



ESG Policy

Framework for Responsible Investment

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1. Our understanding of sustainability

At BayernInvest, responsible investment is part of our fiduciary duty and our long-term investment philosophy. We view sustainability not solely as a regulatory requirement, but as an additional perspective for investment analysis. Environmental, social and governance factors can influence the economic performance of companies, countries and markets and may therefore be relevant to the assessment of an investment's risks and opportunities. Depending on the investment strategy, asset class and data availability, considering these factors complements traditional financial analysis and can contribute to a more informed assessment of the long-term risk–return profile.

The economic and social environment is undergoing profound structural change. Climate change and the climate transition, biodiversity loss, resource scarcity, technological change, demographic developments and geopolitical shifts can affect business models, economies and capital markets. At the same time, regulatory requirements, client preferences and the availability and quality of ESG data continue to evolve. BayernInvest takes these developments into account in its investment and product processes and develops its methods, metrics and assessment approaches accordingly.

Sustainability considerations have formed part of BayernInvest's investment processes for many years. We signed the United Nations Principles for Responsible Investment (UN PRI) in 2011 and have been guided by their principles ever since. Depending on the investment strategy, our ESG approach may combine different tools. These include, in particular, exclusion criteria, the consideration of relevant ESG information, climate-related metrics and other (regulatory) ESG metrics. For selected strategies, economic activities may also be mapped to the United Nations Sustainable Development Goals. The ESG criteria that are binding for a particular product are determined by its investment strategy and the applicable product documentation.

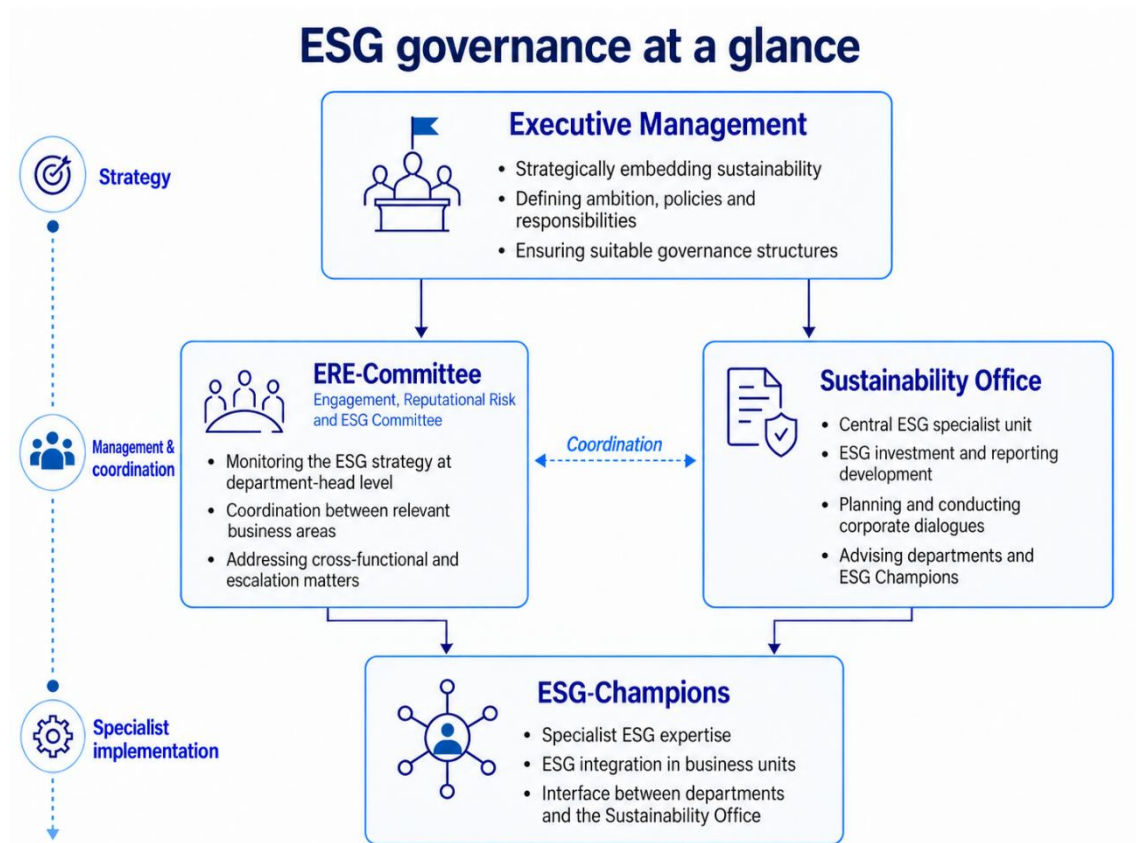
Stewardship is another component of our understanding of responsible investment. Through dialogue with issuers and the exercise of voting rights, we fulfil our role as an investor within the applicable processes and address selected issues that may be relevant to the long-term performance of the investments concerned. Our ESG and stewardship reporting also provides transparency on selected ESG characteristics, metrics and activities.

