

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

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The financial market participant has outsourced the investment decisions for the acquisition of mutual funds for the investment product MeinInvest to Union Investment Privatfonds GmbH. Below is explained, how Union Investment Privatfonds GmbH considers principal adverse impacts of its investment decisions.

Summary

Union Investment Privatfonds GmbH (LEI 529900GA24GZU77QD356) 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 Union Investment Privatfonds GmbH (hereinafter: the company or Union Investment) in relation to the insourced investment product MeinInvest.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

Sustainability is a key element of Union Investment's corporate self-image. In order to live up to this self-image, the consideration of principal adverse impacts (Principal Adverse Impact or hereinafter: PAI) on sustainability factors is firmly anchored in investment decisions.

When purchasing securities, money market instruments and units of collective investment undertakings within funds of the Union Investment Group, the PAI are taken into account. Indicators used to identify and assess the adverse impacts on sustainability factors arising from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste and social and employee matters. For the purposes of investments in countries, indicators from environmental and social categories are taken into account.

When analyzing investment funds the PAI are considered in particular through the principle of ESG integration and application of company-wide exclusion criteria. The term 'ESG integration' describes the systematic consideration of sustainability factors at the key stages of the research and investment process. As part of this process, sustainability analysts and portfolio managers also assess the principal adverse impacts of planned and executed investments on sustainability factors and document the findings. Union Investment's portfolio managers can then access this documentation and review the adverse sustainability impacts (e.g. greenhouse gas emissions, below-par sustainability ratings, extent of implication in controversial business practices and business lines) of issuers and entire portfolios, evaluate them, and take them into account in their investment decisions. For product strategies with a sustainability-oriented investment strategy that is geared towards reducing the principal adverse impacts on sustainability factors, supplementary PAI-relevant exclusion criteria complement the aforementioned measures. In addition, for some of the invested sustainability-oriented funds also the sustainability score is taken into account in the investment decisions. Depending on the type of issuer, the sustainability score reflects environmental, social and governance dimensions, sustainability-related business and controversies and assesses the issuer's sustainability profile. The above-mentioned PAI-categories are also factored in.

The assessment of investments regarding their adverse impacts on the aforementioned sustainability factors is based on sustainability-related data obtained from external ESG data providers and internal analyses. Where a comprehensive assessment of adverse impacts is not possible due to the lack of data, own sustainability research can be carried out in order to improve information coverage.

Union Investment sees itself as an active and responsible investor. The company considers it as duty to represent the interests of the investors in the interactions with the companies in which it invests. This also includes actively exerting the influence to avoid risks and promote sustainability. The measures for funds of the Union Investment Group are adapted to individual engagement activities and investments on a case-by-case basis. Union Investment expects companies to address the environmental and social factors that impact on their business activity and are material to their business and to incorporate these into their business activities and interactions with stakeholders.

As Union Investment is an active asset manager, the findings from the ESG analysis has a bearing on the management of the securities portfolios of its funds, which can be invested by strategies of MeinInvest. In extreme cases, issuers may be even excluded from the investment universe if, for example, an issuer is in serious breach of the principles of the UN Global Compact and a positive outcome through engagement dialogue cannot be achieved.

As well as implementing the applicable statutory and regulatory requirements, Union Investment takes an approach to responsible investment that is guided by leading national and international standards that set the benchmark for decision-making, such as the United Nations Principles for Responsible Investment (UN PRI) and the UN Global Compact. These standards also serve as a basis for the determination of what the company regards as the principal adverse impacts on sustainability. The values and fundamental principles that form the framework for the engagement activities are based on the 2019 Code of Conduct of the German Investment Funds Association (BVI) and on the 2019 German Corporate Governance Code of the German Corporate Governance Code Government Commission. Union Investment also adheres to the principles of the 2018 Stewardship Code of the European Fund and Asset Management Association (EFAMA) and the Stewardship Guidelines of the Society of Investment Professionals in Germany (DVFA).

As a custodian of the clients' money, Union Investment wants to make an effective contribution to fighting climate change and financing a sustainable transformation of the economy. Union Investment has therefore adopted a firm climate change strategy for securities business in line with the Paris Agreement in order to expand its commitment to climate protection and make the client funds that it manages fit for the future. The aim is to make the securities portfolio of funds of the Union Investment Group climate-neutral before 2050. This objective ties in with the target of limiting global warming to no more than 1.5°C compared with pre-industrial levels. In order to achieve this long-term vision, Union Investment set itself various interim objectives that it will work towards as part of the Net Zero Asset Manager initiative. To ensure the achievement of these interim objectives, Union Investment financed emissions are regularly monitored. When assessing the global carbon budget associated with limiting global warming to 1.5°C above pre-industrial levels, we mostly rely on the estimations provided by the IPCC (AR6) based on TCRE percentiles 50th and if possible 67th. The IEA Net Zero by 2050 scenario defines specific sector pathways based on those carbon budgets. We expect the companies that we address within the climate strategy through engagement and stewardship activities to reduce their emissions accordingly. At the same time, Union Investment has been working intensively for years to further reduce its own greenhouse gas emissions as a company.

Amendment history:

30.06.2025: Annual update in accordance with the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022

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