Pension Products

the manner in which sustainability risks are integrated into investment decisions

The Company has conducted an internal risk materiality assessment and has concluded that there are risks other than sustainability-linked that are relatively more material to the pension products. Nevertheless, the Company manages sustainability-related factors. This is done applying the negative screening approach and best in class approach dependent on the selection of the particular investment product.

More detailed information is available on the Company`s home page disclosing the Sustainability issues and approaches used.

the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products

The Company shares the view that by integrating the ESG factors in asset management, the return on investment grows or the impact is neutral at a lower overall risk level, as demonstrated by academic research as well.

Based on the internal materiality assessment of risks the Company considers that the ESG risk materiality in this product is below average, and other underlying risks might have higher impact on the return of this financial product.

considering principal adverse impacts on sustainability factors

The Company is closely monitoring the ongoing changes in market practices, regulation and data availability enabling systematic assessment of principal adverse impacts that investment decisions have on climate and other environment-related issues and in the field of social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

Unfortunately, there is still lack of quality, systematic data regarding these issues within the investment universe where the company is mainly operating; as well as, limited human resources to provide meaningful consideration of sustainability adverse impact of investment decisions on sustainability factors. The reasons mentioned above do not allow incorporating the principal adverse impacts in management process.