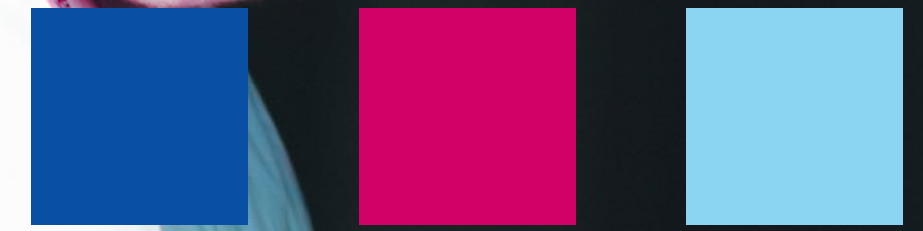




VARMA

Report of the Board of Directors and Financial Statements 2025



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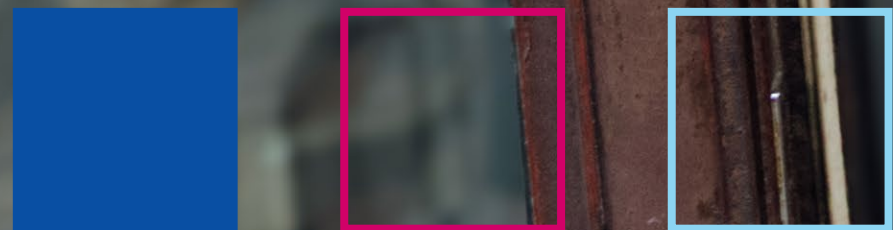


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Report of the Board of Directors



Report of the Board of Directors 2025

Value of investments

68.3 € bn

Investment return

7.5%

Solvency capital

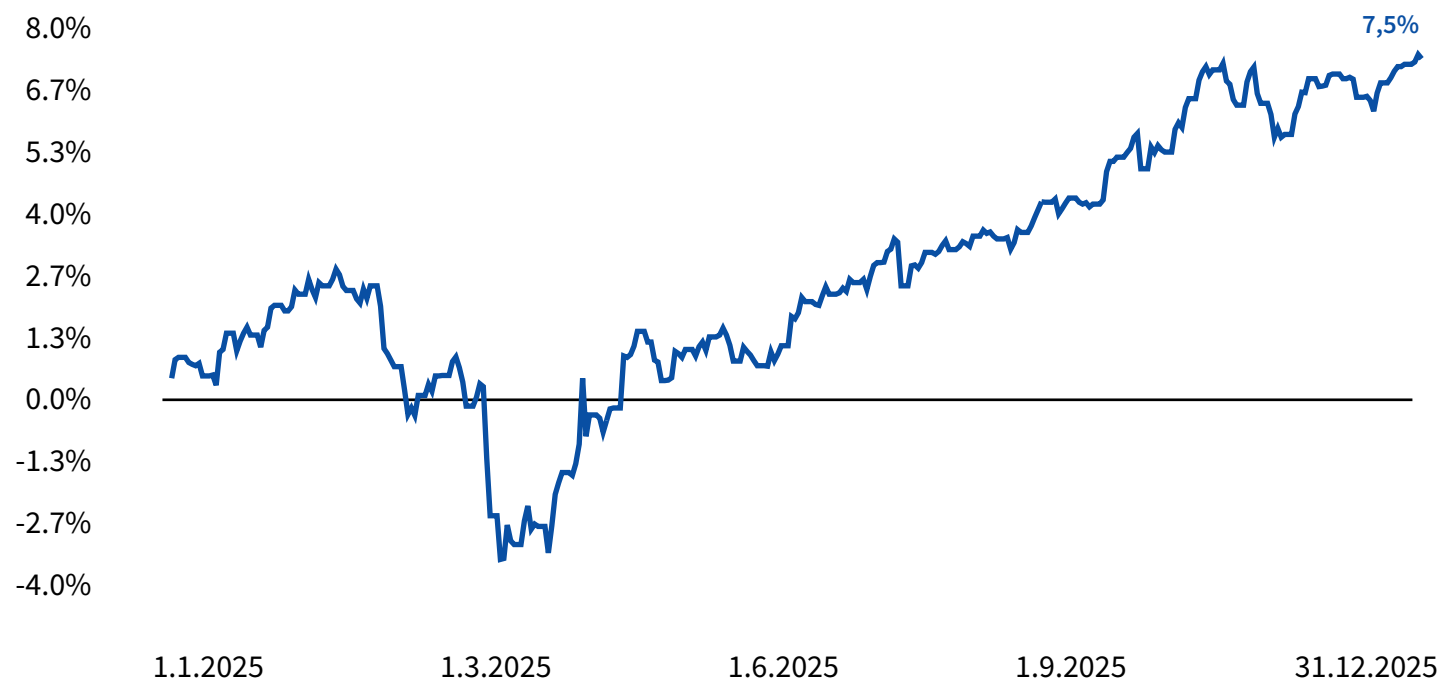
18.2 € bn

Insured customers

626,400

Varma’s solvency was on a strong level throughout the year, and solvency capital stood at EUR 18.2 (16.8) billion at year-end. At year-end, the market value of the investments was EUR 68.3 (64.4) billion. The return on investments was 7.5 (10.2) per cent. The operating expenses for Varma’s TyEL and YEL activities fell 6 per cent, i.e. EUR 5 million, and totalled EUR 78 (83) million.

Investment returns (%)



Premiums written

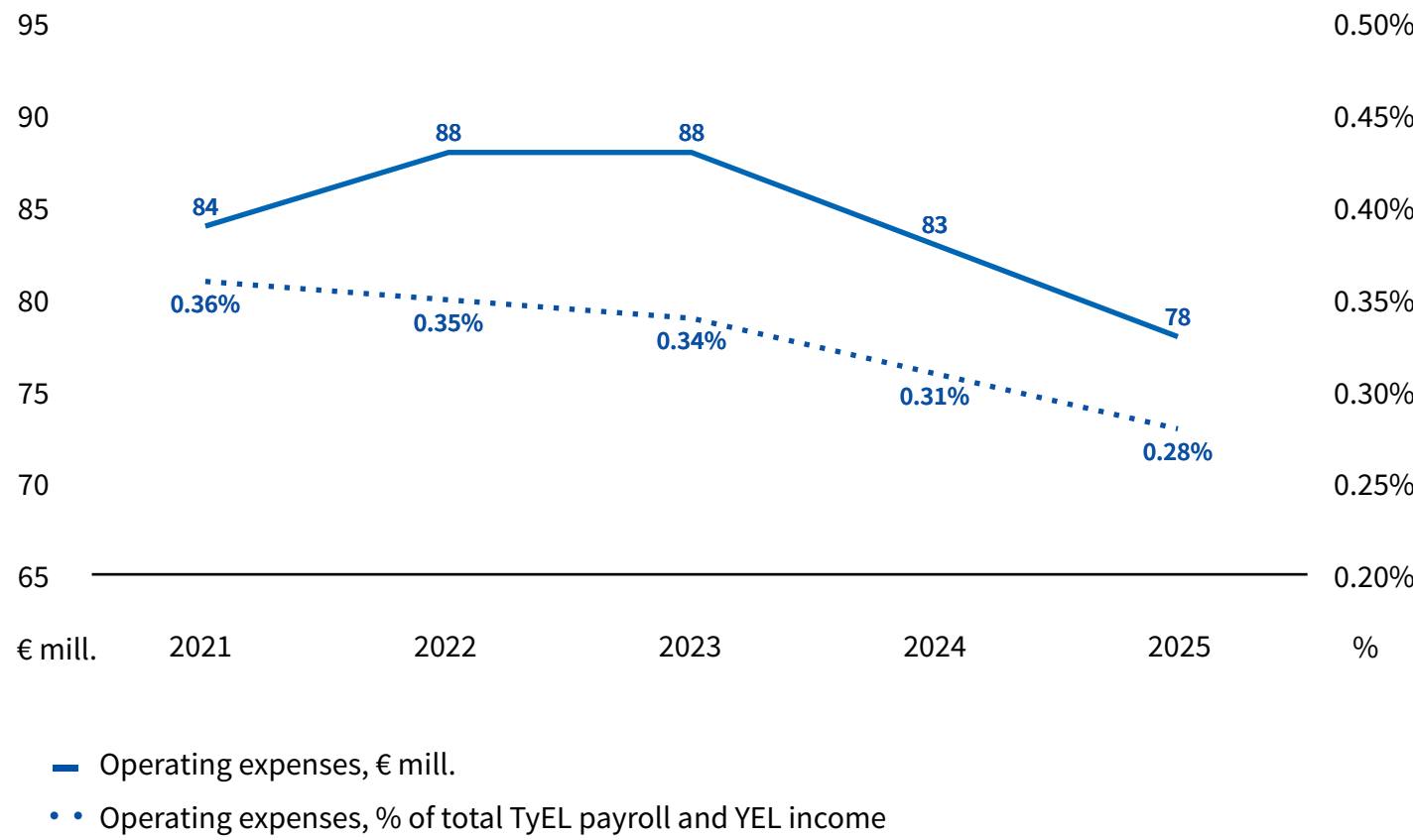
6.9 € bn

Pensions paid

7.7 € bn



Efficiency (operating expenses of total TyEL payroll and YEL income)



Report of the Board of Directors 2025

Economic operating environment

The year 2025 was marked by tensions in the global trade system and geopolitical risks. Despite an eventful year, the global economy continued to grow at a rather steady pace. The start of the year was characterised by a strong increase in inventory building before the USA’s import tariffs entered into effect and the subsequent inventory reduction. Global trade did not collapse, however, and instead continued to grow, especially outside the USA.

In the USA, economic growth slowed compared to the previous year, and the labour market weakened, while in Europe, economic growth exceeded expectations and remained reasonable, despite slowing down slightly towards year-end. Germany’s measures to strengthen the defence sector and the country’s infrastructure will support the eurozone’s economic growth in the coming years, but implementation will still take time. In China, economic growth relied on stimulus measures and the strong development of exports, while domestic demand still suffered from problems in the real estate markets and weak private consumption. After a promising first half of the year, Finland’s economy once again lapsed into a recession.

Inflation in the eurozone stabilised close the European central bank’s target level, and in June the ECB anchored its deposit rate at two

per cent. In the USA, the Fed resumed its rate cuts as the labour market cooled, even though inflation remained above its target level.

Throughout the year, monetary policy discussion focussed on the US government’s pressure on the Fed to lower its key interest rate.

Geopolitical crises continued. Fierce battles in Ukraine continued, and hopes for peace were perpetually delayed. Implementation of the peace plan for Gaza faltered, and in Latin America, the USA’s pressure on Venezuela increased towards the end of the year. China’s military operations heightened tensions in Taiwan, while China’s and Japan’s relations hit their lowest point in years.

Earnings-related pension system

In 2023, the Ministry of Social Affairs and Health and the Ministry of Finance set up a working group to look into reforming the earnings-related pension system. The objective of the working group was to identify the changes that are needed to ensure the financial sustainability of the earnings-related pension system, secure an adequate level of benefits and stabilise the pension insurance contribution level through a rule-based stabilisation mechanism in the long term. The objective was also to strengthen public finances in the long term by approximately 0.4 percentage points in relation to the GDP. In January 2025,

the labour market organisations that are part of the working group reached an outcome in the pension reform negotiations.

The key points of the reform include the possibility of higher risk-taking in investment activities through an increased equity weight, a lower solvency limit and expanded access to leverage in real estate investments. The working group also agreed on increasing the old-age pension funds, and adopting an index stabiliser to curb index adjustments to earnings-related pensions and a fixed TyEL contribution of 24.4 per cent for the period 2026–2030. The legislation for the pension reform is currently being drafted, and the government proposal is in the consultation phase. The proposal is scheduled to be submitted to Parliament in early 2026.

The Ministry of Social Affairs and Health appointed a rapporteur in December 2024 to determine the development needs of the self-employed persons’ pension system. The rapporteur’s report was completed in November 2025. The report proposes making the determination of entrepreneurs’ income more earnings-based, eliminating the time limit set for the insurance obligation and lowering the income limit. The report also presented perspectives on how the funding of entrepreneurs’ pensions could be arranged and implemented. After the report was issued,

the Finnish Government initiated a dialogue with entrepreneurs and announced that it is ready to reform the YEL system.

The Ministry of Social Affairs and Health confirmed the earnings-related pension contributions for 2026. The average pension insurance contribution according to the Employees Pensions Act (TyEL) is 24.4 per cent of wages and salaries, whereas in 2025 it was 24.85 per cent. The employer contribution was increased in 2022–2025 to cover the impacts of the temporary reduction in the employer contribution in 2020 due to the Covid-19 pandemic. The impact of the increase in 2025 was 0.45 per cent of the wages and salaries.

In addition, the employee share of the contribution will be harmonised in 2026 with the elimination of the higher contribution paid by employees between the ages of 53 and 62. In 2026, the employee contribution is 7.3 per cent of the wages and salaries of employees of all ages. The contribution for the self-employed in 2026 is 24.4 per cent of their YEL income. The pension contribution of the self-employed will also be more harmonised with the elimination of the higher contribution paid by entrepreneurs aged between 53 and 62.

An earnings-related pension index is used to adjust pensions in payment annually in January to ensure pensions’ purchasing

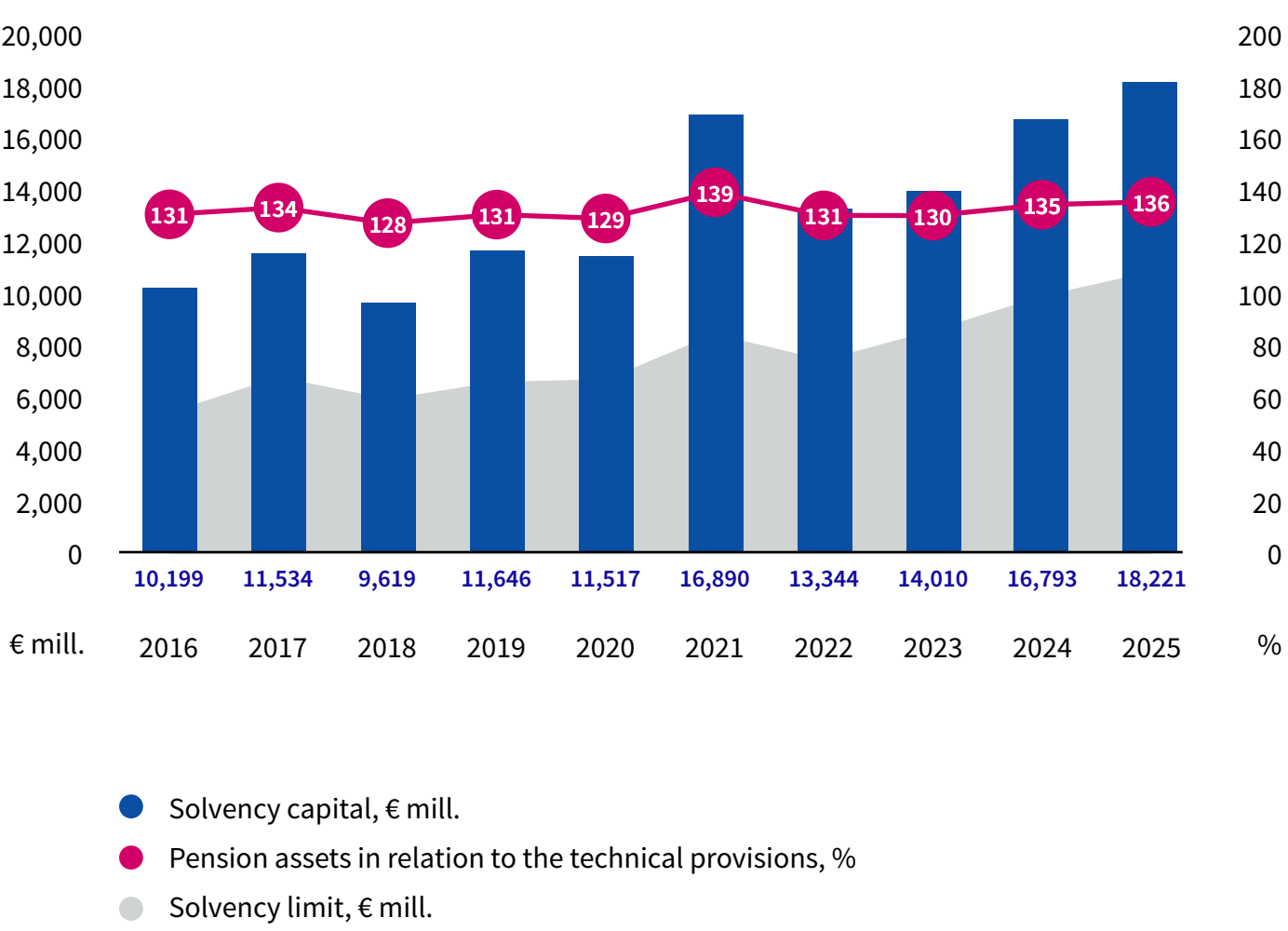
power. The Ministry of Social Affairs and Health confirmed the earnings-related pension index for 2026, which will raise pensions by 0.88 per cent.

Pension contributions and return requirement on technical provisions

The average TyEL contribution in 2025 was 24.85 per cent of the wages and salaries. Of this, the employee contribution was 7.15 per cent for those under 53 and over 62, and 8.65 per cent for those between the ages of 53 and 62. The average contribution included a 0.45 percentage point increase, which was used to cover the impacts of the temporary reduction in the employer contribution in 2020 due to the Covid-19 pandemic for the last time. In 2025, entrepreneurs’ YEL contribution was 24.1 per cent of the confirmed YEL income for those under the age of 53 and over the age of 62, and 25.6 per cent for those aged 53–62.

The return requirement on technical provisions in 2025 was 6.58 per cent, which consisted of a 3.00 per cent fund rate, a pension liability supplementary factor and the return on equity component. The supplementary factor was 0.92 per cent on average in 2025. The return on equity component in 2025 was 13.30 per cent, and its effect on the return requirement was approximately

Solvency



Number of insured and insurance policies

	31 Dec 2025	31 Dec 2024	Change
Number of insured			
TyEL	580,090	574,793	5,297
YEL	46,345	45,799	546
Total	626,435	620,592	5,843
Number of insurance policies			
TyEL	36,955	36,582	373

2.66 percentage units (a fifth of the return on equity component). The insurance contribution interest rate, used to calculate pension contributions, stood at 2.65 per cent until 30 June, and at 2.10 per cent for the second half of the year. The insurance contribution interest rate rose to 2.20 per cent at the start of 2026. The technical rate of interest, which is used to determine the interest rate of the oldest pension loans to customers and a number of other items, was 5.25 per cent until 30 June, and 5.00 per cent the rest of the year.

Varma’s economic development

Varma’s total result at fair value stood at EUR 1,603 (2,956) million.

Varma’s solvency was on a strong level throughout the year. Solvency capital totalled EUR 18,221 (16,793) million at the end of the financial year. Varma’s pension assets in relation to technical provisions (solvency ratio) were 135.7 (134.6) per cent. Solvency capital was at a secure level, i.e. at 1.7 (1.7) times the solvency limit. The solvency limit is changed in accordance with the risk level of the investments. Varma’s strategic goal is to maintain the company’s strong solvency through stable returns.

The return on investments was EUR 4,768 (6,026) million at fair value, which was 7.5 (10.2) per cent of the invested capital. The return credited on the technical provisions was EUR 3,170 (3,112) million. Thus, the investment result for 2025 totalled EUR 1,598 (2,914) million. Varma’s total operating expenses were EUR 132 (135) million. The loading profit was EUR 1 (2) million. Following the introduction

of the company-specific administrative cost component, the administrative cost component included in the insurance contribution has been adjusted to reflect Varma’s costs. The underwriting result was EUR 3 (38) million and other result was EUR 1 (2) million.

Varma pays out 0.95 per cent of its solvency capital as client bonuses. Before 2025, client bonuses amounted to 1.0 per cent of Varma’s solvency capital. The decrease is related to the change in the return requirement, which is used to strengthen the solvency of earnings-related pension companies.

At the end of 2025, EUR 175 (170) million was transferred to the provision for current bonuses reserved for client bonuses. The transfer represents roughly 0.6 (0.6) per cent of the payroll of the insured. Varma’s strong solvency ensures competitive client bonuses, and good operational efficiency lowers the administrative cost component included in the pension contribution. Thus, strong solvency and operational efficiency benefit Varma’s clients.

Insurance business

The TyEL payroll of those insured by Varma totalled roughly EUR 27.0 (26.1) billion in 2025. The total payroll increased 3.5 per cent from the previous year. Varma’s premiums written totalled EUR 6,901 (6,656) million, of which TyEL insurance accounted for EUR 6,652 (6,416) million and YEL insurance for EUR 249 (240) million.

At the end of the financial year, 626,435 (620,592) individuals were insured by Varma. At the end of 2025, the number of valid insurance policies totalled 83,300 (82,381), covering 46,345

(45,799) self-employed persons and 580,090 (574,793) employees.

In 2025, a total of 4,281 (4,639) new TyEL insurance policies and 6,654 (6,843) YEL insurance policies came into force at Varma.

During the year, Varma reviewed the incomes of 11,460 self-employed persons in accordance with the Self-employed Persons Pensions Act (YEL), which requires the reviews to be performed every three years. In the first phase, in 2023, the income of self-employed persons whose YEL income was less than EUR 15,000 and whose income had not been significantly adjusted in the past three years was reviewed. In 2024, the income of self-employed people whose income was at least EUR 15,000 but not more than EUR 25,000 was reviewed according to the same principles. In 2025, Varma reviewed the income of self-employed people with an income of at least EUR 25,000.

During the 2025 account transfers, EUR 105 (130) million in net TyEL income was transferred to Varma from other earnings-related pension companies, and EUR 54 (57) million in new TyEL policies were sold. The corresponding impact on YEL premiums written was EUR 26 (28) million.

Varma received 10.6 (10.3) million income and employment notifications from the Incomes Register during 2025. Income data is reported to the Incomes Register regularly after earnings are paid.

Varma provides policyholders with services through its own service channels and through the service networks of If P&C Insurance and the Nordea Group.

In terms of customer service, the Varma Online Service is a key service channel. In Varma’s online services, the insured can calculate an estimate of the amount of their pension. The estimate can be made according to any pension start date. Of all pension estimates that were made, 98.1 (98.7) per cent were calculated online. Pensions and rehabilitation can also be applied for and the status of the application can be tracked online. A total of 20,618 (24,513) applications were submitted in the online services during the year. Applications filed online accounted for 71 (73) per cent of all pension and rehabilitation applications. There was a slight decrease in the number of applications received online, because fewer partial old-age pension applications, which are usually submitted online, were received last year.

The insured can see the development of their earnings-related pension in their pension record. Altogether 197,634 (195,809) people checked their pension records online. Varma sends a pension record by post to insured persons who do not view their pension record in the online service. In 2025, Varma sent out a total of 149,228 (161,661) pension records.

Pensions

In 2025, a total gross amount of EUR 7,695 (7,529) million in pensions was paid out. The number of pension recipients slightly decreased, and at year-end, Varma was paying pensions to 348,000 (351,000) people.

Varma has been improving the processing of pension applications so that its customers receive a decision on their pension as quickly

as possible. In 2025, the average processing time for all pension applications was 18 (13) days. Varma’s goal is to ensure that people who are retiring receive uninterrupted income and that pension is paid to their bank account during the first month of their retirement. In 2025, the first pension was paid within the target period to 87.8 (89.7) per cent of new pensioners. The introduction of a new pension payment system had a minor impact on pension processing times at the start of the year.

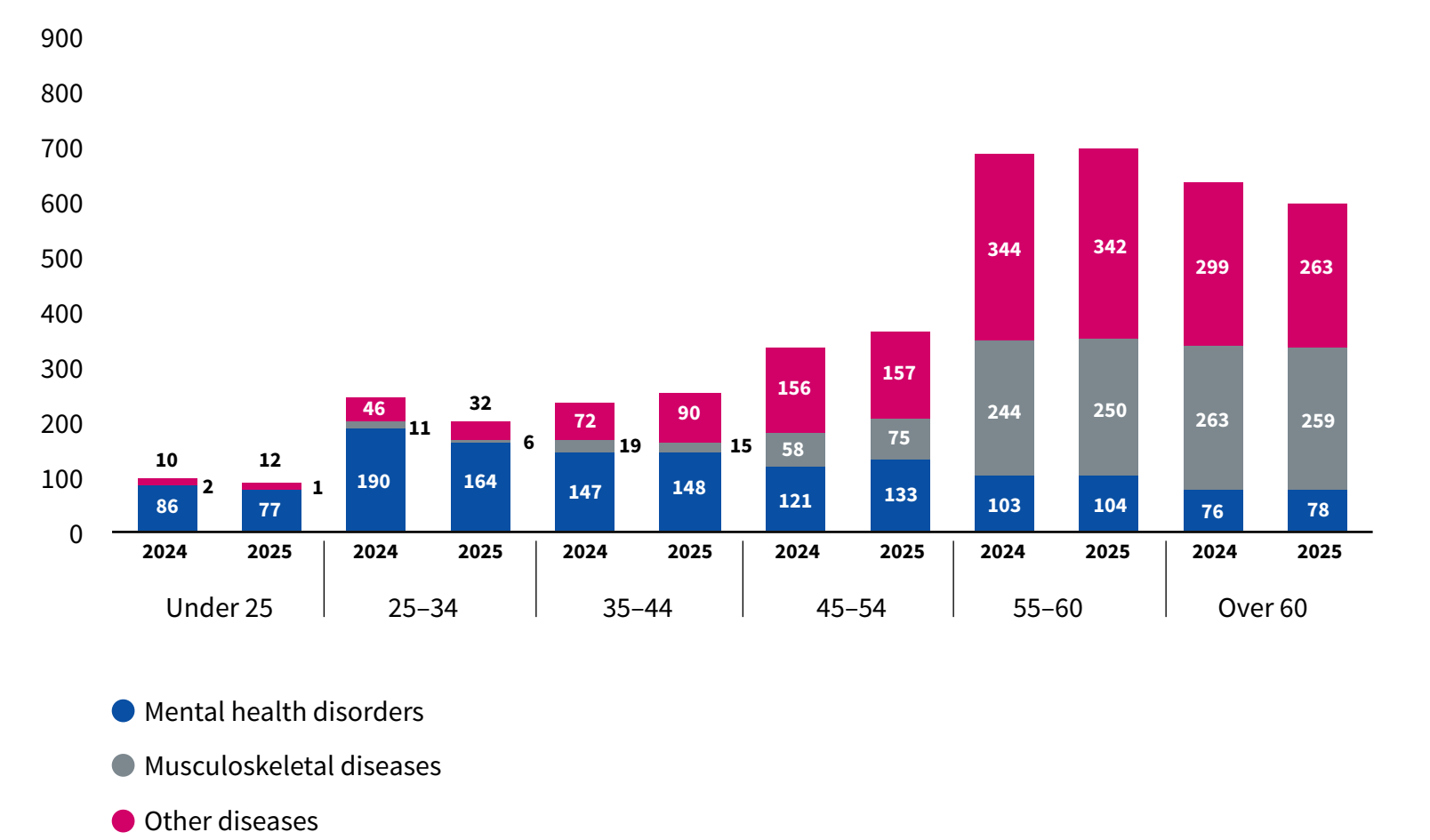
A total of 22,067 (25,985) new pension decisions were made in 2025. The number of new pension decisions decreased 15.1 per cent compared to 2024, and the total number of all pension decisions was 6.6 per cent lower than in 2024. Most new pension decisions were old-age pensions decisions, which amounted to 10,784 (10,661). Disability pension decisions amounted to 5,341 (5,513), and partial early old-age pension decisions numbered 2,407 (6,298). New partial early old-age pension decisions decreased 61.8 per cent year on year. Continuation decisions on temporary pensions totalled 4,816 (4,754), and other decisions numbered 22,116 (21,676). These include rehabilitation benefit decisions, payment decisions and other decisions required as a consequence of the changes in pension rights.

Varma’s goal is to lengthen careers by reducing disability pensions, developing work ability management and providing effective rehabilitation. In 2025, the average disability pension contribution category of Varma’s client companies was 3.4 (3.5).

The number of disability pension applications in 2025 remained nearly at the level of the previous year. The number of disability pension applications received by Varma stood at 13,526, which is 0.8 per cent less than in the previous year. New disability pension applications numbered 5,870, down 2.9 per cent. There was a slight increase in the number of applications for the age groups 35–45 and 45–54. The average starting age of granted full disability pensions was 52.7 years. Men accounted for 63.6 per cent of the granted disability pensions, which reflects Varma’s insurance portfolio. Preliminary applications for partial disability pension decreased 5.1 per cent in 2025 compared to the previous year. In 2025, Varma rejected 44.6 (46.7) per cent of new disability pension applications. The corresponding rate for the private earnings-related pension sector was 42.5 (43.3) per cent. The Pension Appeal Board changed Varma’s disability pension decisions in 7.5 (11.1) per cent of the cases it handled. The corresponding rate for the entire private sector was 8.8 (11.2) per cent.

Mental health disorders were the main reason for new disability pensions. They accounted for 31.9 per cent of new disability pensions. Among women, their share was as high as 40.3 per cent, whereas among men the figure was much lower, at 27.1 per cent. The second most common reason for disability pension was musculoskeletal diseases, at 27.4 per cent. The largest number of disability pensions was granted to employees in the construction and transport sectors, with the dominant reason for their disability being

New disability pensions by age group



Number of pensioners

	31 Dec 2025	31 Dec 2024	Change
Number of pensioners			
Old-age pension	258,517	259,639	-1,122
Early old-age pension	8,677	9,240	-563
Partial early old-age pension	13,383	14,549	-1,166
Disability pension	14,855	14,876	-21
Partial disability pension	2,959	2,970	-11
Survivors’ pension	49,764	49,841	-77
Years-of-service pension	122	70	52
Total¹	348,277	351,185	-2,908
¹Those receiving YEL pension	27,645	28,385	-740
Those receiving TyEL/YEL supplementary pension	39,271	39,950	-679

musculoskeletal diseases. The second-largest number of disability pensions was granted to employees in the care and social services sectors. The numbers reflect not only the strenuous nature of these sectors but also the significant proportion of care and social sectors in Varma’s insurance portfolio.

Disability risk management and vocational rehabilitation

Rehabilitation applications continued to decline. The number of applications received by Varma stood at 2,026, which is 3.7 per cent less than in the previous year. The average age of new rehabilitants was 48.0. Men accounted for 58 per cent of the new rehabilitants. The effectiveness of rehabilitation remained at a good level in 2025. Of the participants in the rehabilitation programme, 81 (82) per cent returned to the labour market. Among our rehabilitation customers, the greatest disability threat was caused by musculoskeletal diseases, and the second most common cause was mental health disorders.

Disability risk management services and the service model aimed at corporate customers were renewed such that specialist services, digital services and analytics services now form a consistent whole. The service model now covers all customers, and now even more customers have been reached thanks to the new grouped services. With the renewal, the service coverage has also expanded.

Digital services were developed for disability risk management. In the Varma Online Service, the risk assessment function was renewed, service orders and agreements were

digitalised and key work ability indicators for customers were improved. Analytics were expanded by adopting a new forecasting model on lost work years and years of work ability. In addition, new analytics were developed for all customers, including smaller ones. Digital solutions for vocational rehabilitation situations were sought together with rehabilitation partners. In addition, a research report was published on age management, the conditions for successful vocational rehabilitation and the work ability of personal assistants.

Technical provisions

Varma’s technical provisions grew 5.4 (7.0) per cent to EUR 52,984 (50,261) million. In addition to the increased actual provisions for unearned premiums and outstanding claims, the technical provisions contain a provision of EUR 175 (170) million for current bonuses reserved for client bonuses, a provision of EUR 1,858 (1,657) million for future bonuses contained in the solvency capital, and EUR 1,715 (1,334) million in an equity-linked buffer.

Changes in the insurance portfolio

During the financial year, no insurance portfolio transfers to Varma took place, nor did Varma make portfolio transfers to others.

Capital and reserves

Varma’s capital of EUR 168 million consists of basic capital (EUR 12 million), other funds (EUR 141 million), profit brought forward from previous financial years (EUR 7 million) and profit for the year (EUR 8 million).

Investments

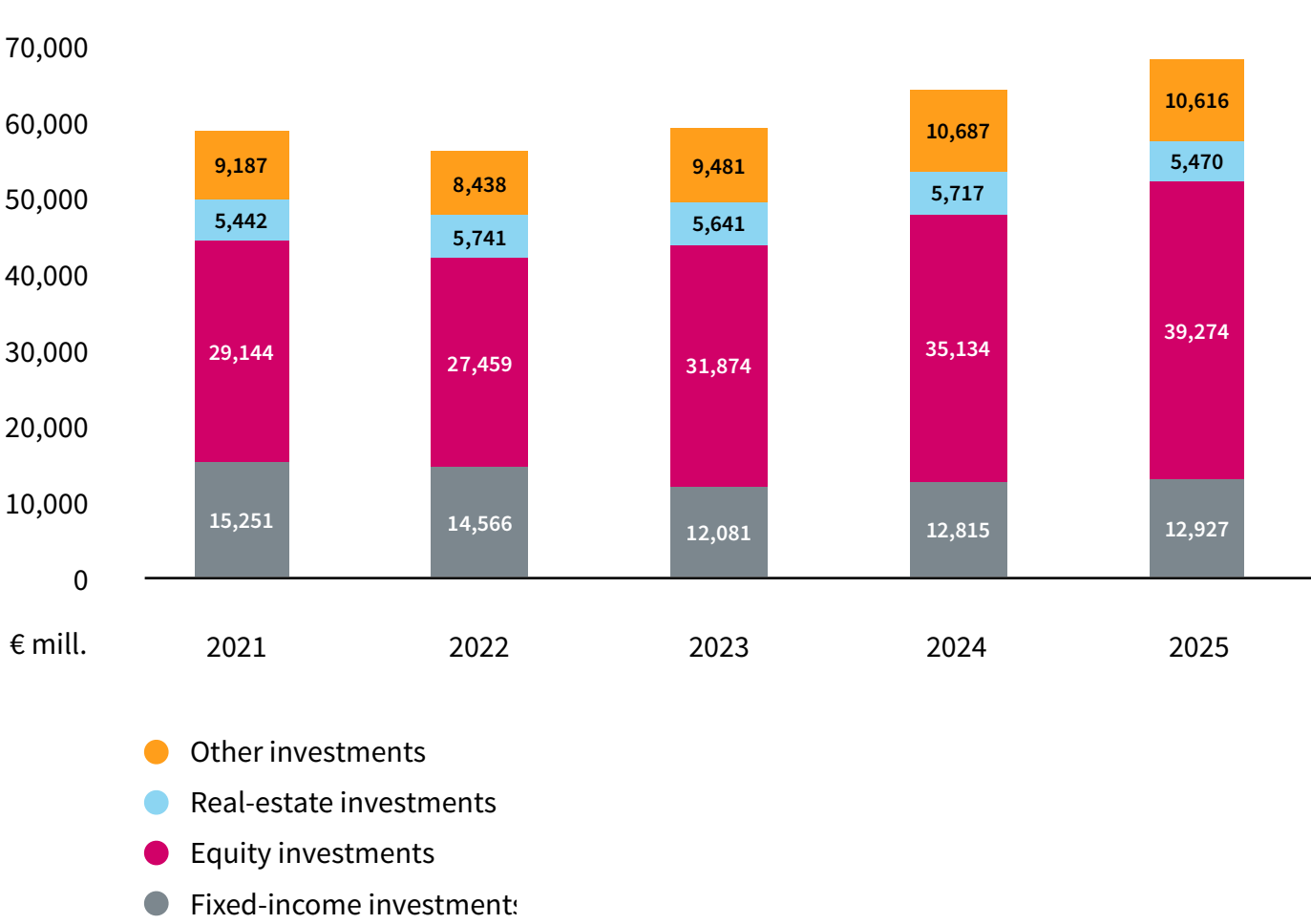
Strong fluctuation was seen on the markets. The USA announced high import tariffs in early April, but the market risk posed by the tariffs quickly eased as the US government eased its original demands. As the year progressed, investors’ attention turned to the USA’s expansionary financial policy and continued stronger-than-expected economic growth. Government bond yields fluctuated strongly as the year progressed, and the spreads between the USA and the eurozone narrowed. On the currency markets, the US dollar weakened considerably in the first half of the year, but stabilised in the second half of the year.

Varma’s investment returns in 2025 were 7.5 (10.2) per cent, and the value of investments rose to EUR 68,287 (64,354) million. Varma’s solvency ratio strengthened to 135.7 per cent (134.6 per cent on 31 Dec 2024).

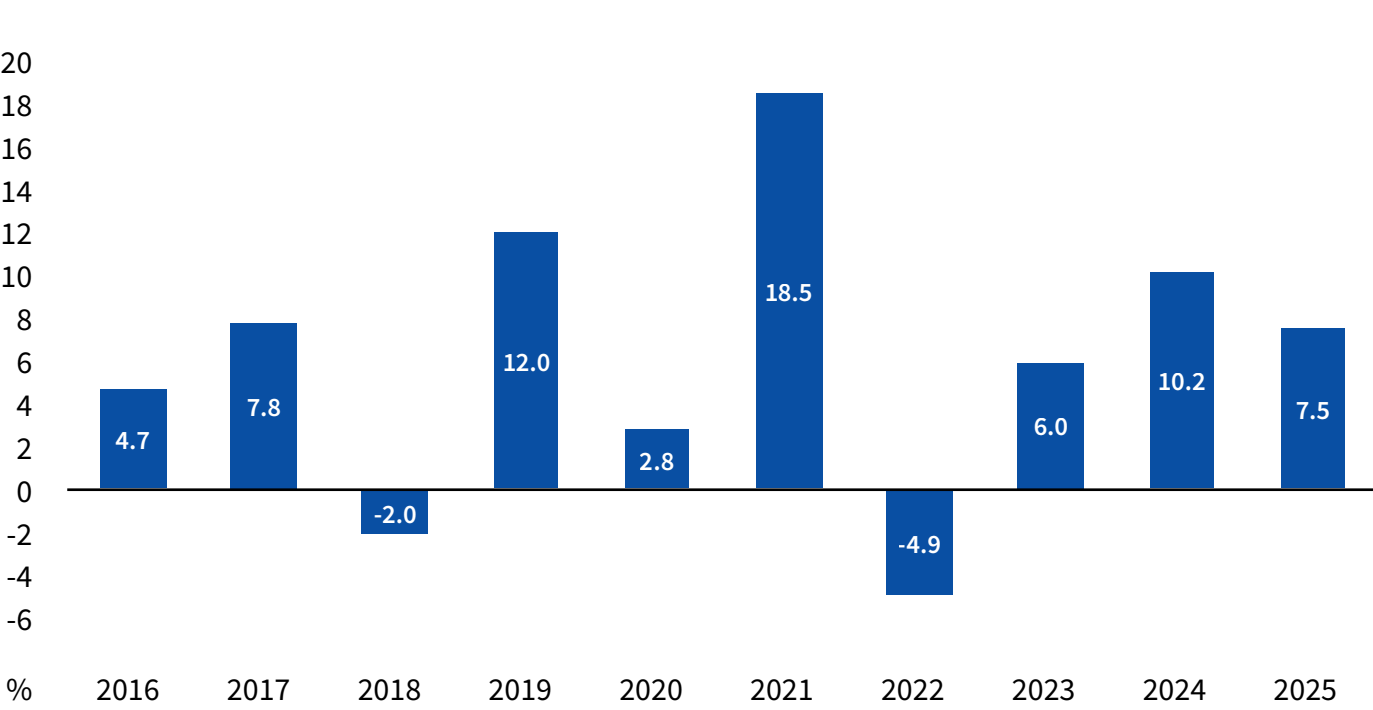
The equity markets performed strongly after the fall in share prices in the spring, and the return on Varma’s equity investments rose to 10.6 (14.9) per cent. Listed equities reached 16.4 (16.5) per cent, due in particular to the excellent performance of Finnish equities. US equities also saw strong gains, but the notable weakening of the US dollar weighed down their return in euros. European equities performed reasonably well, and other markets performed strongly. The return on private equity investments remained negative, at -0.6 (12.0) per cent, mainly due to the depreciated US dollar.

Interest rates fluctuated strongly in the course of the year. In the USA, government

Investment portfolio (€ million)



Investment returns (%)



bond yields fell, but in Europe, interest rates trended upwards. Germany’s expansionary financial policy in particular was a catalyst for the rise in interest rates in Europe. Corporate bond credit spreads narrowed significantly after the market fluctuations at the beginning of the year, which supported their returns. The return on the loan portfolio was reasonable, but not quite as good as listed corporate bonds.

The return on real estate investments was 1.0 (-2.8) per cent. Although the key interest rate environment set by the central banks remained reasonably predictable throughout the year, global geopolitical risks and unstable markets had a negative impact on the return expectations for real estate. This, combined with low transaction volumes, was reflected in low total real estate returns.

The return on other investments reached 4.9 (10.5) per cent. The dispersion of hedge investment returns was large, and the events in the listed markets had a rather mild impact on the performance of the asset class. Due to the low duration, the effects of interest rate changes on hedge investments’ returns were limited.

Varma has US-dollar-denominated investments in all asset classes. In accordance with Varma’s investment policy, part of the currency risk is hedged. In terms of operations, foreign currency risks are managed as a whole, and in financial reporting, the exchange rate impact is included in the returns of various asset classes. The US dollar depreciated sharply against the euro in 2025, which had a negative impact on Varma’s investment returns.

Varma’s investment activities focussed on maintaining the company’s secure solvency position, broadly diversifying investments and strongly emphasising risk management. In its investment risk management, the company used derivatives for hedging purposes and to control the risk level of the portfolio. The market risk of investments is the greatest risk affecting the company’s result and solvency. Equity investments are the biggest source of market risk. The VaR (Value-at-Risk) figure describing the total risk of Varma’s investments stood at EUR 2,748 (2,331) million.

Operating expenses

Controlling operating expenses is a key objective for Varma while simultaneously improving operational efficiency. The determination of the expense loading component included in the TyEL contribution was changed in 2023 such that the earnings-related pension company’s operational efficiency has a direct impact on the customer’s insurance contribution. The administrative cost component included in the insurance contribution was adjusted to reflect Varma’s operating expenses.

Increasing operational efficiency also requires continuous control of human resources and, in particular, IT system

expenses, as these account for most of Varma’s operating expenses. Total operating expenses decreased 2 per cent, totalling EUR 132 (135) million. The operating expenses (administrative expenses) for Varma’s TyEL and YEL activities fell 6 per cent, i.e. EUR 5 million, and totalled EUR 78 (83) million.

Varma is actively involved in the development and administration of the pension sector’s joint information systems, and expects from the joint systems both cost effectiveness and cost transparency.

Personnel

Varma employed an average of 552 (578) people in 2025. The payroll for the year amounted to EUR 48.5 (49.7) million.

At year-end, Varma’s personnel were distributed as follows: pension and insurance services 23 (25) per cent, customer service departments 17 (16) per cent, work ability services 15 (13) per cent, investment operations 15 (14) per cent and other functions 31 (32) per cent.

Further information on Varma employees is given in the sustainability statement section of the Report the Board of Directors, under ‘Own workforce’.

Group companies and associates

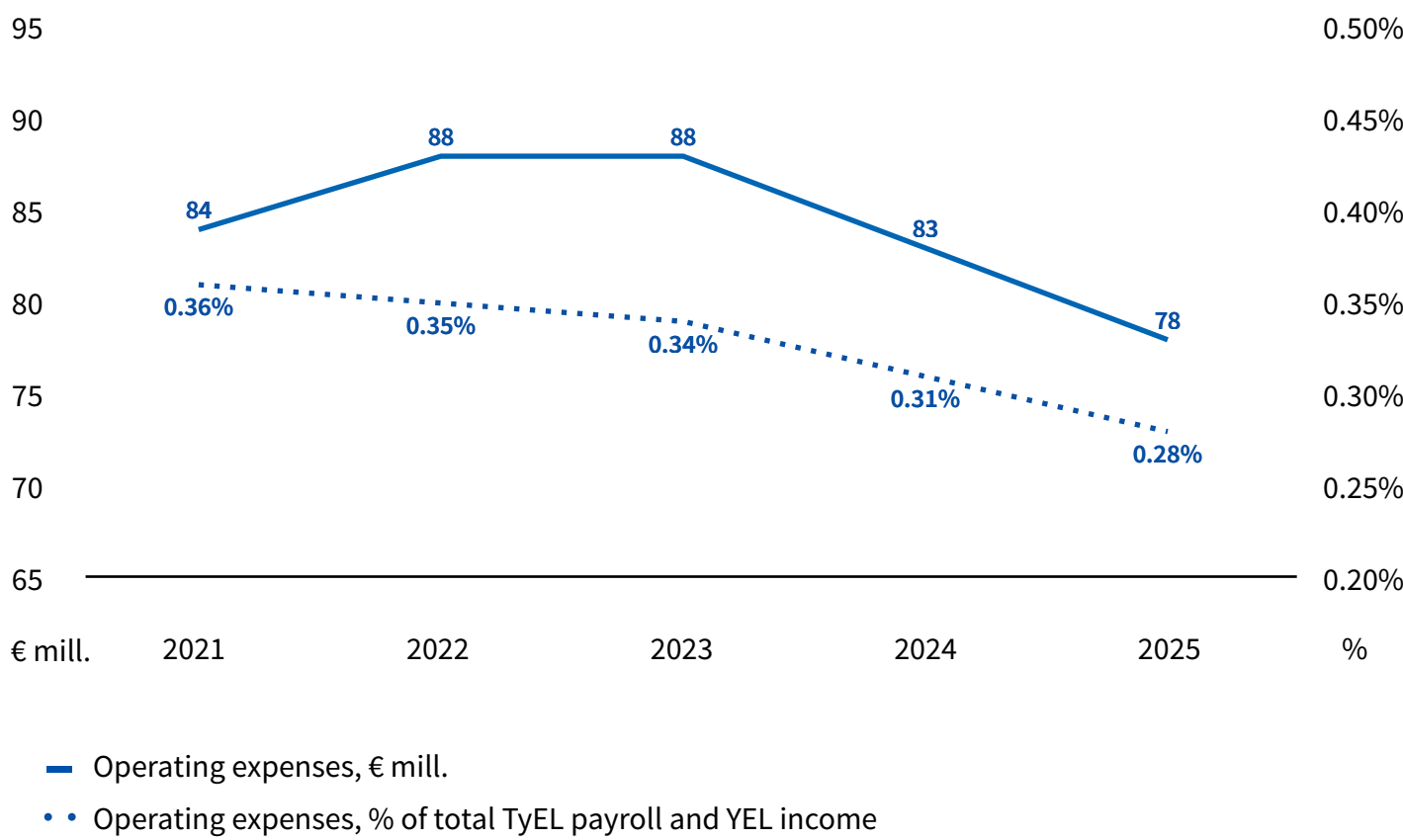
At the end of 2025, the Varma Group comprised 111 (108) subsidiaries and 18 (15) associates. The most important associates are Alcobendas Investments SL (50.0 per cent) and Aros Sundbyberg Holding AB (48.4 per cent). The Varma Group also owns 50 per cent of the guarantee capital of Kaleva Mutual Insurance Company. Most of the subsidiaries and associate companies are real estate companies.

Governance

Policyholders and the insured have voting rights at Varma’s Annual General Meeting. Varma’s Annual General Meeting was held on 11 March 2025. The Annual General Meeting appointed three new members to the Supervisory Board: Jari Korpela, Hanna Lylander and Tarja Tyni. The Annual General Meeting approved the financial statements and discharged the Board of Directors, the Supervisory Board and the President and CEO from liability for the financial year 2024.

Continuing as Supervisory Board members were Christoph Vitzthum (Chair), Päivi Leiwo (Deputy Chair), Petri Vanhala (Deputy Chair), Juri Aaltonen, Ari Akseli, Eero Broman, Petri Castrén, Kim Forsström, Lasse Heinonen, Marko Hovinmäki, Mika Joukio, Janne-Olli Järvenpää, Jukka Jäämaa, Risto Kalliorinne, Anne Karjalainen, Ville Kopra, Tapio Korpeinen, Katariina Kravi, Pekka Kuusniemi, Elisa Markula, Maria Mäkynen, Pasi Pesonen, Marko Piirainen, Perttu Puro, Simo Pöyhönen, Mika Rautiainen, Pekka Tiitinen, Jorma Vehviläinen and Anssi Vuorio.

Efficiency (operating expenses of total TyEL payroll and YEL income)



Personnel

	2025	2024	2023	2022	2021
Average number of personnel	552	578	584	551	544
Salaries and remunerations, EUR mill.	48.5	49.7	49.3	46.3	43.6

Varma’s Supervisory Board held its constitutive meeting on 21 May 2025. Christoph Vitzthum continues as Chair of the Supervisory Board, and Päivi Leiwo and Petri Vanhala continue as deputy chairs.

Varma’s auditor and sustainability reporting assurer was Ernst & Young Oy, who appointed Kristina Sandin to act as the chief auditor and key sustainability partner.

In 2025, Varma’s Board of Directors was composed of Jaakko Eskola (Chair), Anu Ahokas (Deputy Chair), Antti Palola (Deputy Chair), Riku Aalto, Nina Arkilahti, Eveliina Dahl, Anja Frada, Kristiina Mäkelä, Simon-Erik Ollus, Teo Ottola, Pekka Piispanen and Saana Siekkinen, and deputy members Jari Elo, Jouni Hakala and Ville Talasmäki.

In its meeting on 26 November 2025, Varma’s Supervisory Board elected Else-Mai Kirvesniemi as a new member of the Board of Directors as of 1 January 2026. Antti Palola’s membership on Varma’s Board of Directors ended on 31 December 2025. The Board of Directors elected in its meeting on 14 January 2026 the presiding officers for the 2026 term. Jaakko Eskola was re-elected as Chair of the Board of Directors, Anu Ahokas was re-elected as Deputy Chair, and Else-Mai Kirvesniemi was elected as a new Deputy Chair.

As of the beginning of 2026, Varma’s Board of Directors is composed of Jaakko Eskola (Chair), Anu Ahokas (Deputy Chair), Else-Mai Kirvesniemi (Deputy Chair), Riku Aalto, Nina Arkilahti, Eveliina Dahl, Anja Frada, Kristiina Mäkelä, Simon-Erik Ollus, Teo Ottola,

Pekka Piispanen and Saana Siekkinen, and deputy members Jari Elo, Jouni Hakala and Ville Talasmäki.

An up-to-date Corporate Governance Statement based on the recommendations of the Finnish Corporate Governance Code is presented on Varma’s website.

Risk management

The goal of Varma’s risk management is to identify and manage, in accordance with the defined risk appetite, risks that the company is exposed to, arising from and centrally linked to its business activities, and to secure continuity of operations. Risk management also secures business continuity. As a responsible operator, Varma considers it vital that the execution of the company’s core task as a provider of statutory pension insurance is guaranteed and adequately efficient under all circumstances.

In accordance with the Act on Earnings-Related Pension Insurance Companies, Varma’s Board of Directors draws up an annual risk and solvency assessment. The assessment was updated at the end of 2025. Varma’s risk management activities are also guided by the principles for the risk management system, which are annually approved by the Board of Directors. Company-level risk management is an element of the finance and actuary functions in order to ensure that risk reporting and risk management are independent of the risk-taking function.

As a provider of statutory earnings-related pension insurance, Varma’s main risk is related to solvency management. The single largest

risk factor in terms of solvency management is related to investment performance. When investment returns exceed the return requirement on technical provisions, the company’s solvency improves, and if they fall short of the return requirement, solvency declines. The principles for investment risk management are determined in the company’s investment plan, which is drawn up by the Board of Directors. The plan documents the general security goals set for investments, the diversification and liquidity goals of investments, and the principles for organising currency risk hedging. The Board of Directors assesses the investment risks, which may relate to value changes, expected returns, security, currency movements, and the development of the company’s solvency position. The Board of Directors also assesses the investments’ security and the company’s risk-bearing capacity in terms of investments, including the development of the company’s solvency.

The most significant operational risks in 2025 related to ensuring business continuity in possible external and internal information system failures. Risks also applied to developing the business in a changing operating environment.

More information about strategic, financial, investment and operative risks, as well as related quantitative data, is provided in the notes to Varma’s financial statements.

Outlook

The outlook for the economic operating environment is somewhat uncertain. The moderate

growth of the global economy has continued, and inflation has gradually slowed. The USA’s trade policy has had less of an impact on global economic growth than feared, but it will take time for the full effect to show. The effects of trade policy are mitigated by expansionary financial policy on both sides of the Atlantic. The focus of monetary policy easing has shifted from the eurozone to the USA, where the Fed is expected to continue its interest rate cuts. In the eurozone, the cycle of easing monetary policy appears to be over, unless the eurozone economy faces new headwinds.

The USA’s trade policy has clearly tightened, but as the scope of the tariffs has gradually come into view, uncertainty has diminished. Equity market valuation levels are high, particularly in the USA. The decline in interest rates and corporate bond spreads has lowered companies’ financing costs, but in the uncertain economic situation, companies’ investment appetite is strongly sector dependent. Investments in AI and data centres are growing at an unprecedented rate, but the risk of overcapacity has increased the likelihood of potential setbacks. The US dollar has weakened significantly, which on one hand supports the competitiveness of American exporters, but at the same time increases inflationary pressures through higher import prices. The strengthened euro combined with US import tariffs undermines price competitiveness in the eurozone.

Global risks are elevated. Europe’s changed security landscape and decisions by NATO countries to increase defence spending are

likely to influence the structure of economic policy and investments in the coming years. However, additional investments in defence and climate change mitigation combined with the cost pressures associated with an aging population also create challenges for the sustainability of financial policy and political cohesion. Artificial intelligence has the potential to significantly improve productivity development in the future but, for now, it is impossible to anticipate its impacts on global growth, employment and productivity.

Varma’s strong solvency position and careful risk management create good conditions for the favourable development of investment returns and secure the pension benefits of the insured in various market conditions. Varma continues to effectively implement the earnings-related pension system.

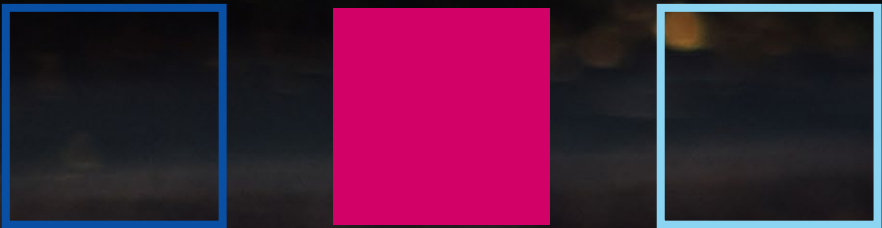
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Summary of the sustainability statement

Varma is now publishing its second sustainability statement. The statement covers the year 2025 and is part of the Report of the Board of Directors. The statement is aligned with the EU’s Corporate Sustainability Reporting Directive (CSRD), which took effect in 2024.

The sustainability statement is based on the double materiality assessment carried out in 2023 and updated in 2025, which defined the material sustainability topics, impacts, risks and opportunities. Climate change mitigation and adaptation, the realisation of clients’ rights and income security, and looking after the working conditions and equality of Varma employees are material topics to Varma.

Varma makes partial use of the transitional provisions in its 2025 sustainability reporting.

Environmental information

Varma’s environmental sustainability is guided by the environmental policy. The policy identifies and describes the means by which Varma manages the environmental risks and opportunities arising from its operations, investees and supply chain. The environmental policy guides all of Varma’s activities.

Varma’s most significant sustainability targets are the emission reduction targets in compliance with the Science Based Targets initiative (SBTi), approved in 2023. The SBTi targets are:

- to reduce Varma’s Scopes 1 and 2 greenhouse gas emissions by 60 per cent by 2030 compared to the 2021 level;
- as regards indirect GHG emissions (Scope 3), to increase the share of companies committed to the SBT initiative to 51 per cent by 2027 in equity and listed fixed-income investments and real estate funds.

In 2025, the total emissions from Varma’s own operations (Scopes 1 and 2) were down 81 (68) per cent compared to 2021. As regards the Scope 3 target, the achieved share was 56 (47.5) per cent.

In 2025, Varma carried out a resilience analysis related to climate risks as a Climate Value at Risk (VaR) calculation. The analysis covers 44 (41) per cent of Varma’s investments. According to the resilience analysis, the Net-Zero 2050 scenario would result in a loss of 12.3 (11.2) per cent for listed equity investments and a loss of 4.6 (1.8) per cent for listed fixed income investments over a 30-year time horizon, which, if realised, would decrease Varma’s solvency by 3.4 (2.4) percentage points.

Although the potential costs caused by climate change on Varma’s solvency increased compared to 2024 and the loss would be significant, Varma’s solvency would still remain at a good level even after this.

Varma applies the transitional provisions in disclosing the anticipated financial effects from risks and opportunities related to biodiversity, ecosystems and environmental information.

Social information

Social responsibility covers Varma’s personnel and customers as well as the supply chain and investees.

Responsibility for Varma employees means ensuring their work ability, fostering a unique work culture, developing competence in keeping with the times, offering motivating remuneration and ensuring equal treatment. In 2025, the work ability index for Varma employees was 4.03 on a scale of 1–5. In the employee survey, 83 per cent of Varma employees agreed or strongly agreed that they can be themselves at work.

Taking care of customers’ pension security and paying pensions on time are the cornerstones of everything Varma does. In 2025, 87.8 (89.7) per cent of Varma’s customers had their pension paid during their first month of retirement. It is important for Varma to provide timely, quality and smooth service to its customers. In 2025, Varma’s customers gave the company’s customer service a score of 3.6 (3.6) on a scale of 1–4.

Varma is committed to operating in accordance with the United Nations Guiding Principles on Business and Human Rights and expects the same from its supply chain. In 2025, Varma conducted a supplier sustainability survey to explore the human rights risks and processes of its largest suppliers. The survey was targeted at suppliers who had not earlier responded to the survey. Therefore, the sample is smaller than the previous year and the results are not comparable. The results show that 80 per cent of the respondents are committed to following the UN Global Compact principles.

Varma also expects its investees to comply with local legislation and international standards and agreements, including the principles of the UN Global Compact initiative.

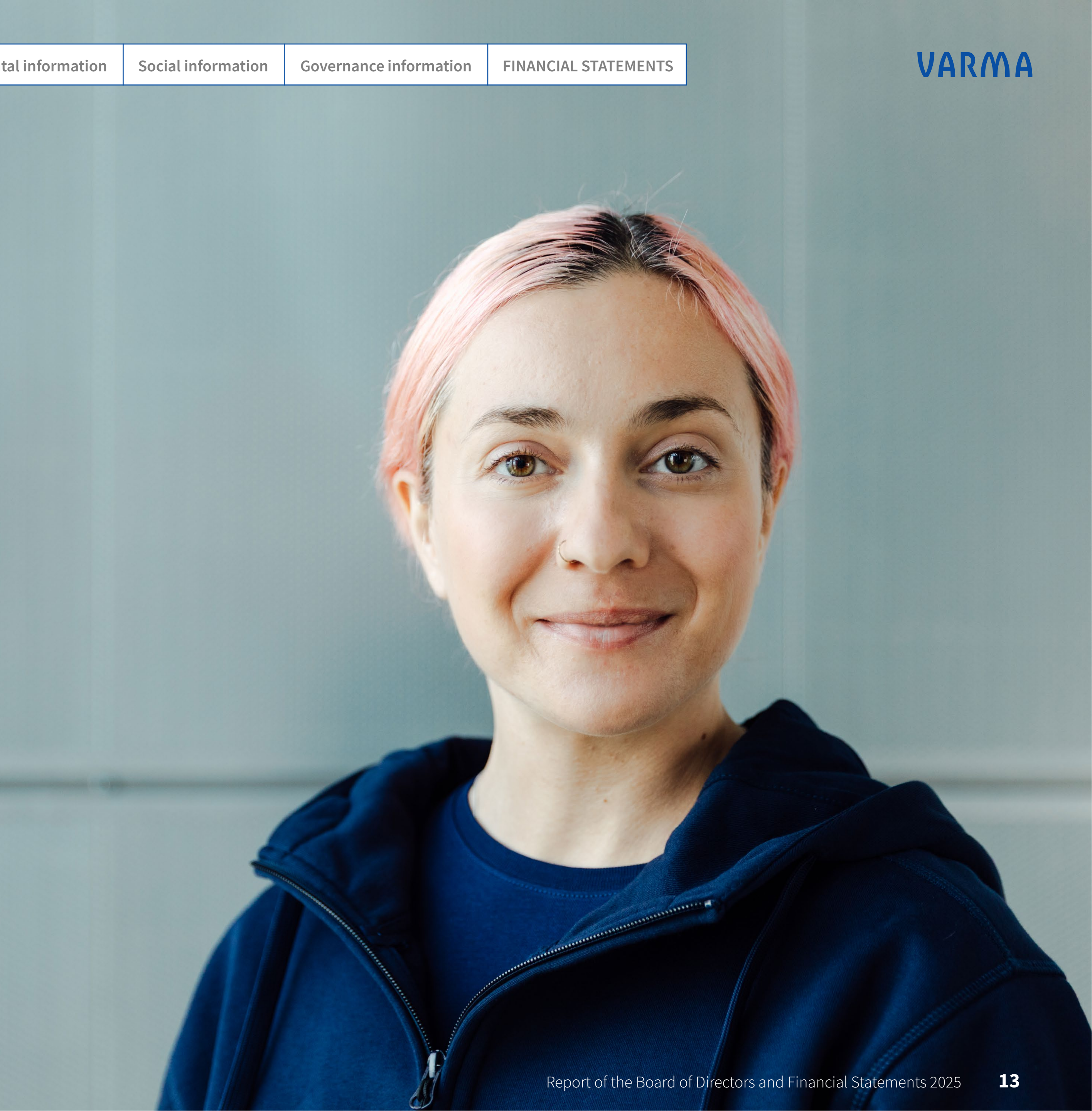
As regards reporting information related to affected communities in 2025, Varma applies the transitional provision.

Governance information

Varma’s business operations are steered by the Code of Conduct, anti-bribery policy, Supplier Code of Conduct, environmental policy and tax policy. In addition to the above-mentioned policies and programmes, responsible investment at Varma is guided by the principles for responsible investment, active ownership and engagement principles and ownership policy.

The policies guide operations in Varma’s entire value chain.

Information security and data protection are key elements of Varma’s operations, and Varma protects its data and services both in normal and exceptional conditions through information security measures.



Sustainability statement 2025

Varma’s most significant sustainability objective is the emission reduction targets in compliance with the Science Based Targets (SBT) initiative. Varma’s SBTi targets are to reduce its Scopes 1 and 2 greenhouse gas emissions by 60 per cent by 2030 compared to the 2021 level and, as regards indirect GHG emissions (Scope 3), to increase the share of companies committed to the SBT initiative to 51 per cent by 2027 in equity and listed fixed income investments and real estate funds.

Scopes 1 and 2 emissions compared to 2021

-81% (-68%)

Share of companies committed to the SBTi

56% (47.5%)

Women in Varma’s Executive Group

55% (50%)

Varma employees’ score for reconciling work and family life (scale: 1–5)

4.3

Varma employees’ work ability index (scale: 1–5)

4.03

Pension is paid to the pensioner’s bank account in the first month of retirement

87.8% (89.7%)

Score for Varma’s customer service (scale: 1–4)

3.6 (3.6)

General information

Varma updated its double materiality assessment in 2025. A total of 18 impacts, risks or opportunities that had earlier been identified as material were now assessed as non-material. Climate change mitigation and adaptation, the realisation of clients’ rights and income security, and looking after the working conditions and equality of Varma employees are material topics to Varma. Varma drew up a new sustainability programme, the implementation of which will begin in 2026.

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GENERAL INFORMATION

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General basis for preparation of the sustainability statement

BP-1

Varma Mutual Pension Insurance Company and its subsidiaries together form a group (“Varma Group”, “Group” or “Varma”). The sustainability statement covers the entire Group, including the parent company Varma Mutual Pension Insurance Company and all the subsidiaries in which the Group holds more than 50 per cent of the votes either directly or indirectly, unless otherwise stated in the basis for preparation. The principles of consolidation for the sustainability statement are the same as for the financial statements. **ESRS 2 BP-1 5 b**

Subsidiary undertakings included in the consolidation are exempted from individual sustainability reporting pursuant to Article 19a(9) of Directive 2013/34/EU, because they are included in the consolidated management report of the parent undertaking and the subsidiaries’ management report includes information on the parent undertaking reporting at the Group-level. The sustainability statement is published annually as part of Varma Mutual Pension Insurance Company’s Report of the Board of Directors. The reporting period is the same as in financial reporting, i.e. the financial period 1 January 2025–31 December 2025. **ESRS 2 BP-1 5 a, b**

The Varma Group has not had to use the option to exclude classified or sensitive information, even if it is considered material. **ESRS 2 BP-1 5 d** The Varma Group did not make use of the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) of the Accounting Directive (2013/34/EU). **ESRS 2 BP-1 5 e**

The sustainability statement covers the Varma Group’s upstream and downstream value chain as follows: **ESRS 2 BP-1 5 c**

- The upstream value chain covers the impacts, risks and opportunities of Varma’s upstream value chain, not including the value chains of the investment portfolio and direct real estate investments. In this category, the services and products purchased by Varma that are related to Varma’s own operations have been taken into account.
- Varma’s own operations cover all the impacts, risks and opportunities that are connected to Varma’s own direct operations. This category takes into account Varma’s internal operations, such as HR services and external services, such as earnings-related pension insurance and work ability services, as well as properties in own use.
- The investment portfolio takes into account all the impacts, risks and opportunities of Varma’s investments, not including direct real estate investments. This category also includes the impacts, risks and opportunities of the value chains of Varma’s portfolio companies.
- Direct real estate investments cover the impacts, risks and opportunities of Varma’s directly owned real estate and their value chains. The category takes into account the construction, maintenance, demolition and letting of properties.
- The downstream value chain consists of Varma’s customers, i.e. entrepreneurs, companies, employees covered by earnings-related pension insurance and pensioners. This category takes into account the

impacts, risks and opportunities that they are subject to or that arise from them.

The sustainability statement has been prepared in accordance with the disclosure requirements of the Finnish Accounting Act concerning sustainability reporting. The sustainability statement has been prepared in accordance with the reporting requirements of the EU’s Corporate sustainability reporting Directive (CSRD), which is binding on Varma Group as of 2024.

The reported sustainability topics and key sustainability indicators are based on the double materiality assessment of the Varma Group, which was prepared in 2023 and updated in 2025. The material themes based on the double materiality assessment were approved by Varma’s Executive Group in December 2023. Varma’s Executive Group approved the adjustments of the themes in June 2025. The sustainability-related targets for 2025 linked to remuneration were approved by Varma’s Executive Group in December 2024. Additional information on the double materiality assessment and its results are provided in the section ‘Description of the process to identify and assess material impacts, risks and opportunities’.

The sustainability statement also includes information in accordance with the EU Taxonomy on Sustainable Finance. As an earnings-related pension insurance company, Varma belongs to the category of non-financial companies in the Taxonomy Regulation, since Finnish earnings-related pension companies are not insurance companies authorised under the Solvency II Directive’s Article 18. On the basis of the aforementioned regulation,

Varma has identified real estate investment as taxonomy-eligible economic activity. The key performance indicator related to capital expenditure (CapEx) (CapEx KPI) pursuant to the European Commission Delegated Regulation 2021/2178 is presented in the Report of the Board of Directors under ‘The proportion of taxonomy-eligible capitalisations of all capitalisations’. The KPI has been calculated using the Group data as follows: (Additions to real estate investments - decreases from real estate investments not including net capitalisations of real estate shares) / (Additions to real estate investments - decreases from real estate investments not including net capitalisations of real estate shares + additions to intangible and tangible assets - decreases from intangible and tangible assets). The key performance indicator related to turnover (turnover KPI) pursuant to the European Commission Delegated Regulation 2021/2178 is presented in the Report of the Board of Directors under ‘The proportion of taxonomy-eligible turnover of total turnover’. The KPI has been calculated using the Group data as follows: (Revenues from real estate investments - expenses from real estate investments) / (Net revenue from investment activities + premiums written + other revenues). The key performance indicator related to operating expenditure (OpEx) (OpEx KPI) pursuant to the European Commission Delegated Regulation 2021/2178 is presented in the Report of the Board of Directors under ‘The proportion of taxonomy-eligible expenditure of all operating expenses’. The KPI has been calculated using the Group data as follows: Expenses from real estate investments / (Investment expenses + Operating expenses).

The references used in the sustainability statement refer to the European sustainability reporting standards (ESRS). However, the references do not cover all the reporting requirements and datapoints addressed in the statement.

The information in the sustainability statement and the related claims have been externally assured. The limited assurance was carried out by the independent sustainability audit firm Ernst & Young Oy, on whose behalf Kristina Sandin (Authorised Sustainability Auditor) acted as the key sustainability partner.

The preparation criteria for different themes are presented below.

Environmental information

Climate change

The calculation of Varma’s greenhouse gas emissions followed the Greenhouse Gas (GHG) Protocol standards, which are the most widely established way globally to calculate an organisation’s carbon footprint. **ESRS E1 E1-6 AR 39 a** The calculation covers the following greenhouse gases in accordance with the GHG Protocol in so far as these gases are generated in the activities included in the calculation and the gases have been taken into account in the emission factor sources used in the calculation: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). The data has been reported as carbon dioxide equivalents (CO₂eq), and the emission factors used were in the same format. In deviation of the other Scopes, Scope 2 emissions include only carbon dioxide (CO₂) due to the available emission factors. **ESRS E1 E1-6 AR 24**

Scopes 1 and 2 greenhouse gas emissions

Varma’s Scope 1 GHG emissions include emissions from the use of company vehicles owned or possessed by Varma and, in real estate, from the use of fuels used for energy production. **ESRS E1 E1-6 AR 39 b, AR 43 a** Vehicle emissions have been calculated using the total energy consumption data provided by the leasing company and the most recent emission factors published by the UK’s Department for Environment, Food & Rural Affairs (DEFRA). The fuel consumption of real estate on the basis of the consumption figures reported by property managers and the emission coefficients of Statistics Finland’s Fuel Classification 2024. **ESRS E1 E1-6 AR 39 b**

Scope 2 encompasses GHG emissions from Varma-owned real estate and the generation of purchased energy consumed by company vehicles. The calculation of the GHG emissions of Varma-managed real estate investments includes the CO₂ emissions of properties maintained by Varma. The calculation includes emissions of properties’ purchased energy, i.e. electricity, and district heat and cooling. **ESRS E1 E1-6 AR 45 b** The emissions have been calculated using both a location-based and market-based method. **ESRS E1 E1-6 AR 39 b** Location-based emissions are calculated using average emission factors for Finland. Market-based emissions are calculated using the emission factor for Varma’s purchased energy. If the emission factor for purchased energy is not available, we use the emission factor provided by the local district heating company and the emission factor for the residual mix of the Finnish grid for electricity. **ESRS E1 E1-6 AR 39 b** Certificates of Origin have been obtained for acquired carbon-dioxide-free

energy. Market-based factors have been used in determining and calculating Varma’s Scopes 1 and 2 emission reduction targets.

Scope 2 biogenic emissions, i.e. emissions from the combustion or bio-degradation of biomass, have been calculated in cases where the fuels used are assumed to include biomass. Biogenic Scope 2 emissions have been calculated using the location-based method. **ESRS E1 E1-6 AR 45 d**

Value chain greenhouse gas emissions (Scope 3)

In autumn 2022, Varma calculated its value chain emissions (Scope 3). On the basis of a separate analysis conducted at the time, nine emission categories were identified to be material in terms of Varma’s operations. The categories are: purchased goods and services (1), capital goods (2), fuel- and energy-related activities (3), waste generated in operations (5), business traveling (6), employee commuting (7), downstream transportation, i.e. in Varma’s context, travelling of shopping centre visitors (9), downstream leased assets (13) and investments (15). As regards investments (category 15), the calculation includes Varma’s listed equity and corporate bond investments, private equity and infrastructure investments, real estate funds, private debt and hedge fund investments. Of Varma’s emissions in Scope 3 categories 1–15, 42.8 per cent were calculated using primary data and the rest using secondary data. **ESRS E1 IRO-1 AR 9 a**

Investments’ greenhouse gas emissions (Scope 3, category 15)

The GHG calculation of Varma’s investments encompasses listed equity and corporate

bond investments, private equity and infrastructure investments, real estate funds, private debt and hedge fund investments. The calculation covers direct greenhouse gas emissions from sources owned or controlled by the companies (Scope 1), indirect emissions from energy mainly from the generation of purchased energy (Scope 2) and emissions from the value chain (Scope 3). The GHG emissions (tCO₂eq) and the key figures based on them have been calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard. **ESRS E1 E1-6 AR 46 b** In its emissions reporting, Varma complies with the recommendations of PCAF and the Task Force on Climate-Related Financial Disclosures (TCFD). When information on individual investments is not available, the emissions are estimated according to the PCAF standards.

In the calculation of the GHG emissions of listed equities and corporate bond investments, the market value of shares owned by Varma is proportioned to the company’s enterprise value including cash (EVIC), and this ratio is used to allocate the emissions and net revenue of the company.

In the calculation of the GHG emissions of private equity-, infrastructure-, private debt- and hedge fund investments, the market value of Varma’s holding is proportioned to the company’s enterprise value including cash (EVIC), and this ratio is used to allocate the emissions and net revenue of the company, if the information is available.

Real estate funds’ emissions have been calculated using PCAF’s emission factors and calculation standards. Emissions for single real

Table 1: **Scope 3 calculation basis, key assumptions and emission factor sources¹**

Scope 3 emissions category	Calculation basis and key assumptions	Emission factor sources
1. Purchased goods and services	The emissions from purchased goods and services have been estimated using the cost-based method, with the exception of household water and IT equipment. The emissions from household water have been estimated using water consumption measurement data and from IT equipment using their amounts.	Exiobase (2022), Helsinki Region Environmental Services Authority HSY (2024), Equipment emission factors (2024)
2. Capital goods	The emissions from capital goods have been estimated using the cost-based method.	Exiobase (2022)
3. Fuel- and energy-related activities	Emission from acquired energy (well-to-tank, WTT, emissions from the entire value chain of used energy) were calculated for energy consumption taken into account in Scopes 1 and 2 calculations. The amount of energy use losses has been estimated based on the statistics of Statistics Finland. The WTT emissions from leased vehicles are also included in the calculation. In the absence of more accurate information, the driving kilometres have been estimated on the basis of contract kilometres.	Defra (2025), Energy Authority (2024), Statistics Finland (2023)
5. Waste generated in operations	The amount of waste generated at real properties has been estimated by proportioning the data reported by the properties for 2024 to the leased floor areas for 2025.	SYKE (2011): Julia 2030 project, Helsinki Region Environmental Services Authority HSY (2024), Defra (2025)
6. Business travelling	The emissions from business traveling have been estimated using the actual costs. Air travel emissions are based on the emissions reports submitted by the service provider.	Defra (2025), VR Group (2023), Exiobase (2022), Helsinki Region Transport HSL (2024)
7. Employee commuting	The calculation makes use of the results of an employee survey (2023) on commuting, extrapolated to cover Varma’s entire personnel in 2025. Tram and metro travel are assumed to be carbon-free in accordance with HSL’s carbon neutrality pledges. For train travel, passenger travel emission factors reported by VR Group were used.	Defra (2025), VR Group (2023), Helsinki Region Transport HSL (2024)
9. Travelling of shopping centre visitors	The calculation is based on the annual measured or estimated numbers of visitors to the shopping centres. The mix of travel methods has been assessed on the basis of a visitor survey or, in the absence of more accurate data, the regional passenger traffic statistics.	Defra (2025), VR Group (2023)
13. Downstream leased assets	The calculation takes into account properties under tenants’ maintenance responsibility. The calculation is based on estimated energy consumption using average energy consumption factors by building type produced by Motiva.	Statistics Finland (2024)
15. Investments	A more detailed description of the calculation basis and key assumptions is available in the section ‘Investments’ greenhouse gas emissions (Scope 3, category 15)’.	A more detailed description of the emission factor sources is available in the section ‘Investments’ greenhouse gas emissions (Scope 3, category 15)’.

¹ESRS E1 E1-6 51, AR 39 b, AR 46 a, c, d, e, g

properties in a fund have been calculated by multiplying Varma’s holding in the real property owned by the fund with the building type’s emission factor, energy class of the property and the fund’s holding in it, taking into account the building’s square footage.

The weighted GHG intensity (tCO₂eq/M€) of investments is based on the weighting of the investment in the portfolio. The figure is calculated by multiplying the GHG intensity of the companies by their portfolio weight and adding these up for companies that do not report their GHG emissions.

The emission and net revenue data used in the GHG emission calculation apply to the situation at the end of the year preceding the reporting year.

Varma has not separately reported the different greenhouse gases from its operations, as the emissions data used is primarily available only as CO₂ equivalent from the data sources. **ESRS E1 E1-6 AR 39 c**

Categories falling outside of Scope 3 GHG emission calculation

For Scope 3 emissions, Varma does not report emissions for category 8 (upstream leased assets) and category 14 (franchising) because these are not part of Varma’s operations. Furthermore, no environmental impacts were identified in Varma’s operations in category 10 (processing of sold products), category 11 (use of sold products) and category 12 (end-of-life treatment of sold products). Category 4 (upstream transportation and distribution) is assessed to be of minor significance in Varma’s operations, and all related information is an inseparable part of category 1 (purchased goods and services), which is why this category has not been separately reported. **ESRS E1**

E1-6 AR 46 i

Net revenue

Net revenue, i.e. the denominator in the calculation of GHG intensity in the section ‘Gross Scopes 1, 2, 3 and Total GHG emissions’, has been calculated using the Group figures. The formula used is the following net revenue definition provided in the section concerning the calculation formulas of key financial figures and presentation of analysis in the regulation 14/2012 of the Financial Supervisory Authority: premiums written before the credit loss on premium receivables and reinsurance + net investment revenue at book value + other revenues. The net revenue presented in the Key Figures section of the financial statements is calculated using the parent company figures and is therefore not the same as the net revenue used in the sustainability statement. **ESRS E1 E1-6 55, 56**

Energy consumption and mix

For Varma’s direct real estate investments, the amounts of energy consumption (electricity, heat and district cooling) are reported in so far as Varma is in charge of the property’s maintenance and thus is mainly responsible for its energy purchase. Energy consumption is monitored through the EnerKey energy management system. If the amounts of consumed energy cannot be measured using EnerKey, the amounts of missing energy is estimated based on the property’s consumption data in the previous year or, if the data is partially available, the reporting year. The amounts of consumed energy include both purchased energy and onsite energy production.

