Transition Plan
Gjensidige Forsikring ASA

2025

Gjensidige

Content

Gjensidige's contribution to the transition towards a low-emission society

Gjensidige is one of the largest companies on the Oslo Stock Exchange and has been engaged in non-life insurance for over 200 years. Non-life insurance is a vital part of the financial system. Therefore, we have an important societal responsibility to contribute to a more climate-resilient society and to create economic security going forward by ensuring that life, health, and assets remain insurable in the future. We aim to contribute to both the reduction of climate emissions and climate adaptation for the benefit of our customers and society at large.

The current situation
We have conducted climate risk analyses to understand how we are affected by physical, transitional, and liability risks across the entire group. We were early in estimating climate emissions from claims handling. This has provided new insights and a basis for decision-making, supporting the transition to a circular economy. We have established a new investment strategy that aims to both reduce climate emissions and mitigate transition risk.

Our role in the transition
Gjensidige possesses important knowledge about climate risk that should benefit both customers and society. We have a particular responsibility to provide risk mitigation, prevention, and to help avoid and limit damages. Therefore, we facilitate climate adaptation measures in our products and services by offering incentives to our customers. We share data with public authorities and relevant research projects to ensure that our knowledge benefits society and that climate risk becomes manageable in the future. As one of the largest insurance companies in the Nordics, we also have the opportunity to influence emission reductions in the companies we invest in. We are a major purchaser of both goods and services and can influence suppliers to reduce material consumption, thereby also reducing climate emissions and loss of nature.

Geir Holmgren, CEO Gjensidig Forsikring ASA

Our goals
We have set ambitious climate emission reduction targets for our own operations, claims handling, and investments, supporting net-zero emissions by 2050. These targets are now approved by the Science Based Targets initiative (SBTi). The entire organization must contribute to succeed and fulfil these targets. Therefore, the targets are decided by the board and the executive management and are included as a KPI in the bonus programs. Quarterly reporting has been established to ensure that progress is monitored and to assess whether the implemented measures are having the desired effect.

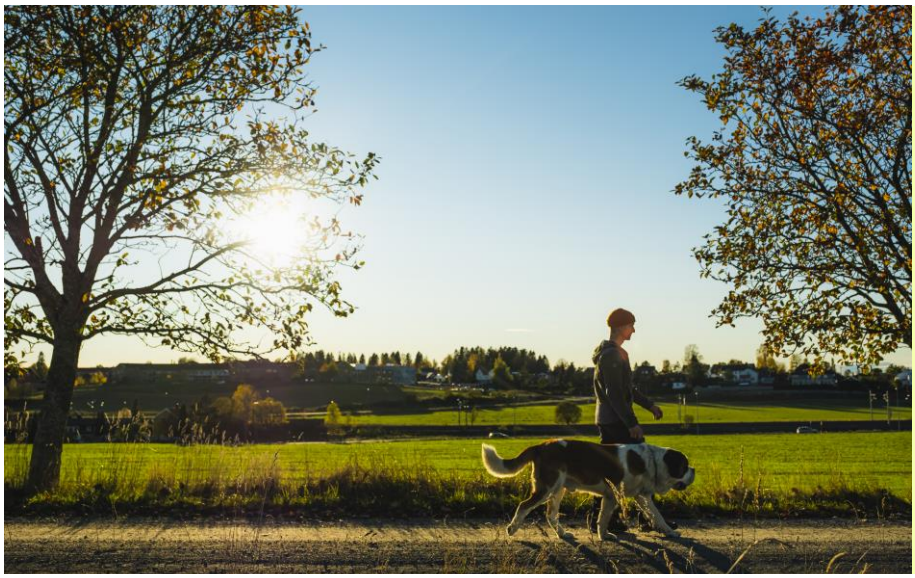
Dilemmas
It will be challenging to reduce all relevant greenhouse gas emissions to net zero, and we are prepared to face these challenges and dilemmas as we move forward. A relevant dilemma is how we can prevent and avoid damages and maintain customer satisfaction, while also repairing damages with the lowest possible climate and environmental footprint. To succeed with damage prevention and climate adaptation, we are entirely dependent on working more closely with our customers,

suppliers, and public authorities.

Another dilemma is how to balance the return on our investments while also promoting low- and zero-emission solutions.

We are humble in recognizing that there are both risks and opportunities we cannot yet foresee, also due to increased uncertainty from geopolitical unrest and a paradigm shift in some parts of the world regarding climate and the green transition. We are monitoring developments and acknowledge that we will face new demands and challenges, but change also brings many opportunities. Our societal mission remains firm, and we will be here for our customers now and in the future.

Background for our climate- and nature related financial assessments



Gjensidige has always worked systematically to understand damage risks resulting from weather events. The consequences of climate change and climate risk are central to pricing risk correctly, as well as understanding how risk can be avoided or mitigated.

Climate and nature changes affect Gjensidige's core business through physical risk, transition risk, and liability risk.

We believe that climate and nature risks will have widespread impacts, affecting the economy across all areas in the countries where we operate. This will influence our stakeholders and their need for insurance products, but climate and nature risks will vary across products and risk types in terms of both timing and scope. Insurance primarily consists of one-year contracts, allowing for continuous adjustments in pricing and coverage. Simplified, increased insurance risk due to climate change is not necessarily negative for insurance companies, as increased claims can be offset by higher premiums or changes in coverage. However, in the long term—and especially from a societal perspective—significantly increased claims due to climate change and natural disasters can be problematic, potentially making premiums unaffordable or rendering certain areas uninsurable.

We have implemented several measures to understand climate and nature risks and how to avoid and mitigate them. We aim to ensure that we, our partners, customers, and the companies we invest in work toward the goals of the Paris Agreement while also reducing nature-related risks.

We will promote climate adaptation and emission reduction by developing products, implementing effective damage prevention measures, offering more sustainable claims processes, and making responsible investments.

Since Gjensidige set its first climate goals in 2018, expectations and requirements from the external environment have evolved significantly, both in terms of goal-setting and transparency in reporting progress. Each year, we have committed to supporting international frameworks and have applied insights from best practices in our climate adaptation and goal-setting efforts.

Our board-approved goals address both climate adaptation and the reduction of direct and indirect emissions. Our emission reduction targets are approved by the Science Based Targets initiative (SBTi).

Our corporate governance

We rely on the trust of our surroundings to fulfill our societal mission. A comprehensive understanding of risk, with clear roles and responsibilities, is essential in our corporate governance.

Climate and nature risks are integrated into Gjensidige's corporate governance. The financial consequences of weather-related events have always been a key element in our pricing models and capital management. Climate and nature risks affect multiple areas, and Gjensidige is directly exposed through both its insurance and investment portfolios, as well as in the claims handling value chain. Therefore, climate and nature risks are embedded in our established governance processes. These risks are integrated into guiding documents for investments, underwriting, procurement, and the Group's risk appetite.

Climate and nature-related topics are included in the established bonus program for top management.

The Director of Sustainability is responsible for reporting progress on goal achievement to the executive management and the board, with quarterly reporting established to ensure continuous monitoring.

The governance structure is further described in our statement on corporate governance at gjensidige.com, in note 3 of the financial statements, and in the Pillar 3 report.

The figure indicates the way sustainability topics are implemented throughout the group.

Our group strategy and climate plan

Social responsibility has always been central to Gjensidige's history, as a natural consequence of our role as a leading insurance company. Providing customers with financial security and helping them implement climate adaptation measures is essential to ensure insurable assets. We also work to reduce emissions in our operations, claims handling, and investments.

Gjensidige's group strategy is built around our mission to "secure life, health, and assets." Understanding the consequences of climate change and contributing to climate adaptation is therefore vital to our core business and our societal responsibility to alleviate financial risk.

We aim to contribute to a safe and insurable society and actively participate in the public debate to ensure effective and profitable climate adaptation solutions. This benefits both our customers and the society as a whole, acknowledging that damage prevention is more cost-effective than compensation.

STRATEGY

The Group's strategy can be summarised with the following figure:

Customer orientation throughout the customer journey

We aim to take care of the customer and think holistically, both before and after a claim. This means being proactive, knowing the customer, and understanding each individual's need for damage prevention and climate adaptation.

Best at general insurance

In our climate adaptation efforts, we have developed a methodology to ensure that climate risk and adaptation measures are integrated into our products. Our adaptation methodology meets the requirements of the EU taxonomy for non-life insurance. Forward-looking understanding of risk – using climate scenarios, innovation, and incentives in our products – is essential, contributing to an insurable society as the main goal.

We also maintain high preparedness in claims handling to ensure accurate and efficient settlements when damage occurs. We collaborate with local suppliers to ensure that claims are settled in a way that benefits the customer, the environment, and the local community.

