

Net Zero Commitment

BarmeniaGothaer Asset Management AG

April 2025

Our Net Zero Commitment

BarmeniaGothaer is a member of the Net Zero Asset Owner Alliance (NZAOA). The UN-backed initiative brings together institutional investors with the aim of achieving the transition to a low-carbon economy. By joining the Net-Zero Asset Owner Alliance, members commit to making their investment portfolios carbon-neutral by 2050 in order to meet the 1.5 degree target of the Paris Climate Agreement. The NZAOA has published a Target Setting Protocol, which requires members to set interim targets every five years in line with article 4.9 of the Paris Agreement and report on the progress. The Target Setting Protocol outlines requirements and recommendations for members in setting targets. Members are required to set targets against four parts. The minimum expectation is that Alliance members shall set targets on three parts with engagement being a mandatory target

The alliance's four-part target setting approach includes: **Sub-Portfolio targets, Engagement targets, Sector targets and Financing transition targets**

The Target Setting Protocol is reviewed and published annually, increasing the scope of target requirements and adjusting existing guidance in line with the most recently available, scientific findings. BarmeniaGothaer Asset Management is committed to setting net-zero targets consistent with the requirements of the NZAOA¹. In 2022, the following 3-year interim targets, listed below, were adopted and will be progressively expanded in accordance with changes to the NZAOA's target-setting protocol.

- **Sub-Portfolio Targets***: Reduce financed GHG emissions (Scope 1 + 2) per million € invested by 25% each for equities and corporate bonds by Dec. 31, 2024 compared to 2021. As at December 31, 2024, a greenhouse gas reduction of 48% per million euros invested was achieved for corporate bonds compared to the base year 2021. The target set was therefore achieved. The Gothaer Insurance Group's equity portfolio was liquidated in 2021, making the achievement of the target obsolete.

For real estate portfolio: Reduction of financed GHG emissions (Scope 1 + 2) per kgCO₂/m² in the RE Equity Portfolio (with a stake of 25% or higher) by 20% by 12/31/2024 compared to 2021. Due to a delay in the recording of energy consumption for properties, only the CO₂ data as at 31.12.2023 is currently available. At this point in time, the reduction in emissions per square meter compared to the base year 2021 was 26%. The CO₂ data as at 31.12.2024 is currently still being calculated and will be published at the end of 2025.

It should be noted that the above goals only relate to the Gothaer Portfolio, prior to the merger in September 2024. The next 5 year goals upto 2030 will be set in 2025 for BarmeniaGothaer.

- **Engagement Targets**: Engagement Dialogue with at least 20 companies in the portfolio on climate change. By 31.12.2024, discussions on the topic of Net Zero had been held with 37 investee companies. The discussions were conducted either by our external service provider ISS or by our external managers.

¹ This obligation relates exclusively to the assets of the Barmenia-Gothaer Group. Public funds and the FLV are excluded from this obligation

- **Sector Targets:**

1. **Coal Energy**

Complete phase-out of the coal-based energy industry by 2030 at the latest in the European Union and OECD countries and by 2040 at the latest in all other countries. For this, the threshold value for the maximum permissible share of revenue that the company can generate from the mining or generation of electricity from coal will be continuously reduced in accordance with the published [phase-out plan](#).

2. **Oil & Gas sector**

By the end of 2027, Gothaer aims to hold in its portfolio only those companies from the oil and gas sector that have adopted and communicated credible decarbonization plans to achieve net zero targets by 2050. To achieve this, an internal methodology has been developed to identify portfolio companies that are net zero aligned. A company is considered net zero aligned if one of the 4 criteria is met:

1. a) Investment in clean energy of more than 30%
b) Implied Temperature Rise (ITR) below 2 degree
c) High TPI (Transition Pathway Initiative) score (management score of at least 4, carbon score: at least “below 2 degrees”)
d) “Aligned” or ‘Achieving Net Zero’ status according to the net zero Investment Framework

2. Companies that are in the engagement process can still be held until the end of the engagement period.

We obtain the above data points from our data provider MSCI ESG Research and from the Transition Pathway Initiative².

With regard to the exclusion criteria in the respective sectors, we refer to [our responsible investment policy](#)

- **Targets for financing climate solutions:** Annual investment of 200 million euros in impact/thematic investments.

² <https://www.transitionpathwayinitiative.org/>