

2025-2026

ALANDIA'S REPORT BASED ON
THE UN PRINCIPLES FOR SUSTAINABLE INSURANCE (PSI)



WE ARE A MARINE INSURANCE SPECIALIST

With over 85 years of experience Alandia provides swift and relevant marine insurance expertise and claims service to its customers by creating long-term relationships.

Our long history in the shipping business, the shipping reality and our wide-spread contact network enables us to give our customers help, back up and service of high standard and efficiency.



We are an insurance company with focus on Marine, Cargo, Energy and Boat insurance. With over 85 years of experience, we deliver swift and relevant service and marine insurance solutions that provide long-term security and reduces both risk and resource utilization.

Headquartered on the Åland Islands and with offices in Stockholm, Helsinki, Oslo and Turku, we employ 120 professionals.

For more company-related information, please visit our website www.alandia.com

In spring 2021, Alandia joined the UN Principles for Sustainable Insurance (PSI) as the second Finnish insurance company.

In June 2022 Alandia published its first public disclosure report.

This report is consequently the fifth report from Alandia and provides information on the work performed in implementing the Principles in Alandia's operations during 2025–2026.

The UN Principles Alandia has committed to implementing in its operations

- Principle 1** We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.
- Principle 2** We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.
- Principle 3** We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.
- Principle 4** We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles. (For more information on the UN Principles for Sustainable Insurance, please visit: unepfi.org/insurance).

Sustainable development goals relevant for our business



IMPACT MATERIALITY	High				
		Risk selection Selection of reinsurers and intermediaries	Product development	Loss prevention Claims management	
			Sales and marketing practices	Own operations	
		Climate change mitigation and environmental initiatives		Responsible investments	
	Low				
	Low				High
	FINANCIAL MATERIALITY				

The Alandia way – prioritized ESG areas from a double materiality perspective

Alandias materiality assessment has been done from a double materiality point of view i.e., what level of impact the issue has on Alandias business success (financial materiality) and what level of impact the issue has on ESG-issues (impact materiality) and prioritized accordingly.

For the nine ESG areas in the materiality assessment, targets, metrics, actions and responsible function has been assigned.



Reducing risk and strengthening safety for our customers

Loss Prevention is a key driver of Alandia's ESG performance, with a focus on proactive risk reduction and improved safety for our customers.

The approach is built on supporting key accounts in strengthening operational safety while influencing customer behaviour to reduce claims severity and frequency over time. From an ESG perspective, loss prevention contributes across all three dimensions:

Environmental: By reducing the risk of incidents, loss prevention helps minimise pollution, cargo damage, material usage, and waste related to repairs. It also supports compliance with environmental regulations.

Social: By preventing incidents that could harm people's wellbeing or result in loss of life, loss prevention helps protect crew, port workers, and other stakeholders, supporting safe operations and trust among customers.

Governance: Through proactive risk management and compliance support, loss prevention helps limit financial losses arising from damage and operational disruptions, contributing to stable and responsible business practices.

Throughout the year, Alandia conducted customer-focused loss prevention projects, including tailored seminars, emergency preparedness drills, condition surveys, and targeted advisory support. Structured processes were further developed in close cooperation with Claims and Underwriting to focus efforts where risk-reduction impact is greatest.

Progress is monitored through indicators such as the number of customer projects, the scope of loss prevention activities, customer reach, and effects on claims frequency and loss ratios.

Managing claims responsibly and driving sustainable outcomes

Claims management at Alandia is conducted with the ambition to minimize the environmental, social, and economic impact of incidents, while ensuring efficient, fair, and transparent handling for customers. The approach emphasizes not only resolving claims but also guiding decisions in a way that promotes sustainable outcomes and responsible behavior across the value chain.

From an ESG perspective, claims management contributes to reducing environmental impact by promoting sustainable repair choices, materials, and spare parts when possible. Socially, the focus is on taking care of people affected by incidents and ensuring responsible working conditions among suppliers and partners. From a governance standpoint, the work aims to prevent unnecessary financial losses and ensure that all processes are handled with integrity and transparency.

