



Statement principal adverse impacts of investment decisions on sustainability factors

Date of publication of the information:

30-06-2021

Date of any update:

30-08-2023

Financial market participant:

Joh. Berenberg, Gossler & Co. KG

LEI:

529900UC20D7II24Z667

Summary

Joh. Berenberg, Gossler & Co. KG (LEI: 529900UC20D7II24Z667) considers principal adverse impacts of its investment decisions on sustainability factors. Sustainability factors are to be understood as environmental, social and employee concerns, as well as respect for human rights and the fight against corruption and bribery.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Joh. Berenberg, Gossler & Co. KG according to delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards.

This statement covers the reference period from 1 January to 31 December 2022.

The calculation of the corresponding impacts is based, among other things, on the information available on the market with regard to the consideration of the principal adverse impacts on sustainability factors of the invested companies. As the real economy has so far only provided data in isolated cases, this has a corresponding impact on the calculated results. The data basis is expected to improve with the introduction of the Corporate Sustainability Reporting Directive (CSRD) and the resulting obligation for companies to publish certain social and environmental attributes.

Joh. Berenberg, Gossler & Co. KG is considering all mandatory principal adverse impacts shown in the table below, either as part of internal research or considered as exclusion criteria for specific products.

Applicable to	Theme	PAI Indicator	Table	Number
Investee companies	Climate and other environment-related indicators	GHG emissions	1	1
		Carbon footprint	1	2
		GHG intensity of investee companies	1	3
		Exposure to companies active in the fossil fuel sector	1	4
		Share of non-renewable energy consumption and production	1	5
		Energy consumption intensity per high impact climate sector	1	6
		Activities negatively affecting biodiversity-sensitive areas	1	7
		Emissions to water	1	8
		Hazardous waste and radioactive waste ratio	1	9
		Land degradation, desertification, soil sealing	2	10
	Social and employee, respect for human rights, anti-corruption and anti-bribery matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	1	10
		Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	1	11
		Unadjusted gender pay gap	1	12
Board gender diversity		1	13	

		Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	1	14
		Excessive CEO pay ratio	3	8
Sovereigns and Supranationals	Environmental	GHG intensity	1	15
	Social	Investee countries subject to social violations	1	16
Indicators applicable to investments in real estate assets	Fossil fuels	Exposure to fossil fuels through real estate assets	1	17
	Energy efficiency	Exposure to energy-inefficient real estate assets	1	18

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Climate and other environment-related indicators

Adverse sustainability indicator	Metric	Impact (2022)	Impact (2021)	Coverage (Share of companies covered in this analysis)	Actions taken, and actions planned and targets set for the next reference period	
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	55833.63 (tCO ₂ e)	N/A	32,13 %	Actions taken include: Consideration as part of internal research for specific products within Berenberg Wealth and Asset Management.
		Scope 2 GHG emissions	24140.73 (tCO ₂ e)	N/A	32,13 %	
		Scope 3 GHG emissions	778328.71 (tCO ₂ e)	N/A	32,13 %	Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.
		Total GHG emissions	858304.76 (tCO ₂ e)	N/A	32,13 %	

2. Carbon footprint	Carbon footprint	57.57 (tCO ₂ e/ m. EUR)	N/A	32,13 %	<p>Actions taken include: Consideration as part of internal research for specific products within Berenberg Wealth and Asset Management.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>
3. GHG intensity of investee companies	GHG intensity of investee companies	230.12 (tCO ₂ e/ m. EUR)	N/A	32,25 %	<p>Actions taken include: Consideration as part of internal research for specific products within Berenberg Wealth and Asset Management.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.43 (%)	N/A	33,45 %	<p>Actions taken include: Application of revenue-based exclusion criteria for companies involved in power generation from coal, mining and distribution of thermal coal, and extraction of oil and gas from unconventional sources to majority of relevant Wealth and Asset Management products</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</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 compared to renewable energy sources, expressed as a percentage of total energy sources	Share of non-renewable energy consumption, 9.97 (%)	N/A	15.20 %	<p>Actions taken include: Consideration as part of internal research for specific products within Berenberg Wealth and Asset Management.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>
		Share of non-renewable energy consumption, 2.07 (%)	N/A	32.98 %	
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				<p>Actions taken include: Consideration as part of internal research for specific products within Berenberg Wealth and Asset Management.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>
		Agriculture, forestry and fishing	0.0000000 (GWh/m. EUR)	N/A	0.00 %
		Mining and quarrying	0.0007955 (GWh/m. EUR)	N/A	0.06 %
		Manufacturing	0.0173776 (GWh/m. EUR)	N/A	7.77 %
		Electricity, gas, steam and air conditioning supply	0.0014642 (GWh/m. EUR)	N/A	0.05 %
		Water supply; sewerage; waste management and remediation activities	0.0032724 (GWh/m. EUR)	N/A	0.11 %
		Construction	0.0000190 (GWh/m. EUR)	N/A	0.01 %
		Wholesale and retail trade; repair of motor vehicles and motor-cycles	0.0003281 (GWh/m. EUR)	N/A	0.65 %
		Transporting and storage	0.0000719 (GWh/m. EUR)	N/A	0.005 %
		Real estate activities	0.0000004 (GWh/m. EUR)	N/A	0.0007 %

