

# 2024 Statement of the Principal Adverse Sustainability Impacts

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## 1. Summary

**Principal adverse impacts (PAI)** are impacts of investment decisions, which have an adverse impact on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**KB Penzijní společnost, a.s., LEI 5493003FZL2TOZBAVZ42 (hereinafter referred to as “KBPS”)**, considers the principal adverse impacts of its investment decisions on sustainability factors. This statement is a consolidated statement of the principal adverse impacts on the sustainability factors of KBPS.

KBPS uses **Amundi Czech Republic, investiční společnost, a.s.** (hereinafter referred to as “Amundi”) to manage its funds. The funds are managed in accordance with the Amundi corporate policy applicable to responsible investment and in accordance with its internal and external models.

This statement of principal adverse impacts on sustainability factors applies to the reference period **from 1 January to 31 December 2024**. It is disclosed in compliance with Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (hereinafter referred to as “SFDR”) as well as in compliance with Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of “do no significant harm”, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports (hereinafter referred to as “RTS”).

Popis hlavních nepříznivých dopadů, které KBPS zvažuje, je uveden v následující tabulce:

Applies to	Subject	PAI indicator	Number
Investment company	Greenhouse gas emissions	Greenhouse gas emissions	1
		Carbon footprint	2
		Intensity of greenhouse gas emissions of investee companies	3
		Exposure to companies active in the fossil fuel sector	4
		Share of consumption and production of non-renewable energy	5
		Energy consumption intensity on high impact climate sector	6
	Biodiversity	Activities adversely affecting areas sensitive to biodiversity.	7
	Water	Emissions to water.	8
	Waste	Ratio of hazardous and radioactive waste.	9
	Emissions	Further PAI: Investing in companies without carbon emission reduction initiatives.	
	Social and employee matters	Violations of UN Global Compact Initiative principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.	10
		Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.	11
		Unadjusted gender pay gap.	12
		Board gender diversity.	13
		Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).	14
Sovereign and multinational enterprises	Human rights	Further PAI: Missing human rights policy.	
Real estate	Environmental	Greenhouse gas intensity.	15
	Social	Countries with social unrest.	16
	Fossil fuels	Exposure to fossil fuels through real estate	17
	Energy efficiency	Exposure to energy inefficient real estate.	18
	Energy consumption	Further PAI: Energy consumption intensity.	

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

KBPS presents the 2024 version of the Principal Adverse Impact Statement (PAI), which marks the third year of this publication. We continued to improve our PAI metrics by exchanging data with providers and improving our methodologies to ensure that the results will reflect our activities as best as possible.

Direct comparisons to similar entities are currently of limited relevance due to emerging state of regulatory guidance and data maturity. Methodologies may differ significantly between individual asset managers. Calculations at various data providers have not yet been harmonised. For example, in the scope 3 emissions calculation we observed 30% dispersion in absolute emissions between two major data providers, which directly affects PAI 1, 2 and 3. Thus, the comparison of PAI metrics between asset managers may result in wrong conclusions.

In the context of evolving methodologies, non-harmonised data and the significant influence of calculation assumptions on the data obtained, KBPS seeks to ensure transparency of its calculations for better understanding.

### 2.1 UKAZATELE VZTAHUJÍCÍ SE NA SPOLEČNOSTI, DO NICHŽ BYLO INVESTOVÁNO

Adverse sustainability impact indicator		Metrics	Impact [2024]	Impact [2023]	Explanation	Actions taken, actions planned and target set for the next reference period (for further information, see point b)).
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS						
Greenhouse gas emissions	1. Greenhouse gas emissions	Greenhouse gas emissions scope 1 – tCO <sub>2</sub> equivalent <sup>1</sup>	1,080.3	1,218.7	We calculate the total carbon footprint of the relevant portfolio by combining the carbon emissions of companies in the portfolio, which includes scope 1, scope 2 and scope 3 emissions, and their weighting based on the value of the investment in each company and value of the company's enterprise including cash (EVIC) in EUR. The PAI indicator uses the "all investment" approach, which means that the denominator is determined by considering all investments. The portfolio weights are adjusted to account for incomplete data coverage.	<b>Commitment:</b> part of the commitment of KBPS aimed at the transition to a low-carbon economy. <b>Voting:</b> requirement for criteria associated with the energy transformation in the pay of executives in sectors with a significant impact on the climate, use of voting rights as an escalation in the case of significant adverse impacts. <b>ESG score integration:</b> included in the environmental pillar of Amundi's own ESG model, which is also used by KBPS.
		Greenhouse gas emissions scope 2 – tCO <sub>2</sub> equivalent <sup>2</sup>	386.5	426.5	We calculate the total carbon footprint of the relevant portfolio by combining the carbon emissions of companies in the portfolio, which includes scope 1, scope 2 and scope 3 emissions, and their weighting based on the value of the investment in each company and value of the company's enterprise including cash (EVIC) in EUR. The PAI indicator uses the "all investment" approach, which means that the denominator is determined by considering all investments. The portfolio weights are adjusted to account for incomplete data coverage.	

<sup>1</sup> Source of greenhouse gas emissions: Trucost – reported and proxy data. Selection of data providers (and their estimating models) has a significant effect on the calculation of the carbon footprint and intensity.

<sup>2</sup> Source of greenhouse gas emissions: Trucost – reported and proxy data. Selection of data providers (and their estimating models) has a significant effect on the calculation of the carbon footprint and intensity.

Adverse sustainability impact indicator		Metrics	Impact [2024]	Impact [2023]	Explanation	Actions taken, actions planned and target set for the next reference period (for further information, see point b)).
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS						
Greenhouse gas emissions	1. Greenhouse gas emissions	Greenhouse gas emissions scope 3 – tCO <sub>2</sub> equivalent <sup>3</sup>	560.0	735.9	We calculate the total carbon footprint of the relevant portfolio by combining the carbon emissions of companies in the portfolio, which includes scope 1, scope 2 and scope 3 emissions, and their weighting based on the value of the investment in each company and value of the company's enterprise including cash (EVIC) in EUR. The PAI indicator uses the “all investment” approach, which means that the denominator is determined by considering all investments. The portfolio weights are adjusted to account for incomplete data coverage.	
		Total greenhouse gas emissions – tCO <sub>2</sub> equivalent <sup>4</sup>	2,026.9	2,381.1	We calculate the total carbon footprint of the relevant portfolio by combining the carbon emissions of companies in the portfolio, which includes scope 1, scope 2 and scope 3 emissions, and their weighting based on the value of the investment in each company and value of the company's enterprise including cash (EVIC) in EUR. The PAI indicator uses the “all investment” approach, which means that the denominator is determined by considering all investments. The portfolio weights are adjusted to account for incomplete data coverage. The change in the PAI indicator is mainly driven by changes in assets under management (AuM). Therefore, it is important to consider both absolute emissions and the portfolio's carbon footprint when interpreting changes in PAI. Due to significant methodological changes, this year data and the previous year data are not fully comparable.	
	2. Carbon footprint	Carbon footprint – tCO <sub>2</sub> equivalent /€m invested <sup>5</sup>	8.5	8.4	We calculate the total carbon footprint associated with 1 million EUR invested in the portfolio by combining the carbon emissions of companies from the portfolio, which includes Scope 1, Scope 2 and Scope 3 emissions, and their weighting based on the value of the investment in each company and the company's enterprise value (EVIC) in EUR for displaying emissions associated with 1 million EUR invested in the portfolio. The PAI indicator uses the “all investment” approach, i.e. is determined by weighting all investments. The portfolio weights are adjusted to account for incomplete data coverage. Although Amundi has not changed its methodology or ESG data providers, there may be variations due to data providers' calculations or portfolio changes.	<b>Commitment:</b> part of the commitment of KBPS aimed at the transition to a low-carbon economy. <b>Voting:</b> requirement for criteria associated with the energy transformation in the pay of executives in sectors with a significant impact on the climate, use of voting rights as an escalation in the case of significant adverse impacts. <b>ESG score integration:</b> included in the environmental pillar of Amundi's own ESG model, which is also used by KBPS.

