

Explanation of the principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Marcard, Stein & Co AG, LEI: 529900CK14SGH0EXOB27

Summary

Marcard, Stein & Co AG (LEI: 529900CK14SGH0EXOB27) considers the principal adverse impacts of its investment decisions on sustainability factors. This statement is the consolidated statement on the principal adverse impacts on sustainability factors from Marcard, Stein & Co AG (hereinafter referred to as MSC). This statement on the principal adverse impacts on sustainability factors relates to the reference period from January 01, 2022 to December 31, 2022.

The principal adverse impacts on sustainability factors, also known as PAIs, are taken into account in the investment process through MSC's minimum standards. The consideration of the respective PAI characteristics varies. Consideration can take the form of an exclusion, where issuers with poor PAI expressions become non-investable, or a focus of conversation in engagement discussions.

Description of key adverse impacts on sustainability factors.

Indicators for investments in companies in which investments are made

Sustainability indicator for adverse impacts	Measured variable	Impact 2022	Explanation	Measures taken and targets planned for the next reference period
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CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 greenhouse gas emissions	7.577,86	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the	Investments in companies with high greenhouse gas emissions under Scope 1, Scope 2 and Scope 3 are indirectly restricted by defining revenue limits for companies related to thermal coal. The revenue limits for thermal coal-related companies are as follows. For all portfolios administered and managed by MSC, investments in companies
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				<p>respective value of the investment was set in relation to the company value (incl. liquidity), multiplied by the Scope 1 greenhouse gas emissions of the respective company in tons and then the sum was formed for all companies. The data coverage for this indicator is 85%.</p>	<p>with more than 5 percent of revenue from thermal coal mining and more than 30 percent from thermal coal energy generation will be prohibited. The revenue restrictions are reviewed at least quarterly by the Warburg Group's ESG committee. Furthermore, companies with serious greenhouse gas emissions controversies are excluded. Engagement discussions take place on an ad hoc basis and are not subject to a rotational rhythm.</p>
		Scope 2 greenhouse gas emissions	2.010,60	<p>The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the respective value of the investment was set in relation to the company value (incl. liquidity), multiplied by the Scope 2 greenhouse gas emissions of the respective company in tons and then the sum</p>	

				was formed for all companies. The data coverage for this indicator is 85%.	
		Scope 3 greenhouse gas emissions	65.916,19	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the respective value of the investment was set in relation to the company value (incl. liquidity), multiplied by the Scope 3 greenhouse gas emissions of the respective company in tons and then the sum was formed for all companies. The data coverage for this indicator is 85%.	
		Total GHG emissions	75.554,86	The impact of the indicator relates to all companies in which investments are made directly (via bonds or	

				shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the respective value of the investment was set in relation to the company value (incl. liquidity), multiplied by the Scope 1-2-3 greenhouse gas emissions of the respective company in tons and then the sum was calculated for all companies. The data coverage for this indicator is 85%.	
	2. CO ₂ footprint	CO ₂ footprint	251,27	The impact of the indicator refers to all investments (including investments in other asset classes as well as investments for which no data are available) within the scope of asset management. For the calculation, the aforementioned total value of greenhouse gas emissions was set in relation to the value of all	Investments in companies with a high CO ₂ footprint are indirectly restricted by defining revenue limits for companies related to thermal coal. The revenue limits for companies related to thermal coal are as follows. For all portfolios administered and managed by MSC, investments in companies with more than 5 percent of revenues from thermal coal mining and more than 30 percent from thermal coal energy generation will be prohibited. The