During the year, Alandia has taken proactive steps in claims handling by improving decision-making processes related to asset protection, supplier selection, and repair strategies. A review of supplier selection processes has been initiated and is continuously updated to clarify ESG-related requirements and certifications, with the aim of prioritizing partners with established ESG management systems such as ISO standards. Efforts have also been made to promote ESG certification among shipyards and service providers.

The objective is to reduce ESG-related impacts of incidents, increase the share of ESG-certified partners, and ensure alignment with Alandia's sustainability standards across the supply chain. Progress is tracked through metrics such as the proportion of certified suppliers, the share of claims costs allocated to responsible partners, and continuous monitoring of claims handling outcomes.

Integrating sustainability considerations into product development

Product development at Alandia includes the ambition to consider sustainability aspects where relevant and feasible. As part of our product development process, we assess how insurance products can support customer needs while taking environmental, social and governance considerations into account.

As a marine insurer, we recognize that shipping is undergoing a long-term transition driven by technological developments, evolving regulations and changing customer expectations. While sustainability is not yet a defining feature across our product portfolio, we monitor these developments and evaluate how they may affect customer risks and insurance needs over time.

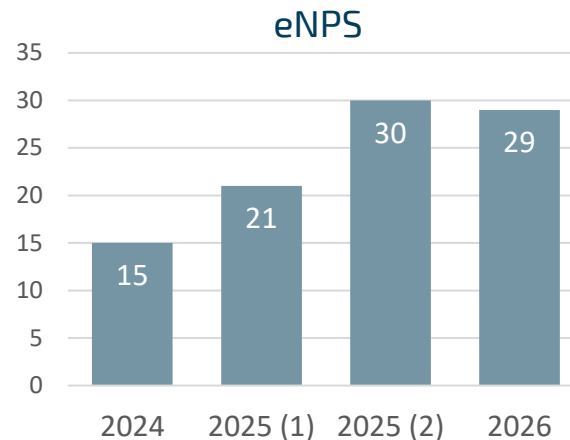
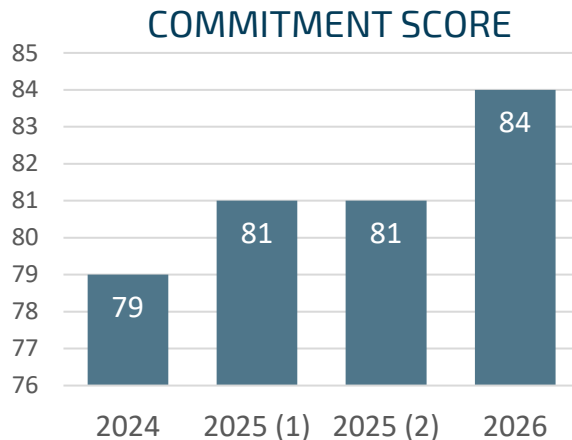
During the year, we continued to follow developments in areas such as vessel technology, alternative fuels and risk prevention measures that may influence future insurance solutions. Our objective is to maintain a relevant and resilient product offering that supports our customers' evolving needs while considering long-term sustainability trends affecting the marine sector.



Running our own business sustainably and responsibly

Alandia continues to track employee engagement through eNPS and takes action where needed. During the year, Alandia has continued to strengthen leadership capabilities and to work in a data-driven way with employee well-being, including engagement index and commitment score. The focus on occupational health and safety also continues, with clear responsibilities and systematic risk assessments.

Alandia also continues to promote equality and fair treatment through training initiatives and ongoing activities aimed at raising awareness and supporting an inclusive workplace.





Integrating ESG into risk selection and underwriting decisions

Integrating ESG considerations into risk selection is an important part of Alandia's underwriting and risk management approach. The goal is to ensure that the company does not support unsustainable activities while promoting responsible practices within its portfolio.

From an ESG perspective, environmental, social and governance factors are considered as part of the underwriting and risk assessment process. Environmental considerations may include exposures related to pollution, environmental damage and the use of natural resources. Social considerations may include risks related to occupational health and safety, working conditions and employee welfare, particularly within maritime operations. Governance considerations may include factors such as regulatory compliance, business ethics and the quality of management and oversight. ESG-related factors are considered where relevant to support informed risk-taking and underwriting decisions.

