



Varma's People, Health & Safety Guidelines and Procedures

The purpose of these People, Health & Safety Guidelines and Procedures is to describe the general goals, guidelines, organisation and responsibilities concerning Varma's personnel. The guidelines and procedures take into consideration Varma's values, core task and strategy, as well as the principles that are inherent in our sustainable operations and work culture.

Goal of the People, Health & Safety Guidelines and Procedures

Our success is based on our competent employees, who take care of our customers' pension cover and are passionate about what they do. Good People, Health & Safety Guidelines and Procedures and responsibility for our employees mean a flexible and modern work culture, continuous competence development, motivating rewards, equal treatment and taking care of work ability.

The objective of the guidelines and procedures is to provide good and effective conditions for productive work, for a motivating and inspiring work culture, and thereby for a positive and engaging employee experience.

All areas of our People, Health & Safety Guidelines and Procedures have been presented to our entire personnel in greater depth and detail on our intranet page. Transparency is a key principle of the guidelines and procedures.

Responsibility for the People, Health & Safety Guidelines and Procedures, and monitoring

Varma's Executive Group approves the People, Health & Safety Guidelines and Procedures and is responsible for their implementation.

The HR unit leads the implementation of the guidelines and procedures and the development of the work culture. The unit is also in charge of strengthening leadership and supervisory work and ensuring a consistent management culture and operating methods.

The People, Health & Safety Guidelines and Procedures apply to all Varma employees, and everyone is expected to abide by them. Under the guidance of supervisors, Varma's functions, departments and teams are responsible for putting them into practice.

Varma reports on the implementation of the People, Health & Safety Guidelines and Procedures every year in its [Annual and Sustainability Report](#).

Management and leadership

A key goal of our management system is to guarantee a high and consistent level of supervisory work for our employees. The characteristics of leadership at Varma are an encouraging and coaching approach, goal-oriented performance management and actively ensuring employees' competence and well-being at work.

Performance management starts with each employee's job description, which the employee and the supervisor have a mutual understanding of. The main priorities are setting clear and concrete goals, active and motivating guidance, target-based development and regular performance follow-up and evaluation.

At Varma, specialists assume responsibility for the work's progress, for making choices and for getting the job done, while supervisors anticipate and monitor the progress of the goals, serve as sparring partners and give feedback. In teams, the focus is on collective self-direction to achieve the common goals and ensuring each person's success. Agile teams direct themselves, and team members direct one another.

Data and analytics are part of the leadership toolkit at Varma. Up-to-date information on the state and costs of personnel resources helps create forecasts and make comprehensively evaluated decisions and progress.

Work culture

Varma offers varied tasks in a modern work culture. We work as a team, and we monitor and adopt the latest developments in work and technology. We ensure that Finnish working life thrives and keeps up with the change taking place in the world.

We believe that a good employee experience is the key to customer satisfaction and Varma's success. A constantly evolving and attractive work culture gives us a competitive edge. The slogan for our work culture is "Agile responsibility bearers", which builds on a foundation of mutual trust and bearing responsibility for the productivity of our work. We are present and available to our customers regardless of location.

We are guided in our work by our values: courage, reliability and sustainability – with joy and passion.

Our operating environment and our customers' expectations are constantly changing, which is why Varma must react with ever-greater speed. Through our agile operating approach, we seek momentum, flexibility, joy and energy for renewal. At Varma, agility means competence and problem-solving, working together, freedom and responsibility, and clarity and transparency.

HR planning and recruitment

The starting points for Varma's HR planning are achieving the business goals, ensuring strategic competence and anticipating future competence needs. The company's strategic focal points and financial requirements guide and define our work. HR planning is based on sustainable and responsible resourcing, and agile and continuous competence development.

The foundations of recruitment at Varma are non-discrimination and transparency. Job vacancies are posted openly at least internally at Varma. A common process is followed in recruitment. We use anonymous recruiting frequently in order to ensure equal and fair treatment. We use partners and suitability assessments to select competent and motivated employees who are the best match for Varma. If candidates have equal qualifications, we prioritise the selection of candidates belonging to minority groups.

We focus on building a positive employee experience and an honest employer image. We openly share examples of daily life in our organisation, and we make sure to live up to our employer promise.

