

## Sustainability disclosure

*Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector*



## 1. Introduction

### 1.1. Background:

In 2018 the European Commission published its Action Plan on financing sustainable growth. This Action Plan has three overarching objectives, namely:

- Reorienting capital flows towards sustainable investments to achieve sustainable and inclusive growth.
- Managing the financial risks caused by climate change, the depletion of resources, environmental degradation and social issues.
- Fostering transparency and a long-term vision in economic and financial activities.

In response to these recommendations, the European authorities began to develop a regulatory framework for the financial sector, which led to the adoption of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. This Regulation, which applies to CNP Cyprialife Limited (hereinafter, “CNP Cyprialife”), lays down harmonised rules for transparency regarding the integration of sustainability risks and the recognition of the adverse impacts of investment decisions and insurance advice on sustainability, as well as the provision of sustainability information on financial products.

### 1.2. Purpose of the disclosure:

This sustainability disclosure describes whether and how CNP Cyprialife, in line with regulatory requirements:

1. integrates sustainability risks in its investment decisions,
2. considers adverse impacts on sustainability factors in its investment decisions, and
3. takes into account sustainability risks in its remuneration policy.

## 2. Definitions



- **Sustainability risk:** An environmental, social or governance (ESG) event or situation which, if it occurs, could have an actual or potential material adverse impact on the value of an investment.
- **Adverse impacts on sustainability:** The adverse impact of an investment decision on a sustainability factor, i.e. an environmental, social or governance (ESG) issue.

### **3. Description of how sustainability risks are integrated in investment decisions**

Pursuant to Article 3 of Regulation (EU) 2019/2088, CNP Cyprialife is required to publish information about their policies on the integration of sustainability risks in their investment decision-making process.

CNP Cyprialife currently, does not integrate sustainability risks in its investment decisions.

CNP Cyprialife is looking to enhance its investment policy by integrating sustainability risk considerations in its investment decision-making process.

### **4. Information on adverse impacts on sustainability factors in investment decisions**

Pursuant to Article 4 of Regulation (EU) 2019/2088, CNP Cyprialife must publish whether it considers or not principal adverse impacts of investment decision on sustainability factors.

CNP Cyprialife is very supportive of the inclusion of adverse impacts but considering the breadth of its investment portfolio, it is, at this moment, challenging to extract all the required information. Therefore, the Company, as afforded by Articles 4(1) and 4(3) of Regulation (EU) 2019/2088, has decided to currently opt-out of considering any adverse impacts of investment decisions on sustainability factors.

CNP Cyprialife will be reviewing and assessing the processes required to achieve the required operational capability and data framework that will support the disclosure of the adverse sustainability indicators listed in Table 1 of Annex 1 Regulation (EU) 2022/1288.

### **5. General Principles regarding the integration of sustainability risks in CNP Cyprialife's Remuneration Policy**

Pursuant to Article 5 of Regulation (EU) 2019/2088, CNP Cyprialife must publish information on how the overall compensation policy is consistent with the integration of sustainability risks.

CNP Cyprialife's remuneration policy aims to ensure sound and effective risk management for all types of risks (financial risks, operational risks, sustainability risks, etc.), in particular through the variable compensation paid, which rewards individual performance and the performance of the Group in relation to a set of objectives.

CNP Cyprialife is in the process of enhancing its processes to establish a set of objectives which will include sustainable, value-based actions that will aim to create value within the organization by considering the interests of all stakeholders.

