

Sustainability. And how to invest in it.



Sustainability brochure 2023



Statement of the CEO.



Marcel Landesmann
CEO | Partner

„We have been paying increased attention to environmental, social and governance aspects for years, and want to make an active contribution with our sustainability strategy. We are also convinced that companies that are well positioned in this regard will outperform others over time.“

Gutmann recognized the importance of sustainable investment early on, and its orientation according to ethically sustainable criteria is firmly anchored in the company. With our commitment to sustainable investing, we want to make an active contribution because we want to leave a solid ecological, social as well as economic foundation for future generations. For us, sustainability means being aware of one's actions and their consequences and shaping them in such a way that damage is avoided and new opportunities created. Therefore, in our investment process, we consider environmental and social criteria as well as aspects of responsible corporate governance as a complement to traditional financial security selection. Simply put, investing sustainably means having better prospects and fewer risks in the long term. The goal, of course, is to invest in an economy that is healthier in every respect. To achieve this, Bank Gutmann has developed tools that are used across all its services. We are convinced that only a long-term orientation is successful. This is not only important in our investment solutions but is also practiced in numerous CSR initiatives within the company. In this brochure you will find the measures implemented and further developments made in the past year. On behalf of the Management Board, I would like to thank all employees for their excellent work.

Sustainability in the investments of our customers.

Our investment methods aim to increase and preserve asset value. It is our conviction that this is better achieved with the inclusion of sustainable criteria.

The addition of environmental, social and ethical criteria enables a comprehensive assessment of long-term risks and earnings opportunities. We therefore attach central importance to sustainability and the management of sustainability risks in our investment decisions. The integration of sustainability criteria is a strategic issue for us, which we address with high priority.

ESG integration is a strategy for investment with the aim of including material sustainability aspects in the traditional investment process. Since 2018, we exclude from our investment universe securities of private and public issuers who deal in controversial weapons, coal mining and coal-fired power generation, and controversial oil and gas production all subject to a limit in % of total sales. We also ban issuers for gross violations of the UN Global Compact Principles from all our self-managed retail funds.

The exclusion criteria at a glance:

- Controversy weapons
- Coal mining (limit 5%)
- Coal-fired power generation (limit 5%)
- Oil and gas production in the Arctic (limit 5%)
- Oil sands extraction (limit 5%)
- Unconventional oil and gas extraction (fracking) (limit 5%)
- Violation of the United Nations Global Compact Principles
- Gambling (limit 5%)
- Freedom House Index

To our sustainable services and strategies we apply even stricter exclusion criteria. Here, certain companies, sectors and countries are excluded in whole or in part.



The Gutmann sustainability investment approach.

We discuss objectives and risks with each customer in detail and offer individually thought-out concepts in portfolio management. A rapidly growing number of customers are increasingly opting for extensive application of sustainable criteria. To this end, we have established a very high standard investment process for ethically sustainable investments, which is part of our core business.

The process follows a stringent, rule-based system by applying a multi-stage selection process. This ensures that we only invest in socially and environmentally responsible companies and countries.

The process in detail:

Exclusion criteria are transparently defined and are an essential part of the approach. Certain companies, sectors or countries are systematically excluded from the investment universe if they violate specific criteria.

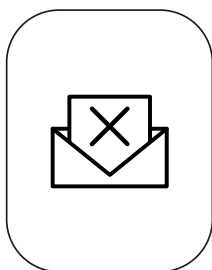
The best-in-class approach evaluates and compares ESG criteria with other companies from the same sector. Only those issuers with above-average sustainability performance in their sector are eligible for investment.

Investor meetings with company representatives are used to actively address issues that are important to us. Active voting at annual general meetings also plays an increasing role.



Our three pillars of sustainable investing.

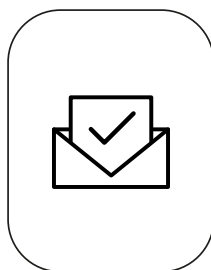
Exclude



Exclusion criteria

- Norm-based (e.g.: UN Conventions)
- Value-based (e.g.: weapons, fossil fuels)

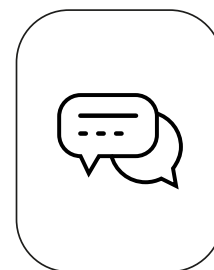
Select



Best-in-class approach (positive criteria)

Selection of those issuers that deliver the best sustainability performance in their sector

Address



Engagement and exercising of voting rights

Active and direct influence on corporate practices and behavior

The assets of Bank Gutmann and Gutmann KAG under management in accordance with the sustainability approach amount to approximately EUR 2 billion as of December 31, 2022. This includes 28 special and retail funds, mandates in asset management, impact investment in private equity, and the GHS real estate companies.

