

Umsetzung ökologischer, sozial-gesellschaftlicher und die Unternehmensführung betreffende Aspekte im Sinne des ethisch-nachhaltigen Bewertungsverfahrens für die Pax-Bank

Verantwortliches Investieren ist für die Pax-Bank als Bank für Kirche und Caritas Grundvoraussetzung ihres wirtschaftlichen Handelns. Die genossenschaftliche Gesellschaftsform, die Satzung und der Ethik-Kodex der Kirchenbank bilden hierfür den strategischen Rahmen.

Die Integration von ESG-Kriterien ist bei der Realisierung des verantwortlichen Investierens für die Pax-Bank ein integraler Managementansatz, der sich im Rahmen der ethisch-nachhaltigen Anlagekonzepte, der Eigenanlagen, der Vermögensverwaltung, sowie bei der Kreditfinanzierung zeigt und manifestiert.

Die Pax-Bank versucht selbstverpflichtend ihre selbstgesteckten Ziele und festgelegten christlich-ethischen Kriterien weitestgehend im Investmentprozess zu realisieren. Auch wenn es keine 100 Prozent Sicherheit in der Ethik-Frage geben kann. Es geht im Folgenden darum, neben den Kriterien der christlichen Sozialethik, die Nachhaltigkeit zu bewerten, ob und wie Unternehmen und Staaten Umwelt- und sozialverträglich handeln. Dies lässt sich nur durch eine Vielzahl von Indikatoren auf internationaler Ebene messen.

Daher stützt sich die Pax-Bank im ethisch-nachhaltigen Bewertungsprozess in erster Linie auf das professionelle Research, die Analyse und die Bewertung ihrer Finanzpartner imug und Vigeo Eiris sowie Union-Investment, die sich auf ein eigenes ESG-Research und das „Engagement“-Verfahren spezialisiert haben. Dabei werden auch die Einhaltung von international anerkannten Regeln, Normen, Gesetzen und Vereinbarungen mit eingeschlossen. Die globalen Normen, wie beispielsweise die UN Konventionen zu Menschenrechten werden so berücksichtigt, allerdings haben wir diese aus Gründen der Ressourcenbindung nicht explizit ratifiziert.

In der folgenden Tabelle wurde die Anwendbarkeit des Pax-Bank-weit geltenden Nachhaltigkeitsfilters der Fair Finance Analyse 2016 gegenübergestellt. Um die Übersichtlichkeit zu bewahren, wurde die Reihenfolge sowie die englische Sprache des Dokumentes von Fair Finance 2016 beibehalten.

Die aufgezeigte Methodik findet sich in unseren Vermögensverwaltungen, der Wertpapier-Kundenberatung, den Pax-Bank Fonds sowie der Eigenanlage wieder. Bei der Kreditvergabe fokussieren wir uns satzungsgemäß auf den kirchlich-caritativen Bereich und beobachten demnach die Einhaltung des Ausschlusses kontroverser Geschäftsfelder direkt im Einzelfall.

Die ausführliche Darstellung der Nachhaltigkeitskriterien der Pax-Bank werden veröffentlicht unter: www.pax-bank.de/ethik-und-nachhaltigkeit/unser_verstaendnis.html#!



Stellungnahme zur Facing Finance Anfrage 2016 für die Pax-Bank eG

1. Übersicht zur Umsetzung der Fair Finance Guide Kriterien in der Anlagestrategie der Pax-Bank eG

Die Pax-Bank gehört zu den katholischen Kirchenbanken mit einem Kundenstamm, der ausschließlich im kirchlichen Bereich verankert ist. Sie bietet die komplette Palette an Bankdienstleistungen und definiert für sich eine klare Positionierung zu ethischer Geldanlage basierend auf christlichen Prinzipien und der katholischen Soziallehre.

Die Anlagestrategie der Pax-Bank zeichnet sich durch einen kombinierten Ansatz aus, der sowohl Ausschlüsse für bestimmte Themen definiert als auch einen Bonus-Malus Ansatz verfolgt und so eine weite Palette an Nachhaltigkeitskriterien einbezieht. Durch die Anwendung einer belastbaren Ratingmethodik und die technischen Möglichkeiten des Researchpartners imug rating kann die Pax-Bank jederzeit ad hoc auf kontroverse Vorfälle reagieren und Einzelfallentscheidungen auf Basis detaillierter Hintergrundinformationen treffen.

Untenstehend findet sich eine Gegenüberstellung der Anforderungen des Fair Finance Guides mit der Anlagestrategie der Pax-Bank und der entsprechenden Umsetzung in der imug/Vigeo Eiris Kriteriologie. Da es sich bei der Anlagestrategie der Pax-Bank eG - wie oben beschrieben - um einen kombinierten Ansatz handelt, sind einige Kriterien zwar mit Negativpunkten belegt, führen aber nicht automatisch zum Ausschluss. Diese Kriterien werden in der Spalte „Bestandteil LIGA-Pax Strategie“ als „partly“ geführt. Gleiches gilt für Kriterien, die vor allem oder lediglich für Emittenten von Bankanleihen angewendet werden. Diese sind dann entsprechend zusätzlich ausgewiesen.