<sup>3</sup> Source of greenhouse gas emissions: Trucost – Selection of data providers (and their estimating models) has a significant effect on the calculation of the carbon footprint and intensity.

<sup>4</sup> Source of greenhouse gas emissions: Trucost – Selection of data providers (and their estimating models) has a significant effect on the calculation of the carbon footprint and intensity.

<sup>5</sup> Source of greenhouse gas emissions: Trucost – Selection of data providers (and their estimating models) has a significant effect on the calculation of the carbon footprint and intensity.

Adverse sustainability impact indicator		Metrics	Impact [2024]	Impact [2023]	Explanation	Actions taken, actions planned and target set for the next reference period (for further information, see point b)).
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS						
Greenhouse gas emissions	3. Greenhouse gas intensity of investee companies	Greenhouse gas intensity of investee companies – tCO <sub>2</sub> equivalent /€m income <sup>6</sup>	32.6	17.2	We calculate the intensity of the greenhouse gases (GHG) of the given portfolio by calculating the weighted average of the intensity of the total greenhouse gas emissions per 1 million EUR of the company's income in the portfolio (t/EUR mil. Sales). The PAI indicator uses the “all investment” approach, which means that the denominator is determined by considering all investments. The portfolio weights are adjusted to account for incomplete data coverage. Although Amundi has not changed its methodology or ESG data providers, there may be variations due to data providers' calculations or portfolio changes.	<b>Commitment:</b> part of the commitment of KBPS aimed at the transition to a low-carbon economy. <b>Voting:</b> requirement for criteria associated with the energy transformation in the pay of executives in sectors with a significant impact on the climate, use of voting rights as an escalation in the case of significant adverse impacts. <b>ESG score integration:</b> included in the environmental pillar of Amundi's own ESG model, which is also used by KBPS.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector – %.	0.5	4.2	We calculate exposure to companies active in fossil fuel sectors in the given portfolio by adding together the weights of companies in the portfolio, which have active exposure in fossil fuel sectors or have links to industry associated, for example, with coal, oil or natural gas. The PAI indicator uses the “all investment” approach, which means that the denominator is determined by considering all investments. The portfolio weights are adjusted to account for incomplete data coverage. Issuers for which data was not available were assigned a value of 0 for this indicator. Although Amundi has not changed its methodology or ESG data providers, there may be variations due to data providers' calculations or portfolio changes.	<b>Commitment:</b> part of the commitment of KBPS aimed at the transition to a low-carbon economy. <b>Voting:</b> requirement for criteria associated with the energy transformation in the pay of executives in sectors with a significant impact on the climate, use of voting rights as an escalation in the case of significant adverse impacts. <b>Exclusion policy:</b> part of Amundi's exclusion policy dealing with coal and unconventional hydrocarbons, which KBPS also accepted along with the adoption of the policy.

<sup>6</sup> Source of greenhouse gas emissions: Trucost – reported and proxy data. Selection of data providers (and their estimating models) has a significant effect on the calculation of the carbon footprint and intensity.

Adverse sustainability impact indicator		Metrics		Impact [2024]	Impact [2023]	Explanation	Actions taken, actions planned and target set for the next reference period (for further information, see point b)).
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS							
Green-house gas emis-sions	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage share of total energy sources – %	Non-renewable energy consumption	45.1	70.5	We rate the share of the portfolio invested in the sector of energy consumption from non-renewable sources by calculating the weighted percentage average of this consumption in companies in the portfolio. The PAI indicator uses the “relevant” approach, which means that the denominator is determined by considering the relevant portfolio. The portfolio weights are adjusted to account for incomplete data coverage.	<b>Commitment:</b> part of the commitment of KBPS aimed at the transition to a low-carbon economy. <b>ESG score integration:</b> included in the environmental pillar of Amundi’s own ESG model, which is also used by KBPS.
			Non-renewable energy production	6.9	18.6	We rate the share of the portfolio invested in the sector of energy produced from non-renewable sources by calculating the weighted percentage average from non-renewable sources in companies in the portfolio. The PAI indicator uses the “relevant” approach, which means that the denominator is determined by considering the relevant portfolio. The portfolio weights are adjusted to account for incomplete data coverage. For 2024, data provider has updated the methodology for estimating the share of non-renewable energy consumption and production. To address limited data availability, estimated values are now provided for this indicator, facilitating the calculation of quantitative metrics. Introduction of estimation models may cause year/year fluctuations in figures. Due to changes in methodology, data from this and previous years may not be directly comparable.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption per GWh per million EUR of revenue of investee companies, per high impact climate sector – GWh/€m revenue	NACE A <sup>7</sup>	1.4	0.0	We rate the portfolio’s rate energy efficiency by calculating the weighted average of energy consumption intensity (measured in GWh per million EUR of sales) in companies active in high impact climate sectors (NACE codes A, B, C, D, E, F, G, H, and L) in the relevant portfolio. The NACE group code used for each investee company is based on the activity with the highest reported or estimated revenue in the most recent year. The PAI indicator uses a “relevant” approach, meaning that the denominator is determined by relevant portfolio. For 2024, data provider has updated the methodology for estimating energy intensity in sectors with a high climate impact. Estimated values are now used for this indicator to overcome data limitations and allow for better quantitative estimates. Changes leads to differences in figures with the previous year. Due to changes in methodology, data from this and previous years may not be directly comparable.	<b>Commitment:</b> part of the commitment of KBPS aimed at the transition to a low-carbon economy. <b>ESG score integration:</b> included in the environmental pillar of Amundi’s own ESG model, which is also used by KBPS.
			NACE B	0.2	0.1		
			NACE C	0.0	0.1		
			NACE D	0.5	1.1		
			NACE E	0.1	0.2		
			NACE F	0.0	0.0		
			NACE G	0.0	0.0		
			NACE H	0.3	0.1		
			NACE L	0.2	0.1		

<sup>7</sup> You can find further information in the documentation of [NACE codes](#) of the European Commission.

