Sava pokojninska družba, d.d.
Ulica Eve Lovše 7
SI-2000 Maribor
www.sava.pokojninska.si
080 29 29

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors of Sava Pokojninska Družba d.d., LEI code 213800K2LJ7JKL6CU689, for 2024

Date of publication: 30 June 2025

Version 1

Contents

1 Summary

Financial market participant: Sava Pokojninska Družba d.d., LEI code: 213800K2LJ7JKL6CU689

Sava Pokojninska Družba d.d. (the "Company"), LEI code 213800K2LJ7JKL6CU689, takes into account the principal adverse impacts of its investment decisions on sustainability factors, except in relation to investments that cover liabilities under investment contracts (i.e., investments in a group of life-cycle funds known as "Moji Skladi Življenjskega Cikla" for the implementation of voluntary pension insurance). This statement on the principal adverse impacts of investment decisions on sustainability factors covers the reference period from 1 January to 31 December 2024. The indicators are calculated based on the average of the quarterly holdings in investee companies over the reference period from 1 January to 31 December 2024 and according to the latest available information on the principal adverse impacts of investee companies (PAI indicators).

The Sava Insurance Group, of which the Company is a member, has had a Sustainability Investment Policy in place since 2021. This policy establishes sustainability guidelines for investment decisions in investment management. The policy is based on the principles of integrating environmental, social and governance (ESG) considerations into investment decision-making processes and defines industries that do not comply with sustainability and responsible investment guidelines and in which Group companies do not invest, thereby limiting the adverse impacts of investment decisions. In managing its investment portfolio, the Company consistently adheres to and implements the Group's policy by integrating sustainability considerations into the due diligence of new issuers and by monitoring the overall investment portfolio for adverse impacts on sustainability factors.

Investments in the "Moji Skladi Življenjskega Cikla" group of long-term business funds are not subject to the Sava Insurance Group's Sustainability Investment Policy, and the Company does not consider the principal adverse impacts of investment decisions for these investments. The values shown in the tables below are presented in aggregate for all investments managed by the Company, not just for own funds and annuity funds, for which the Company has considered the principal adverse impacts.

The principal adverse impacts on sustainability factors are described below.

Table 1: Summary of principal adverse impacts on sustainability factors

Applies to	Area	KPI	RTS table	PAI indicator no.
Indicators applicable to investments in investee companies	Climate and other environment-related indicators	GHG emissions	1	1
		Carbon footprint	1	2
		GHG intensity of investee companies	1	3
		Exposure to companies active in the fossil fuel sector	1	4
		Share of non-renewable energy consumption and production	1	5
		Energy consumption intensity per high impact climate sector	1	6
		Activities negatively affecting biodiversity-sensitive areas	1	7
		Emissions to water	1	8
		Hazardous waste and radioactive waste ratio	1	9
	Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	1	10
		Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	1	11
		Unadjusted gender pay gap	1	12
		Board gender diversity	1	13
		Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	1	14
Indicators applicable to investments in sovereigns and supranationals	Environmental	GHG intensity	1	15
	Social	Investee countries subject to social violations	1	16
Indicators applicable to investments in real estate assets	Fossil fuels	Exposure to fossil fuels through real estate assets	1	17
	Energy efficiency	Exposure to energy-inefficient real estate assets	1	18
Additional indicators applicable to investments in investee companies	Environmental indicator (emissions)	Investments in companies without carbon emission reduction initiatives	2	4
	Indicator for respect for human rights matters	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	3	14

2 Description of principal adverse impacts of investment decisions on sustainability factors

The following are the qualitative and quantitative PAI indicators as set out in Annex I to the SFDR Delegated Regulation.

A more detailed description of the methodology for measuring principal adverse impacts is provided in section 3.

