

Statement on principal adverse impacts of investment decisions on sustainability factors

Reference period: 1 January 2023 to 31 December 2023

Issue Date: 30/6/2024

Financial market participant: [\[EUROBANK CYPRUS LTD, LEI: 5493004KSNE4U7L8714\]](#)

This disclosure relates to the consideration the Principal Adverse Impacts (known as **PAIs**) on sustainability factors, for **Wealth Management Division of Eurobank Cyprus Ltd**, when acting as Financial Market Participant (**FMP**) and it should be read in conjunction with the document “**Principal Adverse Impacts (PAIs) Framework for Investment Services**” available on Bank’s website section “*Investment Services – Regulatory Information & Disclosures*” under the subject “ESG Investment – Sustainability in Investment Services” at <https://www.eurobank.com.cy/en-us/laws-regulations/mifid>

Summary

EUROBANK CYPRUS LTD, LEI: 5493004KSNE4U7L8714 considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the statement on principal adverse impacts on sustainability factors of **Wealth Management division of EUROBANK CYPRUS LTD**, when acting as FMP (for discretionary portfolio management service), for which the investment management tasks are outsourced to **Eurobank Asset Management M.F.M.C.**

This statement on principal adverse impacts on sustainability factors covers the **reference period from ‘1 January 2023 to 31 December 2023’** [year n].

Description of the principal adverse impacts on sustainability factors - Table 1:

Indicators applicable to investments in investee companies			
Adverse Sustainability Indicator	Metric	Impact Year 2023 [year n]	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Greenhouse gas emissions	1. GHG Emissions	Scope 1 GHG emissions (tCO ₂ eq)	1.330,49
		Scope 2 GHG emissions (tCO ₂ eq)	325,25
		Scope 3 GHG emissions (tCO ₂ eq)	12.394,19
		Total Scope 1 + 2 GHG emissions (tCO ₂ eq)	1.656,25
		Total Scope 1 + 2 + 3 GHG emissions (tCO ₂ eq)	14.041,04
		Coverage	42,50%
	2. Carbon Footprint	Total Scope 1 + 2 (tCO ₂ eq/EURm)	88,90937295
		Total Scope 1 + 2 + 3 (tCO ₂ eq/EURm)	536,6370413
		Coverage	42,50%
	3. GHG Intensity of Investee Companies	Total Scope 1 + 2 (tCO ₂ eq/EURm)	91,62335975
		Total Scope 1 + 2 + 3 (tCO ₂ eq/EURm)	726,9819292
		Coverage	46,94%
	4. Exposure to companies active in the fossil fuel sector	Share of investments in investee companies active in the fossil fuel sector (% involved)	5,14%
		Coverage	69,41%
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption (% involved)	51,03%
		Share of non-renewable energy production (% involved)	32,12%
		Coverage	26,70%
	6. Energy consumption intensity per high impact climate sector	Agriculture, Forestry & Fishing (GWh/EURm)	-
		Construction (GWh/EURm)	-
		Electricity, Gas, Steam and Air Conditioning Supply (GWh/EURm)	-
		Manufacturing (GWh/EURm)	-
		Mining & Quarrying (GWh/EURm)	-
		Real Estate Activities (GWh/EURm)	-
		Transportation & Storage (GWh/EURm)	-
Water Supply, Sewerage, Waste-Management & Remediation (GWh/EURm)		-	
Wholesale & Retail Trade & Repair of Motor, Vehicles & Motorcycles (GWh/EURm)		-	
Coverage		-	

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 (%)	3,14%
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/EURm)	0,000285716
Waste	9. Hazardous waste and radioactive ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1,343477301
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 Organisation for Economic Cooperation and Development (OECD)	Share of investments in investee companies that have been involved in violations of the UNGC Guidelines for Multinational Enterprises (%)	0,46%
	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 (%)	50,87%
	12. Unadjusted pay gap	Average unadjusted pay gap of investee companies (%)	20,49%
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (%)	33,21%
	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 (%) Coverage	0,00% 69,42%
Indicators applicable to investments in sovereigns and supranationals			
Environmental	15. GHG intensity	GHG intensity of investee countries (KtonCO ₂ eq/EURm)	-
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	-
Indicators applicable to investments in real estate assets			
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	-
Energy efficiency	18. Exposure to energy-inefficient real estate	Share of investments in energy-inefficient real estate assets	-

Notes:

1. Eurobank Asset Management M.F.M.C. taking into account the size of the firm, the scale of its activities and the types of products and investment strategies it manages, considers that complying with the regime of Principal Adverse Impacts of investment decisions on sustainability factors according to the Sustainable Finance Disclosure Regulation (SFDR, EU 2019/2088, PAI regime) would be disproportionate.
2. As per 31 December 2023 the percentage of assets under management that promoted Environmental / Social characteristics but did not make any sustainable investments accounted for the 3.6% of the total assets under management of Eurobank Asset Management M.F.M.C.
3. Many issuers and third-party market data providers are at present not able to provide the complete data set for the mandatory indicators, making it challenging to fully comply with the reporting requirements of the PAI regime. Further, the regulatory framework for sustainable finance is still evolving, which can create uncertainty and pose additional challenges.
4. Eurobank Asset Management M.F.M.C. will keep its decision not to comply with the PAI regime under regular review and will formally re-evaluate the decision at least annually.
5. Eurobank Asset Management M.F.M.C. has prepared, gathered and computed for the eligible assets under management the presented data via reliable third parties. More specifically for direct investments in equity or debt instruments of individual companies or countries Eurobank Asset Management M.F.M.C is using Sustainalytics as a source of PAI data while for investments in other funds (target funds listed or non-listed) Eurobank Asset Management M.F.M.C relies on aggregate target fund-level PAI data provided by Morningstar Direct.