

Statement on principal adverse impacts of investment decisions on sustainability factors

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Summary

In the following, “MEAG”, as well as “MEAG’s asset portfolio” refer to MEAG MUNICH ERGO Kapitalanlagegesellschaft mbH.

MEAG considers the Principal Adverse Impacts (PAI) of its investment decisions on sustainability factors. This statement is the consolidated PAI statement of MEAG.

This PAI statement applies to the reference period from 1 January 2024 to 31 December 2024.

The description of the PAI in the table of the German [MEAG PAI Erklärung](#) refers to the asset classes of: corporate equity, corporate bonds, bonds issued by government related entities, government bonds, sub-sovereign bonds, bonds issued by supranational entities, infrastructure and real estate. The eligibility and coverage figures in the “*Erläuterung*” column pertain to MEAG’s entire asset portfolio, which has a total asset value of around €106 bn (the average from the 4 quarters of 2024). The eligibility figure indicates the share of the 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 are available.

From the 2024 reference year onwards, the sum of the market values of all the portfolio positions, i.e. all Assets under Management resulting from both collective and individual portfolio management activities, will be used as the denominator (“current value of all investments”) in the calculation of PAI indicators. In the reference periods 2022 and 2023, only the investments for which the respective PAI indicator is relevant and for which data is available, were used. This adapted calculation method is aligned with the respective recommendations of supervisory authorities and corresponds with the predominant practice of other financial market participants, which in turn improves overall comparability with published PAI data, in particular in favour of investors, in the financial market. On the other hand, it leads occasionally to lower or generally altered PAI values published by MEAG than in previous years, so that a comparison with the previously published values is only of limited significance. For further details on how PAI are calculated, see no.1. in the section below entitled: *Beschreibung der Strategien zur Feststellung und Gewichtung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren*.

In addition to the PAI listed in Annex I Table 1 of the Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 (DR SFDR), MEAG also considers the additional environmental indicators “Investments in companies without carbon emission reduction initiatives” and “Exposure to areas of high-water stress” and the additional social indicators “Rate of accidents” and “Lack of a human rights policy” as is provided for in the requirements pursuant to Art. 6 para. 1 lit. a) and b) of the DR SFDR. These indicators are explained in more detail in Annex I Table 2 no. 4 and 8 and Table 3 no. 2 and 9. The selection of these additional indicators is based on MEAG’s view that the reduction of carbon emissions to fight climate change is one of the biggest global problems in the world today. Next to this, also water scarcity becomes more and more relevant, being closely linked to climate change. With regards to the social indicators, MEAG considers the respect of human rights and safe working conditions of great importance for all industries. In its [ESG Strategy](#), MEAG puts particular focus on the topics “climate change” and “human rights”.

When taking the PAI into account in its investment process, MEAG currently prioritises the PAI indicators of greenhouse gas emissions (“GHG Emissions”), companies active in the fossil fuel sector, activities negatively affecting biodiversity-sensitive areas, violations of UN Global Compact principles („UNGC“) and OECD guidelines for multinational enterprises, companies involved in the manufacture or selling of controversial weapons, and countries subject to social violations. Here, the measures taken by MEAG currently focus on regular portfolio screenings, setting exclusion criteria, engagement and exercising voting rights. MEAG will successively further develop and extend the measures taken to reduce and mitigate PAI.

For the overarching consideration of the PAI in the investment process, see the descriptions in No. 2. of section: *Beschreibung der Strategien zur Feststellung und Gewichtung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren.*

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