

Responsible Investment Policy

OUR APPROACH

To fulfill our promises and financial commitments to our policyholders, which may arise many years in the future, we seek to responsibly invest the premiums that we collect in high-quality, primarily fixed-income assets that generate appropriate risk-adjusted returns. Our insurance companies are subject to state laws and regulations that require diversification of their investment portfolios and limit the amount of investments in certain investment categories, such as below-investment grade bonds, equity, real estate and common stocks. When evaluating otherwise equivalent investments, we prefer to invest in companies with strong ESG practices and whose activities are generally consistent with CNO's values. CNO's wholly-owned investment adviser, 40|86 Advisors, Inc. ("40|86"), manages assets on behalf of CNO and its insurance companies.

We are committed to responsible investment and the consideration of environmental, social and corporate governance (ESG) factors where consistent with 40|86's fiduciary responsibility to manage assets in a manner that is in the best interests of its clients. Our investment strategies are designed to develop high-quality portfolios diversified across asset classes, and which closely adhere to risk tolerances and practices. In addition, 40|86 recognizes that integration of ESG principles may enhance its ability to identify, evaluate, monitor and react to investment risks in a manner that promotes the objectives of its clients, particularly over the long term.

In 2020, CNO became a signatory to the Principles for Responsible Investment (PRI). The PRI is an investor initiative in partnership with the United Nations Environment Programme Finance Initiative and the United Nations Global Compact. As a signatory, we are committed to the adoption and implementation of PRI's six principles:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

CNO's status as a PRI signatory underscores our commitment to incorporating consideration of ESG principles into the investment decision-making process and to furthering our active ownership efforts. With this in mind, 40|86 has developed a multipronged approach to responsible investing, with a focus on creation of long-term value for its clients. This approach includes ESG integration, engagement and proxy voting (in appropriate circumstances), adherence to investment exclusion guidelines and transparent reporting.

ESG INTEGRATION

Risk management is ingrained in 40|86's culture and processes. 40|86's investment methodology is based on a disciplined in-house research, investment and security selection process that leverages the deep expertise of its seasoned investment teams. 40|86's investment capabilities include deal origination, asset acquisition, trading, portfolio construction and monitoring, and risk management.

40|86 views the following ESG issues as having the potential to impact the performance of a given investment:

- Risks associated with a given company related to compliance, governance, oversight, cybersecurity, taxes, transparency or executive compensation;
- Exposure to ethical scandals, integrity concerns, corruption or other controversial activities that have potential to impact stakeholder trust or reputational standing of the issuer;
- Prospective liabilities of an issuer resulting from its environmental impacts, including penalties imposed by government agencies, litigation risk or future remediation requirements;
- Going concern risks of a given company around product safety and suitability to market demands; and
- How a company manages relationships with its employees, suppliers, customers and communities in which it operates, including issues related to human capital management, labor unrest, health and safety, human rights, customer responsibility, compliance with labor regulations, and general labor relations and conditions.

40|86 views climate risk as an important long-term risk factor to be considered in its investment decision making. For example, 40|86 actively manages exposure to at-risk locations in CNO's commercial real estate portfolio. During 2021, 40|86 plans to complete a carbon footprint analysis of CNO's investment portfolio and develop a related risk management strategy.

ESG Integration in Investment Selection

When assessing credit risk related to any investment opportunity, 40|86 conducts a bottom-up security analysis focusing on individual sectors and security structure, with an emphasis on relative value that allows for the discovery of undervalued opportunities and a defined and rigorously implemented buy, review and sell discipline. This investment style is based on an investment philosophy that fundamental analysis can produce long-term favorable risk-adjusted returns.

40|86's portfolio managers and analysts have access to ESG research, analysis, scoring and rating results ("ESG scores") from highly specialized third-party vendors. ESG scores from third-party providers offer useful data as a baseline to benchmark an issuer's performance against certain accepted ESG best practices. At this time, such ESG scores lack conformity in methodology and weighting between vendors and industries and are not intended to be a substitute for judgment. Third-party provided ESG scores are intended to supplement other traditional data collected during credit analysis prior to an investment decision. The analyst and/or portfolio manager may engage with the issuer in order to better inform their judgment on the accuracy of the score. In certain instances, 40|86 also determines its own internal ESG scores for use in its credit review process. For example, 40|86 may score asset classes for which third-party ESG scores are not available. Further, if a third-party provided ESG score does not align with the analysts' review, the investment team has discretion to modify such score internally to reflect diligence findings.

The ESG score of a given issuer is reviewed by the 40|86 investment team and, along with other relevant findings and analysis, is integrated into the investment review and decision-making process. In addition, CNO directs 40|86 to avoid investments in sectors that may have activities that appear inconsistent with CNO's values or that appear to pose significant ESG-related risks. Please see the section on exclusion for further discussion.

ESG Integration in Investment Monitoring and Divestment

40|86 actively monitors existing holdings for changes in ESG issues and takes those changes into consideration with other relevant factors when making investment decisions, including whether to hold or divest specific investments. Among the factors considered include recent issuer controversies, changes in the issuer's ESG score, climate change and failure of a given company to engage on ESG issues.

