



Sustainability-related product information pursuant to the Sustainable Finance Disclosure Regulation¹

The following information provides comprehensive insights into how sustainability risks and aspects are considered in the investment process for the Berenberg Aktien Mittelstand. This information is provided in accordance with the Sustainable Finance Disclosure Regulation. Accordingly, the structure and design of the contents follow the regulatory requirements of the Sustainable Finance Disclosure Regulation. Additional information can be found on the Universal-Investment-Gesellschaft mbH website, the company that administers this fund.

1. Which environmental and/or social characteristics are promoted by this product?

This fund promotes environmental and/or social characteristics (within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation).

A variety of environmental and social characteristics are taken into consideration when making investment decisions, including the following, for example:

Environment

- climate change
- environmental pollution
- deforestation
- environmentally-friendly technologies
- greenhouse gas emissions

Social

- work conditions
- health and safety
- fair trade products
- employee relationships and diversity
- local communities

Governance

- bribery and corruption
- compensation structure
- structure of supervisory boards
- cybersecurity
- unfair business practices



Security codes share class I A:
ISIN: DE000A14XN42
WKN: A14XN4
Security codes share class R A:
ISIN: DE000A14XN59
WKN: A14XN5



Environmental and social characteristics are key to investment decisions.



Criteria of good corporate governance are integrated into the investment process.

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (referred to hereinafter as the Sustainable Finance Disclosure Regulation).



2. How are the environmental and/or social characteristics met?

The fund strives for long-term capital appreciation with due regard to socially and environmentally responsible investment criteria. Investments are only made in securities that meet Berenberg's sustainability criteria. ESG factors are integrated into investment decisions in order to ensure efficient risk management and to generate a sustainable, long-term return.

ESG risks and opportunities are not only considered when making investment decisions but are also applied throughout the holding period and as decision criteria for divestment. ESG analyses are performed regularly as part of the portfolio review process:

- Monitoring of each individual stock with respect to various ESG issues including ESG controversies and business involvement.
- Regular critical-constructive dialogue with the company's management team.
- Early identification of issues that could raise ethical questions and potential risks, as well as trends and opportunities arising from ESG issues.

ESG opportunity and risk analysis is based on internal research, exchanges with the companies, and data from external ESG data providers. Relevant ESG issues are openly discussed or monitored within the investment team and in dialogue with the ESG Office. Based on a bottom-up approach, exclusion criteria are applied, and industry-relevant ESG criteria are analysed in a basic evaluation process to determine a sustainability profile of companies. In addition to ESG compliance, long-term profitability remains the decisive selection factor.

In the first step, ESG exclusion criteria are applied to potential investments to ensure compliance with minimum ESG standards. The evaluation is based on the research of external ESG data providers, which is automatically made available in our systems. As part of this process, companies which are associated with certain products or activities are excluded. Such products or activities include, but are not limited to, controversial weapons or coal mining and coal-based power generation.²

Our actions in the area of active ownership are described in chapter 3 in further detail.

3. Which methodologies are used to assess, measure and monitor the environmental and/or social characteristics of the financial product?

As part of the ESG exclusion process, companies which are associated with certain products or activities are excluded. Such products or activities include, but are not limited to, controversial weapons or coal mining and coal-based power generation. The Berenberg ESG exclusion criteria represent a minimum standard that companies must meet in terms of ESG in order to qualify for portfolio investments. In addition, all companies that are involved in especially serious ESG controversies are identified based on the ESG controversy analysis of our external ESG data provider. Such companies are fundamentally excluded from investments. In the event of serious ESG controversies, the portfolio management engages directly with the company, in the case of both existing holdings and potential new investments, in order to analyse the controversy with the company and to make a final investment decision on this basis.



Internal analysis and research from external data providers are combined.



Companies which do not adhere to the Berenberg ESG exclusion criteria are excluded from investments.



Integrating ESG factors increases return potentials and enhances risk management simultaneously.

² More detailed information can be found in the Berenberg Wealth and Asset Management Exclusion Policy, which is publicly available on our website (www.berenberg.de/en).

Another part of the ESG integration and analysis is our work in the area of active ownership; whereby, we – as investors – attempt to exert a positive influence on companies in regards to their handling of ESG aspects. This includes, among other things, so-called engagement (ie direct dialogue with companies on specific ESG aspects). Existent and/or potential ESG controversies and other ESG-relevant aspects are addressed in a structured engagement process. Based on this engagement, the portfolio management can determine whether a company/issuer acknowledges existent and/or potential problems and whether it is developing strategies both to solve these and to identify opportunities related to ESG/sustainability.³

In addition, based on the Berenberg Wealth and Asset Management Proxy Voting Policy⁴, recommendations for voting at general meetings of portfolio companies are determined by the portfolio management in cooperation with the Berenberg Wealth and Asset Management ESG Office. The Berenberg Wealth and Asset Management ESG Office passes on these recommendations to the capital management company Universal Investment, which in turn takes these recommendations into account when exercising voting rights.

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The portfolio management enters into a dialogue with companies and issuers regarding their approach to ESG aspects.

³Additional information on this subject can be found in the Berenberg Wealth and Asset Management Engagement Policy, which is publicly available on our website (www.berenberg.de/en).

⁴This policy is available on our website (www.berenberg.de/en).



History of changes

Version	Date of update	Description / Scope of the change
1	November 2021	Initial publication of the sustainability-related product information