

Statement on principal adverse impacts of investment decisions on sustainability factors

Version 3.0, 30 June 2024

Financial market participant: Universal-Investment-Gesellschaft mbH, LEI:
549300TDFL442EPSLM98

Summary

Universal-Investment-Gesellschaft mbH (LEI: 549300TDFL442EPSLM98) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Universal-Investment-Gesellschaft mbH.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

Investment decisions may cause, contribute to, or be directly associated with adverse, material or likely material, impacts on sustainability factors ("**adverse impacts**"). These adverse impacts are made measurable by means of indicators. Principal impacts include, on the one hand, adverse impacts on the climate and other environment-related adverse impacts and on the other hand, adverse impacts in the field of social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. A distinction is made between "adverse impacts" and the "principal adverse impacts" (**PAI**), which are to be considered material due to their adverse external effects and thus to be taken into account in the investment decisions of the financial market participant.

Universal-Investment-Gesellschaft mbH ("**Universal Investment**") is part of the Universal Investment Group, one of the largest European fund services platforms and Super ManCos, and as a financial market participant is subject to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector ("**Disclosure Regulation**") and Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 ("**Delegated Regulation**").

For this statement, principal adverse impacts of investment decisions related to funds managed by Universal Investment are considered. Investment decisions related to the investment of Universal Investment's own funds are not covered.

For Universal Investment funds, the 18 so-called mandatory indicators from the Delegated Regulation (climate and other environment-related indicators, as well as indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters), as well as six additional opt-in indicators have been defined as indicators for principal adverse impacts. Depending on the focus of the investment policy of the fund, (i) indicators for investments in investee companies, (ii) indicators for investments in sovereigns (and supranational organisations), or (iii) indicators for investments in real estate assets are taken into account in investment decisions.

For the present statement, in accordance with the requirements of the Delegated Regulation, the respective (quantitative) impacts of each indicator in the reference period (based on four quarterly reporting dates), any related explanations as well as the description of the actions taken, and actions planned or targets set for the subsequent reference period have been included. The ability to consider and report the principal adverse impacts depends largely on the availability of relevant information in the market. The required data is not available to a sufficient extent and in the required quality for all assets in which Universal Investment invests via the managed funds and mandates.

For securities (stocks and bonds) and fund shares from securities funds, the PAI indicators for companies and sovereigns were calculated based on data from MSCI ESG Research. Data coverage was considerably limited for some indicators, such as indicators on water emissions, waste, board gender diversity or sectoral energy consumption intensity. For the real estate indicators, data

collection took place for all real estate funds managed by Universal Investment. In particular, the indicator on energy consumption intensity still showed data quality challenges.

The calculation logic for PAI indicators for this statement has been adapted to regulatory requirements and current market practice. A service provider was used to calculate the PAI indicators for this statement, who consolidated the data for direct holdings and target fund investments and calculated the final PAI indicators. In the case of investments in investee companies, indicators for absolute greenhouse gas (GHG) emissions, GHG intensity and non-renewable energy consumption/production have developed positively. There were more pronounced negative changes in the indicators for water emissions, waste, and lack of policies to monitor compliance with the UNGC principles or OECD guidelines. For investments in sovereigns (and supranational organisations), indicators scaled by covered assets for scores for freedom of expression and rule of law have improved, while the indicators for GHG emissions intensity and exposure to countries subject to social violations have worsened. Indicators for investments in real estate assets have changed slightly.

Work is continuously being done to improve the quality and quantity of both, the data obtained from data providers and the data collected directly, in order to enhance transparency about our adverse impacts. Currently, this statement covers data from securities and real estate funds. Data from alternative investment funds were deliberately excluded from this statement. The allocation of existing PAI indicators to alternative investments is challenging, and there is currently no common methodological basis for consistent data collection on alternative investments such as private equity, infrastructure or renewable energies. Universal Investment advocates, in particular through engagement in respective industry associations, for the development of marketable and robust standards for the collection and calculation of PAI for further asset classes. In order to increase the informative value of the statement in the future, Universal Investment is continuously working on expanding the coverage and improving the underlying data quality.

Universal Investment has implemented processes and procedures to consider the principal adverse impacts of investment decisions on sustainability factors, e.g. by requiring assigned portfolio managers or investment advisors to consider PAI using a best-effort approach. In addition, funds that classify as funds under Article 8 of the Disclosure Regulation (funds with environmental and/or social characteristics) or funds that classify as Article 9 of the Disclosure Regulation (funds that only invest in sustainable investments) may define specific PAI to be considered at the fund level in the pre-contractual documents. The consideration is being reported in the respective annual report of the fund. Universal Investment does not permit investments in issuers that have any industry tie (ownership, manufacture or investment) to cluster munitions or trading in derivatives on agricultural commodities.

The engagement policy of Universal Investment is exercised in the form of voting rights. As part of its function as a fund services platform, Universal Investment, as a service provider, is committed to the Principles for Responsible Investment (PRI), is a member of the German fund industry association BVI Bundesverband Investment and Asset Management e. V. and the FNG Forum Nachhaltige Geldanlagen e. V. (German Sustainable Investment Forum) in order to further promote sustainability issues and the transformation in the sustainable finance area. Universal Investment does not currently use a forward-looking climate scenario.