Anforderungen gemäß Fair Finance Guide	Bestandteil LIGA-Pax Strategie	Umsetzung in der imug-Vigeo Eiris Kriteriologie	Notiz
Climate Change			
Companies disclose their direct and indirect GHG emissions	Yes	<ul style="list-style-type: none"> - Climate change response (incl. absolute & normalised emissions) - Environmental performance (incl. scope 1 -3 emissions) - Environmental reporting 	In addition to this, a dedicated assessment on environmental and climate related impacts of investment and commercial credit portfolios is applied to issuers of bank bonds, including disclosure of related emissions
Companies reduce their direct and indirect GHG emissions	Yes	<ul style="list-style-type: none"> - Climate change response (incl. operational and products emissions reductions) - Climate change response (incl. short and long-term management reduction targets) - Environmental performance (incl. scope 1 -3 emissions reductions) 	In addition to this, a dedicated assessment on environmental and climate related impacts of investment and commercial credit portfolios is applied to issuers of bank bonds, including management targets and measures to reduce portfolio's GHG intensity
Companies switch from using fossil fuels to renewable energy sources	Yes	<ul style="list-style-type: none"> - Climate change response (incl. transformational initiatives) - Greenhouse gases (incl. development and/or use of renewable energy) 	
Unabated coal-fired power generation (i.e. without operational carbon capture storage) is unacceptable	Yes	<ul style="list-style-type: none"> - Coal mining and coal-fired power generation turnover >30% - Coal-fired power generation as proportion of installed capacity (currently not part of the strategy for all companies but only for financial institutions) 	For issuers of bank bonds, a dedicated assessment of financing for and investments in companies in the thermal coal value chain and coal-fired power generation is applied
Coal-fired power generation is unacceptable	Yes	- See above	See above

Fossil fuel-fired power generation is unacceptable	Partly	<ul style="list-style-type: none"> - See above - Turnover from fossil fuels industries (currently not part of the strategy for all companies but only for financial institutions) 	For issuers of bank bonds, a dedicated assessment of financing for and investments in companies in the thermal coal, oil & gas value chain and related power generation is applied
Coal mining is unacceptable	Yes	<ul style="list-style-type: none"> - Coal mining and coal-fired power generation turnover >30% - Turnover from thermal coal mining (currently not part of the strategy for all companies but only for financial institutions) 	See above
Extracting oil from tar sands is unacceptable	Yes	<ul style="list-style-type: none"> - Involvement in tar sands/ oil shale 	See above
Extracting oil & gas is unacceptable	Partly	<ul style="list-style-type: none"> - Turnover from fossil fuels industries (currently not part of the strategy for all companies but only for financial institutions) 	See above
Conversion of peatland and high-carbon stocks for agricultural development is unacceptable	Yes	<ul style="list-style-type: none"> - Convention watch: biodiversity (negative points for severe damages to biodiversity) - Biodiversity management (negative points for weak biodiversity management) 	
The production of biomaterials complies with the 12 principles of the Roundtable on Sustainable Biomaterials	Yes	<ul style="list-style-type: none"> - Product stewardship (incl. integration of international standards in product stewardship) - Biodiversity management 	
CO2-compensation is certified according to the Gold Standard	Yes	<ul style="list-style-type: none"> - Environmental management (incl. coverage of external certifications) 	
Companies do not participate in lobbying aimed at weakening climate policy	Yes	<ul style="list-style-type: none"> - Climate change response (incl. public policy leadership & policy context) - The indicators policy context & public policy leadership in the criterion climate change management response look at lobbying activities and public activities to influence climate change policy frameworks. There is no direct prohibition on 	

lobbying but an assessment of the companies political activities on climate change. Amongst others, in order for companies to meet this criterion, they should be able to demonstrate that they are committed to influencing current climate change regimes or policy framework and strengthen domestic and international progress on reducing GHG emissions. A key is not only 'committing to reduction', but also 'contributing to changes in public policy framework or existing systems'. This does not include participation in CDM/JI projects under the EU Emissions Trading Scheme. The UNGC caring for climate does not meet this.

Companies integrate criteria on climate change in their procurement and operational policies	Yes	<ul style="list-style-type: none"> - Environmental management (incl. targets for suppliers) - Environmental policy (incl. commitment to engage suppliers) 	
Companies include clauses on the compliance with criteria on climate change in their contracts with subcontractors and suppliers	Yes	<ul style="list-style-type: none"> - Environmental management (incl. targets for suppliers) - Environmental policy (incl. commitment to engage suppliers) 	

Human Rights

Governments respect, protect and fulfill all human rights as described in international declarations and conventions	Yes	<ul style="list-style-type: none"> - Human rights conventions - Child labour 	
Companies respect all human rights as described in the United Nations Guiding Principles on Business and Human Rights	Yes	<ul style="list-style-type: none"> - Convention watch: human rights (incl. exclusion for critical human rights news and human rights violations) - Negative news: human rights (see above) - Human rights overall (incl. policy, management systems and reporting on human rights) - Indigenous rights 	For issuers of bank bonds, a dedicated assessment of financing for and investments in companies involved in human rights violations is applied. Moreover, an assessment of a bank's product policies with regard to human rights is applied.

		- ESG risk management	
Companies have a policy commitment to meet their responsibility to respect human rights. Companies have a policy commitment to meet their responsibility to respect human rights	Yes	- See above (incl. commitment to Universal Declaration on Human Rights)	See above
Companies have a human rights due diligence process to identify, prevent, mitigate and account for how they address their impact on human rights	Yes	- See above (incl. training for employees, HR risk assessments and monitoring processes to remedy non compliance et al.)	See above
Companies have processes to enable the remediation of any adverse human rights impact to which they cause or to which they contribute	Yes	- See above	See above
Companies prevent conflicts over land rights and acquire natural resources only by engaging in meaningful consultation with local communities and obtaining free, prior and informed consent (FPIC) when it concerns indigenous peoples	Yes	<ul style="list-style-type: none"> - See above - We include stakeholder dialogue and FPIC for land rights, biodiversity, indigenous people and human rights each with a slightly different focus. Please see below an example for an excerpt in the area of human rights: - Indicator: Consult with named independent local stakeholders - description: - The Company must state commitment to 'free, prior and informed consent' each stage of the project and consult about relevant human rights issues – core labour areas for own employees, impact on the local community including impact on livelihoods - local in at least one of the countries of concern 	See above