Adverse sustainability impact indicator		Metrics	Impact [2024]	Impact [2023]	Explanation	Actions taken, actions planned and target set for the next reference period (for further information, see point b)).
<b>CLIMATE AND OTHER ENVIRONMENTAL INDICATORS</b>						
<b>Biodiversity</b>	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas - %	1.3	0.0	We rate exposure and the potential risk to biodiversity and the environment by the sum of the weights of the companies in the portfolio, which have client operations located in areas sensitive to biodiversity and are embroiled in controversies with a serious impact on climate. The PAI indicator uses a "relevant" approach, i.e. the denominator is determined by relevant portfolio. The portfolio weights are adjusted to account for incomplete data coverage. For 2024, data provider revised the methodology for identifying activities affecting biodiversity sensitive areas, significantly increasing the number of issuers identified. Due to significant changes in the methodology, data from this and prev. years are not comparable.	<b>Commitment:</b> part of the commitment of KBPS aimed at the protection of natural capital. <b>Voting:</b> use of voting rights as an escalation in the case of significant adverse impacts. <b>Controversy screening:</b> screening among a large number of issuers with respect to biodiversity and land use. <b>ESG score integration:</b> included in the environmental pillar of Amundi's own ESG model, which is also used by KBPS.
<b>Water</b>	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average – t/€m invested	0.0	0.0	We rate "emissions to water" associated with investment of 1 million EUR in the portfolio by the sum of the emissions of companies (measured in tonnes) in the portfolio and their weighted value of the investment in each company at the final value of the company including cash (EVIC). The PAI indicator uses an "all investments" approach, meaning that the denominator is determined by taking all investments into account. The portfolio weights take into account missing data. If limited indicator availability data is not extrapolated in the event of missing data. Issuers for which data was not available are given a value of 0 for this indicator. Although Amundi has not changed its methodology or ESG data providers, there may be variations due to data provider calculations or portfolio changes. As this indicator is calculated only for selected issuers in specific sectors, data coverage is not indicative for this PAI indicator.	<b>Commitment:</b> part of the commitment of KBPS aimed at the protection of natural capital. <b>Controversy screening:</b> screening among a large number of issuers with respect to biodiversity and waste attributes. <b>ESG score integration:</b> included in the environmental pillar of Amundi's own ESG model, which is also used by KBPS.
<b>Waste</b>	9. Hazardous waste and ratio of radioactive waste	Tonnes of hazardous and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average – t/€m invested	0.1	0.2	We rate the share of hazardous waste associated with 1 mil. EUR invested in the given portfolio by the sum of hazardous waste (measured in tonnes) of companies in the portfolio and their weighted value of the investment in each company at the final available values of the company including cash (EVIC). The portfolio weights take into account missing data. If is limited availability of indicators, data is not extrapolated in the case of missing data. Issuers for whom data was not available are given a value of 0 in the indicator. For 2024, data provider updated the methodology for estimating the hazardous waste ratio. Estimated values have been introduced for this indicator since March 2024 to address data gaps, which has greatly increased the coverage of issuers. This may lead to year-on-year variations in the figures. Due to significant changes in methodology, data from this and previous years are not comparable.	<b>Commitment:</b> part of the commitment of KBPS aimed at the protection of natural capital. <b>Controversy screening:</b> screening among a large number of issuers with respect to toxic emissions, waste waters and waste attributes. <b>ESG score integration:</b> included in the environmental pillar of Amundi's own ESG model, which is also used by KBPS.

Adverse sustainability impact indicator	Metrics	Impact [2024]	Impact [2023]	Explanation	Actions taken, actions planned and target set for the next reference period (for further information, see point b)).
<b>INDICATORS FOR SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>					
<b>Social and employee matters</b>	10. Violations of UN Global Compact Initiative principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UN Global Compact Initiative principles or Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises – %	0.0	0.0	<p>We rate violations of the UN Global Compact principles in the given portfolio by the sum of weights of companies who very seriously violate the UN Global Compact Guidelines. The portfolio weights take into account missing data.</p> <p>The PAI indicator uses a “relevant” approach, i.e. the denominator is determined by taking into account the relevant portfolio. Although Amundi has not changed its methodology or ESG data providers, there may be variations due to the calculations of the data providers or changes in the portfolio.</p> <p><b>Exclusion:</b> issuers are excluded who repeatedly and seriously violate one or more of the ten UN Global Compact principles without taking credible corrective actions.</p> <p><b>Commitment:</b> part of the commitment of KBPS aimed at social cohesion.</p> <p><b>Voting:</b> using voting rights as an escalation for companies with controversial social practices.</p> <p><b>Controversy screening:</b> screening among a large number of issuers while taking into account violations of the UNGC.</p>
	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 UN Global Compact principles and OECD Guidelines for Multinational Enterprises or without mechanism complaints handling mechanisms to address violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises – %	0.1	0.0	<p>For rating the share of investment in investee companies without policies monitoring compliance with the UN Global Compact Principles and without OECD Guidelines for Multinational Enterprises or without a mechanism for resolving complaints about violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, we add together the weights of the companies in the given portfolio, which lack any proof of the monitoring mechanism for compliance with the UN Global Compact. The PAI indicator uses a “relevant” approach, i.e. the denominator is determined by taking into account the relevant portfolio. The portfolio weights take into account missing data.</p> <p>For 2024, data provider revised the methodology for assessing the absence of processes and mechanisms for monitoring compliance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises. This revision significantly reduced the number of issuers without such processes and mechanisms. Due to significant changes in the methodology, data from this and previous years are not comparable.</p> <p><b>Commitment:</b> part of the commitment of KBPS aimed at the strong management of public matters for sustainable development.</p> <p><b>Voting:</b> using voting rights as an escalation for companies with controversial social practices.</p> <p><b>Controversy screening:</b> screening among a large number of issuers while taking into account attributes applicable to public policies and incidents in management and governance.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap in investee companies – %.	1.0	25.4	<p>We calculate the unadjusted gender pay gap in the given portfolio by calculating the weighted average of the gender pay gap ratio. When the gender pay gap ratio is less than 100%. The PAI indicator uses a “relevant” approach, i.e. the denominator is determined by taking into account the relevant portfolio. The portfolio weights take into account missing data.</p> <p>Although Amundi has not changed its methodology or ESG data providers, there may be variations due to data providers' calculations or portfolio changes.</p> <p><b>Commitment:</b> part of the commitment of KBPS aimed at social cohesion.</p> <p><b>Voting:</b> part of Amundi's priority subject applicable to social cohesion.</p> <p><b>Controversy screening:</b> screening among a large number of issuers while taking into account the attributes applicable to employee management in working relationships.</p>