				investments (including investments in other asset classes as well as investments for which no data are available) within the scope of asset management. The data coverage for this indicator is 85%.	revenue restrictions are reviewed at least quarterly by the Warburg Group's ESG committee. Furthermore, companies with serious greenhouse gas emissions controversies are excluded. Engagement discussions take place on an ad hoc basis and are not subject to a rotational rhythm.
	3. GHG emission intensity of the companies in which investments are made	GHG emission intensity of the companies in which investments are made	467,51	The impact of the indicator refers to all investments (including investments in other asset classes as well as investments for which no data are available) within asset management. For the calculation, the respective value of the investment in companies was set in relation to the value of all investments (including investments in other asset classes as well as investments for which no data are available) within the scope of asset management, multiplied by the ratio of the scope 1-2-3 greenhouse gas emissions of the	Investments in companies with a high GHG emission intensity are indirectly restricted by defining revenue limits for companies related to thermal coal. The revenue limits for thermal coal-related companies are as follows. For all portfolios administered and managed by MSC, investments in companies with more than 5 percent of revenues from thermal coal mining and more than 30 percent from thermal coal energy generation will be prohibited. The revenue restrictions are reviewed at least quarterly by the Warburg Group's ESG committee. Furthermore, companies with serious greenhouse gas emissions controversies are excluded. Engagement discussions take

				<p>respective company in tons to the company's turnover in EUR million, and then the sum for all companies was formed. The data coverage for this indicator is 92%.</p>	<p>place on an ad hoc basis and are not subject to a rotational rhythm.</p>
	<p>4. Involvement in companies operating in the fossil fuel sector</p>	<p>Share of investments in companies operating in the fossil fuels sector</p>	<p>11,69%</p>	<p>The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the sum of all investments in companies active in the fossil fuel sector was set in relation to the sum of all investments in companies (companies for which no data are available are excluded). The data coverage for this indicator is 99%.</p>	<p>Investments in fossil fuel companies are directly restricted by defining revenue limits for thermal coal-related companies. The revenue limits for thermal coal related companies are as follows. For all portfolios administered and managed by MSC, investments in companies with more than 5 percent of revenues from thermal coal mining and more than 30 percent from thermal coal power generation will be prohibited. The revenue restrictions are reviewed at least quarterly by the Warburg Group's ESG committee. Furthermore, companies with serious greenhouse gas emissions controversies are excluded. Engagement discussions take place on an ad hoc basis and are not subject to a rotational rhythm.</p>
	<p>5. Share of energy consumption and</p>	<p>Proportion of energy consumption and</p>	<p>70,04%</p>	<p>The impact of the indicator relates to all</p>	<p>Companies with a high share of energy consumption and</p>

	generation from non-renewable energy sources	generation of the companies invested in from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources.		companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the respective value of the investment in a company was set in relation to the total value of all investments in companies (companies for which no data are available are excluded), multiplied by the share of the respective energy consumption and energy generation from non-renewable energy sources, and then the sum was formed for all companies. The data coverage for this indicator is 92%.	generation from non-renewable energy sources consequently have a high GHG emission intensity (as defined by Delegated Regulation (EU) 2022/1288, Annex I, Formula 3). For details on the measures, see PAI 3: GHG emission intensity of the companies in which investments are made.
	6. Intensity of energy consumption by climate-intensive sectors	Energy consumption in GWh per EUR 1 million in sales of companies invested in, broken down by climate-intensive sectors	3,66	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via	Companies from climate-intensive sectors, to which high energy consumption is attributable, consequently have a high GHG emission intensity (as defined in Delegated Regulation

				funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the energy consumption in GWh per one million EUR turnover was determined for all companies from climate-intensive sectors and a weighted average was formed (companies for which no data is available are excluded). The data coverage for this indicator is 90%.	(EU) 2022/1288, Annex I, Formula 3). For details on the measures, see PAI 3: GHG emission intensity of the companies in which investments are made.
Biodiversity	7. Activities that adversely affect areas with biodiversity in need of protection.	Proportion of investments in companies invested in with sites/operations in or near areas of biodiversity in need of protection, where the activities of these companies have a negative impact on these areas	4,87%	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the sum of all investments in companies with locations/operations in or near areas with biodiversity in need of	A direct restriction of investments in companies with adverse impacts on biodiversity only takes place within the framework of the MSC Minimum Standards via the exclusion of companies with serious controversies in this area. Engagement discussions take place on an ad hoc basis and are not subject to a rotational rhythm.

