



**Sustainability Report of the
Union Investment Group**
2024

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Sustainability in the Union Investment Group

Highlights from the 2024 financial year.

Over 30 Years

of experience in the active management of sustainable funds. We are one of the leading German asset managers for sustainable investments. Acting on behalf of and with foresight, we are committed to an environment worth living in, social standards and good corporate governance. We actively drive social change towards a sustainable financial system.

Exclusion of oil and gas

from the portfolio. A strategy for the gradual reduction of investments in oil and gas production was adopted for portfolio management. From April 2025, sustainable products will not include any direct investments in securities of companies with oil and gas production. A gradual approach will also be adopted for conventional products, with companies with substantial production being excluded by 2050.

1,714 votes

at Annual General Meetings in 33 countries. As an active asset manager, we maintain a constructive and critical dialogue with the largest greenhouse gas emitters in the portfolio.

127 Billion Euro

in client assets with a sustainable investment approach are managed in our securities funds and our real estate funds with a "Manage to Green" strategy. 147 billion in products with environmental or social characteristics or sustainable investments in accordance with the EU Disclosure Regulation.

950 Members

in our diversity networks. Our diversity networks "Women Empowerment Network" and "UniPride" are growing. They represent diversity in our company not only internally, but also externally. In 2024, Union Investment was represented for the first time with a float at Christopher Street Day in Frankfurt.

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"Sustainability remains an important topic for the future. Union Investment will therefore remain a member of the Net Zero Asset Managers Initiative."

Dear Shareholders,
Dear Readers

Last year, we were once again faced with major social, geopolitical and economic challenges. Against this backdrop, the topic of sustainability has become less prominent in the public eye. However, sustainable transformation is still one of the biggest challenges for the future. The consequences of climate change are becoming ever more apparent due to increasing weather extremes around the world, which is also increasing the pressure to act. There is therefore no way around sustainable transformation in the future. This applies just as much to the measures within the scope of our business economics as it does to our sustainable investment activities.

It remains undisputed that taking ESG criteria into account can improve the quality of investment decisions. This makes it possible to diversify risks and thus achieve better performance.

In 2024, we continued to play an active role as a shareholder in the transformation towards a more sustainable economy. As at December 2024, we managed assets totalling EUR 146.6 billion in accordance with industry standard Articles 8 and 9 of the Disclosure Regulation. Of this, 127.1 billion euros were assets under management in accordance with our own sustainability criteria. These minimum requirements are based on regulatory requirements such as the Principal Adverse Indicators and the sustainability preferences of our clients.

For us, holding the companies in which we are invested to account is a decisive lever for accelerating the sustainable transformation. With 1,714 impulses in votes at Annual General Meetings and our regular, critical and constructive

discussions with companies, we have used our voice to this end. In doing so, we have called for concrete sustainability goals that encompass short, medium and long-term perspectives. And: we are sticking to our stance on climate-critical investments and have further intensified our comprehensive exit from the financing of coal mining and coal-fired power generation.

That is why it is clear to us that Union Investment will remain a member of the Net Zero Asset Managers Initiative and is committed to actively supporting the goal of a climate-neutral economy by 2050.

Sustainability is and remains one of the most important issues for the future for us as an investment company. That is why we continue to work with our cooperative partners to actively shape the transformation of the economy and thus secure the prosperity of our customers in the long term.

Enjoy reading!

Hans Joachim Reinke
Chairman of the Board of Managing Directors of
Union Asset Management Holding AG

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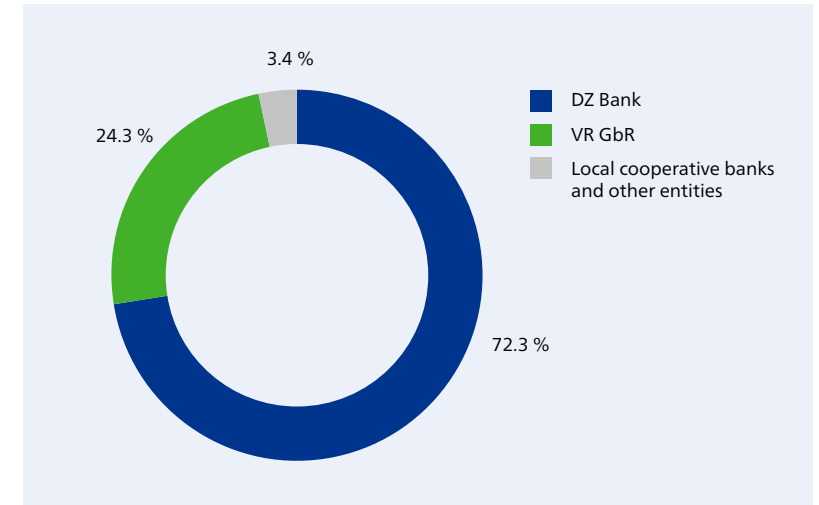
2 About Union Investment

With more than 65 years of expertise in the fund business and assets under management of over 500 billion euros, the Union Investment Group (UIG) is one of the largest and most important providers in the asset management industry in Germany. As an active asset manager, Union Investment offers customised investment solutions for both private and institutional investors. The product policy in the private customer business is geared towards the needs of our customers. Market development is geared towards the focus topics of "Investing/optimising assets", "Provision business for old age" and "Saving assets". The range of services in the retail business is available exclusively to private customers of the cooperative partner banks ("Verbund First"). Our business activities with retail investors are focussed on the German and Austrian markets.

The range of services offered by the Institutional Clients division is aimed at discerning institutional investors of various sizes. Customers from within the Cooperative Financial Network include primary banks and other specialised institutions, as well as corporate customers of the cooperative partner banks. In addition, Union Investment also competes for investment funds from institutional investors outside the Cooperative Financial Network in Germany and the rest of the world, such as pension funds and insurance companies. The Union Investment Group includes companies in Germany, Luxembourg, Austria, France and Singapore as well as a joint venture in Hong Kong.

Ownership structure of the Union Investment Group

The Union Investment Group is headed by Union Asset Management Holding AG, an unlisted public limited company. The shareholders are:



Key performance indicators of the Union Investment Group

in million euros	2024	2023	2022
Earnings before taxes	1,241	974	694
Taxes	401	289	203
Earnings after taxes	840	685	490
Net sales (EUR billion)	17.3	16.8	17.5
Assets under management (EUR billion)	505	455	413
Employees at end of year (headcount)	4,412	4,468	4,305

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3 Sustainable strategy

With our sustainability strategy, we are aligning our understanding of sustainability, our aspirations and our sustainability offering for customers for the coming years. We are also guided by international and national standards and implement these wherever it makes sense for us to do so. The UN Principles for Responsible Investment (UN PRI) have served as a key standard for the implementation of sustainability in our core business since 2010; since then, we have consistently developed our services in line with increasing requirements. In the coming years, we will also need to help shape the sustainable orientation of the financial markets.

The specific goals and measures of our sustainability strategy are set out in our sustainability programme and are divided into the areas of positioning, services and expertise, marketing, products and operations. The sustainability programme is approved by the Board of Managing Directors.

How Union Investment fulfils its responsibilities in its business activities and acts in all its relationships with investors, employees, suppliers, the environment and society is set out in the [Sustainability Code](#).

Sustainability is part of our business model

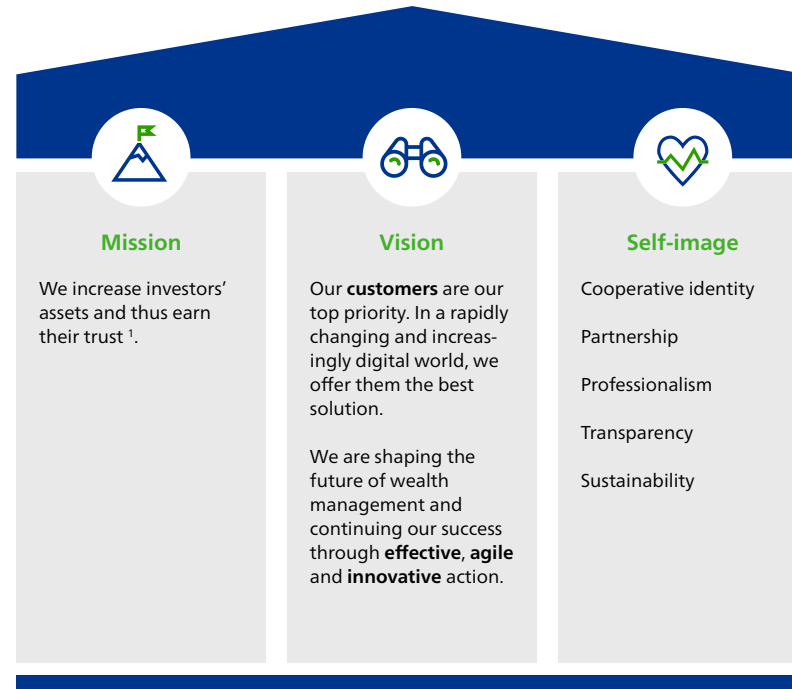
We therefore take key sustainability aspects into account both in our core business and at the operational level. In doing so, we endeavour to further develop the areas in an integrated manner wherever possible and sensible. Climate change is a key issue here: it has a major influence on how we develop and operate our properties, how we value listed companies and how we continuously work to reduce CO₂ emissions at Union Investment. All three aspects are integral components of the revised [climate strategy](#) (see section 6.1)

In addition, we integrate sustainability aspects into our corporate discussions and into the selection of our investment properties as well as in our real estate purchase and development decisions. Ensuring good and responsible corporate governance is part of our engagement approach in portfolio management. At the same time, we are actively committed to improvements in relation to environmental and social issues. We do this both individually and as part of joint activities with other international asset managers in order to increase the effectiveness of our commitment. Since 2012, we have also offered this form of engagement to investors who have not invested in Union Investment products in order to further increase the impact of our sustainability measures.

At an operational level, we are constantly looking at how we can improve our sustainability performance. To this end, Union Investment has implemented an environmental management system that is certified to ISO 14001. We also take sustainability aspects into account in purchasing when selecting products and equipment and in our relationships with suppliers, and address them on an ongoing basis in our dialogue with suppliers.

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Sustainability is one of our values



Union Investment's values place a strong focus on the interests of our investors at the centre of our corporate mission. The mission statement defines the elements of cooperative self-image, partnership, professionalism, transparency and sustainability as key components of our corporate culture. In concrete terms, sustainability for our self-image means acting responsibly and with a long-term focus with a view to the livelihoods of future generations - as a company and as an investor.

Union Investment's [Sustainability Code](#) comprehensively describes how we see ourselves in terms of good corporate citizenship and the various areas of sustainability. We describe our sustainability performance in our core business in our [guideline for responsible investment](#). The sustainability requirements for suppliers of the DZ BANK Group are used as a guideline for dealing with external suppliers. We also have our own management guidelines for employee management.

1) Our knowledge of the individual interests of retail and institutional investors is unmatched. This enables us to develop and implement successful investment strategies geared towards requirements. As a fully integrated, flexible asset manager, we provide the ideal solution with lasting added value for our investors and cooperative partners.

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We have defined action areas for sustainable behaviour

As a financial services provider, Union Investment is particularly reliant on the trust of its investors. Complying with social standards and fulfilling the expectations placed in us is an important aspect of our entrepreneurial and responsible behaviour. For the structured integration of our sustainability strategy, we have defined "Corporate governance & communication", "Services & expertise", "Marketing", "Products" and "Operations" as key areas for action. Our social commitment unrelated to our business activities is listed here under "Society".

The material sustainability issues for Union Investment were identified based on whether they influence our current and future business activities. At the same time, it is crucial that we are in a position to exert a direct or indirect influence on the topic area.

The material topics identified were assigned to the corresponding fields of action:



Overall, we are guided by best practice standards in Germany and see this process as a continuous improvement process for the company. For example, we recognised the UN Principles for Responsible Investment (UN PRI) as a key standard for implementing sustainability in our core business back in 2010 and have been consistently developing our services ever since. We adapt our guide-

lines for responsible investment to developments in the field of sustainable finance as required. In the real estate business, we are also guided by the leading ZIA Code for Sustainable Real estate Management and report accordingly in our annual sustainability report (see section 5.7).

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4 Sustainable corporate governance and stakeholder communication

4.1 Governance

Sustainability is a matter for the Board of Managing Directors

The supreme decision-making body of the Union Investment Group is the Board of Managing Directors of Union Asset Management Holding AG (UMH). The Supervisory Board of Union Asset Management Holding AG is the supreme supervisory body. As the parent company of the Union Investment Group, Union Asset Management Holding AG is responsible for Group-wide management and control tasks. In addition to these core tasks, it provides services throughout the Group. It does not conduct any operating business.

The Board of Managing Directors of Union Asset Management Holding AG receives quarterly reports on the most important sustainability-related developments, key figures and risks. Critical concerns for the company are addressed to the Board of Managing Directors of UMH through the regular risk report or the quarterly reporting of all business segments. If necessary, particularly critical issues are then assigned separate review requests and are resubmitted and resolved after review. The Union Investment Group's first Chief Sustainability Officer (CSO) was appointed in April 2024 as a consistent strategic development of the topic of sustainability. The CSO reports directly to the Chief Executive Officer and is thus directly involved in the strategic development of the company.

The Supervisory Board evaluates the performance of the Board of Managing Directors once a year on the basis of performance targets agreed ex ante. Sustainability issues are part of the target agreement and performance measurement of the Board of Managing Directors. The shareholders decide on the approval of the actions of the Supervisory Board and Board of Managing Directors of Union Asset Management Holding AG at the Annual General Meeting each year. Reports on sustainability issues are submitted to the Supervisory Board of UMH on a quarterly basis. The qualifications and propriety of the management of Union Asset Management Holding AG are subject to review by the Supervisory Board and the auditor of the annual financial statements.

Once a year, the Union Investment Group's business and risk strategy is submitted to the Supervisory Board of UMH for approval; in addition, the written quarterly report to the Supervisory Board always contains information

on the risk situation and the Group's sustainability performance. ESG risks are part of the risk management system with its own risk indicators, the risk strategy and the risk inventory.

The Supervisory Board of Union Asset Management Holding AG comprises a total of 15 members (10 shareholder representatives and 5 employee representatives). The Articles of Association of the company require that the members of the Supervisory Board to be appointed by the Annual General Meeting must, in terms of their personality and expertise, ensure that the interests of the shareholders of investment funds issued by subsidiaries are safeguarded. The selection is based on a variety of criteria. These include, in particular, expertise and experience in economic matters. In principle, only persons who belong to a management body of a cooperative company can be elected as a shareholder representative on the Supervisory Board. This principle may be waived for up to two shareholder representatives.

The rules of procedure for the Supervisory Board of Union Asset Management Holding AG stipulate that each member of the Supervisory Board must disclose any conflicts of interest that arise in their person to the Supervisory Board without delay. Members of the Supervisory Board may not, in connection with the performance of their duties, allow themselves or third parties to be promised or receive benefits from third parties, nor may they promise or grant unjustified benefits to third parties. The company ensures compliance with this requirement by introducing and continuously updating internal guidelines and can define criteria for exceptions (minor cases). Consultancy and other service and work contracts between a member of the Supervisory Board and the company require the approval of the Supervisory Board.

Sustainability is firmly anchored in our structures

The improvement of economic, ecological and social performance is firmly anchored in the company and its structures. With this in mind, responsibilities and functions are delegated to the individuals with specialist responsibility. The sustainability strategy and measures are coordinated by UMH's sustainability management team. The Head of Sustainability Management reports to the Head of Group Management, who reports directly to the CSO.

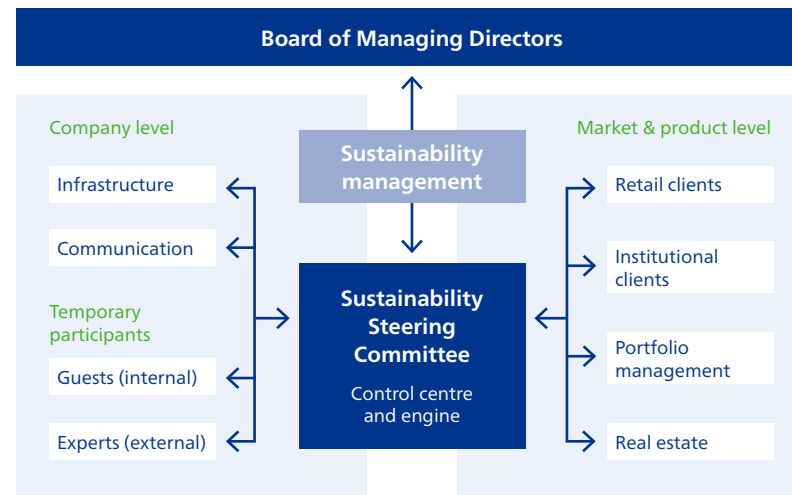
On behalf of the UMH Board of Managing Directors, Sustainability Governance pursues cross-company objectives relating to sustainability issues, including the

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management and coordination of strategy development and the effective dovetailing of central measures at market and product level with activities at company level. Sustainability governance consists of several committees and stakeholders. These work together to address cross-company sustainability issues and bring about decisions. The aim of this cooperation is to consider and deal with sustainability issues in a holistic and integrated manner. After all, in order to effectively support the operational business, the level of standards demanded or offered on the market must also be realised at company level.

