I. GENERAL PROVISIONS

1.1. The purpose of this Responsible Investing and Sustainability Risk Integration Policy (hereinafter referred to as the Policy) is to define UAB Artea Life Insurance (hereinafter – the Company or We) approach to sustainability risks and dealing with them related value creation opportunities when making investment decisions, to establish a framework for own funds and assets under management in order to take into account the objectives of responsible investment, relevant laws and management standards.

1.2. The policy has been prepared in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability related disclosure regulations in the financial services sector (SFDR).

II. CONCEPTS USED

2.1. **Sustainability risk** – the potential negative impact on the value of an investment due to environmental, social, or governance (ESG) factors.

2.2. **ESG** – environmental, social and governance factors that investors can analyse and evaluate investment, how advanced it is in terms of sustainability (both qualitatively and quantitatively).

2.3. **Environmental factors** – factors related to the natural world. This includes the use and interaction with renewable and non-renewable resources (e.g., water, minerals, ecosystems, biological diversity).

2.4. **Social factors** – factors that impact people's lives. This includes the management of human capital, animals, local communities, and customers.

2.5. **Governance factors** – factors that involve issues related to parties and/or jurisdictions or are common practices in the sector, as well as the broader interests of stakeholder groups.

III. APLICATIONS

3.1. The Company invests in various asset classes (for example, stocks, bonds, cash and cash equivalents, alternative investments) through different directions of unit-linked life insurance. The integration of sustainability risks in the decision-making process depends on the clients assets, strategy, investment direction. These Policy recommendations apply to all existing business segments and all major asset classes. Additional processes may be implemented for certain investment directions to identify, manage and reduce ESG risks.

3.2. We aim to incorporate a responsible investment approach and contribute to public welfare and sustainable development through integration of ESG criteria, active engagement, negative screening.

3.3. According to the Company's current principles, ESG factors are part of our investment process, but not our goal. Our goal remains to make the best financial decisions regarding the investment risks and desired returns in such a way that the yield of asset portfolios is sustainable, and justified client expectations are met.

IV. SUSTAINABILITY RISK MANAGEMENT IN THE INVESTMENT PROCESS

4.1. 11. The Company‘s sustainability integration includes several perspectives and methods that together create value not only in our customers, but also to the public in general. The Company uses three methods to manage sustainability risks and integrate these risks into investment decisions. The application of these methods may vary depending on the asset class, fund strategy, maturity, etc.

4.1.1. **Integration**

The Company uses traditional fundamental analysis with ESG criteria. The investment decision-maker assesses investment decisions based on the requirements for compliance with the investment decision to comply with ESG or sustainability criteria. Various methods may be used, including, but not limited to, fundamental or quantitative sustainability analyses (intra-Corporate studies and/or data provided by third parties). After the investment, the investment is regularly monitored for compliance with the ESG criteria, and a decision is taken whether to liquidate the position if the acceptability assessment changes.

4.1.2. **Involvement**

The Company promotes stakeholder partnership and engagement opportunities that help manage ESG factors in investment management activities. We see stakeholder engagement as a process of change where investors seek to improve investment practices with a specific goal. This can be carried out in different ways, but most often it is based on a long-term and constructive dialogue. The purpose of engagement activities is to influence the investments in which the Company invests, in order to improve the management of its sustainability issues, reduce long-term risks and improve the long-term financial performance of investment portfolios.

4.1.3. **Negative screening**

The method of negative screening is aimed at avoiding activities that may pose uncontrollable and unacceptable investment risks and activities that are considered harmful to society. We apply a two-tier approach to prohibited investments:

4.1.3.1. unauthorized investments identified by the Company – apply to all assets managed by the Company. These restrictions apply to investments that are not in line with our responsible investment commitments due to their significant impact on ESG areas. The Company’s initial non-permitted investments are currently as follows:

4.1.3.1.1. illegal economic activities (drug trafficking, trafficking in stolen goods, smuggling, illegal gambling, fraud, illegal disposal of weapons, etc.);

4.1.3.1.2. violations of international sustainability standards (investments that cause serious damage to the areas of human rights, work, the environment and the fight against corruption).

4.1.3.2. Additional unauthorized investments for individual investment directions. The Company offers separate investment directions with different investment strategies. Separate investment directions for their investments may have stricter ESG standards compared to those established at the Company's level.

V. CONFLICTS OF INTEREST

5.1. The Company understands that possible potential or actual conflicts of interest may arise due to participation and involvement in investments as shareholders. Therefore, the Company implements policies aimed at taking all reasonable steps to avoid conflicts of interest. The latest version of the Conflict of Interest Avoidance Policy is published on the website www.artea.lt.

VI. PARTICIPATION AND VOTING POLICY

6.1. The Company has approved and applies a Participation and Voting Policy, which sets out the principles and guidelines to be followed by the Company, as well as the actions to be taken by the Company when engaging in participation in the activities of public limited companies whose shares are traded on a regulated market and in which the Insurance Company invests on behalf of the investors. The objective of the participation and voting policy is to influence, through its investments, those issuers in whose financial instruments the Company invests, with the aim of improving the management of their sustainability issues, reducing long-term risks and improving long-term financial performance. The latest version of the Participation Policy is published on the website www.artea.lt.

VII. RESPONSIBILITY AND INTERNAL CONTROL

7.1. The provisions of this Policy must be observed by the members of the Investment Committee, employees of the Company and structural units responsible for the investment process.

7.2. By regularly checking and monitoring the safety, quality, liquidity and profitability of the entire portfolio, the Company assesses, among other things, the characteristics of the assets, including sustainability.

7.3. The Company shall submit the reports as required by the relevant legislation.

VIII. FINAL PROVISIONS

8.1. The Policy is approved, amended and terminated by a decision of the Board of directors of the Company.

8.2. The Policy will undergo regular reviews in accordance with the timelines set out in the Internal Legislative Procedure or promptly in response to alterations in pertinent legal frameworks, shifts in business practices, modifications to the business structure, or advancements in technology. Such reviews are essential to ensure alignment with the established principles outlined in this Policy.

8.3. Policy Owner – Risk Management Function.

8.4. The Company shall make the Policy publicly available on its website.

Version	**Changes**	**Date**
No. 1. Sustainability strategy	Published in accordance with Regulatory Technical Standards	2021-04-01
No. 2. Sustainability strategy	The Strategy has been supplemented by provisions on the obligations of investment managers and No consideration of adverse impacts of insurance advice on sustainability factors	2022-01-01
No. 3. Responsible Investing and Sustainability Risk Integration Policy	Detailed integration of sustainability risk into the investment process. Provisions on participation and remuneration policies, statement on the negative impact on sustainability factors for transposition into a separate document.	2023-12-01
No. 4. Responsible Investing and Sustainability Risk Integration Policy k	Updated in accordance with the requirements for the preparation of internal legal acts of the Company – editorial changes.	2025-01-27