

ESG criteria comparison as at January 29, 2024

As of January 29, 2024, the sustainability criteria of UniCredit Bank Austria AG has been adjusted with regard to Regulation (EU) 2019/2088. The table below compares the sustainability criteria valid until January 28, 2024 with the new sustainability criteria (valid from January 29, 2024).

There were inadvertent formulations on the website when the sustainability criteria were last changed on 30 October, 2023, for which we apologize! These inadvertently published formulations/criteria are not correct and were never used at Bank Austria AG. These corrections are marked in red and bold print in the comparison. We regret the inconvenience caused and thank you for your understanding.

Point 1: Criteria for products in the context of investment advice (excl. sustainable asset management "VermögensManagement 5Invest")

Sustainability criteria (valid until January 28, 2024)	New sustainability criteria (valid from January 29, 2024)
Criteria for equities and corporate bonds	Criteria for equities and corporate bonds
Compliance with the UN Global Compact	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.).	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.).

Criteria for equities and corporate bonds	Criteria for equities and corporate bonds
<p>Exclusion criteria</p> <p>In the first stage, a so-called "negative screening" (selection based on exclusion criteria) is carried out. This means that companies from controversial business areas are excluded from investments.</p>	<p>Exclusion criteria</p> <p>In the first stage, a so-called "negative screening" (selection based on exclusion criteria) is carried out. This means that companies from controversial business areas are excluded as investments.</p>
Production and extraction of coal and energy generation from thermal coal (>10% of sales).	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 or trade in controversial weapons (e.g. landmines, chemical weapons, >0% of sales).
Production of nuclear energy (>15% of sales).	Production of nuclear energy (>15% of sales).
Controversial extraction methods for fossil fuels (e.g. fracking, Arctic oil, etc.) (>10% of sales).	Controversial extraction methods for fossil fuels (e.g. fracking, Arctic oil, etc.) (>10% of sales).
Production of tobacco (>15% of sales).	Production of tobacco (>15% of sales).
<p>Transparency criteria:</p> <p>Sustainable investment products that invest in companies that generate a significant proportion of their sales in the following sectors are designated:</p>	<p>Transparency criteria:</p> <p>Sustainable investment products that invest in companies that generate a significant proportion of their sales in the following sectors are designated:</p>
Production of alcohol (>15% of sales).	Production of alcohol (>15% of sales).
Production of pornography (>15% of sales).	Production of pornography (>15% of sales).
Games of chance (>15% of sales).	Games of chance (>15% of sales).

Criteria for equities and corporate bonds	Criteria for equities and corporate bonds
<p>Transparency criteria: Sustainable investment products that invest in companies that generate a significant proportion of their sales in the following sectors are labeled:</p>	<p>Transparency criteria: Sustainable investment products that invest in companies that generate a significant proportion of their sales in the following sectors are designated:</p>
<p>Weapons production (>5% of sales).</p>	<p>Weapons production (>5% of sales).</p>
<p>Genetically manipulated organisms (>5% of sales).</p>	<p>Genetically manipulated organisms (>5% of sales).</p>
<p>Animal testing (>5% of sales, except for the development of drugs).</p>	<p>Animal testing (>5% of sales, except for the development of drugs).</p>
<p>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. This second selection step excludes those companies from the remaining investment universe that perform worse than other companies in the same sector in terms of sustainability factors (= best-in-class approach).</p>	<p>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. This second selection step excludes those companies from the remaining investment universe that perform worse than other companies in the same sector in terms of sustainability factors (= best-in-class approach).</p>

Criteria for government bonds	Criteria for government bonds
A so-called "negative screening" (selection according to exclusion criteria) is carried out.	A so-called "negative screening" (selection according to exclusion criteria) is carried out.
Issuers of government bonds must meet defined minimum standards with regard to money laundering regulations in order to fulfill the sustainability factors (catalog of measures of the global Financial Action Task Force – FATF).	Issuers of government bonds must meet defined minimum standards with regard to money laundering regulations in order to fulfill the sustainability factors (catalog of measures of the global Financial Action Task Force – FATF).
Furthermore, these government bonds must make clear efforts to protect the climate and have signed the Paris Agreement.	Furthermore, these government bonds must make clear efforts to protect the climate and have signed the Paris Agreement.
After the "negative screening", the issuers remaining in the selection process are subjected to a "positive screening" with regard to their social and environmental standards. This second selection step excludes those issuers from the remaining investment universe that perform worse than issuers in the same sector in terms of sustainability factors (= best-in-class approach).	This test step is not and has never been applied to government bonds.

