

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

Pursuant to Article 4 (5) SFDR (Regulation (EU) 2019/2088)

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I. Statement on the consideration of key adverse impacts on sustainability factors in investment advice

Article 4, para. 5 SFDR (Regulation (EU) 2019/2088)

Marcard, Stein & Co AG (hereinafter referred to as "MSC") observes minimum sustainability standards throughout the entire investment process. The strategies described in the "Statement on the principle adverse impacts of investment decisions on sustainability factors" for determining and weighting the principle adverse impacts on sustainability factors also apply to investment advice in addition to financial portfolio management. The same applies to the measures and targets published in the aforementioned statement.

Based on these minimum standards, companies or countries are excluded from the investable investment universe if they do not meet the minimum requirements in environmental, social and ethical terms set by MSC. This reduces sustainability risks for their client portfolios that arise from investments in companies that have significant negative external effects due to environmental and/or social risk factors and therefore increase the general risk parameters of a securities investment, such as market price or counterparty default risks.

With this concept, individual Principal Adverse Impact Indicators (PAIs) are already taken into account in MSC's investment decisions. PAIs ("principal adverse impacts") are the most significant impacts of investment decisions that have a negative impact on sustainability factors (i.e. in the areas of environmental, social and employee matters, respect for human rights and combating corruption and bribery).

MSC has decided to take certain PAIs into account at company level. With the concept of global minimum standards, the PAIs listed below are taken into account in the investment advice:

- 4. investments in the area of fossil fuels: implementation through exclusion criteria
- 10. serious violations of the UN Global Compact: implementation through exclusion criteria
- 14. investments in banned weapons: Implementation through exclusion criteria

In addition to the PAIs that are firmly considered via the aforementioned exclusion criteria, further PAIs are considered as part of the investment process. A different assessment of the individual PAIs compared to other assessment criteria of the investment process is not necessarily carried out.

The PAIs taken into account at company level as a result of the global minimum standards are reviewed on a monthly basis. Following the review, the exclusion list is updated, which is also provided for the investment advice service and is relevant for this.

In addition, no further criteria or thresholds based on the "Statement on the principle adverse impacts of investment decisions on sustainability factors" are taken into account in the investment advice.

II. Overview of the changes

Article 12 SFDR (Regulation (EU) 2019/2088)

In accordance with Article 12 of the SFDR (Regulation (EU) 2019/2088), the information published as part of the sustainability-related disclosures must be regularly reviewed and changes documented and published. Corresponding changes for MSC are listed in the table below.

| Publication | Changes | Version |
|-------------|--|---------|
| 10.10.2022 | First publication | V01 |
| 23.05.2023 | Integration of the section on the transparency of adverse sustainability impacts at company level in accordance with Article 4 SFDR (Regulation (EU) 2019/2088) | V01 |
| 23.09.2024 | Change of publication format (old: continuous text on homepage / new: downloadable PDF document) | V02 |
| 23.09.2024 | Integration of supplementary information on the consideration of information, criteria and/or thresholds based on the "Statement on the principle adverse impacts of investment decisions on sustainability factors" | V02 |
| 30.06.2025 | Editorial changes | V03 |