Energy consumption is categorised according to the method of energy production. This is ascertained from energy suppliers/producers and certificates, and the latest energy production distributions that have been available at the time of review are used. In energy consumption, waste heat is classified as renewable. **ESRS E1 E1-5 35**

Resource use and circular economy
Calculation methodologies related to resource use and circular economy are described below.

Resource outflows
For Varma’s direct real estate investments, Varma reports the amounts of waste for properties that are under its maintenance responsibility, when the amounts are known, and for construction projects for which Varma can obtain waste data from the waste management company.
In construction projects, Varma obtains all of the information reported directly from the worksites’ waste management company. As a rule, the amounts are weighed, i.e. all waste loads are weighed at the waste treatment facility.

The waste data for residential investment properties is collected directly from waste management companies. The amounts are partially weighed and partially estimated. The waste amounts of commercial properties are collected on a monthly basis from the waste management companies in the Zerowaste system. The data is collected by reading the data from the report submitted by the operator, retrieving the report file from the operator’s customer portal or downloading the data from the operator’s

system through an interface. The amounts for commercial properties have been partially weighed and partially estimated. **ESRS E5 E5-5 40**

Social information
Own workforce
Information concerning own workforce has been calculated using the information of the parent company of the Varma Group, i.e. Varma Mutual Pension Insurance Company. The parent company’s figures cover a material part of the Group’s own workforce. The numbers include Varma’s CEO.

Characteristics of the undertaking’s employees
The information related to own workforce is actual information for the reporting year. The number of employees is average and based on the actual average calculated according to the situation on the last day of each quarter. The calculation includes all types of employment relationships. The calculation method deviates from the method used in the financial statements. Gender is specified by the employees themselves. The reported types of employment relationship are based on the employment relationship type specified in the employment contract. The total number of employees who have left the undertaking during the reporting period includes all types of employment relationships. The percentage of employees who have left the undertaking has been calculated using the average head count.

Characteristics of non-employees in the undertaking’s own workforce
The data on non-employees in Varma’s own workforce (self-employed people and

individuals working through a staffing agency) is given as head count at the end of the reporting period and is based on contracts valid in the reporting year. The measurement of the metric has not been validated by an external body other than the assurance provider. **ESRS 2 MDR-M 77 a–c, ESRS S1 S1-7 55 b**

Diversity metrics
Diversity-related metrics are calculated on the closing date and are based on actual data.

Adequate wages
The metric related to adequate wages has been calculated using the actual data for the reporting year.

Training and skills development metrics
The amount of training hours is based on employees’ estimate of the time they used for training during the reporting period and on actual study times recorded for online courses in 2025.

Health and safety metrics
Health and safety metrics have been calculated using the actual data for the reporting year.
The calculation of the share of recordable work-related accidents is based on an estimate of the number of working hours worked by individuals in Varma’s own workforce in the reporting year. The number of hours worked by individuals is calculated as theoretical working hours, which take into account the number of workdays and the number of individuals present across quarters. Actual overtime data for the reporting year was added

to and actual data on absences and holidays for the reporting year was deducted from the theoretical hours worked.

Work-life balance metrics
Work-life balance metrics have been calculated using the actual data for the reporting year.

Remuneration metrics (pay gap and total remuneration)
Remuneration metrics (pay gap and total remuneration) have been calculated using the actual data for the reporting year. The basic data for gender pay gap includes the highest paid individual in the company, i.e. the CEO.

Incidents, complaints and severe human rights impacts
The metrics related to incidents, complaints and severe human rights impacts have been calculated using the actual data for the reporting year. The total number of incidents of discrimination is based on the annual employee survey, and the number of severe human rights impacts on other internal and external data sources.

Governance information
Business conduct
Incidents of corruption and bribery
The metrics related to corruption and bribery incidents have been calculated using the actual data for the reporting year. The metrics used in the calculation are the number of convictions and euro-amount of fines for violations of anti-corruption and anti-bribery laws. Further metrics are the total number of confirmed incidents of corruption or bribery of

those employed by Varma and the number of confirmed incidents in which Varma’s workers were dismissed or disciplined for corruption or bribery-related incidents. Also included are the number of confirmed incidents relating to contracts with Varma’s business partners that were terminated or not renewed due to violations related to corruption or bribery. There were no such incidents in 2025. The investigation and processing of an individual case by the police and judiciary can take years. Ongoing incidents are also recorded. **ESRS 2 MDR-M 74, 75, 76, 77**

Payment practices
The metrics related to payment practices have been calculated using the actual data for the reporting year. Excluded from the calculation are purchase invoices related to the buying and selling of buildings in which the payer is a real estate subsidiary whose bookkeeping is outsourced to a third party. The number of purchase invoices left outside the calculation is not material.

Disclosures in relation to specific circumstances
BP-2
The calculation of Varma’s greenhouse gas emissions in both the upstream and downstream value chain makes partial use of estimated indirect data sources, such as industry-specific average data. Estimation has been used because not all emission data available is precise, and with the help of estimation, efforts have been made to improve the coverage of the calculation and to provide a more faithful representation through the calculation. Varma

aims to reduce the need for estimations by engaging with its investee companies to have them calculate their GHG emissions. There were no material changes in the measurement technique during the reporting period. The estimation of GHG emissions is described in the section ‘General basis for preparation of the sustainability statement’.

Estimation has been used in the calculation of resource outflows related to resource use and circular economy. The estimation is described in the section ‘General basis for preparation of the sustainability statement’.

The aim is to continue using the current measures and principles of continuous information improvement to improve the accuracy of the estimates in the future.

Varma has deviated from the definition provided in ESRS 1 concerning medium- and long-term disclosure requirements. The time horizons used by Varma are as follows:

Short-term time horizon: 1–3 years
Medium-term time horizon: 3–6 years
Long-term time horizon: more than 6 years.

Varma’s strategy period and the 2030 targets in accordance with the transition plan for climate change mitigation have been defined as the medium-term time horizon. The period following this time horizon has been defined as the long-term time horizon because the impacts, risks and opportunities arising from climate change will primarily materialise over a longer time span than Varma’s strategy period. In the scenario and resilience analysis, a time horizon that spans 30 years has been used. The duration of Varma’s real estate investments’ capital investments deviates from the time horizon defined in ESRS 1,

which also supports the use of the chosen time horizon. **ESRS 2 BP-2 9**

Varma has applied the transitional provisions in accordance with Appendix C of ESRS 1, although the sustainability topics covered by ESRS E4, ESRS S1, ESRS S2, ESRS S3 and ESRS S4 have been assessed to be material as a result of Varma’s double materiality assessment. The application of the transitional provisions has been described in the section ‘Disclosure Requirements and references’.

Varma has on average less than 750 employees. **ESRS 2 BP-2 17**

Some changes in the preparation or presentation of sustainability information compared to previous reporting periods have been made:

- Due to a change in the survey tool, the response scale for Varma’s employee survey has changed from the previous year’s scale of 1–4 to a 1–5 scale. Comparison figures have not been changed. The change affects the comparability of the figures for the reporting year and the comparison year in the table ‘Targets concerning sustainability matters related to own workforce’ presented in the section ‘S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities’. **ESRS 2 BP-2 13**
- Due to a change in the survey tool, the work ability index calculated from the employee survey is based on a different number of differently formulated questions, and the calculation method has been changed from a scale of 1–100 to an average. The change affects the comparability of the figures for the reporting year and the comparison year in the table ‘Targets concerning sustainability

matters related to own workforce’ presented in the section ‘S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities’.

- Due to a change in the survey tool, the number of discrimination incidents is based on a differently formulated question, and the scale for the question has been changed to 1 (strongly disagree) – 5 (strongly agree). This change affects the comparability of the figures of the item ‘Total number of incidents of discrimination, including harassment’ in the table ‘Own workforce, Incidents, complaints and severe human rights impacts’ presented in section S1-17.

After the publication of the 2024 sustainability statement, the following human errors have been detected in the statement:

- In the section ‘Targets related to climate change mitigation and adaptation (E1-4)’, table 31 ‘Targets related to climate change mitigation and adaptation: Scopes 1 and 2 emissions’, the emissions were presented in a way that indicated Varma had a reduction target of -17.3 (kgCO₂eq/m²) for the intensity value of market-based Scope 2 emissions for 2030. There is no such target.
- On the top row of the above-mentioned table, the unit of measurement in the column ‘Base year (2021)’ is ktCO₂eq, but the figures have been given as tCO₂eq.
- In the section ‘Targets related to climate change mitigation and adaptation (E1-4)’, table 32, the unit on the top-most row is

ktCO₂eq, but the figures have been given as tCO₂eq. **ESRS 2 BP-2 14**

The role of the administrative, management and supervisory bodies

GOV-1

Varma’s central executive bodies are the Supervisory Board, the Board of Directors and the President and CEO. Varma’s governance is based on the Finnish Act on Earnings-Related Pension Insurance Companies. Varma complies with the applicable provisions of the Finnish Corporate Governance Code. The starting point for Varma’s corporate governance is the company’s core tasks, which are the implementation of statutory earnings-related pension security and investment of pension assets. The statutory earnings-related pension scheme was created by an agreement concluded between the government and labour market organisations, and the tripartite model still plays a key role in the development of the system. Labour market organisations also participate in the administration of earnings-related pension companies.

The roles and responsibilities of the administrative, management and supervisory bodies, as referred to in the CSRD, in exercising oversight of the process to manage material impacts, risks and opportunities, including management’s role, have not been described in detail at Varma. Varma has also not described in detail how the administrative, management and supervisory bodies and senior executive management oversee the

setting of targets related to material impacts, risks and opportunities, as referred to in the CSRD, and how they monitor progress towards them.

However, it can be noted that the tasks of administrative, management and supervisory bodies in internal control and risk management are generally defined, and they are also complied with in sustainability matters. This topic is described in the following section and in the section ‘Risk management and internal controls over sustainability reporting’. **ESRS 2 GOV-1 5 a, 19, 20 b, 22 b, 22 c, 22 d**

Oversight of the impacts, risks and opportunities as well target setting and progress therein is also integrated in Varma’s governance model. A key supervisory body in internal control is the Audit Committee, whose members have been elected from among the members of the Board of Directors. **ESRS 2 GOV-1 5 a, 22 a, 22 c**

In addition to the figure ‘Varma’s corporate governance structure from the perspective of sustainability matters’, the role of Varma’s administrative, management and supervisory bodies can be examined with the help of the figure ‘Varma’s sustainability governance’. It provides a general description of how sustainability-related development matters, the sustainability programme, including its targets, and sustainability principles and policies are determined and decided at Varma. The Responsible Investment & Sustainability department works in co-operation with the sustainability coordinators of Varma’s various functions, developing sustainability in accordance with external requirements and the sustainability programme.

Figure 1: Varma’s corporate governance structure

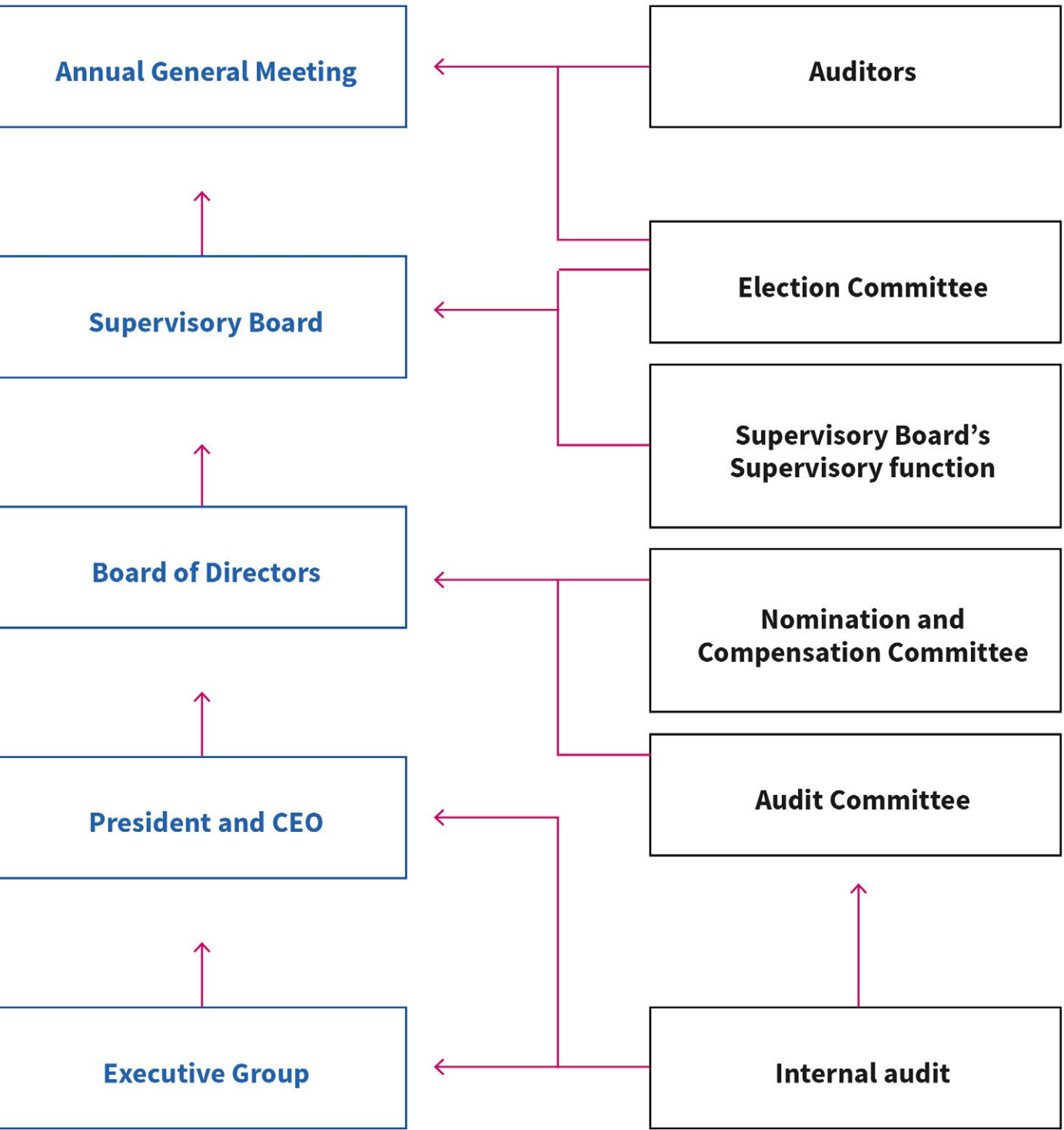


Figure 2: Varma’s corporate governance structure from the perspective of sustainability matters

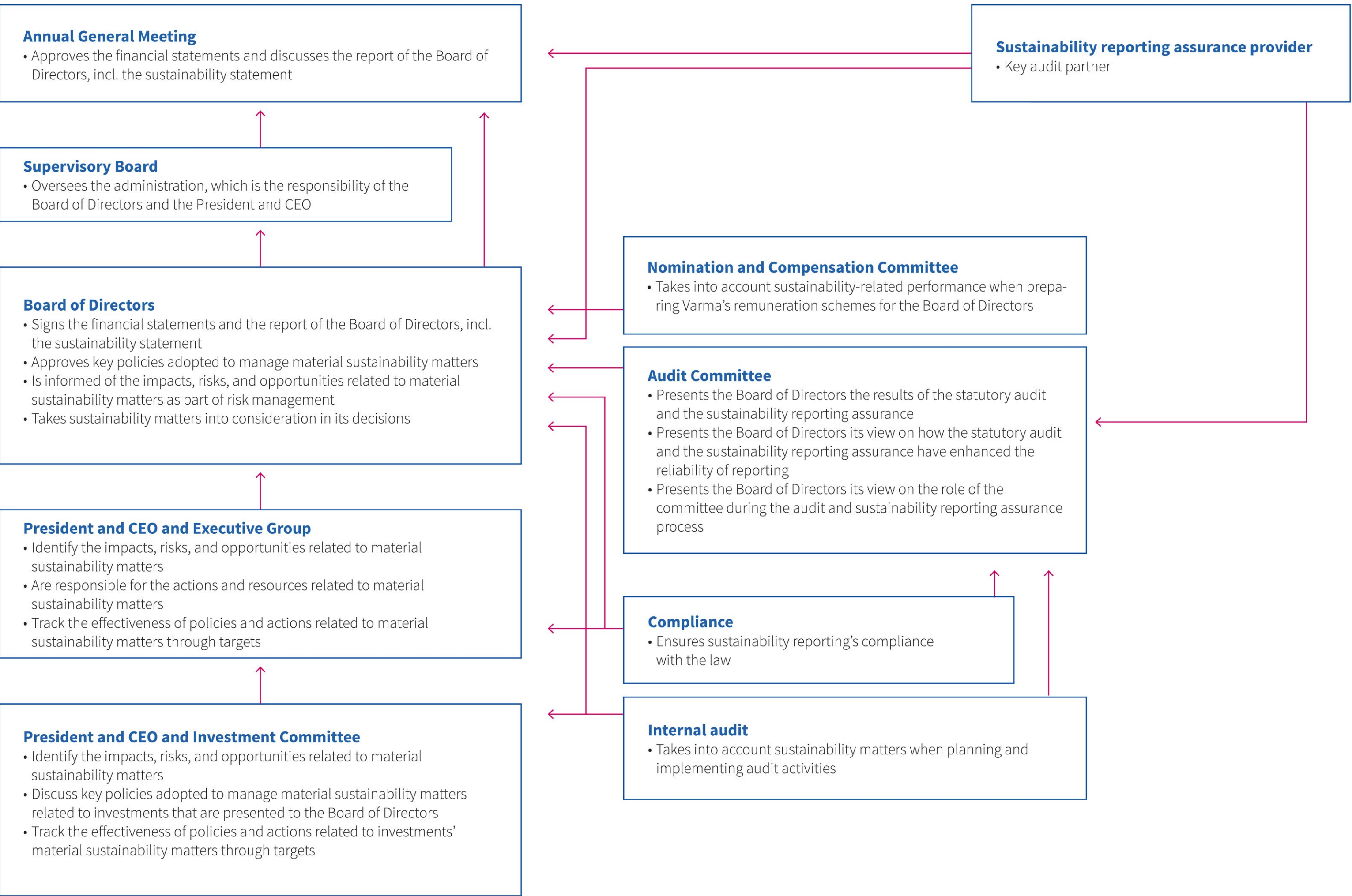
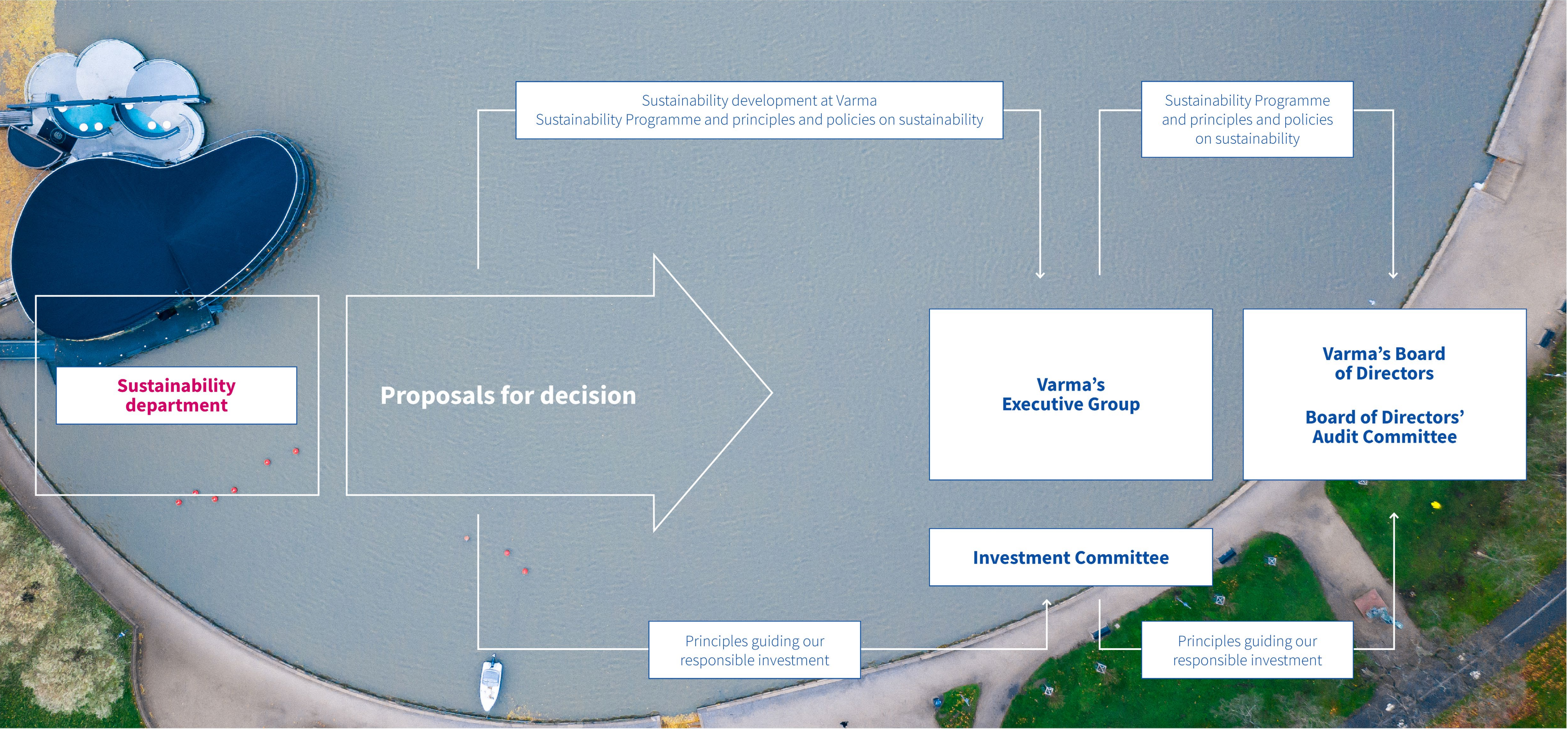


Figure 3: **Sustainability governance**



Supervisory Board

The Supervisory Board supervises the administration, which is the responsibility of the Board of Directors and the President and CEO. The Supervisory Board also elects the members and deputy members of the Board of Directors, approves their remuneration and appoints the Election Committee from among its own members or from the members of the Board of Directors. The 32 members of the Supervisory Board are elected by the Annual General Meeting. The Annual General Meeting elects seven members from among candidates put forward by major employer organisations, eleven members from among candidates put forward by major employee organisations and fourteen other members, who represent Varma’s client companies. The Supervisory Board elects the Chair and the Deputy Chairs from among its members each year.

The Election Committee, the members of which are appointed by the Supervisory Board from among its members and members of the Board of Directors, submits a proposal to the Annual General Meeting on the election of Supervisory Board members and on the members’ remunerations, and submits a similar proposal to the Supervisory Board concerning the members of the Board of Directors.

In order to fulfil its supervisory task, the Supervisory Board has established a supervisory function in which the presiding officers and four members of the Supervisory Board, the presiding officers of the Board of Directors and the CEO discuss current issues in the company and the earnings-related pension system.

Table 2: **Composition of the Supervisory Board 31 Dec 2025**

Members of the Supervisory Board	Freely elected	Employer representatives	Employee representatives
Vitzthum Christoph, Chair	x		
Leiwo Päivi, Deputy Chair		x	
Vanhala Petri, Deputy Chair			x
Aaltonen Juri			x
Akseli Ari		x	
Broman Eero		x	
Castrén Petri	x		
Forsström Kim		x	
Heinonen Lasse	x		
Hovinmäki Marko			x
Joukio Mika	x		
Järvenpää Janne-Olli		x	
Jäämaa Jukka		x	
Kalliorinne Risto			x
Karjalainen Anne			x
Kopra Ville	x		
Korpeinen Tapio	x		
Korpela Jari			x
Kravi Katariina	x		
Kuusniemi Pekka	x		
Lylander Hanna			x
Markula Elisa	x		
Mäkynen Maria			x
Pesonen Pasi			x
Piirainen Marko			x
Puro Perttu	x		
Pöyhönen Simo			x
Rautiainen Mika	x		
Tiitinen Pekka	x		
Tyni Tarja	x		
Vehviläinen Jorma	x		
Vuorio Anssi			x

- None of the 32 (32) members of the Supervisory Board are engaged in business management or are in an employment relationship with or otherwise employed by Varma.
- Of the members of the Supervisory Board, 34 (34) per cent statutorily represent the insured and have been elected on the proposal of major employee organisations, and 22 (22) per cent statutorily represent policyholders and have been elected on the proposal of major employer organisations. The remaining 44 (44) per cent are policyholder shareholders of Varma Mutual Pension Insurance Company. For that reason, Varma does not disclose the number of independent members in its Corporate Governance Statement.
- Of the Supervisory Board members, 22 (19) per cent are women and 78 (81) per cent are men. **ESRS 2 GOV-1 20 a, 21 a, b, d, e**

Board of Directors

The Board of Directors is responsible for Varma’s governance and the appropriate organisation of its operations and heads Varma in a professional manner, in accordance with healthy and prudent business principles and sound governance principles. The Board of Directors draws up a charter for itself, defining its statutory and other tasks. According to legislation and the charter, the Board of Directors:

- draws up an investment plan on the investment of the company’s assets and monitors its implementation;
- carries out, together with the executive management, a risk and solvency

- assessment as part of strategic decision-making and risk management, and keeps the assessment updated;
- approves the description of Varma’s corporate governance system and the continuity plan, as well as the policies for internal control, the risk management system, the arrangement of internal auditing, compliance operations, the identification and prevention of conflicts of interest, employee rewards, the outsourcing of functions and the ownership policy;
- appoints and dismisses the President and CEO and the Deputy CEO, if necessary;
- appoints the directors that report directly to the CEO;
- confirms the terms of employment and remuneration schemes for the CEO and members of the Executive Group;
- appoints an actuary and senior physician;
- evaluates the activities of the CEO, the deputy CEO and the directors who report directly to the CEO, and the management resources and their adequacy;
- approves the basic organisation of the company and composition of the Executive Group;
- arranges the company’s administration such that it is able to efficiently and independently monitor the President and CEO, other executive management and the rest of the organisation;
- ensures that the company has a corporate governance system in place in which the areas of responsibility are defined and which enables compliance with healthy and prudent business principles;

- decides on personnel remuneration schemes;
- confirms the company’s values and decides on the strategic targets and overall strategy;
- confirms the operating expenses budget;
- exercises the supreme power of decision related to investment operations and approves the powers of decision in investment operations;
- approves the financial statements, signs the financial statements and the Report of the Board of Directors, and sees to it that control of the company’s accounting and financial affairs is appropriately arranged;
- oversees the arrangement and organisation of internal control at all organisational and operational levels, and annually assesses whether the company’s internal control is arranged appropriately and, if necessary, initiates corrective measures;
- decides on compliance operations;
- decides on the client bonus policy;
- decides on both incoming and outgoing insurance portfolio transfers (company pension fund transfers);
- decides on the company’s actuarial principles applications;
- appoints the members of the consultative committees and approves the rules and remuneration for the committees;
- decides on the authorisations to sign for the company;
- convenes the Annual General Meeting and prepares the agenda for the Annual General Meeting and the Supervisory Board meetings;

- approves, if necessary, company-wide guidelines on key topics;
- annually elects the members of the Audit Committee and those of the Nomination and Compensation Committee, and approves their rules;
- in its annual self-assessment, assesses the conditions for its activities, the method of discussion and decision-making at its meetings, the division of work and co-operation between the Board and the executive management, and the company’s internal controls and risk management.

The Board of Directors and its member meet the statutory qualification requirements: the Board members are of good repute and they have solid expertise in earnings-related pension insurance activities, and the Board as a whole has expertise in investment activities. The composition of Varma’s Board of Directors is planned for the long term. Efficient work requires sufficient and diverse expertise, competence and experience and sufficient gender representation. The Board members have been presented with matters related to sustainability reporting. The Board of Directors has also received training on sustainability matters by an external expert in a joint event with the Executive Group. Of the Board members, at least Jaakko Eskola, Anja Frada and Teo Ottola are familiar with sustainability matters through their tasks outside of Varma.

ESRS 2 GOV-1 5 b, 19, 20 a, 20 c, 23 a, 23 b, 21 c The competence of the Board members was used such that some Board members were interviewed in the context of determining the material

impacts, risks and opportunities.

ESRS 2 GOV-1 23 b

The Board of Directors has 12 members and three deputy members. The Supervisory Board elects to the Board of Directors two members and one deputy member from among candidates put forward by major employer organisations, four members and one deputy member from among candidates put forward by major employee organisations and six other members and one other deputy member. The Board of Directors elects the Chair and the Deputy Chairs from among its members each year.

- None of the 12 members and 3 deputy members of the Board of Directors are engaged in business management or are in an employment relationship with or otherwise employed by Varma.
- Of the 12 members of the Board of Directors, 33 per cent statutorily represent the insured and have been elected on the proposal of major employee organisations, and 17 per cent statutorily represent policyholders and have been elected on the proposal of major employer organisations. The remaining 50 per cent are policyholder shareholders of Varma Mutual Pension Insurance Company. There is one deputy member from each of these groups. For that reason, Varma does not disclose the number of independent members in its Corporate Governance Statement.
- Of the Board of Directors’ members, 50 (42) per cent are women and 50 (58) per cent are men. All the deputy members are men. **ESRS 2 GOV-1 19, 20 a, 21 a, b, d, e**

Table 3: **Composition of the Board of Directors 31 Dec 2025**

Members of the Board of Directors	Freely elected	Employer representatives	Employee representatives
Eskola Jaakko, Chair		x	
Ahokas Anu, Deputy Chair	x		
Palola Antti, Deputy Chair			x
Aalto Riku			x
Arkilahti Nina	x		
Dahl Eveliina	x		
Frada Anja	x		
Mäkelä Kristiina	x		
Ollus Simon-Erik		x	
Ottola Teo	x		
Piispanen Pekka			x
Siekkinen Saana			x
Deputy members			
Elo Jari			x
Hakala Jouni		x	
Talasmäki Ville	x		

The Board of Directors has two committees.

In the financial year, the Nomination and Compensation Committee was composed of Jaakko Eskola (Chair), Anu Ahokas and Antti Palola. The committee prepares for the Board proposals concerning the company’s remuneration scheme, appointment and remuneration matters to be decided by the Board, the employment terms and conditions of the CEO and Executive Group members, and key changes in the operating structure. Of the 3 members of the Nomination and Compensation Committee, 33 per cent represent the insured and 67 per cent represent the policyholder shareholders. Of the Nomination

and Compensation Committee members, 67 per cent are men and 33 per cent are women.

ESRS 2 GOV-1 19, 20 a

In the financial year, the Audit Committee was composed of the Board members Teo Ottola (Chair), Anja Frada, Kristiina Mäkelä and Antti Palola. At least one member must have expertise especially in accounting, book-keeping or auditing. The Audit Committee members have familiarised themselves with sustainability matters in their meetings and consulted Varma’s specialists and external experts on the matter. **ESRS 2 GOV-1 23 a, 23 b** The Audit Committee spends approximately

15 per cent of its meeting time on sustainability reporting and related matters.

The Audit Committee assists the Board of Directors in carrying out its oversight obligation and prepares for the Board matters belonging to the Audit Committee’s tasks. The Audit Committee also assists the Board in the oversight of sustainability-related impacts, risks and opportunities. The chair of the Audit Committee reports on the committee meetings to the Board.

Key tasks of the Audit Committee include:

- discussing the description of the corporate governance system, and policies;
- monitoring the efficiency of the company’s corporate governance system;
- monitoring the achievement of the set objectives and targets;
- monitoring the economic efficiency, effectiveness and productivity of the operations;
- monitoring the effectiveness of the risk management system and major risks;
- monitoring compliance;
- monitoring the functioning of financial and other reporting, including sustainability reporting, the system of supervision and the delegation of responsibility; **ESRS 2 GOV-1 22**
- proactively ensuring that the investment plan and the key accounting principles are appropriate;
- monitoring the company’s financial situation and the execution of the investment plan;

- monitoring the audit plans and findings, assessing the independence of auditing and preparing the proposal for selecting the auditor;
- discussing the internal audit’s instructions and audit plan as well as monitoring the findings and efficiency of internal audits;
- assessing the company’s tax policy and suggesting necessary changes to the Board;
- discussing the main features of the internal control and risk management systems connected with the financial reporting process included in the Corporate Governance Report published by the company;
- addressing any other tasks required to fulfil the purpose of the committee.

Of the 4 members of the Audit Committee, 25 (25) per cent represent the insured and 75 (75) per cent represent Varma’s policyholder shareholders. Of the Audit Committee members, 50 (25) per cent are women and 50 (75) per cent are men. **ESRS 2 GOV-1 19, 20 a, 21 a, b, d, e**

Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

GOV-2

In the various business reviews in accordance with the Board’s annual plan and in connection with each meeting by means of the CEO’s reviews, the Board receives information about changes in the operating environment, the

company’s operations, the achievement of the performance indicators, opportunities and risks, as well as the Chief Investment Officer’s review of the development of the investment market, related risks and the situation of Varma’s investment portfolio.

The Board extensively discusses matters related to risk management and oversight once a year in January. In this meeting, the Board consults persons responsible for risk management, compliance and the internal audit, and other experts. In conjunction with this, the Board also approves the description of the corporate governance system, the internal control policy and risk management policy, the continuity plan, internal audit instructions and compliance instructions. At the same meeting, the Board assesses the functioning of the corporate governance system and internal control.

The Board also consults persons responsible for compliance and internal auditing, and other experts in its June meeting.

The Board evaluates the risks of Varma’s entire operations annually in the risk and solvency assessment it performs with the management at the same meeting where it finally approves Varma’s annual investment plan.

Before the initial discussion on the investment plan, the company’s chief actuary informs the Board about the requirements set by the technical provisions for investment activities and risk management and gives a

statement about the investment plan at the meeting following its approval.

Once a year, the Board is given a sustainability review by the senior vice-president responsible for sustainability. The Board approves the sustainability statement in connection with the financial statements. **ESRS 2 GOV-2 26 a**

Twice a year, the Board and the Executive Group have a joint seminar, in which current themes important in terms of the Board’s work are discussed. In spring 2025, the seminar topics included, among others, the challenges and development of the current state of work ability and vocational rehabilitation.

When making individual investment decisions, the Board has an assessment prepared by the independent risk management function at its disposal.

The Board receives monthly reports with information on operations, impacts, opportunities and risks. More extensive information, a separate risk report and, if necessary, additional information on the current situation are provided on a quarterly basis.

The Audit Committee discusses matters more extensively when preparing them for the Board. The chair of the Audit Committee reports on each committee meeting to the Board.

By means of the above-mentioned reporting and Audit Committee actions, the Board ensures that it has an appropriate mechanism for performance monitoring in place.

ESRS 2 GOV-2 26 b

Table 4: **Impacts, risks and opportunities addressed in 2025¹**

Topic	Sub-topic	Addressed by	Impacts, risks and opportunities addressed
E1 Climate change	Climate change mitigation Climate change adaptation	Executive Group and Board of Directors	Climate change mitigation and adaptation are reported to the Board of Directors in the Chief Investment Officer’s investment market and portfolio review. In the annual sustainability review presented to the Board of Directors in August 2025, the Senior Vice President of Sustainability addressed the identification, measurement, monitoring and reporting of environmental risks related to investees. The Executive Group discussed and approved the updated double materiality assessment (DMA) in June 2025. The Board of Directors discussed and approved the four areas of the sustainability programme, and the Executive Group discussed and approved the targets and measures for the areas in October 2025.
	Energy	Executive Group	The Executive Group discussed and approved the updated DMA in June 2025.
E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Executive Group and Board of Directors	In the interim report Q3, the Board was presented with an assessment of the mitigation of biodiversity loss in the company’s investments, addressing risks and impacts related to biodiversity. In the annual sustainability review presented to the Board of Directors in August 2025, the Senior Vice President of Sustainability addressed the identification, measurement, monitoring and reporting of environmental risks related to investees. The Executive Group discussed and approved the updated DMA in June 2025. The Board of Directors discussed and approved the four areas of the sustainability programme, and the Executive Group discussed and approved the targets and measures for the areas in October 2025.
	Impacts on the state of species Impacts on the extent and condition of ecosystems Impacts and dependencies on ecosystem services	Executive Group and Board of Directors	The Executive Group discussed and approved the updated DMA in June 2025. The Board of Directors discussed and approved the four areas of the sustainability programme, and the Executive Group discussed and approved the targets and measures for the areas in October 2025.
E5 Circular economy	Resources inflows, including resource use Waste	Executive Group	The Executive Group discussed and approved the updated DMA in June 2025.
S1 Own workforce	Working conditions	Executive Group and Board of Directors	The Executive Group addressed the following topics: strategic competences, pay discussion, personnel review, pay review, work ability review, workplace survey 2025 and sustainability targets and measures related to the personnel who work on Varma’s sustainability programme. The Board of Directors discussed and approved the sustainability programme for 2026–2030, which includes personnel-related sustainability targets and measures.
	Equal treatment and opportunities	Executive Group	The Executive Group addressed the following topics: the equality and non-discrimination plan for 2025–2026, Pride partnership and workplace survey 2025.
	Other work-related rights		Was not discussed in 2025.
S2 Workers in the value chain	Working conditions Equal treatment and opportunities Other work-related rights	Executive Group	The Executive Group discussed and approved the updated DMA in June 2025.
S3 Communities	Communities’ economic, social and cultural rights	Investment committee	The violations of international agreements and standards and national laws on the Investment Committee’s monitoring lists were addressed. The total number of violations during the year was 8.

¹ ESRS 2 GOV-1 26 c

Table 4: **Impacts, risks and opportunities addressed in 2025¹**

Topic	Sub-topic	Addressed by	Impacts, risks and opportunities addressed
S4 Consumers and end-users	Information-related impacts	Executive Group and Board of Directors	The Executive Group receives a summary of risks related to information security and data protection on a quarterly basis. The information security manager and the data protection officer report annually to the Board.
	Personal safety	Executive Group, Board of Directors and Supervisory Board	The Executive Group, Board of Directors and Supervisory Board are presented with an annual work ability services review, which includes reports on work ability services, vocational rehabilitation and disability pensions. In addition, the Board of Directors was presented with the Senior Physician’s review. The reviews include information on applications related to disability pensions and vocational rehabilitation by main diagnosis group, age group and gender, as well as on the rate of approved and rejected applications.
	Social inclusion	Executive Group and Board of Directors	The Executive Group receives a monthly report on the progress towards the customer satisfaction targets. The development of disability pension applications by diagnosis and age group is reported to the Executive Group and Board of Directors on a quarterly basis. The percentage of Varma’s pension decisions changed by the Pension Appeal Board is annually reported to the Executive Group and Board of Directors.
G1 Business conduct	Corporate culture	Executive Group and Board of Directors	The Executive Group and Board of Directors were presented with a compliance plan for 2025, which was approved by the Board. The Board approved the risk management policy and internal control policy.
	Protection of whistleblowers		Was not discussed in 2025.
	Political engagement and lobbying activities	Executive Group	The Executive Group received biannual reviews on matters reported to the Transparency Register.
	Corruption and bribery	Executive Group and Board of Directors	Compliance reports preceding the compliance report of Jan 2024 included information on the number of reports submitted to the gift register and the most common topic of the reports, i.e. the most common gift or hospitality given/received in accordance with the internal guidelines.
	Management of relationships with suppliers, including payment practices		Was not discussed in 2025.
	Taxes	Executive Group and Audit Committee	Varma’s Executive Group and Audit Committee were presented with a topical review on taxes. The Audit Committee decided not to change Varma’s tax policy, as proposed by the Chief Financial Officer.

¹ ESRs 2 GOV-1 26 c

Integration of sustainability-related performance in incentive schemes

GOV-3

Varma calls its incentive scheme a remuneration scheme.

Sustainability-related goals were taken into account in Varma's remuneration schemes in 2025 as follows:

In the remuneration scheme for key persons and the remuneration scheme for personnel, at least 10 (10) per cent of the company-level remuneration targets consist of sustainability targets:

- Consumers and end-users, Uninterrupted income: customers are paid their pension during the month when their retirement begins, limit: 85–90 (85–90) per cent. Of the sustainability-related performance metrics, the metric of uninterrupted income is considered a performance benchmark and is thus included in the remuneration scheme.

ESRS 2 GOV-3 29 c

- External assessment of Varma's sustainability: in the assessment, Varma's sustainability performance is benchmarked against other insurance companies, including an assessment in which sustainability is given a score from the perspectives of the environment, labour & human rights, ethics and sustainable sourcing. The lower limit for remuneration is 80/100 (80/100) points, and full remuneration is reached if the points are at least 90/100 (90/100). The metric is considered a benchmark of Varma's sustainability performance.

Additionally, there are sustainability-related targets in the department-level remuneration scheme that are considered sustainability performance benchmarks:

- Consumers and end-users, A customer experience metric, which aims to strengthen the positive impacts and opportunities of consumers and end-users, such as timely, high-quality and smooth service and equal treatment. The weight of the customer experience metric of the department-level remuneration is 0–30 (0–30) per cent, depending on the department. The full remuneration level is reached if the score is at least 3.80 (3.80) on a scale of 1–4. The threshold for 20 per cent remuneration is a score of 3.20 (3.20). The target value, entitling to remuneration of 50 per cent, is 3.50 (3.50).
- Consumers and end-users, The target of increasing the use of digital work ability services: The disability risk management support offered by Varma to client companies has been identified as a material positive impact. The fact that Varma increases entrepreneurs' and companies' awareness of work ability services so that the services reach them and their employees has also been identified as a material positive impact. The weight of the target is 0–25 per cent of department-level remuneration, depending on the department. The limit for full remuneration is 31 per cent. The threshold for 20 per cent remuneration is 25 per cent. The target value, entitling to remuneration of 50 per cent, is 28 per cent.

The metrics and targets for the department-level remuneration scheme are decided by Varma's Executive Group.

In the Investment Operations' remuneration scheme, 10 (10) per cent of the remuneration targets consist of an external responsible investment assessment in which Varma's responsible investments are compared to the responsible investments of other international operators. **ESRS 2 GOV-3 29 b, d** The metric is considered a benchmark of Varma's sustainability performance.

The proportion of variable remuneration depends on the remuneration scheme as follows.

The scheme for key persons is composed of Executive Group members and middle management supervisors. The maximum amount of remuneration paid out from the remuneration pool is based on the realisation of targets, the number of key persons, monthly salaries and maximum remuneration months. The maximum performance pay is equal to 4.5–7 months' salary and the phone benefit, depending on the role.

The remuneration scheme for personnel covers all Varma employees who do not belong to other remuneration schemes. The maximum performance pay is equal to 1–3.5 months' salary and the phone benefit. The review period for the remuneration scheme is one calendar year, and the scheme involves company-level and department-level targets. Those working in sales also have personal targets, and for some the measurement period regarding these targets is a quarter year. The

weighting of targets varies between personnel groups or job requirements.

The remuneration scheme for Investment Operations includes all employees working in Investment Operations and also the individual from the Responsible Investment & Sustainability department who participates in investment activities. The remuneration of the CEO and senior vice president of sustainability and communications is also partially determined by this scheme.

Personal maximum remuneration corresponds to a maximum of 12 months' salary and a minimum of one month's salary. A share of remuneration that corresponds to no more than six months' salary is paid within approximately one month following the granting of the remuneration, and the remainder within three years in a maximum of three instalments. Each instalment corresponds to a minimum of one month's salary.

The President and CEO is included in the remuneration schemes for key persons and Investment Operations, and their maximum performance pay is equal to 12 months' salary. Seven months of the remuneration are tied to the targets of the key persons' scheme, and five months to the targets of the Investment Operations' scheme. A share of remuneration that corresponds to no more than six months' salary is paid within approximately one month following the granting of the remuneration, and the remainder within three years in a maximum of three instalments. Each instalment corresponds to a minimum of one month's salary.

The Chief Investment Officer is included in the remuneration scheme for Investment Operations. Their maximum performance pay is equal to 12 months' salary. A share of remuneration that corresponds to no more than six months' salary is paid within approximately one month following the granting of the remuneration, and the remainder within three years in a maximum of three instalments. Each instalment corresponds to a minimum of one month's salary. Any share to be paid in instalments must equal at least one month's salary. Other Executive Group members belong to the key persons' scheme. Their maximum performance pay is equal to 6.5 months' salary. **ESRS 2 GOV-3 29 a, d**

The Board of Directors approves Varma's remuneration principles and, as part of it, the remuneration policy, and follows and monitors their implementation on the basis of preparatory work carried out by the Nomination and Compensation Committee. Decision making concerning the company's remuneration follows principles that aim to ensure the prevention and control of conflicts of interest. The basic principle is that the executive body that elects a given executive body also decides on the remuneration of the executive body in question. The purpose of this principle is to ensure fair and equal decisions. When determining remuneration, external consultants are used as needed. For weighty reasons, the Board of Directors has the right to change the amount of the performance pay or cancel or postpone its payment. **ESRS 2 GOV-3 29 e**

Integration of sustainability-related performance in incentive schemes, climate aspects

Disclosure requirement related to ESRS 2 GOV-3

Climate-related considerations are not factored into the remuneration of members of the administrative and supervisory bodies. Climate-related considerations are factored in indirectly into the remuneration of the Executive Group. A description of the incentive scheme is available above in the section ‘Integration of sustainability-related performance in incentive schemes’. **ESRS E1: ESRS 2 GOV-3 13**

Statement on due diligence

GOV-4

Table 5: **Core elements of due diligence**¹

Core elements of due diligence	Sections in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	• The role of the administrative, management and supervisory bodies GOV-1 • Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies GOV-2 • Integration of sustainability-related performance in incentive schemes GOV-3 • Risk management and internal controls over sustainability reporting GOV-5
b) Engaging with affected stakeholders in all key steps of the due diligence process	• Interests and views of stakeholders SBM-2 • Processes for engaging with own workforce and workers’ representatives about impacts S1-2 • Processes for engaging with value chain workers about impacts S2-2 • Processes for engaging with affected communities about impacts S3-2 • Processes for engaging with consumers and end-users about impacts S4-2
c) Identifying and assessing adverse impacts	• Material impacts, risks and opportunities and their interaction with strategy and business model SBM-3 • Description of the processes to identify and assess material impacts, risks and opportunities IRO-1 • Material impacts, risks and opportunities and their interaction with business ESRS E1: ESRS 2 SBM-3 • Material biodiversity and ecosystem-related impacts, risks and opportunities ESRS E4: ESRS 2 SBM-3 • Material impacts, risks and opportunities related to resource use and circular economy ESRS E5: ESRS 2 SBM-3 • Material impacts, risks and opportunities related to own workforce ESRS S1: ESRS 2 SBM-3 • Material impacts, risks and opportunities related to value chain workers ESRS S2: ESRS 2 SBM-3 • Material impacts, risks and opportunities related to affected communities ESRS S3: ESRS 2 SBM-3 • Material impacts, risks and opportunities related to consumers and end-users ESRS S4: ESRS 2 SBM-3 • Material impacts, risks and opportunities related to business conduct ESRS G1: ESRS 2 SBM-3
d) Taking action to address negative impacts	• Actions and resources in relation to climate change policies E1-3 • Actions and resources related to biodiversity and ecosystems E4-3 • Actions and resources related to resource use and circular economy E5-2 • Processes to remediate negative impacts and channels for its own workforce to raise concerns S1-3 • Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S1-4 • Processes to remediate negative impacts and channels for value chain workers to raise concerns S2-3 • Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions S2-4 • Processes to remediate negative impacts and channels for affected communities to raise concerns S3-3 • Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions S3-4 • Processes to remediate negative impacts and channels for consumers and end-users to raise concerns S4-3 • Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions S4-4
e) Tracking the effectiveness of these efforts and communicating	• Tracking effectiveness of policies and actions through targets MDR-T • Targets related to climate change mitigation and adaptation E1-4 • Targets related to biodiversity and ecosystems E4-4 • Targets related to resource use and circular economy E5-3 • Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S1-5 • Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S2-5 • Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S3-5 • Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S4-5

¹ ESRS 2 GOV-4 30, 32

Risk management and internal controls over sustainability reporting

GOV-5

Internal control is a process by means of which Varma aims to ensure the economic efficiency, effectiveness and productivity of the operations; the achievement of the set goals and targets; compliance with laws, rules, policies, the decisions of the administrative bodies and with internal rules, regulations and practices; management of operations-related risks; and reliability of reporting and other management information.

The Board must annually assess whether internal control is appropriately organised and, if necessary, take corrective measures. The Board must determine the content for internal control and confirm internal control policy. The Board is also responsible for ensuring that the policies are complied with in both the company and outsourced services. The Board’s Audit Committee plays a key role in supporting the Board of Directors in corporate sustainability reporting and preparing for it by monitoring the reporting.

In accordance with the definition in the Act on Earnings-Related Pension Insurance Companies, a company engaged in statutory employment pension insurance operations must employ a risk management system that is adequate in terms of the quality and scope of the company’s operations. The system must encompass the continuous identification, measurement, monitoring, control and reporting of risks to the company and the combined effects of those risks. Risk management is

used to ensure Varma’s ability to respond to rapidly changing conditions, the company’s business continuity, to build trust among customers and other stakeholders and support strategic and operational decision-making.

Risk management is an element of internal control and part of daily business management. Each manager is responsible for arranging appropriate risk management in their area of responsibility. The second-line independent risk management supports functions in managing operational risks and reports on risks to Varma’s Executive Group and Board of Directors. **ESRS 2 GOV-5 36 a**

The Board of Directors has overall responsibility for risk management. The CSRD introduced the oversight obligation of the Board and its Audit Committee in respect of the sustainability risk reporting process. This oversight obligation is fulfilled by regularly reviewing the development of sustainability reporting at Audit Committee meetings. The Audit Committee reports to the Board on, among other things, the results of the sustainability statement assurance and how the assurance improves the reliability of the data presented in the sustainability statement. **ESRS 2 GOV-5 36 d, e**

The aim is to integrate the material risks and opportunities identified in the double materiality assessment into Varma’s general risk management system and thus prioritise them in relation to other types of risks, using the same risk assessment tools. Varma examines sustainability risks as part of Varma’s other risks. Varma’s strategic, operational, financial and investment risks are assessed on a regular basis and recorded in Varma’s risk management system. The potential impacts and likelihood of identified risks are assessed on a risk-specific basis. Risk limits and the indicators used are determined by each function. Identified risks are compiled in a risk chart in which risks are prioritised on the basis of an evaluation and in accordance with their potential to threaten the achievement of Varma’s pursued strengths and the goals approved by the Board of Directors.

ESRS 2 GOV-5 36 b , ESRS 2 IRO-1 53 c iii

The most important risks related to Varma’s risk management also apply to sustainability reporting. The most important risks identified are: a) incompleteness of data obtained by risk management, for example, the incompleteness of the underlying data for risk analysis, which leads to invalid reporting and

decisions made on false grounds and b) unidentified and therefore uncontrollable risks. The strategy to mitigate these risks is:

- to increase risk awareness and understanding through, for example, a compulsory risk management online course for all Varma employees and briefing events by the independent risk management function at the meetings of Varma’s functions;
- at function-specific risk assessment meetings, to systematically discuss the main topical matters and changes in the operating environment, organisation and operations. The identified risks are also reviewed by processes and risk types;
- the results of the functions’ risk assessments are sent for approval to the heads of the functions, which gives them the opportunity to supplement the assessment with missing risks and influence prioritisation. After this, the results of the risk assessments are discussed by the Executive Group and approved by the Board of Directors;
- to assign independent risk management to functions that are independent of the risk-taking function;
- to automate the handling of risk data;

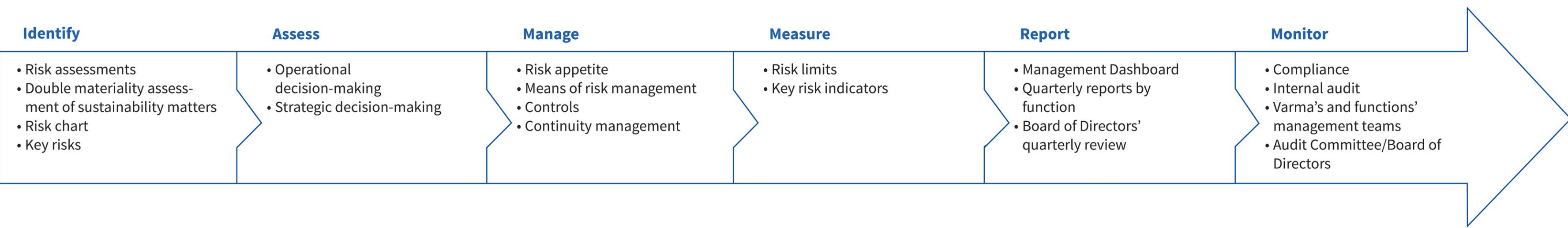
- close co-operation between second and third lines of defence of Varma’s risk management;
- to apply Varma’s risk management principles and regularly assess the adequacy of the measures.

Varma has separately identified the risks related to sustainability reporting. These are:

- the rapid development of sustainability reporting regulation, and up-to-dateness and correctness of its interpretation;
- the correctness and integrity of strategic information to be reported;
- the effectiveness of the sustainability reporting process
- the people risks related to sustainability reporting;

Risks related to co-operation and resources are mitigated by role and responsibility descriptions, sharing information and deputy arrangements. With regard to ensuring the interpretation of regulation, the management mechanisms include both Varma’s internal interpretation groups, and sector-wide interpretation groups and committees. Varma’s

Figure 4: Risk management process



internal projects and development projects serve as a means of managing the risks related to the sustainability reporting process, reporting tools and sustainability data.

The status of major risks is monitored quarterly by the functions’ management teams and Varma’s Executive Group, and through a risk report prepared for the Board of Directors.

ESRS 2 GOV-5 36 c, e

Strategy, business model and value chain

SBM-1

Sustainability is one of Varma’s strategic focus areas. According to the materiality assessment carried out by Varma in 2021 in relation to the sustainability programme, sustainable business means for Varma first and foremost taking care of pension assets and pension payments, investing responsibly and promoting sustainable working life. In 2025, Varma drew up a new sustainability programme for 2026–2030. In it, Varma commits to ensuring its customers’ pension security, investing responsibly, promoting sustainable work ability and providing a good place to work for Varma employees. The role of Varma’s Investment Operations is essential with respect to environmental responsibility, social responsibility, such as responsibility for Varma’s employees and respect for human rights, and anti-corruption and anti-bribery. The main sustainability risks may, if realised, affect Varma’s business through, for example, financial loss or weaker stakeholder trust. ESRS 2 SBM-1 38 a, 40 g For example, in the NGFS’s Net Zero 2050 scenario, the high price of a tonne

of carbon dioxide may cause significant financial challenges for client companies with high carbon intensity.

Varma provides statutory earnings-related pension cover for entrepreneurs and employees in Finland. Varma has two lines of service: companies take out TyEL insurance for their employees, while entrepreneurs insure themselves with YEL insurance. Varma also lets premises it owns to both private persons and companies as part of its investment activities. As Varma’s insurance business is based on law, there were no major changes in the service offering during the reporting period. ESRS 2 SBM-1 38 a i There have also been no significant market and/or customer group changes during the reporting period. ESRS 2 SBM-1 38 a ii, iii

Earnings-related pension coverage is financed by pension insurance contributions collected from entrepreneurs, companies that have taken out insurance and the insured, and returns on pension assets. Since the return on pension assets covers to a large extent the pension payments, the management of and solid, steady returns on pension assets are vital for Varma’s success. In accordance with Varma’s strategy, the effective implementation of earnings-related pension cover is at the core of the company’s business model. ESRS 2 SBM-1 42

Varma has not set sustainability-related goals in terms of groups of products and services, customer categories, geographical areas and relationships with stakeholders. Varma has not assessed its current significant products and/or services, and significant markets and customer groups in relation to its sustainability-related goals. ESRS 2 SBM-1 40 e, f

Varma’s strategic targets are:

- to provide the most affordable and smooth services to its customers; and
- to be a leader in sustainable working life and responsibility.

The following figure depicts Varma’s strategy:

Figure 5: Varma’s strategy

Strongest pension insurance partner

Varma’s strategy 2025–2030

Goals

The most cost-effective partner offering the smoothest services

Leading the way in sustainable working life and responsibility

- Smoothness and impact for the **customer**
- The right choice for **all** companies
- The **most efficient** earnings-related pension insurance company
- **Meaningful** sustainability actions
- **Cutting-edge** competence
Distinctive work culture



Varma’s business model has been described through the value chain as follows:

Table 6: **Value chain inputs, approach to gathering, developing and securing those inputs, Varma’s position in the value chain and key stakeholders**

Value chain	Input	Inputs and approach to gathering, developing and securing those inputs	Output (benefits)	Varma’s position in the value chain	Key stakeholders
Varma’s own operations	Varma’s own operations Personnel and personnel’s competence	Internal control and risk management Code of Conduct People, Health & Safety guidelines and procedures	Portfolio administration Customer relationship management Claims handling Disability risk management Pensions covered by premium income and investment returns	Employer	Personnel
Investment portfolio	Investments Investments made with premium income and investment returns	Internal control and risk management Investment plan Principles for responsible investment Ownership policy	Investment return Private debt	Investor, finances businesses	Investee companies
Direct real estate investments	Investments made with premium income and investment returns Capital expenditures in real estate Real estate holdings	Internal control and risk management Investment plan Principles for responsible investment	Return on real estate Leasable premises	Real estate investor Developer Tenant Buyer of services and goods	Tenants
Upstream value chain	Purchases from services and goods suppliers	Internal control and risk management Supplier Code of Conduct	Varma’s own operations	Buyer of services and goods	Service and goods suppliers Operators in the financial sector Operators in the real estate sector
Downstream value chain	Investment return Insurance business Claims handling Disability risk management Pensions covered by premium income and investment returns	Internal control and risk management Data protection policy Information security policy	Pension cover of an insured employee or entrepreneur Pension cover of a pension recipient	Pension cover provider	Policyholders Employees covered by earnings-related pension insurance Pension recipients and rehabilitees

Table 7: **Varma’s market position, strategy and business model**

Varma’s market position, strategy and business model	
Head count of employees by geographical areas: Finland	Finland 569 (593) ¹
Breakdown of total revenue, as included in the financial statements, by significant ESRS sectors: • Other service activities • Acquisition and purchase of buildings • Total	• EUR 10,361 (10,557) million • EUR 127 (134) million • EUR 10,487 (10,690) million²

¹ ESRS 2 SBM-1 40 a iii

² ESRS 2 SBM-1 40 b

Interests and views of stakeholders

SBM-2

The following table summarises how Varma engages with its key stakeholders, what the purpose of the engagement is, which themes are important to the stakeholders and how stakeholder engagement and the views of the stakeholders affect Varma’s operations, business model or strategy.

Consideration of the interests and views of stakeholders

Strategy

Varma’s strategy is based on its core task and values. The strategy takes into account the key views and interests of customers and private customers (consumers and end-users). Varma’s core task is to secure pensions. Varma is responsible for making sure that the pension funds its customers entrust it with are secure. Varma’s goal is to prove that it is worthy of its customers’ trust by providing the most affordable and smooth services and being a caring leader in sustainable working life and responsibility. Varma’s vision is ‘We support you in a world that’s going through incredible change’. Varma’s work is guided by the company values: courage, reliability and sustainability – with joy and passion.

Table 8: Varma’s key stakeholders, means and themes of stakeholder engagement and their impact on Varma’s operations, business model and strategy

Key stakeholder ¹	Means of stakeholder engagement ²	Purpose of stakeholder engagement ³	Important themes to stakeholders ⁴	Impact on operations, business model and strategy ⁵
Customers, consumers and end-users	• Consultative Committee for Pension Affairs • Consultative Committee of the Insured • Consultative Committee of Self-Employed Persons • Consultative Committee of Employers • Consultative Committee of Pensioners • Private customers’ customer panel • Customer surveys for insurance customers • Varma Academy (online courses, webinars, podcasts) • Customer meetings and events • Customers’ sustainability surveys for Varma	• To develop co-operation and communication between Varma, entrepreneurs, pensioners, labour market organisations as well as employees insured by Varma and employers • To explore client companies’ views on Varma’s operations	• Maintenance and improvement of the work ability of client companies’ employees • Understanding and responding to client companies’ needs • Private customers’ uninterrupted income	• Maintenance and development of operations • Development of and means of disability risk management
Personnel	• Employee survey • Snapshot surveys • Equality and non-discrimination survey every two years • Equality and non-discrimination working group • Whistleblowing channel • Co-determination; co-determination committee, shop steward co-operation • Personal annual, quarterly, competence and salary discussions • OHS committee • Incident and work-related accident reports • Health surveys and workplace surveys by occupational health provider • Employee representation in the Executive Group	• The goal of co-determination is to develop Varma’s operations and the employees’ opportunities to influence the decisions made in the company regarding work, working conditions and the status of employees • To promote equality, improve diversity and prevent and address discrimination	• Improving competence • Diversity • Equality and non-discrimination • Occupational safety and work ability	• Anonymous recruitment • Equality and non-discrimination plan • Work community development plan • Occupational health care’s action plan • OHS action plan • Accessibility surveys • Training and lectures • Online courses
Suppliers (service providers and goods suppliers)	• Fund manager survey • Supplier sustainability survey • Whistleblowing channel	• Supplier due diligence assessment	• Human rights • Health and safety • Other work-related rights • Supply chain management	• Development of sourcing sustainability
Workers in the value chain (suppliers’ workers, investee companies’ workers)	• Whistleblowing channel • Monitoring of norm violations	• Supplier due diligence assessment • Engagement and remediation of violations	• Human rights • Health and safety • Working conditions • Other work-related rights	• Monitoring of portfolio companies’ compliance with laws and international agreements, i.e. screening for norm violations • Supplier sustainability survey
Members of Varma’s administrative bodies	• The Audit Committee and Executive Group have been informed of the double materiality assessment, the 2025 assessment update and stakeholder views gathered in conjunction with these⁶	• To secure commitment to Varma’s sustainability management	• Well-being of own workforce • Financial sustainability	• Improvement of operations based on the assessment
Authorities and decision-makers	• Meetings with the Financial Supervisory Authority • Meetings, seminars and panels	• To comply with regulations	• Climate risks • Sustainability reporting	• Development of operations in compliance with current and future regulations
Investee companies	• General meetings • Portfolio managers’ company meetings	• Implementation of active ownership • Engagement and remediation of violations • Engagement to promote sustainability	• Environmental matters • Social matters, such as human rights, occupational health and safety, cyber security • Good governance	• Monitoring of norm violations • Activity in general meetings • Engagement at company meetings
Labour market organisations	• Bilateral meetings • Seminars	• Bidirectional information exchange • Sharing current topics • Interest representation	• Not separately identified	• Changes in benefits and investment regulations • Direct impacts on the operating environment

¹ ESRS 2 SBM-2 45 a i

² ESRS 2 SBM-2 45 a ii, iii

³ ESRS 2 SBM-2 45 a iv

⁴ ESRS 2 SBM-2 45 b

⁵ ESRS 2 SBM-2 45 a v, c

⁶ ESRS 2 SBM-2 45 d

Respect for human rights

Varma is committed to respecting human rights and operating in accordance with the United Nations Guiding Principles on Business and Human Rights. The Principles include human rights due diligence, which means that companies must identify, prevent and alleviate the negative human rights impacts of their operations and address them.

In addition to the Code of Conduct, Varma’s human rights work is steered by the principles for responsible investment, active ownership and engagement principles, and principles for human rights. Varma is a participant in the UN Global Compact corporate responsibility initiative, in line with which Varma promotes human rights, labour rights, environmentally friendly business and anti-corruption. We submit an annual Communication on Progress (CoP) to the UN.

Materiality assessments

In its double materiality assessment carried out in 2023, Varma made use of the extensive stakeholder studies performed in 2021 that included a questionnaire, an online survey and an Executive Group workshop. Examples of these key themes are climate change, biodiversity, human rights, and promoting work ability and longer careers. Taking care of Varma’s responsible core tasks, such as securing solvency and ensuring smooth implementation of pension cover, were among the most important themes raised by the stakeholders. The cost efficiency and transparency of Varma’s operations, good governance and efforts to increase trust in the pension system were also considered important themes.

Table 8: **Varma’s key stakeholders, means and themes of stakeholder engagement and their impact on Varma’s operations, business model and strategy**

Key stakeholder ¹	Means of stakeholder engagement ²	Purpose of stakeholder engagement ³	Important themes to stakeholders ⁴	Impact on operations, business model and strategy ⁵
Responsibility and sustainability organisations (Finsif, FIBS, UN Global Compact)	• Events, panels and training	• Development of business and investment sustainability	• Environmental matters • Social matters • Good governance • Respect for human rights • Freedom of association • Eliminating forced labour • Eliminating child labour • Eliminating discrimination • Prudence in environmental matters • Environmental sustainability initiatives • Environmentally friendly technologies • Anti-corruption	• Increasing competence
Other pension cover providers	• Interaction in sector organisation events • Co-operation in the Finnish Pension Alliance TELA	• Interest representation	• Strengthening the earnings-related pension system and influencing the general operating environment in the sector	• Participation in Tela’s administration and activities
Non-governmental organisations	• Replying to organisations’ surveys • Bilateral meetings • Partnership (Helsinki Pride) • Whistleblowing channel	• Promoting equality in working life	• Human rights • Environmental themes	• Increasing competence
Media	• Releases • Media events • Maintaining and managing media relations	• To promote open societal interaction • To communicate Varma’s key themes and measures to the media	• Real estate sustainability • Environmental objectives • Anonymous recruitment • Fund management companies’ sustainability • Addressing investee companies’ biodiversity • Activities to promote equality in working life	• Increasing transparency of operations

¹ ESRS 2 SMB-2 45 a: i
² ESRS 2 SMB-2 45 a: ii, iii
³ ESRS 2 SMB-2 45 a: iv
⁴ ESRS 2 SMB-2 45 b
⁵ ESRS 2 SMB-2 45 a: v, c

A large number of Varma employees from different functions contributed to the 2023 double materiality assessment. In the fourth phase of the assessment, 13 stakeholder interviews were conducted, based on which the assessment was further adjusted. Varma employees, members of the Board and representatives of the pensioners, employers and private customers took part in the interviews. Of those interviewed, 17 represented internal stakeholders and 5 external stakeholders. The final sustainability topics, which are material to Varma, were approved by Varma’s Executive Group in December 2023 and then forwarded to the Audit Committee and Board of Directors for their information. **ESRS 2 SBM-2 45 d**

In 2025, Varma updated the double materiality assessment as regards the individual impacts, risks and opportunities identified in conjunction with its sustainability programme work. A large number of Varma employees participated in drawing up the programme, some of whom also took part in updating the double materiality assessment as part of workshops. A separate steering group made up of Varma employees also worked on the updates, and the subject was discussed by Varma’s Audit Committee. The updated information was approved by Varma’s Executive Group.

Sustainability programme

The focus areas identified in the 2021 materiality assessment served as the foundation for the sustainability programme guiding Varma’s operations in 2022–2025. The focus areas of the sustainability programme are: Ensuring secure pensions, Investing for change, and For

sustainable working life. The guiding principle for the sustainability programme is “A secure future for everyone”. The programme’s sustainability pledges take the interests and views of Varma’s different stakeholders into account. In 2025, Varma prepared a new sustainability programme, which will be implemented in 2026. The interests and views of stakeholders were taken into account in connection with this. **ESRS 2 SBM-2 45 c**

In the sustainability programme that was valid in 2025, Varma made a pledge to be a responsible employer that boldly develops its operations and openly shares its insights. **ESRS S1: ESRS 2 SBM-2 12** Varma has also made a pledge in the programme with respect to its value chain workers and affected communities according to which Varma reinforces investment practices that positively influence the development of communities and people’s well-being. **ESRS S2: ESRS 2 SBM-2 9, ESRS S3: ESRS 2 SBM-2 7** Two of the programme’s pledges are associated with consumers and end-users. According to the first pledge, Varma offers its customers equal, timely and the most responsible service in the earnings-related pension sector. According to the second pledge, Varma is a leader in sustainable working life and creates solutions to promote work ability together with customers and partners. **ESRS S4: ESRS 2 SBM-2 8**

Own workforce

ESRS 2 SBM-2

Varma’s strategy and business model play a role in creating significant positive material impacts and mitigating significant negative

Table 9: Descriptions of the focus areas of Varma’s sustainability programme 2022–2025

Ensuring secure pensions	Investing for change	For sustainable working life
Taking care of pension assets and paying pensions correctly and on time are the cornerstones of everything we do. We operate transparently and ethically, while also taking cost-effectiveness and environmental impacts into account.	Responsibility guides every one of our investment decisions. We direct our investments towards tackling our current global challenges: mitigating climate change, adapting to the changes it brings, slowing down biodiversity loss and promoting human rights.	We promote sustainable working life and help our customers anticipate and manage disability risk. We take care of Varma employees and their competence. We build an inspiring workplace where everyone can be themselves.

material impacts on its own workforce. Varma’s strategy and business model have been adapted to address such material impacts. As mentioned above, Varma has made a pledge in the sustainability programme associated with its own employees according to which Varma is a responsible employer that boldly develops its operations and openly shares its insights. Varma’s strategy also underscores the well-being of its own workforce. Varma’s strategic goal is to be a caring leader in sustainable working life and responsibility. The goal also applies to Varma’s own workforce. **ESRS S1: ESRS 2 SBM-2 12**

Value chain workers and affected communities

ESRS 2 SBM-2

Varma’s strategy and business model play a role in creating significant positive material impacts and mitigating significant negative material impacts on its value chain workers and affected communities. Varma’s strategy and business model have been adapted to address such material impacts. As mentioned above, Varma has made a pledge in the sustainability programme associated with its

value chain workers and affected communities according to which Varma reinforces investment practices that positively influence the development of communities and people’s well-being. Varma’s strategic goal is to be a caring leader in sustainable working life and responsibility. The goal also applies to value chain workers and affected communities. **ESRS S2: ESRS 2 SBM-2 9, ESRS S3: ESRS 2 SBM-2 7**

Consumers and end-users

ESRS 2 SBM-2

Varma’s strategy and business model play a role in creating significant positive material impacts and mitigating significant negative material impacts on consumers and end-users. Varma’s strategy and business model have been adapted to address such material impacts. As mentioned above, two pledges in the sustainability programme are associated with consumers and end-users. According to the first pledge, Varma offers its customers equal, timely and the most responsible service in the earnings-related pension sector. According to the second pledge, Varma is a leader in sustainable working life and creates solutions to promote work ability together

with customers and partners. Varma’s strategic goal is to be a caring leader in sustainable working life and responsibility and to provide the most affordable and smooth services. The goals also apply to consumers and end-users. **ESRS S4: ESRS 2 SBM-2 8**

Figure 6: Focus areas of Varma’s sustainability programme 2022–2025

A secure future for everyone

Through our sustainability work, we are building a better world for current and future generations.



Investing for change

We aim for better returns and reduced risks through responsible investment.



Ensuring secure pensions

We build trust in pension security and a sustainable future.



For sustainable working life

We support work ability in a world that’s going through incredible change.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

Out of Varma’s six strategic choices, three are related to sustainability matters identified as material in the double materiality assessment. The following strategic choices are related to material sustainability matters:

- we take meaningful sustainability actions;
- we focus on impactful work ability services;
- we develop our competence and unique work culture in keeping with the times.

Varma’s sustainability programme was updated in 2025, and it enters into force in 2026. Material sustainability matters and strategic choices were taken into consideration in the updated programme. The material impacts, risks and opportunities served as a foundation for updating the programme. The sustainability programme’s time horizon was also linked to material sustainability matters, the time horizons used in the sustainability statement and the time horizon of the strategy period. **ESRS 2 SBM-3 48 b**

Varma believes that sustainability is a source of major competitive advantage for companies. Varma strives to achieve a competitive advantage through sustainability in the following ways:

- By investing responsibly:
- Varma aims to reduce risks and identify investee companies that benefit from sustainable operations as well as the return potential of such investments. Varma focuses its investments on mitigating climate change and adapting to the changes it brings. The approach includes the reduction of investments’ carbon footprint and promoting sustainable energy solutions. Varma also pays attention to biodiversity and strives to reduce biodiversity loss in its investment activities, and expects its investee companies to respect human rights.
- By operating responsibly:
- Varma is committed to environmental responsibility, good governance and respecting human rights, and Varma expects the same from its supply chain. Varma is a responsible earnings-related pension insurance company to its customers. Furthermore, Varma promotes sustainable working life by supporting employees’ work ability and preventing disability pensions.

Through these measures, Varma aims to build a long-term competitive advantage and ensure the sustainability and responsibility of its operations. **ESRS 2 SBM-3 46** In Varma’s view, sustainability and expectations of good returns do not conflict; on the contrary, sustainability is an important part of, for example, investment risk management. Sustainability matters that have been identified to have material impacts are connected to Varma’s strategy and business model. **ESRS 2 SBM-3 48 c ii**

Sustainability matters identified as material

As a result of the 2023 double materiality assessment and the update in 2025, Varma identified the sustainability matters listed in the table on the following page as material. Sustainability matters identified as material are presented in white cells in the table. Sub-topics that have been identified as partially material are marked with an asterisk. The impact’s materiality is disclosed according to the most significant identified impact of each sub-topic. Financial materiality is also disclosed in accordance with the most significant identified risk or opportunity. The impacts, risks and opportunities, as well as their descriptions, identified as a result of the double materiality assessment are presented in connection with the information of each material topical standard. **ESRS 2 SBM-3 46** Taxes have been identified as a material entity-specific topic, and the related impacts, risks and opportunities have thus been described using entity-specific information. Other sustainability matters and related material impacts, risks and opportunities fall within the scope of ESRS disclosure requirements. **ESRS 2 SBM-3 48 h**

Material topics in terms of Varma’s own operations include the realisation of customer rights, securing income and matters related to sustainable business conduct. Further material topics that were identified include influencing the climate impacts of Varma’s own operations and taking care of the work conditions and equality of employees.

Among the identified material sustainability topics related to the investment portfolio,

investments’ climate and human rights impacts and, on the other hand, systemic risks to the investment portfolio caused by climate change and biodiversity loss, as well as risks caused by human rights and good governance violations were highlighted.

In direct real estate investments, sustainability topics of high importance were environmental impacts related to climate change and resource efficiency and aspects related to the safety of the value chain’s workers and tenants. In terms of purchased goods and services, their climate impacts, corporate culture and supplier relations are material sustainability topics. **ESRS 2 SBM-3 48 a**

In 2025, minor updates were made to the double materiality assessment, which resulted in changes to the material impacts, risks and opportunities. A total of 18 impacts, risks or opportunities that had earlier been identified as material were now assessed as non-material. In the topic of own workforce, the sub-topics working conditions, and equal treatment and opportunities were assessed as non-material when the impacts, risks and opportunities related to own workforce were re-assessed especially in terms of the scale and remediability of the impact. Some changes also apply to individual impacts, risks and opportunities related to the real estate business. The wording of certain impacts, risks and opportunities were adjusted to more accurately reflect Varma’s current status. All impacts, risks, and opportunities identified as material, including their updates, are described in more detail in the statement. **ESRS 2 SBM-3 48 g**

Varma has not identified the financial effects of the material risks and opportunities on its financial position, financial performance and cash flows and the material risks nor opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. Financial effects related to climate change have been analysed with the help of a Climate VaR calculation. Based on this, effects resulting in a material adjustment are not realised within the next annual reporting period. More information on the Climate VaR calculation is in the section ‘Material impacts, risks and opportunities and their interaction with business model’. **ESRS 2 SBM-3 48 d** In other respects, Varma has not analysed the resilience of its strategy and business regarding its capacity to address its material impacts and risks identified in the double materiality assessment or to take advantage of its identified material opportunities. **ESRS 2 SBM-3 48 f**

Table 10: Sustainability matters identified as material

Topic	Sub-topic	Impact materiality	Financial materiality	Own operations	Investment portfolio	Direct real estate investments	Upstream value chain	Downstream value chain
E1 Climate change	Climate change mitigation	14	4	x	x	x	x	
	Energy	9	3			x		
	Climate change adaptation	11	4		x	x		x
E2 Pollution	Pollution of air**	7	2					
	Pollution of water**	7	1					
	Pollution of soil**	7	1					
	Pollution of living organisms and food resources**		1					
	Substances of concern**	6	1					
	Substances of very high concern**		1					
	Microplastics**		1					
E3 Water and marine sources	Water**	7	1					
	Marine resources**	7						
E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	12	3		x	x		
	Impacts on the state of species	11			x			
	Impacts on the extent and condition of ecosystems	11			x			
	Impacts and dependencies on ecosystem services	11			x			
E5 Circular economy	Resources inflows, including resource use	9	2		x			
	Resource outflows related to products and services**	7						
	Waste	9	1		x	x		
S1 Own workforce	Working conditions	8	3	x				
	Equal treatment and opportunities*	8	4	x				
	Other work-related rights	8	3	x				
S2 Workers in the value chain	Working conditions	9	1		x	x	x	
	Equal treatment and opportunities*	8	3		x		x	
	Other work-related rights	9	2		x	x	x	

*Partially material to Varma **Not material to Varma

Table 10: Sustainability matters identified as material

Topic	Sub-topic	Impact materiality	Financial materiality	Own operations	Investment portfolio	Direct real estate investments	Upstream value chain	Downstream value chain
S3 Communities	Communities’ economic, social and cultural rights*	8			x			
	Communities’ civil and political rights*	6						
	Rights of indigenous peoples*	6						
S4 Consumers and end-users	Information-related impacts*	12	3	x	x	x	x	
	Personal safety*	12	4	x	x	x		
	Social inclusion*	11	3	x				
	Other	11		x				x
G1 Business conduct	Corporate culture	11	3	x	x		x	
	Protection of whistleblowers	11	2	x				
	Animal welfare**	6						
	Political engagement and lobbying activities	11	2	x	x			
	Corruption and bribery	11	3	x	x		x	
	Management of relationships with suppliers, including payment practices	11	3	x			x	
	Taxes	12	3	x	x			x

*Partially material to Varma **Not material to Varma

Description of the processes to identify and assess material impacts, risks and opportunities

IRO-1

Double materiality assessment

In the double materiality assessment process, Varma has identified the impacts, risks and opportunities related to its operations and assessed their materiality. The information provided in the sustainability statement has been determined on the basis of the assessment. The following figure presents an overview of the phases of the process, and the methods and assumptions used according to the assessment carried out in the autumn of 2023. The assessment was updated in 2025, and a description of this process is provided after the description for 2023.

