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Rothesay takes action to make its own operations net zero for the next decade

- Rothesay has worked with Natural Capital Partners to both verify its direct emissions and purchase sufficient carbon credits, verified by Gold Standard and VERRA, to more than compensate for its historical emissions for 2020
- A year ahead of the 2023 target set out in its 'Pathway to Net Zero' plan, the insurer is pleased to have received CarbonNeutral® company certification in accordance with The CarbonNeutral Protocol, a service of Natural Capital Partners
- In addition, Rothesay has also become the first UK insurer to partner with Climeworks, whose direct air capture plants take CO₂ from the air which is then mixed with water and pumped deep underground where it mineralizes and is permanently removed from the atmosphere through the 'Carbfix' storage method
- This long-term partnership will mean that the amount of CO₂ equal to Rothesay's expected emissions for the entire decade beginning 2021 will be removed by Climeworks over the same period thus leading to net-zero status for the insurer's business operations

Rothesay, the UK's largest pension insurance specialist, has worked with Natural Capital Partners to both verify its direct emissions and purchase sufficient carbon credits, verified by Gold Standard and VERRA, to more than compensate for its historic direct emissions from 2020. In recognition of the progress it has made, the insurer is pleased to have received CarbonNeutral® company certification in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality. This certification was achieved a year before the 2023 target that Rothesay announced in its 'Pathway to Net Zero' plan, which was published in May 2021.

In selecting the below list of offsetting projects to fund, Rothesay sought those that would not otherwise be undertaken and which provide the highest level of permanence without causing any other social or environmental harm:

- Afforestation in China
- Community reforestation in East Africa
- Degraded land afforestation in Chile
- Improved water infrastructure in Sub-Saharan Africa

In addition, Rothesay has signed a 10-year agreement with Climeworks to use its market leading direct air capture and storage solution to achieve net zero emissions in its own operations over the coming decade.

Climeworks' high-quality direct air capture technology permanently removes carbon dioxide from the air, which is then turned into rock deep underground with the help of their storage partner Carbfix. Climeworks' agreement with Rothesay – the first with a UK insurance company - will mean that, over the next ten years, Climeworks will extract and store as much carbon dioxide from the atmosphere as Rothesay's own operations are expected to generate. The insurer will also continue to reduce the emissions generated by its business wherever possible.

Rothesay

Following a rigorous selection process, Rothesay has committed to a ten-year agreement with Climeworks. Such long-term agreements are crucial to help scale the market for carbon removal as it gives both sides planning security. Climeworks can better leverage market demand impact, while Rothesay secures long-term access to carbon removal capacity, which is important since the availability of high-quality removal solutions is still limited.

Rothesay's Pathway to Net Zero

Rothesay's pledge to achieve CarbonNeutral® company certification for its operations forms part of its wider 'Pathway to Net Zero' strategy. The insurer has committed to achieving net zero by 2050 for its business, including the investment portfolio for which an additional target has been set for a 20% reduction in carbon intensity by 2025. Rothesay has also committed to regular and transparent reporting on its progress to ensure accountability and has fully embedded climate risk management within its business.

With this agreement, enabled by Climeworks' direct air capture and storage solution, the company consciously moves towards the highest quality carbon removals, which can be accurately measured and are characterised by the strongest standards of additionality and permanence while avoiding social and environmental harms.

David Land, Rothesay's Head of Investment Strategy and chair of its Climate Change Working Group said: "Rothesay is delighted to partner with Natural Capital Partners and Climeworks to ensure that the day-to-day running of our business is carbon neutral and that we have a clear plan for our operations to become net zero for at least the next decade.

As part of our 'Pathway to Net Zero' plan, we have conducted rigorous due diligence on our carbon removal options and have chosen Climeworks because its ground-breaking technology allows us to measurably neutralize the environmental impact of our operations. Like Rothesay, Climeworks is an innovative, purpose-built company that is delivering highly effective solutions for clients and we look forward to our long-term partnership."

Climeworks' direct air capture and storage technology

Powered solely by renewable energy, Climeworks' direct air capture plants capture CO₂ from the air. In Iceland, Climeworks' storage partner Carbfix mixes the CO₂ with water and pumps it deep underground where it reacts with the basaltic rock formations and mineralizes: the CO₂ literally turns into stone and is thus permanently removed. Climeworks' technology is scalable and does not compete with arable land. In September 2021, Climeworks launched its new large-scale direct air capture and storage plant "Orca" in Iceland, bringing large-scale direct air capture technology to reality.

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Rothesay

Notes to Editors

About Rothesay

Rothesay is the UK's largest pensions insurance specialist, purpose-built to protect pension schemes and their members' pensions. With £62 billion of assets under management, we secure the pensions of over 800,000 people and pay out, on average, more than £230 million in pension payments each month.

Rothesay is dedicated to providing excellence in customer service alongside prudent underwriting, a conservative investment strategy and the careful management of risk. We are trusted by some of the UK's best known companies to provide pension solutions, including the schemes of Allied Domecq, Asda, British Airways, Cadbury's, the Civil Aviation Authority, National Grid, the Post Office, Prudential and telent.

Rothesay has two substantial institutional shareholders, GIC and Massachusetts Mutual Life Insurance Company ("MassMutual"), who provide the company with long-term support for its growth and development. In September 2020, our shareholders increased their investment in Rothesay through a transaction which valued the business at £5.75bn.

Rothesay refers to Rothesay Limited and its subsidiaries and is the trading name for Rothesay Life Plc, an insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number: 466067. Rothesay Life Plc is registered in England and Wales with company registration number: 06127279 and registered address: Rothesay Life Plc, The Post Building, 100 Museum Street, London WC1A 1PB. Further information is available at www.rothesay.com