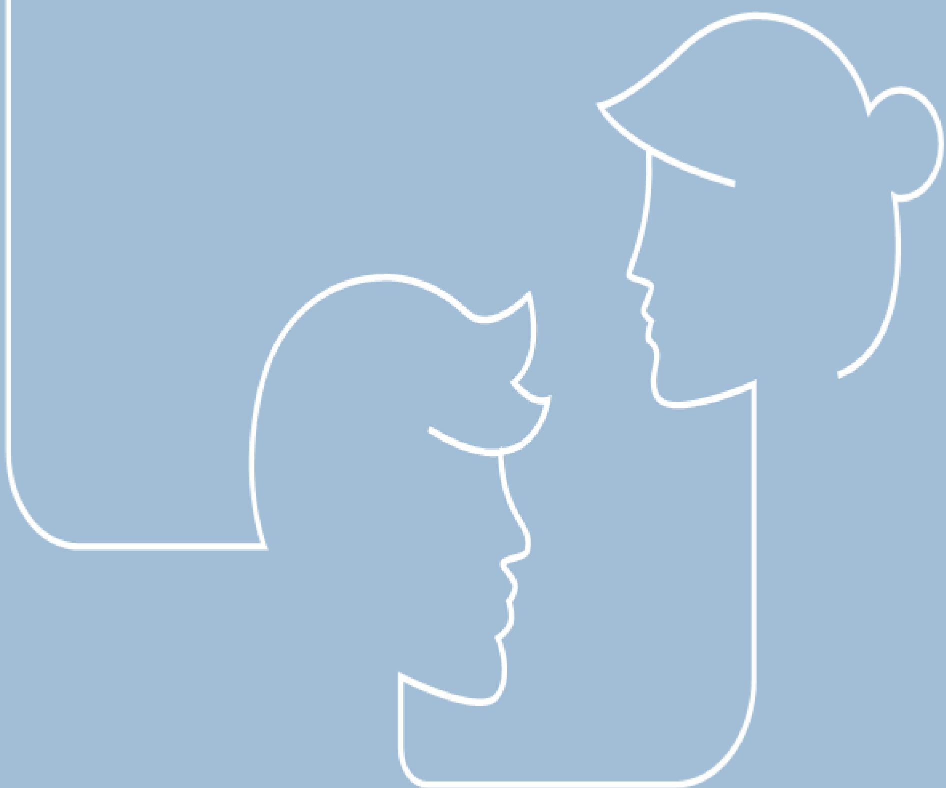
CNP CYPRIALIFE
Δυνατή, δίπλα σας

Due diligence policy regarding the adverse impacts of investment decisions on sustainability factors

Pursuant to Article 4 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 considers adverse impacts on sustainability factors – also known as Environmental, Social and Governance (ESG) issues – **in its investment decisions**.

1.3. Scope of the Policy:

The due diligence policy regarding the adverse impacts of investment decisions on sustainability factors 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 documentsof each investment vehicle in order to identify if and what the adverse impacts of investment decisions on sustainability factors are for each unit-linked vehicle.

2. Definitions and General principles for the integration of adverse impacts on sustainability factors 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. Information on adverse impacts on sustainability factors in Investment Decisions:

CNP Cyprialife as a wholly owned subsidiary of CNP Assurances SA (“CNP Assurances”) follows specific policies set by CNP Assurances *(such as the Exclusion policy)*, which has identified the principal adverse impacts on the sustainability factors on which it focuses its efforts and resources so it can implement a responsible investment strategy. In operational terms, it implements this strategy through the shareholder engagement policy, the exclusion policy and the selection of investments based on ESG criteria. since 2015, CNP Assurances has prioritised reducing greenhouse gas emissions through its responsible investment policy

Adverse impacts	Exclusion policy	Selection of investments based on ESG criteria			
		Equities	Bonds	Real estate	Forests

Greenhouse gas emissions	✓	✓	✓	✓	✓
Impact on biodiversity	✓	✓	✓	✓	✓
Overuse of natural resources (water, raw materials)		✓	✓	✓	✓
Financing of terrorism and money laundering	✓	✓	✓	✓	✓
Tax avoidance	✓	✓	✓	✓	✓
Corruption	✓	✓	✓	✓	✓
Non-respect of human rights	✓	✓	✓	✓	✓
Discrimination		✓	✓		
Non-compliance with labour law		✓	✓	✓	✓
Harm to the health or safety of persons	✓	✓	✓	✓	✓

2.3. Exclusion policy

2.3.1. Scope and principles of the ESG exclusion policy

As part of its strategy for taking into account the adverse impacts of investment decisions on sustainability factors, CNP Assurances has established an exclusion policy for certain countries and companies.

