Disclosure

As of: July 2025

Information on the integration of sustainability risks in asset management and investment advice in accordance with Article 3 of the Disclosure Regulation

1. Asset Management

Hauck Aufhäuser Lampe offers four different asset management strategies that take sustainability risks into account in investment decision-making processes. Different approaches are used to incorporate sustainability risks. These are as follows:

HAL Sustainable Asset Management / Nachhaltigkeits-Vermögensverwaltung

HAL Sustainability Asset Management uses various sustainability indicators to assess companies in terms of environmental and social characteristics as well as PAI risks, thereby identifying sustainability risks and making them transparent. The sustainability indicators are obtained from the external data provider ISS ESG. As with the selection of investments, HAL Sustainability Asset management also applies a combination of sector- and occasion-related exclusion criteria, positive quality criteria and minimum ratings in accordance with ISS ESG as part of its ongoing risk management (monitoring of existing positions). ISS ESG determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in the respective industry. The assessment is made on a scale from A+ (best rating) to D- (worst rating). In addition, a best-in-class approach is applied to minimise reputational and PAI risks by continuously reviewing the fulfilment of a so-called ‘prime status’ for portfolio investments. Risk monitoring of public issuers is carried out in a similar manner, with both the exclusion and quality criteria and the ‘prime status’ relating to political and social conditions, the prevention and combating of environmental risks, and compliance with internationally recognised minimum standards.

Multi Asset Asset Management Sustainability / Multi Asset Vermögensverwaltung Nachhaltigkeit

The Multi Asset Asset Management Sustainability investment strategy pursues a risk-based approach with the aim of constructing a broadly diversified global portfolio consisting of investments (active funds and ETFs) with above-average environmental, social and governance ratings. The selection of sustainable investments, the review of the level and form of sustainability, and the management of sustainability and portfolio risks are carried out as systematically and data-driven as possible. Each investment undergoes a multi-stage process that includes the following elements:

- ✓ Sustainability - Assessment based on research by external data provider ISS ESG and data from fund companies
- ✓ Qualitative due diligence of sustainable investment processes with a focus on ESG definition, ESG data and ESG integration
- ✓ Quantitative stress test to review sustainable opportunities (ESG - alpha) and the resulting risiks

- ✓ Assessment of exclusion criteria

An assessment of the opportunities and risks associated with a sustainable investment is derived from the aggregation of the results of the four analysis categories mentioned above. ESG risks are monitored using external (segment-related) ESG ratings. The sustainability characteristics of a fund are approximated using the ISS ESG quality score, which assesses the robustness of a fund's overall investments against long-term ESG risks. Furthermore, verification and monitoring are carried out using additional normative criteria, exclusions and PAIs based on the information provided by the fund companies as well as the external ISS ESG database.

Ethical Wealth Management (Traditional and our Digital Wealth Management Service Zeedin) / Ethische Vermögensverwaltung (klassisch und in unserer digitalen Vermögensverwaltung Zeedin)

Sustainability risks are part of the risk assessment process in ethical wealth management. When investing in stocks and bonds, close attention is paid to ensuring that the companies and issuers involved have a high level of environmental and social responsibility. For investment advisors, this is an ongoing process that takes economic, environmental and social factors into account. Up to 200 criteria can be applied in the ethical assessment of issuers, which are systematically analysed for companies or countries. This is based on the scientifically sound and rigorous assessment process of the independent ethics committee of Arete Ethik Invest AG. The ethics committee is composed of renowned experts from various fields. The committee uses well-founded decisions to determine the investment universe, which is binding for portfolio management. In all its assessments, the Ethics Committee relies on positive and exclusion criteria that are prepared and continuously monitored by the Arete Ethics Research Team and with information from the data provider ISS ESG as part of an ethics analysis.

As a matter of principle, all mandatory significant adverse impacts of investment decisions on sustainability factors (PAI) are considered on an individual security basis as part of the ethical analysis. In order to take adverse impacts into account or to exclude them as far as possible, the investment advisor applies exclusion criteria on the one hand, but also uses an in-house scoring system with positive criteria on the other, in which points are deducted for adverse impacts of the business activities of the investments under review.

Sustainability risks are monitored by risk management independently of portfolio management. In addition to in-house ethical research analyses, sustainability assessments from the data provider ISS ESG are also used.

Fund-based Wealth Management PAI (Zeedin) / Fondsbasierte Vermögensverwaltung PAI (Zeedin)

The investment strategy ‘Fund-based wealth management PAI (Zeedin)’ pursues a risk-based approach with the aim of constructing a broadly diversified global portfolio consisting of investments (ETFs) with above-average environmental, social and governance ratings. The selection of sustainable investments, the review of the level and form of sustainability, and the management of sustainability are carried out as far as possible on a fundamental basis.

ESG risks are monitored using external (segment-related) ESG ratings. The sustainability characteristics of a fund are approximated using the ISS ESG quality score, which assesses the robustness of a fund's overall investments against long-term ESG risks. In addition, verification and monitoring are carried out using further normative criteria, exclusions and PAIs based on information provided by the fund companies and the external ISS ESG database.

2. Investment Adivce Anlageberatung

As part of our investment adivce, we use various approaches to make sustainability risks transparent in product selection. There are distinctions between product groups. These are as follows:

Stocks

We use two methods to identify and disclose sustainability risks in stocks. First, we assess all stocks in the advisory universe in terms of their PAI compliance. This enables us to identify adverse sustainability impacts and make an informed decision as to whether these should be avoided.

For stocks on the focus list, we determine the performance score of our data provider ISS. The performance score indicates how a stock's ESG performance compares to its industry group. A performance score of at least 50 points is awarded the so-called Prime Standard, meaning that the ESG performance is above the industry group average. This characteristic can also be used to assess whether the security is subject to sustainability risks.

Bonds

We also assess corporate bonds in the advisory universe in terms of PAI compliance. In addition, we determine the ISS Performance Score for corporate and government bonds on the focus list. This approach allows us to classify bonds in terms of sustainability risks.

Funds/ETFs/Certificates

For funds, ETFs and certificates in the advisory universe, we provide transparency with regard to sustainability risks via a PAI rating. This can then be used as a decision-making criterion in the context of a consultation.