

## Group instructions for SRI – ethical investments

### 1. Purpose

The purpose of these group instructions is to operationalise the Group's policy for ethical investments, as adopted by the Board.

### 2. Area of application/target group

This group instructions applies to Gjensidige Forsikring ASA and its subsidiaries.

The instructions apply to funds managed for Gjensidige's account and risk, and on behalf of all external customers (such as pension assets, customer advice etc.) where Gjensidige makes the decision on where to place the customer's funds.

Funds offered to the general public and where the general public make their own choices shall be labelled, so that customers can take ethical considerations into account in their choice of funds.

### 3. Definitions

By SRI is meant Socially Responsible Investments, which is a generic term for ethical investments.

### 4. Division of roles and responsibilities

EVP Communication and Shared Services is responsible for implementing these instructions.

The Chief Investment Officer is responsible for

- ensuring that an updated list is available of companies excluded from Gjensidige's investment universe
- the choice and follow-up of the Group's external fund managers. The funds' SRI policies shall be reviewed in connection with the choice of funds. The chosen funds' SRI policies shall comply with Gjensidige's SRI policy.
- following up funds and investment portfolios, and ensuring that the exclusion list is adhered to

In order to be distributed, funds offered to the general public where the customers make their own choices shall also have an SRI policy that complies with Gjensidige's policy. If it is nonetheless desirable for commercial reasons to distribute funds that do not meet Gjensidige's SRI policy, they shall be labelled. The chief accountant is responsible for ensuring that the Department of Investment Performance and Risk Measurement (IRM) checks which excluded companies the Group is exposed to.

Entities/companies in the Group that use external fund managers in their business operations shall choose fund managers within the universe of managers approved by the Group's Chief Investment Officer. When using fund managers for discretionary portfolios, the managers must be approved by the Chief Investment Officer the same way as for funds.

Head of Communications receives reports from IRM and assesses whether the group instructions is complied with.

### 5. Requirements and methods for exclusion

#### 5.1 Exclusion of companies

Companies responsible for serious and/or systematic violations of the SRI criteria that fail to take satisfactory steps to correct their conduct within reasonable time shall be excluded from Gjensidige's investment universe. The Group's Chief Investment Officer makes final decisions on exclusion.

The analytics process shall primarily be based on analyses and decisions made by external suppliers such as GES and Storebrand. Exclusion shall be based on an overall assessment, and the following criteria are decisive:

- Satisfactory documentation that the company has violated Gjensidige's principles for socially responsible fund management
- Whether the violations are serious and/or systematic
- The company's reaction to the identified violations

#### 5.2 Consequences of exclusion

In portfolios where entities in the Gjensidige Insurance Group, including subsidiaries, make direct investments themselves and decide the composition of companies, 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 deadline can be extended if the sale will result in unreasonable transaction costs.

When making investments in external funds, Gjensidige shall check that the fund's ethical guidelines are complied with. Furthermore, external funds must be checked against Gjensidige's exclusion list. If companies that Gjensidige has excluded appear in funds, Gjensidige shall make endeavours to ensure that Gjensidige's criteria are followed. The fund manager shall be given a reasonable time to carry out own investigations and outline possible solutions. Managers who are unable to provide a satisfactory explanation within a reasonable time or who fail to demonstrate willingness to satisfy Gjensidige's ethical guidelines criteria will not be given new investment mandates. Gjensidige's Chief Investment Officer decides in each case whether the violation is severe enough for existing investments to be terminated. In such cases, the Chief Investment Officer shall involve the affected subsidiaries to ensure that the decision can be implemented in an expedient manner.

The Group's Investment Center is responsible for carrying out the dialogue with external managers in cooperation with Group Communications.

## **6. Reporting**

Quarterly reports shall be prepared on compliance with the exclusion list. The report shall be prepared by the IRM department and be sent to Head of Communications. The report shall include an overview of excluded companies and changes since the last report, a list of portfolios and funds that contain excluded companies and an overview of the dialogue with external fund managers.

The Chief Investment Officer of Gjensidige Forsikring ASA is responsible for reporting related to portfolios managed on behalf of Gjensidige Forsikring.

The Chief Investment Officer of Gjensidige Pensjonsforsikring is responsible for reporting related to portfolios managed on behalf of Gjensidige Pensjonsforsikring.

## **7. Verification**

External funds shall be verified against lists of holdings from funds or third-party databases such as Morningstar on a quarterly basis and no later than a month after the end of the quarter.

## **History**

These instructions were adopted by the CEO Gjensidige Forsikring ASA on 13 December 2017, and last revised 6 June 2019.