

Informationen relating to Principal Adverse Impact

Statement on the consideration of adverse impacts of investment decisions on sustainability factors pursuant to Art. 4 (1) a) of Regulation (EU) 2019/2088

1) Introduction

The following content is a summary of UI BVK Kapitalverwaltungsgesellschaft mbH's ("UI BVK KVG") due diligence strategies for identifying and prioritising key adverse sustainability impacts and indicators, a description of the measures taken to reduce adverse sustainability impacts, the engagement policy and code of conduct, and recognised standards.

UI BVK KVG will commence business operations for the first time in the fourth quarter of 2022. This declaration relates to the expected adverse effects that may result from the business operations of UI BVK KVG as well as from the passive management of funds by UI BVK KVG. It does not apply in cases where UI BVK KVG has outsourced this portfolio management function to an external third party.

2) Description of the main adverse sustainability impacts

The main adverse sustainability impacts are those impacts of investment decisions that have an adverse effect on the sustainability factors – environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. UI BVK KVG takes into account the most significant adverse impacts and has designed internal policies and established processes to do so.

The ability to consider the main adverse sustainability 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 of the managed funds. In accordance with Delegated Regulation (EU) 2022/1288, UI BVK KVG records and reports the main adverse impacts of the funds' investment decisions from the start of operations. UI BVK KVG regularly reviews the data situation to ensure that the main adverse effects are taken into account in investment decisions. In addition, UI BVK KVG is expanding its analysis capabilities with regard to sustainability, in the areas of environment / environment, social / social and corporate management / governance (ESG). In addition to the current evaluations and analyses with the help of specialised ESG data providers (e.g. MSCI), the Universal - Investment Group is working on an innovative ESG module. The goal is the evaluation of daily updated data or information that makes it possible to make sustainability risks as well as their negative effects visible.

Examples of sustainability indicators that can already be measured at business level include the absolute carbon footprint. Furthermore, UI BVK KVG takes into account social and corporate governance indicators, which are described in detail below under point 4.

3) Description of measures to identify and prioritise key adverse sustainability impacts.

Investment decisions may cause, contribute to or be directly associated with adverse - material or likely material - impacts on the sustainability drivers (adverse sustainability impacts).

As a capital management company, UI BVK KVG launches funds for a limited group of institutional investors. Due to the currently insufficient ESG data, UI BVK KVG will focus on its own investment

decisions when considering the most important adverse impacts of investment decisions. If the fund management of funds or fund segments has been outsourced by UI BVK KVG, the companies have in turn been obliged to consider the most significant adverse sustainability impacts at company level.

Consideration of adverse impacts of investment decisions on sustainability factors is currently not contractually fixed at fund level.

If portfolio management has been outsourced to Universal-Investment Luxembourg S.A. Frankfurt am Main Branch (transition management, collateral pool management, liquidity management), sustainability criteria and factors do not usually play a significant role due to the product structure. In addition to the pre-investment policy, at Universal-Investment Luxembourg S.A. Frankfurt am Main Branch further obligations are usually laid down in the fund-specific investment guidelines in order to ensure that investment decisions are in line with the objectives, investment strategies and risk limits of the respective fund. At the client's request, this strategy may include the avoidance of adverse fund-level effects.

When measuring, analysing and classifying the indicators identified by UI BVK KVG with regard to the most important adverse sustainability impacts, the extent to which specialised providers of sustainability data as well as in-house expertise and the expertise of the group companies can be used is currently being examined. An ESG risk module is currently being developed with the aim of making the inherent sustainability risks visible and measuring and reporting the adverse effects of investment decisions.

4) Description of measures to address/reduce key adverse sustainability impacts

The fund-specific investment guidelines shall specify whether and how ESG criteria are taken into account in the investment decision-making process. The purpose of the investment principles listed below is to supplement the investment regulations of investment funds with rules regarding specific individual investments.

As a concrete measure to reduce adverse effects on the factor "respect for human dignity", UI BVK KVG has decided since its inception to exclude in the investment decision-making process securities from issuers that produce cluster munitions in accordance with the UN Convention. A considerable proportion of this type of ammunition remains as unexploded ordnance and can result in innocent victims for years after combat. Cluster munitions are internationally outlawed or banned by various conventions, making their use illegal in many countries. The Universal Group works with a specialised external data provider to maintain an up-to-date list of companies involved in the production of these weapons. This list is updated monthly and forms the basis for systemic exclusion. This takes place at the group level and includes all subsidiaries. Derivatives trading in agricultural commodities is also excluded.

In addition, adverse effects on social and labour issues, respect for human rights and the fight against corruption and bribery are actively counteracted in Universal-Investment's business operations. The implementation of the eight core labour standards of the International Labor Organization (ILO), for example, is a legal obligation for a European-based company such as UI BVK KVG. With regard to social and employee issues, further information on UI BVK KVG's remuneration policy is available on the UI BVK KVG website.

In addition, a platform for anonymous reporting of, for example, unlawful activities (whistleblowing) is in operation. The whistleblowing system is available on the website of UI BVK KVG.

For UI BVK KVG, the carbon footprint is recorded according to Scope 1 and 2 as well as the currently ascertainable Scope 3 emissions in order to identify possible reduction potentials.

UI BVK KVG is aware of the increasing requirements for sustainable investments and the associated expectations, and would like to examine in future the extent to which sustainability criteria can be taken into account accordingly in the investment guidelines. In this respect, it is planned to regularly review and further develop the investment guidelines.

In order to fulfil its social responsibility, the topic of sustainability complements the long-term business strategy of UI BVK KVG and regular reports are made on the elimination of adverse effects.

5) Participation policy

In order to safeguard the interests of investors and fulfil the responsibilities associated with this, UI BVK KVG exercises the shareholder rights associated with the managed investment assets in the interests of investors and good corporate governance.

Voting rights are exercised by UI BVK KVG or by service providers commissioned by the company on the basis of the voting guidelines provided by UI BVK KVG. These are based on the criteria of a transparent and sustainable corporate governance policy as well as other environmental and social criteria aimed at the long-term success of the companies held by the investment funds. Compliance with the voting guidelines also serves to avoid conflicts of interest that could potentially arise from third parties, the commissioning of third parties or the interests of UI BVK KVG.

Further information on UI BVK KVG's participation policy can be found on the UI BVK KVG website.

6) Compliance with internationally recognised standards

The management of UI BVK KVG works to ensure that all business activities are conducted in a way that is sustainable and valuable for the society in which we live and for our environment. To this end, a Code of Conduct has been developed and is available on the UI BVK KVG website. Furthermore, UI BVK KVG advises on recognised standards of due diligence and reporting. UI BVK KVG intends to become a member of BVI Bundesverband Investment und Asset Management e. V. in the near future. V. in the near future and bases its actions on the guiding principles of the German investment fund industry.

Sustainability is a high priority within the Group. The parent company of UI BVK KVG (Universal-Investment-Gesellschaft mbH) is also a member of BVI and is committed to the Principles for Responsible Investment (PRI). This voluntary commitment developed by the United Nations aims to give greater consideration to environmental, social and corporate governance aspects in investment decisions. As an independent fund service platform, the parent company has deliberately refrained from its own active asset management since the company was founded in 1968. Therefore, the PRI principles four to six are significantly in the foreground. 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. The parent company is also a member of the Forum Nachhaltige Geldanlagen e. V. (Sustainable Investment Forum).

In Luxembourg, Universal-Investment is also a member of ALFI, the Association of The Luxembourg Fund Industry, which represents the Luxembourg asset management and investment fund industry.

Klicken oder tippen Sie hier, um Text einzugeben.