The Sustainability Steering Committee is our central control centre and driving force

The Sustainability Steering Committee (SKN) is the central body of the sustainability governance structure. It is made up of managers from almost all organisational units of the Union Investment Group and is headed and organised by the central sustainability management team (NHM). The aim of the SKN is to process, coordinate and decide on cross-company sustainability issues and to escalate strategic issues as required. It develops the sustainability strategy, provides a platform for Group-wide coordination processes, ensures cross-unit transparency and dovetails central measures. The SKN receives sustainability requirements and impulses from higher-level bodies (including the Board of Managing Directors), internal segments and divisions as well as the market environment, evaluates them technically, processes them in a coordinated manner and decides on them.



The sustainability programme manages goals and measures

Union Investment uses its sustainability programme to manage company-wide targets and measures relating to all aspects of sustainability.

As part of the annual company-wide planning process, all of the Group's business units are asked to contribute the relevant environmental trends and development requirements for their own service provision. This also includes relevant ESG aspects for the respective business processes, including potential sustainability risks. This ensures that the company's own performance and competitiveness are regularly analysed for all stages of the value chain and that potential for improvement is identified. In addition, the specific updating of the ESG strategy and key measures for the defined areas of action set their own targets, which in turn are integrated into the business strategy. This means that specific ESG developments are dovetailed with corporate planning at various levels.

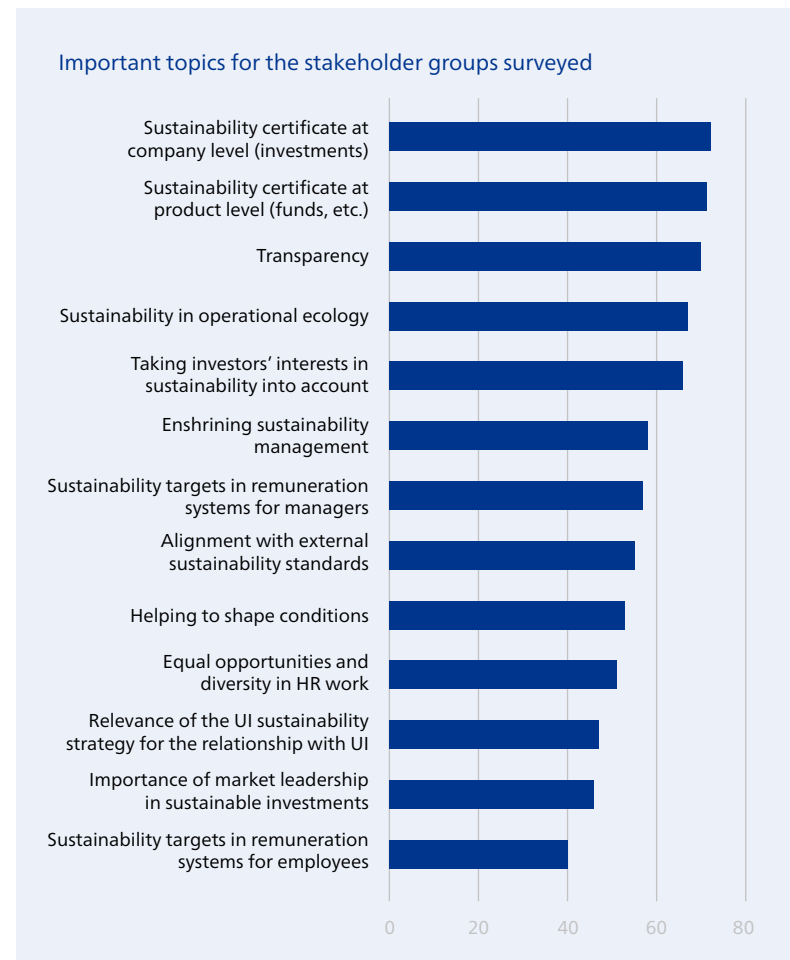
4.2 Stakeholder communication

A stakeholder analysis was carried out in 2021 to understand stakeholder expectations, prioritise the measures derived and create a basis for further strategic alignment on the topic of sustainability. The process is divided into three steps:

- **Internal collection of topics:** Internal workshop to discuss and prioritise survey topics.
- **Qualitative baseline study on stakeholder expectations:** 32 individual qualitative interviews were conducted to establish a current, comprehensive level of requirements and detailed attitudes in relation to the survey topics in order to gain a basic understanding of the stakeholders' view of Union Investment with regard to sustainability.
- **Quantitative stakeholder survey:** 621 people from ten different stakeholder groups were surveyed using an online questionnaire in order to quantify the results from the qualitative baseline study. The target groups surveyed were weighted equally in the overall results.

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The following topics of particular importance to the stakeholder groups surveyed were derived from the quantitative survey:



Explanation of the most important topics:

- **Evidence of sustainability and transparency:** The following measures are considered to be highly suitable for promoting the credible implementation of sustainability strategies and measures: Regular engagement report, publicly communicated sustainability report and publicly communicated sustainability programme.
- **Sustainability in operational ecology:** Two thirds of stakeholders consider sustainability in Union Investment's operational ecology to be at least very important.
- **Realising investor interests for sustainability:** For two thirds of the stakeholders surveyed, it is extremely or very important that Union Investment supports investor interests on sustainability issues (for example through active shareholder engagement).
- **Anchoring sustainability management:** For 58 % of the stakeholders surveyed, Union Investment's sustainability management is at least very important, and for just under a quarter it is extremely important.

The dialogue and involvement of stakeholder groups takes place regularly in different forms and intensities depending on the target group: Union Investment's shareholders are involved via the established supervisory bodies, and there are annual regional event series for the local cooperative banks in which all aspects of cooperation with Union Investment are discussed in depth.

Employees are informed about the company's situation at regular events and via internal media. Interests and concerns can also be exchanged. Dialogue with regulatory and political bodies, supervisory offices and authorities is ongoing and topic-related. Science and culture are specifically included in internal opinion-forming processes through the work of the Union Investment Foundation and as part of co-operations and studies. Institutional clients are regularly and intensively supported by our account managers, while private clients are supported by the intermediary cooperative banks and our customer service team. We are also represented at numerous industry meetings with and without an explicit sustainability focus. Both customer groups are regularly surveyed for satisfaction after the business relationship.

A key finding of Union Investment's annual sustainability study, in which a total of 193 major investors with a capital volume in the trillions participated in 2024, is that only a few major investors still do without ESG investment strategies today. The proportion of major investors investing according to sustainability criteria is currently 85 %. The regular involvement of stakeholders shows that in the financial services sector, action-guiding impulses are predominantly

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provided by very well-informed stakeholder groups, while broad surveys often do not result in target-oriented statements due to the abstract nature of the topic. In this respect, we differentiate between general customer satisfaction surveys on the one hand and the thematically very specific involvement of directly affected stakeholders on the other.

4.3 Sustainability in risk management

At company level, sustainability risks are integrated into the Group-wide risk management system. These are not regarded as an independent type of risk, but rather as drivers of existing types of risk, the occurrence of which can have an actual or potential significant negative impact on the net assets, financial performance and reputation of a company. This includes climate-related risks in the form of physical risks and transition risks, as well as risks arising from regulatory requirements relating to climate or sustainability.

As part of the annual risk inventory, sustainability risks are taken into account as drivers of financial and non-financial risk types and an impact analysis is carried out. Like other risk drivers, sustainability risk drivers are implicitly taken into account in risk measurement.

The management of sustainability risks in the investments is explained in section 5.5

4.4 Anti-corruption and compliance

The Union Investment Group has established specific rules, procedures and principles to prevent breaches of the law and conflicts of interest and to limit the resulting risks as far as possible. In our view, the current preventive measures provide an adequate level of prevention against such behaviour. Our business locations are subject to Group-wide corporate standards on criminal offences, including the prevention of corruption. All employees and managers are regularly informed about anti-corruption strategies and measures through training. Training is a key component of the preventive measures used to avoid corruption and other violations of the law. All new employees are informed about compliance requirements. In addition, all employees regularly take part in mandatory compliance and money laundering training in order to prevent money laundering offences and compliance violations, including conflicts of interest.

Various guidelines and processes have been established that govern internal and external procedures for legally compliant and ethical behaviour and integrity issues. There are internal and external whistleblowing systems for reporting relevant specific issues, which in particular guarantee the anonymity of the reporters, including for external reporters.

There were no confirmed cases of corruption in the 2024 reporting period. There were also no public-law proceedings in connection with corruption against Union Investment or its employees. This also applies to any contracts with business partners that would have been based on such facts. The anti-money laundering officer is also not aware of any public lawsuits in connection with incidents of corruption against the Group.

Union Investment's fundamental objective is to avoid potential conflicts of interest and, where this is not possible, to take appropriate measures to identify, resolve and manage these conflicts of interest in order to minimise the impact on the client as far as possible and necessary or to resolve them fairly while safeguarding the client's interests and creating the necessary transparency for the client.

The aim is also to counteract the occurrence of conflicts of interest to the detriment of clients in business relationships with others. To this end, Union Investment has developed a [general conflict of interest policy](#) that provides for a large number of organisational and administrative measures. There were no material conflicts of interest in the 2024 reporting period.

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5.1 Product portfolio

Money management is a matter of trust - therefore, as a trustee for more than five million investors, it is essential for us to handle the invested funds responsibly and to offer a needs-based product and service portfolio for our end investors (private customers of the local cooperative banks) and institutional customers.

The challenge of responding to current and significant economic, ecological and social developments and incorporating them into the product portfolio in line with investor needs goes hand in hand with our responsibility on behalf of our investors' money. Demographic change as a social challenge is closely linked to the design of retirement pension products for the general population. Climate change is of particular importance in the development and operation of our properties and in the management of securities assets. Climate aspects and good, responsible corporate governance are therefore important components of our multi-dimensional engagement approach to portfolio management.

Union Investment has undertaken to comply with the BVI Code of Conduct. As a result, we observe the standards of the code in the presentation of fund performance and the presentation of responsible and sustainable investments.

Our product portfolio is geared towards the needs of our investors

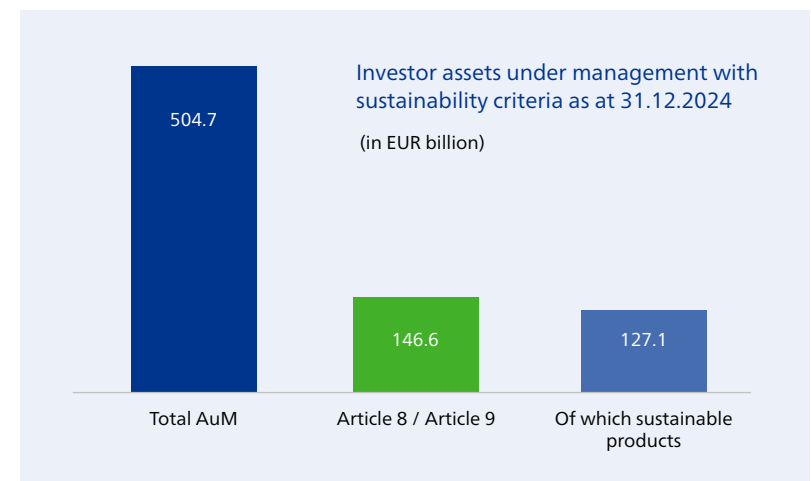
The local cooperative banks' advisors learn directly from retail investors about their end customers' product needs. The needs of our investors are constantly being analysed and passed on to the relevant departments at Union Investment through the exchange between advisors and Union Investment customer service, at events and via the sales force. This provides impetus for market development and products tailored to the needs of investors. We are in direct dialogue with institutional investors and thus learn first-hand what requirements they have of our products. The internal dialogue between client relationship managers and our portfolio management team results in tailor-made solutions for professional investors.

We orientate ourselves to national and international industry standards. We base our product portfolio on internationally recognised standards and implement them wherever it makes sense for us to do so: in particular the UN Principles for Responsible Investment (UN PRI) as a key standard for the implementation of sustainability in the management of our customers' funds. In the real estate business, we are also guided by the ZIA Code for the Sustainable Real estate Industry.

5.2 Sustainable products

In order to meet market requirements for industry standards for investment securities that take ESG factors into account (e.g. association concept for implementing the legally required sustainability preference survey in accordance with the MiFID II Directive in practice) and also to offer more transparency about the level of sustainability in the respective products, our internal requirements for sustainable products have been standardised. Accordingly, they are included in the statistics (overview of assets under management). We differentiate between products that are categorised in accordance with Articles 8 and 9 of the EU Disclosure Regulation (EU Disclosure Regulation) and products that fulfil our self-imposed minimum ESG requirements.

This is based on minimum requirements such as certain investment strategies or criteria or exclusions that we believe sustainable products must fulfil as a minimum. These minimum standards are based on regulatory requirements (e.g. consideration of the Principal Adverse Impact Indicators (PAI) in accordance with Article 7 of the EU Offering Regulation) and the sustainability preferences of our clients



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As at 31 December 2024, the Union Investment Group managed EUR 146.6 billion in investor funds in accordance with Article 8 or Article 9 of the EU Offering Regulation. Of this amount, EUR 127.1 billion is attributable to products that fulfil our own minimum requirements for sustainable products. The minimum requirements for sustainable securities products include an active commitment to and demand for value-enhancing and sustainable corporate governance. This includes exclusions of companies or countries that fall under the following criteria (percentage turnover thresholds in each case):

- Serious violations of UN GC principles, banned or controversial weapons (>0%)
- ESG controversies
- Coal-fired power generation (>25%), coal mining (>5%), armaments (>10%), tobacco (>5%), fracking and tar sands (>5%) (each share of company revenue)
- States: Unfree states, states with high corruption (worst 20% of the Corruption Perceptions Index - CPI), states with high greenhouse gas intensity (worst 20%)
- Consideration of the Principal Adverse Impact Indicators (PAI) in accordance with Article 7 of the EU OffVO.

Further exclusion criteria are also applied to sustainably managed retail products:

- Coal-fired power generation (>10%),
- Defence equipment (>5%)
- Gambling, alcohol, cannabis (>5%)
- Controversial genetic engineering, nuclear energy, pornography (>5%)
- Animal testing for non-medical purposes (>0%)
- States: Non-signatories to the UN Nuclear Non-Proliferation Treaty, the Paris Climate Agreement or the UN Convention on Biological Diversity, states that use the death penalty or have a high proportion of nuclear energy.

Investments that only promote environmental or social characteristics (in accordance with Article 8 EU-OffVO) may invest in a wide range of assets, some of which are not necessarily considered sustainable investments themselves or contribute to the specific environmental or social characteristics promoted by the financial product. Examples of such investments include hedging instruments, investments for diversification purposes, investments for which no reliable data is available or cash held as additional liquidity. With this approach, we are following the current market standard, which is also used by the industry association BVI, among others, to recognise sustainable investments.

In the reporting year, we developed a new fund asset management programme for high-net-worth clients. It offers five traditional strategies and five strategies with sustainability features. Artificial intelligence is used in the investment process and customers have the option of customising their investment or investing in a basic portfolio. The strategies with sustainability features fulfil the requirements set out in Article 8 of the EU Offering Regulation.

Sustainability reporting for products

We provide monthly sustainability reports for our sustainable institutional mutual funds. The reports compare the exclusion ratios of the fund assets and the ESG scores of the funds with the respective peer universe and present the ESG scores of the largest investments.

Standardised sustainability reporting for mutual funds and special funds has been implemented for institutional investors. This includes the "UniESG Score", "UniSDG Score" and the CO₂ and water intensity of the fund portfolio.

We also implemented sustainability reporting for our mutual funds in the private client business during the course of 2023. The report provides quarterly information for advisors and end customers on our sustainable investment process. This includes aspects such as exclusion criteria and sustainability indicators for the fund as well as Union Investment's engagement activities.