A comprehensive group of Varma employees from different functions contributed to the double materiality assessment in 2023. In the first phase of the assessment, Varma comprehensively identified the sustainability impacts, risks and opportunities that relate to its operations, taking into account the entire value chain. The identified impacts, risks and opportunities were worked on in two separate internal workshops. The impacts, risks and opportunities of Varma’s operations and value chain were examined in accordance with the breakdown in the adjacent table. The identified impacts, risks and opportunities pertain to the entire value chain, i.e. own operations, purchased goods and services, the investment portfolio, direct real estate investments or corporate, self-employed and private customers.

After the identification, the impacts were categorised into actual and potential positive and negative impacts, which were given a score on the basis of their scale, scope, remediability and likelihood. The risks and opportunities that Varma is exposed to were scored on the basis of the magnitude and likelihood of the potential impact. **ESRS 2 IRO-1 53 a**

Identifying and assessing sustainability impacts

The double materiality assessment was used to identify the direct or indirect impacts of Varma’s operations on people and the environment as a result of its value chain activities.

ESRS 2 IRO-1 53 b ii In the assessment, actual, potential, negative and positive impacts on people, society and the environment were identified. The impacts can arise over the short-, medium-, or long-term. The quantification of the impacts’ materiality was based on the European Financial Reporting Advisory Group’s (EFRAG) guidance.

Information from Varma’s internal reporting and external reporting, surveys conducted on different subject areas, and Varma’s policies and goals were used in the identification of the impacts. External studies and frameworks were also used. In the identification and assessment, expert views on the impacts collected in the assessment process workshops and stakeholder interviews were used. **ESRS 2 IRO-1 53 b iii** Impacts related to investments were assessed using an industry risk classification established in an external standard and examined in relation to the sector distribution of Varma’s investment portfolio. **ESRS 2 IRO-1 53 b i**

Figure 7: The phases, and methods and assumptions used in the double materiality assessment process

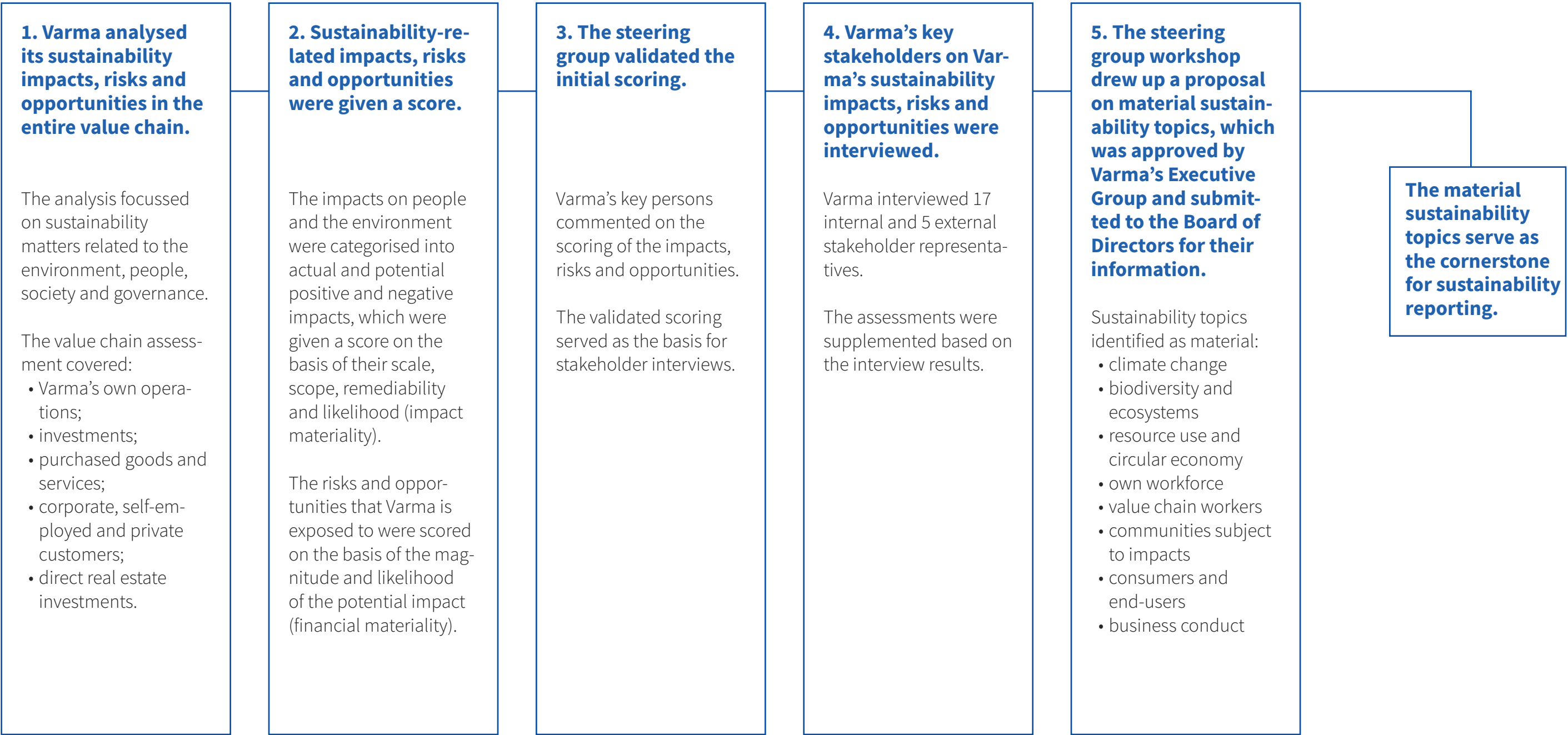


Table 11: Classification of Varma’s operations and value chain in the double materiality assessment

Upstream value chain	Varma’s own operations	Investment portfolio	Direct real estate investments	Downstream value chain
The category ‘upstream value chain’ covers the impacts, risks and opportunities of Varma’s upstream value chain, not including the value chains of the investment portfolio and direct real estate investments. In this category, the services and products purchased by Varma that are related to Varma’s own operations have been taken into account.	Varma’s own operations cover all the impacts, risks and opportunities that are connected to Varma’s own direct operations. This category takes into account Varma’s internal operations, such as HR services, external services, such as earnings-related pension insurance and work ability services, as well as properties in own use.	The category ‘Investment portfolio’ takes into account all the impacts, risks and opportunities of Varma’s investments, not including direct real estate investments. This category also includes the impacts, risks and opportunities of the value chains of Varma’s portfolio companies.	Direct real estate investments cover the impacts, risks and opportunities of Varma’s directly owned real estate and their value chains. The category takes into account the construction, maintenance, demolition and letting of properties.	The downstream value chain consists of Varma’s customers, i.e. entrepreneurs, companies, employees covered by earnings-related pension insurance and pensioners. This category takes into account the impacts, risks and opportunities that they are subject to or that arise from them.

The environmental impacts were identified using Varma’s previous reporting and surveys on environmental impacts, such as greenhouse gas inventory, measured data on energy and water consumption and waste generation, climate risk reviews of the investment portfolio and owned real estate, biodiversity analysis of the investment portfolio and biodiversity guidelines for owned real estate, as well as the goals and policies set by Varma. Additionally, the sector distribution of Varma’s investment portfolio and the SASB (Sustainability Accounting Standards Board) standards were used to identify the investment portfolio’s impacts.

The impacts on people and society were identified using the information available from internal and external reporting, based on, for example, HR systems and the employee survey, as well as Varma’s human rights risk assessments, which utilised both internal and external sources and data. In the human rights assessment, classifications related to the procurement industry and country of production, and external publications on potential human rights risks were used for procurement. Company-specific data produced by an external service provider was used for investment risks, and information obtained from internal processes was used for Varma’s personal customers.

The materiality of the identified impacts was assessed with the criteria presented in the following table, to which the presented numerical assessments were applied.

The materiality of the impact was given a score by adding together the numerical values

of the scale, scope and, as regards the negative impacts, remediability. With respect to potential impacts, the value was multiplied by the impact likelihood factor. If the identified impact received a score of 8 or more, it was deemed material. In the assessment of potential negative human rights impacts, however, severity is given precedence over likelihood. If any of the components of severity is given a rating of 5, the risk is always considered material. The impacts were also assessed qualitatively on the basis of, for example, the time horizon, direct or indirect cause or where in the value chain the impact is present. This preliminary assessment served as a basis for 13 stakeholder interviews, which were used to further refine the assessment. Varma employees, members of the Board and representatives of the pensioners, employers and the insured took part in the interviews. **ESRS 2 IRO-1 53 b iii, iv**

Identifying and assessing sustainability risks and opportunities

As part of the double materiality assessment, the risks and opportunities related to Varma’s operations were identified, i.e. the possible financial effects related to sustainability topics which may affect development, financial position, financial performance, cash flows, access to finance or cost of capital. Varma is able to directly influence some of the identified risks and opportunities, but the opportunities to influence may also be dependent on natural, human and social resources. Risks and opportunities were identified simultaneously

with impacts, and the process also took into account the risks and opportunities for Varma arising from the identified sustainability impacts, i.e. the dependencies between impacts, risks and opportunities. **ESRS 2 IRO-1 53 c i** The aim is to integrate the risks and opportunities identified in the double materiality assessment into Varma’s general risk management system and thus prioritise them in relation to other types of risks, using the same risk assessment tools. A more detailed description of prioritisation is presented in the section ‘Risk management and internal controls over sustainability reporting GOV-5’. **ESRS 2 IRO-1 53 c iii**

Information from internal and external reporting produced by Varma, risks identified in the risk management system, studies conducted on different subject areas, and Varma’s policies and goals were used in the identification of the risks and opportunities. External frameworks were also used. Risks and opportunities related to investments were assessed using an industry risk classification established in an external standard and examined in relation to the sector distribution of Varma’s investment portfolio. Additionally, expert views collected in the assessment process workshops and stakeholder interviews were used in the identification and assessment. **ESRS 2 IRO-1 53 g**

Risks identified included sustainability-related risks identified in Varma’s risk management system, especially those associated with climate. In addition, internal reports on climate risks, such as the real estate climate risk assessment, were used in the identification of climate risks. In terms of investment risks,

Table 12: **Criteria and numerical values applied in the assessment of the materiality of the identified impacts**

Criterion	Description of the criterion	Numerical values applied
Scale	How grave the negative impact is or how beneficial the positive impact is for people or the environment.	Numerical assessment on a scale of 1 (minimal) – 5 (extreme)
Scope	How widespread the negative impacts are. In terms of environmental impacts, the scope was understood as the extent of environmental damage or a geographical area, and in terms of impacts on people, as the number of people affected by the impacts.	Numerical assessment on a scale of 1 (local) – 5 (global)
Remediability	Whether and to what extent the negative impacts could be remediated, i.e. restoring the environment or affected people to their prior state. The assessment of remediability concerned only the potential or actual negative impacts arising from Varma’s operations.	Numerical assessment on a scale of 1 (easily remediable) – 5 (irreversible)
Likelihood	How likely it is that the impact will be present within the following five years. Likelihood was taken into consideration only for impacts classified as potential, and factors were used in the numerical assessment.	Numerical assessment on a scale of 0.65 (unlikely) – 1 (very likely)

Table 13: **Criteria and numerical values applied in the assessment of the materiality of the identified risks and opportunities**

Criterion	Description of the criterion	Numerical values applied
Likelihood	What is the likelihood of a risk materialising after existing prevention measures or of an opportunity materialising.	Numerical assessment using factors: 0.65 (unlikely) – 1 (very likely)
Magnitude	What is the magnitude or potential magnitude of risks or opportunities on the company’s economic activities.	Numerical assessment, scale: 5 (very high) – 1 (minimal)

the views were supplemented based on the SASB standards’ sector-specific risks and the sector distribution of Varma’s investment portfolio. As regards environmental sustainability matters, pollution, water, biodiversity and circularity, the same external classification was used to identify the risks. Additionally, Varma’s biodiversity roadmap and information from external reporting were used to identify biodiversity risks. Risks were also identified, formulated and assessed together with internal experts as part of the double materiality assessment process’s workshops.

Risks and opportunities arising from own employees were identified by utilising Varma’s practices, guidelines, equality and non-discrimination plan, and external reporting. Investment risks related to sustainability matters connected to people and society were identified using the SASB standard and sector classification, and those related to Varma’s procurement were identified using Varma’s Supplier Code of Conduct. Sustainability matters related to consumers and end-users were interpreted to be related to Varma’s downstream value chain, and in terms of these, risks and opportunities were identified with the help of external reporting, the sustainability programme, the set UN Sustainable Development Goals and several policies in use.

Business conduct-related sustainability risks and opportunities in Varma’s own operations have in many respects already been integrated into Varma’s risk management system and were thus identified in the assessment. Investment risks were identified using

the SASB standards. With the help of the tax policy, taxation-related risks were identified. They are used to supplement the sustainability matters identified in the standards. Sustainability risks and opportunities related to people, society and business conduct were also identified, formulated and assessed together with internal experts as part of the double materiality assessment process’s workshops.

The materiality of the identified risks and opportunities was assessed using the criteria in the table, to which the presented numerical assessments were applied. **ESRS 2 IRO-1 53 c ii**

Financial materiality was given a score by multiplying the potential magnitude of financial materiality by likelihood. If the identified risk or opportunity received a score of 3 or more, it was deemed material. The risks and opportunities were also assessed qualitatively on the basis of, for example, the time horizon, direct or indirect cause or where in the value chain they are present. This preliminary assessment served as a basis for 13 stakeholder interviews, which were used to further refine the assessment. Varma employees, members of the Board and representatives of the pensioners, employers and the insured took part in the interviews.

Sustainability risks are identified, assessed and managed as part of other risk management and investments processes. The outcomes of these processes may serve as initial data for a double materiality assessment. The double materiality assessment focusses on identifying and assessing sustainability risks. Read more on the matter in the section ‘Risk

management and internal controls over sustainability reporting’. **ESRS 2 IRO-1 53 e**

In accordance with the company’s strategy, Varma will continue to engage in broad and effective sustainability efforts. These efforts are guided by the sustainability programme updated in 2025. The programme builds on the sustainability matters identified as material in the double materiality assessment, and it implements Varma’s strategy and sustainability policy. The programme outlines the sustainability areas that Varma focusses on in 2026–2030. **ESRS 2 IRO-1 53 f**

Decision-making and integration of the double materiality assessment into Varma’s processes

The final sustainability topics, which are material to Varma, were approved by Varma’s Executive Group in December 2023 and then forwarded to the Audit Committee for assessment and the Board of Directors for their information. The Board’s Audit Committee plays a key role in the internal control of the double materiality assessment. Internal controls over the double materiality assessment are arranged in accordance with Varma’s general written internal control policy. **ESRS 2 IRO 1 53 d**

As part of the double materiality assessment update in 2025, a process was defined for the annual review of the relevance of Varma’s material sustainability matters. According to the process, Varma’s sustainability impact assessments and risk management processes can serve as the initial data for the assessment. The assessment was updated in 2025 also as part of the sustainability

programme work. The process specifies that the Responsible Investment & Sustainability department is responsible for identifying the need for changes, which are assessed by a steering group comprising the necessary internal stakeholders. The Executive Group makes decisions on any updates. In general, for example environment-related climate change and biodiversity loss risks have been identified, assessed and integrated into the environmental policy by the sustainability department, and Investment Operations is in charge of investment risk management.

Assessment of 2025 updates

In 2025, Varma’s Responsible Investment & Sustainability department drew up an update process for the double materiality assessment to help annually ensure the relevance of the assessment. Furthermore, a proposal for updating the 2023 double materiality assessment was made. The department engaged in dialogue with both internal and external stakeholders as regards both the update process and the proposal.

A group of 11 representatives of internal stakeholders from Varma’s different functions was established and presented with the proposal for an annually recurring update process and the potential updates to the double materiality assessment to be carried out in 2025. The representatives had the opportunity to comment on the updates also in writing. Furthermore, observations collected as part of the sustainability programme efforts and other earlier observations were reviewed in

two separate meetings with HR and real estate department representatives.

A new plan for updating the double materiality assessment was drafted on the basis of the dialogue, assurance providers’ earlier feedback, new impact assessments, earlier observations and sustainability programme efforts. The descriptions and scoring of some individual impacts, risks and opportunities were altered. Time horizons for impacts, risks and opportunities (short-, medium- and/or long-term) were added to the assessment methodology. The locations of impacts, risks and opportunities in the value chain were also adjusted for improved consistency.

Following the internal discussions, Varma’s Audit Committee was presented with the plan for the double materiality assessment update in 2025, a description of the continuous double materiality assessment process and a sustainability reporting market comparison.

The updating process was discussed and approved by Varma’s Executive Group on 17 June 2025. At the same meeting, the Executive Group approved the updated double materiality assessment and the corresponding material sustainability topics, sub-topics, impacts, risks and opportunities. **ESRS 2 IRO-1 53 h**

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Disclosure requirement related to ESRS 2 IRO-1

Identifying and assessing impacts on climate

Varma’s impacts on climate change are annually assessed through a GHG calculation. **ESRS E1: ESRS 2 IRO-1 20 a** The calculation follows the Greenhouse Gas (GHG) Protocol standards, which are the most widely established way globally to calculate an organisation’s carbon footprint. Varma’s calculation of its value chain emissions (Scope 3) is based on a separate analysis conducted in autumn 2022, in which nine emission categories were identified to be material in terms of Varma’s operations. **ESRS E1: ESRS 2 IRO-1 AR 9 a**

In 2025, the emissions calculation included all of Varma’s material direct and indirect GHG emissions (Scopes 1, 2 and 3). More information on the assessment, methods, assumptions and boundaries related to GHG emissions is available in the section ‘General basis for preparation of the sustainability statement’. The results of the GHG emissions calculation are given in the section ‘Gross Scope 1, 2, 3 and Total GHG emissions’. **ESRS E1: ESRS 2 IRO-1 AR 9 b**

Identifying and assessing physical risks

Varma-owned real estate was analysed from the perspective of both climate change-related transition risks and physical risks in

2021. The analyses of physical risks show that the majority of the properties owned by Varma are located in the Helsinki metropolitan area. Practically all of the buildings are located within a radius of approximately 10 kilometres from the seashore. Thus, their climate burden is higher than average. In addition to the risk of a sea flood, this may mean problems in controlling buildings’ moisture levels due to wind-driven rain and strong winds. **ESRS E1: ESRS 2 IRO-1 20 b ii, AR 11 c**

As a result of climate change, precipitation will increase and rainstorms will become stronger in Finland. At the same time, rain-water floods caused by rain and melting water will become more common. Cities, city planners and building control authorities are in charge of rainwater management, but as a real estate owner, Varma’s task is to see to it that the plans take into account any measures required for rainwater management.

A sea flood analysis was also performed on Varma’s real estate portfolio. In the Finnish Climate Change Panel’s 2021 report, the sea flood risk in the Uusimaa region is estimated to be high and to increase going forward to 2050. Varma’s own analysis showed that the sea flood risk in Varma’s real estate portfolio is low and that by 2100, five properties in Varma’s current real estate portfolio would be exposed to moderate sea flood risks.

The real estate sea flood risk analysis is based on the Finnish Environment Institute’s (Syke) data describing the current and future sea flood risk. In the analysis, the real estate

properties were placed on a map on the basis of their location data, and the data concerning the sea flood risk was integrated into the map. Sea level data is based on Syke’s estimate and aerial laser scanning data used in the estimate. The 2019 physical risk analysis on real estate investments was qualitatively updated in 2021, in addition to which a map analysis

corresponding to the sea flood risk analysis was performed for new sites. **ESRS E1: ESRS 2 IRO-1 AR 11 a, c ESRS E1: ESRS 2 IRO-1 AR 12 a**

The TCFD framework includes principles for identifying transition risks and assessing risks’ financial impacts. These are not included in the said analysis. **ESRS E1: ESRS 2 IRO-1 20 c ii**

Table 14: Risks related to climate change, their potential impact on investee companies and the means of risk management in Varma’s investments

Type of climate-related risk	Climate-related threat	Manifestation and potential impact on investing	Means of management
Acute physical risks ¹	Acute physical risks, such as extreme weather conditions and natural disasters, e.g. floods, sudden heavy precipitation, hurricanes, heat waves	For example, the drying up of rivers may affect logistics costs, crop damage due to drought or excess rainfall may influence the cost of food production, heat may increase the cooling costs of commercial premises, and tourism may be negatively affected by unfavourable weather conditions, like snow scarcity or excessive heat.	In real estate investments, the use of flood surveys and flood maps: properties will not be built in or acquired from areas at risk of floods Investee company analyses Assessing risk management in supply chains
Chronic physical risks ²	Chronic physical risks are long-term effects of climate change that change the operating conditions of the environment and the economy. Chronic physical risks include drought, prolonged precipitation, and permanently higher temperatures.	For example, a rise in the sea level, a continuous increase in temperature and an increase in the frequency of extreme weather events may affect the value of real estate and infrastructure investments, and the production facilities of the investee companies may suffer from drought and heat. In food production, for example coffee and cacao plantations are being moved permanently away from locations where agricultural conditions have become unfavourable. Acute physical risks turn chronic.	Facade solutions for new buildings, building condition assessments Modelling of companies’ geographical production locations Assessing risk management in supply chains Scenario analyses in listed equity and corporate bond investments as well as real estate investments
Transition risks ³	Changing regulation Unsuccessful investment in new technologies Changing consumer behaviour	Regulatory impact, e.g. emission rights prices, carbon tax, varying regulation. Investees’ ability to identify new business opportunities and develop new technologies to mitigate climate change and prevent biodiversity loss. Consumer behaviour and tightening regulation may influence the market and investees’ reputation.	Due diligence process for high-risk sectors Reducing carbon intensity Negative screening Replacing district heating with geothermal heating in properties Scenario analyses in listed equity and corporate bond investments as well as real estate investments Biodiversity monitoring of high-risk sectors Biodiversity guidelines for real estate

¹ ESRS E1: ESRS 2 IRO-1 20 b i

² ESRS E1: ESRS 2 IRO-1 20 b i

³ ESRS E1: ESRS 2 IRO-1 20 c i, ii

Scenario analyses in real estate investments

In 2023, Varma committed to emission reduction targets in accordance with the Science Based Targets (SBT) initiative and set emission reduction targets for its direct real estate investment’s energy use, i.e. Scope 2 emissions. The process of setting emission reduction targets for real estate involved modelling target pathways for the absolute emissions (tCO₂eq) of both residential and commercial properties. The modelled 1.5-degree emission pathways in accordance with the SBTi were drawn up using the targets of the Sectoral Decarbonization Approach (SDA). At the same time, the development of the greenhouse gas emissions of our real estate portfolio was examined in an analysis that covered the carbon dioxide emissions from the heating and electricity of commercial and residential properties that Varma owns. In both scenarios, the need for heat was assumed to decline at an annual rate of approximately one per cent as a result of global warming and improved energy efficiency in properties.

A baseline scenario was established first, depicting the likely development of emissions without any further actions by Varma, not including the purchase of CO₂-free electricity in the 2021 scope. In the baseline scenario, the CO₂ emissions from Varma’s real estate portfolio decline by an estimated 69 per cent from the 2021 level by 2030. The emission factor for district heat is expected to decline drastically this decade since most of the district heating companies providing heat to Varma’s properties have announced that they will be

nearly or fully carbon neutral by 2030 or 2031. The analysis shows that even in the baseline scenario, the emissions of Varma’s real estate portfolio are aligned with the 1.5-degree SBTi target, and Varma is well equipped to achieve its emission reduction targets in terms of Scopes 1 and 2 emissions by 2030. In the short term, the real estate portfolio’s emissions can be cut in accordance with the additional-measures scenario by buying CO₂-free district heat and electricity.

In all the scenarios of the analysis concerning the development of Varma’s real estate portfolio’s greenhouse gas emissions, the consumption of electricity was assumed to remain at the level of the base year 2021 and the consumption of electricity was assumed to decline at an annual rate of approximately one per cent as a result of global warming and improved energy efficiency in properties.

In the baseline scenario, the specific emission factors per municipality were assumed, on the basis of the district heating statistics’ data, to linearly decline from the current calculated level towards the future target levels reported by the district heating companies. For companies that have not announced an official emission reduction target, the development was assumed to mirror Finland’s carbon neutrality target for 2035. For other than renewable electricity, the emission factor for the residual mix of the Finnish grid was used. It was assumed to decline linearly from the 2021 value of 235 g/kWh by 70 per cent by 2035 and 100 per cent by 2050. In the additional-measures scenario, energy consumption was assumed to stay the same as in

the baseline scenario, but the emission factors for both heat and electricity were assumed to reach zero in the target period in accordance with Varma’s CO₂-free energy purchase targets. The target curve in accordance with the SBT’s 1.5-degree emission reduction pathway has been modelled using the science-based target setting tool v1.2.1. **ESRS E1: ESRS 2 IRO-1 20 b, a, c, 21**

Scenario analyses in other asset classes

Varma uses the Climate Value-at-Risk (Climate VaR) tool to assess climate risks. It was developed by MSCI to provide an assessment of asset class-specific transition costs and opportunities as well as physical risks brought by climate change. The tool aims to address the challenge of traditional backward-looking analysis by illustrating how different temperature scenarios could potentially affect the market value of an investment. **ESRS E1: ESRS 2 IRO-2 20 b, c**

The reported Climate VaR values indicate only the impacts arising from climate change, i.e. effects outside the methodology on the market value of the companies are not considered. The Climate VaR calculation identifies climate-related hazards over the short-, medium- and long-term, and with the help of it, Varma has screened whether its assets and business activities may be exposed to these hazards. **ESRS E1: ESRS 2 IRO-2 21** The analysis of physical risks using Climate VaR is based on the geospatial co-ordinates of the company’s production facilities. The analysis covers Varma’s listed equity and fixed income investments, i.e. 44 (41) per cent of Varma’s entire investment assets.

In the scenario analyses, Varma makes use of the following scenarios produced by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS): Net Zero 2050, Below 2°C, Delayed Transition and Current Policies. Thus, physical risks and transition risks have been estimated by using both the scenario of high emissions (Current Policies) and the scenario in which global warming can be limited to 1.5°C (Net Zero 2050 scenario). **ESRS E1: ESRS 2 IRO-1 20 b i, c i, AR 11 i, 12** The assumptions and time horizons used in the scenarios are presented as part of the results of the analysis in the section ‘E1 Climate change’. **ESRS E1: ESRS 2 IRO-2 20 b ii, c ii,**

Varma employs an investment scenario analysis to assess the risks and opportunities related to its investments. Investment risks and opportunities arising from climate change are reviewed on a quarterly basis in Varma’s allocation group. Climate VaR is reported to the Board of Directors on a quarterly basis.

Sectors exposed to climate change in Varma’s investments

Varma has defined industries that, in terms of climate change, both offer greater opportunities for mitigating the impacts of climate change through their business and are also significantly exposed to, for example, risks caused by climate change mitigation, such as regulation and market risks. These high-risk industries are the oil & gas industry, electricity & heat production, and the automotive, mining, construction materials, transport, forest and chemical industries.

Companies operating within high-risk industries also present investors with return opportunities. Varma aims to identify companies operating in these industries with a strong willingness to change and an ability to take climate change into account.

Varma also monitors and analyses the impact that different high-risk industries have on the climate risks of Varma’s investments in different asset classes. In order to attain the climate goals, Varma must identify, within the high-risk sectors, investees that are able to adapt their operations and benefit from the transformation to a lower-carbon society.

Climate change-related opportunities

Responsible investment and mitigating climate change apply to all of Varma’s asset classes and investment processes. Climate change also presents investors with new opportunities. Varma has created a climate allocation, which includes investee companies whose business benefits from actions to mitigate climate change, whose operations do not cause significant greenhouse gas emissions, who have a clear strategic and science-based target of reducing greenhouse gas emissions and whose operations offer carbon sinks. The climate allocation, which covers all asset classes, accounted for 43.7 (39.3) per cent of all of Varma’s investments at the end of 2025.

Identification and assessment of material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

ESRS 2 IRO-1

Climate change is one of the direct factors impacting the loss of biodiversity, and Varma has evaluated the impacts of its own operations, direct real estate investments and investment portfolio on this with the help of the GHG emissions inventory. In addition, potential impacts in the value chain through the sourcing of raw materials for real estate investments and investment portfolio companies’ procurement of raw materials, land use and ecosystem effects have been identified.

No precise impact assessments have been made of the negative impacts of biodiversity loss; instead, the potential impact has been identified based on internal and external industry-specific surveys. Since no significant impacts have been identified at the site level, disrupted ecosystem services cannot be identified for the time being, nor can affected communities be consulted as part of the sustainability assessment. With regard to our own site locations and direct real estate investments, there are no identified locations in biodiversity-sensitive areas, and the need for mitigating measures in these has not been identified. **ESRS E4: ESRS 2 IRO-1 17 a, b, 19 a, b**

A risk assessment has also been carried out on the industry level. Both likely transition risks and physical risks have been identified, but the level of the assessment does not yet allow these to be specified. The industry risk classifications used may also include systemic

risks. In direct real estate investments, Varma’s operating environment is Finland, and based on an understanding of the operating environment, it has been identified that, among other things, zoning may introduce transition risks related to biodiversity. However, these have not been assessed as material to Varma’s real estate investment strategy. **ESRS E4: ESRS 2 IRO-1 17 c, d**

Varma has not conducted consultations with affected communities on sustainability assessments of shared biological resources and ecosystems. **ESRS 2 IRO-1 17 e** Varma does not implement measures to mitigate biodiversity loss based on specific directives, but the environmental policy expresses the importance of addressing biodiversity and lists means and actions for taking it into consideration.

Identification and assessment of material resource use and circular economy-related impacts, risks and opportunities

ESRS 2 IRO-1

As regards Varma’s own operations and direct real estate investments, the identification and assessment of material resource use and circular economy-related impacts, risks and opportunities is based on procurement and waste data. The assessment of impacts, risks and opportunities in the investment portfolio is based on industry-specific materiality assessments.

Resource inflows and outflows in own operations are estimated to be minor. In direct real estate investments, outflowing amounts of waste have been identified to be fairly

significant and consequently to have environmental impacts. As part of the 2025 update of the double materiality assessment, the risk related to direct real estate investments and inflow of resources concerning the availability and price development of raw materials for real properties was reassessed and is no longer considered material in the current operating environment.

As part of the double materiality assessment, no separate consultations with affected communities about impacts from resource use and circular economy have been arranged. However, it should be noted that, for example, with regard to direct real estate investments, discussions related to the topics are held with tenants as part of operational processes, and views on these have been heard indirectly. **ESRS E5: ESRS 2 IRO-1 11 b**

Identification and assessment of material impacts, risks and opportunities related to business conduct

ESRS 2 IRO-1

With regard to the material impacts, risks and opportunities related to the business, the assessment of double materiality has taken into account that Varma conducts its insurance business in Finland and that its operations and sector in general are regulated and supervised, and there are many expectations related to the transparency and ethics of the business. For the upstream value chain, Varma’s supply chains, which mainly focus on Finland but also extend outside the country, have been taken into account. In

terms of investment activities, relevant criteria for assessing materiality in business conduct are the regulatory requirements related to pension insurance companies and investment activities in general in Finland, as well as the global nature of the investment portfolio itself and its diversification across different industries and investment products. **ESRS G1: ESRS 2 IRO-1 6**

Disclosure Requirements in ESRS covered by the undertaking’s sustainability statements

IRO-2

Requirements in ESRS covered by the undertaking’s sustainability statement are provided in the section ‘Disclosure Requirements and references’ and in the table ‘Datapoints derived from other EU legislation’. The material information to be disclosed in the sustainability report is determined on the basis of the material topics, sub-topics, impacts, risks and opportunities identified in the double materiality assessment. In determining the material information, an assessment has been made of whether each individual datapoint is material for Varma from a business perspective. In assessing material data points, it has been recognised that an individual datapoint may not necessarily be material for Varma, even if the related topic has been assessed as material in the double materiality assessment. This is because the identified impacts, risks and opportunities relate to a different part of the value chain than that described in the datapoint. **ESRS 2 IRO-2 59**

Policies adopted to manage material sustainability matters

MDR-P

Sustainability matters in Varma’s business operations are steered by, in addition to the strategy and values, sustainability principles, such as the Code of Conduct, Supplier Code of Conduct, anti-bribery policy, environmental policy and tax policy. Our operations in 2025 were also steered by the sustainability programme, which is based on the 2021 materiality assessment. The programme defines our sustainability focus areas and the related objectives and measures. The sustainability programme was updated in 2025 for 2026–2030. In addition to the above-mentioned policies and programmes, responsible investment at Varma is guided by the principles for responsible investment, active ownership and engagement principles, ownership policy and annual targets for responsible investment.

The policies adopted to manage material sustainability matters are described in connection with the information required by the ESRS standard. The following table lists Varma’s key policies related to sustainability matters.

Table 15: Policies adopted to manage material sustainability matters

Policy	Related ESRS standard	Policy description location	Link
Active ownership and engagement principles	S2, S3	S2-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/active-ownership-and-engagement-principles
Transparency register matters at Varma	G1-5		internal
Code of Conduct	G1	G1-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/code-of-conduct
People, Health & Safety guidelines and procedures	S1	S1-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/varmas-people-health-safety-guidelines-and-procedures
Principles for human rights	S1, S2, S3, S4	S1-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/principles-for-human-rights
Donations	G1	G1-1	internal
Anti-bribery policy	S4, G1	G1-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/anti-bribery-policy
Ownership policy	G1	G1-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/varmas-ownership-policy
Risk management policy	GOV-5	GOV-5	internal
Internal control policy	GOV-5	GOV-5	internal
Insider guidelines	G1	G1-1	internal
Sponsorships	G1	G1-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/sponsorships
Ethical guidelines for artificial intelligence	G1	G1-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/ethical-guidelines-for-artificial-intelligence
Data protection policy	S1, S4, G1	G1-1	internal
Information security policy	S2, S4, G1	G1-1	internal
Supplier Code of Conduct (SCoC)	S2	S2-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/supplier-code-of-conduct
Principles for disability risk management	S4	S2-4, S4-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/principles-for-disability-risk-management
Principles for responsible investment	S2, S3	S2-1, S3-1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/principles-for-responsible-investment
Tax policy	G1	G1	www.varma.fi/en/this-is-varma/about-us/how-we-do-things/tax-policy
Environmental policy	E1, E4, E5, S2	E1-2	www.varma.fi/globalassets/tama-on-varma/varmas-environmental-policy.pdf

Tracking effectiveness of policies and actions through targets

MDR-T

Key targets

Varma has several targets related to sustainability matters. They are described in the following table. In 2025, Varma worked on a sustainability programme that also involved aligning and supplementing the targets related to material sustainability topics. The targets established as part of the work, and the progress made towards them, will be reported on in the coming years. Stakeholders were engaged in this work. In addition, stakeholder engagement through, for example, the private customers’ customer panel, customer feedback surveys and advisory councils is part of the existing processes of the internal functions involved in the work. **ESRS 2 MDR-T 79 e, 81 a**

The targets presented in the sustainability statement are intended to address the objectives set out in the environmental policy concerning climate change mitigation. Through targets related to own personnel, the aim is to comply with Finnish labour legislation, collective bargaining agreements in the sector, local pay agreements and Varma’s human rights policies and the Code of Conduct. In addition to these, Varma has objectives related to private customers the purpose of which is to ensure compliance with the laws governing

Varma’s operations and the fulfilment of Varma’s Code of Conduct. **ESRS 2 MDR-T 80 a**

The means for assessing the effectiveness of actions taken to address material impacts, risks, and opportunities are not limited to the stated targets and objectives. Varma assesses the effectiveness of its actions through several other means as well; these are explained in more detail in several sections of this statement: **ESRS 2 MDR-T 79, 79 d, 81 b**

- Whistleblowing channels (S4-3)
- Sustainability-related targets of the remuneration scheme (GOV-3)
- Risk management and internal control processes (GOV-5)
- Norm violation screening process (S2-3 Screening for norm violations in investee companies)
- Supplier surveys (S2-4 Supplier sustainability survey)
- ESG roadmap for real estate which defines internal targets related to climate change mitigation and adaptation, biodiversity, circularity and human rights. The function monitors the realisation of the roadmap targets twice a year.

Table 16: Targets, metrics and progress in relation to material sustainability matters in 2025¹

Topic and sub-topic	Target	Metric	Outcome 2024	Outcome 2025	Progress 2025
E – Environment					
E1 – Climate change					
Climate change mitigation and adaptation	Investees committed to the SBTi account for 51% of investments covered by the target by 2027.	Share of investees committed to the SBTi.	47.5%	56%	The share of companies that were committed to SBTi targets rose more in 2025 than in the previous years. This trend is largely explained by the increased share of Finnish companies.
	Greenhouse gas emissions from Varma’s own operations (Scopes 1 and 2) down 60% compared to the 2021 level by 2030.	Greenhouse gas emissions from Varma’s own operations (Scopes 1 and 2) (tCO ₂ eq).	-68%	-81%	Target achieved.
S – Social					
S1 – Own workforce					
Adequate wages	Personnel’s pay median matches the average pay level in the financial sector.	Personnel’s pay median in the market pay comparison.	125	Varma: 124 Financial sector: 125	Varma employees’ pay is, on average, at the median level of the sector.
Work-life balance	Milestone: The average of the employee survey statement “At my workplace, it is possible to reconcile work and family life” is at least at the same level as in the previous survey. Target 2030: The average of the statement “At my workplace, it is possible to reconcile work and family life” is at least 4.5.	The average of the employee survey statement: “At my workplace, it is possible to reconcile work and family life” on a scale of 1 (strongly disagree) – 5 (strongly agree).	3.51 The figure is not comparable, as a four-point scale was used (1 completely disagree – 4 completely agree).	4.3	It is not possible to assess the achievement of the milestone, as the figure for 2024 is not comparable. The long-term target value is close but has not yet been achieved.
Health and safety	Milestone: The work ability index in the latest survey exceeds the benchmark average. Milestone 2030: The work ability index exceeds the latest benchmark average by 0.2.	Work ability index, which is calculated based on the average of seven questions related to the topic in employee surveys.	81.7 The figure is not comparable as it is based on an outdated employee survey tool. The number and formulation of the questions was different. Also, the calculation method was different.	Varma: 4.03 Benchmark material: 3.99	The difference between Varma’s average and the benchmark average is 0.04, which means the milestone was achieved. The long-term target has not yet been achieved.

¹ ESRS 2 MDR-T 79 a, b, c

Table 16: Targets, metrics and progress in relation to material sustainability matters in 2025¹

Topic and sub-topic	Target	Metric	Outcome 2024	Outcome 2025	Progress 2025
Gender equality and equal pay for work of equal value	Milestone: In the latest market pay comparison that takes into account the job requirements and performance of men and women, the difference in pay is at most 3%.	The percentages of male and female employee groups whose pay is below market level in the market pay comparison.	1% difference: 14% of women and 13% of men were below the market pay level.	0% difference: 20% of women and 20% of men were below the market pay level.	The shares of women and men whose pay falls below the market level are equal, which means both the milestone and the long-term target have been achieved.
	Target 2030: In the market pay comparison that takes into account the job requirements and performance of men and women, the difference in pay is at most 1%.		In 2024, the sub-topic’s target was different, but the figures are comparable.		
	Milestone: At least 40% male and female representation in the Executive Group and middle management in 2026. At least 35% male and female representation among team supervisors and specialists in 2026.	Gender percentages on the last day of the year % Executive Group % middle management % team supervisors % specialists	Executive Group: women 50%, men 50% middle management: women 44%, men 56% team supervisors: women 63%, men 37% specialists: women 69%, men 31%	Executive Group: women 55%, men 45% middle management: women 44%, men 56% team supervisors: women 65%, men 35% specialists: women 69%, men 31%	For the Executive Group and middle management, both the milestone and long-term target values had been exceeded at the end of 2025. For team supervisors, the year-end situation corresponds to the milestone value but not yet the long-term value. For specialists, the targets have not yet been achieved.
	Target 2030: At least 40% male and female representation among the Executive Group, middle management, team supervisors and specialists.		In 2024, the sub-topic’s target was different, but the figures are comparable.		
Training and skills development	Milestone: The average for the statement “I have the opportunity to learn and develop” in the latest employee survey exceeds the benchmark average.	Average score for the employee survey statement “My employer enables my professional development”.	Varma: 4.13 Benchmark material: 3.78	Varma: 4.1 Benchmark material: 3.9	Varma’s average exceeds the benchmark average by 0.2, which corresponds to both the milestone and long-term target.
	Target 2030: The average for the statement “I have the opportunity to learn and develop” in the employee survey exceeds the benchmark average by 0.2.		The figures are not comparable, as the question on the topic was differently formulated (scale: 1 completely disagree – 5 completely agree).		
Diversity	Milestone: The share of those who reply “Strongly agree” and “Agree” to the question “Do you feel that you can be yourself at work?” is at least at the same level as in the previous survey.	The share of those who replied “Strongly agree” and “Agree” to the question “Do you feel that you can be yourself at work?” in the employee survey.	90%	83%	It is not possible to assess the achievement of the milestone, as the figure for 2024 is not fully comparable. There is still some way to go before the long-term target is achieved.
	Target 2030: The share of those who reply “Yes” to the question “Do you feel that you can be yourself at work?” is 98%.		The figure is the percentage of those who replied “Yes” to the same question (the scale of 1–5 was not in use).		
Privacy	The completion rate for the annual online course is 100%.	The completion rate for the online course on data protection and information security.	100%	100%	The completion rate target was achieved for the online course in 2025.
S4 – Consumers and end-users					
Health and safety, non-discrimination	Timely, high-quality and smooth service, and equal treatment of customers. The target average score is 3.5	Customer experience metric, scale of 1–4.	3.58 (Jan–Dec 2024)	3.61	Target achieved.
	Uninterrupted income: pensioners’ income is not interrupted in the first month of their retirement. The target is achieved when 85–90% of new pensioners have their pension paid during the first month of their pension entitlement.	Share of new pension recipients that receive their pension paid during the first month of their pension entitlement.	89.7% (Jan–Dec 2024)	87.8%	Target achieved.
Access to products and services	Increasing the use of digital work ability services. The target value in 2025 was 28% (15%).	Share of TyEL customers who have used at least one Work-ability-section service specified for them in the Varma Online Service in the monitoring period.	16% (Dec 2024)	25.2%	Target not achieved.

¹ ESRS 2 MDR-T 79 a, b, c

Disclosure requirements and references

Cross-cutting standards

Disclosure requirements

Table 17: **Disclosure requirements in cross-cutting standards covered by the sustainability statement**

ESRS 2	General disclosures	Page	Additional information
BP-1	General basis for preparation of sustainability statements	16–19	
BP-2	Disclosures in relation to specific circumstances	19–20	
GOV-1	The role of the administrative, management and supervisory bodies	20–25	
GOV-2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	25–27	
GOV-3	Integration of sustainability-related performance in incentive schemes	28–29	
GOV-4	Statement on sustainability due diligence	29	
GOV-5	Risk management and internal controls over sustainability reporting	30–31	
SBM-1	Strategy, business model and value chain	31–32	
SBM-2	Interests and views of stakeholders	33–36	
SBM-3	Material impacts, risks and opportunities and their interaction with business model	37–39, 55–57, 67–68, 70, 80, 92–93, 99, 103–104, 110–112	Varma applies the transitional provision in relation to SBM-3 paragraph 48(e).
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	40–45	
IRO-2	Disclosure Requirements in ESRS covered by the undertaking’s sustainability statements	45, 49–53, 118–119	
MDR-P	Policies adopted to manage material sustainability matters	45–46, 59–60, 68–69, 71, 81–83, 94–95, 99–100, 105, 113–116	
MDR-A	Actions and resources in relation to material sustainability matters	60–61, 69, 71–72, 85–87, 96–98, 101–102, 107–108	
MDR-M	Metrics in relation to material sustainability matters	61–64, 69, 73, 87–91, 98, 102, 108, 117	
MDR-T	Tracking effectiveness of policies and actions through targets	46–48, 61–62, 69, 73, 87–88, 98, 102, 108	

Standards related to environment

Disclosure requirements

Table 18: **Disclosure Requirements in the E1 standard covered by the sustainability statement**

ESRS E1	Climate change	Page	Additional information
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	29	
E1-1	Transition plan for climate change mitigation	59–61	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	57–58	
ESRS, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	43–44	
E1-2	Policies related to climate change mitigation and adaptation	59–60	
E1-3	Actions and resources in relation to climate change policies	60–61	
E1-4	Targets related to climate change mitigation and adaptation	61–62	
E1-5	Energy consumption and mix	62	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	63–64	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	–	Non-material.
E1-8	Internal carbon pricing	–	Non-material.
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	66	Varma applies the transitional provision.

Table 19: **Disclosure Requirements in the E4 standard covered by the sustainability statement**

ESRS E4	Biodiversity and ecosystems	Page	Additional information
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	68	Varma applies the transitional provision.
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	67–68	Varma applies the transitional provision.
ESRS 2, IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	45	Varma applies the transitional provision.
E4-2	Policies related to biodiversity and ecosystems	68–69	Varma applies the transitional provision.
E4-3	Actions and resources related to biodiversity and ecosystems	69	Varma applies the transitional provision.
E4-4	Targets related to biodiversity and ecosystems	69	Varma applies the transitional provision.
E4-5	Impact metrics related to biodiversity and ecosystems change	69	Varma applies the transitional provision.
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	69	Varma applies the transitional provision.

Table 20: **Disclosure Requirements in the E5 standard covered by the sustainability statement**

ESRS E5	Resource use and circular economy	Page	Additional information
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	45	
E5-1	Policies related to resource use and circular economy	71	
E5-2	Actions and resources related to resource use and circular economy	71–72	

Table 20: **Disclosure Requirements in the E5 standard covered by the sustainability statement**

ESRS E5	Resource use and circular economy	Page	Additional information
E5-3	Targets related to resource use and circular economy	73	
E5-4	Resource inflows	-	Non-material.
E5-5	Resource outflows	73	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	73	Varma applies the transitional provision.

Social standards

Disclosure requirements

Table 21: **Disclosure Requirements in the S1 standard covered by the sustainability statement**

ESRS S1	Own workforce	Page	Additional information
ESRS 2, SBM-2	Interests and views of stakeholders	35	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with business model	80	
S1-1	Policies related to own workforce	81–83	
S1-2	Processes for engaging with own workforce and workers’ representatives about impacts	83–84	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	84	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	85–87	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	87–88	
S1-6	Characteristics of the undertaking’s employees	89	
S1-7	Characteristics of non-employees in the undertaking’s own workforce	89	
S1-8	Collective bargaining coverage and social dialogue	-	Non-material.
S1-9	Diversity metrics	89	
S1-10	Adequate wages	89	
S1-11	Social protection	90	
S1-12	Persons with disabilities	-	Non-material.
S1-13	Training and skills development metrics	90	
S1-14	Health and safety metrics	90	
S1-15	Work-life balance metrics	91	
S1-16	Remuneration metrics (pay gap and total remuneration)	91	
S1-17	Incidents, complaints and severe human rights impacts	91	

Table 22: Disclosure Requirements in the S2 standard covered by the sustainability statement

ESRS S2	Workers in the value chain	Page	Additional information
ESRS 2, SBM-2	Interests and views of stakeholders	35	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with business model	92–93	
S2-1	Policies related to value chain workers	94–95	
S2-2	Processes for engaging with value chain workers about impacts	95–96	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	96	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	96–98	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	98	

Table 23: Disclosure Requirements in the S3 standard covered by the sustainability statement

ESRS S3	Affected communities	Page	Additional information
ESRS 2, SBM-2	Interests and views of stakeholders	35	Varma applies the transitional provision.
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with business model	99	Varma applies the transitional provision.
S3-1	Policies related to affected communities	99–100	Varma applies the transitional provision.
S3-2	Processes for engaging with affected communities about impacts	100	Varma applies the transitional provision.
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	100	Varma applies the transitional provision.
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	101–102	Varma applies the transitional provision.
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	102	Varma applies the transitional provision.

Table 24: Disclosure Requirements in the S4 standard covered by the sustainability statement

ESRS S4	Consumers and end-users	Page	Additional information
ESRS 2, SBM-2	Interests and views of stakeholders	35	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with business model	103–104	
S4-1	Policies related to consumers and end-users	105	
S4-2	Processes for engaging with consumers and end-users about impacts	105–106	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	106–107	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	107–108	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	108	

Governance standards
Disclosure requirements

Table 25: **Disclosure Requirements in the G1 standard covered by the sustainability statement**

ESRS G1	Business conduct	Page	Additional information
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	20–25	
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	45	
G1-1	Corporate culture and business conduct policies and corporate culture	113–116	
G1-2	Management of relationships with suppliers	116	
G1-3	Prevention and detection of corruption and bribery	116–117	
G1-4	Confirmed incidents of corruption or bribery	117	
G1-5	Political influence and lobbying activities	117	
G1-6	Payment practices	117	

Environmental information

Varma’s environmental policy identifies and describes the means by which environmental risks and opportunities are managed. Emission reduction targets in compliance with the Science Based Targets (SBT) initiative are Varma’s most significant sustainability objectives. As regards Scopes 1 and 2 emissions, the target is a 60 per cent reduction by 2030 compared to the 2021 level. As regards Scope 3 emissions, the target is for 51 per cent of investees commit to the SBTi by 2027.

ESRS E1 Climate change.....55

ESRS E4 Biodiversity and ecosystems 67

ESRS E5 Resource use and circular economy.....70

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) 74

Scopes 1 and 2 emissions compared to 2021

-81%

The investment portfolio’s climate risks were assessed through the Value at Risk (VaR) calculation. The analysis covers 44 (41) per cent of Varma’s investments.

Share of investee companies committed to the SBTi

56%



ENVIRONMENTAL INFORMATION

ESRS E1

Climate change

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with business model 55

E1-1: Transition plan for climate change mitigation 57

E1-2: Policies related to climate change mitigation and adaptation 59

E1-3: Actions and resources in relation to climate change policies 60

E1-4: Targets related to climate change mitigation and adaptation 61

E1-5: Energy consumption and mix 62

E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions..... 63

E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities 66

Material impacts, risks and opportunities and their interaction with business model

ESRS 2 SBM-3

Table 26: Material impacts, risks and opportunities related to climate change¹

Sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ¹	Material impact, risk or opportunity
Climate change mitigation	Varma's own operations	Actual negative impact	Long	The Scopes 1–3 GHG emissions of Varma's own operations contribute to global warming.
		Actual positive impact	Long	Reduction in GHG emissions, commitment to reduce GHG emissions related to own operations (Scopes 1 and 2) by 60 per cent by 2030 compared to the 2021 level.
		Actual negative impact	Long	The portfolio companies' GHG emissions contribute to global warming.
	Investment portfolio	Actual positive impact	Short, medium and long	Engaging with the portfolio companies to reduce their GHG emissions mitigates global warming.
		Actual positive impact	Short, medium and long	Investments in solutions that help mitigate climate change mitigate global warming.
		Risk	Short, medium and long	Additional costs incurred by portfolio companies from transition risks, such as tighter emissions trading, emission restrictions or other tightening regulation. ²
		Risk	Short	Varma's financial risks related to the commitment to climate change mitigation (1.5°C), if the rest of the world does not reflect Varma's target level (transition risk). ³
		Opportunity	Short, medium and long	Return opportunities related to sustainable capital flows.
		Actual negative impact	Long	The Scopes 1–3 emissions of direct real estate investments contribute to global warming.
Energy	Direct real estate investments	Actual positive impact	Short, medium and long	Promoting carbon-dioxide-free energy use in in-use investment properties. (Scope 2)
		Actual negative impact	Short	The properties in the direct real estate investment portfolio consume energy during use, and energy production causes climate-warming emissions.
		Actual positive impact	Short, medium and long	Direct investments in energy efficient real estate mitigate energy consumption and consequently global warming.
	Investment portfolio	Risk	Short	Volatility and rise in energy prices, and energy inefficiency of the building stock (transition risk). ⁴
		Actual positive impact	Short, medium and long	Through its investment operations, Varma improves institutions' ability to adapt to risk factors and natural disasters related to the climate, and increases awareness of climate change risks.
Climate change adaptation	Investment portfolio	Actual positive impact	Short, medium and long	Varma takes part in the public debate on the impacts of climate change at events and through collaborative initiatives and thus promotes collaboration within the financial markets in order to adapt to the effects of climate change.
		Actual positive impact	Short, medium and long	Investments in environmentally sustainable activities that help adapt to climate change.
		Risk	Short, medium and long	Physical and transition risks of the investment portfolio. ⁵
		Opportunity	Short, medium and long	Return opportunities related to sustainable capital flows.
		Actual positive impact	Short, medium and long	Investments in environmentally sustainable activities that help adapt to climate change.
	Direct real estate investments	Risk	Short, medium and long	Physical (acute and chronic) risks and transition risks of real estate investments caused by climate change. ⁶
	Downstream value chain	Risk	Short, medium and long	Risks related to premium income caused by climate change (transition risk). ⁷
All	Investment portfolio	Risk	Short	Pension asset investing that promotes sustainable development does not attract customers (transition risk). ⁸
		Risk	Short, medium and long	Lost investment returns resulting from not financing non-sustainable activities (transition risk). ⁹
		Opportunity	Short	Pension asset investing that promotes sustainable development as a potential attraction factor to customers.

¹ ESRS 2 SBM-3 48 a, c iii, ²⁻⁹ ESRS E1: ESRS 2 SBM-3 18

Varma carried out a resilience analysis related to climate risks as a Climate Value at Risk (VaR) calculation. The calculation measures the potential costs of climate change in the future, discounted to present value. The short-, medium- and long-term costs of transition risks and physical risks for companies have been discounted to present value, and the Climate VaR value corresponding to this indicates the potential impact of climate change on the market value of the investment portfolio as a percentage. Climate VaR covers the largest asset category of Varma’s investment assets, i.e. listed equity investments. The calculation represents the situation on 30 September 2025. **ESRS 2 SBM-3 19 b**

The time horizons used in the scenario and resilience analyses are aligned with the time horizons defined in the section ‘Disclosures in relation to specific circumstances’. The analysis of the long-term impacts extends to the year 2050 since the material impacts of climate change extend far beyond the year 2040.

Of the scenarios used in the calculation, Net-Zero 2050 would result in a loss of 12.3 (11.2) per cent for listed equity investments and a loss of 4.6 (1.8) per cent for listed fixed income investments over a 30-year time horizon. If realised, this would decrease Varma’s solvency by 3.4 (2.4) percentage points. Although the potential costs caused by climate change on Varma’s solvency increased compared to 2024 and the loss would be significant, Varma’s solvency would still remain at a good level even after this. The scenario analysis takes into account the different impacts of the costs

resulting from climate change, depending on the nature of the capital. The negative and positive impacts of climate change primarily affect the company’s capital, and the model assumes that a 40 per cent recovery rate applies to debt capital, even if the company would otherwise be insolvent due to costs related to climate change. As a result, the impacts of climate change on fixed income investments are overall smaller, which is why fixed income investments are structurally better protected from the impacts of climate change. **ESRS 2 SBM-3 19 c**

The biggest uncertainty in the resilience analysis is related to the scope of the analysis. The analysis covers 44 (41) per cent of Varma’s total investments, as the basic requirement for the analysis is sufficient reporting by the companies. However, the impacts of climate change on Varma’s investments are small in the short and medium term.

In the Net-Zero 2050 scenario where transition risks are at their highest, the impact on the market value of equity and fixed income investments is -0.25 (-0.49) per cent and -0.07 (-0.02) per cent, respectively, over a time horizon of three years. The same scenario’s impact on the market value of equity and fixed income investments is -2.72 (-2.96) per cent and -0.91 (-0.26) per cent, respectively, over a time horizon of 10 years, and -12.34 (-11.21) per cent and -4.65 (-1.80) per cent, respectively, over a time horizon of 30 years.

In the Current Policies scenario where physical risks are at their highest, the impact on Varma’s listed equity and fixed income investments would be -0.04 (-0.02) per cent and

Table 27: **Key assumptions of the Climate VaR calculation¹**

NGFS scenarios		Net-Zero 2050	Below 2°C	Delayed Transition	Current Policies ²
General	Description	An ambitious scenario in which global warming is limited to 1.5 degrees Celsius above the pre-industrial level by 2100. Strict measures related to climate change and significant innovations enable net-zero CO ₂ emissions by 2050.	A scenario in which measures to mitigate climate change limit the temperature increase to 2 degrees by 2100 with a 67 per cent probability. In this scenario, net-zero emissions are expected to be reached in 2070.	A scenario which assumes that global emissions will not decrease before 2030, after which significant measures on climate change will limit global warming to 2 degrees.	The assumption of the scenario is that only the already published actions will be implemented, which leads to high physical risks. Emissions will increase until 2080, resulting in irreversible physical changes.
	Temperature rise	1.4	1.8	1.6	3+
	Transition type	Fast and orderly	Fast and orderly	Delayed	No transition
	Technology change	Fast	Moderate	Slow/fast	Slow
	Utilisation of carbon sinks	Moderate/high	Moderate	Low/moderate	Low
	Geographical differences	Moderate	Low	High	Low
CO ₂	CO ₂ emissions 2030 vs 2020	-43%	-22%	-5%	-5%
	CO ₂ emissions 2050 vs 2020	-102%	-78%	-85%	-10%
	tCO ₂ price in 2030	187	46	9	9
	tCO ₂ price in 2050	590	136	350	8
Temperature	Likelihood of exceeding a 1.5-degree change in 2100	28%	71%	63%	100%
	Likelihood of exceeding a 2-degree change in 2100	4%	21%	17%	96%
Consumption of primary energy	2030 vs 2020	-13%	0%	8%	8%
	2050 vs 2020	-17%	-12%	-15%	19%
Energy production capacity in 2030	Renewables, incl. hydro	84%	75%	64%	64%
	Fossil	12%	21%	31%	31%
	Other	4%	4%	5%	5%
Energy production capacity in 2050	Renewables, incl. hydro	95%	95%	95%	88%
	Fossil	0%	3%	1%	11%
	Other	5%	2%	4%	2%
Annual GDP growth	2030 vs 2020	2.7%	2.9%	3.0%	3.0%
	2050 vs 2020	2.3%	2.3%	2.2%	2.3%

¹ ESRS E1: ESRS 2 SBM-3 AR 7
² ESRS E1: ESRS 2 SBM-3 AR 7 a

0.0 (0.0) per cent, respectively, over a 3-year time horizon. The same scenario’s impact on the market value of equity and fixed income investments is -0.32 (-0.94) per cent and -0.02 (-0.09) per cent, respectively, over a time horizon of 10 years, and -1.35 (-3.66) per cent and -0.11 (-0.57) per cent, respectively, over a time horizon of 30 years. A significant proportion of the physical risks associated with the investments will only materialize between 2050 and 2100, and the impacts are not reflected in the conducted resilience analysis. Under the NGFS scenarios, the potential costs arising from the physical risks of climate change are not expected to be significant over the next 30 years. The impacts of physical risks become more pronounced in the period 2070–2100 and fall outside the scope of the review and the resilience analysis. **ESRS E1: ESRS 2 SBM-3 19 a**

Transition plan for climate change mitigation

E1-1

In its operations, Varma follows its roadmap for climate targets in accordance with its environmental policy. **ESRS E1 E1-1 14** Sustainability is one of Varma’s strategic focus areas. Varma’s roadmap for climate targets and the included transition plan are therefore part of Varma’s strategy. Since the environmental policy covers all of Varma’s activities, it can theoretically be considered possible, in terms of the finance plan, that Varma’s entire investment portfolio could be used for mitigating or adapting to climate change. In practice, however, the target is for the climate allocation to account for

50 per cent of Varma’s investments by 2027. By climate allocation, Varma means an investment portfolio in which Varma includes companies whose business benefits from actions to mitigate climate change, whose operations do not cause significant greenhouse gas emissions, who have a clear strategic and science-based target of reducing greenhouse gas emissions and whose operations offer carbon sinks. **ESRS E1 E1-1 16 h**

Varma utilises a low carbon roadmap in its investments in electricity generation. This means that investments in fossil-based electricity generation decrease at the same rate or faster than the roadmap requires, i.e. they must not account for more than 10 per cent of the investment portfolio’s electricity generation capacity in 2030.

In the roadmap, Varma makes use of the climate scenarios produced by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). The NGFS has published recommendations concerning the monitoring of climate risks for central banks. The purpose of the NGFS is to develop best practices for identifying climate change-related risks and enhancing the conditions for sustainable finance.

Varma does not make new investments in companies with coal-based operations accounting for more than 5 per cent of their net sales, production or production capacity. The exception to this general rule is companies that have a science-based target of reducing emissions to help limit global warming to 1.5 degrees Celsius. Varma neither finances

coal-based projects nor invests in companies that are planning new coal-based investments.

ESRS E1 E1-1 16 b

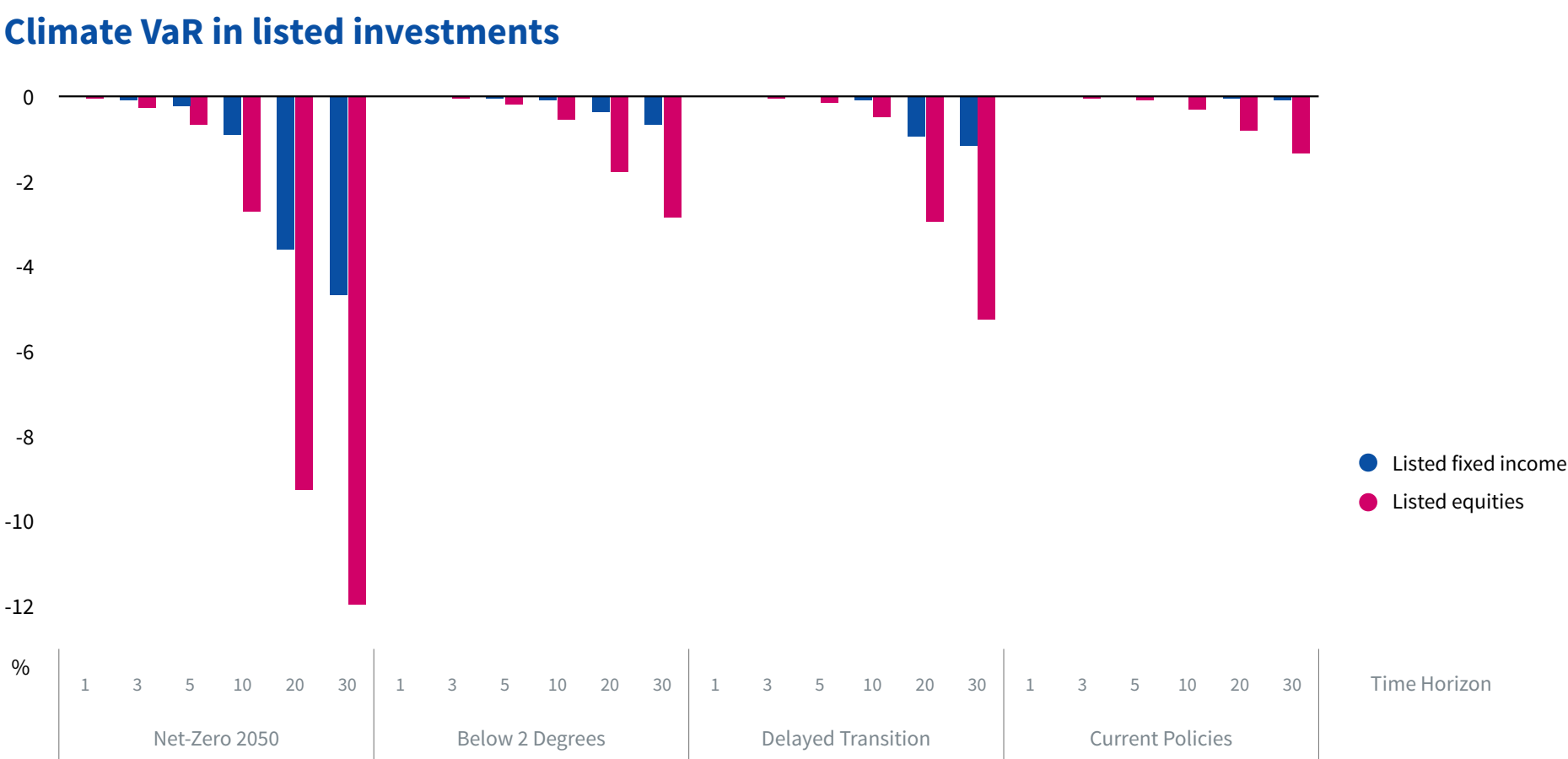
Varma regularly reviews the climate actions of its investments’ value chain and does not, for example, use intermediaries for which fossil fuel companies form a significant part of their generated fees from clients. Varma’s objective is also to develop, together with fund management companies, the underlying companies’ disclosures on energy use and the carbon footprint.

Varma’s business does not include structures, investments or operating models that would lock it to high greenhouse gas emissions in the long term. Varma is not excluded from the EU Paris-aligned Benchmarks. **ESRS E1 E1-1 16 d, g** Varma’s financial contributions to support climate change mitigation and the transition plan consist of services and data produced by external service providers. Varma has no significant CapEx amounts related to coal-, oil- or gas-related economic activities.

ESRS E1-1 16 c, e

Varma’s most important target guiding the transition are the emission reduction targets validated by the Science Based Targets initiative (SBTi). Varma’s SBTi targets are to reduce the Scopes 1 and 2 greenhouse gas emissions related to its own operations by 60 per cent by 2030 compared to the 2021 level and, as regards indirect GHG emissions (Scope 3), to increase the share of companies committed to the SBT initiative to 51 per cent by 2027 in equity and listed fixed-income investments and real estate funds. The SBTi targets are

Figure 8: Scenarios of physical risks, impact on the market value of listed investments, %



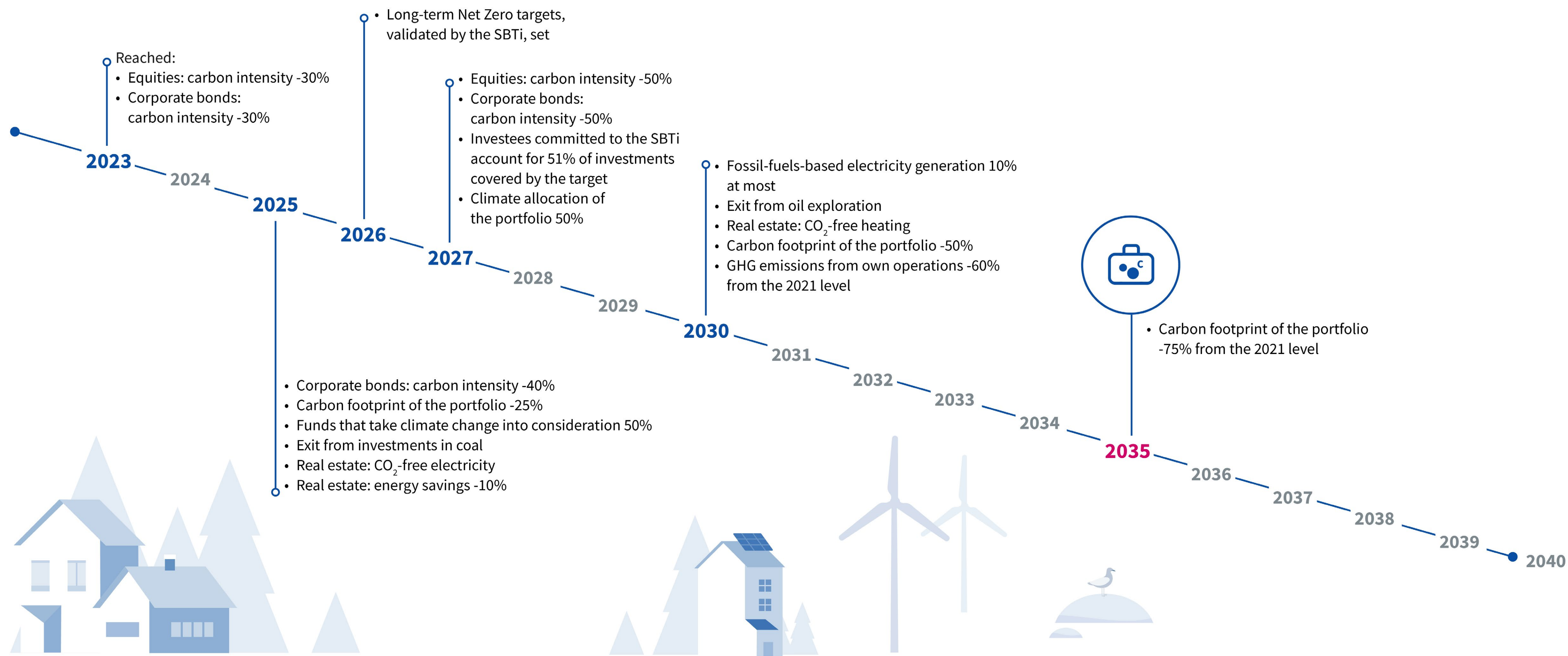
aligned with the Paris Agreement. **ESRS E1-1 16a**

Varma is committed to setting long-term SBT Net-Zero targets within two years of the publication of the guidelines.

Varma has set reduction targets for the absolute emissions from investments. The target is to reduce the investment portfolio’s emissions by 75 per cent by 2035 compared to 2021. Varma’s roadmap for climate targets is part of the environmental policy approved by the Board of Directors. **ESRS E1-1 14, 15, 16 i**

Roadmap for Varma’s climate targets¹

Progress in the execution of the transition plan is described in the section E1-3.²



¹ ESRS E1 E1-1 14 15, ² ESRS E1-1 16j

Policies related to climate change mitigation and adaptation

E1-2
Environmental policy

Varma’s environmental policy covers the entire value chain and recognises the means by which Varma manages the environmental risks and opportunities of its operations, investees and supply chain. **ESRS 2 MDR-P 65 a, b** The policy’s scope is presented in the adjacent table and in more detail in topical ESRS disclosures. Varma’s Board of Directors decides on the environmental policy, which is available to the public on Varma’s website. **ESRS 2 MDR-P 65 c, f**

The interests of stakeholders have been taken into account in the double materiality assessment and stakeholder consultation. The environmental policy is partly based on the results of the double materiality assessment.

ESRS 2 MDR-P 65 e

Varma is committed to the principles of the UN Global Compact initiative and promotes sustainable development when investing pension assets, reducing its own environmental impact, and ensuring responsible supply chain management.

The four key principles of the environmental policy are:

1. Varma has set science-based emission reduction targets for its own operations, direct real estate investments and investment portfolio. Varma supports actions that promote the transition to a low-carbon economy and encourages its investee companies to report on climate-related risks and opportunities. Varma does not make investments in companies with coal-based

operations accounting for more than 5 per cent of their net sales, electricity generation or electricity generation capacity.

2. Varma has identified the risks and opportunities caused by biodiversity loss in its investment portfolio and aims to promote the conservation of biodiversity. Varma encourages its investee companies to report on the nature-related goals and impacts of their own operations. Varma does not make investments in companies with major operations in areas vulnerable to biodiversity loss.
3. Varma exercises its voting rights in general meetings to promote responsibility and environmental matters in its investee companies. Varma collaborates with other investors and participates in public debate and joint initiatives to mitigate climate change and biodiversity loss. Varma is involved in developing cooperation in the financial markets and reporting standards.
4. Varma is committed as a real estate owner and investor to reducing the environmental impacts of its properties and mitigating climate change. Varma aims for carbon-dioxide-free energy use in its in-use properties

by 2030. Varma takes into account the principles of circular economy and biodiversity in the construction, maintenance and demolition of properties. **ESRS 2 MDR-P 65 a, ESRS E1 E1-2 22**

Policies in Varma’s own operations

In the environmental policy, Varma commits to taking climate change mitigation and adaptation into account in its own operations and value chain. In the double materiality assessment, greenhouse gas emissions from Varma’s own operations, which contribute to global warming, have been identified as a material negative impact. **ESRS 2 MDR-P 65 b** The environmental impacts of Varma’s own operations are generated by the use of premises and vehicles, and by the production of purchased products and services. Although these comprise only a minor share of the total emissions, Varma can influence them directly and therefore aims to minimise the environmental impacts of its own operations. Climate change and other environmental impacts on the operating environment may result in risks and opportunities related to pension insurance activities.

In work-related mobility, i.e. travel between home and the workplace, the use of company vehicles, and business travel, employees are encouraged to adopt more environmentally friendly modes of transportation through flexible work practices, guidelines, company vehicle policy and various commercial space solutions. The CFO, who reports to the CEO, is responsible for the environmental aspects of Varma’s own operations and emission reduction targets.

Varma’s target is to reduce the Scopes 1 and 2 greenhouse gas emissions by 60 per cent by 2030 compared to the 2021 level. **ESRS E1 E1-2 22, 23**

Policies in the investment portfolio

Varma has been committed to aligning its investments and investment processes with the Paris Agreement since 2016. Varma steers investments away from fossil fuel-based investees and selects for the investment portfolio operators that emphasise climate change mitigation and adaptation. Varma steers away from investees that are significantly exposed to climate change risks.

Varma has received official validation for its emission reduction targets, which are based on the SBTi. By means of these targets, companies commit to reducing their emissions in order to limit global warming to 1.5 degrees. The global joint initiative sets clear and ambitious guidelines to enable private sector companies to reduce their emissions. By joining the initiative, companies commit to reduce their greenhouse gas emissions in line with the Paris Agreement. In terms of indirect GHG emissions (Scope 3),

a target has been set for Varma’s listed equity investments, listed fixed income investments and real estate funds. In these asset classes, Varma’s target is to increase the share of companies committed to the SBT initiative to 51 per cent by the end of 2027. In 2021, a total of 28 per cent of the investees had set their own SBTi targets. In the target-monitoring year 2025, listed equities, listed fixed income investments and real estate funds made up 46 (45) per cent of Varma’s investment portfolio. **ESRS E1 E1-2 22, 23**

Policies in direct real estate investments

Carbon dioxide emissions from Varma’s direct real estate investments in Finland are caused by, for example, the consumption of electricity and heat Varma procures for its rental properties, i.e. apartment buildings and commercial premises. Varma’s target is to reduce the Scopes 1 and 2 greenhouse gas emissions by 60 per cent by 2030 compared to the 2021 level.

As a real estate owner, Varma aims to reduce the environmental impact of its properties throughout their lifecycle. The key environmental targets of real estate investments are mitigating climate change and adapting to its impacts, supporting circular economy, and considering biodiversity. The climate risks of direct real estate investments are taken into account as part of the investments’ climate risks.

Construction and real estate play a key role in mitigating several environmental impacts and adapting to environmental change. Varma believes that developing the energy efficiency of properties and using environmental

Table 28: Areas related to climate change and energy covered by the environmental policy¹

Areas covered by the policy	Policy
Climate change mitigation	Environmental policy
Climate change adaptation	Environmental policy
Energy efficiency	Environmental policy
Renewable energy deployment	Environmental policy
Others	Environmental policy

¹ ESRS E1 E1-2 25

certifications as guiding tools will improve the environmental responsibility of the real estate portfolio while also reducing the portfolio’s financial risks.

Varma aims for carbon-dioxide-free energy use in the in-use properties it owns by 2030 in the sites where Varma is responsible for energy procurement. Additionally, Varma aims for energy efficiency and the utilisation of local renewable energy in the properties it owns. The goal is that energy, electricity, district heating, and district cooling purchased by Varma are carbon-dioxide-free by 2030, meaning that the production of the purchased energy would not cause direct carbon dioxide emissions. Buildings cause greenhouse gas emission impacts at different stages of their life cycle. In addition to energy use, the production of construction materials causes significant climate impacts. Varma’s aim is to identify the carbon footprint impacts throughout the life cycle of buildings in new construction and renovation projects and, to the extent possible, to minimise these impacts through design, construction, and procurement as well as by utilising principles of circular economy. When acquiring new properties, Varma ensures their compatibility with its climate targets. Varma supports the users of its buildings in achieving the environmental goals and reducing greenhouse gas emissions by offering commercial premises and apartments next to excellent transport connections and by supporting the electrification of traffic with electric car charging points.

As an emission- and resource-intensive industry, the construction and real estate sector must increasingly adapt to the expectations of various stakeholders and stricter legislation on climate change mitigation. As regards its properties, Varma strives to respond to the transition risks brought about by the changes by evaluating the performance of its properties in relation to its own targets and the target of the Paris Agreement to limit global warming to 1.5°C. Varma’s goal is to develop and maintain its directly owned properties according to the targets. Buildings as part of the physical environment are increasingly exposed to various physical risks brought about by climate change, such as temperature fluctuations and heatwaves, as well as changing wind and rainfall conditions and the resulting consequences, such as fluvial and pluvial flooding. Varma aims to identify the physical risks caused by climate change to the properties it owns and strives to take those risks into account in the renovation plans for the properties. **ESRS 2 MDR-P 65 b, ESRS E1 E1-2 22, 23**

Policies in the upstream value chain
In its Supplier Code of Conduct, Varma requires its suppliers to be aware of their environmental impacts and to take them into account in their operations. **ESRS 2 MDR-P 65 b** Suppliers must be able to demonstrate, upon request, the control mechanisms they have in place to reduce the environmental impacts in their operations and supply chain. **ESRS 2 MDR-P 65 a** Varma encourages the development and use of environmentally friendly solutions. Especially in

emissions-intensive industries, suppliers should pay special attention to monitoring their carbon footprint and to setting clear targets related to minimising environmental impacts. **ESRS 2 E1 E1-2 22, 23**

Policies in the downstream value chain
In downstream value chain, Varma has not identified material perspectives related to climate change adaptation or mitigation that would require actions or policies. **ESRS 2 MDR-P 65, ESRS E1 E1-2 22, 23**

Actions and resources in relation to climate change policies
E1-3
Varma’s own operations
Varma’s SBTi target is to reduce the Scopes 1 and 2 greenhouse gas emissions related to its own operations by 60 per cent by 2030 compared to the 2021 level. At the end of 2025, emissions were down 81 (68) per cent compared to 2021. Tables 29 and 30 present the key actions through which emissions have been reduced and are planned to be reduced further.