The objective is to systematically avoid exposure to unsustainable risks while aligning underwriting decisions with the company's ESG commitments. Progress is tracked through the implementation and continuous refinement of these processes and frameworks.

Creating long-term value and stability through responsible investments

Responsible investments is one strategic pillar of Alandia's investment strategy to ensure financial performance while contributing to sustainable development. ESG considerations are integrated into the investment decision-making process and ownership practices.

From an environmental perspective, the focus is on allocating capital to investments that support the transition to a low-carbon economy and promote sustainable use of natural resources. From a social perspective, the focus is on identifying investments that manage social risks and opportunities responsibly, including human rights, labour practices, and diversity. From a governance perspective, emphasis is placed on effective governance structures, transparency, accountability, and ethical business conduct.

During the year, we implemented a new sustainability policy in our investment strategy to provide clearer strategic direction going forward. The policy is based on an internationally recognized framework and will be further embedded through practical guidelines, data collection, and reporting in the coming years. We have increasingly favored green bonds within our fixed income portfolio where they provide an opportunity for impact investing while being aligned with our requirements regarding return and risk, diversification and liquidity.

The objective is to ensure sustainable long-term returns while increasing the proportion of investments that meet defined ESG criteria.

Partnering with Reinsurers and Brokers that Share Our ESG Standards

Alandia works to ensure that its reinsurers and intermediaries align with its ESG values and contribute to promoting sustainable practices across the insurance value chain. The goal is to collaborate with partners who demonstrate a strong commitment to environmental, social, and governance principles. We have established long-standing and strong relationships with our reinsurance partners, whom we are confident that share our ESG values.

From an ESG perspective, this includes supporting partners that contribute to climate change mitigation, promote social responsibility, and uphold high standards of governance, including ethical business conduct and anti-corruption practices.

Our aim is to continue to develop processes to systematically assess the ESG approach of reinsurers and brokers. This includes gathering, documenting, and evaluating information on their sustainability practices. In addition, efforts have been made to define what constitutes sustainable actions and which ESG priorities Alandia aims to promote through its partnerships.

The objective is to strengthen collaboration with partners that actively support sustainability and to increase transparency regarding ESG performance across the value chain. Progress is tracked through implementation of these processes and the share of partners with clearly defined ESG approaches.





Accessible digital communication supports informed customer decisions.

Communicating Clearly and Responsibly with Our Customers

Responsible communication is essential to ensure that customers understand Alandia's products and services, including their ESG-related characteristics. Transparency, clarity and accuracy are guiding principles in all customer communication.

From a social perspective, the focus is on providing customers with relevant and easily understandable information that enables them to make informed decisions. From a governance perspective, this means maintaining compliance with responsible marketing standards and ensuring that communication is truthful, balanced and transparent.

During the year, Alandia has implemented processes to support clear and accessible communication across both B2B and B2C channels. This includes improvements to digital platforms, such as the website, the implementation of a new sales and CRM system, and the development of educational materials in collaboration with the Loss Prevention function. Communication activities have also been strengthened through increased use of social media, newsletters, events and webinars.

The objective is to strengthen trust and engagement by providing customers with accurate and transparent information. Progress is monitored through customer satisfaction metrics, Net Promoter Scores and brand perception surveys.

Supporting the transition to a more sustainable marine industry

Alandia is engaged in supporting climate change mitigation and environmental initiatives within the marine industry, recognizing the importance of collective action in addressing global environmental challenges. The focus is on contributing to the decarbonization of the industry and promoting sustainable maritime development.

From an environmental perspective, this involves reducing climate impact and supporting initiatives that minimize environmental degradation. While social and governance aspects are less prominent in this area, the work is closely linked to collaboration, partnerships, and responsible industry engagement.

Alandia participates in a range of industry forums and initiatives, including collaboration through organizations such as The Nordic Association of Marine Insurers (Cefor), IUMI, and Sweboat. These engagements enable the company to contribute with expertise, support industry-wide initiatives, and promote best practices related to sustainability and climate action.

The objective is to actively promote climate-related initiatives and contribute to a more sustainable marine industry through partnerships and engagement.



We provide **long term stability** for
our customers journeys ahead