Table 2: Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact (2024)	Unit	Coverage (2024)	Explanation	Actions taken, actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions (GHG)	**1. GHG emissions**	Scope 1 GHG emissions	4,822.33	tCO$_2$e	71%	The indicator shows the total (scope 1) carbon emissions of investee companies in the portfolio, expressed in metric tonnes and weighted according to the portfolio's investment value in each company and the most recently available enterprise value including cash (EVIC). Scope 1 emissions represent total global direct emissions from sources owned or controlled by investee companies.	**Actions taken** The Company follows the Sustainability Investment Policy of the Sava Insurance Group in managing its investment portfolio and is committed to monitoring and limiting its GHG intensity. Our strategic focus on emission reduction is based on the expectation that other economic and social sectors will also deliver on their commitments to meet the goals of the European Green Deal and the goals of the Paris Agreement in general. The principal adverse impacts of investment decisions on sustainability factors are not directly taken into account in the investments of the "Moji Skladi Življenjskega Cikla" group of long-term business funds. Nevertheless, when making decisions and investments, the Company considers certain criteria that may have a negative impact on environmental, social and governance factors. In certain industries, the Company only invests in companies that comply with ESG criteria (i.e., sustainable investments). By doing so, it supports issuers of financial instruments in their efforts towards more sustainable operations or restructuring. The Company also monitors the share of sustainable investments in the investment portfolios of the group of long-term business funds and tracks the average ESG rating of each investment portfolio, for the part where data are available. **Actions planned** At the beginning of 2025, the Sava Insurance Group adopted its updated Sustainability Investment Policy, under which the Company will continue to measure and monitor GHG emissions by excluding investments that exceed thresholds in sectors such as thermal coal
		Scope 2 GHG emissions	893.67	tCO$_2$e	71%	The indicator shows the total (scope 2) carbon emissions of investee companies in the portfolio, expressed in metric tonnes and weighted according to the portfolio's investment value in each company and the most recently available enterprise value including cash (EVIC). Scope 2 emissions represent indirect GHG emissions resulting from the consumption of purchased electricity, heat, cooling or steam by the investee companies.	
		Scope 3 GHG emissions	33,545.39	tCO$_2$e	70%	The indicator shows the total (scope 3) carbon emissions of investee companies in the portfolio, expressed in metric tonnes and weighted according to the portfolio's investment value in each company and the most recently available enterprise value including cash (EVIC). Scope 3 emissions result from the activities of investee companies but originate from sources not owned or controlled by these companies. The information obtained on adverse impacts is a combination of direct data from the investee companies and estimated data where the investee	

						company has not yet disclosed the exact values.	mining, thermal coal-based electricity generation, conventional oil and gas extraction, and shale oil and gas production. In general, the Company will seek to comply with the Sustainability Investment Policy, which excludes the aforementioned undesirable activities from the investment portfolio. **Targets set for the next reference period** In line with the Sustainability Investment Policy of the Sava Insurance Group, the Company has set itself the target of reducing or improving the carbon footprint of investments by 10% each year, where possible and appropriate. The Company will continue to increase the share of ESG investments in the overall portfolio. The current target is to achieve at least 20%, with the primary goal of reaching 25% by the end of 2027. The aim is also to continue limiting investments in sectors with intensive GHG emissions.
		Total GHG emissions (scope 1, 2 and 3)	40,995.67	tCO_2e	0.7026	Total annual scope 1 and 2 GHG emissions and estimated scope 3 emissions associated with the portfolio's market value. The carbon emissions of individual companies are allocated across all issued shares and bonds (based on the most recently available enterprise value including cash – EVIC).	
	2. Carbon footprint	Carbon footprint	277.53	tCO_2e per million EUR invested	70%	The indicator shows the total annual scope 1 and 2 GHG emissions and estimated scope 3 emissions per million EUR invested in the portfolio. The carbon emissions of companies are allocated across all issued shares and bonds, using the most recently available enterprise value including cash (EVIC).	
	3. GHG intensity of investee companies	GHG intensity of investee companies	1,056.09	tCO_2e per million EUR of revenue of investee companies	91%	The indicator shows the weighted average GHG emission intensity of the issuers in the portfolio (scope 1 and 2, and estimated scope 3), expressed as GHG emissions per million EUR of revenue.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	6.08	%	90%	The indicator shows the percentage of the portfolio's market value exposed to issuers engaged in fossil fuel-related activities, including exploration, extraction, mining, storage, distribution and trading of oil and gas, production and distribution of thermal coal, and production, distribution, storage and stockpiling of metallurgical coal, calculated based on the sub-portfolio of investments in companies.	

