

“Statement on the most significant adverse effects of investment decisions on sustainability factors” for the asset management of Sparkasse Münsterland Ost

Financial market player [Sparkasse Münsterland Ost, LEI: 52990033D2BXTNPW8N78]

Summary [acc. to Art. 5 of the Delegated Regulation - DelVO]

Sparkasse Münsterland Ost takes into account the most significant adverse effects of its investment decisions on sustainability factors in its asset management. This statement is the consolidated statement on the most significant adverse effects on the sustainability factors from the asset management of Sparkasse Münsterland Ost.

This statement on the most significant adverse effects on the sustainability factors relates to the reference period from 1 January to 31 December 2022.

Sustainability factors cover environmental, social and labour issues, respect for human rights and the fight against corruption and bribery. Investing in a financial product can lead to negative sustainability impacts depending on the underlying asset (for example, the investment in a company via shares, bonds or investment funds), such as if this company violates environmental standards or human rights in a severe way.

We currently consider the adverse effects on the aforementioned sustainability factors in the investment process of our in-house asset management as follows:

Our in-house asset management is structured in such a way that our customers can acquire shares in three investment funds (fund concept) or portfolios consisting of stocks, bonds, certificates, alternative investments, commodities and investment funds (including ETFs), depending on their individual investment strategy. Within this framework, we offer investment strategies in asset management without an explicit focus on sustainability.

The investment funds (fund concept) are managed by Deka Vermögensmanagement GmbH NL Lux. We advise Deka Investment GmbH NL Lux., as fund manager, on its investment decisions. In deciding to work with Deka Vermögensmanagement GmbH NL Lux. as the preferred partner for our in-house asset management, we take into account that Deka Vermögensmanagement GmbH NL Lux. as the capital management company of the investment funds (fund concept) is obliged to consider the most significant adverse impacts on sustainability factors as part of its investment decisions. For example, Deka Vermögensmanagement GmbH NL Lux. has declared that they consider adverse sustainability impacts in the investment decision-making process and has anchored the ESG factors regarding adverse sustainability impacts, which are mandatory under the Transparency Regulation, into the investment decision-making processes of the investment funds it manages (fund concept).

In this way, their strategies are decisive with regard to the consideration of sustainability risks and the most significant adverse effects on sustainability factors in investment decisions.

More details have been published on the following link:

<https://www.deka.de/deka-gruppe/unsere-verantwortung/wie-wir-nachhaltigkeit-le-ben/nachhaltigkeitsbezogene-offenlegung>

If a portion of the assets under management is invested in investment funds other than those listed above, we ensure that the external capital management company declares that they consider adverse sustainability impacts in the investment decision-making process and embeds the ESG factors mandatory under the Transparency Regulation in its investment decision-making processes for investment funds.

We aim to avoid the most significant adverse impacts on sustainability factors by applying exclusion criteria. As part of this, Sparkasse Münsterland Ost aims to exclude the following direct investments from its asset management activities as a matter of principle:

- Investments in companies/issuers that have seriously violated the UN Global Compact
- Investments in companies/issuers whose share of turnover consists of more than 10 percent military equipment (outlawed weapons > 0 per cent), consists of more than 5 percent tobacco production or more than 10 percent coal. The same limits apply to the selection of investment funds (including ETFs).

Furthermore, there are no investments in financial tools with a weak ESG rating. The basis for the definition of a weak ESG rating is the aggregated rating by MSCI ESG Research. As part of this, a rating range of AAA (best rating) to CCC (worst rating) applies. A weak ESG rating is currently defined as a rating of B or worse.

Furthermore, the in-house asset management excludes the trading of financial tools directly related to agricultural commodities.