		- independent means NGOs, community groups, trade unions et al.	
Companies prevent conflicts over land rights and acquire natural resources only with free, prior and informed consent (FPIC) of the land users involved	Yes	- See above	In addition to the above, a dedicated assessment of financing for and investments in companies involved in land grabbing is applied. Moreover, an assessment of a bank's product policies with regard to land grabbing is applied.
Companies show that they have special attention for respecting the rights of women, especially to prevent discrimination and to improve equal treatment of men and women	Yes	- Equal opportunities (including, policies, systems and practice) - Convention watch: international labour rights (incl. discrimination) - Negative news: labour rights (incl. discrimination)	
Companies have special attention to respect the rights of children	Yes	- Human rights overall (incl. policy, management systems and reporting on human rights) - ESG risk management - As indicated previously, this aspect is covered by the criteria human rights policy, managements systems & reporting, ESG risk management as well as convention watch: international labour rights and negative news: labour rights. Please see below for an example of methodology (excerpts): - Human Rights Policy: - Explicit support for UDHR and the Convention of the Rights of the Child - Explicit support for all ILO core labour standards - Human Rights Management System: - able to provide evidence on integrated human rights risk assessments	

- able to provide evidence on quantitative and qualitative targets on human rights commitments
- Child labour:
 - The core ILO standards on child labour are those covered in the two conventions prohibiting the employment of children below 15 years, and below 18 years in most hazardous work (ILO conventions 138 and 182)
 - The specific points covered are:
 - Minimum age of 15 for employment. A minimum age of 18 years for hazardous work. Between the ages of 12 and 14, light work is permitted if it is not harmful to health or development and will not prejudice attendance at school.
 - Elimination of the worst forms of child labour (under age 18); including slavery, prostitution or pornography, illicit activities such as production and trafficking of drugs, and work which harms the health, safety or morals of children.

Companies respect International Humanitarian Law and do not enable settlements, including their economic activities, in occupied territories	Yes	<ul style="list-style-type: none"> - Code of Ethics - Human rights overall (incl. policy, management systems and reporting on human rights) - ESG risk management 	
Companies integrate human rights criteria into their procurement and operational policies	Yes	<ul style="list-style-type: none"> - Human rights overall (incl. policy, management systems and reporting on human rights) - Supply chain overall (incl. integration of human rights in procurement and contract clauses) 	
Companies include clauses on the compliance with human rights	Yes	<ul style="list-style-type: none"> - Human rights overall (incl. policy, management systems and reporting on human rights) 	

criteria in their contracts with subcontractors and suppliers		- Supply chain overall (incl. integration of human rights in procurement and contract clauses)	
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Labour Rights

Companies uphold the freedom of association and the effective recognition of the right to collective bargaining	Yes	<ul style="list-style-type: none"> - Human rights overall (incl. policy, management systems and reporting on human rights) - Trade unions and employee participation - Convention watch: international labour standards - Negative news: labour rights (incl. union issues) - Supply chain overall (incl. integration of labour standards in procurement and contract clauses) 	In addition to the above, a dedicated assessment of financing for and investments in companies involved in breaches of international labour standards is applied. Moreover, an assessment of a bank's product policies with regard to labour rights is applied.
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All forms of forced and compulsory labour are unacceptable	Yes	- See above	See above
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Child labour is unacceptable	Yes	- See above	See above
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Discrimination in respect of employment and occupation is unacceptable	Yes	- See above	See above
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Companies pay a living wage to their employees	Yes	<ul style="list-style-type: none"> - Code of Ethics - Human rights overall (incl. policy, management systems and reporting on human rights) - Negative news: labour rights (incl. minimum wage) 	
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Companies apply a maximum of working hours	Yes	<ul style="list-style-type: none"> - Code of Ethics - Human rights overall (incl. policy, management systems and reporting on human rights) - Negative news: labour rights (incl. excessive hours) 	
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Companies have a solid health and safety policy	Yes	<ul style="list-style-type: none"> - Health & safety (incl. policy, management systems and reporting) 	
Companies ensure equal treatment and working conditions for migrant workers	Yes	<ul style="list-style-type: none"> - Human rights overall (incl. policy, management systems and reporting on human rights) - Code of Ethics - Equal opportunities - Negative news: labour rights - Convention watch: international labour standards (incl. discrimination) - Treatment of migrant workers is part of code of conduct, equal opportunities, human rights, negative news labour rights and convention watch (ILO) criteria. This includes commitment to non-discrimination on the basis of gender, ethnic origin, disability, social status, religion and sexual orientation. 	
Companies have a clear management system to monitor and, if needed, correct compliance with norms on labour law	Yes	<ul style="list-style-type: none"> - Human rights overall (incl. policy, management systems and reporting on human rights) - Code of Ethics - Equal opportunities - ESG risk management 	
Companies establish procedures on how to deal and process employee complaints and to solve violations and conflicts, preferably in consultation with the relevant trade union	Yes	<ul style="list-style-type: none"> - Trade unions and employee participation (incl. - Code of Ethics - Bribery & corruption (incl. whistleblowing procedures) - Job creation and employment security (incl. consultative arrangements with union representatives) 	
Companies integrate labour rights in their procurement and operational policies	Yes	<ul style="list-style-type: none"> - Human rights overall (incl. policy, management systems and reporting on human rights) 	

		<ul style="list-style-type: none"> - Supply chain overall (incl. integration of human rights in procurement and contract clauses) 	
<p>Companies include clauses on the compliance with criteria on labour rights in their contracts with subcontractors and suppliers</p>	<p>Yes</p>	<ul style="list-style-type: none"> - Human rights overall (incl. policy, management systems and reporting on human rights) - Supply chain overall (incl. integration of human rights in procurement and contract clauses) 	