	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies compared to renewable energy sources, expressed as a percentage of total energy sources	60.24	%	58%	The indicator shows the weighted average share of non-renewable energy consumption and/or production by the issuers in the portfolio, expressed as a percentage of total energy consumed and/or produced.	
	6. Energy consumption intensity per high impact climate sector	NACE code A (Agriculture, forestry and fishing)	0.24	GWh per million EUR of revenue of investee companies	75%	The indicator shows the weighted average energy consumption intensity of the portfolio (in GWh per million EUR of revenue) for issuers classified by NACE codes.	
		NACE code B (Mining and quarrying)	0.87		75%		
		NACE code C (Manufacturing)	0.24		75%		
		NACE code D (Electricity, gas, steam and air conditioning supply)	4.55		75%		
		NACE code E (Water supply, sewerage, waste management and remediation activities)	1.36		75%		
		NACE code F (Construction)	0.08		75%		

		NACE code G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	0.30		75%		
		NACE code H (Transportation and storage)	1.07		75%		
		NACE code L (Real estate activities)	0.20		75%		
Biodiversity	**7. Activities negatively affecting biodiversity-sensitive areas**	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	6.72	%	90%	The indicator shows the percentage of the portfolio's market value exposed to issuers that either operate in or near biodiversity-sensitive areas, where their activities are assessed as potentially having a negative impact on local biodiversity and where no impact assessment has been carried out, or that are involved in controversial events with serious impacts on local biodiversity, calculated based on the sub-portfolio of corporate investments.	**Actions taken and planned, and targets set for the next reference period** The Company does not currently have a defined target for reducing impacts on biodiversity. The investment process takes into account the excluded sectors set out in the Sustainability Investment Policy, which is expected to have an indirect positive impact on reducing negative impacts on biodiversity-sensitive areas.
Water	**8. Emissions to water**	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.49	tonnes of emissions per million EUR invested	0%	The indicator shows the total water emissions (in metric tonnes) per million EUR invested in the portfolio. These are calculated as the weighted average of water emissions (in metric tonnes) per company, divided by the most recently available enterprise value including cash (EVIC).	**Actions taken and planned, and targets set for the next reference period** The Company does not currently have a defined target for reducing investments in companies that discharge emissions to water. Given the extremely low data coverage, it is expected that data coverage will improve as other financial and non-financial institutions begin reporting, thereby improving the accuracy of this indicator. The Company believes that considering excluded industries in the investment process will have an indirect positive impact on reducing waste emissions into water.

Waste	**9. Hazardous waste and radioactive waste ratio**	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.99	tonnes of waste per million EUR invested	23%	The indicator shows the total annual quantity of hazardous waste (in metric tonnes) per million EUR invested in the portfolio. The quantity of hazardous waste generated by the companies is allocated across all of the issuer's shares and bonds (based on the most recently available enterprise value including cash – EVIC).	**Actions taken and planned, and targets set for the next reference period** The Company has not taken or planned any specific actions regarding this indicator, but it expects that applying sectoral exclusions during the investment process will have an indirect positive impact on reducing the hazardous and radioactive waste generation in future reference periods.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	**10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises**	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.37	%	92%	The indicator shows the percentage of the portfolio's market value exposed to issuers that do not comply with the OECD Guidelines for Multinational Enterprises, using the methodology of MSCI ESG Research and calculated based on the sub-portfolio of corporate investments.	**Actions taken** The Sava Insurance Group is a member of the UN Global Compact, which promotes responsible business practices in the areas of human rights, labour, the environment and anti-corruption. Accordingly, as part of the investment process, the Company identifies potential violations of and compliance with the UN principles and works to integrate these principles into the investment process. The Company also endorses the OECD Guidelines for Multinational Enterprises. **Actions planned** From 2025 onwards, in line with the revised Sustainability Investment Policy, the Company will monitor quarterly the share of investments in investee companies involved in violations of the UNGC principles or the OECD Guidelines for Multinational Enterprises. The Company will continue to rigorously conduct due diligence on new issuers in this regard and will refrain from financing those involved in violations of the principles. At the same time, it will monitor the existing portfolio in respect of this indicator.