Our approach continues to evolve. New scientific findings, regulatory developments, changes in capital markets and advances in the availability and quality of ESG data may lead to adjustments to our methods and processes. This ESG Policy provides the overarching framework. It describes the principles of our ESG governance, the

consideration of ESG aspects in product design and investment decisions, the methodological approaches used and our stewardship and reporting activities. We are also guided by the relevant national and international standards and initiatives to which BayernInvest has committed.

2. ESG governance

Sustainability considerations are embedded in BayernInvest's governance and decision-making structures. Responsibilities for strategic direction, the development and implementation of ESG requirements, and their monitoring are allocated across various functions and organisational units. This governance structure aims to integrate ESG requirements into the relevant corporate and investment processes in line with the respective specialist responsibilities.



2.1 Executive Management

Executive Management has overall responsibility for embedding sustainability strategically within BayernInvest. It sets the overarching level of ambition and decides on key policies, responsibilities and strategic objectives.

In doing so, Executive Management considers both regulatory requirements and BayernInvest's strategic positioning and ensures that suitable governance and organisational structures are in place to implement the ESG strategy.

2.2 Engagement, Reputational Risk and ESG Committee

The Engagement, Reputational Risk and ESG Committee supports the cross-functional management and monitoring of the ESG strategy. In particular, it facilitates alignment on ESG matters at department-head level and coordinates issues affecting several business areas.

Its responsibilities may include, in particular, monitoring significant ESG developments, addressing cross-functional issues, and advising on and escalating matters that require an overarching assessment because of their strategic, regulatory or reputational significance.

2.3 Sustainability Office

The Sustainability Office is BayernInvest's central specialist unit for ESG and sustainability matters. It reports directly to Executive Management and works across the organisation with the departments responsible for the matter concerned.

Its main responsibilities include:

- further developing ESG investment, product and reporting approaches;
- prioritising, planning and conducting corporate dialogues with relevant portfolio companies;
- monitoring and assessing regulatory and methodological developments and providing specialist support for the implementation of sustainable finance regulatory requirements;
- advising departments on ESG matters;
- developing and implementing ESG policies, standards and methodological frameworks; and
- coordinating the specialist work of the ESG Champions and other ESG experts.

The Sustainability Office thus provides central ESG expertise and supports departments in implementing the requirements relevant to them. Operational responsibility for the respective processes and decisions generally remains with the responsible departments.

2.4 ESG Champions and ESG Competence Centre

ESG integration within individual departments is supported by ESG Champions and the ESG Competence Centre. ESG Champions are specialists within selected business areas who combine ESG knowledge with the technical and procedural expertise of their organisational unit. In particular, they help translate ESG

requirements into existing processes, identify department-specific issues and coordinate collaboration with the Sustainability Office.

The ESG Competence Centre (ESG-CC) comprises members from all departments within Investment Management and the staff of the Sustainability Office. Accordingly, the ESG-CC discusses only topics with a clear investment connection. For example, the Sustainability Office presents new sustainability regulations, findings from the stewardship process, methodological changes at ESG rating providers and similar topics. The group then discusses the implications for day-to-day investment management and any adjustments to processes.

