



Sustainability-related disclosures pursuant to Regulation (EU) 2019/2088 (“SFDR”)

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Maerki Baumann & Co. AG („**MBC**”) is a Swiss private bank with its registered seat in Zurich. MBC both qualifies as a financial market participant (providing portfolio management services) as well as a financial advisor (providing investment advice) under the definitions of the SFDR. Furthermore, the portfolio management services offered by MBC constitute in form of the modular investment solution a financial product within the meaning of the SFDR.

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1. Sustainability risks

MBC considers sustainability risks as part of its investment decision-making process as well as in its financial advice. Sustainability risks are environmental, social or governance events or conditions, the occurrence of which could have an actual or potential material adverse effect on the value of the investment. MBC considers sustainability risks based on publicly available information and licensed data as part of its due diligence process prior to an investment. This also includes an assessment of sustainability risks. Such assessment is being conducted through a formal process as appropriate in light of the circumstances of the individual case. The results of such assessment are taken into account when the investment decision is being made. However, MBC remains free in its decision to refrain from investing or to invest despite sustainability risks, in which case MBC can also apply measures to reduce or mitigate any sustainability risks. At all times, MBC will apply the principle of proportionality taking under account the strategic relevance of an investment as well as its transactional context.

2. No consideration of adverse impacts of investment decisions on sustainability factors

MBC does currently not fully consider adverse impacts of investment decisions on sustainability factors in its portfolio management and its investment advice. Hence, MBC does not particularly use the sustainability indicators listed in Annex I of the Regulatory Technical Standards (C(2022) 1931 final, “**RTS**”) to identify and assess potential adverse impacts but applies similar standards



to a certain extent. Sustainability factors are environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. Given that the SFDR, the Regulation (EU) 2020/852 (“**Taxonomy**”) and the accompanying RTS are relatively new legislative acts, there is very little practical experience or practice with regard to the application of the respective provisions. Therefore, substantial legal uncertainties would remain, when fully applying those provisions to the strategies pursued by MBC. Especially with regard to MBC’s role as financial market participant, MBC is currently not able to implement the procedures and structures needed to levy, calculate and aggregate the indicators laid down in Annex I of the RTS reliably and to ensure a regular disclosure as required by the SFDR and the RTS based on the available data.

To avoid the accusation of greenwashing, MBC is therefore rather reluctant to commit itself to the consideration of adverse impacts. Due to the partial lack of data, market participants are generally faced with the challenge of being able to make a concise consideration of the adverse impacts. However if legal uncertainties as well as practical impediments will be resolved and a market and administrative practice will evolve in this regard, MBC will re-evaluate considering principal adverse impacts of investment decisions in its portfolio management as well as its investment advice in due course.

3. Remuneration disclosures

MBC’s remuneration policy, procedures and practices align individuals’ pay with the interests of its clients and the long-term performance of the business. The remuneration policy aims to motivate senior management and all employees in delivering our strategy while ensuring that the business performance is sustainable over the long-term and aligned with effective risk strategy and appetite, not encouraging excessive risk-taking. The internal policies on the consideration and integration of sustainability risks are section of the evaluation process and are therefore part of MBC’s remuneration policies.