We are committed to fulfilling our social responsibility by contributing to a sustainable society through both our insurance and investment activities.

Attractive alliance partner

We increasingly recognize the importance of conducting our own operations in a correct way, in order to be an attractive alliance partner. Having concrete climate goals that support net-zero emissions by 2050 is crucial for legitimacy, setting a good example, and achieving top ESG ratings— which is especially

important in the corporate market. A key part of our strategy is also participating in research projects and sharing data with public authorities.

Our implementation strategy [11]

Risks and opportunities related to non-life insurance have influenced our product strategy. Since 2021, we have had a board-approved operational goal saying that 80% of our insurance revenues, eligible under the EU taxonomy, should be aligned with EU taxonomy criteria for non-life insurance, by the end of 2026. This goal provides a more holistic view of our insurance coverage, as climate risk is broad and not limited to weather events.

We largely offer standard products that include a wide range of climate-relevant risks. This means that customers do not need to actively select coverage themselves, which is more common in markets outside the Nordic region. Therefore, in our operational taxonomy goal, we include the full insurance revenue from taxonomy-aligned products in the numerator. The denominator includes total insurance revenues eligible under the EU taxonomy. Our operational ratio gives a comprehensive picture of the share of insurance revenues, including incentives to motivate customers to implement climate adaptation measures. The taxonomy ratio is further described in our 2024 annual report.

We will continue working to offer relevant climate adaptation measures through our insurance products, thereby contributing to a more climate-resilient society.

At the same time, we are working through adapted products to find more robust ways to rebuild, aiming to avoid recurring damages. We also share relevant data with authorities to support climate adaptation at the societal level and improve damage prevention.

Climate risk is considered in the development of all products and services. The extent to which climate risk is assessed depends on the product's exposure to climate risk. Products that are taxonomy-aligned undergo the most comprehensive climate risk assessment. Increased knowledge about consequences is crucial for pricing risk correctly. Therefore, Gjensidige, in collaboration with the Norwegian Computing Center, has combined recognized climate models with our claims data. For property insurance, we have developed forward-looking pricing models for damages caused by extreme precipitation. These pricing models are based on climate models from the Norwegian Computing Center, which utilize Laser Imaging, Detection and Ranging data (LIDAR data), Height Above Nearest Drainage Point data (HAND data), internal claims data, and weather data.

Risks and opportunities related to increased customer demand for sustainable insurance have also influenced the product strategy of our pension business, and in 2022, Gjensidige Pensjonsforsikring launched a sustainable pension profile.

Our engagement strategy

Climate change and anticipated new requirements for nature considerations will impact the entire value chain, including the choice of repair methods and materials in claims settlements. Several initiatives have been launched to increase reuse and contribute to a circular economy. We are also working on measures to influence our customers to understand the importance of other damage prevention efforts going forward. For a long time, we have integrated various safety measures into our pricing to motivate customers to reduce and/or limit damage risk. We will continue working to identify the most relevant damage-reducing measures and make them available to our customers—through insurance product mechanisms, advice, or services.

Climate and nature risks related to the supply chain have influenced our procurement strategy and policy. All suppliers must sign our Supplier Code of Conduct, which obliges them to comply with the UN's 10 Global Compact principles, as a minimum. In addition, we collaborate with suppliers to reduce climate impact, and we are also screening suppliers using the EcoVadis platform. By employing this information, we also influence social conditions, which are very important in our transition efforts, as well as important contributions to a more just society. You can read more about this in our annual report on due diligence assessments on our website.

Our largest indirect greenhouse gas emissions stem from the investment portfolio. We have set science-based targets for emission reductions, aiming for net-zero emissions by 2050 (SBTi-approved). We place strict requirements on the companies we invest in, as well as on external asset managers, to commit to similar science-based targets.

[1] Inaugural-FIT-report-Closing-the-gap-final_UNEPFI_transitionplan

Risks and opportunities

We rely on the trust of our surroundings to fulfill our societal mission. A comprehensive understanding of risk, with clear roles and responsibilities, is essential in our corporate governance. We have also worked on mapping the consequences of climate change and emissions to provide the best possible basis for assessing risks and opportunities.

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Climate risk

Climate change has varying economic consequences depending on the time horizon: In the short-term there will be increased physical climate risk due to more frequent extreme weather events such as floods and heavy rainfall. In the medium-term we see the risk of not being able to assist customers quickly enough, due to capacity challenges among suppliers during extreme weather events. In the long-term perspective we see an increasing transition risk and secondary effects of physical climate risk, leading to greater volatility in claims frequency for both property and health insurance. This may result in increased volatility in our financial results.

We view physical risk as the greatest threat, and emission reduction as the best way to avoid it. Therefore, we are willing to take on—and expect others to take on—transition risk. This risk is managed through our net-zero target.

Accurate risk pricing is crucial for the profitability of our products. Changes in the intensity and frequency of weather events that deviate from historical statistics can complicate pricing and lead to mispricing. This climate-related risk is linked to both physical and transition risks.

Effective climate adaptation requires good communication with our customers. It is important that our distribution channels are knowledgeable about effective adaptation measures to provide the right advice. There is a risk of giving incorrect advice, which could impact our claims frequency.

Although we consider physical climate risk to be the most relevant, our work has focused on transition risk in our investment portfolio. Physical climate risk is currently low but is expected to increase over time if global emissions continue to rise. We assume that physical risk may develop non-linearly, with complex relationships and irreversible consequences. The potential for severe negative outcomes motivates proactive measures, which in turn may pose transition risks for us. These measures may pose a transition risk for us. In the long term, we consider physical risk to be the greatest, if sufficient measures are not taken.

Transition risks may stem from technology, market, regulatory, political, and reputational factors. While the risk landscape is complex, all measures aim to reduce global emissions. Based on this, we focus our efforts on companies with high emissions in their operations and/or value chains. Although not a perfect indicator, we consider high-emission value chains to be more exposed to transition risk than low emission value chains.

Opportunities

Gjensidige sees an opportunity to help reduce climate emissions by incorporating specific damage prevention measures into risk pricing and offering incentives to customers who implement such measures. This can lead to increased customer satisfaction, reduced claims payouts, and lower greenhouse gas emissions.

We also see an opportunity to attract and retain customers—and thereby secure insurance revenues—by having a clear science-based strategy for reducing climate emissions throughout the value chain.

Through our operations and value chain, Gjensidige interacts with many industries and can act as an advisor in the climate transition. In this way, we can also influence emission reductions in other industries and companies.

With regard to our investments, a clear climate strategy can help reduce transition risk in our financial investments, thereby also reducing financial risk. Analysis and insights can provide investment opportunities in emerging industries and enable us to actively contribute to the transition through dialogue with portfolio managers and companies.

We can offer pension profiles that allow our customers to invest their pensions in funds with a sustainable investment objective. This can increase customer satisfaction and help retain customers and pension insurance revenues.

Gjensidige has the opportunity to contribute to the transition to a low-emission society by building expertise in new technologies and risk transfer solutions, and by helping companies developing sustainable solutions gain access to insurance. This also includes the opportunity to offer new insurance products and coverages. However, this opportunity may become a risk if we do not adequately understand the risks associated with new solutions.

Climate Scenario Analyses

We have employed external tools such as the Paris Agreement Capital Transition Assessment (PACTA) for scenario analyses and stress testing, in addition to internal scenario analyses, to better understand the transition risk in the investment portfolio. The analyses indicate that the investment portfolio has a lower value in most scenarios that reach 1.5–2°C global warming compared to scenarios that follow current political decisions. Value changes for equity portfolios range between 0% and -15%, while bond portfolios range between 0% and -2%. The results depend on the target temperature of the scenario, technology choices and limitations, and the climate models being used. The scenario analyses show that the effects are highly unevenly distributed, where the median company is unaffected, and some companies are severely impacted. The scenarios only model direct consequences and do not include second- and third-order effects. Nevertheless, the consequences are serious enough that we aim to align the portfolio with scenarios that limit global warming to 1.5°C and achieve net zero emissions by 2050.

Gjensidige uses qualitative and quantitative scenario analyses to assess the resilience of our business model and strategy under various climate scenarios. Scenarios from the IPCC and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) are used as a common basis for assessing risks in insurance and investment portfolios. Two main climate scenarios are used: "Failed Transition" and "Net Zero 2050."

The "Failed Transition" scenario is based on the NGFS Current Policy scenario and IPCC SSP5-8.5. It assumes that no new climate policies are implemented. Short-term political priorities prevent national climate goals from being achieved, and no new emission-reducing measures are introduced. Emissions grow until 2080, leading to approximately 3°C warming and severe physical risks, including irreversible changes such as rising sea levels. This scenario is used to analyze physical climate risk in the insurance portfolio.