Adverse sustainability impact indicator	Metrics		Impact [2024]	Impact [2023]	Explanation	Actions taken, actions planned and target set for the next reference period (for further information, see point b)).	
INDICATORS FOR SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	13. Board gender diversity	Average board gender diversity in investee companies expressed as a percentage share of all board members – %		31.4	27.8	We calculate the unadjusted gender pay gap in the given portfolio by calculating the weighted percentage average of women on boards in investee companies expressed as a ratio of women to all board members. The portfolio weights take into account missing data. The PAI indicator uses a “relevant” approach, meaning that the denominator is determined by taking into account the relevant portfolio. If the gender diversity coverage on the boards is less than 100%, the portfolio weights are adjusted to account for incomplete data coverage. For 2024, Amundi has improved the methodology to increase coverage by combining data from multiple providers.	<b>Commitment:</b> promoting gender diversity is part of the KBPS commitment policy. <b>Voting:</b> part of Amundi’s policy in voting on companies with controversial social practices.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons – %		0.0	0.0	We rate exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) of the given portfolio by the sum of the weights of the companies in the portfolio, which are exposed to controversial weapons. The PAI indicator uses a "relevant" approach, i.e. the denominator is determined by taking into account the relevant portfolio. The portfolio weights take into account missing data.	<b>Exclusion policy:</b> controversial weapons are excluded in accordance with Amundi’s weapons exclusion policy. As part of our policy, Amundi may build on a closer relationship with specific issuers for the purpose of confirming their links to controversial weapons. <b>Voting:</b> part of the KBPS policy in voting on companies with controversial social practices.
INDICATORS APPLICABLE TO INVESTMENTS IN STATES AND MULTINATIONAL ENTERPRISES							
Environmental	15. Greenhouse gas intensity	Greenhouse gas intensity in investee countries – tCO <sub>2</sub> equivalent/€m GDP		429.2	486.7	Carbon intensity in investee countries is calculated by the ratio of emissions to GDP of the given country resulting in carbon intensity of each position. The carbon intensity of the given portfolio is calculated as the weighted average of individual intensities. The portfolio weights take into account missing data. The PAI indicator uses an “all investments” approach, i.e. the denominator is determined by taking into account all investments. Although Amundi has not changed its methodology or ESG data providers, there may be variations due to the calculations of the data providers or changes in the portfolio.	<b>ESG score integration:</b> part of the Amundi ESG sovereign methodology within the framework of the environmental pillar adopted by KBPS.
Social	16. Investee countries that violate social rights	Number of investee countries in which there is violation of social rights (the absolute number in the ratio to all investee countries), as presented in international treaties and conventions, UN principles and possibly in national legislation – abs. and rel. number %	Absolute number of investee countries	0.0	0.0	We calculate the absolute number of investee countries, by adding together the countries with detected social violence.	<b>Exclusion:</b> Countries on the European Union (EU) Sanctions List with sanctions involving frozen assets and with an index of the most severe sanctions (with respect to sanctions of the United States and EU) are excluded after a formal check and confirmation by the Amundi rating committee whose conclusions are also accepted by KBPS.
			Relative number divided by all investee countries	0.0	0.0	Relative number of investee countries with social violence is defined as the share of the absolute number of countries to the total number of countries in the portfolio. The PAI indicator uses an “all investments” approach, meaning that the denominator is determined by taking into account all investments. Although Amundi has not changed its methodology or ESG providers, there may be variations due to calculations of the data providers or changes in the portfolio	

Adverse sustainability impact indicator		Metrics	Impact [2024]	Impact [2023]	Explanation	Actions taken, actions planned and target set for the next reference period (for further information, see point b)).
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE						
<b>Fossil fuels</b>	17. Exposure to fossil fuels through real estate assets	Share of investments in assets in the form of real estate which contribute to mining, storage, transport or production of fossil fuels – %.	0.0	0.0	Pollution is included in the ESG asset rating.	<b>ESG analysis:</b> ESG analysis during acquisition and the management phase.
<b>Energy efficiency</b>	18. Exposure to energy inefficient real estate assets	Share of investments in investments in energy inefficient real estate assets – %.	48.2	89.8	The level of energy savings of each building is taken into account thanks to the EPC concept. We include group 'D' among inefficient buildings. We also include AREPE for which data was not available in the past. Due to changes in methodology, data from this year and the previous year may not be directly comparable.	<b>ESG scoring method:</b> ESG analysis during acquisition and the management phase.
OTHER INDICATORS OF PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS						
<b>Energy consumption</b>	Energy consumption intensity	Energy consumption in GWh of owned real estate per metre square – GWh/m <sup>2</sup> .	0.0	0.0	The level of energy efficiency of each building is taken into account thanks to the EPC concept.	<b>ESG rating methodology:</b> ESG analysis during the course of acquisition and period of management.
<b>Emissions</b>	Investment in countries without carbon emission reduction initiatives	Share of investment in investee companies without carbon emission reduction initiatives aimed at alignment with the Paris Agreement – %	78.9	90.6	We rate the scope of investments in companies without a carbon emission reduction initiative in the given portfolio by calculating the sum of the weights of these companies in the portfolio, which has not submitted Science-Based Targets (SBT). The PAI indicator uses a "relevant" approach, i.e. the denominator is determined by taking into account the relevant portfolio. The portfolio weights take into account missing data. For 2024, data provider revised its data to assess companies without carbon reduction initiatives. This revision significantly increased the number of issuers with a carbon reduction initiative, which may lead to significant differences in results. Due to significant methodological changes, data from this and previous years are not comparable.	<b>Commitment:</b> share of the commitment of KBPS aimed at transformation to a low-carbon economy <b>Voting:</b> requirement of criteria associated with energy transformation in the compensation of executive power in significant impact climate sectors, using voting rights as an escalation in the case of significant adverse impacts. <b>ESG score integration:</b> part of the Amundi ESG model environmental pillar adopted by KBPS.
<b>Human rights</b>	Missing human rights policy	Share of investment in entities without a human rights policy – %	56.6	7.0	We rate the share of investments in enterprises without a human rights policy in the given portfolio by adding together the weights of these companies in the portfolio, which do not disclose a human rights policy. The portfolio weights take into account missing data. The PAI indicator uses a "relevant" approach, i.e. the denominator is determined by taking into account the relevant portfolio. For 2024, data provider revised the methodology for assessing the absence of a human rights policy. This update significantly expanded the number of issuers with a human rights policy, which may cause significant changes in the results. Due to significant changes in the methodology, data from this and previous years are not comparable.	<b>ESG score integration:</b> part of the environmental pillar of Amundi's own ESG model also adopted by KBPS. <b>Controversy screening:</b> screening among a large number of issuers while taking into account the attributes of violation of the human rights of the UNGC.

Pozn.: data o PE fondech třetích stran nebyly uvažovány s ohledem na jejich dostupnost a význam na celkové pozici.

## 2.2 ACTIONS TAKEN DURING PERIODS AND ACTIONS PLANNED TO PREVENT OR REDUCE PRINCIPAL ADVERSE IMPACTS

As part of annual reviews and based on the experience from the 2024 season, Amundi's global voting policy was updated and expanded for the following improvements (and KBPS fully accepts it):

- Board gender diversity: We now require that women represent at least 20% of Board members. In the case of large companies in other Asian countries and on developing markets, this requirement is 10%;
- Overboarding: Even though we loosened our requirements for chairmen of audit committees, we toughened the rule for filling chief executive officer positions (CEO and executive chairman). Chief executive officers should not hold more than one additional officer position outside their group;
- Sustainability report: We provided additional explanation about our expectations concerning the voting on sustainability reports;
- Chief independent officer: We explained the role of a chief independent officer.

