



**FINAL**

## **Responsible Investing Policy**

Lifetri Groep B.V.



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## 1. Introduction

In this document Lifetri describes its Responsible Investing policy.

### 1.1. Introduction

The purpose of this policy is to lay down the principles, strategy and policy by which Lifetri aims to invest responsibly. It also lays down how Lifetri reports externally on how the policy is applied in practice.

It is envisaged that this policy will be amended over time as the area of Responsible Investing will evolve over time.

### 1.2. Scope of the Policy

This Policy is applicable to all assets of Lifetri Groep B.V. and its subsidiaries.

### 1.3. Review

This Policy will be evaluated at least every three years or more often when deemed necessary. The MB approves the policy, after positive advice from the ALCO.

### 1.4. Effective date

This Policy will be effective as of October 18<sup>th</sup>, 2021.

### 1.5. RI Council

The Responsible Investing Council is an informal committee that advises the ALCO and the MB on responsible investing. It has no formal character nor is it a formal body within Lifetri. The RI Council develops and maintains the RI Policy.

The responsibility of the RI Council is to remain up to date on regulatory and societal developments regarding responsible investing. If these developments result for instance in an amendment in the list of exclusions, annexes will be amended after approval of the ALCO.

The RI Council consists of 5 members, who have different complementary responsibilities and expertise within Lifetri, to be agreed by the MB. Currently these members are the CIO (Chair), Manager Asset Management, Manager Risk Management, Company Secretary and the Manager Digital.

The RI Council will meet at least once every two months. In the last scheduled session on each calendar year the KPI's for the coming year will be discussed.

## 2. Mission, Beliefs and Ambition

This chapter provides an overview of the relevant frameworks in the realization of this Policy. The goal is to clarify the background of the Policy.

### 2.1. Corporate Responsibility Mission

With respect to Sustainability Lifetri has formulated its mission as:

- Lifetri is an insurer that takes care of people's, both customers and employees, well-being by making them self-assured. Therefore it educates people to be well-informed, to be able to innovate and it takes care of the Planet for next generations

Based on its corporate responsibility mission, Lifetri has identified three focus areas. These focus areas are selected from the United Nations Sustainable Development Goals (SDGs) that fit with the mission of Lifetri. The three focus areas are:



- SDG 3: Good health and well-being;
- SDG 4: Quality education;
- SDG 13: Climate action.

Lifetri has translated these focus areas into the following ambitions:

1. Security and Inclusion; every employee can share ideas, ask questions, name doubts or reveal mistakes, without others holding them accountable. We welcome each other's input, irrespective someone's background or identity, so that we can confidently help ourselves, the team and Lifetri grow;
2. Engaged and development focused employee; employees have a feel for the vision of Lifetri, contribute to it individually and with other colleagues, feel free and valued and are in control of their own career;
3. Responsible investing; Lifetri invests in a sustainable future. With which we contribute to a clean climate and the well-being and development of employees and customers.

Customers entrust their money to Lifetri in the anticipation Lifetri will invest diligent, but also in a responsible manner. To Lifetri, responsible investing means that Lifetri assumes responsibility for its investment impact with respect to environmental, social and governance aspects, i.e. all three ESG categories.

### 2.3. Principles and Beliefs

Lifetri's Investment policy contains the following principles regarding responsible investing:

- Strong corporate governance and socially responsible investing is important. Lifetri aims to invest in well governed companies in a way that minimizes negative impacts on society and the environment and, where possible, makes a positive contribution;
- Certain unsustainable sectors and companies are excluded from the potential investment universe;
- Lifetri aims to integrate responsible investing in its investment process and ensures transparent reporting on investments.

