

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 29th January 2024 and will replace all earlier versions of this Policy.

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 RI Council remains 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 MB.

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 Compliance Officer.

The RI Council will meet at least four times per year. In the last scheduled session on each calendar year the KPI's for the coming year will be discussed.

2. Mission, ESG themes and Beliefs

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 a sustainable future.

Lifetri has translated these focus areas into the following themes:

1. Lifetri is a good employer
2. Lifetri applies a Client Centric approach in its operations.
3. Lifetri invests in a sustainable future.

These themes are selected from the United Nations Sustainable Development Goals (SDGs) that fit with the mission of Lifetri. The three SDGs are:



- SDG 3: Good health and well-being;



- SDG 4: Quality education;



- SDG 13: Climate action.

<https://sdgs.un.org/goals>

Customers entrust their money to Lifetri in the anticipation Lifetri will invest diligently and responsibly. 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. With a strong focus on these E, S and G factors Lifetri aims to focus on human, social and natural capital next to financial capital to help building a sustainable future.

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, because that minimizes negative impacts on society and the environment and, where possible, makes a positive contribution.

Lifetri therefore aims to invest in companies which governance structure, works in the interest of all stakeholders.

- Certain unsustainable sectors and companies are excluded from the potential investment universe (paragraph 4.1.1.);
- Lifetri integrates 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 beliefs:

- Lifetri wants its customers to be able to enjoy their insurance benefits in a sustainable world, and therefore believes it has a particular responsibility to invest responsibly and sustainably.
- Lifetri believes that a pro-active approach to responsible investing will reduce its reputation risk and that Lifetri stays well ahead of the regulatory boundaries and regulation.
- Lifetri believes that in the long term, investment returns will not be harmed by responsible investing and that responsible investing will reduce investments risk.
- Lifetri believes that it is beneficial to the work environment for its staff if it invests responsibly and remains 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

In pursuing its RI strategy, Lifetri takes into account regulations and treaties, and its stated ambition.

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 a sustainable future; Lifetri underwrites the principles on a best effort basis
- Paris Agreement as entered into force on 4 November 2016:
 - Lifetri is a Dutch insurance company and as such supporting the Dutch commitment to the Paris Agreement goals;
- United Nations Principles for Responsible Investment (UNPRI):
 - Lifetri aims to become a UNPRI signatory for Asset Owners.

3.2. RI Ambition

Roughly speaking, the motivation for having an RI policy can be divided into two 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;
- 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.

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

The yearly KPI's will be described in annex 3.

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

3.3. Sustainability Risks

Lifetri has identified sustainability risks as a separate risk in its risk universe. It is defined as the risk that an environmental, social or governance event that, if it occurs, could cause a negative impact on the value of an investment or on the value of a liability. ESG risks assessment is an integral part of responsible investing. ESG risks are commonly also acknowledged as long-term risks to financial institutions.

In addition, Lifetri analyses and monitors climate-related risks as part of the annual ORSA process.

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, ESG screening and 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

Insurance Association (Verbond van Verzekeraars), to join a 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

- Government bonds or state-owned corporates of countries sanctioned by the UN Security Council and / or the European Union or subject to an arms embargo are excluded. Lifetri has established a list of excluded countries. This list will be updated on a yearly basis.
- Companies appearing on a sanctions list (United Nations, European Union, United States, United Kingdom, the Netherlands) or companies with one or more Ultimate Beneficiary Owners appearing on a sanctions list.
- Corporates in breach with the UN Global Compact 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 and do good by means of increasing dialogue, engagement and shifting of capital.

All managers need to have ESG integration as part of their investment process. This is an explicit criterion 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). 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 products 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.

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 are included in the periodic evaluation of external managers by Asset Management.

Following the 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. On a yearly basis Lifetri will set specific targets of the portfolio (Annex 3). These targets will influence the requirements Lifetri has on each individual 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. With the European Union Corporate Sustainability Reporting Directive being in force from January 5th 2023 onwards and being applicable to Lifetri for the first time in the annual report 2025, this will become even more important. In order to comply to this regulation, Lifetri will perform a Double Materiality Assessment and include the applicable relevant and material disclosures regarding its RI Policy accordingly.

6. Ownership and version control

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	Remark:	Approved:	Date:
MB		Yes	29-01-2024
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Responsible member MB	Han Rijken		
Policy owner	Han Rijken		
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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 30% of annual sales is related to prohibited companies, and
- Holding companies that hold more than 50% of the share capital of the prohibited companies

Annex 2 Countries from which bonds, loans and other financial instruments are excluded

	Lifetri Sanctions
Afghanistan	X
Belarus	X
Central African Republic	X
Democratic Republic Congo	X
Eritrea	X
Iran	X
Libya	X
Myanmar	X
North Korea	X
Russia	X
Somalia	X
South Sudan	X
Sudan	X
Syria	X
Venezuela	X
Yemen	X
Zimbabwe	X

Annex 3 KPI's [2024]