These exclusion rules are intended to meet the following objectives:

- Ensure compliance with the weapons conventions signed by France
- Ensure compliance with regulatory obligations in terms of embargoes and anti-money laundering and counter terrorist financing policies
- Ensure compliance with regulatory obligations and CNP Assurances' responsible investor approach regarding tax havens
- Ensure compliance with CNP Assurances' public CSR and responsible investment commitments:
    - Comply with the principles of the Global Compact
    - Comply with the Principles for Responsible Investment (PRI)
    - Divest gradually from the tobacco sector
    - Divest gradually from the thermal coal sector

- Strengthen its framework for investments in the oil and gas sector

CNP Assurances uses these principles to determine the list of countries and companies excluded from its investments. This list applies to all of CNP Assurances' investments, excluding open-ended funds and unit-linked products.

2.3.2. Sustainability criteria applied for country exclusions

	Governance	Cooperation and tax transparency
Exclusion rules	CNP Assurances excludes investments in the countries deemed the most at risk in terms of democracy, freedom and corruption	CNP Assurances excludes investments in the countries deemed the most at risk in terms of tax cooperation and transparency
Information used	To measure whether a country has a fair governance balance, CNP Assurances uses Freedom House's ranking of democracy and freedom and Transparency International's corruption perceptions index	CNP Assurances uses the lists drawn up by the French government and the European Union (non-cooperative states and territories, those under embargo, the EU list of non-cooperative jurisdictions), and lists published by the FATF (countries subject to counter-measures). CNP Assurances also uses Tax Justice Network's financial secrecy index
Methodology	CNP Assurances assesses countries each year, with three levels of risk depending on the combination of three criteria: democracy, freedom and corruption (very high risk, high risk and low risk)	CNP Assurances assesses countries using the above-mentioned lists each year

2.3.3. Sustainability criteria applied for company exclusions

	Banned weapons	Non-compliance with the Global Compact
Exclusion rules	CNP Assurances excludes investments in companies involved in the production of anti-personnel mines and cluster munitions	CNP Assurances excludes investments in companies deemed to be the most at risk in terms of serious breaches of the principles of the Global Compact
Information used	CNP Assurances uses La Bank Postale Asset Management ("LBPAM") list of manufacturers of anti-personnel mines and cluster munitions. For information, the Ottawa convention (1999) and the Oslo convention (2010) prohibit the production, use, stockpiling, sale and transfer of anti-personnel mines and cluster munitions	CNP Assurances receives alerts on the ESG risks of companies held or authorised for investment from the SRI teams responsible for managing equity and bond investment mandates
Methodology	Based on data provided by ESG ratings agency ISS ESG, LBPAM's responsible	When an alert concerns non-compliance with the

	investment research teams regularly update the exclusion list, which is submitted to LBPAM's Exclusion Committee for a final decision. This list includes all listed or unlisted companies that are involved in the use, development, production, sale, distribution or stockpiling of anti-personnel mines and cluster munitions (either definitely or probably) or their essential and dedicated components (definitely) CNP Assurances uses this list directly, without adjustment	fundamental principles of the Global Compact, CNP Assurances asks the asset manager to obtain more information from the issuer. If this dialogue fails to show that the situation will be rapidly resolved, a decision to exclude the issuer may be made

	Thermal coal	**Oil & gas**
Exclusion rules	CNP Assurances excludes investments in companies: • Deriving more than 10% of their revenue from thermal coal related activities • Having thermal coal-fired electricity generation capacity exceeding 5 GW • Producing over 10 million tonnes of thermal coal a year • Developing new coal plants, coal mines or infrastructure contributing to the use of thermal coal	CNP Assurances excludes investments in the following activities: • Direct investments in oil and gas sector companies (exploration, drilling, extraction, processing, refining) deriving more than 10% of their revenue from non-conventional fossil fuels (oil sands, shale oil and gas, oil and gas from the Arctic zone) • Investments in greenfield or brownfield infrastructure devoted to non-conventional fossil fuels • Investments in greenfield oil infrastructure
Information used	Information on thermal coal related revenue is obtained from Trucost, and may be updated with data published by companies. To identify companies involved in the development of new mines, infrastructure or coal-fired power plants, companies with thermal coal-fired electricity generation capacity exceeding 5 GW or extracting more than 10 million tonnes of thermal coal per year, CNP Assurances uses the Global Coal Exit List, which may be updated with data published by companies	Information on non-conventional fossil fuels is obtained from ISS ESG and may be updated with data published by the companies.
Methodology	Trucost calculates the portion of thermal coal in companies' revenue based on the financial data (revenue, enterprise value, etc.) and production data (coal reserves, production in GWh) published by companies	ISS ESG estimates the percentage of revenue derived from Arctic drilling, hydraulic fracturing and oil sands for each company

	Tobacco
Exclusion rules	CNP Assurances excludes investments in tobacco companies
Information used	CNP Assurances uses the list of companies whose activity is registered in Bloomberg’s tobacco sub-sector, directly and without adjustment
Methodology	CNP Assurances updates the list each year