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CNP Assurances

Policy on the integration of sustainability risks in insurance advisory

Pursuant to Article 3 of 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



V1 - 10 March 2021

1 - INTRODUCTION

1.1. Background

In 2018, as part of its action plan for a greener and cleaner economy, the European Commission published three recommendations targeting the financial sector:

- Reorient capital flows towards sustainable investments to achieve sustainable and inclusive growth
- Manage the financial risks caused by climate change, the depletion of resources, environmental degradation and social issues
- Foster transparency and a long-term vision in economic and financial activities

In response to these recommendations, the European authorities began to develop a regulatory framework for the financial sector, which led to the adoption of 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. This Regulation lays down harmonised rules for transparency regarding the integration of sustainability risks and the recognition of the adverse impacts of investment decisions and insurance advice on sustainability, as well as the provision of sustainability information on financial products.

Acknowledging that companies are responsible for addressing environmental and social change, the network of AMETIS advisors, who are employees of CNP Assurances (hereinafter referred to as "AMETIS advisors"), takes action in line with CNP Assurances' corporate social responsibility (CSR) policy, which is described in the CSR Report available on the website www.cnp.fr.

1.2. Purpose of the policy

CNP Assurances, through the AMETIS advisors, is subject to 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. This policy outlines how AMETIS advisors integrate sustainability risks – also known as environmental, social and governance (ESG) risks – into their insurance advice.

1.3. Scope of the policy

This policy applies to all AMETIS advisors. It governs how sustainability risks are taken into consideration in the insurance advisory services provided to clients.

2 - DEFINITIONS AND PRINCIPLES REGARDING THE INTEGRATION OF SUSTAINABILITY RISKS IN INSURANCE ADVISORY SERVICES

2.1. Definitions

Sustainability risk: An environmental, social or governance (ESG) event or situation which, if it occurs, could have an actual or potential material adverse impact on the value of an investment

Adverse impacts on sustainability: The adverse impact of an investment decision on a sustainability factor, i.e. an environmental, social or governance (ESG) issue

SRI (socially responsible investment): Socially responsible investments aim to reconcile economic performance with social and environmental impact by financing companies that contribute to sustainable development in all sectors of activity.

Investment vehicle promoting environmental or social characteristics within the meaning of Regulation (EU) 2019/2088: An investment product that, among other things, promotes environmental or social characteristics, or a combination of these characteristics, provided that the companies in which the investments are made follow good governance practices (sound management, employee relations, and compliance with tax obligations).

Investment vehicle with a sustainable investment objective within the meaning of Regulation (EU) 2019/2088: A product investing in economic activities that contribute to an environmental objective, and/or a social objective, and/or in human capital and/or economically or socially disadvantaged communities, provided that these investments do not cause significant harm to one of these objectives and the companies in which investments are made follow good governance practices (sound management, employee relations and compliance with tax obligations).

2.2. Description of how sustainability risks are integrated in insurance advisory

AMETIS advisors do not provide personalised recommendations and therefore do not provide a periodic assessment of the suitability of a contract to the client's requirements and needs. However, the advice provided aims to offer a contract that is consistent with the client's needs and requirements as identified during the meeting with the client and in line with their investor profile. In accordance with the client's risk profile, the contracts proposed by AMETIS advisors are exposed to different sustainability risks (see definition above) through the investment vehicles they offer, regardless of the management method chosen.

- Since January 2019, in anticipation of the requirements of the French PACTE law¹, the multi-vehicle contracts offered by AMETIS advisors include at least one unit-linked product that has obtained the SRI label created and supported by the French Ministry of Finance. This SRI label, which is awarded following a strict certification process by independent bodies, is a benchmark for clients wishing to contribute to a more sustainable economy. To obtain the SRI label, an investment fund must comply with a series of criteria set out by ministerial order
- From March 2021, some of the vehicles proposed may promote environmental or social characteristics, while others may have a sustainable investment objective (see definitions above).

¹ French law No. 2019-486 of 22 May 2019 on business growth and transformation.

Clients are advised to refer to the information available in the information notice or the general terms and conditions of the contract and the pre-contractual information document, in particular the prospectus, of each investment vehicle in order to identify:

- How sustainability risks are integrated into the vehicle's investment decisions
- The likely impact of sustainability risks on the vehicle's performance

Additional information is also available in the pre-contractual information document, particularly the prospectus, of each investment vehicle:

- For an investment vehicle that promotes environmental or social characteristics within the meaning of Regulation (EU) 2019/2088, the pre-contractual information document indicates in particular:
 - How the vehicle's environmental or social characteristics are respected
 - If a benchmark is designated, how it is suited to the investment vehicle's environmental or social characteristics and where to find the methodology used to calculate the benchmark, where applicable
- For an investment vehicle with a sustainable investment objective within the meaning of Regulation (EU) 2019/2088, the pre-contractual information document indicates in particular:
 - How the vehicle's sustainable investment objective is to be achieved
 - If a benchmark is designated, in particular an EU "climate transition" or "Paris-aligned" benchmark within the meaning of Regulation (EU) 2019/2089, how this benchmark is aligned with the investment vehicle's sustainable investment objective, why and how it differs from a broad market benchmark and where to find the methodology used to calculate the benchmark, where applicable

Links to pre-contractual information documents that include available information on the integration of sustainability risks are available on the website <https://dic.cnp.fr>. The policy describing how CNP Assurances integrates sustainability risks in its investment decisions is also available on this website.

Although CNP Assurances' strategy for integrating sustainability risks into its investment decisions aims to reduce these risks, CNP Assurances draws its policyholders' attention to the fact that the investment portfolio nevertheless remains exposed to sustainability risks. Regardless of the investment vehicle chosen, ESG events or situations may arise and have an actual or potential material adverse impact on the value of investments.

3 - POLICY REVIEW

This policy will be reviewed in the event of regulatory changes and/or if the insurance advisory system implemented by the AMETIS network changes significantly.

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