This summary is available in the following languages:

- [Danish / Dansk](#)
- [Dutch / Nederlands](#)
- [Finnish / Suomeksi](#)
- [French / Français](#)
- [German / Deutsch](#)
- [Italian / Italiano](#)
- [Portuguese / Português](#)
- [Spanish / Español](#)
- [Swedish / Svenska](#)

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact (year 2022)	Impact (year 2023)	Explanation	Actions taken and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	7,461,940.2 tCO ₂ e	5,309,398.32 tCO ₂ e	<p>Scope 1 greenhouse gas (GHG) emissions are emissions for which the company is directly responsible. They are from sources owned or controlled by the company, for instance direct combustion of fuel as in a furnace. This figure represents the company's most recently reported or estimated Scope 1 greenhouse gas emissions. This figure is weighted by the current value of investment in a company divided by the company's most recently available enterprise value.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 36.30 % (in previous year: 38.93 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research. For instance, no data for target</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					funds is currently available from MSCI ESG Research for this indicator.
		Scope 2 GHG emissions	1,785,807.3 tCO2e	1,222,225.69 tCO2e	<p>Scope 2 GHG emissions are emissions generated indirectly through the use of energy, for instance electricity, heating and cooling. This figure represents the company's most recently reported or estimated Scope 2 GHG emissions. This figure is weighted by the current value of investment in a company divided by the company's most recently available enterprise value.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 36.30 % (in previous year: 38.93 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</p>
		Scope 3 GHG emissions	52,274,478.31 tCO2e	39,091,846.93 tCO2e	Scope 3 GHG emissions are indirect emissions resulting from activities such as business travel, distribution of products by third parties and downstream use of a company's products (for instance by customers).

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					<p>Due to the current inconsistency in reported Scope 3 emissions data, MSCI ESG Research uses a uniform approach to estimate Scope 3 emissions considering both upstream and downstream emissions. Therefore, the figure disclosed is the estimated emissions of the companies.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 36.27 % (in previous year: 38.9 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</p>	
		Total GHG emissions	61,264,214.82 tCO2e	44,567,487.11 tCO2e	<p>This figure is the sum of the aggregated GHG emissions (Scope 1, 2 and 3) of the investee companies weighted by the current value of investment in a company divided by the company's most recently available enterprise value.</p> <p>For the reported GHG emissions, it should be noted that there may be differences in the absolute total amounts from the individual reporting according to Scope 1, 2 and 3 to the aggregated total GHG</p>	

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					<p>emissions reported. In comparison, the sum of the individual values results in 45,623,470.94 tonnes of CO2e. These differences originate from the MSCI ESG Research dataset and are partly due to rounding differences.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 36.28 % (in previous year: 38.90 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</p>	
	2. Carbon footprint	Carbon footprint	208.08 tCO2e / € mn	<p>188.44 tCO2e / € mn (Scaled by covered assets 433.90 tCO2e / € mn)</p>	<p>This figure is the sum of companies' total GHG emissions (Scope 1, 2 and 3) weighted by the portfolio's current value of investment in a company and by the company's most recently available enterprise value, adjusted to show the emissions associated with 1 million EUR invested.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 43.43 % (in previous year: 44.61 %) data</p>	<p>In order to improve transparency on the adverse impacts of this indicator, an increase in the level of coverage is being sought. MSCI ESG Research is continuously expanding its database.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					was available for the calculation.*	
	3. GHG intensity of investee companies	GHG intensity of investee companies	992.18 t / € mn sales	437.15 t / € mn sales (Scaled by covered assets 927.47 t / € mn Sales)	<p>This figure shows the weighted average of companies total GHG emissions intensity (Scope 1, 2 and 3) per EUR million sales.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33% of assets from securities funds) are eligible for the calculation of the indicator. For 47.13 % (in previous year: 48 %) data was available for the calculation.*</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4.63 %	4.24 % (Scaled by covered assets 9.07 %)	<p>“Engagement” means that a company has exposure to fossil fuel-related activities, including exploration, extraction, mining, storage, distribution and trading of oil and gas, production and distribution of thermal coal, and production, distribution, storage, and reserves of metallurgical coal.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 46.80 % (in previous year: 49.17 %) data was available for the calculation.*</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter “Description of policies to identify and prioritise principal adverse impacts on sustainability factors”.

	<p>5. Share of non-renewable energy consumption and production</p>	<p>Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources</p>	<p>68.73 %</p>	<p>28.17 % (Scaled by covered assets 65.27 %)</p>	<p>The percentage reflects the company's energy consumption and/or production from non-renewable sources as a percentage of total energy use and/or generation. There is currently no differentiation between energy consumption and energy production. Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 43.16 % (in previous year: 42.1 %) data was available for the calculation.*</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting. No further actions have been planned for the next reporting period.</p>
	<p>6. Energy consumption intensity per high impact climate sector</p>	<p>Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector</p>	<p>Sector A (agriculture, forestry and fishing): 0.298691 GWh / € mn sales Sector B (mining and quarrying): 3.176799 GWh / € mn sales Sector C (manufacturing):</p>	<p>Sector A (agriculture, forestry and fishing): 0.000057 GWh / € mn sales (Scaled by covered assets 0.444499 GWh / € mn sales) Sector B (mining and quarrying): 0.077745 GWh / € mn sales (Scaled by covered assets 7.41177 GWh / € mn sales) Sector C (manufacturing):</p>	<p>The statistical systematic of European Nomenclature of Economic Activities (NACE) is used to determine high impact climate sectors. The NACE Section Code refers to the Level 1 economic activity code identified by alphabetical letters A to U established by the European Union. The activity with the highest reported or estimated revenue for the latest available year is used for classification. MSCI ESG Research provides due to lack of available activity-level energy consumption intensity data energy consumption intensity per company. The definition of "high climate impact sector" builds on the EU</p>	<p>In order to improve transparency on the adverse impacts of this indicator, an increase in the level of coverage is being sought. MSCI ESG Research is continuously expanding its database. No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

