

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Munich Re Investment Partners GmbH (LEI: 529900QT3XFZX78LGE93)

Summary

Munich Re Investment Partners GmbH (“Investment Partners”) considers principal adverse impacts (“PAI”) on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Investment Partners.

This PAI statement applies to the reference period from 01 January 2024 to 31 December 2024 and represents the second statement issued by Investment Partners.

The PAI description in the table below refers to the asset classes of government bonds and other government-issued securities, such as emissions allowances issued under the EU Emissions Trading System (the “EU ETS”, and such emissions allowances, “EUAs”). The eligibility and coverage figures in the “Explanations” column pertain to Investment Partners' entire asset portfolio.

The eligibility figure indicates the share of assets in the overall portfolio for which the PAI indicator is relevant. The coverage figure indicates the share of the assets in the portfolio for which the relevant data is available.

For further details on how PAI are selected, please see No. 1 in the section below entitled: *Description of policies to identify and prioritise principal adverse impacts on sustainability factors*.

In addition to the PAI listed in Annex I Table 1 of the Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 (“SFDR Delegated Regulation”), Investment Partners also considers the sustainability indicator “Green Securities”, i.e. the “Share of bonds not issued under Union legislation on environmentally sustainable bonds”, and the additional governance indicator “average corruption score” in accordance with Art. 6 paragraph 1 lit. a and b of the Delegated Regulation (EU) 2022/1288. These indicators are defined in detail in Annex I Table 2 No. 17 and Table 3 No. 21.

When considering PAI on sustainability factors in its investment process, Investment Partners currently focuses on the PAI indicator “GHG intensity of investee countries” due to the nature of its portfolio structure and its positioning as a climate investment manager. In the future, Investment Partners will successively further develop the measures taken to reduce and mitigate PAI.

For the overarching consideration of PAI in the investment process, see the descriptions in subsection 2 in the section below: *Description of policies to identify and prioritise principal adverse impacts on sustainability factors*.

Zusammenfassung

Munich Re Investment Partners GmbH (“Investment Partners”) berücksichtigt die wichtigsten negativen Auswirkungen (im Folgenden “PAI” genannt) ihrer Anlageentscheidungen auf Nachhaltigkeitsfaktoren. Die vorliegende Erklärung ist die konsolidierte Erklärung zu den PAI von Investment Partners.

Die PAI-Erklärung gilt für den Referenzzeitraum 01. Januar 2024 bis 31. Dezember 2024 und stellt die zweite von Investment Partners veröffentlichte Erklärung dar.

Die Beschreibung der PAI in der nachstehenden Tabelle bezieht sich auf die Anlageklassen Staatsanleihen und andere von Staaten ausgegebene Wertpapiere wie Emissionszertifikate, die im Rahmen des EU-Emissionshandelssystems (des „EU ETS“ und dessen Emissionszertifikate, „EUAs“) ausgegeben werden. Die Zahlen zur Eignung und Abdeckung in der Spalte „Explanations“ beziehen sich auf das Gesamtportfolio von Investment Partners.

Die Zahl für die „Eligibility“ gibt den Anteil der Vermögenswerte am Gesamtportfolio an, für den der PAI-Indikator relevant ist. Der Abdeckungsgrad gibt den Anteil der Vermögenswerte im Portfolio an, für den die entsprechenden Daten verfügbar sind.

Weitere Einzelheiten darüber wie PAI ausgewählt werden, finden Sie unter Nr. 1. im Abschnitt unten mit dem Titel: *Description of policies to identify and prioritise principal adverse impacts on sustainability factors.*

Zusätzlich zu den PAI, die in Anhang I, Tabelle 1, der Delegierten Verordnung (EU) 2022/1288 zur Ergänzung der Verordnung (EU) 2019/2088 (“SFDR Delegated Regulation”) aufgeführt sind, berücksichtigt Investment Partners auch den Nachhaltigkeitsindikator „Grüne Wertpapiere“, d.h. den „Anteil von Anleihen, die nicht nach den Rechtsvorschriften der Union über ökologisch nachhaltige Anleihen ausgegeben werden“, und den zusätzlichen Governance-Indikator „Durchschnittlicher Score für Korruption“, wie er in den Anforderungen von Art. 6 Abs. 1 lit. a und b der Delegierten Verordnung (EU) 2022/1288 näher beschrieben wird. Diese Indikatoren werden in Anhang I Tabelle 2 Nr. 17 und Tabelle 3 Nr. 21 näher erläutert.