The "Net Zero 2050" scenario is based on the NGFS Net Zero scenario. It assumes ambitious climate policies are introduced immediately. Transition costs are considered to be significant. Oil use in transport is rapidly phased out, while the decline in fossil fuel use in energy supply and industry is more variable. The scenario assumes modest use of carbon capture and storage. CO_2 emissions reach net zero around 2050, resulting in about a 50% chance of limiting global warming to below 1.5°C by the end of the century. This scenario involves high transition risk and is used to analyze transition risk in investment portfolios.

Climate and nature-related risks and opportunities are assessed across three categories: physical, transition, and liability risks, all of which affect all risk types in Gjensidige. Climate risks are assessed in the short term (0–3 years), medium term (3–10 years), and long term (over 10 years). In identifying Gjensidige's climate risks, we have assessed both chronic and acute climate risks within the categories of weather-related, wind-related, water-related, and solid mass-related (e.g., landslides). Within transition risks, risks in the categories of regulatory, technology, market, and reputation have been evaluated. Identified risks are documented in Gjensidige's climate risk register and assessed at least annually.

The risk matrix demonstrates the major climate risks Gjensidige faces under the 'Net Zero 2050' scenario. The X-axis represents the time horizon, while the Y-axis represents the level of consequence. Acute climate risks are represented by black dots in the matrix, while chronic physical risks are represented by white dots. Transition risks are shown as purple dots, and liability risks are shown as green dots. For the transition risks affecting the investment portfolio (M6, M3, and M5), as well as the physical risk affecting the insurance portfolio (I2), quantitative scenario analyses have also been conducted.

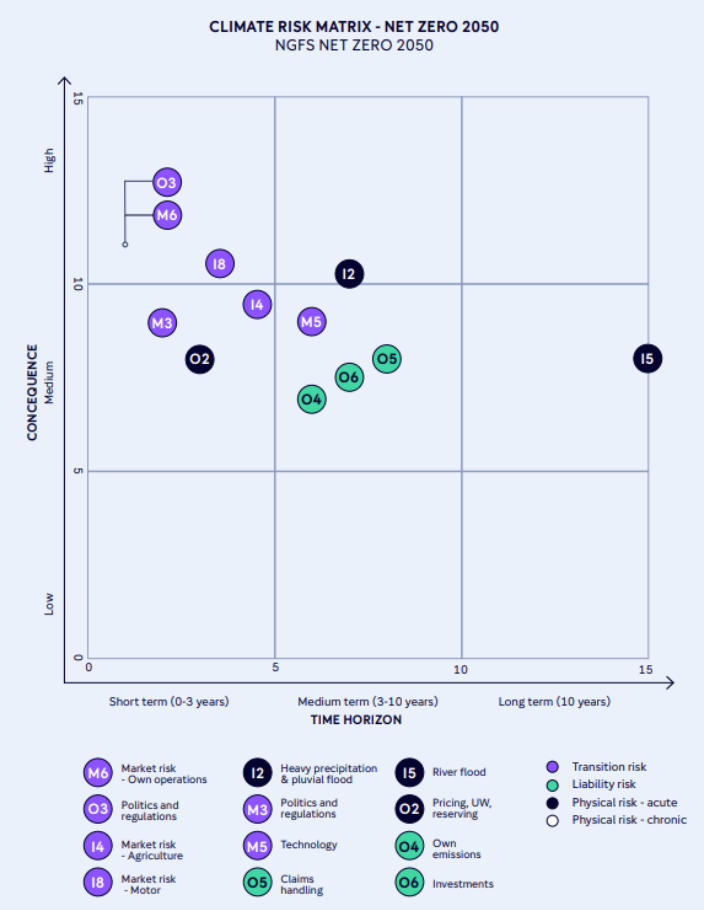


Figure: Consequence for our business model – portfolio composition

Climate risk in insurance operations

Physical climate risk for assets such as company cars and office buildings are considered low. The most significant physical climate risk lies in the insurance portfolio. Climate- and weather-related damages currently represent a limited portion of our total compensation payouts when comparing annual natural disaster claims (Norway) to overall claims costs.

The Norwegian Computing Center has conducted several scenario analyses, commissioned by and in collaboration with Gjensidige, on the impact of water damage on claim frequency under RCP4.5 and RCP8.5. The results indicate a low risk in the short term and a somewhat higher risk in the long term (under both RCP4.5 and RCP8.5). Although certain types of damage may show some effects in the short term, changes are expected to occur gradually, with the greatest impact from 2050 onwards. In general, our markets are in the geographic areas expected to be least affected by climate change. With increased knowledge, it is likely that the population, businesses, and authorities will make adaptations to avoid or reduce risk. We have also established climate adaptation incentives in a large proportion of our products.

Scenario towards 2100 – Norwegian Computing Center

The Norwegian Computing Center has specifically examined predictions of water damage caused by external factors. Natural disasters, as defined in the Natural Disaster Act, are not included, as the pricing and distribution of these are regulated separately.

- Damage predictions based on climate model data up to the year 2100 generally indicate that total payouts will increase across most of the country. Some counties will experience a steady rise throughout the entire period, while others will see a relatively flat or even negative trend until around 2050, followed by an increase.
- For Norway as a whole, the development of damages is expected to remain relatively stable until 2050, after which it is projected to increase by 40 percent by 2100.
- In the former counties of Hedmark, Buskerud, Vestfold, Telemark, and Vest-Agder, total payouts are expected to increase by around 50 percent by the end of this century.
- For the former counties of Østfold, Akershus, and Sogn og Fjordane, the predictions indicate a 70 percent increase during the same period.

The insights from the project are being used further in research and knowledge development. Among other things, a scientific article was published in the Journal of the Royal Statistical Society in 2023. The models used in the project are also considered relevant for other European countries.

Climate risk in the investment operations

Analyses show low chronic and acute risk in the short, medium, and long term. Transition risk is considered most significant for the investment portfolio, but current exposure to sectors expected to be the most vulnerable is limited.

Since 2020, we have conducted several analyses of our investment portfolio to better understand climate risk. The analyses primarily focus on transition risk. The purpose of the scenario analyses is to improve the understanding of climate risk through exposure to sectors and technologies affected by climate change and climate mitigation measures.

During the period 2020–2022, we employed the PACTA tool from the *2° Investing Initiative* to analyze the investment portfolios for both the insurance and pension operations. We have also previously conducted our own scenario analysis and stress test of the insurance investment portfolio using climate scenarios based on the Network for Greening the Financial System (NGFS). The results suggest that transition risk is limited, but negative for the portfolio as a whole. The limited risk is due to the portfolio being largely exposed to secure bonds in sectors that are only marginally affected by climate policy measures, such as the financial sector. The analyses also indicate that the risk is unevenly distributed across sectors. Certain sectors are highly likely to be significantly negatively affected by transition risk, and

we will focus on a selection of these sectors in our transition risk management. Physical risk for Gjensidige's investments mainly concerns real estate. The exposure to real estate is funneled through property investments in the Malling & Co Real Estate Fund as well as other securities. This exposure is considered well-diversified and does not involve any significant concentrated risk beyond systematic risk. These assessments carry a considerable degree of uncertainty. Going forward, the assessment of financial risks will be improved through better data on greenhouse gas emissions and continued use of scenario analyses. Work is ongoing to further develop methods and strategies to assess and reduce financial climate risk in the portfolio.

Robustness analysis

Each year, we conduct two stress scenarios to test the resilience of our operations with respect to climate risk over the upcoming planning period, which spans the next five years. This is carried out as part of the Own Risk and Solvency Assessment (ORSA). One stress scenario examines the impact of increased claims for products exposed to climate change (physical risk) under the "Failed Transition" scenario. This year's analysis shows a negative impact on the solvency margin compared to the base case. The effects begin in 2025, but pricing measures reverse the trend, and the solvency margin rises again during the period 2026–2028. The solvency margin under the approved internal model remains within the target zone throughout the planning period. The second stress scenario explores how a sudden shift to a green economy would affect Gjensidige's financial strength. This scenario is aligned with the net-zero emissions target for 2050 under the "Net Zero 2050" scenario. The analysis shows that available capital is lower than in the base case, but the impact on capital requirements is minimal. For this scenario as well, the solvency margin under the approved internal model remains within the target zone throughout the planning period. To manage climate risk in the insurance and investment portfolios, we have implemented a range of measures related to climate adaptation, greenhouse gas emission reduction, climate risk pricing, and circular solutions. These are generally low capital-intensive measures. In addition, the insurance products most exposed to physical climate risk are based on one-year contracts, with pricing determined from a risk perspective. This provides flexibility, even in a medium- to long-term perspective. The analysis shows that Gjensidige has sufficient capital and capability to manage climate-related risks. Overall, it is assessed that Gjensidige's business model and strategy are resilient under various climate scenarios.