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	0 (%)	N/A	33.29 %	<p>Actions taken include: Application of norm-based exclusion criterion for companies directly involved in ongoing very severe ESG controversies including in the area of biodiversity and land use to majority of relevant Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.002 (t/m. EUR)	N/A	2.07 %	<p>Actions taken include: Application of norm-based exclusion criterion for companies directly involved in ongoing very severe ESG controversies including in the area of toxic emissions and waste to majority of relevant Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</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	0.30 (t/m. EUR)	N/A	5.61 %	<p>Actions taken include: Application of norm-based exclusion criterion for companies directly involved in ongoing very severe ESG controversies including in the area of toxic emissions and waste to majority of relevant Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>

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

Adverse sustainability indicator	Metric	Impact (2022)	Impact (2021)	Explanation	Actions taken, and actions planned and targets set for the next reference period	
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	0.30 (%)	N/A	33.29 %	<p>Actions taken include: Application of norm-based exclusion criterion for companies with serious violations of the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, and other international standards and frameworks to majority of relevant Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>
	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	6.77 (%)	N/A	26.41 %	<p>Actions taken include: Application of norm-based exclusion criterion for companies with serious violations of the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, and other international standards and frameworks to majority of relevant Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>

12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0.39 (%)	N/A	2.53 %	<p>Actions taken include: Consideration as part of internal research for specific products within Berenberg Wealth and Asset Management..</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	2.79 (%)	N/A	7.67 %	<p>Actions taken include: Consideration as part of internal research for specific products within Berenberg Wealth and Asset Management.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</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 (%)	N/A	33.73 %	<p>Actions taken include: Application of revenue-based exclusion criteria for companies involved in production and/or distribution of controversial weapons (incl. anti-personnel mines, cluster munitions, chemical and biological weapons) to majority of relevant Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator	Metric	Impact (2022)	Impact (2021)	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Environmental	15. GHG intensity	GHG intensity of investee countries	0.232598 (tCO ₂ e/m. EUR)	N/A	0.07 %	<p>Actions taken include: Application of exclusion criterion for sovereign bonds issued by countries, which have not ratified certain international climate-related conventions or agreements, such as the Paris Agreement in selected Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>
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	<p>Absolute number, 2</p> <p>Relative number, 2.18 %</p>	N/A	0.07 %	<p>Actions taken include: Application of exclusion criterion for sovereign bonds issued by countries classified as "Not free" in the Freedom House Index to majority of relevant Wealth and Asset Management products</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>

Indicators applicable to investments in real estate assets

Adverse sustainability indicator	Metric	Impact (2022)	Impact (2021)	Explanation	Actions taken, and actions planned and targets set for the next reference period	
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	N/A	N/A	The indicator for the financial year 2022 is not shown due to the technical challenge of the quarterly reporting required under Art. 6 (3) of delegated Regulation (EU) 2022/1288 of the SFDR for the reporting period 2022.	Actions taken include: No direct application of the indicator "Exposure to fossil fuels through investment in real estate" in 2022. The application of this indicator as an exclusion criterion to a part of the relevant real estate products in 2023 is foreseen.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	The indicator for the financial year 2022 is not shown due to the technical challenge of the quarterly reporting required under Art. 6 (3) of delegated Regulation (EU) 2022/1288 of the SFDR for the reporting period 2022.	Actions taken include: No direct application of the indicator "engagement in real estate with poor energy efficiency" in 2022. Use of CO2-based criteria (measurement of stranding points based on the 1.5° target) as negative and positive criteria, some of which allow conclusions to be drawn about the energy efficiency of buildings, foreseen for some of the relevant real estate products in 2023.