In this way, ESG integration takes place not only through a central sustainability function, but particularly within the organisational units with the relevant specialist responsibility.

2.5 Control functions

Compliance with ESG requirements is also supported by independent control and specialist functions in accordance with their respective responsibilities. Within its remit, Risk Management and Risk Controlling monitor relevant risks and compliance with defined risk requirements. This also includes sustainability risks where they are relevant to the respective risk categories and investment processes.

Within its remit, Compliance monitors adherence to the regulatory and internal requirements relevant to BayernInvest and supports ESG matters according to their compliance relevance.

Legal, Regulatory & Tax is responsible for the legal interpretation of applicable statutory and regulatory requirements and advises the departments concerned on their legal assessment and implementation.

This allocation of responsibilities distinguishes specialist development and operational implementation from independent monitoring and legal assessment.

2.6 Sustainability risks in risk management

Sustainability risks are considered within BayernInvest's existing risk management framework. These are environmental, social or governance events or conditions that, if they occur, could have an actual or potential material negative impact on the value of an investment.

Sustainability risks may materialise within various traditional risk categories. These include, for example, market, credit, liquidity, operational and reputational risks.

In the environmental sphere, physical and transition risks may be particularly relevant. Physical risks may arise, for example, from extreme weather events or longer-term climatic changes. Transition risks may arise, among other things, from

regulatory, technological, economic or social changes in the transition to a lower-emission economy.

Where sustainability risks are relevant to an investment strategy, corresponding information may be considered in investment analysis and in the assessment of issuers and investments. The nature and extent of this consideration depend on the investment strategy, asset class and availability of suitable information and data.

BayernInvest's policies on integrating sustainability risks into investment decision-making processes pursuant to Article 3 of the Sustainable Finance Disclosure Regulation (SFDR) are published separately on the corporate website.

3. ESG in product design and the investment process

3.1 ESG in product design

BayernInvest considers ESG requirements when designing and developing its investment products. The nature and extent of the ESG criteria considered depend on the investment strategy, regulatory requirements and, particularly for special funds, the investment guidelines agreed with investors.

For products with ESG characteristics, the binding criteria are defined during product design. These may include, in particular, exclusion criteria, ESG portfolio or issuer metrics, principal adverse impact (PAI) indicators, climate-related metrics and other product-specific criteria. Not all ESG tools described in this Policy are applied to every product. The investment terms and conditions and the prospectus established for the product concerned are authoritative.

BayernInvest uses a modular set of exclusion filters that enables different exclusion criteria and thresholds to be combined according to the product's design. Criteria may relate, for example, to breaches of defined international standards (e.g. the UN Global Compact), certain business activities or sectors. Depending on the product, additional exclusion criteria based on the requirements for EU Climate Transition Benchmarks or EU Paris-aligned Benchmarks may apply. The varying scope and stringency of these criteria enable the investment universe to be tailored to each product.

For our retail funds whose names bring them within the scope of the ESMA Guidelines on funds' names using ESG or sustainability-related terms, the requirements applicable to the relevant category of terms are considered in product design and ongoing monitoring. These include, in particular, the applicable minimum proportions and exclusion criteria.

For special funds, ESG criteria may be adjusted or supplemented in line with the agreed investment guidelines. This may include, for example, additional exclusions,

the consideration of certain PAI indicators or the management of defined climate-related portfolio metrics. The agreed criteria are recorded in the relevant fund documentation and reflected in the designated systems.

3.2 ESG in investment decisions

BayernInvest's investment decisions are guided by the investment objectives, investment terms and conditions and risk requirements applicable to the fund or mandate concerned. Where provided for by the investment strategy, ESG information and criteria are included in the analysis, selection and ongoing monitoring of investments.

ESG criteria may be considered at different levels. These include, in particular:

- limiting the investment universe through binding exclusion criteria;
- considering ESG risks and opportunities in issuer analysis;
- incorporating selected ESG, PAI or climate-related metrics;
- considering product-specific sustainability characteristics; and
- findings from engagement activities, where relevant to the assessment of an issuer.