				protection was set in relation to the sum of all investments in companies (companies for which no data are available are excluded). The data coverage for this indicator is 99%.	
Water	8. Emissions in water	Tons of emissions in water caused by the companies invested in per million EUR invested, expressed as a weighted average	176,71t	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the respective value of the investment was set in relation to the company value (incl. liquidity), multiplied by the caused emissions in water of the respective company in tons and then the sum was formed for all companies. The data coverage for this indicator is 79%.	A direct restriction of investments in companies with adverse impacts on water only takes place under the MSC Minimum Standards through the exclusion of companies with serious controversies in this area. Engagement discussions take place on an ad hoc basis and are not subject to a rotational rhythm.

Waste	9. Percentage of hazardous and radioactive waste	Tons of hazardous and radioactive waste generated by the companies invested in per million EUR invested, expressed as a weighted average	2,48t	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the respective value of the investment was set in relation to the company value (incl. liquidity), multiplied by the hazardous and radioactive waste generated by the respective company in tons, and then the sum was formed for all companies. The data coverage for this indicator is 94%.	Direct restriction of investment in companies with adverse impacts from waste only takes place under the MSC Minimum Standards through the exclusion of companies with serious controversies in this area. Engagement discussions take place on an ad hoc basis and are not subject to a rotational rhythm.
INDICATORS IN THE AREAS OF SOCIAL AFFAIRS AND EMPLOYMENT, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY					
Social and employment	10. Violations of the UNGC Principles and the Organization for Economic Cooperation	Proportion of investments in companies that have been involved in	0,32%	The impact of the indicator relates to all companies in which investments are made	Investments in companies with violations of the UNGC principles and the Organization for Economic Cooperation and

	<p>and Development (OECD) Guidelines for Multinational Enterprises.</p>	<p>violations of the UNGC Principles or the OECD Guidelines for Multinational Enterprises.</p>		<p>directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the sum of all investments in companies with violations of the UNGC Principles and OECD Guidelines was set in relation to the sum of all investments in companies (companies for which no data is available are excluded). Data coverage for this indicator is 99%. The reported value of 0,32% results from investments in companies of the Volkswagen Group where violations were identified during the year. The investments have since been liquidated.</p>	<p>Development (OECD) Guidelines for Multinational Enterprises are directly restricted by requiring that all portfolios administered and managed by MSC refrain from investing in companies that have very serious corporate controversies that also constitute a violation of the UN Global Compact principles or OECD guidelines. The UN Global Compact (UNG) principles defined by the United Nations aim to make globalization fair and environmentally and socially responsible. The OECD Guidelines for Multinational Enterprises are a code of conduct for globally responsible corporate action and represent recommendations from governments to business.</p> <p>This was the case for Volkswagen, for example, in December 2022. Volkswagen was criticized for operating a factory in Urumqi, the capital of the Uyghur Autonomous Region of Xinjiang in the People's Republic of China, together with the Chinese state-owned company SAIC since 2013. The</p>
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					<p>Chinese regime's treatment of Uyghurs is well known. According to human rights organizations, hundreds of thousands are held in re-education camps there and forced into labor assignments. MSCI ESG Research reassessed Volkswagens rating in light of new evidence and concluded that the present level of risk to minorities led to the determination of the aforementioned critical controversy rating. The ESG Panel of the Warburg Group acknowledged this rating and thereupon initiated the immediate and, in particular, mandatory sale of all Volkswagen holdings.</p> <p>The investment restrictions are reviewed at least quarterly by the Warburg Group's ESG Panel. Engagement discussions take place on an ad hoc basis and are not subject to a rotational rhythm.</p>
	<p>11. Lack of processes and compliance mechanisms to monitor adherence to the UNGC Principles and the OECD Guidelines for</p>	<p>Percentage of investments in companies that do not have policies in place to monitor compliance with the UNGC Principles</p>	<p>39,54%</p>	<p>The impact of the indicator relates to all companies in which investments are made directly (via bonds or equities) or indirectly (via</p>	<p>A direct restriction of investments in companies with missing processes and compliance mechanisms to monitor compliance with the UNGC Principles and the OECD</p>