Bei der Berücksichtigung der PAI im Investitionsprozess legt Investment Partners derzeit den Fokus auf den PAI-Indikator „Treibhausgas-Emissionsintensität“ (PAI Nr. 15). Dieser Entscheidung liegt die derzeitige Portfoliostruktur der von Investment Partners verwalteten Portfolien zugrunde sowie die Ausrichtung von Investment Partners als Climate Investment Manager. In Zukunft wird Investment Partners die ergriffenen Maßnahmen zur Verringerung und Minderung der PAI schrittweise weiterentwickeln.

Für die übergreifende Berücksichtigung der PAI im Investitionsprozess siehe die Beschreibungen in Unterabschnitt 2 im folgenden Abschnitt: *Description of policies to identify and prioritise principal adverse impacts on sustainability factors.*

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2024	Impact 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	n.a.	n.a.	n.a.	n.a.
		Scope 2 GHG emissions	n.a.	n.a.	n.a.	n.a.
		Scope 3 GHG emissions	n.a.	n.a.	n.a.	n.a.
		Total GHG emissions	n.a.	n.a.	n.a.	n.a.
	2. Carbon footprint	Carbon footprint	n.a.	n.a.	n.a.	n.a.
	3. GHG intensity of investee companies	GHG intensity of investee companies	n.a.	n.a.	n.a.	n.a.

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	n.a.	n.a.	n.a.	n.a.
	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	n.a.	n.a.	n.a.	n.a.
	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	n.a.	n.a.	n.a.	n.a.

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	n.a.	n.a.	n.a.	n.a.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	n.a.	n.a.	n.a.	n.a.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested,	n.a.	n.a.	n.a.	n.a.

		expressed as a weighted average				
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	n.a.	n.a.	n.a.	n.a.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or	n.a.	n.a.	n.a.	n.a.

		grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	n.a.	n.a.	n.a.	n.a.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	n.a.	n.a.	n.a.	n.a.
	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	n.a.	n.a.	n.a.	n.a.

		controversial weapons				
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	275.7	272.2	Calculation: PAI 15 reflects the weighted average GHG intensity of investee countries. The GHG intensity of investee countries is expressed as tonnes of CO2e emissions per million EUR GDP of that country. The weighted average GHG	For the reference period 01.01.-31.12.2024, no measures were taken. For the period 01.01.-31.12.2025, no further measures are planned or targets are set for avoidance or reduction.

					<p>intensity is calculated by aggregating the GHG intensity of all investee countries, with each intensity weighted by the relative share of the relevant investment in the overall portfolio of investments managed by Investment Partners.</p> <p>Eligibility quota: 96%</p> <p>Coverage quota: 100%</p> <p>The data for this PAI is currently being sourced from external data vendors. At this stage, it only covers Scope 1 emissions of investee countries due to other data being</p>	
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					unavailable. Going forward, once data for Scope 2 and 3 emissions becomes available, this will be reflected.	
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	0 investee countries, representing 0% of all investee countries, and 0% as a share of all investments managed by Investment Partners.	0 investee countries, representing 0% of all investee countries, and 0% as a share of all investments managed by Investment Partners.	<p>Calculation: PAI 16 reflects the share of investments in investee countries subject to social violations in relation to all investments managed by Investment Partners. Investee countries are considered to be subject to social violations if they are subject to European Union Sanctions.</p> <p>Eligibility quota: 96%</p>	<p>For the reference period 01.01.-31.12.2024, no measures were taken.</p> <p>For the period 01.01.-31.12.2025, no further measures are planned or targets are set for avoidance or reduction.</p>

**Coverage
quota: 100%**

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2024	Impact 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	n.a.	n.a.	n.a.	n.a.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	n.a.	n.a.	n.a.	n.a.

Other indicators for principal adverse impacts on sustainability factors

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	100%	100%	<p>Calculation: PAI 17 reflects the %-share of all invested bonds out of all investments managed by Investment Partners which are not issued under the EU legislation on environmentally sustainable bonds</p> <p>Eligibility quota: 96% as the indicator only applies to bond securities.</p> <p>Coverage quota: 100%. The information is sourced via a positive screen confirmation across all investments managed by</p>	<p>For the reference period 01.01.-31.12.2024, no measures were taken.</p> <p>For the period 01.01.-31.12.2025, no further measures are planned or targets are set for avoidance or reduction.</p>
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					Investment Partners.	
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column	0%	0%	<p>Calculation: PAI 21 reflects the %-share of investments subject to public sector corruption in relation to all investments managed by Investment Partners. Investee countries are considered subject to public sector corruption, if the countries public sector corruption level is below the average public sector corruption level of G20 countries.</p>	<p>For the reference period 01.01.-31.12.2024, no measures were taken.</p> <p>For the period 01.01.-31.12.2025, no further measures are planned or targets are set for avoidance or reduction.</p>

					<p>Eligibility quota: 96%</p> <p>Coverage quota: 100%</p> <p>The data for this PAI is currently being sourced from external data vendors. The corruption perception index used for this metric measures the degree to which public sector corruption is perceived to exist in different countries around the world.</p>	
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Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Investment Partners has defined procedures and responsibilities with regard to identifying and prioritising PAI of investment decisions on sustainability factors within a policy. The respective policy, which was approved by Investment Partners’ Executive Board on 25 May 2023, is reviewed at least annually and applies to all portfolios currently managed by Investment Partners.

