CISCO

Member of the Cyprus Stock Exchange
Member of the Securities Market of the Athens Exchange
Regulated by the Cyprus Securities and Exchange Commission CIF: 003/03

POLICY: CISCO INVESTMENT POLICY

POLICY IDENTIFICATION

Title CISCO INVESTMENT POLICY

Approved by CISCO Board of Directors

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Owner Compliance Division

Version	Approval Date	Initiator	Approver	Description / Changes
1.0	28/05/2025		Board of Directors	Initial Write up
2.0				
3.0				

TABLE OF CONTENTS

1. PURPOSE AND SCOPE OF POLICY

The purpose of this policy is to outline our commitment to integrating environmental, social and governance (ESG) factors into our investment decision-making processes. Our aim is to achieve sustainable long-term returns while promoting positive societal and environmental impact.

This policy is in line with the requirements set by Regulations (EU) 2019/2088, Regulation (EU) 2020/852 and (EU) 2022/1288 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector.

It is noted that as a first step, the scope of this Policy is limited to the fund selection and portfolio construction process to create ESG product solutions for clients with sustainability preferences.

CISCO provides portfolio management services and, as such, qualifies as a financial market participant under the definition set forth in EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector.

CISCO also provides investment advice services and as such, qualifies as a financial adviser under the same EU Regulation (2019/2088) on sustainability-related disclosures.

This policy will be reviewed and revised as necessary and at least on an annual basis to ensure its continued effectiveness and compliance with applicable laws and regulations.

2. ABBREVIATIONS

Within this document, the following abbreviations are used:

Abbreviation	Definition
AIFM	Alternative Investment Fund Manager
BOD	Board of Directors
CISCO	Cyprus Investment & Securities Corp. Ltd
ESG factors	Environmental, Social, Governance factors
(EU)2019/2088	Regulation on sustainability-related disclosures in the financial services sector (SFDR’)
(EU)2020/852	Commission Delegated Regulation on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation)
(EU)2022/1288	Commission Delegated regulation 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.
EU	European Union
Global Compact	The United Nations Global Compact is a voluntary initiative that supports global companies committed to responsible business practices in the areas of human rights, labor, the environment, and corruption. It is the world’s largest voluntary corporate sustainability initiative.
HM Treasury Office	His Majesty’s Treasury Office
IBIP	Insurance-based investment product

IORP	Institutions for Occupational retirement provision
OECD	Organization for Economic Co-operation and Development
OFAC	Office of Foreign Assets Control
PECF Guidelines for Multinational Enterprises from OECD	Private, External, Confidential and Fair Guidelines for Multinational Enterprises from the Organization for Economic Co-Operation and Development.
PEPP	Personal pension product
SFDR	Regulation on sustainability-related disclosures in the financial services sector
UCITS	Undertaking collective investment in transferable securities

3. DEFINITION OF TERMS

For the purposes of this policy, the terms listed below have the following meaning:

1. **'Financial Market Participant'**

   Financial market participant' means:

   (a) an insurance undertaking which makes available an insurance-based investment product (IBIP);

   (b) an investment firm which provides portfolio management;

   (c) an institution for occupational retirement provision (IORP);

   (d) a manufacturer of a pension product;

   (e) an alternative investment fund manager (AIFM);

   (f) a pan-European personal pension product (PEPP) provide;

   (g) a manager of a qualifying venture capital fund registered in accordance with Article 14 of Regulation (EU) No 345/2013;

   (h) a manager of a qualifying social entrepreneurship fund registered in accordance with Article 15 of Regulation (EU) No 346/2013;

   (i) a management company of an undertaking for collective investment in transferable securities (UCITS management company); or

   (j) a credit institution which provides portfolio management.

2. **'Financial Adviser'**

   Financial adviser means:

   (a) an insurance intermediary which provides insurance advice with regard to IBIPs;

   (b) an insurance undertaking which provides insurance advice with regard to IBIPs;

   (c) a credit institution which provides investment advice;

   (d) an investment firm which provides investment advice;

   (e) an AIFM which provides investment advice in accordance with point (b)(i) of Article 6(4) of Directive 2011/61/EU; or

(f) a UCITS management company which provides investment advice in accordance with point (b)(i) of Article 6(3) of Directive 2009/65/EC.

4. GOVERNANCE

Roles and responsibilities

- Board of Directors:

  The Board has effective control over the Company's integration of sustainability risk in investments decisions or the consideration of any negative impacts on sustainability in the provision of investment services, to ensure that the Company is compliant with its regulatory obligations and its clients' best interests are looked after and preserved at all instances.

- Investment Committee:

  The Investment Committee oversees the Company's integration of sustainability risk in investments decisions or the consideration of any negative impacts on sustainability in the provision of investment services by advising on permissible and non-permissible investments.

- Asset Management Team:

  The Asset Management Team is responsible for integrating sustainability risks in the Company's investment decision-making process and in its investment advice and for monitoring the identified risks.

5. ESG INTEGRATION AND INVESTMENT APPROACH

ESG integration can be described as the systematic and explicit inclusion of material ESG factors and risks into investment analysis and investment decisions. ESG related risk factors are formally embedded into our investment decision-making process, and especially in meeting client expectations that have specific sustainability preferences. We are committed to increase our ESG integration firmwide going forward as part of this Policy, reflecting our commitment to incorporating ESG factors, which typically includes both risks and opportunities.