Investment portfolio
As regards indirect GHG emissions (Scope 3), the target is to increase the share of companies committed to the SBT initiative to 51 per cent by 2027 in equity and listed fixed income investments and real estate funds. In 2025, companies that had set SBTi targets accounted for 56.0 (47.5) per cent of Varma’s

investment portfolio, while the target level is 43.3 (39.6) per cent. The increase is explained especially by the growth in the share of listed equities.

At the end of 2025, the absolute emissions of the investment portfolio were down 5 (21) per cent compared to 2024.

In 2025, the reduction in the carbon dioxide emissions of investments was not as significant as in previous years. Table 31 presents the key actions through which targets related to climate change mitigation have been promoted.

Direct real estate investments
The reduction in the emissions of Varma’s real estate is due to switching to CO₂-free district heat and electricity, energy renovations and energy efficiency measures. Annual changes in the emission factors for district heat and electricity also contribute to the amount of emissions.

By the end of 2025, Varma had carried out energy renovations and renewable energy solutions in 25 (25) of its residential and 24 (20) of its commercial properties. Energy renovation measures include installing geothermal and other heat pumps, and solar panels in the properties.

For properties’ purchased electricity, the goal was to switch to carbon-dioxide-free electricity by 2025, and the aim is for heat to be carbon-dioxide-free by 2030. At the moment, electricity is 100 per cent and heat 70 per cent-carbon-dioxide-free. The carbon-dioxide-free electricity and district heat purchased in 2025

were purchased from energy companies with guarantees of origin. The electricity has been generated using wind, nuclear and solar power, and the district heat has been produced from, among other sources, biomass, recycled heat, waste heat and geothermal heat. The realisation of emission reductions in the coming years depends on the energy products available on the markets. **ESRS E1 E1-3 29b**

Upstream value chain
Varma has no information about the actions and resources in the upstream value chain pertaining to policies related to climate change. According to the supplier sustainability survey carried out in 2025, all of the respondents have in place an environmental policy that steers their operations. The result is not directly comparable with the previous year’s result due to a different sampling and number of respondents. The survey results are discussed in more detail in the section ‘Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions’.

Resources related to actions
According to Varma’s assessment, the execution of climate change-related actions does not require significant operational or capital expenditures. **ESRS 2 MDR-A 69** Varma will assess the situation as needed as part of its transition plan and action updates in the coming years.

As regards the investment portfolio, it has been identified that the actions implemented and planned will incur some costs for Varma, for example from system development or purchased investment services. These are not, however, expected to be significant. The actual and anticipated costs are included in regular business development costs. Expenditure also arises from factors other than the climate change action plan, although the actions partly contribute to climate change mitigation or adaptation.

In Varma’s real estate business and own operations, capital and operational expenditures arise, for example, from investments in properties’ energy efficiency, the procurement of renewable energy, climate risk assessments, and the electrification of company vehicles. However, the expenditures are not considered significant in terms of implementing the climate change policies, or they are inextricably linked to the normal development of the business. The number of renovations related to, for example, energy efficiency or renewable energy is moderate. In the reporting year, these amounted to four.

Varma discloses performance indicators in accordance with the Commission delegated regulation (EU) 2021/2178 for acquisition and ownership of buildings. The reported figures do not correspond to the operational expenditure (OpEx) or capital expenditure (CapEx) arising from the actions described in this section, but instead reflect the total operational and capital expenditures of taxonomy-aligned real estate for the reporting year. **ESRS E1 E1-3 29c**

Table 29: **Actions in relation to climate change policies in 2025¹**

Action taken in 2025	Outcome in 2025	Scope
Electrification of company vehicles	Reduction of 59 tCO ₂ eq in Scopes 1 and 2 emissions compared to 2024	Varma’s own operations
Energy renovations and renewable energy solutions	Reduction of 3,496 tCO ₂ eq in Scopes 1 and 2 emissions compared to 2024	Real estate investments, including properties in own use
Emission-free purchased energy	Reduction of 3,496 tCO ₂ eq in Scopes 1 and 2 emissions compared to 2024	Real estate investments, including properties in own use
Assessments of physical climate risks by property	Identification of and preparing for physical climate risks in 4 properties	Real estate investments
Focussing on investments that promote the transition plan	Scope 3 category 15 emissions -5%	Investment portfolio
Exclusion of investments in coal		
Focussing on investments that promote the transition plan	Share of companies committed to the SBTi 56% Preparing for climate change-related risks	Investment portfolio

¹ ESRS 2 MDR-A 68 a, b, c, ESRS E1: E1-3 26, 29 a, b

Table 30: **Planned actions in relation to climate change policies¹**

Planned action	Expected outcome	Time horizon	Scope
Electrification of company vehicles	Reduction of Scope 1 emissions	by 2027	Varma’s own operations
Improving energy efficiency further and renewable energy solutions	Reduction of Scope 2 emissions	by 2030	Real estate investments, including properties in own use
Emission-free purchased energy	Reduction of Scope 2 emissions	by 2030	Real estate investments, including properties in own use
Climate risk assessments and adaptation plans	Adapting to climate change in real estate investments	2025–	Real estate investments, including properties in own use
Focussing on investments that promote the transition plan	Scope 3 category 15 emissions -50% vs 2021	by 2030	Investment portfolio
Focussing on investments that promote the transition plan	Increasing the share of investees committed to the SBTi targets to 51%	by the end of 2027	Investment portfolio, listed equities, listed fixed income investments, real estate funds

¹ ESRS 2 MDR-A 68 a, b, c, ESRS E1: E1-3 26, 29 a, b

Targets related to climate change mitigation and adaptation

E1-4

In its environmental policy, Varma outlines its commitment to science-based emission reduction targets (SBT). **ESRS 2 MDR-T 80 a** The commitment to setting the targets was made in 2022. Varma set the targets and SBTi approved them in 2023. Varma did not broadly involve stakeholders in the setting of the targets. **ESRS 2 MDR-T 79 e**

Varma’s SBTi targets are to reduce the absolute Scopes 1 and 2 greenhouse gas emissions related to its own operations by 60 per cent by 2030 compared to the 2021 level and, as regards indirect GHG emissions (Scope 3), to increase the share of companies committed to the SBT initiative to 51 per cent by 2027 in equity and listed fixed income investments and real estate funds. **ESRS E1 E1-4 30, 33, 34 a, b, e, ESRS 2 MDR-T 79 a, b, 80 b, c, d, e**

When the Scopes 1 and 2 emission reduction target was set, the target was not divided between Scope 1 and 2 emissions, but instead a common target was set for them. The targets have been set taking into account changes in technological development and the decarbonisation of the energy industry. The majority of emissions resulting from Varma’s own operations are made up of the energy consumption of real estate investments (Scope 2). The modelling of the emission reduction pathways for real estate is explained in more detail in the section IRO-1 ‘Description of the processes to identify and assess material impacts, risks and opportunities’ under ‘Scenario analyses in real estate investments’. The emission

reduction targets of Varma’s vehicle fleet have been implemented using the same method as for real estate, i.e. SBTi’s SDA targets in line with 1.5°C. The SBTi’s SDA targets are based on data from the International Energy Agency’s (IEA) Net Zero by 2050 scenario. The amount of emissions from Varma’s properties is expected to significantly decrease as renewable, emission-free energy becomes more common. The emissions from Varma’s vehicles will decrease as a result of the electrification of the vehicle fleet. Varma tracks progress towards the target at least annually.

For the SBTi target, Varma conducted a GHG inventory, which excluded categories 8 (upstream leased assets) and 14 (franchising)

because these are not part of Varma’s operations. Furthermore, no environmental impacts were identified in Varma’s operations in category 10 (processing of sold products), category 11 (use of sold products) and category 12 (end-of-life treatment of sold products). Category 4 (upstream transportation and distribution) is assessed to be of minor significance in Varma’s operations, and all related information is an inseparable part of category 1 (purchased goods and services), which is why this category has not been separately reported. Varma has not set a target for Scope 3 emissions, except for category 15 (investments). **ESRS 2 MDR-T 80 f, g, ESRS E1 E1-4 34 e**

Table 31: **Targets related to climate change mitigation and adaptation and anticipated emission reductions: Scopes 1 and 2 emissions¹**

Scopes 1 and 2 emissions	Base year (2021)	2030 target	Reference
GHG emissions (tCO ₂ eq)	27,330	10,932	SBT
Emission-free electricity and heat, and energy renovations		16,272	
Electrification of company vehicles		125	
Absolute reduction of Scope 1 GHG emissions		125	
Absolute reduction of market-based Scope 2 GHG emissions		16,273	
Reduction of Scope 1 and market-based Scope 2 GHG emissions as a percentage of the base year emissions		60%	

¹ ESRS 2 MDR-T 79 c, j, ESRS E1 E1-4 34 c, d, f

Energy consumption and mix

E1-5

Table 32: **Energy consumption and mix (direct real estate investments)**

Energy consumption and mix ¹	2023	2024	2025
(1) Fuel consumption from coal and coal products (MWh)			5,737 MWh
(2) Fuel consumption from crude oil and petroleum products (MWh)			1,732 MWh
(3) Fuel consumption from natural gas (MWh)		251 MWh	6,375 MWh
(4) Fuel consumption from non-renewable sources of energy (MWh)			5,520 MWh
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)		25,234 MWh	100 MWh
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)		25,485 MWh	19,464 MWh
Share of fossil sources in total energy consumption (%)		13%	10%
(7) Consumption from nuclear sources (MWh)		65,317 MWh	53,237 MWh
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)			9,535 MWh
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)		103,150 MWh	93,149 MWh
(10) The consumption of self-generated non-fuel renewable energy (MWh)		9,473 MWh	11,928 MWh
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)		112,623 MWh	114,612 MWh
Share of renewable sources in total energy consumption (%)		55%	61%
Energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	208,027 MWh	203,425 MWh	187,313 MWh

¹ ESRS E1 E1-5 35-37, 38, 39

Table 33: **Energy intensity per net revenue**

Energy intensity per net revenue ¹	2024	2025
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€)	0.0019 MWh/€	0.0017 MWh/€
Net revenue from activities in high climate impact sectors used to calculate energy intensity	€109 million	€112 million
Net revenue (other)	€10,581 million	€10,376 million
Total net revenue (Group)	€10,690 million	€10,487 million

¹ ESRS E1 E1-5 40–42

Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6

Table 34: Gross Scopes 1, 2, 3 and Total GHG emissions

Emissions, tCO ₂ eq	2021 (Base year)	2022	2023 (comparable)	2024	2025	% 2025/2024	Scopes 1 and 2 emissions down 60% by 2030 compared to 2021	Target:
Scope 1 GHG emissions								10,932
Gross Scope 1 GHG emissions	209	157	184	181	89 ¹	-51%		
The percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)					0	N/A		
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions			17 455	18 448	12 891 ²	-30		
Gross market-based Scope 2 GHG emissions	27,023	17,981	16,922	8,653	5,191 ³	-40		
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions	5,981,846	5,319,027	3,631,881	2,876,758	2,714,010 ⁴	-6		
1 Purchased goods and services	18,520,	19,646	17,870	15,231	17,003	+12		
2 Capital goods	51,424	50,529	36,241	36,203	26,672	-26		
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	12,610	8,230	9,435	9,529	8,108	-15		
5 Waste generated in operations	124	131	362	394	231	-41		
6 Business traveling	34	182	279	416	381	-8		
7 Employee commuting	111	93	146	191	190	-1		
9 Downstream transportation	13,575	8,028	8,621	11,129	10,875	-2		
13 Downstream leased assets	8,341	8,291	7 717	6,745	4,502	-33		
15 Investments	5,877,104	5,223,897	3,551,210,	2,796,921	2,646,049	-5		
Total GHG emissions								
Total GHG emissions (location-based)			3,649,519	2,895,387	2,726,989 ⁵	-6		
Total GHG emissions (market-based)	6,009,075	5,337,165	3,648,987	2,885,592	2,719,290 ⁶	-6		

¹ ESRS E1 E1-6 44 b, 49 a, 52 a, AR 45 b, d, f, AR 47 a, b, ² ESRS E1 E1-6 44 b, 49 b, 52 b, AR 45 a, b, d, f, ³ ESRS E1 E1-6 44 c, ⁴ ESRS E1 E1-6 44 d, 52 a, AR 47 a, b, ⁵ ESRS E1 E1-6 44 d, 52 b, AR 47 a, b

Table 35: GHG intensity per net revenue

GHG intensity per net revenue (tCO ₂ eq/€)	2023 (comparable)	2024	2025	% 2025/2024
Total GHG emissions (location-based) per net revenue	0.000430	0.000271	0.000260 ¹	-4.0
Total GHG emissions (market-based) per net revenue	0.000430	0.000270	0.000259 ²	-3.9

¹ ESRS E1 E1-6 53,54, AR 53 a, b, c, d, ² ESRS E1 E1-6 53, 54, AR 53 a, b, c, d

Table 36: Net revenue used to calculate GHG intensity

Net revenue used to calculate GHG intensity	2025 (2024)
Net revenue used to calculate GHG intensity (Group)	€10,487.4 (10,690.4) million
Net revenue (parent company)	€10,475.7 (10,694.4) million

Table 37: The carbon footprint of Varma’s investments¹

Financed emissions				Quality of data (1 best – 5 worst)	
Asset class	Scopes 1 and 2 emissions (tCO ₂ eq)	Scope 3 emissions (tCO ₂ eq)	Emissions intensity (tCO ₂ eq) ²	Scopes 1 and 2	Scope 3
Listed equity investments	700,463	12,909,561	26.79	1.23	2.47
Listed corporate bonds	235,906	2,215,028	63.01	2.25	3.04
Hedge funds	655,265	1,349,218	60.62	5.00	5.00
Real estate funds	33,128	59,721	12.51	2.29	2.29
Private equity investments	497,423	1,598,430	54.43	2.62	5.00
Infrastructure investments	415,135	825,070	129.24	1.75	5.00
Private debt	108,729	452,047	52.27	3.74	3.80
Total	2,630,070	19,409,075	45.80	2.39	3.56

¹ The emissions of real estate investments have been reported as part of Varma’s Scope 2 emissions.

² Emission intensity is calculated relative to investments’ market value.

Table 38: Biogenic GHG emissions¹

Biogenic GHG emissions (tCO ₂ eq)	2025
Scope 1	5
Scope 2	20,962
Scope 3	8,749

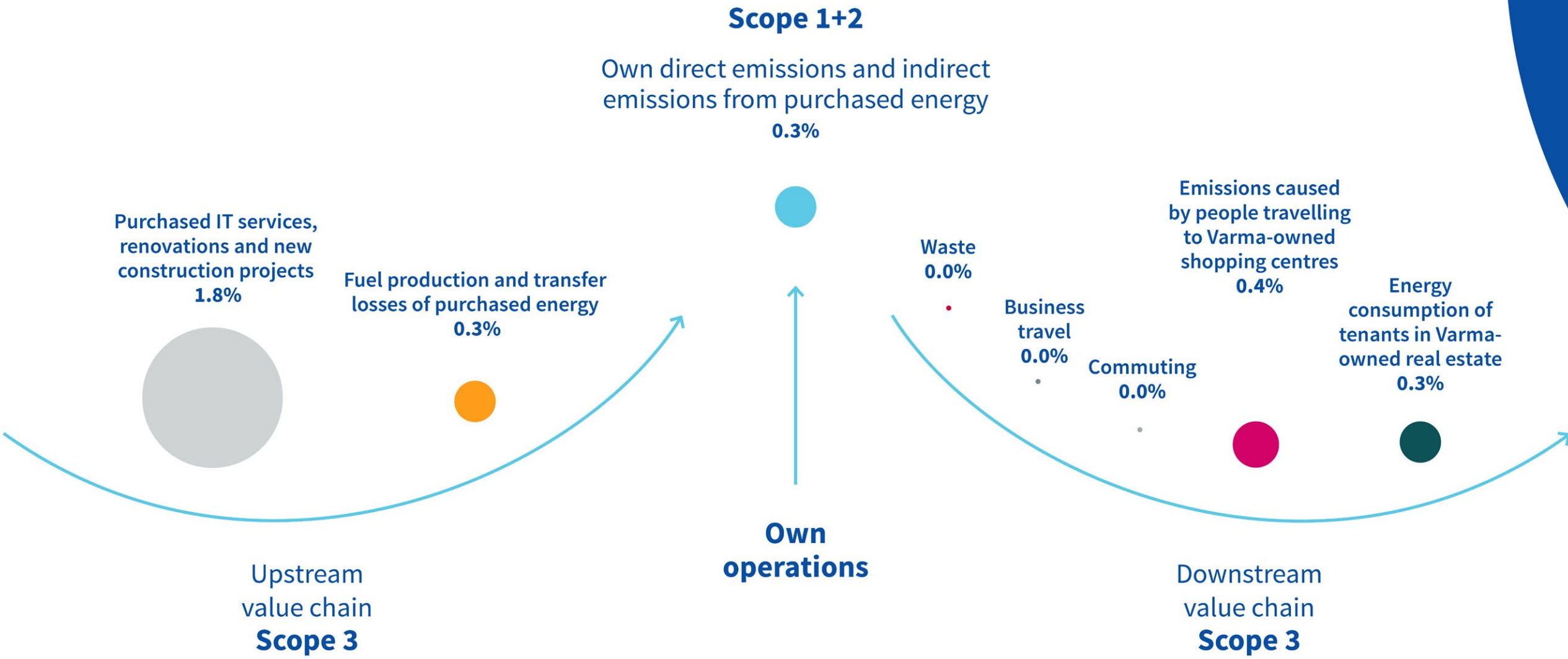
¹ Biogenic greenhouse gas emissions result from the combustion or decomposition of biomass. The emissions are not included in the disclosed gross Scope 1, 2 or 3 emissions or total GHG emissions. Biogenic emissions have been included in the calculations to the extent that emission factors have been available. For Scope 3 emissions, the calculation includes emissions arising from purchased energy as well as from the use of passenger cars and flights, covering categories 3, 6, 7, 9 and 13.

Overall picture of climate impacts

Scope 1: Emissions that are caused by the company’s own operations and under its direct control.

Scope 2: Indirect emissions from the generation of purchased energy, for example, the production of electricity and heat.

Scope 3: Emissions caused by the end use of goods and services sold and by purchased goods and services, i.e. all indirect emissions. Varma also includes the Scopes 1 and 2 emissions of its investee companies in this category.



Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

E1-9

Varma applies the transitional provision and is not reporting the data specified in Disclosure Requirement E1-9. ESRS 1, Appendix C

Progress towards climate targets

SBTi targets

Investees committed to the SBTi account for 51% of investments covered by the target by 2027



GHG emissions from own operations -60% from the 2021 level by 2030



ENVIRONMENTAL INFORMATION

ESRS E4

Biodiversity and ecosystems

ESRS 2 SBM-3: Material biodiversity and ecosystem-related impacts, risks and opportunities 67

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E4-6: Anticipated financial effects from material biodiversity risks and opportunities 69

Varma applies the transitional provision and is not reporting the data specified in ESRS E4 in its second year of preparing a sustainability statement. However, the following section includes a brief description of the material impacts, risks and opportunities, and policies, actions, targets and metrics related to biodiversity and ecosystems.

SBM-3 Material biodiversity and ecosystem-related impacts, risks and opportunities

ESRS 2 SBM-3

The identified sustainability matters related to biodiversity are connected to Varma’s investment portfolio and direct real estate investments. Both are related to Varma’s goal of securing pensions through investment activities, the requirement for transparency, and responsible practices aligned with the strategy. The investment operating model and the pursuit of returns to secure pensions are, however, partly dependent on the systemic impacts and the imbalance between the global economy and nature. Varma has taken into account the identified risks related to the

sustainability topic in its investment principles. In Varma’s value chain, the activities of investment companies may result in material negative impacts on land degradation, desertification, or soil sealing through construction. **ESRS 2 SBM-3 48 c: ii, iv, ESRS E4 SBM-3 16 b** Varma has no direct activities that have been identified as significantly affecting endangered species.

ESRS E4 SBM-3 16 c

Direct real estate investments comprise commercial and residential properties located in Finland that are under Varma’s operational management. Material impacts identified in relation to these are their GHG emissions’ impact on the reduction of biodiversity and use of natural resources in the construction value chain. Possible impacts on other sustainability subtopics may exist, but these were not identified as material in the assessment process and thus no specific locations significant in terms of biodiversity were identified either. **ESRS E4 SBM-3 16 a**

Table 39: **Material biodiversity and ecosystem-related impacts, risks and opportunities¹**

Sub-topic	Sub-sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ²	Material impact, risk or opportunity
Direct impact drivers of biodiversity loss	Climate change	Investment portfolio	Actual negative impact	Long	The portfolio companies’ GHG emissions contribute to global warming, which causes biodiversity loss.
		Direct real estate investments	Actual negative impact	Long	The GHG emissions from construction and building use contribute to global warming, which causes biodiversity loss.
Direct impact drivers of biodiversity loss	Land-use change, fresh water-use change and sea-use change	Investment portfolio	Actual negative impact	Long	The impacts of investment portfolio companies on land use may reduce biodiversity.
			Actual positive impact	Short, medium and long	Engaging with investee companies to prevent the decline of biodiversity, for example through norms-based screening.
			Risk	Short, medium and long	Physical, legal, transition, and systemic risks related to biodiversity. Protection of areas, for example in the mining industry.
			Opportunity	Short and medium	Sector-specific risk assessment, impact analysis, and external and internal reporting provide Varma with tools to manage biodiversity risks in its investment portfolio.
Direct impact drivers of biodiversity loss	Direct exploitation	Investment portfolio	Actual negative impact	Long	The raw materials used by investment portfolio companies and their sourcing may impact biodiversity loss.
			Risk	Long	Dependency on natural resources: material shortage, price increase, and supply disruptions.
		Direct real estate investments	Actual negative impact	Long	Properties and construction have an impact on biodiversity loss through (unsustainable) use of natural resources.
Impacts on the state of species		Investment portfolio	Actual negative impact	Long	Land use of investment portfolio companies may impact populations, local biodiversity and ecosystems.
Impacts on the extent and condition of ecosystems		Investment portfolio	Actual negative impact	Long	Impacts of the investment portfolio on ecosystems.
Impacts and dependencies on ecosystem services		Investment portfolio	Actual negative impact	Long	Impacts of portfolio companies’ direct exploitation and land-use changes on the condition of ecosystem services.

¹ ESRs 2 SBM-3 48 a, c ii, 49
² ESRs 2 SBM-3 48 c iii

Transition plan and consideration of biodiversity and ecosystems

E1-4

Varma does not currently have a transition plan for biodiversity and ecosystems.

Policies related to biodiversity and ecosystems

E4-2

Environmental policy

Varma’s environmental policy defines Varma’s approach to biodiversity and the protection of ecosystems. There is a general description of the environmental policy in the section ‘Policies related to climate change mitigation and adaptation’. ESRs 2 MDR-P 65 g, ESRs E4 E4-1 20, 21

Policies in the investment portfolio

Taking environmental aspects into account is part of Varma’s investment process. Varma’s investments are exposed to environmental risks, and at the same time, investments have major impacts on the environment. Varma invests increasingly in companies that take climate change and biodiversity loss into account in their operations by, for example, developing solutions for adapting to climate change and attending to biodiversity. The Chief Investment Officer, who reports to the CEO, is in charge of taking investments’ environmental aspects into account.

Varma monitors that its investee companies comply with both national laws and international agreements regarding environmental aspects. Attending to both climate change and biodiversity is part of the norms-based screening of the investment portfolio, i.e.

monitoring whether the investee companies comply with not only national laws but also international agreements. What is significant for Varma in terms of monitoring violations is that the investee company makes progress in the desired direction in its efforts to remediate the situation. Varma is working to combat climate change and biodiversity loss on its own, together with other investors and through a third party as part of a larger group of investors.

Almost all industries face risks resulting from biodiversity loss. The risks can be divided into physical, legal, transition and systemic risks. Physical risks are, for example, the depletion of natural resources or disturbances in the operating environment. Legal risks include increasing regulation and international agreements, for instance. Transition risks refer to changes, for example, in the operating environment, technology and consumer behaviour that the measures preventing biodiversity loss could entail. Systemic risks mean an extreme risk in which biodiversity loss can lead to the collapse of entire regional ecosystems.

Varma has identified the sectors with the greatest risks related to biodiversity through their impacts and dependencies. The sectors are consistent with the high-risk sectors defined in the TNFD’s (Taskforce for Nature-related Financial Disclosures) reporting framework. Varma encourages its investee companies operating in high-risk sectors to draw up policies on biodiversity and to report in accordance with the TNFD framework. The policies may include, among other things:

- strategies for reducing the impacts of biodiversity loss;
- a policy on how biodiversity will be integrated into risk management;
- reporting on the impacts, risks and dependencies of their own operations and indicators for verifying them;
- objectives concerning biodiversity.

Varma is monitoring how many of its investee companies report in accordance with the TNFD recommendations. Besides business sectors, Varma also examines geographical areas that are exposed to biodiversity loss and where it has investments or operations, and reports on them. The following areas are classified as sensitive locations:

- areas important for biodiversity;
- areas that have thriving and resilient ecosystems.

Varma aims to manage the weight of industries containing climate risks through company and fund selection. Varma selects fund management companies that recognise investment opportunities related to combating biodiversity loss.

Biodiversity is integrated into the investment process. In the integration, Varma first focusses on the company’s direct investments and high-risk sectors. Varma has evaluated the impacts, risks and opportunities related to sustainability using the double materiality assessment in line with sustainability

reporting. Both climate change and biodiversity loss bring significant sustainability risks that investors must prepare for. Varma has also identified industries with a pronounced need for due diligence. As regards biodiversity, the due diligence process concerns the following high-risk industries:

- industries significantly exposed to climate risks, such as the oil and gas, electricity and heat production, automotive, mining, concrete, building materials, forestry, transportation and chemical industries;
- industries significantly exposed to biodiversity risks, such as food, pharmaceutical, and cosmetics industries, packaging material manufacturers, fashion and luxury goods industries, and waste management companies.

Varma does not make new investments in companies with established violations in areas vulnerable to biodiversity loss. Varma also does not invest in companies that have violated international laws or agreements when there are no plausible remedy plans or evidence of sufficient progress.

For an investor, one means of managing risks caused by biodiversity loss is to engage with investee companies. Varma recommends that companies report transparently on the current and future impacts of biodiversity loss on the company’s operations and growth opportunities. Varma encourages its investee companies to manage risks and policies

regarding biodiversity. Varma engages with companies in risk sectors and encourages them to report transparently on their operations’ impacts and risks related to biodiversity loss. Taking biodiversity into consideration is part of Varma’s norm violation monitoring.

ESRS 2 MDR-P 65 g, ESRS E4 E4-1 20, 21

Policies in direct real estate investments

Construction and real estate play a key role in mitigating several environmental impacts and adapting to environmental change. This challenges the industry and leads to increasingly tighter legislation and a market that demands environmental responsibility. Varma believes that developing the energy efficiency of properties and using environmental certifications as guiding tools will improve the environmental responsibility of the real estate investments while also reducing the investments’ financial risks.

Varma is environmentally responsible in real estate management, development projects, property acquisitions, and material and service procurement related to real estate operations. In addition, Varma strives to enable environmentally friendly solutions for property users that also support the users’ own environmental goals.

Climate change mitigation, use of natural resources, and circular economy are closely intertwined with the consideration of biodiversity in real estate investments. Varma has

identified the need to improve biodiversity in its real estate investments. Mitigating biodiversity loss and controlling biodiversity impacts requires the systematic consideration of the entire construction value chain and the prioritisation of measures targeted at the value chain’s key impacts. This calls for smooth co-operation between the parties in the construction value chain. Varma has identified that the real estate business has impacts on biodiversity, especially through land use solutions and extensive resource use. Varma’s actions in promoting the circular economy may also promote biodiversity when considering the entire value chain of real estate investments. Varma has identified biodiversity aspects in real estate and tries to take these into account whenever possible in renovations, maintenance and new construction projects.

ESRS 2 MDR-P 65 g, ESRS E4 E4-1 20, 21

Actions and resources related to biodiversity and ecosystems

E4-3

Varma has no reportable actions related to biodiversity and ecosystems for 2025.

Targets related to biodiversity and ecosystems

E4-4

Varma does not currently have time-bound targets for biodiversity and ecosystems.

Impact metrics related to biodiversity and ecosystems change

E4-5

Varma has no reportable impact metrics related to biodiversity and ecosystems.

Anticipated financial effects from material biodiversity risks and opportunities

E4-6

Varma has not assessed the anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities of its investment portfolio. For direct real estate investments, an industry-specific survey on the construction industry value chain’s dependencies on ecosystem services. Material biodiversity and ecosystem-related risks and opportunities are presented in more detail in the section ‘Material biodiversity and ecosystem-related impacts, risks and opportunities’.

ESRS 1 137, Appendix C

ENVIRONMENTAL INFORMATION

ESRS E5

Resource use and circular economy

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Material impacts, risks and opportunities related to resource use and circular economy

ESRS 2 SBM-3

Table 40: Material impacts, risks and opportunities related to resource use and circular economy¹

Sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ²	Material impact, risk or opportunity
Resource inflows, including resource use	Investment portfolio	Actual negative impact	Long	The use of raw materials by resource-intensive portfolio companies causes environmental impacts.
Waste	Investment portfolio	Actual negative impact	Medium	The waste generated in the investment portfolio and their treatment causes environmental impacts.
	Direct real estate investments	Actual negative impact	Medium	The waste from construction and demolition of properties causes environmental impacts.
		Actual negative impact	Medium	Property maintenance, repairs, and residents' waste cause environmental impacts.
All	Investment portfolio	Potential positive impact	Short, medium and long	Investments in companies that are able to improve material efficiency, reduce waste, and promote reuse and recycling may help reduce environmental impacts and the burden on natural resources caused by the production of new materials.
		Opportunity	Medium	With the increasing scarcity of resources and regulation, improving resource efficiency may lead to a competitive advantage.
		Opportunity	Medium	The new business opportunities offered by the circular economy or resource efficiency.

¹ ESRS 2 SBM-3 48 a, c ii, 49

² ESRS 2 SBM-3 48 c iii

Policies related to resource use and circular economy

E5-1

Responsibility related to resource use and circular economy is steered by Varma’s environmental policy. **ESRS E5 E5-1 12** Varma’s environmental policy addresses circular economy, inflow of resources, resource use, and generated waste in relation to direct real estate investments. **ESRS 2 MDR-P 65 a, AR 21** The policy identifies that construction and real estate investment can, as resource-intensive activities, significantly benefit from adhering to the principles of circular economy. **ESRS E5 E5-1 15, ESRS 2 MDR-P 65 a** The key environmental targets of real estate investments are mitigating climate change and adapting to its impacts, supporting circular economy, and considering biodiversity. **ESRS 2 MDR-P 65 a, b**

- According to the environmental policy, Varma aims to
- operate according to the circular economy guidelines it has set. The guidelines identify the material methods for promoting circular economy in construction projects and property maintenance;
 - steer its operations towards closed cycles where materials are kept at the highest possible use-value;
 - ensure the regular maintenance and upkeep of the resources tied to the buildings in use;
 - reduce any harm caused by real estate waste and its treatment;
 - manage and utilise construction site waste;

- protect the environment and prevent pollution on construction sites. **ESRS E5 E5-1 AR 9 a, b, ESRS E5 E5-1 15 a**

The policy also outlines Varma’s commitment to the Green Deal agreement **ESRS 2 MDR-P 65 d** in demolition projects. In accordance with this, Varma carries out demolition assessments in its demolition projects and aims for solutions that support the principles of circular economy. **ESRS 2 MDR-P AR 21** The main objective of the agreement is to increase the reuse and recycling of demolition materials by promoting the functioning of the markets for demolition materials from repair and demolition projects. **ESRS E5 E5-1 AR 9 a** Furthermore, Varma implements efficient monitoring and optimisation solutions for energy and water usage. **ESRS 2 MDR-P 65 a**

In terms of the investment portfolio, the environmental policy states that Varma favours companies that increasingly use renewable energy and whose operations are resource efficient in terms of the use of raw materials and other production inputs. **ESRS 2 MDR-P 65 a, b, ESRS E5 E5-1 15 b** There is a general description of the environmental policy in the section ‘Policies related to climate change mitigation and adaptation’. **ESRS 2 MDR-P 65 b, c, e, f**

Actions and resources related to resource use and circular economy

E5-2

The following tables specify actions taken in 2025, as well as those planned, for direct real estate investments in relation to resource use and the circular economy.

Circular economy guidelines for service providers

Varma has prepared a circular economy guide for use and maintenance for employees and partners responsible for the use and maintenance of all its properties. **ESRS E5 E5-2 AR 17** The guide contains practical advice and examples of applying circular economy, which can be utilised on a case-by-case basis when possible.

Additionally, Varma has a circular economy guideline for construction, which is applicable to all of Varma’s new construction and renovation projects, from project development to construction. The guide is not tailored to any specific form of contract. The guide contains practical advice and examples of applying circular economy, which can be utilised in projects as needed and when possible. The guidelines encourage tenants to identify and adopt practices and arrangements that help reduce waste and improve sorting and recycling. **ESRS 2 MDR-A 67, ESRS E5 E5-2 17, ESRS E5 E5-2**

ESG roadmap for direct real estate investments 2024–2028

In 2023, Varma drew up an ESG roadmap for direct real estate investments to steer Varma’s targets and actions in the most material sustainability issues related to real estate investments, such as mitigating and adapting to climate change, social aspects and direct real estate investments’ ESG management in 2024–2028. **ESRS 2 MDR-A 68 a, b, c**

For the roadmap, which is intended for internal use, Varma identified material sustainability themes in real estate investments at different

stages of the properties’ lifecycle. The roadmap brings together Varma’s goals and actions relating to the environmental sustainability of real estate investments, social responsibility and sustainability management. It takes into account EU taxonomy criteria and sustainability expectations of different stakeholders, tenants, authorities and real estate market operators. The roadmap was drafted by Varma employees working in direct real estate investments together with a large number of Varma’s key external partners. **ESRS 2 MDR-A 67**

Waste monitoring and influencing waste volumes

Waste caused by Varma’s operations is mainly generated by its real estate business during properties’ lifecycle: construction, maintenance and renovation activities, and demolition. Waste is generated during the maintenance period by rental housing and use of commercial premises.

Varma has been monitoring the waste volumes of the commercial premises since 2018 and of the residential properties since 2021. Varma controls waste-related impacts through, for example, close co-operation with service providers. Apartments’ waste-related data is collected by an external manager, who regularly reports to Varma. An external circularity manager for Varma’s commercial properties was appointed and has reviewed the status of waste sorting at commercial properties under Varma’s maintenance responsibility and improved sorting and guidance. In commercial properties, Varma uses a data collection system in which waste management companies report the amounts

of different waste fractions. **ESRS E5 E5-2 AR 17** Varma has appointed an external circularity manager for commercial properties, who has reviewed the status of waste sorting at commercial properties under Varma’s maintenance responsibility and improved sorting and guidance. Moreover, waste-related matters are addressed in meetings with tenants as part of other environmental sustainability measures. **ESRS E5 E5-2 AR 17, ESRS 2 MDR-A 67, ESRS E5 E5-2 20 e**

In construction projects, demolition waste is reported to Varma by the demolition contractors. The utilisation rate of demolition waste has been high in demolition projects in the last few years. There were no demolition projects in 2025. **ESRS E5 E5-2 AR 17**

Table 41: Actions taken in relation to resource use and circular economy

Action taken in 2025 ¹	Expected outcome ²	Scope ³
Waste recycling, monitoring of site-specific recycling rate in place	Verification of the trend in the recycling rate and facilitation of targeting measures	Varma’s residential investment properties, waste sorting by residential investment properties’ tenants
English translation of the ‘Responsibility and tips for residents’ everyday life’ guide	Increased awareness of waste sorting	Residents of Varma’s residential investment properties
Circular economy guidelines for maintenance to steer maintenance activities	Maintenance activities comply with the circular economy guidelines	All real properties
Analysis of waste data for 2024	Calculating the recycling rate of properties and analysing the results	Varma’s residential investment properties
Preparing and adopting energy and environmental guidelines for a residential property	Improved recycling	Varma’s residential investment properties
Circular economy guidelines in resident communication	Improved recycling	Varma’s residential investment properties
Identification of potential new technical solutions	Improved recycling and reduced consumption of natural resources	Varma’s residential investment properties
Improving waste management by optimising the amount waste containers	Improved recycling	Individual Varma’s residential investment properties
Calculation and analysis of waste data for 2024	Calculating the recycling rate of properties and analysing the results	Commercial premises nationwide
Reviews of properties falling short of the target recycling rate (19)	Measures that improve the recycling rate and waste management	Commercial premises: Helsinki, Espoo, Vantaa, Tampere, Jyväskylä
Guide for sorting construction site waste: renovations and modifications	Guide for sorting construction waste to help contractors with waste sorting on the construction site	Commercial premises nationwide
Testing of the construction site guide in a space modification project	Contractor feedback on the guide	Commercial premises: Helsinki
Analysis of waste data for H1/2025	Calculating the recycling rate of properties and analysing the results	Commercial premises nationwide
Interview of an interior design company	Improvement in the reuse of construction waste	Commercial premises nationwide
Recycling and utilisation of construction waste, as well as monitoring of the utilisation rate The result is measured and monitored annually as an average	Utilisation rate over 90%	Varma’s construction projects
Circular economy guidelines for projects	Used as a guiding tool in projects	Varma’s construction projects
Utilisation of renewable energy and exploration of possibilities	Utilisation of renewable energy produced on the site whenever possible, conducting studies on renewable energy in projects	Varma’s construction projects
The use of wood as a structural material in buildings	Wood is used as a structural material in projects	Keilaniemen Portti and Katajanokan Laituri

¹ ESRs 2 MDR-A 68 a, ² ESRs 2 MDR-A 68 a, ³ ESRs 2 MDR-A 68 b

Table 42: Planned actions related to resource use and circular economy

Planned action ¹	Expected outcome ²	Time horizon ³	Scope ⁴
Analysis of waste data for 2025	Calculating the recycling rate of properties and analysing the results	2026	National
Forwarding residential investment properties’ discarded bikes for use/repair (e.g. the recycling centre Kierrätyskeskus)	Reduction in the amount of waste	2026	Laivurinkatu (residential site)
The use of the energy and environmental guidelines in the maintenance of a residential property	Reduction in the amount of waste	2026	Varma’s residential investment properties
Guide for sorting construction site waste: renovations and modifications	Adoption and monitoring of the guide, and potential adjustments	2026	Commercial premises nationwide
Promoting the reuse of construction waste: renovations and modifications	Pilot testing	2026	Commercial premises nationwide
Property reviews	Improving waste management and circular economy actions	2026	Commercial premises nationwide
Recycling and utilisation of construction waste, as well as monitoring of the utilisation rate The result is measured and monitored annually as an average	Utilisation rate over 90%	Continuous implementation	Varma’s construction projects

¹ ESRs 2 MDR-A 68 a, ² ESRs 2 MDR-A 68 a, ³ ESRs 2 MDR-A 68 c, ⁴ ESRs 2 MDR-A 68 b

Targets related to resource use and circular economy

E5-3

Varma currently has no measurable, out-come-oriented targets for circular economy and resource use. Varma states in its environmental policy that it strives to reduce any harm caused by real estate waste and its treatment. The results of this pledge is monitored annually by measuring the total waste volume generated by Varma’s commercial properties. In 2025, a total of 41 (42) commercial sites were monitored. Their total waste volume was 2,721 (2,693) tonnes. In 2021, Varma also started monitoring the waste volumes of residential investment properties, and in 2025 the monitoring covered 54 (53) properties, the total waste volume of which was 1,543 (1,555) tonnes. **ESRS 2 MDR-T 81**

Resource outflows

E5-5

Table 43: **Resource outflows**¹

Disclosure of the expected durability of the products placed on the market in relation to the industry average for each product group	2024	2025
The rates of recyclable content in products		N/A
The rates of recyclable content in packaging		N/A
The total amount of waste generated²	4,848.31 t	6,377.66 t
The total amount of hazardous waste diverted from disposal	4.99 t	0.76 t
Hazardous waste diverted from disposal due to preparation for reuse		0 t
Hazardous waste diverted from disposal due to recycling	4.99 t	0.75 t
Hazardous waste diverted from disposal due to other types of recovery operations		0.01 t
The total amount of non-hazardous waste diverted from disposal	4,841.60 t	6,372.49 t
Non-hazardous waste diverted from disposal due to preparation for reuse		2.06 t
Non-hazardous waste diverted from disposal due to recycling	2,546.76 t	3,820.47 t
Non-hazardous waste diverted from disposal due to other recovery operations	2,294.84 t	2,549.96 t
The total amount of hazardous waste directed to disposal		2.82 t
Hazardous waste directed to incineration		0.07 t
Hazardous waste deposited to landfill		2.20 t
Hazardous waste directed to other disposal operations		0.55 t
The total amount of non-hazardous waste directed to disposal	1.72 t	1.59 t
Non-hazardous waste directed to incineration		0 t
Non-hazardous waste deposited to landfill		1.59 t
Non-hazardous waste directed to other disposal operations	1.72 t	0 t
Non-recycled waste	2,296.55 t	2,554.37 t
Percentage of non-recycled waste	47%	40%
The total amount of hazardous waste	4.99 t	3.58 t
The total amount of radioactive waste		0 t

¹ ESRS E5 E5-5 37

² ESRS E5 E5-5 37 a

Anticipated financial effects from material resource use and circular economy-related risks and opportunities

E5-6

Varma applies the transitional provision and is not reporting the data specified in Disclosure Requirement E5-6 in its second year of preparing a sustainability statement.

ENVIRONMENTAL INFORMATION

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

As an earnings-related pension insurance company, Varma belongs to the category of non-financial companies in the Taxonomy Regulation (EU 2020/852 art. 8, delegated regulation 2021/2178), since earnings-related pension companies are not insurance companies authorised under the Solvency II Directive’s Article 18. On the basis of the aforementioned regulation, Varma has identified real estate investment as taxonomy-eligible economic activity. Taxonomy-eligible turnover accounted for 1 (1) per cent of the total turnover. Taxonomy-eligible capitalisations, i.e. the share of real estate investments’ net investments of all capitalisations, which include additions to and decreases from property and intangible assets, was 100 (100) per cent. Taxonomy-eligible operating expenses accounted for 1 (2) per cent of total operating expenses.

Earnings-related pension insurance companies provide taxonomy-related information in a table.

In 2025, Varma had four residential properties assessed for taxonomy alignment. An external service provider assessed the compliance of Varma’s real estate business with the taxonomy technical screening criteria and reported on it. An economic activity is taxonomy-aligned when the following three conditions are met:

1. The activity substantially contributes to at least one of the six environmental objectives. The environmental objectives laid down in the Taxonomy regulation are:
 - climate change mitigation;
 - climate change adaptation;

- the sustainable use and protection of water and marine resources;
 - the transition to a circular economy;
 - pollution prevention and control;
 - protection and restoration of biodiversity and ecosystems.
2. The activity causes no substantial harm to any of the environmental objectives.
 3. The activity is carried out in compliance with the minimum safeguards. The minimum safeguards are procedures implemented to ensure that the activity is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The company has assessed the economic activity falling under the taxonomy activity 7.7. ‘Acquisition and ownership of buildings’ against the criteria of substantial contribution criteria to climate change mitigation. Since Varma assesses residential buildings built, on the basis of the time of applying for the building permit, before 31 December 2020, the criteria state that the building must have at least an Energy Performance Certificate (EPC) class A or the building must be within the top 15 per cent of the national or regional building stock expressed as operational Primary Energy Demand (PED). The assessed residential

buildings are within the top 15 per cent of the national building stock based on their Primary Energy Demand.

The ‘Do No Significant Harm’ criteria for climate change mitigation are met for the other environmental objectives if a climate risk and vulnerability assessment in accordance with the technical screening criteria has been carried out for the properties. Since the assessment was carried out in all four residential properties, these criteria were met.

According to the interpretation of earnings-related pension insurance companies, real estate business is taxonomy-eligible. In this case too, the companies analyse minimum safeguards at the level of the entire business, instead of separately for the real estate business. The review of Varma’s business is limited to four thematic areas that are material to the real estate business: human rights, corruption and bribery, fair competition, and taxation. Based on an external assessment carried out in 2023, the minimum safeguards were met, and an internal follow-up review showed that they continued to be met in 2025.

Since the criteria for substantial contribution, do no significant harm and minimum safeguards are met, Varma reports the assessed properties as taxonomy-aligned.

Table 44: Nuclear energy and fossil gas related activities

Nuclear energy and fossil gas related activities in 2025	
Nuclear energy related activities	
1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Table 45: **Proportion of turnover from products or services associated with Taxonomy-aligned economic activities**

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025																				
Financial year 2025		2025		Substantial contribution criteria										DNSH Criteria (Does not Significantly Harm)						
		Code (2)	Turnover (3) € million	Proportion of Turnover, year 2025 (4) %	Climate change mitigation (5) %	Climate Change Adaptation (6) %	Water (7) %	Pollution (8) %	Circular Economy (9) %	Biodiversity (10) %	Climate Change Mitigation (11) Y/N	Climate Change Adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular Economy (15) Y/N	Biodiversity (16) Y/N	Minimum Safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2024 (18)	Category enabling activity (19) E	Category transitional activity (20) T
Economic activities (1)																				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Acquisition and ownership of buildings	CCM 7.7	3	0%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	-	Y	0%	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3	0%	100%	0%	0%	0%	0%	0%	0%	-	Y	-	-	-	-	Y	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	0%	-	Y	-	-	-	-	Y	0%		
Of which transitional		0	0%	0%							-	Y	-	-	-	-	Y	0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Acquisition and ownership of buildings	CCM 7.7	124	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										1%
Turnover of Taxonomy-eligible but not environmen- tally sustainable activities (not Taxonomy-aligned activities) (A.2)		124	1%	100%	0%	0%	0%	0%	0%	0%										1%
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		124	1%	100%	0%	0%	0%	0%	0%	0%										1%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		10,360	99%																	
TOTAL		10,487	100%																	

Table 46: **Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities**

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025																					
Financial year 2025			2025		Substantial contribution criteria										DNSH Criteria (Does not Significantly Harm)						
			Proportion of CapEx, year 2025 (4)	Climate change mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)		
Economic activities (1)	Code (2)	CapEx (3) € million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Acquisition and ownership of buildings	CCM 7.7	0	0%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0%	-	-		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	100%	0%	0%	0%	0%	0%	-	Y	-	-	-	-	Y	0%				
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	-	Y	-	-	-	-	Y	0%				
Of which transitional		0	0%	0%						-	Y	-	-	-	-	Y	0%				
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL												
Acquisition and ownership of buildings	CCM 7.7	11	100%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											100%	
CapEx of Taxonomy-eligible but not environmen- tally sustainable activities (not Taxonomy-aligned activities) (A.2)		11	100%	100%	0%	0%	0%	0%	0%											100%	
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		11	100%	100%	0%	0%	0%	0%	0%											100%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities		0	0%																		
TOTAL		11	100%																		

Table 47: **Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities**

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025																			
Financial year 2025		2025		Substantial contribution criteria										DNSH Criteria (Does not Significantly Harm)					
														</					

Social information

Social responsibility covers Varma’s personnel, customers, the supply chain and investees. Varma is committed to operating in accordance with the United Nations Guiding Principles on Business and Human Rights and expects the same from its supply chain.

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Responsibility for Varma employees means ensuring their work ability, fostering a unique work culture, developing competence in keeping with the times, offering motivating remuneration and ensuring equal treatment. In 2025, the work ability index for Varma employees was 4.03 on a scale of 1–5. In the employee survey, 83 per cent of Varma employees agreed or strongly agreed that they can be themselves at work.

Taking care of customers’ pension security and paying pensions on time are the cornerstones of everything Varma does. In 2025, 87.8 (89.7) per cent of Varma’s customers had their pension paid during their first month of retirement. In 2025, Varma’s customers gave the company’s customer service a score of 3.6 (3.6) on a scale of 1–4.

Varma expects its investees to comply with local legislation and international standards and agreements, including the principles of the UN Global Compact initiative. In 2025, Varma was in contact with 5 (6) companies as part of its norms-based screening engagement process. The figure applies only to listed investments included in the engagement process.



SOCIAL INFORMATION

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Own workforce

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Material impacts, risks and opportunities related to own workforce

ESRS 2 SBM-3

In accordance with its strategy, Varma aims to be leader in sustainable working life and responsibility. The goal of sustainable working life also applies to Varma’s own workforce. Managing the actual and potential positive and negative impacts on Varma’s workforce helps Varma promote its other strategic targets. In other words, Varma strives to ensure that the employees are healthy and motivated, which in turn supports Varma’s other strategic goals. **ESRS S1: ESRS 2 SBM-3 13**

Regarding our own workforce, plenty of positive impacts have been identified as a result of, among other things, investments in pay and remuneration, and in the promotion of well-being at work and diversity. At the operational level, the impacts have been identified as bringing opportunities to Varma in the form of more productive employees, which is key to the effective implementation of Varma’s core task and business model.

When assessing the impacts, risks and opportunities of own workforce, Varma’s employees have been examined. **ESRS S1: ESRS 2 SBM-3 14 a** The identified impacts affect primarily the entire personnel rather than individual employee groups. Gender equality in middle management and administrative bodies has not always been realised, which may be partly due to systemic reasons and the environment in which Varma operates. **ESRS 2 SBM-3 48 c ii, iv, ESRS S1: ESRS 2 SBM-3 14 b, ESRS 2 SBM-3 16** No significant impacts related to Varma’s own workforce have been identified in the plans to transition to climate-neutral operations, and no operations in which there would be a risk of forced labour or the use of child labour have been identified. **ESRS S1: ESRS 2 SBM-3 14 e, f, g**

Table 48: **Material impacts, risks and opportunities related to own workforce¹**

Sub-topic	Sub-sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ²	Material impact, risk or opportunity
Working conditions	Adequate wages	Varma’s own operations	Opportunity	Short	A good pay level increases the opportunities to recruit and retain the best employees and guides personnel to work productively and efficiently.
	Work-life balance	Varma’s own operations	Opportunity	Short	The ‘Together at Varma’ hybrid work approach combines working remotely and at the office in the best possible way in terms of performance, workflow and work ability. A good work-life balance increases the opportunities to recruit and retain the best employees.
	Health and safety	Varma’s own operations	Actual positive impact	Short, medium and long	Varma invests in maintaining the work ability of its employees, in improving well-being at work and in occupational safety, which promotes the health of the employees.
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Varma’s own operations	Actual positive impact	Short, medium and long	Varma has a locally agreed pay system in place in which job grading and a performance assessment based on common criteria provide the basis for the objective and transparent determination of Varma’s pay level and promote equality among employees.
			Actual positive impact	Short	Varma employees feel that equality and non-discrimination are realised at Varma.
			Actual negative impact	Medium	Equal representation of genders has not always been realised in the best possible way, especially in Varma’s middle management and administrative bodies.
	Training and skills development	Varma’s own operations	Risk	Short	Poorly or inadequately trained employees can be inefficient, lead to additional costs, or increase employee turnover.
			Opportunity	Short	Competent employees perform their work well and efficiently. Varma has development projects linked to strategic competence. Good training and development programmes increase Varma’s attractiveness as an employer.
	Diversity	Varma’s own operations	Actual positive impact	Short	The foundations of recruitment at Varma are non-discrimination and transparency. Varma uses anonymous recruitment to ensure equal treatment and, if candidates have equal qualifications, prioritises the selection of candidates belonging to minority groups and in this way promotes diversity.
			Actual positive impact	Short, medium and long	According to the 2024 equality and non-discrimination survey, employees’ experience of equal treatment by the employer was at an excellent level. Promoting diversity and inclusion strengthens personnel’s well-being and work ability.
			Opportunity	Short, medium and long	Diversity improves the organisation’s problem-solving ability and increases innovation and creativity. Diverse organisations are proven to have better financial results and performance than their non-diverse peer organisations.
	Other work-related rights	Varma’s own operations	Actual positive impact	Short, medium and long	Varma processes confidential information in compliance with laws and good data processing practices, and in this way ensures its employees’ privacy.
			Potential negative impact	Long	A potential leak of employees’ personal data or other privacy violations could jeopardise the employees’ privacy.
			Risk	Medium	If employees’ personal data leaks and their privacy is otherwise violated, Varma is at risk of being fined or subject to other sanctions and reputational damage.

¹ ESRS 2 SBM-3 48 a, c ii, 49, ² ESRS 2 SBM-3 48 c iii

Policies related to own workforce

S1-1

The policies related to own workforce cover Varma employees’ activities in Varma’s own operations in the value chain. **ESRS 2 MDR-P 65 a** The policies are described in Varma’s People, Health & Safety Guidelines and Procedures document, and they are based on Finnish labour legislation, the sector’s collective bargaining agreement, local agreements, and Varma’s other operating principles, policies, and responsibility commitments related to, for example, human rights. **ESRS 2 MDR-P 65 e** Varma’s Code of Conduct is described in more detail in the section ‘Business conduct policies and corporate culture’. Policies related to pay and remuneration are described in the section ‘Adequate wages and equal pay’.

The objectives and 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 the HR work. HR planning is based on sustainable and responsible resourcing, and agile and continuous competence development. **ESRS 2 MDR-P 65 e**

Varma’s policies describe the goals, policies, responsibilities and organisation related to the company’s own workforce. They cover Varma’s own operations in the value chain and apply to all Varma employees. **ESRS 2 MDR-P 65 b, ESRS S1 S1-1 19** 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. **ESRS 2 MDR-P 65 a, e**

- At Varma, responsible approach to personnel and working means:
- clear goals and expectations;
 - opportunities to develop at work and increase one’s competence;
 - systematic, competitive and fair pay and remuneration, and transparency of related principles;
 - everyone bearing responsibility for their work and the workplace atmosphere;
 - providing support for maintaining work ability and ensuring the conditions for work ability.

Transparency is a key principle of Varma’s HR practices. Varma’s People, Health & Safety Guidelines and Procedures are published on its website in Finnish, Swedish and English. The guidelines and procedures have been presented to the entire personnel in greater depth and detail on Varma’s intranet. Varma reports on the implementation of the People, Health & Safety guidelines and procedures every year. **ESRS 2 MDR-P 65 a, f**

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. Under the guidance of supervisors, Varma’s functions, departments and teams

are responsible for putting the People, Health & Safety Guidelines and Procedures into practice. **ESRS 2 MDR-P 65 c**

Principles for human rights

Varma recognises that its operations have a key impact on the realisation of human rights with respect to three groups: our investee companies, personnel and supply chain. **ESRS 2 MDR-P 65 b** Varma’s principles for human rights aim to ensure that human rights are realised and respected in Varma’s value chain. **ESRS 2 MDR-P 65 a**

The principles for human rights have been drawn up based on the UN’s principles concerning business and human rights.

In its principles for human rights, Varma commits to:

- identify and assess actual or potential human rights impacts and risks of its operations in all three identified groups;
- address activities that are in breach of guidelines, values, international agreements and the law;
- evaluate, monitor and update plans regularly. Guidelines, principles and policies are updated as needed or according to a regular review schedule;
- analyse and plan measures to minimise problems. Plans are updated regularly;
- monitor the realisation of human rights and the implementation of human rights policies throughout the organisation; **ESRS 2 MDR-P 65 a**
- report internally and externally on the human rights impacts and risks of its own operations;

- cascade the principles for human rights to all Varma units and every employee through supervisors, communication and training. **ESRS 2 MDR-P 65 f**

Varma has also identified human rights risks and impacts on its own personnel and regularly assesses them through surveys and discussions. Varma also requires its supply chain to respect human rights and may perform audits to ensure compliance with Varma’s Supplier Code of Conduct. Varma firmly intervenes in all human rights violations that come to its attention and takes measures to correct them.

In its principles for human rights, Varma has committed to respecting the internationally recognised human rights and to promote their realisation in accordance with the principles of the UN’s Guiding Principles on Business and Human Rights. The principles cover the UN Declaration of Human Rights and Convention against Corruption, ILO labour conventions and the Rio Declaration on Environment and Development. Varma also commits to abide by the OECD Guidelines for Multinational Enterprises, the ILO’s eight fundamental conventions and the principles of the UN Global Compact initiative. **ESRS 2 SBM-3 21, ESRS 2 MDR-P 65 d, ESRS S1 S1-1 20** Varma’s principles for human rights thus explicitly prohibit human trafficking, forced labour and child labour. **ESRS 2 SBM-3 22**

The principles and processes to provide and/or enable remedy for human rights impacts are described in the following sections. **ESRS 2 SBM-3 20 c**

The scope of the policy is described above and in more detail separately for each individual ESRS topic. The implementation of the principles is the responsibility of Varma’s Senior Vice President of Sustainability & Communications. Varma’s Executive Group approves the principles for human rights. **ESRS 2 MDR-P 65 c** The principles are available on Varma’s website. **ESRS 2 MDR-P 65, 65 f, ESRS S1 S1-1 17**

Adequate wages and equal pay

At Varma, salary and remuneration are based on the company’s values and strategy. In connection with its annual financial statements, as part of the company’s corporate governance report, Varma publishes a 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. **ESRS 2 MDR-P 65 a, b**

The goals, methods and principles of remuneration concerning Varma’s personnel are described in more detail in Varma’s remuneration policy. Varma’s Executive Group decides, under the lead of the CEO, on the remuneration policy after it has been discussed by the pay dialogue working group together with employee representatives.

The pay policy is regularly reviewed and updated. Varma’s Executive Group decides, under the lead of the CEO, on the remuneration policy after it has been discussed by the pay dialogue working group together with employee representatives. The pay policy is regularly reviewed and updated. 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 pay system arranged through a local agreement instead of what is written in the industry’s collective agreement. **ESRS 2 MDR-P 65 a, b, c, e**

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, the focus is on health, well-being and, for example, support for leisure-time options suited to various family situations. **ESRS 2 MDR-P 65 a, e**

Varma actively follows 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. **ESRS 2 MDR-P 65 a, e**

The job grading of the locally agreed pay system and a performance assessment based on common criteria provide the basis for the objective and transparent determination

of Varma’s pay level. To ensure transparent and fair remuneration, Varma also highlights 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. **ESRS 2 MDR-P 65 a, e, f**

The realisation of equal and non-discriminatory pay and remuneration is monitored not only in statutory reporting but also in regular annual market pay comparisons. The policies of the locally agreed pay system, and systematic compliance with the policies, make Varma’s pay structure more equal and fairer in the long term. **ESRS 2 MDR-P 65 a, e, f**

Work-life balance

Part of Varma’s 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 part of an equal and non-discriminatory work culture. Flexitime, broad teleworking opportunities and various types of leave are at the core of a flexible work culture. The ‘Together at Varma’ hybrid work approach combines working remotely and at the office. Work is performed in the best possible way in terms of performance, workflow and work ability, and the employees get together at the office on a weekly basis. **ESRS 2 MDR-P 65 a, e**

Health and safety

Occupational health and safety (OHS) management is governed in Finland by the Occupational Safety and Health Act. In OHS,

Varma’s senior 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. At the heart of work ability management is the immediate supervisor’s responsibility for monitoring performance and for holding active support discussions. **ESRS 2 MDR-P 65 c, d**

Varma focuses on occupational safety and on maintaining employees’ work ability. Smooth daily work forms the foundation for work ability at Varma. 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 early care (as part of the ‘Take good care’ model), occupational health care partnerships and returning to work. **ESRS 2 MDR-P 65 a, b, e**

The disability risk identification process is managed through occupational health and safety (OHS) activities and the OHS organisation, comprehensive occupational health care and co-operation between supervisors and HR. The 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 discussions specified in

the ‘Take good care’ model. In accordance with the nature of knowledge-based work, Varma’s OHS focuses especially on preventing psychological stress and related measures concerning leadership, the workplace atmosphere, work management and adapting to change. **ESRS S1 S1-1 23, ESRS 2 MDR-P 65 a**

Diversity

Varma is a fair and non-discriminatory workplace that does not tolerate discrimination, bullying or harassment. Everyone works hard to ensure that Varma is an inclusive and diverse workplace. Acceptance of diversity starts with the principle that everyone at Varma is free to be themselves.

Varma’s People, Health & Safety Guidelines and Procedures present the following three commitments that guide Varma’s equality and non-discrimination work:

- we guarantee equal opportunities, rights, and treatment for all our employees, regardless of their age, gender, nationality, ethnicity, language, worldview, religion, health status, disability, sexual orientation, political background, socio-economic status, or marital status;
- we continuously develop and improve our practices in order to ensure an equal and non-discriminating work culture;
- we promote diversity and an atmosphere of inclusion, a sense of community and respect for all.

The prevention of other forms of discrimination covered by EU regulation and national law is also included in the commitment. **ESRS**

S1 S1-1 24 a, ESRS 2 MDR-P 65 d Varma is also a member of the corporate responsibility network FIBS’ Diversity Charter Finland, which pledges to guarantee equal opportunities, rights and treatment to everyone. Varma has also promised to continuously develop leadership and practices that support diversity in its organisation. **ESRS S1 S1-1 24 c**

At Varma, diversity and inclusivity mean taking into consideration different backgrounds, skills and abilities, and respecting people’s differences. Varma believes that when you can be your true self at work, you have a better chance of reaching your full potential. Varma’s goal is to consider minorities in the 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. **ESRS S1 S1-1 AR 17 a**

Varma is actively building a work culture that values diversity and inclusiveness, and encouraging a positive and supportive culture of dialogue that provides room and courage to present different perspectives. Equality and non-discrimination work at Varma is continuous, and taking these themes into account is everyone’s responsibility in the work community. Varma has an equality and non-discrimination working group, which convenes regularly and plans measures to advance the themes. Regular training on equality and diversity is organised for supervisors and entire personnel to ensure that people know how to take these themes into account not only in leadership but also in everyday interaction. The offering includes online courses,

lectures and other training that help increase understanding of minorities, subconscious pre-conceptions and diversity, and reinforce a work culture that values diversity. Possible instances of discriminatory or inappropriate conduct are always addressed immediately, systematically and in compliance with the separately agreed investigative and dialogue procedures that everyone has been informed of. The purpose of investigations is to make sure the situation is not repeated. **ESRS S1 S1-1 24 d**

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. Varma uses anonymous recruitment to ensure non-discriminatory and equal treatment. Varma uses partners and suitability assessments to select competent and motivated employees who are the best match for Varma. If candidates have equal qualifications, Varma prioritises the selection of candidates belonging to minority groups. **ESRS S1 S1-1 AR 17 a**

Varma undertakes to improve the employee experience, build an honest employer image and openly share information on these on its website.

Privacy

Varma processes its employees’ confidential information in compliance with laws, the company’s data protection policy and good data processing practices in order to protect the privacy of its employees. The data protection policy is described in the section ‘Business conduct policies and corporate culture’. The processing of employees’ personal data is

limited to the individuals who require it to perform their work tasks. Special attention is paid to the processing of sensitive data. Personal data relating to employees’ health is processed only by certain individuals in accordance with data protection legislation and in situations where such is required by law. Employees’ health-related data is stored separately from other general personal data on employees. The persons processing the data are subject to a non-disclosure obligation. Compliance with the means identified in risk management and with the guidelines issued by the company, and regular training of employees to understand and prevent risks related to information security are means of protecting privacy. **ESRS S1 S1-1 17**

Processes for engaging with own workforce and workers’ representatives about impacts

S1-2

ESRS S1 S1-2 25, ESRS 2 SBM-3 20 b

Management

A key goal of Varma’s 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 towards the goals, serve as sparring partners and give feedback. In teams, the focus is on collective self-direction to achieve common goals and ensure 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.

Every Varma employee has regular annual, quarterly, competence and salary discussions with their supervisor in which the progress towards personal goals, among other things, is monitored. Dialogue with Varma employees also takes place, for instance, through electronic communication channels. **ESRS S1 S1-2 25 a, c, 27 g**

Co-operation and engagement

Varma is covered by the collective agreement for the insurance sector, which includes a co-operation agreement. The purpose of the agreement is to promote co-operation between the employer and personnel and the implementation of legislation on equality, occupational safety and occupational health care.

Co-operation increases personnel’s opportunities to influence matters related to their

work and workplace. Co-operation improves decision-making in the company, increases productivity and the meaningfulness and development of work, and improves the stability of personnel’s employment relationships and livelihood. The goal of occupational safety and related co-operation activities is to develop safety, health and mental well-being.

ESRS S1 S1-2 27 e, f

Our employees are given an opportunity to participate and engage through various forums, surveys, discussion channels and projects. The opinions and views of every employee play a key role in developing a common workplace, work culture and work results. **ESRS S1 S1-2 25 a, c, ESRS S1 S1-5 47 a**

At Varma, personnel representatives are part of the Executive Group. Moreover, the 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. **ESRS S1 S1-2 25 a, c, ESRS S1 S1-2 27 a, ESRS S1 S1-5 47 a**

The opinions of Varma employees are heard through regular surveys. Established channels include the employee survey, an equality and non-discrimination survey and health surveys, to name a few. The company-level results are presented to the Executive Group and personnel, and the results are taken into consideration when planning development measures. The supervisors review the results of their unit and agree together with the personnel of their

unit on the goals related to the development of their operations. Matters raised in the extensive surveys may be followed up on through the pulse surveys conducted during the year. The effectiveness of engagement and developments in the situation are also assessed, for example, through employee survey response rates, the eNPS index, and the monitoring of sustainability targets related to own workforce. **ESRS S1 S1-2 25 a–d , 27 g, ESRS S1 S1-5 47 a–c**

Matters related to co-operation are communicated to all employees on the intranet. The committees convene four times a year. **ESRS S1 S1-2 25 a–c** The Executive Group member in charge of HR is responsible for co-operation.

ESRS S1 S1-2 27 d

Co-operation and engagement are also described in the section ‘Interests and views of stakeholders’.

Occupational health and safety

Responsibility for occupational health and safety by the employer and the employer’s representatives (management, supervisors) is based on their decision-making and authoritative powers and derives from the Finnish Occupational Safety and Health Act. Every employee also has the obligation and duty to promote and ensure occupational safety. The executive management is responsible for the tangible and operational conditions; for example, taking the safety of premises into consideration already during the investment phase or choosing sufficiently skilled supervisors, and a clear division of responsibilities. Supervisors are in charge of the working conditions and tools. They ensure the adequate

conditions for the work community’s social relationships and mental occupational health and safety. The immediate supervisor makes sure that OHS regulations on, for example, maximum overtime hours are complied with. 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. The OHS guidelines are available on the intranet.

The employer has three and the employees have six representatives in the OHS committee, which convenes four times a year. The committee is in charge of organising and developing OHS matters. An OHS plan of action is drawn up for two years at a time, and the measures are updated annually. The OHS representatives who are elected by personnel monitor the implementation of OHS measures, develop OHS measures and well-being, and support employees in any work ability-related problem situations. All Varma employees can influence OHS management through their own behaviour in their work communities, through the OHS representatives and by reading the committee meeting materials, which are published and communicated on the intranet. **ESRS S1 S1-1 20 a, 25 a–d, 27 g**

Group promoting equality and non-discrimination

Varma has an equality and non-discrimination working group that is intended for all employees and convenes regularly. The group plans and implements measures related to

the various areas of non-discrimination work. This task force is also intended for all Varma employees. All Varma employees can read about equality and non-discrimination matters in the news section of the intranet and on the pages dedicated to the topic.

Every two years, Varma conducts a survey aimed at the entire personnel to assess the experience and state of equality and non-discrimination at Varma. The goal is also to ensure that Varma has insight into the experiences of people belonging to various minority groups and those who may be particularly vulnerable to negative impacts. Varma draws up goals and measures for the development areas identified in the survey and follows up on them regularly in the equality and non-discrimination working group and in co-determination and OHS organisations. The priority areas identified together with the employees form the basis of the equality and non-discrimination plan, which is approved by Varma’s Executive Group. The results of the survey and the equality and non-discrimination plan are published on the intranet for all employees. **ESRS S1 S1-2 25 a–d, 27 g, ESRS S1 S1-2 28, ESRS S1 S1-5 47 a–c**

Processes to remediate negative impacts and channels for its own workforce to raise concerns

S1-3

Instructions and steadfast intervention promote a harassment-free work community at Varma. Inappropriate treatment or conduct is not permitted under any circumstances.

HR and supervisors firmly intervene in all cases that are brought to their attention. Supervisors are obligated to address inappropriate treatment and, without delay, determine together with the relevant parties and, if necessary, HR, what is going on and follow up on the situation. After the situation has been assessed, an employee who has behaved inappropriately will be given a notice or warning. If the harassment continues in spite of a warning, the employer is entitled to dismiss the harasser. Processes and approaches in place to manage various risks and remediate negative impacts are described in more detail in the section ‘Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions’. **ESRS S1 S1-3 32 a**

Breaches of Varma’s guidelines should primarily be brought to the attention of 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. All observations are handled confidentially, and there is also an opportunity to report issues anonymously through the shop steward, OHS organisation or employee survey. In addition, Varma has an internal incident report form which employees can use to report all accidents, threats, incidents and near-miss situations. Misconduct and abuses at Varma can be reported through the statutory Whistleblowing channel. The whistleblowing channel is discussed in more detail in the

section ‘Business conduct policies and corporate culture’. **ESRS S1 S1-3 32 b**

The grievance handling mechanism related to employee matters is described in section SBM-2, table 8: ‘Varma’s key stakeholders, means and themes of stakeholder engagement and their impact on Varma’s operations, business model and strategy’.

Guidelines on how to proceed if one experiences or observes inappropriate treatment are available to employees on the intranet, and they are also part of mandatory and regular online training for all employees. Every Varma employee must abide by common principles. This is how Varma promotes the availability of the channels to its own workforce. **ESRS S1 S1-3 32 a** The effectiveness of the channels is ensured by making the channels for raising concerns available on Varma’s intranet. Varma also has established practices for discussions between supervisors and employees.

Employees’ observations and experiences of inappropriate conduct, discrimination or harassment are regularly examined in connection with various surveys. **ESRS S1 S1-3 32 e**

Varma has not assessed how aware its employees are of Varma’s Whistleblowing channel or whether they trust it as a means of raising their concerns or needs and having them addressed. **ESRS S1 S1-3 33**

Varma processes the personal data of its employees and other data subject to privacy protection in accordance with laws and good data processing practice. In data processing, Varma complies with the risk management means identified in risk management and

the company’s guidelines to ensure the privacy of employees.

Threats received by personnel are monitored through, e.g. incident reports. Efforts to strengthen the mental well-being and psychological safety of employees are made, for instance, by arranging lectures, coaching sessions and workshops on the matter.

A few years ago, Varma recognised that equal representation of genders had not been realised in the best possible way, especially in Varma’s management and administrative bodies. Varma aimed to influence this by setting the target of having a minimum percentage of different genders represented in Varma’s clerical employee groups. This target is promoted, for example, by ensuring that when new persons are recruited, different genders are represented in the final three candidates according to the ‘comply or explain’ principle. Anonymous recruitment used at the beginning of the recruitment process also supports this goal.

An identified risk related to training and skills development is impacts caused by a situation whereby Varma’s employees would not have opportunities for sufficient and relevant training. This risk is reduced by a wide range of measures, e.g. competence discussions and various methods and training opportunities that are available to personnel for developing their competence.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-4

Table 49: Actions taken in relation to own workforce

Action taken in 2025 ¹	Expected outcome ²	Scope ³
Adequate wages: market pay comparison 2025	Monitoring and ensuring the competitiveness of Varma’s pay level in comparison to the market pay level in the financial sector and supporting the fair, equal and justified targeting of pay raises	Varma’s own workforce
Adequate wages: Lecture on Varma’s pay system and remuneration principles	Reviewing the main aspects of Varma’s pay system and remuneration, i.e. the principles of job grading, pay determination and market pay monitoring	Varma’s own workforce
Health and safety: Lecture on psychological safety	An understanding of what creates a sense of safety and how we can promote our own and our colleagues’ sense of safety through positive interaction	Varma’s own workforce
Health and safety: Lecture on a sense of community and loneliness in hybrid work	Improved skills in maintaining a sense of community in hybrid work. Practical tips on how everyone can influence the atmosphere, interaction and thus a sense of community and psychological safety through their own actions.	Varma’s own workforce
Health and safety: Launch of a network of workplace exercise ambassadors	Encouraged by the ambassadors, Varma employees have increased their physical activity during workdays through exercise breaks and walking meetings	Varma’s own workforce
Health and safety: concise courses and theme weeks to support physical activity, including a gym course, briefings during office days, a Pilates course on spine health, and a “take the stairs” week. Adoption of company bikes as an employee benefit.	Varma employees’ physical activity increases both at work and in their leisure time	Varma’s own workforce
Health and safety: first aid course, refresher training for the Salmisaari first aid team	Improving and retaining first aid skills	Specifically safety supervisors, Varma’s own workforce, individuals in the Salmisaari first aid team
Health and safety: Online course on challenging customer situations, review of procedures in threatening situations during short work community sessions, theme coaching	Means for handling threatening customer situations	Varma’s customer service personnel
Health and safety: Lecture on working life and intoxicants	Increased awareness: substance abuse situation, the health impacts of intoxicants, how to identify adverse impacts in time, means for early intervention and support	Varma’s own workforce
Diversity: Preparing the equality and non-discrimination plan 2025–2026	A plan of how Varma promotes equality, improves diversity and prevents and addresses discrimination in its own activities	Varma’s own workforce
Diversity: Lecture on neurodiversity	Increased understanding of neurodiversity and how to consider it in the work community, coming up with ideas of how to adjust the style of interaction and work days to be more neuroinclusive	Varma’s own workforce
Diversity: Lecture on how Varma promotes equality and a society that is free of racism	Means of promoting equality and addressing racism	Varma’s own workforce
Diversity: Pride partnership and participation in the parade	Promotion of equality in working life and Varma’s own work culture that supports equality	Varma’s own workforce
Training and skills development: Determining strategic competences, team discussions on strategic competences and creating development plans	Adoption of the strategy in daily work and ensuring that targets are met	Varma’s own workforce
	Identifying the most important competences and capabilities for the teams, correct targeting of development activities and ensuring that every Varma employee advances the strategy in their work	
Training and skills development: Improving AI competence – coaching on the use of AI, ‘AI today and tomorrow’ lecture, online course on the ethical use of AI, AI managers to support learning across the organisation	Every Varma employee has the skills needed to use AI in their work and create added value for the customers	Varma’s own workforce
Training and skills development: Coaching on interaction skills for employees and supervisors (separate events)	Improved interaction skills, tips and tools on successful dialogue: how to aptly express your opinion and see the situation from another person’s point of view	Varma’s own workforce and supervisors

¹ ESRs 2 MDR-A 68 a, ² ESRs 2 MDR-A 68 a, ³ ESRs 2 MDR-A 68 b

Table 50: Planned actions in relation to own workforce

Planned action ¹	Expected outcome ²	Time horizon ³	Scope ⁴
Training and skills development: Determining the key competences in terms of the strategy and encouraging active development of one’s competence	Development of key competences in terms of the strategy	Short, medium and long	Varma’s own workforce

¹ ESRs 2 MDR-A 68 a, ² ESRs 2 MDR-A 68 a, ³ ESRs 2 MDR-A 68 c, ⁴ ESRs 2 MDR-A 68 b

In the most material matters affecting Varma’s personnel, Varma has taken actions to support its targets. These actions are described in this section’s tables. Varma’s actions are based on the results of employee surveys or matters raised in various committees or co-operation groups. The implementation of the actions is regularly monitored through different employee surveys, the results of which are discussed by the Executive Group, various committees and co-operation groups (for example the

co-determination committee, OHS committee, equality and non-discrimination working group, and pay dialogue working group). **ESRS S1 S1-4 35, 37, 38 d, 39** Progress in the measures is monitored through metrics and targets, which are presented in the section ‘Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S1-5’. **ESRS 2 MDR-A 68 e**

The actions are implemented either continuously or regularly, unless otherwise stated.

More detailed descriptions of the actions implemented annually are compiled, for example, in Varma’s work community development plan and the OHS plan of action, which are available to all Varma employees on the intranet. **ESRS S1 S1-4 37, 43** The actions are targeted to all employees, unless reference to a specific personnel group is made in relation to an action.