1) Defining the scope of PAI

The scope of PAI is defined by the current portfolios managed by Investment Partners. This limits the application of PAI to government bonds and other government-issued securities such as EUAs.

2) Methodology for identifying and calculating PAI

Investment Partners has implemented a policy with respect to the principal adverse impacts of investment decisions on sustainability factors. This policy aims to ensure that principal adverse impacts are appropriately considered. For fixed income assets such as government bonds or government-issued securities, Investment Partners has implemented a framework to identify and assess negative impacts on sustainability factors. This framework is based on the two mandatory PAI indicators from Table 1 and the additional PAI indicators from Table 2 and one out of seven from Table 3, as defined by the SFDR Delegated Regulation. PAI indicators are considered as part of the application of a positive list. Therefore, the relevant PAI indicators are compared against defined significance thresholds, or screening criteria. In case all defined PAI indicator values are in line with the thresholds, the respective issuer is considered eligible for the positive list. In order to appropriately select the indicators and to identify and assess the PAI, the responsible functions as referred to in section '*Responsibilities, Integration into Investment Processes and Monitoring*' carried out a thorough evaluation process.

The probability of occurrence and severity of PAI, including their potentially irremediable character, is considered through setting PAI indicator-specific thresholds. These thresholds are based on a benchmark comparison approach, in particular for the PAI indicators No. 15 Table 1 and No. 21 Table 3, whereas, for PAI indicators No. 16 Table 1 and No. 17 Table 2, screening criteria are applied taking into account the fact that these indicators are measured by concrete treaties, conventions, law or standards.

Investment Partners is a climate-focused investment manager that offers investment solutions for climate-committed asset owners. For this reason, Investment Partners perceives PAI indicators relating to greenhouse gas emissions as particularly relevant. Throughout the time period relevant for this PAI statement, Investment Partners deems two PAI relevant additionally to the mandatory PAI from Table 1. First, Investment Partners considers PAI No. 17 "Green Securities", calculated as the share of bonds not issued under Union legislation on environmentally sustainable bonds as this represents an additional mandatory indicator from Table 2. Second, Investment Partners considers PAI No. 21 "Average Corruption Score", calculated as the measure of the perceived level of public sector corruption, using a quantitative indicator explained in the explanation column. Investment Partners considers this indicator to be of particular relevance, as sustainability ambitions of a society can only become reality if a country is able to allocate its funding towards a sustainable economy efficiently, without having its strengths diluted by corruption.

The selection of these two additional PAI indicators was based on several factors, such as data availability, data quality, applicability, and materiality from a sustainability perspective.

In accordance with Article 6 (3) of the SFDR Delegated Regulation, Investment Partners calculates the annual PAI indicator as an average of four PAI indicators on the basis of the corresponding reporting dates ('reporting date snapshots'). This PAI statement refers to the reporting period 01 January until 31 December 2024. The four PAI indicators are calculated as of end of Q1 2024 (31 March 2024), Q2 2024 (30 June 2024), Q3 2024 (30 September 2024), Q4 2024 (31 December 2024) and the final reported PAI indicator is the average of the four PAI indicators as of the respective reporting dates.

With regard to the identification and assessment of principal adverse impacts, the following methodology was applied:

- As per Annex I of the Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088, the 'current value of all investments' means the value in EUR of all investments managed by Investment Partners. The 'current value of investment' means the value in EUR of the investment by Investment Partners in the investee countries. This refers to the asset classes of government bonds and other government issued securities such as EUAs.
- With regard to the 'reporting date snapshots', the 'current value of all investments' and the 'current value of investment' reflect the value of the respective investment(s) at month-end.
- Cash and cash equivalents positions, as well derivatives, are included in the aggregated 'current value of all investments' managed by Investment Partners.
- As no PAI data is applicable to cash and cash equivalents, these positions are treated as if no PAI data were available (i.e. they are not taken into account for computing the 'current value of investment').
- Due to technical limitations, investments in derivative instruments are also treated as if no PAI data were available (i.e. they are not taken into account for computing the 'current value of investment').
- For each investment, the latest available PAI values for the respective investments as of end of Q1 2024 (31 March 2024), Q2 2024 (30 June 2024), Q3 2024 (30 September 2024), Q4 2024 (31 December 2024) are considered.
- As recommended per the Q&A of the European Supervisory Authorities ("ESAs") [of 25 July 2024](#), the respective PAI indicator values are calculated as the weighted average PAI indicator of investee countries. Therefore, the weighted average PAI indicator is calculated by aggregating the respective PAI indicator value of all investee countries, with each PAI indicator value weighted by the relative share of the relevant investment in the overall portfolio of investments managed by Investment Partners. For further calculation methodology details of each PAI indicator see column 'Explanation' in section '*Description of the principal adverse impacts on sustainability factors*'.
- As EUAs are issued by the countries participating in the EU ETS, namely the 27 EU Member States and three EEA EFTA countries, Investment Partners leverages an equally-weighted proxy of the PAI indicator values of the individual issuing countries. As a result, an equally-weighted portfolio containing the sovereign debt instruments issued by each of the countries participating in the ETS (27 EU