The fund portrait on the private client homepage has also been expanded to improve our digital presence on sustainability. In addition to the legally required information on sustainability disclosure, we publish a set of sustainability KPIs for our centrally offered mutual funds on a quarterly basis. These include the "UniESG Score" sustainability indicator used to assess the sustainability of investments at fund level and the number of securities in the fund that were voted on at the Annual General Meetings.

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5.3 Engagement

As a responsible investor and active asset manager, Union Investment pursues active shareholder engagement in the form of a multi-dimensional engagement approach. The primary objective is to actively influence companies and thus make a contribution to increasing the value of the company. This not only addresses entrepreneurial aspects, but also specifically addresses social, environmental and corporate governance issues. To improve the impact of our engagement, we have further developed our approach as "Engagement 2.0".

Union Investment's portfolio management regularly influences the management and business policy of stock corporations in dialogues with companies and at annual general meetings in the interests of investors and solely for the benefit of the investment fund concerned. Our principle is that Union Investment supports all measures that increase the value of the company in the long term and in a sustainable manner and votes against those that run counter to this objective.

A binding voting policy is a prerequisite for the transparent and consistent exercise of the voting rights entrusted to us. Union Investment has therefore defined comprehensive voting guidelines that are based on the recommendations of the German Corporate Governance Code and the BVI guidelines. The guidelines are documented in the [Union Investment proxy voting policy](#).

In the year under review, Union Investment performed its fiduciary duty at 1,714 annual general meetings in 33 countries and represented the interests of investors by exercising their voting rights.

The constructive corporate dialogue "UnionVoice" is the second important pillar of "UnionEngagement" alongside voting behaviour at Annual General Meetings. The main aim of "UnionVoice" is to improve sustainability and thus shareholder value in the interests of our investors through dialogue with companies.

Union Investment has many years of experience as an active shareholder and is increasingly utilising this experience. In the past reporting year, a total of 558 "UnionVoice" activities were carried out in 36 countries. The top 3 sectors of our activities were "Industrials", "Materials" and "Financials". Around 63% of the discussions had an environmental focus, around 10% a social focus and around 27% a governance focus.

Engagement 2.0

The term Engagement 2.0 refers to a further development of our engagement approach with the aim of increasing credibility and impact. The current engagement process is being supplemented by a more systematic and focussed approach.

According to the extended definition, we understand engagement as:

1. A **substantive discussion** in the context of the ongoing dialogue with
2. **concrete objectives** that
3. are to be achieved over a **certain period of time**, whereby the
4. **Progress is measurable**.

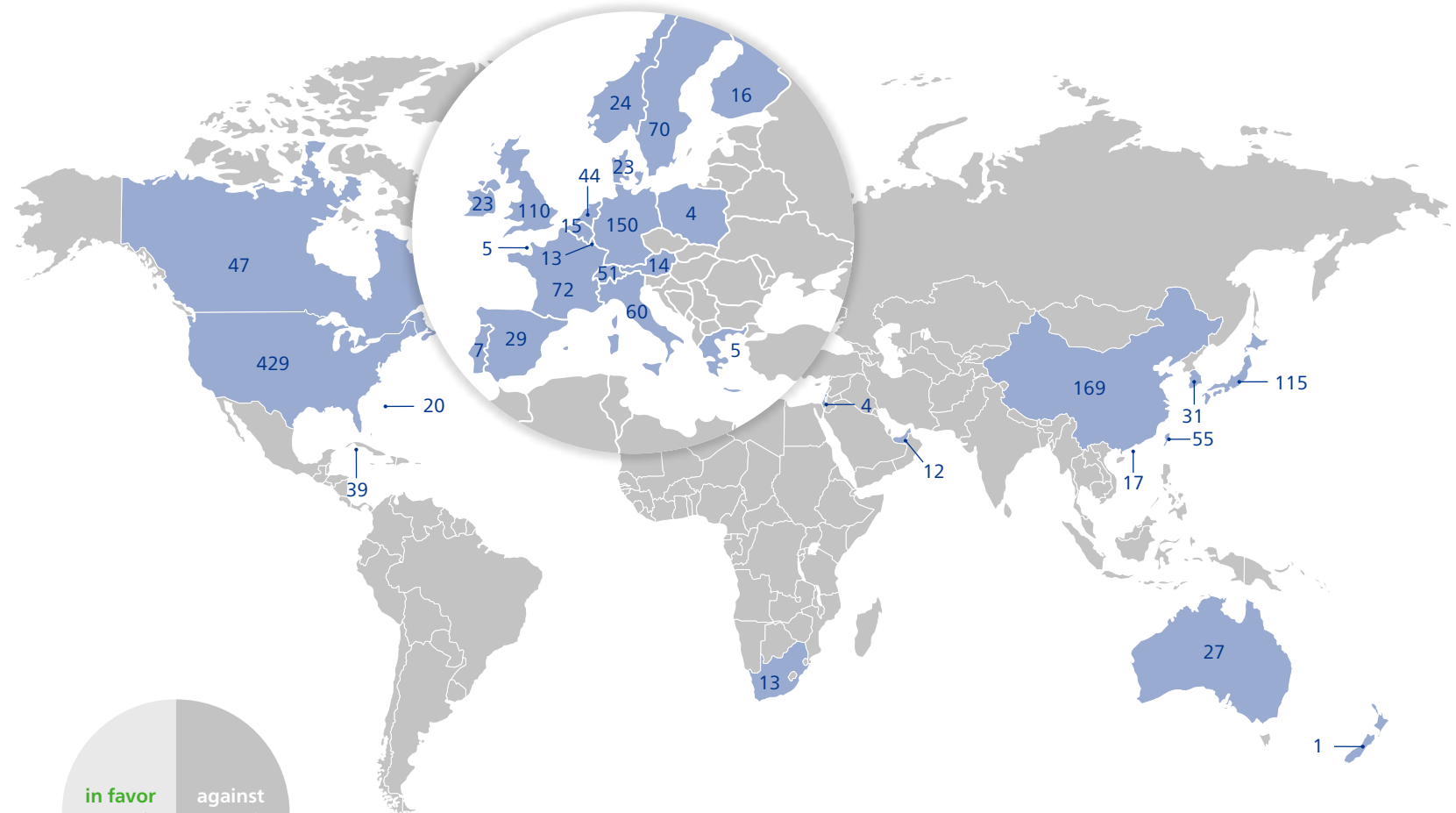
The aim is to strengthen credibility on the one hand and to enable a positive contribution to performance on the other.

Engagement success is measured along a series of milestones, ideally culminating in the implementation of the required measures and their credible and verifiable realisation. Priority is given to addressing risks and issues that could become material for the company in order to avert potential damage to the respective Group, its shareholders and stakeholders.

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UnionVote – votes by country 2024

1,714 votes
33 countries



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5.4 ESG integration in Portfolio Management

Integration into the investment process

We firmly believe that integrating ESG criteria into the investment process has a positive impact on risk management and the performance of our funds. This is why our ESG department is integrated into portfolio management as a cross-divisional competence and is thus interlinked with all major asset classes. The generation of qualitative and quantitative sustainability research and the implementation of our sustainability requirements are carried out using "SIRIS", our proprietary Sustainable Investment Research Information System, which we have been continuously developing since 2013. "SIRIS" is our research platform that makes sustainability in portfolio management transparent, measurable and controllable. It has been used across the board in Union Investment's portfolio management since 2017 and is available to every portfolio manager. Regular training sessions are held to strengthen sustainability expertise.

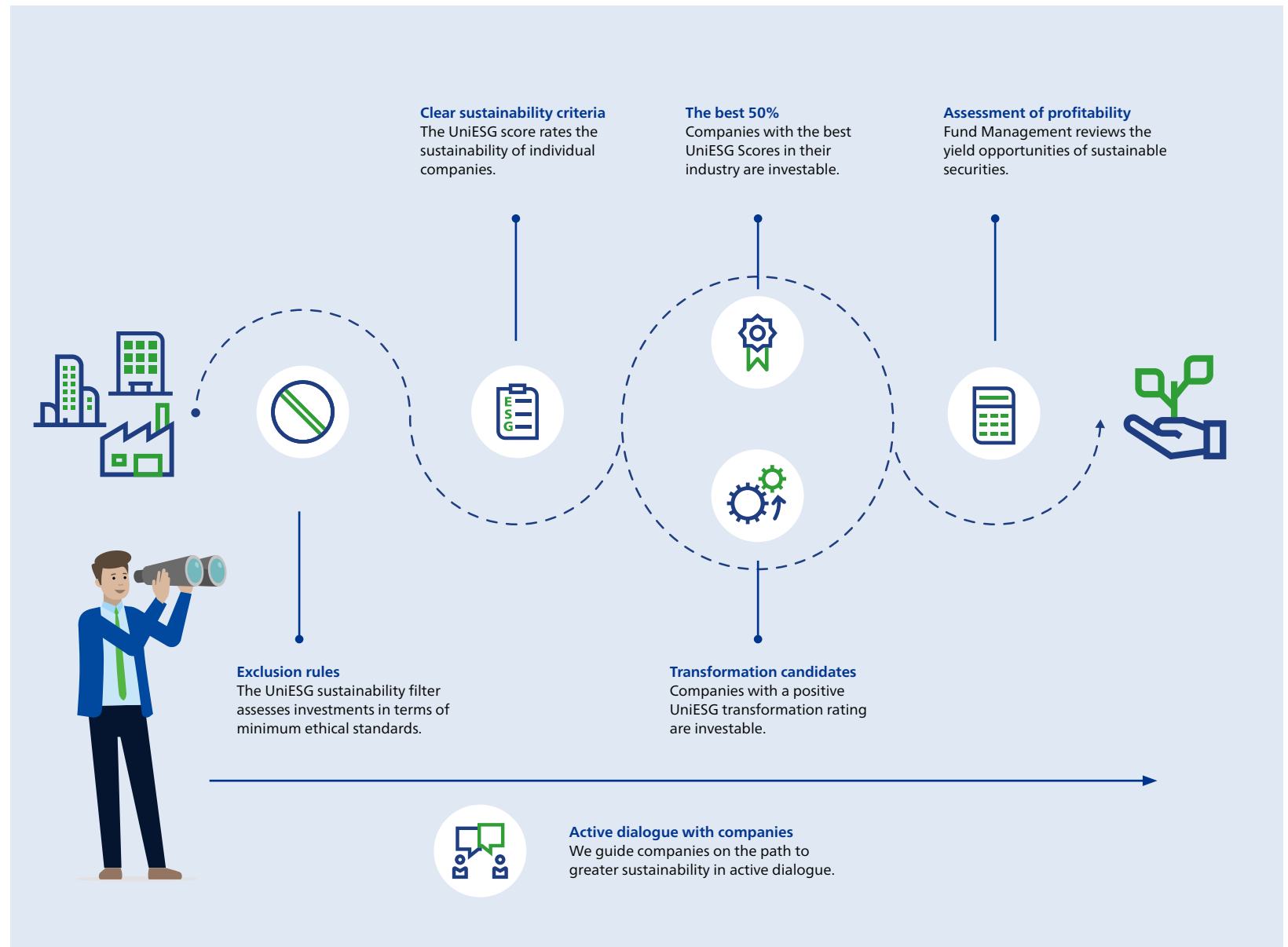
The ESG Committee is the highest ESG body in portfolio management and ensures the ongoing integration of ESG findings into investment strategies and the fundamental research process. It deals with all sectors and asset classes that are particularly relevant for risk, income and valuation considerations due to specific events and/or structural trends from a sustainability perspective. Transformation strategy.

Numerous key industries are facing the challenge of transforming their business models towards sustainability. However, government regulations and funding alone are not enough to successfully finance an ecological transformation. For this reason, Union Investment is focussing on the topic of "transformation" as an essential component of sustainable capital investment. The main idea is to support companies that are particularly relevant to climate protection and other essential aspects of sustainability on their path to sustainable transformation. In concrete terms, this means that the investment focus is no longer exclusively on companies that are already comparatively sustainable, but increasingly also on those that are ready to develop in this direction. This focus requires an additional dedicated ESG analysis, as it is much easier to check the credibility of realised sustainability than planned sustainability.

Union Investment has therefore developed a transformation rating for categorising the expected future sustainability of companies. For our "UniESG Transformation Rating", we analyse companies along three dimensions as part of our sustainability research:

- **ESG strategy:** Is it convincing and ambitious? Does the company set itself long-term goals and interim targets?
- **ESG investments:** Is there systematic investment in the transformation of the business model in terms of sustainability in line with the strategy?
- **ESG governance:** Can corporate management and culture be expected to adhere to the sustainability strategy in the long term? Does well-designed corporate governance ensure the transformation of the business model?

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The core of our climate protection strategy is a focussed, systematic commitment. We are targeting the issuers where our leverage as an asset manager is greatest: the companies that are among the biggest polluters in terms of the financed issues in our securities portfolio. With this focussed approach, we are currently targeting three quarters of all financed issues of the corporate bonds and equities we hold in total.

We will systematically demand long-term as well as medium- and short-term emission reduction targets and the necessary implementation and investment plans from these major issuers and continuously review the pace of emission reduction. The major issuers that do not fulfil these requirements within the set deadlines will be gradually excluded from the securities portfolios.

We have published the first [Climate Progress Report for 2024](#) to provide a clear overview of our successes through our climate strategy and measures, such as the engagement with issuers described above. This shows the progress made in terms of climate for our company and in the investment areas of securities and real estate.

These steps are being taken in line with the Paris Climate Agreement with the aim of reducing the financed greenhouse gas emissions of our securities portfolio by at least 50 % by 2030 compared to the reference year 2019.

5.5 Sustainability risks in financial investments

In our securities products, the main sustainability-related risk causes, risk drivers, transmission channels and their potential impact are documented in a risk matrix. Scenario analyses on transitory and physical climate risks are currently being implemented and are expected to be completed in 2025. In 2022, the specially developed climate risk factor was integrated into Union Investment's equity risk model. The climate risk factor is based on the CO₂ intensities of companies and measures the contribution to overall risk on this basis. We are therefore one of the first fund companies on the market to include climate risks in our risk indicators. Climate risks can be systematically analysed through the use of climate stress tests. This involves determining different scenarios for possible developments in the individual portfolios in order to quantify the associated risk of loss.

In our real estate funds, transitory risks, physical risks and the taxonomy conformity of the properties in the portfolios are taken into account. Transitory risks include emissions, energy consumption, data availability and compliance with the Paris climate targets.

5.6 Conferences and studies

To raise awareness of the importance of sustainability in investment decisions, Union Investment organises an annual sustainability conference with a changing thematic focus. In 2024, the focus was on "Transformation as a challenge".

Union Investment regularly produces sustainability-related research publications. These are available on our website. In our DAX climate study, we have analysed the CO₂ reduction targets, the anchoring of climate aspects in management board remuneration and the CO₂ reduction of companies listed in the DAX leading share index in October 2024 for the second time since 2018.

5.7 Sustainability in commercial real estate investments

In the following, Union Investment reports to its employees, customers and business partners as well as the interested public on its activities in the area of sustainable real estate management. It not only presents various processes and instruments, but also discloses the consumption data collected and extrapolated for the special funds* over the past three reporting periods. Union Investment thus makes an important contribution to transparency as a basis for the sustainable further development of the real estate investment industry.

5.7.1 Understanding sustainability as future viability

The EU Disclosure Regulation and Taxonomy Regulation have introduced ground-breaking policy measures that are of significant importance to the real estate sector. In view of the high consumption of resources and significant emissions, Union Investment takes its responsibility seriously and is working to contribute to the goal of climate neutrality. Sustainability is not only a legal obligation for Union Investment, but also a key pillar of its business model. As a forward-looking asset manager, Union Investment has been focussing on the sustainability of its portfolio buildings for over 15 years. The future viability of the real estate portfolio is crucial to the main objective: responsible management and increasing investors' wealth. Union Investment has developed a comprehensive sustainability strategy that is continuously adapted and refined in order to minimise the environmental footprint while safeguarding the long-term value of the portfolio.

To implement this strategy, Union Investment uses customised instruments that work at both building and portfolio level. The introduction of energy monitoring has already led to significant savings in energy consumption and CO₂ emissions. In addition, Union Investment actively involves tenants and employees in its initiatives and is committed to developing innovative solutions for a more sustainable future across all sectors.

* In each case less number of residential buildings and properties under construction or restructuring, see also chapter 5.7.3.2 Analysed portfolio.