For the purpose of defining its RI strategy and policy, Lifetri has developed the following believes:

- Lifetri wants its customers to be able to enjoy their pensions in a sustainable world, and therefore believes it has a particular responsibility to invest responsibly and sustainably;
- Lifetri believes that to maintain our reputation and to anticipate regulatory and legal requirements it is obliged to invest responsibly according to our RI policy;
- Lifetri believes that in the long term, investment returns will not be harmed by responsible investing and potentially it might even improves investment returns;
- Lifetri believes that it is beneficial to the work environment for its staff if it invests responsibly and might become an attractive employer for talented professionals.

Lifetri has identified a number of areas it wants to focus on in its RI policy. Further, Lifetri has selected a number of instruments that it uses to pursue its RI strategy. In the following chapter the regulations and treaties Lifetri subscribes to are stated.

### 3. Responsible Investing Strategy

#### 3.1. Regulations and treaties

Lifetri subscribes to (or aims to comply with) the following frameworks for responsible investing:

- WfT: ban on controversial weapons:
  - The ban on controversial weapons is governed in the WfT; subsequently Lifetri will include these exclusions in its RI Policy;
- IMVO treaty of the insurance sector:
  - The Dutch insurance sector has, by means of the Association of Insurance Companies committed to the IMVO treaty. As a responsible member Lifetri will honour the IMVO treaty;
- UN Global Compact:
  - The UN Global Compact entails 10 principles on Human Rights, Labour, Environment and Corruption which are a global roadmap to an sustainable future; Lifetri underwrites the principles on a best effort basis
- Paris Treaty:
  - Lifetri is a Dutch insurance company and as such supporting the Dutch commitment to the Paris Treaty goals;
- UNPRI signatory:
  - Lifetri aims to become a UNPRI signatory.

### 3.2. RI Ambition

Roughly speaking, the motivation for having a RI policy can be divided into three categories:

- Doing no harm: avoid or mitigate a negative influence of investments on society and the environment;
- Doing good: actively contributing to a livable world by generating positive impact on society and the environment;
- Impact investing: an investment strategy that aims to generate specific beneficial social or environmental effects in addition to financial gains.

Based on Lifetri's motivation, the level of ambition exceeds to *do no harm*. This level of ambition fits well with the principles stated above in combination with the current level of expertise of the subject.

In addition, whilst developing Lifetri will gradually increase its ambition to *doing good*. Without setting strict quantitative goals at this point in time, Lifetri will for its own managed assets and for assets managed by external managers focus on improving the quality of the overall asset base in the context of responsible investing.

Lifetri doesn't exclude impact investing, but has currently no specific target defined.

On a yearly basis, based on new insights, Lifetri will update its specific KPI's for the forthcoming year and if necessary update its ambition. The KPI's and ambition need MB approval.

An approved update of the RI Ambition will be captured in this policy. The KPI's will be separately documented.

### 3.3. ESG Risks in ORSA

ESG risks assessment is an integral of responsible investing. ESG risks are commonly also acknowledged as long-term risks to financial institutions. Lifetri analyses and monitors ESG risks as part of the annual ORSA process. The RI Policy may need to be updated to mitigate any ESG risks in the investment portfolio. As such, the RI policy can be seen as an ESG risk measure.

## 4. Execution

This chapter provides further guidance on how the RI strategy is implemented in practice.

### *Instruments*

In general, investors can apply these instruments to implement their RI policy.

- Screening of external managers;
- Exclusions;
- Voting policy;
- Engagement;
- ESG Integration/ESG criteria.

Lifetri applies mainly Exclusions and ESG Integration. Voting and Engagement are less appropriate instruments as Lifetri does not invest in equities at this moment. Any engagement that might take place will be done through the external managers in fixed income and loans and potentially later through managers in public or private equity. Occasionally, Lifetri might be invited, for instance via a working group of the IMVO-agreement, to join an collective engagement action. If the RI Council deems it appropriate to join it will advise the ALCO positively.

#### 4.1.1. Exclusions

Lifetri excludes investments that are legally banned and/or cause harm. Lifetri uses an exclusion policy to exclude undesirable behavior or undesirable products from the investment portfolio. The policy applies to all asset classes and is applicable to all mandates. All companies and countries that do not meet the requirements of this policy are excluded. This means that asset managers who perform a discretionary mandate specifically for Lifetri are not allowed to invest in these companies/sectors/countries.