ENGAGEMENT POLICY

Our primary investment focus is that of a long-term investor in fixed-income securities. We believe engagement is most effectively employed by 40|86 in targeted circumstances to promote open two-way dialogue with selective issuers when existing policies and disclosures are insufficient to inform judgment on the ESG-related risks of a given investment, industry or geography.

40|86 seeks to achieve the following objectives through issuer engagement, particularly in connection with material issues impacting the environment, human capital, human rights, diversity, supply chain management, data security, privacy, fraud, reputational risks and/or governance:

- Better understand the ESG-related risk profile of the companies in which we invest, including the materiality of a given issue.
- Reconcile deficiencies showing in third-party provided ESG scores with relevant facts, practices and policies of an issuer.
- Encourage enhanced disclosure of relevant ESG-related risk exposures.
- Manage and mitigate financial exposure to ESG-related risks.

REPORTING

CNO believes that it is important to report on the activities covered by this policy in order to promote transparency and accountability to our goals. As a signatory of the PRI, we are committed to the adoption and implementation of PRI's six principles, including that we provide transparency on our activities and progress towards implementing the principles. Our first PRI report is due in 2023, covering the calendar year 2022. Our Corporate Social Responsibility Report and other documents regarding our ESG approach and investment philosophy may be found on the Investors page on CNOinc.com.

PROXY VOTING

Although we invest primarily in fixed-income securities, CNO or one of our insurance companies may hold voting equity securities. In such instances, 40|86 seeks to use its discretionary voting authority to enhance the long-term value of such investments through promoting sustainable business practices in a manner that is consistent with this policy, its proxy voting guidelines and client-directed investment guidelines.

Portfolio managers have the discretion to determine the best course of action in accordance with their duties and obligations as an investment manager. Proxies and shareholder proposals of an environmental, social, or governance nature are reviewed carefully and are voted in accordance with applicable investment guidelines and policies. To help inform its opinion, 40|86 reviews certain external resources as appropriate, including third-party ESG scores, rating agency reports and sell-side ESG research reports.

EXCLUSION POLICY

CNO directs 40|86 to generally avoid investing in companies engaged in certain controversial activities that do not align with CNO's values or that we believe pose significant ESG-related risks, including, but not limited to, tobacco, gaming, firearms, private prisons, coal, predatory consumer lending and single-family rentals. CNO generally does not invest in these sectors. 40|86 implements exclusions based on client-specific investment guidelines. No investments are made in countries or issuers on the Office of Foreign Assets Control sanctions list.

DEDICATED RESOURCES AND OVERSIGHT

40|86 has dedicated resources offering internal support and advice specific to ESG-related investment matters through the Responsible Investment Steering Committee, which is led by the chief investment officer. The Responsible Investment Steering Committee has primary responsibility for (1) the development of ESG investing best practices, (2) communication and socialization of ESG-related responsibilities, (3) implementation of responsible investment practices and policies, and (4) the monitoring of ESG-related compliance, in each case, in accordance with investment guidelines, client expectations and fiduciary duties.

40|86 believes that each of its associates plays a key role in its responsible investing efforts. Research and decision-making across all portfolios are based on a team approach, which extends to ESG analysis and the integration of ESG factors into the overall investment process. Applicable associates receive periodic training on the ESG processes and policies. 40|86 associates also play a key role in the ESG efforts of the broader CNO enterprise. Representatives from 40|86 facilitate communication of its responsible investing efforts and act as advisors to certain of CNO's corporate social responsibility functions. The Investment Committee of the CNO Board of Directors is updated as material circumstances warrant.

UPDATES

What constitutes responsible investing and sustainability are constantly evolving judgments. We value the feedback of our clients, regulators, business partners and other stakeholders, which we believe is important to our goal of continuously improving our approach to responsible investment and ESG topics. This policy is reviewed and, if necessary, updated on an annual basis.

ESG POLICY SCOPE

Although there is a common focus across all accounts on ESG risks and 40|86's role as a steward, the level of integration of ESG factors, exclusions and other responsible investment concepts into 40|86's investment management decisions may vary by client, asset class and investment strategy, including in respect of adherence to client-specific investment guidelines.

Any external managers of CNO assets are also requested and encouraged to integrate ESG principles into their investment processes and reporting.

ESG COMMITMENT OF CNO

At CNO, we maintain a strong commitment to sustainability and ESG across our business activities. For more details, please refer to the CNO Corporate Social Responsibility Report on the Investors page of CNOinc.com.

In evaluating an issuer, 40|86 is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could cause 40|86 to assess incorrectly a company's alignment with CNO's values. Material ESG factors vary widely from industry to industry and company to company. Additionally, ESG factors may be evaluated differently by different managers, and may mean different things to different people. 40|86's assessment of a company's ESG factors may change over time, which could cause us to hold securities that no longer comply with this policy. Commitments made as a signatory to the PRI are voluntary and aspirational, and not legally binding. The implementation of the six PRI principles is subject to 40|86's fiduciary responsibilities.