NO CONSIDERATION OF ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS’

In this statement, Artea Life Insurance UAB (hereinafter – the Company) provides sustainability-related disclosures in accordance with Article 4(1)(b) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “Regulation”), stating that, at entity level, it does not consider the principal adverse impacts (PAI) of its investment decisions on sustainability factors.

I. Decision not to consider principal adverse impacts (PAI) at entity level

The Company does not consider the principal adverse impacts of its investment decisions on sustainability factors at entity level (the “Decision”). The Decision has been adopted taking into account the following:

- Based on the structure of the products offered by the Company, the majority of investment directions do not have sustainable investment as their objective (and fall within the scope of Article 6 of the Regulation);
- The Company offers only one investment direction with a sustainable investment objective. Taking into account clients’ preferences when selecting investment directions, there are currently no plans to expand the range of such products/directions;
- There are challenges relating to the availability, consistency and reliability of data on PAI indicator;
- Disproportionate costs are incurred in relation to the comprehensive collection and disclosure of PAI indicators across the entire portfolio.

The Company regularly reviews the Decision and will update it accordingly in the event of a change in circumstances (e.g. an increase in the supply of sustainable products).

II. Exception – application at product level

Notwithstanding the fact that PAI are not considered at entity level, the Company considers principal adverse impact indicators at the level of specific financial products where required under the Regulation. At present, principal adverse impacts on sustainability factors are taken into account in investment decision-making in relation to the assets of the Global Sustainable Equity investment direction. More detailed information is provided in the sustainability-related disclosures for this investment direction.

III. Integration of sustainability risks

The non-consideration of principal adverse impacts at entity level does not mean that the Company does not assess sustainability-related aspects in its investment process. Independently of the requirements under Article 4 of the Regulation, the Company:

- Integrates sustainability risks into investment decision-making in accordance with Article 3 of the Regulation;
- Applies a Responsible Investment and Sustainability Risk Integration Policy, which includes the analysis of environmental, social and governance (ESG) factors, negative screening, monitoring and engagement;
- Seeks to identify ESG risks that may have a material adverse impact on the value of investments.

These processes are aimed at risk management and the protection of investment value, rather than the systematic assessment and reporting of PAI indicators in accordance with Article 4 of the Regulation.

IV. Engagement and voting policy

The Company has adopted and applies an Engagement and Voting Policy, which sets out the principles and guidelines for exercising voting rights and other rights attached to financial instruments (shareholder rights) in the governance of investee companies. The Company takes the view that environmental, social and governance (ESG) factors have a material impact on companies’ performance over the long term; therefore, engagement and voting at shareholders’ meetings are considered meaningful tools to promote the implementation of ESG principles.

V. Transparency of the remuneration policy in relation to sustainability risks

The Company applies a Remuneration Policy that ensures that remuneration-setting and adjustment practices for employees are consistent with, and contribute to, sound and effective risk management, including sustainability risks. The Company’s prudent and appropriate remuneration framework ensures that employees are not incentivised to take excessive or inappropriate risks. Accordingly, when incentivising employees, the Company takes into account the full spectrum of risks, including ESG-related risks.

Bonuses granted to the Company’s employees depend on the achievement of specific and technical objectives assigned to the individual employee. When setting objectives, the Company does not encourage the taking of excessive sustainability-related risks or risks that could exceed the Company’s risk tolerance. The bonus pool does not limit the Company’s ability to strengthen its capital base. The Remuneration Policy is published on the Company’s website at www.artea.lt.

VI. Other sustainability-related disclosures

When investing assets of the Company’s unit-linked life insurance products, the criteria for environmentally sustainable economic activities under the EU Taxonomy are not taken into account, with the exception of the *Global Sustainable Equity* investment direction.

More detailed information on the integration of ESG risks into the investment decision-making process, as well as other aspects of the assessment of ESG factors, is provided in the Company’s Responsible Investment and Sustainability Risk Integration Policy, the rules of the specific investment directions and other sustainability-related disclosure documents. These documents are published on the Company’s website: https://www.artea.lt/draudimo-tvarumo-informacija.

Document version

Version	Changes	Data
Nr. 1	Published under Regulatory Technical Standards. This information was previously published by the Company in its sustainability strategy document.	2023-12-01
Nr. 2	Reasons for not taking into account the negative impact of investment decisions on sustainability factors are clarified.	2024-11-05
Nr. 3	Refined explanation of the reasons for not considering the principal adverse impacts of investment decisions on sustainability factors. Exceptions at product level have been identified. Aspects of sustainability risk management have been distinguished from the consideration of PAI at the entity level.	2026-06-01