##### *Controversial Behaviour*

- Corporates in breach with the UN Global Compact are excluded;
- Countries sanctioned by the UN Security Council are excluded;

##### *Controversial Sectors*

Lifetri has identified a number of sectors that *do harm* in which Lifetri doesn't want to have any exposure. These sectors include legally prohibited activities, such as controversial weapons.

Exclusions include companies that generate a substantial part of their revenue in these controversial sectors. Also key supplier and holding companies will be part of the exclusions.

The list with Controversial Sectors can be found in annex 1.

External managers should be able to demonstrate or verify they comply to the exclusions.

#### 4.1.2. ESG Integration

Lifetri will apply (directly or indirectly via external managers) ESG screening on all investments. Key aspect with regards to screening is not an ESG rating/score as such. It is important how the score influences the ultimate portfolio composition. In addition, ultimately Lifetri we would like to experience progress with regards to the company/country ESG profile.

ESG integration will be applied on both the internal and external managed mandates.

Lifetri believes that ESG integration will be beneficial for the risk/return profile of the portfolio in the longer term. ESG integration will lead to sharpening of the ambitions; *do no harm, do good and impact investing*, by means of increasing dialogue, engagement and shifting of capital.

All managers need to have ESG integration as part of their investment process. This will be an explicit criteria in the external manager selection by Lifetri.

Lifetri requires all managers to screen on a consistent basis all investments on all three criteria (E, S, G). Specific targets will evolve over time. Lifetri will in its selection process and the monitoring thereafter specifically focus on the reduction of CO2 emissions and deforestation within supply chains.

Lifetri uses various products for managing its balance sheet. For each product type a different requirements will be set to reach the targets set.

#### 4.2. External Managers

The Responsible Investing policy of external managers will be a key criteria of the manager selection process. It is expected that any external manager has a clear ESG ambition. The ESG screening in combination with accompanying actions to move to these ambitions should be well documented and reported. Preferably, this ESG ambition is congruent with the RI ambitions of Lifetri.

With the new EU legislation SFDR in place the preference of Lifetri will be to investments strategies that comply to SFDR Art 8 or 9. Lifetri will not exclude Art 6 strategies as yet, especially as the legislation is still in motion. However, Lifetri will need additional evidence that the particular investment strategy will comply to Lifetri's ambition today and in the future.

Any external manager should be able to comply to the Lifetri RI Policy.

#### 4.3. Index products

For a number of asset classes, Lifetri may (temporarily) invest in index products, such as trackers. It may not be possible to select a product that fully complies with Lifetri's RI policy. In that case, a product will be selected with a benchmark that best matches the RI policy. This must be balanced with any additional costs, but Lifetri does not preclude such product if there are additional costs involved.

In case a product doesn't fully comply with Lifetri's RI policy the investment period should be of temporarily nature.

#### 4.4. Internal mandates

As far as assets are managed by the Asset Management team of Lifetri ESG integration will also be an integrated part of the investment process.

In line with the RI ambition the internal managed assets will comply to the RI policy. To build up expertise a consistent ESG screening will be in place for all Euro Government Bonds in 2021.

The ESG screening process will be yearly assessed by the RI council.

### 5. Monitoring, Evaluation & Reporting

#### 5.1. Monitoring

Dependent on the availability of information, the regular monitoring reports for the ALCO will contain information on compliance with the RI policy. This applies to both internally and externally managed assets.

Responsible investing aspects will be included in the periodic evaluation of external managers by Asset Management.

Following the current ambition the minimum requirement in the monitoring process focuses on:

- Compliance with the exclusions in the Lifetri RI policy;
- Compliance with the ban on controversial behaviour;



- Finding and progress on the ESG/RI developments of the external manager.

