How Nordic insurance group Gjensidige integrated ESG into its strategy?

Gjensidige (Euronext: GJF) is one of the leading players in the Nordic general insurance market. The Group offers general insurance products in Norway, Denmark, Sweden and the three Baltic countries, as well as pension and savings products in Norway. Gjensidige listed on Oslo Børs in 2010 and is a component of the Norwegian OBX® index. The company formally integrated ESG into its strategy in 2018, with a focus on the objectives of a safer society, reducing carbon intensity and socially responsible investments. Its key tip is to integrate ESG objectives into employee KPIs.

Nordic insurance group Gjensidige has a 200-year history of providing insurance services in Norway, and more recently also offering insurance products in Denmark, Sweden and the Baltic states as well as pension and savings in Norway.

It formally **incorporated the concept** of Environmental, Social and Governance (ESG) **into the company strategy in 2018**.

As an insurance company, Gjensidige has always had a strong focus on social issues. Insurance is crucial for the financial security of individuals and companies, and the core of its business is providing people with economic security. This will be even more important in the years to come, with climate and environmental changes, digitalisation and other social changes. In addition, Gjensidige has focused in recent years on further integrating the environmental aspect of ESG into its strategy.

Gjensidige's ESG strategy

Gjensidige's ESG strategy is designed around the avoidance of damage. The objectives set by the board in 2018, which were updated in November 2021, are a safer society, sustainable claims handling and socially responsible investments. Gjensidige also aims to contribute to the attainment of the 17 UN Sustainable Development Goals (SDGs). The group aims to promote five of the goals in particular: SDG 3 on good health and well-being, SDG 8 on decent work and economic growth, SDG 11 on sustainable cities and communities, SDG 12 on responsible consumption and production, and SDG 13 on climate action.

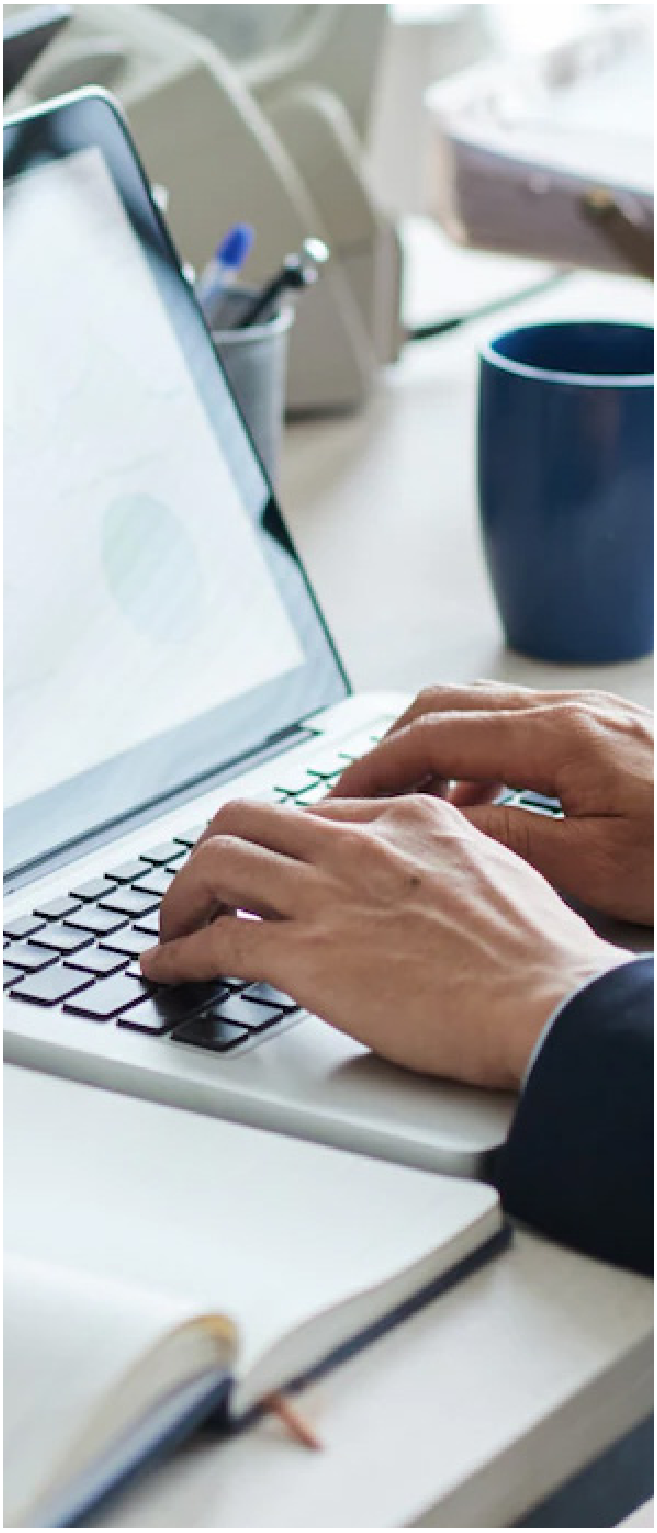
Setting ESG objectives

Gjensidige's management knew that the key to setting ESG objectives was to first take a step back and look at the company as a whole. First they defined the company's purpose, and identified the role it wanted to have in society. They then analysed its business model accordingly and set the company's objectives. Once this was done, they were able to set precise KPIs to follow their progress. The whole organisation was involved from an early stage, and it was also important for Gjensidige to implement internal reporting processes so that it can keep track of its progress.

Keeping track of ESG achievements

ESG objectives are now integrated into the performance agreements of all managers. The top management in particular is evaluated on both internal and external ESG target KPIs, ensuring that ESG is kept at the forefront of decisions. This even extends to HR priorities, with Gjensidige recruitment aiming to attract talent with a deep understanding of ESG challenges and how to solve them.

ESG considerations are now an integrated part of the company's assessment in any major decision, and Gjensidige is also looking **at the possibility of issuing green bonds in the future**.



ESG reporting that is efficient and useful for both companies and investors

- Gjensidige reports to the market each quarter on its most important ESG takeaways.
- For ESG reporting data to be relevant, it is paramount for companies to report on comparable information derived from a similar or identical methodology. The European Commission's Sustainable Finance Action Plan has introduced a range of legislative measures which will impact ESG reporting for listed companies, specifically the Taxonomy Regulation and the Disclosure Regulation.
- Gjensidige has welcomed the new regulations and is actively preparing for these major changes. Comparable data allows investors to have a clear overview of a company's ESG credentials, and provides the company itself with a reliable benchmark to prioritise key topics and measure its progress in its ESG journey.

ESG and investors

Fund managers usually use rating agencies to evaluate companies on ESG. In the insurance industry, questions on ESG topics are still rare, and remain high-level. Gjensidige finds that discussions on ESG are often originated by itself. Large funds that have more resources usually have more interest in ESG, but this is evolving. Once the European Commission's Sustainable Finance Action Plan is implemented, funds and companies will have more comparable numbers to discuss. This is already the case today in areas such as diversity and gender balance, where there are tangible figures available.

When all the ESG figures are on the table, Gjensidige expects to see much more engagement from investors.