Our climate goals

Gjensidige has worked systematically to set goals and has reached new milestones since 2018. This has been a period of significant development in external expectations and requirements for goal-setting and transparent reporting.

The Board has adopted targets for climate adaptation and emissions reduction, aiming for net-zero emissions by 2050. Interim targets towards 2030 have been approved by the Science Based Targets initiative (SBTi). The path to the goal is based on the assumptions we are currently able to make. There is considerable uncertainty related to the figures, but the numbers provide the basis for the main measures that will help us achieve our goals.

In addition to our commitment to SBTi, we signed the Partnership for Carbon Accounting Financials (PCAF) in 2023. We have actively adapted to new requirements and frameworks and contributed our experience in setting targets for claims handling and insured emissions in accordance with the PCAF framework. We have shared our methods and insights to help develop a common framework for all non-life insurance companies.

The path towards our Board-approved climate goals

The Board of Directors and Group Management have been involved in setting climate targets since 2018. We have not set targets for the climate adaptation of our products, but not for the insured emissions. Our board-approved targets address both climate adaptation and the reduction of greenhouse gas emissions.

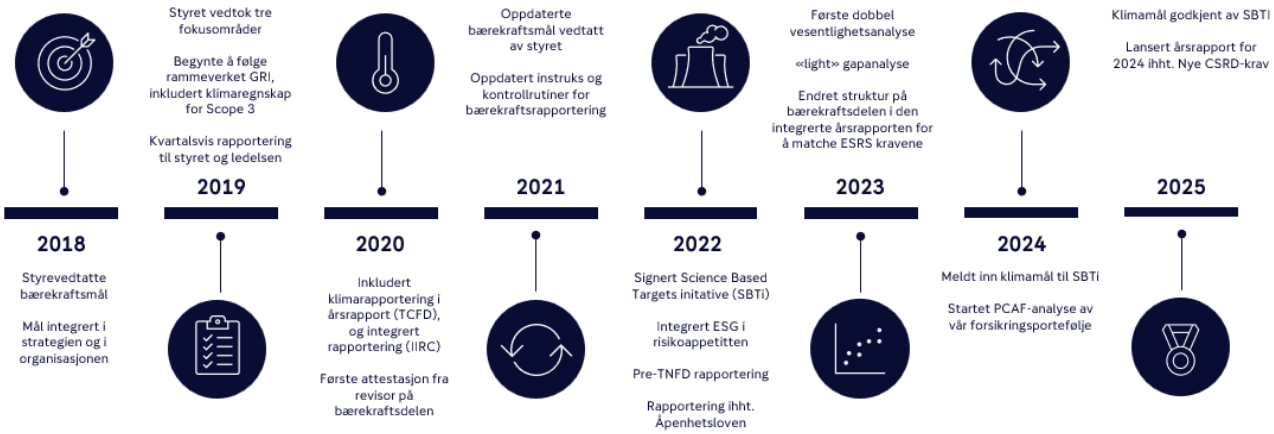


Figure: Milestones in the development of our climate goals

Goal – Climate Adaptation of Our Insurance Products

80% of premium income from products covered by the EU taxonomy shall be adapted by 2026.

Goals – Climate Change

Scope 1 and 2, Own operations:

Reduce emissions by 90 % by 2030, compared to the base year 2019.

Scope 3 (categories 1 & 5), Claims handling:

Reduce emission intensity by 55 % by 2030, compared to the base year 2019.

Scope 3 (category 15), Investments:
The goals for the investment portfolios cover both Gjensidige Forsikring ASA and Gjensidige Pensjonsforsikring AS.

Gjensidige has set a portfolio coverage target requiring that 55 % of listed equities, corporate bonds, and eligible private equity investments, measured by companies' emissions in scopes 1, 2 and 3, have SBTi-approved targets by 2030.

Gjensidige also commits to maintaining the emissions intensity of property investments at or below 2.7 kg CO_2e per m^2 through 2030, which corresponds to the 2022 baseline. These investment portfolio targets cover both Gjensidige Forsikring ASA and Gjensidige Pensjonsforsikring AS.

Climate Adaptation of the Insurance Portfolio

Access to relevant insurance is crucial in society. Therefore, we must adapt to a wetter and wilder climate. Our overarching goal is to adapt our products and services to meet future needs, and we integrate climate elements into our customer risk pricing to encourage climate adaptation measures. In this way, we contribute to a climate-resilient society.

Our climate adaptation goal
80% of premium incomes from products covered by the EU taxonomy shall be adapted by 2026.

Forward-looking risk understanding
The consequences of climate change and damage risk are complex. Since 2009, we have had a close collaboration with the Norwegian Computing Center (NR) to gain better insight into damage risk related to increased precipitation and cloudbursts— climate change effects that will impact us most in our geographies. We have focused particularly on Norway and Denmark, with extra attention on storm surges in Denmark. Our scenarios are based on historical claims data combined with the most recognized climate scenarios. The results of this analysis have been integrated into our risk pricing, which is one of the most important measures enabling us to meet the criterion of forward-looking, sophisticated risk pricing— also being one of five criteria for taxonomy alignment.

Innovation and incentives in our products and damage preventive services
Gjensidige is committed to ensuring that life, health, and assets remain insurable in the future. We have developed our own methodology for climate adaptation of our products, using the EU's environmental objective for climate adaptation as a framework.

Our role is central in using our knowledge and insights to help customers understand their own physical climate risk and ensure that necessary adaptation measures are implemented. In some cases, climate adaptation is necessary to maintain insurability against climate-related events. For example, we know that buildings have varying risk levels for weather-related damage depending on their characteristics, terrain location, and local weather. Therefore, our historical claims data have been crucial in our analysis. We have published our ranking of climate change effects by municipality in Norway. Our collaboration with NR has also received international recognition.

In our board-approved operational goal for climate adaptation of our non-life insurance products, we have included all premium incomes from products that meet the EU taxonomy's five criteria for sustainable non-life insurance. The operational ratio shows the share of climate-adapted products as a proportion of total insurance income from all products eligible under the EU taxonomy. We have also assessed whether the products cause significant harm to other environmental goals and meet minimum social safeguards. Our follow-up on social safeguards ensures that we uphold human and labor rights in line with ILO/OECD guidelines. We ensure that our contracted suppliers sign and comply with our Supplier Code of Conduct. The status of our review is summarized in a separate report on due diligence assessments.

By the end of 2024, we had adapted the terms of nine insurance products, meaning we included incentives in our terms to support climate adaptation in accordance with the EU taxonomy.

Climate adaptation Share as of the end of 2024, measured as:

Insurance income from qualifying products *
Total premium income from eligible products. *) according to the EU taxonomy for non-life insurance

We note that there has been discussion about what should be included in the numerator and denominator under the EU taxonomy. In the 2024 Sustainability Report, we have disclosed both our operational ratio and the official one in line with CSRD taxonomy reporting, where only the climate element is included in the numerator for products that are taxonomy-aligned.

New measures towards 2025 and 2030

- In 2024, Gjensidige entered into an agreement with Mitigrate, a company specializing in climate adaptation measures for properties. Using advanced SaaS-based technology, they can simulate which measures have the greatest effect. The tool provides an indication of climate risk for each individual property and helps identify tailored solutions for each customer. We will now implement this tool for our customers, with the ambition to reduce damage risk and ensure that properties remain insurable in the future.
- We are also analyzing other products that are not yet climate-adapted, assessing coverage for climate-related damage, and identifying effective climate measures and how to encourage customers to implement them.

All climate-adapted products are reviewed every three years to ensure continued compliance with the EU criteria.

Climate emissions in the insurance portfolio

Status on our work with insured emissions

Indirect emissions from the insurance portfolio concern emissions from our insurance customers and are included in our Scope 3. Calculating such emissions is a demanding task, with challenges related to methodology and data availability. We aim to use our position to influence, and will strive to identify measures that create customer value, competitive advantage, and have an impact on emissions.

In 2023, we changed our underwriting policy so that we will no longer insure the extraction of coal, oil, or gas. By extraction, we mean the production of fossil energy, including refining and the manufacturing of secondary fossil energy products. Related activities that are not excluded include personal insurance, administrative buildings and vehicles, as well as activities further down the value chain such as transport, storage, sales/retail, and the underlying supplier industry.

Preliminary analyses of portfolio emissions

There is currently no formally approved method for calculating emissions from the insurance portfolio. While awaiting such a method, we have conducted an initial analysis of emissions based on guidance from the Partnership for Carbon Accounting Financials (PCAF). This guidance has been developed by the financial industry itself, is widely used in the sector, and is recommended by Finance Norway. According to PCAF, the analysis of emissions from the insurance portfolio consists of two parts:

1. Industry (commercial segment) – emissions from scope 1, 2 and 3 from industrial customers.
2. Private – emissions from scope 1 and 2 from private customers' motor vehicles.

