

OP LIFE ASSURANCE COMPANY LTD'S SHAREHOLDER ENGAGEMENT PRINCIPLES

1. Shareholder engagement and investment strategy

OP Life Assurance Company Ltd is a life assurance company wholly owned by OP Cooperative. The company's operations cover voluntary life assurance belonging to life assurance classes 1, 3 and 6 and non-life insurance belonging to non-life insurance classes 1 and 2 as well as their reinsurance in Finland and overseas.

According to its investment strategy, OP Life Assurance Company Ltd invests through passive products and funds as well as direct investments in listed shares.

OP Life Assurance Company Ltd's investment activities seek to ensure that the company's investments enjoy good long-term value performance relative to risk. As the liabilities of the life assurance company are of a long-term nature, we can use equity investments of higher expected return and risk in investment activities.

2. Arrangements with investment manager

Acting as the investment manager for OP Life Assurance Company, OP Asset Management Ltd implements the shareholder engagement principles on OP Life Assurance Company's behalf. OP Asset Management Ltd acts as the portfolio manager for the company and implements the shareholder engagement policy of OP Life Assurance Company Ltd as part of its other investment activities.

OP Life Assurance Company has indefinitely outsourced its asset management in full to OP Life Assurance Company Ltd. The investment manager's investment activities are guided by OP Life Assurance Company's investment plan, in which the nature of the technical provisions is taken into consideration. Remuneration of the investment manager is in part tied to exceeding the benchmark index defined in the investment plan. The Board of Directors of OP Life Assurance Company regularly monitors the performance of the investment manager through absolute and relative indicators. However, the method for assessing the investment manager's performance does not take account of the long-term absolute result. OP Life Assurance Company does not supervise the portfolio turnover rate separately, and efforts are taken to keep the turnover rate moderate, and it is examined on an annual basis.

OP Asset Management Ltd reports on the implementation of ownership policy as part of its other regular investment reporting. The same procedure is followed for the investment options of unit-linked insurance. The same shareholder engagement principles are followed in investment options covering unit-linked insurance. The portfolio management of these investments is the responsibility of a company belonging to OP Financial Group.

3. Using shareholder rights in the target companies, and dialogue

Following the target companies' company's actions

OP Life Assurance Company makes direct investments in companies that are mainly listed in the European Economic Area (EEA) and whose shares are traded on a regulated market. For existing

investments, we monitor the operation of the target companies in relevant matters, such as their reporting and communication, and participate in General Meetings on a case-by-case basis. We follow the target companies' financial performance, risks arising from operations, their capital structure, and pay attention to environmental, social and governance (ESG) issues.

Using public data sources, OP Asset Management Ltd's portfolio managers follow changes in the investment options' financial standing carefully and compare the market price of the company's share to the company's financial standing and outlook. Portfolio managers meet representatives of companies and obtain additional information about matters such as the company's strategy implementation, operations and essential ESG issues in meetings with the companies. If OP Life Assurance Company Ltd owns a significant share of the company or are major creditors, the portfolio managers can present their views to the company on, for example, strategic choices, investments or capital structure. Portfolio managers also make use of external investment research.

For active and direct investments, OP Asset Management Ltd monitors that the target companies comply with international norms, such as the OECD Guidelines or the principles of UN Global Compact. The aim is to engage so that non-compliant companies change their practices and begin to comply with international norms in their operations. First and foremost, we will engage with the company that has violated the norms, and only secondarily give up our holdings.

Attending and exercising voting rights at general meetings

OP Life Assurance Company participates actively in the AGMs and EGMs of listed Finnish companies. The criteria for participating in the general meetings of Finnish companies are the size of the stake in the company in question, its portion of the portfolio's investments and the general significance of the meeting. The company exercises its voting right through both interest-linked and unit-linked shareholdings. Policyholders are not given powers of attorney to attend general meetings. For overseas companies, as a rule OP Life Assurance Company does not exercise its voting rights.

OP Life Assurance Company may seek to influence the target company's administration, if this is considered necessary, by participating and voting in general meetings or through cooperation with other shareholders.

OP Life Assurance Company Ltd's general meeting positions are based on investigations concerning Finnish companies. For Finnish, but especially overseas general meetings, OP Asset Management Ltd's responsible investing team makes use of an international service provider (Institutional Shareholder Services) in general meeting research.

Where necessary, OP Life Assurance Company contacts the target companies and stakeholders, thereby implementing dialogue with the target companies as well as their other shareholders and stakeholders.

We expect that Finnish listed companies comply with the Finnish Corporate Governance Code maintained and updated by the Securities Market Association.

4. Identifying, avoiding and preventing conflicts of interests related to shareholder engagement

OP Financial Group entities comply with Group-level guidelines for avoiding and preventing conflicts of interest. The guidelines on managing and preventing conflicts of interests are also applied in influencing through shareholder engagement and in participating in general meetings. If a conflict of interest cannot be prevented and managed with the measures presented in the guidelines, it will be discussed by the Board of Directors of OP Life Assurance Company, which will decide on the practices to be employed in individual cases. The management or salaried employees of OP Life Assurance Company do not participate in the board work of listed companies, so as to avoid conflicts of interest.

In addition, OP Life Assurance Company Ltd has company-specific principles for preventing conflicts of interest. The principles are based on regulation issued on the provision of insurance and complement the identification, avoidance and management of conflicts of interest discovered in the provision of OP Financial Group's investment services and unit-linked insurance.

5. Publishing the shareholder engagement principles, and an annual implementation report

OP Life Assurance Company Ltd publishes the principles of shareholder engagement on OP Financial Group's website and they are updated annually. OP Life Assurance Company Ltd's annual report on the implementation of the principles, its voting behaviour as well as the most important voting events is published as part of OP Asset Management Ltd's report.