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Union Investment is committed to acting responsibly and has set itself the goal of contributing to the preservation of an intact environment. This includes integrating sustainability comprehensively and consistently into business processes. In the real estate sector, this means continuously reducing the negative environmental impact of properties while maintaining long-term economic success, thereby improving the real estate portfolio step by step. In 2011, Union Investment introduced a comprehensive environmental management system (EMS) and was successfully certified in accordance with the international standard DIN EN ISO 14001. In addition to operational ecology, i.e. the environmental impact of operations, product ecology, i.e. the environmental impact of the "real estate fund" product category, is also taken into account. As part of the environmental management system, the quality of the processes is ensured and their progress monitored. Audits are carried out annually to review progress. In addition, recertification takes place every three years, which was confirmed by the auditor in 2023 without any deviations. By anchoring the topic of sustainability in guidelines and programmes at company level, Union Investment regulates the responsibilities in the corporate units. This fulfils the voluntary commitment to align business processes with the requirements of the ZIA Code (Sustainability Code of the German Real estate Federation).

Union Investment's sustainability instruments are used throughout the entire life cycle of the respective properties. Objectives are pursued both in the purchase and in the letting, management and refurbishment of the properties that contribute to the value retention and future viability of the properties and support economic performance in the long term. In the case of energy-related refurbishment measures, state subsidy programmes are checked for grants and subsidies are applied for. External service providers are involved in the sustainability processes.

Union Investment also understands holistic sustainability management to mean that not only the direct and indirect consumption and emissions caused by business operations are taken into account, but also the environmental impact of the properties held in the portfolio. These are explicitly presented in the following chapters. The CO₂ emissions generated in the real estate portfolio are therefore reported as Scope 3 emissions in accordance with the classification of the United Nations Greenhouse Gas Protocol. The direct and indirect emissions generated by our own business operations (Scope 1 and 2) are reported in the chapter 6.

[5.7.2.2 Analysis and evaluation tools](#)

The Real Estate segment manages and reports sustainability data for internal purposes such as fund and real estate reports as well as for reporting for funds

in accordance with Article 8 or 9 of the Disclosure Regulation or external events such as the annual rating by Scope. The consumption data and sustainability management of the properties are mapped via our central platform "ImmoSustain". This actively and, above all, effectively supports the goal of a climate-neutral building stock.

One of the major advantages of the system is the automated recording of consumption, such as the sending of monthly utility bills to ImmoSustain or the digital transmission of utility bills by the real estate managers. The expansion of an interface to digital meters and various energy monitoring systems will also further improve and optimise the transparency of consumption in the future. ImmoSustain undergoes a learning process: based on the data already supplied, it recognises over time when the information for a real estate is complete and whether there are still data gaps. ImmoSustain offers a high degree of user convenience, as the respective user groups can determine the data and analyses relevant to them themselves and modify them to suit their own needs.

[Key Performance Indicators](#)

The key performance indicators (KPIs) contain all relevant real estate-specific consumption data, including electricity, heat and water consumption, waste generation and CO₂ emissions. By systematically recording and analysing this consumption data, it is possible to compare it with the climate paths of the Carbon Risk Real Estate Monitor (CRREM). This allows the implemented optimisation measures to be reviewed in terms of their effectiveness and adjusted if necessary. The goal of climate neutrality thus remains quantifiable and traceable.

[Sustainable Investment Check](#)

The Sustainable Investment Check developed by Union Investment is used to assess buildings in terms of their qualitative sustainability characteristics. The SI check is carried out for the first time during the purchase process and then updated annually in the building portfolio by reviewing and analysing criteria from the areas of technical equipment, measurement and control, resources, economy, user comfort, operational measures and location. This tool not only determines the current condition of a building, but also analyses the development potential of the individual real estate. The SI-Check is continuously expanded and adapted to current developments on the market.

[Internal benchmarking](#)

Union Investment applies serious data cleansing to the KPIs collected, in compliance with the guidelines "Sustainability benchmarking - what and how should be compared" recommended by the ZIA (German Real estate Federation). This ensures that the existing buildings can be compared with each other and enables internal benchmarking depending on the type of use.

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Energy monitoring

With the help of energy monitoring, consumption values, e.g. for electricity, heat, cooling or water, can be recorded and analysed at short intervals and energy optimisations can be derived. Union Investment has been implementing energy monitoring in its properties since 2018. By the end of 2024, implementation had begun in around 345 properties. Of these, 145 properties are already in the data analysis phase, in which specific potential energy savings are identified and implemented in collaboration with real estate managers and tenants. According to the "Manage to Green" strategy, the aim is to have equipped the entire actively managed portfolio with energy monitoring systems by the end of 2025. This target achievement and thus fulfilment of one of the strategic goals is on schedule.

Energy modernisation roadmaps

In 2024, Union Investment drew up a further 100 energy modernisation roadmaps in collaboration with external service providers, meaning that roadmaps are now available for over half of the properties in the actively managed portfolio. As part of these roadmaps, a real estate-specific analysis of the energy modernisation measures required to achieve the target values of the climate pathway (CRREM) is carried out. On this basis, specific implementation roadmaps for the energy modernisation and climate-neutral transformation of the buildings are derived internally.

Certifications

While the instruments mentioned above make it possible to manage sustainability criteria across the entire real estate portfolio, real estate certifications for existing properties are a supplementary tool for marketing sustainable real estate qualities, particularly for users and other stakeholders. Union Investment assesses on a real estate-by-real estate basis whether such certification is necessary and appropriate.

Proportion of certified and pre-certified properties in the portfolio

2022		2023		2024	
Number of properties	according to SV value	Number of properties	according to SV value	Number of properties	according to SV value
163	55 %	165	52 %	159	50 %

Source: Union Investment, as at 31 December of the respective year. The statistics include the funds described in the "Analysed portfolio" section.

5.7.2.3 Rating

Scope sees Union Investment as a leader in the implementation of the sustainability strategy

Union Investment participates in the Scope rating. Scope has been incorporating sustainability criteria into the evaluation of open-ended real-estate funds since 2013, and the criteria are developed further from time to time. In 2024, Scope once again confirmed that Union Investment is a leader in the organisational and administrative implementation of the "Manage to Green" sustainability strategy.

5.7.2.4 Raising stakeholder awareness

An open and continuous dialogue with various interest groups is an important pillar of sustainable real estate management. The challenges of sustainable transformation can only be overcome together with all stakeholders. This is why Union Investment engages in dialogue with employees, market participants, investors, customers and tenants. A constant flow of information and the use of various media to raise awareness of the opportunities and necessities of sustainability are also an integral part of communication. Since 2021, the digital sustainability magazine "manage to green" has been providing investors, customers, tenants and interested parties with insights into sustainable real estate management at Union Investment.

5.7.2.5 Transparency through disclosure obligations

As part of the EU Action Plan on Sustainable Finance, Regulation (EU) 2019/2088 ("Disclosure Regulation") came into effect for the first time in 2021. The European regulation stipulates that financial market participants must be particularly transparent with regard to sustainability-related content. The core content includes information on sustainability risks, adverse sustainability impacts, transparency in the promotion of environmental and/or social characteristics and transparency in sustainable investments. The regulation provides a generally applicable structure for what must be reported and how. Union Investment was able to draw on its many years of sustainability activities and existing processes to fulfil the requirements of the Disclosure Regulation. The websites now describe in detail how Union Investment deals with sustainability risks and adverse sustainability impacts. Transparency in the advertising of environmental characteristics in pre-contractual information and annual reports has been established for all six mutual real estate funds, thus fulfilling the requirements of Article 8 of the Delegated Disclosure Regulation. The respective ratio of sustainable investments in accordance with the Taxonomy Regulation and the adverse sustainability impacts (PAIs) at company level are thus published and can be viewed transparently for all of Union Investment's mutual real estate funds.

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The operating phase is the longest phase in the life cycle of a real estate and therefore represents a major lever for sustainability in and around the real estate. A partnership between tenants and landlords is essential in order to realise the sustainable potential of the real estate. Through green leases, tenants and shareholders undertake to use and manage the real estate sustainably in order to ensure long-term value retention and, not least, reasonable operating costs. This includes, for example, the provision of sustainability-relevant data and stipulations on low-emission building and cleaning materials.

In 2018, the ZIA (German Real estate Federation) published a guideline entitled "Green Lease - The Green Lease for Germany". It should be emphasised that this was the first time that a precise definition of a green lease was laid down. Union Investment has expanded its leases for office, logistics, hotels and shopping in Germany to include the "green clauses" as defined by the ZIA and uses them primarily for new leases. We are also endeavouring to bring new lettings into line with this standard in other investment markets in the rest of the world.

[5.7.2.7 Obligation placed on service providers](#)

Through its environmental management system, Union Investment has also committed to obliging service providers to take environmental aspects into account. With the aim of continuously improving the environmental performance of its products, Union Investment has been encouraging its external real estate and facility managers to align their activities with sustainability principles and to agree these with their business partners since 2014. Compliance with environmental legislation by service providers is reviewed annually by Union Investment in a process at real estate level.

[5.7.2.8 Information sharing and benchmarking within the industry](#)

As part of its involvement in numerous initiatives, Union Investment is in regular dialogue with other portfolio holders. For example, Union Investment has been a member of the Urban Land Institute (ULI) since 1999, which is committed to the sustainable development of living spaces worldwide. As a founding member of the German Sustainable Building Council (DGNB), Union Investment has been contributing its expertise as a sustainable portfolio holder since 2007 and in return benefits from the experts in sustainable construction.

Union Investment has been a member of the German Real estate Federation (ZIA) since June 2008. Union Investment contributes its knowledge and experience to many of the ZIA's working groups and committees, thus actively promoting the issue of sustainability in the industry.

As a member of the German Investment and Asset Management Association (BVI), Union Investment is involved in the sustainability working group. The aim of the working group is to establish sustainability goals and instruments at fund and portfolio level and thus secure long-term income for investors.

[5.7.3 Real estate-specific portfolio consumption data](#)

Union Investment records real estate-specific consumption data for the existing buildings in its portfolio on an annual basis. One aim is to use internal benchmarking to identify potential for optimising the properties and track savings targets. Appropriate measures can then be initiated in the building.

[5.7.3.1 Method](#)

By recording consumption data in the real estate portfolio, Union Investment ensures the transparency of the portfolio and is able to derive recommendations for action at real estate and portfolio level.

Union Investment has been recording consumption data for the entire portfolio since 2009, but the heat and water values are often only available in the form of annual bills, with the different billing cycles of the properties making recording even more difficult. This results in a delay of one year in the collection of consumption data for reporting due to the additional effort required for quality assurance. Consequently, the consumption data for the calendar year 2023 is reported in this report, meaning that the data from 2024 cannot yet be taken into account in the current analysis. The key performance indicators analysed were: final energy consumption, CO₂ emissions, water consumption and waste generation.

Values in this report are presented both in absolute terms, i.e. as total values, and specifically per square metre and year. Due to the international focus and the heterogeneity of the portfolio, specific consumption data is adjusted for country-, real estate- and use-specific aspects that influence the environmental performance of a real estate. These include building characteristics such as vacancy rates and local weather conditions. This provides comparable consumption values that can be evaluated with the help of internal benchmarks. When analysing the environmental performance, consumption data was recorded for the total areas of the respective properties - including consumption at tenant level.

The 2021 and 2022 reporting years have been presented again in this report in order to take account of the latest developments and optimisations in ImmoSustain. The associated further development of the calculation methodology may lead to changes in the absolute and specific values, which are exclusively due to the change in methodology. The optimisation is also applied retrospectively.

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Due to the constantly changing portfolio holdings, comparisons between years are only possible to a limited extent, particularly in terms of absolute values. For better comparability of the current years, the consumption data of a like-for-like portfolio is also discussed below. The additions to the data collection and methodology will lead to optimised and more comparable results in the long term.

[5.7.3.2 Portfolio under review](#)

Union Investment's real estate portfolio is subject to constant change. As part of active portfolio management, properties are continuously bought and sold over the course of the year. Selected portfolio properties are also subject to restructuring and remodelling processes.

Due to these dynamics, it is not possible to analyse the entire portfolio. Union Investment's self-imposed goal is therefore to cover a large and representative sub-portfolio of at least 75% of the total portfolio (in terms of floor space). The consumption data of the properties analysed is then extrapolated to the overall portfolio.

The overall portfolio contains actively managed properties in the office, retail, hotel, logistics and residential real estate types. As at the reporting date of 31 December 2024, the portfolio comprised a total of 400 properties. Properties under construction or renovation and residential properties are excluded from this analysis.

In 2024, consumption data was recorded and quality-assured for 281 properties or 73% of the portfolio space. The self-imposed target of 75% of the analysed portfolio was therefore narrowly missed this year. This is partly due to the high proportion of single-tenant buildings in the portfolio, which is why the tenants were unable to provide representative data for many buildings.

The properties analysed are representative of the overall portfolio in terms of types of use and floor space. The data extrapolated to the overall portfolio is conclusive overall.

[Consumption data](#)

Absolute values provide information on the total consumption of an indicator. The consumption values of the analysed portfolio are extrapolated to the overall portfolio using an area factor. Absolute values cannot be used as a comparative value due to their lack of reference to other key figures (e.g. square metres).

Specific values define a quantity that is dependent on the environment. Union Investment's specific KPIs relate primarily to the gross floor area in square metres and year. These values therefore essentially explain resource efficiency in relation to floor space. Furthermore, only the actual consumption values recorded for the portfolio under review are used for the calculation. Specific values therefore represent comparable key figures that allow comparisons to be made between properties or funds. In addition, specific consumption/KPIs at Union Investment are adjusted for factors such as vacancy, climate and special consumers in order to filter out fluctuations within these factors and to optimise the comparability of the values.

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Portfolio under review

Type of use	Number of properties	Floor area in m ²	2021			2022			2023		
			Floor area in %	Number of properties	Floor area in m ²	Floor area in %	Number of properties	Floor area in m ²	Floor area in %		
Office buildings	171	3,859,168	47 %	164	3,353,061	46 %	151	3,092,629	46 %		
Retail buildings	68	2,695,978	33 %	62	1,806,456	25 %	57	1,682,516	25 %		
Hotel buildings	42	802,767	10 %	46	676,534	9 %	47	809,420	12 %		
Logistics buildings	17	868,530	10 %	33	1,414,597	20 %	26	1,099,630	17 %		
Total	298	8,226,443	100 %	305	7,250,648	100 %	281	6,684,195	100 %		

Extrapolated portfolio

Type of use	Number of properties	Floor area in m ²	2021			2022			2023		
			Floor area in %	Number of properties	Floor area in m ²	Floor area in %	Number of properties	Floor area in m ²	Floor area in %		
Office buildings	205	4,722,092	43 %	214	3,655,186	39 %	202	3,827,505	42 %		
Retail buildings	82	2,881,635	26 %	84	2,109,532	23 %	76	1,996,951	22 %		
Hotel buildings	65	1,166,849	11 %	69	1,097,644	12 %	67	1,036,091	11 %		
Logistics buildings	43	2,197,019	20 %	58	2,442,822	26 %	55	2,281,546	25 %		
Total	395	10,967,595	100 %	425	9,305,184	100 %	400	9,142,093	100 %		