Other indicators for principal adverse impacts on sustainability factors

Additional climate and other environment-related indicators

Adverse sustainability indicator		Metric	Impact (2022)	Impact (2021)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water, waste and material emissions	19. Investments in companies without water management policies	Share of investments in investee companies without water management policies	0 (%)	N/A	0.00 %	<p>Actions taken include: Application of norm-based exclusion criterion for companies directly involved in ongoing very severe ESG controversies including in the area of biodiversity and land use to majority of relevant Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>

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

Adverse sustainability indicator	Metric	Impact (2022)	Impact (2021)	Explanation	Actions taken, and ions planned and targets set for the next reference period	
Human Rights	20. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	1071.77 (%)	N/A	5.55 %	<p>Actions taken include: Consideration of executive remuneration in provision of vote recommendations to capital management company for a majority of relevant Wealth and Asset Management products.</p> <p>Actions planned and targets set for the next reference period include: further application of actions taken and review of potential further consideration of climate-related indicators into the investment process within Berenberg Wealth and Asset Management.</p>

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

In Berenberg Wealth and Asset Management the consideration of the principal adverse impacts listed in the above table is primarily based on the exclusion of specific activities as documented within our Berenberg Wealth and Asset Management ESG Exclusion Policy. External ESG data is used within automated systems to achieve ongoing compliance with our exclusion criteria. In addition, principal adverse impacts may be identified via the investment process as part of the fundamental analysis. For sustainable investments in the meaning of Article 9 SFDR, a proprietary model based on internal research considers further mandatory principal adverse impacts. For investments in third-party funds, a dedicated qualitative and quantitative ESG analysis process includes consideration of principal adverse impacts, among others via the application of binding exclusion criteria.

Both, identification and prioritization within Berenberg Wealth and Asset Management are grounded in the ambition and approach to ESG integration and sustainable investing as outlined in publicly available guidelines and policies, such as the Berenberg Wealth and Asset Management ESG Policy.

The approaches and policies to identify and prioritise principle adverse impacts on sustainability factors were approved by the ESG governance and oversight body within Berenberg Wealth and Asset Management, the ESG Committee, which meets at least quarterly and is composed of Wealth and Asset Management members and executives. The committee reviews the progress of our ESG activities and discusses their further development, taking into account current trends as well as regulatory changes in the market. Key tasks of the ESG Committee include the revision and final approval of ESG guidelines and policies based on initial analysis by the Wealth and Asset Management ESG Office and alignment with relevant entities within Wealth and Asset Management. ESG guidelines and policies are reviewed at least annually and updated when required. The last ESG Policy update was signed off by the ESG Committee in December 2021. Implementation of these guidelines and policies is primarily in the responsibility of the ESG Office which collaborates for this purpose with relevant entities within Wealth and Asset Management, such as portfolio management.

Indicators for principal adverse impacts on sustainability factors applicable to investments in investee companies, sovereigns and supnationals are selected based on internal research and alignment by the Wealth and Asset Management ESG Office in collaboration with relevant entities within Wealth and Asset Management. Hereby, the probability of occurrence and the severity of those principal adverse impacts, including their potentially irremediable character, are taken into account.

Methodologies to select indicators and to identify and assess principal adverse impacts are subject to data availability and quality by e.g. investee companies, third-party fund managers or third-party data providers.

The primary data source used in Berenberg Wealth and Asset Management for the consideration of principal adverse impacts is MSCI ESG. Due diligence is carried out as part of the data sourcing process in the selection of data providers by subject matter and technical experts, including the assessment of the portfolio coverage and the benchmark universe, review of underlying models and frameworks of providers, as well as the comparison of vendor data with internal analysis and valuations. In the event of material changes to the underlying data and/or data issues, the data provider is contacted and the respective matter discussed. External Data is automatically integrated into internal systems for portfolio management and monitoring purposes.

