Information on the integration of sustainability risks into the remuneration policy in accordance with Article 5(1) of the SFDR

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Definition of sustainability risks

In accordance with Article 2(22) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector, the term 'sustainability risks' is defined as follows:
"For the purposes of this Regulation, the term 'sustainability risk' means an event or condition in the environmental, social or governance spheres, the occurrence of which could, in fact or in potential, have a material adverse impact on the value of the investment."

We adopt this regulatory definition and understand sustainability risks to mean all ESG-related risks that could, in fact or potentially, cause financial detriment to the assets, profitability or reputation of the investor and/or Berenberg.

1. Incorporating sustainability risks into our remuneration policy

A responsible approach to the environment, respect for human rights in every respect and the protection of natural resources are a matter of course for us. For this reason, sustainability is a key consideration for us both when selecting products for our clients[2] and within the framework of bank-wide (risk) management. Our Code of Conduct therefore identifies social responsibility as one of the key guiding principles that Berenberg adheres to in its business activities. Sustainability and the avoidance of disproportionate risks, including ESG-related risks, are also a high priority in the Berenberg Group's remuneration policy.
Sustainability factors and ESG-related risks are taken into account in particular in variable remuneration. Variable remuneration is based on both individual financial and non-financial criteria and on the business performance of the respective division and the Berenberg Group. In line with a sustainable corporate and Group strategy, the assessment takes into account not only the opportunities but also the risks associated with the business activities of the individual business divisions and subsidiaries, as well as the protection of client interests and compliance with regulatory frameworks. To determine the bonus amount, the performance of the employee, the business division and the bank as a whole is evaluated both qualitatively and quantitatively; sustainability factors, amongst other things, may be taken into account as a qualitative criterion depending on the business division and the employee's role.

2. Revision history[3]

1 August 2024	Publication of the document 'Sustainability and Remuneration'. This constitutes disclosure in accordance with Article 5 of Regulation (EU) 2019/2088.
11 July 2025	Addition to Chapter 2: Revision history in accordance with Article 12 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector.
22 September 2025	Change to the publisher's address.
13 October 2026	Update, editorial amendments and addition to the definition of sustainability risks. In addition, the title of the document has been changed from 'Sustainability and Remuneration' to 'Information on the integration of sustainability risks into remuneration policy in accordance with Article 5 of the SFDR'.

[1] Information in accordance with Article 5(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector.
[2] For the sake of simplicity, we use the generic masculine form throughout.
[3] Information in accordance with Article 12 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector.

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