The specific significance of individual ESG criteria for an investment decision depends on the investment strategy. ESG data and assessments serve as information and analytical inputs and are not equally decisive for all products or investment decisions.

Binding exclusion criteria and other quantitative investment limits are integrated into the investment process through the designated systems and interfaces. ESG data may be considered in the front and back office and in reporting. Integration into the systems supports the traceable application of the ESG criteria established for each product.

3.2.1 Exclusion criteria

Defined basic exclusion criteria apply to funds actively managed by BayernInvest. Additional exclusions and revenue thresholds may be established depending on the product's design. These may relate, in particular, to international standards, controversial business activities or certain economic sectors.

The precise definition of the exclusion criteria, the data used and any applicable revenue thresholds depend on the product concerned.

For our retail funds and as a framework for institutional clients, we have developed a filter system designed to meet different requirements. The graphic below shows the different levels of restriction, the exclusion criteria used at each level and the relevant revenue thresholds above which issuers are excluded.

Exclusion filter system

Fokus-Plus	Energie-Fokus	Standard-Plus	Standard	PAB** requirements	CTB* requirements	Armaments	> 5%
						Nuclear power generation	> 5%
						Nuclear energy (plant operators, components, uranium mining)	> 5%
						Unconventional oil and gas	> 0%
						Power generation from coal, oil and gas	> 0%
						Coal mining and distribution	> 0%
						Oil and gas production	> 0%
						Gambling	> 5%
						Adult entertainment	> 5%
						Civilian firearms	> 0%
						Genetic engineering	> 5%
						Oil production	> 0%
						Gas production	> 0%
						Coal mining and distribution	> 0%
						Power generation: CO ₂ intensity > 100 g/kWh	> 50%
						UNGC / OECD Guidelines compliance	Breach
						Tobacco production	> 0%
						Controversial weapons	> 0%
						Nuclear weapons	> 0%
						Armaments	> 10%
						ESG controversies	Red
						Coal mining and distribution	> 30%
						ESG rating	= CCC
						Not-free countries (Freedom House Index)	Not free

* Climate Transition Benchmark: see Article 10(2) of Delegated Regulation (EU) 2020/1818

** Paris-aligned Benchmark: see Article 12(1) of Delegated Regulation (EU) 2020/1818

3.2.2 Principal Adverse Impacts

“Principal Adverse Impacts” (PAI) refer to the sustainability indicators defined in the Sustainable Finance Disclosure Regulation (SFDR) and its accompanying Regulatory Technical Standards (RTS) for measuring the adverse impacts of investment decisions. These indicators are prescribed by regulation and structured systematically. They fall into three categories: indicators for investments in companies, investments in sovereigns and supranational organisations, and investments in real estate. PAI indicators include, in particular, metrics relating to climate and environmental impacts, social and employee matters, and respect for human rights.

At entity level, BayernInvest considers the principal adverse impacts of investment decisions on sustainability factors pursuant to Article 4 SFDR and publishes the corresponding statement annually.

In addition, selected PAI indicators may also be considered at product level in accordance with the investment strategy. This may be achieved, in particular, through exclusion criteria and thresholds, as part of issuer analysis and portfolio selection, and by addressing selected issues through engagement. The PAI indicators that must be considered for a particular product are determined by its investment strategy and disclosure documents.

3.2.3 ESG ratings

To analyse certain ESG characteristics and risks, BayernInvest uses, among other sources, ESG scores and ESG ratings from MSCI ESG Research. Assessments follow the data provider’s methodology and consider various environmental, social and governance topics.

MSCI ESG Ratings use a rating scale from AAA to CCC. The ratings are relative assessments within the underlying methodology. A higher ESG rating should therefore not be understood as an absolute statement about an issuer’s sustainability or its actual environmental or social impact.

At portfolio level, individual issuer assessments may be aggregated in accordance with the methodology used and presented for analysis and reporting purposes. ESG ratings may serve as an information input into investment analysis and decision-making. The results depend on data availability and the assumptions and methods of the relevant data provider.