	Multinational Enterprises.	and the OECD Guidelines for Multinational Enterprises or procedures in place to address complaints of non-compliance with the UNGC Principles and OECD Guidelines for Multinational Enterprises.		funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the sum of all investments in companies with missing processes and compliance mechanisms for monitoring compliance with the UNGC Principles and OECD Guidelines was set in relation to the sum of all investments in companies (companies for which no data is available are excluded). Data coverage for this indicator is 99%.	Guidelines only takes place within the framework of the MSC Minimum Standards via the exclusion of companies with serious controversies in this area. Engagement discussions take place on an ad hoc basis and are not subject to a rotational rhythm.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap among investing firms.	13,10%	The impact of the indicator relates to all companies in which investments are made directly (via bonds or equities) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the respective value of the investment in a company	A direct restriction on investment in companies with an unadjusted gender pay gap only takes place under the MSC Minimum Standards through the exclusion of companies with serious controversies in this area. Engagement discussions take place on an ad hoc basis and are not subject to a rotational cycle.

				was set in relation to the total value of all investments in companies (companies for which no data are available are excluded), multiplied by the respective gender-specific earnings gap and then the sum was calculated for all companies. Data coverage for this indicator is 52%.	
	13. Gender diversity in the management and control bodies	Average ratio of women to men on the management and supervisory bodies of the companies in which investments are made, expressed as a percentage of all members of the management and supervisory bodies	36,83%	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the respective value of the investment in a company was set in relation to the total value of all investments in companies (companies for which no data are available are excluded),	A direct restriction of investments in companies with a lack of gender diversity in the management and control bodies only takes place within the framework of the MSC Minimum Standards via the exclusion of companies with serious controversies in this area. Engagement discussions take place on an ad hoc basis and are not subject to a regular cycle.

				multiplied by the respective ratio of women to men in management and control bodies, and then the sum was formed for all companies. Data coverage for this indicator is 87%.	
	14. Engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons).	Proportion of investments in companies involved in the manufacture or sale of controversial weapons	0,03%	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the sum of all investments in companies involved in the production or sale of controversial weapons was set in relation to the sum of all investments in companies (companies for which no data is available are excluded). Data coverage for this indicator is 99%. The reported value of 0,03% does not result from	Investments in companies with exposure to controversial weapons (as well as nuclear weapons) are directly restricted by defining revenue limits for companies related to controversial weapons. The revenue limits for companies related to controversial weapons are structured as follows. For all portfolios administered and managed by MSC, investments in companies with more than 0 percent of their revenues derived from the production or distribution of controversial weapons (as well as nuclear weapons) will be prohibited. The revenue restrictions are reviewed at least quarterly by the Warburg Group's ESG committee. Furthermore, companies with serious controversies in the area of controversial weapons are

				direct investments but indirectly from investment in funds/ETFs.	excluded. Engagement discussions take place on an ad hoc basis and are not subject to a regular cycle.
Indicators for investments in states and supranational organizations					
Sustainability indicator for adverse effects		Measured variable	Impact 2022	Explanation	Measures taken and targets planned for the next reference period
Environment	15. GHG emission intensity	GHG emission intensity of the countries in which investments are made	79,09	The impact of the indicator refers to all investments (including investments in other assets as well as investments for which no data are available) under asset management. For the calculation, the respective value of the investment in states was set in relation to the value of all investments (including investments in other assets as well as investments for which no data are available) within the scope of asset management, multiplied by the ratio of the scope	PAI 15 does not find direct or indirect consideration in MSC's minimum sustainable standards.