The PCAF framework outlines certain boundaries for what should be included in the analysis. For example, it primarily includes premium volumes related to the insurance of "assets" within the Commercial segment, while for Private Motor, emissions related to the production or disposal of vehicles are not included. Due to considerations around the quality and availability of emissions data, we have chosen to base our calculations on estimated emissions.

In the summer of 2024, SBTi launched a proposed framework for investments and insurance—*Financial Institutions Net-Zero Standard (FINZ)*—for public consultation. As the only Nordic insurance company, we agreed to participate in a pilot organized by SBTi to test the framework in practice and to set science-based climate targets for 2030, 2040, and 2050. This work was based on, and further developed, the emissions analysis we had conducted using the PCAF guidance. Among other things, SBTi proposes a new segmentation of the portfolio, distinguishing between large corporate clients and SMEs—where we as an insurance company have a high vs. low degree of influence—and between sectors with high vs. low climate emissions.

The purpose of participating in the pilot was to share our insights and experiences in order to influence and help ensure the establishment of a strong international common framework. We received positive feedback on our input and assessments. The final version of the FINZ framework will be launched by SBTi during the first half of 2025.

Principles for the analysis

Since there is no established and approved common method for calculating emissions from the insurance portfolio, it is necessary to establish some fundamental principles. These principles form the basis for assessments and interpretations along the way and will guide us when making methodological choices. Our principles are as follows:

- The guidance on calculating insurance-related emissions developed by PCAF forms the basis for the analysis.
- Assessments and assumptions must be documented and made available, and should be professionally grounded and support the purpose of the SBTi.
- As much alignment as possible on methodological choices made between the analysis of emissions from the investment portfolio and claims processes.
- Maximum use of objective data from the same source, and minimal manual assessments and adjustments to the data basis.
- Coverage of qualified (eligible) premium income must be sufficiently high. The share should be increased over time.
- Methodological choices and adjustments must be feasible across all geographies in the portfolio (Norway, Denmark, and Sweden).
- Methodological choices and adjustments must allow for regular updates.
- Assessment of data quality must be included in the documentation. Over time, measures should be taken to further improve it.
- Reporting should, as far as possible, help avoid double-counting of emissions.

Reflections on findings from the analysis
The purpose of the analysis conducted as part of the SBTi pilot was to gain an overview of how emissions are distributed across the portfolio, and further dentify which measures may be relevant and effective in helping our insurance customers reduce their emissions.

The SBTi framework focuses on sectors with the highest global emissions, such as fossil energy production and energy-intensive industries, typically involving large companies. In contrast, Norwegian businesses are characterized by a high share of renewable energy consumption, and most enterprises are small or medium-sized. This is reflected in our insurance portfolio. For example, emissions in our portfolio from the energy sector are mainly linked to hydropower production. Gjensidige also has relatively low exposure to the fossil sector. In line with the PCAF framework, the analysis does not include emissions related to personal insurance.

Gjensidige has a relatively limited portfolio and emissions from large corporate clients where we have a high degree of influence, particularly in high-emission sectors. The majority of our insurance revenues and calculated climate emissions come from small businesses and personal insurance. This reflects the structure of Norwegian business, where 99% of all companies have fewer than 100 employees.

Access to and quality of data is a major challenge. We have used estimated emission figures from Standard & Poor, based on average sector-level emission intensities in Europe. This probably means we are attributed with more responsibility for emissions than we actually provide, partly due to differences in energy consumption. This is particularly evident in agriculture, which accounts for a significant portion of emissions in our portfolio, where there is a lack of common standards for calculation methods and reliable emission factors.

Challenges and opportunities ahead
Working with science-based climate targets has provided us with valuable insights into the challenges and opportunities related to setting climate goals for the insurance portfolio, and serves as a good starting point for identifying how we can use our market position to influence.

Several challenges need to be addressed, preferably by the insurance industry as a whole. A common approach must be established for how to handle emissions from property and buildings. In insurance, property is not only a NACE sector but also a product. Insurance plays a facilitative role, and one could argue that insuring a headquarters enables the core business of a company, regardless of sector. The question then becomes: which emission factor should be used – for the building or for the sector the company belongs to?

Emissions from our insurance portfolio are spread across a few large and many small business customers. It is a demanding task to influence so many to work with science-based climate targets. It will be important to prioritize where efforts will have the greatest impact. At the same time, we should not underestimate the influence we have, given that insurance is essential for all businesses. The same applies to our private customers, where measures will need to include awareness-raising and offering sustainable choices. The level of ambition for climate goals and emission reduction measures must be adapted to our customers' level of readiness.

Following up the science-based climate targets also provides opportunities. We will ensure dialogue and collaboration with large customers and the industry to help establish best practice. Several of our large customers have themselves signed commitments to science-based climate targets – providing a solid foundation.

We will also take the opportunity to build expertise in new areas, including new technologies, which are crucial for the green transition. Our role is to understand risk and price it correctly. At Gjensidige, we want to help our customers – both businesses and individuals – in their transition. We will strive to identify measures that create customer value, competitive advantage, and have an impact on emissions.

The insurance portfolio exposure to different sectors
Emissions from our business customers account for the majority of emissions from the insurance portfolio. While awaiting the final approved method to be published by SBTi, an overview of the distribution of our insurance revenues from businesses in Norway and Denmark, de-composed by NACE sectors, can provide an indication of our exposure.

In the table below, both personal and property insurance are included. The overview demonstrates that agriculture, real estate, and the construction industry together account for 37% of our insurance revenues. By also including property insurance in sectors other than "real estate sales and operations," the exposure here will be even higher. Our exposure to the fossil sector is relatively low – under 3% of the portfolio

	INSURANCE REVENUE COMMERCIAL (NACE)[1]	SECTORAL EXPOSURE
A	Agriculture, forestry and fishing	14.4%
L	Property activities	12.5%
F	Construction	10.1%
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	7.7%
C	Manufacturing	7.0%
O	Public administration and defence; compulsory social security	6.2%
H	Transportation and storage	5.2%
S	Other service activities	4.8%
N	Administrative and support service activities	4.6%
M	Professional, scientific and technical activities	4.4%
-1	Unknown	4.0%
B	Mining and quarrying	3.1%
D	Electricity, gas, steam and air conditioning supply	2.8%
K	Financial and insurance activities	2.8%
J	Information and communication	2.4%
R	Arts, entertainment and recreation	2.0%
T	Activities of household as employers; undifferentiated goods- and services-producing activities of households for own account	1.8%
Q	Human health and social work activities	1.5%
E	Water supply; sewerage, waste management and remediation activities	1.1%
I	Accommodation and food service activities	1.0%
P	Education	0.6%
U	Activities of extraterritorial organisations and bodies	0.0%
	TOTAL	**100%**

Figure: Insurance revenue from commercial customers in Norway and Denmark as of 31 December 2024.

Own operations towards net zero emisssions

Gjensidige has been an Eco-Lighthouse certified company for several years. This commits us to take measures to reduce energy consumption and report progress to retain this certification.

Climate target approved by the SBTi for own operations
Emissions in Scope 1 and 2 are to be reduced by 90 percent by the end of 2030. We are committed to purchasing guarantees of origin, and the remaining emissions will be climate compensated.

