

# Statement on principal adverse impacts of investment decisions on sustainability factors

Version 3.0, 30 June 2023

**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 2022.

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 service 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**").

The following describes the principal adverse impacts of investment decisions on sustainability factors, the strategies for identifying and weighting these principal adverse impacts on sustainability factors and the engagement policy, with reference to recognised international standards.

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 6 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 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 or sectoral energy consumption intensity. For the real estate indicators, data collection took place for all real estate funds. In particular, the indicator on energy consumption intensity showed severe data quality problems. 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, securities and real estate funds already cover 97.7% of all portfolios. Alternative asset funds, which account for 2.3% of all Universal Investment portfolios, 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. Accordingly, the data available for these asset classes is not sufficiently meaningful to meet our high-quality standards and allow comparability. Universal Investment advocates, in particular through association work, 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 are 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 and 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 service 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. (Sustainable Investment Forum) in order to further promote sustainability issues and the transformation in the sustainable finance area. In addition, a forward-looking climate scenario is being developed.

The German version of this statement is available here: [https://www.universal-investment.com/-/media/Compliance/PDF/UID-German/Erklarung-zu-den-wichtigsten-nachteiligen-Auswirkungen\\_UID\\_DE\\_06-2023.pdf](https://www.universal-investment.com/-/media/Compliance/PDF/UID-German/Erklarung-zu-den-wichtigsten-nachteiligen-Auswirkungen_UID_DE_06-2023.pdf)

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**Description of the principal adverse impacts on sustainability factors**

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact (year 2022)	Explanation	Actions taken and actions planned and targets set for the next reference period	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	7,461,940.2 tCO2e	<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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 38.93% data was available for the calculation. The low coverage rate is due to the data available from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</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.
		Scope 2 GHG emissions	1,785,807.3 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</p>	

				<p>company's most recently available enterprise value.</p> <p>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 38.93% data was available for the calculation. The low coverage rate is due to the data available 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	<p>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).</p> <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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 38.9% data was available for the calculation. The low coverage rate is due to the data available 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	<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 marginal</p>

				<p>differences in the absolute total amounts from the individual reporting according to Scope 1, 2 and 3 to the aggregated total GHG emissions reported. These differences originate from the MSCI ESG Research dataset and are partly due to rounding differences.</p> <p>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 38.90% data was available for the calculation. The low coverage rate is due to the data available 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 tCO <sub>2</sub> e / € mn.	<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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 44.61% data was available for the calculation.</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.
	3. GHG intensity of investee companies	GHG intensity of investee companies	992.18 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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 48% data was available for the calculation.</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.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4.63%	"Engagement" means that a company has exposure to fossil fuel-related activities, including exploration, extraction, mining,	Universal Investment will continuously monitor the development of the

				<p>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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 49.17% data was available for the calculation.</p>	<p>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>
	5. Share of non-renewable energy consumption and production	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	68.73%	<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.</p> <p>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 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.</p>
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>Sector A (agriculture, forestry and fishing): 0.298691 GWh / € mn. sales</p> <p>Sector B (mining and quarrying): 3.176799 GWh / € mn. sales</p> <p>Sector C (manufacturing): 1.071783 GWh / € mn. sales</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.</p> <p>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 Climate Benchmark Regulation (Regulation 2019/2089).</p> <p>79.33% of assets from securities funds are eligible for the calculation of the</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>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>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):</p>	<p>indicator. For 25.98% data was available for the calculation. The low coverage rate is due to the data available from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</p> <p>By sector, the coverages were: Sector A 0.02%, Sector B 1.38%, Sector C 16.93%, Sector D 1.7%, Sector E 0.22%, Sector F 0.52%, Sector G 2.59%, Sector H 1.38% and Sector L 1.24%.</p>	
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			0.517593 GWh / € mn. sales		
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%	<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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 49.17% data was available for the calculation. The low coverage rate is due to the data available from MSCI ESG Research.</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.
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.	<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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 4.53% data was available for the calculation. The low coverage rate is due to the data available from MSCI ESG Research.</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.



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 / € 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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 17.06% data was available for the calculation. The low coverage rate is due to the data available from MSCI ESG Research.</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.
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
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%	<p>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 violations of the UN Global Compact.</p> <p>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 49.19% data was available for the calculation.</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.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for	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	21.23%	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	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

	<p>Multinational Enterprises</p>	<p>violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>		<p>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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 42.85% data was available for the calculation.</p>	<p>provided in future as part of annual reporting.</p>
	<p>12. Unadjusted gender pay gap</p>	<p>Average unadjusted gender pay gap of investee companies</p>	<p>14.70%</p>	<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>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 10.54% data was available for the calculation. The low coverage rate</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>

				is due to the data available 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%	For companies with a two-tier board, the calculation is based on members of the Supervisory Board only.  79.33% of assets from securities funds are eligible for the calculation of the indicator. For 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.
	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%	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.  79.33% of assets from securities funds are eligible for the calculation of the indicator. For 49.17% data was available for the calculation.	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.

