

**Administrator:** Corporate Sustainability Department

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## **1. Introduction and purpose**

The purpose of these Corporate Sustainability Policy and Guidelines (Policy and Guidelines) is to ensure that Velliv operates in a way that shows respect for people, the environment, and the climate, meets the expectations of our stakeholders and society, and integrates ESG considerations into our business activities and governance practices.

The Policy and Guidelines apply to all Velliv employees and can be found on Velnet (Velliv's intranet) and in VelRisk.

The Executive Board is responsible for the implementation of the Policy and Guidelines and for ensuring that adequate business procedures, job descriptions, manuals and contingency plans are in place and that relevant committees are appointed.

## **2. Policy**

The policy contains the Board of Directors' overall strategic objectives for the area, including identification and scope of the risks Velliv wishes to assume and a description of how the strategic objectives are achieved.

### **2.1 Strategic objectives**

The strategic objective of corporate sustainability is to support the business model adopted by the Board of Directors which aims at strengthening Velliv's overall competitiveness, including mitigating the risks and capitalising on the opportunities represented by sustainable transformation. Velliv will seek to identify, prevent, mitigate and address as far as possible any potential adverse impacts of the company's business activities on society and contribute to the positive development of society.

Velliv's values and vision underpin the company's approach to corporate sustainability. In order to become the customers' preferred pension provider, Velliv will provide high-quality pension savings and life insurance products as well as responsible advisory services to help customers get more out of life. As a major, customer-owned pension company, Velliv has a special responsibility to society as a whole. Velliv wishes to operate a sound business, provide security and generate returns for our customers and act responsibly in carrying out our business activities. We must take advantage of the opportunities that present themselves for creating long-term sustainable developments in society and achieving solid returns and contribute to financial stability.

The purpose of this policy is to describe in more detail how Velliv integrates environmental, social and governance (ESG) factors into the business – including in relation to our investments, as insurance provider and Velliv as a company. This cannot be achieved unless Velliv respects and complies with national and international regulatory frameworks. In addition, Velliv's corporate sustainability is based on fundamental respect for conventions and internationally recognised principles and standards of human rights, including workers' rights, the environment and the climate, as well as responsible corporate governance and anti-corruption.

These are expressed and operationalised through:

- The UN Global Compact's 10 principles
- The UN Principles for Responsible Investment (PRI)

- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights
- The Science Based Targets initiative (SBTi)
- The 17 UN Sustainable Development Goals

## 2.2 Risks involved

Velliv's investments, suppliers and partners, as well as the operation of the company, may have an adverse impact on either society or Velliv itself.

In relation to investments, there is a risk of causing, contributing to, or being linked to adverse social and environmental impacts such as human rights violations or being associated with unethical practices. In relation to suppliers, there is a risk of suppliers and partners having a high adverse impact on the climate, not respecting human rights or otherwise behaving unethically. There is also the risk of Velliv providing incorrect advice to customers or not using customer data in an ethical manner. In relation to Velliv as a workplace, there is a risk of Velliv's employees being involved in corruption, bribery, or money laundering.

In the event of adverse impacts on society, reputational risks may arise as a result, which may affect the company's ability to attract and retain customers. Furthermore, as far as personal data is concerned, there is a risk of considerable fines being imposed if legislation is infringed.

The purpose of this policy is to set the course for how to mitigate and minimise these risks through active investment, insurance, and business activity choices, both externally in relation to customers and internally in relation to employees.

## 2.3 Methods and processes

Velliv integrates the risks and opportunities associated with corporate sustainability into its business strategy, management system and business activities. Corporate sustainability is operationalised through the business model in the following areas:

- Investments – covering topics such as due diligence in investments, exclusion and active ownership, impact investments, etc. All investments must comply with the company's responsible investment framework, which is further defined in the Responsible Investments and Active Ownership Policy. Requirements set for investment partners and the companies or projects in which the company invests must fulfil national and international responsible business conduct standards.
- Insurance – which is about incorporating sustainability into the business activities of Velliv in areas such as sales, customer advice, products, claims prevention and health.
- Business activities – which is about how sustainability is integrated into the day-to-day management and operation of the organisation, for example in relation to suppliers, employees, facility management, governance and reporting. This could include topics such as diversity, good governance, working conditions, employee development, retention of older employees, employee health and well-being, impact analyses, Velliv's own environmental and climate impact, vendor management, compliance, data ethics, anti-corruption, etc.
- Partnerships with organisations that contribute positively to the development of a more sustainable society. Velliv expects companies and organisations to fulfil their responsibility to mitigate potential adverse impacts on human rights, the climate and the environment as well as following ethical business practices. Velliv will use its influence to urge business partners to respect the UN Global Compact's 10 Principles.