							Targets set for the next reference period In 2025, the Sava Insurance Group, of which the Company is a member, adopted a new Sustainability Investment Policy, which designates "UN Global Compact alignment" and "OECD alignment" as exclusionary criteria. Any existing investments that fail to meet either of these criteria will be added to an exclusion list. The Company will not invest in new issuers that violate these two criteria.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	1.54	%	90%	The indicator shows the percentage of the portfolio's market value exposed to issuers which do not have at least one policy that covers some of the UN Global Compact (UNGC) principles or the OECD Guidelines for Multinational Enterprises (e.g., human rights, labour law due diligence or anti-bribery policy), and which have neither a monitoring system for compliance with that policy nor a complaints handling mechanism, calculated based on the sub-portfolio of corporate investments.	**Actions taken and planned, and targets set for the next reference period** See indicator 10.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9.69	%	24%	This indicator measures the weighted average difference in gross hourly earnings between men and women in the portfolio	**Actions taken and planned, and targets set for the next reference period** The Company has not taken or planned any actions for this indicator, but it expects that applying the UNGC

						investments, expressed as a percentage of male gross earnings.	principles and the OECD Guidelines for Multinational Enterprises to the investment process will have an indirect positive impact on the average unadjusted gender pay gap in investee companies.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	36.74	%	77%	The indicator shows the weighted average share of women on the boards of directors in investee companies relative to the total number of board members.	**Actions taken and planned, and targets set for the next reference period** The Company has not taken or planned any actions for this indicator, but it expects that applying the UNGC principles and the OECD Guidelines for Multinational Enterprises to the investment process will have an indirect positive impact on the average board gender diversity in investee companies.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.07	%	91%	The indicator shows the percentage of the portfolio's market value exposed to issuers involved in industries covering anti-personnel mines, cluster munitions and chemical or biological weapons. Connections to these industries include ownership, production and investment. However, connections to anti-personnel mines do not include products intended for security purposes.	**Actions taken** The controversial weapons manufacturing industry is on the list of excluded industries defined in the Sustainability Investment Policy and refers to direct exposure to controversial weapons manufacturers. **Actions planned and targets set for the next reference period** The Company will continue to monitor the portfolio in this regard and assess the need to exclude individual issuers from the investment portfolio on a case-by-case basis.

Table 3: Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact (2024)	Unit	Coverage (2024)	Explanation	Actions taken, actions planned and targets set for the next reference period
Environmental	**15. GHG intensity**	GHG intensity of investee countries	336.95	tCO_2e per million EUR of GDP	75%	The indicator shows the portfolio's weighted average in relation to the GHG emissions intensity of sovereign issuers (in tonnes of CO_2e per million EUR of GDP).	**Actions taken and planned, and targets set for the next reference period** See indicators 1–6.
Social	**16. Investee countries subject to social violations**	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	2.00	absolute number	75%	The indicator reflects the number of individual sovereign issuers in the portfolio that are subject to import and export restrictive measures (sanctions) imposed by the European External Action Service (EEAS).	**Actions taken and planned, and targets set for the next reference period** In the future, the Company will continue to monitor the investment portfolio in this regard and assess the need to exclude individual issuers from the investment portfolio on a case-by-case basis.
			6.67%	relative number			

Table 4: Indicators applicable to investments in real estate assets

Adverse sustainability impact		Metric	Impact (2024)	Unit	Coverage (2024)	Explanation	Actions taken, actions planned and targets set for the next reference period
Fossil fuels	**17. Exposure to fossil fuels through real estate assets**	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	1.00	%	64%	The indicator shows the share of investments in real estate and infrastructure funds involved in the extraction, storage, transport or manufacture of fossil fuels.	**Actions taken** In terms of infrastructure investments, real estate funds and other alternative investments, the Company takes sustainability criteria into account, as non-compliance with the ESG guidelines (generally) constitutes an exclusion criterion when deciding on investments in funds and direct projects. Currently, the investments of the Company's portfolio in the form of alternative funds comply with at least one industry sustainability standard (UNPRI – United Nations Principles of Responsible Investments, GRESB – Global Real Estate Sustainability Benchmark, TCFD – Task Force on Climate-related Financial Disclosures). **Actions planned** The Company will continue to consider sustainability criteria when making such investments. The aim for the next reference period is to gather as much information as possible on this impact.
Energy efficiency	**18. Exposure to energy-inefficient real estate assets**	Share of investments in energy-inefficient real estate assets	63.00	%	68%	The indicator shows the exposure to energy-inefficient real estate assets for own property and real estate and infrastructure funds.	**Actions taken and planned** The Company obtained and calculated data for its investment properties and certain real estate funds. In the next reference period, the Company will try to obtain data for even more real estate funds, thus improving the data coverage.