For retail funds with sustainability characteristics, the relevant fund websites provide a graphic showing the percentage distribution of investments across the individual rating categories and disclose the fund’s average ESG rating. The published information identifies the data provider, the subject of the assessment and material methodological limitations, or provides a reference to the underlying methodology.

3.2.4 Labelled bonds

Labelled bonds are bonds whose structure or use of proceeds is linked to defined environmental or social criteria. These include, in particular, green, social and sustainability bonds. For these “use-of-proceeds” bonds, the proceeds are intended to finance defined projects or activities. Relevant market standards include the Principles of the International Capital Market Association (ICMA); bonds designated as European Green Bonds are subject to the requirements of the EU Regulation on European Green Bonds.

The designation of a bond as green, social, sustainability or otherwise “labelled” does not, in itself, cause BayernInvest to classify the instrument as sustainable or as an investment with a particular environmental or social impact. The assessment depends on the investment strategy and the criteria established for it. Where necessary, this may include analysis of the use of proceeds, the underlying framework, applicable exclusion criteria and other issuer- or instrument-specific information.

For funds that invest in bonds and are subject to the ESMA Guidelines on funds’ names using ESG or sustainability-related terms, labelled bonds are considered in accordance with the applicable requirements. The use of proceeds from labelled bond issues, where issued under the International Capital Market Association (ICMA) standard, is examined for compliance with the Paris-aligned Benchmark requirements.¹ The precise approach is explained in the relevant fund prospectuses. For these funds, BayernInvest’s fund profile pages disclose the proportion of use-of-proceeds bonds in the total portfolio.

¹ Paris-aligned Benchmark: see Article 12(1) of Delegated Regulation (EU) 2020/1818 in conjunction with ESMA Q&A 2368

3.2.5 Climate-related metrics

Climate-related metrics

For selected investment strategies, BayernInvest uses climate-related metrics to analyse certain emissions and transition characteristics of issuers and portfolios. These may include historical emissions metrics, such as emissions intensities or the carbon footprint, and forward-looking model-based metrics, such as Implied Temperature Rise (ITR).

The metrics are based on different data, assumptions and calculation methods and each captures only certain aspects of a portfolio's climate-related characteristics. In particular, they do not measure the actual climate impact of an investment or portfolio.

CO₂ metrics

Portfolio- and issuer-level CO₂ metrics may be used to present greenhouse gas emissions or emissions intensities against defined reference measures. The specific meaning of a metric depends on the calculation method used.

Changes in portfolio composition may lead to a calculated change in these metrics. For example, reducing the proportion of emissions-intensive companies may lower a portfolio's reported emissions intensity. However, such a change does not, in itself, indicate whether or to what extent greenhouse gas emissions have been reduced in the real economy.

Implied Temperature Rise

Implied Temperature Rise (ITR) is a forward-looking, model-based metric. It is used to estimate the temperature alignment of issuers or portfolios based on the data, assumptions and calculation methodology used by the data provider.

This involves, among other things, comparing modelled future greenhouse gas emissions or emissions pathways with an allocated carbon budget. The resulting temperature figure is neither a forecast of the actual increase in global temperatures nor a measure of a portfolio's climate impact. Likewise, a particular ITR value does not, in itself, establish that a portfolio is aligned with the goals of the Paris Agreement.

Depending on the product strategy, ITR may be used as an analytical, monitoring or management metric. Whether a binding ITR-related target exists, and in what form, is determined by the documentation applicable to the product. The calculated ITR for selected retail funds is published on BayernInvest's fund profile pages.

3.2.6 Sustainable Development Goals

The United Nations' 17 Sustainable Development Goals (SDGs) provide an internationally recognised reference framework for environmental, social and economic development objectives.

For selected investment strategies, companies' economic activities may be mapped to individual SDGs based on the data and methodology used. For products with a corresponding SDG focus, this mapping may be considered in issuer analysis and portfolio construction.



Mapping an economic activity to an SDG does not, in itself, demonstrate that an investment actually contributes to achieving that SDG or produces a corresponding real-economy impact. Where provided for by the strategy, potential adverse impacts on sustainability factors may also be considered.

