

Sustainability-related Disclosure as at 30 June 2023

Statement on principal adverse impacts (section 3)

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 (Sustainable Finance Disclosure Regulation – SFDR) sets out harmonised rules for financial market participants on sustainability-related disclosures concerning financial products intended for end investors.

The Sava Insurance Group (the Group) consists of the parent company Sava Re d.d. and its subsidiary and associated companies. It follows from the SFDR that Sava Re d.d. does not meet the criteria for a “financial market participant” set out in Article 2(1) of SFDR, which means that the Company is not obliged to comply with the requirements set out in Article 4(3) of the Regulation.

Notwithstanding the above, certain Group companies meet the criteria of a financial market participant as set out in Article 2(1)(a) of SFDR. These companies are therefore required to publish on their websites information as to whether they consider the principal adverse impacts of investment decisions on sustainability factors, as required by Article 4(1)(a) and (b) of SFDR. These companies are Zavarovalnica Sava d.d., Sava Infond d.o.o., Sava Pokojninska Družba d.d. and Vita, Živiljenjska Zavarovalnica, d.d.

The Group has adopted the [Sustainability Investment Policy](#), which establishes sustainability guidelines for investment decisions in the investment management covering non-life insurance liabilities, traditional life insurance liabilities and the companies’ own funds. The policy is based on the principles of integrating environmental, social and governance (ESG) considerations into investment decision-making processes, and identifies industries that do not comply with sustainability and responsible guidelines and in which Group companies do not invest, thereby limiting the adverse impacts of investment decisions.

Investments in mutual funds covering life insurance liabilities where the investment risk is borne by the policyholders are not subject to the Sustainability Investment Policy. Group companies are unable to influence the investment policy of the mutual funds currently offered in unit-linked life insurance where the investment risk is borne by the policyholders.

In managing their investment portfolio, the Group companies, including the parent company Sava Re d.d., consistently adhere to and implement the Group’s Sustainability Investment Policy. The Group has also adopted the Sustainable Development Strategy of the Sava Insurance Group for 2023–2027, in which the most important strategic goals related to environmental factors include reducing the greenhouse gas emission intensity of the investment portfolios and increasing the share of sustainable (ESG) investments in the Group’s portfolios.

Notwithstanding the above, the Group companies do not directly consider the adverse impacts of investment decisions on sustainability factors as defined by SFDR. In this respect, Sava Infond d.o.o., Sava Pokojninska Družba d.d. and Vita, Živiljenjska Zavarovalnica, d.d., as financial market participants, will publish a statement of non-compliance with the principal adverse impacts of investment decisions on sustainability factors in accordance with Article 4(1)(b) and Article 12 of Commission Delegated Regulation (EU) 2022/1288. The consideration of the principal adverse impacts in the investment process will be mainly influenced by the coverage and quality of data, which depend on sustainability-related disclosures made by participants in both the financial and non-financial sectors, as well as by the increasing visibility of good practices in the market.

Zavarovalnica Sava d.d. complies with Article 4(3) of SFDR, which requires companies with an average number of employees over 500 to publish and maintain on their website a statement of their due diligence policies with respect to the principal adverse impacts of investment decisions on sustainability factors (PAI statement). In accordance with Article 4 of Commission Delegated

Regulation (EU) 2022/1288, Zavarovalnica Sava is required to prepare and publish this statement on its website by 30 June 2023 at the latest.