Our work on the reduction of direct climate emissions (scope 1 and 2)

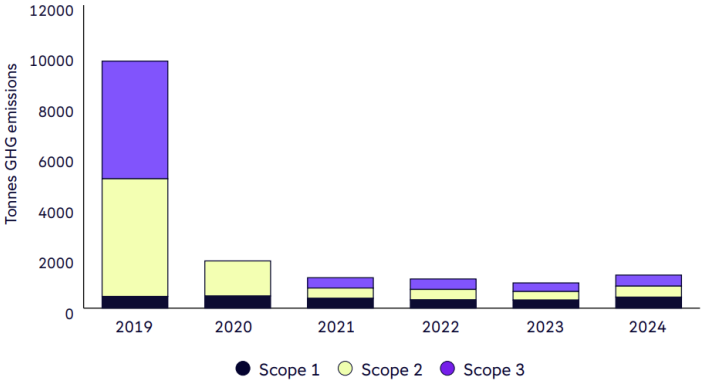


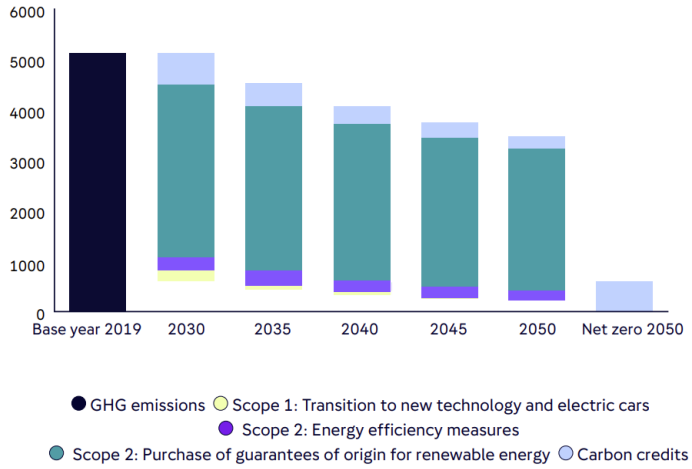
Figure: The development of climate emissions since 2019, scope 1-3

We continue our efforts to reduce direct emissions from company cars and phase out the use of fossil-fueled vehicles. We have a policy stating that company cars must not emit more than 130 grams of CO_2 per kilometer. In Norway, we have changed our company car policy to only allow the purchase of electric vehicles. This is also our most important measure to meet our climate emission target. At our headquarters, we have three electric cars available for business travel, contributing to emission-free transport. Our offices are located near public transport hubs.

We are also working to reduce our energy consumption and are evaluating further measures to ensure that heating and cooling of offices are based solely on renewable sources. In addition, we purchase guarantees of origin to ensure the use of renewable electricity.

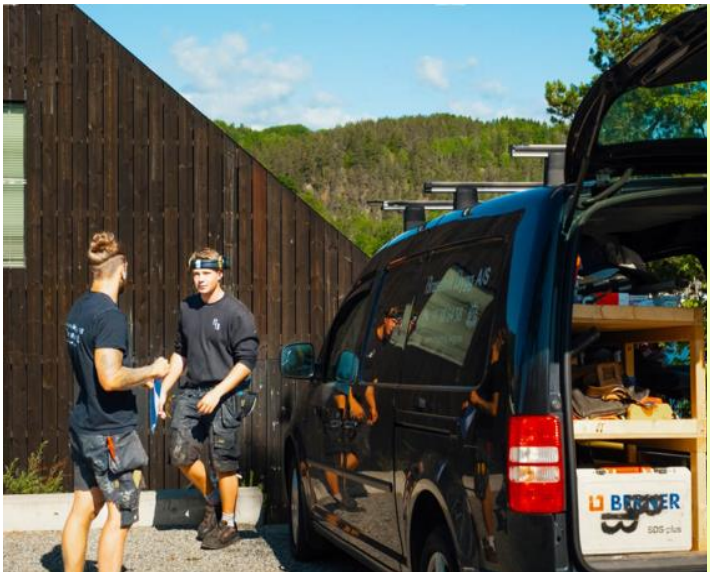
Climate compensation
Since 2019, we have compensated for residual emissions we are unable to cut by supporting emission reduction projects that also take social responsibility. We also contribute to the financing of new solutions for carbon storage in forests and soil. We have therefore entered into agreements to support pilot projects with Fossagrim and Down to Earth. Through these initiatives, we help remove greenhouse gases from the atmosphere, while also contributing to the preservation of forests that would otherwise not have been protected, and to enriching agricultural soil with biochar. The pilot collaborations with these two companies developing new carbon removal and storage solutions are also important contributions to nature-based solutions. This will also be important in our efforts to reduce nature-related risks, in addition to climate risks. Carbon removal is also identified as a key solution for achieving net zero emissions in line with SBTi recommendations.

Measures to achieve the target of net zero emissions by 2050:



- All our company cars and REDGO's owned/leased tow trucks shall, as far as technologically possible, be electric.
- We will continue efforts to reduce our energy consumption and evaluate additional energy efficiency measures at our offices.
- We are committed to purchasing guarantees of origin to ensure that our electricity consumption is renewable.
- All residual emissions shall be compensated with carbon credits, preferably in combination with carbon removal and social considerations.

Claims handling towards net zero emissions



Climate emissions in the claims handling value chain are estimated based on material consumption and waste related to high-frequency damages. Our strategy for achieving the targets is therefore closely linked to our nature goals of reducing waste and supporting the circular economy.

Climate target approved by the SBTi for claims handling
Greenhouse gas emissions from claims handling are to be reduced by 55 percent by the end of 2030, measured in intensity.

Limiting consumption of goods in claims handling
We have been among the first non-life insurance companies to set ambitious targets for emission reductions in the claims handling value chain. We began by developing a material accounting system in 2019, which also serves as our baseline year. We chose 2019 as the reference year because it was considered a normal year, before the pandemic.

Claims settlements are complex processes involving many suppliers and partners. We have long worked systematically to identify measures that provide the greatest reduction in material use and waste, and thereby greenhouse gas emissions. Our initiatives to meet the targets are therefore closely tied to limiting resource use and supporting the circular economy. We adapt the terms of our products and challenge our suppliers and partners to find new methods for damage compensation that benefit customers, the environment, and the economy.

Our method for estimating emissions in claims processes
To estimate emissions, we base our calculations on the most common types of claims. Models are used to convert material use and waste per claim into CO2 equivalents. Material consumption (kg/ton) is calculated using an emission factor (conversion factor) and converted into a common greenhouse gas unit (tons CO2e). The emission factors indicate how much fossil energy is used to produce various materials such as steel, aluminum, and batteries. This provides a quantifiable overview and identifies where the carbon footprint is greatest and where measures should be implemented. Emission figures are comparable over time because we consistently use the same model. When significant adjustments are made, comparison figures are also corrected.

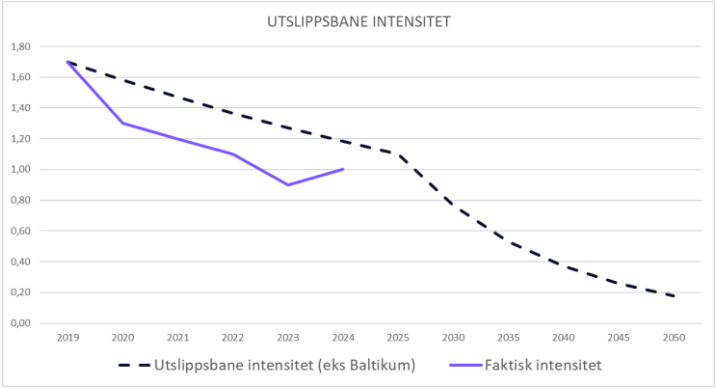


Figure: Development in CO_2e-intensity versus the emission trajectory.

It is currently not mandatory for financial institutions to calculate and set emission reduction targets for claims handling. Work is

ongoing to establish a methodology for such targets, and we contributed input to SBTi in a pilot conducted in spring 2024. If one chooses to set targets for Scope 3, SBTi requires adherence to the GHG Protocol categories 1–14 and a description of activities and what is included in the target. We have also shared our estimation method with other Norwegian and international non-life insurance companies.

Our transition plan with estimated emission reductions is a best estimate and subject to significant uncertainty. Our method has been consistent over time and is therefore comparable year by year, though not necessarily comparable with other companies' methods.

Progress toward targets is monitored quarterly as part of our sustainability reporting to the board.

Measures to achieve net zero emissions by 2050:

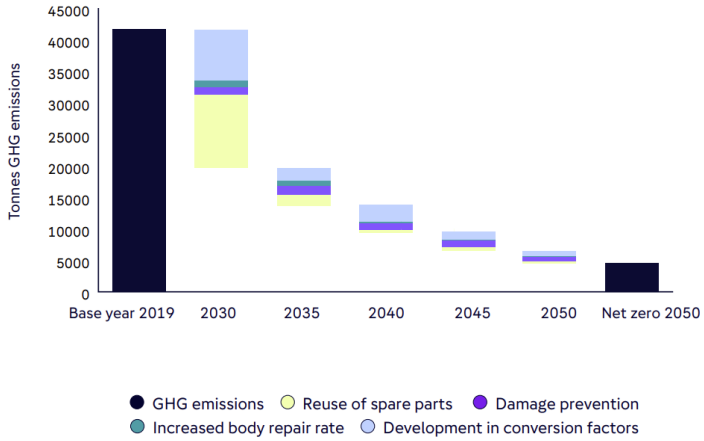


Figure: Summary of simulation through 2030

We have simulated which measures must be implemented to reduce emissions in claims handling. All measures are simulated with margins to assess whether different combinations of actions will achieve the targets. The following measures are estimated to be effective:

- Implementing more preventive measures where they have the greatest effect, and helping reduce the number of frequent claims. This includes exploring opportunities to provide customers with new incentives to implement effective measures. The estimated effect is a reduction of approximately 6,000–10,000 tons of emissions.
- Collaborating with suppliers to increase the repair rate and adopt new technologies for innovative repair methods is crucial. We also believe this will lead to changes in customer behavior and a positive reputation effect as our practice incentivize reduced consumption in society. The estimated effect is a reduction of approximately 8,000–10,000 tons.
- We think it is reasonable to anticipate both stricter regulations, as well as changes in customer preferences which will favor increased use of equivalent car parts and reuse of building materials. A stronger focus on the importance of preserving nature and its connection to consumer behavior is also expected to help us meet our climate goals. The estimated effect is a reduction of approximately 4,000–8,000 tons.
- The conversion factors we use in our climate accounting indicate how much fossil energy is used to produce materials used in repairs. Our simulations show that societal developments and stricter regulations, along with increased use of renewable energy in material production, are crucial for achieving our goals. This results in improved conversion factors and lower emissions. We assume this will continue to provide further emission reductions in the future. The estimated effect is a reduction of approximately 10,000–15,000 tons.