During the next period, Amundi will continue to update its voting policy, while using the experience from the 2025 proxy season to inform about any potential changes, and KBPS fully respects that. During the upcoming period, we will continue collaborating with issuers with regard to specific commitment matters having a direct impact on PAI. The planned actions include e.g.:

- Proactively re-engage all issuers with which we have initiated their involvement in the NetZero programme, if applicable, and add new issuers where appropriate;
- Promote greater disclosure of methane data;
- Strengthen our biodiversity involvement in compliance with our policy of biodiversity and ecosystem services;
- Continue to actively engage in water issues through the collaborative campaign of the Valuing Water Finance Initiative<sup>8</sup>;
- Continue to actively cultivate our commitment to working conditions and human rights.

## 2.3 Targets

As a member of several international standards and initiatives, Amundi has committed to and set targets related to the principals of adverse impacts (PAI) in order to manage its activities and effectively monitor their development. This ensures that Amundi remains in line with the principles and targets of PAI reporting and can thus monitor the overall development. More details about specific standards and initiatives associated with PAIs are provided in section 5 of this document. In the coming years, Amundi will continue to develop its approach to PAIs according to scientific reference scenarios and in close connection with the targets of its clients. KBPS fully accepts these targets and considers the factors associated with respecting human rights and climate change to be crucial.

## 3. Description of policies for identifying and setting priorities for principal adverse impacts on sustainability factors

### 3.1 Political priorities

Amundi has made responsible investment one of its founding pillars since its foundation in 2010. In 2018, Amundi started a three-year action plan focused on integrating ESG into 100% of its open-ended funds under active management. In the coming years, Amundi will adjust its climate strategy according to scientific reference scenarios and in close connection with the targets of its clients, by developing the investment solutions to speed up the transition and thus gradually adapting its portfolios to the 2050 neutrality target. KBPS accepts it.

Responsible investment is one of the important priorities of KBPS. All managed participating funds and the Transformed Fund are currently classified according to Article 6 of the Sustainable Finance Disclosure Regulation (SFDR). Therefore, none of the funds take into account adverse impacts on sustainability factors at product level. Nevertheless, the long-term target of KBPS is to incorporate ESG into most managed funds.

### 3.2 Policy management

KBPS uses Amundi to manage funds. Funds are managed in line with Amundi's corporate policy concerning responsible investment. Amundi is guided by ESG principles in its corporate policy. When evaluating the suitability of investment, it also considers non-financial factors, such as impacts on the environment or on companies. The Investment Policy Oversight Committee oversees the investment policy of funds, which is established as an advisory body to the KBPS board of directors. The supreme authority of the investment process is the board of directors, which at its meetings regularly discusses the recommendations of the Investment Policy Oversight Committee and decides on the investment policy of the funds. The board of directors also decides on setting the responsible investment strategy of the managed funds.

<sup>8</sup> You can find more information in the [Amundi 2023 Engagement Report](#).

### 3.3 Methodology and sources of data for calculating PAI values

#### General principles

KBPS fully adopted Amundi's methodology when calculating PAI values. In order to publish metrics that most closely represent sustainability indicators related to entity-level adverse impacts ("Management Company" or "ManCo"), Amundi adopted an approach for calculating and managing sustainable indicators related to the principal adverse impacts based on **the principle of portfolio coverage**. The data included are therefore broken down according to the exclusive assets to which they relate.

Although Amundi identified the short-term and long-term adverse impacts which could potentially have a significant impact on investment portfolios, the information available for assessing and reporting adverse impacts is limited and often lacks standardisation across sectors and regions. Therefore, Amundi's bottom-up approach to the adverse impact assessment is applied at the portfolio level. Moreover, investment portfolios are exposed to various acute and chronic adverse impacts depending on the sectors and geographical regions.

#### The scope for calculating PAI was determined based on the following assumptions:

- Portfolios that we delegate to an external manager fall within the scope of the PAI statement. Portfolios that we manage by delegation also are within the scope of the PAI statement;
- Investments in an internal underlying fund (managed by the same Manco) are not included, because the investments made by this internal fund are already included in the scope (to avoid double counting).

#### Methodological limitations and error rate

The limitations of our methodology are intrinsically linked to the use of sustainability indicators ("ESG data"). Standardisation of ESG data is currently underway, which may impact data quality; data coverage is also a limitation. Current and future regulations will improve standardised reporting and disclosure of information about enterprises on which the ESG data are based. We try to mitigate these limitations by combining approaches: using several data providers, structured quantitative assessment of ESG results by our research team and by introducing strong governance.

Finally in some cases it may not be easy to obtain portfolio data. Despite our maximum efforts to obtain all the necessary data (see also the section below), insufficient data availability may affect some of our assets. As a result, there is the potential for a significant margin of error in our calculations. Stakeholders are urged to exercise caution and consider this potential margin of error when interpreting the information provided.

In the context of the introduction of the principal adverse impact report, it is important to mention that the database which previously searched for positions held in the investment portfolio was changed in 2023. This database has been enhanced with positions held in the fund during 2023 and 2024.

#### Best approaches to PAI coverage

Data coverage is uneven for the principal adverse impact indicators. In the case of indicators with lower than 100% coverage (e.g. gender pay gap or emissions to water), Amundi Group adopted a cross-enterprise weighting approach for which data is available. This will prevent missing data from being set to zero, which would "dilute the indicator to all assets". In the PAI 8 and 9 indicators we estimated that data coverage by providers was too limited to carry out weighting, so the data are not extrapolated in case of missing data.

The transparency of calculations in the PAI indicator declaration in 2024 does not include external funds in which investments are made. The exclusion is due to concerns about the quality of the data and the consistency of the methodologies used. This may result in a loss of coverage of < 1%, which varies by indicator.

PAI values reported by investment managers in their publicly available electronic sales registration were used as a PAI data source for investments in third-party funds.

Amundi/KBPS reserves the right to adjust this methodology and data sources in the future.

#### Selection of other principal adverse impact indicators

Amundi Group identified further indicators of principal adverse impact on sustainability factors according to Table 2 and 3 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, which it then assesses as:

- i) their relevance to Amundi's strategic priorities in ESG as presented in the umbrella policies described in section 3.1 of the document;
- ii) availability of data for measuring the severity of the impact of these risks as part of the investment process.

**Data sources (data providers focuses only on PAI):**

Entity	Agency
Investee company	MSCI
	ISS
	Trucost
	Refinitiv (LSEG)
	SBT, CDP
Sovereign and multinational	MSCI
	Verisk Maplecroft

**For real estate assets:**

- i) Data collected directly from major stakeholders (real estate managers, tenants, technical managers etc.);
- ii) Energy consumption data is collected from each tenant of managed real estate through a specialised service provider.

In the future, the sources may be reviewed and may include more data providers.

#### 4. Engagement policies and other PAI leverage

Amundi has adopted the “double materiality” concept on which it builds the ESG analysis and rating methodology. This means that it assesses not just the way that ESG factors could significantly affect the value of companies but also how these companies affect the environment and social matters or human rights.

According to regulation, financial market participants, who consider the principal adverse impacts of investment decisions on sustainability factors at product level, should briefly present, in qualitative and quantitative terms, in pre-contractual conditions for each product how much these impacts are weighted as well as a statement that information on principal adverse impacts on sustainability factors is available for regular reporting. Please refer to pre-contractual documents and regular reports for more information at product level.