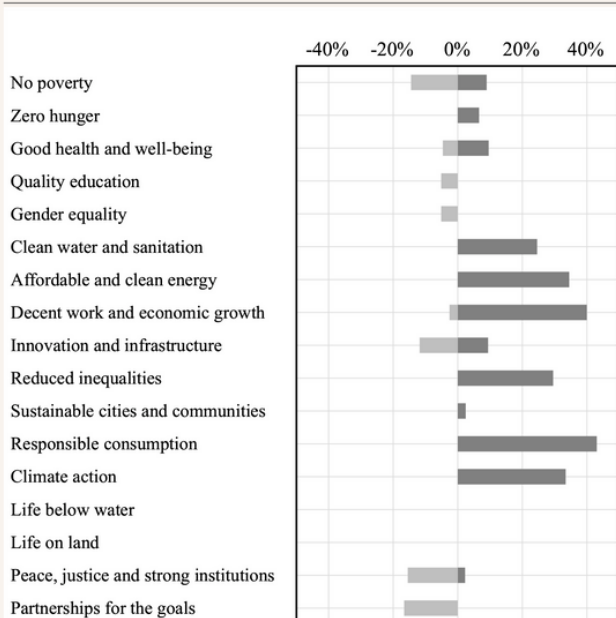
Sustainability in our customers' reporting.

In 2015, the global community, with signatures from 193 United Nations member states, adopted the 2030 Agenda in New York with a total of 17 Sustainable Development Goals (SDGs). They provide a useful framework for asset owners and managers to assess how well their portfolios are aligned with sustainable development. They define a set of goals to be achieved by 2030.

The contribution of the private sector is key in achieving these goals. Gutmann permanently integrates an impact measurement in line with the United Nations Sustainable Development Goals into its standard for portfolio reports. This provides Gutmann customers with transparency regarding their investments. We calculate whether the issuers featuring in any given portfolio contribute positively or negatively to the achievement of the 17 UN SDGs.

Portfolio report based on the 17 UN Goals for Sustainable Development

Positive and negative contributions (of all companies in % terms)



Companies with the most positive and negative total contribution

Rank Goal with the most positive contribution

1. Responsible consumption
2. Decent work and economic growth
3. Affordable and clean energy

Rank Goal with the most negative contribution

1. Partnerships for the goals
2. Peace, justice and strong institutions
3. No poverty



The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all.
<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

The analysis is based on 97.69% of the portfolio.
 MSCI ESG is used for the valuation of all stock exchange listed equities. Certain information
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The UN sustainable development goals.

In order to better identify the key issues and areas for action, we as a bank are also aligning ourselves with the United Nations Sustainable Development Goals. We are committed to supporting this important initiative.

As a company, we have identified those five Sustainable Development Goals that are particularly relevant to both the bank and our core business. We strive to actively contribute to these goals.



SDG 5:
Achieve gender equality and empower all women and girls.



SDG 7:
Ensure access to affordable, reliable, sustainable and timely energy for all.



SDG 10:
Reduce inequality within and between countries.



SDG 12:
Ensure sustainable consumption and production patterns.



SDG 13:
Take immediate action to combat climate change and its impacts.

Social and responsible corporate governance.

We undertake to live up to our social responsibility as a reliable and responsible employer and to create an optimal working environment for our employees. Competent, motivated and satisfied employees are essential for our success. This is reflected in the length of service, which averages 10.46 years.

Compatibility of career and family

Since May 2015, we have been awarded the "Audit berufundfamilie" quality seal by the German Federal Ministry for Family and Youth and are considered a particularly family-friendly employer.

We are constantly taking steps to support our employees in balancing their professional and private lives and to offer them the right conditions in all situations of life. Work-life balance is supported, for example, by flexible working time. In 2022, the proportion of employees working part-time was 27%.