			<p>1.071783 GWh / € mn sales</p> <p>Sector D (electricity, gas, steam and air conditioning supply): 6.844396 GWh / € mn sales</p> <p>Sector E (water supply, sewerage, waste management and remediation activities): 1.715591 GWh / € mn sales</p> <p>Sector F (construction): 0.144279 GWh / € mn sales</p>	<p>0.091101 GWh / € mn sales</p> <p>(Scaled by covered assets 0.593446 GWh / € mn sales)</p> <p>Sector D (electricity, gas, steam and air conditioning supply): 0.066862 GWh / € mn sales</p> <p>(Scaled by covered assets 4.459604 GWh / € mn sales)</p> <p>Sector E (water Supply, sewerage, waste management and remediation activities): 0.016500 GWh / € mn sales</p> <p>(Scaled by covered assets 8.977853 GWh / € mn sales)</p> <p>Sector F (construction): 0.000783 GWh / € mn sales</p> <p>(Scaled by covered assets 0.196737 GWh / € mn sales)</p>	<p>Climate Benchmark Regulation (Regulation 2019/2089).</p> <p>By sector, this indicator is eligible for:</p> <p>Sector A max. 11.68 %, sector B max. 12.82 %, sector C max. 26.08 %, sector D max. 13.47 %, sector E max. 11.85 %, sector F max. 12.13 %, sector G max. 13.84 %, sector H max. 12.98 % and sector L max. 12.58 % of assets considered (in previous year: 79.33 % of assets from securities funds).*</p> <p>By sector, the coverages were:</p> <p>Sector A 0.01 % (in previous year: 0.02%), Sector B 1.05 % (in previous year: 1.38%), Sector C 15.35 % (in previous year: 16.93%), Sector D 1.5 % (in previous year: 1.7%), Sector E 0.18 % (in previous year: 0.22%), Sector F 0.40 % (in previous year: 0.52%), Sector G 2.17 % (in previous year: 2.59%), Sector H 1.15 % (in previous year: 1.38%) and Sector L 0.87 % (in previous year: 1.24%).*</p>	
--	--	--	--	--	--	--

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

			<p>Sector G (wholesale and retail trade; repair of motor vehicles and motorcycles): 0.48862 GWh / € mn sales</p> <p>Sector H (transportation and storage): 1.729691 GWh / € mn sales</p> <p>Sector L (real estate activities): 0.517593 GWh / € mn sales</p>	<p>Sector G (wholesale and retail trade; repair of motor vehicles and motorcycles): 0.003201 GWh / € mn sales (Scaled by covered assets 0.147434 GWh / € mn sales)</p> <p>Sector H (transportation and storage): 0.022301 GWh / € mn sales (Scaled by covered assets 1.944578 GWh / € mn sales)</p> <p>Sector L (real estate activities): 0.005312 GWh / € mn sales (Scaled by covered assets 0.611637 GWh / € mn sales)</p>	<p>The data gap is due to the missing data from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</p>	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.04%	0.67 % (Scaled by covered assets 1.44 %)	<p>Companies are being identified if they have operations (operational sites owned, leased, managed) in or near to biodiversity sensitive areas and has been implicated in controversies with severe or very severe adverse impact on the environment.</p> <p>Max. 67.00 % of assets considered (in previous year:</p>	<p>In order to improve transparency on the adverse impacts of this indicator, an increase in the level of coverage is being sought. MSCI ESG Research is continuously expanding its database.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 46.92 % (in previous year: 49.17 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research.	No further actions have been planned for the next reporting period.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.71 t / € mn	10.64 t / € mn (Scaled by covered assets 189.00 t / € mn)	<p>In collecting data for water emissions, the disclosures looked at are the direct nitrate emissions, direct phosphate emissions, direct pesticide emissions, and direct emissions of priority substances which were discharged to bodies of water. It should be noted that water emissions are different from water discharge and untreated wastewater. The values included will only be the emissions to water data as reported by companies, pertaining to actual pollutants or effluents and not volume of contaminated water or water quality metrics. If multiple pollutants to water are disclosed, MSCI ESG Research would aggregate the values.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 5.63 % (in previous year: 4.53 %) data was available for the calculation.* The data gap is</p>	<p>In order to improve transparency on the adverse impacts of this indicator, an increase in the level of coverage is being sought. MSCI ESG Research is continuously expanding its database.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					due to the missing data from MSCI ESG Research.	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.67 t / € mn	1.01 t / € mn (Scaled by covered assets 4.37 t / € Mio.)	<p>MSCI ESG Research uses company data disclosures on total waste, hazardous waste, and recycled waste to determine the amount of hazardous waste and non-recycled waste. This figure is weighted by the current value of investment in a company divided by the company's most recently available enterprise value.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 23.19 % (in previous year: 17.06 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research.</p>	<p>In order to improve transparency on the adverse impacts of this indicator, an increase in the level of coverage is being sought. MSCI ESG Research is continuously expanding its database.</p> <p>No further actions have been planned for the next reporting period.</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.32%	0.20 % (Scaled by covered assets 0.36 %)	An overall company assessment signals whether a company has a notable controversy related to its operations and/or products, and the severity of the social or environmental impact of the controversy. The controversy assessment fully includes the OECD Guidelines for Multinational Enterprises and covers very severe	Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					<p>violations of the UN Global Compact.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 54.44 % (in previous year: 49.19 %) data was available for the calculation.*</p>	<p>in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>
	<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>	<p>21.23 %</p>	<p>16.85 % (Scaled by covered assets 36.01 %)</p>	<p>The OECD Guidelines do not have a formal list of signatories, nor is there an exhaustive list of all metrics required for policy compliance monitoring and reporting. The UNGC, on the other hand, requires its members to report on an annual basis their efforts to ensure compliance. Typically, such reporting includes for instance company assurance around available internal policies and guidelines and initiatives to align operations for UNGC principles.</p> <p>Therefore, all companies without an UNGC signatory status that are thus not obliged to comply with and report on the policy implementation are being rated as lacking processes and compliances mechanisms.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					for the calculation of the indicator. For 46.80 % (in previous year: 42.85 %) data was available for the calculation.*	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14.70 %	2.53 % (Scaled by covered assets 13.00 %)	<p>The unadjusted gender pay gap is the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.</p> <p>It needs to be considered that the reporting on this metric is inconsistent: Some companies report on the absolute or uncontrolled pay gap while other control for compensable factors such as role or location.</p> <p>A positive percentage figure reveals that typically, or overall, employees who are women have lower pay or bonuses than employees who are men. A negative percentage figure reveals that typically, or overall, employees who are men have lower pay or bonuses than employees who are women. A zero-percentage figure would reveal no gap between the pay or bonuses of employees who are men and employees who are women (or there is equal pay and bonuses overall.)</p>	<p>In order to improve transparency on the adverse impacts of this indicator, an increase in the level of coverage is being sought. MSCI ESG Research is continuously expanding its database.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 19.50 % (in previous year: 10.54 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research.	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	32.42 %	16.18 % (Scaled by covered assets 35.11 %)	For companies with a two-tier board, the calculation is based on members of the Supervisory Board only. Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 46.08 % (in previous year: 47.66 %) data was available for the calculation.*	Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting. No further actions have been planned for the next reporting period.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.03 %	0.01 % (Scaled by covered assets 0.03 %)	All companies are identified that have any industry tie (ownership, manufacturing or investment) to controversial weapons, i.e. landmines, antipersonnel mines, cluster munitions, chemical weapons and biological weapons. Landmines do not include related safety products. Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from	Universal Investment has a group-wide policy that prohibits to invest in issuers that have any industry tie (ownership, manufacture or investment) to cluster munitions. No further actions have been planned