Nature

Companies prevent deforestation and protect natural forests including old growth forests, bogs, mangroves and rainforests, as described in the High Conservation Value (HCV) concept	Yes	<ul style="list-style-type: none"> - Convention watch: biodiversity - Biodiversity management (incl. respect for international standards/ conventions, HCVs, WCU, UNESCO et al.) - Negative news: environment 	In addition to the above, a dedicated assessment of financing for and investments in companies involved in environmental damage is applied. Moreover, an assessment of a bank's product policies with regard to environmental damage is applied.
Companies prevent the negative impact on protected areas that fall under the categories I-IV of the World Conservation Union	Yes	- See above	See above
Companies prevent the negative impact on UNESCO World Heritage sites	Yes	- See above	See above
Companies prevent the negative impact on protected areas that fall under the Ramsar Convention on Wetlands	Yes	- See above	See above
Companies prevent negative consequences for the populations or the number of animal species that are on the IUCN Red List of Threatened Species	Yes	- See above (incl. use/retail of threatened species)	See above

Trade in endangered plant and animal species complies with the CITES conditions	Yes	- See above	See above
Trade in endangered plant and animal species that are on the CITES lists is unacceptable	Yes	- See above, negative points for severe breaches of biodiversity conventions	See above
Activities in the field of genetic materials and genetic engineering only take place if they meet the permission and processing requirements as described in the UN Convention on Biological Diversity and the related Bonn Guidelines or Nagoya Protocol	Yes	<ul style="list-style-type: none"> - Genetic engineering of crops (exclusion for >10 percent turnover) - Genetic engineering of animals 	In addition to the above, a dedicated assessment of financing for and investments in companies involved in genetic engineering is applied. Moreover, an assessment of a bank's product policies with regard to genetic engineering is applied.
Production of, or trade in, living genetically modified organisms can only take place if permission has been obtained from the importing country and all requirements of the Cartagena Protocol have been met	Yes	- See above	See above
Production of, or trade in, living genetically modified organisms is unacceptable	Yes	- See above, not generally unacceptable but negative scores and exclusion for >10 percent turnover from GM crops)	See above
Companies prevent the introduction of invasive	Yes	- Convention watch: biodiversity	

alien species in ecosystems		<ul style="list-style-type: none"> - Directly covered by biodiversity criteria including the protection of local ecosystems. Moreover, financial institutions active in ship financing are assessed for their approach towards ballast water. - Biodiversity management (incl. respect for international standards/ conventions, HCVs, WCU, UNESCO et al.) 	
Companies conduct water scarcity impact assessments and prevent negative impacts in water scarce regions	No	<ul style="list-style-type: none"> - Water risk exposure - Water management response 	
Companies do not start new operations in areas where water scarcity is pre-existing and operations would compete with the needs of communities	No	<ul style="list-style-type: none"> - See above 	
Companies make an environmental impact assessment on the total consequences of a large scale project on biodiversity, at least according to the guidelines for reporting on biodiversity and land use in the Global Reporting Initiative	Yes	<ul style="list-style-type: none"> - Biodiversity management (incl. due diligence and EIA) 	
Companies integrate criteria on nature into their procurement and operational policies	Yes	<ul style="list-style-type: none"> - See above 	
Companies include clauses on the compliance with criteria on nature in their contracts	Yes	<ul style="list-style-type: none"> - Supply chain overall (incl. integration of environmental protection in procurement and contract clauses) 	

with subcontractors and suppliers

- Environmental management (incl. engagement of suppliers)
- Environmental policy (incl. suppliers)
- Biodiversity management (incl. suppliers)

TAX

Companies publish their full group structure, including indirectly and jointly-owned entities

Partly

- Secrecy jurisdictions and tax avoidance (incl. country by country reporting)

Only applied to issuers of bank bonds

Companies publish an explanation of the activities, functions and ultimate shareholder of every subsidiary, branch, joint venture or related party located in a low-tax jurisdiction

Partly

- See above

See above

For each country in which companies operate, they report country-by-country on their revenues, profit, FTEs, subsidies from governments and payments to governments (e.g. withholding taxes, payments for concessions and company tax)

Partly

- See above

See above

Companies focus their international enterprise structure and their international transactions in a way that reflects the economic substance of the activities and transactions undertaken, without any steps made primarily to secure a tax advantage

Partly

- See above

See above

Companies publish any company-specific tax

Partly

- See above

See above

rulings it has obtained from tax authorities

Companies make public, to the extent legally and practically possible, the decision of any adjudication or arbitration to which it, or any of its subsidiaries, is a party, undertaken to resolve a tax dispute, whether in a court or in an arbitration setting	Partly	- See above	See above
Companies have a management system which results in immediate actions if suspicions arise that employees or suppliers are guilty of facilitating tax evasion	Partly	- See above	See above
Companies integrate criteria on tax in their procurement and operational policies	Partly	- See above	See above
Companies include clauses on the compliance with criteria on tax in their contracts with subcontractors and suppliers	Partly	- See above	See above

Corruption

Companies publicly disclose their beneficial owner or owners including full name, date of birth, nationality, jurisdiction of residence, number and categories of shares, and if applicable the proportion of shareholding or control	No	- Not covered	
Offering, promising, giving and requiring, either directly or indirectly, bribes and other undue advantages in order to acquire and to maintain assignments and other undue advantages, is unacceptable	Yes	<ul style="list-style-type: none"> - Countering bribery overall (incl. policies, management systems and reporting) - Convention watch: anti-bribery principles (incl. exclusion for severe breaches) - Negative news: bribery (incl. exclusion for critical bribery news) 	
Companies have a management system which results in immediate actions if suspicions arise that employees or suppliers are guilty of corruption	Yes	- Countering bribery overall (incl. black listing, sanctions process, whistleblowing, compliance mechanisms et al.)	
Companies report on their participation in the decision-making processes of international norms and legislation (lobby practices)	Yes	- Countering bribery overall (involvement in political action committees and political donations)	
Companies integrate criteria on corruption in their procurement and operational policies	Yes	- Countering bribery overall (training for contractors and suppliers, due diligence and evaluating contractors and suppliers)	
Companies include clauses on the compliance with criteria on	Yes	- Supply chain overall (incl. integration of ESG standards in procurement and contract clauses)	

corruption in their contracts with subcontractors and suppliers

Arms

Production of, maintenance of, and trade in anti-personal landmines, including important parts of landmines, is unacceptable

Yes

- Convention watch: anti-personnel landmines (incl. exclusion for all involved companies)

In addition to the above, a dedicated assessment of financing for and investments in companies involved in anti-personnel landmines. Moreover, an assessment of a bank's product policies with regard to anti-personnel landmines is applied.