A description of the targets related to the most material matters associated with

Varma’s own personnel are described in the section ‘Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities’. **ESRS S1 S1-4 42**

Varma ensures that its practices do not cause material negative impacts on its own workforce, for example by complying with the company’s Code of Conduct and the principles set out in the People, Health & Safety Guidelines and Procedures, and by consulting employees,

for instance, through employee surveys. **ESRS S1 S1-4 41**

The costs of actions related to Varma’s own workforce are considered normal business expenses and part of the personnel HR budget, and they do not require any significant additional investments. **ESRS 2 MDR-A 69**

Table 51: **Continuous actions in relation to own workforce¹**

Sub-topic	Actions ²	Material impact, risk or opportunity
Adequate wages	- Varma monitors the company’s pay structure and equality of pay through an annual market pay comparison, which is based on material collected by Korn Ferry on salary ranges in the financial sector. - Varma’s job grade pay tables are updated regularly to match the latest comprehensive comparison data. - The pay comparison takes into account the job requirements and performance. In addition, Varma systematically monitors the realisation of equal and non-discriminatory pay and remuneration (gender, age). - In connection with pay reviews and increases, Varma always first assesses the pay positioning against the salary level and sliding scale defined in the company and based on benchmark data, in addition to any special criteria. - Varma makes decisions related to pay raises and remuneration consistently and in accordance with the powers of approval set in the company’s remuneration policy. - Raises based on the collective agreement are implemented in accordance with the given regulation. - Varma regularly engages in dialogue with personnel representatives on the criteria, structure and implementation of remuneration. Varma develops overall remuneration in co-operation with personnel, taking into account their requests and different life situations.	- Positive impact: Paying adequate wages in accordance with agreements and laws gives employees and their families the opportunity for a good livelihood. - Positive impact: Using a pay system that has been agreed on through a local agreement guarantees a good livelihood. - Opportunity: A good pay level increases the opportunities to recruit and retain the best employees and guides personnel to work productively and efficiently.
Work-life balance	- Employees in different life situations are treated equally. - Varma actively communicates about different types of leave as well as the possibility of part-time work and flexibility in different life situations. Varma increases awareness through employees’ personal stories. - Varma reinforces trust between employees and the employer and encourages employees to bring up their personal life challenges and possible requests for flexibility in good time.	- Positive impact: Varma offers various flexible working-time 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. For example, flexitime, broad teleworking opportunities and various types of leave. - Opportunity: The ‘Together at Varma’ hybrid work approach combines working remotely and at the office in the best possible way in terms of performance, workflow and work ability. A good work-life balance increases the opportunities to recruit and retain the best employees.
Health and safety	- Varma establishes the work ability management priority areas for three years at a time. The priority areas steer the planning of activities and measures supporting the work ability, occupational safety and well-being of Varma’s own workforce. - Varma uses the data from its HR systems and occupational health partner to monitor work ability and identify risks in advance. - Varma ensures that a sense of community is maintained by holding various events, such as office days and parties. - Varma offers all its 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. Monetary benefits can be used according to one’s choice of sports or culture and, for example, for massage or dental care. Also on offer are diverse remote sports services; material related to managing one’s own work, ergonomics and coping at work; coaching support and instructor-led exercise classes. Varma’s Salmisaari premises have practical facilities for active commuters and a gym. - Varma organises campaigns and challenges to inspire personnel to maintain healthy work habits and lifestyles.	Positive impact: Varma invests in maintaining the work ability of its employees, in improving well-being at work and in occupational health and safety, which promotes the health of the employees.

¹ ESRS S1 S1-4 35, 36 a, b, 38 a-c, 40 a-b, ² ESRS MDR-A 68 a, d

Table 51: **Continuous actions in relation to own workforce¹**

Sub-topic	Actions ²	Material impact, risk or opportunity
Gender equality and equal pay for work of equal value	- Varma regularly reviews the realisation of equal pay between genders and age groups, taking into account job requirements and performance. - Varma takes equality perspectives into account when giving pay raises. - Varma reports on and communicates about pay and remuneration as transparently as possible, taking various equality perspectives into account. - According to Varma's recruitment policies, the candidates that are interviewed face-to-face must represent different genders (in accordance with the comply or explain principle).	- Positive impact: Varma has a locally agreed pay system in place in which job grading and a performance assessment based on common criteria provide the basis for the objective and transparent determination of Varma's pay level and promote equality among employees. - Positive impact: Varma employees feel that equality and non-discrimination are realised at Varma. - Negative impact: Equal representation of genders has not always been realised in the best possible way, especially in Varma's middle management and administrative bodies.
Training and skills development	- Varma pro-actively develops competence. All Varma employees have a competence discussion and draw up a three-year development plan that is discussed with a colleague and followed up on by the supervisor. - Varma identifies the competencies and abilities that are key in terms of the strategy; their development is stressed throughout the organisation. - In addition to training, personnel can make use of various competence development methods, such as mentoring, job rotation and internal colleague coaching. - Varma selects the company-level competence development priority areas annually and offers various training and coaching programmes on these themes to personnel. In addition, personnel take various online courses every year to keep their competence up to date, for instance, in data protection and information security, security and safety of the premises, the Code of Conduct and equality and non-discrimination. - In 2025, the company-wide competence development focus areas were AI, data and process skills, a learning culture and agile operating methods, change management and an equal and a humane work community.	- Risk: Poorly or inadequately trained employees can be inefficient, lead to additional costs, or increase employee turnover. - Opportunity: Competent employees perform their work well and efficiently. Varma has development projects linked to strategic competence. Good training and development programmes increase Varma's attractiveness as an employer.
Diversity	- Equality and non-discrimination work at Varma is continuous, and taking these themes into account is the responsibility of everyone in the work community. Varma has an equality and non-discrimination working group, which convenes regularly and plans measures to advance the themes. Moreover, a dedicated sustainability co-ordinator has been appointed for every Varma function. - Varma increases consideration of minorities in the work community by strengthening people's understanding of the topic and broadens competence especially in relation to neurodiversity. - Varma trains its personnel to raise possible concerns and grievances in accordance with its 'Take good care' model. - Varma regularly carries out an equality and non-discrimination survey and an equal pay assessment that cover the entire personnel to assess the experience and state of equality at Varma. Varma draws up goals and measures for the development areas identified in the equality and non-discrimination plan and follows up on them regularly in the equality and non-discrimination working group and in co-determination and OHS organisations. The priority areas identified together with the employees form the basis of the equality and non-discrimination plan, which is approved by Varma's Executive Group. The latest equality and non-discrimination survey was conducted in autumn 2024, and the results were used to draw up an equality and non-discrimination plan for 2025–2026. - Anonymous recruitment is used in all of Varma's open recruitment. - Varma strives to actively offer job opportunities to minority groups. - Varma promotes equal working life also through participation in Pride activities.	- Positive impact: The foundations of recruitment at Varma are equality and transparency. Varma uses anonymous recruitment to ensure equal treatment and, if candidates have equal qualifications, prioritises the selection of candidates belonging to minority groups and in this way promotes diversity. - Positive impact: According to the 2024 equality and non-discrimination survey, employees' experience of equal treatment by the employer was at an excellent level. Promoting diversity and inclusion strengthens personnel's well-being and work ability. - Negative impact: Discrimination and inequality can have a major negative impact on the employees concerned, leading to, for instance, health problems, loss of motivation or blocked career opportunities. - Risk: Discrimination and inequality in the workplace may make Varma the focus of media attention or even the target of criminal proceedings, causing reputational damage, a decrease in attractiveness as an employer and, consequently, financial losses. - Opportunity: Diversity improves the organisation's problem-solving ability and increases innovation and creativity. Diverse organisations are proven to have better financial results and performance than their non-diverse peer organisations.
Privacy	- Varma concludes non-disclosure agreements at the beginning of employment relationships and, if necessary, in special circumstances. As regards HR personnel recruiting, and HR system administrators and developers, particular emphasis is placed on confidentiality, and system access rights are granted only to individuals who need them for their work. New employees handling HR data receive induction on the topic. Sensitive employee data is handled only by authorised persons (immediate supervisors, HR, payroll accounting and occupational health care). - The protection of IT systems is ensured through access rights control and regular reviews. Automated deletion rules have been defined in the systems, and information security is strengthened through two-factor authentication and the use of password-protected attachments. Protected data connections are used for emails. User authentication is required for online printing. - Physical safety is promoted through locked cabinets and rooms. Guidelines on working in open spaces and remotely are adhered to when processing confidential information. Special attention is paid to not leaving confidential information in public view. - Personnel's data protection competence is ensured through separate instructions, online courses and training.	- Positive impact: Varma processes confidential information in compliance with laws and good data processing practices, and in this way ensures its employees' privacy. - Negative impact: A potential leak of employees' personal data or other privacy violations could jeopardise the employees' privacy. - Risk: If employees' personal data leaks and their privacy is otherwise violated, Varma is at risk of being fined or subject to other sanctions and reputational damage.

¹ ESRS S1 S1-4 35, 36 a, b, 38 a–c, 40 a–b, ² ESRS MDR-A 68 a, d

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5

The targets set for Varma’s own personnel, which are related to the material sustainability matters identified in the double materiality assessment, are described in the following table. The targets do not meet all the ESRS requirements. However, Varma uses them to monitor the effectiveness of its policies and measures. **ESRS 2 MDR-T 79 a** The themes raised in different surveys have been taken into consideration in the target setting. All Varma employees can take part in the surveys and in that way influence the target setting. **ESRS S1 S1-5 47 a, ESRS 2 MDR-T 79 e, 80 h** When setting the objectives, Varma’s sustainability commitments, as set out in the company’s equality and non-discrimination plan, have also been taken into account. **ESRS S1 S1-5 44 c** The monitoring of the targets is described in more detail in the section ‘Processes for engaging with own workforce and workers’ representatives about impacts S1-2’.

Table 52: **Targets concerning sustainability matters related to own workforce¹**

Sub-topic	Target 2030 ²	Milestone ³	Metric ⁴	Benchmark year ⁵	Outcome 2024 ⁶	Outcome 2025 ⁷	Progress 2025 ⁸
Adequate wages: Varma offers competitive pay that matches the average pay level in the financial sector	Personnel’s pay median matches the average pay level in the financial sector	Personnel's pay median matches the average pay level in the financial sector in the annual market pay comparison	Personnel’s pay median in the market pay comparison	2024	Varma: 125 Financial sector: 125	Varma: 124 Financial sector: 125	Varma employees’ pay is, on average, at the median level of the sector.
Work-life balance	The average of the employee survey statement “At my workplace, it is possible to reconcile work and family life” is at least 4.5	The average of the employee survey statement “At my workplace, it is possible to reconcile work and family life” is at least at the same level as in the previous survey	The average of the employee survey statement: “At my workplace, it is possible to reconcile work and family life” on a scale of 1 (strongly disagree) – 5 (strongly agree)	2025	3.51 The figure is not comparable, as a four-point scale was used (1 completely disagree – 4 completely agree).	4.3	It is not possible to assess the achievement of the milestone, as the figure for 2024 is not comparable. The long-term target value is close but has not yet been achieved.
Health and safety: Experience of support, learning, achievement and control over one’s work	The work ability index in the employee survey exceeds the benchmark average by 0.2	The work ability index in the latest employee survey exceeds the benchmark average	The work ability index, which is calculated based on the average of seven related questions in the employee surveys (scale: 1 strongly disagree – 5 strongly agree) Benchmark material: the average for questions related to the topic of all organisations using the same survey tool (over 200 organisations in Finland)	2025	81.7 The figure is not comparable as it is based on an outdated employee survey tool. The number and formulation of the questions was different. Also, the calculation method was different.	Varma: 4.03 Benchmark material: 3.99	The difference between Varma’s average and the benchmark average is 0.04, which means the milestone was achieved. The long-term target has not yet been achieved.
Gender equality and equal pay for work of equal value: Equal pay and equal personnel structure	In the market pay comparison that takes into account the job requirements and performance of men and women, the difference in pay is at most 1%	In the latest market pay comparison that takes into account the job requirements and performance of men and women, the difference in pay is at most 3%	The percentages of male and female employee groups whose pay is below market level in the market pay comparison	2024	1% difference: 14% of women and 13% of men were below the market pay level. In 2024, the sub-topic’s target was different, but the figures are comparable.	0% difference: 20% of women and 20% of men were below the market pay level.	The shares of women and men whose pay falls below the market level are equal, which means both the milestone and the long-term target have been achieved.
	At least 40% male and female representation among the Executive Group, middle management, team supervisors and specialists	At least 40% male and female representation in the Executive Group and middle management in 2026. At least 35% male and female representation among team supervisors and specialists in 2026.	Gender percentages on the last day of the year: % Executive Group % middle management % team supervisors % specialists	2024	Executive Group: women 50%, men 50% Middle management: women 44%, men 56% Team supervisors: women 63%, men 37% Specialists: women 69%, men 31% In 2024, the sub-topic’s target was different, but the figures are comparable.	Executive Group: women 55%, men 45% Middle management: women 44%, men 56% Team supervisors: women 65%, men 35% Specialists: women 69%, men 31%	For the Executive Group and middle management, both the milestone and long-term target values had been exceeded at the end of 2025. For team supervisors, the year-end situation corresponds to the milestone value but not yet the long-term value. For specialists, the targets have not yet been achieved.
Training and skills development: Varma supports its employees’ opportunities to develop their competence and grow in their work	The average for the statement “I have the opportunity to learn and develop” in the employee survey exceeds the benchmark average by 0.2	The average for the statement “I have the opportunity to learn and develop” in the latest employee survey exceeds the benchmark average	The average of the employee survey statement: “My employer enables my professional development” on a scale of 1 (strongly disagree) – 5 (strongly agree) Benchmark material: the average for the statement of all organisations using the same survey tool (over 200 organisations in Finland)	2025	Varma: 4.13 Benchmark material: 3.78 The figures are not comparable, as the question on the topic was differently formulated (scale: 1 completely disagree – 5 completely agree)	Varma: 4.1 Benchmark material: 3.9	Varma’s average exceeds the benchmark average by 0.2, which corresponds to both the milestone and long-term target.
Diversity: Varma is considered an equal workplace for everyone	The share of those who reply “Strongly agree” and “Agree” to the question “Do you feel that you can be yourself at work?” in the employee survey is 98%	The share of those who reply “Strongly agree” and “Agree” to the question “Do you feel that you can be yourself at work?” is at least at the same level as in the previous employee survey	The share of those who reply “Strongly agree” and “Agree” to the question “Do you feel that you can be yourself at work?” in the employee survey on a scale of 1 (strongly disagree) – 5 (strongly agree)	2025	90%. The figure is not fully comparable as it is the percentage of those who replied “Yes” to the same question (the scale of 1–5 was not in use)	83%	It is not possible to assess the achievement of the milestone, as the figure for 2024 is not fully comparable. There is still some way to go before the long-term target is achieved.
Privacy: We comply with the means identified in risk management and the company’s guidelines to ensure the privacy of Varma employees	The completion rate for the annual online course is 100%	The completion rate for the annual online course is 100%	The completion rate for the online course on data protection and information security	2024	100%	100%	The completion rate target was achieved for the online course in 2025.

¹ ESRS 2 MDR-A 79 c, 80 a–f, i–j, ESRS S1 S1-5 44 a–b, 46, ² ESRS 2 MDR-T 79 b, 80 b, c, e, ³ ESRS 2 MDR-T 79 b, 80 e, ⁴ ESRS 2 MDR-T 79 a, ⁵ ESRS 2MDR-T 80 d, ⁶ ESRS 2 MDR-T 80 i, j, ⁷ ESRS 2 MDR-T 80 j, ⁸ ESRS 2 MDR-T 80 j

Characteristics of the undertaking’s employees S1-6

Table 53: **Own workforce, The number of employees by gender**¹

Average head count of employees by gender. The average has been calculated based on the situation on the last days of the quarters. The numbers include the CEO.

Gender	Number of employees (head count) 2024	Number of employees (head count) 2025
Male	195	191
Female	398	378
Other	0	0
Not reported	0	0
Total employees	593	569

¹ ESRS S1 S1-6 50 a

Table 54: **Own workforce, Breakdown of employees by geographical area**¹

Average head count of employees by gender. The average has been calculated based on the situation on the last days of the quarters. The numbers include the CEO.

Country	Number of employees (head count) 2024	Number of employees (head count) 2025
Finland	593	569
Total employees	593	569

¹ ESRS S1 S1-6 50 a

Table 55: **Own workforce, The number of employees by gender, and type of employment relationship and working time**¹

Average head count of employees by gender. The average has been calculated based on the situation on the last days of the quarters. The numbers include the CEO. Varma’s personnel are mainly employed permanently and full time. Taking into account the criteria laid down in the law, people can

be hired for a fixed term to replace employees who are absent for extended periods (e.g. family leave) or for projects, and/or hourly workers can be hired to fulfil a temporary need, if necessary. The policy is described in the Work Community’s Development Plan, which is intended for internal use.

	Female	Male	Other ²	Not reported	Total
Number of employees (head count)	378	191	0	0	569
Number of permanent employees (head count)	363	179	0	0	542
Number of temporary employees (head count)	15	12	0	0	26
Number of non-guaranteed hours employees (head count)	1	3	0	0	4
Number of full-time employees (head count)	355	183	0	0	538
Number of part-time employees (head count)	23	8	0	0	30

¹ ESRS S1 S1-6 50 b, d, 52, ² Gender as specified by the employees themselves.

Table 56: **Own workforce, Number and percentage of employees who have left the undertaking during the reporting period**¹

The total number includes all types of employment relationships. The percentage of employees who have left the undertaking has been calculated using the average head count. The average head count has been calculated based on the situation on the last days of the quarters.

The basis for preparation concerning Varma’s own workforce and links to the financial statements are compiled in the section ‘General basis for preparation of the sustainability statement’.

	2024	2025
Total number of employees who have left the undertaking during the reporting period	78	58
Rate of employee turnover in the reporting period	13%	10%

¹ ESRS S1 S1-6 50 c–f

Characteristics of non-employees in the undertaking’s own workforce

S1-7

Varma employs both self-employed persons and workers through staffing agencies. At the end of 2025, the total number of these non-employees in own workforce was 10. At the end of the year, all the employed individuals//non-employees?? were self-employed persons. **ESRS S1 S1-7 53, 56, 55 a, b**

Diversity metrics

S1-9

Table 57: **Own workforce, Diversity metrics**¹

The numbers and percentages present the situation on 31 Dec 2025. The numbers include the CEO.

Employee group	Male N	Male %	Female N	Female %	Total
Senior management	20	50	20	50	40
Employees under 30 years old	12	37,5	20	62,5	32
Employees 30–50 years old	116	38	186	62	302
Employees over 50 years old	59	26	165	74	224

¹ ESRS S1 S1-9 64, 65

Adequate wages

S1-10

All Varma employees are paid an adequate wage, in line with applicable benchmarks. **ESRS S1 S1-10 67, 69**

Social protection

S1-11

All employees are covered by social protection against loss of income due to any of the following major life events: sick-ness, unemployment starting from when the own worker is working for the company, employment injury and acquired disability, parental leave and retirement. **ESRS S1 S1-11 72**

Training and skills development metrics

S1-13

The amount of training hours is based on employees’ estimate of the time they used for training during the reporting period and on actual study times recorded for online courses in 2025.

Table 58: Own workforce, Training and skills development metrics¹

Training and skills development	Female	Male	Other	Not reported
Percentage of employees that participated in regular performance and career development reviews	100%	100%	N/A	N/A
Average number of training hours per employee	39	30	N/A	N/A

¹ ESRS S1 S1-13 81–83

Health and safety metrics

S1-14

Varma applies the transitional provision and reports only part of the data specified in Disclosure Requirement S1-14.

Table 59: Own workforce, Health and safety metrics¹

Health and safety metrics	2024	2025
Percentage of people in its own workforce who are covered by a health and safety management system based on legal requirements and/or recognised standards or guidelines	100%	100%
Number of fatalities due to work-related injuries and work-related ill health	0	0
Number of fatalities as a result of work-related injuries in the company’s own workforce	0	0
Number of fatalities due to work-related ill health	0	0
Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the company’s sites	0	0
Number of recordable work-related accidents of own workforce	7	5
Rate of recordable work-related accidents of own workforce	7.8%	6.0%
Percentage of own workers covered by a health and safety management system which is based on legal requirements and (or) recognised standards or guidelines and which has been internally audited and (or) audited or certified by an external party	100%	100%

¹ ESRS S1 S1-14 86, 87

Work-life balance metrics

S1-15

Table 60: Own workforce, Work-life balance metrics

All of Varma’s employees are entitled to family-related leave through social policy and/or collective bargaining agreements. ESRS S1 S1-15 94

Work-life balance metrics	Female		Male		Other		Not reported		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Employees entitled to family-related leave	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Employees who have taken family leave	4%	4%	10%	10%	0%	0%	0%	0%	6%	6%

¹ ESRS S1 S1-15 91–93

Remuneration metrics (pay gap and total remuneration)

S1-16

Table 61: Own workforce, Gender pay gap and total remuneration¹

The basic data for gender pay gap includes the highest paid individual in the company.

Work-life balance metrics	2024	2025
Gender pay gap	24.19%	24.75%
Annual total remuneration ratio	14.97	13.65

¹ ESRS S1 S1-16 96, 97 a–c

Incidents, complaints and severe human rights impacts

S1-17

Table 62: Own workforce, Incidents, complaints and severe human rights impacts

Incidents, complaints and severe human rights impacts	2024	2025
Total number of incidents of discrimination, including harassment	10	4
Number of complaints filed through channels that are accessible to the company’s own workforce	10	4
Number of complaints filed to the National Contact Points for OECD Multinational Enterprises (excl. those reported above)	0	0
The total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above	0	0
The total amount of material fines, penalties, and compensation for damages for social and human rights violations, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements	N/A	N/A
Number of severe human rights incidents connected to the company’s workforce (if there are no such incidents, the company must report this)	0	0
Number of severe human rights incidents connected to the company’s workforce in non-respect of the UN Guiding Principles or OECD Guidelines for Multinational Enterprises (if there are no such incidents, the company must report this)	0	0
The total amount of fines, penalties, and compensation for damages paid as a result of identified incidents of severe human rights issues and incidents connected to the company’s workforce	0	0
The total amount of material fines, penalties, and compensation for damages for severe human rights issues or human rights incidents, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements	N/A	N/A
Number of severe human rights incidents where the company played a role securing remedy for those affected (voluntary)	0	0

¹ ESRS S1 S1-17 100–104

SOCIAL INFORMATION

ESRS S2

Workers in the value chain

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Material impacts, risks and opportunities related to value chain workers

ESRS 2 SBM-3

Impacts, risks and opportunities related to workers in the value chain were identified with respect to the investment portfolio, upstream value chain and direct real estate investments. Material impacts and risks in the upstream value chain concern Varma’s business model and strategy, because taking care of the core task has partly been resolved by outsourcing work input and system solutions to supplier partners. **ESRS S2: ESRS 2 SBM-3 10 a i**

Positive impacts identified in the upstream value chain mainly originate from existing practices and are thus already taken into account in the business model, e.g. in the form of the Supplier Code of Conduct. **ESRS S2: ESRS2 SBM-3 10 a ii, 11 d** Reputation risks related to suppliers’ unethical operations depend directly on the realisation of identified impacts. **ESRS S2: ESRS2 SBM3 11 e**

In investment activities, sustainability matters are related to the investment operating model and the pursuit of returns to secure pensions. **ESRS S2: ESRS 2 SBM-3 10 a i** Investment activities are in many respects dependent on the global economy’s systemic and companies’ individual sustainability impacts, risks and opportunities. **ESRS S2: ESRS 2 SBM-3 10 b**

With regard to workers in the value chain, all value chain workers were examined within the boundaries presented in the double materiality assessment process. Varma does not, however, have full visibility across the entire value chain.

ESRS S2: ESRS 2 SBM-3 11 In procurement related to the Varma’s own operations, the impacts may affect people working at the company’s sites, but for the most part they relate to individuals working in entities in the upstream value chain.

ESRS S2: ESRS 2 SBM-3 11 a i, ii In relation to investment activities, the impacts may affect all types of workers. With regard to direct real estate investments, the matters identified mostly relate to people working on Varma’s construction sites and properties, but also to people working in the upstream value chain, in relation to which potential impacts from material procurement for properties have been identified. **ESRS S2: ESRS 2 SBM-3 11 a**

Varma has identified potential human rights risks with regard to listed portfolio companies in areas that have been classified as high-risk countries. **ESRS S2: ESRS2 SBM-3 11b** The identified risks are generally related to systemic risks to which Varma’s operations are linked and which may also be caused by a transition to lower-emissions operations. **ESRS S2: ESRS2 SBM-3 11 c** Varma has not more specifically identified the main types or specific groups that are affected by the potential negative impacts due to the diversity of the impacts. **ESRS S2: ESRS 2 12, 13**

Table 63: **Material impacts, risks and opportunities related to value chain workers¹**

Sub-topic	Sub-sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ²	Material impact, risk or opportunity
Working conditions	All	Investment portfolio	Actual positive impact	Short, medium and long	Varma requires that its investee companies comply with international standards and agreements.
	Working time	Upstream value chain	Actual positive impact	Short, medium and long	In its Supplier Code of Conduct, Varma requires its suppliers to ensure that they comply with national laws and collective agreements and other similar agreements regarding working time.
	Adequate wages	Investment portfolio	Actual positive impact	Short, medium and long	Varma addresses its investee companies' human rights violations, such as insufficient living wages.
		Upstream value chain	Actual positive impact	Short, medium and long	In its Supplier Code of Conduct, Varma requires that its suppliers offer its employees wages, benefits and overtime compensation that at least comply with national legislation and other similar agreements.
	Freedom of association, including the existence of works councils	Upstream value chain	Actual positive impact	Short, medium and long	In its Supplier Code of Conduct, Varma requires its suppliers to enable workers' right to freedom of association and the right to collective bargaining.
	Health and safety	Investment portfolio	Potential negative impact	Long	In investments in listed companies, potential neglect of occupational health and safety, possibly leading to work-related accidents and negative health impacts for the employees of the investment portfolio companies, have been identified.
			Actual positive impact	Long	Varma addresses its investee companies' human rights violations, such as violations of occupational health and safety.
		Upstream value chain	Actual positive impact	Short, medium and long	In its Supplier Code of Conduct, Varma requires the prevention of accidents and injuries at the workplace.
		Direct real estate investments	Potential negative impact	Long	Work-related accidents and neglect of safety on construction sites may lead to health impacts on workers.
			Potential negative impact	Long	Work-related accidents associated with property maintenance may lead to health impacts on the employees.
Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Upstream value chain	Actual positive impact	Short, medium and long	Varma requires its suppliers to commit to equal treatment in their work communities and does not allow threats, exploitation or harassment of any form in their or their subcontractors' operations.
			Risk	Short and medium	Reputational damage caused by harassment or violence.
	Diversity	Upstream value chain	Actual positive impact	Short, medium and long	Varma requires its suppliers to commit to equal treatment in their work communities and does not allow discrimination of any form in their or their subcontractors' operations.
Other work-related rights	All	Investment portfolio	Actual positive impact	Short, medium and long	Varma requires that its investee companies comply with laws, international standards and agreements and in this way aims to reduce the negative labour-rights impacts on the employees of its investee companies.
		Direct real estate investments	Potential negative impact	Medium	The manufacture of construction materials, especially in high-risk countries, has been identified as being linked to potential negative human rights impacts.
	Child labour	Investment portfolio	Potential negative impact	Medium	Varma has identified the use of child labour as a potential human rights risk with regard to listed companies in its investment portfolios.
			Actual positive impact	Short, medium and long	Varma addresses its investee companies' human rights violations, such as child labour in developing countries.
		Upstream value chain	Actual positive impact	Short, medium and long	In its Supplier Code of Conduct, Varma requires its suppliers to commit to refuse the use of child labour and in this way aims to reduce negative human rights impacts.
	Forced labour	Investment portfolio	Potential negative impact	Medium	Varma has identified the use of forced labour as a potential human rights risk with regard to listed companies in its investment portfolios.
		Upstream value chain	Actual positive impact	Short, medium and long	In its Supplier Code of Conduct, Varma requires its suppliers to prohibit forced labour and working under threat of penalty in any form and in this way aims to reduce negative human rights impacts.

¹ ESRs 2 SBM-3 48 a, c ii, 49

² ESRs 2 SBM-3 48 c iii

Policies related to value chain workers

S2-1

Responsibility related to Varma’s value chain workers is guided by the principles for responsible investment, active ownership and engagement principles, Varma’s Supplier Code of Conduct and principles for human rights. These policies are used to manage the material impacts, risks and opportunities affecting value chain workers. **ESRS S2 S2-1 14**

Varma’s Supplier Code of Conduct

Varma’s Supplier Code of Conduct addresses requirements related to the working conditions, working time, adequate wages, freedom of association, and health and safety of suppliers’ employees, the prevention of violence and harassment in the workplace, diversity, and the prohibition of child labour and forced labour. **ESRS S2 S2-1 14** The Code of Conduct covers the direct real estate investments in Varma’s value chain and the upstream value chain. Through the Supplier Code of Conduct, Varma commits its direct service providers, i.e. first-tier suppliers, to the sustainability requirements. **ESRS S2 S2-1 16, ESRS 2 MDP-P 65 a, b** Varma’s Supplier Code of Conduct is adopted by Varma’s Board of Directors, and it is available on Varma’s website. **ESRS 2 MDR-P 65 c, f**

Varma is committed to upholding and developing sustainable practices, which is why Varma also expects its suppliers (service providers, goods suppliers and sales network representatives) to commit to bearing responsibility for the financial, social and environmental impacts of their operations.

In addition, Varma’s direct suppliers must, in accordance with due diligence, ensure that their subcontractors also comply with the law and with the requirements of the Supplier Code of Conduct in their own operations. **ESRS 2 MDR-P 65 a, ESRS S2 S2-1 17**

In accordance with the Supplier Code of Conduct, suppliers are required to, among other things:

- enable workers’ right to freedom of association and the right to collective bargaining;
- comply with minimum working conditions laid down in laws and collective agreements in their own and their subcontractors’ operations;
- prohibit forced labour and working under threat of penalty in any form;
- commit not to use child labour;
- offer its employees wages, benefits and overtime compensation that at least comply with national legislation and other similar agreements;
- commit to equal treatment in their work communities and not allow discrimination, threats, exploitation or harassment of any form in their or their subcontractors’ operations;
- ensure that they comply with national laws and collective agreements and other similar agreements regarding working time. **ESRS 2 MDR-P 65 a, b, ESRS S2 S2-1 17, 18**

In addition, the work environment of suppliers (including housing offered by the employer) must, without exception, comply with the requirements of work-related safety and health legislation. Suppliers must prevent

accidents and injuries at the workplace, for instance, by ensuring sufficient supervision in the work environment, offering protective equipment to the employees and properly inducting and instructing the employees.

The Supplier Code of Conduct states that if a supplier observes a breach of the Code in their own operations or in their subcontractor network or suspects a breach pertaining to products or services to be supplied to Varma, the supplier must notify Varma of such without delay. Suppliers must upon request provide Varma with information regarding their compliance with the Supplier Code of Conduct.

Varma may conduct audits, either on its own or with the assistance of a third party, to determine compliance with the Supplier Code of Conduct. Possible audits are always conducted co-operatively, which means the supplier assists Varma in the audit, for example, by permitting inspections at the workplace.

If Varma discovers that a supplier has breached the Supplier Code of Conduct and the breach is not remediated within the agreed timeframe, Varma has the right to terminate the agreement, to which the Supplier Code of Conduct is attached. A further consequence of the breach is that the supplier might no longer be included in future competitive tenders. **ESRS 2 MDR-P 65 a, ESRS S2 S2-1 16**

Varma has a harmonised contract management system and guidelines for contract and procurement processes in place. This helps us ensure that the Supplier Code of Conduct is taken into account in our contracts. At Varma, every function that makes purchases is responsible for providing the Supplier Code

of Conduct to the supplier. Suppliers, for their part, are responsible for ensuring that the persons within their organisation whose duties relate to the Supplier Code of Conduct are informed. **ESRS 2 MDR-P 65 f**

Varma is committed to operating in accordance with the United Nations Guiding Principles on Business and Human Rights. In terms of principles guiding the realisation of human rights, Varma considers the following, among others, important: the OECD Guidelines for Multinational Enterprises, the Council of Europe’s recommendation on business and human rights, and the eight ILO conventions. In its Supplier Code of Conduct, Varma also requires its suppliers to comply with the principles of these third parties. **ESRS 2 MDR-P 65 d, ESRS S2 S2-1 19**

Principles for responsible investment, and active ownership and engagement principles

Varma’s principles for responsible investment address requirements related to the working conditions and other labour-related rights of investee companies’ employees. **ESRS 2 MDR-P 65 a** At Varma, the goal of responsible investment is to reduce risks and to identify investee companies that benefit from responsible operations as well as the return potential of such investments. **ESRS 2 MDR-P 65 a** In Varma’s value chain, the principles for responsible investment cover the investment portfolio and direct real estate investments. **ESRS 2 MDR-P 65 b**

Varma’s Investment Committee addresses the responsible investment principles and policies that are presented to the Board of

Directors. The committee also monitors the investment risks related to responsibility, such as climate change-related risks, and also evaluates violations of international agreements and norms. On a company-wide level, the Chief Investment Officer has oversight and accountability for responsible investment. **ESRS 2 MDR-P 65 c** The principles for responsible investment were updated in 2025 with regard to the defence sector, and the updated principles were approved by Varma’s Board of Directors on 16 June 2025. The key changes include clarifying the exclusion criteria for controversial weapons and further detailing the policy on investing in the defence sector, enabling investments in new business activities while taking sustainability principles into account.

Varma has signed the UN’s Principles for Responsible Investment (UN PRI). Varma’s principles for responsible investment require that investee companies comply with international standards and agreements, the most important of which are the UN Global Compact initiative, the OECD Guidelines for Multinational Enterprises and the ILO labour conventions. **ESRS 2 MDR-P 65 d, ESRS S2 S2-1 17, 19**

Varma monitors compliance with these through regular portfolio screening, which is part of the identification of sustainability risks. The principles also specify areas that Varma will not invest in, meaning investments Varma has excluded, as well as the kind of companies that are subject to enhanced due diligence on environmental and other sustainability issues.

ESRS 2 MDR-P 65 a, ESRS S2 S2-1 17

Varma engages with the companies it invests in with other investors, for instance,

through collaborative initiatives and partnerships. Through its engagement, Varma also strives to promote sustainability and sustainability reporting to investors. Varma’s aim is to promote the implementation of the UN’s Sustainable Development Goals, both directly and indirectly. **ESRS 2 MDR-P 65 a**

Varma’s active ownership and engagement principles address requirements related to the working conditions of investee companies’ employees, the prohibition of child labour, freedom of association, occupational health and safety, and a living wage. In Varma’s value chain, the principles cover the investment portfolio and direct real estate investments. **ESRS 2 MDR-P 65 a, b, ESRS S2 S2-1 18** The Chief Investment Officer has oversight and accountability for responsible investment. Varma’s Board of Directors decides on the active ownership and engagement principles. **ESRS 2 MDR-P 65 c**

In the active ownership and engagement principles, Varma’s engagement goals are twofold. Firstly, Varma engages with companies in an effort to remediate the situation if the investee company has violated local laws or international agreements. Secondly, through its engagement Varma strives to promote sustainability and sustainability reporting to investors. Varma’s aim is to directly and indirectly promote the implementation of the UN’s Sustainable Development Goals. **ESRS 2 MDR-P 65 a**

In addition to local legislation, the principles require investee companies to comply with international norms and agreements. This means compliance with, for instance, the principles of the UN Global Compact initiative. The principles of the Global Compact

initiative cover the UN Declaration of Human Rights and Convention against Corruption, ILO labour conventions and the Rio Declaration on Environment and Development. **ESRS 2 MDR-P 65 d**

The active ownership and engagement principles state that in social matters, Varma’s key focus areas are identifying, considering, preventing and mitigating human rights risks and impacts, as well as developing working life. Engagement in social matters is guided by compliance with international agreements and especially taking human rights into account. International agreements address risks that are negative from an investor’s perspective, for instance, child labour, lack of freedom of association, and poor working conditions. Material human rights themes also include occupational health and safety, a living wage and cyber security. **ESRS 2 MDR-P 65 a, ESRS S2 S2-1 18**

Varma classifies violations in direct equity and bond investments and private debt into one of three categories: blacklisted investee companies (investee companies that Varma does not invest in), investee companies that are involved in an engagement process, and investees that are on an observation list. For different categories, there are several means of engagement in place for addressing norm violations. These are described in more detail in the section ‘Processes to remediate negative impacts and channels for value chain workers to raise concerns’. What is significant for Varma in terms of monitoring violations is that the investee company makes progress in the desired direction in its efforts to remediate the situation. **ESRS 2 MDR-P 65 a**

Principles for human rights

Varma’s principles for human rights address requirements related to the living wage, occupational health and safety of the employees of suppliers, employees in the supplier’s supply chain and employees of our investee companies, and to the prohibition of child labour. **ESRS 2 MDR-P 65 a, ESRS S2 S2-1 18** Varma is committed to operating in accordance with the United Nations Guiding Principles on Business and Human Rights and expects the same from its supply chain. **ESRS 2 MDR-P 65 d, ESRS S2 S2-1 17** The principles for human rights are described in more detail in the section ‘Policies related to own workforce’.

Processes for engaging with value chain workers about impacts

S2-2

Engagement with the individuals working in the maintenance of Varma’s residential investment properties about impacts

In terms of real estate investments, Varma works in close co-operation with a real estate manager. The company providing real estate management services for residential investments is responsible for tasks related to maintenance management, rental of apartments and premises, as well as customer service. Varma is not in direct contact with the personnel working on the maintenance or cleaning of its residential investment properties, but rather communicates with the employees of the real estate manager who oversee maintenance and the partner network. **ESRS S2 S2-2 20, ESRS S2 S2-2 22 a** The top operational parties

responsible for communication at Varma are the asset manager and the residential real estate portfolio manager. **ESRS S2 S2-2 22 c**

Varma maintains close, regular and as-needed contact with the company providing real estate management services. Engagement takes place at different levels and in different compositions in various cycles. The channels of communication include recurring and one-off meetings held face-to-face and remotely, as well as daily exchange of emails and phone calls, and a shared electronic communication channel where discussions take place, information is stored, and progress is tracked. **ESRS S2 S2-2 22 b**

The real estate manager reports to Varma, for example, on the overall status of the properties, significant changes, and measures. In their reporting, managers comprehensively take into account the information and feedback they receive from both partners and residents. The perspectives of different stakeholders, including maintenance partners, are taken into account as part of the whole, based on which the real estate manager proposes actions. If needed, Varma and the managers can also arrange joint meetings with the partners in the partner network. Occupational safety observations from property maintenance have not been a regular item on the agenda of meetings with the property manager, and the managers have not brought them up. However, potential observations by maintenance personnel would be shared, for example, in monthly meetings or quarterly meetings, if such take place. **ESRS S2 S2-2 22**

Engagement with the people working on the maintenance of Varma’s commercial investment properties about impacts

In commercial property investments, Varma collaborates with four companies providing real estate management services. A real estate manager’s primary task is to maintain the properties’ technical condition and safety, and take care of the operative management of the maintenance network. Thus, Varma is not in direct contact with the people working on the maintenance of its commercial investment properties but communicates directly with the real estate managers. The top operational party responsible for communication is the commercial property director. **ESRS S2 S2-2 20**

Engagement with the individuals working on Varma’s construction sites about impacts

Varma is not directly in contact with the employees directly involved in the production operations of its contractors or the corresponding employees of subcontractors. Instead, Varma stays in direct close contact with the contractor and the sites’ salaried employees depending on the form of the contract. **ESRS S2 S2-2 20, ESRS S2 S2-2 22 a** At Varma, operational responsibility for ensuring communication lies with the person in charge of the project. **ESRS S2 S2-2 22 c**

During the construction project, the contractor reports to Varma on the state of occupational safety at the construction site. During the regularly held site meetings, the contractor reports to Varma occupational accidents

and near misses, their nature, and follow-up actions to improve occupational safety if such events have been observed on the construction site. **ESRS S2 S2-2 22 b**

Each employee working on the construction site must report any hazards and risks they have noticed to the main contractor and other subcontractors. The method for addressing safety observations depends on the main contractor. The largest main contractors often make safety observations through a digital platform, allowing all workers on the construction site to make them with a mobile device. Observations can also be submitted anonymously. The project supervisor is responsible for processing all observations and possible actions. **ESRS S2 S2-2 22**

Engagement with other value chain workers about impacts

Varma does not currently have other established processes in place to engage with value chain workers or their representatives about impacts on value chain workers. **ESRS S2 S2-2 24**

For potential impacts, Varma acts preventatively by actively engaging with its investee companies, regularly screening the investment portfolio for violations and looking into the human rights due diligence practices of its suppliers.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-3

Whistleblowing channel

Varma has a Whistleblowing channel that is available to all stakeholders. The channel can be used to anonymously report suspected

misconduct and to express concerns about something that is not in line with Varma’s values and Code of Conduct and which may have serious consequences for Varma or an individual. An automatic confirmation of receipt is sent to the sender of the report. In addition, the whistleblower is able to follow report-related messages that Varma’s Whistleblowing team has sent. The reporting process is encrypted with a password. Varma’s Whistleblowing team receives an automatic notification of a report and/or message received via the channel. **ESRS S2 S2-3 27 d**

The whistleblowing channel is discussed in more detail in the section ‘Business conduct policies and corporate culture’.

Varma has not assessed whether its value chain workers are aware of Varma’s Whistleblowing channel or whether they trust it as a means of raising their concerns or needs and having them addressed. **ESRS S2 S2-3 28**

In its Supplier Code of Conduct, Varma does, however, require its suppliers to ensure that their employees have the opportunity to report behaviour that is non-compliant, to make improvement suggestions and to give general feedback. **ESRS S2 S2-3 27 c**

In addition, the promotion of the trade union’s reporting channel has been enabled at Varma’s construction site, thereby encouraging those working at the site to report any grievances. **ESRS S2 S2-1 17 b, ESRS S2 S2-3 25, 27 b, 28**

Process and procedures for addressing suppliers’ sustainability-related incidents

Varma has in place a process according to which it addresses actual or potential harmful impacts identified in the supply chain, which

are referred to in this statement as sustainability-related incidents. The incidents can be related to, for example, suppliers’ operational compliance, human rights and labour rights, occupational safety and health, and the environment. The purpose of the process for addressing incidents is to be able to identify, prevent, and mitigate actual and potential harmful impacts in the supply chain, and if necessary, to intervene in them.

The process has six stages:

1. a confirmed or suspected sustainability-related incident is identified;
2. the situation is investigated and assessed;
3. an action plan is drawn up;
4. follow-up;
5. the situation is reassessed;
6. reporting.

The process for addressing incidents may end at any stage, or it may include only some of the stages. Confirmed sustainability-related incidents mean incidents reported or confirmed by the supplier. The Supplier Code of Conduct states that the supplier must notify Varma if it identifies a breach of the code in their own operations or in their subcontractor network or suspects a breach pertaining to products or services to be supplied to Varma. Suspected sustainability-related incidents are incidents that have not been confirmed by the supplier. Identified incidents are recorded in the operational risk system, and Varma reports on the process for addressing incidents annually in its sustainability statement.

Screening for norm violations in investee companies

ESRS S2 S2-1 17 c, ESRS S2 S2-3 25, 27 a

Varma monitors its investments’ norm violations on a quarterly basis. Varma classifies violations in direct equity and bond investments, and in private debt investments into three categories. Various engagement methods are in use in different categories. In the most severe category, violations in investee companies are automatically blacklisted. If an investee company is blacklisted and sufficient progress is not made to remediate the violation, the investment will be divested at the latest within 18 months or based on the market situation.

Violations in the second most severe category are included in Varma’s engagement process. Further investments cannot be made in an investee company that is in an engagement process without a decision by the investment committee. Targets and a schedule are defined for the engagement process, and the progress of the process is monitored.

Violations in the third category are placed on an observation list. We mainly engage with these investees through the service provider. The service provider engages in a dialogue with the company, and during the engagement process the company has the right to know Varma’s name. The progress made to remediate violations and the situation is monitored regularly.

In fund investments, Varma also requires the companies in the funds to comply with laws and international agreements. In the event of a possible violation, the fund’s management company contacts Varma and begins an investigation process into the violation. For severe

violations, the fund will go through an escalation process that aims to remediate the violation through the influence of the fund management company. In fund investments, the fund management company is responsible for monitoring the sustainability of the portfolio’s investments. A process for engaging with funds, including an escalation process, and a more detailed description of the engagement process are in place, but for the time being are not publicly disclosed.

Varma has not assessed whether its value chain workers are aware of screening for investee companies’ norm violations or whether they trust it as a means of raising their concerns or needs and having them addressed. **ESRS S2 S2-3 28**

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

S2-4

Management of impacts on value chain workers

Human rights work related to value chain workers is carried out in investment operations, in the Responsible Investment & Sustainability department, in compliance, and in sourcing-related tasks. **ESRS S2 S2-4 38**

The means for identifying, assessing, addressing and monitoring the realisation of human rights are included in the sustainability measures of Varma’s different functions. **ESRS S2 S2-4 30**

Supplier commitment

Varma expects its direct service providers to commit to the Supplier Code of Conduct, the key contents of which are described in the section ‘Policies related to value chain workers’. In this way, Varma aims to achieve positive material impacts for value chain workers while also preventing potential negative impacts. **ESRS S2 S2-4 31 a, b, 32 c**

Direct service providers are responsible for their own supply chain, and they are obligated to ensure that Varma’s principles are abided by in their own operations.

Occupational safety at Varma’s construction sites

Varma’s Supplier Code of Conduct is always part of the contract with the contractor, in addition to which certain occupational safety-related performance levels can be set for the objectives of the contract. At the beginning of a project, Varma reviews together with the contractor the practices for ensuring occupational safety. The contractor is in charge of informing the subcontractors.

Documentation on occupational safety is comprehensive in all projects at least in accordance with the Government Decree 2009/205. The client appoints a safety coordinator and is responsible for preparing a safety document, which the project supervisor, usually the main contractor, follows and uses as the basis to present occupational safety plans. The safety coordinator is appointed already in the planning phase. Safety measurements are carried out by the project supervisor. The site safety coordinator visits the construction site and

carries out safety measurements, thus assessing the state of occupational safety. **ESRS S2 S2-4 33 c**

Occupational safety in the maintenance of Varma’s residential investment properties

To prevent negative health effects on the users and maintenance workers of residential investment properties, Varma follows regulations and guidelines relating to the health conditions and safety of residential buildings. The buildings are built in accordance with the national building code, and the required inspections are carried out. Action is taken on the findings of the inspections when necessary. Operational responsibility for managing the maintenance of residential investment properties lies with the real estate manager, and Varma has not separately established specific processes for preventing health impacts. However, the aim is to process any feedback received from the real estate manager or elsewhere such that health impacts are considered. If the real estate manager or another party suggests new measures or informs that the current ones are not sufficient, the matter will be discussed as part of the co-operation.

ESRS S2 S2-4 33 a, c

Process and procedures for addressing suppliers’ sustainability-related incidents

In 2025, Varma addressed one sustainability-related incident in accordance with the process for addressing sustainability-related incidents. The incident was discussed with the supplier in question. Following the investigation and assessment, it was determined that there was no need for further measures.

The primary purpose of the process for addressing sustainability-related incidents is not to terminate supplier relationships if negative impacts are identified, but rather to ensure that the value chain is managed responsibly and to promote appropriate due diligence related to responsible business conduct in Varma’s supply chain. If it is discovered, however, that a Varma supplier has breached Varma’s Supplier Code of Conduct and the breach is not remediated within the agreed timeframe, Varma has the right to terminate the agreement, to which the Supplier Code of Conduct is attached. A further consequence of the breach is that the supplier might no longer be included in future competitive tenders. **ESRS S2 S2-4 35**

Training of own workers

Varma has created online training in the Supplier Code of Conduct for its employees. The training covers, among other things, compliance with regulations, human rights and labour rights, and occupational safety and health. Any Varma employee can complete the online training, but currently it is not mandatory. The training is especially aimed at Varma employees involved in procurement. In 2025, 1 (8) per cent of Varma employees had completed the online course. **ESRS S2 S2-4 33 c, 38**

Supplier sustainability survey

The supplier sustainability survey helps Varma monitor the current state of supplier responsibility. In autumn 2025, Varma conducted the survey among its largest suppliers, excluding the construction sector. The survey

was targeted at suppliers who had not earlier responded to the survey. Therefore, the sample is smaller than the previous year and the results are not comparable. In keeping with the previous year, the questionnaire covered the Code of Conduct, the human rights due diligence process, employee health and safety, labour rights, supply chain management, and environmental management and impacts.

A total of 10 suppliers responded to Varma’s survey. The respondents included both Finnish and foreign companies. According to the survey, 80 per cent of the respondents are committed to following the UN Global Compact principles. Of the suppliers who responded to the question about setting emission reduction targets based on the SBT initiative, 20 per cent reported that they have set emission reduction targets in line with the initiative.

Monitoring investees’ compliance with international agreements and national laws

With regard to the investment portfolio, screening for norm violations is a systematic way of monitoring, assessing and managing material negative impacts on value chain workers. Monitoring investees’ compliance with international agreements and national laws is part of identifying sustainability risks. The matter is described in the section ‘Screening for norm violations in investee companies’. **ESRS S2 S2-4 32 d**

Varma monitors these sustainability risks by striving to identify adverse business interests and violations of international agreements and norms in the investment portfolio.

As regards Varma’s listed investments, compliance with the standards is monitored with the help of an external service provider, which maintains a database of companies and their confirmed and possible violations. The service provider engages in discussions with the companies which are suspected or have been found to have violated the standards and updates the database accordingly. In this way, the portfolio managers always have access to up-to-date company data. Varma monitors compliance with laws and international agreements. Under the leadership of a sustainability specialist, potential and actual violations, as well as the progress made to remediate them, are discussed quarterly in meetings with the investment function’s portfolio managers.

If a company breaches any of the sustainability standards, Varma’s first priority is to engage with the company to remediate the detected breaches and change their operating methods. Varma is able to directly engage with the companies, together with other investors and through the service provider. In fund investments, Varma also requires the companies in the funds to comply with laws and international agreements. In the event of a possible violation, the fund’s management company contacts Varma and begins an investigation process into the violation. For severe violations, the fund will go through an escalation process that aims to remediate the violation. In fund investments, the fund management company is responsible for monitoring the sustainability of the portfolio’s investments.

Remediation of impacts on value chain workers

In 2025, Varma was in contact with 5 (6) companies as part of its engagement process. The figures presented here apply only to listed investments included in the engagement process. Contacts with companies involved in the engagement process covered a wide range of topics, such as corruption, competition law, labour rights and human rights, information security, and environmental issues. The companies were located in North America and Europe. **ESRS S2 S2-4 32 b, 36**

Pursuing material opportunities related to value chain workers

As a result of the double materiality assessment updated in spring 2025, no

opportunities related to the workers in the value chain were identified. Varma has thus currently no actions being implemented or planned to leverage material opportunities related to value chain workers. **ESRS S2 S2-4 34 b**

Mitigation of material risks related to value chain workers

A risk identified in the double materiality assessment, which was updated in spring 2025, related to value chain workers is reputational damage caused by harassment or violence. Crisis communication is a key tool in preventing and mitigating reputational damage. The aim is to communicate quickly, clearly, and transparently to stakeholders about the situation and Varma’s actions to resolve it. **ESRS S2 S2-4 34 a**

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S2-5
Varma has not currently set time-bound and outcome-oriented targets for reducing negative impacts on value chain workers, advancing positive impacts on value chain workers, or managing material risks and opportunities related to value chain workers. Varma therefore also does not have a process for setting targets with regard to these. **ESRS S S2-5 40, 41, 43**
In its sustainability programme, however, Varma has committed to assessing the human

rights risks and impacts of its investments and promoting the mitigation of negative impacts. This qualitative commitment is addressed in part through screening for norm violations in investee companies, which helps Varma identify, address and mitigate human rights risks and negative impacts. Investee companies that were subject to Varma’s engagement process as a result of the screening for norm violations are presented in table 65. In addition, Varma has in place the Supplier Code of Conduct and process for addressing sustainability-related incidents, the purpose of which is to prevent and address potential human rights impacts in the value chain. These policies are described in more detail in the section

‘Policies related to value chain workers’. Varma’s new sustainability programme also includes plans for broader consideration of supply chain responsibility.

Table 64: Management of impacts on value chain workers, action taken in the reporting year¹

Action taken in the reporting year ²	Expected outcome ³	Scope ⁴
Setting targets related to procurement responsibility and incorporating them into the sustainability programme	Updating the sustainability programme to include goals related to procurement	Own operations, Upstream value chain, Direct real estate investments, Investment portfolio
Conducting a supplier sustainability survey	Monitoring the sustainability status of Varma's largest suppliers	Upstream value chain

¹ ERSR S2 S2-4 32 a, ² ESRS 2 MDR-A 68 a, ³ ESRS 2 MDR-A 68 a, ⁴ ESRS 2 MDR-A 68 b

Table 65: Investee companies involved in Varma’s engagement process in 2025¹

Company’s sector	Company’s location	Potential or likely violation ²	Engagement process stage at the end of 2025	Targets 2026
Retail	North America	Competition rights	The portfolio manager contacted the company. Monitored by the Investment Committee. Actions brought against the company and their progress is also monitored.	Reconsidered by the Investment Committee
Media and technology services	North America	Human rights, labour rights, information security and environmental issues	The portfolio manager contacted the company. Monitored by the Investment Committee. Actions brought against the company and their progress is also monitored.	Reconsidered by the Investment Committee
Automotive industry	North America	Labour rights	The portfolio manager contacted the company. Monitored by the Investment Committee. Actions brought against the company and their progress is also monitored.	Reconsidered by the Investment Committee
Hotel, restaurant and leisure-time services	North America	Labour rights	The portfolio manager contacted the company. Discussed by the Investment Committee.	Reconsidered by the Investment Committee
Healthcare	Europe	Ethical business	The portfolio manager contacted the company. Presented to the Investment Committee.	Reconsidered by the Investment Committee

¹ ESRS S2 S2-1 19, ² A violation is established on the basis of the ISS Norm-Based Research Company Report (UN Global Compact Pillars) and/or Varma’s internal analysis.

SOCIAL INFORMATION

ESRS S3

Affected communities

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S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities..... 102

Varma applies the transitional provision and is not reporting the data specified in ESRS S3. However, the following section includes a brief description of the material impacts, risks and opportunities, and policies, actions, targets and metrics related to affected communities.

Material impacts, risks and opportunities related to affected communities

ESRS 2 SBM-3

For affected communities, the identification and assessment of material impacts, risks and opportunities take into account Varma’s own operations and the impacts of its value chain, taking into account the functions identified in the double materiality assessment (section ‘Description of the process to identify and assess material impacts, risks and opportunities’). **ESRS S3: ESRS 2 SBM-3 9** Affected communities identified as material may also include indigenous peoples. Varma’s connection to these communities is formed indirectly via the investee companies’ operations. The

information used in the impact assessment covers a wide range of groups, including workers, consumers, local communities, communities of indigenous peoples, marginalised and vulnerable groups, as well as other stakeholders, such as civil society organisations.

ESRS S3: ESRS 2 SBM-3 9 a An accurate picture of affected communities or their characteristics has not been formed at Varma, because the impacts are in the investment portfolio, and the cases can therefore be very diverse. **ESRS S3:**

ESRS 2 SBM-3 10 The impacts on companies can be both systemic and case-specific, and can also result from a transition to lower-emission activities. **ESRS S3: ESRS 2 SBM-3 9b** Varma has identified investment exclusions based on the UN Sustainable Development Index as a potential positive impact, as these may encourage governments to operate more sustainably in order to obtain financing. **ESRS S3: ESRS 2 SBM-3 9 c**

The identified impacts are not directly due to the strategy or business model, but are linked to them through investment activities

aimed at securing pensions. In terms of material impacts and dependencies on affected communities, no material risks or opportunities have been identified, including those arising from Varma’s strategy or business model.

ESRS S3: ESRS 2 SBM-3 8, 9 d, 11

Policies related to affected communities

S3-1

Responsibility related to Varma’s affected communities is guided by the principles for responsible investment, active ownership and engagement principles, and principles for human rights. **ESRS 2 S3 S3-1 12** These policies are used to manage material impacts, risks and opportunities on affected communities. **ESRS 2 S3 S3-1 13**

Principles for responsible investment

Varma’s principles for responsible investment address requirements related to considering investees’ social factors in investment

Table 66: **Material impacts, risks and opportunities related to affected communities¹**

Sub-topic	Sub-sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ²	Material impact, risk or opportunity
Communities’ economic, social and cultural rights	Water and sanitation	Investment portfolio	Actual positive impact	Long	In government bonds, Varma does not invest in countries that are ranked in the bottom 25 per cent of the UN’s Sustainable Development Goals (SDG) index. The index takes into account clean water and sanitation.
	Security-related impacts	Investment portfolio	Potential negative impact	Long	For listed companies, Varma has identified non-respect for the right to life as a potential negative human rights impact. The problem is often at the state level.
	Other	Investment portfolio	Potential negative impact	Long	For listed companies, Varma has identified violations of self-determination as a potential negative human rights impact.

¹ ESRS 2 SBM-3 48 a, c ii, 49, ² ESRS 2 SBM-3 48 c iii

decisions. At Varma, the goal of responsible investment is to reduce risks and to identify investee companies that benefit from responsible operations as well as the return potential of such investments. In Varma’s value chain, the principles for responsible investment cover the investment portfolio and direct real estate investments. **ESRS S3 S3-1 14** The principles cover all asset classes and are applied differently depending on the asset class and type of investment.

Varma engages with the companies it invests in with other investors, for instance, through collaborative initiatives and partnerships. Through its engagement, Varma also strives to promote sustainability and sustainability reporting to investors. Varma’s aim is to promote the implementation of the UN’s Sustainable Development Goals, both directly and indirectly. **ESRS 2 MDR-P 65 a, ESRS S3 S3-1 16, 17**

The principles for responsible investment are described in more detail in the section ‘Policies related to value chain workers’.

Active ownership and engagement principles

Varma’s active ownership and engagement principles address identifying, considering, preventing and mitigating human rights risks and impacts, as well as developing working life, and these are Varma’s main focus areas. In Varma’s value chain, the principles cover the investment portfolio and direct real estate investments. **ESRS 2 MDR-P 65 a, b, ESRS S3 S3-1 14** Engagement in social matters is guided by

compliance with international agreements and especially taking human rights into account. International agreements address negative risks for investors, such as access to clean water and sanitation, safety-related impacts, and the economic, social and cultural rights of communities. **ESRS S3 S3-1 12, 13** Material human rights themes also include occupational health and safety, a living wage and cyber security. In processes set out in the principles, for instance, in the screening of norm violations presented in the section ‘Processes to remediate negative impacts and channels for affected communities to raise concerns’, Varma also screens its investee companies for violations related to indigenous peoples. **ESRS S3 S3-1 15, 16 a** Varma’s active ownership and engagement principles are described in more detail in the section ‘Policies related to value chain workers’.

Principles for human rights

Varma’s principles for human rights address material impacts related to human rights violations of investee companies, such as access to clean water and sanitation, safety-related impacts and communities’ economic, social and cultural rights. Varma is committed to operating in accordance with the United Nations Guiding Principles on Business and Human Rights and expects the same from its investee companies. **ESRS S3 S3-1 13, 16, 17** Varma monitors the human rights violations of its investee companies (investment portfolio, direct real estate investments) by screening for

norm violations and classifies them into one of three categories: blacklisted investee companies, investee companies that are involved in an engagement process, and investees that are on an observation list. Depending on the severity of the violation and the possibilities for remediation, Varma uses different means of engagement, such as dialogue, voting, joint initiatives and exiting from the investment. The principles for human rights are described in more detail in the section ‘Policies related to own workforce’.

Processes for engaging with affected communities about impacts

S3-2

Engagement with investee companies takes place primarily through the service provider. The service provider engages in a dialogue with the company, and during the engagement process the company has the right to know Varma’s name. **ESRS S3 S3-2 19** The progress made to remediate violations and the situation is monitored regularly. For potential impacts, Varma acts preventatively by actively engaging with its investee companies, regularly screening the investment portfolio for violations and looking into the human rights due diligence practices of its suppliers.

In fund investments, Varma also requires the companies in the funds to comply with laws and international agreements. In the event of a possible violation, the fund’s management company contacts Varma and begins an

investigation process into the violation. For severe violations, the fund will go through an escalation process that aims to remediate the violation through the influence of the fund management company. In fund investments, the fund management company is responsible for monitoring the sustainability of the portfolio’s investments.

In index investments, Varma primarily aims to select investments where companies that have committed serious violations are already excluded. In index investments, the engagement process is carried out by the investment company. Since Varma does not have direct holdings in index companies, direct engagement is not possible, but Varma does engage with the companies through collaborative initiatives. **ESRS S3 S3-2 19**

Varma does not currently have established processes in place for whether and how the perspectives of affected communities inform its decisions or activities aimed at managing actual and potential impacts on communities. **ESRS S3 S3-2 21**

Varma also does not have established processes for gaining insight into the perspectives of affected communities that may be particularly vulnerable to impacts. Such groups may include special groups within communities, such as those who are marginalised or women and girls. These groups may also be affected. **ESRS S3 S3-2 22**

Processes to remediate negative impacts and channels for affected communities to raise concerns

S3-3

Whistleblowing channel

Varma has a Whistleblowing channel that is available to all stakeholders. The channel can be used to anonymously report suspected misconduct and to express concerns about something that is not in line with Varma’s values and Code of Conduct and which may have serious consequences for Varma or an individual. The whistleblowing channel is discussed in more detail in the section ‘Business conduct policies and corporate culture’. **ESRS S3 S3-3 25, 26, 27 b**

Screening for norm violations in investee companies

The screening of investee companies for norm violations is described in more detail in the section ‘Processes to remediate negative impacts and channels for value chain workers to raise concerns’. **ESRS S3 S3-1 16, 27 a**

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

S3-4 Monitoring norm violations in investee companies

Monitoring investees’ compliance with international agreements and national laws is part of identifying sustainability risks. Varma enters possible and likely sustainability risks into its risk management system. The risks are discussed on a monthly basis by the Investment Committee. Sustainability risks are also addressed in the Board of Directors’ risk and solvency assessment.

Varma monitors sustainability risks by striving to identify adverse business interests and violations of international agreements and norms in the investment portfolio.

As regards Varma’s listed investments, compliance with the standards is monitored with the help of an external service provider, which maintains a database of companies and their confirmed and possible violations. The service provider engages in discussions with the companies which are suspected or have been found to have violated the standards and updates the database accordingly. In this way, the portfolio managers always have access to up-to-date company data. Varma

monitors its investments’ norm violations on a quarterly basis.

If a company breaches any of the sustainability standards, Varma’s first priority is to engage with the company to remediate the detected breaches and change their operating methods. Varma is able to directly engage with the companies, together with other investors and through the service provider. In fund investments, Varma also requires the companies in the funds to comply with laws and international agreements. In the event of a possible violation, the fund’s management company contacts Varma and begins an investigation process into the violation. For severe violations, the fund will go through an escalation process that aims to remediate the violation. **ESRS S3 S3-4 32 b** In fund investments, the fund management company is responsible for monitoring the sustainability of the portfolio’s investments.

In 2025, Varma was in contact with 5 (6) companies as part of its norms-based screening engagement process. A more detailed description of these engagement activities is provided in the section ‘Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions’. **ESRS S3 S3-4 30, 32 a, 35, 36**

Exclusions in the investment portfolio

Varma has excluded companies that manufacture controversial weapons, such as nuclear weapons, anti-personnel mines, cluster bombs, and chemical and biological weapons, and whose headquarters are not located in a NATO country, IP-4 country (Japan, Australia, South Korea and New Zealand) or Switzerland. In investments other than direct investments, such as in index funds, Varma requires that they do not contain companies that operate in those industries or strives to engage with them with the aim of excluding such industries. Furthermore, Varma has excluded investments in companies with coal- or lignite-based operations accounting for more than 5 per cent of their revenue, production or production capacity. The exception to this general rule is companies that have set science-based targets. **ESRS S3 S3-4 30, 32 a, 35**

Due diligence process for high-risk sectors in the investment portfolio

Varma has identified industries with a need for enhanced sustainability monitoring. Investments in these industries are subject to special scrutiny by the portfolio managers. Due diligence concerns, for example, industries that have high exposure to environmental risks, such as the oil and gas industry, and the textile industry. Portfolio managers must also apply due diligence when the investment concerns alcohol, tobacco, gambling, adult

entertainment, cannabis and the arms industries, as outlined in the principles for responsible investment.

The defence sector falls under due diligence. Varma may invest in defence sector companies under certain conditions. Investing in a defence sector company which has activities related to controversial weapons or nuclear weapons is possible if the company is headquartered in a NATO country, IP-4 country (Japan, Australia, South Korea, New Zealand) or Switzerland.

In government bonds, Varma does not invest in countries that are ranked in the bottom 25 per cent of the UN’s Sustainable Development Goals (SDG) index. In exceptional cases, an investment can be made if the country’s SDG ranking is expected to clearly improve. **ESRS S3 S3-4 30, 32 a, 35**

Active ownership and engagement principles in the investment portfolio

Varma’s active ownership and engagement principles address identifying, considering, preventing and mitigating human rights risks and impacts, as well as developing working life, and these are Varma’s main focus areas. In the active ownership and engagement principles, Varma’s engagement goals are twofold. Firstly, Varma engages with companies in an effort to remediate the situation if the investee company has violated local laws or international agreements. **ESRS S3 S3-4 31 a** Secondly,

through its engagement, Varma strives to promote sustainability and sustainability reporting to investors.

The purpose of engagement is to promote sustainability themes or address companies’ unsustainable operations. The objectives of the engagement process, the size of the holding and whether the issue involves taking action on a violation or promoting sustainability themes are what determine the most sensible means of engagement for the investor.

ESRS S3 S3-4 33 a Investor co-operation through various joint initiatives is a major means of engagement. One example of a joint investor initiative that Varma is part of and which is material in terms of the material impacts identified in the section ‘Affected communities’ is the Access to Medicine Foundation. Through the initiative, Varma gains research data on pharmaceutical companies to support its investment decisions. The Foundation stimulates and guides pharmaceutical companies to do more for the people living in low- and middle-income countries without access to medicine. The index initiated by the foundation ranks all pharmaceutical companies in the world according to how well they promote access to medicine. The Access to Medicine Foundation arranges investor events in which information about the effectiveness and impact of engagement is shared with the participating investors. **ESRS S3 S3-4 32 c, 33 a, c**

The active ownership and engagement principles state that in social matters, Varma’s

key focus areas are identifying, considering, preventing and mitigating human rights risks and impacts, as well as developing working life. Varma’s engagement in social matters is guided by compliance with international agreements and especially taking human rights into account. International agreements address negative risks for investors, such as access to clean water and sanitation, safety-related impacts, and the economic, social and cultural rights of communities.

Varma classifies violations in direct equity and bond investments and private debt into one of three categories: blacklisted investee companies (investee companies that Varma does not invest in), investee companies that are involved in an engagement process, and investees that are on an observation list. Various specific engagement methods for norm violations are in use in different categories. They have been described in more detail in ‘Active ownership and engagement principles’ available on Varma’s website. **ESRS**

S3 S3-4 33 a, b What is significant for Varma in terms of monitoring violations is that the investee company makes progress in the desired direction in its efforts to remediate the situation.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S3-5 Varma has not currently set time-bound and outcome-oriented targets for reducing negative impacts on communities, advancing their positive impacts, or managing material risks and opportunities related to communities. **ESRS S3 S3-5 40** In its sustainability programme, however, Varma has committed to assessing the human rights risks and impacts of its investments and promoting the mitigation of negative impacts. This qualitative commitment is addressed through screening for norm violations, which helps Varma identify, address and mitigate human rights risks and negative impacts.

SOCIAL INFORMATION

ESRS S4

Consumers and end-users

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Material impacts, risks and opportunities related to consumers and end-users

ESRS 2 SBM-3

The assessment of the material impacts, risks and opportunities related to consumers and end-users takes into account Varma’s own operations and the impacts of its value chain. Material impacts, risks and opportunities were identified in relation to own operations, the investment portfolio, direct real estate investments and upstream value chain. **ESRS 2 SBM-3 48 a**

In Varma’s own operations, individuals dealing with Varma were identified as being in a position comparable to consumers and end-users. In addition to them, Varma may also engage with the employees of its corporate customers. Since business interactions require personal data processing, and service is offered to a very extensive target group, use of the services involves potential adverse impacts related to privacy protection and non-discrimination. The same applies to persons who rent property from Varma. **ESRS S4:**

ESRS 2 SBM-3 10 a ii

In terms of companies in Varma’s investment portfolio, those affected may be consumers and end-users across a very broad range of consumer and end-user types, including vulnerable groups of people, users of harmful products or services, or consumers

dependent on a product or service form. **ESRS S4: ESRS 2 SBM-3 10 a** As consumers and end-users involved in both its own and the value chain’s operations are a very diverse group, Varma has not identified the main types that would be affected. **ESRS S4: ESRS 2 SBM-3 10 a, 11**

Impacts and risks related to Varma’s own operations are limited to persons covered by the Finnish private-sector TyEL or YEL insurance system. The impacts on income and related services concern pensioners, rehabilitation benefit recipients, or the child of a deceased family provider. A rehabilitation benefit can be paid to an employer for the duration of a paid vocational rehabilitation programme, such as a work trial or job coaching, and therefore companies may also be affected. **ESRS S4: ESRS 2 SBM-3 12**

Securing people’s income through pensions is part of Varma’s core task. Services related to pensions and vocational rehabilitation and information related thereto must be accessible to everyone entitled to such benefits. Taking care of Varma’s core task requires personal data processing. Taking care of the tasks has positive impacts on people and society, but potential negative impacts and financial risks related to the activities have also been identified if Varma fails to carry out the tasks appropriately. The potential impacts may be systemic in scope or relate to a single incident.

ESRS S4: ESRS 2 SBM-3 10 b Identified impacts, risks and opportunities thus relate centrally to and are taken into account in Varma’s business model and strategy. **ESRS S4: ESRS 2 SBM-3 9 a i**

Identified impacts related to the investment portfolio are linked to the business model, because the investment activities are used to secure pensions. Another identified risk is that corporate negligence towards consumers could potentially affect Varma’s investment returns. **ESRS S4: ESRS 2 SBM-3 9, 10 d**

Table 67: **Material impacts, risks and opportunities related to consumers and end-users¹**

Sub-topic	Sub-sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ²	Material impact, risk or opportunity
Information-related impacts on consumers and/or end-users	Privacy	Varma’s own operations	Actual positive impact	Short, medium and long	The data protection of Varma’s private and self-employed customers is attended to by ensuring that the processing of personal data fully conforms to laws and other rules and regulations.
			Actual negative impact	Long	Any potential breaches of customers’ information security and data protection may jeopardise customers’ right to privacy.
			Risk	Short and medium	Breaches of customers’ information security and data protection and related fines, penalties and reputational damage.
		Investment portfolio	Potential negative impact	Long	The data protection and information security issues of and cyber attacks on portfolio companies may jeopardise customer data.
			Actual positive impact	Short, medium and long	Varma firmly addresses its investee companies’ human rights violations, such as cyber-security issues.
			Potential negative impact	Long	Breaches of privacy caused by shortcomings in the processing of tenants’ information may jeopardise customers’ right to privacy.
		Direct real estate investments	Actual positive impact	Short, medium and long	As a controller, Varma is also responsible for ensuring that its subcontractors ensure that the processing of personal data fully conforms to laws and other rules and regulations.
			Actual positive impact	Short, medium and long	In its Supplier Code of Conduct, Varma expects its suppliers to ensure that confidential information, especially concerning private persons, remains undisclosed.
			Potential negative impact	Long	Breaches related to the data protection of large groups of people among suppliers in Varma’s value chain may jeopardise customers’ right to privacy.
	Access to quality information	Varma’s own operations	Actual positive impact	Short	Providing correct and sufficient information to the client through the quality of advice, compliance with communication and disclosure obligations (and other regulatory requirements).
			Risk	Long	Fines, penalties and financial losses, as well as reputational damage in the case of non-compliance with communication and disclosure obligations.
			Potential negative impact	Medium	Incorrect information given by portfolio companies intentionally or unintentionally may mislead consumers and, in the worst case, cause severe consequences.
Personal safety of consumers and/or end-users	Health and safety	Varma’s own operations	Risk	Short	Incorrect information given to consumers by portfolio companies intentionally or unintentionally may cause reputational damage, fines and loss of customers.
			Actual positive impact	Short, medium and long	Taking care of statutory pension cover in disability situations. Support for getting employed, returning to work and staying in working life through means of rehabilitation when a worker’s state of health changes.
			Actual positive impact	Short, medium and long	Work ability management services.
		Upstream value chain	Opportunity	Short, medium and long	Disability risk management lowers disability pension costs.
			Potential negative impact	Long	The products and services offered by portfolio companies may involve a health and safety risk for consumers.
		Direct real estate investments	Actual positive impact	Short, medium and long	The properties owned by Varma are of a high quality. They are safe and healthy places to work and live.
			Potential negative impact	Long	Potential acute and chronic health effects on the user of the premises arising from the use of the premises may cause negative impacts on the users of the premises.
Social inclusion of consumers and/or end-users	Protection of children	Downstream value chain	Actual positive impact	Short, medium and long	Income security offered by survivors’ pension for the children of those with earnings-related pension insurance.
			Actual positive impact	Short	Equal, equitable and fair treatment of customers.
	Non-discrimination	Downstream value chain	Opportunity	Short	The loyalty of customers satisfied with timely, quality and smooth service, as well as equal treatment.
			Actual positive impact	Short	Accessibility of services: Varma is developing its multi-channel service models to be able to offer high-quality personal service in cases where the digital service does not meet the customer’s needs (the elderly; people who cannot use digital services for other reasons). AI assistance is used to enhance services.
Other	Access to products and services	Varma’s own operations	Actual positive impact	Short	Varma is increasing entrepreneurs’ and companies’ awareness of work ability services so that the services reach them and their employees.
			Actual positive impact	Short	Ensuring the income of people working in Finland/those insured by Varma.
			Actual positive impact	Short	Ensuring that people who are retiring receive uninterrupted income (i.e. pensions are paid immediately after the pension decision is made).
			Actual positive impact	Short, medium and long	Varma offers its client companies support for managing the disability risk.
		Varma’s own operations	Actual positive impact	Short, medium and long	Research activities related to disability risk.

¹ ESRs 2 SBM-3 48 a, c ii, 49, ² ESRs 2 SBM-3 48 c iii

Policies related to consumers and end-users

S4-1

Policies related to consumers and end-users cover Varma’s downstream value chain. Varma’s Code of Conduct, ethical guidelines for pension services and work ability services, and information security policy define the policies according to which business operations are guided in a way that strives to ensure consumers’ and end-users’ privacy, access to quality information, health and safety, protection of children, non-discrimination, access to products and services, and information security **ESRS 2 MDR-P 65 a, b, ESRS S4 S4-1 13**. Ethical guidelines for pension services and work ability services are decided by the management team of either function. Varma’s Code of Conduct and information security policy are decided by Varma’s Board of Directors. Varma’s Executive Group approves the principles for human rights, which are described in more detail in the section ‘Policies related to own workforce’. **ESRS 2 MDR-P 65 c** The risk management policy related to operations is not described in the policies, but instead are managed in accordance with Varma’s risk management practices, which are described in the section ‘General information’. **ESRS S4 S4-1 13**

The policies cover, with regard to private customers, all consumer and end-user groups. **ESRS S4 S4-1 15**

With regard to investment, Varma has signed the UN’s Principles for Responsible Investment, in which it commits to:

- take responsibility matters into consideration in investment decisions;
- be an active owner and include responsibility matters in its active ownership principles and practices;
- accurately report on responsibility matters related to investments;
- promote consideration of principles for responsible investment in the sector;
- work in co-operation to improve the impact of the principles (of responsible investment);
- report on its activities and on how the application of the principles are progressing.

Varma also requires that its investees comply with international standards and agreements, the most important of which are:

- the UN Global Compact initiative;
- the OECD Guidelines for Multinational Enterprises;
- the ILO labour conventions. **ESRS 2 MDR-P 65 a, ESRS S4 S4-1 16, 16 a**

Internal instructions, training, induction, quality assurance and supervisory work ensure that Varma’s personnel know the principles guiding operations and that the quality of Varma’s products meets consumer needs and complies with legislation. **ESRS 2 MDR-P 65 f**

Varma is committed to respecting the internationally recognised human rights and to promote their realisation in accordance with the principles of the UN’s Guiding Principles on Business and Human Rights. Varma also

commits to abide by the OECD Guidelines for Multinational Enterprises, the ILO’s eight fundamental conventions and the principles of the UN Global Compact initiative. **ESRS S4 S4-1 16, 17, ESRS 2 MDR-P 65 d**

Varma remediates any human rights impacts on consumers and end-users on a case-by-case approach based on the nature and impacts of the incident. Varma’s internal instructions for personal data breaches set out the key principles according to which Varma primarily contains and prevents further damage, rectifies any inaccurate data or technical errors, investigates the causes of the incident, and ensures that data subjects and authorities are informed in accordance with the law. Varma implements the necessary technical and organisational measures to prevent similar incidents and provides data subjects with appropriate support to mitigate any harm. **ESRS S4 S4-1 16 c**

Varma monitors sustainability risks by striving to identify adverse business interests and violations of international agreements and norms in the investment portfolio.

As regards Varma’s listed investments, compliance with the standards is monitored with the help of an external service provider, which maintains a database of companies and their confirmed and possible violations. The service provider monitors, among other things, that the investee companies ensure consumer protection. In 2025, one company suspected of a consumer protection violation was being monitored by Varma.

Privacy and access to quality information

In taking care of statutory pension cover, Varma complies with the law, regulations and guidelines, as well as policies and guidelines related to information security and data protection. Policies related to information security and data protection are described in more detail in the section ‘Governance information’. All activities are guided by Varma’s Code of Conduct, and the different functions are responsible for ensuring compliance with the requirements with respect to their own processes. **ESRS 2 MDR-P 65 c** Subcontractors are required to abide by Varma’s Supplier Code of Conduct. Risks related to operations, compliance and responsibility have been identified. Realised risks are recorded, their number is monitored and the Board of Directors is regularly informed of them. Corrective measures are carried out based on the realised risks. **ESRS 2 MDR-P 65 a**

Health and safety, and protection of children

Varma takes care of statutory pension cover in situations of work disability in compliance with the law, regulations and guidelines, as well as policies and guidelines related to information security and data protection. The work ability services function is responsible for ensuring compliance with these requirements. **ESRS 2 MDR-P 65 c** Taking care of children’s statutory pension cover requires complying with the law, regulations and guidelines, as well as

policies and guidelines related to information security and data protection. The pension and insurance services function is responsible for ensuring compliance with these requirements in accordance with its processes. **ESRS 2 MDR-P 65 c** All activities are guided by Varma’s Code of Conduct.