Table 5: Additional indicators applicable to investments in investee companies

Adverse sustainability impact		Metric	Impact (2024)	Unit	Coverage (2024)	Explanation	Actions taken, actions planned and targets set for the next reference period
Environmental impacts (emissions)	**4. Investments in companies without carbon emission reduction initiatives**	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	33.72	%	84%	The indicator shows the percentage of the portfolio's market value exposed to issuers whose carbon emission reduction target is not aligned with the Paris Agreement.	**Actions taken and planned, and targets set for the next reference period** See indicators 1–6.
Respect for human rights	**14. Number of identified cases of severe human rights issues and incidents**	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.00	number	70%	The indicator shows the total number of serious and severe human rights controversies over the past three years per million EUR of investments in the portfolio. It is calculated as the weighted average number of serious and severe human rights controversies per company, divided by the most recently available enterprise value including cash (EVIC).	**Actions taken and planned, and targets set for the next reference period** The Company's target for future periods is to monitor the share of investments in companies where severe human rights issues and incidents occur, and to avoid increasing this share.

3 Description of policies for identifying and prioritising principal adverse impacts of investment decisions on sustainability factors

3.1 General guidelines for integrating the sustainability aspect into the investment process

On 22 June 2021, the parent company Sava Re adopted the Sustainability Investment Policy of the Sava Insurance Group (the "Policy"), which was presented to the management board of Sava Pokojninska Družba at its session held on 28 June 2021. The Company has incorporated the Policy's provisions into its internal regulations that define the investment management process and the management of investment risks. The Policy sets out the Sava Insurance Group's approach to the sustainability aspects of investments and the integration of sustainability risks into the investment process, and reflects how the Group implements sustainable investing and how this affects the principal adverse impacts of its investment decisions.

The Policy establishes a list of excluded sectors in which the Company, as part of the Group, does not invest. This enables the Company to directly influence the principal adverse impacts of investment decisions on sustainability factors. The Group is also a signatory to the UN Principles for Responsible Investment and follows the OECD Guidelines for Multinational Enterprises. It has joined the UN Global Compact, which promotes responsible business practices in the areas of human rights, labour, environment and anti-corruption, as well as the Partnership for Carbon Accounting Financials (PCAF). The Group has incorporated these initiatives and principles into the investment process, particularly through sector exclusions. The exclusion list includes sectors such as the adult entertainment industry, tobacco production, weapons industry, conventional oil and gas extraction, and similar.

The principal adverse impacts of investment decisions on sustainability factors are not directly taken into account in the investments of the "Moji Skladi Življenjskega Cikla" group of long-term business funds. Nevertheless, when making decisions and investments, the Company considers certain criteria that may have a negative impact on environmental, social and governance factors. In managing the group of long-term business funds, the Company does not invest in certain industries unless they comply with ESG criteria (i.e., sustainable investments). By doing so, it supports issuers of financial instruments in their efforts towards more sustainable operations or restructuring. The Company also monitors the share of sustainable investments in the investment portfolios of the group of long-term business funds and tracks the average ESG rating of each investment portfolio, for the part where data are available.

The Company monitors direct investments and attends general meetings where it believes it can exercise significant influence.

The Company has defined the goals related to the sustainability aspect of investment management in its Business Strategy for 2023–2027, which was adopted by the Company's management board and has been in force since 1 January 2023.

The Company supports investments in sustainable securities such as green, social or other sustainable bonds, as well as investment funds operating in accordance with Articles 8 or 9 of the SFDR, and investments in alternative funds that follow ESG principles.

The Company's management board monitors the implementation of the Policy and approves the Statement on Principal Adverse Impacts on Sustainability Factors before it is published on the Company's website.