Member States and three EEA/EFTA countries, excluding Liechtenstein, which does not issue sovereign debt instruments) is utilised. Depending on the nature of the indicator as well data source, the data point is collected either at a security- and / or issuer-level. Finally, for each indicator an equally-weighted average is computed using the relevant data points.

- For PAI No. 21 “Average Corruption Score”, investee countries are considered subject to public sector corruption if the country’s public sector corruption level is below the average public sector corruption level of G20 countries. In order to define the G20 threshold value, similar to the approach for EUAs, an equally-weighted proxy of the PAI indicator values of the individual G20 countries is calculated. G20 countries include all member states except the African Union countries.

3) Responsibilities, Integration into Investment Processes and Monitoring

During the reference period, Investment Partners’ Research function was entrusted with the role of proposing appropriate indicators and thresholds. These were subsequently reviewed and approved by the relevant members of the Executive Board. Further responsibilities include, amongst others, that agreed PAI indicators will be implemented through the Investment Control function as it relates to the technical management of limits and controls on an ongoing basis. Front office functions apply PAI when managing the respective portfolios.

4) Treatment of Margin of Error

Investment Partners uses primarily third-party data sources for calculating and monitoring PAI. These bear the potential for wrong data, data being outdated, or data being unavailable. Whereas Investment Partners tries to reduce the risk of such occurrences by carefully selecting trusted and proven data vendors, it cannot guarantee data accuracy at all times. To reduce the potential impact of an incorrect reporting, Investment Partners performs regular data quality checks to detect outliers and false data.

The following margin of error may be associated with the methodologies applied in respect of computing the PAI indicators:

- Cash, cash equivalents and derivatives are included in ‘current value of all investments’ as per the guidance provided by the ESAs in their Q&A of 17 November 2022. This means that the ‘current value of all investments’ increases with holdings in cash and cash equivalents.
- ‘Current value of all investments’ refers to the entire portfolio managed by Investment Partners, as per the guidance provided by the ESAs’ Q&A of 17 November 2022, and not only to the assets in the portfolio which are relevant to the respective PAI indicator.
- With reference to the quarterly ‘reporting date snapshots’, the ‘current value of all investments’ and the ‘current value of investment’ represent the valuation of the respective investment(s) at quarter-end. As a result, the PAI indicators reported as a weighted annual average are subject to certain valuation fluctuations of the investment(s).

5) Data Sources

Investment Partners sources its data mainly from MSCI and ISS ESG (‘Institutional Shareholder Services’).

Engagement policies

The portfolios and assets currently managed by Investment Partners are limited to securities issued by sovereign issuers. Whereas engaging with sovereign issuers is theoretically possible, Investment Partners does not perceive it to be useful from the perspective of proportionality.

References to international standards

United Nations Principles for Responsible Investment (“UN PRI”)

Investment Partners is a signatory of the Principles for Responsible Investment.

Connection to PAI

PAI No. 16 (“Investee countries subject to social violations”) and PAI No. 21 (“Average corruption score”).

Methodology and data

As described in section ‘*Description of policies to identify and prioritise principal adverse impacts on sustainability factors*’, Investment Partners conducts a periodic screening of PAI No. 16 and PAI No. 21 to ensure the ongoing appropriateness of investee countries and has embedded monitoring of these indicators in its investment process as part of its compliance checks, ensuring conformity with internally set thresholds.

Climate Scenario

Investment Partners does not use a forward-looking scenario, as it does not perceive climate scenarios relevant for measuring corruption and social violation at this stage.

Historical comparison

Information on the historical comparison of the respective values of individual PAI indicators from different reference periods of Investment Partners’ PAI statement can be found in the columns ‘Impact 2023’ and ‘Impact 2024’ and, where relevant in the ‘Explanation’ column in the above table titled “Description of the principal adverse impacts on sustainability factors”.

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