Investments towards net zero emissions by 2050

Gjensidige's investments shall be managed in line with the Paris agreement's goal of limiting global temperature rise to well below 1,5 °C

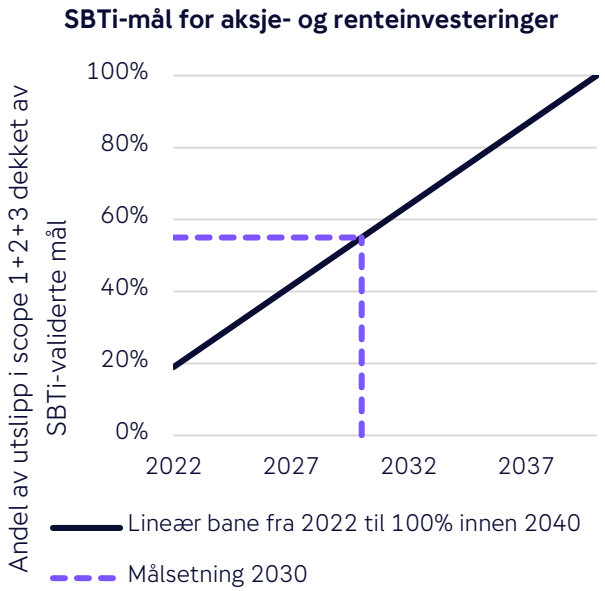
Financed greenhouse gas emissions
Gjensidige measures financed greenhouse gas emissions from all investments, both from general insurance and the pension company. These emissions are estimated by dividing our invested amount in each portfolio company by the company's enterprise value, then multiplying by the company's emissions in scopes 1, 2, and 3. Our financed emissions represent our share of a company's emissions, based on the proportion of the company's value we own or finance. The portfolio's financed emissions are a product of the companies' emissions relative to their size and the size of our investment. Over time, we have observed that financed emissions in the portfolio are highly skewed, with a few dozen companies accounting for over 95% of the portfolio's financed emissions, while representing less than 5% of the Group's total investments.

We have not set a target for the absolute change in the portfolio's emissions. Total financed emissions may increase if the portfolio grows. Emissions can also vary significantly if the market value of companies' equity changes year to year. Similarly, intensity may vary if company revenues fluctuate while activity remains stable. However, we expect each company to set emission reduction targets aligned with a credible 1.5°C scenario. Over time, we expect all companies in the portfolio to set credible emission reduction targets. Financed emissions are expected to decrease either as companies meet their targets or as Gjensidige reallocates its portfolio.

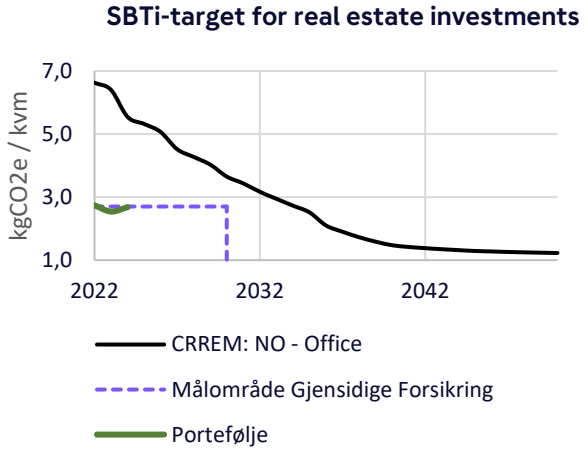
Science Based Targets initiative (SBTi)
In 2025, Gjensidige received validation from the Science Based Targets initiative (SBTi) for a climate target towards 2030. This includes two sub-targets: one for equity and bond exposure, and one for real estate exposure.

The targets submitted to the SBTi covered 61% of the market value of Gjensidige's total investments in the base year. Of this, we were required to include 60%. An additional 17% could have been voluntarily included, while the remaining 23% fall outside the scope of the SBTi framework. In comparison, the SBTi target covers 89% of financed emissions across scopes 1, 2, and 3. Of this, 88% was mandatory, and an additional 12% could have been included voluntarily.

The target for equity and bond investments requires that the share of emissions from companies with SBTi-validated targets increases to 55% by 2030, up from 19% in the base year 2022. This is based on a linear trajectory from 19% in 2022 to 100% by 2040.



The target for real estate investments requires that emissions intensity ($kgCO_2e$ per square meter) is maintained, at a minimum, at the 2022 level through to 2030. In 2022, the emissions intensity was 2.7 $kgCO_2e/m^2$, which is lower than the 2030 level set by the Carbon Risk Real Estate Monitor (CRREM) 1.5°C emissions pathway for Norwegian office buildings. Gjensidige therefore aims to keep its real estate exposure below the 2022 emissions intensity level through to 2030. If the Group invests in properties with higher emissions intensity, there must be clear plans in place for how these properties will reach net-zero emissions over time.



Internal framework for alignment with global net-zero emissions by 2050

The main component of the investment target is the validated SBTi target. In the base year, this target covered 61% of our invested capital. A significant portion of the portfolio is not covered by the validated SBTi target. This is either because the SBTi has not yet developed methodologies for assessing alignment, or because we lack sufficient data on the underlying assets to include them in our targets. For example, the SBTi has not developed a methodology for government bonds, and we do not have adequate data on the underlying holdings to include funds that invest in equity and debt in unlisted companies, or the underlying collateral in covered bonds. Our internal framework is based on other SBTi-approved methodologies and assesses companies' emissions intensity against the sector average, as well as the company's implied contribution to global temperature rise.

- Portfolio Coverage: Measures the share of the portfolio covered by SBTi-validated targets.
- Sectoral Decarbonization Approach: Measures physical emissions intensity, for example, tCO_2e / MWh eller $kgCO_2e$ / m^2.
- Implied Temperatur Rise: Measures the investment's contribution to global temperature increase.

Portfolio Coverage is used in our SBTi target. However, the SBTi only allows the use of one method in the target-setting process. In some cases, we identify companies with robust emissions reduction targets that have not been submitted to the SBTi, or companies with low emissions intensity compared to the sector's decarbonization pathway. These companies will receive a high alignment score in the internal framework.

Each indicator is normalized on a scale from 0 to 100%. An alignment score of 0% indicates that we either lack information about the company, that the company's emissions intensity exceeds the requirements of the decarbonization pathway, or that the company does not have a sufficiently robust emissions reduction target. An alignment score of 100% indicates that the company has a robust target aligned with global net-zero emissions by 2050, or an emissions intensity that matches the level required by a 1.5°C decarbonization pathway. Companies may be assessed at a point between 0% and 100% if their emissions intensity is close to the sector pathway requirement, or if their implied contribution to global temperature rise falls between 1.5°C and 3.2°C.

The calculation in the internal framework follows a decision tree, where we first check whether the issuer has an SBTi affiliation or target. Next, we assess physical emissions intensity. If none of the other factors are available, we evaluate the implied contribution to global temperature rise. Each indicator is limited to a range of 0%–100%. The calculation follows these steps:

1. SBTi-validated target or SBTi-commitment. Check if SBTi has listed the company in its data base over targets and commitments.
   - No commitment or validated target: Alignment score at 0 %
   - Validated target or commitment: Alignment score at 100 %

2. Sector specific emission trajectories
   Check if S&P or Transition Pathway Initative provides information about the company's emission intensity, if step 1 provides an alignment score at 0 %.