As a responsible asset manager, KBPS is aware of its fiduciary obligations to positively contribute to addressing the principal socio-economic and environmental challenges in the interest of our clients, stakeholders and companies. For this reason, KBPS has also adopted the “double materiality” concept on which Amundi builds the ESG analysis and rating methodology. This means an assessment is made not just of the way ESG factors could significantly affect the value of companies, but also how these companies affect the environmental and social matters or human rights. We assess PAI through a combination of approaches which could differ depending on the asset class, investment process or type of strategy and scope of the fund.

##### 4.1 ENGAGEMENT AND COMMITMENT <sup>9</sup>

Engagement is a continuous and purpose-driven focused process aimed at influencing the activities or behaviour of investee companies for the purpose of improving ESG practices or their effect on key sustainability indicators. Therefore, it must be result-oriented, proactive, considering double materiality and integrated in our global ESG process. This approach applies to all Amundi products. The above also applies to the KBPS funds managed by Amundi.

##### 4.2 VOTING

Amundi’s ESG voting policy responds to the holistic analysis of all long-term issues which can affect the creation of the value, including fundamental ESG issues. You will find more information in the Amundi Voting Policy and in the Amundi Voting Report. This approach standardly applies to all Amundi products. The above also applies to KBPS funds, which are managed by Amundi.

##### 4.3 EXCLUSION

Amundi has defined the normative, operational and sectoral exclusion rules which cover some key adverse sustainability indicators presented in the Sustainable Finance Disclosure Regulation (SFDR). This approach applies to all Amundi funds to which the Amundi basic standards and exclusion policy applies.<sup>10</sup> The above also applies to the KBPS funds managed by Amundi.

<sup>9</sup> You will find further information applicable to engagement at Amundi in our 2023 Engagement Report.

<sup>10</sup> You will find further information about the scope of application in the Amundi Responsible Investment Policy and always look through the full information about ESG integration in the offering documents of funds.

#### 4.4 ESG SCORE INTEGRATION

Amundi adopted the minimum ESG integration standards, which are regularly applied to its actively managed open-ended funds (exclusion of issuers with a G rating and better weighted average ESH score than the relevant ESG benchmark)<sup>11</sup>. 38 criteria used in Amundi's approach to the ESG rating were also proposed to take into account the key impacts on sustainability factors, and in this respect the quality of the implemented mitigation actions was also considered. All criteria are available in the fund portfolio management system. The above also applies to the KBPS funds managed by Amundi.

#### 4.5. CONTROVERSY SCREENING

Amundi has developed a controversy screening system which uses third-party data from three suppliers to systematically identify controversies and their severity levels on a scale from 1 to 5 (5 being the highest). This quantitative approach is then complemented by an in-depth analysis of the range of controversies considered serious (score 3 or more), carried out by ESG analysts, and by regularly reviewing developments. In the most serious and recurring cases where no credible corrective actions are taken, the analyst may suggest lowering the company's ESG rating. This can ultimately lead to exclusion from the active investment world (G rating), which is confirmed by the ESG rating committee.

In Articles 8 and 9 on actively managed products, Amundi considers all mandatory adverse impact indicators relevant to product strategies and depending on a combination of some or all of the approaches mentioned above. In Article 6, Amundi considers the 14 PAIs in its normative weapons exclusion policy. The same approach for considering PAIs essentially applies to mandates delegated to Amundi.

The table below describes in detail access to individual PAIs, which Amundi generally applies at group level. Specific approaches to PAIs can also be followed at product level; in such a case, the specific approach is also described in the pre-contractual documentation. In the relevant cases, PAIs are prioritised where appropriate with respect to sustainable targets or the fund's characteristics provided that all minimum standards are met.

#### Use of indicators adopted by KBPS

#	Metrics	General scope considerations <sup>12</sup>
1	Greenhouse gas emissions (scope 1, 2, 3 and total)	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).
2	Carbon footprint	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).
3	Greenhouse gas emission intensity of investee companies	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).
4	Exposure to companies active in the fossil fuel sector	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>Exclusion policy (coal and unconventional hydrocarbons):</b> ESG active funds and passive funds (which apply Amundi's sectoral policy).
5	Share of non-renewable energy consumption and production	<b>Engagement:</b> active and passive funds <b>ESG score integration:</b> active funds with improved ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).
6	Energy consumption intensity per high impact climate sector	<b>Engagement:</b> active and passive funds <b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach.
7	Activities negatively affecting biodiversity sensitive areas	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>Controversy screening:</b> active funds <b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).

<sup>11</sup> Where it is technically feasible: some exceptions are defined from the implementation of the principle ESG flow (funds in which the function of active management is limited, such as Buy and Watch funds or Securitisation companies, real estate and alternative funds; funds which are not managed on the Amundi investment platform, and delegated funds with a high concentration in the index or with limited coverage of fund issuers; you will find further investment information about the scope of application in the Amundi Responsible Investment Policy and always look through the full information about ESG integration in the offering documents of funds.

<sup>12</sup> Active funds are funds that are actively managed, passive funds are funds that are passively managed.

<sup>13</sup> A category of funds whose goal is to invest in issuers, who improve their ESG rating over the course of time.

<sup>14</sup> ESG criteria are taken into account when selecting the issuers in which you invest.



**Rozsah použití indikátorů**

#	Metrics	General scope considerations
8	Emissions to water	<b>Engagement:</b> active and passive funds <b>Controversy screening:</b> active funds <b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).
9	Hazardous waste ratio	<b>Engagement:</b> active and passive funds <b>Controversy screening:</b> active funds <b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).
4	Investment in companies without carbon emission reduction initiatives	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>ESG score integration:</b> active funds with improved ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).
10	Violations of UN Global Compact principles and OECD Guidelines	<b>Exclusion (UN Global Compact principles):</b> ESG active funds and passive funds (which apply Amundi's exclusion policy). <b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>Controversy screening:</b> active funds
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>Controversy screening:</b> active funds
12	Unadjusted gender pay gap	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds <b>Exclusion policy:</b> active and passive funds
13	Board gender diversity	<b>Engagement:</b> active and passive funds <b>Voting:</b> active and passive funds
14	Exposure to controversial weapons	<b>Exclusion policy:</b> active and passive funds <b>Voting:</b> active and passive funds
9	Lack of human rights policy	<b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model). <b>Controversy screening:</b> active funds
15	Greenhouse gas intensity	<b>ESG score integration:</b> active funds with increased ESG rating and/or a selective approach (included in the environmental pillar of Amundi group's own ESG model).
16	Investee countries that violate social rights	Exception: ESG active and passive funds <sup>15</sup>
17	Exposure to fossil fuels through real estate	<b>ESG analysis:</b> all assets are subject to the ESG analysis during the investment and management phase
18	Exposure to energy inefficient real estate	<b>ESG score integration:</b> level of energy performance of each building is considered thanks to EPC statistics <sup>16</sup>
19	Energy consumption intensity	<b>ESG score integration:</b> level of energy performance of each building is considered thanks to EPC statistics

This policy is reviewed and adjusted based on PAI results in each period. The above also applies to the KBPS funds managed by Amundi.

<sup>15</sup> Passive funds classified with the ESG component.

