

REDESIGNED STATE CLIMATE RISK DISCLOSURE SURVEY

INTENT AND PURPOSE

The Climate Risk Disclosure Survey is a voluntary risk management tool for state insurance regulators to request from insurers on an annual basis a non-confidential disclosure of the insurers' assessment and management of their climate-related risks.

The purpose of the Climate Risk Disclosure Survey is to:

- Enhance transparency about how insurers manage climate-related risks and opportunities.
- Identify good practices and vulnerabilities.
- Provide a baseline supervisory tool to assess how climate-related risks may affect the insurance industry.
- Promote insurer strategic management and encourage shared learning for continual improvement.
- Enable better-informed collaboration and engagement on climate-related issues among regulators and interested parties.
- Align with international climate risk disclosure frameworks to reduce redundancy in reporting requirements.

SURVEY QUESTIONS

To provide clear direction for achieving a robust, insurance-sector specific TCFD report, narrative and closed ended questions follow, grouped into the TCFD's four topics: governance, strategy, risk management and metrics and targets.

The statements listed next to numbers and letters are directly taken from the TCFD Framework and should be fully addressed in the insurer's response. As discussed in detail above, insurers should consider including the bulleted items in their response to the TCFD statement above it. For additional guidance on sector specific content to consider including, refer to the [Implementation Recommendation Report](#).

Governance

- *Disclose the insurer's governance around climate-related risks and opportunities.*
 - A. *Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.*
 - B. *Describe management's role in assessing and managing climate-related risks and opportunities.*

[In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

- Identify and include any publicly stated goals on climate-related risks and opportunities.
- Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.]

[In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:

- Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.]

ANSWER:

I. Resolution Life U.S. Holding Company System

Resolution Life U.S. Holdings Inc. ("RLUS"), the primary holding company for Resolution Life Group's U.S. operations, initiated operations on January 4, 2021 with its acquisition of the legacy individual life and annuity business of Voya Financial, Inc. The acquisition was accomplished through the purchase of certain legal entities, including Security Life of Denver Life Insurance Company, and the reinsurance of blocks of life and annuity business from other Voya entities.

The Enterprise Risk Management framework that was established at RLUS is a mature framework since it is very similar to the one in place at Voya at the time of the transaction. As such, risks such as climate-related risks are managed within that framework. In June 2022, RLUS filed its first Own Risk and Solvency Assessment ("ORSA") Report with its lead regulator, the Colorado Division of Insurance. The ORSA fully describes the RLUS Risk Framework. A brief summary of that framework, including how climate-related risks are managed, is set forth below.

II. RLUS Risk Governance

- Board Oversight
 - The RLUS Board of Directors (the "RLUS Board") has the authority and responsibility to establish the Risk Framework within the RLUS holding company system.

- In furtherance of the Risk Framework, the Board has approved (i) a Risk Taxonomy; (ii) an accompanying set of Risk Policies and (iii) a Risk Appetite statement and associated risk limits.
 - Among the Risk Policies is the Environmental, Social and Governance Risk Policy. Climate-related risks are covered by this policy, which has been recently updated and at the time of this report is pending RLUS Board approval.
 - The Investment and Risk Committee (the “IRC”) of the Board has been delegated authority to oversee Risk-related matters.
- Management Risk Committee
 - In addition to the oversight role of the IRC, the Board has delegated day-to-day risk management to the RLUS Chief Risk Officer (the “CRO”) and the RLUS Management Risk Committee (the “Management Risk Committee”).
 - The Management Risk Committee charter provides that the committee’s primary responsibility is to monitor and provide oversight of all risks in RLUS and to ensure compliance with the Risk Framework, including the Risk Policies and the approved Risk Operating Guidance of RLUS and Resolution Life Group. This includes monitoring and exercising oversight over climate-related risks.
- Management ESG Committee
 - The ESG Committee derives its authority from the RLUS Board. The primary responsibility of the Management ESG Committee is to monitor and provide oversight of all activities related to the ESG goals and objectives of RLUS, as determined by the Board and consistent with those goals and objectives established by Resolution Life Group Holdings (RLGH).
 - In furtherance of this responsibility, the Management ESG Committee monitors all ESG-related statutory and regulatory requirements, including this survey. Additionally, the Management ESG Committee may set goals and objectives within the Board-approved Risk Appetite and Limits framework or recommend that the Board amend of such framework to include appropriate ESG elements.
 - Work to date by the Management ESG Committee includes implementing and monitoring the quarterly ESG Scorecard, initiating development of a vendor ESG scoring framework, review of this survey and supporting RLGH with the completion of their 2022 Approach to Sustainability Report.