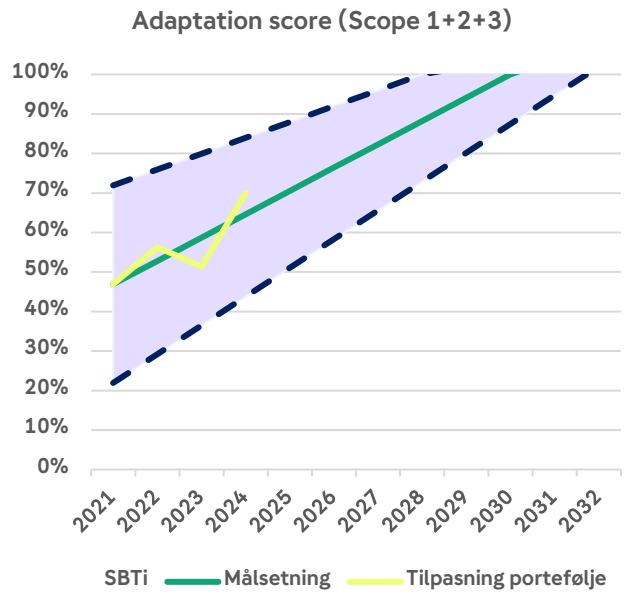
$$\textbf{Alignment score} = \frac{\textbf{Requirem. for em. intens. in sector pathway}}{\textbf{Company emission intensity}}$$

3. Implisit contribution to global temperature increase. Check the company's temperature score, according to the methodology from WWF and CDP, if step 2 provides an alignment score at 0 %. The score is limited to a maximum of 3.2^{0}C

$$\textbf{Alignment score} = \frac{\textbf{3.2} - \textbf{Company temp. score}}{\textbf{3.2} - \textbf{1.5}}$$

The alignment score is calculated annually and was first conducted in 2021. Each company's alignment score is aggregated at the portfolio level by weighting it according to the company's contribution to the portfolio's emissions in scopes 1, 2, and 3. The initial measurement in 2021 was 47%. A target has been set to increase this to 100% by 2030. A management trajectory has also been established, starting at ±25 percentage points from the 2021 value and reaching 100% ±2 years from 2030. This trajectory indicates acceptable deviations from the target pathway. The framework has been approved by the Group Board and is included in the governance documents for investment activities and the Group's risk appetite.

The internal net-zero framework is expected to serve as a leading indicator of progress toward the SBTi target. It uses a broader set of indicators and applies less strict criteria in its assessments, but it also follows a much steeper target trajectory. If a company receives an alignment score of 100% for committing to the SBTi, it must also submit a target to the SBTi within two years. Once the target is submitted, it will also be reflected in the SBTi target.



The most important measures to achieve the climate targets for the investment portfolios towards 2050:

- Portfolio allocation to ensure we remain within the management trajectory according to our methodology for investing in companies with science-based targets
- Engagement with asset managers and companies
- Contribution- and scenario analyses in the event of significant changes in allocation

Measures we have implemented and their effects:

- In 2024, we participated in two pilot projects organized by the SBTi. The first project concerned the update of the Near Term framework from version 1.1 to 2.0 and was held in January. The second took place from August to October and related to the draft of the Net Zero framework version 0.1. In both projects, we provided feedback to the SBTi on issues related to the changes and their practical feasibility. For Gjensidige, this reduces the risk that future SBTi frameworks will not take into account the specific characteristics of our business model.
- Our approved SBTi target for investments follows the same methodologies on which we have based our internal framework. Over time, this will increase the comparability between Gjensidige's targets and those of other financial institutions.

The SBTi target will cover large parts of the portfolio, but not investments such as bonds issued by governments, counties, and municipalities, or covered bonds. The SBTi target also does not reflect the status of companies in the portfolio that do not have an SBTi target. However, these investments are included in our internal framework for alignment with net zero emissions by 2050. This framework is based on the SBTi alignment but also uses a set of indicators and commitments to other recognized initiatives to assess the status of the parts of the portfolio not covered by the SBTi target.

Gjensidige invests significant funds in Norwegian companies that are closely linked to the petroleum sector. We generally see that our exposure to the structure of Norwegian industry may pose a challenge and present us with several dilemmas in the years leading up to 2050. Our target depends on Norway achieving its national emission reduction goals. Slow progress toward these goals may increase transition risk.

Investeringsporteføljer fordelt per NACE koder per 31. desember 2024

INVESTMENT PORTFOLIO GJENSIDIGE FORSIKRING (NACE)	EXPOSURE
Agriculture, forestry and fishing	0.1%
Oil & gas	0.4%
Manufacturing	2.5%
Electricity production and supply	7.0%
Construction	0.1%
Service activities	3.3%
Transport, shipping og offshore	1.2%
Financial services	47.8%
Real estate administration	12.1%
Public administration	24.1%
- of which govt./ govt. guaranteed/ trans national	13.4%
Not classified	15.0%
TOTAL	**100.0%**

GJENSIDIGE PENSJONSFORSIKRING (GICS)	EXPOSURE
Financial services	28%
Technology	14%
Manufacturing	13%
Health	8%
Cyclical consumer products	7%
Communication	7%
Consumer products	7%
Energy	5%
Materials	4%
Utilities	3%
Property	3%
Not classiifed	1%
TOTAL	**100.0%**

ESRS-SECTORS GJENSIDIGE FORSIKRING	EXPOSURE
Fossil fuel	0.4%
Tobacco	0.0%
Weapons	0.0%
Chemicals	0.3%
Other	97.8%
Not classified	1.5%
TOTAL	**100.0%**

ESRS-SECTORS GJENSIDIGE PENSJONSFORSIKRING	EXPOSURE
Fossil fuel	2.8%
Tobacco	0.0%
Weapons	0.1%
Chemicals	0.5%
Other	95.6%
Not classified	1.0%
TOTAL	**100.0%**

The Road ahead

In addition to delivering on our ambitious climate goals, based on the measures we have planned, we will—despite geopolitical uncertainty and in line with Gjensidige's values—continue our work to understand climate and nature-related risks and their financial consequences.

Understanding the impact on nature will become increasingly important. In our work with climate accounting for claims handling, we have since 2019 developed material accounts to better understand how we can reduce the use of new resources such as steel, aluminum, plastic, and wood. Our most important measures to limit climate emissions and nature loss are therefore damage prevention and climate adaptation, as well as an increased focus on repair and reuse of equivalent materials. We also see that damage prevention will be crucial in reducing the frequency of claims, which is also important from a social perspective. We will also continue to work on understanding our dependence on and impact on nature, both in our investments and insurance portfolio.

We expect the SBTi to publish the long-term Net Zero framework for financial institutions in 2025. We participated in the initial pilot testing of the framework in 2024, but we anticipate significant changes in the final version. Once the framework is published, we will assess whether Gjensidige can submit a target in line with the commitment we made in 2022. We expect the upcoming framework to be more comprehensive for Gjensidige's operations than the current Near-Term framework, primarily because it will include the insurance portfolio. We also expect the new framework to cover more asset classes, allowing a larger share of the investment portfolio's market value to be included in the long-term target. The SBTi commitments will require more in terms of monitoring external managers who invest on our behalf, as well as the companies we invest in directly. It is therefore pertinent to conduct a broader review of our approach to active ownership in the coming years, in order to ensure we can deliver on the targets we have set.

Although emissions from our own operations are marginal compared to those in the value chain, we will still do what we can to limit the use of fossil-fuel vehicles and ensure that our offices are powered by renewable energy wherever possible. In the short term, we will also continue working to understand our insured emissions. Here, we are awaiting the development of frameworks and principles from PCAF and SBTi, so that we can also set targets for the insurance portfolio. Once a final and formally approved method for setting science-based climate targets for the insurance portfolio is available, we will assess whether to submit targets. A first step will then be to use the method to establish a baseline of emissions from our entire insurance portfolio in Norway, Denmark, and Sweden, before setting climate targets for 2030, 2040, and 2050. After that, a system must be established to monitor developments in the portfolio and identify measures that effectively reduce emissions.

Regardless of whether we commit or not, we are committed to supporting our customers in their transition — including in the area of climate emissions. It will be important to take into account the varying levels of maturity across different industries and customer segments. Gjensidige aims to be a driving force for positive development and will, together with our customers, identify measures that create customer value, enhance competitiveness, and have an impact on emissions. In parallel with our work with the SBTi, we will continue to integrate climate adaptation measures into our products and services, contributing both to a lower footprint through fewer claims and to a more climate-resilient society.

We will also continue with quarterly follow-up on the status of goal achievement to ensure that management and the board have the necessary insight into the progress of planned measures to reduce emissions. This also includes initiatives aimed at contributing to a more climate-resilient society through innovations that help customers understand which actions have the greatest impact.

We will also continue to participate in external networks to build and share our knowledge and experiences. In doing so, we aim to contribute to increased awareness of the consequences of climate emissions and the measures we must prioritize to protect lives, health, and assets in the future.

Gjensidige

gjensidige.no
915 03 100