3.2 Data sources

To prepare this PAI statement, the Company obtained information from both MSCI Inc. and its own data sources. MSCI Inc. applied a methodology for calculating PAI indicators that is based on the SFDR. The Company believes that MSCI Inc.'s data collection methodologies and processes for calculating supplier indicators are reliable and credible.

3.3 Methodology for measuring principal adverse impacts

In 2024, the Company started collecting data and setting up processes to calculate indicators of adverse impact on sustainability factors.

In this PAI statement, the Company used calculations for the reference period provided by MSCI Inc. In addition to the 18 mandatory PAI indicators as defined in the SFDR Delegated Regulation, the Company has also calculated two additional indicators, as set out in the Annex to the aforementioned Regulation, namely the climate and environment indicators in table 2 and the social indicator in table 3.

The indicators are calculated based on the average of the quarterly shares of investments in investee companies over the reference period from 1 January to 31 December 2024 and according to the latest available data from the external ESG data provider on the principal adverse impacts of investee companies. For investments in investment funds (mutual funds and exchange-traded funds – ETFs) and alternative funds (infrastructure funds, real estate funds and private debt funds), the Company implemented a look-through approach to ensure the impact was calculated for each investment in these funds. The look-through approach is applied to level 1 investments in the fund.

As the external ESG data provider, MSCI Inc. uses the following sources to collect company-reported data for calculating PAI indicators:

- direct company disclosures: sustainability reports, annual reports, regulatory reports and company websites,
- indirect company disclosures: data published by government agencies, industry and trade associations, and third-party financial providers,
- direct communication with companies.

Where company disclosures are not available, estimated metrics are provided (where possible) based on other MSCI Inc. datasets. These datasets are created using proprietary methodologies and draw on data from companies, market and industry peers, the media, non-governmental organisations (NGOs), multilateral institutions and other reputable sources. Before publication, MSCI Inc. assesses the data provided by issuers and performs quality controls.

4 Engagement policies

Engagement with investee companies can have a positive effect on investment results, society and the environment. The Company promotes responsible engagement with companies and countries with the aim of protecting the interests of its customers and achieving the goals and priorities of the Sustainability Investment Policy. Engagement can take the form of monitoring companies and countries, informal discussions or the formal exercise of voting rights.

The Group is a signatory to the UN Principles for Responsible Investment (UNPRI) and the UN Global Compact (UNGC).

5 References to international standards

5.1 UN Principles for Responsible Investment, UN Global Compact, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights

In 2021, Sava Re d.d., the parent company of Sava Pokojninska Družba, became a signatory to the United Nations Principles for Responsible Investment and the United Nations Global Compact principles and endorsed the OECD Guidelines for Multinational Enterprises. By signing the UN Global Compact, it undertook to abide by the United Nations Universal Declaration of Human Rights, the International Labour Organisation labour standards and the UN Guiding Principles on Business and Human Rights. The Group and the Company have accepted these commitments and aim to integrate them into their investment decisions on an ongoing basis. To this end, the principles have been incorporated into the Policy, which is applied throughout the investment process.

5.2 Paris Agreement and European Green Deal

The Company is increasingly focusing on sustainability risks. In the strategy period 2023–2027, the importance of sustainable development is increasing, so a Sustainable Development Strategy has been drawn up and adopted in collaboration with all Group companies. This strategy forms the basis for the Company's development in the area of sustainable business and also provides for the disclosure of alternative financial information on environmental, social and human resource matters, and matters relating to respect for human rights, anti-corruption and anti-bribery. The Group's Policy defines, among other things, the economic activities in which the Group does not invest. As part of climate change risk, both physical and transition risks are monitored. Under the insurers' business model, physical risks are those most clearly manifested in the increased risk of natural disasters and weather-related losses. The assessment of the materiality of the impact of climate change risk is published in the Solvency and Financial Condition Report of the Sava Insurance Group for 2024, namely in section C.6.3 "Sustainability risk and climate change risk".

The Company is pursuing the targets of the European Green Deal and the Paris Agreement. Compliance by all financial and non-financial market participants with the European Green Deal and the Paris Agreement is crucial for achieving this target.

6 Comparison with previous periods

As 2024 is the first year for which the Company has published data on the principal adverse impacts, it is not possible to make a comparison with previous periods at this stage.