For further information regarding Berenberg Wealth and Asset Management ESG policies, please refer to www.berenberg.de/en/esg-publications.

The credit funds managed by Berenberg Corporate Banking currently do not consider principal adverse impacts on sustainability factors. Nevertheless, input data for calculating the values of the principal adverse impacts is requested from the borrower, in preparation for an article 8 strategy during 2023, since data is not provided by external sources such as MSCI.

Already today Berenberg analyses risks in relation to sustainability of a (new) credit investment in a standardised manner, using a dedicated ESG tool for each credit strategy. In general, this tool defines the exclusion of certain industries as well as the identification of Governance, Environmental and Social Risks.

The Corporate Direct Lending ESG tool is based on the World Bank Governance Indicator to assesses the Governance Risk of a company's headquarters, as well as the country-specific distribution of earnings and production of the company. Using the S&P ESG Sector Risk Atlas, which combines Environmental and Social Risks in relation to the relevant industry with a focus on credit-specific impacts, Berenberg assesses the Environmental and Social Risks.

The Shipping Debt ESG tool assesses the sustainability risks of each financing based on seven Key Performance Indicators (KPIs) such as - amongst others - vessel age, quality assessment by a surveyor, flag state and Port State Control performance.

Both tools generate a final ESG grade, which is part of the investment proposal for the debt funds. In case potential sustainability risks have been identified, the mitigants will be recorded in the ESG tool. Only if sustainability risks can be sufficiently mitigated Berenberg will continue to work on the transaction.

Based on this ESG tool and further activity-based exclusions and KPIs, an article-8-Strategy was developed that will be implemented in 2023.

The real estate funds managed by Berenberg Real Estate Asset Management currently do not consider principal adverse impacts. Nevertheless, criteria are used for an individual fund either as an exclusion criterion in the investment process of an asset (PAI 17) or other negative as well as positive criteria are considered in the investment process and in the ongoing management of the portfolio. These criteria allow an indirect conclusion to be drawn on the energy efficiency of the different properties (PAI 18) and are based upon internal and external sources.

Within Berenberg's Real Estate division, sustainability issues are an integral part of the investment process and the ongoing management of portfolio properties. Each time a property is acquired, Berenberg's Real Estate team analyses ESG-related negative criteria which, if identified, would prevent a purchase, e.g. buildings with a controversial tenant mix. In addition, sustainability risks and the impact on the property's profitability are considered.

As part of ongoing management, sustainability considerations are also taken into account when implementing refurbishments, capital expenditures or other measures, and where possible, implemented with a view to economic profitability. In addition, portfolio-wide measures such as the installation of e-charging points or smart meters are implemented across the board.

For one fund, there is a specific catalogue of negative and positive criteria for the investment and management phase that must be adhered to on an ongoing basis. These criteria are based on sustainability-related elements from the areas of E, S & G. This is the basis for the development of an article-8-strategy, which will be implemented in 2023.

Engagement policies

Within Berenberg Wealth and Asset Management, we consider the regular interaction with the issuers' management teams as crucial to gain a good understanding of relevant ESG issues and emerging sustainability risks.

Companies involved in ESG controversies are identified based on the ESG controversy analysis of our external ESG data provider. Companies directly involved in ongoing very severe ESG controversies are generally excluded from relevant Wealth and Asset Management products. For selected products, an engagement is carried out with companies involved in severe ESG controversies in order to analyse the controversy and to make a final investment decision based on this analysis. Such ESG controversies may relate to principal adverse impacts as also described within the section "Description of the principal adverse impacts on sustainability factors". Insufficient reaction by a company to such engagement, e.g. in the form of no response or no attempt to remediate the controversy, may ultimately lead to a divestment from the company in relevant Wealth and Asset Management products.

We regard engagement as an effective tool for obtaining a better understanding of how companies deal with ESG aspects. By being in direct contact with the companies, we are able to better take into account sustainability risks and associated measures when making our investment decisions. We seek to use this engagement, and the provision of vote recommendations, to share our views on material ESG aspects, to incentivize companies and to support them in taking a more robust approach to addressing sustainability risks and adverse sustainability impacts.

