

Information on Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector

In November 2019, the European Union adopted Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (the "Regulation"), which applies from 10 March 2021. The Regulation is intended to increase transparency in the disclosure to end investors (clients) of the sustainability impact of investments and the risks to sustainability, which are defined by the Regulation as an environmental or social event or condition, or a governance event or condition, that could have an actual or potential material adverse effect on the value of an investment. If they materialise, they may constitute a stand-alone risk but may also affect other risks in the investment portfolio of the financial product (e.g. market risks, liquidity risks, credit risks or operational risks).

The objective of the Regulation is to increase transparency in informing how financial market participants and financial advisors (hereinafter referred to as "financial agents") incorporate long-term sustainability, i.e. Environmental, Social and Governance (ESG) criteria, into the risks and opportunities of their investment decisions.

Pursuant to Article 3(2) of the Regulation, financial intermediaries shall publish on their websites information on their policies regarding the inclusion of sustainability risks in the conduct of financial intermediation. This information is provided by the Company to clients through this document.

Within the meaning of Article 4(1) of the Treaty, the Commission shall. 5 of the Regulation, financial intermediaries shall publish and maintain on their websites information on whether, having due regard to their size, nature and scope of their activities, as well as the types of financial products in relation to which they provide advice, take into account the main adverse impacts on sustainability factors in their investment or insurance advice, or information on why they do not take into account the adverse impacts of investment decisions on sustainability factors in their investment or insurance advice, and, where applicable, whether and when they intend to take such adverse impacts into account.

WEM Advisory a.s. (the "Company") hereby discloses the following information in accordance with the Regulation:

In providing investment services, the Company considers not only the financial characteristics of individual investment assets, but also individual sustainability factors, which are primarily:

E – Environmental

S – Social (social factors focusing on social justice)

G – Governance (factors focusing on ethical corporate governance)

Currently, the Company does not fully consider the adverse impacts of investment decisions on sustainability factors.

This is mainly due to the fact that the Company does not fully possess all the necessary information from third parties (financial market participants) that would enable it to take into account and correctly measure the main adverse impacts on ESG factors in this context and enable end investors to make an informed investment decision.

When providing investment services, the company evaluates the information provided by the financial product creator. If the financial product manufacturer takes into account risks to sustainability, it shall normally disclose this in its pre-contractual information.

If, in the course of the financial intermediation exercise, the client chooses through the investment questionnaire to indicate a preference for products that place risks in areas reflecting sustainable ESG criteria, the financial intermediary shall take this into account when formulating recommendations to the client. Notwithstanding the recommendations of the financial agent, the client has the right to choose the financial service contract at his/her discretion. The financial intermediary will take this into account when formulating the suitability statement.

Pursuant to Article 5(1) of the Regulation, financial market participants and financial intermediaries shall include in their remuneration policies information on the extent to which those policies are consistent with the inclusion of sustainability risks. Following on from the above, the Company states that remuneration policies do not include sustainability risks and therefore the remuneration mechanism is not affected by the intermediation of financial products taking into account ESG factors.