Criteria for green bonds	Criteria for green bonds
Green bonds are bonds that comply with the guidelines of the Green Bond Principles ⁷ . Due to the financing purpose of the bonds, they are also included in the sustainability products in the advisory universe of UniCredit Bank Austria AG. Green bonds are bonds that aim to finance projects with a positive impact on the environment and/or the climate. The focus here is on the financing purpose of the bonds and not on the issuer. In this sense, issuers that do not meet the exclusion criteria for sustainable investment products can also be included in green bond funds. The Green Bond Principles promote integrity in the green bond market through guidelines on transparency, disclosure and reporting and enable investors to invest in climate-friendly projects.	Green bonds are bonds that comply with the guidelines of the Green Bond Principles ⁷ . Due to the financing purpose of the bonds, they are also included in the sustainability products in the advisory universe of UniCredit Bank Austria AG. Green bonds are bonds that aim to finance projects with a positive impact on the environment and/or the climate. The focus is on the financing purpose of the bonds and not on the issuer. In this sense, issuers that do not meet the exclusion criteria for sustainable investment products can also be included in green bond funds. The Green Bond Principles promote integrity in the green bond market through guidelines on transparency, disclosure and reporting, and enable investors to invest in climate-friendly projects.

Criteria for OTC derivatives A distinction is made between two categories when advising on OTC derivatives	Criteria for OTC derivatives A distinction is made between two categories when advising on OTC derivatives
OTC derivatives on an underlying with ISIN: These products take into account the above exclusion criteria for equities and corporate bonds, together with the UniCredit Sustainability Policies, which can be found on the website www.unicreditgroup.eu under the heading "Sustainability Governance".	OTC derivatives on an underlying with ISIN: These products take into account the above exclusion criteria for equities and corporate bonds, together with the UniCredit Sustainability Policies, which can be found on the website www.unicreditgroup.eu under the heading "Sustainability Governance".
OTC derivatives on an underlying without ISIN: For these products, only the above-mentioned UniCredit policies for sustainability are taken into account.	OTC derivatives on an underlying without ISIN: For these products, only the above-mentioned UniCredit policies for sustainability are taken into account.

Point 2: Criteria for sustainable asset management "VermögensManagement 5Invest"

Sustainability criteria (valid until January 28, 2024)	New sustainability criteria (valid from January 29, 2024)
Criteria for equities and corporate bonds	Criteria for equities and corporate bonds
Compliance with the UN Global Compact	Compliance with the UN Global Compact
Companies with very serious violations (in the case of Schoellerbank Invest KAG funds, this already applies to a serious violation) of the principles of the UN Global Compact are excluded from the sustainable investment universe.	Companies with very serious violations (in the case of Schoellerbank Invest KAG funds, this already applies to a serious violation) of the principles of the UN Global Compact are excluded from the sustainable investment universe.

