


UN Principles for Sustainable Insurance



A photograph of two women in the foreground, smiling and looking towards the camera. The woman on the left has short blonde hair and is wearing a white blouse with a black bow. The woman on the right has curly dark hair and is wearing a black lace top. In the background, other people are visible, slightly out of focus, suggesting a social gathering or event.

Social well-being is also
at the heart of the insurance
company's activities.

Pohjola Insurance has signed UN's Principles of Sustainable Insurance and reflected responsibility in many ways since.

Pohjola's operations aim to have a positive impact on the climate and environment. The Climate and Environment theme has been elected as objective that contribute to sustainable insurance business, helping to reduce emissions, use the circular economy in our business and protect biodiversity, among other things.

Social well-being is also at the heart of the insurance company's activities. The People and Communities theme includes objectives on promoting diversity in our workforce, the well-being of local communities,

promoting economic and digital inclusion and respecting human rights.

Through good governance, Pohjola ensures achieving its sustainability objectives. Pohjola has set targets to integrate sustainability into all business activities, including risk-taking, responsible data, value chain, diversity, and sustainability skills of employees.

Pohjola wants to enhance the implication of responsibility themes through UN Principles for Sustainable Insurance.

Principle 1

We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

The sustainability strategy of Pohjola Insurance covers the themes climate and environment, people and society and good governance. In 2023, the strategic road map for sustainability and corporate responsibility, that lays down the goals, measures, and metrics for responsible business, has been developed and its effectiveness has been further evaluated. The strategic road map directs Pohjola's decision-making and daily work.

Sustainable insurance business

Pohjola emphasizes responsible customer and risk selection as well as assisting its customers to identify risks and prevent damages. Pohjola considers the climate

and environmental impacts in developing products and services, for example by promoting green transition in insurance activities. Pohjola's target is to reduce the carbon footprint of its operations. In 2023 Pohjola started to measure the greenhouse gas emissions of its insurance portfolio according to the PCAF-standard. Reducing the carbon footprint is also considered in claims handling by increasing the share of circular economy and by increasing the sustainable operations of partner network.

The social responsibility is taken in account in the product development by evaluating customer selection in personal insurance activities and also by promoting personnel's diversity and building an inclusive work culture. Pohjola supports the wellbeing of the environment, people, and communities.

Pohjola's Data and technology business ensures data and cyber security and emphasizes the use of data and AI in responsible manners.

EU Taxonomy

In year 2023 Pohjola continued to define its products in line with EU taxonomy. As there still are many uncertainties in the interpretation of the EU taxonomy technical screening criteria, Pohjola has carefully examined which screening criteria are fulfilled and which are not.

Pohjola's product and services aim to support the adaptation to climate change, and it will continue to develop its products and services in year 2024.

Steering group for sustainability and corporate responsibility in Pohjola Insurance

Pohjola's CEO has appointed the sustainability steering group and establishes

its rules of procedure. All areas of the organization are represented in the steering group, as well as supporting functions (communications, compliance, risk management, actuarial and HR)

The steering group assists Pohjola Insurance's Management Team in managing the company's ESG issues and supports the company's businesses in implementing the measures set out in the strategic roadmap for sustainability and in making sustainability a key part of business operations.

The steering group meets six times a year and a memorandum of its meetings is drawn up and submitted to the company's Management Team for information on a quarterly basis.

Pohjola supports the wellbeing of the environment, people, and communities.

Sustainable investments

Pohjola's Investments aim to reduce the carbon intensity of its own investments by applying the principles of sustainable investments.

Pohjola has set a strategic indicator related to sustainability for its investment activities. The company's target is to be carbon neutral by 2050 and it applies to all assets. The main strategies for responsible investment are ESG-integration, ownership influence, exclusion, and impact investing.

ESG-integration means considering sustainability factors in investment analysis and decision-making. Matters related to ESG can be seen as additional information to traditional economic and market data. On a site-by-site basis relevant ESG matters can have a long-term impact on

