

Group Responsible Investment Policy

November 2023

Contents

1.	Introduction	3
2.	Background and Underpinning Philosophy	3
3.	Scope and Objective	4
3.1	Scope	4
3.2	Objective	4
4.	Overview of Resolution Life's Investment Philosophy	4
5.	Relevant rules and regulations	4
5.1	United Nation's Principles for Responsible Investment	5
5.2	Task Force on Climate-Related Financial Disclosures	5
6.	Specific categories of investments / risk	5
6.1	Excluded Investments	5
6.2	Climate Change	6
7.	Governance	6
7.1	Who monitors ESG Metrics?	6
7.2	Annual Review	6
7.3	Reporting	7
8.	Compliance with this Policy	7
9.	Version control	7

1. Introduction

Approved by:	Board Investments Committee
Effective:	17 November 2022
Most Recent Review:	November 2023

Responsible Investment is a strategy and practice to incorporate environment, social and governance (“**ESG**”) factors into investment decisions and active ownership. These factors include (non-exhaustively); climate change, pollution, human rights, modern slavery, employee relations, executive pay, board independence, conflicts of interest, clarity of organisational structure, delegation of authority, advocacy and corporate giving.

Resolution Life understands it has a responsibility to manage material ESG issues within its investments. If ESG matters are not managed adequately, they can become material investment and / or reputational risks.

This Policy sets out Resolution Life’s stance and commitments to addressing ESG factors in investments in line with the general philosophy of managing its investments and overall balance sheet in a prudent and conservative manner, with the objective of preserving the Group’s capital and financial strength while seeking adequate returns on its investments and operations.

This document complements Resolution Life’s other policies, including:

- Code of Conduct
- Work Health & Safety Policy
- Inclusion & Diversity Policy
- Modern Slavery Statement
- Outsourcing Policy

2. Background and Underpinning Philosophy

The investment philosophy of RLGH is determined by the Investment Committee of the RLGH Board (the “**BIC**”). The individual strategies of the underlying subsidiary companies are determined by the local Management Investment Committee, or equivalent (the “**MIC**”). The assets are overseen by the MIC and managed by third party investment managers. The principles set out in this Policy have been developed to guide each MIC in its investment decision-making and approach to asset ownership. The policy described in this document applies in principle to the selection, ownership and realisation of all assets. Where agreed with cedants, specific criteria may apply to individual mandates.

This Group Policy provides a broad framework within which the underlying subsidiaries will be free to operate, but which will ensure a degree of consistency in the way that responsible investment is carried out by group companies, allowing the RLGH Board to demonstrate that it is performing its requisite oversight role effectively. As a result, this Policy is not detailed, nor is it intended to capture the specific requirements

of local regulations. Rather, the Policy sets out the principles and the minimum requirements that will apply to each Business Subsidiary.

It is anticipated that the subsidiaries will maintain their own policies (“**Local Policies**”) which will be more detailed and/or have associated process documents which will specify more detailed requirements. It is the Local Policies which will be applicable to local subsidiary Personnel, but it is expected that subsidiary management teams will provide attestations of compliance with the Group Policy.

It is expected that Local Policies will, as a minimum, meet the principles and minimum requirements of this Group Policy.

3. Scope and Objective

3.1 Scope

This Policy applies to Resolution Life and all persons working for Resolution Life, including permanent employees, officers, contractors, secondees, interns, directors or otherwise (“Employees”).

3.2 Objective

The purpose of this Policy is to establish the principles and minimum standards for responsible investment within Resolution Life and the framework and controls for managing any associated risks.

The objective is to ensure a consistent and coordinated approach is used when managing the risks associated with investment decision-making and approach to asset ownership across all entities within Resolution Life.

4. Overview of Resolution Life’s Investment Philosophy

Consistent with Resolution Life’s fiduciary duties to our policyholders, cedants and investors, this Policy is intended to protect and enhance the value of our investments in the long term. As such, the incorporation of ESG factors in the investment process and in improving the companies in which we invest is a part of our strategic priorities. As a long-term investor, we believe that the goal of any company should be to generate and deliver sustainable long-term financial value, which will be helped by having long-term owners to whom the company is accountable and by having owners that are clear about their expectations.

5. Relevant rules and regulations

In developing this Policy, Resolution Life have considered a range of international standards to guide our approach, including the United Nations Principles for Responsible Investment (“**UNPRI**”) and the Task Force on Climate-Related Financial Disclosures (“**TCFD**”). Resolution Life will evaluate the continued evolving regulatory landscape and seek to adopt rules and regulations that are consistent with our purpose and fiduciary duties.

