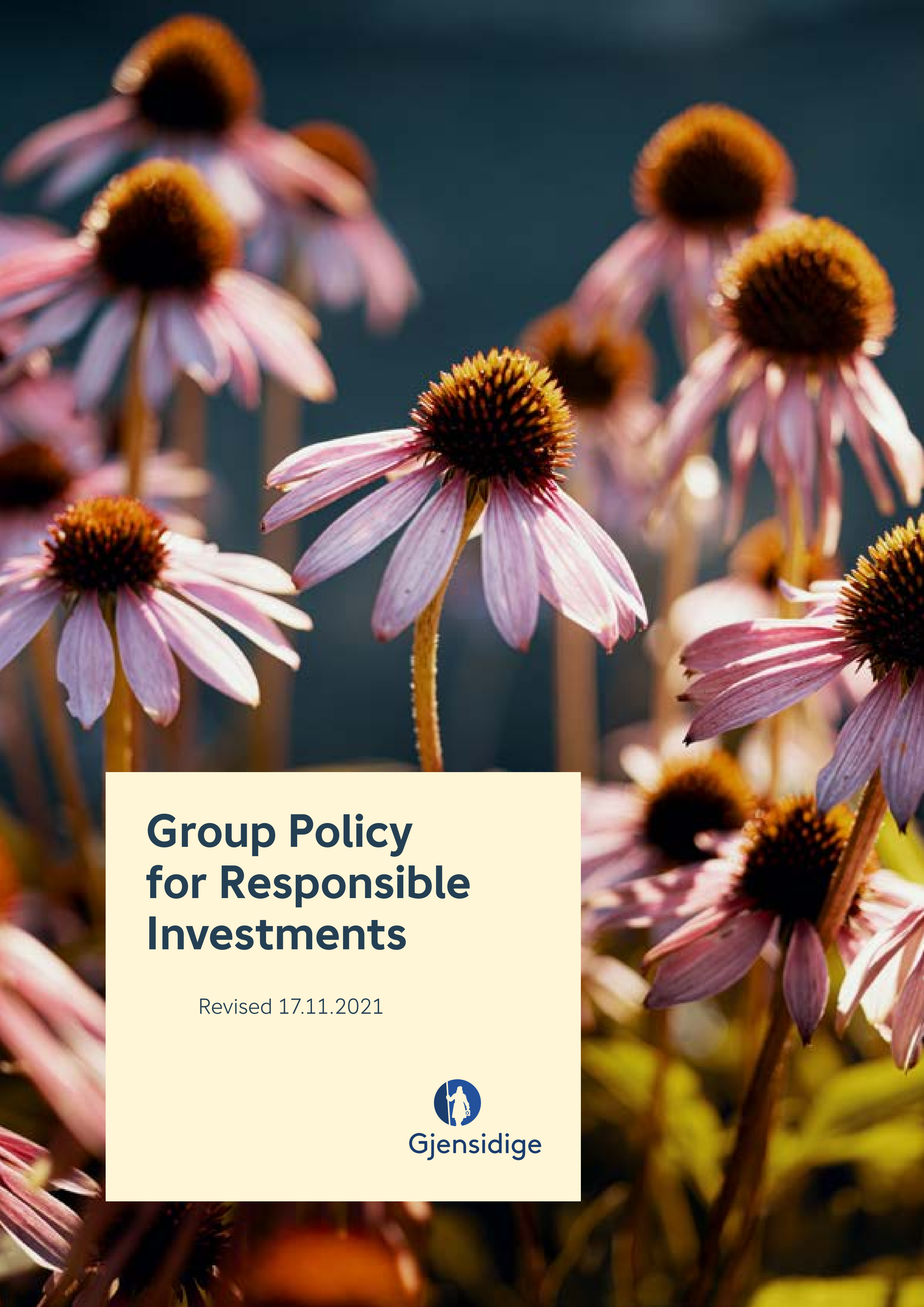

Group Policy for Responsible Investments

Revised 17.11.2021

Gjensidige

Contents

Group Policy for Responsible Investments

Group Policy for Responsible Investments

1. Purpose

The purpose of this policy is to ensure that investment management gives due consideration to the goal of achieving the highest possible long-term return while also respecting ethical and environmental principles to the best of Gjensidige's stakeholders and reputation. This implies that the Group Policy for Responsible Investments should contribute to minimize reputational- and climate risks, i.e. achieve net zero GHG emissions within 2050.

2. Area of application/target group

This policy applies to Gjensidige Forsikring ASA and its subsidiaries.

3. Definitions

Responsible investment refers to investments where investors take into account issues related to ethics and sustainability, which include the environment, social conditions and corporate governance in investment analyses, investments and the exercise of ownership rights.

Environmental, Social, Governance (ESG): A term describing the ability of companies to give due consideration to the environment and climate, social factors and corporate governance.