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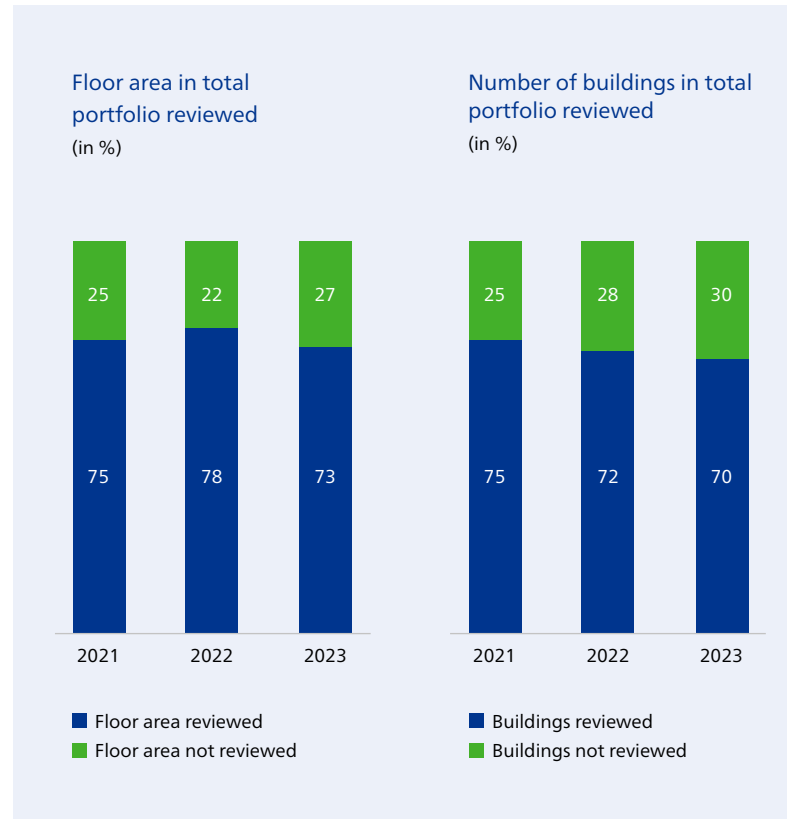
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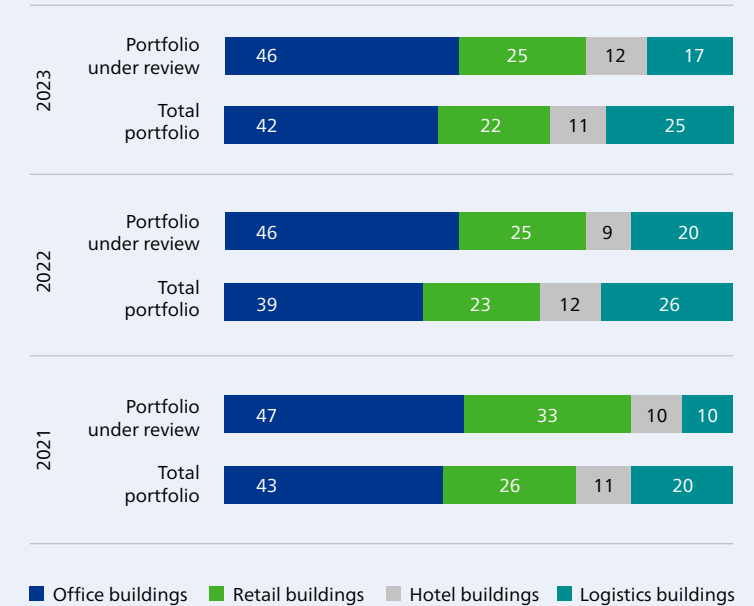
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Comparison of reviewed portfolio floor area and total portfolio floor area by building use (in %)



5.7.3.3 Key results

To summarise, the specific values for final energy consumption and CO₂ emissions for the entire portfolio have decreased in the period from 2021 to 2023. Specific water consumption and specific waste generation have increased compared to 2021. In the like-for-like analysis of the portfolio, i.e. the analysis of properties that were in the portfolio in both 2022 and 2023, the same trends can be observed. While specific energy consumption and CO₂

emissions were reduced, water consumption and waste generation increased in the like-for-like portfolio. Due to portfolio turnover, the composition of the properties in the portfolio has changed, leading to recognisable fluctuations in the individual consumption values, particularly when broken down by type of use.

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5.7.3.4 Total values

The following absolute and specific values result for the analysed KPIs for the extrapolated overall portfolio:

Absolute and specific values of all KPIs for the overall portfolio (extrapolated)

Number of properties		2021 (395 properties)	2022 (425 properties)	2023 (400 properties)
Final energy consumption	[GWh/a]	1,574	1,571	1,611
Direct final energy consumption	[GWh/a]	1,406	1,432	1,446
Indirect final energy consumption	[GWh/a]	168	139	165
CO₂ emissions	[t CO₂/a]	414,396	437,768	399,547
Direct CO ₂ emissions	[t CO ₂ /a]	384,677	412,426	369,838
Indirect CO ₂ emissions	[t CO ₂ /a]	29,719	25,342	29,709
Water consumption	[m³/a]	3,832,921	4,851,457	4,848,549
Waste volume	[t/a]	47,774	55,296	59,667
Specific values, portfolio under review				
Final energy consumption figure	[kWh/(m²/a)]	214	200	197
Energy consumption value, heating	[kWh/(m ² /a)]	73	69	69
Energy consumption value, electricity	[kWh/(m ² /a)]	141	131	128
CO₂ emissions	[kg CO₂/(m²/a)]	51	48	43
Specific CO ₂ emissions, heating	[kg CO ₂ /(m ² /a)]	13	11	11
Specific CO ₂ emissions, electricity	[kg CO ₂ /(m ² /a)]	38	37	32
Water consumption	[m³/(m²/a)]	0,48	0,51	0,54
Waste volume	[kg/(m²/a)]	17.7	14.1	18.2

Unadjusted values for 2023 portfolio	Portfolio under review	Office buildings	Retail buildings	Hotel buildings	Logistics buildings	
Specific final energy consumption	[kWh/(m²/a)]	173.3	165.4	272.3	180.8	52.9
Specific CO ₂ emissions	[kg CO ₂ /(m ² /a)]	43.1	36.8	77.6	42.4	12.1
Specific water consumption	[m ³ /(m ² /a)]	0.54	0.48	0.79	0.90	0.06

Notes on data quality:

Quality assurance – The recorded data is checked manually and object by object for completeness and plausibility by independent third parties.

Data completion – If consumption data could not be provided in some cases, it was completed on the basis of reference values. The system developed for this purpose takes into account utilisation-related average values from various sources and historical portfolio data.

Extrapolation – If data could not be fully determined, for example tenant data, a usage-related and area-weighted extrapolation is carried out on the basis of reference values within the software used.

Adjustment – To ensure comparability between the properties in the international portfolio, the specific data is adjusted. Consumption data for final energy is adjusted for climate and vacancy. The climate adjustment is based on location-specific weather periods in recent years compared to the long-term average for each climate zone.

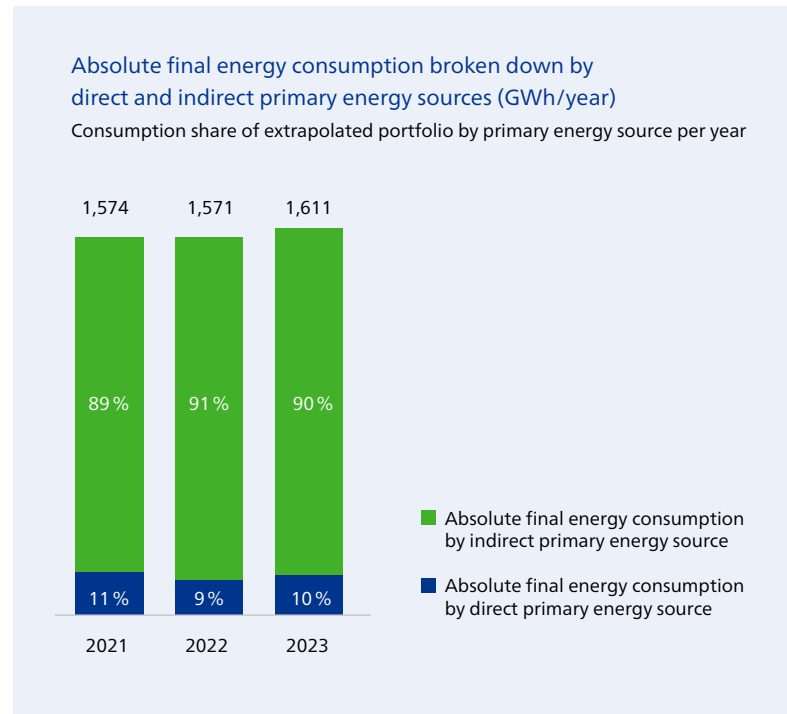
The specific consumption values for water and waste are not adjusted. Greenhouse gas emissions (stated in CO₂ equivalent or CO₂), which are determined on the basis of country-specific emission factors, are not adjusted. No adjustment is made for absolute values.

Energy reference area – Is the sum of all floor areas of a building that are heated or air-conditioned.

Note: Energy consumption and CO₂ emissions are shown separately for direct and indirect primary energy sources. Direct primary energy sources are, for example, coal, natural gas, oil, biofuels, etc., i.e. energy generated directly on site through combustion. Indirect primary energy sources are, for example, electricity from fossil fuels, nuclear energy, district heating and others, i.e. purchased energy.

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5.7.3.5 Absolute and specific consumption values of the portfolio by type of use



Direct energy is energy that is consumed within the boundaries of the organisation (e.g. natural gas for heating within the organisation, fuel consumption for an internal fleet of vehicles). Indirect energy is energy that is used outside the company boundaries to cover an organisation's secondary energy requirements (e.g. electricity, district heating or cooling).

The ratio of direct and indirect energy sources remained at roughly the same level in the period from 2021 to 2023. The share of absolute final energy consumption by indirect primary energy sources has fallen slightly.

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In 2023, absolute final energy consumption increased by around 2 % overall compared to 2021. Absolute energy consumption was reduced for all types of use, with the exception of logistics buildings. The overall increase in absolute energy consumption is therefore attributable to the portfolio expansion in the logistics usage type.

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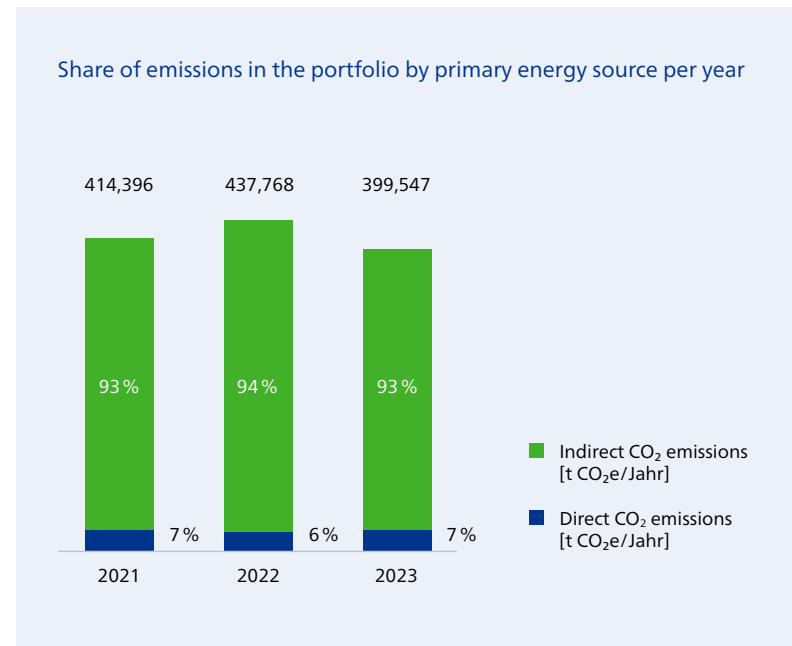


Looking at the specific energy values from 2021 to 2023, there has been a significant reduction in final energy consumption of around 9% across the entire portfolio. While the specific final energy consumption of office and retail buildings has fallen, consumption in hotel and logistics properties has risen slightly. The steady reduction in electricity and heat consumption in the office and retail buildings can be seen as a success of the optimisation measures implemented as part of energy monitoring.

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Absolute CO₂ emissions broken down by direct and indirect primary energy sources (tonnes CO₂e/year, extrapolated portfolio)

The term "CO₂" is used below as a simplification and abbreviation for "CO₂ equivalents". Other greenhouse gases were determined and converted using conversion factors in accordance with the specifications of the IEA International Energy Agency. As explained in section 2.1, the emissions from the properties held in the portfolio are categorised as Scope 3 emissions by Union Investment. By recording the respective origin of the Scope 3 emissions, these can also be divided into direct and indirect emissions.



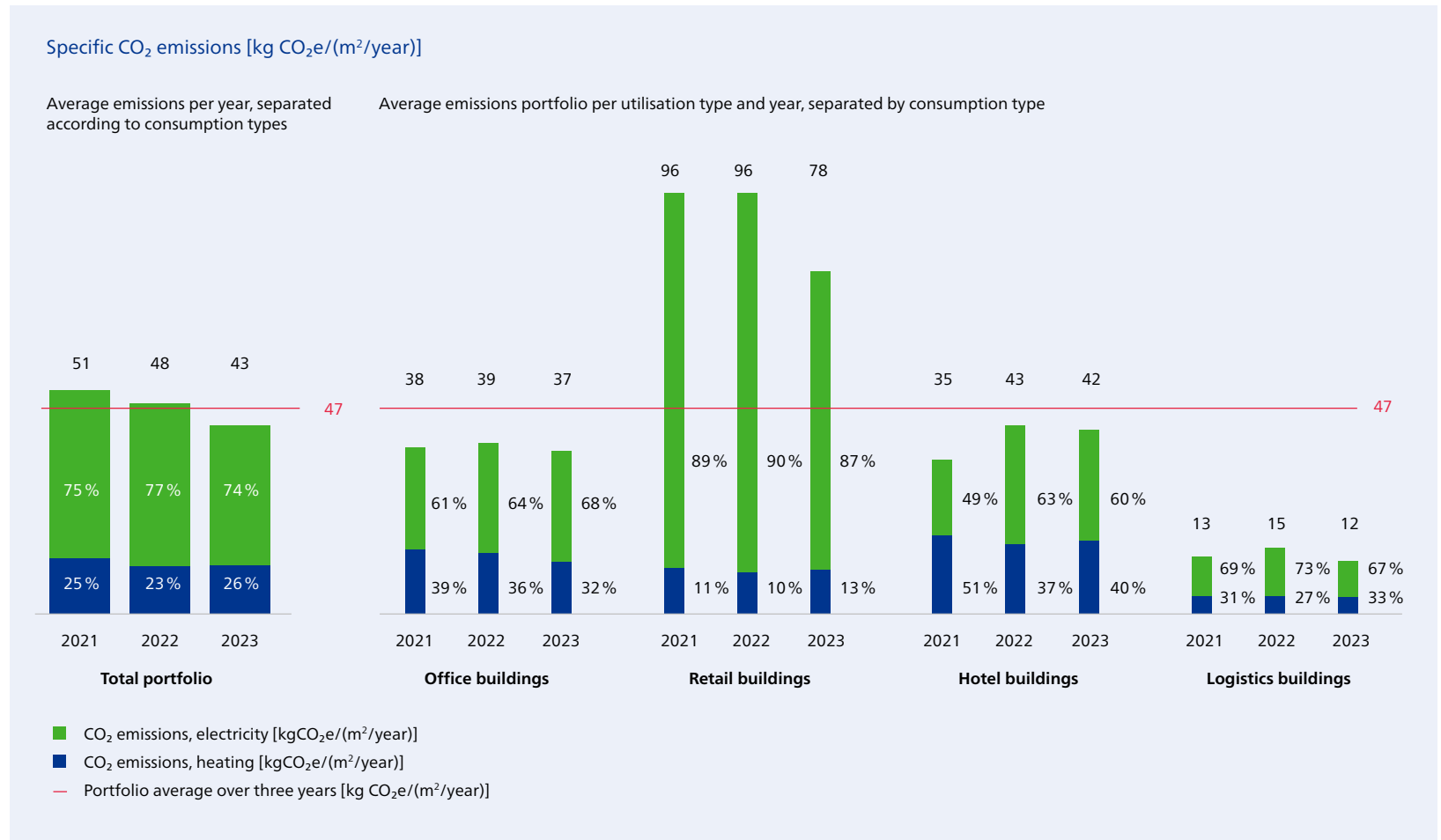
The absolute CO₂ emissions are based on the consumption of heat and electricity. In line with absolute energy consumption, a reduction in absolute CO₂ emissions of around 4% was achieved in 2023 compared to the 2021 calendar year. The CO₂ footprint for the entire portfolio in 2023 is around 399,500 tonnes.