III. Application of Risk Framework to Climate-Related Matters

- Risk Metrics and Targets have been developed to show adherence to the Risk Appetite.
- Stress tests have been developed to show performance under a range of adverse scenarios.
 - Work is in beginning stages to consider methodology for a climate-related stress test, including how our newly purchased S&P ESG Tool can be used for this purpose.

- A series of reports have been established that are regularly presented to the RLUS Management Risk Committee, the RLUS ESG Management Committee and the IRC to provide a view of the current risk profile, including climate risk, of the company. For example,
 - The quarterly Chief Risk Officer Report provides an update on activities related to ESG in the just-completed quarter.
 - The quarterly Emerging Risk Report identifies, among other things, climate-related risks. The Management Risk Committee tracks the potential impact of these risks on an ongoing basis.
 - The quarterly ESG Scorecard provide data across the E, S and G pillars to determine progress over a period of time. This scorecard is also provided to RLGH and is used in the 2022 Approach to Sustainability Report.
- Climate-related goals are set by Resolution Life Group and implemented within RLUS by the Board, the RLUS Management Risk Committee and the RLUS Management ESG Committee. The following goals have been established for 2022-23:
 - Produced a Resolution Life Group Approach to Sustainability Report for public view.
 - Provide Carbon offsets for GHG consumption for business travel using an organization called Trees4Travel.
 - Approved an ESG Policy – this policy was approved by the RLGH Board and each ‘platform’ (i.e., RLUS) has created a comparable Policy for their company, which at the time of this report is pending RLUS Board approval.
 - Approved a Responsible Investing Policy 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 part of our strategic priorities.
 - Create ‘scorecards’ that are completed by RLUS (and the other companies of RLGH) that indicate performance in several climate-related areas.
 - Purchased software from an industry leading vendor (S&P) to help assess the ESG program of our business partners and general account investments. 2023 will be a period of training and implementation of the tool.
 - Signatory of UN PRI (September 28, 2022); prepare to file first UN PRI Report in 2024.
 - Become a signatory of TCFD.

Strategy

- *Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material.*
 - A. *Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.*
 - B. *Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.*
 - C. *Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.*

[In disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy and financial planning, insurers should consider including the following:

- Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency.*ⁱ
- Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations.*]

[In describing the climate-related risks and opportunities the insurer has identified over the short, medium, and longer term, insurers should consider including the following:

- Define short, medium, and long-term, if different than 1-5years as short term, 5-10years as medium term, and 10-30years as long term.]

[In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:

- Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk.
- Discuss if and how the insurer makes investments to support the transition to a low carbon economy.]

ANSWER:

As stated under #1 (Governance), RLUS is owned by Resolution Life Group. Resolution Life Group has established goals and objectives for the ESG program at RLUS and its other companies. As these objectives are in their early stages, RLUS has not yet completed the process of identifying climate-related short, medium and long-term risks and opportunities.

One such objective from RLGH is the development and implementation of a Responsible Investing Policy. This Policy was approved by the RLGH Board of Directors in 1Q23. To help

implement this policy, the Investment Risk team has developed a live dashboard that shows up-to-date portfolio information with breakdowns for certain ESG categories. This assists in monitoring areas where we want less exposure.

Another developing area that will help us identify climate-related risks and opportunities is the data our Investment Managers provide on the ESG profile of our General Account investments. All of our investments are administered by external investment managers. Discussions with our Investment Managers regarding this 'ESG data' are in the early stages.

At this time, RLUS does not offer products or services to our policyholders to support the transition to a low carbon economy or help policyholders adapt to climate-related risk.

While our investment mandate does not have an explicitly stated goal in support of a transition to a low carbon economy, we have made a number of investments that do support the transition to a low carbon economy, including \$2.1B of investments in businesses that operate in various capacities within the renewable energy sector.