UN Global Compact: Ten principles that constitute a framework for how businesses can ensure responsible operations with regard to human rights, labour standards, anti-corruption and the environment. Gjensidige's assessments relating to UN Global Compact are based on the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the conventions on which they are based. (The principles are listed in the appendix)

The UN Principles for Responsible Investments (UN PRI): UN PRI is a network of investors working to promote six fundamental principles for responsible investments. (The principles are listed in the appendix)

Paris Agreement: An agreement from the United Nations Framework Convention on Climate Change (UNFCCC) signed by 192 countries. Article 2 of the agreement obliges members to limit global warming to well below 2 ° C compared to pre-industrial levels and aims to limit global warming to 1.5 ° C in an effort to limit the risk and consequences of climate change. Article 2 also obliges members to direct financial flows towards a low-emission society. Article 4 of the agreement states that in order to limit the temperature rise to the desired level, members must reach a peak in greenhouse gas emissions as quickly as possible, and then reduce greenhouse gas emissions in line with best available science to achieve a balance between greenhouse gas emissions and uptake (net zero emissions of greenhouse gases) in the second half of the century. The Paris Agreement is signed by all countries where Gjensidige operates, and Gjensidige adapts to the goals of the Paris Agreement in its own investments.

Net zero emissions of greenhouse gases: Net zero emissions are a condition where there is a balance between greenhouse gases that go in and out of the atmosphere. In the special report "Global Warming of 1.5 ° C", the United Nations Panel on Climate Change (IPCC) identified net zero emissions around the year 2050 as a necessary measure to limit the temperature rise to 1.5 ° C. Net zero emissions of greenhouse gases by 2050 have later become a recognized goal for being in line with the Paris Agreement, and form the basis for climate strategies in Norway and the EU, as well as various investor initiatives aimed at being in line with the Paris Agreement. Net zero emissions can be confused with absolute zero emissions, which is a condition where there is no form of greenhouse gas emissions from human activity. Net zero emissions, in contrast, mean that human activity on a global basis should not contribute to increased emissions, but it is permissible for someone to emit greenhouse gases, as long as they are captured elsewhere.

4. Division of roles and responsibilities

Role/Function	Responsibility
Board of Directors	• adopt the principles on which the group's exercise of ownership rights and exclusions shall be based • adopt a group strategy for sustainability that forms the basis for this policy and the group's investment strategy
CEO	• appropriate organization and necessary resources for compliance with this policy.
CFO	• for the implementation of this policy
CIO	• implementation of ownership exercise in accordance with adopted principles • established routines for screening companies / investments in relation to exclusion criteria in accordance with this policy. • that there is an updated list of companies that are excluded from Gjensi-dige' s investment universe and check that the exclusion list is complied with • that the group's investment analyses and decisions take into account significant risks associated with sustainability and that the principles in this policy are complied with;
CRO	• monitor and report compliance with the exclusion list. • monitor and report on the implementation of the strategy to achieve net zero greenhouse gas emissions by 2050, or other more ambitious targets with regards to time that the board of directors decides

5. Measures for achieving responsible investments

In the work of achieving the purpose associated with responsible investments, various measures are used to contribute to the desired results based on the situation and the desired outcome. The choice of these measures seeks to implement and comply with UN PRI's principles.

5.1 Exclusion

Gjensidige shall only invest in companies that comply with international laws, standards and conventions. Gjensidige supports the Paris Agreement and therefore net zero emissions have been given a special focus in formulating the group's strategy for responsible investments and companies with strategies that are not compatible with such a strategy must be considered excluded if other instruments are not considered sufficient. The assessment shall be based on the ten UN Global Compact principles. The companies we invest in must also comply with international conventions on inhumane weapons.

Ethical screening shall be used as a tool for following up the companies. Requirements for ethical screening are set out in the Instructions for Exclusions. Companies that commit serious and/or systematic violations of the ethical criteria and fail to take satisfactory steps to correct their conduct within reasonable time shall be excluded from Gjensidige's investment universe. A list of excluded companies shall be available at all times, stating the name of the company and the grounds for exclusion. If it is possible for Gjensidige to influence violating companies to find solutions through active ownership, the company can be placed on an observation list. New investments shall not be made in companies on the observation list, and the companies must be monitored continuously to determine whether the desired effect/adaptation is achieved. This solution is reserved for companies Gjensidige has a material direct investment in or customer relationship with.

In portfolios where Gjensidige decides the composition of companies itself, no direct investments shall be made in excluded companies. If such companies are found in the portfolios, they must be sold as soon as possible and within 30 days. The CIO may, in consultation with the CRO, extend the deadline by up to 60 days if a sale will incur unreasonable transaction costs.

In the choice of external funds and managers where investments are made in securities issued by institutions and firms, Gjensidige shall only use fund managers and funds that have established ethical management guidelines and meet internationally accepted standards. A distinction is drawn between the ethical guidelines and standards required for funds where Gjensidige selects the fund managers, and solutions where the customers (for example customers of Gjensidige Pensjonsforsikring (GPF)) select their own funds.

- Funds selected by Gjensidige shall comply with this policy and the Instructions for Exclusions.
- Funds offered to the general public where the customer selects the fund shall have ethical labelling. In cases where no such labelling exists, an internal assessment and follow-up shall be made in relation to other funds used by Gjensidige, informing the customer of the ethical standard of the fund.

