



Information on the consideration of principal adverse impacts on sustainability factors in investment advice in accordance with Art. 4 (5) SFDR

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Definition of principal adverse impacts on sustainability factors

The "principal adverse impacts" ("PAI") on sustainability factors are the impacts that lead to negative effects on environmental, social and employee concerns as well as respect for human rights and the fight against corruption and bribery.

1. Consideration of principal adverse impacts on sustainability factors in our investment advice²

The focus of our investment advisory in our **Wealth and Asset Management** is initially on the individual investment preferences of our clients. Since August 2022, these preferences can be supplemented in the investor profile by possible sustainable investment objectives, so-called sustainability preferences, and defined ESG-related thresholds can be considered. In the investor profile, we ask our clients about their sustainability preferences, taking into account the categories of sustainable financial instruments defined in the European Union. One of these categories relates to financial instruments that consider principal adverse impacts on sustainability factors.³

Financial instruments recommended as part of the investment advice must be in line with the sustainability preferences of the clients. With the help of the product disclosures of the individual financial instruments, which contain relevant data on the relevant sustainability categories, an automated comparison between the product disclosures and the client's sustainability preferences can be carried out. This takes into account the most important adverse effects on sustainability factors and excludes unsuitable products automatically. As part of the selection process of financial products for investment advice, ESG-related thresholds are not taken into account.

Independent of the wishes of individual clients, Berenberg has developed ESG exclusion criteria to set its own minimum requirements for investments in sustainable financial products. Consideration of principal adverse impacts on sustainability factors is primarily based on the exclusion of certain activities documented in our ESG Exclusion Policy. Compliance with these ESG exclusion criteria is specified for securities in our investment advisory universe and stored in the system so that these can be taken into account as part of the investment advisory process. This information can be used in the context of investment advice. Thus, even if customer preferences differ, it is possible to use the system's compliance with our exclusion criteria and thus take into account sustainability risks and adverse effects on sustainability factors.

You can find further information on ESG guidelines and policies in Wealth and Asset Management on our website www.berenberg.de/en/esg-publications.

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), as well as 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.

² Disclosures pursuant to Article 4(5)(a) 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, in conjunction with Article 11(2) of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council regarding regulatory technical standards.

³ Financial instruments pursuant to Article 2(7)(c) of Delegated Regulation (EU) 2017/565, as amended by Delegated Regulation (EU) 2021/1253, which take into account principal adverse impacts on sustainability factors.

2. Change history⁴

01-08-2024	Publication of the document 'Consideration of sustainability risks and principal adverse impacts on sustainability factors (PAI)'. This constitutes disclosure in accordance with Article 3 and Article 4(5) of Regulation (EU) 2019/2088.
11-07-2025	Publication of the document 'Declaration on the consideration principal adverse impacts on sustainability factors in investment advice in accordance with Art. 4 SFDR'. This marks the first disclosure pursuant to Article 4(5) of Regulation (EU) 2019/2088 in a separate document. Information on the application of ESG-related thresholds in accordance with Article 11(3)(c) of Delegated Regulation (EU) 2022/1288 has been added. The original document 'Consideration of sustainability risks and principal adverse impacts on sustainability factors (PAI)' has been detached.
22-09-2025	Change of publisher address.
06-10-2026	Update and editorial adjustments for consistency between regulatory publications. Additionally, the title of the document was changed from "Declaration on the consideration principal adverse impacts on sustainability factors in investment advice in accordance with Art. 4 (5) SFDR" to "Information on the consideration of principal adverse impacts on sustainability factors in investment advice in accordance with Art. 4 (5) SFDR".

⁴ Disclosures pursuant to Article 12 of 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.



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