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					securities funds) are eligible for the calculation of the indicator. For 46.87 % (in previous year: 49.17 %) data was available for the calculation.*	for the next reporting period.
--	--	--	--	--	---	--------------------------------

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact (year 2022)	Impact (year 2023)	Explanation	Actions taken and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	312.74 tCO2e / € mn GDP of countries	48.68 tCO2e / € mn GDP of countries (Scaled by covered assets 369.02 tCO2e / € mn GDP of countries)	<p>The total GHG emissions in a country are represented in terms of tons CO2 equivalent. Six greenhouse gases, considered under the Kyoto Protocol, are considered: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride.</p> <p>National territorial emissions are sourced from the emission data base EDGAR. Nominal GDP level is sourced from the World Development Indicators (WDI) by World Bank. Currency conversion of nominal GDP to euros uses the average annual nominal exchange rate level.</p> <p>Max. 18.62 % of assets considered (in previous year: 14.68 % of assets from</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					securities funds) are eligible for the calculation of the indicator. For 13.19 % (in previous year: 12.13 %) data was available for the calculation.*	
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	7 countries 5.64 %	10 countries 7.97 %	<p>To avoid any political bias, MSCI ESG Research uses EU Sanctions list as a reference to sovereign states implicated in social violations. The EU Sanctions list includes sovereign entities noted in the unilateral UN Sanctions list. The trade sanctions by the European External Action Service (EEAS) may be limited to certain materials, e.g. arms or diamonds. Reasons for EU Sanctions are detailed in EU legal acts. For instance, sanctions strictly related to human rights violations, ongoing social or political conflict or sanctions related to terrorism, nuclear proliferation, sovereignty threat or governmental fraud, all which entail social violations.</p> <p>Max. 18.62 % of assets considered (in previous year: 14.68 % of assets from securities funds) are eligible for the calculation of the indicator. For 16.64 % (in previous year: 12.1 %) data was available for the calculation.*</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

Indicators applicable to investments in real estate						
Adverse sustainability indicator		Metric	Impact (year 2022)	Impact (year 2023)	Explanation	Actions taken and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0.3197 %	0.01 % (Scaled by covered assets 0.34 %)	The reported investment share relates exclusively to fossil fuels (non-renewable natural energy resources such as coal, natural gas and crude oil) intended for consumption or use by third parties. Max. 10.80 % of assets considered (in previous year: 90.39 % of assets in real estate funds) are eligible for the calculation of the indicator. For 3.19 % (in previous year: 58.38 %) data was available for the calculation.*	In order to improve transparency of the adverse impacts of this indicator, the aim is to increase the degree of coverage and the quality of the data. Existing data collection processes are continuously improved for this purpose. No further actions have been planned for the next reporting period.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	45.43 %	11.78 % (Scaled by covered assets 50.23 %)	According to the EU Energy Performance Buildings Directive 2010/31/EU, (1) real estate assets that are built before 31 December 2020 and have an Energy Performance Certificate (EPC) with energy efficiency C or below and (2) properties that are built after 31 December 2020 and do not meet the requirements of nearly zero-energy building (NZEB) in Directive 2010/31/EU are considered energy inefficient. The economic year of construction is used for the evaluation. Historical buildings	In order to improve transparency of the adverse impacts of this indicator, the aim is to increase the degree of coverage and the quality of the data. Existing data collection processes are continuously improved for this purpose. No further actions have been planned for the next reporting period.