We integrate sustainability risk considerations into our research and investment decisions across our Investment Team and asset classes, with the aim of maximising risk-adjusted returns for our clients. As part of the assessment of environmentally sustainable economic activities, it is required that economic activity is carried out in compliance with minimum safeguards as part of Article 18 of the EU Taxonomy Regulation. The purpose of the minimum safeguards is to ensure compliance with minimum human and labour rights standards, preventing activities that breach key social principles by aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Furthermore, CISCO is committed to act in full compliance with sanctions or restrictive measures imposed on countries, territories, entities, or specific persons and bodies by the UN and the EU, by the governments of the countries that the Bank operates in, as well as by the US Department of Treasury's Office of Foreign Assets Control ("OFAC") and by HM Treasury's Office for Financial Sanctions Implementation.

CISCO will be utilizing the investment advice provided by a third party with respect to four (4) different model portfolios of varying risk profile, and replicating the said advice via its discretionary portfolio management service offered directly to its clients. CISCO will rely to a great extent on the expertise of a reputable investment house regarding building such sustainable model portfolios.

CISCO will periodically monitor and assess (and where necessary) request for more information from its Investment Advisor regarding the composition of the portfolios and any changes affected therein, and with respect to their ESG attributes

The extent to which sustainability risks may be relevant to an investment process will depend upon considerations like the materiality of an issue, investment objectives, the policy of the strategy/client and the investment universe.

Examples of sustainability risks that could negatively affect the value of a particular investment may include the following:

- Environmental: carbon emissions, air pollution, water use, waste generation, biodiversity loss, access to water and sanitation
- Social: bribery, innovation and salaries compared to the living wage. Breach the UN Global Compact (UNGC) principles, the PECF Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights
- Governance: fraud, discrimination within a workforce, inappropriate remuneration practices, failure to protect personal data, noncompliance with tax, or
- Regulatory: new regulations, taxes or industry standards to protect or encourage sustainable businesses or violations of sanctions such as EU Sanctions lists, UN Sanctions lists, UK Sanctions lists, and Office of Foreign Assets Control (OFAC) Sanctions lists

6. Principal Adverse Impacts (PAIs) consideration- Entity level

The company carefully assessed the requirements of the PAI regime under article 4 of the SFDR and opted not to consider the adverse impacts of investment decisions on sustainability factors at entity level.

Although CISCO takes sustainability and ESG very seriously, it is noted that some of its investment strategies cannot currently support the adoption of the adverse impacts' regime within SFDR given that these strategies involve mainly investing in mutual funds, where it is often not possible to conduct detailed diligence on the principal adverse impact of our investments on sustainability factors.

The Company will keep its decision not to comply with the PAI regime under regular review and will formally re-evaluate the decision at least annually.

7. Principal Adverse Impacts (PAIs) consideration-Product/Service level

The Company does not consider principal adverse impacts on its investment decisions on sustainability factors through the ESG assessment screening strategies in effect for products and /or services. This decision will be re-evaluated annually or as part of the formal review of the policy.

8. INVESTMENT & PORTFOLIO CONSTRUCTION PROCESS

Our Asset Management Department continuously monitors relevant markets for each investment asset class. Investee companies are subject to a periodic due diligence process conducted on a sample basis to assess compliance with relevant criteria. Specifically, we monitor the constituents of our portfolio on a sample basis against specified criteria. Our criteria include:

- Overall Global Compact compliance status: Focus on commitment to sustainable and ethical business practices.
- Percentage of female executives and directors: Recognizing the importance of gender diversity in leadership.

We may include additional criteria in the future as we see fit to further align our portfolio with our values. Additionally, they are continuously monitored to ensure alignment with the organisation's investment principles and ethical standards. Any companies found to be in violation may be subject to further review and potential action.

The Investment Committee discusses and approves investment strategies, guiding the Asset Management team accordingly.

Considering ESG factors ensures both accuracy and transparency. The investment strategy and process adhere to sustainable investment principles, identifying investments based on our quantitative and qualitative criteria, including ESG sustainability factors and corporate governance.

Where necessary, Fund Managers undertake additional research and resources to create tailored ESG product solutions for clients with very specific sustainability preferences and reporting requirements.

9. REPORTING AND TRANSPARENCY

CISCO is committed to transparency and will regularly report on our ESG activities and the impact of our investments through

- At least annual updates to stakeholders on significant ESG issues and developments.

Relevant reports will indicate:

- In which UN Sustainable Development Goals each sustainable portfolio aligns.
- The positive impact, in real terms, generated by the sustainable portfolios.
- The % of portfolio assets invested in companies which have a positive net impact.

Disclosures can be viewed here: (https://www.cisco-online.com.cy/en-gb/home/regulatory2/sustainability/ _)

10. Staff expertise

The Company ensures that the staff that works for the Portfolio Management and the Investment Advisory departments and which are involved in the provision, distribution and/or recommendation of investment products possess the necessary knowledge and expertise to fully understand and implement the requirements of the applicable legislation in relation to the sustainability aspects of the investment products, as well as the exposure to sustainability risks that the Company may have.

To this end, the Company's staff undergo trainings on, at least, an annual basis on topics related to sustainable investments and ESG risks, amongst others.]