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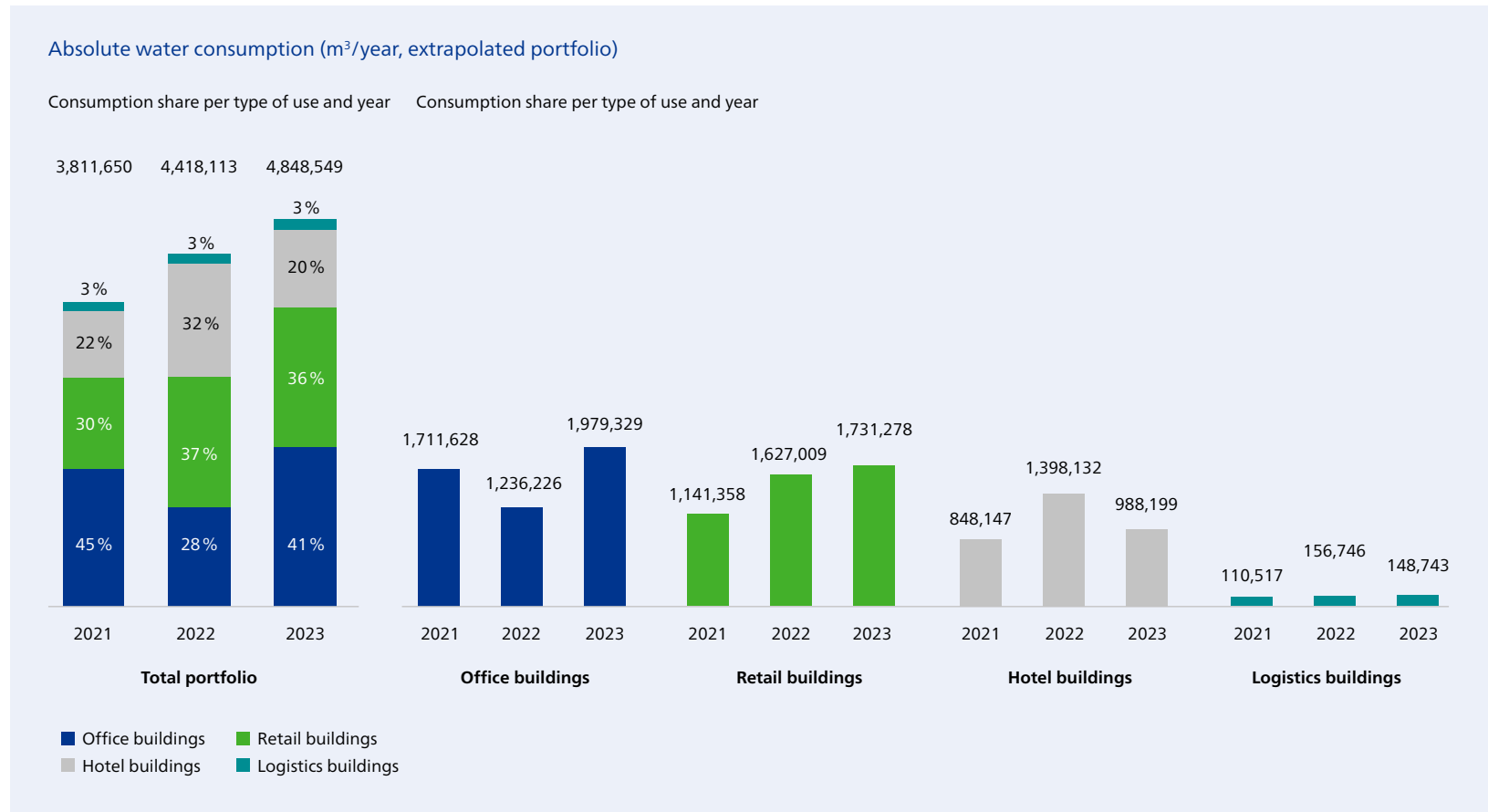
If we look at the proportion of CO₂ emissions broken down by the respective types of use, it can be seen that emissions increased in all types of use in 2023, with the exception of retail buildings. Fluctuations in CO₂ emissions are influenced by the different energy sources used in the properties for the production of electricity, heating and cooling.

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Looking at the specific CO₂ emissions from 2021 to 2023, there is also a significant reduction in final energy consumption across the entire portfolio, in line with the specific energy consumption. At 43 kgCO₂e per m², the specific CO₂ emissions of the entire portfolio in 2023 are well below the three-year average.

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Absolute water consumption comprises the total amount of water consumed and includes the sources of drinking water consumption as well as rainwater, groundwater and surface water. The water footprint of the overall portfolio is directly related to changes in the areas in the portfolio and is therefore less meaningful than the specific water consumption. For this reason, no comparisons can be made between the years.

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The specific water consumption figures have been adjusted for special consumers compared to the absolute figures. The average water consumption of the overall portfolio increased slightly in 2023 and is slightly above the average of the last three years. While water consumption has risen again in the office segment, it has fallen significantly in hotels - this could be due to the easing of lockdown measures as a result of the coronavirus pandemic.

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The absolute waste volume represents the total amount of waste produced in the recycling, landfill, compost and incineration categories. In 2023, the absolute waste volume for the entire portfolio was 59,667 tonnes, an increase of around 20 percent compared to 2021. Here, too, the impact of the coronavirus pandemic is particularly evident in the office and retail use types, as these building types could only be partially utilised in the 2021 calendar year. This means that the figure for 2023 is again more representative than the 2021 figure.

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Compared to 2022, the specific waste generation in 2023 for the overall portfolio has increased by around 4 % and is slightly above the three-year portfolio average.

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5.7.3.6 Like-for-like portfolio

Like-for-like portfolio adjusts the development of an indicator for new acquisitions or sales. The like-for-like analysis therefore only includes properties that were in the portfolio in both 2022 and 2023 and for which quality-assured consumption data is available for both years. The adjusted analysis allows specific conclusions to be drawn about the change in consumption values in the real estate portfolio. Measures that have contributed to the reduction of the respective types of consumption can thus be tracked and monitored. One disadvantage of this approach is that statements do not apply to the entire portfolio, but only to a portion of it. The like-for-like portfolio comprises 239 properties and therefore around 60 % of the overall portfolio.

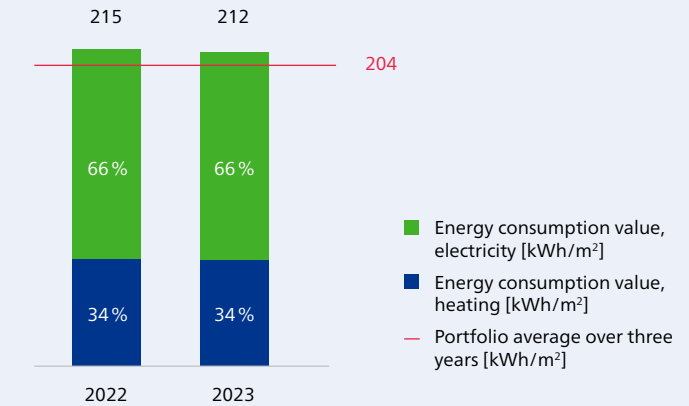
Like-for-like Portfolio

Type of use	Number of properties	Floor area in m ²	2022/2023	
			Floor area in %	
Office buildings	132	2,775,758	48	
Retail buildings	53	1,632,118	29	
Hotel buildings	36	554,076	10	
Logistics buildings	18	728,453	13	
Total	239	5,690,405	100	

The development of like-for-like consumption data from 2022 to 2023 shows a reduction in specific final energy consumption of just under 1.5%. CO₂ emissions have fallen by around 9.5% compared to the previous year. Water consumption increased by around 24% compared to the previous year. The optimisation measures implemented as part of energy monitoring have also led to a reduction in energy consumption in the like-for-like portfolio.

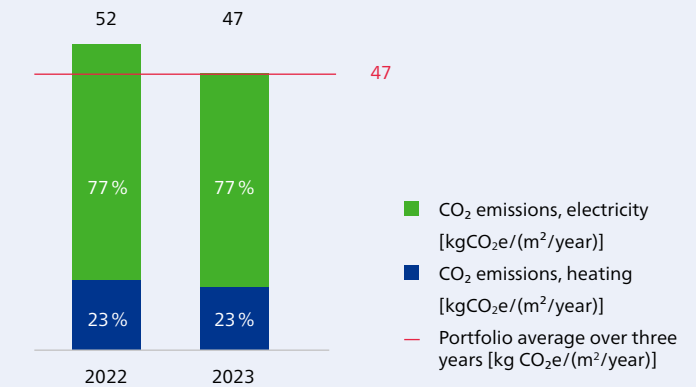
Specific final energy consumption – like-for-like [kWh/(m²/year)]

Average consumption like-for-like portfolio per year, separated by type of consumption



Specific CO₂ emissions – like-for-like [kg CO₂e/(m²/year)]

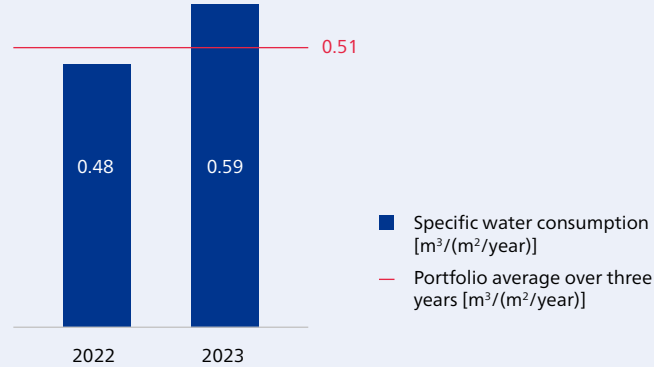
Average emissions per year, broken down by type of consumption



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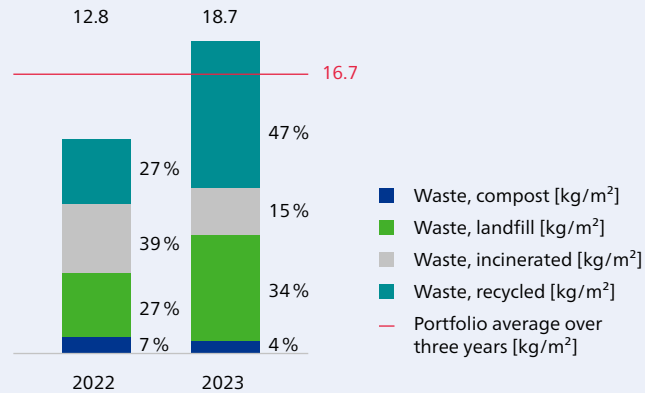
Specific water consumption – like-for-like [m³/(m²/year)]

Average consumption per year



Specific waste generation – like-for-like [kg/(m²/year)]

Average volume



5.7.4 Sustainability reporting according to ZIA and BVI

In this report, Union Investment follows the Corporate Social Responsibility (CSR) Code of the German Real estate Federation. The CSR ZIA Code covers the topics of the industry code, CSR reporting and sustainability benchmarking. Union Investment also complies with the sustainability reporting standards recommended by the German Investment and Asset Management Association (BVI) in the "Guidelines for Sustainable Real estate Portfolio Management".

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6.1 Climate strategy

According to the World Economic Forum's 2024 Global Risk Report, five of the ten risks with the greatest impact on the economy and society are environmental risks, while the four most serious risks in the long term are directly related to climate change. If climate change cannot be curbed, the living conditions of all people will change dramatically. As asset managers, we cannot remain indifferent to this development - on the contrary. This is because the economic upheaval associated with climate change will have an impact on the investments we make on behalf of our investors. We must face up to the associated opportunities and risks.

As an asset management company, we can influence CO₂ reduction in two ways. Firstly, by reducing our own emissions. Secondly, by helping to reduce the emissions of the companies in which we are invested as an active asset manager. The measures in our climate strategy are designed to integrate these areas more closely.

With our climate strategy "Shaping a sustainable future", we have adopted the German government's ambitions for CO₂ savings for our business operations. The aim is to achieve climate neutrality in Germany by 2045 and reduce emissions by 65 % by 2030. In our endeavours, we not only take into account the direct and indirect sources of emissions from fuel and energy consumption (Scope 2 emissions), but also all significant indirect emissions from upstream and downstream processes (Scope 3 emissions). In principle, we want to make our contribution by completely avoiding or reducing greenhouse gas emissions. Only where this is not possible will we offset the emissions elsewhere. For example, CO₂ emissions from our own business operations were reduced by 50 % in 2023 compared to our reference year 2009.

"Mobility" is a major source of emissions in our operations, which is why we are taking key measures in this area. A CO₂ calculator provides the individual areas of Union Investment with an overview of the emissions already generated over the course of the year and also compares these with the unit's CO₂ budget. Compliance with the CO₂ budget is part of the performance planning and appraisal process for managers. Reducing commuter emissions, which we add to our CO₂ balance, is also a key objective. A home office quota of 40 %, which is set as a guideline, helps us achieve this.

The fight against climate change is a task of the century. It is therefore essential that we maintain a close dialogue with companies in order to find the best possible path to transformation. Union Investment is already conducting this dialogue at various levels and will intensify it in future. With the help of our proprietary ESG analysis and research platform SIRIS, we have been able to analyse many of the effects of climate change and climate policy at fund level for years and manage portfolios accordingly. In 2020, we also became the first major German asset management company to decide to gradually phase out the financing of coal mining and coal-fired power generation. We are going much further with our climate strategy for portfolio management and set ourselves specific interim targets in the reporting year. Firstly, we want to reduce the financed greenhouse gas emissions of our equity securities portfolio by at least 50 % by 2030 compared to the reference year 2019. The aim is to bring greenhouse gas emissions in managed securities assets to net zero before 2050. This goal is in line with the aim of limiting global warming to 1.5 °C compared to pre-industrial times. In accordance with the Net Zero Investment Framework (NZIF) of the Institutional Investors Group on Climate Change (IIGCC), the climate neutrality target relates to the financed Scope 1 and Scope 2 CO₂ emissions of all securities assets under management, wherever this assessment is possible and reasonable. This generally includes equity and bond investments. In the case of government bonds, currencies, derivatives or commodities, management via financed emissions is currently not consistently possible or does not make sense.

With a 40 % share of global CO₂ emissions, buildings are sleeping climate giants. They are therefore an important lever in the fight against climate change. For this reason, we adopted the "Manage to Green" strategy back in 2018 with the aim of making our global real estate portfolio climate-neutral by 2050. The sustainability of a real estate is highly complex and must take many criteria into account. In order to measure and manage this complexity, we have developed various tools over the years. One important tool in our "Manage to Green" strategy, for example, is our in-house "Sustainable Investment Check" (SI Check), which was introduced in 2009. It is used to analyse the ESG criteria of the real estate or project development for every purchase. This check is also repeated annually for existing buildings.

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Union Investment has been involved with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) since their publication and has publicly supported them as a supporter since 2018. The TCFD was established by the Financial Stability Board (FSB) with the aim of developing a voluntary and standardised reporting system for climate-related financial risks. Consistent reporting enables companies to provide decision-relevant information to investors, lenders, insurers and other stakeholders. Access to comparable and reliable data should enable improved assessment, pricing and management of climate-related financial risks. For Union Investment as an investor, this data is key to assessing climate-related risks and opportunities at issuer level and thus integrating them into investment decisions. Despite the reversal of the TCFD, the content remains relevant for Union Investment and will therefore continue to be reported by us.

With this in mind, Union Investment expects companies significantly affected by climate change or climate protection measures to systematically create transparency about the resulting opportunities and risks as part of the [proxy voting policy](#) and the [engagement policy](#). The consequences of climate change should also be analysed holistically with regard to potential water and biodiversity risks. In addition to meaningful reporting on greenhouse gas emissions (Scope 1 to 3) in accordance with recognised standards, Union Investment expects the TCFD recommendations to be implemented appropriately. For companies with a high market capitalisation (>EUR 1 billion), Union Investment considers it appropriate that this reporting is also carried out via the CDP (Carbon Disclosure Project).

With the "TCFD Executive Summary", Union Investment creates basic transparency about the steps taken in the Union Investment Group to identify and manage climate risks and opportunities, even beyond the comprehensive integration of climate risks and opportunities into the investment processes. The information will be published in a separate climate progress report from 2024.

6.2 Operational ecology

Union Investment systematically records and optimises the impact of its business operations on the environment. The environmental management system is a key aspect of the operations area of activity.

The Environmental Management Officer and his deputy manage the environmental management system, which is certified in accordance with the ISO 14001 standard, and ensure its continuous development. The environmental management system is currently being expanded to include the Eco-Management and Audit Scheme (EMAS) standard, which will be achieved from mid-2025.

