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General Account ESG Investment Guidelines

As we aim to achieve attractive risk-adjusted returns on our General Account assets, our processes seek to ensure screening and consideration of ESG factors by integrating the evaluation of these factors throughout the due-diligence and decision-making processes.

As an asset owner, our investment decision-making is steered by a set of guidelines that provide direction to investment professionals regarding the integration of ESG considerations into investment decisions and ownership practices specific to the general investment account assets.

Recognizing that ESG factors throughout can affect investment performance, properly assessing and effectively managing these issues can mitigate negative investment outcomes, protecting returns and leading to higher long-term sustainable performance. Our investing approach, which contemplates staying invested through economic cycles, makes it particularly important that all factors that can materially impact the performance of an asset or an organization over varying time horizons be carefully considered, including ESG factors.

Regarding the assessment of an investment's ESG-related risks, the perceived materiality of the impacts can affect consideration of the economic benefits/costs of the investment, how the investment is viewed in relation to other investment opportunities, and whether the investment may improve short-, medium-, or long-term portfolio sustainability.

In broad terms, the approach General Account analysts may take to consider ESG factors include:

- **Integration**: Analysts integrate ESG factors into investment analysis and decision-making processes, and the emphasis will be where a portfolio company's management of these risks relative to industry norms is material to the credit rating, value, or risk/return profile of the investment.
- **Collaboration**: Analysts are encouraged to collaborate with like-minded organizations and investors to exchange information, share best practices, and advance the discussion.
- **Education**: This is a rapidly evolving area, and as such General Account analysts will seek to adapt their capabilities and practices, as the investment community expands its knowledge and deepens its understanding of ESG issues.

In reviewing potential and existing investments, General Account analysts consider ESG factors that are material to an investment. They do this by considering and screening ESG risks and opportunities material to the specific investment and assessing their relevance, as appropriate. We also include a discussion of material ESG risks and opportunities in investment reviews and approval materials. This can include, but is not limited, to:

Environmental Factors:

- Holding and complying with applicable environmental permits
- Impact on climate change
- Environmental degradation/waste and pollution
- Protected sites/species
- Unsustainable practices/resource depletion

Social Factors:

- Human rights
- Working conditions
- Diversity, equity, and inclusion

Governance factors:

- Anti-bribery and anti-corruption
- Corporate governance
- Product safety and quality
- Executive pay

Monitoring material ESG issues at, and encouraging ESG awareness by, the borrower as appropriate is viewed as a critical part of general ongoing investment surveillance. In some cases, this may present a challenge as many of our investments are in companies/assets that are privately held, where no public information may be relied on.

Implementing ESG Investment Guidelines

With the implementation of ESG Investment Guidelines, analysts are expected to integrate ESG factors into their investment analysis and decision-making processes. The General Account's ESG Investment Guidelines are principles-based and updated on a regular basis. They were last updated in December 2022 to enhance clarity and interpretability, including refinements to the universe of potential ESG factors for consideration by analysts.

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