

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 28 April 2023 to 31 December 2023 and represents the first 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, Investment Partners also considers the sustainability indicator "Green Securities", hence the "Share of bonds not issued under Union legislation on environmentally sustainable bonds" and the additional governance indicator "average corruption score" as required by 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 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 28. April 2023 bis 31. Dezember 2023 und stellt die erste von Investment Partners veröffentlichte Erklärung dar.

Die Beschreibung der PAI in der nachstehenden Tabelle bezieht sich auf die Anlageklassen Staatsanleihen und andere Government-Issued Securities 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 (DR SFDR) aufgeführt sind, berücksichtigt Investment Partners auch den Nachhaltigkeitsindikator "Green Securities", d.h. den Anteil der Anleihen, die nicht im Rahmen von EU-Vorschriften über ökologisch nachhaltige Anleihen begeben wurden und den zusätzlichen Governance-Indikator "Average Corruption Score", 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 ‚Treibhausgasintensität‘ (PAI Nr. 15). Dieser Entscheidung liegt die derzeitige Portfoliostruktur von den von Investment Partners verwalteten Portfolien zugrunde sowie die Ausrichtung von Investment Partners als ‚Climate Investment Manager‘.

Für die übergreifende Berücksichtigung des 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 2023	Impact 2022	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	n.a.	n.a.	n.a.	n.a.

		investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas				
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, expressed as a weighted average	n.a.	n.a.	n.a.	n.a.

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 grievance /complaints handling mechanisms to address violations of the UNGC	n.a.	n.a.	n.a.	n.a.

		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 controversial weapons	n.a.	n.a.	n.a.	n.a.
Indicators applicable to investments in sovereigns and supranationals						

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	283.27 t CO2e / Mio. € GDP	n.a.	Eligibility quota: 100% Coverage quota: 100% The data for this PAI is currently being sourced from MSCI. At this stage, it only covers Scope 1 emissions of investee countries due to other data being unavailable. Going forward, once data for Scope 2 and 3 emissions becomes available, this will be reflected.	For the reference period 28.04.-31.12.2023, no measures were taken. For the period 01.01.-31.12.2024, no further measures are planned or targets are set for avoidance or reduction.
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	0%	n.a.	Eligibility quota: 100% Coverage quota: 100% The metric used for this KPI is "Government EU Sanctions".	For the reference period 28.04.-31.12.2023, no measures were taken. For the period 01.01.-31.12.2024, no further measures are planned or

		referred to in international treaties and conventions, United Nations principles and, where applicable, national law				targets are set for avoidance or reduction.
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2023	Impact 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	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%	n.a.	Eligibility quota: 100% Coverage quota: 100%	For the reference period 28.04.-31.12.2023, no measures were taken. For the period 01.01.-31.12.2024, no further measures are planned or targets for avoidance or reduction of this PAI indicator.
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column	63.90 %	n.a.	Eligibility quota: 100% Coverage quota: 100%	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. Data source: Transparency International. Countries with lower score are perceived to be more corrupt. For the reference period 28.04.-31.12.2023, no measures were taken. For the period 01.01.-31.12.2024, no further measures

						are measures are planned or targets for avoidance or reduction of this PAI indicator.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Investment Partners has defined procedures and responsibilities with regards to identifying and prioritising PAI of investment decisions on sustainability factors within a policy. The respective policy, which has been approved by Investment Partners’ Executive Board, 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 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 N°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 N°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 strenghts dilluted by corruption.

3) Responsibilities, Integration into Investment Processes and Monitoring

Investment Partners’ Research function has been entrusted with the role of proposing appropriate indicators and thresholds. These are then challenged and approved by the relevant members of the Executive Board. Further responsibilities include, amongst others, that agreed PAI will be

implemented through the Investment Control function as it regards the technical management of limits and controls on an on-going basis. Front office functions apply PAI when managing the respective portfolios.

4) Treatment of Margin of Error

Investment Partners uses mostly 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 the correctness at all times. To reduce the potential impact of a false reporting, Investment Partners performs data quality checks regularly to detect outliers and false data.

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 under aspects of proportionality.

References to international standards

Net Zero Asset Manager Initiative ("NZAMI")

Investment Partners is a member of the Net Zero Asset Manager Initiative ("NZAMI")

Connection to PAI

PAI N°15 ("Greenhouse Gas Intensity") as measured by the GHG intensity of invested countries

Methodology and data

As described in section '*Description of policies to identify and prioritise principal adverse impacts on sustainability factors*', it is Investment Partners' strong conviction that reducing the greenhouse gas emissions is the utmost priority against the backdrop of climate change. It therefore has embedded a monitoring of said indicator 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 the data availability for effectively tracking a climate scenario is currently not available yet.

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

Investment Partners is a signatory of the principles for responsible investments.

Connection to PAI

PAI N°16 (“Investee countries subject to social violation”) and PAI N°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 N°16 and PAI N°21 to ensure the ongoing appropriateness of invested countries and has embedded a monitoring of said indicator 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 Investment Partners does not perceive climate scenarios relevant for measuring corruption and social violation at this stage.

Historical comparison

As the present statement represents the first statement issued by Investment Partners, a historical comparison is not feasible and hence left blank.