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					<p>are not taken into account. Likewise, real estate assets outside the scope of the EU Energy Performance Buildings Directive are not included if no energy performance certificates or equivalent documentation are available.</p> <p>Max. 9.07 % of assets considered (in previous year: 58.17 % of assets in real estate funds) are eligible for the calculation of the indicator. The indicator cannot be calculated for real estate assets that are not subject to the EU Buildings Directive or have any equivalent documentation. For 2.13 % (in previous year: 42.2 %) data was available for the calculation.*</p>	
--	--	--	--	--	--	--

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

Other indicators for principal adverse impacts on sustainability factors						
Additional climate and other environment-related indicators						
Adverse sustainability impact	Adverse impact on sustainability factors	Metric	Impact (year 2022)	Impact (year 2023)	Explanation	Actions taken and actions planned and targets set for the next reference period
	(qualitative or quantitative)					
Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	16.8 %	16.04 % (Scaled by covered assets 34.57 %)	<p>The figure shows the proportion of companies that have carbon-emission-reduction initiatives aimed at aligning with the Paris Agreement.</p> <p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 46.40 % (in previous year: 42.32 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

Indicators applicable to investments in sovereigns and supranationals						
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	N/A	N/A	<p>Max. 18.62 % of assets considered (in previous year: 14.68 % of assets from securities funds) of assets are eligible for the calculation of the indicator. For 0% data was available for the calculation.*</p> <p>The data provider MSCI ESG Research does not cover this indicator at the time of preparing this statement.</p> <p>A European standard for green bonds (EU Green Bond Standard) was introduced with the publication of the Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds on 22. November 2023. The regulation will enter into force on 21 December 2024.</p>	Universal Investment is reviewing the data availability of this indicator for the next reporting period.
Indicators applicable to investments in real estate assets						
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	0.000149814 GWh / sqm	0.000004462 GWh / sqm (Scaled by covered assets 0.000213795 GWh / sqm)	The reported energy intensity is determined by the final energy consumption and the energy reference area. Final energy in this context is the energy that is made available to consumers on site for their purposes. Primary energy (such as lignite, hard coal, petroleum, water or wind) is converted into a form that the consumer can use (e.g. electricity, heat, fuels). Energy	In order to improve transparency and manage the negative impacts of this indicator, the aim is to increase the degree of coverage and the quality of the data. Existing data collection processes are continuously

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					<p>reference areas are the actually rented net floor area or the areas stated in the appraisal report.</p> <p>The data collected for this indicator showed considerable qualitative differences, which is why some incomplete or incorrect responses could not be processed further. In addition, outlier values (extremely high/low values) were excluded.</p> <p>Max. 10.18 % of assets considered (in previous year: 90.39 % of assets in real estate funds) are eligible for the calculation of the indicator. For 2.09 % (in previous year: 37.05 %) data was available for the calculation.*</p>	<p>improved for this purpose.</p> <p>No further actions have been planned for the next reporting period.</p>
--	--	--	--	--	--	--

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact (year 2022)	Impact (year 2023)	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.029	0.0072 (Scaled by covered assets 0.0156)	All severe and very severe controversy cases in the last three years related to human rights violation issues of companies are covered.	Universal Investment will continuously monitor the development of the indicator and the resulting adverse

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					<p>Max. 67.00 % of assets considered (in previous year: 79.33 % of assets from securities funds) are eligible for the calculation of the indicator. For 46.45 % (in previous year: 38.93 %) data was available for the calculation.* The data gap is due to the missing data from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</p>	<p>impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>
Indicators applicable to investments in sovereigns and supranationals						
	19. Average freedom of expression score	<p>Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column</p>	71.20	<p>9.53 (Scaled by covered assets 72.41)</p>	<p>The „World Press Freedom Index“ (press freedom rank) is used to measure the average freedom of expression of sovereigns. Press freedom is defined as the ability of journalists as individuals and collectives to select, produce, and disseminate news in the public interest independent of political, economic, legal, and social interference and in the absence of threats to their physical and mental safety. The World Press Freedom Index compares the level of press freedom in 180 countries and territories. Countries with lower scores demonstrate higher press freedom. (Source: Reporter Without Borders)</p> <p>The disclosed indicator is the weighted average of sovereign issuer 's World Press Freedom evaluation. The index assigns scores from 0 to 100, with</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					<p>press freedom in a country being worse the lower the score.</p> <p>Max. 18.62 % of assets considered (in previous year: 14.68 % of assets from securities funds) are eligible for the calculation of the indicator. For 13.16 % (in previous year: 12.14 %) data was available for the calculation.*</p>	
	24. Average rule of law score	<p>Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column</p>	0.59	0.14 (Scaled by covered assets 1.07)	<p>Sovereigns are evaluated based on their rule of law. The rating captures the perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. Countries with higher score demonstrate better rule of law. (Source: Worldwide Governance Indicators from World Bank)</p> <p>The indicator is a value between -2.5 and +2.5, with 0 representing the mean value of all countries surveyed. The higher the values in the positive range, the better a country's rule of law was assessed. The lower the values in the negative range, the worse a country's rule of law was assessed.</p>	<p>Universal Investment will continuously monitor the development of the indicator and the resulting adverse impacts and, if necessary, take measures to reduce them. Information on this will be provided in future as part of annual reporting.</p> <p>No further actions have been planned for the next reporting period.</p>

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

					<p>The disclosed indicator is the weighted average of sovereign issuer 's rule of law.</p> <p>Max. 18.62 % of assets considered (in previous year: 14.68 % of assets from securities funds) are eligible for the calculation of the indicator. For 13.19 % (in previous year: 14.68 %) data was available for the calculation.*</p>	
--	--	--	--	--	---	--

Due to adjustments to the calculation logic, comparisons of the values as well as the eligibility and coverage ratios with the previous year are only possible to a limited extent. Explanations of the adjustments can be found in the chapter "Description of policies to identify and prioritise principal adverse impacts on sustainability factors".