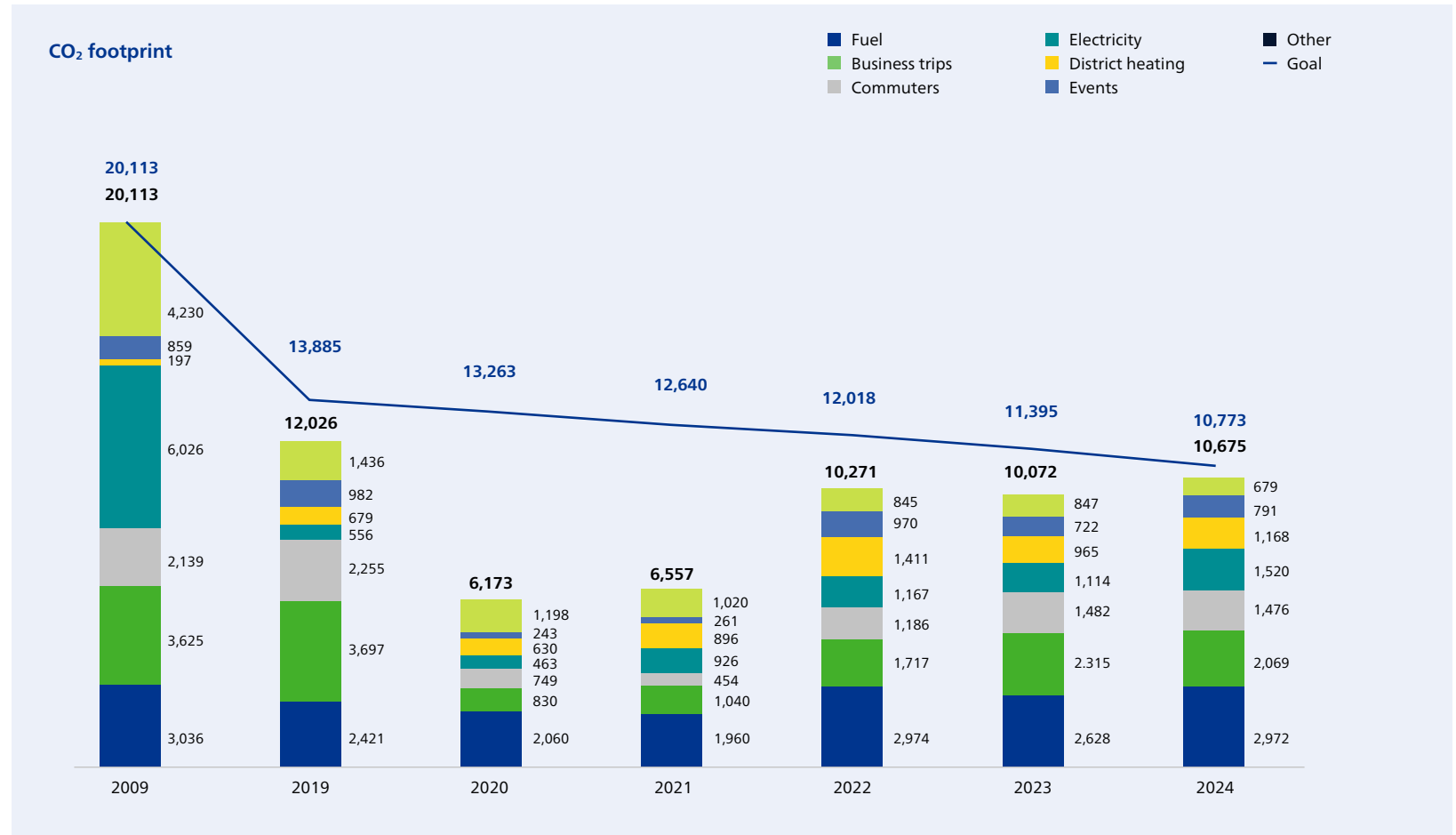
Union Investment's environmental targets and measures are managed via the sustainability programme and reported directly to the Board of Managing Directors of Union Asset Management Holding AG as part of an annual management review.

Our environmental management depends on the participation of all employees

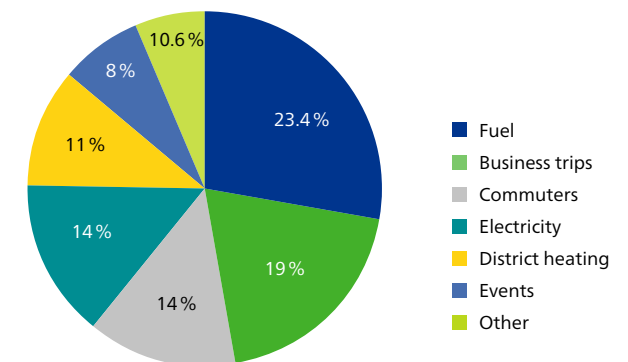
Union Investment employees take part in a skills training programme on corporate environmental protection when they join the company. Seminars on sustainability topics are also held during the year, which can be used as a voluntary training programme. Information on relevant guidelines is available to employees at all times via a knowledge database on the intranet.

The most important resource consumption and emission sources are included in the footprint.

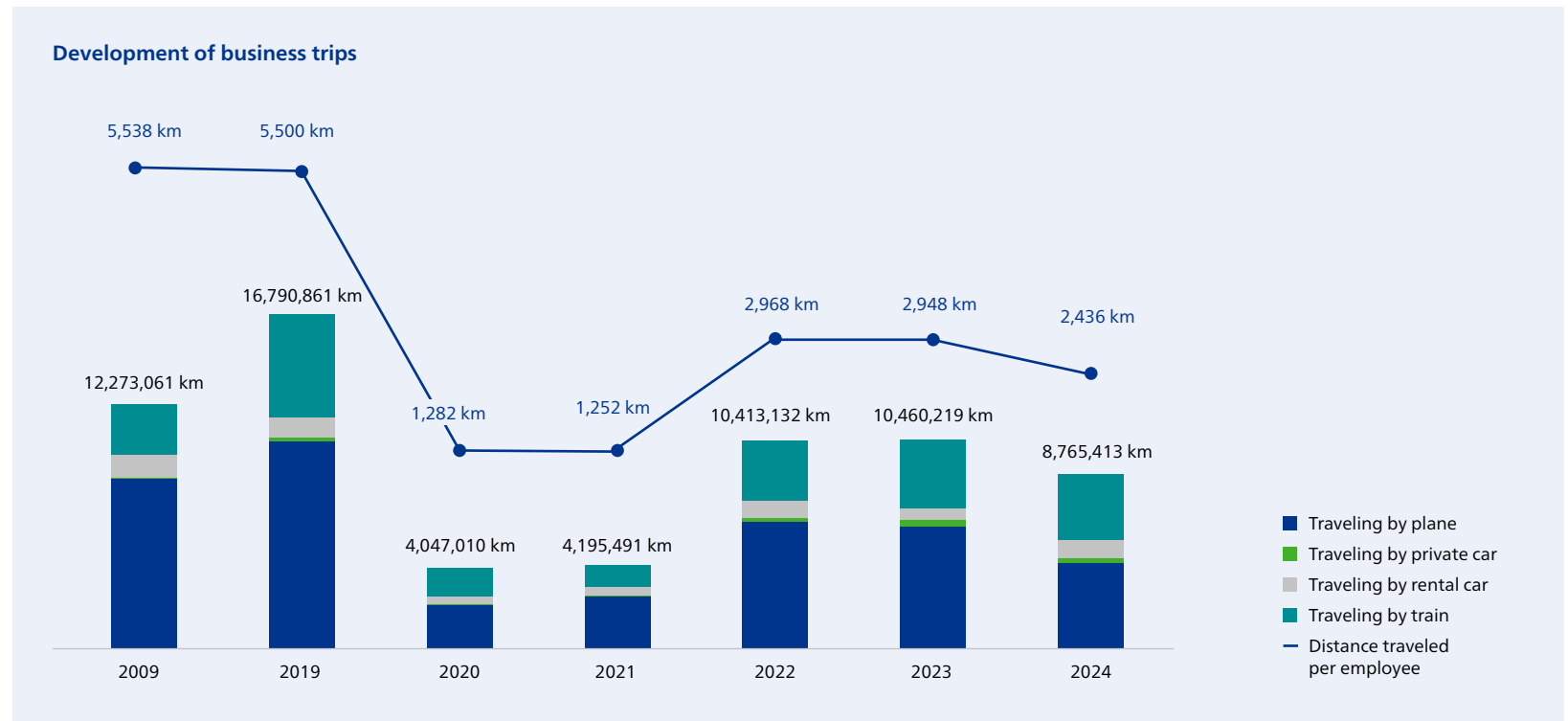
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The carbon footprint includes all significant upstream and downstream Scope 3 emissions for all GHG emission sources (CDP standard; GHG market-based method). Where available, the emission factors were based on manufacturer information. If these were not available, the factors of the Association for Environmental Management and Sustainability in Financial Institutions (VfU) were used. The RFI factor of 2.7 was used to calculate business trip emissions for aircraft.



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Environmental performance, such as the reduction of energy consumption, waste volumes and CO₂ emissions, is continuously improved through regular training of employees, internal audits and supplier development discussions. By reviewing and further developing the building strategy, taking into account future space requirements in terms of mobile working and desk sharing, as well as implementing the workplace concept at other locations, the aim is to reduce the need for new office space and therefore additional energy consumption where possible.

The use of a CO₂ budget calculator, which enables managers to precisely monitor the CO₂ budgets of the business units or departments for which they are responsible, is intended to achieve better control and monitoring of CO₂ emissions in the area of mobility.

The key figures are calculated annually on the basis of consumption, invoices and reports from suppliers. If no key figures are available, they are extrapolated on the basis of previous years or the quantities at other locations.

For some key figures (e.g. commuter emissions, event emissions), assumptions have to be made that are usually derived from current recommendations (e.g. from the Ministry of the Environment, NGOs, VfU) or defined in internal workshops based on experience. The assumptions are also documented in the recording tool.

Unfortunately, our suppliers are not currently in a position to report on their product- or performance-related energy consumption or CO₂ footprint. We are continuously improving their environmental performance through supplier development dialogues.

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6.3 Biodiversity

As we are committed to helping to mitigate climate change, we are also committed to protecting biodiversity, given the link between climate change and biodiversity loss.

Relevant aspects are taken into account in product design through our overarching approach to responsible investment. We integrate biodiversity risks into our investment processes and continuously review investment decisions for significant positive and negative impacts on biodiversity.

In line with our climate strategy, conducting engagement and stewardship activities with companies to reduce their negative impact on biodiversity is our first choice. However, if cooperation with these companies does not show sufficient progress, we exclude them. This process is continuously reviewed. In order to prioritise our engagement activities, we focus on sectors with major impacts and dependencies in which we are most heavily involved with our investments. This is done either through thematic engagements (for example, deforestation, sustainable proteins, plastics, circular economy) or on a case-by-case basis. If we deem it appropriate, we also use our voting rights to increase our exposure.

Our environmental management system regularly assesses relevant biodiversity issues using context analyses and environmental aspect analyses and derives action measures where necessary.

In September 2023, Union Investment officially joined the Nature Action 100 investor initiative. Similar to the Climate Action 100+ initiative, Nature Action 100 is committed ensuring that companies pursue more ambitious goals and take measures to halt the loss of nature and biodiversity. The initiative focuses on companies in key sectors such as biotechnology and pharmaceuticals, chemicals, consumer goods retail, food and beverages, forestry and packaging, and metals and mining.

In May 2024, Union Investment published a [guideline on biodiversity](#). The biodiversity guideline defines a clear framework for the protection and promotion of biodiversity. The guideline supplements the existing climate strategy and specifies the handling of biodiversity aspects in the areas of business operations, securities and real estate. The aim is to systematically integrate biodiversity risks into investment decisions, minimise negative impacts and achieve a positive nature balance in the long term. This is done in line with global initiatives such as the Kunming-Montreal Global Biodiversity Framework and European guidelines such as the Biodiversity Strategy 2030. Union Investment will continue to actively monitor developments relating to biodiversity and, in dialogue with the industry, the scientific community and non-governmental organisations (NGOs), will further develop our strategies and processes and implement additional projects to minimise the impact on biodiversity.

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7 Employees

7.1 HR strategy

As a company that acts responsibly, we offer our employees individual and extensive development opportunities with our personnel policy, which is geared towards stability and the long term, and our modern personnel strategy. Because we know that our employees are the foundation of our success, we create an appreciative working environment in which professionals can be people. To promote individual career goals, our managers and employees regularly receive individual target agreements, feedback meetings and an assessment of their performance.

Our corporate culture is characterised by our cooperative values such as transparency, partnership and professionalism.

The satisfaction and loyalty of our employees are measured every two years using a structured and anonymous online survey of all employees, the Union Investment Climate Barometer. The aim is to obtain a picture of the climate at Union Investment that shows how satisfied employees are with various aspects of their work and how transparently they identify with the company's values and goals. The Organisational Commitment Index (OCI), which shows how committed our employees are to the organisation, has remained stable at a very high level for years.

Management feedback alternates annually with the climate barometer. It serves to review and implement the standards defined in the management guidelines. These were developed jointly by the Board of Managing Directors and managers and describe how good leadership should be practised at Union Investment. Measures are systematically derived and implemented from the climate barometer and management feedback formats.

7.2 Employee structure

	Permanent	Temporary	Total
Male	2,357	81	2,438
Female	1,928	46	1,974
Total	4,285	127	4,412

	Full-time	Part-time	Total
Male	2,122	316	2,438
Female	1,156	818	1,974
Total	3,278	1,134	4,412

New hires by age group and gender

	< 30	30–50	> 50	Total
Male	56	49	6	111
Female	34	50	8	92
Total	90	99	14	203

New hire rate by age group and gender

	< 30	30–50	> 50	Total
Male	22.22%	3.50%	0.76%	4.55%
Female	14.29%	4.31%	1.39%	4.66%
Total	18.37%	3.87%	1.03%	4.60%

Number of resignations by age group and gender

	< 30	30–50	> 50	Total
Male	19	54	8	81
Female	31	68	11	110
Total	50	122	19	191

Total turnover rate by age group and gender

	< 30	30–50	> 50	Total
Male	7.54%	3.85%	1.02%	3.32%
Female	13.03%	5.86%	1.91%	5.57%
Total	10.20%	4.76%	1.40%	4.33%

All information on the employee structure, including Quoniam Asset Management

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7.3 Occupational safety, health management and work-life balance

We manage the development and maintenance of our employees' performance and motivation as part of our strategic health management programme. Union Investment offers numerous measures and tools for prevention, intervention and rehabilitation.

Union Investment does not just pay lip service to offering its employees the best possible working conditions; it is an important goal and part of our employee-centred and sustainable HR strategy. The aim is to achieve the best possible work-life balance and the best possible balance between the interests of employees and the company's goals. We offer our employees a wide range of support options.

Increasing professional and private stress and longer working lives require special attention to be paid to the health of our employees. With our strategic health management, we want to maintain the performance and motivation of our employees by promoting and supporting responsible behaviour. The sickness rate in the reporting year was 4.1%. As a financial services provider, accidents are regularly limited to minor injuries from everyday office work and accidents while travelling. Accordingly, there are no activities in the company with a particularly high risk of illness or health problems.

7.4 Training and education

For us, sustainability is not limited to ecology or governance, but also requires an appreciative approach to employees. Among other things, we attach great importance to providing our employees with targeted support in their professional, personal and methodological development, preparing them for future challenges and ensuring their employability and thus the future viability of the organisation. To this end, we offer a wide range of training and development opportunities. Our personnel development is based on three central principles

1. Needs-based development (adaptation or upskilling for immediate job requirements),
2. Development of potential (qualification for future requirements or the assumption of more advanced functions),
3. Promotion of internal employability (understanding of processes and interrelationships with regard to diverse employability within the organisation).

Various target group-specific programmes and tools are used. Knowledge management systems are also used in various organisational units. Transition assistance programmes to facilitate continued employability and to deal with career endings due to retirement or termination of employment are not offered.

In order to cope with demographic change, we have been investing heavily in our junior staff (apprentices, trainees and university graduates) for years. We offer challenging apprenticeships (with integrated studies) in two different professions as well as a trainee programme for university graduates in various fields. The topic of "succession planning" is a central component of our talent management approach.

Average number of hours for training and further education per year and employee (excl. QAM and ZBI)

Training and education	Hours/year
Further training for division managers	60.4
Further training for department heads	25.2
Further training for group leaders	25.8
Further training for employees	19.2

Sustainability training

Union Investment provides all employees with a training series on sustainability, which has been awarded the Comenius EduMedia Seal 2023.

The training comprises 7 lessons and teaches employees about the relevance of sustainability, sustainability risks, regulatory requirements and how we implement sustainability in our products and operations.

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7.5 Diversity & Inclusion (D&I)

Union Investment favours diverse teams to promote innovation, creativity and growth. Regardless of gender, age, cultural or social background, ethnicity, sexual orientation, disability or religion, we want to attract, promote and retain the most suitable employees in the long term. We create an appreciative and inclusive working environment in which our employees can realise their individual potential and contribute their different perspectives and experiences.

We consider diversity and inclusion to be essential success factors. At the beginning of 2023, the Board of Managing Directors of Union Investment therefore adopted a comprehensive Diversity & Inclusion Strategy, which was developed in cooperation with the Diversity Council, a diverse body made up of representatives from all areas of the company. The strategy focuses on promoting equal opportunities between the genders, strengthening the intergenerational exchange of knowledge and expanding an inclusive corporate culture. The focal points of the Diversity & Inclusion strategy are based on the key needs within the company. However, in line with the Diversity Charter, which we signed in Germany in 2013, in Luxembourg in 2022 and in Austria in 2024, we take a holistic view of diversity. We are committed to other dimensions of diversity, such as internationality and sexual orientation, in a variety of ways. In addition to the overarching focal points, our divisions have also defined individual areas of action. Numerous company-wide measures were implemented in 2024 to realise the Diversity & Inclusion strategy. These include, for example, unconscious bias workshops, inclusive job advertisements, presentations on dealing with racism appropriately participation in Christopher Street Day.

