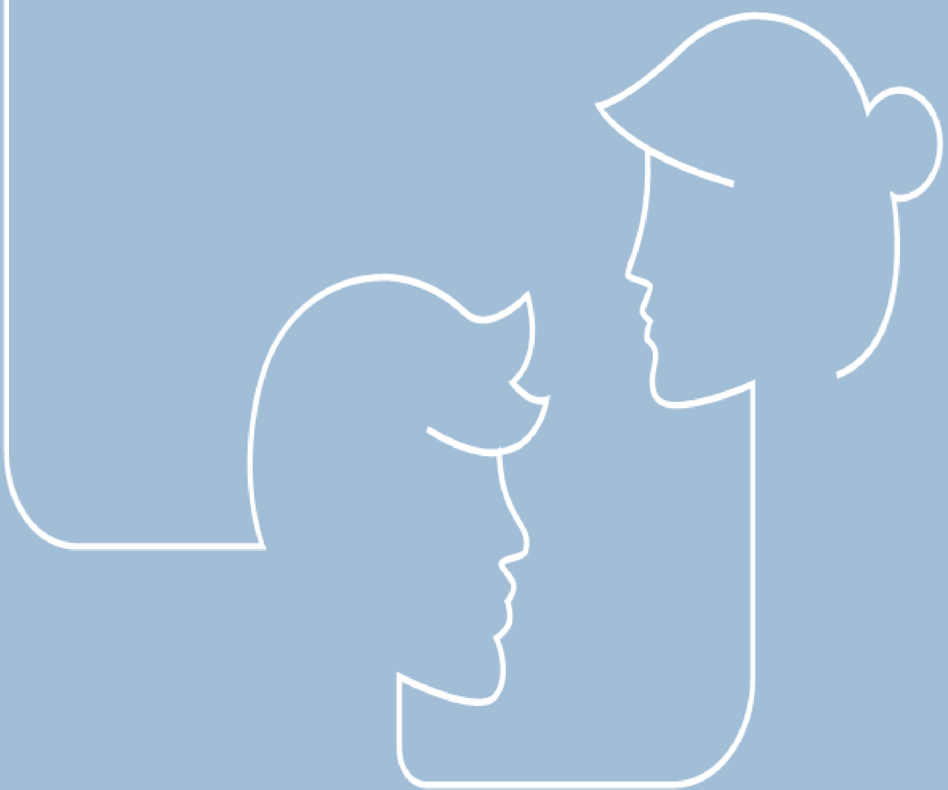
CYPRIALIFE
Δυνατή, δίπλα σας

Policy on the integration of sustainability risks in Investment Decisions

Pursuant to Article 3 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



1. Introduction

1.1. Background:

In 2018, as part of its action plan for a greener and cleaner economy, the European Commission published three recommendations targeting the financial sector:

- Reorient capital flows towards sustainable investments to achieve sustainable and inclusive growth.
- Manage the financial risks caused by climate change, the depletion of resources, environmental degradation and social issues.
- Foster 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 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 Policy:

CNP Cyprialife Limited ("CNP Cyprialife"), is subject 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. This policy describes if and how CNP Cyprialife integrates sustainability risks – also known as Environmental, Social and Governance (ESG) risks – **in its investment decisions**.

1.3. Scope of the Policy:

The policy on the integration of sustainability risks in investment decisions applies to all of CNP Cyprialife's traditional investment vehicles.

For unit-linked products, policyholders are advised to refer to the information available in their policy information notice and in the pre-contractual information documents of each investment vehicle in order to identify if and how sustainability risks are incorporated into the investment decisions of each unit-linked vehicle

2. Definitions And General Principles Regarding The Integration Of Sustainability Risks In Investment Decisions

2.1. 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.

- **SRI (socially responsible investment)**: Socially responsible investments aim to reconcile economic performance with social and environmental impact by financing companies that contribute to sustainable development in all sectors of activity.

- **Investment vehicle promoting environmental or social characteristics within the meaning of Regulation (EU) 2019/2088**: An investment product that, among other things, promotes environmental or social characteristics, or a combination of these characteristics, provided that the companies in which the investments are made follow good governance practices (sound management, employee relations, and compliance with tax obligations).

- **Investment vehicle with a sustainable investment objective within the meaning of Regulation (EU) 2019/2088**: A product investing in economic activities that contribute to an environmental objective, and/or a social objective, and/or in human capital and/or economically or socially disadvantaged communities, provided that these investments do not cause significant harm to one of these objectives and the companies in which investments are made follow good governance practices (sound management, employee relations and compliance with tax obligations).

2.2. Description of how sustainability risks are integrated in Investment decisions:

The Company does not have any products that promote environmental or social characteristics and/or sustainable investments. Almost all Company's funds *(except a specialized one - Cyprus recovery fund)* do have a small exposure in ESG either direct or via other funds. The Company follows policies and tools promoted by CNP Assurances related to this matter.

<u>CNP Cyprialife is compliant with the CNP Assurances' Group Coal Policy as following</u>:

- No investments are allowed in businesses deriving more than 20% of their revenue from thermal coal

- No new investments are allowed in companies deriving more than 10% of their revenue from thermal coal or that are involved in developing new coal mines or coal-fired power plants

Furthermore, the Company measures the carbon footprint of the listed equities and corporate bond portfolio based on the formula used by CNP Assurances. It also measures its exposure in green investments with the view to increase its exposures in the coming years while also exploring other opportunities in Cyprus.