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The determination of the principal adverse impacts on sustainability factors is carried out according to the requirements of the Delegated Regulation. It divides the indicators into a core set of universal mandatory indicators (“**mandatory indicators**”) that will always lead to principal adverse impacts and additional opt-in indicators (“**optional indicators**”) to identify, assess, and prioritise the consideration of additional principal adverse impacts.

Since the mandatory indicators, irrespective of the result of the assessment by Universal Investment, always lead to principal adverse impacts of investment decisions on sustainability factors, these indicators were identified as material and are to be considered. In addition, for investee companies, as well as for sovereigns and supranational organisations, Universal Investment has selected one additional indicator for climate and other environmental adverse aspects, as well as one additional indicator in the field of social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. For real estate, one additional indicator for climate and other environmental adverse aspects was identified. The optional indicators were assessed in terms of the severity of their potentially negative impacts, but also in particular in terms of their data availability, and were selected on this basis.

As a fund services platform, Universal Investment launches funds for asset owners as well as asset managers and handles administration, among other things. The consideration of the principal adverse impacts on sustainability factors covers all funds managed by Universal Investment. On the one hand, there are funds that are managed directly by Universal Investment. In this case, investment decisions may be supported by investment recommendations of external advisors, which are evaluated by Universal Investment. On the other hand, the portfolio management of funds may be outsourced to Universal-Investment-Luxembourg S.A., Niederlassung Frankfurt am Main (Frankfurt branch), in case of application of rule-based approaches or other companies outside the group.

Universal Investment has implemented processes and procedures to consider sustainability risks and the principal adverse impacts of investment decisions on sustainability factors in accordance with Art. 4 of the Disclosure Regulation into the investment management processes for all asset classes and assets in accordance with the obligations under Commission Delegated Regulation (EU) 2021/1255 of 21 April 2021 amending Delegated Regulation (EU) No 231/2013 as regards the sustainability risks and sustainability factors to be taken into account by Alternative Investment Fund Managers and Commission Delegated Directive (EU) 2021/1270 of 21 April 2021 as regards the sustainability risks and sustainability factors to be taken into account for Undertakings for Collective Investment in Transferable Securities (UCITS) (transformed into German law by amendments to the “Kapitalanlage-Verhaltens- und Organisationsverordnung”).

Where Universal Investment has outsourced the portfolio management of funds or fund segments, the portfolio managers themselves have been required to take into account at company level the principal adverse impacts as defined in Art. 4 of the Disclosure Regulation and to implement them operationally in their investment management processes in relation to Universal Investment’s funds. Similarly, investment advisors providing investment recommendations for Universal Investment’s funds have been required to operationally implement the necessary processes to consider the principal adverse impacts. Consideration may be based on data from appropriate data providers or through other appropriate measures by portfolio managers or appointed investment advisors, if and to the extent that data/information is available on a best-effort basis. Other optional sustainability indicators will be considered at the discretion of the portfolio manager or investment advisor. Issuers or companies that are to be rated very negatively with regards to individual mandatory indicators or those of the optional indicators shall only be acquired or held for funds of Universal Investment based on a justified analysis. In this way, principal adverse impacts of investment decisions on sustainability factors are taken into account at the fund level of all Universal Investment funds.

In addition, the fund-specific fund rules and, where applicable, investment guidelines can specify how ESG criteria are taken into account in the investment decision-making process. This is intended to supplement the control of funds with rules relating to certain individual investments.

For funds as defined in Art. 8 Disclosure Regulation, a binding consideration of PAI indicators may be made. If such a binding consideration exists, the corresponding PAI indicators as well as the

strategies for their consideration shall be disclosed in the pre-contractual documents as well as in the annual reports.

Funds as defined in Art. 9 of the Disclosure Regulation or Art. 8 funds that make proportionate sustainable investments must disclose in pre-contractual documents, on the website and in the annual reports how the fund complied with the 'do not significant harm' principle in Art. 2 point (17) of the Disclosure Regulation in relation to the principal adverse impact indicators in Annex I of the Delegated Regulation. Accordingly, for such funds, PAI consideration is binding, and the corresponding fund-specific indicators are also disclosed in the funds' annual report.

If a non-binding consideration of PAI indicators exists for individual funds or mandates, this will also be disclosed in the pre-contractual documents as well as the annual reports of the funds.

As a specific action taken to reduce adverse impacts on the "respect for human rights", Universal Investment has decided to exclude securities from issuers that have any industry tie (ownership, manufacture or investment) to cluster munitions as defined by UN convention in their investment decision-making process. A considerable proportion of this type of munition remains as unexploded ordnance and can result in innocent victims for years after combat. Cluster munitions are internationally outlawed or banned by various treaties, making their use illegal in many countries. Previously, the exclusion only included companies involved in the production of these weapons. Since 2023, Universal Investment has been working with MSCI ESG Research to exclude all companies with any tie to cluster munitions. These companies are tracked on an exclusion list, which is updated quarterly and forms the basis for the system-side exclusion. The exclusion is implemented at group level and includes all subsidiaries. The exclusion applies to all funds of Universal Investment and is monitored as part of regular investment compliance check.

Likewise, Universal Investment does not want to participate in food speculation, as speculation on agricultural commodities, especially on staple foods, was responsible for sharp price jumps in the past and thus contributed to global food crisis. Therefore, derivatives trading on agricultural commodities is excluded by Universal Investment.