Lifetri acknowledges that it may be challenging to obtain ESG data on its illiquid assets, but will, in cooperation with the selected external managers, continuously increase the effort to get the necessary ESG data on all assets on the balance sheet of Lifetri. The company will gradually increase reporting on its implementations and achievements in its annual report.

On an annual basis, the RI Council will write a report on the performance and compliance with respect to responsible investing. Based on the analyses, the RI Council may provide advice on monitoring, reporting, policy etc.

## 5.2. Evaluation

The RI Council will review the RI Policy every 3 years or any time sooner when deemed necessary. Lifetri evaluates the RI policy on the following criteria:

- Are the beliefs and vision still appropriate?
- Are existing and foreseeable regulations met?
- Is the policy implemented properly and efficiently?
- Does policy implementation contribute to policy objectives?

It is important that the evaluation shows to what extent the results are effective and should lead to a change in policy.

## 5.3 External reporting

Lifetri is accountable to its stakeholders for the execution and achievements of its RI policy, as well as on the policy itself. The implementation of the RI policy shall be reported at least once a year in the annual report.

## 6. Ownership and version control

<b>Approval:</b>			
	<b>Remark:</b>	<b>Approved:</b>	<b>Date:</b>
Management Board		Yes	20211018
Philippe Wits		Yes	
Menno Harkema		Yes	
Rutger Zomer		Yes	
Han Rijken		Yes	
<b>General information:</b>			
Responsible member MB	Han Rijken		
Policy owner	Han Rijken		
Author	Han Rijken		
Filename	Responsible Investing Policy FINAL_20211028		
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## ***Annex 1 Controversial sectors***

### **Controversial weapons**

- Prohibited is the production and sale of: nuclear weapons, chemical weapons, biological weapons, cluster munitions, anti-personnel-mines, inhumane conventional weapons;
- The financing of controversial weapons;
- Suppliers; if more than 10% of annual sales is related to controversial weapons;
- Holding companies that hold more than 50% if the share capital of the prohibited companies

### **Arctic drillings**

- Any company active in drilling for oil or gas or any mining activity on both the Antarctic and Arctic is prohibited; including:
- Suppliers; if more than 10% of annual sales is related to Arctic drilling, and
- Holding companies that hold more than 50% if the share capital of the prohibited companies

### **Exploration of Shale gas & oil and tar sands**

- Companies active with the exploration of shale gas or oil and tar sands are prohibited
- Suppliers; if more than 10% of annual sales is related to exploration of shale gas or oil and tar sands
- Holding companies that hold more than 50% if the share capital of the prohibited companies

### **Thermal coal exploration**

- Company for which counts that more than 30% of the energy production is based on thermal coal are prohibited; including:
- Suppliers; if more than 10% of annual sales is related to prohibit companies, and
- Holding companies that hold more than 50% if the share capital of the prohibited companies

### **Fur**

- Any company 1) active with the production of fur and/or 2) with more than 10% of its annual sales related to fur is prohibited, including:
- Suppliers; if more than 25% of annual sales is related to prohibited companies, and
- Holding companies that hold more than 50% if the share capital of the prohibited companies

### **Tobacco**

- Any company 1) active with the production of tobacco and/or 2) with more than 10% of its annual sales related to tobacco is prohibited; including:
- Suppliers; if more than 25% of annual sales is related to prohibited companies, and
- Holding companies that hold more than 50% if the share capital of the prohibited companies

**Adult entertainment**

- Any company 1) active in the production of adult entertainment and/or 2) with more than 10% of its annual sales related to adult entertainment is prohibited, including:
- Suppliers; if more than 10% of annual sales is related to prohibited companies, and
- Holding companies that hold more than 25% of the share capital of the prohibited companies

**Gambling**

- Any company with more than 10% of its annual sales based on gambling is prohibited, including:
- Suppliers; if more than 25% of annual sales is related to prohibited companies, and
- Holding companies that hold more than 50% of the share capital of the prohibited companies