

Responsible Investment Policy

November 2025



Table of Contents

1.0 Introduction / 02

2.0 Purpose / 04

3.0 Policy Objectives / 04

4.0 ESG Integration / 05

5.0 Footprinting and
Measurement of Climate
Change Risk / 08

6.0 Impact Investing / 09

7.0 Advocacy / 09

8.0 Reporting / 10

9.0 Responsibilities / 10

10 Review / 10

1.0 Introduction

RiverStone Investment Management (“IM”) mission is to achieve superior risk-adjusted returns relative to its liabilities over the long-term. At the same time, the IM’s ambition is to be the best run-off insurance investment management relative to its peers. As an active asset owner, IM believes that managing its investments responsibly is the only way to manage the assets to achieve its mission and ambition. Furthermore, being a responsible asset owner is integral to RiverStone International’s overall ambition to be a responsible business with sustainable practices that create those intangible assets that enhance its long-term value, and which demonstrate commitment to its clients, investors, employees, and the society in which it operates.

The key pillars of RiverStone’s responsible investment approach are (1) the integration of environmental, social and governance (ESG) factors that drive the long-term value of the assets it invests in, alongside the integration of traditional fundamental financial factors; (2) investing in assets with explicit intention to generate positive impact that is measurable combined with financial returns commensurate with the risks; and (3) advocacy and exercising influence within the company and outside to make responsible investment mainstream and be seen as the only way to manage assets.

To demonstrate its commitment to responsible investment and to be transparent and held accountable, RiverStone International became a signatory to the UN’s Principles for Responsible Investment (UN PRI) in 2024 and commits to start reporting its progress publicly. As its responsible investment practices mature, the Group’s IM intends to participate in noteworthy asset owner alliances to collaborate and learn from peers to develop and achieve a pathway to contributing to the global transition to net zero GHG emissions consistent with the Paris Agreement. RiverStone will set Science-Based Targets (SBTis) to ensure its contribution to the decarbonisation pathway is credible and aligned with global climate goals and commits to contribute meaningfully to the global transition to net zero. As part of its SBTi commitments, the Group will not make any new direct investments or mandates with material exposure to fossil fuel extraction, exploration, or expansion activities, reinforcing its alignment with a science-based and sustainable transition pathway.

2.0 Purpose

This policy documents RiverStone's approach to Responsible Investment. This Policy is integral to the Group's Corporate Environmental, Social and Governance ("ESG") Policy.

This Responsible Investment Policy sets out how RiverStone will invest and manage its investment portfolio, consistent with the Group's responsible business objectives and relevant laws and governance standards. It outlines the core beliefs in each of the three pillars and how they are implemented in the investment management value chain to fulfill IM's mission. This policy applies to all investments managed by RiverStone and recognises that implementation of this policy will vary by asset class and by vehicle through which IM invests the assets.

3.0 Policy Objectives

To articulate the three pillars of RiverStone's Responsible Investment and its implementation

- How we integrate ESG considerations in our manager selection and security selection processes.
- To make investments with targeted and measurable positive impact, focused on key areas of the Group's Sustainable Development Goals ("SDGs").
- To report on the Weighted Average Carbon Intensity (WACI) of investments and its development over time by establishing a baseline in 2024 consistent with TCFD standards.
- To promote the Responsible Investment best practices of RiverStone internally and externally and collaborate with peers to learn and improve continuously.

To be transparent on how the Responsible Investment approach is being implemented and its progress by reporting on agreed metrics and KPIs.

To comply with all regulatory obligations relating to Responsible Investment in all markets we operate in.

To comply with all ESG criteria as negotiated with reinsurance counterparties.

To engage with asset managers and industry peers to advance responsible investment practices and promote alignment with global sustainability goals.



4.0 ESG Integration

ESG factors are extremely important because they are critical to the long-term value of the assets to which they apply. As such, ESG integration is part and parcel of good investing where fundamental factors - both financial and non-financial - are assessed and priced in the valuation and risk of an asset. In the launch of the UN PRI in 2006, ESG integration was seen as “niche” or specialized approach to investing, however, over the almost two decades of its existence and with close to 4,000 signatories with over \$121 trillion of AuM, ESG integration has moved to mainstream and become integral to investment management. A positive self-fulfilling prophecy has meant that ESG factors that investors deem as important as part of being a responsible investor have become important in driving the long-term value of an asset. It is therefore a core belief of RIHL that integration of ESG factors is core to good investing and to achieving superior risk-adjusted returns over the long term.

This approach must be differentiated with “ESG investing” where financial return is sacrificed to achieve ESG objectives. This is not RIHL’s approach as it believes that for responsible investment to be sustainable over the long term, ESG objectives must be a driver to achieve long term financial value commensurate with the risks.