The ability to consider principal adverse impacts depends to a large extent on the availability of corresponding information in the market. The required data for assets in which Universal Investment funds and managed mandates invest is not always available to a sufficient extent and in the desired quality.

For measuring, analysing, and ranking the indicators identified by Universal Investment in terms of PAI, the data provider MSCI ESG Research is used, especially in the securities area for PAI indicators for companies as well as sovereigns and supranational organisations. As of January 2024, MSCI SFDR Adverse Impact metrics universe is determined by issuers' inclusion in the coverage universes for MSCI ESG Ratings and MSCI ESG Government Ratings. For factors coming from other data sets (e.g. MSCI Climate Change Metrics, MSCI Climate Targets and Commitments, MSCI Implied Temperature, MSCI Business Involvement Screening Research or MSCI ESG Controversies), the coverage may be broader. MSCI's approach to data is to collect readily available data by searching company disclosures for PAI information, conduct company outreach to companies with the findings of data collection and encourage public disclosure where information is not readily available, and fill some disclosure gaps by drawing on their datasets and estimates for assessing adverse sustainability impacts. For securities (stocks and bonds) and fund shares from securities funds, the PAI indicators for companies and sovereigns were calculated based on data from MSCI ESG Research. Data coverage was considerably limited for some indicators, such as indicators on water emissions, waste or sectoral energy consumption intensity.

For the indicators on real estate, data was collected for all real estate funds. In particular, the indicator on energy consumption intensity still showed some data quality problems. Compared to the previous year, progress was made with regard to the quality of the indicator on energy consumption intensity. We work continuously to improve the quality and quantity of both the data obtained from data providers and the data collected directly, to thus enhancing transparency about our adverse impacts.

Currently, this statement covers data from securities and real estate funds. Data from alternative investment funds were deliberately excluded from this statement. By weighing high coverage of investments as the basis for PAI calculation against sufficient data quality and integrity, Universal

Investment has decided not to report data for alternative assets for reference year 2023 either. Universal Investment relies on data queries with respect to alternative asset classes. However, a mapping of existing PAI indicators to alternative assets is challenging, and a uniform methodological basis for consistent data collection on alternative investments such as private equity, infrastructure or renewable energies does not currently exist. Accordingly, the data available for these asset classes is not sufficiently meaningful to meet our high-quality standards and allow comparability. Therefore, in the interest of transparency and comprehensibility of this statement, it is not reasonable for Universal Investment to consolidate data for indicators whose calculation methods are unclear or inconsistent. Universal Investment advocates, in particular through engagement in industry associations, for the development of marketable and robust standards for the collection and calculation of PAI for further asset classes. We are developing a methodology to ensure consistent data collection for alternative investments to provide the most complete and meaningful picture of the adverse impacts of our investment decisions in the future

The statement from the previous reporting period was prepared based on the regulatory requirements applicable at the time of preparation. Some methodological principles required interpretation at the time the statement for the 2022 calendar year was prepared and were therefore adjusted in this statement to take into account current market practice as well as regulatory clarifications (e.g. from the European supervisory authorities) and supervisory expectations. Due to adjustments in the calculation methodology and logic, a direct comparison of the PAI indicators from the statement for 2022 and the statement for 2023 is only possible to a limited extent.

With the consultation on the Delegated Regulation to the Disclosure Regulation and the final report of 4 December 2023, the European supervisory authorities have proposed significant clarifications to some methods (e.g. reference values of key figures) and individual PAIs. Following the adoption of these proposals by the European Commission, further adjustments to the methodology are expected in the next reporting period, which will make historical comparisons more challenging.

Compared to last year, all investments from Universal Investment funds have been cumulated and serve as the basis for calculating the eligibility ratios for the PAI categories and the coverage ratios for the individual PAI indicators. A distinction is no longer made between investments in securities and real estate funds. Instead, all investments are now used consistently as a reference value for the eligibility ratio, the coverage ratio and the PAI indicators. One exception to this is the PAI indicator for energy-inefficient real estate assets, which, unlike the other PAI indicators, only requires NZEB/EPC assets as a reference value.

The eligibility ratio shows what percentage of the investments considered could potentially provide data because they are suitable for a PAI category. The coverage rate, on the other hand, shows the percentage of the investments considered for which data was actually available that could be included in the calculation of the PAI indicators for this statement. The eligibility and coverage ratios allow the individual values to be categorised and compared, even if there are data gaps. Data gaps arise when the coverage ratio falls below the eligibility ratio.

The following assumptions were also used in the calculation methodology:

- **Data basis:** The basis for the PAI indicator calculation is the balance sheet data on the fund portfolios on the one hand and the ESG data on the other. The balance sheet data was calculated as of 31 March 2022, 30 June 2022, 30 September 2022 and 31 December 2022, while the cut-off date used for the ESG data was 29 December 2024. Deviating from this, for liquid target funds the ESG data as of May 2024 was used.
- **Allocation of financial instruments to the PAI categories:** For the allocation of investments to the PAI categories (i) investee companies, (ii) sovereigns (and supranational organisations), or (iii) real estate, an asset classification scheme for financial instruments and the allocation of MSCI ESG Research were predominantly used. As not all financial instruments can be clearly categorised, they are included in the eligibility ratios of all PAI categories in order to avoid an undervaluation. The eligibility ratios are therefore given with a maximum percentage to show the maximum percentage of the investments considered that could be suitable for a PAI category.
- **Missing data:** MSCI ESG Research relies in part on estimates for indicators. This data is further processed by Universal Investment. In addition, Universal Investment does not

estimate any PAI data. For the sake of transparency, the data coverage and thus implicitly the data gap for each PAI indicator is disclosed.