Production of, maintenance of, and trade in cluster munitions, including important parts of cluster munitions, is unacceptable

Yes

- Convention watch: cluster munition (incl. exclusion for all producers, service providers and distributors)

In addition to the above, a dedicated assessment of financing for and investments in companies involved in cluster munitions. Moreover, an assessment of a bank's product policies with regard to cluster munitions is applied.

Production of, maintenance of, and trade in nuclear weapons, including important parts of nuclear weapons, in or to countries that

Partly

- Military production and sale (incl. exclusion for turnover >5 percent)

In addition to the above, a dedicated assessment of financing for

have not ratified the Non-proliferation Treaty is unacceptable

and investments in companies involved in weapons of mass destruction is applied. Moreover, an assessment of a bank's product policies with regard to weapons of mass destruction is applied.

Production of, maintenance of, and trade in nuclear weapons, including important parts of nuclear weapons, is unacceptable	Partly	- See above	See above
Production of, maintenance of, and trade in chemical weapons, including important parts of chemical weapons, is unacceptable	Partly	- See above	See above
Production of, maintenance of, and trade in biological weapons, including important parts of biological weapons, is unacceptable	Partly	- See above	See above
Goods that are essential for military purposes, but can also be used for civilian products ('dual-use' goods), are considered as military goods when they have a non-civilian purpose	Yes	- Military production and sale (incl. exclusion for turnover >5 percent, this also implies dual-use goods)	
Supply of arms and weapon systems, military transport systems, and other military goods to countries that	Partly	- See above (the supply of arms and related goods is not decided by companies themselves but rather need official political support and	

are under a United Nations or relevant multi-lateral arms embargo, is unacceptable		legitimation. Hence, this criterion would rather apply to countries.) - For countries: signature and ratification of military conventions is part of the rating.	
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Supply of arms and weapon systems, military transport systems, and other military goods is unacceptable if there is an overriding risk that the arms will be used for serious violation of international human rights and humanitarian rights

Partly

- See above
- For countries: signature and ratification of human rights conventions is part of the rating.

Supply of arms and weapon systems, military transport systems, and other military goods to countries that violate human rights, is unacceptable	Partly	- See above	
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Supply of arms and weapon systems, military transport systems, and other military goods to conflict areas or war zones, is unacceptable

Partly

- See above

Supply of arms and weapon systems, military transport systems, and other military goods to countries having a failed or fragile state, is unacceptable	No	- See above	
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Supply of arms and weapon systems, military transport systems, and other military goods to countries that spend a disproportionate part of their budget

Partly

- See above
- For countries: military expenditure as proportion of GDP is part of the rating

on purchases of arms,
is unacceptable

The policy does not mention exceptions for certain types of investment, financing and/or asset classes of the financial institution	Yes	- Product policies for financial institutions need to apply to all asset classes (incl. 18 topic areas covering cluster munitions, landmines, weapons of mass destruction, conventional weapons et al.)	
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The policy does not mention exceptions for activities or projects that are not related to the production of weapons

Yes	- Product policies for financial institutions need to articulate no exceptions
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Food

Companies respect the right to adequate food	Yes	- Human rights overall (commitment to respect the Universal declaration of human rights)
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Companies respect the ILO Declaration on Fundamental Principles and Rights at Work	Yes	<ul style="list-style-type: none"> - Human rights overall (commitment to respect all ILO Principles) - Convention watch: international labour standards - Negative news. Labour rights 	In addition to the above, a dedicated assessment of financing for and investments in companies involved in labour rights violations is applied. Moreover, an assessment of a bank's product policies with regard to labour rights is applied.
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Companies prevent conflicts over land rights and acquire natural resources only by engaging in meaningful consultation with local	Yes	<ul style="list-style-type: none"> - Human rights overall (see above) - Indigenous rights (including FPIC measures) 	In addition to the above, a dedicated assessment of financing for
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communities and obtaining free, prior and informed consent (FPIC) when it concerns indigenous peoples

and investments in companies involved in human rights & indigenous rights violations is applied. Moreover, an assessment of a bank's product policies with regard to human rights & indigenous rights is applied.

Companies prevent conflict over land rights and acquire natural resources only with free, prior and informed consent (FPIC) of the land users involved	Yes	<ul style="list-style-type: none"> - See above - Directly covered by biodiversity criteria including the protection of local ecosystems. 	See above
Companies prevent negative impact on protected areas that fall under the categories I-IV of the International Union for Conservation of Nature	Yes	<ul style="list-style-type: none"> - Convention watch: biodiversity - Biodiversity management (commitment to international standards & norms et al.) 	
Companies prevent negative impact on UNESCO World Heritage sites	Yes	<ul style="list-style-type: none"> - See above 	
Companies prevent the negative impact on protected areas listed under the Ramsar Convention on Wetlands	Yes	<ul style="list-style-type: none"> - See above 	
Activities in the field of genetic materials and genetic engineering only take place if they meet the permission	Yes	<ul style="list-style-type: none"> - Genetic engineering of crops (exclusion for >10 percent turnover) 	In addition to the above, a dedicated assessment of financing for

and processing requirements described in the UN Convention on Biological Diversity and the related Bonn Guidelines or Nagoya Protocol		- Genetic engineering of animals	and investments in companies involved in genetic engineering is applied. Moreover, an assessment of a bank's product policies with regard to genetic engineering is applied.
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Production of, and trade in, living genetically modified organisms can only take place if permission of the importing country has been obtained and all requirements of the Cartagena Protocol have been met

Yes

- See above

See above

Production of, or trade in living genetically modified organisms is unacceptable	Yes	- See above	See above
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Upon request:
A dedicated assessment of financing for and investments in companies involved in violations of animal welfare is applied. Moreover, an assessment of a bank's product policies with regard to animal welfare is applied.