4.1 External Asset Managers

RiverStone, as a run-off insurer, manages its assets relative to its insurance liabilities and as such, is primarily a fixed income investor. Consistent with IM's operating model, it employs best-in-class external asset managers to execute its fixed income mandates which involve selecting the individual securities in the portfolio in line with investment guidelines. ESG risks and opportunities are in the end directly embedded in the security selection process of the selected asset managers. ESG integration is therefore considered through the manager selection process. RiverStone follows a strict 'Manager Selection Framework' where potential managers are evaluated on their competence in integrating ESG considerations into their investment process as a first and necessary step to be considered in the subsequent stages of the selection process. Prospective managers must respond to a detailed ESG questionnaire in the standard request for proposal (RFP) documentation during the manager selection process.

IM works exclusively with external asset managers who are UN PRI signatories, ensuring that the investment managers adhere to recognised standards for responsible investment and are transparent in how they do it.

IM shares the Responsible Investment policy annually with all appointed asset managers, who will complete a Responsible Investment questionnaire to help monitor any change in their approach. IM expects consistency with the standards set out in this policy. Specialist external managers may be appointed to manage complex assets, or RiverStone may invest in funds as part of its portfolio construction in line with the strategic asset allocation. IM recognizes that for some specialist asset classes, passively managed funds where individual security selection based on fundamentals of ESG and other factors are not employed, or more importantly G7 government bonds, incorporating ESG principles may prove either not relevant or more challenging, and therefore we hold these asset classes to the appropriate standard.

The IM team will assess how external managers integrate ESG considerations to achieve superior risk-adjusted returns relative to their benchmarks as part of the normal performance review process. As part of its assessment of sovereign exposures, IM also considers the sovereign temperature alignment of the portfolio, which is assessed annually by external managers using their own methodologies. This provides an indication of the estimated temperature alignment of each country's 2030 per capita emissions target with end-century global warming pathways.

The following asset classes are in scope for direct ESG integration:

- Global Sovereign Debt
- Global Public Corporate Credit
- Real Assets

These asset classes collectively represent a majority of the Group's total assets under management (AUM), reflecting the significant integration of ESG considerations across the investment portfolio.

All other public asset classes and other private asset classes are out of scope at present. However, it is expected that in time these asset classes will become in scope as RiverStone's responsible investment management approach matures.

RiverStone will report annually the percentage of funds under management where managers or funds are NOT deemed to be managed in accordance with this policy.

4.2 Screening and Exclusion

Working exclusively with external asset managers, RiverStone expects ESG risks and opportunities to be fully reflected in security selection, and therefore the investment portfolios will accurately reflect both the RiverStone Responsible Investment approach as well as the managers' own practices. Because ESG factors are long term drivers of value, RiverStone expects relevant ESG factors to be efficiently priced by markets.

While RiverStone does not have a formal exclusions policy, the following exclusions reflect its commitment under the SBTi to avoid new investments with material exposure to fossil fuel extraction, exploration, or expansion activities, and to align with internationally recognised norms on weapons of mass destruction.

RiverStone excludes from its investment portfolio the following sectors:

- Companies deriving >10% of revenue from Thermal Coal Extraction
- Companies deriving >10% of electricity generation from Thermal Coal
- Companies deriving >10% of revenue from Oil Sands
- Companies deriving >10% of revenue from Arctic Oil & Gas
- Companies manufacturing and distribution Controversial Weapons of Mass Destruction

From October 2025, RiverStone commits to cease making new investments in issuers with revenues generated from the fossil fuel value chain.

Existing investments will be allowed to mature but without reinvestment.

As RiverStone further integrates sustainability into its business practices, it is expected that the scope and manner of exclusions will vary over time. In addition, asset managers will also reflect their own screens in their investment process.

RiverStone commits to cease making new investments in issuers with revenues generated from the fossil fuel value chain.

4.3 Active Ownership – Improving ESG Practices

Active ownership or ‘stewardship’ is the use of influence by institutional investors such as RiverStone to help maximize long-term value by encouraging companies, industry sectors and asset managers to invest responsibly.

As a mainly fixed income investor and asset owner, RiverStone will engage with its asset managers to understand their approach to active ownership, and to report their stewardship activity on a frequent basis. RiverStone expects asset managers to have larger scale and influence over their investee companies, and therefore drive better outcomes. However, RiverStone will seek to directly influence investee companies wherever possible.

RiverStone will focus its attention on its asset managers to drive better ESG practices and the setting of time-bound science-based targets for carbon reduction among investee companies. RiverStone will also seek to take seats on the LPAC (Limited Partnership Advisory Committees) of the funds in which it is invested, to further engage with fund managers on ESG topics.

