

Policy for Responsible Investments

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Gjensidige



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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 includes the group’s target to achieve net-zero GHG emissions within 2050 aligned with SBTi.

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 194 countries that obliges signatories to limit global warming to between 1.5 °C and 2 °C compared to pre-industrial levels in an effort to limit the risk and consequences of climate change. Signatories are also obliged to direct financial flows towards a low-emission society. The agreement states that in order to limit the temperature rise to the desired level, signatories 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.

4. Division of roles and responsibilities

Role/Function	Responsibility
Board of Directors	<ul style="list-style-type: none">adopt the principles on which the group's exercise of ownership rights and exclusions shall be basedadopt a group strategy for sustainability that forms the basis for this policy and the group's investment activities.
CEO	<ul style="list-style-type: none">appropriate organization and necessary resources for compliance with this policy
CFO	<ul style="list-style-type: none">for the implementation of this policy



CIO	<ul style="list-style-type: none"> • exercising ownership rights 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 Gjensidige's investment universe and check that the exclusion list is complied with • that the group's investment activities take into account significant risks associated with sustainability and that the principles in this policy are complied with;
CRO	<ul style="list-style-type: none"> • 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

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. 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.

Excluded companies in the portfolios, 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.

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. Exclusions

Gjensidige shall only invest in companies that comply with international laws, standards and conventions. The assessment shall be based on the ten UN Global Compact principles. The companies GF invest in must also comply with international conventions for inhumane weapons. Companies with products/activities deemed to be Key and/or Dedicated for the lethal use of the controversial weapon type at hand are excluded.

Countries found to be in serious breach of international conventions, on the basis that particularly extensive UN sanctions have been adopted, including companies contributing to such breaches directly or indirectly shall be excluded from the investment universe.

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

5.1 Exercise of ownership rights

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:

- Dialogue with the company's management and board on an independent basis or in partnership with other investors,
- Voting direct or by proxy at annual general meetings,
- 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 stakeholder:

- 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.

5.2 Decision-making processes

ESG perspectives shall be incorporated in all investment decisions and analyses. 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.

6. Reporting

CRO is responsible for reporting of the follow-up of the Group Policy for Responsible Investments. A list of excluded companies shall be available at all times, stating the name of the company and the grounds for exclusion. The following reporting shall be carried out:

- Quarterly report 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 report 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 this policy is specified in more detail in the following guidelines, to be approved by the CEO:

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



Appendix

Principles to which the Group Policy for Responsible Investments shall adhere:

a) 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

b) 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.

