Information on sustainable investing

Alongside liquidity, return, and risk, sustainability preferences will now also be a mandatory regulatory component of your investor profile. You decide to what extent sustainability criteria should be taken into account in your investment decisions.

Investors will be able to see even more transparently what sustainable investments really entail and how their own investments affect the environment and society by taking environmental, social, and governance (ESG) factors into account. ESG has become an established term internationally as a way of expressing whether and how companies, governments, and organisations incorporate environmental and social aspects.

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The consequences of global warming are manifold and harbour risks. But sustainability not only covers climate change – it also covers adverse social, economic, and political developments. Investors can influence the sustainable development of the economy and a sustainable financial system through their investment behaviour. To create a uniform standard, the European legislative power has enacted regulations that define the requirements for sustainable investments1 and environmentally sustainable investments.2 These regulations also require companies to disclose sustainability information in a uniform and systematic way, in particular with regard to sustainability risks. In addition to these requirements, sustainability criteria must be taken into account in investment advice and portfolio management when recommending investments or in the investment strategy, if so desired by you as the client.3 This means you can decide to what extent you want sustainability criteria to be incorporated into your financial investments, depending on the sustainability preferences you specify in your investor profile.

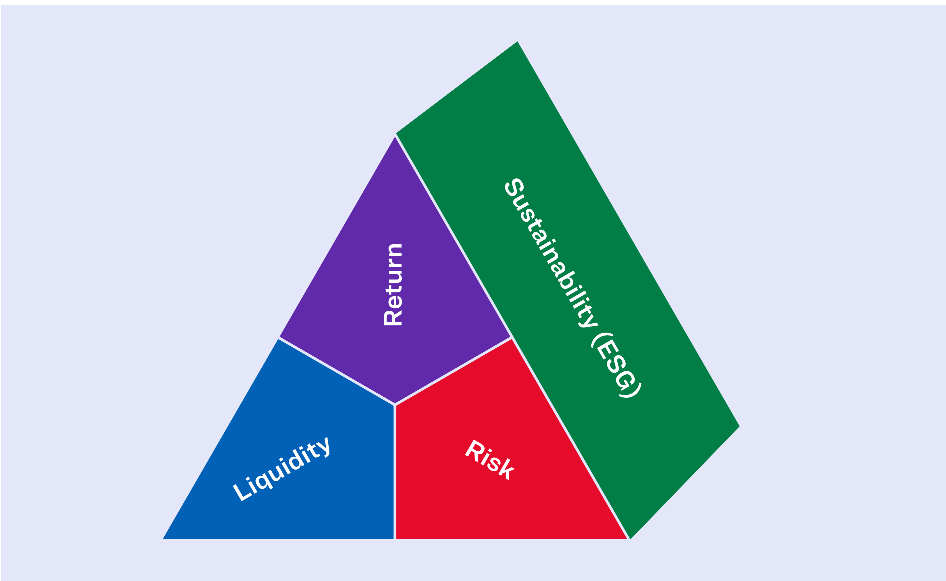
[1] Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (Disclosure Regulation).

[2] Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

[3] Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021 amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions for investment firms (MiFID II Amendment).

The three-dimensional triangle of sustainable investment

The classic investment triangle, consisting of liquidity, return, and risk, is now being supplemented by a further dimension in the form of ESG criteria. By expressing their sustainability preferences, investors themselves determine the depth to which the third dimension of sustainability criteria should be incorporated into their individual investments.



Sustainability criteria

Under the EU regulations, the following general types of investments take sustainability criteria into account:

Promoting positive impact

These are financial products that promote environmental and/or social objectives through their investments. By way of a regulation, the EU has established six major environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems.

Avoiding negative impact

These are financial products that avoid investments with a negative impact on society and the environment. The most important topics are: greenhouse gas emissions, water, waste, biodiversity, social and employee-related matters.

Product categories

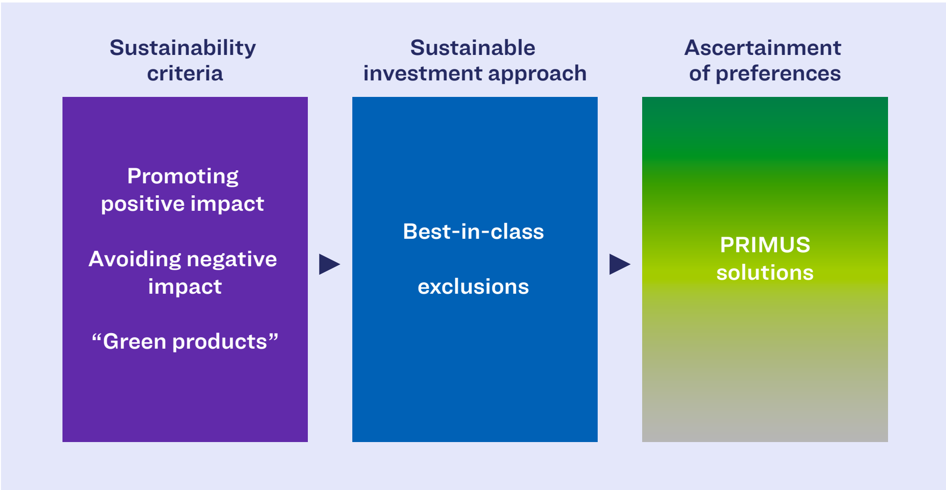
Sustainable investment products are divided into two subgroups. These two subgroups define how sustainable the product is. They also transparently show how, to what extent, and with what objectives sustainable investments are made.

Products for achieving sustainable investment objectives Article 9 products	Products for promoting environmental or social characteristics Article 8 products
The "dark green" products make a concrete contribution to at least one of the six environmental objectives (according to the EU Taxonomy).	The "light green" products take environmental (E) and social (S) characteristics into account in their investment strategy.

(Non-sustainable investment products are referred to as Article 6 products.)

Our sustainable investment approach

Neue Bank AG is an innovator and pioneer in Liechtenstein in the field of sustainable investing. The bank has been offering sustainable investments since 2009. This gives it a long-standing track record with results that are actually generated and not just based on backtesting hypotheses.



Neue Bank AG has adopted a methodologically comprehensive best-in-class approach (selection of the best from all sectors according to ESG criteria). This approach is applied equally to all asset classes. Neue Bank AG's sustainable investment approach combines risk considerations, for example through exclusions, with a clear view of sustainable investment opportunities.

Tailored PRIMUS solutions

Our PRIMUS solutions offer you tailored investment advice and portfolio management – depending on your individual sustainability preferences. The higher your sustainability preferences, the greater the recommended minimum share of sustainable investment products. Together, we determine your sustainability preferences and the solution that is the best match for achieving your goals.

Further information including a glossary can be found on our website: www.neuebankag.li.

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