3.3 ESG methodology and data sources

For ESG analysis, BayernInvest uses data from external providers and, where relevant, internal analysis and publicly available information. External data sources used include MSCI ESG Research and Bloomberg. The data and metrics used for a product depend on its investment strategy and methodology. External ESG data are loaded into the data warehouse daily and are available for use in the investment process and risk controlling. Data supplied by the external provider to internal systems undergo a validation process to ensure data quality. This checks the integrity of the data points in terms of completeness, consistency and accuracy. If relevant data are not delivered, the previous day's data package is used automatically.

External ESG data and assessments are based in part on estimates, assumptions and provider-specific methods. Results may therefore differ between providers. The use of such data must be understood in the context of the relevant methodology and data availability. MSCI ESG Research reviews the methodologies underlying all ESG

data packages periodically, consults on proposed changes and adjusts the methodologies where necessary. Methodology papers can be downloaded from the MSCI ESG Research website.²

3.4 Products

Our investment solutions include numerous retail funds. The focus is on fixed-income products with different investment focuses, investment horizons and investment strategies. The table below includes only retail funds that disclose under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR). This means that all products shown promote environmental and/or social characteristics. Some products also make sustainable investments within the meaning of Article 2(17) SFDR; these do not include economic activities that would qualify as environmentally sustainable under the EU Taxonomy. Precise details can be found in the respective prospectuses, which are available on the fund profile pages.

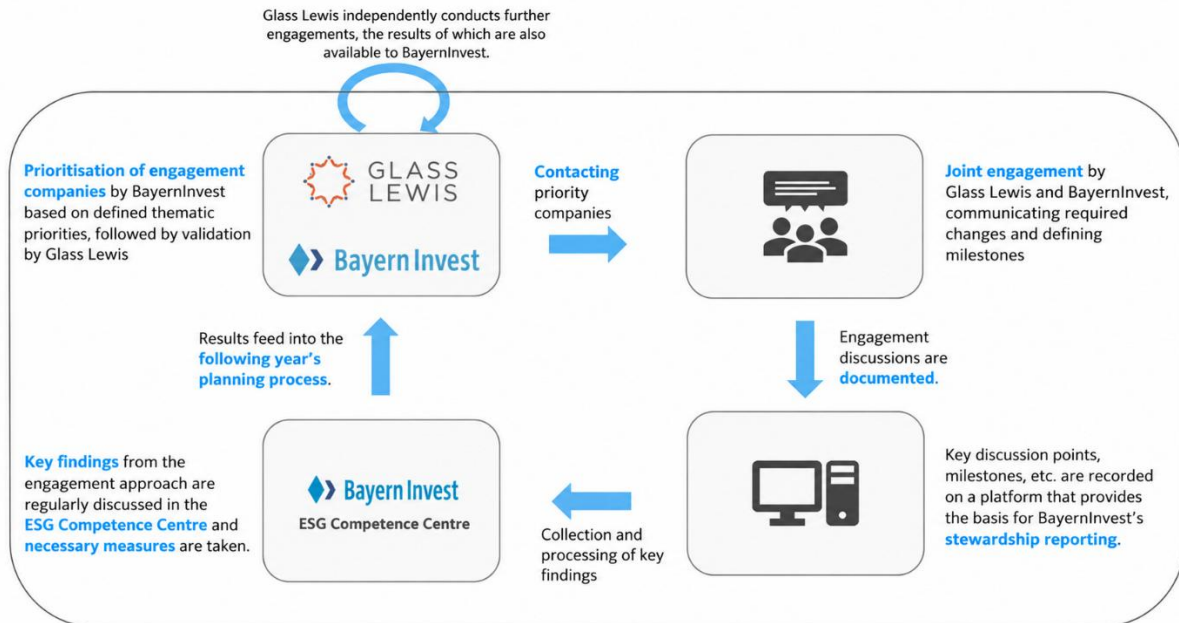
Product	Asset class	Exclusion framework	Fund profile page
BayernInvest Global Bond Opportunities	Fixed income	Standard	Link
BayernInvest Lux Corporates Non-Fin 2029 Fonds	Fixed income	Standard ³	Link
BayernInvest Lux Covered Bond Fonds	Fixed income	Standard	Link
BayernInvest Lux Reserve EUR Bond Fonds	Fixed income	Standard	Link
BayernInvest Renten Europa-Fonds	Fixed income	Standard	Link
BayernInvest ESG Subordinated Bond-Fonds	Fixed income	Standard-Plus	Link
BayernInvest Lux ESG High Yield Euro Fonds	Fixed income	Standard-Plus	Link
BayernInvest ESG Corporate Bond Klimaschutz	Fixed income	Energie-Fokus	Link
BayernInvest Nachhaltigkeitsfonds Klimaschutz	Equities	Fokus-Plus	Link
DKB Nachhaltigkeitsfonds European Green Deal	Equities	Fokus-Plus	Link
DKB Nachhaltigkeitsfonds Klimaschutz	Equities	Fokus-Plus	Link
DKB Nachhaltigkeitsfonds SDG	Equities	Fokus-Plus	Link