Companies respect the Five Freedoms of animals

No

- Not covered

Very restricted housing methods for calves (in crates), hens (in battery cages) and sows (in feeding cubicles) are unacceptable	No	- Intensive livestock-farming	See above
Companies reduce the time limit of animal transport to a maximum of 8 hours	No	- Not covered	
Companies reduce their direct and indirect greenhouse gas emissions	Yes	- See above (climate change)	
Companies reduce their direct and indirect emissions of harmful substances, such as particulate matter, nitrogen oxide and ammonia	Yes	<ul style="list-style-type: none"> - Environmental performance (incl. emissions to air, water and ground) - This element is covered by the criterion environmental performance including emissions to air and water covering nitrogen oxide, ammonia and particulate matter amongst others. In the area of environmental management quantitative sector specific reduction targets for all key environmental impacts are required. 	
Conversion of peatland and high-carbon stocks for agricultural development is unacceptable	Yes	- See above (climate change & nature)	
Companies use pesticides as little as possible and, if necessary, only in a responsible way	Partly	- Chemicals of concern (manufacture, supply and management of chemicals of concern)	
Companies use as little water as possible	No	<ul style="list-style-type: none"> - Water risk exposure - Water management response 	

Companies prevent water pollution **No** - Water pollution convictions

Companies conduct water scarcity impact assessments and prevent negative impacts in water scarce regions

No - See above

Companies do not start new operations in areas where water scarcity is pre-existing and operations would compete with the needs of communities

No - See above

Companies work with relevant standards and initiatives for raw materials (mentioned in section 3.4.2)

No - Not covered

Companies are certified according to the criteria of the certification schemes for raw materials (mentioned in section 3.4.2)

No - Not covered

Companies publish a sustainability report that may contain (a number of) Standard Disclosures from the GRI G4 Sustainability Reporting Guidelines

Yes - ESG reporting

Large enterprises and multinational enterprises in the food industry publish a sustainability report that is set up in accordance with the GRI G4 Sustainability Reporting Guidelines, which includes the Food Processing Sector Disclosure (FSSD)

Yes - ESG reporting

Companies integrate social, economic and environmental criteria in their procurement and operational policies	Yes	<ul style="list-style-type: none"> - Supply chain overall - Code of Ethics - Environmental policy - Human rights overall 	
Companies include clauses on the compliance with social, economic and environmental criteria in their contracts with subcontractors and suppliers	Yes	- See above	

Forestry

Forest construction companies identify and protect the High Conservation Value (HCV) areas within the forests they manage	Yes	- Sustainable timber (timber standards and management systems)	
Companies identify and protect High Carbon Stock (HCS) forests	Yes	- See above	
Companies throughout the wood supply chain prevent the use of illegally cut and traded timber	Yes	- See above - Supply chain overall	
Pulp and paper factories restrict the use of chemicals and the pollution of soil, water and air by making use of the best available techniques	Partly	- Environmental performance (sector specific performance indicators) - Environmental policy (sector specific key issues) - Product stewardship (improvement of social and environmental cost structure of products incl. use of latest technology)	
Companies respect the rights of local and indigenous communities on the fair and equal use of forests	Yes	- Indigenous rights	
Companies prevent conflicts over land rights and acquire natural resources only by engaging in meaningful consultation with local communities and obtaining free, prior and informed consent (FPIC) when it concerns indigenous peoples	Yes	- Human rights overall (see above) - Indigenous rights (including FPIC measures)	In addition to the above, a dedicated assessment of financing for and investments in companies involved in human rights & indigenous rights violations is applied. Moreo-

ver, an assessment of a bank's product policies with regard to human rights & indigenous rights is applied.

Companies prevent conflict over land rights and acquire natural resources only with free, prior and informed consent (FPIC) of the land users involved	Yes	- See above	See above
Production forests and timber plantations are certified according to the criteria of the Forest Stewardship Council (FSC)	Yes	- Sustainable timber (incl. timber standards)	
Production chains of timber traders and companies in the wood product chain (including pulp, paper, veneer, furniture) are certified according to the FSC Chain of Custody criteria	Yes	- See above	
Companies in industries with a large impact on forests (including in any case the forestry and paper industry), report their forest footprint to the Forest Footprint Disclosure (FFD) project	Partly	- Environmental reporting (incl. sector specific key issues as part of environmental reporting)	
Companies publish a sustainability report that may contain (a number of) Standard Disclosures from the GRI G4	Yes	- ESG reporting	

Sustainability Reporting Guidelines			
Large enterprises and multinational enterprises publish a sustainability report that is set up in accordance with the GRI G4 Sustainability Reporting Guidelines	Yes	- ESG reporting	
Companies integrate social, economic and environmental criteria in their procurement and operational policies	Yes	- See above (climate change, nature, food et al.)	
Companies include clauses on the compliance with social, economic and environmental criteria in their contracts with subcontractors and suppliers	Yes	- See above	