				1-2-3 greenhouse gas emissions of the respective country in tons to the gross domestic product in EUR million, and then the sum for all states was formed. The data coverage for this indicator is 93%.	
Social	16. Countries in which investments are made that violate social regulations	Number of countries invested in that violate social provisions in accordance with international treaties and conventions, United Nations principles or, if applicable, national legislation (absolute number and relative number divided by all countries invested in)	8 countries, or 4.10%	The impact of the indicator relates to all countries in which investments are made directly (via bonds) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. For the calculation, the number of countries with violations of social regulations was set in relation to the sum of all countries. The data coverage for this indicator is 99%. Based on a global investment (directly via bonds as well as indirectly via funds or ETFs), the sum of all countries is equal to the countries	Investments in countries that violate social regulations are directly restricted by defining exclusion criteria for countries. The country exclusion criteria are as follows. For all MSC managed and administered portfolios, investments in countries that have not ratified the UN civil package or conventions or have a Government MSCI ESG rating of "CCC" are prohibited. The exclusion criteria are reviewed at least quarterly by the Warburg Group's ESG Panel.

				recognized by the United Nations (195 countries).	
Indicators for investment in real estate					
Sustainability indicator for adverse effects		Measured variable	Impact 2022	Explanation	Measures taken and targets planned for the next reference period
Fossil fuels	17. Exposure to fossil fuels through investment in real estate	Share of investments in real estate related to the extraction, storage, transportation or production of fossil fuels	No investments in real estate	No investments in real estate	No investments in real estate
Energy efficiency	18. Exposure to real estate with poor energy efficiency	Share of investments in real estate with poor energy efficiency	No investments in real estate	No investments in real estate	No investments in real estate
Other indicators of key adverse impacts on sustainability factors.					
Additional climate indicators and other environment-related indicators					
Sustainability indicator for adverse effects		Measured variable	Impact 2022	Explanation	
Indicators for investments in companies in which investments are made					
CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS					
Emissions	Deforestation	Proportion of investments in	88,67%	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) as part	

		companies without strategies to combat deforestation		of asset management and for which the necessary data are available. For the calculation, the sum of all investments in companies without strategies to combat deforestation was set in relation to the sum of all investments in companies (companies for which no data is available are excluded). The data coverage for this indicator is 98%.
Indicators for investments in states and supranational organizations				
Green securities	Proportion of bonds not issued in accordance with Union legislation on environmentally sustainable bonds		39,40%	The impact of the indicator refers to all countries in which investments are made directly (via bonds) as part of asset management and for which the necessary data are available. For the calculation, the sum of all investments in government bonds that were not issued in accordance with the Union's legislation on environmentally sustainable bonds was set in relation to the sum of all investments in government bonds (government bonds for which no data are available are excluded). Data coverage for this indicator is 99%.
Additional indicators for the areas of social affairs and employment, respect for human rights, and combating corruption and bribery				
INDICATORS IN THE AREAS OF SOCIAL AFFAIRS AND EMPLOYMENT, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY				
Sustainability indicator for adverse effects	Measured variable		Impact 2022	Explanation
Indicators for investments in companies in which investments are made				
Human Rights	Lack of human rights policy	Share of investments in companies without a human rights policy	8,53%	The impact of the indicator relates to all companies in which investments are made directly (via bonds or shares) as part of asset management and for which the necessary data are available. For the calculation, the sum of all investments in

