

Principal Asset Management

Disclosure of the Integration of Sustainability Risks into Remuneration Policies

Introduction

This document sets out disclosures by certain entities forming part of Principal Asset Management in respect of the integration of sustainability risks into their remuneration policies, as required by the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”).

In this document, the following terms have the following meanings:

“**Firm**” means (as the context so admits) the relevant entity specified in the addendum to this document.

“**Sustainability Risk**” has the meaning specified in Article 2(22) of SFDR which is “an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment”; and

“**Sustainability Risk Policy**” has the meaning specified in Article 3(1) of SFDR in respect of each Firm, and information in respect of such policy is separately available at <https://www.principalam.com/eu/about-us/esg>.

Each Firm has separately implemented a remuneration policy (the “**Policy**”), which governs the processes concerning the payment of remuneration to that Firm’s in-scope employees and other in-scope members of staff (the “**Employees**”).

Each Firm has updated its Policy, with effect from 10 March 2021, to reflect the integration of Sustainability Risks, as required by SFDR.

This document will be reviewed annually and updated, as required. This document is provided for information purposes only. In the event of any inconsistency between this document and either (i) the relevant Policy, or (ii) the terms of any agreement between the relevant Firm and any of its clients, such other document shall prevail.

This document is not a complete summary of the Policy; instead, it focuses on summarising the integration of Sustainability Risks. No person should take (or refrain from taking) any action as a result of this document. To the maximum extent permitted by law, no liability is accepted by the relevant Firm in respect of this document.

Risk alignment

Each Firm considers that its Policy, and an individual Employee’s remuneration, must be consistent with and promote sound and effective risk management and not encourage risk-taking that exceeds the level of tolerated risk of the relevant Firm.

For each Firm, a feature of the relevant Policy includes (amongst other matters) an assessment of an Employee’s compliance with the Firm’s Sustainability Risk Policy, where applicable.

Performance measurement

Remuneration policies, programming, and practices are established and administered by Principal’s ‘Centre of Excellence’ (COE) human resources compensation team.

Where applicable, this assessment of compliance with the Sustainability Risk Policy will be carried out by relevant COE together with compliance with the Firm's other policies.

The outcome of the assessment may impact variable remuneration which would otherwise have been awarded to that individual.

Addendum

List of Firms to which this disclosure applies:

1. Principal Real Estate Spezialfondsgesellschaft mbH
2. Principal Real Estate SAS
3. Principal Global Investors (Ireland) Limited

22 April 2024

For the purposes of Article 12 of SFDR, the amendments to this document comprise:

Date	Version	Description
10 March 2021	1.0	Document created
22 April 2024	2.0	General update including, name of policy, entities in scope, document review cycle, and website link.