We have formalized our approach to engagement within our Berenberg Wealth and Asset Management Engagement Policy and provide vote recommendations for equity investments in certain mutual funds to the capital management company based on our Berenberg Wealth and Asset Management Proxy Voting Policy. We refer to these specific policies within our general Berenberg Wealth and Asset Management ESG Policy.

Within Berenberg Corporate Banking, ESG considerations as well as a sustainability controversy check have been integral part of the credit investment process.

References to international standards

Berenberg is committed to internationally accepted human rights standards such as the Principles of the UN Global Compact, the conventions of the International Labour Organization and the UN Universal Declaration on Human Rights. In this regard, Berenberg acts in accordance with the recommendations of the OECD Guidelines for Multi-national Enterprises. As a signatory to the UN-supported Principles for Responsible Investment, Berenberg remains committed to our responsibility of integrating ESG factors into investment decision-making. The annually published Berenberg Sustainability Report is based on the principles of the UN Global Compact Communication on Progress and, since 2021, has been extended by an additional chapter reporting within the framework of the EU taxonomy.

Established sustainability standards and guidelines, such as the ones described above, also determine our approach and actions with regards to ESG integration and sustainable investment in our Wealth and Asset Management, which are set out in the Berenberg Wealth and Asset Management ESG policy.

In addition, the Berenberg Wealth and Asset Management ESG Exclusion Policy refers to international norms and standards and sets out our approach regarding the exclusion of specific investments across Wealth and Asset Management products. We apply standards-based screening in relation to international frameworks such as the "UN Global Compact Principles", "OECD Guidelines for Multinational Enterprises" and "International Labor Organization (ILO) Standards" based on MSCI ESG Research's ESG Controversies methodology. Our Berenberg Wealth and Asset Management Proxy Voting Policy has been developed and is regularly updated considering current corporate governance standards, environmental and social guidelines, industry standards as well as the potential impact of the proxy voting decisions on the investments.

Our ambition is that the companies that we invest in comply with the international conventions and norms that we adhere to. These include, but are not limited to those listed below with the respective PAI indicator(s) used to measure adherence to the respective standards:

	PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises)	PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)	PAI 12 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons))
UN Global Compact	•	•	
OECD Guidelines for Multinational Enterprises	•	•	
UN Guiding Principles on Business and Human Rights	•	•	
ILO conventions on labour standards	•	•	
Anti-Personnel Mine Ban Convention, Biological Weapons Convention, Chemical Weapons Convention, Convention on Cluster Munitions			•

The data used to measure the adherence to responsible business conduct codes and internationally recognised standards with regards to investments in investee companies, supranationals and sovereigns is primarily based on external analysis sourced e.g from MSCI ESG, complemented by internal research, where relevant. Data coverage may vary with regards to region, market, asset class and others, and can thus not be reasonably estimated. The methodology used primarily assesses current conduct of investee companies and may thus only be used to a limited extent to forecast the principal adverse impacts of investee companies.

In Berenberg Wealth and Asset Management, we recognize the importance of achieving the objectives of the Paris Agreement to limit global warming to below 2°C and preferably 1.5°C, and to support the necessary transition to a low-carbon economy.

Across the majority of relevant Wealth and Asset Management products, we apply climate-related exclusion criteria which restrict investments in fossil fuel companies. In addition, in selected Wealth and Asset Management products, climate-related indicators, such as GHG emissions, intensity, and target setting, are considered in the selection process. We make selected use of forward-looking climate scenarios, such as the Intergovernmental Panel on Climate Change (IPCC) 1.5°C scenarios from 2018 or the International Energy Agency (IEA) scenario Net Zero by 2050 from 2021, but aim to further enhance and standardize this usage going forward.

Historical comparison¹

Since no data was collected previous to last year (2021) there is only a comparison to that year in the indicator table. For future comparisons we will report on up to the last five previous periods.

¹ This section corresponds to the section “Description of principal adverse impacts on sustainability factors” in Table 1 of Annex I. In case the last five previous periods are available, four additional columns are added to the table with information on impacts [year n-2], impacts [year n-3], impacts [year n-4] and impacts [year n-5].



Publisher:

Joh. Berenberg, Gossler & Co. KG
Neuer Jungfernstieg 20
20354 Hamburg
Phone: +49 40 350 60-0
E-mail: info@berenberg.de
www.berenberg.de

BERENBERG