4.4 Sanctions

Investments in any asset class and any security or fund must comply with the relevant entity financial crime policy, which includes RiverStone’s policy in respect of sanctions.

5.0 Footprinting and Measurement of Climate Change Risk

RiverStone is committed to incorporating SBTi principles and to contributing to the global Net Zero 2050 pathway to reducing greenhouse gas emissions. As a first step it needs to measure and understand the carbon intensity of its investment portfolio as part of a broader company commitment to understanding and addressing the risks of climate change.

To measure the carbon intensity of the investment portfolio, RiverStone will employ the Weighted Average Carbon Intensity (WACI) method, a recommended TCFD methodology, which measures the average weighted carbon intensity, expressed in tons CO₂e per \$m in revenue, considering Scope 1 and Scope 2 emission data. RiverStone will then establish the baseline WACI as the average quarterly WACI over 2024. From then on, we will report the rolling four quarters of WACI and track its development on a quarterly basis. Averaging is a preferred approach vs point-in-time measure given the lumpy arrival of assets being onboarded as part of the business transactions. This data will be provided by our external asset managers, and funds where available. This data will also allow RiverStone to assess whether there is any correlation between the WACI and risk-adjusted returns of the portfolio.

Oversight of this measurement and reporting process will rest with the Investment Management team, which will review results and trends as part of its regular performance monitoring.

6.0 Impact Investing

RiverStone, as a significant asset owner, recognises the opportunity to make lasting impact on the environment and society as an outcome through its investment portfolio. This is called impact investing. To be considered impact investment consistent with the Responsible Investment approach, the 'impact' must be both intentional and measurable and the financial return is commensurate with the risks. The types of Impact Investments to be considered by RiverStone will be in line with the company's broader Sustainable Development Goals.

Given RiverStone's fixed income portfolio, consideration will be given to 'Green Bond' mandates, as well as private funds (e.g., Real Estate, Infrastructure, Private Equity & Private Credit) with impact intention alongside commensurate financial return.

RiverStone will report the AuM of impact investments, the impact themselves (e.g. tons of CO2 emission avoided through the investment) as well as their financial performance.

7.0 Advocacy

For RiverStone to fully implement responsible investment best practice, it is important that individuals and teams within the organisation fully embrace sustainable business practices more broadly. As the investment team recognises ESG factors drive long term value in the assets it invests in, so should it be strong advocates within the group of the relevant ESG factors in its business practices to drive the long-term value of the company. This synergy and feedback loop between investments and broader RiverStone business must exist to drive the long-term value of the company. To this end, there is responsibility on its leaders to create a sustainable and responsible investment and business culture.

This includes embedding the relevant ESG measures into individual and team KPIs, a commitment to collecting and reporting superior quality ESG metrics and working with industry participants and regulators to further responsible investment practices.

8.0 Reporting

On annual basis, the Chief Investment Officer will produce a Responsible Investment Report for the Group Investment Committee that evaluates the implementation and progress of the Responsible Investment Policy. This report will affirm adherence to the policy objectives and agreed-upon Key Performance Indicators (KPIs) and set KPIs for the subsequent year (e.g. KPIs will include % of AuM which integrates ESG in the investment process, Impact Investment AuM, and Impact measures, WACI of the investment portfolio, any other relevant measures).

RiverStone's Risk Management, Compliance and Internal Audit functions will provide oversight and challenge to the adherence of this policy. A summary of this report or its key outcomes may also be included in RIHL's public disclosures on responsible investment progress, consistent with its commitment as a UN PRI signatory.

9.0 Responsibilities

The framework and responsibilities for delivering this policy are:

- **RIHL and Entity Boards** – Ultimate responsibility for oversight of responsible investment management, annual review, and approval of this document.
- **Group Investment Committee** – Recommendation of the Group Responsible Investment Policy to the RIHL board, annual review of the policy and approval of the annual report
- **Group Executive Committee (“Group Exco”)** – Day-to-day oversight of ESG including those areas that affect responsible investment management.

- **Group Chief Investment Officer** – Day-to-day operational responsibility for the management and monitoring of responsible investing and related reporting, including dedicated resource. Senior oversight to ensure that the organization implements its responsible investment policies and achieves its objectives.
- **ESG Manager** - Acts as the central coordinator for ESG-related initiatives across the organization. Responsible for communicating updates to ESG policies, frameworks, and action plans to relevant stakeholders.
- **2nd and 3rd line functions** – Risk, Compliance and Internal Audit functions will all contribute to the oversight of and adherence to this policy.

10 Review

This policy will be reviewed and assessed periodically but at least annually by the Group Chief Investment Officer to ensure it remains up to date and appropriate and reflects any legal or regulatory developments and/or changes in business processes.



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