

# Dear Shareholders,

As Chair of Sampo's Nomination and Remuneration Committee (NRC), I am pleased to present our Remuneration Report for Governing Bodies 2024. The Remuneration Report provides information on the remuneration of the Board of Directors and the Group CEO, and it also describes how the Remuneration Policy for Governing Bodies has been applied in practice. The Remuneration Report for Governing Bodies will be presented to the Annual General Meeting (AGM) in 2025.

This is my second Chair letter after re-joining Sampo's Board of Directors in 2023. For many years, Sampo focused on being a diversified financial group with a strong emphasis on insurance and financial services. However, times have changed and so has Sampo. Since it was announced in 2021, the group-level strategy has been to focus on P&C insurance, and our major actions have adhered to this strategy. For the past couple of years, we have concentrated on transforming Sampo Group into a leading P&C insurance group in the Nordic region and the only one present in all Nordic countries, customer segments and products. The Group is also a major operator in the growing digital P&C insurance market in the UK. 2024 marks another important milestone on this journey especially with the acquisition of the remaining shares in Topdanmark. As a company we have and will always have the goal to create value for our shareholders.

During the year 2024, we saw our long serving Board Member Fiona Clutterbuck leave the Board. I would like to extend my gratitude to Fiona's dedication to Sampo during her term and, at the same time, take the opportunity to express my satisfaction with the addition of Astrid Stange to the Board of Directors.

## Year of the Nomination and Remuneration Committee

The role of the NRC is to ensure that remuneration supports our strategic priorities, with a focus on pay-for-performance as a core element of our remuneration.

The NRC convened seven times during 2024. The ordinary work schedule of the NRC is to discuss and prepare short-term incentive topics in the meeting(s) taking place in the beginning of the year, long-term incentive topics during the autumn as well as compensation reviews and Board composition during the end of the financial year.

In March, the Board of Directors adopted a new performance based long-term incentive scheme (LTI). The LTI 2024 covers the Group CEO, other members of the Group Executive Committee and approximately seventy (70) senior leaders and key employees whose



efforts and abilities have a direct impact on Sampo Group's operational performance and strategy execution. The performance criteria and potential reward to participants are closely connected to creating value for our shareholders through our focused P&C strategy.

In 2024, three topics related to remuneration were presented to the AGM: the revised Remuneration Policy for Governing Bodies, the Remuneration Report for Governing Bodies, and the proposal to increase the annual fees of the Board members by approximately 3 per cent. I'm very pleased that all proposals received strong support, which I feel showcases the level of confidence in the NRC's work.

Following Sampo Group's strong results during the performance period 2020–2024, there was a pay-out of the second instalment of the LTI 2020:1 scheme in September 2024. The pay-out to the Group CEO is presented in the Remuneration Report. When deciding on the pay-out, the Board considered the situation when the plan was launched in October 2020 and the corporate events of the four-year performance period of the scheme's second instalment. The original starting share price for all instalments under the LTI 2020:1 was set at EUR 32.94 in 2020. The separation of Mandatum from Sampo Group took place in October 2023 after the pay-out of the first instalment from the LTI 2020:1. In connection with the partial de-merger, it was decided in accordance with the terms and conditions of the scheme that potential future pay-outs from the scheme would take this transaction into account. The Board of Directors did not see a need for any further actions and decided that the pay-out should be made in compliance with the applicable terms and conditions.

In the annual executive salary review that was conducted in December 2024, effective January 2025, the Group CEO received a salary adjustment of 7.5 per cent to continue towards the wanted market position against peers. Furthermore, the Board approved that the Group CEO's maximum STI 2025 opportunity level should remain at 100 per cent of annual base salary and that the LTI 2025 maximum opportunity should remain at 150 per cent of annual base salary at the time of grant.

## Going forward

The core of our remuneration systems is that the Group's long-term financial stability and value creation shall be safeguarded. Therefore, Sampo Group companies are committed to strengthening sustainable business practices. In 2024, all of the Sampo Group Executive Committee members had relevant sustainability metrics related to the respective area of responsibility amongst their STI targets. These have included for example regulatory and compliance quality, customer satisfaction, and employee Net Promoter Score. Furthermore, the new LTI scheme has a performance criterion relating to sustainability with a strong focus on GHG emission reduction in our own operations and investments.

The updated strategic plan launched at the capital market day on 6 March 2024 sets out the path for the coming years. The Nomination and Remuneration Committee remains committed to following market practices and applying them in a manner deemed fit for Sampo.

Sampo regards attractive pay, including variable compensation where appropriate, as an integral part of attracting, retaining, and motivating highly competent employees, which continues to be essential to shareholder value creation in a skills-based industry such as ours.

In closing, I would like to thank all Board Members, the Group CEO, and other members of the Group Executive Committee as well as all Sampo Group employees for another great year. Dear Shareholders, I look forward to seeing as many of you as possible at the upcoming AGM, and, as Chair of the Board, I respectfully ask for your support for the Remuneration Report for Governing Bodies 2024 and, of course, welcome your feedback on remuneration topics.

**Antti Mäkinen**

Chair of the Board