<sup>16</sup> Energy Efficiency Certificate.

## 5. Reference to international standards

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### Reference to international standards (Societe Generale)

Société Générale Group, of which Komerční banka a.s. and KB Penzijní společnost, a.s. are a part, has adopted and respects the values enshrined in international conventions, compacts and declarations. The Group also recognises and follows international standards and norms, initiatives and best practices, and last but not least it is an active member of various CSR initiatives involving finance and banking, which refer to ESG risk management.

In 2019, SG Group became a signatory of the so-called Principles of Responsible Banking obliging the entire financial group to take into account the sustainable development goals and the targets of the Paris Climate Agreement.

SG Group (including KB and KBPS) is committed to managing environmental and social (E&S) risks potentially associated with their activities and has set the following internal standards, which are a supplement to these General Principles concerning environmental and social risks:

- The three E&S cross-cutting statements concerning E&S cross-cutting issues describe the main reference framework and set out SG Group's commitments to biodiversity, climate and human rights. While the cross-cutting statements apply across the sectors, the more specific requirements associated with individual sectors are governed by the Sectoral Policies.
- The eleven E&S sectoral policies define the environmental and social risk factors, reference norms and specific criteria, which the Group intends to apply to its activities in sensitive sectors.

A more detailed description is presented in the General Environmental and Social (E&S) Policy

(<https://www.kb.cz/getmedia/421e2958-a8f8-4afd-b792-46a47eec56e5/KB-A4-Vseob-ES-zasady-CZ.pdf>)

The Group (including KB and KBPS) is aware of the increasing rate of biodiversity loss in the world, and therefore is committed to respect and preserve biodiversity, which is one of the foundations of the Group's environmental and social risk management system, and urges its clients to do the same.

A more detailed description is presented in the Biodiversity Preservation Statement

(<https://www.kb.cz/getmedia/ab0130cf-3e92-471d-953e-dd12da2c54c7/KB-A4-StatementBiodiversity-CZ.pdf>)

Société Générale and its subsidiary companies ("Group"), including KB and KBPS, are committed to aligning their activities with the targets of the Paris Climate Agreement.

A more detailed description is presented in the Climate Change Statement

(<https://www.kb.cz/getmedia/b4b33cf3-8e10-43c8-9467-31b6ae8d56a2/KB-A4-StatementClimate-CZ.pdf>)

Société Générale and its subsidiary companies ("Group"), including KB and KBPS, are committed to adhering to and supporting human rights as one of the foundations of its environmental and social risk management system.

A more detailed description is presented in the Human Rights Statement

(<https://www.kb.cz/getmedia/11dc49e5-a70b-4e78-b083-d942e139fc8f/KB-A4-StatementHumanRights-CZ.pdf>).

At the start of 2020, Komerční banka introduced a system of targeted environmental and social risk screening of corporate clients, above all companies active in sensitive sectors. The screening is carried out by KB's environmental expert. The aim is to ensure that a client's business is in line with the requirements of environmental, labour and social legislation, and that there are no additional reputational and credit risks associated with the client or the transaction.

Thanks to Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR), KB discloses information on its approach to incorporating risks concerning sustainability and consideration of adverse impacts on sustainability.



## Reference to international standards (Amundi)

Principal adverse impacts		Standards, initiatives and public policies concerning the consideration of principal adverse impacts <sup>17</sup>
1, 2, 3, 4, 5, 6 a 4	Greenhouse gas emissions (scope 1, 2, 3 and total) Carbon footprint Greenhouse gas emission intensity of investee companies Exposure to companies active in the fossil fuel sector Share of non-renewable energy consumption and production Energy consumption intensity per high impact climate sector Investment in companies without carbon emission reduction initiatives	Paris Climate Agreement Sustainable Development Goals (SDGs) EU taxonomy Net Zero Asset Managers Initiative, NZAMI <sup>18</sup> Climate Action 100+ Carbon Disclosure Project (CDP) Taskforce on Climate-related Financial Disclosures (TCFD) Japan TCFD Consortium Montreal Carbon Pledge Portfolio Decarbonization Coalition (PDC) Institutional Investors Group on Climate Changes (IIGCC) Asian Investor Group on Climate Changes (AIGCC) Just Transition Fund China-Singapore Green Finance Taskforce Eurosif – The European Sustainable Investment Forum Observatoire de l'Immobilier Durable
7, 8, 9	Activities negatively affecting biodiversity sensitive areas Emissions to water Hazardous waste ratio	Finance for Biodiversity Pledge Farm Animal Investment Risk and Return Initiative (FAIRR) Investor Action on Antimicrobial Resistance Water - CDP Forests - CDP Fondation de la Mer Global Reporting Initiative (GRI) Global Impact Investment Network (GIIN) Impact Disclosure Taskforce Nature Action 100
10, 11	Violations of UN Global Compact principles and OECD Guidelines. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines.	UN Global Compact OECD Guidelines for Multinational Enterprises UN Guiding Principles for Business and Human Rights PRI Human Rights Policy Human Rights Reporting and Assurance Frameworks Initiative
12	Unadjusted gender pay gap	Workforce Disclosure Initiative (WDI) Platform Living Wage Financials (PLWF)
13	Board gender diversity	30% Club France Investor Group 30% Club Japan Investor Group 30% Club Germany Investor Group International Corporate Governance Network (ICGN) France Invest – Gender Diversity Charter
14	Exposure to controversial weapons	Ottawa Treaty and Oslo Accords
9	Lack of human rights policy	UN Guiding Principles for Business and Human Rights
15	Greenhouse gas intensity in investee countries	Paris Climate Agreement Green Bond Principles
16	Investee countries that violate human rights	International Bill of Human Rights
17	Exposure to fossil fuels through real estate	Sustainable Finance Disclosures Regulation (SFDR)
18	Exposure to energy inefficient real estate	Energy diagnosis – the calculation methodology is determined by the regulations in each country
19	Energy consumption intensity	

<sup>17</sup> The table only reflects the most relevant PAI associated with various initiatives, please take note that some initiatives have a wider coverage.

<sup>18</sup> In January 2025, NZAMI decided to review its commitments. This is why NZAMI temporarily suspended the evaluation of fulfilment of the signatories' commitments and reporting expectations.

The following paragraphs attempt to describe in detail the internationally recognised standards most relevant to PAI activities.

**Paris Agreement: Net Zero Asset Managers Initiative (NZAMI)**  
**(PAI: 1-6 Greenhouse Gas Emissions)**

The Ambition 2025 ESG plan aims to address climate change, arguably the greatest challenge of our time. This ambition to deepen the integration of ESG across the asset management value chain also reflects the growing ESG commitments of our clients around the world. This new three-year plan includes an ambitious set of objectives to address their current and future needs.

**Strengthening our offering of sustainable development solutions:**

- 1) Introduce a new transition-to-environmental policy rating that assesses companies' efforts to decarbonise their operations and the development of their sustainable activities, incorporating actively managed open-ended funds<sup>19</sup>;
- 2) Offer open-ended funds in all asset classes<sup>20</sup> with a Net Zero 2050 investment objective;
- 3) Achieve 20 billion EUR of managed assets in impact funds;
- 4) Ensure that ESG funds represent 40% of our ETF offering;
- 5) Develop Amundi's ALTO Technology offering in the area of sustainability.

