

Description of the fund's environmental and/or social criteria

The fund invests at least 80 percent of the net fund assets in equities that have been selected in accordance with sustainability criteria. Sustainability criteria comprise environmental (E) and social (S) standards and aspects of good corporate or state governance (G). The relevant criteria include carbon emissions, protection of natural resources, biodiversity and water habitats (environmental), anti-corruption measures, tax transparency (corporate governance) and occupational health and safety (social). While taking account of environmental and/or social criteria, the fund invests in equities from issuers that apply good corporate governance practices.

Investment strategy for satisfying the environmental and/or social criteria and the sustainable investment eligibility criteria

The fund's investment strategy pursues an ESG approach that takes account of a range of sustainability factors to ensure that the fund has a focus on sustainability.

Exclusion criteria are defined for purchases of certain equities for the fund.

Companies' past, current and announced sustainability activities are then analysed on the basis of a best-in-class approach and/or a transformation approach.

When purchasing equities under a best-in-class approach, the ESG score is taken into account.

Depending on the type of issuer, this ESG score can encompass environmental, social and corporate governance aspects, the sustainability of the area of business, and potential controversies. It rates the issuer's sustainability performance. Equities from companies that – based on their ESG score – are among the top 50 per cent of the issuers with an ESG score are designated as 'sustainable' in accordance with the fund's investment strategy.

A transformation approach brings together further sustainability criteria on the basis of a systematic analysis, and they are assigned to the companies. The transformation score awarded as a result of the analysis provides an assessment of a company's potential to transform or realign its business model in accordance with sustainable principles in the future. Issuers whose transformation score reaches a certain threshold are also designated as 'sustainable'.

The principal adverse impacts on sustainability factors are also taken into account under the investment strategy.

In addition, the fund managers also make sustainable investments. Pursuant to article 2 (17) of the Sustainable Finance Disclosure Regulation, a sustainable investment is an investment in an economic activity that contributes to an environmental and/or social objective.

The objective is to make sustainable investments in economic activities in order to contribute to the United Nations' sustainable development goals. When investing in such activities, it is important to make sure that they do not have a severe adverse impact on environmental and/or social objectives.

No reference value has been defined in order to ascertain whether the fund is aligned with the promoted environmental and/or social characteristics.

The fund's assets are divided into various categories. In the first instance, this affects those that are aligned with environmental and/or social criteria. They are then subdivided into 'sustainable' and 'other environmental/social criteria'. The 'sustainable' category comprises investments that contribute to environmental goals aligned with the EU taxonomy, 'other environmental' goals and social goals

Summary

UniESG Aktien Global

(‘social’). Where no environmental or social criteria are taken into account, assets are assigned to the ‘other’ category.

Methods and the monitoring of environmental and/or social criteria and the sustainable investment eligibility criteria

The fulfilment of the fund’s environmental and social criteria is measured by means of sustainability indicators. The portfolio managers, for example, analyse the individual assets for compliance with the exclusion criteria defined under the investment strategy.

The sustainability indicators of this fund are as follows:

- Exclusion criteria
- ESG score
- Proportion of investments applying environmental and/or social criteria that qualify as ‘sustainable’

Data used to analyse issuers and/or assets in respect of sustainability indicators is sourced from external third-party providers. A range of service providers are used in order to ensure that the data is of the highest quality possible.

Currently, only certain companies are obliged to publish sustainability information in their annual reports. In cases where it is not possible to analyse the companies and/or assets comprehensively regarding their compliance with environmental and/or social criteria due to a lack of available data, Union Investment’s own research can be used.

Duty of care, engagement

The Company is bound by the principle of trusteeship and operates exclusively in the interests of investors. This principle is embedded in all of the Company’s business processes. Under the fund’s sustainable investment strategy, the Company – in its role as a responsible and active asset manager – strives to establish a constructive dialogue, either alone or in collaboration with other entities in the Cooperative Financial Network, with the companies in which it invests. This approach is referred to as ‘engagement’. The primary aim of engagement is to actively exert influence on companies regarding their handling of the opportunities and risks associated with ESG factors.

By exercising its shareholder and creditor rights, the Company can promote good corporate governance at annual general meetings. It casts its votes in accordance with Union Investment’s current proxy voting policy. The proxy voting policy constitutes the framework for voting activities, whereas the engagement policy provides guidance for direct dialogue with companies as part of engagement activities and must be followed, except in justified exceptional cases.