In assessing the impact of our Climate-related risks we note that our Scope 1 and 2 greenhouse gas ("GHG") footprint is primarily caused by the operation of office space, which includes emissions from purchased electricity, heating and cooling. Mitigation efforts include improved energy efficiency in spaces where we have operational control, and the procurement of Energy Attribute Certificates ("EACs") like green e-certified Renewable Energy Certificates ("RECs"). In 1Q23, RLGH partnered with an external firm to complete a 2022 Report of GHG Emissions. Using this data, we anticipate developing Company-wide targets for GHG Emissions in 2023-2024. Additionally, RLGH has decided to purchase Carbon offsets for GHG produced in 2022 related to business travel.

Risk Management

- *Disclose how the insurer identifies, assesses, and manages climate-related risks.*
 - A. *Describe the insurers' processes for identifying and assessing climate-related risks.*
 - B. *Describe the insurer's processes for managing climate-related risks.*
 - C. *Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.*

[In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:

- Describe how the insurer considers the impact of climate related risks on its underwriting portfolio, and how the company is managing its underwriting exposure with respect to physical, transition and liability risk.*
- Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable.*
- Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered.*]

[In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:

- Discuss whether the process includes an assessment of financial implications and how frequently the process is completed.*]

[In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:

- Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.
- Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.
- Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.]

ANSWER:

As described under the 'Governance Section' above, climate risk is managed under the Risk Framework in a manner consistent with other risks. The company has identified climate risk as part of our Business and Strategic Risk category and there is a Board-level Business and Strategic Risk Policy to guide the identification, reporting and management of these risks. As part of the overall Risk Framework, issues related to climate risk and other ESG-related risks are first

identified in the quarterly Emerging Risk Report. This report is provided to the Management Risk Committee and the RLUS Board of Directors. If an issue within the Emerging Risk Report is material and if it materializes, mitigating actions will be taken. These actions may include setting appropriate limits to manage the risk within the company's risk appetite. Additionally, as noted above, each quarter a CRO Report is provided to the RLUS Board of Directors and Management Risk Committee containing a section on ESG-related activity for the just completed quarter. Finally, if an ESG-related risk is identified within the Emerging Risk Report as material, it will also appear in the RLUS Top Risk Report which is provided to RLGH.

Additionally, as noted above, a Management ESG Committee was established in 4Q22 to coordinate and oversee ESG-related activities at RLUS. Thus far the Committee has approved an initial Vendor ESG framework and is currently developing an ESG Policy to align with the Group ESG Policy. The Committee has also supported the development of the RLGH Approach to Sustainability Report, continued quarterly ESG Scorecard reporting, 2022 GHG Survey development and provided a resource to go through ESG training offered by Cambridge University.

As described under the 'Strategy Section' above, RLUS does not issue new policies but manages closed blocks of life insurance business. Though we also have small amounts of closed block annuity business.

As described under the 'Strategy Section' above, we are beginning to receive reports from our external asset managers that we are using to better understand the ESG risks that reside within our investment portfolio. Some of this effort is being formulated at the Resolution Life Group level as they develop goals and objectives that will be implemented at RLUS. Additionally, as mentioned above, the climate risk stress tests that we are reviewing and discussing will provide us with an understanding of the risks within our general account.

RLUS' main asset managers are signatories of UN PRI. Our asset managers are actively involved in initiatives such as: TCFD, Climate Action 100+, Global ESG Benchmark for Real Asset and Global Impact Investing Network. All of our asset managers have processes in place to assess material ESG factors (including the use of scorecards and qualitative metrics), which are integrated into the management of assets.

Metrics and Targets

4. *Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.*
 - A. *Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.*
 - B. *Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.*
 - C. *Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.*

[In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:

- *Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.]*

[In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:

- *In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions]*

ANSWER:

Resolution Life is in the process of establishing benchmark data which will influence target determinations.

