

Statement on principal adverse impacts of investment decisions on sustainability factors

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Financial Market Participant: VerbundVolksbank OWL eG

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The following publication is exclusively applicable for the investment product "Pfau-Invest". This statement on principal adverse impacts of sustainability factors covers the reference period from 1 January to 31 December 2025.

For the entity-level reporting obligation under Article 4 of the EU Sustainable Finance Disclosure Regulation (SFDR) ("Statement on principal adverse impacts of investment decisions on sustainability factors"), Union Investment provides corresponding reports for the outsourced fund management services MeinInvest, VermögenPlus, and FirmenkundenInvest VVL at the following links:

Description	Link
Article 3 of the EU Sustainable Finance Disclosure Regulation (SFDR)	https://www.union-investment.de/fondsvermoegensverwaltung-nachhaltig
Article 4 of the EU Sustainable Finance Disclosure Regulation (SFDR), report in German language	https://internal.api.union-investment.de/web/dah/dl/download_pai/47260121?api-version=1.1.0
Article 4 of the EU Sustainable Finance Disclosure Regulation (SFDR), English translation of the summary	https://www.union-investment.de/pai-statement-summary-fvv

Summary

The VerbundVolksbank OWL eG considers the most significant adverse impacts of its investment decisions on sustainability factors in its role as a financial market participant for the fund portfolio management of Pfau-Invest. This statement represents the reporting on the most significant adverse impacts on sustainability factors. This statement on the most significant adverse impacts on sustainability factors covers the period from January 1, 2025, to December 31, 2025.

The degree of sustainability of investment funds used (or intended to be used) within the portfolio management is determined and continuously evaluated by the VerbundVolksbank OWL eG through a multi-stage process. The achievement of the environmental and social characteristics of the respective funds is measured using sustainability indicators. Aspects of good corporate and government governance are also considered. These indicators are sustainability metrics used within the framework of exclusion criteria and a best-in-class approach. In the context of portfolio management, the VerbundVolksbank OWL eG seeks the assistance of external third-party data providers. The inclusion of sustainability risks by the external third parties is contractually agreed upon and monitored by the VerbundVolksbank OWL eG.

A comprehensive quantitative and qualitative sustainability analysis of the underlying investment approach is conducted for the investment funds to be acquired, with the involvement of an external data provider (MSCI ESG Research LLC). Initially, the available product universe is filtered based on minimum exclusion criteria, which are based on the concept jointly developed by the German Federal Association Investment and Asset Management (BVI) and the German Derivatives Association (DDV) in their respective current versions. Furthermore, within the qualitative analysis, a systematic analysis is carried out. This analysis is based on the ESG metrics provided by the external data provider (MSCI ESG Research LLC) to obtain a comprehensive picture of the sustainability profile of these investment assets. To assess positive sustainability features of the investment assets (such as aspects related to the environment, social factors, corporate governance, and investments in sustainable sectors), indicators (referred to as "sustainability indicators") are assigned and evaluated using a best-in-class approach. The best-in-class principle states that, starting from the investing

universe considered, those products are selected that demonstrate above-average sustainability performance. In cases where direct data points are not available from the data provider, a qualitative analysis of the investment assets is conducted to determine the degree of sustainability.

When acquiring investment shares, adverse impacts on sustainability factors resulting from these investments (referred to as "Principal Adverse Impact" or "PAI") are also considered. Indicators used to determine adverse impacts on sustainability factors resulting from investments in companies are derived from the following categories: greenhouse gas emissions, biodiversity, water, waste, as well as social issues and employee matters. For investments in investment shares that invest in securities and money market instruments issued by governments, indicators in the categories of environment and social issues are considered. The analysis of adverse impacts on sustainability factors is based on a relative approach. The PAI indicators of the portfolio are analyzed against the adverse impacts of a benchmark (MSCI ACWI). The MSCI All Countries World Index (ACWI) includes stocks of the 2,513 largest publicly traded companies from a total of 47 countries.

Amendment history:

- 30.06.2026: Update of the publication with the figures for the 2025 reporting year, integration of Hyperlinks according to entity-level reporting obligation under Article 4 of the EU Sustainable Finance Disclosure Regulation for the outsourced fund management services MeinInvest, VermögenPlus, and FirmenkundenInvest VVL and associated editorial adjustments.
- 30.06.2025: Update of the publication with the figures for the 2024 reporting year and associated editorial adjustments.
- 28.06.2024: Update of the publication with the figures for the 2023 reporting year and associated editorial adjustments.
- 30.06.2023: Initial publication in accordance with the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022