Criteria for equities and corporate bonds	Criteria for equities and corporate bonds
<p>Exclusion criteria</p> <p>In the first stage, a so-called "negative screening" (selection based on exclusion criteria) is carried out. This means that companies from controversial business areas are excluded from investments.</p>	<p>Exclusion criteria</p> <p>In the first stage, a so-called "negative screening" (selection based on exclusion criteria) is carried out. This means that companies from controversial business areas are excluded as investments.</p>
<p>Production and extraction of coal and energy generation from thermal coal (more than 5% of sales when investing in investment funds/ETFs, more than 2% of sales when investing in Schoellerbank Invest KAG funds).</p>	<p>Production and extraction of coal and energy generation from thermal coal (more than 5% of sales when investing in investment funds/ETFs, more than 2% of sales when investing in Schoellerbank Invest KAG funds).</p>
<p>Companies involved in the production or distribution of controversial weapons such as anti-personnel mines, cluster munitions, chemical and biological weapons (absolute ban of more than 0% of sales).</p>	<p>Companies involved in the production or distribution of controversial weapons such as anti-personnel mines, cluster munitions, chemical and biological weapons (absolute ban, more than 0% of sales).</p>
<p>Power generation from nuclear fuels as well as extraction and processing of nuclear fuels (more than 5% of sales)</p>	<p>Power generation from nuclear fuels as well as extraction and processing of nuclear fuels (more than 5% of sales)</p>
<p>Particularly problematic extraction methods for fossil fuels such as fracking, oil sands and Arctic oil (more than 5% of sales).</p>	<p>Particularly problematic extraction methods for fossil fuels such as fracking, oil sands and Arctic oil (more than 5% of sales)</p>
<p>Production and distribution of tobacco products (more than 5% of sales)</p>	<p>Production and distribution of tobacco products (more than 5% of sales)</p>
<p>Exclusion criteria</p> <p>Companies that generate a significant proportion of their sales in the following sectors are also exclusion criteria for investments in Schoellerbank Invest KAG funds:</p>	<p>Exclusion criteria</p> <p>Companies that generate a significant proportion of their sales in the following sectors are also exclusion criteria for investments in Schoellerbank Invest KAG funds:</p>
<p>Production and distribution of spirits (more than 5% of sales)</p>	<p>Production and distribution of spirits (more than 5% of sales)</p>
<p>Production and distribution of pornography (more than 5% of sales)</p>	<p>Production and distribution of pornography (more than 5% of sales)</p>
<p>Production and distribution of games of chance (more than 5% of turnover)</p>	<p>Production and distribution of games of chance (more than 5% of turnover)</p>

Criteria for equities and corporate bonds	Criteria for equities and corporate bonds
<p>Exclusion criteria</p> <p>Companies that generate a significant proportion of their sales in the following sectors are also exclusion criteria for investments in Schoellerbank Invest KAG funds:</p>	<p>Exclusion criteria</p> <p>Companies that generate a significant proportion of their sales in the following sectors are also exclusion criteria for investments in Schoellerbank Invest KAG funds:</p>
<p>Production and distribution of weapons and military-specific armaments (more than 5% of sales)</p>	<p>Production and distribution of weapons and military-specific armaments (more than 5% of sales)</p>
<p>Production and distribution of genetically engineered plants in agriculture (more than 5% of sales)</p>	<p>Production and distribution of genetically engineered plants in agriculture (more than 5% of sales)</p>
<p>Interventions in human germline therapy, human cloning procedures and human embryonic stem cell research (absolute ban from 0% of sales) are excluded</p>	<p>Interventions in human germline therapy, human cloning procedures and human embryonic stem cell research (absolute ban, more than 0% of sales) are excluded</p>
<p>Performance of animal testing that is not required by law – outsourcing of animal testing to third parties is attributed to the outsourcing company (more than 5% of sales for products developed with the aid of animal testing)</p>	<p>Performance of animal testing that is not required by law – outsourcing of animal testing to third parties is attributed to the outsourcing company (more than 5% of sales for products developed with the aid of animal testing)</p>
<p>Direct and indirect investments in food and agricultural commodities (e.g. commodity futures, certificates and commodity funds); investments in companies active in this business area are not excluded.</p>	<p>Direct and indirect investments in food and agricultural commodities (e.g. commodity futures, certificates or commodity funds); investments in companies active in this business area are not excluded.</p>
<p>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. This second selection step excludes those issuers from the remaining investment universe that perform worse than issuers in the same sector in terms of sustainability factors (= best-in-class approach).</p>	<p>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. This second selection step excludes those issuers from the remaining investment universe that perform worse than issuers in the same sector in terms of sustainability factors (= best-in-class approach).</p>