5.1 United Nation’s Principles for Responsible Investment

Resolution Life became a UNPRI signatory in October 2022. UNPRI is a UN-supported network of investors, which works to promote sustainable investment through the incorporation of environmental, social and governance factors into investment decision-making. Where consistent with our fiduciary responsibilities, Resolution Life will strive to adopt the UNPRI Six Principles.

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of PRI within the investment industry.

Principle 5: We will work together with other members to enhance our effectiveness in implementing PRI.

Principle 6: We will report on our activities and progress towards implementing PRI.

5.2 Task Force on Climate-Related Financial Disclosures

The TCFD has provided the following recommended framework for climate related disclosures:

Governance: Disclose the organization’s governance around climate-related risks and opportunities.

Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.

Risk management: Disclose how the organization identifies, assesses, and manages climate-related risks.

Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Resolution Life will consider these metrics when preparing its annual report and other specific ESG related reporting.

6. Specific categories of investments / risk

6.1 Excluded Investments

The Group seeks to exclude investments in tobacco and controversial weapons as defined below:

Tobacco - companies that focus on the ‘production and manufacture’ of tobacco and ENDS products (Electronic Nicotine Delivery Systems) and companies involved in the ‘distribution and sale’ of tobacco and ENDS products where it contributes more than 50% of total revenue.

Controversial weapons - companies involved in the direct production and manufacture of Cluster Munitions, Anti-personnel landmines, Chemical Weapons and Biological weapons. This exclusion applies to controversial weapons which do not comply with the following treaties or legal bans: The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of

cluster munitions; The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons; or Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons.

As of the date of this Policy, we will work with our managers to implement the above exclusions in directly managed accounts (recognising that in the case of commingled investment vehicles, including funds and Limited Partnerships, Resolution Life does not have direct control or influence over amendments to the investment strategy) over the next 12 months. Specific implementation plans for the Policy to be developed in each Business Subsidiary within the next 12 months, which could include divestment of existing positions, or no additional investments, allowing existing holdings to run off.

6.2 Climate Change

We accept the scientific evidence that adverse climate change is occurring and expect investment managers to engage with companies to reduce negative environmental impacts where this is consistent with the investment return and risk objectives set. Climate-related risks are a financial risk that should be assessed appropriately by us and by our investment managers. We seek to mitigate systemic risk through investing in a diversified portfolio of assets however, in consultation with our investment managers, we are considering the risk and the extent to which climate change could cause a material deterioration in asset values due to factors including policy change, physical impacts and the expected transition to a low-carbon economy.

We accept that many companies are adapting their business models to improve their credentials over time and understand that economies are not starting from the same place - decarbonising energy could exacerbate social inequalities for communities impacted. We believe that to achieve improved climate outcomes, significant progress will need to be made by carbon intensive industries in adapting their business models. This adaption will require ongoing provision of capital to these industries to achieve these improvements, so mere avoidance of companies with high current carbon footprints is not in society's interest, instead we should be actively trying to encourage and support these industries in their business model transition, where there is a clear demonstration of intent and capability.

We would expect our investment managers to integrate ESG into their investment process and how they engage with underlying companies, including having an escalation strategy where an investee company is failing to keep pace with rising standards. Where all other factors are equal, we expect our investment managers to tilt portfolio weights towards companies with a stronger performance in climate protection, however our preference is that our investment managers do not screen out assets solely based on their carbon emission credentials.

7. Governance

7.1 Who monitors ESG Metrics?

[Local MICs will monitor ESG metrics following reporting in accordance with section 7.3 below.]

7.2 Annual Review

We seek to review our core investment managers via an annual ESG Questionnaire. We expect our managers to take into consideration ESG factors during the investment process, engage with companies on ESG matters and provide ESG reporting. We look to identify year-on-year progress in these areas through the information collected annually.

7.3 Reporting

Reporting requirements	Responsibility
Annual report to MIC (or equivalent) certifying adherence to controls with Business Subsidiary Responsible Investment Policy	Business Subsidiary to produce annual report for MIC
Annual review by MIC (or equivalent) to determine ongoing appropriateness of expertise and systems for purpose of Responsible Investment	Local MIC to review
Annual report covering compliance with exclusions	Each Business Subsidiary to produce annual report for local MIC
Report any exceptions within the above reports to BIC	Local MIC (or equivalent) to report any exceptions to BIC

8. Compliance with this Policy

Compliance with this Policy is mandatory. Significant instances or events of non-compliance with this Policy will be reported by Business Subsidiaries as part of the general process of attestation of adherence to Group policies. Where gaps exist, a remediation plan to close the gaps within an agreed timeframe must exist (at most one year for new acquisitions).

9. Version control

Annual Review Log		
Version	1.0	
First published	November 2022	
Current review date	November 2023	
Next Review Date	November 2024	

Modification History		
Version	Modification	Date
1.0	Initial version	November 2022