5.2 Exercise of ownership rights

To exercise ownership rights is to contribute to the greatest possible value creation over time. Gjensidige shall use its ownership to influence companies, industries and markets to pursue sustainable value creation. The exercise of ownership rights shall be based on an assessment of how and in what areas it has the greatest potential impact.

The exercise of ownership rights shall be aligned with the OECD Guidelines on Corporate Governance and the Norwegian Code of Conduct for Corporate Governance (NUES), and fundamental principles based on UN Global Compact.

Relevant measures for the exercise of ownership rights include:

a) Dialogue with the company's management and board on an independent basis or in partnership with other investors,

b) Voting and, if relevant, proposals by shareholders at annual general meetings,

c) Participation in governing bodies.

The principles for exercise of ownership rights apply to all types of investments, but how the rights are exercised will vary based on the possibilities available as shareholder:

- Bondholders can exercise ownership rights through input ahead of bond issues, dialogue with the management and board, and through voting at bondholder meetings.

- Investors in external funds preferably exercise ownership rights through dialogue with fund managers and annual general meetings in the fund companies.

Voting at the annual general meeting is one of the ways Gjensidige exercises active ownership. The majority of Gjensidige' s equity investments are in externally managed funds. They shall be followed up based on their procedures and reporting of votes cast at annual general meetings. Where Gjensidige has direct ownership positions, votes are cast through direct or proxy voting.

5.3 Use of market mechanisms

A key reason why many ESG issues arise in the first place is that the actors who cause the problems do not themselves bear the costs. The problems that arise are externalities for the actor itself but can have major consequences for society. An example of this is the concentration of greenhouse gases in the atmosphere, where an increased concentration leads to increased temperatures, which has a negative effect on the world. If all actors were financially burdened with the cost their activities have to society, emissions would also be low. As an investor, it is difficult for Gjensidige to ensure that all actors take responsibility for externalities they inflict on society around them, but the authorities have the opportunity to ensure that external effects are internalized, through taxes, fees and quota systems, among other things. In cases where effective mechanisms that can correct for externalities exist, Gjensidige wishes to influence and make use of these.

An example of such a market mechanism is the EU ETS, the quota system for greenhouse gas emissions in the EU and the EEA. This is a mechanism where the authorities decide how large the emissions in a single year can be, and market players negotiate among themselves about who gets permission to emit greenhouse gases and how much the emissions should cost the company. The number of quotas is reduced annually, and the purpose is to convert the economy to a state with net zero emissions of greenhouse gases by 2050. Greenhouse gas emissions are a key input factor in companies' production and value creation, but the company itself is often not charged for the cost to society. Stricter climate measures in the future may increase the transition risk in the portfolio. Gjensidige can use emission quotas in the EU ETS as a hedge against the negative effects that transition risk may have on the portfolio. Gjensidige can also use the emission quotas to reduce net greenhouse gas emissions from the portfolio in individual years.

5.4 Decision-making processes

ESG perspectives shall be incorporated in all investment decisions and analyses. This applies to all types of investments, including, but not exclusively, direct investments in shares, bonds, and real estate, as well as indirect investments through external managers. Decision-making processes and analyses are defined as all assessments made to assess whether an investment should be carried out or potentially exited. An ESG assessment shall include an assessment of relevant challenges and opportunities related to ethics, the environment, social conditions, and corporate governance. The assessment shall include possible financial consequences for Gjensidige, and whether the investment may affect Gjensidige's reputation. In the assessment of the environmental criterion, it must be assessed in all investments how the investment affects Gjensidige's target of net zero greenhouse gas emissions from the portfolio by 2050. It must be assessed here how the investment affects Gjensidige's position in relation to the chosen emission path at the time of investment, position in relation to the selected emission path.

6. Reporting

CRO is responsible for reporting on the follow-up of the Group Policy for Responsible Investments.

The following reporting shall be carried out:

- Quarterly reporting for exclusions. The report is sent to the CFO and CIO. The CRO shall quarterly confirm to the board that measures to screen the investment portfolio in accordance with the policy for responsible investments have been implemented and that an exclusion list has been reviewed.
- Annual reporting to UN PRI, with accompanying publication.
- Minimum annual measurement of the carbon footprint of the investment portfolio as part of Gjensidige's annual report.

7. Relevant documents

Compliance with the policy is specified in more detail in the following guidelines:

a) Instructions for Exclusions
b) Instructions for Exercise of Ownership Rights

8. Appendix

The ten UN Global Compact principles:

Human rights:
1. Businesses should support and respect the protection of internationally proclaimed human rights
2. Businesses should make sure that they are not complicit in human rights abuses

Labour:
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Businesses should uphold the elimination of all forms of forced and compulsory labour
5. Businesses should uphold the effective abolition of child labour
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation

Environment:
7. Businesses should support a precautionary approach to environmental challenges
8. Businesses should undertake initiatives to promote greater environmental responsibility
9. Businesses should encourage the development and diffusion of environmentally friendly technologies

Anti-corruption:
10. Businesses should work against corruption in all its forms, including extortion and bribery

The six UN PRI principles:

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