Salary and remuneration

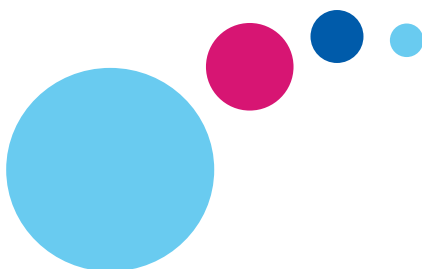
At Varma, salary and remuneration are based on the company's values and strategy. In connection with our annual financial statements, as part of the company's corporate governance report, we publish [Varma's statement on remuneration](#), which includes the company's remuneration principles and, as part of them, the policies concerning the remuneration of the company's administration, President and CEO, other management and personnel.

The goals, methods and principles of remuneration concerning Varma's personnel are described in more detail in Varma's remuneration policy. The purpose of the remuneration policy is also to reinforce consistent actions among supervisors in matters related to salary and remuneration, and to create more openness and transparency in remuneration for all personnel. Varma applies its own remuneration scheme arranged through a local agreement instead of what is written in the industry's collective agreement.

At Varma, the starting point for monetary salary and remuneration is that it is fair, performance-based and sustainable in terms of costs. The objective is to encourage and guide personnel to work productively and efficiently, to commit to Varma as an employer and to develop the company and themselves.

Overall remuneration includes a comprehensive, diverse and appropriate range of various forms of remuneration. The purpose of diverse overall remuneration is to take into account the different nature of the jobs and the different life situations and varying expectations of employees. In the range of benefits, we focus on health, well-being and, for example, support for leisure-time options suited to various family situations.

We actively follow the market pay level of the financial sector and, if required, of individual vocational groups in order to ensure fairness and competitiveness related to the availability and retention of human resources.



The job grading of the locally agreed remuneration system and a performance assessment based on common criteria provide the basis for the objective and transparent determination of Varma's remuneration level. To ensure transparent and fair remuneration, we also highlight acting in accordance with responsibilities and processes, overall management, open communication on the criteria and the courage to take different performance levels into account in remuneration.

Competence and development

Strategic capabilities and competence are systematically managed at Varma. The Talent Management process defines and identifies the capabilities, skills, key positions and key persons essential for Varma's strategy. In addition, a development programme has been drawn up for key persons, and/or means of supporting their development have been identified. Development projects linked to our strategic competence ensure that Varma employees' competence is renewed in the right direction in terms of Varma's future success.

Varma's personnel carry out demanding expert work that is meaningful for society and requires continuous development and renewal. We support Varma's specialists in meeting any future competence requirements and in being at the forefront of the incredible change taking place in the world. The ability to learn new things is one of the most important tools of a specialist.

Each Varma employee has drawn up a personal three-year development plan together with their supervisor. Competence development focusses not only on the competence needs of individuals, but also on renewing the operations of teams and

the organisation. We make broad use of various learning methods, tools and learning environments in both professional training and in learning new skills. A high level of supervisory skills and thorough induction of every new Varma employee and employees embarking on new roles lay the foundation for renewal and continuous development also in later stages of the employee's career.

Diversity, equality and non-discrimination

Varma is a fair and non-discriminatory workplace that does not tolerate discrimination, bullying or harassment. We work hard to ensure that we are an inclusive and diverse workplace. At Varma, acceptance of diversity starts with the principle that everyone is free to be themselves.

A responsible approach to personnel and working for us means:

- clear goals and expectations,
- opportunities to develop at work and increase one's competence,
- systematic, competitive and fair remuneration and transparent remuneration principles,
- everyone bears responsibility for their work and the workplace atmosphere, and
- support is provided for maintaining work ability and ensuring the conditions for work ability.



Varma's equality and non-discrimination efforts are guided by three commitments:

- 1) All Varma employees are treated equally, regardless of their age, gender, etc.
- 2) Varma is an equal-opportunity and non-discriminatory employer.
- 3) Varma promotes diversity and inclusion.

Varma is a member of the corporate responsibility network FIBS' Diversity Charter Finland, in which we pledge to guarantee equal opportunities, rights and treatment to everyone. We also promise to continuously develop leadership that supports diversity and the service practices in our organisation.

Every two years we conduct a survey to assess the experience and state of equality and non-discrimination at Varma. We draw up goals and measures for the identified areas of development, and we follow up on them regularly in an equality and non-discrimination working group and in co-determination and occupational health and safety (OHS) organisations. The priority areas identified together with the employees form the basis of our equality and non-discrimination plan, which is approved by Varma's Executive Group.