² MSCI Sustainability and Climate Methodologies | MSCI

³ At the time the fund was launched, the Standard filter had not yet been finalised. The fund-specific criteria therefore differ slightly from the framework shown. The exclusion criteria applicable to the fund are set out in its prospectus.

4. Stewardship

Stewardship complements BayernInvest's ESG investment analysis through dialogue with issuers (engagement) and the exercise of voting rights (proxy voting).



BayernInvest conducts selected engagements itself or jointly with its strategic partner IVOX Glass Lewis and also draws on the service provider's engagement activities. Engagement priorities are set with regard to their relevance to the issuers and investments concerned. Objectives and, where possible, verifiable milestones are defined for individual engagements; the dialogue and progress of engagements are documented and monitored. Findings from engagement activities may inform further issuer analysis and the investment process. Where progress is insufficient, escalation measures may be considered in accordance with the Stewardship Policy. These may include more intensive dialogue, taking the issue into account in voting decisions and, as a last resort, divestment. Voting rights are exercised in accordance with the applicable requirements and in cooperation with IVOX Glass Lewis; actual coverage depends, among other things, on market and depositary conditions. Further details on engagement, proxy voting, escalation, conflicts of interest and reporting are set out in BayernInvest's separate Stewardship Policy.

5. Reporting

BayernInvest provides investors with ESG information on funds and portfolios through various reporting formats. Reporting comprises three complementary components: standardised ESG reports for selected retail funds, interactive and client-specific ESG analysis for institutional investors, and stewardship reporting on engagement and proxy voting activities. The aim is to present relevant ESG characteristics, risks and metrics, as well as BayernInvest's activities as an active

investor, transparently and to support their interpretation in the relevant portfolio and comparative context.

For institutional clients, ESG information is provided through the secure BI-More reporting platform and, on request, as part of the interactive ESG-Check.

BayernInvest also reports on its engagement and proxy voting activities through its stewardship reporting. This includes, in particular, information on the stewardship approach, key engagement priorities and selected case studies, as well as aggregate information on the exercise of voting rights.

In addition to these reporting formats, BayernInvest publishes the sustainability disclosures required by regulation and further product-specific information on its corporate website. The nature and extent of the ESG information presented depend on the product or mandate concerned and the availability of suitable data.

The metrics used in ESG reporting are based in part on data and methods from external providers. Data may include estimates, relate to different reference and publication dates, and provide different levels of portfolio coverage depending on the metric. Results must therefore be assessed in the context of the underlying methodology and data availability. In particular, ESG metrics do not, in themselves, demonstrate a particular level of sustainability or an actual environmental or social impact of a portfolio.

5.1 Static ESG reporting

BayernInvest provides standardised ESG reports for special funds. These give a structured overview of selected ESG characteristics and metrics of the fund as at a defined reporting and portfolio reference date. Where a suitable comparator is available, the metrics may also be compared with a benchmark. Individual metrics, such as the portfolio's average ESG rating and carbon footprint, are shown over time so that their development can be seen in a chart.