### 3. Guidelines

The guidelines establish the framework for decisions the Executive Board may take in the area of corporate sustainability policy and guidelines and, where relevant, for the limitations the Executive Board is subject to in this area, including in relation to risk-taking. Furthermore, the guidelines contain rules for monitoring and reporting to the Board of Directors to ensure that the risk assumption and decisions of the Executive Board are in line with the Board of Directors' risk appetite.

#### 3.1 Framework

The Policy and Guidelines apply to all Velliv employees. Our managers have a special responsibility for leading by example and for ensuring that all employees within their area of responsibility have read and understand the policy and guidelines and abide by them.

The **Executive Board** is responsible for implementing the strategy, including prioritising our ESG initiatives. Furthermore, the Executive Board has overall responsibility for ensuring that relevant business procedures and processes are put in place to implement these Policy and Guidelines.

The Executive Board is also responsible for ensuring that responsibility for incorporating corporate sustainability into day-to-day operations lies with the relevant business areas, which are also responsible for implementing prioritised initiatives, including:

- Corporate Sustainability
- Sustainable Investments
- Real Estate
- Business Development
- Health and Claims
- Customer Service and Advisory
- Sales
- Risk Management and Compliance
- Procurement
- HR
- Facility Management
- Executive Secretariat/Group Legal
- Fund Management

The Executive Board, or the person to whom the responsibility is delegated, may delegate responsibility to other relevant parts of the company.

#### 3.2 Monitoring and controls

The responsible business areas draw up business procedures that describe processes and KPIs for the monitoring and controls of the parts of the Policy and Guidelines that each business area is responsible for implementing.

The Executive Board is responsible for established procedures ensuring that monitoring and controls are performed at appropriate intervals for all significant risk-related tasks within the area.

#### 3.3 Reporting

Velliv is obliged to report on corporate sustainability (ESG) in accordance with the Executive Order on financial reports for insurance companies and multi-employer occupational pension funds. The company reports annually on corporate sustainability (ESG) as part of Velliv's overall annual reporting. This reporting also serves as the basis for Velliv's annual COP (Communication on Progress) report to the UN Global Compact.

Finally, the Board of Directors is briefed at least once a year on our corporate sustainability initiatives, typically in connection with the approval of the statutory corporate sustainability report.

#### 4. Entry into force and updating

At its meeting on 31 August 2023, the Board of Directors of Velliv adopted the Corporate Sustainability Policy and Guidelines, which replace the Corporate Sustainability Policy of 25 August 2022.

The Policy and Guidelines will be reviewed regularly and whenever material changes occur, but at least once a year.

#### 5. References

Legislation and conventions

The Danish Financial Business Act – including the Executive Order on financial reports for insurance companies and multi-employer occupational pension funds

The Corporate Sustainability Reporting Directive (CSRD)

The Sustainable Finance Disclosure Regulation (SFDR)

The EU Taxonomy

The UN Global Compact

The UN Principles for Responsible Investment, PRI

The OECD Guidelines for Multinational Enterprises

The UN Guidelines on Human Rights and Business

References to other policies and guidelines

Responsible Investments and Active Ownership Policy

Diversity, Equity and Inclusion Policy

Diversity Policy for the Board of Directors and other Levels of Management

Tax Management and Reporting Policy

Anti-Bribery and Anti-Corruption Policy

Anti-Money Laundering and Counter Terrorist Financing Policy

Product Policy

Insurance Risk Policy

Data Ethics Policy

Risk Management Policy

Compliance Policy

Whistleblower Policy