Varma employees' observations and experiences of inappropriate conduct, discrimination or harassment are regularly examined in connection with various surveys. Inappropriate treatment or conduct is not permitted under any circumstances. HR and supervisors intervene steadfastly in all cases that are brought to their attention. Guidelines on how to proceed if one experiences or observes inappropriate conduct are available to all employees, and they are also part of mandatory and recurring online training for all Varma employees.

We monitor the realisation of equal and non-discriminatory pay and remuneration, not only in statutory reporting but also, for example, in annual market pay comparisons. The operating principles of the locally agreed remuneration system and systematic compliance with the principles make Varma's pay structure more equal and fairer in the long term.

Special attention is also paid to the realisation of equality and non-discrimination in competence and career development, for example, in the management training of specialists and the Talent Management process.

For us, diversity and inclusivity mean taking into consideration different backgrounds, skills and abilities, and respecting people's differences. We believe that when people can truly be themselves at work, they have a better chance of reaching their full potential. Our goal is to consider minorities in our work community and increase diversity in the organisation, for example, through targeted advertising of job vacancies and by offering more job opportunities to representatives of minority groups. We are actively building a work culture that values diversity and inclusiveness, and we encourage a positive and supportive culture of dialogue that provides room and courage to present different perspectives.

Various flexible working-hour arrangements, which improve productivity and give employees a say in their day-to-day lives, for example, when reconciling different family situations with their work obligations, are also part of an equal and non-discriminatory work culture. Flexitime, broad teleworking opportunities and time off are at the core of a flexible work culture. Work is performed wherever one achieves the best results – either remotely or in our modern office premises. Practices are created through trial and experiences.

Occupational safety and work ability

We focus on occupational safety and on maintaining our employees' work ability. Smooth daily work forms the foundation for our work ability. It is created through clear targets, competence development, consistent supervisory work, consideration of work ability limitations and employees with partial work ability, and through efficient processes for active support, occupational health care partnerships and returning to work.

We manage the disability risk identification process through occupational health and safety (OHS) activities and the OHS organisation, comprehensive occupational health care and co-operation between supervisors and HR.

Our tools for collecting data and monitoring the work ability situation include various surveys, close collaboration with occupational health care, comprehensive and up-to-date work ability data, incident and occupational accident reports, and active support discussions. In accordance with the nature of knowledge-based work, Varma's OHS focusses on leadership, the workplace atmosphere, work management and adapting to change through measures to prevent psychological stress.

Planning and follow-up of measures is carried out through OHS's and occupational health care's plan of action, the work community's development plan and work ability management's focal points.

In OHS, the executive management is responsible for the tangible and operational conditions, while supervisors are in charge of the working conditions and tools. Supervisors are also responsible for ensuring that the work community functions well and that the conditions for psychological OHS work are in place. The immediate supervisor makes sure that OHS regulations are complied with and that problems are addressed at an early stage. Every Varma employee is responsible for abiding by the rules related to their work and OHS matters and for reporting problems and threatening situations to their supervisor, the OHS organisation or occupational healthcare. At the heart of work ability management is the immediate supervisor's responsibility for monitoring performance and for holding active support discussions.

We offer all our employees diverse occupational health care services that are more extensive than the statutory requirement, as well as many personnel benefits to support and promote work ability. All Varma employees are comprehensively insured against accidents at work and during leisure time. When an employee reaches the end of their career, they are covered by statutory earnings-related pension insurance, a collective agreement and legislation.



Co-operation and engagement

A Varma frame of mind arises through co-operation, interaction and development. The opinions and views of every Varma employee play a key role in developing our common workplace, work culture and work results. Our employees are given an opportunity to participate and engage through various forums, surveys, discussion channels and projects.

At Varma, personnel representatives are part of the Executive Group. Moreover, Varma's co-determination committee serves as a meeting place for the views of management and personnel. Joint development work is carried out in the OHS committee and in the equality and non-discrimination working group. In addition, there are opportunities to engage and participate in various development projects and working groups.

The voice of Varma employees is heard through regular surveys. Established channels include the broad personnel survey, pulse surveys, an equality and non-discrimination survey and health surveys, to name a few. Besides personal annual, quarterly, competence and salary discussions, dialogue also takes place, for instance, in the shared Teams and Yammer forums. Misconduct and abuses at Varma can be reported through the statutory [Whistleblowing channel](#).

Every Varma employee must abide by our common principles. Breaches of our guidelines should primarily be brought to the employee's direct supervisor. If that is not possible, the problem can be reported to the supervisor's supervisor, HR or the compliance officer.