The Supervisory Board of Union Asset Management Holding AG (UMH) has set targets for the proportion of women on the Supervisory Board and Board of Managing Directors of UMH until 31 December 2026 in accordance with Section 111 (5) AktG. The target proportion set for the Supervisory Board is 26.7 % (4 out of 15). In the reporting period, the proportion of women on the Supervisory Board was 26.7 % (4 out of 15). The target proportion set for the Board of Managing Directors is 20 % (1 out of 5). In the reporting period, the proportion of women on the Board of Managing Directors was 20 % (1 out of 5).

As part of our Diversity & Inclusion strategy, we have also set ourselves the goal of increasing the proportion of women in management positions across the company to 30 % by 2030. We are counteracting gender imbalances at management level in order to offer all genders the opportunity to shape Union Investment.

Gender distribution among employees

	<30	30–50	> 50	Total	Share
Male	252	1,401	785	2,438	55.26 %
Female	238	1,160	576	1,974	44.74 %
Total	490	2,561	1,361	4,412	100.00 %

Gender distribution at management level

	<30	30–50	> 50	Male	Female
Anteil	0.72 %	54.25 %	45.03 %	77.76 %	22.24 %

7.6 Remuneration policy

The aim of the remuneration systems is to appropriately reward employees' performance and provide effective performance incentives. The remuneration system for employees in the collectively-negotiated wage sector in Germany is based on the collective agreement for the private banking industry and in Luxembourg on the collective bargaining system applicable there. No distinction is made between full-time and part-time employees when it comes to company benefits.

The collectively agreed salaries are made up of monthly salaries and special payments. 21.8 % of our employees are paid according to the collective wage agreement.

The remuneration structure for non-tariff employees consists of a function-based monthly basic salary and a short-term performance-based component. The performance component not only includes quantitative targets, but qualitative and sustainable targets can also be agreed individually. A performance-related bonus and a growth-oriented long-term incentive plan (LTIP) can be granted as voluntary special benefits. The LTIP incentivises sustainable corporate success and long-term employee loyalty, while at the same time reflecting the company's risk position.

The remuneration structure for employees whose activities have a significant influence on the risk profile of the management company or the investment

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funds under management (risk functions) and for employees with control functions consists of a basic remuneration and a variable remuneration for risk functions. This variable remuneration includes a multi-year assessment period and deferred payment. The aim is to reduce the risk appetite of the risk functions by including long-term periods for assessment and payment both in the past and in the future. Furthermore, the remuneration system is compatible with and conducive to a sound and effective risk management system. The different remuneration systems in the collectively-negotiated and non-collectively-negotiated areas are the same for all employee groups at all locations, regardless of age, gender or other diversifications. Depending on the employee group, there may be slight differences between the basic salary of men and women. There is no significant difference between the genders in either the basic salary or the annual salary adjustments.

In addition to their basic remuneration, the Board of Managing Directors of Union Asset Management Holding AG has a target bonus system. The bonus components are divided into Group, company and individual targets. Of this, 40% is paid out as a sustainable component in the form of a deferred bonus.

The remuneration determined by the Annual General Meeting for the members of the Supervisory Board of Union Asset Management Holding AG

is a fixed remuneration that is deliberately granted independently of the organisation's performance.

Union Investment's remuneration system is based on an analytical job evaluation process and is orientated towards external remuneration benchmarks. Independent external consultancy services are utilised for both internal and annual market analyses. The remuneration system is also reviewed and analysed annually by an independent internal remuneration committee. Recommendations for resolutions are generally addressed to the Supervisory Board by or via the Board of Managing Directors. Shareholders and employees nevertheless have the opportunity at any time to address recommendations or instructions not only to the Board of Managing Directors, but also directly to the Supervisory Board. There is no specific mechanism for this.

Union Investment offers several programmes for company retirement pensions, which differ in terms of contributions and the method of implementation. The liabilities arising from these programmes are largely funded by plan assets. There is no separate fund set up specifically for our pension obligations. All permanent employees participate in at least one pension scheme.

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8.1 Human rights

For Union Investment, sustainability and the associated respect for human rights are part of our cooperative identity. Our aim has always been to act with a long-term focus. Consequently, we take a holistic view of markets, trends and investor requirements. This is the only way to recognise the need for action and risks at an early stage. For this reason, human rights due diligence is nothing new for Union Investment. Respect for human rights is clearly anchored in the Declaration of Principles on Respect for Human Rights adopted in 2021 and the inclusion of the topic in the Sustainability Code.

Investors are also attaching increasing importance to respecting human rights and to what companies are doing to combat abuses. As an asset manager with responsibility for funds managed on behalf of investors, it is important for us to respect human rights in all our investments. We set out our processes and the standards that guide us in our [policy statement on respecting human rights](#). In addition, we have integrated benchmarks such as the Corporate Human Rights Benchmark and KnowTheChain into our proprietary sustainability research in order to analyse the human rights aspects of our portfolio holdings. In doing so, we focus on companies that operate in high-risk sectors and countries in terms of human rights violations. Where we identify corresponding deficits, we strengthen our commitment in a targeted manner. In order to fulfil our human rights due diligence obligations, we will continue to develop and exploit our opportunities to influence our stakeholders to take measures to avoid and minimise negative effects. Dialogue, individually and collectively, over a longer period of time if necessary, is our most important tool here. Accordingly, we will further intensify our commitment in this area and also focus more on collaborative engagement.

8.2 Political decision-making

Representation of interests

We are actively committed to a regulatory environment that is investor-friendly and promotes sustainable development. Important topics include transparency obligations, accountability and regulations that ensure the stability of the financial markets in the interests of our investors and sustainable development. In 2024, we were particularly involved in the discussion process on the EU Supply Chain Act (Corporate Sustainability Due Diligence Directive, CSDDD).

We also contributed our many years of experience in the field of sustainable investment at EU level with regard to the design of the ESG Rating Regulation and the Disclosure Regulation (SFDR) in order to contribute to regulatory measures that are both ambitious and practicable. Transparency in the political representation of interests is essential for us. We therefore provide information on the fundamental positions we have taken in national and international lobbying (in associations, when commenting on draft legislation). This content is published on Union Investment's digital public affairs site: "[FinanzAgenda](#)". The Union Investment Group also supports the political work of political parties by making financial and in-kind contributions (e.g. in the form of sponsorship measures). These amounts are also published on the website.

Union Investment supports the transparency initiative of the European institutions and is listed in their transparency register. The same applies to the lobby register introduced in 2022 for the representation of interests vis-à-vis the German Bundestag and the German government.

Financial contributions to political parties and party-affiliated organisations totalled € 153,300 in 2024. This included both donations and sponsorship.

Association and committee work

We endeavour to meet high internationally or nationally recognised standards in all sustainability-related conduct. Numerous Union Investment company representatives are actively involved in industry associations, committees and initiatives in the financial and asset management sector. We have committed to complying with the UN Principles for Responsible Investment (UN PRI), signed the declaration of compliance with the German Sustainability Code in December 2013 and renewed it in December 2018. In the real estate sector, we have committed to the Sustainability Code of the Real estate Industry (ZIAM). We are represented in the relevant sustainability committees of our industry associations (BVI, ZIA, VfU). Since July 2013, the Head of Sustainability Management has represented Union Investment on the Board of Managing Directors of the VfU Association for Environmental Management and Sustainability. We are also active in the Federal Association of German Cooperative Banks (BVR), the Deutsches Aktieninstitut (DAI) and the Royal Institution of Chartered Surveyors (RICS).

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8.3 Social engagement

In 2024, the companies of the Union Investment Group donated EUR 923 thousand to charitable causes and, to a lesser extent, to political organisations. The Union Investment Foundation, which is financed by Union Investment, donated a further EUR 189 thousand. The largest donations were made to the areas of charity, education and the environment.

The Union Investment Foundation was established in 2000 by Union Investment Privatfonds GmbH as a foundation with legal capacity under civil law with its registered office in Frankfurt am Main. The purpose of the foundation is the promotion of science, research, education and training, the promotion of art and culture, the promotion of charitable causes and the protection of the environment and nature. Funding measures are financed from the ordinary income from the foundation's assets or from donations from Union Investment Group companies.

As part of the "We for tomorrow" initiative, Union Investment is actively looking for flagship projects that set an example and demonstrate what a better tomorrow can look like. In 2024, the nine most impressive projects in the education, social and environmental categories were honoured and 19 initiatives were awarded prize money totalling over EUR 290 thousand.

True to the cooperative motto "What one person can't do alone, many can", we have been offering our employees at the Frankfurt and Hamburg locations the opportunity to donate the cent amount of their monthly net salary to a good cause since September 2014. The monthly cent amounts are collected by Union Asset Management Holding AG. In 2024, a total of EUR 18 thousand went to the organisations MainÄppelHaus Lohrberg e.V. (environment & education), Stiftung Valentina (social) and Die Chancenstiftung (education).

In 2024, Union Investment continued the knowledge transfer initiative with the continuation of the "MoneyCoaster" module - a 90-minute financial education lesson in schools that teaches how to handle money and digital payment solutions and raises awareness of the issue of over-indebtedness. A web-based training course offers teachers inspiration and support in implementing the teaching unit. Pupils can also use the MoneyCoaster quiz app to obtain a financial driving licence and thus qualify for a nationwide competition organised by Union Investment, in which the best classes in the country are honoured. Union Investment offers the free financial education programme to all companies in the Genossenschaftliche FinanzGruppe. Union Investment employees also visit schools to provide information about financial education.

8.4 Responsibility in the supply chain

The [sustainability requirements for suppliers of the DZ BANK Group](#) apply to suppliers of the Union Investment Group. The requirements are based on the principles of the UN Global Compact. Additional supplier standards are also contractually agreed as required, depending on the service relationship or related service profile. The sustainability requirements cover the three areas of economic responsibility, environmental responsibility and social responsibility. Compliance with legal regulations is generally assumed as a minimum requirement.

As a responsible company, Union Investment has integrated responsible procurement into its business processes.¹ Suppliers are asked to confirm our sustainability requirements as part of the procurement process. If necessary, compliance with sustainability requirements is supported or verified by an EcoVadis rating or, on a transitional basis, by self-disclosure and, if necessary, by due diligence in the form of a supplier development meeting. Since 2023, all relevant suppliers have also undergone an annual risk analysis with regard to industry and country risks.

Union Investment endeavours to continuously improve the social and environmental performance of selected suppliers. As part of a relevance check, we select the business partners we intend to engage in supplier dialogue. The basis for this selection is the result of the risk analysis and the sustainability assessment of the suppliers, combined with the suppliers' ability to be influenced by Union Investment and the annual purchasing volume. The Union Investment Group's procurement and contract management team held 41 supplier development meetings with service providers, which account for a total of around 37% of the addressable purchasing volume. The relevant service providers were analysed for their potentially negative social and environmental impacts and the need for action or development opportunities were identified during supplier development meetings. However, no violations were identified and therefore no business relationships were terminated or remedial measures agreed for this reason. Measures to improve social and environmental performance are jointly defined and implemented in these regular supplier meetings. Operational measures and their effectiveness are documented and tracked by Union Investment's supplier management employees. Regular internal audits are conducted to ensure the quality of procurement and supplier management processes and procedures. In addition, the Union Investment Group's procurement department has been certified as a sustainable procurement organisation in accordance with the three-stage BME Level 3 certification system.

1) This only applies to those UIG companies that fall under the purchasing guidelines within the scope of the written rules. This does not include purchasing for the special funds, minority interests of the Union Investment Group, foreign companies and the companies VisualVest and Quoniam as well as the ZBI Group.

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Environmental responsibility obliges suppliers to comply with legal standards in the area of environmental protection, to minimise their environmental impact and to operate or establish a systematic and organisationally anchored environmental management system. In terms of their carbon footprint, the Union Investment Group's strategic procurement activities the following environmental impacts:

- **Information and communication technology:** electricity consumption of data centre service providers
- **Facility management:** waste, water supply, district heating, natural gas, electricity consumption
- **Marketing:** paper consumption, events (conferences/ events/trade fairs)
- **Logistics:** parcels, letters
- **Travel management:** business trips, hotel accommodation
- **Operating and office equipment:** toner consumption, office furniture
- **Vehicle fleet:** fuel consumption

Dedicated dialogue is therefore maintained with the suppliers concerned and a development path is drawn up.

Social responsibility in the supply chain

The standards of social responsibility include the recognition and observance of human rights in accordance with the Universal Declaration of Human Rights (UDHR) of the United Nations General Assembly and the European Convention on Human Rights (ECHR), no child labour or forced labour in accordance with the International Labour Organization (ILO) Convention 138 (the minimum age must not be below the age at which compulsory schooling ends and in no case below 15), the guarantee of fair pay and fair working conditions. International Labour Organization (ILO) Convention 138 (the minimum age must not be less than the age at which compulsory schooling ends and in no case less than 15 years), guaranteeing fair pay and fair working conditions in

accordance with the core labour standards of the International Labour Organization (ILO), freedom of association and the right to collective bargaining, ensuring occupational health and safety in the workplace as minimum standards in accordance with the core labour standards of the International Labour Organization (ILO), non-discrimination and non-corruption.

Due to the specifics of our industry in combination with the focus of the goods and services we procure, we do not purchase any services from suppliers that are significantly associated with the low-wage sector or with ethically or socially controversial practices and goods, with the exception of catering, cleaning, call centre services, advertising materials and security services.

Structure of the supply chain

Union Investment purchases goods and services from the following product groups for the operation, management and further development of internal processes: Information and communication technology, consulting, facility management, marketing, information technology, market data, events (conferences/events/trade fairs), logistics, travel management, operating and office equipment and vehicle fleet. In addition to price and quality, the following objectives, among others, are decisive for purchasing decisions:

- a) Risk minimisation (e.g. in terms of security of supply, data protection, performance, efficiency, compliance, reputation)
- b) Sustainability impact of the benefit payment

In particular for services relevant to business processes (especially the outsourcing of IT services), the supply chains, including upstream suppliers, are reviewed on the basis of regulatory requirements and monitored with regard to the aforementioned standards. Our addressable supplier portfolio, with around 2,704 active suppliers and service providers in the reporting year, is primarily made up of consultants, developers, agencies, service providers, media production companies and trainers. The locations of the addressable suppliers are mostly in Germany (approx. 79%) or Europe (approx. 97%). Around 3% of suppliers are located outside of Europe; this applies in particular to market data and software products where the manufacturers are based abroad. There were no significant changes to the supply chain in the reporting year.

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This report covers all material companies of the Union Investment Group that are integrated into the segment organisation. Unless explicitly stated otherwise, the following companies were not included: ZBI Group, Quoniam Asset Management GmbH (Quoniam), BEA Union Investment Management Limited (Hong Kong), VR-Consultingpartner GmbH and Union Investment Real Estate France SAS (UIR France).

The employee figures also include UIR France, ZBI Group and Quoniam Asset Management GmbH (Quoniam). The key figures for the Union Investment Group's real estate portfolio include parts of Union Investment's global real estate portfolio (excluding ZBI Group portfolios).

This report was prepared in accordance with customary market reporting standards. It fulfils the requirements of the German Real estate Federation (ZIA) for reporting on sustainability in the real estate industry. As a signatory to the ZIA Sustainability Code, Union Investment undertakes to observe the ten principles of the ZIA Sustainability Code in its business activities. In accordance with the Code, the Union Investment Group publishes its goals, measures, activities and progress annually - including in the relevant clusters "2: Operating & Letting" and "3: Investing". The report is not audited externally.

Environmental indicators at company level are partly extrapolated on the basis of previous consumption and emissions. This means that current key figures are available. As soon as the actual values are available for the extrapolated figures, these are included in future reporting, meaning that there may be interim deviations from the environmental indicators reported over time.

Union Investment's reporting on its real estate portfolio is based on international standards such as the Greenhouse Gas Protocol. This is subject to continuous development and methodological adjustment. Union Investment has adopted the calculation and adjustment methods for the CO₂ data sets for the presentation of its real estate portfolio in line with these annual adjustments. As a result, some of the figures shown may differ from those reported in the previous year.

The annual and sustainability reports are available for download on our [website](#) in German and English. An overview of the Union Investment Group and the relevant contacts can be found online at <https://unternehmen.union-investment.de/>.

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