

# No consideration of adverse impacts of investment decisions on sustainability factors

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Universal-Investment-Luxembourg S.A. (LEI: 529900J76YSIZNVFEG95) does not consider the principal adverse impacts of its investment decisions on sustainability factors at its entity level since 1 January 2023. In this respect, Universal-Investment-Luxembourg S.A. makes use of its option pursuant to Article 4 (1) of the Disclosure Regulation (Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019) (so-called explain approach).

Universal-Investment-Luxembourg S.A. mainly outsources the portfolio management for its investment (sub-)funds to external portfolio managers. The portfolio manager therefore makes the investment decisions within the framework of the contractual requirements.

Insofar as Universal-Investment-Luxembourg S.A. provides the portfolio management for its investment (sub-)funds itself, it does not consider the adverse effects of investment decisions on sustainability factors on its entity level.

If portfolio management for a (sub-)fund is outsourced by Universal-Investment-Luxembourg S.A. to external companies outside the Group, Universal-Investment-Luxembourg S.A. endeavours to ensure that the respective portfolio manager considers adverse impacts on sustainability factors (Principal Adverse Impact "PAI") in its investment-decision process. If an advisor is commissioned to make investment recommendations for a (sub-)fund, Universal-Investment-Luxembourg S.A. will endeavour to ensure that the respective advisor considers PAIs in its investment recommendations.

Universal-Investment-Luxembourg S.A. does not pursue a general strategy across funds for the consideration of PAIs on its entity level. At present, the data available in the market is not yet sufficient or of the required quality in relation to the overall diversity of assets in all investment funds of Universal-Investment-Luxembourg S.A.. Universal-Investment-Luxembourg S.A. manages a number of different investment strategies in a variety of asset classes, so that no consistent, reliable and sufficiently comparable data is available to make a meaningful assessment of potential adverse impacts of investment decisions on sustainability factors.

The thorough implementation of the regulatory requirements for considering adverse impacts on sustainability factors at entity level also requires considerable effort, which is not offset by sufficient added value from the perspective of Universal-Investment-Luxembourg S.A. due to the limited data quality and the resulting limited informative value. Particularly in view of the fact that further changes to the legal requirements of the Disclosure Regulation have already been announced, the operational expense for maintaining the corresponding procedures and their ongoing adjustment to regulatory developments - based on the aspect of outsourcing dynamics - does not appear appropriate.

In the pre-contractual information Universal-Investment-Luxembourg S.A. informs on a fund-specific basis as to whether and, if so, how the consideration of principal adverse impacts is a binding component of the investment strategy of the (sub)fund.

Universal-Investment-Luxembourg S.A. reserves the right to decide in future on the possibility of considering the principal adverse impacts of its investment decisions on sustainability factors as part of internal strategies.

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