

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 (PAIs) of its investment decisions on sustainability factors at entity level as of 1 January 2023.** Universal-Investment-Luxembourg S.A. makes use of the option provided under Article 4(1)(b) of the Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation – SFDR) ('explain approach').

Universal-Investment-Luxembourg S.A. mainly outsources the portfolio management of its (sub-)funds to external portfolio managers. These managers make the relevant investment decisions within the framework of existing contractual agreements.

Where Universal-Investment-Luxembourg S.A. provides portfolio management for (sub-)funds itself, it does not consider the adverse impacts of investment decisions on sustainability factors at entity level. Universal-Investment-Luxembourg S.A. manages a wide range of different investment strategies across various asset classes and tailored to individual client needs. **Due to this heterogeneity, a consistent, reliable cross-fund strategy for the systematic consideration of PAIs, supported by sufficiently comparable data, cannot be appropriately implemented.**

Furthermore, the careful introduction and ongoing adaptation of such an approach would entail a considerable operational burden without generating corresponding added value, given the outsourcing structure and client-specific mandates. Against the backdrop of the ongoing development of the regulatory framework – including the fundamental revision of the SFDR ('SFDR 2.0') proposed by the European Commission in November 2025, which, among other things, provides for the abolition of PAI disclosures at entity level – the implementation of such an approach does not appear appropriate at present.

Where portfolio management has been outsourced to companies outside the group, Universal-Investment-Luxembourg S.A. aims to ensure that external portfolio managers consider the principal adverse impacts on sustainability factors in their investment decisions. Where investment recommendations for a (sub-)fund are provided by advisers in accordance with their mandate, Universal-Investment-Luxembourg S.A. likewise aims to ensure that these advisers consider the PAIs in their investment recommendations.

The pre-contractual information published by Universal-Investment-Luxembourg S.A. sets out, on a fund-by-fund basis, whether and, if so, how, the consideration of principal adverse impacts on sustainability factors is a binding component of the respective investment strategy of a (sub-)fund.

Universal-Investment-Luxembourg S.A. will continue to monitor regulatory developments and reserves the right to decide in future on the consideration of the principal adverse impacts of investment decisions on sustainability factors as part of its internal strategies.

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