Non-discrimination, access to products and services, and uninterrupted income

In order to implement non-discrimination, obtain products and services, and ensure uninterrupted income, Varma complies with laws, regulations, anti-bribery principles, the Code of Conduct, and operating principles and guidelines related to information security and data protection. Each function is responsible for ensuring compliance with the requirements in accordance with their own processes. **ESRS 2 MDR-P 65 c**

Principles for disability risk management

Varma’s goal is to prevent the risk of employees insured with Varma having to retire on disability pension and at the same time to manage Varma’s insurance risk through disability risk management. The principles for disability risk management guide Varma’s activities in managing disability risk. They are based on legislation and comply with the Financial Supervisory Authority’s guidelines. Varma’s Board of Directors decided on the

principles, and they are available on Varma’s website. **ESRS 2 MDR-P 65 c, f**

Processes for engaging with consumers and end-users about impacts

S4-2 Engagement with customers about impacts

Varma’s clients include both private customers and representatives of companies. Contact with all clients (including the disabled) takes place in accordance with processes that meet customer needs. **ESRS S4 S4-2 21** Underaged customers are represented by their parent/guardian. **ESRS S4 S4-2 21** Interaction with clients is always based on need, and the contents of the communication are defined by laws and regulations, as well as guidelines related to information security and data protection, compliance and Code of Conduct. **ESRS S4 S4-2 20 b**

The management teams of pension and insurance services and work ability services are responsible for ensuring that contact takes place in accordance with agreed practices, that activities are developed on the basis of customer feedback, and that feedback is taken into account in daily activities and development. In addition, as the controller, Varma is responsible for ensuring that its subcontractors operate according to the same principles. **ESRS S4 S4-2 18, 20 c**

In all communication, the aim is to direct customers to log in to Varma’s online service, and to ensure their identity in transactions. Private customers’ satisfaction with Varma’s telephone

service, the process of receiving decisions, and online transactions is measured regularly, and the smoothness of processes is developed based on the feedback received. Private customers have the opportunity to sign up to be a member of a customer panel. The customer panel helps develop processes and clarify customer communication on pension benefits. **ESRS S4 S4-2 20** Customers’ direct contacts and feedback are responded to personally.

Effectiveness is monitored by measuring customer satisfaction and whether income is uninterrupted, i.e. whether pension and rehabilitation benefits are paid to the customer’s bank account during the month when their pension begins. **ESRS S4 S4-2 20 d**

Corporate customers’ satisfaction with customer service is also measured regularly, and the smoothness of services and processes is developed based on the feedback received. The feedback survey on the specialist services offered to corporate customers of Varma’s work ability services also includes the customer’s assessment of the service’s effectiveness with regard to the risk of disability. **ESRS S4 S4-2 20 d**

Engagement with tenants of residential investment properties and commercial premises about impacts

The customer services, letting and maintenance management of Varma’s residential properties are handled by a provider of real estate management services and property-specific managers. The communication

channels used with tenants in residential investment properties and their representatives include phone, email, an electronic fault report form, and resident pages managed and maintained by the provider of real estate management services. Tenants of residential investment properties are informed about matters related to rental housing regularly and as needed. In addition, surveys are sent to the tenants. The feedback received through these channels is taken into account as part of the rental operations and used as a basis for changes, if necessary.

As regards rental supervision, however, Varma is directly in contact with the tenants of residential investment properties or individuals representing them by power of attorney. **ESRS S4 S4-2 20 a** At Varma, operational responsibility for managing communication lies with the Investment Operations department. **ESRS S4 S4-2 20 c** The main communication channels used by Varma’s rental administration are phone and email, but also post. Communication with tenants of residential investment properties and commercial premises is based on need and often proceeds such that the tenant contacts Varma’s rental supervision, after which the matter is transferred to rental supervision for processing and the tenant is contacted. The goal is to take the views of tenants gained as a result of the communication into account immediately in the processing of the matter. If tenant feedback cannot be resolved by the rental supervision, it will be forwarded to the relevant party handling the matter. **ESRS S4 S4-2 20 b**

Engagement with other consumers or end-users about impacts

Varma does not currently have established processes in place to engage with the consumers and end-users of its investment portfolio companies about the impacts on them. **ESRS S4 S4-2 22**

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

S4-3 Remediation processes and the customer’s opportunities to access information

Private customers have a legal right to access all data about them that has been saved in Varma’s registers and systems. Varma provides information on the right to appeal and requests feedback on how customer service succeeded but does not assess whether customers consider these channels reliable. **ESRS S4 S4-3 26** Along with pension and rehabilitation decisions, customers are also given instructions via a service channel of their choice on how they can appeal the decision. **ESRS S4 S4-3 27c** In situations where Varma does not change its decision, an assessment of the legality of the decision is transferred to the Pension Appeal Board, thus ensuring the customer’s legal protection. The privacy policy on Varma’s website describes the principles of data processing consistently for all customers.

The pension and work ability services’ own regular quality assurance ensures the legality

and correctness of preliminary advice, decisions made and payments. Risks observed on the basis of quality assurance are remedied without delay, any gaps in expertise are reviewed with specialists, and a consistent process for all customers is ensured. Customer satisfaction with the phone service, pension and rehabilitation decisions, and online transactions is measured continuously through a customer questionnaire sent to all those who receive a pension decision or contact customer service by phone. Open feedback is regularly reviewed, and processes and services are remedied as necessary on the basis of the feedback. Customers’ contacts and customer feedback are always responded to personally via the channel chosen by the customer. Reports are used to regularly monitor whether income is uninterrupted. **ESRS S4 S4-3 25 a, d**

Varma’s Insurance Services department ensures that insurance is arranged in a timely manner and in accordance with the law, so that earnings-related pension insurance contributions can be collected on time and customers receive the pension to which they are entitled at the right time and in the correct amount. Persons insured with Varma have the right to receive insurance decisions and to appeal them. Entrepreneurs can appeal decisions concerning YEL insurance, and employees can appeal decisions regarding their earnings information that is used as the basis for their pension, or missing employment relationships. The Insurance Services department also performs quality control on YEL decisions by ensuring that the decisions comply with

laws, the payments are correctly determined and the entrepreneurs receive their pension in the correct amount. The department is also responsible, as required by law, for clarifying any ambiguities related to insurance, for example, if a customer has been insured under the wrong pension act or insurance has been entirely neglected.

For subcontractors, the correctness of data processing has been ensured by requiring not only compliance with Varma’s Supplier Code of Conduct but also service-level agreements that define minimum levels related to the smoothness and correctness of processes, indicators for monitoring, and sanctions in case of errors. **ESRS S4 S4-3 25 c** Varma regularly holds competitive bids for rehabilitation service providers, and the choice of service provider takes into account, among other things, effectiveness, price, nation-wide coverage of the service and the languages in which the service is provided. Varma keeps track of rehabilitation service providers’ costs, the number and breakdown of orders, and results. Service providers are regularly given feedback on their operations. Customers are steered to different service providers primarily based on their own choice.

Remediation processes related to tenants of residential investment properties and commercial premises, and the channels available to them

Varma’s rental supervision operates in accordance with internal information security

guidelines if deficiencies are found in the processing of data on tenants of residential investment properties or commercial premises or if errors occur that put their privacy at risk. If Varma’s rental supervision becomes aware of a case where tenants have experienced acute or chronic health effects, it will pass on the information to the party managing the property. Potential impacts on end-users of commercial premises are reported usually to the real estate manager of the site in question and Varma’s asset manager. **ESRS S4 S4-3 25 a**

Tenants of residential investment properties and commercial premises can use the rental supervision’s contact channels (telephone, email and letter) to report their concerns or needs regarding rent payment. The usability of the channels is supported by a customer relationship management system that allows tracking the progress of customer contacts. Our phone service also uses a call-back system. **ESRS S4 S4-3 25 b**

Questions raised and processed through the channels are followed up on such that the goal is to answer all received emails within 24 hours, to answer calls during phone service opening hours, and to respond to callback requests at the latest on the next business day. The efficiency of the channels has been ensured by providing the rental supervision’s contact information on rent invoices and Varma’s website. **ESRS S4 S4-3 25 d**

Whistleblowing channel

Varma has a Whistleblowing channel that is available to all stakeholders. The channel can be used to anonymously report suspected

misconduct and to express concerns about something that is not in line with Varma’s values and Code of Conduct and which may have serious consequences for Varma or an individual. The whistleblowing channel is discussed in more detail in the section ‘Business conduct policies and corporate culture’. **ESRS S4 S4-3 25 b, 26** Varma has not assessed whether its customers or lessees of commercial premises or residential investment properties are aware of Varma’s Whistleblowing channel or whether they trust it as a means of raising their concerns or needs and having them addressed. **ESRS S4 S4-4 31 b**

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

S4-4

Management of impacts on consumers and end-users

Engagement and monitoring

Varma participates in joint projects in the earnings-related pension insurance sector, with the aim of ensuring the implementation of pension security. For example, the aim of Tela’s group on rehabilitation affairs and expert group on disability affairs is to ensure communication on a practical level and the development of common practices in matters related to earnings-related pension rehabilitation.

The content of the pension sector’s common applications is being developed so that customers are asked for information relevant to assessing work ability and not information that is already available in the common registers of the sector. A joint project of the earnings-related pension sector (the Vala project to develop insurance and the calculation of pensions), intends to improve the maintenance of different systems and thus improve operational reliability and lower costs. In addition to the ongoing or agreed-upon actions mentioned in this section, no other development actions are planned. **ESRS S4 S4-4 31 a, 32 a, b**

Managing uninterrupted income

The processing time for pension decisions and pensioners’ uninterrupted income are monitored regularly. Customer satisfaction measurements of those receiving a decision and those using the online services are used to monitor the smoothness of the processes and the impact of development measures. These results are monitored on a monthly basis by the management team of the function responsible for the services for private customers. **ESRS S4 S4-4 32 c** If necessary, a customer panel made up of private customers can be used in a targeted way to assess the desired services, operating procedures and customer guidelines.

No significant human rights issues or human rights violations have been reported or identified. In addition to the planned and implemented actions in 2025, no separate remedies have been provided or enabled for those who have been harmed by actual impacts, nor data

has been collected on actions implemented in previous financial years. **ESRS 2 MDR-A 68 a–e, ESRS S4 S4-4 33 a, b, 34**

Managing disability risk

In accordance with Varma’s principles for managing disability risk, disability risk management consists of advice and guidance and includes an assessment of the insurance portfolio’s risks. Risk-reducing measures are aimed at companies whose employees face a high risk of becoming unable to work. The goal of disability risk management is to identify potential changes in work ability and, with advice and guidance, help employers proactively manage work ability, so that preventive measures can be targeted at the right things and at the right time. Disability risk management serves the interests of the insured and the employer, and longer careers thus achieved also improve both Varma’s and the pension system’s financing conditions. **ESRS S4 S4-4 31 c**

Research activities

Varma conducts scientific research on acquired disability and disability risks. The research is part of disability risk management, and the research data is used to provide guidance to client companies. **ESRS S4 S4-4 31 c** The research findings are published, for instance, as scientific articles and on Varma’s website. Varma monitors the website traffic and download numbers of publications. Currently, there are no other established actions in place to monitor and evaluate the effectiveness of research activities. **ESRS S4 S4-4 31d**

Table 68: **Actions taken in relation to consumers and end-users**

Action taken ¹	Expected outcome ²	Scope ³
Study on the work ability of personal assistants: a report and fact sheet	Information on workload factors and work ability. Methods for employers to manage disability risks.	Personal assistants insured with Varma and their employers, Varma’s other client companies National
Scientific article (Kuntoutus magazine)	Information on factors foretelling disability after vocational rehabilitation	Varma’s client companies National
A study on vocational rehabilitation and its success: a report and fact sheet	Employers obtain information that helps manage disability risks	Varma’s client companies National
Study on age management and work ability: a report and fact sheet	Information on age-related disability risks and practical solutions for employers	Varma’s client companies National
Posters at a scientific conference (European Public Health)	Information on the impact of different illness combinations on the disability risk. Information on the reasons for disability pension after vocational rehabilitation.	Varma’s client companies National

¹ ESRS 2 MDR-A 68 a, ² ESRS 2 MDR-A 68 a, ³ ESRS 2 MDR-A 68 b

Processing of tenant information of residential investment properties

To prevent security breaches that could lead to violations of tenants’ privacy and thus jeopardise customers’ right to privacy, Varma’s rental supervision always verifies the tenant’s identity before disclosing information. Rental agreement-related information is not disclosed to anyone other than the parties to the agreement, and power of attorney provided by tenants are verified before providing any information. Furthermore, Varma’s rental supervision employees have completed Varma’s information security training and have been instructed to follow the information security guidelines. **ESRS S4 S4-4 31 a** The annual resident satisfaction survey also includes questions related to rental supervision as regards the quality of customer service and its development, which helps to monitor the effectiveness of communication and actions. **ESRS 2 MDR-T 79 d, ESRS S4 S4-4 31 d**

Remediation of impacts on consumers and end-users

The specialists of the Pension and Insurance Services and Work Ability Services departments handle any actual errors and customer feedback according to agreed practices. Errors are corrected without delay and recorded in the risk management system. If necessary, Varma’s legal services are consulted, and the customer is contacted to inform them of how the matter will proceed and on what information the processing will be based. Existing instructions are updated as needed and reviewed by experts. Customer satisfaction-related measurement results and open feedback are analysed monthly, and improvement measures identified based on them are added to the systems’ task lists, or procedures are adjusted as needed. Currently, there is no identified need to develop these processes. **ESRS S4 S4-4 28, 32, 37**

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S4-5

Varma has developed the processing of pension and rehabilitation applications such that customers receive decisions as quickly as possible. Varma’s remuneration scheme includes the target of uninterrupted income, with the target level set by the Board of Directors. The outcome in 2025 was 87.8 (89.7) per cent (target level 85–90 per cent).

ESRS S4 S4-4 41

The disability risk management support offered by Varma to client companies has been identified as a material positive impact. The fact that Varma increases entrepreneurs’ and companies’ understanding and competence of effective means of supporting work ability has also been identified as a material positive impact. In

relation to that, Varma’s remuneration scheme includes the target of increasing the use of digital work ability services. This target has been set and approved by Varma’s Executive Group. The indicator is used to assess the service coverage of certain digital services in a specific segment of the TyEL customer base. The target value was set at 28 (15) per cent for 2025, and the outcome for the year was 25.2 (16).

The equal and fair treatment of customers has been identified as a material positive impact. In addition, customers receiving timely, quality and smooth service has also been identified as a material positive impact. In that context, Varma’s goal is to achieve a customer experience score of at least 3.5 on a scale of 1 to 4. The outcome in 2025 was 3.61 (3.58). This target has been set and approved by Varma’s Executive Group.

The targets related to consumer and end-users do not meet all the ESRS requirements. Varma has set these targets itself and was not

in direct contact with consumers or end-users during the target-setting process. When setting targets and related target levels, efforts are made to make use of the customer insight gained in the course of managing processes, as well as the customer feedback received.

ESRS S4 S4-5 41 c The targets are set for one year at a time based on the outcomes of the previous year. The progress of the metrics is monitored monthly by the management team. **ESRS S4 S4-5 41 b** The targets are also described in the section ‘Integration of sustainability-related performance in incentive schemes’.

Governance information

Varma’s business operations are steered by the Code of Conduct, anti-bribery policy, Supplier Code of Conduct, environmental policy and tax policy. In addition to the above-mentioned policies and programmes, responsible investment at Varma is guided by the principles for responsible investment, active ownership and engagement principles and ownership policy. The policies guide operations in Varma’s entire value chain.

Information security and data protection are key elements of Varma’s operations. Varma protects its data and services also in exceptional conditions through information security measures.

ESRS G1 Business conduct 110

In addition to the sustainability topics presented in the European Sustainability Reporting Standard, Varma has identified taxes as a material disclosure.



GOVERNANCE INFORMATION

ESRS G1

Business
conduct

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Material impacts, risks and opportunities related to business conduct

ESRS 2 SBM-3

In Varma’s value chain, material impacts, risks and opportunities related to business conduct are located in Varma’s own operations, the investment portfolio and the upstream value chain. The impacts, risks and opportunities related to corporate culture, anti-corruption and anti-bribery, corruption and bribery incidents, political engagement, whistleblower protection, supplier relations, and taxes, as well as responsible operations in accordance with these, are a central part of Varma’s business model and are also taken into account in the strategy. **ESRS 2 SBM-3 48 a, 49**

Most of the identified impacts are positive due to the inclusion of Varma’s ethical requirements in its operational processes. The impacts, risks and opportunities identified in the investment portfolio are also centrally linked to Varma’s business model through the task of securing pensions. The identified impacts, risks and opportunities are related to the ethical operations of the investee companies and the resulting sustainability impacts and risks to investment returns. **ESRS 2 SBM-3 48 b**

Table 69: **Material impacts, risks and opportunities related to business conduct**¹

Sub-topic	Sub-sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ²	Material impact, risk or opportunity
Corporate culture	Varma’s own operations		Actual positive impact	Short, medium and long	The Code of Conduct guides Varma employees in complying with regulations and behaving responsibly and sustainably.
			Potential positive impact	Short	Varma uses monitoring systems in an effort to prevent unintentional or intentional errors or abuses related to, among other things, insurance or claims handling, reporting, payment transactions, register data, data processing, division of work, partners’ operations, or documentation.
			Risk	Long	Reputation risks and impacts, such as loss of customers, due to a violation of ethical business principles.
			Risk	Long	A risk to Varma of the realisation of abuse risks.
	Upstream value chain		Actual positive impact	Short, medium and long	According to Varma’s Supplier Code of Conduct, suppliers must engage in competition ethically, honestly and in compliance with all valid competition laws and regulations.
			Actual positive impact	Medium and long	For ethical reasons, Varma has excluded from its direct investments companies that concentrate on the manufacture of tobacco and companies that manufacture controversial weapons, such as nuclear weapons, anti-personnel mines, cluster bombs, and chemical and biological weapons and whose headquarters are not located in a NATO country, IP-4 country or Switzerland.
	Investment portfolio		Actual positive impact	Short	Varma’s investment process includes an ESG analysis.
			Actual positive impact	Short, medium and long	Varma has published active ownership and engagement principles and an ownership policy. Active ownership and engagement are a means of promoting responsible business.
			Actual positive impact	Long	In government bonds, Varma does not invest in countries that are ranked in the bottom 25 per cent of the UN’s Sustainable Development Goals (SDG) index.
			Actual positive impact	Short	Varma has specified industries with a need for enhanced sustainability monitoring. Investments in these industries are subject to special scrutiny by the portfolio managers.
Corruption and bribery	Prevention and detection of corruption and bribery, including training	Varma’s own operations	Risk	Short	Ethical business risks and risk management in relation to investee companies.
			Actual positive impact	Short, medium and long	Prevention of anti-competitive behaviour and thus enabling fair competition.
			Actual positive impact	Short	Contributing to the detection of corruption and fraud, e.g. with the help of an anonymous whistleblowing system and employee training.
			Actual positive impact	Short, medium and long	Guidelines for preventing money laundering and the financing of terrorism, and guidelines for complying with EU and other sanctions.
	Upstream value chain		Potential negative impact	Long	Possible incidents of money laundering, terrorism financing and sanctions violations.
			Risk	Long	Monetary sanctions and reputation damage caused by possible incidents of money laundering, terrorism financing and sanctions violations.
			Actual positive impact	Short, medium and long	According to the Supplier Code of Conduct, suppliers must reject corruption and the giving and receiving of gifts that may be interpreted as an attempt to influence their actions.
			Actual positive impact	Short, medium and long	According to the Supplier Code of Conduct, suppliers must reject all forms of money laundering and ensure that they do not contribute to terrorist activities in any way.
	Investment portfolio		Actual positive impact	Short, medium and long	Varma requires that its investee companies comply with international standards and agreements.

¹ ESRS 2 SBM-3 48 a, c ii

² ESRS 2 SBM-3 48 c iii

Table 69: **Material impacts, risks and opportunities related to business conduct¹**

Sub-topic	Sub-sub-topic	Location in the value chain	Negative/positive impact, risk or opportunity	Time horizon ²	Material impact, risk or opportunity
Political engagement and lobbying activities		Varma’s own operations	Potential negative impact	Long	Possible incidents of corruption or bribery.
			Risk	Long	Financial damage and losses due to incidents of corruption and bribery.
		Investment portfolio	Potential negative impact	Long	Enabling distortion of competition by investing in companies that engage in anti-competitive behaviour.
		Varma’s own operations	Actual positive impact	Short	Societal interaction by participating in topical discussions as a provider of expert information and a sought-after partner and advisor.
		Investment portfolio	Potential negative impact	Long	Political influence by investment portfolio and fund companies in, for example, opposing proposals on emission restrictions or other proposals to improve the environment or people’s situation may have a negative impact on the promotion of sustainable development.
			Actual positive impact	Short, medium and long	Portfolio companies and fund companies can promote political initiatives, laws and commitments that are important in terms of advancing sustainable development by expressing support for them and/or participating in the preparation of legislation, for instance, through legislative proposals.
Protection of whistleblowers		Varma’s own operations	Actual positive impact	Short	Observation of compliance violations through the Whistleblowing channel.
Management of supplier relationships, including payment practices		Varma’s own operations	Actual positive impact	Short, medium and long	Enabling financial predictability for business partners and goods suppliers with the help of a payment policy.
		Upstream value chain	Actual positive impact	Short, medium and long	According to Varma’s Supplier Code of Conduct, suppliers must meet their financial and other business obligations appropriately.
			Opportunity	Short	Reliable and responsible supply chain through supplier analysis and selection and high sustainability standards (Supplier Code of Conduct).
Taxes (entity-specific sub-topic) ³		Varma’s own operations	Actual positive impact	Short, medium and long	Abiding by tax laws and regulations and the company’s own taxation-related principles and promoting tax transparency.
		Investment portfolio	Actual positive impact	Short, medium and long	Varma supports initiatives that promote responsible international tax regulations and international reporting standards.
			Actual positive impact	Short, medium and long	Varma requires that its investee companies comply with international standards and agreements and international reporting standards in their operations.
			Potential negative impact	Short, medium and long	Varma recognises that possible tax avoidance or aggressive tax planning by investee companies may have negative impacts on society, people and the economy.
			Opportunity	Short, medium and long	Determining available means of avoiding double taxation, and requiring taxation in accordance with Varma’s favourable tax status helps to ensure the best possible return on investments.
			Risk	Medium	Risk of official sanctions and reputation damage if Varma fails to identify or interpret the tax legislation that the company is subject to.
		Downstream value chain	Actual positive impact	Short, medium and long	Avoiding the double taxation of investment returns positively affects those covered by earnings-related pension insurance and the benefits paid to pensioners.
			Actual positive impact	Short, medium and long	Varma pays the state withholding taxes on the benefits it pays in the correct amount and on time, which has a positive impact on society, people and the economy.

¹ ESRs 2 SBM-3 48 a, c ii
² ESRs 2 SBM-3 48 c iii
³ ESRs 2 SBM-3 48 h

Business conduct policies and corporate culture

G1-1

A summary of business conduct policies is provided above, in the section ‘Policies adopted to manage material sustainability matters’. **ESRS G1 G1-1 7** There is no policy on internal business conduct training. **ESRS G1 G1-1 10 g** The following is a more detailed description of the key business conduct policies than the summary. The policies guide operations in all of Varma’s value chains.

Code of Conduct

The Code of Conduct guides Varma employees in complying with regulations and behaving responsibly and sustainably. Varma fosters its corporate culture by creating, maintaining and developing its business conduct policies (including the Code of Conduct) and by developing its work culture. **ESRS 2 MDR-P 65 a, ESRS G1 G1-1 7, 9** Varma’s administrative, management and supervisory bodies regularly discuss Varma’s policies and aspects related to Varma’s work culture. Varma is a mutual earnings-related pension insurance company, and the applicable legislation (Act on Earnings-Related Pension Insurance Companies) requires that Varma’s Board of Directors discusses certain Varma policies annually or otherwise regularly. **ESRS 2 MDR-P 65 c, ESRS G1 G1-1 7, 9**

The interests of key stakeholders have been taken into account in Varma’s Code of Conduct in several ways. The code guides Varma employees in complying with regulations and

behaving responsibly and sustainably. This helps to ensure that all stakeholders can trust the ethics and transparency of Varma’s operations. The code emphasises that looking after pension assets is a significant social mandate that requires a high level of ethics and transparency. The code applies to all Varma employees, and to situations in which a Varma employee is offered a benefit as a private person but in reality based on their position at Varma. This ensures that all employees act in accordance with common ethical standards, which increases trust among stakeholders. The Code of Conduct is available on Varma’s website. **ESRS 2 MDR-P 65 a, b, e, ESRS G1 G1-1 10 a**

Ownership policy

Varma’s ownership policy outlines Varma’s activities as a major shareholder. The policy covers Varma’s investment portfolio, specifically equity holdings both in Finland and abroad. **ESRS 2 MDR-P 65 b** The main pillars are equality of the shareholders, transparency and responsibility. Taking insider rules into account, Varma as a shareholder receives information about the operations of companies through numerous channels, such as annual reporting, investor events and annual general meetings. During the meetings, we discuss the company’s targets, possible challenges, responsibility and other important matters. Varma engages in dialogue with investees, as well as with other shareholders and stakeholders. Varma strives for engagement jointly with other investors, especially when Varma’s holding is small. **ESRS 2 MDR-P 65 a, ESRS G1 G1-1 7**

In 2025, Varma’s ownership policy was updated to better reflect the requirements of sustainable and responsible investment and to strengthen the transparency, diversity and environmental responsibility of governance practices. The ownership policy is approved by Varma’s Board of Directors. At Varma, the share ownership steering group is responsible for more detailed guidelines. The group is made up of Varma’s CEO and the persons participating in shareholders’ nomination boards. The group decides on the practical application of the ownership policy and discusses current topics and future themes. **ESRS 2 MDR-P 65 c** The ownership policy is available on Varma’s website. **ESRS 2 MDR-P 65 f**

Data protection policy

Varma’s data protection policy sets out the core principles of personal data processing and the significance of data protection in Varma’s operations. The policy aims to ensure that legislation concerning the right to privacy and data protection is complied with at Varma. The data protection policy is based on the EU’s General Data Protection Regulation and the rights of the data subject. The policy covers the entire life cycle of personal data, and it is observed in every stage of personal data processing. The data protection policy is updated regularly. **ESRS 2 MDR-P 65 a, ESRS G1 G1-1 7**

The data protection policy builds on a risk-based approach to data protection. Varma implements the necessary technical and organisational measures to ensure and demonstrate that the processing of personal data

complies with the EU’s General Data Protection Regulation and national legislation. **ESRS 2 MDR-P 65 d** At Varma, personal data is processed appropriately, transparently and accurately, in accordance with the law, the intended purpose, the principle of data minimisation and the principle of storage limitation, ensuring integrity, confidentiality and accountability. Varma also considers data protection when making purchases and outsourcing tasks, which is allowed to a certain extent, and in the development and maintenance of IT systems. Varma uses principles of data protection by design and by default and a risk-based approach to implementing and planning IT systems and services. **ESRS 2 MDR-P 65 a**

Varma’s data protection organisation, composed of different Varma employees and teams, is in charge of implementing the data protection and information security principles. Each actor has defined tasks and responsibilities related to personal data processing supervision, guidance, advice, risk management, reporting, training and co-operation.

The data protection policy applies to Varma’s entire value chain. The policy has been approved by Varma’s Board of Directors. Varma’s Executive Group is responsible for ensuring sufficient data protection resources. The data protection officer oversees the application and implementation of the policy and is responsible for their preparation. **ESRS 2 MDR-P 65 b, c** The data protection policy is not a public document, but more information about data protection and processing of personal data is provided on Varma’s website. **ESRS 2 MDR-P 65 f**

Information security policy

Varma’s information security policy describes the importance of information security as well as the roles, responsibilities and means of risk management in securing pensions. The goals of information security are responsibility, quality, efficiency and courage in digital technology. **ESRS 2 MDR-P 65 a, ESRS G1 G1-1 7** The information security policy concerns all Varma employees and stakeholder representatives who work with Varma’s information, as well as Varma’s value chains. The policy covers all of Varma’s information and data processing for their entire life cycle. The information security policy is elaborated on and supplemented by information security principles and guidelines. The policy has been approved by Varma’s Board of Directors. The Board of Directors and the CEO are responsible for the information security resources. The information security manager is responsible for producing, maintaining, supervising, following up on and reporting on the information security policy and principles. The information security policy is reviewed and updated regularly. Information security responsibilities have been divided among Varma’s various functions and units, which are each responsible for their own information security and for reporting on information security risks. The IT and digitalisation function is responsible for developing and maintaining technical information security. HR is responsible for personnel’s security. The finance and internal services function is responsible for the physical security of the office premises. Personnel and

supervisors abide by the information security policy and guidelines. **ESRS 2 MDR-P 65 b, c**

Information security is based on risk management, which involves several different means of management, including the information security policy and principles, the organisation of information security, personnel security, personnel’s information security awareness, management of protected assets, access control, encryption, physical safety, operational security, communication security and cybersecurity, systems procurement, development and maintenance, supplier relations, information security incident management, continuity management and compliance. **ESRS 2 MDR-P 65 a**

The information security policy is not a public document, but more information about information security is provided on Varma’s website. **ESRS 2 MDR-P 65 f**

Ethical guidelines for artificial intelligence

Varma has prepared guidelines for the ethically sustainable use of artificial intelligence. The goal of using AI is to improve the efficiency and quality of Varma’s operations, promote customers’ interests and support a sustainable working life for Varma employees. **ESRS 2 MDR-P 65 a, ESRS G1 G1-1 7** The use of AI is restricted by the EU Artificial Intelligence Act, an assessment of ethical risks, a channel for reporting ethical violations, and by the protection of the fundamental rights of customers, pensioners and other groups. In the use of AI, Varma applies operating methods that ensure ethical sustainability. These include ensuring that people are responsible and in control, ensuring

sufficient transparency and comprehensibility, actively assessing the impacts of AI systems from many perspectives, and conducting an ethical assessment throughout all stages of the development and use of the AI system. Absolute requirements for the use of ethically sustainable AI at Varma are the exclusion of forbidden and ethically unsustainable applications of AI, identifying the ethical risks of AI systems and abandoning the development and use of the systems, if necessary, and protecting the fundamental rights of the customers, pensioners, partners and other groups. Ethical guidelines for the use of AI are applied in all of Varma’s value chains. **ESRS 2 MDR-P 65 b** Varma’s Executive Group decides on the ethical guidelines for artificial intelligence. **ESRS 2 MDR-P 65 c** The use of artificial intelligence is also guided by EU regulations concerning AI. **ESRS 2 MDR-P 65 d** The guidelines were written by a working group of Varma specialists, but Varma’s external stakeholders were not involved in their preparation. A summary of the guidelines is available on Varma’s website. **ESRS 2 MDR-P 65 f, ESRS G1 G1-1 7, 9**

Anti-bribery policy

The purpose of the policy is to strive to prevent all forms of bribery at Varma, to promote a culture of anti-bribery and to demonstrate Varma’s commitment to anti-bribery, to increase transparency and to reinforce Varma’s corporate image. Varma’s anti-bribery policy states that Varma does not tolerate direct or indirect bribery, corruption or unethical influencing of any kind. **ESRS 2 MDR-P 65 a, ESRS G1 G1-1 7, 9, 10 a** The anti-bribery policy

concerns all Varma employees, the President and CEO, the Board of Directors, and Varma’s entire value chain. The policy also applies to situations where a Varma employee is offered a benefit seemingly as a private person, but in reality based on their position at Varma. Varma also requires its co-operation partners to comply with the anti-bribery policy. **ESRS 2 MDR-P 65 b, ESRS G1 G1-1 10 a**

The implementation of the anti-bribery policy is ensured by means of internal reporting to a gift register, which is monitored and managed by the Compliance Officer. The internal reporting procedure under the policy is supplemented by every Varma employee’s obligation to report any breach of the policy they observe to the Compliance Officer. The Compliance Officer monitors and reports on compliance with the anti-bribery policy to the President and CEO, the Audit Committee and the Board of Directors as part of compliance reporting. Any actions that are potentially in violation of the policy are reported to the President and CEO without delay. **ESRS 2 MDR-P 65 a, b, ESRS G1 G1-1 10 a, e**

A Varma employee may give or receive a gift or hospitality if it is appropriate with respect to Varma’s business. Gifts and hospitality must be legal, comply with good practice, be moderate in value, and stand up to public scrutiny. Varma employees must seek their supervisor’s approval for giving or receiving a gift valued at over EUR 100 or hospitality valued at over EUR 150. In the case of gifts and hospitality that exceed EUR 100 and EUR 150 respectively, Varma’s employees and President and CEO must notify the Compliance Officer. During

competitive bidding situations or other co-operation or agreement negotiations, gifts or hospitality may not be given or received. Varma has not identified functions within the company that are most at risk in respect of corruption and bribery. **ESRS 2 MDR-P 65 a, b, ESRS G1 G1-1 10 a, e, h**

Varma employees may participate in events organised by other parties which are justifiably organised for a purpose related to Varma’s business or to strengthen relationships with a customer or supplier. If a Varma employee has been invited to an event organised by a third party outside of the capital city area or the area where they work, attendance always requires the permission of a supervisor. Varma pays the costs arising from such a trip (at least travel and accommodation costs). Varma allows entertainment events that are justifiably organised for a purpose related to Varma’s business, for instance, to reinforce the company’s corporate image or to strengthen relationships with a customer or supplier. The grounds for the hospitality must be approved and objective, and it must be received without equivalent consideration and not give rise to doubts about the appropriateness of Varma’s operations or the integrity of Varma’s employees. **ESRS 2 MDR-P 65 a, b, ESRS G1 G1-1 10 a**

The scope of the policy is described above and in more detail separately for each individual ESRS topic. Varma’s Board of Directors approves the anti-bribery policy. **ESRS 2 MDR-P 61, 65 c** The interests of key stakeholders have been taken into account in Varma’s anti-bribery policy in several ways. To start with, the policy is based on guidelines prepared by

the Finland Chamber of Commerce and Transparency International. The guidelines are similar in content and aligned with the UN Convention Against Corruption and promote the goals of the convention on a national level, which ensures that they are internationally recognised and reliable. This helps to ensure that all stakeholders can trust the ethics and transparency of Varma’s operations. **ESRS 2 MDR-P 65 a, d, e, ESRS G1 G1-1 10 a** In addition, the policy applies to all Varma employees, and to situations in which a Varma employee is offered a benefit as a private person but in reality based on their position at Varma. This ensures that all employees act in accordance with common ethical standards, which increases trust among stakeholders. The policy also stresses that bribery is a crime and is explicitly prohibited in Varma’s operations. This clear guideline helps to ensure that all stakeholders can trust that Varma does not accept any form of corruption or unethical influencing. **ESRS 2 MDR-P 65 a, e, ESRS G1 G1-1 10 a**

Varma’s anti-bribery policy is available on the company’s website. Varma also has a Board-approved internal policy regarding conflicts of interest, as required by the Act on Earnings-Related Pension Insurance Companies. This policy covering Varma-wide conflicts of interest is supplemented by the principles that apply to Varma’s function-specific conflicts of interest. New employees are given induction on the anti-bribery and conflict-of-interest policies by Varma’s functions. Various training courses on these topics are organised based on need. Varma’s employees must complete an online Code of Conduct

training course every year. The course also addresses issues related to anti-bribery and the conflict-of-interest principles. **ESRS 2 MDR-P 65 b, f, ESRS G1 G1-1 10 a**

Transparency register matters at Varma

Finland has adopted a Transparency Register, the aim of which is to increase the transparency of decision-making. The register is governed by the Finnish Transparency Register Act, and it is maintained by the National Audit Office of Finland. Under the law, parties engaging in lobbying activities must, under certain conditions, register in the Transparency Register and regularly submit information about their lobbying activities targeted at Parliament and the ministries to the Register. More information about the Transparency Register is provided in the section ‘Political influence and lobbying activities’. Varma has prepared guidelines on managing Transparency Register matters.

Sponsorships

Varma’s Executive Group decides on the sponsorship principles. The principles and procedures related to sponsorship enquiries and applications are available on Varma’s website. For Varma, sponsorships and related partnerships are part of marketing efforts. Sponsorship should contribute to achieving Varma’s strategic goals and help build the brand image that Varma is trying to achieve. **ESRS 2 MDR-P 65 a, c, f**

When choosing sponsorship partners, we assess whether the co-operation partner supports Varma’s strategy and brand and shares

the same values, how well the sponsorship project aligns with Varma’s sustainability focus areas and what its societal significance is. **ESRS 2 MDR-P 65 a**

The sponsoree must also conduct itself responsibly and according to sustainable values. Varma does not grant financial support to political parties. **ESRS 2 MDR-P 65 a**

Donations

Varma’s Executive Group decides on the donation principles. The principles are an internal document of Varma. Through donations, Varma supports non-profit activities by participating in co-operation projects that advance disability risk management and longer careers by means of medical research into illnesses causing occupational disability, studies into social phenomena and working life, promoting the employment of special needs groups and preventing the marginalisation of young people.

Sustainability is an integral part of Varma’s core task, securing pensions. The guiding principle behind Varma’s sustainability programme is ‘Working for future generations’. According to Varma’s goals, donations should be use to fund non-profit purposes that support disability risk management and longer careers also in areas that complement Varma’s own authorised activities.

The CEO decides on donations. The Board of Directors decides on single donations that exceed EUR 50,000. The donations decided by the CEO must be reported to the Board afterwards. **ESRS 2 MDR-P 65 a, c, e**

Insider guidelines

At Varma, inside information is managed through internal guidelines (insider policy, Varma Code of Conduct) and with the help of three internal registers. Varma maintains a public insider register as required by law. **ESRS 2 MDR-P 65 a, ESRS G1 G1-1 10 a**

Varma follows insider guidelines confirmed by the Board of Directors. The purpose of the guidelines is to promote the public reliability of the company’s investment operations and personnel’s knowledge of insider regulations so that they are not violated, even unintentionally. According to the insider policy, Varma’s Executive Group, employees working in Investment Operations and separately designated Varma employees are permanent insiders. Permanent insiders are subject to the obligations related to trading in listed securities as defined in the insider guidelines. **ESRS 2 MDR-P 65 a, b, ESRS G1 G1-1 10 a**

The reporting obligation related to trading in listed securities in accordance with the insider guidelines is complemented by the obligation of Varma employees to report to the Compliance Officer suspected abuse of inside information in securities trading or other actions in violation of the Securities Markets Act at Varma. The Compliance Officer reports to Board of Directors on the matter. The insider guidelines set out both employment-based and criminal sanctions for violating the insider trading prohibitions. **ESRS 2 MDR-P 65 a, b, ESRS G1 G1-1 10 a, g**

The guidelines highlight that the insider trading prohibition applies to all trades and

other transactions in listed securities – including those taking place as bilateral transactions outside the stock exchange or another market place. This ensures that all stakeholders can trust the ethics and transparency of Varma’s operations. In addition, the guidelines state that information about unlisted companies is also always confidential and treated as business secrets. This helps protect the confidential information of client companies and other stakeholders. The guidelines also underline that undisclosed information about listed client companies is subject not only to confidentiality, but also to the prohibition on the use and disclosure of information as laid down in the Market Abuse Regulation. This ensures that all stakeholders can trust that Varma processes their personal data appropriately and ethically. **ESRS 2 MDR-P 65 a, e**

Whistleblowing channel

In compliance with the Whistleblower Act, Varma has in place an internal whistleblowing channel for reporting information about violations and for taking measures based on the report. The whistleblowing channel has been acquired from an external service provider. **ESRS G1 G1-1 10 a**

The internal whistleblowing channel is available for both Varma employees and external individuals via Varma’s website. The whistleblowing channel is maintained by an external service provider as enabled by the Whistleblower Act to ensure anonymity. The reporting process is secure and encrypted with a password. The report can be submitted

anonymously, and it may concern both violations falling within the scope of the Whistleblower Act and other serious abuses, such as financial crimes, bribery, corruption, suspected violations of the law on the prevention of money laundering and terrorism financing and the regulations issued under it, or other irresponsible activities. Submitting a report is simple and secure: the whistleblower simply follows the instructions in the form. The whistleblowing channel can be used and the report can be submitted in Finnish, English, and Swedish. All reports are handled confidentially and without delay. A process description of the handling of reports received through the whistleblowing channel has also been drawn up. At Varma, the reports are handled impartially and independently by the Whistleblowing team, which consists of three Varma employees appointed to this task: two with a legal education, one of whom is the Compliance Officer and the other is their deputy, and one with a business education representing internal audit. Other persons do not have access to reports submitted through the whistleblowing channel. **ESRS G1 G1-1 10 a, c, d, e**

Varma provides information and training on the internal whistleblowing channel to its employees when they join Varma, as well as on the intranet. **ESRS G1 G1-1 10 c i**

Varma complies with the Whistleblower Act’s regulations concerning whistleblower protection. There is no policy on the protection of whistleblowers, but such a policy is expected to be adopted in 2026. **ESRS G1 G1-1 10 c ii, d**

Tax policy

Varma’s tax policy defines Varma Group’s tax strategy and the principles according to which tax matters are managed within the Group. The tax policy covers all direct and indirect taxes, both in Finland and abroad, related to Varma’s operations. **ESRS 2 MDR-P 65 b**

The principle of Varma’s tax policy is to avoid the double taxation of investment returns, as it would lead to a lower return on investments and therefore contradict the ultimate objective of the investment operations and create pressure to raise pension contributions. In terms of the earnings-related pension system, Varma considers it important that capital gains and dividend and interest income obtained from abroad can be used to the fullest extent possible to cover statutory earnings-related pension security in Finland.

Varma is committed to acting in compliance with tax laws and regulations and rejects aggressive tax planning and actions that, instead of business targets, aim to secure tax advantages contrary to the intention of the legislation or aim to avoid reporting obligations. Varma does not invest in countries that are on the EU blacklist or in investees located in low-tax-rate countries for tax reasons.

Varma’s taxes are the responsibility of the CFO, and the operative management of tax matters is handled by the financial administration. Varma pays statutory taxes in the correct amount and on time, submits tax notifications to the authorities and applies for preliminary rulings as needed. Varma rectifies and reports any errors in taxation and applies

for adjustments or refunds for incorrect tax decisions or taxes.

Varma operates openly, responsibly and consistently with the tax administration and tax authorities. Varma ensures that the tax authorities have sufficient information on Varma’s operations and facts related to taxation. Varma strives to avoid tax conflicts and to resolve matters that are unclear and subject to interpretation through prior discussions, a preliminary ruling procedure or otherwise in proactive co-operation with the tax authorities.

Varma does not tolerate unethical practices in taxation. Varma closely monitors and supports the development of international tax regulations and standards related to responsible tax reporting. **ESRS 2 MDR-P 65 d** Varma also encourages its investee companies to comply with responsible tax reporting practices. Varma offers a whistleblowing channel for reporting suspected misconduct in tax matters.

In addition to a tax policy, Varma has internal guidelines on the matters to be examined in the tax due diligence process for illiquid investments, as well as principles for responsible investment, in relation to which possible tax violations of investee companies are also examined in the responsibility assessment of listed investments.

Varma’s Board of Directors approves Varma’s tax policy. **ESRS 2 MDR-P 65 c** The Audit Committee assesses the tax policy annually. Varma’s Chief Financial Officer (CFO) oversees the implementation of the tax policy and

proposes necessary changes. The tax policy is influenced by the tax rules. By avoiding the double taxation of investment returns Varma strives to provide as much added value as possible to those covered by earnings-related pension insurance. Varma takes into account the interests of taxpayers by operating transparently in taxation and in complying with the applicable regulations.

ESRS 2 MDR-P 65 e The tax policy is available on Varma’s website. **ESRS 2 MDR-P 65 a**

Management of relationships with suppliers

G1-2

Varma expects its direct service providers to commit to the Supplier Code of Conduct, which includes the corporate sustainability requirements that apply to Varma’s supply chain. The key contents of the Supplier Code of Conduct are described in the section ‘Policies related to value chain workers’ of the sustainability statement. Direct service providers are responsible for their own supply chain, and they are obligated to ensure that Varma’s principles are abided by in their own operations. **ESRS G1 G1-2 15 a**

In recurring purchases, Varma often focusses on consistent, environmentally friendly product and service ranges that offer good value for money. **ESRS G1 G1-2 15 b** Varma does not have a separate policy to prevent late payments, specifically to SMEs. **ESRS G1 G1-2 14** Varma pays its invoices on the due date, provided that the contents of the invoice are correct and the invoice matches the price,

delivery and other terms of the procurement. Varma continuously develops its operations to better take into account social and environmental criteria when selecting suppliers. **ESRS G1 G1-2 14, 15 a, b**

Prevention and detection of corruption and bribery

G1-3

Varma has a Board-approved anti-bribery policy that is based on guidelines prepared by the Finland Chamber of Commerce and Transparency International. The guidelines are similar in content and aligned with the UN Convention Against Corruption and promote the goals of the convention on a national level. Varma’s anti-bribery policy states that Varma does not tolerate direct or indirect bribery, corruption or unethical influencing of any kind. The purpose of the policy is to strive to prevent all forms of bribery at Varma, to promote a culture of anti-bribery and to demonstrate Varma’s commitment to anti-bribery, to increase transparency and to reinforce Varma’s corporate image. **ESRS 2 MDR-P 65 a, c, d, ESRS G1 G1-3 16, 18 a**

Varma’s anti-bribery policy concerns all Varma employees, the President and CEO, and the Board of Directors. The policy also applies to situations where a Varma employee is offered a benefit seemingly as a private person, but in reality based on their position at Varma. Varma also requires its co-operation partners to comply with these principles. Varma’s anti-bribery policy is publicly available on Varma’s website. **ESRS 2 MDR-P 65 b, f**

New employees at Varma are given induction on the anti-bribery policy by Varma’s functions, and various training in the prevention and detection of corruption and bribery is arranged as needed. The online Code of Conduct training also addresses anti-corruption and anti-bribery matters. All Varma employees must complete the online training every year. Varma does not have separate risk functions, but instead the online course is mandatory for all Varma employees. **ESRS G1 G1-3 20, 21 a, b, c**

The implementation of the anti-bribery policy is ensured through Varma employees’ obligation to request approval from their supervisors and to report these approved gifts and hospitality received or offered that exceed the euro limits specified in the anti-bribery policy to the internal gift register, which is monitored and managed by the Compliance Officer. The internal reporting procedure under the policy is supplemented by every Varma employee’s obligation to report any breach of the policy they observe to the Compliance Officer. The Compliance Officer monitors and reports on activities in violation of the anti-bribery policy to the President and CEO, the Audit Committee and the Board of Directors as part of compliance reporting. Any actions that are potentially in violation of the policy are reported to the President and CEO without delay. **ESRS 2 MDR-P 65 a, b, ESRS G1 G1-3 18 a, b, c**

Varma’s Supplier Code of Conduct, which is available on Varma’s website, requires suppliers to reject corruption and the giving and receiving of gifts that may be interpreted as an

attempt to exert influence. The Supplier Code of Conduct also requires suppliers to ensure that employees have the opportunity to report behaviour that is non-compliant, to make improvement suggestions and to give general feedback. **ESRS 2 MDR-P 65 b, e, f, ESRS G1 G1-3 18 a**

Incidents of corruption and bribery

G1-4

Table 70: Incidents of corruption and bribery

	2024	2025
The number of convictions for violation of anti-corruption and anti-bribery laws	0 ¹	0 ²
The amount of fines for violation of anti-corruption and anti-bribery laws	0 ³	0 ⁴
The total number of confirmed incidents of corruption or bribery	0 ⁵	0 ⁶
The number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0 ⁷	0 ⁸
The number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0 ⁹	0 ¹⁰

1-4 ESRS G1 G1-4 24 a
5-6 ESRS G1 G1-4 25 a
7-8 ESRS G1 G1-4 25 b
9-10 ESRS G1 G1-4 25 c

Political influence and lobbying activities

G1-5

As stated in Varma’s Code of Conduct, the company is politically and religiously independent. Varma does not financially support political activities or make donations for political purposes. **ESRS G1 G1-5 29 b i**

Some of the members of Varma’s Board of Directors and Supervisory Board are representatives of labour market organisations, as laid down by the Act on Earnings-Related Pension Insurance Companies.

One member of Varma’s Board of Directors held a comparable position in public administration (including regulators) in the two years preceding their appointment at Varma in the current reporting period. **ESRS G1 G1-5 30**

Varma is not registered in the EU Transparency Register. Varma is registered in the Finnish Transparency Register under register number KES-24-584-R. **ESRS G1 G1-5 29 d**

Under the Transparency Register Act, financial information relating to lobbying activities must also be reported to the register as of 2025. This includes the total number of persons involved in lobbying activities, the costs of any purchased consultancy services related to lobbying activities, and the entertainment and marketing expenses related to lobbying activities. The financial information for lobbying activities in 2025 will be reported to the Transparency Register in July–August 2026. In 2025, Varma’s lobbying activities reported to the Transparency Register concerned, for example, the pension reform and the long-term outlook of the Finnish pension system, reform

of the entrepreneurs’ pension system, effectiveness of work ability management, the development of disability and rehabilitation benefits, and the co-ordination of disability pension and earned income. **ESRS G1 G1-5 29 c** Varma is committed to following the recommendations of the Transparency Register Advisory Board on good lobbying practices.

Varma is a member of Finnish and foreign interest organisations related to its own operations, such as The Finnish Pension Alliance (TELA), Finance Finland (FA), and the Confederation of Finnish Industries (EK). Varma’s memberships in lobbying associations are described in the Transparency Register. Memberships in foreign interest organisations relate to Varma’s investment activities. **ESRS G1 G1-5 27**

Varma has a public affairs manager whose tasks include creating and maintaining contact with decision-makers and lobbying parties that are relevant to Varma’s sector. The public affairs manager’s supervisor is the senior vice president of work ability services, who reports to the company’s President and CEO.

ESRS G1 G1-5 29 a

Varma strives to ensure that the earnings-related pension system is developed with a long-term perspective that takes into account the role and position of the implementers. Varma promotes sectoral regulation that enables the most efficient implementation of earnings-related pensions. **ESRS G1 G1-5 29 c**

In addition to actual advocacy and lobbying activities, Varma participates in topical discussions as a provider of expert information. Varma’s role in societal interaction supports

Table 71: Payment practices

Metric	Other service business	Acquisition and purchase of buildings
The average time the undertaking takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated	19 (20)	20 (20)
Standard payment terms (days)	14 (30)	14 (14)
Percentage of payments aligned with the standard payment terms	39% (21%)	39% (35%)
Number of legal proceedings currently outstanding for late payments ¹	0 (0)	0 (0)

¹ESRS G1 G1-6 33 c

the goals of long-term development of the earnings-related pension system and efficient implementation of statutory pension cover, as well as the profitable and secure investment of pension assets. As an earnings-related pension insurance company, Varma’s actual lobbying activities are limited to advocacy regarding the pension system. **ESRS G1 G1-5 29 c**

Payment practices

G1-6

Varma pays purchase invoices for other service business within an average of 11 (20) days and purchase invoices related to the acquisition and purchase of buildings within 19 (20) days of when the contractual or statutory payment period begins. **ESRS G1 G1-6 33 a** Varma’s purchase terms generally apply a standard payment term of 14 days, and 14 days in the construction business, but payment terms are negotiated with suppliers on a case-by-case basis. **ESRS G1 G1-6 31, 33 b**

Taxes

Varma has identified prudent tax management as a material sustainability topic outside of the topical ESRS. Taxes are related to all parts of the value chain: Varma’s own operations, the investment portfolio, direct real estate investments, and the upstream and downstream value chain. An assessment of the material impacts, risks and opportunities related to taxes is described in the section ‘Material impacts, risks and opportunities related to business conduct’. Varma has no actions, resources or targets related to taxes (ESRS 2: MDR-A, MDR-T), as tax payments and related management are performed as part of day-to-day financial administration in accordance with statutory requirements. Varma’s policy is to comply with applicable tax legislation in all countries of operation, and the management of taxes is integrated into the financial administration processes.

Datapoints derived from other EU legislation

Table 72: Datapoints derived from other EU legislation¹

Disclosure requirement	Datapoint		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		24
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		24
ESRS 2 GOV-4	30	Statement on due diligence	x				29
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Non-material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Non-material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons paragraph	x		x		Non-material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco.			x		Non-material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	57–58
ESRS E1-1	16 (g)	Companies excluded from the Paris-aligned benchmarks		x	x		Non-material
ESRS E1-4	34	GHG emission reduction targets	x	x	x		61–62
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				62
ESRS E1-5	37	Energy consumption and mix	x				62
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	x				62
ESRS E1-6	44	Gross Scopes 1, 2 and 3 and total GHG emissions	x	x	x		63
ESRS E1-6	53–55	Gross GHG emissions intensity	x	x	x		63
ESRS E1-7	56	GHG removals and carbon credits				x	Non-material
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Varma applies the transitional provision
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		x			Varma applies the transitional provision
ESRS E1-9	66 (c)	Location of significant assets at material physical risk		x			Varma applies the transitional provision
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Varma applies the transitional provision
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Varma applies the transitional provision
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Non-material
ESRS E3-1	9	Water and marine resources	x				Non-material
ESRS E3-1	13	Dedicated policy paragraph	x				Non-material
ESRS E3-1	14	Sustainable oceans and seas	x				Non-material
ESRS E3-4	28 (c)	Total water recycled and reused	x				Non-material
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x				Non-material
ESRS 2- IRO 1 - E4	16 (a) i		x				45

¹ ESRS 2 IRO-2 56

Table 72: Datapoints derived from other EU legislation¹

Disclosure requirement	Datapoint		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law	Page
ESRS 2- IRO 1 - E4	16 (b)		x				45
ESRS 2- IRO 1 - E4	16 (c)		x				45
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	x				Non-material
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	x				Non-material
ESRS E4-2	24 (d)	Policies to address deforestation	x				Non-material
ESRS E5-5	37 (d)	Non-recycled waste	x				73
ESRS E5-5	39	Hazardous waste and radioactive waste	x				73
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	x				Non-material
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	x				Non-material
ESRS S1-1	20	Human rights policy commitments	x				81–83
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation (ILO) Conventions 1–8			x		81–83
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				81
ESRS S1-1	23	Workplace accident prevention policy or management system	x				82
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				84
ESRS S1-14	88 (b) and (c)	Number of fatal accidents and number and rate of work-related accidents	x		x		90
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				90
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		91
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				91
ESRS S1-17	103 (a)	Incidents of discrimination	x				91
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		91
ESRS 2- SBM3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				92–93
ESRS S2-1	17	Human rights policy commitments	x				94–95
ESRS S2-1	18	Policies related to the value chain	x				94–95
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		94–95
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation (ILO) Conventions 1–8			x		94–95
ESRS S2-4	36	Human rights issues and incidents connected to the upstream and downstream value chain	x				98
ESRS S3-1	16	Human rights policy commitments	x				99–100
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO Conventions and OECD guidelines	x		x		100
ESRS S3-4	36	Human rights issues and incidents	x				101
ESRS S4-1	16	Policies related to consumers and end-users	x				105
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		105
ESRS S4-4	35	Human rights issues and incidents	x				107
ESRS G1-1	10 (b)	United Nations Convention against Corruption	x				–
ESRS G1-1	10 (d)	Protection of whistleblowers	x				115
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		117
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	x				117

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Financial Statements 31 Dec 2025

Income statement

1 Jan–31 Dec, € million	Notes	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Technical account					
Premiums written		6,901.4	6,655.6	6,901.4	6,655.6
Investment income		10,626.1	8,550.8	10,604.0	8,521.2
Claims incurred					
Claims paid	2	-7,656.8	-7,302.5	-7,656.8	-7,302.5
Total change in provision for claims outstanding		-1,207.9	-594.7	-1,207.9	-594.7
Portfolio transfers		0.0	0.0	0.0	0.0
		-8,864.8	-7,897.2	-8,864.8	-7,897.2
Change in provision for unearned premiums					
Total change		-1,515.3	-2,699.6	-1,515.3	-2,699.6
Portfolio transfers		0.0	0.0	0.0	0.0
		-1,515.3	-2,699.6	-1,515.3	-2,699.6
Operating expenses		-62.1	-62.7	-62.1	-62.7
Investment expenses		-7,068.5	-4,526.6	-7,034.8	-4,501.0
Balance on technical account		16.9	20.3	28.5	16.3
Non-technical account					
Balance on technical account		16.9	20.3	28.5	16.3
Share of associated companies’ profit				16.7	-3.1
Income taxes on ordinary activities					
Taxes for the financial year		-8.7	-13.1	-8.7	-13.1
Profit/loss on ordinary activities after taxes		8.2	7.2	36.4	0.2
Minority interest in the result for the financial year				0.0	0.0
Profit/loss for the financial year		8.2	7.2	36.5	0.2

Balance sheet

31 Dec, € million	Notes	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
ASSETS					
Intangible assets					
Other intangible assets	17	0.0	0.0	0.0	0.0
Investments					
Real estate					
Real estate and real estate shares	14	1,358.9	1,871.0	2,343.9	2,400.4
Loans to Group companies	14	1,039.1	581.5		
		2,398.0	2,452.5	2,343.9	2,400.4
Investments in Group companies and in participating interests					
Shares and participations in Group companies	12, 13	3.3	3.3	0.0	0.0
Shares and participations in participating interests	12, 13	14.3	24.0	16.5	11.8
		17.6	27.4	16.5	11.8
Other investments					
Shares and participations	16	41,650.3	39,793.8	41,665.4	39,809.0
Money-market instruments		5,890.0	3,926.6	5,890.0	3,926.6
Loans guaranteed by mortgages		12.2	14.8	12.2	14.8
Other loan receivables	18	573.6	829.3	573.6	829.3
		48,126.1	44,564.5	48,141.2	44,579.7
		50,541.7	47,044.4	50,501.6	46,991.9
Receivables					
Direct insurance operations					
Policyholders		713.4	755.0	713.4	755.0
Other receivables					
Other receivables		1,106.7	1,939.1	1,105.0	1,939.1
		1,820.0	2,694.2	1,818.3	2,694.2
Other assets					
Tangible assets					
Equipment	17	0.5	0.8	0.5	0.8
Other tangible assets	17	0.9	0.9	0.9	0.9
		1.4	1.7	1.4	1.7
Cash at bank and in hand		1,587.1	1,401.6	1,589.1	1,401.9
		1,588.4	1,403.3	1,590.4	1,403.6
Prepayments and accrued income					
Accrued interest and rent		94,5	62,9	95,0	62,9
Other prepayments and accrued income		65,7	65,1	65,7	65,1
		160,2	127,9	160,7	128,0
TOTAL ASSETS		54 110,3	51 269,8	54 071,0	51 217,6

Balance sheet

31 Dec, € million	Notes	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
LIABILITIES					
Capital and reserves					
Basic capital		11.9	11.9	11.9	11.9
Other reserves		140.8	133.8	140.8	133.8
Profit/loss brought forward		6.8	6.5	-76.7	-69.9
Profit/loss for the financial year		8.2	7.2	36.5	0.2
	25	167.6	159.5	112.5	76.0
Minority interest				9.2	9.3
Technical provisions					
Provision for unearned premiums	22	27,395.6	25,880.3	27,395.6	25,880.3
Provision for claims outstanding	22	25,588.2	24,380.2	25,588.2	24,380.2
		52,983.8	50,260.6	52,983.8	50,260.6
Liabilities					
Direct insurance operations		4.3	60.6	4.3	60.6
Other liabilities		550.2	466.1	556.2	487.9
		554.5	526.7	560.5	548.5
Accruals and deferred income					
		404.4	323.1	405.0	323.3
TOTAL LIABILITIES					
		54,110.3	51,269.8	54,071.0	51,217.6

Statement of source and application of funds

1 Jan–31 Dec, € million	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Cash flow from operations				
Profit/loss on ordinary activities	16.9	20.3	28.5	16.3
Adjustments				
Changes in technical provisions	2,723.2	3,294.3	2,723.2	3,294.3
Impairments and revaluations on investments	652.1	905.2	613.7	846.1
Depreciation according to plan	20.4	18.0	97.7	123.0
Capital gain and loss	-1,899.6	-3,030.1	-1,899.6	-3,030.0
Cash flow before change in working capital	1,513.0	1,207.7	1,563.5	1,249.6
Change in working capital:				
Increase (-) / decrease (+) in non-interest-bearing short-term receivables	841.9	-1,109.0	843.2	-1,109.0
Increase (-) / decrease (+) in non-interest-bearing short-term debts	109.1	-296.7	93.8	-304.7
Cash flow from operations before taxes	2,464.0	-198.0	2,500.4	-164.0
Direct taxes paid	-8.7	-13.1	-8.7	-13.1
Cash flow from operations	2,455.3	-211.0	2,491.7	-177.1
Cash flow from investments				
Net investments and proceeds from asset sales	-2,270.5	447.6	-2,305.2	413.3
Investments and gains on intangible, tangible and other assets	0.6	0.7	0.6	0.7
Cash flow from investments	-2,269.9	448.3	-2,304.5	414.0
Cash flow from financing				
Interest paid on guarantee capital and other profit distribution				
Cash flow from financing				
Change in financial resources	185.5	237.3	187.2	236.9
Financial resources, 1 Jan	1,401.6	1,164.3	1,401.9	1,165.0
Financial resources, 31 Dec	1,587.1	1,401.6	1,589.1	1,401.9

Notes to the Financial Statements

Accounting principles

These financial statements are prepared in accordance with sound accounting principles, and in compliance with legislation applicable to Varma and with the regulations and guidelines of the Financial Supervisory Authority. The financial statements have been drawn up so as to give a true and fair view of Varma's financial performance and financial position in accordance with the materiality principle.

Consolidated Financial Statements

In addition to the parent company, those companies in which the Group holds more than 50 per cent of the votes (controlling interest) either directly or indirectly have been consolidated in the Consolidated Financial Statements as subsidiaries.

On the closing date, the parent company has 111 (108) subsidiaries. The companies belonging to the Group are listed in the notes to the financial statements.

The Consolidated Financial Statements are compiled as combinations of the income statement, balance sheets and notes. When the Consolidated Financial Statements are compiled, intra-group business transactions and cross-shareholdings are eliminated. Intra-group cross-shareholdings are eliminated using the acquisition method. The resulting consolidation difference is allocated

to subsidiaries' asset items proportional to their fair values, and depreciated in accordance with the depreciation plans of these asset items. Minority shareholders' share of the result for the financial year and of the Group's capital and reserves is entered as a minority interest.

Subsidiaries acquired during the year are consolidated from the moment of acquisition. Subsidiaries divested during the year are consolidated until the moment of divestment. Minority interest in the profit and loss and in capital and reserves are recognised as a separate item. Revaluations on Group companies' shares are shown in the consolidated balance sheet as a revaluation of real estate owned by a subsidiary.

Relevant associated companies in which the Group holds 20–50 per cent of all the votes are included in the Consolidated Financial Statements using the equity method. When an associated company draws up its financial statements using fair values, these values are used in the consolidation. Housing and real estate companies are not treated as associated companies. Their non-inclusion has a minimal effect on Group profit and capital and reserves, since the expenses arising from these companies are covered by the maintenance charges collected from their owners.

The Group owns 50 per cent of the guarantee capital and 25 per cent of the votes of Kaleva Mutual Insurance Company, which is not, however, included in the Consolidated Financial Statements due to limitations concerning controlling interest and distribution of profits.

An amount corresponding to the Group companies' proportion of an associate's profit or loss as well as the change in capital and reserves is also shown in the consolidated financial statements. Associated companies are listed in the notes to the financial statements.

Book value of investments

Investments in land and buildings are entered in the balance sheet at the lower of acquisition cost less depreciation or fair value. The values of real estate have been revaluated in the previous years. Revaluation of buildings entered as income is also depreciated according to plan. No revaluations of real estate book values were made in the financial year 2025.

Shares and participations are entered in the balance sheet at the lower of acquisition cost or fair value. Acquisition cost is calculated by class using the average price.

Money-market instruments are entered in the balance sheet at the lower of acquisition cost or fair value. Changes in value due to

interest rate fluctuations are not entered. The difference between the nominal value and acquisition cost of the money-market instruments is allocated to interest income and its reduction over the maturity of the instrument. The counterpart entry for the allocations entered as an increase or decrease in the acquisition cost is shown in the notes to the balance sheet. The acquisition cost is the average price calculated for each instrument.

Loan receivables and other receivables are entered in the balance sheet at the lower of nominal value or probable value. The presentation of the notes to real estate investments has been amended with regard to receivables by combining two items (Loans to Group companies and Loans to real estate companies) into a single item, Loans to Group companies. The comparison figure has been amended correspondingly.

Value adjustments made to investments in previous financial years are entered in the income statement as value readjustments corresponding to the value appreciation.

Premium receivables and other receivables

Premium receivables and other receivables are valued at the lower of nominal value or probable value.

Derivatives

Derivative contracts for hedging purposes are valued together with the hedged item. If no change in value is entered in the income statement for the hedged balance sheet item, no entry is recorded in the income statement for the hedging contract, unless the negative value change exceeds the positive value change in the hedging contract.

Negative value adjustments of derivative financial instruments other than those created for the purposes of hedging are entered in the income statement as an expense. The profits and losses resulting from the termination or expiration of contracts are entered as income or expenses for the financial year.

Income and expenses from interest rate derivatives are entered under interest income.

Depreciation according to plan

The acquisition cost of buildings, including components in buildings, movable property and other expenses with long-term effects, are depreciated according to plan over their useful lives. Revaluation of buildings entered as income is also depreciated according to plan. Either the reducing-balance depreciation

method or the straight-line depreciation method is applied to planned depreciation using the following estimated economic useful lives:

Residential, office and business premises, hotels	40–60 yrs
Industrial premises and warehouses	25–50 yrs
Components in buildings	10 yrs

The straight-line depreciation method is applied to planned depreciation of tangible and intangible assets using the following estimated economic useful lives:

Equipment	7–10 yrs
Computer hardware	3 yrs
Transport equipment	5 yrs
Intangible assets	5–10 yrs

Fair values of investments

The fair values of real estate and real estate shares are measured item by item as prescribed in the regulations of the Financial Supervisory Authority and based on the opinions of the company's own and external experts.

The last available buying rates or, if these are not available, closing prices at the balance sheet date are used as fair values for listed securities. For exchange-traded fund (ETF) units, however, the last available closing price is used as the fair value, since it has been observed that the bid-ask spreads widen close to the stock exchange closing time due to market makers' actions and the buying rates

cannot be considered reliable in terms of market value.

Investments in private equity and hedge funds are entered in the balance sheet at fair value estimated by the management company or, if this is not available, at acquisition cost. The value is based on information provided by the fund manager, and it does not necessarily reflect current or future returns. Investments in mutual funds are entered at the last available value of the share calculated by the management company.

The fair value of other shares and participations is the purchase price or the net realisable value or the net asset value.

The fair value of money-market instruments is primarily based on market value. If the market value is not available and the value of the investment cannot be reliably determined, the fair value is determined by using estimates by external parties or commonly approved calculation models, or the fair value is the purchase price.

Receivables are entered at the lower of nominal value or probable value.

Fair values of derivative contracts, and related liabilities and guarantees

The method for determining the fair values of derivative contracts, the liabilities and the collateral received and given to cover the clearing of derivative transactions are presented in the notes to the financial statements under Contingent liabilities and liabilities not included in the balance sheet.

Loaned securities

Loaned securities are included in the balance sheet. They are presented in the notes to the balance sheet under Guarantees and liabilities, Loaned securities.

Profit for the year, and capital and reserves

An earnings-related pension insurance company's profit after taxes in the parent company's income statement is determined by calculation bases confirmed in advance by the Finnish Ministry of Social Affairs and Health. The notes include an itemisation of the parent company's capital and reserves.

Technical provisions

The regulations and guidelines of the Ministry of Social Affairs and Health and the Financial Supervisory Authority are adhered to when calculating the technical provisions. Technical provisions comprise a provision for unearned premiums and a provision for claims outstanding. Technical provisions are calculated using the calculation bases confirmed for the entire sector by the Ministry of Social Affairs and Health.

The provision for unearned premiums is composed of liabilities for future pension contingencies, a provision for current bonuses and an equity-linked provision for current and future bonuses. The provision for current bonuses includes amounts reserved for client bonuses to be granted to policyholders. The amount of the equity-linked provision for current and future bonuses depends on

earnings-related pension companies' average return on equity investments.

The provision for claims outstanding is composed of the liability for current pensions, which includes liabilities funded by the pension company for current pensions, including the reserve for unknown claims, and the pension institution-specific provision for pooled claims serving as a buffer for the clearing system. The reserve for unknown claims is for those pensions in which disability has begun but of which the pension institution is not yet aware.

Solvency capital

Solvency capital is calculated as the difference between the assets and debts valued at fair value. It comprises capital and reserves, accumulated appropriations, valuation differences and the provision for future bonuses. Intangible assets included in the balance sheet and lease and pension liabilities not included in the balance sheet are deducted from solvency capital.

The minimum limit of the solvency capital is one third of the solvency limit. The solvency limit is determined using a risk-theory-based method taking into account the allocation of investments into different asset classes and their mutual correlations as required in legislation. When calculating the limit, investments are classified according to their risk.

The solvency position is the ratio of the solvency capital to the solvency limit. The solvency ratio is the ratio of pension assets to the technical provisions as referred to in §11 paragraph 10 of the Ministry of Social Affairs

and Health's decree governing pension institutions (614/2008).

Solvency capital and the solvency limit are presented in the notes to the financial statements.

Taxes

Taxes for the financial year and previous financial years are recognised in the income statement on an accrual basis.

Deferred tax liabilities or assets are not calculated for temporary differences between income statement items and income and expenses approved in taxation, such as confirmed losses or tax credits, because the company's net result is determined by the calculation bases confirmed in advance by the Finnish Ministry of Social Affairs and Health. Nor is the deferred tax liability or asset calculated in the mutual real estate companies owned by the Group, because they are not significant for the companies in question or the Group.

Foreign-currencydenominated items

Foreign-currency-denominated items are entered at the lower of the rate on the date of transaction or the rate at the balance sheet date. When determining the investments' book value, the change in both the investment's market price and the exchange rate is taken into account as a whole. Currency conversion differences are entered as adjustments to income and expenses. Currency conversion differences for cash at bank and in hand and deposits and items that cannot be entered as adjustments to income and expenses

are entered under investment income and charges. When calculating fair values, the European Central Bank’s average rates quoted on the balance sheet date are used.

Operating expenses and depreciation by function

Operating expenses and the depreciation of furniture and fixtures and expenses with long-term effects are included in the items of the income statement by function. In the income statement, operating expenses arising from claims handling and disability risk management are included in claims paid, and expenses related to investment management are included in investment expenses. The expenses of insurance policy acquisition and management and administration are presented as net operating expenses. Statutory fees and payments are included in the administrative expenses. Planned depreciation on buildings is presented as investment expenses.

The presentation of expenses that are generated by activities aimed at managing the disability risk entered under claims incurred during the financial year has been changed. The comparison figures have been adjusted such that expenses arising from the management of the disability risk, covered by the expense loading, are presented under operating expenses instead of claims incurred.

Pension plans and remuneration statement

Statutory pension coverage for personnel is arranged through TyEL insurance and supplemented by voluntary pension insurance. The pension plans of the President and CEO are explained in the notes to the financial statements. [A salary and remuneration statement](#) in accordance with the Financial Supervisory Authority’s recommendation has been published on Varma’s website.

Balance sheet and income statement at fair values

In addition to the information required by the regulations, the parent company’s income statement and balance sheet at fair values are presented in the notes to the financial statements. The purpose of this is to improve the transparency of the annual account information of an earnings-related pension insurance company.

The financial statements of an earnings-related pension insurance company are prepared in accordance with sound accounting principles, valid laws and the regulations and guidelines of the Financial Supervisory Authority.

The statutory earnings-related pension scheme is partially fund-based. The technical provisions appearing in the balance sheet of an earnings-related pension insurance company amount to about a quarter of the current

value of the pensions accumulated by the closing date. Furthermore, statutory pension insurance has a guarantee scheme, according to which the earnings-related pension insurance scheme is jointly responsible for securing the benefits of the insured, should a pension institution become insolvent.

The operating expenses of the company are listed under a number of entries in the income statement and key figures. The effect of fair values on the company’s investments and their results are presented in the notes to the financial statements under ‘Balance sheet and income statement at fair values’.

The total result presented in Performance analysis, consisting of investment surplus at fair value, loading profit, technical underwriting result and other result, corresponds to the total result in the note ‘Income statement at fair value’. In the note, the net investment income is given at fair value. The total result at fair value is also influenced by premiums written, claims paid, change in technical provisions, total operating expenses, other result and taxes. The total result presented in the income statement drawn up at fair values substantially deviates from the result for the financial year in the income statement, drawn up in accordance with the calculation bases confirmed in advance by the Finnish Ministry of Social Affairs and Health.

In the note ‘Varma’s balance sheet and income statement at fair values’, a balance

sheet presenting asset items at fair value is given. In the note, valuation differences refer to the difference between the fair values and book values of investments.

The main components of the solvency capital shown separately and measuring solvency in the balance sheet are the capital and reserves, provision for future bonuses and valuation differences of investments. The provision for current bonuses reserved for the payment of client bonuses and equity-linked provision for current and future bonuses are shown on their own lines. Investments and their net return are shown at fair value. The interest credited on technical provisions is included in the change in technical provisions.

Investments classified according to risk

The notes to the financial statements report investments and their returns classified according to risk. The stipulations of the Financial Supervisory Authority concerning the calculation of the financial key figures are also used in the calculation of the return percentages. The method is described in the section Key figures and analyses.

Key figures and analyses

The key figures and analyses describing financial development are calculated and presented in accordance with the stipulations

of the Financial Supervisory Authority concerning notes to the financial statements.

The key figures and analyses for investment operations and solvency are presented at fair values.

Net investment income at fair values over invested capital has been calculated by type of investment and for the total amount of investments with reference to daily or monthly time-weighted cash or output flow.

The return for the period has been calculated using a modified Dietz formula (time and money weighted formula) such that invested capital has been calculated by adding to the opening market value the cash flow for the period (cash flow/output flow = purchases - sales - income + expenses) weighted by the relative share of the length of the period that is left from the date of the event to the end of the period.

Non-financial information

The sustainability statement included in the Report of the Board of Directors has been prepared in compliance with reporting standards and Article 8 of the Taxonomy Regulation.

