

Statement on principal adverse impacts of investment decisions on sustainability factors

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ČSOB Poist'ovňa, a.s (LEI/097900BFE40000025246)

Summary

ČSOB Poist'ovňa, a.s., Žižkova 11, 811 02, Bratislava, member of KBC Group, considers principal adverse impacts of its investment decisions on sustainability factors.

ČSOB Poist'ovňa, a.s. makes investments for its own account. These investments are the covering assets both the life and non-life insurance liabilities, except for the unit linked insurance products („IŽP“).

For IŽP contracts, we refer to the policies for conventional and responsible funds managed by companies from the KBC Group (KBC Asset Management NV, Belgicko; IVESAM NV, Belgicko; KBC Fund Management Limited, Írsko a ČSOB Asset Management, a.s., investiční společnost, Česká republika; later only „KBC AM“). Since the funds underlying the assets for IŽP are managed by KBC AM, ČSOB Poist'ovňa, a.s. has decided to fully accept the sustainability policy applied by KBC AM for their conventional and responsible funds.

This document describes how ČSOB Poist'ovňa, a.s., integrates the **principal adverse impact indicators (PAI)** listed in the EU regulation on disclosure of information on sustainability in the financial services sector (SFDR).

According to the SFDR, we can understand PAI as follows: "Negative, significant or likely to be material effects on sustainability factors that are caused, compounded or directly related to investment decisions and advice carried out by a legal entity." The SFDR requires consideration of 18 mandatory indicators related to greenhouse gas emissions, biodiversity, water, waste and social indicators applicable to companies, states and multinationals, as well as real estate assets. In addition, the SFDR defines 22 additional indicators related to the climate and other environmental conditions, as well as 24 additional indicators for social and employment issues, respect for human rights, the fight against corruption and bribery. KBC AM will report on a selection of the additional indicators.

The principal adverse sustainability impact is predominantly covered/monitored by the KBC AM exclusion policies applied. A number of activities are excluded from all actively managed investment funds, and own portfolios of ČSOB Poist'ovňa, a.s.. As such, companies involved with controversial weapons, thermal coal or the production of tobacco products are excluded. The worst violators of the principles of the United Nations Global Compact and companies that seriously violate human rights are excluded as well. Government bonds from countries with the most controversial regimes are excluded and KBC AM will not invest in financial instruments linked to livestock and food prices

Within our Responsible Investing funds and investment portfolio of ČSOB Poist'ovňa, a.s., all indicators for the principal adverse impacts of the investment decisions on sustainability factors ('PAIs') as listed in Table 1 of Annex 1 of the Delegated Regulation (EU) 2022/1288 and the relevant indicators for the principal adverse impacts of the investment decisions on sustainability factors in Tables 2 and 3 of Annex 1 of the Delegated Regulation 2022/1288 PAIs are taken into account through the norms-based screening and ESG Risk Rating screening for companies and through the ESG screening for countries as well as through the exclusion of countries not respecting meeting the sustainable principles criteria and controversial regimes.

In Responsible Investing funds and investment portfolio of ČSOB Poist'ovňa, a.s. a number of additional activities are excluded, compared to non-Responsible Investing funds. Companies that do not comply with the most prominent international norms or standards are excluded.

These include, for example, the UN Global Compact Principles, International Labour Organization's (ILO) Conventions, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights (UNGPs) and the UN Sustainable Development Goals. Companies involved in severe controversies related to environmental, social or governance issues are excluded as well. All Fossil fuels are excluded from Responsible Investing Funds, with the exception of investments in green bonds of these companies, facilitating the energy transition, provided they meet the exclusion criteria for benchmarks tied to the Paris Agreement. Companies involved in military contracts or small arms are excluded as well. Furthermore, restrictions apply for companies involved in gambling, adult entertainment, palm oil and fur & specialty leather products and companies having a negative impact on biodiversity. In addition, countries not respecting meeting the sustainable principles criteria, controversial regimes and countries ranking in the 10% worst of the ESG scoring model are excluded. Companies with a severe ESG Risk Score and all companies domiciled in countries that encourage unfair tax practices are excluded as well. An ad-hoc exclusion or deliberation for companies is possible, only the advice of the Responsible Investing Advisory Board.

ČSOB Poist'ovna's own investments are governed by the General Exclusion Policy for conventional and responsible funds and the Exclusion Principles for responsible funds.

Further information in [General exclusion policies for conventional and Responsible Investing funds and Exclusion policies for Responsible Investing funds](#)

Exclusion policies are monitored by pre trade and post trade compliance rules in our internal processes.

Next to the strict exclusion policies our Responsible funds will promote the integration of sustainability into the policy decisions of issuers (companies, governments, supranational debtors and/or agencies linked to governments), by preferring issuers with a better ESG score, where ESG stands for 'Environmental, Social and Governance' and promote climate change mitigation, by preferring issuers with lower Carbon Greenhouse Gas (GHG) Intensity, with the goal of meeting a predetermined carbon GHG intensity target. Our Responsible funds will also support sustainable development, by including companies that contribute to the UN Sustainable Development Goals and

by encouraging the transition to a more sustainable world via investing in green, social and sustainability bonds.

Within the non-Responsible Investing funds, a number of PAIs are explicitly taken into account through the exclusion policies. For all actively managed funds, for corporates the worst violators of the UN Global Compact principles and companies involved in controversial weapons as well as thermal coal are excluded and for sovereign related instruments controversial regimes are excluded. Hence, taking into account PAIs 10, (Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises), 16 (Investee countries subject to social violations) , 14 (controversial weapons) and 4 (Exposure to companies active in the fossil fuel sector). For passive funds as well as structured and third party funds managed by KBC, some specific exclusion criteria are applied. Hence, different PAIs are considered, depending on the investment strategy of the fund. However, for each of these funds, at least PAI 14 (controversial weapons) is taken into account at the launch of the product.

Additionally, some of the listed Principal Adverse Impacts are also implicitly taken into account through our Proxy voting & Engagement policy. KBC AM executes the voting rights of shares managed in the funds. According to this Proxy Voting and Engagement Policy, KBC AM makes its voice heard at Shareholder Meetings and engages with companies as KBC AM is convinced that shareholder activism, in the medium and long term, may have a positive impact on the companies KBC AM invests in.

For more information, see [Proxy Voting and Engagement Policy: \(kbcgroup.eu\)](https://www.kbcgroup.eu)

Full report can be found on Slovak language on ČSOB website: <https://www.csob.sk/dolezite-dokumenty#udrzatelne-podnikanie>