

Disclosure pursuant to articles 3, 4 and 5 of Regulation (EU) 2019/2088 (Disclosure Regulation or Sustainable Finance Disclosure Regulation - "SFDR")

Preliminary remark:

This disclosure applies to Nucleus Life AG in its role as a financial market participant.

Disclosure on the handling of sustainability risks (Art. 3 SFDR)

The EU Regulation "sustainability-related disclosure requirements in the financial services sector" entered into force on March 10, 2021. It forms part of the EU action plan with the goal of sustainable finance, which aims, among other things, to achieve the specifications and target values of the Paris Climate Agreement. Sustainability and the transition to a secure, climate-neutral, climate-smart, more resource-efficient and more circular economy are central to ensuring the long-term competitiveness of the EU economy.

The sustainability strategy of Nucleus Life AG includes the consideration of legal requirements resulting from ESG issues. This includes, among other things, education regarding the handling of sustainability risks in the context of Nucleus Life AG's services.

Sustainability risks and the adverse impact of investment decisions on sustainability factors are not integrated into the service provided by Nucleus Life AG. This is due to the fact that Nucleus Life AG only offers insurance product (unit-linked life insurance). This service does not contain any information on sustainability risks, as the customer chooses the investment strategy as well as the assets himself.

What is sustainability?

Sustainability risks are defined in Art. 2 (22) SFDR as "an environmental, social or governance event or condition, the occurrence of which could have an actual or potential material adverse effect on the value of the investment."

Sustainability factors are divided into three categories:

- Environment
- Social
- Corporate Governance

They can be macroeconomic in nature or directly related to a company's activities.

Macroeconomic sustainability factors include physical climate risks such as global warming and the resulting extreme weather events such as storms or floods. They also include the so-called transition risks associated with the transition to a low-carbon economy. For example, policies such as a carbon tax on fossil fuels may favor manufacturers of alternative propulsion systems. Sustainability factors that relate to a company's activities can include environmentally friendly production, compliance with basic labor rights, or measures to prevent corruption.

Responsible investment

Nucleus Life AG considers sustainable investing to be an important principle. We believe that taking ESG risks into account in the investment process can lead to a better risk-return profile in the long term, as this ensures clients a long-term and efficient strategy.

Responsible products

Under unit-linked life insurance for the account and risk of the policyholder, the policyholder chooses investment funds or standardized investment strategies. The policyholder alone decides whether and to what extent ESG risks should be considered. We consider environmental, social and governance (ESG) criteria as acceptable investments products.

Disclosure of adverse sustainability impacts at the company level (Art. 4 SFDR).

Article 4 of the SFDR requires financial market participants to provide transparent information about adverse sustainability impacts at the corporate level.

Nucleus Life AG currently does not consider relevant adverse impacts of investment decisions on sustainability factors, i.e. adverse impacts of ESG risks, in particular on environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery (so-called "Principal Adverse Impacts") at the level of the company.

The reason for this is the currently existing considerable legal uncertainties (Regulatory Technical Standards) regarding the concrete requirements for the measurement and disclosure of Principal Adverse Impacts (both at company and product level). Accordingly, Nucleus Life AG has decided to wait for further legal developments and to introduce corresponding processes at a later stage.

Disclosure of remuneration policy considering sustainability risks (Art. 5 SFDR)

The remuneration policy of Nucleus Life AG evaluates the performance of employees considering qualitative and quantitative performance targets. The compensation system is designed in such a way that it does not encourage the assumption of excessive risks, avoids conflicts of interest and promotes the sustainable success of the company. In this context, the consideration of sustainability aspects within the framework of the compensation system currently has no influence on managers and employees.

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