				companies without a human rights policy was set in relation to the sum of all investments in companies (companies for which no data is available are excluded). The data coverage for this indicator is 98%.
Indicators for investments in states and supranational organizations				
Human Rights	Average performance in the area of human rights	Assessment of the average human rights performance of the countries in which investments are made using a quantitative indicator explained in the "Explanation" column	0,75	The impact of the indicator relates to all countries in which investments are made directly (via bonds) or indirectly (via funds or ETFs) as part of asset management and for which the necessary data are available. This indicator is the "fundamental rights" sub-indicator of the World Justice Project (WJP) Rule of Law Index. The sub-indicator measures a country's performance on human rights issues according to Factor 4 of the WJP Rule of Law Index. Scores can range from 0 to 1, with higher scores indicating stronger national performance on a broad range of human rights issues. For countries not covered, no value is entered for this indicator. The reported value is the weighted average for all investments in states (states for which data are not available are excluded). Data coverage for this indicator is 99%.
<p>Describe strategies for identifying and weighting principal adverse impacts on sustainability factors.</p> <p>The principle adverse impacts on sustainability factors, also known as PAIs, are taken into account in the investment process through MSC's minimum standards. The consideration of the respective PAI characteristics varies. Consideration can take the form of an exclusion, where issuers with poor PAI expressions become non-investable, or a focus of conversation in engagement discussions. The minimum standards begin with a quantitative screening process that excludes companies from the investable investment universe that do not meet the minimum environmental, social and ethical standards set by MSC. This includes stocks and bonds of companies that are active in the controversial weapons/nuclear weapons sector or that have strong corporate controversies ("Red Flag" as defined by the MSCI methodology / violation of the UN Global Compact). This is understood to mean serious misconduct in the areas of environmental, social and employee concerns, human rights and the fight against corruption and bribery. In addition, companies that exceed certain sales thresholds in the area of thermal coal mining or energy production from thermal coal are excluded. MSC hereby pays particular attention to reducing the carbon footprint of its investments with regard to the assessment of environmental damage.</p>				

With the exception of the results from the "controversial weapons" area, which immediately lead to a direct exclusion from the investment universe, the quantitative result is evaluated in the subsequent qualitative consideration by an ESG committee of the Warburg Group, whose membership combines the expertise of the portfolio management of various Group companies and in which MSC is represented by its Chief Investment Officer. Additional insights (such as from direct company discussions) on the companies can be added. In this way, all exclusions are continuously reviewed and adjusted if necessary. In order to make well-founded assessments of the severity of controversies, active dialog is sought with selected companies. In implementing the strategy described above and evaluating the sustainability characteristics of individual issuers, MSC uses not only its own research but also in particular the information held by service providers specializing in sustainability analyses. MSC mainly uses the methodology of the ESG data provider MSCI ESG. Detailed information can be found on the Internet at: <https://www.msci.com/our-solutions/esg-investing/>. If, for example, issuers are unable or unwilling to provide data, estimated data may be required. This estimated data can be obtained directly from data providers. MSCI ESG uses estimated data to a limited extent, for example in relation to greenhouse gas or CO2 emissions. As coverage and methodologies change and evolve, the proportion of estimated data cannot be reliably stated.

Participation policy

Engagement Discussions are held with companies as part of the Warburg Group's ESG committee. These discussions take place in order to supplement the data from MSCI ESG Research on PAIs and to bring about changes in the behavior of the companies with regard to the PAI characteristics (classic engagement). In addition to its own research, MSC receives information on PAIs at the required level of detail from MSCI ESG Research. Although MSC is in close contact with MSCI ESG Research through the Warburg Group's ESG committee, the company's view on the matter is sometimes very informative. On the list of potential engagement candidates are those issuers that have corporate controversies that are very serious, not (partially) closed, and also suspected of violating the UN Global Compact principles. If there is reasonable doubt about the implementation of a measure to improve a PAI, a re-engagement discussion is scheduled. If the objective cannot be implemented at the companies concerned, the company is placed on the list of global minimum exclusions. Voting rights are not exercised in MSC's asset management.

Reference to internationally recognized standards

As part of the controversy screening, companies involved in one or more serious corporate misconduct are excluded from the sustainable investment universe. ESG controversy screening is based on the following global standards: the United Nations Global Compact (UNGC), the United Nations General Principles on Business and Human Rights (UNGPR), the International Labour Organization (ILO) conventions. According to research provider MSCI ESG, the controversy methodology described continues to be aligned with the OECD Guidelines for Multinational Enterprises. By integrating the ESG controversy screening as well as the explicit exclusion of companies that violate the 10 principles of the UN Global Compact, PAI indicator No. 10 is thus taken into account at the same time.

Historical comparison

Since no data were collected prior to 2022, the indicator table only includes data for 2022. For future reporting periods, comparisons are reported up to the last five previous periods.