Mining

Companies prevent negative impact on protected areas that fall under the categories I-IV of the International Union for Conservation of Nature	Yes	- See above (Nature, Food et al.)	
Companies prevent negative impact on UNESCO World Heritage sites	Yes	- See above (Nature, Food et al.)	
Companies prevent negative impact on protected areas that fall under the Ramsar Convention on Wetlands	Yes	- See above (Nature, Food et al.)	
Companies mitigate the chance of accidents by making use of the best available techniques and have a solid road map for crisis situations (a so-called 'contingency plan')	Yes	- Health & safety (incl. training measures for employees et al.)	
Companies do not operate in locations where the consequences of an accident for the environment are unmanageable	Partly	- Biodiversity management - ESG risk management (incl. details of EIA procedures)	
Companies reduce extractive waste and manage and process this in a responsible way	Yes	- Environmental management (incl. sector specific issue to be addressed) - Environmental performance (incl. sector specific performance indicator)	
Riverline tailings disposal and sub-marine tailings disposal is unacceptable	Yes	- Convention watch: environmental pollution (incl. exclusion for severe violations) - Negative news: environment (incl. exclusion for	

		critical environmental news)	
Companies conduct water scarcity impact assessments and prevent negative impacts in water scarce regions	No	<ul style="list-style-type: none"> - Water risk exposure - Water management response 	
Companies do not start new operations in areas where water scarcity is pre-existing and operations would compete with the needs of communities	No	<ul style="list-style-type: none"> - See above 	
Companies include the environmental and health effects of a mine after its closure in plans for the development of new mines	Partly	<ul style="list-style-type: none"> - Environmental management (incl. due diligence and EIA procedures) - ESG risk management 	
Companies ensure the complete recovery of ecosystems after commercial activities have been completed, for all extractive industry projects (i.e. this is included as an activity in the planning and the budget of the project)	Yes	<ul style="list-style-type: none"> - Biodiversity management (incl. post-project site management) 	
Companies enhance small scale and artisanal mining that improves sustainable economic and social development on a local level	No	<ul style="list-style-type: none"> - Not covered 	
Companies respect the ILO Declaration on Fundamental Principles and Rights at work	Yes	<ul style="list-style-type: none"> - See above (labour rights, human rights et al.) 	
Companies prevent conflicts over land rights and acquire natural resources only by engaging in meaningful	Yes	<ul style="list-style-type: none"> - See above (human rights, nature, food et al.) 	

consultation with local communities and obtaining free, prior and informed consent (FPIC) when it concerns indigenous peoples

Companies prevent conflict over land rights and acquire natural resources only with free, prior and informed consent (FPIC) of the land users involved	Yes	- See above	
Companies follow the Voluntary Principles on Security and Human Rights for the security of their employees and company premises	Partly	- Human rights overall	
Companies have processes to enable the remediation of any adverse human rights impact which they cause or to which they contribute	Yes	- Human rights overall (incl. remedy procedures)	
Companies pay the taxes owed in each country where they operate	Partly	- Secrecy jurisdictions & tax avoidance (only applied to banks)	
For each country in which companies operate, they report country-by-country on their revenues, profit, FTEs, subsidies received from governments and payments to governments (e.g. withholding taxes, payments for concessions and company tax)	Partly	- See above	
Offering, promising, giving and requiring, either directly nor indirectly, bribes or other	Yes	- See above (corruption et al.)	

undue advantages in order to acquire or to maintain assignments or other undue advantages, is unacceptable

Companies only operate in weak governance zone or conflict-affected areas if they are able to demonstrate that they are not causing or contributing to human rights abuses	Partly	<ul style="list-style-type: none"> - Human rights exposure - Human rights overall (including human rights impact assessments of operations) 	
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Mining and trading in conflict materials is unacceptable **No** - Not covered

Uranium mining is unacceptable	Partly	- Mining & quarrying turnover (incl. uranium)	In addition to the above, a dedicated assessment of financing for and investments in companies involved in the nuclear value chain is applied. Moreover, an assessment of a bank's product policies with regard to nuclear value chain is applied.
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Mountaintop removal mining is unacceptable **Yes**

- Coal mining and coal-fired power generation turnover >30%
- Mountain top removal companies

In addition to the above, a dedicated assessment of financing for and investments in companies involved in the thermal coal

value chain is applied. Moreover, an assessment of a bank's product policies with regard to thermal coal value chain is applied.

Establishing new coal mines is unacceptable	No	- See above	See above
Thermal coal mining is unacceptable	Yes	- Coal mining and coal-fired power generation turnover >30% - Thermal coal mining turnover	See above
Metallurgical coal mining is unacceptable	Partly	- Coal mining and coal-fired power generation turnover >30% - Mining & quarrying turnover (incl. metallurgical mining)	
Companies work with relevant standards and initiatives for certain minerals (mentioned in section 3.8.2)	Yes	- Environmental management (incl. number and type of sector specific standards where commitment has been made)	
Companies are certified according to the criteria of certification schemes for certain minerals (mentioned in section 3.8.2)	Yes	- Environmental management (incl. coverage of relevant certifications)	
Companies publish a sustainability report that may contain (a number of) Standard Disclosures from the GRI G4 Sustainability Reporting Guidelines	Yes	- ESG reporting	
Large enterprises and multinational enter-	Yes	- ESG reporting	

prises publish a sustainability report that is set up in accordance with the GRI G4 Sustainability Reporting Guidelines, including the Mining and Metals Sector Disclosure (MMSD)			
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Companies integrate social, economic and environmental criteria in their procurement and operational policies

Yes

- See above (nature, food, human rights et al.)

Companies include clauses on the compliance with social, economic and environmental criteria in their contracts with subcontractors and suppliers	Yes	- See above	
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Oil & Gas

Companies prevent negative impact on protected areas that fall under the categories I-IV of the International Union for Conservation of Nature (IUCN)	Yes	- See above (nature, food, human rights et al.)	
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Companies prevent negative impact on UNESCO World Heritage sites

Yes

- See above (nature, food, human rights et al.)

Companies prevent negative impact on protected areas that fall under the Ramsar Convention on Wetlands	Yes	- See above (nature, food, human rights et al.)	
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Companies mitigate the chance of accidents (oil spills, leakages) by making use of the best available techniques and have a solid road map for crisis situations (a so called 'contingency plan')

Yes

- See above (mining et al.)