**Strengthening our outreach to companies:**

- 6) Collaborate with another 1,000 companies to define credible greenhouse gas emissions reduction strategies;
- 7) Starting in 2022, exclude from our portfolio companies that generate more than 30% of their activity in unconventional oil and gas exploitation sectors.<sup>21</sup>

**Setting internal alignment targets in compliance with commitments:**

- 8) managing employees;
- 9) Reduce our own direct greenhouse gas emissions<sup>22</sup> by approximately 30 % (compared to 2018) per employee in 2025;
- 10) Present our climate strategy to shareholders (Say on Climate) at the annual general meeting starting in 2022.

Information about methodology used for calculating and setting targets, considered greenhouse gas emissions, data providers and used scenarios:

**Used methodologies**

- Protocol on setting targets of the Net Zero Asset Owner Alliance
- Net Zero Investment Frameworks

**Greenhouse gas scopes**

- Scope 1, 2 and 3 preceding (level 1)<sup>23</sup>

**Data providers**

As part of the Net Zero proprietary framework, Amundi companies use two data providers: MSCI & Trucost

**Outlook climate scenario**

IEA Net Zero Emissions by 2050 – developed in 2021

**United Nations Global Compact and Human Rights**

**(PAI: 10-11 and 9 (Table 3) Social and Employee Matters)**

As an asset manager we are aware of our responsibility for adhering to human rights and addressing their violations as part of our investment activities. We consider the violations of human rights a violation of Amundi's investment policy therefore we devote special attention to ensure that the company is not exposed to any risk arising from human right violations. Amundi's parent company, Crédit Agricole, is a signatory of the UN Global Compact Initiative and Amundi supports this through its normative exceptions and controversy screening methodology. You can find more details about the scope of application in Amundi's 2024 Global Responsible Investment Policy.

<sup>19</sup> The scope of actively managed open-ended funds, provided that it is possible to use the rating methodology.

<sup>20</sup> Real estate, multi-asset, developed market bonds, developed market stock.

<sup>21</sup> The scope defined by the Amundi Responsible Investment Policy – Unconventional Exploitation: Oil Sands, Shale Oil and Gas.

<sup>22</sup> For all entities of Amundi Group with more than 100 employees.

<sup>23</sup> Only emissions associated with a level 1 supplier are included.

“DNSH Test”: Amundi believes that in order for an investment to qualify as a sustainable investment it should, among other criteria, pass two of the Do No Significant Harm tests below.

1. The first DNSH filter relies on the screening of specific principal adverse impacts of investment decisions on sustainability factors. So, for a company to pass the test, it should:

- Have CO2 intensity that is not in the last decile in comparison to other companies within its sector (this only applies to high intensity sectors) (unit: tCO<sub>2</sub>e/M€<sup>24</sup> revenue, source: Trucost);
- Have board diversity that is not in the last decile in comparison to other companies in the given sector (unit: %, source: Multisource);
- Be without serious contradictions regarding working conditions and human rights (unit: yes or no, source: MSCI and Sustainalytics);
- Clear itself of any serious contradictions in relation to biodiversity and pollution (unit: yes or no, source: MSCI and Sustainalytics).

Amundi is already considering specific principal adverse impacts in its Exclusion Policy as part of its Global Responsible Investment Policy. These exceptions, which apply beyond the framework of the above tests, include the following topics: exposure to controversial weapons (PAI 14), violations of UN Global Compact principles (PAI 10) and exposure to coal and unconventional fossil fuels (PAI 4)<sup>25</sup>.

2. Apart from the specific sustainability factors included in the first filter, Amundi defined the second DNSH filter to verify that a company is not achieving the worst results in environmental or social matters in comparison to other companies in its sector. This approach relies on Amundi’s ESG rating methodology that KBPS accepts. Amundi set a threshold value for this test which approximately corresponds to exclusion of the worst ~7% in the environmental or social pillars in each sector. In Amundi’s ESG rating methodology it means that the company should have an environmental and/or social score that is higher or equal to E.

Apart from research and monitoring, Amundi uses the leverage effect on issuers through commitment. Commitment to human rights is governed by a double approach. Firstly, we try to actively cooperate with companies in identifying and managing human rights risks. Secondly, we can commit reactively in the event of abuse or an accusation. In such a case, we would try to make sure that companies take the appropriate actions for ensuring an effective remedy.

#### **Finance for Biodiversity Pledge** (PAI: 7 Biodiversity)

As a financial institution, Amundi recognises the need in this decade to protect biodiversity and reverse the loss of nature. Thus, in 2021 Amundi joined the Finance for Biodiversity Pledge, an unprecedented coalition of 194 signatories representing over 23 billion EUR in AUM in 29 countries in 2025. The pledge is a commitment by financial institutions to protect and restore biodiversity through its financial activities and investments.

This initiative brings together financial institutions from all over the world that pledged to protect and restore biodiversity through their financial activities and investments. Amundi represented the signatories with its speech at the high-level session of the Fifteenth UN Biodiversity Conference (COP15) to call on world leaders to protect and restore biodiversity.

Amundi has initiated a biodiversity engagement dedicated to the 2021 strategy. This engagement aims to promote greater awareness and actions concerning nature in many sectors, where material links to nature are high, and focused on companies that are exposed to nature-related controversies or are identified in our Biodiversity and Ecosystem Services programme.

In 2024, Amundi collaborated with 759 companies to protect natural capital, which means that their number went up by 23% compared to 2023 and more than doubled compared to 2022. Many of these engagements either require companies to analyse and report their relationship to nature and to map their impacts, dependencies and related risks and opportunities or focus on specific impacts causing biodiversity loss. By better understanding their links to nature and the related financial materiality, companies can take critical actions to better address identified risks and mitigate their impacts. Details of our collaboration with issuers are available in our report on collaboration up to 2024<sup>27</sup>.

<sup>25</sup> The remaining principal adverse impacts have not yet been included in the DNSH test due to lack of quality data or due to limited scope.

<sup>26</sup> Finance for Biodiversity Pledge website as of April 2025

<sup>27</sup> Engagement Report 2024

## 6. Historical comparison

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KBPS presents the 2024 version of the Principal Adverse Impact Statement (PAI), which marks the third year of this publication. We continued to improve our PAI metrics by exchanging data with providers and by improving our methodologies to ensure that the results will reflect our activities as best as possible. We also made some methodological changes to ensure that the results reflect our activities more accurately.

We would like to remind our readers that direct comparisons to similar entities are currently of limited relevance due to emerging state of regulatory guidance and data maturity. Methodologies may differ significantly between individual asset managers, and calculations at various data providers have not yet been harmonised, as previously observed. Thus, the comparison of PAI metrics between individual asset managers or individual years may result in the wrong conclusions. You will find further information about the historical comparison of individual indicators in the table in part 2.1 in the “Explanation” column.

A comparison of 2023 and 2022 is provided on the website in a separate document in the section Statement of the Principal Adverse Impacts of Investment Decisions on Sustainability Factors; the year 2022 was the first reporting period.