Diversity

In order to live diversity, we must recognize value and allow diversity. Employees from 17 different nations work together in our company. It is a central principle of the company not to discriminate against people on the basis of ethnic origin, nationality, skin color, gender, age, religion, ideology, marital status or orientation, or disability.

Equality policy

The creation of equal opportunities is already a high priority. Nevertheless, measures continue to be taken to increase it. Women account for 52% of the total workforce and 40% in management positions. Although this is above the Austrian banking average, the proportion decreases in the higher career levels. There were no women on the Management Board in 2022, but the proportion on the Supervisory Board is 30%. We have set the goal for ourselves of increasing the proportion of women at higher levels over time. This is to be achieved through internal guidelines and clear communication as well as the definition of transparent KPIs.





Banking operations.

As a bank, we want to use natural resources as little as possible. In our daily operations, it is therefore important to be aware of our environmental impact. We therefore collect data on the consumption of resources in order to avoid negative impacts wherever possible. This includes above all the key figures for paper, waste, electricity, gas and heat. By interpretation of the key figures, potential for improvement is identified and action implemented locally. As a result, resource efficiency is continuously increased.

Various activities and initiatives contribute to environmental protection, including enabling mobile working, reducing business travel and introducing modern printer standards. To reduce our CO₂ emissions, we now have 8 electric vehicles and 2 hybrid-powered vehicles in use. 4 charging stations for electric vehicles have been set up in the garage at Schwarzenbergplatz, which are, of course, also available to our customers.



Banking operations.

Key Figures for the year 2022.

	2022
Energy consumption (MWh)	
Electricity	321
Heat	1.769
Mobility	
Total	454.060
Air kilometers	29.788
Rail kilometers	63.983
Vehicle kilometers	360.287
CO ₂ (t)	
Total	410
Mobility	102
Energy	308
pro FTE (average 2022)	251
Energy (kWh/FTE)	8.327
Mobility (km/FTE)	1.809
CO ₂ (t/FTE)	1,63

Bank Gutmann's social commitment.

Haus Immanuel - Mother and Child House in Vienna, CARITAS

Haus Immanuel is a transitional home for homeless women from broken homes and their children. It is open to women of all nationalities and religions. A trained team accompanies and supports the families during their one to two year stay in the mother-and-child house. The aim is to guide and support these women to the point where they can plan and organize their own lives again. (Support from Bank Gutmann since 2002)

Children's homes in Borszék/Romania and Hungary, SAINT FRANCIS FOUNDATION OF DEVA

The children's home in Borszék is home to just over 10 children between the ages of 2 and 13. The basic intention is to offer children, with their individual stories, a more beautiful and safer home. In the children's home they should feel comfortable, be able to smile again and learn anew to experience joy. The Saint Francis Foundation was founded in 1993 to help children in social and financial difficulties. The focus is on the children's most necessary needs, their spiritual and social development, their social protection, and their ethical education and training. (Support from Bank Gutmann since 2014)

JUCA Youth House in Vienna, CARITAS

JUCA is a house for young, homeless women and men who want to actively work on improving their living situation.

A team of social workers and counselors support the young adults in dealing with human, legal, social and financial problems as well as general situations of crisis. Together, they look for ways to help the residents get their lives back on track. (Support from Bank Gutmann since 2007)

Institute for Cooperation in Development Projects, ICEP

By its development partnership with ICEP, Bank Gutmann makes an effective contribution to global poverty reduction. The core issue of all these projects is to support people in developing countries with training, mentoring and coaching in microfinance so they can become independent entrepreneurs. Particularly women and their children are given the opportunity to independently improve their living conditions. The partnership, which has been in place since 2007, is re-recorded annually. For 2023, the focus has been set on mobile vocational training for young people in northern Kenya.

CliniClowns hospital visits for seriously ill children and adults

With their weekly or fortnightly visits, the CliniClowns give seriously ill children, adults and geriatric patients a little joy of life to make them forget their physical pain and mental suffering for a while. CliniClowns are not ordinary jokers, but trained individuals, including social workers, freelance artists, educators and therapists. The "clown therapy" is an additive to conventional medicine and has a positive effect on recovery. The goal is to provide patients with continuous care and to share laughter with each other. (Support from Bank Gutmann for over 15 years)

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