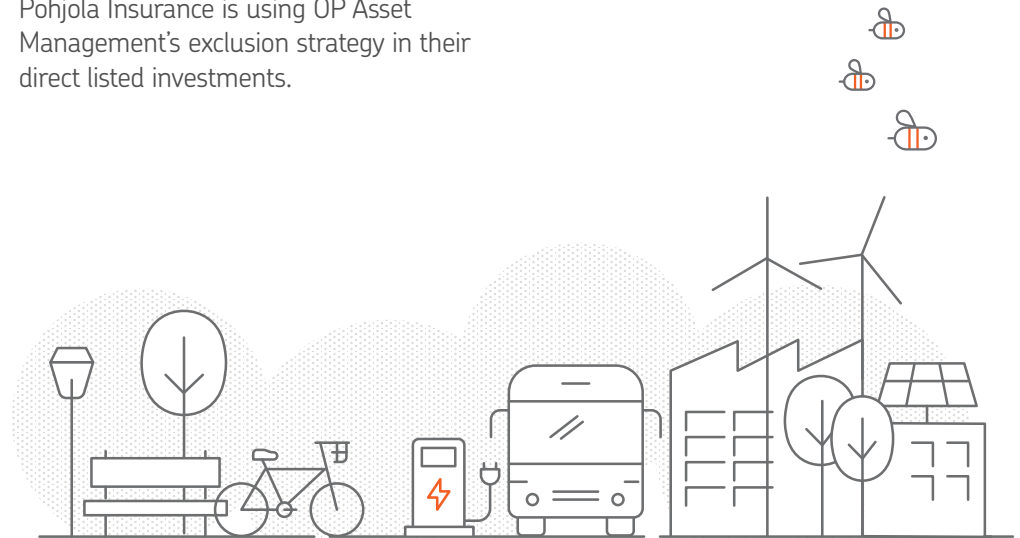
the financial performance of investments and hence on returns.

Impact investing refers to investments in companies, organizations or funds that aim to generate measurable positive social or environmental impact without compromising market returns. Pohjola's focus for impact investing is on climate change, as the objective is significant, urgent, and more easily measurable than many other social or environmental objectives. There are also huge investment needs in the fight against climate change, some of which are also expected to provide revenue opportunities.

Through impact investing, it is important, as the owner of the company's securities, to influence the company's development, both in terms of responsibility and financial issues. A sustainability-oriented ownership

policy, for example through shareholder meetings, direct corporate influence, or thematic influence, alone or together with other investors, creates a strong basis for responsible investment.

Pohjola Insurance is using OP Asset Management's exclusion strategy in their direct listed investments.



Principle 2

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Pohjola Insurance is a valuable risk management partner for its customers: Pohjola assess customers potential risks, help them prevent losses, and ensure a smooth and efficient claims settlement process.

In 2023 Pohjola for example continued assessing the electrical risks of Farm Insurance customers in cooperation with its partner to prevent accidents and minimize risks, and it started inspecting the wood-chip boilers of the animal farms.

Pohjola continued the active dialogue with Claims Settlement partners and ensure

that sustainability is embedded in all stages of our supply chains. Pohjola's partners have approved Supplier Code of Conduct.

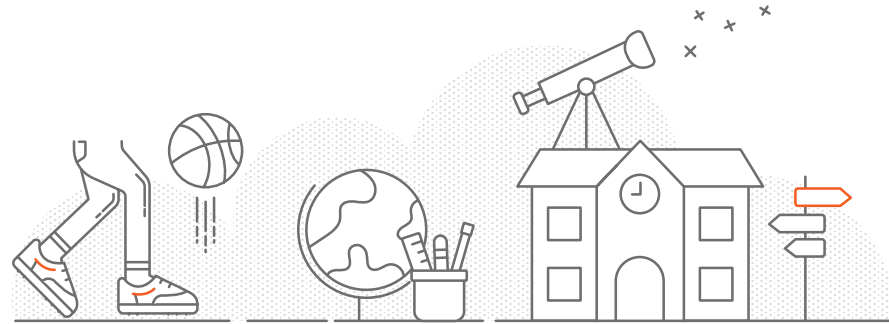
In the year 2023, the circular economy has also started to emerge in the partner activities. Pohjola has started to increase the share of the circular economy in the claims services.

During the year 2023, Pohjola launched a pilot with Autocirc in which repossessed vehicles are dismantled for recycling. These quality-checked recycled spare parts are used in a targeted manner by partner repairers when it is no longer possible to repair the old part and replacement is an option.

Pohjola pursues overall growth in the recycling of spare parts and in new repair methods.



We have started to increase the share of the circular economy in our claims services.



Principle 3

We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Pohjola has active cooperation with authorities and key stakeholders, and it participates in social debate. Pohjola cooperates with universities and higher education institutions. In 2023, Pohjola launched several research projects with

higher education students regarding sustainability and corporate responsibility.

Pohjola cooperates with athletic federations and clubs to promote the wellbeing and mobility of the people in Finland.

Pohjola also participated in the Dreams project with the Children and Youth Foundation to enhance the children's and young people's confidence in the future. In the year 2023 Dreams project reached 51 316 young people and 3 607 teachers in the 185 different regions in Finland.

Dreams project reached

51 316
young people and

3 607
teachers
in the

185
different regions
in Finland.

Principle 4

We will demonstrate accountability and transparency by regularly disclosing publicly our progress in implementing the principles.

Pohjola reports UN Principles for Sustainable Insurance annually. Pohjola also reports annually on sustainability performance in line with PCAF and CPD reports, among other reports and commitments.