Companies do not operate in locations where the consequences of an accident for the environment are unmanageable	Yes	- See above (mining et al.)	
Companies reduce waste from oil and gas extraction and mining, especially the flaring of natural gas, and manage and process this in a responsible way	Yes	- See above (mining et al.) - Environmental performance (incl. sector specific performance indicators)	
Companies include the environmental and health effects of the dismantling of production facilities, especially of offshore drilling platforms, in plans for the development of new projects	Partly	- See above - ESG risk management	
Companies conduct water scarcity impact assessments and prevent negative impacts in water scarce regions	No	- See above (nature, food et al.)	
Companies do not start new operations in areas where water scarcity is pre-existing and operations would compete with the needs of communities	No	- See above	
Companies reduce the effects of seismological research on whales and other marine mammals	No	- Not covered	
Companies respect the ILO Declaration on Fundamental Principles and Rights at Work	Yes	- See above (human rights, labour rights et al.)	
Companies prevent conflicts over land rights and acquire natural resources only by engaging in meaningful consultation with local	Yes	- See above (nature, human rights, food et al.)	

communities and obtaining free, prior and informed consent (FPIC) when it concerns indigenous peoples

Companies prevent conflict over land rights and acquire natural resources only with free, prior and informed consent (FPIC) of the land users involved	Yes	- See above (nature, human rights, food et al.)	
Companies follow the Voluntary Principles on Security and Human Rights for the protection of their employees and the company sites	Yes	- See above (nature, human rights, food et al.)	
Companies have processes to enable the remediation of any adverse human rights impact which they cause or to which they contribute	Yes	- See above (nature, human rights, food et al.)	
Companies pay the taxes owed in each country where they operate	Partly	- See above (mining et al.)	
For each country in which companies operate, they report country-by-country on their revenues, profit, FTEs, subsidies received from governments and payments to governments (e.g. withholding taxes, payments for concessions and company tax)	Partly	- See above (mining et al.)	
Offering, promising, giving, or requiring, either directly nor indirectly, bribes or other undue advantages in order to acquire or to maintain assignments	Yes	-See above (corruption et al.)	

or other undue advantages, is unacceptable

Companies only operate in weak governance zone or conflict-affected areas if they are able to demonstrate that they are not causing or contributing to human rights abuses	Yes	- See above (human rights et al.)	
Extracting oil from tar sands is unacceptable	Yes	- Involvement in tar sands/oil shale (no exclusion defined but negative scores are awarded)	
Extracting oil from oil shale is unacceptable	Yes	- See above	
Extracting fuel from liquefied coal is unacceptable	No	- Fossil fuels industries (incl. turnover in fossil fuels value chain)	
Extracting shale gas in unacceptable	No	- See above	
Arctic drilling for oil and gas is unacceptable	No	- See above	
Companies publish a sustainability report that may contain (a number of) Standard Disclosures from the GRI G4 Sustainability Reporting Guidelines	Yes	- ESG reporting	
Large enterprises and multinational enterprises publish a sustainability report that is set up in accordance with the GRI G4 Sustainability Reporting Guidelines, which includes the Oil and Gas Industry Supplement (OGSS)	Yes	- ESG reporting	
Companies integrate social, economic and environmental criteria in their procurement and operational policies	Yes	- See above (nature, human rights et al.)	

Companies include clauses on the compliance with social, economic and environmental criteria in their contracts with subcontractors and suppliers

Yes

- See above (nature, human rights et al.)

Power Generation

Unabated coal-fired power generation (i.e. without operational carbon capture and storage) is unacceptable

Yes

- See above (climate change)

See climate change

Coal-fired power generation is unacceptable

Yes

- See above

Fossil fuel-fired power generation is unacceptable

Partly

- See above

Nuclear energy is unacceptable

Yes

- Nuclear power (incl. exclusion for owning and operating nuclear power stations & >5% nuclear turnover)

Large scale hydro-power generation is unacceptable

No

- Not covered

Companies prevent negative impact on protected areas that fall under the categories I-IV of the International Union for Conservation of Nature

Yes

- See above

Companies prevent negative impact on UNESCO World Heritage sites

Yes

- See above

Companies prevent negative impact on protected areas that fall under the Ramsar Convention on Wetlands

Yes

- See above

Companies prevent conflicts over land rights and acquire natural resources only by engaging in meaningful consultation with local

Yes

- See above

communities and obtaining free, prior and informed consent (FPIC) when it concerns indigenous peoples

Companies prevent conflict over land rights and acquire natural resources only with free, prior and informed consent (FPIC) of the land users involved	Yes	- See above	
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Companies have processes to enable the remediation of any adverse human rights impact to which they cause or to which they contribute

Yes - See above

The construction of dams complies with the 7 principles of the World Commission on Dams (WCD)	No	- Not covered	
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The construction of all water infrastructure projects complies with the 7 principles of the World Commission on Dams (WCD)

No - Not covered

The production of biomaterials complies with the 12 principles of the Roundtable on Sustainable Biomaterials (RSB)	Yes	- See above	
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Companies publish a sustainability report that may contain (a number of) Standard Disclosures from the GRI G4 Sustainability Reporting Guidelines

Yes - ESG reporting

Large enterprises and multinational enterprises publish a sustainability report that is set up in accordance with the GRI G4 Sustainability Reporting Guidelines, which includes the Electric Utilities Sector Disclosure (EUSD)	Yes	- ESG reporting	
Companies integrate social, economic and environmental criteria in their procurement and operational policies	Yes	- See above	
Companies include clauses on compliance with social, economic and environmental criteria in their contracts with subcontractors and suppliers	Yes	- See above	

Kontakt

Jan Köpper

Head of Fixed Income ESG
Research



fon +49.511.12196-28
mail koepper@imug.de