**Indicators applicable to investments in sovereigns and supranationals**

Adverse sustainability indicator		Metric	Impact (year 2022)	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	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,	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

				<p>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>14.68% of assets from securities funds are eligible for the calculation of the indicator. For 12.13% data was available for the calculation.</p>	<p>provided in future as part of annual reporting.</p>
Social	16. Investee countries subject to social violations	<p>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</p>	<p>7 countries 5,64 %</p>	<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>14.68% of assets from securities funds are eligible for the calculation of the indicator. For 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>

Indicators applicable to investments in real estate					
Adverse sustainability indicator		Metric	Impact (year 2022)	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%	<p>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.</p> <p>90.39% of assets in real estate funds (based on gross fund assets) are eligible for the calculation of the indicator. For 58.38% data was available for the calculation.</p>	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.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	45.43%	<p>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 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>58.17% of assets in real estate funds (based on gross fund assets) 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</p>	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.

				equivalent documentation. For 42.2% data was available for the calculation.	
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**Other indicators for principal adverse impacts on sustainability factors**

**Additional climate and other environment-related indicators**

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact (year 2022)	Explanation	Actions taken and actions planned and targets set for the next reference period
<b>Indicators applicable to investments in investee companies</b>					
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>					
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%	The figure shows the proportion of companies that have carbon-emission-reduction initiatives aimed at aligning with the Paris Agreement.  79.33% of assets from securities funds are eligible for the calculation of the indicator. For 42.32% data was available for the calculation. The low coverage rate is due to the data available from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.	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.
<b>Indicators applicable to investments in sovereigns and supranationals</b>					
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	14.68% of assets are eligible for the calculation of the indicator. For 0% data was available for the calculation.	Universal Investment is reviewing the data availability of this indicator for the next reporting period.

				<p>The data provider MSCI ESG Research does not cover this indicator at the time of preparing this statement.</p> <p>It should be noted that there is not yet a European standard for green bonds (EU Green Bond Standard). In February 2023, there was a political agreement of the European Parliament and the European Council on the creation of such a standard. Expected entry into force is early 2024, provided that Parliament and Council confirm and adopt the new regulation.</p>	
<b>Indicators applicable to investments in real estate assets</b>					
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	0,000149814 GWh/sqm	<p>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 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>90.39% of assets in real estate funds (based on gross fund assets) are eligible for the calculation of the indicator. For 37.05% data was available for the calculation.</p>	<p>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 improved for this purpose.</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)	Explanation	Actions taken and actions planned and targets set for the next reference period
<b>Indicators applicable to investments in investee companies</b>					
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	<p>All severe and very severe controversy cases in the last three years related to human rights violation issues of companies are covered.</p> <p>79.33% of assets from securities funds are eligible for the calculation of the indicator. For 38.93% data was available for the calculation. The low coverage rate is due to the data available from MSCI ESG Research. For instance, no data for target funds is currently available from MSCI ESG Research for this indicator.</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.
<b>Indicators applicable to investments in sovereigns and supranationals</b>					
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column	71.20	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	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>higher press freedom. (Source: Reporter Without Borders)</p> <p>The disclosed indicator is the weighted average of sovereign issuer' World Press Freedom evaluation. The index assigns scores from 0 to 100, with press freedom in a country being worse the lower the score.</p> <p>14.68% of assets from securities funds are eligible for the calculation of the indicator. For 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	<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>The disclosed indicator is the weighted average of sovereign issuer' rule of law.</p> <p>14.68% of assets from securities funds are eligible for the calculation of the indicator. For 14.68% 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>

### 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 service platform, Universal Investment launches funds for institutional investors 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 2023, MSCI SFDR Adverse Impact Metrics covered approximately 10.100 equity and fixed income issuers, including constituents of the MSCI ACWI Investable Market Index. Coverage is gradually being added by MSCI and the underlying methodology is being improved. MSCI's approach to data is to collect readily available data from company disclosures, contact companies directly to validate the data, and use estimates of data where company disclosures are not available. 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 showed severe data quality problems. 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, securities and real estate funds already cover 97.7% of all portfolios. Alternative asset funds, which account for 2.3% of all Universal Investment portfolios, have been 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 2022. 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 association work, 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

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. In addition, Universal Investment is expanding its sustainability analysis capabilities in the areas of environment, social and governance (ESG).

Furthermore, Universal Investment is working on an ESG risk module, which will visualise, measure and report on inherent sustainability risks and principal adverse impacts of investment decisions.

Universal Investment is aware of the increasing requirements for sustainable investments and the associated expectations that sustainability criteria is taken into account accordingly in the investment guidelines. Therefore, the guidelines are regularly reviewed and further developed. In order to live up to its social responsibility, the topic of sustainability prominently complements the long-term business strategy of Universal Investment and regular reports are made on the remediation of principal adverse impacts.

The strategies for identification and prioritisation of PAI were initially approved by Universal Investment's senior management on 10 March 2021. Ongoing regular and ad-hoc updates by functional departments are made in consultation with and confirmation by senior management.

### 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 service 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

The management of 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 association and is guided in its actions by the mission statement of the German investment fund industry. As a central platform for institutional investors 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 service 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. (Sustainable Investment Forum).

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.

Currently, Universal Investment is working to establish a forward-looking climate scenario. Understanding the impact of climate change, including on key economic variables (e.g., supply chain disruption due to extreme weather, labour migration due to natural disasters, etc.), will be an integral component of assessing the resilience of funds and their sustainability risks in the future.

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