

ESG criteria comparison.

As of February 1, 2022, Bank Austria's sustainability criteria were adjusted in accordance with Regulation (EU) 2019/2088. The table below compares the sustainability criteria valid until January 31, 2022 with the new sustainability criteria (valid since February 1, 2022).

Sustainability criteria (valid until January 31,

Criteria for equities and corporate bonds

Exclusion criteria

Production and extraction of coal (**from 25 % of sales**).

Production of controversial weapons such as landmines and chemical weapons (**absolute ban from 0% sales**).

Production of nuclear energy (**from 10 % of sales**).

Product-specific additional criteria

Production of tobacco (**from 10 % of sales**).

Production of alcohol (**from 10% of sales**).

Production of pornography (**from 10% of sales**).

Gambling (**from 10 % of turnover**).

Compliance with the UN Global Compact

Companies with serious **violations of the Code of Conduct "UN Global Compact"** are excluded from the **sustainable investment universe**. This concerns the issues of respect for human rights, freedom of assembly and the right to collective bargaining, the abolition of forced labor and child labor, the prohibition of discrimination, responsible and precautionary treatment of the environment and the prevention of corruption.

Best-in-class approach with regard to ESG criteria:

For companies in all other sectors, only those companies that are among the top 75% of the respective sector in terms of environmental criteria, social criteria and responsible corporate governance criteria (ESG criteria) are considered for the sustainable investment universe.

New sustainability criteria (valid since February 1, 2022)

Criteria for equities and corporate bonds

Exclusion criteria¹⁾

Production and extraction of coal and energy generation from thermal coal (**>10% of sales**).

Production of or trade in controversial weapons, e.g. landmines, chemical weapons ... (**>0 % of sales**).

Production of nuclear energy (**>15 % of sales**).

Controversial fossil fuel extraction methods, e.g. fracking, Arctic oil... (**>10% of sales**).

Production of tobacco (**>15 % of sales**).

Transparency criteria (labeling required)²⁾

Production of alcohol (**>15% of sales**). Production of pornography (**>15 % of turnover**). Gambling (**>15 % of turnover**).

Weapons production (**>5 % of sales**).

Genetically manipulated organisms (**>5% of sales**).

Animal testing (**>5% of sales, except for the development of medicines**).

Compliance with the UN Global Compact

Companies with very serious **violations of the principles of the UN Global Compact** are excluded from the **sustainable investment universe** (e.g. disregard for human rights, child labor, forced labor, etc.).

In a second step, the issuers remaining in the selection process are subjected to a "positive screening" with regard to their social and environmental standards. In this second selection step, preference is given to those companies in the remaining investment universe that perform better than other companies in the same sector in terms of sustainability factors (= **best-in-class approach**).

1) Companies that generate a significant proportion of their sales in the following sectors are generally excluded from the investment universe. Alternatively, the share of revenue can also be used as a criterion.

2) Sustainable investment products that invest in companies that generate a significant proportion of their sales in the listed sectors are labeled.

Sustainability criteria
(valid until January 31,

Exclusion criteria for government bonds

States that massively and permanently violate fundamental rights with regard to democracy and human rights.
Countries with a high level of corruption (Corruption Perception Index less than 50).
States in which the death penalty is applied.
Countries with particularly high military budgets (more than 2 % of GDP). Countries that have not signed the Kyoto Protocol and the Paris Agreement.
Countries with insufficient climate protection efforts (Climate Change Performance Index less than 40).

States with a primary nuclear power share of over 10% with no scenario for a nuclear phase-out and no moratorium on nuclear power plants.

New sustainability criteria
(valid since February 1, 2022)

Exclusion criteria for government bonds

Countries that do not meet minimum standards with regard to money laundering regulations (catalog of measures of the global Financial Action Task Force - FATF).

States that massively and permanently violate fundamental rights with regard to democracy and human rights.

States in which the death penalty is applied.

Countries with particularly high military budgets (more than 4% of GDP). Countries that have not signed the Paris Climate Agreement.

Countries with insufficient climate protection efforts (e.g. Climate Change Performance Index¹) from German Watch e.V. less than 40 or comparable indicator).

States with a primary nuclear power share of over 10% and no scenario for a nuclear phase-out and no moratorium on nuclear power plants.

Countries that have not signed the UN Convention on International Trade in Endangered Species of Wild Fauna and Flora.

¹ The Climate Change Performance Index (Climate Protection Index) is published annually by the non-profit organization Germanwatch e.V., based in Bonn. The index evaluates the efforts of countries with regard to climate protection. It looks at 14 indicators in the following four categories: Greenhouse gas emissions, renewable energy, energy consumption and climate policy. The scale of the index ranges from 0 to 100, with the best countries achieving index values above 60. An index value below 40 indicates a very poor climate performance. Further information can be found at <https://germanwatch.org/de/ksi>