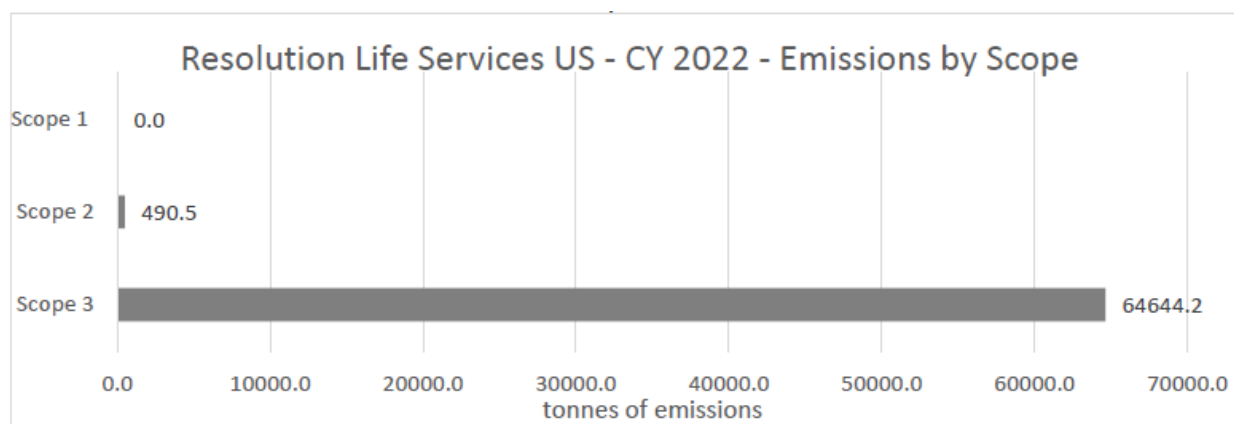
One of the sources of information will be our Investment Managers. As we gather ESG and Climate-related data from them regarding our General Account we will be in a better position to understand our risks and set any targets or limits that might be deemed appropriate.

In 3Q2022 and in 1Q2023, Green Moves Australia (an independent carbon emissions consulting organization) was engaged to calculate the carbon emissions for all companies of Resolution Life Group, including RLUS operations for the calendar year 2021 and 2022, respectively. Green Moves produced a carbon report that measured carbon emissions for RLUS for CY2021. The report has been compiled in accordance with The GHG Protocol: A Corporate Accounting and Reporting Standard and the International Standards Organization ISO 14064-1:2018. The GHG assessment has been calculated using the operational control boundary for organizations, and

covers scope 1, scope 2 and scope 3 emission sources that sit within its operational control and where data is available. This information will provide a baseline to measure ongoing improvements. In 2023 RLGH has decided to purchase Carbon offsets to negate 2022 GHG production from business travel using the organization Trees4Travel.

Key findings from the RLUS 2022 Carbon Report are shown below:

- Emissions Scope 1 – No base building fuel in this period.
- Emissions Scope 2 – Purchased energy makes up .7% of emissions
- Emissions Scope 3 – Indirect emissions form over 99.3 % of the operations emissions
- Primary emission sources are Professional Services, ICT and electricity.



Since our primary emissions are from Scope 3 and since this is also true for the other companies within RLGH, RLGH has begun to engage with our biggest suppliers, who make up 80% of our spending, to determine where they are on their carbon reduction journey and how we can work together to reduce our emissions.

In 1Q23, RLGH purchased the S&P ESG Tool, Trucost. This tool is currently being evaluated and training is occurring to effectively utilize the tool. It is expected that this tool will initially be used by the Investment team to monitor/review the General Account Investments relative to ESG scoring. The Risk Management team will also be reviewing the tool and consider its applicability to things such as climate risk stress testing.

Closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers. Closed-ended questions are voluntary for reporting year 2022 and individual states may elect not to request them.

Governance

- Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N) – No
- Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N) - Yes
- Does management have a role in assessing climate-related risks and opportunities? (Y/N) - Yes
- Does management have a role in managing climate-related risks and opportunities? (Y/N) - Yes

Strategy

- Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N) * - Yes
- Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk? (Y/N) - No
- Does the insurer make investments to support the transition to a low carbon economy? (Y/N) - Yes
- Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N)* - In development

Risk Management

- Does the insurer have a process for identifying climate-related risks? (Y/N) - Yes
 - If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N) - Yes
- Does the insurer have a process for assessing climate-related risks? (Y/N) - Yes
 - If yes, does the process include an assessment of financial implications? (Y/N) - No
- Does the insurer have a process for managing climate-related risks? (Y/N) – Yes, in general ; No, specifically
- Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable)* - No
- Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N)* - No
- Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)* - Yes
- Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N) - No
- Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N) - No

Metrics and Targets

- Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N) - No
- Does the insurer use metrics to assess and monitor climate-related risks? (Y/N) - No
- Does the insurer have targets to manage climate-related risks and opportunities? (Y/N) - No
- Does the insurer have targets to manage climate-related performance? (Y/N) - No

 [2022ProposedClimateRiskSurvey](#)

ⁱ * Asterisks represent questions derived from the original Climate Risk Disclosure Survey.