For PAI indicators, such as GHG emissions, the enterprise value of investee companies is required. However, corresponding values were not available for all quarters in some cases. To still be able to use the data for reporting GHG emissions, the corresponding mean values were determined from the available data and used for the calculation on best effort basis. Where no data was available for the enterprise value, the GHG emissions for the instruments were not included in the calculation of the indicator.

- **Not-disclosed data:** MSCI ESG Research discloses for some PAI indicators in addition to a yes/no information, e.g. in the case of violations, which companies have been analysed but do not publish any information. Universal Investment treats these companies in the same way as 'No' disclosures, as companies would be obliged to disclose information in the event of violations (Disclosure as 'Yes'), for example.
- **Weighted indicators:** In general, a large proportion of the PAI indicators are calculated relative to all investments of the entity. This would result in a distortion, as a share/intensity of 0 is effectively assumed for financial instruments for which no data is available, or which belong to a different PAI category and therefore have no data. The indicators were therefore scaled and disclosed to the covered portfolios where necessary.
- **Target fund data for liquid target funds:** MSCI ESG Research also provides data for target funds that can be used in the PAI calculation. However, this data was not available as of 31 December 2023. However, in order to improve data coverage for this statement, the sustainability data as of May 2024 was included in the calculation for this statement.
- **Target fund data for illiquid target funds:** No data from illiquid target funds was used.
- **Universal Investment target funds:** Where Universal Investment funds invest in other Universal Investment funds, these target fund investments are not included in the PAI calculation in order to avoid double accounting.

A service provider was used to calculate the PAI indicators for this statement, who consolidated the data for direct holdings and target fund investments and calculated the final PAI indicators.

Universal Investment regularly reviews the data situation to ensure that PAI are considered in investment decisions. In order to increase the informative value of the statement in the future, we are continuously working on expanding the coverage and improving the underlying data quality.

The strategies for identification and prioritisation of PAI were initially approved on group level by the Chief Executive Officer of Universal Investment on 10 March 2021. Ongoing regular and ad-hoc updates by functional departments are made in consultation with and confirmation by management board of Universal Investment.

Engagement policies

The engagement policy of the ManCo/AIFMD is exercised in the form of voting rights.

Being part of one of the leading fund services platforms and Super ManCos, Universal Investment manages investments for investors, including many investments for private and company pension schemes. To safeguard investors' interests and fulfil the associated responsibility, Universal Investment exercises the shareholder rights associated with the stock portfolio held on behalf of the managed investment funds for the benefit of investors and to promote good corporate governance.

Universal Investment or service providers contracted by it exercise voting rights based on the voting guidelines specified by Universal Investment. These guidelines are based on the criteria of a transparent and sustainable corporate governance policy ("G") and other environmental ("E") and social ("S") – ESG criteria, focusing on the long-term performance of the companies held by the investment funds ("**portfolio companies**"). Following the voting guidelines also avoids conflicts of interest that may arise due to third parties, the contracting of third parties or the interests of Universal Investment.

The principles of Universal Investment's Engagement Policy affect certain adverse impacts, in particular climate and other environmental-related indicators, such as greenhouse gas emissions, or

indicators in respect to social and human rights areas, such as diversity or the principles of the UN Global Compact. If there is no evidence of a reduction in principal adverse impacts over multiple reporting periods, Universal Investment will consider revising its participation policy accordingly.

For more information on Universal Investment's participation policy and the annual participation report, please see Universal Investment's website <https://www.universal-investment.com/en/Corporate/Compliance/Germany/>.

A portfolio manager, if portfolio management is outsourced, or an appointed investment advisor, if applicable, may take further action to meet environmental and/or social characteristics as part of their corporate engagement activities. However, this engagement is not done on behalf of Universal Investment or the fund.

References to international standards

Universal Investment is working to align all corporate activities in such a way that they are sustainable and valuable for the society in which we live and for our environment. A Code of Conduct has been developed for this purpose and is available on the Universal Investment website.

Universal Investment is a member of the BVI, the German fund industry association and is guided in its actions by the mission statement of the German investment fund industry. As a central platform for asset owners and asset managers, Universal Investment is a fundamental component of the financial industry. To live up to the high level of responsibility, Universal Investment is actively committed as service provider to the Principles for Responsible Investment (“PRI”). This voluntary commitment developed by the United Nations aims to give greater consideration to environmental, social and governance factors in investment decisions. As a fund services platform, Universal Investment has consciously abstained from an own active asset management since the company was founded in 1968. That is why PRI principles four to six are of decisive importance to Universal Investment. Therefore, raising awareness of sustainability issues in the industry, actively helping to shape sustainability measures and their further development are just as important as supporting clients in the transformation to sustainable investing. Universal Investment is also a member of the Forum Nachhaltige Geldanlagen e. V. (German Sustainable Investment Forum).

No international standards are applied for reporting at fund or company level or in the due diligence processes.

Universal Investment's compliance with international standards is not directly linked to individual PAI indicators. Therefore, there is no measurement of compliance with international standards based on individual PAI indicators, nor can methods or data for measuring the adherence or alignment with these standards be disclosed.

Universal Investment does not currently use a forward-looking climate scenario, as no cross-fund climate-related targets are pursued at entity level or cross-fund climate-related commitments are made.

Contact

T +49 69 71043-0

info@universal-investment.com

Universal-Investment-Gesellschaft mbH
Theodor-Heuss-Allee 70
60486 Frankfurt am Main – Germany