Group companies 31 Dec 2025

The Group includes three new subsidiaries:

- Varman A-kiinteistöt Oy
- Varman Toimitilakiinteistöt 1 Oy
- Varman Toimitilakiinteistöt 2 Oy

The Group also includes the following 108 subsidiaries:

- As Oy Lahden Vilhon Vaakuna
- As. Oy Espoon Amiraali
- As. Oy Helsingin Pitäjänmäen Asunnot
- As. Oy Jyväskylän Spinetti
- As. Oy Näkinkuja 4
- As. Oy Vantaan Tellervo
- Asunto Oy Espoon Keijumäki
- Asunto Oy Espoon Kilonlemmikki
- Asunto Oy Espoon Komentajan-Varma
- Asunto Oy Espoon Niittykummuntie 2 C
- Asunto Oy Espoon Niittysillankulma 2 E-F
- Asunto Oy Espoon Pyölinpuisto
- Asunto Oy Espoon Vuoritontuntie 2-4
- Asunto Oy Haukikoto
- Asunto Oy Helsingin Arabiankatu 4
- Asunto Oy Helsingin Arabiankatu 8
- Asunto Oy Helsingin Haukilahdenkuja 13
- Asunto Oy Helsingin Hiihtäjäsentien Huippu
- Asunto Oy Helsingin Hiihtäjäsentien Kaarre
- Asunto Oy Helsingin Hiihtäjäsentien Laakso
- Asunto Oy Helsingin Klaneettitie
- Asunto Oy Helsingin Kruunuvuorenkatu 2
- Asunto Oy Helsingin Kutomotie 7

- Asunto Oy Helsingin Näyttelijäntie 22
- Asunto Oy Helsingin Pitskun Ateljee
- Asunto Oy Helsingin Päijänteentie 4-6
- Asunto Oy Helsingin Roihuvuorentie 20
- Asunto Oy Helsingin Roihuvuorentie 30
- Asunto Oy Helsingin Tyynenmerenkatu 5
- Asunto Oy Järvenpään Bjarnenkuja 6
- Asunto Oy Keravan Terhikintie 1
- Asunto Oy Korkeavuorenkatu 2 a
- Asunto Oy Lahden Massinhovi
- Asunto Oy Lahden Massinpoiju
- Asunto Oy Tampereen Konttilukinkatu 7
- Asunto Oy Tampereen Nahkakuja 9
- Asunto Oy Tampereen Nahkakuja 13
- Asunto Oy Tampereen Näsjärvenkatu 3
- Asunto Oy Tampereen Palatsinraitti 1
- Asunto Oy Tampereen Satakunnankatu 22
- Asunto Oy Tervahovinkatu 12
- Asunto Oy Turun Itäinen Rantakatu 64
- Asunto Oy Turun Itäinen Rantakatu 70
- Asunto Oy Turun Laivurinkatu 2
- Asunto Oy Turun Vilhonkatu 15
- Asunto Oy Vantaan Neilikkatie 4 A-F
- Asunto Oy Vantaan Neilikkatie 4 G-H
- Asunto Oy Vantaan Topaasikuja 9
- Asunto Oy Vantaan Unikkotie 8
- Asunto Oy Vantaan Vernissakatu 5
- Kiint. Oy Helsingin Tapulikaupungintie 13
- Kiint. Oy Jyväskylän maalaiskunnan Kotikeskus

- Kiinteistö Oy Arabian Parkki
- Kiinteistö Oy Eerikinkatu 24
- Kiinteistö Oy Espoon Keilalahdentie 1
- Kiinteistö Oy Espoon Niittykummuntien 2 BC Pysäköinti
- Kiinteistö Oy Fredrikinkatu 42
- Kiinteistö Oy Hatsinanpuisto AB
- Kiinteistö Oy Hatsinanpuiston pysäköinti AB
- Kiinteistö Oy Helsingin Hiilipiha
- Kiinteistö Oy Helsingin Hiiliranta
- Kiinteistö Oy Helsingin Itämerenkatu 9
- Kiinteistö Oy Helsingin Itämerenkatu 11-13
- Kiinteistö Oy Helsingin Lönnrotinkatu 18
- Kiinteistö Oy Helsingin Malminkatu 28
- Kiinteistö Oy Helsingin Ratavartijankatu 5
- Kiinteistö Oy Helsingin Valimopolku 4
- Kiinteistö Oy Helsingin Valimotie 9-11
- Kiinteistö Oy Helsingin Veturitallinkuja 2
- Kiinteistö Oy Helsingin Yrjönkatu 17
- Kiinteistö Oy Hotelli Torni
- Kiinteistö Oy Hyvinkään Hämeenkatu 9
- Kiinteistö Oy Hämeentie 135
- Kiinteistö Oy Ilmailunkatu 7
- Kiinteistö Oy Ilmailunkatu 9
- Kiinteistö Oy John Stenbergin ranta 2
- Kiinteistö Oy Jyväskylän Kylmälahdentie 6
- Kiinteistö Oy Jyväskylän Mattilanniemi
- Kiinteistö Oy Jyväskylän Saarijärventie 50-52
- Kiinteistö Oy Jyväskylän Sorastajantie 1

- Kiinteistö Oy Keskustahotelli
- Kiinteistö Oy Kotkan Jumalniementie 8
- Kiinteistö Oy Lappeenrannan Patria
- Kiinteistö Oy Lönnrotinkatu 12
- Kiinteistö Oy Lönnrotinkatu 13
- Kiinteistö Oy Mannerheimintien Pysäköintilaitos
- Kiinteistö Oy Nokian Nuijamiestentie 5
- Kiinteistö Oy Ornant
- Kiinteistö Oy Partolan Kauppajätti
- Kiinteistö Oy Pirkkalan Myllyhaantie
- Kiinteistö Oy Porin Itsenäisyydenkatu 5
- Kiinteistö Oy Rajalla
- Kiinteistö Oy Rajasampanranta 2
- Kiinteistö Oy Robert Huberin tie 3b
- Kiinteistö Oy Salmisaaren Liikuntakeskus
- Kiinteistö Oy Sarankulmankatu 22
- Kiinteistö Oy Sompasaaren Tukoeka
- Kiinteistö Oy Tampereen Harjuntausta 7
- Kiinteistö Oy Tampereen Kalevanpaasi
- Kiinteistö Oy Tampereen Sarankulmankatu 20 A
- Kiinteistö Oy Tampereen Sarankulmankatu 20 B
- Kiinteistö Oy Vaasan Sampotalo
- Kiinteistö Oy Varmantalo
- Kiinteistöosakeyhtiö Varma
- Old Mill Oy
- Osakevarma Oy
- Saimaan Kylpyläkiinteistöt Oy
- Tampereen Kiinteistö Invest Oy

Two associated companies have been added to the Group:

- Kiinteistö Oy Tonttulaakson Pysäköinti
- WT Kiinteistösijoitus II GP Oy

In addition, the Group comprises the following 16 associates:

- Alcobendas Investments SL
- Aros Sundbyberg Holding AB
- Herdning Yard Properties GP Oy
- Kiinteistö Oy Hatsinanpuiston pysäköinti CDE
- Kiinteistö Oy Leineläntien Pysäköinti
- Kiinteistö Oy Pyynikin Parkki
- Kiinteistö Oy Selloparkki
- Kiinteistö Oy Suursuon Ostoskeskus
- NV Kiinteistösijoitus Oy
- Näkin Pihapuistikko II Oy
- Ruohoparkki Oy
- Salmiparkki Oy
- Spektri Kiinteistöt GP Oy
- Vaasan Toripysäköinti Oy
- Vantaan Valo GP Oy
- WT Kiinteistösijoitus Oy

Notes to the income statement

1. Premiums written

	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
1 Jan–31 Dec, € million				
Direct business				
Basic insurance under TyEL				
Employer's share	4,631.4	4,463.2	4,631.4	4,463.2
Employee's share	2,022.9	1,954.3	2,022.9	1,954.3
	6,654.2	6,417.5	6,654.2	6,417.5
Insurance under minimum YEL cover	249.1	239.7	249.1	239.7
	6,903.3	6,657.2	6,903.3	6,657.2
Transition payment to the State Pension Fund	-1.9	-1.7	-1.9	-1.7
Premiums written before reinsurance	6,901.4	6,655.6	6,901.4	6,655.6
Premiums written ¹	6,901.4	6,655.6	6,901.4	6,655.6
Credit loss on premium receivables				
TyEL	14.1	12.1	14.1	12.1
YEL	2.6	2.5	2.6	2.5
	16.7	14.6	16.7	14.6

¹ Less credit loss

2. Claims paid

	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
1 Jan–31 Dec, € million				
Direct business				
Paid to pensioners				
Basic insurance under TyEL	7,245.2	7,084.1	7,245.2	7,084.1
Supplementary pension insurance under TEL	79.3	82.0	79.3	82.0
Insurance under minimum YEL cover	369.8	362.2	369.8	362.2
Supplementary pension insurance under YEL	0.8	0.8	0.8	0.8
	7,695.0	7,529.2	7,695.0	7,529.2
Compensation paid/received as regards clearing of PAYG pensions ¹				
TyEL pensions	210.7	39.0	210.7	39.0
YEL pensions	9.4	9.7	9.4	9.7
Share of the Unemployment Insurance Fund contribution and cost distribution of pension components accrued on no-pay periods	-166.5	-184.9	-166.5	-184.9
YEL state share	-124.2	-127.0	-124.2	-127.0
VEKL state compensation	-3.5	-2.9	-3.5	-2.9
	-74.1	-266.2	-74.1	-266.2
	7,620.9	7,263.0	7,620.9	7,263.0
Claims handling expenses	28.9	32.1	28.9	32.1
Administrative costs for disability risk management ²	7.0	7.4	7.0	7.4
Claims paid before reinsurance	7,656.8	7,302.5	7,656.8	7,302.5
Total claims paid	7,656.8	7,302.5	7,656.8	7,302.5

¹ Paid/received cost-division compensation does not include the share of the Unemployment Insurance Fund contribution, the cost division of pension components accrued on unsalaried periods, the YEL state share, or VEKL compensation

² In 2025, the administrative cost components totalled EUR 8.3 million, and EUR 7.0 million were transferred to claims incurred

3. Breakdown of net investment return

1 Jan–31 Dec, € million	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Investment return				
Returns on investments in Group companies				
Dividend	0.2	0.2		
	0.2	0.2		
Returns on investments in participating interests				
Dividend	2.3	8.3		
	2.3	8.3		
Returns on investments in real estate				
Interest				
Group companies	17.1	19.7		
Other than Group companies			0.1	0.1
Other returns				
Other than Group companies	214.7	218.9	215.1	219.4
	231.7	238.6	215.2	219.5
Returns on other investments				
Dividend	1,738.7	1,473.5	1,738.8	1,473.6
Interest	505.9	421.8	505.9	421.8
Other returns	2,085.5	1,164.5	2,085.5	1,164.5
	4,330.0	3,059.8	4,330.2	3,060.0
	4,564.2	3,306.9	4,545.4	3,279.4
Reversed impairment	1,714.9	409.2	1,711.6	407.1
Sales proceeds	4,347.1	4,834.8	4,347.1	4,834.7
Total	10,626.1	8,550.8	10,604.0	8,521.2

1 Jan–31 Dec, € million	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Investment expenses				
On real estate	-157.8	-155.3	-88.5	-85.9
On other investments	-1,874.7	-1,049.0	-1,874.7	-1,049.0
Interest and other expenses on debt capital	-200.8	-184.9	-200.8	-184.9
	-2,233.3	-1,389.2	-2,164.0	-1,319.8
Impairment and depreciation				
Impairment	-2,366.9	-1,314.4	-2,325.3	-1,253.2
Planned depreciation on buildings	-20.8	-18.3	-98.0	-123.3
	-2,387.7	-1,332.7	-2,423.3	-1,376.5
Sales losses	-2,447.5	-1,804.7	-2,447.5	-1,804.7
Total	-7,068.5	-4,526.6	-7,034.8	-4,501.0
Net investment return in the income statement	3,557.6	4,024.3	3,569.2	4,020.3
Net investment return in the income statement includes other foreign exchange gains and losses of investment operations	-1,414.6	301.3	-1,414.6	301.3

4. Operating expenses in the income statement

1 Jan–31 Dec, € million	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Insurance policy acquisition costs				
Direct business commissions	2.2	2.4	2.2	2.4
Other insurance policy acquisition costs	12.1	11.8	12.1	11.8
	14.3	14.1	14.3	14.1
Portfolio administration expenses	23.8	24.4	23.8	24.4
Administrative expenses				
Statutory charges				
Finnish Centre for Pensions’ share	10.7	9.5	10.7	9.5
Judicial administration fee	1.0	1.1	1.0	1.1
Financial Supervisory Authority supervision fee	1.2	1.1	1.2	1.1
	12.9	11.7	12.9	11.7
Other administrative expenses	11.2	12.6	11.2	12.6
	62.1	62.7	62.1	62.7

5. Overall operating expenses by function

1 Jan–31 Dec, € million	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Claims paid				
Claims handling expenses	28.9	32.1	28.9	32.1
Disability risk management expenses	7.0	7.4	7.0	7.4
	35.9	39.5	35.9	39.5
Operating expenses	62.1	62.7	62.1	62.7
Investment management charges				
Expenses on real estate	6.6	6.3	6.6	6.3
Expenses on other investments	27.6	26.2	27.6	26.2
	34.2	32.5	34.2	32.5
Total operating expenses	132.3	134.8	132.3	134.8

6. Personnel expenses

1 Jan–31 Dec, € million	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Salaries and remunerations	48.5	49.7	48.5	49.7
Pension expenses	8.1	8.3	8.1	8.3
Other personnel-related expenses	1.8	1.8	1.8	1.8
Total	58.5	59.8	58.5	59.8

7. Management salaries and remunerations

1 Jan–31 Dec, € million	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
President and CEO	1.0	1.0	1.0	1.0
Members and deputy members of the Board of Directors	0.5	0.5	0.5	0.5
Members of the Supervisory Board	0.2	0.2	0.2	0.2
Total	1.8	1.8	1.8	1.8
Average number of personnel during the financial year	552	578	552	578

President and CEO Risto Murto was paid EUR 1,031,315 in salary and fringe benefits. President and CEO Murto’s retirement age will be 65 years.

8. Auditors’ fees

1 Jan–31 Dec, € million	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Ernst & Young Oy				
Audit fees and sustainability report assurance	0.3	0.3	0.3	0.3
Other fees	0.0	0.1	0.0	0.1
Other audit firms				
Taxation advice	0.3	0.4	0.3	0.4
Other fees	0.0	0.2	0.0	0.2

9. Income taxes

Deferred tax liabilities or assets based on accumulated appropriations or other temporary differences between book value and taxable values have not been entered in the balance sheet, because such deferred tax liabilities or assets are unlikely to be realised in the financial statements of a company engaged in the statutory pension insurance business or of its Group.

Notes to the balance sheet

10. Investments at fair value and valuation differences, Parent Company

31 Dec, € million	Remaining acquisition cost 2025	Book value 2025	Fair value 2025	Remaining acquisition cost 2024	Book value 2024	Fair value 2024
Real estate investments						
Real estate	494.3	504.4	632.6	578.0	588.1	717.8
Real estate shares in Group companies	846.8	846.8	1,311.9	1,274.7	1,274.7	1,741.3
Other real estate shares	7.7	7.7	7.8	8.2	8.2	8.5
Loans to Group companies	1,039.1	1,039.1	1,039.1	581.5	581.5	581.5
Investments in Group companies						
Shares and participations	3.3	3.3	3.3	3.3	3.3	3.3
Investments in participating interests						
Shares and participations	14.3	14.3	14.3	24.0	24.0	24.0
Other investments						
Shares and participations	41,650.3	41,650.3	57,201.4	39,793.8	39,793.8	54,048.6
Money-market instruments	5,890.0	5,890.0	5,872.0	3,926.6	3,926.6	3,909.6
Loans guaranteed by mortgages	12.2	12.2	12.2	14.8	14.8	14.8
Other loan receivables	573.6	573.6	574.3	829.3	829.3	831.8
	50,531.6	50,541.7	66,669.0	47,034.3	47,044.4	61,881.3
The remaining acquisition cost of money-market instruments includes:						
The difference between the nominal value and acquisition cost, released (+) or charged (-) to interest income	12.2			7.4		
Book value includes						
Revaluations entered as income		10.1			10.1	
Valuation difference (difference between fair value and book value)			16,127.3			14,836.9
Non-hedging derivatives		-98.5	-17.2		-120.5	32.1
Valuation difference (difference between fair value and book value)			81.3			152.6

11. Investments at fair value and valuation differences, Group

31 Dec, € million	Remaining acquisition cost 2025	Book value 2025	Fair value 2025	Remaining acquisition cost 2024	Book value 2024	Fair value 2024
Real estate investments						
Real estate	2,326.1	2,336.2	2,971.8	2,382.0	2,392.1	3,028.8
Other real estate shares	7.7	7.7	7.8	8.2	8.2	8.5
		2,343.9			2,400.4	
Investments in Group companies						
Shares and participations	16.5	16.5	14.3	11.8	11.8	24.0
Other investments						
Shares and participations	41,665.4	41,665.4	57,216.6	39,809.0	39,809.0	54,063.8
Money-market instruments	5,890.0	5,890.0	5,872.0	3,926.6	3,926.6	3,909.6
Loans guaranteed by mortgages	12.2	12.2	12.2	14.8	14.8	14.8
Other loan receivables	573.6	573.6	574.3	829.3	829.3	831.8
	50,491.4	50,501.6	66,669.0	46,981.7	46,991.9	61,881.3
The remaining acquisition cost of money-market instruments includes:						
The difference between the nominal value and acquisition cost, released (+) or charged (-) to interest income	12.2			7.4		
Book value includes						
Revaluations entered as income		10.2			10.2	
Valuation difference (difference between fair value and book value)			16,167.4			14,889.5
Non-hedging derivatives		-98.5	-17.2		-120.5	32.1
Valuation difference (difference between fair value and book value)			81.3			152.6

12. Investments in Group companies and participating interests, Parent Company

31 Dec 2025, € million	
Shares and participations in Group companies	
Acquisition cost, 1 Jan	3.3
Acquisition cost, 31 Dec	3.3
Shares and participations in Group companies	
Acquisition cost, 1 Jan	24.0
Increase	0.0
Decrease	-9.8
Acquisition cost, 31 Dec	14.3

Shares and participations in Group companies

31 Dec 2025	Domicile	Shares	Votes	Book value € million
Osakevarma Oy	Helsinki	100.00%	100.00%	3.3
				3.3
Housing associations and real estate companies				846.8

Shares and participations in participating interests

31 Dec 2025	Domicile	Shares	Votes	Book value € million
Alcobendas Investments SL	Madrid	50.00%	50.00%	14.2
Aros Sundbyberg Holding AB	Stockholm	48.40%	48.40%	0.0
Herding Yard Properties GP Oy	Helsinki	31.00%	31.00%	0.0
NV Kiinteistösijoitus Oy	Helsinki	45.00%	45.00%	0.0
Spektri Kiinteistöt GP Oy	Helsinki	24.70%	24.70%	0.0
Vantaan Valo GP Oy	Helsinki	50.00%	50.00%	0.0
VVT Kiinteistösijoitus Oy	Helsinki	45.00%	45.00%	0.0
VVT Kiinteistösijoitus II GP Oy	Helsinki	45.00%	45.00%	0.0
				14.3
Housing associations and real estate companies				6.0

13. Investments in Group companies and participating interests, Group

31 Dec 2025, € million	
Shares and participations in participating interests	
Acquisition cost, 1 Jan	11.8
Increase	4.7
Decrease	0.0
Acquisition cost, 31 Dec	16.5

Shares and participations in participating interests

31 Dec 2025	Domicile	Shares	Votes	Book value € million
Alcobendas Investments SL	Madrid	50.00%	50.00%	16.5
Aros Sundbyberg Holding AB	Stockholm	48.40%	48.40%	0.0
Herding Yard Properties GP Oy	Helsinki	31.00%	31.00%	0.0
NV Kiinteistösijoitus Oy	Helsinki	45.00%	45.00%	0.0
Spektri Kiinteistöt GP Oy	Helsinki	24.70%	24.04%	0.0
Vantaan Valo GP Oy	Helsinki	50.00%	50.00%	0.0
VVT Kiinteistösijoitus Oy	Helsinki	45.00%	40.00%	0.0
VVT Kiinteistösijoitus II GP Oy	Helsinki	45.00%	40.00%	0.0
				16.5
Housing associations and real estate companies				13.3

14. Changes in investments in real estate

31 Dec 2025	Parent Company Real Estate and real estate shares	Parent Company Loans to Group companies	Group Real Estate and real estate shares
Acquisition cost, 1 Jan	2,522.5	581.5	3,866.8
Increase	16.4	493.2	124.5
Decrease	-492.5	-35.5	-111.8
Acquisition cost, 31 Dec	2,046.4	1,039.1	3,879.5
Accumulated depreciation, 1 Jan	-255.9		-1,123.6
Accumulated depreciation on deductions and transfers	29.4		35.2
Depreciation for the financial year	-20.8		-78.6
Accumulated depreciation, 31 Dec	-247.2		-1,167.0
Impairments, 1 Jan	-405.7		-353.0
Impairments on deductions and transfers			
Impairments for the financial year	-68.8		-51.5
Reversed impairment	24.1		25.8
Impairments, 31 Dec	-450.4		-378.7
Revaluations, 1 Jan	10.1		10.2
Revaluations, 31 Dec	10.1		10.2
Book value, 31 Dec	1,358.9	1,039.1	2,343.9

15. Real estate investments in own use

31 Dec 2025	Parent Company	Group
Remaining acquisition cost	51.9	51.9
Book value	51.9	51.9
Fair value	52.6	52.6

16. Parent Company's other investments, shares and participations

31 Dec 2025	Shares %	Book value € million	Market value € million
Listed equities			
Finland			
Administer Plc	2.3	0.8	0.8
Aiforia Technologies Plc	4.8	3.9	3.9
Aktia Bank Plc	4.7	29.2	42.4
Anora Group Plc	2.6	6.7	6.7
Aspo Plc	4.5	6.0	9.2
Atria Plc	1.9	6.7	8.0
Bioretec Ltd	2.7	0.5	0.5
Bittium Corporation	3.8	8.3	40.5
Canatu Plc	7.5	21.4	21.4
CapMan Plc	2.1	7.1	7.1
Cityvarasto Plc	3.2	4.2	4.3
Componenta Corporation	1.5	0.6	0.6
Consti Plc	2.1	1.6	1.8
Detection Technology Plc	3.5	2.7	5.6
Digia Plc	4.6	4.8	8.2
Digital Workforce Services Plc	2.7	0.8	0.8
Duell Corporation	4.6	0.8	0.8
Elisa Corporation	1.9	39.2	116.5
Enento Group Plc	1.5	5.5	5.5
Etteplan Oyj	3.9	3.3	9.2
Faron Pharmaceuticals Ltd	4.3	8.7	10.6
Finnair Plc	2.8	18.2	18.2
Fiskars Corporation	2.5	17.9	25.9
Fortum Corporation	1.5	216.1	240.1
Framery Group Plc	6.4	40.7	42.3
F-Secure Corporation	2.3	5.1	7.7
Glaston Corporation	7.5	3.6	3.6
Gofore Plc	3.2	3.3	7.0
GRK Infra Plc	3.1	12.7	17.5
Harvia Plc	2.8	19.1	22.0
Hiab Corporation	2.5	60.6	79.4
HKFoods Oyj	1.7	2.3	2.3

31 Dec 2025	Shares %	Book value € million	Market value € million
Honkarakenne Oyj	3.6	0.6	0.6
Huhtamaki Oyj	3.8	122.4	122.4
KALMAR Corporation	3.1	47.0	81.2
Kemira Oyj	3.8	79.7	112.1
Kempower Corporation	4.1	23.3	35.3
Kesko Corporation	2.0	103.9	154.9
Kojamo plc	7.8	21.1	197.7
KONE Corporation	1.2	304.9	400.8
Konecranes Plc	3.2	89.8	241.1
Koskisen Corporation	4.9	7.4	10.7
Kreate Group Plc	4.0	3.1	4.5
Lassila & Tikanoja Plc	1.9	7.7	7.7
Leaddesk Plc	2.9	1.2	1.2
Lindex Group plc	8.1	32.6	32.6
Loihde Plc	1.0	0.7	0.7
Mandatum Holding Ltd	4.4	15.7	153.2
Marimekko Corporation	4.7	3.4	24.9
Merus Power Plc	4.8	1.7	1.7
Metso Corporation	3.7	225.8	458.7
Metsä Board Corporation	4.9	36.2	56.2
Modulight Corporation	7.7	3.7	3.7
Musti Group Plc	9.7	57.5	57.5
Nanoform Finland Plc	4.5	4.5	4.5
Neste Corporation	3.0	413.1	446.4
NoHo Partners Plc	1.3	1.2	2.2
Nokia Corporation	1.6	412.2	509.1
Nokian Brewery Plc	7.5	1.8	1.8
Nokian Tyres Plc	4.8	63.7	63.7
Nordea Bank Abp	1.2	349.4	645.3
Olvi Plc	4.0	17.6	25.9
Oma Savings Bank Plc	0.6	1.4	2.4
Oriola Corporation	4.3	9.1	9.1
Orion Corporation	3.1	179.3	275.2
Orthex Corporation	4.7	3.9	3.9

31 Dec 2025	Shares %	Book value € million	Market value € million
Outokumpu Corporation	5.3	111.4	111.4
Ponsse Plc	1.4	1.6	10.1
Posti Group Corporation	1.9	5.8	6.6
Raisio Plc	1.5	6.1	6.1
Raute Corporation	1.2	0.8	1.1
Remedy Entertainment Plc	1.1	2.3	2.3
Revenio Group Corporation	1.7	10.0	10.0
Robit Plc	9.7	2.2	2.2
Sampo Plc	4.2	159.3	1.150.8
Sanoma Corporation	3.4	52.8	52.8
Siili Solutions Plc	4.0	1.5	1.5
Sitowise Group Plc	1.8	1.6	1.6
Solteq Plc	8.0	0.6	0.6
Solwers Plc	4.2	1.0	1.0
SRV Group Plc	2.8	2.1	2.1
SSH Communications Security Corporation	1.4	2.0	2.4
Stora Enso Oyj	1.6	137.7	139.2
Suominen Corporation	2.9	3.0	3.0
Teleste Corporation	2.7	1.9	1.9
Terveystalo Plc	16.5	176.8	204.9
TietoEVERY Corporation	0.5	10.2	10.2
Tokmanni Group Corporation	4.2	19.0	19.0
UPM-Kymmene Corporation	2.9	379.3	379.3
Vaisala Corporation	3.1	50.5	50.5
Valmet Corporation	3.5	148.7	182.4
Verkkokauppa.com Oyj	9.6	17.0	17.0
Viafin Service Oyj	3.9	1.1	2.8
Vincit Plc	6.8	1.5	1.5
Wärtsilä Corporation	3.4	94.3	603.2
YIT Corporation	5.7	41.1	41.1
Other		1.7	8.0
Finnish equities, total		4,653.6	7,945.9

31 Dec 2025	Shares %	Book value € million	Market value € million
Foreign equities, other countries			
Australia			
ANZ Group Holdings Limited	0.0	7.4	9.3
BHP Billiton Ltd	0.0	16.9	20.2
Brambles	0.0	5.5	5.5
Commonwealth Bank of Australia	0.0	12.6	16.9
CSL Ltd	0.0	6.5	6.5
Goodman Group	0.0	6.7	7.4
Macquarie Group Limited	0.0	7.5	8.0
National Australia Bank Ltd	0.0	7.6	9.4
Telstra Corp Ltd	0.0	5.7	6.5
Transurban Group	0.0	7.6	7.8
Wesfarmers Limited	0.0	5.8	8.0
Westpac Banking Corporation	0.0	6.6	9.8
Belgium			
Anheuser-Busch InBev SA/NV	0.0	8.5	8.5
Groupe Bruxelles Lambert SA	0.1	9.3	10.2
UCB SA	0.0	2.0	2.4
Bermuda			
AutoStore Holdings Ltd	0.3	7.3	10.6
Brazil			
AXIA Energia	0.0	3.9	3.9
Itausa S.A.	0.1	8.5	8.8
Motiva Infraestrutura de Mobilidade S.A.	0.1	4.6	4.6
Canada			
Agnico Eagle Mines Limited	0.0	9.5	20.4
Bank of Montreal	0.0	12.3	15.9
Bank of Nova Scotia	0.0	11.9	17.0
Brookfield Corporation	0.0	12.2	17.7
Cameco Corporation	0.0	8.4	9.2
Canadian Imperial Bank of Commerce	0.0	9.1	15.0
Canadian National Railway Co	0.0	8.1	8.1
Canadian Pacific Kansas City Ltd	0.0	9.0	9.0
Celestica Inc.	0.0	6.7	6.7
CGI Inc.	0.1	9.8	10.1

31 Dec 2025	Shares %	Book value € million	Market value € million
Constellation Software Inc.	0.0	9.7	9.7
Element Fleet Management Corp	0.1	6.6	7.0
Enbridge Inc	0.0	15.0	17.8
Franco-Nevada Corporation	0.0	11.8	12.1
Loblaw Companies Limited	0.0	8.5	10.2
Manulife Financial Corporation	0.0	8.7	12.4
National Bank of Canada	0.0	10.6	12.5
Rogers Communications Inc	0.1	5.8	7.6
Royal Bank of Canada	0.0	22.6	35.0
Shopify Inc	0.0	14.7	26.2
Stantec Inc.	0.1	7.9	7.9
TC Energy Corp	0.0	9.5	10.1
Thomson Reuters Corporation	0.0	7.2	7.2
Toronto-Dominion Bank/The	0.0	17.4	24.2
Wheaton Precious Metals Corp.	0.0	9.8	19.0
WSP Global Inc	0.1	9.8	10.8
Cayman Islands			
Alibaba Group Holding Ltd	0.0	30.8	39.1
Baidu, Inc.	0.0	9.6	12.7
Meituan	0.0	8.6	8.6
NetEase, Inc.	0.0	13.2	14.9
Nu Holdings Ltd.	0.0	5.6	6.1
PDD Holdings Inc.	0.0	3.6	3.6
Tencent Holdings Ltd	0.0	48.2	72.1
Trip.com Group Limited	0.0	6.3	6.9
Xiaomi Corporation	0.0	4.7	9.5
China			
Bank of China Limited	0.0	7.3	9.3
Byd Co Ltd	0.0	6.3	6.6
China Construction Bank Corporation	0.0	8.3	12.1
China Life Insurance Company Limited	0.0	6.5	6.6
Industrial and Commercial Bank of China Limited	0.0	6.1	8.7
Ping An Insurance (Group) Company of China, Ltd.	0.0	9.1	14.2
Curacao			
SLB Limited	0.0	12.8	12.8

31 Dec 2025	Shares %	Book value € million	Market value € million
Denmark			
Alm. Brand A/S	0.3	9.8	12.3
Cadeler A/S	0.8	10.7	10.7
DSV Miljo Group A/S	0.0	6.6	7.2
Genmab A/S	0.0	0.9	0.9
Novo Nordisk A/S	0.0	14.4	14.4
Novozymes A/S	0.0	5.8	5.9
Solar A/S	1.2	2.2	2.4
Vestas Wind Systems A/S	0.0	3.7	5.8
Zealand Pharma A/S	0.0	1.0	1.2
France			
Air Liquide SA	0.0	9.6	9.9
AXA SA	0.0	8.3	10.9
BNP Paribas	0.0	8.8	11.6
Carmila SA	0.5	11.5	11.5
Cie de St-Gobain	0.0	5.7	7.1
Danone SA	0.0	7.6	9.6
Engie SA	0.0	7.2	8.4
EssilorLuxottica	0.0	9.3	12.2
Hermes International	0.0	8.1	8.9
Legrand SA	0.0	7.2	8.7
L'Oreal SA	0.0	11.4	11.4
LVMH Moet Hennessy Louis Vuitton SE	0.0	16.4	17.0
Orange SA	0.0	6.8	8.4
Sanofi SA	0.0	13.7	13.7
Schneider Electric SA	0.0	14.2	17.8
TotalEnergies SE	0.0	12.9	13.1
Vinci SA	0.0	5.3	5.8
Greece			
Piraeus Bank SA	0.1	6.3	7.2
Germany			
Allianz SE	0.0	13.7	20.8
Bayerische Motoren Werke AG	0.0	7.0	7.5
Commerzbank AG	0.0	4.3	4.9
Deutsche Bank AG	0.0	6.3	8.5
Deutsche Boerse AG	0.0	9.9	11.2

31 Dec 2025	Shares %	Book value € million	Market value € million
Deutsche Post AG	0.0	6.4	7.3
Deutsche Telekom AG	0.0	10.6	12.1
Fresenius SE & Co KGaA	0.0	1.7	2.4
GEA Group AG	0.0	4.2	4.2
Infineon Technologies AG	0.0	6.3	7.3
Knorr-Bremse AG	0.0	3.3	3.3
Mercedes-Benz Group AG	0.0	8.4	9.1
Muenchener Rueckversicherungs AG	0.0	8.7	11.6
Rheinmetall AG	0.0	15.3	15.3
RWE AG	0.0	2.2	2.3
SAP SE	0.0	18.3	22.7
Sartorius AG	0.0	3.1	3.7
Siemens AG	0.0	14.6	20.0
Siemens Energy AG	0.0	12.2	14.6
Volkswagen AG	0.0	7.0	7.0
Hong Kong			
AIA Group Limited	0.0	12.9	14.9
Alibaba Health Information Technology Ltd	0.1	3.0	4.7
Hong Kong Exchanges and Clearing Ltd	0.0	8.8	11.6
Sino Land Company Limited	0.0	4.6	4.6
India			
Bharti Airtel Limited	0.0	9.0	9.9
HDFC Bank Limited	0.0	13.6	13.6
ICICI Bank Limited	0.0	10.4	10.4
Infosys Limited	0.0	9.3	9.3
Mahindra & Mahindra Limited	0.0	6.5	6.7
Reliance Industries Limited	0.0	11.7	12.2
Tata Consultancy Services Limited	0.0	6.4	6.4
Ireland			
Accenture PLC	0.0	24.1	24.1
AIB Group Public Limited Company	0.0	6.0	6.4
Aon Public Limited Company	0.0	13.5	13.8
Bank of Ireland Group PLC	0.0	6.2	6.4
CRH plc	0.0	10.6	11.8
Eaton Corporation PLC	0.0	19.6	21.5

31 Dec 2025	Shares %	Book value € million	Market value € million
Flutter Entertainment Public Limited Company	0.0	7.3	7.3
Johnson Controls Inc	0.0	11.5	15.6
Linde Plc	0.0	28.9	28.9
Medtronic PLC	0.0	16.8	17.8
Seagate Technology Holdings Public Limited Company	0.0	10.3	11.0
TE Connectivity PLC	0.0	11.7	16.1
Trane Technologies plc	0.0	13.3	15.4
Willis Towers Watson Plc	0.0	10.5	10.6
Italy			
Intesa Sanpaolo SpA	0.0	8.7	15.3
Prada SpA	0.0	1.1	1.1
Terna Rete Elettrica Nazionale SpA	0.0	6.8	7.5
UniCredit SpA	0.0	5.8	13.2
Japan			
Advantest Corporation	0.0	5.4	10.5
Aeon Co Ltd	0.0	5.0	5.0
Bridgestone Corporation	0.0	6.7	7.0
Canon Inc	0.0	6.4	6.4
Daiichi Sankyo Co Ltd	0.0	4.1	4.1
Daikin Industries Ltd	0.0	4.8	5.2
Daiwa House Industry Co., Ltd.	0.0	6.4	6.7
DENSO Corporation	0.0	6.8	6.8
FANUC Corp	0.0	5.5	7.1
Fast Retailing Co Ltd	0.0	6.6	8.4
FUJIFILM Holdings Corporation	0.0	5.3	5.3
Fujitsu Limited	0.0	5.9	6.8
Hitachi Ltd	0.0	11.3	15.7
Hoya Corporation	0.0	4.6	5.6
Hulic Co Ltd	0.1	6.6	6.6
KDDI Corporation	0.0	7.4	7.6
Keyence Corporation	0.0	7.8	7.8
Komatsu Ltd	0.0	3.2	3.7
Kyocera Corporation	0.0	5.9	5.9
Mitsubishi Corporation	0.0	6.8	8.4
Mitsubishi Electric Corp	0.0	5.1	8.6

31 Dec 2025	Shares %	Book value € million	Market value € million
Mitsubishi Estate Company, Limited	0.0	6.6	7.1
Mitsubishi Heavy Industries Ltd	0.0	6.7	8.2
Mitsubishi UFJ Financial Group, Inc.	0.0	11.4	17.1
Mitsui Fudosan Co Ltd	0.0	5.8	5.8
Mizuho Financial Group Inc	0.0	5.8	10.1
Murata Manufacturing Company Ltd	0.0	7.0	7.3
NEC Corporation	0.0	5.5	6.8
Nintendo Co., Ltd.	0.0	5.9	7.5
Recruit Holdings Co Ltd	0.0	6.9	8.4
SECOM Co., Ltd.	0.0	6.1	6.1
Sekisui House Ltd	0.1	7.1	7.1
SoftBank Corp.	0.0	7.6	7.9
SoftBank Group Corp	0.0	5.1	11.1
Sony Group Corporation	0.0	11.3	14.7
Sumitomo Mitsui Financial Group, Inc.	0.0	7.6	12.3
Synspective Inc	0.6	4.3	4.9
Takeda Pharmaceutical Co Ltd	0.0	9.2	9.2
Tokio Marine Holdings, Inc.	0.0	6.2	7.8
Tokyo Electron Limited	0.0	9.4	11.4
Toyota Motor Corp	0.0	17.9	19.5
Toyota Tsusho Corporation	0.0	6.3	6.9
Jersey C.I.			
Amtcor PLC	0.1	9.1	9.1
Experian PLC	0.0	7.4	8.1
Liberia			
Royal Caribbean Cruises Ltd	0.0	10.6	10.7
Luxembourg			
Spotify Technology SA	0.0	8.2	8.2
Mexico			
America Movil, S.A.B. de C.V.	0.0	5.7	5.7
Grupo Financiero Banorte S.A.B. de C.V.	0.0	6.2	6.2
New Zealand			
Meridian Energy Limited	0.0	3.4	3.4
Norway			
Gjensidige Forsikring ASA	0.0	3.4	3.7

31 Dec 2025	Shares %	Book value € million	Market value € million
Komplett Group AS	2.4	4.6	4.6
Mowi ASA	0.0	3.6	4.0
Norwegian Air Shuttle AS	0.8	8.5	12.3
Orkla ASA	0.1	12.5	12.8
Poland			
Globe Trade Centre SA	0.9	3.9	3.9
Portugal			
EDP - Energias de Portugal SA	0.1	8.1	8.3
Singapore			
CapitaLand Ascendas REIT	0.1	8.4	8.4
CapitaLand Integrated Commercial Trust	0.1	7.6	8.7
CapitaLand Investment Limited	0.1	5.6	5.7
DBS Group Holdings Ltd	0.0	13.8	20.0
Keppel Ltd.	0.1	7.7	7.8
Oversea-Chinese Banking Corporation Limited	0.0	12.9	16.0
Sea Limited	0.0	4.8	4.8
Singapore Exchange Limited	0.0	2.7	3.4
Singapore Telecommunications Limited	0.0	3.9	6.8
United Overseas Bank Limited	0.0	4.9	4.9
South Africa			
Naspers Limited	0.0	3.5	6.4
South Korea			
Industrial Bank of Korea	0.1	6.2	6.4
KB Financial Group Inc.	0.0	4.9	5.0
Samsung Electronics Co., Ltd.	0.0	25.7	36.7
Shinhan Financial Group Co., Ltd.	0.0	4.9	4.9
SK hynix Inc.	0.0	6.0	22.4
Woori Financial Group Inc	0.0	5.5	5.9
Spain			
Amadeus IT Holding SA	0.0	6.7	6.7
Banco Bilbao Vizcaya Argentaria SA	0.0	6.8	15.2
Banco Santander SA	0.0	8.3	20.0
Ferrovial SA	0.0	5.1	8.0
Iberdrola SA	0.0	11.6	18.1
Industria de Diseno Textil S.A.	0.0	5.9	8.9

31 Dec 2025	Shares %	Book value € million	Market value € million
Telefonica SA	0.0	5.7	5.7
Sweden			
Assa Abloy AB	0.0	6.1	8.1
Atlas Copco AB	0.0	11.7	12.5
Atrium Ljungberg AB	6.2	82.9	124.3
Boliden AB	0.0	8.7	10.9
Electrolux AB	0.7	12.2	12.5
Fastighets AB Balder	0.4	14.8	30.2
Hexatronic Group AB	2.6	11.5	11.5
Hufvudstaden AB	0.6	10.0	14.7
Investor AB	0.0	1.2	1.3
NOBA Bank Group AB	0.1	4.4	7.6
Sandvik AB	0.0	8.0	10.3
Telefonaktiebolaget LM Ericsson	0.0	9.6	12.6
Telia Company AB	0.0	1.3	1.5
Volvo AB	0.0	7.6	9.1
Switzerland			
ABB Ltd	0.0	11.1	16.0
Chocoladefabriken Lindt & Spruengli AG	0.0	4.7	5.5
Chubb Ltd	0.0	16.0	18.8
Cie Financiere Richemont SA	0.0	8.3	11.8
Givaudan SA	0.0	6.5	6.5
Lonza Group AG	0.0	6.3	6.4
Nestle Capital Markets SA	0.0	24.1	24.1
Novartis AG	0.0	19.0	24.2
Partners Group Holding AG	0.0	2.5	2.5
Roche Holding AG	0.0	21.6	28.5
Schindler Holding AG	0.1	6.9	7.7
Sika AG	0.0	7.9	7.9
Swiss Re AG	0.0	6.0	7.6
UBS Group AG	0.0	11.5	17.3
Zurich Financial Services AG	0.0	11.0	14.6
Taiwan			
Cathay Financial Holding Co., Ltd.	0.0	7.0	10.0
Chang Hwa Commercial Bank, Ltd.	0.1	3.5	3.5

31 Dec 2025	Shares %	Book value € million	Market value € million
CTBC Financial Holding Co., Ltd	0.0	6.5	7.4
Delta Electronics, Inc.	0.0	7.3	7.6
E. Sun Financial Holding Company, Ltd.	0.0	5.7	6.6
First Financial Holding Co., Ltd.	0.1	9.1	9.1
Fubon Financial Holding Co., Ltd.	0.0	7.8	10.0
Hon Hai Precision Industry Co Ltd	0.0	5.4	9.9
MediaTek Inc.	0.0	5.7	7.8
Mega Financial Holding Co., Ltd.	0.0	7.2	7.2
SinoPac Financial Holdings Co., Ltd	0.1	7.6	9.2
Taiwan Cooperative Financial Holding Co., Ltd.	0.1	7.6	7.6
Taiwan Semiconductor Manufacturing Company Ltd	0.0	61.6	140.0
TS Financial Holding CO LTD	0.0	2.5	2.7
Yuanta Financial Holding Co., Ltd.	0.1	9.5	12.1
The Netherlands			
argenx SE	0.0	5.2	5.8
ASML Holding NV	0.0	27.2	36.5
Davide Campari-Milano NV	0.0	0.8	0.8
Envipco Holding NV	2.4	8.1	8.1
Euronext N.V.	0.0	6.0	6.0
Ferrari NV	0.0	5.2	5.2
ING Groep NV	0.0	7.3	12.3
Koninklijke Ahold Delhaize NV	0.0	6.1	6.4
Koninklijke KPN NV	0.0	7.2	7.2
NEPI Rockcastle N.V.	0.1	3.9	4.1
NXP Semiconductors	0.0	10.7	10.9
Prosus N.V.	0.0	4.1	7.5
The Magnum Ice Cream Co NV	0.0	0.8	0.9
United Kingdom			
3i Group PLC	0.0	6.8	6.8
AngloGold Ashanti plc	0.0	7.2	7.2
AstraZeneca PLC	0.0	23.9	29.5
Aviva PLC	0.0	8.0	11.2
Barclays PLC	0.0	5.9	11.4
BP PLC	0.0	10.5	10.5
British Land Co PLC	0.0	1.8	1.8

31 Dec 2025	Shares %	Book value € million	Market value € million
Centrica PLC	0.0	1.0	1.0
Coca-Cola Europacific Partners PLC	0.0	5.8	5.8
Compass Group PLC	0.0	7.1	7.8
Diageo PLC	0.0	6.7	6.7
GlaxoSmithKline PLC	0.0	7.8	9.2
Haleon plc	0.0	6.1	6.1
HSBC Holdings PLC	0.0	15.8	27.8
Informa PLC	0.0	5.2	6.0
Klarna Group plc	0.1	10.4	10.4
Lloyds Banking Group PLC	0.0	5.3	10.0
London Stock Exchange Group PLC	0.0	9.1	9.1
National Grid PLC	0.0	10.9	11.6
Reckitt Benckiser Group PLC	0.0	6.5	7.6
Relx PLC	0.0	10.7	10.7
Rolls-Royce Group PLC	0.0	2.6	2.6
Severn Trent PLC	0.1	5.4	5.4
Shell PLC	0.0	18.2	18.6
Smiths Group PLC	0.1	5.5	6.7
SSE PLC	0.0	6.4	7.6
Tesco PLC	0.0	5.3	6.4
The Royal Bank of Scotland PLC	0.0	7.6	9.0
Unilever PLC	0.0	13.4	15.2
United Utilities Group PLC	0.1	4.9	4.9
Verisure Plc	0.0	2.4	2.5
United States			
3M Company	0.0	12.0	14.0
Abbott Laboratories	0.0	28.8	30.0
AbbVie Inc	0.0	39.3	50.9
Adobe Inc	0.0	20.4	20.6
Advanced Micro Devices Inc	0.0	32.5	44.3
Aecom	0.1	8.0	8.0
Aflac Incorporated	0.0	10.3	11.7
Agilent Technologies Inc	0.0	7.5	7.8
Airbnb, Inc.	0.0	10.0	10.0
Allstate Corp/The	0.0	10.8	10.8

31 Dec 2025	Shares %	Book value € million	Market value € million
Alnylam Pharmaceuticals Inc	0.0	8.8	8.8
Alphabet Inc	0.0	259.5	477.7
Amazon.com Inc	0.0	264.8	320.6
American Express Co	0.0	23.3	34.9
American Tower Corp	0.0	15.2	15.2
Ameriprise Financial, Inc.	0.0	1.0	1.0
AMETEK Inc	0.0	10.8	12.4
Amgen Inc	0.0	22.7	24.6
Amphenol Corporation	0.0	12.2	25.1
Analog Devices Inc	0.0	15.8	21.0
Apollo Global Management Inc	0.0	10.8	12.6
Apple Inc	0.0	467.8	577.4
Applied Materials Inc	0.0	22.6	32.3
AppLovin Corporation	0.0	11.3	20.4
Ares Management Corporation	0.0	1.0	1.0
Arista Networks, Inc.	0.0	14.5	22.1
Arthur J. Gallagher & Co.	0.0	12.7	12.7
AT&T Inc	0.0	23.5	26.4
Autodesk Inc	0.0	10.7	12.1
Automatic Data Processing Inc	0.0	17.4	17.6
AutoZone Inc	0.0	8.3	9.2
AvalonBay Communities, Inc.	0.1	11.9	11.9
Axon Enterprise, Inc.	0.0	11.9	11.9
Baker Hughes Company	0.0	8.1	9.6
Bank of America Corp	0.0	40.5	56.0
Becton Dickinson and Company	0.0	10.4	10.4
Blackrock Funding Inc/DE	0.0	21.7	25.4
Blackstone Inc.	0.0	16.9	19.2
Block Inc	0.0	8.1	8.3
Booking Holdings Inc.	0.0	18.9	25.2
Boston Scientific Corp	0.0	17.8	22.7
Bristol-Myers Squibb Co	0.0	16.2	16.2
Broadcom Inc	0.0	117.2	189.4
Broadridge Financial Solutions Inc	0.1	12.5	12.5
Cadence Design Systems Inc	0.0	11.2	12.8

31 Dec 2025	Shares %	Book value € million	Market value € million
Capital One Financial Corporation	0.0	16.9	26.7
Cardinal Health Inc	0.0	6.7	9.9
Carrier Global Corporation	0.0	8.7	8.7
Caterpillar Inc	0.0	22.8	37.3
CBRE Group, Inc.	0.0	9.3	9.7
Cencora, Inc.	0.0	8.8	11.6
Cheniere Energy, Inc.	0.0	8.2	8.2
Chevron Corporation	0.0	39.9	40.0
Chipotle Mexican Grill Inc	0.0	9.7	9.7
Cintas Corporation	0.0	10.2	11.1
Cisco Systems Inc	0.0	33.4	43.1
Citigroup Inc	0.0	19.2	33.9
Cloudflare Inc	0.0	8.7	9.8
CME Group Inc.	0.0	16.7	18.7
Coca-Cola Co/The	0.0	39.8	42.1
Cognizant Technology Solutions Corporation	0.0	10.3	10.7
Coinbase Global Inc	0.0	7.4	7.4
Colgate-Palmolive Co	0.0	14.3	14.3
Comcast Corp	0.0	18.3	18.3
ConocoPhillips	0.0	22.0	22.0
Consolidated Edison, Inc.	0.0	11.8	11.8
Constellation Energy Corporation	0.0	11.4	15.6
Corning Incorporated	0.0	6.8	14.2
Corteva Inc	0.0	9.9	11.0
Costco Wholesale Corporation	0.0	41.3	48.0
Coterra Energy Inc.	0.1	9.2	9.2
CrowdStrike Holdings Inc.	0.0	12.6	15.8
CSX Corp	0.0	11.7	12.0
Cummins Inc	0.0	10.4	15.7
CVS Health Corp	0.0	12.1	13.4
Danaher Corp	0.0	19.8	19.9
Datadog Inc	0.0	7.0	7.0
Deere & Co	0.0	17.8	18.5
Dell Technologies Inc.	0.0	7.3	7.3
Devon Energy Corp	0.1	10.8	10.8

31 Dec 2025	Shares %	Book value € million	Market value € million
Dexcom Inc	0.0	1.0	1.1
Diamondback Energy Inc	0.0	13.0	13.0
Digital Realty Trust, Inc.	0.0	9.9	10.1
DoorDash, Inc.	0.0	11.8	13.0
Dover Corporation	0.0	7.9	8.8
DuPont de Nemours Inc	0.1	8.0	8.9
eBay Inc.	0.0	8.3	9.0
Ecolab Inc	0.0	13.9	15.4
Edwards Lifesciences Corp	0.0	9.4	9.9
Elevance Health Inc	0.0	11.9	11.9
Eli Lilly and Company	0.0	69.3	112.4
Emerson Electric Co	0.0	12.8	14.4
EOG Resources Inc	0.0	13.6	13.6
Equinix Inc	0.0	12.4	12.4
Equity Residential	0.1	11.5	11.6
Exelon Corp	0.0	10.9	11.0
Exxon Mobil Corporation	0.0	65.7	67.9
Fidelity National Information Services Inc	0.0	0.7	0.7
Fiserv Inc	0.0	12.4	12.4
Ford Motor Co	0.0	9.1	10.3
Fortinet Inc	0.0	9.5	9.5
Freeport-McMoRan Copper & Gold	0.0	13.2	15.5
GE HealthCare Technologies Inc.	0.0	7.9	7.9
GE Vernova Inc	0.0	13.8	24.4
General Electric Co	0.0	25.0	45.5
General Mills Inc	0.1	12.0	12.0
General Motors Company	0.0	6.9	13.9
Gilead Sciences Inc	0.0	15.1	20.5
HCA Holdings Inc	0.0	7.6	10.9
Healthpeak Properties, Inc.	0.1	8.0	8.0
Heico Corporation	0.0	7.6	10.3
Hewlett-Packard Co	0.0	6.2	6.2
Hilton Worldwide Holdings Inc	0.0	11.4	15.5
Home Depot Inc/The	0.0	45.0	45.4
Howmet Aerospace Inc	0.0	7.6	15.0

31 Dec 2025	Shares %	Book value € million	Market value € million
Ingersoll-Rand Inc	0.0	10.6	10.6
Intel Corp	0.0	17.9	21.6
Intercontinental Exchange, Inc.	0.0	15.2	16.8
International Business Machines Corp	0.0	25.6	35.1
Intuit Inc	0.0	22.8	24.9
Intuitive Surgical Inc	0.0	19.4	27.6
IQVIA Holdings Inc	0.0	9.9	10.2
Iron Mountain Inc	0.0	6.1	6.1
Jacobs Solutions Inc	0.1	9.8	9.8
Johnson & Johnson	0.0	54.4	66.3
JPMorgan Chase & Co	0.0	82.4	123.6
Keurig Dr Pepper Inc	0.0	8.8	8.8
Keysight Technologies Inc	0.0	8.9	10.0
Kimberly-Clark Corporation	0.0	8.5	8.5
Kimco Realty Corporation	0.1	11.0	11.0
Kinder Morgan Inc	0.0	8.0	10.0
KKR & Co. Inc.	0.0	11.2	13.9
KLA Corporation	0.0	15.1	25.4
Lam Research Corporation	0.0	15.1	33.7
Lowe's Companies Inc	0.0	17.2	18.1
Marriott International Inc/DE	0.0	10.9	14.1
Marsh	0.0	20.1	20.1
Marvell Technology Inc	0.0	10.3	11.5
Mastercard Incorporated	0.0	63.3	72.0
McDonald's Corp	0.0	30.5	30.8
McKesson Corp	0.0	11.0	14.8
MercadoLibre Inc	0.0	10.9	12.7
Merck & Co Inc	0.0	35.2	35.6
Meta Platforms Inc	0.0	165.0	210.7
MetLife Inc	0.0	9.5	10.0
MetroPCS Communications Inc	0.0	15.1	16.0
Micron Technology Inc	0.0	14.0	41.3
Microsoft Corp	0.0	414.5	469.1
Mondelez International Inc	0.0	14.1	14.1
Moody's Corporation	0.0	15.7	18.2

31 Dec 2025	Shares %	Book value € million	Market value € million
Morgan Stanley	0.0	20.5	33.5
Motorola Solutions Inc	0.0	9.8	10.7
Nasdaq, Inc.	0.0	11.7	15.5
Netflix Inc	0.0	35.8	50.4
Newmont Corporation	0.0	8.8	19.6
NextEra Energy Inc	0.0	20.7	22.6
Nike Inc	0.0	12.1	12.1
Norfolk Southern Corp	0.0	10.6	11.7
NVIDIA Corporation	0.0	382.0	637.4
Occidental Petroleum Corp	0.0	10.0	10.0
Omnicom Group Inc	0.0	8.1	8.6
ONEOK, Inc.	0.0	11.4	11.4
Oracle Corp	0.0	36.2	42.2
O'Reilly Automotive Inc	0.0	9.8	11.9
Otis Worldwide Corporation	0.0	11.2	11.2
PACCAR Inc	0.0	12.0	12.8
Palantir Technologies Inc	0.0	25.1	50.4
Palo Alto Networks Inc	0.0	15.3	18.1
Parker-Hannifin Corp	0.0	17.1	24.3
PayPal Holdings Inc	0.0	10.4	10.4
Pepsico Inc	0.0	30.1	30.1
Pfizer Inc	0.0	20.4	20.4
PPG Industries, Inc.	0.1	11.7	11.7
Procter & Gamble Co/The	0.0	46.2	46.2
Prologis Inc	0.0	19.0	19.6
Prudential Financial Inc	0.0	1.1	1.1
PTC Inc.	0.1	9.1	9.1
Qt Group Oyj	3.0	0.5	24.9
Qualcomm Inc	0.0	25.4	26.3
Quanta Services Inc	0.0	8.6	11.2
Regency Centers Corporation	0.1	11.5	11.6
Regeneron Pharmaceuticals Inc	0.0	11.2	11.2
Republic Services Inc	0.0	11.4	12.1
Robinhood Markets Inc	0.0	8.7	13.4
Roblox Corporation	0.0	7.5	7.5

31 Dec 2025	Shares %	Book value € million	Market value € million
S&P Global Inc	0.0	26.1	28.7
Salesforce Inc	0.0	33.6	35.4
Sempra Energy	0.0	10.7	11.7
ServiceNow Inc	0.0	22.2	22.9
Sherwin-Williams Co/The	0.0	11.6	12.1
Simon Property Group, Inc.	0.0	11.3	13.1
Snowflake Inc	0.0	8.8	10.4
Southern Copper Corporation	0.0	6.3	8.4
Starbucks Corporation	0.0	13.7	13.7
Strategy Inc	0.0	5.5	5.5
Stryker Corp	0.0	15.3	16.0
Super Micro Computer, Inc.	0.0	3.7	3.7
Synopsys Inc	0.0	14.4	14.7
Sysco Corporation	0.0	9.2	9.2
Take-Two Interactive Software Inc	0.0	10.4	11.0
Target Corp	0.0	8.4	8.4
Tesla Inc	0.0	112.3	154.6
Texas Instruments Inc	0.0	21.0	21.2
The Bank of New York Mellon Corporation	0.0	10.7	17.5
The Charles Schwab Corporation	0.0	20.6	26.4
The Cigna Group	0.0	10.0	10.0
The Goldman Sachs Group Inc	0.0	26.8	45.0
The Kraft Heinz Company	0.0	10.2	10.2
The PNC Financial Services Group, Inc.	0.0	12.2	14.9
The Progressive Corporation	0.0	19.3	21.3
The TJX Companies Inc	0.0	17.5	24.2
The Travelers Companies, Inc.	0.0	10.8	13.2
Thermo Fisher Scientific Inc	0.0	30.2	31.2
TransDigm Group Inc	0.0	14.9	16.1
Trimble Inc	0.1	8.5	8.5
Truist Financial Corporation	0.0	11.5	13.6
U.S. Bancorp	0.0	12.2	14.4
Uber Technologies Inc	0.0	19.5	21.9
Union Pacific Corp	0.0	14.1	14.1
United Parcel Service Inc	0.0	9.2	9.2

31 Dec 2025	Shares %	Book value € million	Market value € million
United Rentals Inc	0.0	7.5	8.4
United States of America	0.0	9.2	10.3
UnitedHealth Group Inc	0.0	37.4	37.4
Wal-Mart Stores Inc	0.0	43.9	63.3
Walt Disney Co/The	0.0	26.8	28.1
Warner Bros. Discovery Inc.	0.0	8.5	10.5
Waste Management Inc	0.0	15.3	16.0
Veeva Systems Inc	0.0	7.3	7.3
Wells Fargo & Co	0.0	28.7	42.7
Welltower Inc.	0.0	14.5	21.7
Ventas, Inc.	0.0	8.2	10.6
Verisk Analytics Inc	0.0	11.5	11.5
Verizon Communications Inc	0.0	25.6	25.7
Vertex Pharmaceuticals Inc	0.0	15.0	15.7
Vertiv Holdings Co	0.0	10.0	10.0
Western Digital Corporation	0.0	9.8	11.2
Williams Cos Inc/The	0.0	9.5	12.5
Visa Inc	0.0	76.4	87.0
Workday Inc	0.0	9.0	9.0
Xylem Inc	0.0	11.1	11.1
Yum! Brands Inc	0.0	9.3	9.9
Other		0.3	0.6
Foreign equities, total		8,599.1	10,898.4
Listed equities, total		13,252.7	18,844.3
Unlisted equities			
Finnish			
Auroora Group Plc	6.0	7.0	9.6
eBrands Holdings Oy	12.4	4.2	4.3
Haltian Ltd.	9.9	2.5	2.5
ICEYE Ltd.	3.3	5.0	5.0
Ioncor Ltd	16.0	11.4	11.4
IQM Finland Oy	3.5	25.0	26.5
Kaleva Mutual Insurance Company	30.0	2.6	2.6
Mehiläinen Group Ltd	4.7	44.3	158.0

31 Dec 2025	Shares %	Book value € million	Market value € million
Onni Topco Oy	19.2	7.5	9.2
ReOrbit Oy	4.8	13.0	13.0
Silmäasema Oy	4.1	12.9	16.5
Solo Health Oy	15.4	0.6	1.3
Stamb Holding Oy	12.5	6.0	6.0
Swappie Oy	7.9	15.7	17.1
Tornator Oyj	16.4	46.0	381.6
Verda Cloud Oy	10.0	12.0	15.0
Other		0.1	0.1
Finnish, total		215.6	679.6
Unlisted equities, total		215.6	679.6

31 Dec 2025	Book value € million	Fair value € million
Hedge funds		
Cayman Islands		
Arini Credit International Fund Ltd	113.2	113.2
Aviator Capital End-Of-Life Offshore Feeder Fund L.P.	10.7	21.1
Aviator Capital Fund IV Global Feeder LP	71.2	109.5
Aviator Capital Fund V Global Feeder LP	122.5	163.1
Aviator Capital InfraFund I Global Feeder LP	34.2	50.9
Aviator Capital Mid-Life Offshore Feeder Fund L.P.	30.2	30.2
Bayview Opportunity Offshore VII L.P.	210.9	254.5
Blackstone First Avenue Offshore Fund Ltd	206.1	568.5
Carval Credit Value Fund B IV L.P.	9.1	48.0
CS Iris V Fund Ltd	2.1	3.2
Double Black Diamond Ltd	0.7	6.1
EJF Debt Opportunities Offshore Fund Ltd	38.0	79.5
Elan Feeder Fund Ltd	0.0	111.6
Elliot International B Ltd	106.4	184.4
Kaamanen Fund L.P.	549.1	554.1
Kevo Fund LP	288.3	462.5
Kitka Fund LP	435.3	621.3
Kuttura Fund L.P.	0.0	39.8
Luomus Fund LP	260.3	312.1

31 Dec 2025	Book value € million	Fair value € million
Lutto	229.3	276.1
NWI Emerging Market Currency Fund	32.2	78.6
Raattama Fund LP	97.2	113.1
Rokos Global Macro	105.2	123.8
Sokosti LP	145.3	168.6
Teisko LP	83.8	83.8
Third Point Offshore Fund Ltd	21.0	91.4
Tirro Fund	153.1	164.4
Whippoorwill Distressed Opportunity Fund Ltd	1.9	1.9
Ireland		
Kirakka ICAV	254.0	257.4
Partakko Fund L.P.	239.0	339.2
Luxembourg		
Kultala Fund	389.7	448.7
Mandatum Life Managed Futures Fund Class X USD	4.6	7.1
Piskamo Fund SCSp	114.1	123.6
Pomokaira	62.4	66.9
Pulju Fund LP	215.4	238.9
United States		
Bayview Opportunity V Oceanview L.P.	64.4	156.7
H/2 Special Opportunities III L.P.	18.4	36.1
H/2 Special Opportunities IV L.P.	95.3	173.2
H/2 Special Opportunities V	144.6	174.5
H/2 Special Opportunities V Co-Investment Parallel Fund L.P.	137.9	164.2
Inari Fund LP	93.8	184.8
Ivalo Fund L.P.	236.8	814.4
Koitere Fund L.P.	117.0	448.7
Luiro Fund LP	349.7	417.0
Seveti Fund L.P.	692.7	1 835.1
Tuntsa LP	20.7	20.9
Other	0.3	14.4
Hedge funds, total	6 607.9	10 757.0

31 Dec 2025	Book value € million	Fair value € million
Real estate funds		
Australia		
KKR Libertas Co-Invest I L.P.	12.4	14.2
Cayman Islands		
Ares Pan-European Logistics Partnership L.P.	45.2	46.8
BentallGreenOak Europe Fund IV LP	36.1	45.3
BGO Europe III Co-Investment, LP	17.4	24.4
BGO Europe IV King II/ King III Co-Investment, LP	23.3	26.6
Finland		
Alandsbanken Lunastustontti I Ky	21.2	25.5
Erikoissijoitusrahasto eQ Yhteiskuntakiinteistot	28.5	28.7
Herding Yard Properties Ky	60.0	60.0
Hyperco Data Center Strategies I Ky	4.2	4.2
ICECAPITAL Housing Fund V Ky	30.0	32.8
ICECAPITAL Housing Fund VI Ky	30.7	30.7
NV Property Fund I Ky	5.4	8.1
Vantaan Valo Ky	160.4	160.4
VVT Project Fund I Ky	17.1	19.6
VVT Property Fund I Ky	30.7	36.2
VVT Property Fund II Ky	38.9	44.2
Jersey C.I.		
DRC European Real Estate Debt Fund III L.P.	16.8	16.8
Luxembourg		
Ares European Property Enhancement Partners III SCSp	38.0	41.7
Ares European Real Estate Feeder Fund VI SCSp	32.6	32.6
Ares European Real Estate Fund V SCSp	38.3	38.3
Ares Horizon Pan-European Logistics Partnership SCSp	32.6	32.6
AXA Logistics Europe Fund S.C.A. SICAV-RAIF	109.1	110.6
Baumont Real Estate One SCSp	25.2	25.2
Baumont Real Estate Two SCSp	25.9	25.9
Benson Elliot Real Estate Partners VI SCSp	25.1	25.6
BGO Europe IV Tiger Co-investment SCSp	14.4	23.2
Blackstone Real Estate Partners Europe VI SCSp	51.4	52.7
CapMan Hotels II FCP-RAIF	75.0	91.6
CapMan Nordic Real Estate FCP-SIF	1.9	1.9

31 Dec 2025	Book value € million	Fair value € million
CapMan Nordic Real Estate II FCP-RAIF	27.5	33.1
CCP IV SCSp	21.5	21.5
CM III Feeder SCA SICAV-RAIF	33.4	33.4
ECE European Prime Shopping Centre II A SCSp SIF	70.2	76.7
ECE Progressive Income Growth Fund SCA SICAV-RAIF	71.5	71.5
Encore	58.0	58.0
EQT Real Estate II Co-Investment (A) SCSp	25.7	25.7
European Property Investors Special Opportunities 5 SCSp	40.1	40.1
European Property Investors Special Opportunities 6 SCSp	65.5	65.5
GreenOak Europe (Lux) III SCSp	35.5	35.5
Greystar Equity Partners Europe Fund I SCSp	58.0	70.0
KKR Asia Real Estate Partners II SCSp	28.4	32.3
KKR Real Estate Partners Europe II (EUR) SCSp	60.0	60.0
Northern Horizon Aged Care IV SCSp SICAV-RAIF	45.9	45.9
Oreima III	34.6	38.3
Oreima IV	43.6	43.6
Patrizia Living Cities Residential Fund	52.8	52.8
TS Saltire II Holdings SCSp	22.1	24.4
TT Holdings SCSp	65.0	83.6
Spain		
Azora European Hotel & Lodging F.C.R.	33.7	53.8
United Kingdom		
Benson Elliot Real Estate Partners IV L.P.	21.3	29.5
Benson Elliot Real Estate Partners V L.P.	41.8	43.7
Blackstone Real Estate Partners Europe III L.P.	0.8	0.8
Clearbell III L.P.	31.1	35.1
Clearbell Property Partners IV LP	11.7	11.7
Curzon Capital Partners 5 Long-Life L.P.	69.6	69.6
Curzon Capital Partners IV L.P.	14.0	14.0
MREF V B Limited Partnership	44.5	48.2
Retail Centres V (Sweden) Limited Partnership	13.6	13.6
United States		
Ares US Real Estate Opportunity Parallel Fund IV-C,L.P.	23.9	23.9
EQT Exeter Industrial Value Fund VI, L.P.	53.1	53.1
KKR Pearl Co-Invest I L.P.	28.6	44.9

31 Dec 2025	Book value € million	Fair value € million
KRE Campus Co-Invest L.P	15.7	15.9
Other	0.1	5.3
Real estate funds, total	2 310.7	2 501.4
Fixed-income funds		
Cayman Islands		
Apollo Total Return Fund (Offshore) Ltd. A-1	215.2	315.9
Goldman Sachs Euro High Yield Bond Active UCITS ETF	102.6	102.6
Goldman Sachs USD High Yield Bond Active UCITS ETF	88.5	88.5
Denmark		
Danske Invest Emerging Markets Debt Hard Currency	105.4	116.3
Finland		
Mandatum Nordic High Yield Total Return Fund X EUR	93.1	105.6
Ireland		
Blackrock Global Corporate ESG and Credit Screened Fund	11.6	14.0
BlackRock ICS Euro Liquid Environmentally Aware Fund	7.1	7.8
BlackRock Specialist Strategies Funds-Multi_Stra Credit Fund	17.3	19.4
iShares EUR Govt Bond 1-3yr UCITS ETF	2.4	2.4
iShares JP Morgan ESG USD EM Bond UCITS ETF	11.4	11.4
iShares USD High Yield Corp Bond UCITS ETF	3.9	3.9
JPMorgan EUR High Yield Bond Active UCITS ETF	51.9	52.7
JPMorgan USD High Yield Bond Active UCITS ETF	50.0	50.0
LGT EM Frontier LC Bond Sub-Fund Class B2	42.4	46.6
Luxembourg		
BGF Emerging Markets Bond Fund I2 USD	93.3	118.9
HSBC Global Emerging Markets Corporate Sustainable Bond Fund	92.1	110.9
Pareto Nordic Corporate Bond I NOK SICAV	69.8	86.6
State Street Sustainable Climate EUR Corporate Bond Fund	125.4	125.4
State Street Sustainable Climate US Corporate Bond Fund	102.7	109.7
United States		
iShares Core UK Gilts UCITS EURD	10.3	10.3
iShares EUR Corp Bond ESG Paris-Aligned Climate UCITS ETF	48.8	50.3
iShares EUR Corp ESG UCITS	71.1	71.1
iShares EUR HY Corp Bond ESG Paris-Aligned-Climate UCITS ETF	442.2	464.9

31 Dec 2025	Book value € million	Fair value € million
iShares Euro Corp Bond ESG UCITS ETF	3.9	3.9
iShares Euro High Yield Corp Bond UCITS ETF	4.4	4.5
iShares Fallen Angels USD Bond ETF	46.5	46.5
iShares JP Morgan EM Local Government Bond UCITS ETF	9.5	9.7
iShares JP Morgan EM Local Government Bond UCITS ETF Dist	14.2	14.2
iShares JP Morgan USD EM Bond ETF	28.4	28.7
iShares USD HY Corp Bond ESG Paris-Aligned Climate UCITS ETF	400.7	400.7
SPDR Bloomberg Emerging Markets Local Bond ETF	12.7	12.7
VanEck J.P. Morgan EM Local Currency Bond ETF	68.1	68.1
VANGUARD EMERG MKTS GOV BOND ETF	71.4	71.7
Vanguard ESG U.S. Corporate Bond ETF	59.6	59.6
Vanguard Intermediate-Term Corporate Bond ETF	192.4	192.4
Vanguard Long-Term Corporate Bond ETF	103.3	103.3
Fixed-income funds, total	2 873.8	3 101.2
Debt funds		
Cayman Islands		
EJF Funding Offshore L.P.	0.0	56.2
H/2 Targeted Return Strategies II L.P.	24.5	102.8
Finland		
Mandatum Private Debt III B	0.6	0.6
Mandatum Private Debt IV B	0.7	0.7
Luxembourg		
Broad Street Teno Partners, SLP	764.0	806.5
Direct Lending Fund II SLP	2.2	2.2
Permira Credit Solutions Muotka SCSp	384.5	384.5
United States		
OHA Finlandia Credit Fund L.P.	0.0	56.0
Debt funds, total	1 176.5	1 409.4
Equity funds		
Cayman Islands		
L1 Capital Long Short Offshore Feeder Fund Main Series	173.7	441.3

31 Dec 2025	Book value € million	Fair value € million
Finland		
Nordea Nordic Small Cap Fund A growth	125.0	157.5
Ireland		
iShares MSCI EM IMI ESG Screened UCITS ETF EUR	24.6	29.8
iShares MSCI Europe ESG Screened UCITS ETF	25.8	32.1
Ishares MSCI JAPAN ESG SCRND	18.5	22.4
iShares MSCI USA ESG Enhanced UCITS ETF	26.4	29.3
iShares S&P 500 EUR Hedged UCITS ETF	14.2	15.8
Nomura Japan Small Cap Equity Fund	55.0	59.1
Nordea BetaPlus Enhanced European Select Equity UCITS ETF	400.1	410.7
Japan		
NEXT FUNDS MSCI Global Climate 500 Japan Selection Index ETF	399.2	428.0
Luxembourg		
Mandatum Nordic Active Ownership Equity Fund	15.0	15.5
MUFG Japan Equity Small Cap Fund	20.0	22.1
Nordea 1 Asian Stars Equity Fund BI EUR	80.0	98.9
Ossiam Shiller Barclays CAPE US Sector Tilted TR	15.0	15.1
United Kingdom		
L&G MSCI Europe Climate Pathway UCITS ETF	697.2	750.2
United States		
Global X MSCI Argentina ETF	3.9	5.0
Invesco MSCI Global Climate 500 ETF	1 049.0	1 184.4
Invesco MSCI North America Climate ETF	2 069.3	2 277.3
Invesco S&P 500 Equal Weight ETF	278.1	278.5
iShares ESG Aware MSCI USA ETF	86.1	103.6
iShares MSCI India ETF	28.0	28.0
iShares US Carbon Transition Readiness Aware Active ETF	201.3	303.6
Kraneshares MSCI All China Health Care Index ETF	22.0	22.0
MUFG Japan Small Cap Active ETF	15.1	15.1
Vanguard S&P 500 ETF	640.1	644.6
Xtrackers MSCI Emerging Markets Climate Selection ETF	487.9	535.6
Other	0.0	0.0
Equity funds, total	6 970.4	7 925.2

31 Dec 2025	Book value € million	Fair value € million
Private equity funds		
Australia		
CPEC 8 TRUST C	9.0	14.8
CPEC 9 Trust B	12.1	12.1
Partners Group Client Access 50, L.P. Inc.	4.1	4.2
Canada		
ISQ Global Infrastructure Fund II (EU) L.P.	93.8	126.9
KKR Azur Co-invest L.P.	10.0	13.0
KKR Charlie Co-Invest L.P.	13.0	15.1
KKR Ear Co-Invest L.P.	19.1	25.6
KKR Gem Co-Invest L.P.	21.0	21.0
KKR Planets Co-Invest GBP L.P.	20.4	49.7
KKR Precise Co-Invest (EUR) LP	5.1	23.1
KKR Sunrise Co-Invest L.P.	28.9	49.6
Cayman Islands		
Affinity Asia Pacific Fund V L.P.	27.0	32.0
Angel Co-Investment L.P. (Cayman limited partnership)	26.8	33.0
Auda Asia II L.P.	3.6	3.6
BCP Braavos Aggregator (Cayman) LP	20.6	20.6
BDCM Offshore Opportunity Fund IV Ltd	35.5	89.9
BDCM Offshore Opportunity Fund V, Ltd.	48.4	66.6
Bellwether Co-Invest L.P.	17.3	29.7
CDH Fund VI L.P.	18.1	23.6
Gamut Investment Overseas Fund I L.P.	49.7	65.3
GPE IX TKE Co-Investment Limited Partnership	18.4	40.2
Hamilton Lane Co-Investment Feeder Fund IV L.P.	42.5	74.0
Home Co-Investment L.P.	23.8	24.6
I Squared Nautilus Partners L.P.	12.1	16.8
I Squared Transportation Europe L.P.	22.0	52.0
ISQ Apollo Co-invest Fund III, LP.	21.5	29.4
ISQ KIO Co-Invest Fund, L.P.	13.1	17.4
JPW TopCo L.P.	11.8	14.5
KKR Sigma Co-Invest II L.P.	20.0	28.0
K-P Co-Investment L.P.	17.4	22.2
MBK Partners Fund III L.P.	2.2	2.2

31 Dec 2025	Book value € million	Fair value € million
MBK Partners Fund IV L.P.	61.3	97.7
MBK Partners Fund V, L.P.	73.4	94.0
MBK Partners Fund VI, L.P.	10.9	10.9
Navis Asia Fund VII L.P.	54.1	59.4
Onex Partners V L.P.	61.8	99.0
Platinum Equity Luna Co-Investors Offshore (Cayman), L.P.	4.8	14.3
Platinum Equity Olympus Co-Investors (Cayman), L.P.	27.2	63.8
Primavera Capital Fund II L.P.	35.5	74.4
Primavera Capital III L.P.	34.4	51.6
SPPAV Ciro, L.P.	21.3	21.3
Strategic Value Special Situations Feeder Fund III L.P.	0.0	12.5
Strategic Value Special Situations Feeder Fund IV L.P.	0.7	58.0
Strategic Value Special Situations Feeder Fund V L.P.	56.5	78.4
Strategic Value Special Situations Feeder Fund VI L.P.	4.7	4.7
TA XIII-B L.P.	34.7	74.1
TA XIV-B, L.P.	81.3	84.6
TA XV LP	18.6	18.6
TPG Asia VI L.P.	38.5	39.8
TPG Asia VII (B) L.P.	61.0	74.8
VEPP Co-Invest 1-A, L.P.	16.2	40.8
Vista Equity Partners Fund VI-A L.P.	47.1	76.0
Vista Equity Partners Fund VII-A, L.P.	70.7	93.0
Vista Equity Partners Perennial A, L.P.	77.3	117.7
VMPIC I L.P.	101.2	140.6
Finland		
CapMan Growth Equity Fund II Ky	3.0	4.6
CapMan Growth Equity Fund III Ky	4.3	4.8
DevCo Partners IV Ky	5.7	5.7
Icebreaker Fund II Ky	7.0	10.4
Icebreaker Fund III Ky	1.0	1.0
Icebreaker Opportunity Fund I Ky	5.6	7.1
Icebreaker Opportunity Fund II Ky	7.2	7.2
Inventure IV	4.0	5.3
IPR.VC Fund II Ky	1.1	1.1
IPR.VC Fund III Ky	3.9	4.5

31 Dec 2025	Book value € million	Fair value € million
Isonewan Tuulipuisto Ky	3.2	4.7
Lifeline Ventures Fund IV Ky	9.1	14.0
Lifeline Ventures Fund V Ky	8.3	10.1
Lighthouse HoldCo Ky	15.5	16.5
MAKI. VC Fund II Ky	6.1	8.9
MAKI.VC Fund I Ky	3.1	5.7
MAKI.VC Fund III Ky	2.2	2.8
MAM Growth Equity II Ky	5.4	5.4
MB Equity Fund V Ky	0.0	22.4
MB Equity Fund VI Ky	11.7	14.6
Murtotuulen Tuulipuisto Ky	2.8	3.6
Oltavan Tuulipuisto Holding Ky	1.6	1.6
Power Fund II Ky	4.0	4.0
Power Fund III Ky	4.7	5.7
Sponsor Fund V Ky	19.2	27.3
Sponsor Fund VI Ky	2.9	2.9
Vaaka Partners Buyout Fund III Ky	7.5	18.0
Vaaka Partners Buyout Fund IV Ky	10.5	12.9
Verso Fund III Ky	7.1	10.0
WP Wallet Co-Invest, LP.	7.6	17.3
France		
EQT TI CO-INVESTMENT (B) SCSp	21.4	21.4
Ethypharm Co-Invest FPCL	14.6	18.0
KKR SECURE CO INVEST L.P.	10.4	10.4
PAI Europe VII-1	54.5	83.3
Germany		
PowerOn Co-Invest SCSp	28.3	35.6
Guernsey		
Adagio Co-Invest L.P.	0.0	10.0
Cinven Cullinan L.P.	0.6	6.4
Enak Aggregator Limited Partnership	20.0	29.3
Partners Group Client Access 32, L.P. Inc	26.6	26.6
Partners Group Client Access 33, LP. Inc.	9.7	22.3
Partners Group Client Access 34, L.P. Inc.	15.7	18.0
Partners Group Client Access 44, L.P. Inc.	40.9	64.0

31 Dec 2025	Book value € million	Fair value € million
Partners Group Client Access 51, L.P.	14.0	14.0
Permira Europe IV L.P.2	4.4	9.6
Permira Growth Opportunities 1 L.P.	42.5	48.7
Permira VI L.P. 1	55.9	75.3
The Fifth Cinven Fund (No. 1) L.P.	8.8	8.8
The Seventh Cinven Fund (No. 1) L.P.	84.1	112.9
The Sixth Cinven Fund (No. 1) L.P.	23.8	32.2
Jersey C.I.		
NC Aida Co-Invest Alpha, L.P.	17.8	42.0
Luxembourg		
Advent Global Technology A SCSP	7.8	11.1
Advent Global Technology II A SCSP	14.7	19.7
Advent International GPE IX-A SCSp	40.5	58.2
Advent International GPE X-A SCSp	56.3	76.6
AI co-investment I-A SCSP	13.6	18.9
AIOF III DC Co-Invest, L.P.	24.7	26.1
Alpha Co-Invest SCSp	11.0	11.0
Antin Infrastructure Partners IV-B SCSp	81.8	107.4
Antin Infrastructure Partners V-B SCSp	38.3	43.3
Antin NextGen Infrastructure Fund I-B SCSp	20.4	21.7
Apollo Infrastructure Opportunities Fund II (Lux) SCSp	52.7	58.9
Apollo Infrastructure Opportunities Fund III (Lux) SCSp	18.5	19.0
Apollo Overseas Partners (Lux) IX SCSp	62.3	77.7
Apollo Overseas Partners (Lux) X, SCSp	29.9	38.7
Arch Co-Investment SCSp	15.0	18.4
Bengal Co-Invest SCSp	9.3	9.3
Blackstone Capital Partners VIII (Lux) SCSp	69.0	83.6
CapMan Buyout XI SCSp	8.7	17.1
CapMan Nordic Infrastructure I SCSp	1.8	3.0
CapVest Equity Partners IV (Feeder) SCSp	23.7	33.0
CapVest Strategic Opportunities 6 SCSp	13.4	26.9
EQT Growth (No.1) SCSp	11.2	15.2
EQT Growth Co-Investment (A) SCSp	10.0	11.5
EQT Growth Co-Investment (E) SCSp	9.5	9.5
EQT Infrastructure Fund III (No.1) SCSp	12.3	12.3

