of the Norwegian sovereign wealth fund (Statens pensjonsfonds) is also filed and checked. The current Freedom House Index score – "Global Freedom Status" – is used for exclusions in relation to government issuers.

The exclusion criterion "Serious violations of the Principles of the UN Global Compact without a positive outlook" is determined by means of an in-house assessment during the ESG analysis. MSCI ESG research data is used for verification and comparison purposes.

For special funds, funds and mandates, external data providers can also be used to create and check the respective exclusion criteria.

The valid exclusions are integrated in the portfolio management system's control processes as investment limits; orders and holdings are monitored on a daily basis.

Responsibilities

The approach to sustainability is not outsourced to a support team – the topic is too important for this. The assessment of sustainability factors is firmly entrenched in the investment process and is monitored by the Chief Investment Officer (CIO) and the Head of Equity Research at Flossbach von Storch AG.

The integration of sustainability factors, the exercise of voting rights (only applies to Flossbach von Storch mutual funds and the investment funds managed by Flossbach von Storch Invest S.A.) and the ongoing exchange with the management of the portfolio companies are implemented centrally by the portfolio managers and analysts. The team of analysts includes colleagues who focus on ESG and thereby make an important contribution to assessing the quality of our investments. This team-based approach ensures a continuous exchange based on a common understanding of the quality of an investment and strengthens our role as an active owner.

Engagement policy

As a long-term investor, Flossbach von Storch is committed to actively representing the interests of its clients in the portfolio companies (active ownership).

The interests of shareholders are taken into account as part of an active ownership process and follow a fixed engagement policy. The developments of the portfolio investments are monitored and analysed in this regard. If Flossbach von Storch Invest S.A. considers any of the portfolio companies to have an inadequate approach to the PAI indicators/sustainability factors identified as particularly negative, the



issue will be addressed directly with the companies and an attempt made to work towards a positive development. Focus is placed on the serious negative impacts of certain PAI indicators. These include greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of non-renewable energy sources. Compliance with the Principles of the UN Global Compact (UNGC) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, as well as the implementation of appropriate monitoring processes for these Principles and Guidelines, is also assessed.

Flossbach von Storch Invest S.A. sees itself as a constructive sparring partner (where possible) or as a corrective partner (where necessary) that makes practical suggestions and supports management in the implementation. If in Flossbach von Storch's opinion, management does not take necessary steps to a sufficient extent, the fund management will use its voting rights in connection with the in-house investment funds or sell the investment.

Target investments in Flossbach von Storch private equity funds and target investments in external funds are excluded from the engagement policy.

With regard to active engagement as a shareholder, reference is made to the guidelines for the exercise of voting rights and the engagement of the Flossbach von Storch Group, which are published on the website www.fvsinvest.lu (or the respective country-specific websites of the Flossbach von Storch Group) and at www.flossbachvonstorch.de.

References to international standards

Flossbach von Storch Invest S.A. supports the growing importance of sustainability in the financial sector. To emphasise the importance of the topic, Flossbach von Storch Invest S.A. observes the following recognised standards. The standards are selected based on individual consideration and upon conclusion that they are in line with the company's own investment strategy.

Principles for Responsible Investment (PRI): In January 2019, Flossbach von Storch AG signed the United Nations-supported Principles for Responsible Investment (UN PRI) on behalf of the Flossbach von Storch Group. These oblige the Flossbach von Storch Group to take ESG factors into account when making investment decisions and actively engage with and integrate them into its voting decisions as a shareholder.

Bundesverband Investment und Asset Management e.V. (BVI): As a member of the Bundesverband Investment und Asset Management e.V. (BVI), Flossbach von Storch AG complies with the guidelines for responsible investing introduced in 2012. Among other things, the guidelines require investment companies to fulfil their fiduciary responsibility by considering environmental, social and corporate governance (ESG) aspects in order to appropriately classify the material risks of investment decisions.

CDP: Flossbach von Storch joined CDP (formerly Carbon Disclosure Project) in July 2023. The international non-profit organisation runs a disclosure system for companies, cities and countries to disclose their greenhouse gas emissions, water and forest-related risks. Annual engagement activities are aimed at improving data transparency among companies.

As part of the in-house ESG analysis, care is taken to ensure that companies manage their environmental and social footprint responsibly. In the opinion of Flossbach von Storch Invest S.A., this includes setting climate targets and complying with recognised international value standards. Special focus is placed on the following standards, which are directly related to the PAIs in focus.

UN Global Compact & OECD Guidelines (PAIs 10 & 11)

As a long-term investor, Flossbach von Storch Invest S.A. takes care to ensure that companies entrench processes in their corporate structures in order to act in accordance with value standards such as respecting human rights, promoting sustained prosperity and protecting our planet. Our in-house analysis based on primary company data focuses on internationally recognised standards such as the UNGC and OECD as well as the UN Guiding Principles on Business and Human Rights and the ILO core labour standards. These formulate principles and guidelines for tackling social, economic and environmental challenges, and promote international standards of action. Flossbach von Storch Invest S.A. focuses primarily on companies' approaches to principles that are of particular relevance to it.

Paris Climate Agreement (Table 1 PAIs 1–6, Table 2 PAI 4)

As a long-term investor, Flossbach von Storch Invest S.A. examines the climate targets set by companies based on primary company data for their compliance with the Paris Climate Agreement. If deficits in the climate strategy or negative trends are identified, these will be discussed with the companies directly. Flossbach von Storch Invest S.A. will initially focus on companies that have not yet set themselves climate targets or whose climate targets are insufficient.

Climate scenarios

Due to insufficient data and data quality, Flossbach von Storch Invest S.A. currently does not use future-oriented climate scenarios.

Historical comparison

A historical comparison of the values reported for the respective adverse sustainability impacts can be taken from the table above.



Publisher:

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Publication

Initial publication: 29/06/2024
Update: 08/07/2024