Exclusion criteria for government bonds A so-called "negative screening" (selection according to exclusion criteria) is carried out.	Exclusion criteria for government bonds A so-called "negative screening" (selection according to exclusion criteria) is carried out.
Countries that do not meet the minimum standards of the money laundering regulations (catalog of measures of the global Financial Action Task Force – FATF)	Countries that do not meet the minimum standards of the money laundering regulations (catalog of measures of the global Financial Action Task Force –FATF)
Countries that violate democratic principles and fundamental/human rights. As soon as a country violates a criterion (controversy), no investment can be made in that country. Controversies are measured using the following indicators:	Countries that do not respect democratic principles and fundamental/human rights. As soon as a country violates a criterion (controversy), no investment can be made in that country. Controversies are measured using the following indicators:
<ul style="list-style-type: none"> • Freedom House Index: If a country is classified by the non-governmental organization Freedom House as a "not free" or "partly free", this represents a controversy. 	<ul style="list-style-type: none"> • Freedom House Index: If a country is classified by the non-governmental organization Freedom House as "not free" or "partially free", this represents a controversy.
<ul style="list-style-type: none"> • Child labor: The widespread employment of children in a country is a controversy. 	<ul style="list-style-type: none"> • Child labor: The widespread employment of children in a country is a controversy.
<ul style="list-style-type: none"> • Discrimination: If the legal and social equality of, for example, women, people with disabilities, ethnic or racial minorities and people who identify as "LGBTQI" is severely restricted in a country, this represents a controversy. 	<ul style="list-style-type: none"> • Discrimination: If the legal and social equality of, for example, women, people with disabilities, ethnic or racial minorities and people who identify as "LGBTQI" is severely restricted in a country, this represents a controversy.
<ul style="list-style-type: none"> • Freedom of association: If freedom of association and the right to organize and bargain collectively are severely restricted in a country, this represents a controversy. 	<ul style="list-style-type: none"> • Freedom of association: If freedom of association and the right to organize and bargain collectively are severely restricted in a country, this represents a controversy.
<ul style="list-style-type: none"> • Freedom of speech and the press: A massive restriction of freedom of speech and the press is seen as a controversy 	<ul style="list-style-type: none"> • Freedom of speech and the press: A massive restriction of freedom of speech and the press is a controversy.

Exclusion criteria for government bonds	Exclusion criteria for government bonds
<ul style="list-style-type: none"> Human rights: If fundamental human rights are severely restricted in a country, this represents a controversy. 	<ul style="list-style-type: none"> Human rights: If fundamental human rights are severely restricted in a country, this represents a controversy.
<ul style="list-style-type: none"> Labor rights: If working conditions in a country are particularly poor, especially in terms of minimum wages, working hours and health and safety regulations, this represents a controversy. 	<ul style="list-style-type: none"> Labor rights: If working conditions in a country are particularly poor, especially in terms of minimum wages, working hours and health and safety regulations, this represents a controversy.
Countries in which the death penalty is applied	Countries in which the death penalty is applied.
Countries with particularly high military budgets (more than 4% of GDP for investments in investment funds/ETFs; more than 3% of GDP for investments in Schoellerbank Invest KAG funds)	Countries with particularly high military budgets (more than 4% of GDP for investments in investment funds/ETFs; more than 3% of GDP for investments in Schoellerbank Invest KAG funds)
Countries that have not signed the Paris Climate Agreement	Countries that have not signed the Paris Climate Agreement.
Countries with insufficient efforts for climate protection (Climate Change Performance Index of German Watch e.V. less than 40; for investment funds/ETFs with the exception of funds of Schoellerbank Invest KAG, a comparable indicator can also be used)	Countries with insufficient efforts for climate protection (Climate Change Performance Index of German Watch e.V. less than 40; for investment funds/ETFs with the exception of funds of Schoellerbank Invest KAG, a comparable indicator can also be used).
Countries with a primary nuclear power share of more than 10% and no scenario for a nuclear phase-out and no moratorium on nuclear power plants	Countries with a primary nuclear power share of more than 10 % and no scenario for a nuclear phase-out and no moratorium on nuclear power plants.
Countries that have not ratified the UN Convention on Biological Diversity	Countries that have not ratified the UN Convention on Biological Diversity.
Countries in which corruption in the public sector is perceived to be too high (Corruption Perception Index of Transparency International less than 50)	Countries in which corruption in the public sector is perceived to be too high (Corruption Perception Index of Transparency International less than 50).

Sustainability criteria for government bonds	Sustainability criteria for government bonds
<p>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. This second selection step excludes those issuers from the remaining investment universe that perform worse than issuers in the same sector in terms of sustainability factors (= best-in-class approach).</p>	<p>This test step is not and has never been applied to government bonds.</p>