For example, BayernInvest's existing sustainability reporting combines an overall ESG overview with emissions metrics, detailed sector and issuer analysis, climate analysis and information on international standards. Methodology notes and glossary information explain the data and calculation methods used. The underlying emissions data may be based in part on estimates and different publication dates.

Static reporting primarily provides a regular and comparable presentation of defined metrics at a particular reference date. It enables investors to track changes in selected ESG characteristics of a portfolio over time and, where methodologically appropriate, assess them against suitable comparators.

5.2 Dynamic ESG reporting – ESG-Check

To complement standardised reporting, BayernInvest offers institutional investors an interactive analytical format through the ESG-Check. Selected ESG characteristics

and metrics of a special fund are analysed, visualised and interpreted together with the client in the relevant portfolio and regulatory context.

Depending on the portfolio structure, data availability and individual analytical requirements, ESG ratings, international standards, CO₂ and emissions metrics may be examined, as in static reporting. In addition, forward-looking climate metrics such as Implied Temperature Rise (ITR), PAI indicators, transition metrics and other ESG analyses may be used. Results are typically compared with a benchmark.

In addition to directly held securities, the analysis may include underlying funds and ETFs, depending on the available data. Results are presented interactively using business intelligence applications. This enables individual fund segments, metrics and levels of comparison to be examined selectively and relationships within the portfolio to be analysed.

The ESG-Check thus differs from static reporting in two respects: its interactive, client-specific nature and the numerous additional metrics that can be considered as needed. While static reporting presents predefined metrics at a particular reference date, the ESG-Check enables more detailed analysis and interpretation of selected issues together with the responsible departments at BayernInvest.

The metrics presented in the ESG-Check provide an information base for further portfolio analysis and may be considered when assessing possible courses of action. A change in individual ESG or climate metrics does not, in itself, indicate a corresponding environmental or social change in the real economy.

5.3 Stewardship reporting

In addition to analysing the ESG characteristics of portfolio holdings, BayernInvest reports on its activities as an active investor and also enables its investors to receive reporting tailored to the client portfolio. Engagement with portfolio companies and proxy voting are the principal elements of stewardship reporting.

The stewardship report focuses in particular on:

- the understanding of stewardship and the principles of the engagement and voting approach;
- the thematic priorities of engagement activities;
- the number, geographical distribution and thematic classification of engagements conducted, together with corresponding graphics;
- selected engagement case studies, including objectives, the course of the dialogue, agreed or observed milestones and the current status of the engagement;
- information on cooperation with the strategic stewardship partner IVOX Glass Lewis;

- key information on proxy voting; and
- aggregate information on voting behaviour.

The case studies illustrate the approach, objectives and progress of our engagements. A distinction is made between conducting an engagement activity and its possible outcomes. In particular, a corporate dialogue or the achievement of individual engagement milestones does not automatically imply a corresponding environmental or social impact of the investment.

In addition to overarching stewardship reporting, BayernInvest can prepare client-specific proxy voting overviews for institutional clients. These may, for example, provide a structured presentation of the general meetings, voting items and votes cast relevant to the portfolio concerned. This allows institutional investors to track the voting activities relevant to their investments.

Details of the engagement process, individual, service-provider and collaborative engagements, the escalation process, the exercise of voting rights and the management of conflicts of interest are governed by BayernInvest's separate Stewardship Policy.

6. Review and further development

The ESG Policy is reviewed regularly and in response to relevant developments and is updated where necessary. Reasons for revision may include, in particular, regulatory changes, new market standards, methodological developments, changes in data availability and adjustments to BayernInvest's investment, product or governance processes.

Responsibility for the technical development of the Policy lies with the Sustainability Office in coordination with the departments concerned. Material changes are coordinated and approved in accordance with internal governance and approval processes. The aim is to ensure that the principles and processes described in the Policy are consistent with the applicable regulatory requirements and the actual design of BayernInvest's ESG activities.

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