31 Dec 2025	Book value € million	Fair value € million
EQT Infrastructure III Co-Investment (A) SCSp	40.0	79.6
EQT Infrastructure IV (EUR) (No.1) SCSp	76.2	121.3
EQT Infrastructure IV Co-Investment (D) SCSp	56.6	74.3
EQT Infrastructure IV Co-Investment (F) SCSp	46.6	150.0
EQT Infrastructure V (No.1) EUR SCSp	110.5	164.4
EQT Infrastructure V Co-Investment (B) SCSp	31.8	82.3
EQT Infrastructure V Co-Investment (D) SCSp	21.1	35.2
EQT Infrastructure V Co-Investment (H) SCSp	39.0	52.7
EQT Infrastructure VI (No.1) EUR SCSp	32.3	38.7
EQT Infrastructure VI Co-Investment (J) SCSp	20.0	25.8
EQT IX (No.1) EUR SCSp	80.6	114.2
EQT IX Co-Investment (C) SCSp	6.3	16.0
EQT IX Co-Investment (D) SCSp	28.2	49.8
EQT IX Co-Investment (F) SCSp	21.5	30.0
EQT Ventures II (No.1) SCSp	8.8	10.0
EQT Ventures III (No.2) SCSp (Luxembourg)	6.8	9.5
EQT VIII (No.1) SCSp	66.1	90.9
EQT VIII Co-Investment (A) SCSp	18.7	40.0
EQT VIII Co-Investment (C) SCSp	8.6	8.6
EQT X (No.1) EUR SCSp	38.2	45.8
EQT X Co-Investment (D) SCSp	23.2	27.6
Feline SLP (SCSp)	21.6	21.7
Gator Co-invest SCSp	4.9	4.9
Gauss Co-invest SCSp	25.6	39.2
Guarantee Co-Invest SCSp	10.5	10.5
Hygee International S.a.r.l.	15.2	28.1
IK IX Fund No.2 SCSp	45.4	60.4
IK IX Luxco 12 S.à.r.l.	31.1	50.8
IK Small Cap III DC Fund No.2 SCSp	4.2	4.8
IK Small Cap III Fund No.2 SCSp	15.0	18.7
IK X Fund No.2 SCSp	13.1	14.4
IK X Luxco 8 S.à r.l.	20.0	20.3
Islay New Group Holding S.A.	41.9	50.2
ISQ Global Infrastructure Fund III (EU) L.P.	80.0	100.0
Kiliwood Co-invest SCSp	18.8	22.5

31 Dec 2025	Book value € million	Fair value € million
KKR Asian Fund IV SCSp	46.4	59.3
KKR European Fund VI (EUR) SCSp	31.6	31.7
KKR Global Infrastructure Investors III EEA	47.9	68.0
KKR Global Infrastructure Investors IV (EUR) SCSp	88.8	106.3
KKR Global Infrastructure Investors V (EUR) SCSp	10.6	10.6
KKR Next Generation Technology Growth Fund II SCSp	13.6	18.9
KKR Next Generation Technology Growth Fund III SCSp	12.7	13.5
KKR North America Fund XIII SCSp	62.9	74.1
Lifeline Ventures Fund VI SCSp	2.5	2.5
Mirage Co-Invest SCSp.	11.0	11.0
New Mountain Partners VII Luxembourg, SCSp	28.1	34.0
Nordic Capital X Alpha SCSp	39.3	54.4
Nordic Capital XI Alpha, SCSp	52.5	66.9
PAI Partners VIII-1 SCSp	36.0	48.9
Partners Group Direct Infrastructure 2020	95.3	120.4
Partners Group Direct Infrastructure IV (EUR) L.P. S.C.Sp.	15.0	15.0
Permira Growth Opportunities II SCSp	26.7	28.0
Permira VII L.P. 2 SCSp	79.5	116.7
Permira VIII - 1 SCSp	50.8	67.6
Refresco 2 Co-Invest SCSp	8.3	13.5
Refresco Co-Invest SCSp	1.8	7.6
Savory Co-Invest SCSp	17.8	26.5
SEB Private Equity Opportunity Fund IV	14.8	15.5
Stonepeak Global Renewables Fund (Lux) SCSp	44.9	46.4
Taaleri SolarWind II SCSp-RAIF	16.1	19.7
Taaleri SolarWind III SCSp	11.4	12.0
Whistler Co-Invest SCSp	10.1	11.8
Singapore		
Bellini Synergy Pte LTD	17.7	27.3
Sweden		
Locron Co-Investment L.P.	45.5	45.5
Switzerland		
IK IX Master Luxco S.à.r.l.	19.0	19.4
United Kingdom		
Cinven VIII	16.5	19.0

31 Dec 2025	Book value € million	Fair value € million
EQT Kiwi Co-Investment L.P.	5.5	5.5
EQT VII No 1 L.P.	22.5	22.5
Equitix MA Thor LP	42.8	58.9
Hg Capital Mercury 2 L.P.	7.4	32.5
Hg Genesis 10 B L.P.	20.3	25.2
Hg Genesis 9 B L.P.	45.3	70.2
Hg Mercury 3 B L.P.	6.5	16.5
Hg Mercury 4 B L.P.	8.0	11.2
Hg Parity Co-Invest L.P.	5.3	7.1
Hg Saturn 2 B L.P.	38.9	60.3
Hg Saturn 3 B L.P.	22.3	28.5
Hg Saturn B L.P.	0.0	39.2
Hg Vibranium Co-Invest L.P.	19.6	30.1
Hg Vivaldi 2 Co-Invest LP	8.3	37.1
IK VIII Fund No.3 L.P.	12.3	21.1
Macquarie European Infrastructure Fund II L.P.	0.9	0.9
NB Crossroads XXII Asset Allocation Offshore LP	28.3	53.2
PAI Europe VI-1 L.P.	15.8	33.8
United States		
ACIP Apex Co-Investment, L.P.	109.4	177.8
ACIP Parallel Fund A, L.P.	81.2	82.2
AIOF II Njord Co-Invest, L.P.	39.3	48.4
AIOF II Pomodoro Co-Invest, L.P.	41.2	59.8
AIOF II Vanir Co-Invest B, L.P.	12.4	17.1
AIOF II Woolly Co-Invest, L.P.	9.8	11.6
Alamo Co-Investors L.P.	25.0	25.0
AP DSB Co-Invest II, L.P.	19.0	33.9
AP Goat Co-Invest, L.P.	15.5	15.5
AP IX Connect Co-Invest Holdings, L.P.	14.5	14.5
AP IX Panther Co-Invest Holdings, L.P.	29.8	29.8
AP Socrates Co-Invest L.P.	4.2	7.0
Ap Windsor Co-Invest, L.P.	11.8	15.0
Apollo Overseas Partners (Delaware) VIII L.P.	17.9	18.3
Ares Climate Infrastructure Partners II-A, L.P.	54.2	54.6
Ares Prime DC Co-Invest Fund, L.P.	49.9	68.5

31 Dec 2025	Book value € million	Fair value € million
Azurite Co-Investment Partners, L.P.	14.7	20.2
Biloxi Co-Investment Partners, L.P.	18.5	31.3
Blackstone Capital Partners VI L.P.	23.3	23.3
Blackstone Capital Partners VII L.P.	59.0	73.7
Blackstone TN Partners L.P.	11.7	11.7
BlueRun Ventures L.P.	1.5	1.5
Brilliance Aggregator, L.P.	31.0	44.7
Cinven Arrow Limited Partnership	12.5	16.0
Clearlake Capital Partners VI (USTE) L.P.	46.4	67.4
Clearlake Capital Partners VII (USTE) L.P.	36.3	40.4
Cookie Monster Holdings, L.P.	10.7	34.0
Denali Co-Investment Partners, L.P.	12.4	12.4
EQT Infrastructure VI Co-Investment (E) SCSp	20.1	22.3
EQT TI Co-Investment (A) SCSp	13.5	13.5
Falcon Co-Investment Partners, L.P.	19.7	19.7
Genstar Capital Partners IX BL (EU), L.P.	55.6	97.8
Genstar Capital Partners VII L.P.	22.3	39.7
Genstar Capital Partners VIII BL (EU) L.P.	53.0	143.6
Hamilton Lane Co-Investment Feeder Fund III L.P.	22.3	22.3
Hamilton Lane Co-Investment Fund II L.P.	13.3	13.3
Hamilton Lane Equity Opportunities Fund V-B LP	40.2	46.4
Hamilton Lane Parallel Investors L.P.	93.8	101.7
Hg Isaac Co-Invest L.P.	14.3	14.3
Icon Co-invest L. P.	14.0	14.0
Infinite Co-Invest, L.P.	17.7	25.9
Insitutional Venture Partners XVIII L.P.	14.8	16.4
IRI-NPD Co-Invest Aggregator II, L.P.	34.4	46.5
ISQ Aldebaran Co-Invest Feeder, L.P.	16.4	16.4
K5 Private Investors L.P.	30.4	51.0
Kelso Investment Associates IX L.P.	11.1	29.4
Kelso Investment Associates X , L.P.	52.7	100.2
Kelso Investment Associates XI, L.P.	38.0	48.5
Kelso X Pie Co-Investment, L.P.	16.9	16.9
Kelso XI Tailwind Co-Investment (DE), L.P.	15.1	23.1
Khosla Ventures IX, L.P.	1.3	1.4

31 Dec 2025	Book value € million	Fair value € million
Khosla Ventures Opportunity III, L.P.	1.4	1.4
Khosla Ventures Seed G, L.P.	0.7	0.7
KKR Abacus Co-Invest L.P.	20.0	23.9
KKR Banff Co-Invest L.P.	31.0	64.1
KKR Cavalry Co-Invest Blocker Parent L.P.	45.4	78.3
KKR COMPASS CO-INVEST L.P.	17.3	21.4
KKR Devonshire Co-Invest L.P.	20.3	20.8
KKR Gameday Co-Invest L.P.	9.0	11.1
KKR Neon Co-Invest L.P.	55.2	74.6
KKR Phoenix 1 Co Invest L.P.	13.8	19.1
KKR Skagit Co-Invest L.P.	13.9	15.3
Lightspeed Opportunity Fund III, L.P.	4.0	5.8
Lightspeed Venture Partners Select VI L.P.	3.1	4.7
Lightspeed Venture Partners XV-A, LP	0.9	0.9
Lightspeed Venture Partners XV-B, L.P	1.7	1.7
MHR Institutional Partners IV L.P.	78.3	109.2
Moelis Capital Partners Opportunity Fund I-B L.P.	1.1	2.9
New Mountain Partners IV L.P.	9.2	9.2
New Mountain Partners V L.P.	29.6	33.1
New Mountain Partners VI L.P.	74.3	112.4
NexPhase Capital Fund III L.P.	0.0	15.6
NexPhase Capital Partners IV L.P.	41.2	66.7
NexPhase Capital Partners V-A, LP	21.3	22.7
NM Polaris Co-Invest L.P.	14.1	22.0
NP Clearway Holdings LP	13.5	36.1
NP/BF Holdings, L.P.	13.1	13.1
NP/MCM Holdings, L.P.	12.8	36.8
NP/OWC Holdings, L.P.	9.0	9.0
NPC/TT Holdings, L.P.	9.1	14.6
Onex Partners III L.P.	11.5	11.5
Onex Partners IV L.P.	28.1	28.1
Pelican Co-Invest Holdings L.P.	24.3	46.5
Platinum Equity Capital Partners II L.P.	2.0	2.0
Platinum Equity Capital Partners III L.P.	4.9	4.9
Platinum Equity Capital Partners IV L.P.	51.8	68.3

31 Dec 2025	Book value € million	Fair value € million
Platinum Equity Capital Partners V L.P.	83.4	102.2
Platinum Equity Capital Partners VI, L.P.	62.9	68.0
Platinum Equity Discovery Co-Investors (Cayman), L.P.	10.0	15.5
Platinum Equity Imola Co-Investors Holdings, L.P.	6.8	14.4
Platinum Equity Small Cap Fund II L.P.	9.6	11.7
Platinum Equity Small Cap Fund L.P.	23.9	30.2
RCM Co-Investment Blocker Corp.	7.6	12.1
Stonepeak Dunedin (Co-Invest) Holdings LP	5.6	5.6
Surgent NPC Holdco, LP	13.5	26.0
TA XII-B L.P.	5.8	38.5
TPG Growth III (B) L.P.	21.6	21.6
TPG GROWTH IV L.P.	17.5	32.9
VEPF VII Co-Invest 5-A, L.P.	6.6	6.6
VISTA CO-INVEST FUND 2022-2, L.P.	91.8	102.4
Vista Equity Partners Fund VIII-A, L.P.	44.8	59.7
Warburg Pincus China L.P.	22.0	32.7
Warburg Pincus China-Southeast Asia II-E L.P.	32.9	32.9
Warburg Pincus Energy L.P.	8.6	19.5
Warburg Pincus Global Growth 14-E, L.P.	80.0	100.3
Warburg Pincus Global Growth-E, L.P.	60.8	117.2
Warburg Pincus Private Equity XI L.P.	9.3	20.4
Warburg Pincus Private Equity XII-E L.P.	29.1	57.5
WP Vamos Co-Investment Vehicle, L.P.	34.3	43.4
Other	2.7	30.1
Private equity funds, total	8,242.5	11,786.3
Funds total	28,181.9	37,480.6
Currency hedging of shares and participations		196.9
Parent Company, total	41,650.3	57,201.4

31 Dec 2025	Book value € million	Fair value € million
The Group's shareholding deviates from the Parent Company's as follows:		
Kaleva Mutual Insurance Company, guarantee capital	3.3	3.3
Ruohoparkki Oy	4.8	4.8
Vaasan Toripysäköinti Oy	2.2	2.2
Other	4.9	4.9
Group, total	41,665.4	57,216.6

17. Changes in tangible and intangible assets, Parent Company

31 Dec 2025	Intangible assets Other intangible assets	Tangible assets Equipment	Tangible assets Other tangible assets	Total
Acquisition cost, 1 Jan	0.1	3.4	0.9	4.3
Completely depreciated in the previous year	-0.1	-0.1	0.0	-0.2
Increase	0.0	0.0	0.0	0.0
Decrease	0.0	0.0	0.0	0.0
Acquisition cost, 31 Dec	0.0	3.2	0.9	4.1
Accumulated depreciation, 1 Jan	0.1	2.5	0.0	2.6
Completely depreciated in the previous year	-0.1	-0.1	0.0	-0.2
Depreciation for the financial year	0.0	0.3	0.0	0.3
Accumulated depreciation, 31 Dec	0.1	2.5	0.0	2.6
Book value 31 Dec 2025	0.0	0.5	0.9	1.4
Book value 31 Dec 2024	0.0	0.8	0.9	1.7

Group figures are the same as those of the Parent Company.

18. Loan receivables itemised by guarantee

31 Dec 2025	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Bank guarantee	25.9	25.6	25.9	25.6
Guarantee insurance	29.7	40.9	29.7	40.9
Other guarantee	19.7	6.0	19.7	6.0
Remaining acquisition cost, total	75.3	72.4	75.3	72.4
Unsecured, remaining acquisition cost, total	498.2	756.9	498.2	756.9

19. Total pension loan receivables itemised by balance sheet item

31 Dec 2025	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Other loan receivables	55.6	66.3	55.6	66.3
Remaining acquisition cost, total	55.6	66.3	55.6	66.3

20. Loans to related parties

		Parent Company 2025	Parent Company 2024
31 Dec 2025			
Loans to Group companies		671.1	392.6

The loan period is usually at most 15 years, and the interest rate is mainly tied to a fixed interest rate or technical interest rate.

21. Derivatives

31 Dec 2025	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Other receivables				
Advance payments for option contracts	73.2	80.8	73.2	80.8
Other liabilities				
Advance payments for option contracts	-41.9	-76.8	-41.9	-76.8
Value adjustments of derivatives	-98.5	-120.5	-98.5	-120.5
Accruals and deferred income				
Net interest expenses from derivatives	-312.6	-263.6	-312.6	-263.6

22. Technical provisions

31 Dec 2025	Parent Company 2025	Parent Company 2024	Group 2025	Group 2024
Provision for unearned premiums				
Future pensions	23,647.0	22,719.6	23,647.0	22,719.6
Provision for future bonuses	1,858.3	1,656.8	1,858.3	1,656.8
Provision for current bonuses	175.4	170.0	175.4	170.0
Equity-linked provision for current and future bonuses	1,714.9	1,334.0	1,714.9	1,334.0
Total provision for unearned premiums	27,395.6	25,880.3	27,395.6	25,880.3
Provision for claims outstanding				
Current pensions	25,588.2	24,380.2	25,588.2	24,380.2
Total provision for claims outstanding	25,588.2	24,380.2	25,588.2	24,380.2
Total technical provisions	52,983.8	50,260.6	52,983.8	50,260.6

23. Solvency capital, parent company

31 Dec 2025	2025	2024
Capital and reserves	167.6	159.5
Valuation difference between fair values on assets and book values of balance sheet items	16,208.6	14,989.5
Provision for future bonuses	1,858.3	1,656.8
Off-balance sheet commitments	-1.4	-1.9
Loading profit for TyEL	-12.3	-11.2
Intangible assets	0.0	0.0
	18,220.8	16,792.7
Minimum solvency capital as required under the Employment Pension Insurance Companies Act, Section 17	3,626.4	3,314.3

24. Guarantees and liabilities, included in the Balance Sheet, Parent Company

31 Dec 2025	2025	2024
Guarantees given on own behalf		
Assets pledged as security for derivatives ¹	289.1	1,268.2
Guarantees received		
Assets pledged as security for derivatives ²	189.5	62.0
Asset pledged as security for security loans	1,235.0	536.3

¹ Given cash guarantees required for the clarification of derivative contracts to the value of EUR 289.07 million are included in the Other receivables balance sheet item.
² Received cash guarantees required for the clarification of derivative contracts to the value of EUR 189.47 million are included in the Other liabilities balance sheet item.

25. Capital and reserves

31 Dec 2025	Parent Company 2025	Group 2025
Basic capital, 1 Jan	11.9	11.9
Basic capital, 31 Dec	11.9	11.9
Other reserves, 1 Jan	133.8	133.8
Profit brought forward from 2024	7.0	7.0
Other reserves, 31 Dec	140.8	140.8
Profit/loss brought forward	13.8	-69.7
Transfer to contingency fund	-7.0	-7.0
	6.8	-76.7
Profit/loss for the financial year	8.2	36.5
Total capital and reserves	167.6	112.5

26. Capital and reserves after proposed profit distribution

31 Dec 2025		Parent Company 2025
Policyholders		167.6
Total		167.6

27. Distributable profits

31 Dec 2025		Parent Company 2025
Profit for the financial year		8.2
Other capital and reserves		
Other reserves	140.8	
Profit brought forward	6.8	147.5
Total distributable profits		155.7

28. Guarantees and liabilities, Parent Company

31 Dec 2025	2025	2024
Contingent liabilities and liabilities not included in the balance sheet		
Derivatives		
Derivatives for hedging purposes		
Currency derivatives		
Forward contracts		
Underlying instrument, absolute value	997.7	1,398.9
Underlying instrument, risk-adjusted value	-732.5	-1,024.3
Fair value	2.2	-46.8
Currency swap contracts		
Underlying instrument, absolute value	29,151.9	22,896.8
Underlying instrument, risk-adjusted value	-18,048.3	-18,380.3
Fair value	-114.1	-1,267.7
CTM derivatives		
Value of underlying instrument, absolute value	30,149.6	24,295.7
Fair value	-111.9	-1,314.4
Derivatives for other than hedging purposes		
Interest rate derivatives		
Forward and futures contracts		
Underlying instrument, absolute value	30.0	20,341.8
Underlying instrument, risk-adjusted value	38.3	19,838.7
Fair value	0.0	-7.2
Option contracts		
Bought		
Underlying instrument, absolute value	38,660.6	72,839.5
Underlying instrument, risk-adjusted value	1,783.8	7,004.6
Fair value	-29.5	-8.1
Sold		
Underlying instrument, absolute value	47,171.3	96,277.8
Underlying instrument, risk-adjusted value	-1,813.2	-5,629.5
Fair value	21.3	2.4
Interest rate swap contracts		

31 Dec 2025	2025	2024
Underlying instrument, absolute value	2,067.7	4,964.8
Underlying instrument, risk-adjusted value	1,272.1	1,616.3
Fair value	1.6	24.9
STM derivatives		
Value of underlying instrument, absolute value	85,561.9	189,159.1
Cumulative amount of daily payments	-0.5	-5.3
CTM derivatives		
Value of underlying instrument, absolute value	2,367.7	5,264.8
Fair value	-6.0	17.2
Currency derivatives		
Option contracts		
Sold		
Underlying instrument, absolute value	0.0	240.1
Underlying instrument, risk-adjusted value	0.0	2.0
Fair value	0.0	0.4
Forward and futures contracts		
Underlying instrument, absolute value	1,107.2	974.0
Underlying instrument, risk-adjusted value	-1.9	793.2
Fair value	-2.5	24.1
Currency swap contracts		
Underlying instrument, absolute value	974.4	982.3
Underlying instrument, risk-adjusted value	4.2	-2.6
Fair value	2.9	-3.6
CTM derivatives		
Value of underlying instrument, absolute value	2,081.6	2,196.4
Fair value	0.4	20.9
Equity derivatives		
Option contracts		
Bought		
Underlying instrument, absolute value	1,034.2	2,668.4
Underlying instrument, risk-adjusted value	130.4	-110.1
Fair value	-11.6	-2.5

31 Dec 2025	2025	2024
Sold		
Underlying instrument, absolute value	949.9	3,739.6
Underlying instrument, risk-adjusted value	53.9	247.9
Fair value	8.4	3.7
Forward and futures contracts		
Underlying instrument, absolute value	221.6	334.3
Underlying instrument, risk-adjusted value	-148.0	-85.2
Fair value	0.0	2.2
Equity swap contracts		
Underlying instrument, absolute value	314.2	337.6
Underlying instrument, risk-adjusted value	261.0	248.3
Fair value	0.3	-0.7
STM derivatives		
Value of underlying instrument, absolute value	2,205.8	6,742.3
Cumulative amount of daily payments	-3.2	3.3
CTM derivatives		
Value of underlying instrument, absolute value	314.2	337.6
Fair value	0.3	-0.7
Other derivatives		
Forward and futures contracts		
Underlying instrument, absolute value	0.0	1.9
Underlying instrument, risk-adjusted value	0.0	0.1
Fair value	0.0	0.0
Option contracts		
Bought		
Underlying instrument, absolute value	340.6	1,539.2
Underlying instrument, risk-adjusted value	121.5	158.0
Fair value	12.3	-11.8
Sold		
Underlying instrument, absolute value	256.0	1,539.2
Underlying instrument, risk-adjusted value	-81.6	-150.0
Fair value	-17.1	11.5

31 Dec 2025	2025	2024
Swap contracts		
Underlying instrument, absolute value	99.8	90.6
Underlying instrument, risk-adjusted value	99.8	90.6
Fair value	-0.5	0.3
STM derivatives		
Value of underlying instrument, absolute value	596.6	90.6
Cumulative amount of daily payments	-4.7	0.3
CTM derivatives		
Value of underlying instrument, absolute value	99.8	3,080.2
Fair value	-0.5	-0.3
Total		
Underlying instrument, absolute value	123,377.2	231,166.6
Underlying instrument, risk-adjusted value	-17,060.4	4,617.7
Fair value	-126.2	-1,279.0

STM derivatives refer to derivatives which are centrally cleared, and the clearing is primarily based on the Settled-to-Market (STM) approach specified in the central clearing counterparty’s rules. CTM derivatives refer to bilateral derivatives in which the clearing and collateral transfers are based on the Collateralized-to-Market (CTM) approach. The fair values of quoted derivatives have been calculated using the price quoted on the stock exchange. The fair values of other derivatives are based on market prices of corresponding quoted contracts or on estimates of the fair values presented by outside parties. Most of the derivative contracts will mature in 2026. Swap contracts have longer durations and will mature between 2026 and 2057.

Currency hedging

Currency hedging is used to protect against a fall in the value of foreign-currency-denominated investments due to the strengthening of the euro. Varma hedges its open exchange rate risks in all other asset classes except equity investments. The hedge accounting model used is fair value hedge. The risk that is hedged is the exchange rate risk. Varma hedges its foreign-currency-denominated investment position, and the amount of the position changes according to the investment decisions and the market situation. The hedging instruments used are foreign currency forwards, foreign currency swaps and foreign currency options, used to sell the currency risks that are

included in Varma’s investment portfolio. The majority of the financial instruments hedging against the exchange rate risk will mature in 2026. The rest will mature in a maximum of five years.

The hedged item and the hedging instrument can be considered to have an inverse correlation in terms of the hedged amount and the currency. The effectiveness of hedging is assessed day by day and currency by currency by means of hedge effectiveness testing. The hedge effectiveness testing shows the negative correlation between the hedged item and hedging instrument. Hedge effectiveness (negative correlation) must be within the range of 80–125 per cent.

Accounting treatment complies with chapter 5, section 2 of the Accounting Act. Derivative contracts for hedging purposes are treated as items not included in the balance sheet when the fair value of the derivative contract is positive on the closing date. Derivative contracts with a negative fair value that are used for hedging purposes are treated as items not included in the balance sheet when their volume at any given moment is below the maximum hedging ratio established in the derivatives policy.

Varma applies continuous retrospective assessment of the effectiveness of derivative contracts. Furthermore, as part of its risk management activities Varma dynamically recalibrates currency hedges on a daily basis, if needed.

Currencies that made up a significant part of investments’ currency distribution on 31 December:

31 Dec, € million	USD 2025	JPY 2025	GBP 2025	USD 2024	JPY 2024	GBP 2024
Foreign-currency-denominated investments	34,343.3	966.0	1,327.8	34,885.3	860.6	990.3
of which investments left unhedged against currency risk	16,993.2	774.1	607.1	16,169.7	860.6	591.9
of which investments hedged against currency risk	17,350.1	191.9	720.6	18,715.6	0.0	398.5
Hedging currency derivatives	-17,418.1	-195.6	-737.5	-18,661.8	0.0	-403.7
Non-hedging currency derivatives	-83.6	-3.3	0.0	767.9	0.0	0.0
Open currency position	16,841.6	767.2	590.3	16,991.3	860.6	586.6
Hedging ratio according to the hedging policy	100.4%	101.9%	102.3%	100%	0.0%	101.3%

The principles applied to the use of derivative contracts and the risk management strategy for derivatives are described in the Risk Management section.

29. Guarantees and liabilities, Parent Company

31 Dec 2025	2025	2024
Investment commitments		
Private equity funds	2,843.0	3,081.3
Other funds	4,259.6	4,008.2
Pension liabilities		
Pension commitments (recognised as debt)	0.8	0.9
Other pension commitments	0.3	0.3
Leasing and renting liabilities		
Expiring next year	0.6	0.7
Expiring later	0.5	0.9
Other liabilities		
Varma Mutual Pension Insurance Company belongs to a value-added tax liability group together with real estate companies owned by the aforementioned company. Group members are collectively responsible for the value-added tax payable by the group		
	0.8	-0.2
Obligation to verify VAT allowances of real estate investments	90.7	110.4
Security to meet shareholder agreements’ terms and conditions	0.0	10.0
Loaned securities		
Bonds		
Nominal value	1,253.4	543.8
Remaining acquisition cost	1,202.8	524.0
Fair value	1,201.3	515.0
Equities		
Remaining acquisition cost	0.0	16.8
Fair value	0.0	18.3

Loaned securities are included in the balance sheet. The counterparty to the lending operations is the custodian bank, Northern Trust Co. London, with which borrowers post collateral. The collateral of the loans are securities. The loans can be cancelled at any time.

30. Balance sheet and income statement at fair values

Balance sheet at fair value, Parent Company

31 Dec 2025	2025	2024	2023	2022	2021
ASSETS					
Investments	68,287	64,354	59,078	56,204	59,024
Receivables	1,325	1,395	1,339	1,235	1,173
Equipment	1	2	2	2	3
	69,613	65,751	60,419	57,441	60,200
LIABILITIES					
Capital and reserves	168	159	152	145	137
Valuation differences	16,209	14,989	12,975	11,628	14,416
Provision for future bonuses	1,858	1,657	892	1,573	2,339
Other liabilities and deductions not included in the balance sheet	-14	-13	-9	-2	-1
Total solvency capital	18,221	16,793	14,010	13,344	16,890
Provision for current bonuses (for client bonuses)	175	170	142	174	222
Equity-linked provision for current and future bonuses	1,715	1,334	-17	-950	2,434
Actual technical provision	49,235	47,100	45,949	44,577	40,230
Total	50,950	48,434	45,932	43,626	42,664
	266	354	335	297	423
Other liabilities	69,613	65,751	60,419	57,441	60,200

Income statement at fair value, Parent Company

1 Jan–31 Dec, € million	2025	2024	2023	2022	2021
Premiums written	6,901	6,656	6,466	6,119	5,635
Claims paid	-7,621	-7,263	-6,775	-6,238	-5,980
Change in technical provisions	-2,348	-2,363	-2,134	-390	-3,222
Net investment income	4,811	6,071	3,396	-2,833	9,290
Total operating expenses	-132	-135	-137	-136	-130
Other result	1	2	2	16	-1
Taxes	-9	-13	-2	-4	-6
Total result¹	1,603	2,956	815	-3,466	5,587

¹ Result at fair value before change in provision for current and future bonuses

Risk management

Risk management as an element of internal control

The purpose of Varma’s internal control is to ensure:

- economic efficiency, effectiveness and productivity of the operations
- the achievement of the set objectives and targets
- compliance with laws, rules, policies, the decisions of the Board and other bodies and with internal rules, regulations and practices
- management of operations-related risks
- reliability of reporting and other management information.

Risk management is an element of internal control and involves the identification, assessment, measurement, monitoring, limitation and control of risks arising from and closely connected with the company’s business operations. Risk management takes into account all major internal and external risks affecting the company’s operations. Internal control is a management tool that helps the company to function efficiently, economically and reliably.

Risk management – organisation, responsibilities, supervision and reporting

The Supervisory Board’s task is to supervise the administration of Varma, which is entrusted to the Board of Directors and the President and CEO. In order to fulfil its

supervisory task, the Supervisory Board has established a supervisory function, whose meetings address issues that are material with respect to Varma’s task and governance.

The Board of Directors annually approves the principles of the risk management system that covers all operations, the principles of internal control, and the continuity plan. The Board also assesses whether the company’s internal control is appropriately arranged. The Board makes, together with the Executive Group, a risk and solvency assessment.

The Board of Directors’ Audit Committee assists the Board especially in matters related to internal control, monitoring of financial reporting and auditing, and reports on its activities to the Board. Furthermore, the Audit Committee plays a key role in supporting the Board of Directors in corporate sustainability reporting and preparing for it by monitoring the reporting. The Audit Committee reports to the Board on the results of the sustainability report assurance and how the assurance improves the reliability of the data presented in the sustainability report.

The President and CEO monitors the company’s risks in accordance with the principles of the risk management system and the principles laid down in the investment and continuity plans approved by the Board of Directors.

The Executive Group monitors the risk management processes and maintains and

develops guidelines for risk management and continuity planning.

The Compliance function ensures that decrees, official regulations, the decisions of governance bodies, and internal guidelines as well as corporate governance guidelines as applicable to earnings-related pension companies are complied with. The Compliance Officer reports on their activities to the Board of Directors.

Material risks that are realised are reported to the Board of Directors quarterly and, if the risks have changed significantly, without delay.

The company’s supervisory auditors and the person in charge of the internal audit take part, if necessary, in the meetings of the Audit Committee.

Managers and other supervisors are responsible for organising internal control, risk management, and good governance in their areas of responsibility, in accordance with the company-level operating principles. The detailed plans and guidelines of each business function supplement the plans and principles approved by the Board of Directors. Risk-taking limits and the indicators used are laid down and monitored separately by each function. Each function is responsible for implementing action plans and budgets, and for operating efficiency, the supervision of outsourced operations and preparing for unsettled conditions. IT provides the expertise

for the development, maintenance, project management, infrastructure, information security implementation and risk management of systems that are the responsibility of the business functions. The targets, responsibilities and means of information security management are defined in the information security policy approved by Varma’s Board of Directors. IT maintains a separate recovery plan relating to IT disruptions.

The function responsible for preparing and implementing investment decisions (Investment Operations) and the supervisory and reporting function (Financial Administration and the actuarial function) have been separated. The decision-making powers and the maximum limits for investments are presented as separate risk limits in the investment plan. The risk control function, which is independent of the Investment Operations, is responsible for monitoring investment risks in accordance with the limits set by the Board of Directors, including a financial-theory- and risk-theory-based assessment of investment risks and the reporting of results. The independent risk control function is involved in reviewing the changes in the investment plan and in the implementation process of new investment products, controls instrument pricing through random inspections, is in charge of calculating the solvency limit and reports on the impact of derivatives on the solvency position. The

independent risk control function is also tasked with stating its observations about risks in the investment proposals that are to be submitted to the Board of Directors.

The Chief Financial Officer is responsible for the independent monitoring of investment positions and risks, and for overseeing operative, financial, investment and strategic risks. Financial Administration reports monthly to the Board of Directors on observations relating to investment risk management. Major observations are reported to the management without delay.

According to the Act on Insurance Companies, the company’s responsible actuary must prepare, for the purpose of arranging risk management and investment operations, a statement for the company’s Board of Directors on the requirements posed by the nature of and return requirement on technical provisions and maintaining the company’s solvency and liquidity, and on the appropriateness of the company’s underwriting risk management, taking into account the nature and scope of the company’s operations. Pursuant to the Finnish Employee Pension Insurance Companies Act, the company’s actuary must provide a written statement on whether the drafted investment plan meets the requirements posed by the nature of technical provisions on the company’s investment operations. The tasks of the investment risk management within the actuarial function

include the identification of the risks contained in the investments, measurement of risk levels and reporting on these. The actuarial function's head of investment risk management reports to the Investment Committee on a monthly basis.

Investment risks and the impacts their realisation would have on Varma's risk-bearing capacity are monitored in a monthly report prepared by the actuarial function's head of investment risk management. The actuarial function also reports to the Board of Directors on Varma's risk level in relation to the risk level of the earnings-related pension system.

Investment management is responsible for arranging the handling of the investment portfolio and operative investment risk management. The risk management function of Investment Operations monitors the trends in the portfolio position vis-à-vis the risk limits defined in the investment plan and the basic allocation, and reports on them on a daily basis. Adherence to decision-making powers and allocation and investment assignments are monitored by the Investment Operations on a daily basis.

The independent risk control function under the Financial Administration coordinates the identification and sufficient controls of operational, strategic, financial and investment risks in different functions. It also prepares a summary of the risk assessments drawn up by the functions.

In order to manage the risks relating to malpractice, Varma emphasises the continuous observing of ethical operating principles and applies different control methods for

protection against malpractice risks. Each function bears responsibility for managing risks relating to malpractice. Varma has specific guidelines in place to prevent money laundering and the financing of terrorism. The Compliance Officer reports to the Board of Directors on compliance with the insider guidelines.

Varma complies with the Finnish Corporate Governance Code for listed companies where applicable.

Goals and general risk management principles

Risk management aims to secure the rights of pensioners and policyholders. Risks relating to the company's operations are identified, assessed, measured, monitored, limited and supervised, taking a long-term perspective. Risk management ensures that if risks are realised, they will not cause significant financial losses, or endanger Varma's customer service and other services, the continuity of operations, the attainment of the company's business targets, or affect trust in the company. Varma applies efficient and reliable processes both internally and when co-operating with its partners.

Varma is subject to statutory limitations related to outsourcing. Outsourcing is also limited by the requirement for an adequate and effective governance system. When agreeing on the terms of outsourcing, Varma's responsibility for the outsourced functions, e.g. for conforming to regulations, continuous and disturbance-free business operations and contingency planning, are taken into account.

The function in charge of outsourcing must take into consideration clear contracts and processes, supervision of the outsourced activities and risks relating to the outsourcing.

Varma also observes good insurance principles and treats all policyholders in a fair manner. All business transactions with policyholders are on market terms. Particular attention is paid to transactions covering the financing of a policyholder's operations, real estate and other transactions, and leases.

The [Corporate Governance Report and the Salary and Remuneration Statement](#) drawn up by the Board are published on Varma's website.

Risk and solvency assessment

Under Section 12 k of the Finnish Act on Earnings-Related Pension Insurance Companies the board of directors and the executive management of an earnings-related pension insurance company must carry out, as part of strategic decision-making and risk management, a risk and solvency assessment that assesses the impact of the relevant risks on the operations of the company and the measures that are necessary to manage the risks that have arisen in the assessment.

Varma updated its risk and solvency assessment in December 2025.

Key risks

The company's core processes comprise insuring employees and entrepreneurs, managing the disability risk, securing pensions and retirement. Varma's key risks are related to investments, reputation management,

processing of sensitive information, customers' data security, the highly networked operation of the pension system, increasing digitalisation of the sector, adjusting the control system and operating models to the rapidly changing economic situation and the efficient implementation of legislative changes.

Varma's most important operational requirement is to manage all pension benefits and insurance transactions correctly and on time. Financially the most important risks are those concerning investment operations. As of 2023, the companies must cover their operating expenses with an expense loading component, which they determine themselves and the Ministry of Social Affairs and Health confirms. The sufficiency of the component can thus also be considered a business risk. The impact of this is, however, fairly small, as the deficit or surplus in the expense loading component will be taken into account when the expense loading component for the following years is determined.

For Varma, sustainability risk means a financial risk arising from a topic related to the environment, people or the society. In the double materiality assessment, climate change mitigation and climate change adaptation, among other topics, were identified as such risks. Sustainability risks may in part be the same as the risks identified in Varma's other processes. The pension system is also exposed to risks connected with its structure and functioning, and the country's economy. These are discussed in more detail in the section 'Strategic risks'.

Insurance risks

The Finnish earnings-related pension system functions on a partially funded basis with respect to the Employees Pensions Act (TyEL). Nearly a quarter of the pensions paid each year is previously funded, while the remaining part is a pooled component, which is covered by annually collected insurance contributions. The funded parts of the pension are the responsibility of individual pension institutions, while the pooled components are the joint responsibility of all the pension institutions.

The provision for pooled claims contained in the technical provisions acts as a buffer for jointly managed insurance business. The amount of the provision for pooled claims in the entire earnings-related pension system is estimated to correspond to around 76 per cent of the following year's PAYG pension expenditure. The clearing system eliminates the effects caused by the varying development of the number and age structure of employees insured by different pension insurance institutions. Thus, the cost of the pooled components presents no risk for the individual pension institution.

Pensions under the Self-employed Persons Pensions Act YEL are financed in full by the insurance contributions collected annually in accordance with the pay-as-you-go system and by the State's contribution and do not present a risk for the individual pension institution.

The level of earnings-related pension cover is based on a defined benefit pension scheme, and is therefore not based directly

on the return on funded pension assets. Earnings-related pension benefits are secured for the insured and pensioners by a statutory joint and several liability for bankruptcy that applies to all earnings-related pension insurance institutions. The costs of pension provision are borne by employers and employees together. The Ministry of Social Affairs and Health annually confirms the primarily common calculation bases concerning the insurance contribution and technical provisions for earnings-related pension insurance companies. The calculation bases include issues such as actuarial assumptions used in the calculation of technical provisions, for example, mortality and disability incidence rate. Under the TyEL act, the calculation bases must be secure and, should the bases for technical provisions prove insufficient for all earnings-related pension insurance institutions, the technical provisions can be supplemented with a clearing system. The TyEL calculation bases specific to each earnings-related pension insurance company have, since 2018, included the distribution of client bonuses and, since 2023, the expense loading component of the insurance contribution.

The risks of Varma's insurance business are linked to the sufficiency of the insurance contributions collected and the technical provisions accumulated from them in relation to the pensions that are the company's responsibility. Because common calculation bases can be changed annually, and the clearing system acts as a buffer for all insurance risks concerning earnings-related pension insurance institutions, the risk for the individual pension

institution lies in its deviation from the average of the pension system. Insurance risks are carried by the provision for future bonuses, which is a component of the solvency capital, and they are also taken into account in the calculation of the solvency limit.

Technical provisions are calculated per person and insurance after the financial year. The Finnish Centre for Pensions carries out the clearing in the year following the end of the financial year, at which time the remaining components of the technical provisions can be calculated. The structure of Varma's technical provisions on 31 December 2025 was as follows:

Technical provisions 31 December 2025	2025 € million	2025 %
TyEL basic insurance		
Provision for unearned premiums:		
Future pension liabilities	23,608.9	44.6%
Provision for future bonuses	1,858.3	3.5%
Equity-linked provision for current and future bonuses	1,714.9	3.2%
Provision for current bonuses	175.4	0.3%
Provision for unearned premiums, total	27,357.6	51.6%
Provision for claims outstanding:		
Current pension liabilities	25,234.5	47.6%
Total provision for claims outstanding	25,234.5	47.6%
TyEL basic pension insurance, total	52,592.1	99.3%
TEL compliant supplementary pension insurance, total	353.7	0.7%
YEL basic pension insurance, total	38.0	0.1%
YEL compliant supplementary pension insurance, total		0.0%
Total technical provisions	52,983.8	100.0%

Neither the age structure of the employees insured by Varma nor the employers' lines of business deviate significantly from the average for all earnings-related pension institutions. Thus, Varma carries little risk relating to an atypical insurance portfolio in terms of the actual insurance business.

Risk management in insurance business applies insurance technique analyses. Insurance risks are analysed using, for example, a risk assumption analysis (mortality, disability intensity), financial statements and business result analyses (insurance technique, distribution of responsibility) and by

compiling statistics on contribution losses and disability pension expenditure.

The risks involved in technical provisions and the assets covering technical provisions, i.e. insurance and investment risks, are provided for by the solvency capital. The amount of solvency capital is monitored in relation to the technical provisions and to the solvency limit calculated on the basis of investment allocation. The calculation of the solvency limit also takes into account the insurance risk. Thus, solvency capital provides the company with a buffer especially for years in which the return on the assets covering the technical

provisions is below the interest credited on technical provisions.

A part of the interest credited on technical provisions (20 per cent) is determined retroactively and is based on the pension insurance companies' actual equity returns. An equity-linked provision for current and future bonuses, which is between -20 per cent and +1 per cent of the technical provisions, helps the insurance companies to carry the risks involved. If a pension institution's equity returns differ from the average, it must employ its solvency capital to carry the risks that this involves. When the average equity return is calculated, the weights of the largest pension institutions are limited.

Investment risks

Investment risk definitions

Varma's investment risks are described as follows.

Market risk is the fluctuation of the value of investments. The greatest market risk relates to equities. Other market risks are the interest rate risk, foreign currency risk, and the value change risk of real estate. Interest rate risk can be realised as a price risk, or as a reinvestment risk.

Inflation risk means the decrease in the real value or return of assets.

Credit risk refers to a danger of loss caused by the inability of the counterparty to honour its commitment.

Liquidity risk refers to the realisation of cash flow at a different amount than expected. A risk is also constituted by investments that cannot be converted into cash at all or can only be converted at a major loss.

Sustainability risk means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Concentration risk refers to the increase in market, credit and liquidity risks as a result of insufficient diversification of the portfolio.

The model risk is constituted by the risks involved in risk measurement. In measurement it is necessary to make assumptions and simplifications, which may deviate from reality, concerning calculation methods and data. There may also be risks related to the valuation of investments, and some of the investments’ values are available with a delay.

General risk management principles for investments
Management of investment risks involves the determination of acceptable risk levels for different investment categories within the framework approved by the Board of Directors, continuous risk measurement using selected methods, comparison with acceptable levels, and reporting. Risk management also involves adaptation of the investment portfolio so that a correct risk/return ratio can be maintained. The nature of technical provisions and

their return requirement are also taken into account when the time span and liquidity of investments are considered.
The investment plan approved by the Board of Directors defines, among other things, the following:

- the general security goals set for investments
- the general principles for investment allocation
- the return, diversification and liquidity goals of investments
- the criteria for using derivative contracts
- the principles for arranging currency risk hedging.

At least once a year, the Board of Directors assesses the status and outlook of Varma’s operating environment, the investment risks in terms of changes in value, expected returns, security, and the principles of foreign currency policy. The Board also assesses the requirements imposed by the nature of technical provisions on investment returns and liquidity, and on the foreign currency policy. The company’s short-term and long-term risk-bearing capacity and the development of the company’s solvency is also assessed by the Board at least once a year.
The basic allocation of the investment portfolio laid down in the investment plan approved by the Board of Directors also determines the basic level for the total portfolio risk. The investment portfolio may differ from the basic allocation within the allocation limits specifically defined in the investment plan.

Varma aims to maximise the yield expectation at the selected total risk level, which means that investments will have optimum profitability to the extent allowed by the company’s risk-bearing capacity. The portfolio’s realised market risks and returns generated by investments are regularly monitored and reported in Investment Operations.
Furthermore, Varma takes into account the social responsibility principles of investment allocation, the ownership policy and principles of responsible investment, in which key factors related to environmental, social and governance matters are taken into account in investment decisions.

Varma’s investment portfolio’s risk structure
Varma’s investment portfolio’s structure by asset class and returns by asset class for 2025 are presented in the notes to the financial statements.

Geographical allocation of investments in listed equities:

	Risk position 31 Dec 2025 € million		Risk position 31 Dec 2024 € million	
		%		%
American equities	12,667	46.7	11,113	48.9
European equities and shares	3,220	11.9	2,503	11.0
Other areas	3,209	11.8	2,852	12.6
Finnish equities	8,048	29.6	6,242	27.5
Listed equities	27,143	100.0	22,711	100.0

Direct investments in real estate according to purpose of use:

	Risk position 31 Dec 2025 € million		Risk position 31 Dec 2024 € million	
		%		%
Residential premises	910	30.8	910	30.1
Business premises	317	10.7	324	10.7
Other premises	708	24.0	621	20.5
Industrial and warehouse premises	24	0.8	24	0.8
Office premises	997	33.7	1,148	37.9
Direct real estate investments	2,956	100.0	3,028	100.0

The vacancy rate of business premises was 11.4 per cent (10.0 per cent).

Bonds according to credit rating:

	Market value (excl. derivatives) 31 Dec 2025 € million		Market value (excl. derivatives) 31 Dec 2024 € million	
		%		%
AAA	825	9.3	305	3.8
AA	2,256	25.4	1,486	18.6
A	1,495	16.8	692	8.6
BBB+ – BBB-	1,478	16.7	1,896	23.7
BB+ or worse	2,354	26.5	3,093	38.6
Not rated	466	5.3	553	6.7
	8,873	100.0	8,004	100.0

Loans itemised by guarantee are presented in the notes to the financial statements under ‘Loan receivables’.

Varma’s foreign-currency-denominated investments amount to EUR 38,845 (38,729) million, accounting for 57 (60) per cent of all investments. The investments’ currency risk is partly hedged through currency derivatives. The open currency position amounted to EUR 20,066 (19,934) million on 31 December 2025.

	Value 31 Dec 2025	Effect Share prices (listed) -30%	Effect Interest rates +1 pp	Effect Real estate value -10%
Solvency capital, € million	18,221	13,149	17,670	17,674
Solvency, %	135.7%	127.4%	134.6%	134.6%
Solvency capital/ Solvency limit	1.7	1.5	1.6	1.6
Investment returns, %	7.5%	-5.3%	6.6%	6.6%

As regards the calculation of the solvency limit, the Board of Directors decides on the criteria concerning how indirect investments’ risks are taken into account, the criteria for applying other essential investment risks, i.e. risk category 18, and the criteria for calculating the duration of investments exposed to interest and credit margin risk.

Investment risk measurement and mitigation
The market risk of investments, mainly equities, constitutes the biggest risk relating to the result and solvency. The VaR (Value-at-Risk) figure, which measures the total risk of Varma’s investments, stood at EUR 2,748 (2,331) million at year-end 2025. The figure indicates the greatest possible fall in the market value of the company’s investment portfolio over a period of one month at a confidence

level of 97.5 per cent. The CVaR (Conditional Value at Risk) figure refers to expected losses exceeding VaR, and this figure amounted to EUR 3,278 (2,781) million.
The general security goals for investments are catered for by ensuring that the total risk caused by fluctuating portfolio returns remains within the risk-bearing capacity. The total portfolio risk in relation to the risk-bearing capacity is dynamically limited using an internal risk indicator defined in the investment plan. The indicator is used to determine the maximum risk-management weight for listed equities. By determining the maximum risk level, the company strives to ensure disruption-free operation also after capital market shocks. Furthermore, investments are diversified in accordance with diversification objectives.
The maximum risk level is measured such that even after a 25 per cent drop in the value

of listed equity investments and certain hedge fund investments, the solvency capital still exceeds the minimum solvency capital (1/3 of the solvency limit) by at least the amount of the CVaR and is, in any case, always at least at the solvency limit.
The different maximum limits of investments are presented as separate risk limits in the investment plan. The diversification of the investment portfolio is based on allocation that takes into account the return correlations of asset classes.
Investment risks can be abated and eliminated, for example:

- by diversifying investments by asset class and item
- by analysing the investment portfolio and items
- by avoiding risk concentrations
- by limiting the amount of unlisted securities
- through a securing guarantee policy
- through careful valuation practices
- by integrating assets and liabilities
- by using derivatives
- by applying adequate and on-time supervision and monitoring arrangements
- by minimising counterparty risks.

The risk limits and authorisations laid down in the investment plan are regularly monitored. In addition to analyses of investment markets, Varma monitors matters such as investment duration, credit rating and liquidity. In real estate investments, Varma pays special attention to technical and location risks, among others.

New investment instruments with return and risk profiles that are significantly different from the instruments contained in Varma’s present portfolio are examined by the Investment Committee and are also presented to the Board of Directors before the investments are made.

Principles for using derivative contracts
Here we describe the principles applied to the use of derivative contracts and the risk management strategy for derivatives. The Board of Directors decides on the principles for the use of derivative contracts. In the investment portfolio, derivative contracts are considered equal with their underlying instruments and are allocated to the asset class in question. Limits by asset class are examined in terms of the overall position, combining cash instruments and derivative instruments. The value change risk inherent in cash instruments and derivative contracts is made commensurable by converting derivative contracts mainly into delta-adjusted risk positions.
The main purposes for the use of derivatives are:

- currency hedging
- managing overall portfolio risk
- increasing or reducing equity risk through index derivatives
- reducing or increasing the fixed-income portfolio’s interest risk (duration) through interest rate futures or swaps
- managing the fixed-income portfolio’s credit risk through credit default swaps
- commodity and factor investing mainly through derivative instruments.

In terms of risk management, derivative contracts are classified in risk-decreasing and other than risk-decreasing derivatives. In the investment organisation, authorisations to use derivatives are laid down in the investment plan. They have been set in euro amounts by contract type and by underlying instrument, separately for risk-decreasing and other derivatives.

Financial risks
Financial and tax risk assessment and reporting take place as part of the operational risk assessment. A summary of the assessment is presented to Varma’s Executive Group at the same time as operational and strategic risks. Thereafter, the report is discussed first by the Board of Directors’ Audit Committee and then by the Board.

Operational risks
Operational risks entail

- a danger of loss, caused either by the company’s internal processes or by unanticipated external events
- a threat to the continuity of operations
- a diminishing of trust in the company.

Sustainability is an integral part of Varma’s core task – securing pensions. For Varma, sustainable business means first and foremost taking care of pension assets and pension payments, investing responsibly and promoting sustainable working life.
The company always makes every effort to eliminate any defects in its supervision systems that would permit unintentional or

intentional errors or misuse concerning such matters as insurance or claims handling, investments, reporting, payment transactions, register details, data processing, division of work, partners' operations, or documentation.

Operational risks are related to processes and methods, information systems, information networks and digital services, possible malpractice, property damage and staff competence. Operational risks are assessed on a regular basis. Compliance and sustainability risks are also identified at the same time as operational risks. The potential impacts and likelihood of identified risks are assessed on a risk-specific basis. Identified risks are compiled in a risk chart in which risks are classified on the basis of an overall evaluation and in accordance with their potential to threaten Varma's strategic and operational goals approved by the Board of Directors. Overall consideration of the impacts of the risks and deciding on measures take place in accordance with Varma's standard planning and decision-making system. A continuity plan is drawn up for functions that may involve substantial risks. The preparation of the plan is at the discretion of the function management.

Strategic risks

The earnings-related pension system is based on insuring work carried out in Finland. The financing of statutory earnings-related pensions is dependent on economic growth, a high employment rate, the development of the population's age structure and investment returns. The majority of pensions that are currently being paid are financed directly through

contributions paid by employers and employees. Successful investment activities help offset the need to raise pension contributions.

Varma's strategic risks mean risks that, when realised, would jeopardise the achievement of Varma's strategic goals. Executing the strategy is part of normal business.

Varma's strategic risks are regularly assessed by identifying and evaluating the risks from the perspective of business development, the operating model, operating environment, business restructuring and co-operation partners. Summaries of the assessments are presented to Varma's Executive Group. Following the approval of the Executive Group, the risks are reported to the Board of Directors' Audit Committee and the Board of Directors.

In order to control strategic risks, Varma co-operates closely with its stakeholders and other players in the field and is developing its processes so that it can react to any changes in the earnings-related pension system on time.

Varma's preparation for unsettled and exceptional circumstances

Earnings-related pension institutions are under statutory obligation to ensure their tasks can be handled with minimum disruption, even under exceptional circumstances. According to the Security Strategy for Society, the pension and book entry systems, among others, are functions that must be secured.

Principal threat types and their concomitant special circumstances related to pension payments and funding include serious perturbations in the infrastructure required by the

networked operating model, citizens' health and income security, and society's economic capacity. Due to the decentralised management of pension provision, there is a lot of co-operation within the earnings-related pension system, which increases mutual dependency and vulnerability. The globalisation of information technology services and bank services creates challenges for contingency operations.

Contingency operations secure critical activities in exceptional circumstances and in serious disturbances within normal circumstances. Also, in exceptional circumstances or when threatened by them, Varma will fulfil its statutory and contractual obligations as comprehensively and for as long as possible. In co-operation with other operators, banks, authorities, and the emergency supply organisation, priority will be given to securing services connected with citizens' income security.

Varma has recovery plans for situations where IT is disrupted and a continuity plan approved by the Board of Directors, which is supplemented by detailed plans prepared by different functions. A contingency unit, which includes representatives of all Varma's functions, coordinates the activities in possible contingencies.

Significant risks in exceptional circumstances include:

- the payment of pensions is jeopardised
- the financing of pensions and liquidity management become more difficult
- the implementation of processes during exceptional circumstances does not happen quickly enough

- bank systems, investment trading systems or other societal infrastructures fail to work
- the earnings-related pension systems, telecommunication lines or co-ordination within the sector fail to work
- our own IT applications or networks fail to work, stoppage of services provision,
- counterparty risks and the invalidity of contracts under exceptional circumstances
- the availability and flow of information, and communication opportunities during crisis.

Varma participates in operational exercises together with other pension insurance institutions, insurance companies, banks and financial operators.

Compliance

Compliance activities are an element of Varma's internal control. It refers to internal activities which aim to ensure compliance with laws, decrees and regulations that apply to Varma, as well as with internal guidelines and the decisions of governance bodies. The purpose of Compliance activities is to identify situations where Varma could be exposed to various legal risks, and to ensure sufficient controls to mitigate these risks. They also involve assessing the sufficiency of measures taken to prevent and rectify any compliance shortcomings. Compliance activities are headed by the Compliance officer, who reports on the activities to the Board of Directors and its Audit Committee.

Internal audit

Internal audit operates in accordance with the principles defined in the professional standards of internal audit. It comprises independent and objective assessment, assurance and consulting activities whose purpose is to support the organisation in achieving its goals by producing assessments and development proposals concerning the status of risk management and other internal controls. The organisational status, tasks, responsibilities and powers of the internal audit are laid down in the instructions approved by the Board of Directors. The areas to be audited are set out in an annual audit plan, which is approved by the Board of Directors after it has been discussed by the Executive Group and the Audit Committee. The audit observations are reported to the company management, the Audit Committee and the Board of Directors. The internal audit is administratively subordinate to the CEO.

Supervision by authorities

In addition to laws and decrees, Varma's operations are governed by the instructions and regulations of the Financial Supervisory Authority. Varma provides the Financial Supervisory Authority with information and reports on a regular basis and upon request. The Financial Supervisory Authority carries out appropriate inspections related to administration, solvency, investment operations and operational risks, among other things.

Key figures and analyses

31. Summary of the key figures

31 Dec, € million	2025	2024	2023	2022	2021
Premiums written, € million	6,901.4	6,655.6	6,466.4	6,118.6	5,634.6
Pensions paid and other payments made, € million	7,620.9	7,263.0	6,775.1	6,237.6	5,980.0
Net investment income at fair value, € million	4,768.0	6,025.9	3,363.4	-2,867.7	9,256.5
Net return on invested capital, %	7.5	10.2	6.0	-4.9	18.5
Turnover, € million	10,475.7	10,694.4	8,496.8	6,053.0	10,485.6
Total operating expenses, € million	132.3	134.8	137.5	136.4	129.6
Total operating expenses of turnover, %	1.3	1.3	1.6	2.3	1.2
Operating expenses, % of total TyEL payroll and YEL income	0.3	0.3	0.3	0.4	0.4
Total result, € million	1,603.5	2,956.2	814.7	-3,466.3	5,586.5
Technical provisions, € million	52,983.8	50,260.6	46,966.2	45,372.7	45,225.0
Solvency capital, € million	18,220.8	16,792.7	14,010.0	13,344.4	16,890.3
in relation to solvency limit	1.7	1.7	1.6	1.8	2.0
Pension assets, € million	69,308.3	65,364.6	60,057.3	57,119.7	59,754.4
of technical provisions, %	135.7	134.6	130.4	130.5	139.4
Transfer to client bonuses of TyEL payroll, %	0.65	0.65	0.56	0.72	0.99
YEL payroll, € million	27,034.2	26,110.9	25,367.3	24,103.2	22,535.3
TyEL payroll, € million	1,096.8	1,055.3	942.7	867.3	815.4
TyEL policies	36,960	36,580	33,840	29,900	30,300
TyEL insured persons	580,090	574,790	563,580	547,700	531,200
YEL policies	46,350	45,800	43,960	42,500	40,000
Pensioners	348,280	351,190	350,500	352,200	345,700

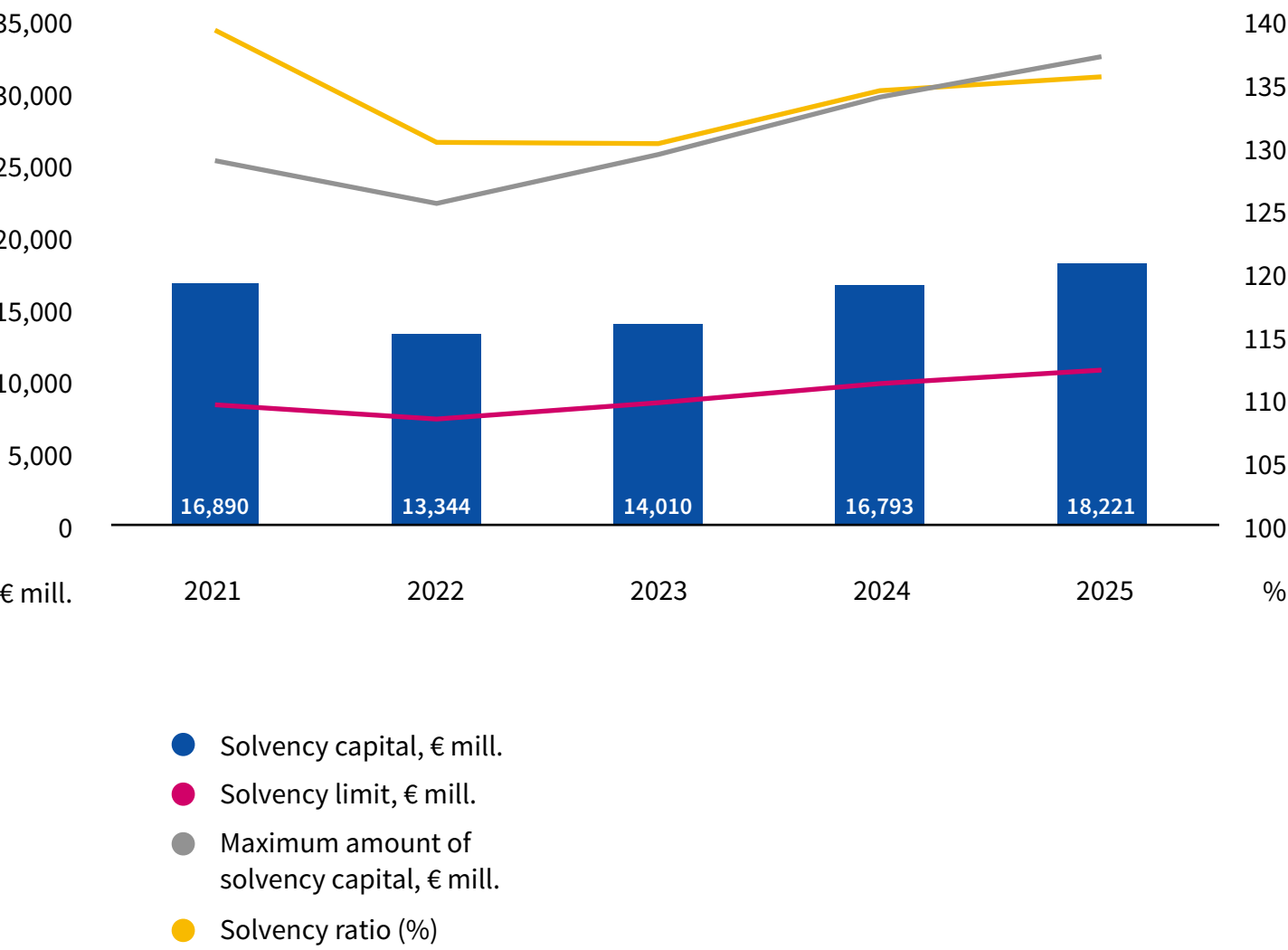
32. Performance analysis

31 Dec, € million	2025	2024	2023	2022	2021
Sources of profit					
Technical underwriting result	3.0	37.9	69.6	114.9	48.3
Investment surplus at fair value	1,598.3	2,913.7	738.9	-3,635.9	5,487.8
+ Net investment income at fair value	4,768.0	6,025.9	3,363.4	-2,867.7	9,256.5
- Return requirement on technical provisions	-3,169.7	-3,112.3	-2,624.4	-768.2	-3,768.7
Loading profit	0.8	2.3	4.3	38.2	51.2
Other result	1.4	2.4	1.8	16.5	-0.9
Total result	1,603.5	2,956.2	814.7	-3,466.3	5,586.5
Appropriation of profit					
Change in solvency	1,428.8	2,786.6	673.2	-3,640.1	5,364.1
Change in equalisation provision included in the solvency capital	0.0	0.0	0.0	0.0	0.0
Change in provision for future bonuses	201.5	764.6	-680.4	-860.9	936.6
Change in difference between fair value and book value	1,219.1	2,014.7	1,346.3	-2,787.5	4,420.7
Profit for the financial year	8.2	7.2	7.2	8.4	6.8
Other change in the equalisation provision	0.0	0.0	0.0	0.0	0.0
Transfer to client bonuses	174.7	169.6	141.5	173.8	222.4
Total	1,603.5	2,956.2	814.7	-3,466.3	5,586.5

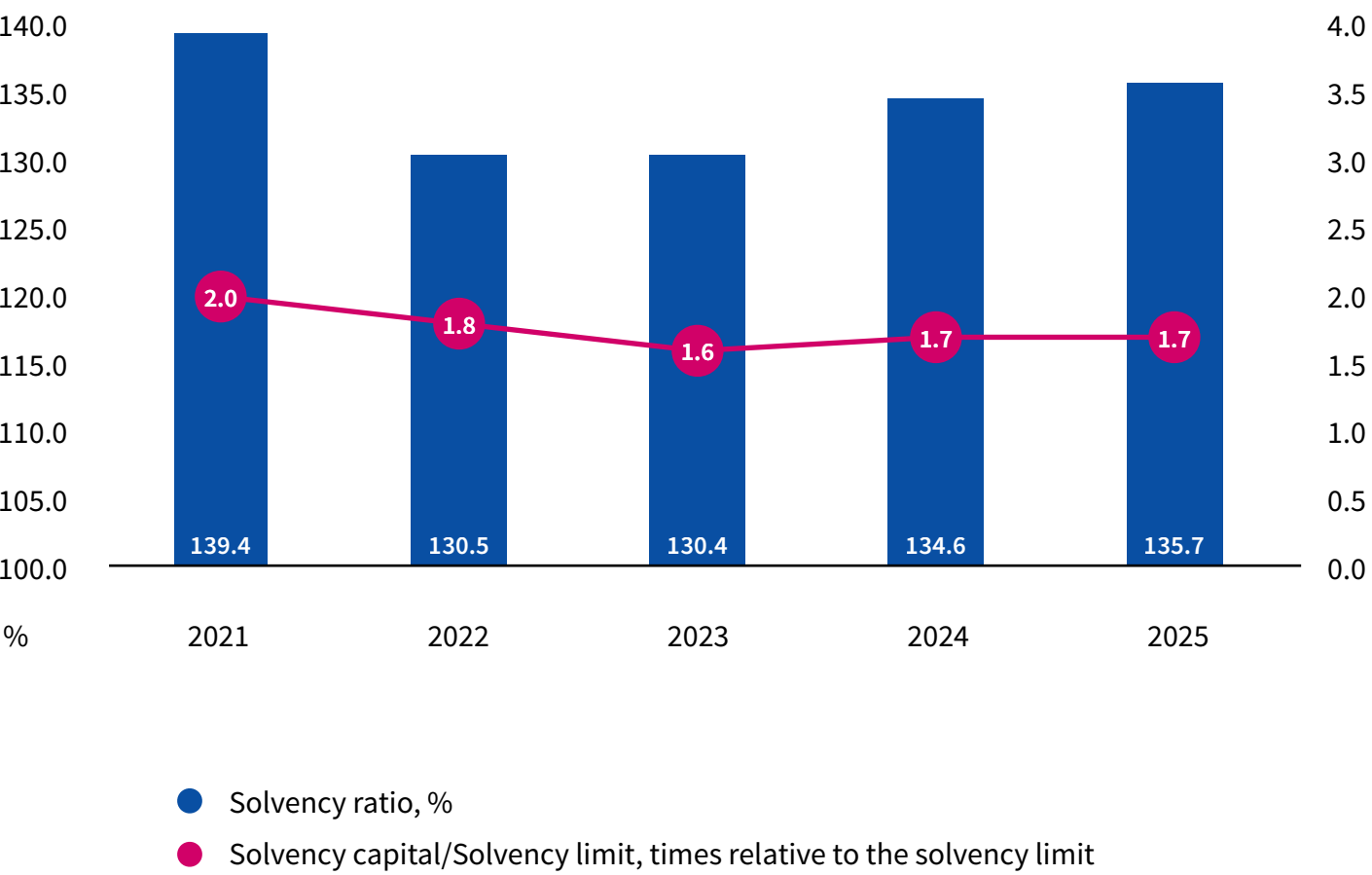
33. Solvency

31 Dec, € million	2025	2024	2023	2022	2021
Solvency limit, € million	10,879.3	9,942.8	8,614.3	7,482.3	8,472.8
Maximum amount of solvency capital, € million	32,637.8	29,828.3	25,842.8	22,446.9	25,418.4
Solvency capital, € million	18,220.8	16,792.7	14,010.0	13,344.4	16,890.3
Solvency capital (solvency ratio), %	135.7	134.6	130.4	130.5	139.4
Solvency capital/Solvency limit	1.7	1.7	1.6	1.8	2.0

Solvency capital and limits



Solvency capital/Solvency limit



34. Investment allocation at fair value

	Market value 2025 € million		Market value 2024 € million		Risk position 2025 € million		Risk position 2024 %	Risk position 2023 %	Risk position 2022 %	Risk position 2021 %
		%		%		%				
Fixed-income investments	12,927.1	18.9	12,815.2	19.9	13,844.8	20.3	54.2	15.8	27.2	26.1
Loan receivables	2,068.6	3.0	2,072.2	3.2	2,068.6	3.0	3.2	4.4	5.0	4.6
Bonds	8,879.9	13.0	7,991.7	12.4	10,173.4	14.9	16.5	15.2	15.8	17.4
Other money-market instruments and deposits	1,978.5	2.9	2,751.4	4.3	1,602.8	2.3	34.4	-3.8	6.4	4.1
Equity investments	39,273.7	57.5	35,134.5	54.6	39,640.0	58.0	55.1	53.9	49.0	49.7
Listed equities	26,777.0	39.2	22,408.1	34.8	27,143.3	39.7	35.3	34.9	30.9	34.3
Private equities	11,417.5	16.7	11,704.3	18.2	11,417.5	16.7	18.2	17.6	16.9	14.7
Unlisted equities	1,079.3	1.6	1,022.1	1.6	1,079.3	1.6	1.6	1.4	1.2	0.8
Real estate investments	5,469.7	8.0	5,717.2	8.9	5,469.7	8.0	8.9	9.5	10.2	9.2
Direct real estates	2,956.2	4.3	3,028.3	4.7	2,956.2	4.3	4.7	5.1	5.6	5.2
Real estate funds	2,513.6	3.7	2,688.9	4.2	2,513.6	3.7	4.2	4.4	4.6	4.0
Other investments	10,616.3	15.5	10,687.3	16.6	10,615.9	15.5	16.6	16.0	15.0	15.6
Hedge funds	10,616.0	15.5	10,666.7	16.6	10,616.0	15.5	16.6	16.0	15.0	15.6
Commodities	-0.1	0.0	-0.3	0.0	-0.5	0.0	0.0	0.0	0.0	0.0
Other investments	0.4	0.0	20.9	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Investments	68,286.8	100.0	64,354.2	100.0	69,570.5	101.9	134.7	95.3	101.4	100.6
Impact of derivatives					-1,283.7	-1.9	-34.7	4.7	-1.4	-0.6
Investments at fair value, total	68,286.8	100.0	64,354.2	100.0	68,286.8	100.0	100.0	100.0	100.0	100.0
Modified duration of the bond portfolio	6.5									

35. Net return on invested capital

Return on invested capital, €/%	Net return on invested capital, market value 2025 € million	Invested capital 2025 € million	Return on invested capital 2025 %	Return on invested capital 2024 %	Return on invested capital 2023 %	Return on invested capital 2022 %	Return on invested capital 2021 %
Fixed-income investments	511.4	12,530.1	4.1	4.7	5.6	-5.2	1.9
Loan receivables	111.2	2,773.7	4.0	7.5	7.3	3.9	5.4
Bonds	354.0	7,592.6	4.7	4.1	5.8	-10.2	1.4
Other money-market instruments and deposits	46.3	2,163.8	2.1	3.6	2.0	-0.1	-0.9
Equity investments	3,730.6	35,254.0	10.6	14.9	8.6	-8.7	32.2
Listed equities	3,691.3	22,508.7	16.4	16.5	10.3	-16.8	26.4
Private equities	-75.8	11,670.6	-0.6	12.0	5.5	7.9	49.6
Unlisted equities	115.2	1,074.8	10.7	12.7	8.9	40.7	26.3
Real estate investments	56.2	5,660.1	1.0	-2.8	-4.3	5.7	5.9
Direct real estates	4.6	3,001.5	0.2	-0.9	-4.0	4.2	4.1
Real estate funds	51.6	2,658.6	1.9	-4.9	-4.6	7.6	8.5
Other investments	512.6	10,531.7	4.9	10.5	5.6	2.7	15.3
Hedge funds	529.6	10,524.2	5.0	10.5	6.1	2.3	15.3
Commodities	-7.9	4.5					
Other investments	-9.0	3.0					
Investments	4,810.8	63,976.0	7.5	10.3	6.1	-4.8	18.6
Unallocated income, costs and operating expenses from investment activities	-42.8	21.6					
Net investment income at fair value	4,768.0	63,997.6	7.5	10.2	6.0	-4.9	18.5

36. Loading profit

31 Dec, € million	2025	2024	2023	2022	2021
TyEL contribution's expense loading components	46.8	54.3	64.1	121.0	128.8
Income from the provision for pooled claims for handling insurance policies for small employers	13.0	12.1	10.1		
Components available to cover operating expenses arising from compensation decisions	6.4	6.3	6.1	5.6	6.5
Other income	0.0	0.0	0.0	0.0	0.0
TyEL loading income, total	66.1	72.8	80.3	126.6	135.3
TyEL activity-based operating expenses	-65.0	-69.0	-72.9	-88.4	-84.1
Other expenses					
TyEL operating expenses, total	-65.0	-69.0	-72.9	-88.4	-84.1
TyEL loading profit	1.1	3.8	7.4	38.2	51.2
YEL loading income	12.8	12.7	12.4		
YEL operating expenses	-13.1	-14.1	-15.5		
YEL loading profit	-0.3	-1.5	-3.1		
Loading profit total	0.8	2.3	4.3		
TyEL operating expenses, percentage of payroll	0.2	0.3	0.3		
YEL operating expenses, percentage of YEL loading income	102.5	111.7	124.8		

37. Managing disability risk

31 Dec, € million	2025	2024	2023	2022	2021
Premiums written; the administrative cost component of the disability risk	8.3	8.1	7.9	7.4	6.9
Expenses covered by the administrative cost component of the disability risk, entered under claims incurred, %	7.0	7.4	7.9	7.4	6.9
Expenses arising from the management of the disability risk, entered under operating expenses and covered by the expense loading	0.0	0.0	0.2	0.1	2.2
Expenses covered by the administrative cost component of disability risk/The administrative cost component of the disability risk, %	84.6	90.8	100.0	100.0	100.0

38. Technical underwriting result

31 Dec, € million	2025	2024	2023	2022	2021
Premium income from underwriting business under the company's own account	1,217.0	1,189.9	1,173.0	1,459.8	1,189.1
Interest rate on the technical provisions of the underwriting business under the company's own account	1,274.2	1,244.9	1,217.3	1,106.3	1,053.4
Underwriting income	2,491.2	2,434.7	2,390.3	2,566.1	2,242.5
Pensions paid out of funds	1,872.4	1,814.9	1,770.3	1,578.2	1,492.5
Contribution losses	14.4	12.3	9.3	8.3	7.9
Change in the technical provisions of the underwriting business under the company's own account	601.5	569.6	541.1	864.7	693.8
Total claims incurred	2,488.2	2,396.9	2,320.7	2,451.2	2,194.2
Technical underwriting result	3.0	37.9	69.6	114.9	48.3

Distribution of profit

Distributable profits as presented in the notes to the financial statements	155,684,434,70 euros
The Board of Directors proposes that the profit for the year be distributed as follows:	8,171,893,08 euros
to be transferred to the contingency fund (optional reserve)	8 ,000,000,00 euros
to be carried over on the Profit and Loss Account	171,893,08 euros

Helsinki, 11 February 2026

Jaakko Eskola, Chairman of the Board

Riku Aalto	Anu Ahokas	Nina Arkilahti
Eveliina Dahl	Anja Frada	Else-Mai Kirvesniemi
Kristiina Mäkelä	Simon-Erik Ollus	Teo Ottola
Pekka Piispanen	Saana Siekkinen	Risto Murto, President & CEO

Auditor's Report

(Translation of the Finnish original)

To the Annual General Meeting of Varma Mutual Pension Insurance Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Varma Mutual Pension Insurance Company (business identity code 0533297-9) for the year ended 31 December, 2025. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities

for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most significant assessed risks of material misstatement

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included

the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

As for the consolidated financial statements or the parent company's financial statement there are no significant risks of material misstatements referred to in Article 10 section 2c of regulation (EU) 537/2014.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible

for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors’ and the Managing Director’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company’s or the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 15 March 2018, and our appointment represents a total period of uninterrupted engagement of 8 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor’s report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor’s report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions based on assignment of the Annual General Meeting

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the distributable equity is in compliance with the

Insurance Companies Act. We support that the Members of the Supervisory Board and the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki 11 February 2026

Ernst & Young Oy
Authorized Public Accountant Firm

Kristina Sandin
Authorized Public Accountant

Assurance Report On The Sustainability Statement

(Translation of the Finnish original)

To the Annual General Meeting of Varma Mutual Pension Insurance Company

We have performed a limited assurance engagement on the group sustainability statement of Varma Mutual Pension Insurance Company (business identity code 0533297-9) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period from 1 January to 31 December, 2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Varma Mutual Pension Insurance

Company has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Authorized Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The Authorized Group Sustainability Auditor applies International Standard on Quality Management ISQM 1, which requires the Authorized Sustainability Audit Firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Varma Mutual Pension Insurance Company are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability

reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,

- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by the fact that reporting of this type of information involves estimates and assumptions,

as well as measurement and assessment uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

When reporting future-related information in accordance with the ESRS standards, the company's management must present assumptions regarding possible future events and disclose the company's potential future actions related to these events, as well as prepare future-related information based on these assumptions. The actual outcome is likely to differ, as predicted events often do not occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of

users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company’s or the group’s internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature,

timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We have interviewed the management of the group as well as key personnel responsible for collecting and reporting of the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group’s control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided from the double materiality assessment is in material respects in accordance with the ESRS standards.
- We assessed whether the group sustainability statement in material respects meets the requirements of the ESRS standards regarding material sustainability topics:
 - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis to the

documentation and records prepared by the company and assessed whether they support the information included in the group sustainability statement.

- We have on a sample basis performed analytical assurance procedures and related inquiries, recalculations and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- Regarding EU Taxonomy data, we gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided.

Helsinki 11 February 2026

Ernst & Young Oy
Authorized Sustainability Audit Firm

Kristina Sandin
Authorized Sustainability Auditor

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