

Classification: Internal

NFU Mutual's Transition Plan Journey

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NFU Mutual

Leading UK-Based Rural Insurer

General Insurance

Over 850,000 GI policyholders and approximately 1.4m policies

Motor, Home, Farming and Business

Products include:

- Commercial (e.g. Liabilities, Property, Livestock)
- Motor (e.g. Fleet, Commercial Vehicle, Private Car)
- Personal (e.g. Buildings, Contents, Equine)

95% GI policies renewed in 2023

Financial Services

Around 130,000 Life customers and approximately 250,000 policies

Investments, Pensions and Life Cover and Protection

Products include:

- Investment bonds
- With-profits
- Protection
- Pensions
- Annuities
- ISAs
- OEICs

NFU Mutual: delivering sustained value

NFU Mutual does not operate to maximise profit, but to sustainably deliver products and services that are valued by our members.



Deliver value



Long-term
relationships



Always be there



Support our
communities

Underpinned by our group values of always acting with integrity and trust

“We take the time to get to know our customers and when they need our help, they know they can count on us to provide it – quickly, with no fuss.”

Nick Turner, CEO

HELPING TO CREATE A BETTER FUTURE

Being a Responsible Business is an integral part of our overarching company strategy. It's a key part of our heritage and remains central to how we do business today.

We have evolved our Responsible Business Strategy in recent years by:

- Considering factors across an Environmental, Social and Governance (ESG) framework
- Revising our Responsible Business ambitions and focus areas
- Refining how we measure and report on our progress
- Renewing our commitment to continually challenge ourselves on the pace and scale of our targets



OUR RESPONSIBLE BUSINESS STRATEGY

We have four strategic ambitions:



Protecting Rural Lives and Livelihoods

To make positive impacts on the welfare of those living and working in rural communities in the UK, and being there for our members in times of need.

To help protect the livelihoods of the UK farming community, both now and for future generations.

NFU Mutual is aiming to champion this area.



Building a Healthy Community

To support wellbeing across our community of employees and agencies.

To continually strive for equality and to create workplace environments and relationships that foster respect and belonging.



Caring for the Environment

To contribute to reducing climate change and its impact.

To help conserve and enhance nature and biodiversity through our own activities and influence.



Doing Business the Right Way

To continue to incorporate Environmental, Social and Governance factors in our decision-making, how we operate our business and our supply chain, where we place our investments and the products and services we provide.

How we will deliver on our commitment

By leveraging our standing and expertise to effect a positive and sustainable difference.

KEY FOCUS AREAS

At NFU Mutual, we make a conscious effort to do business the right way, recognising that everything we do is connected to the health and futures of our members, our communities, our people and the environment.

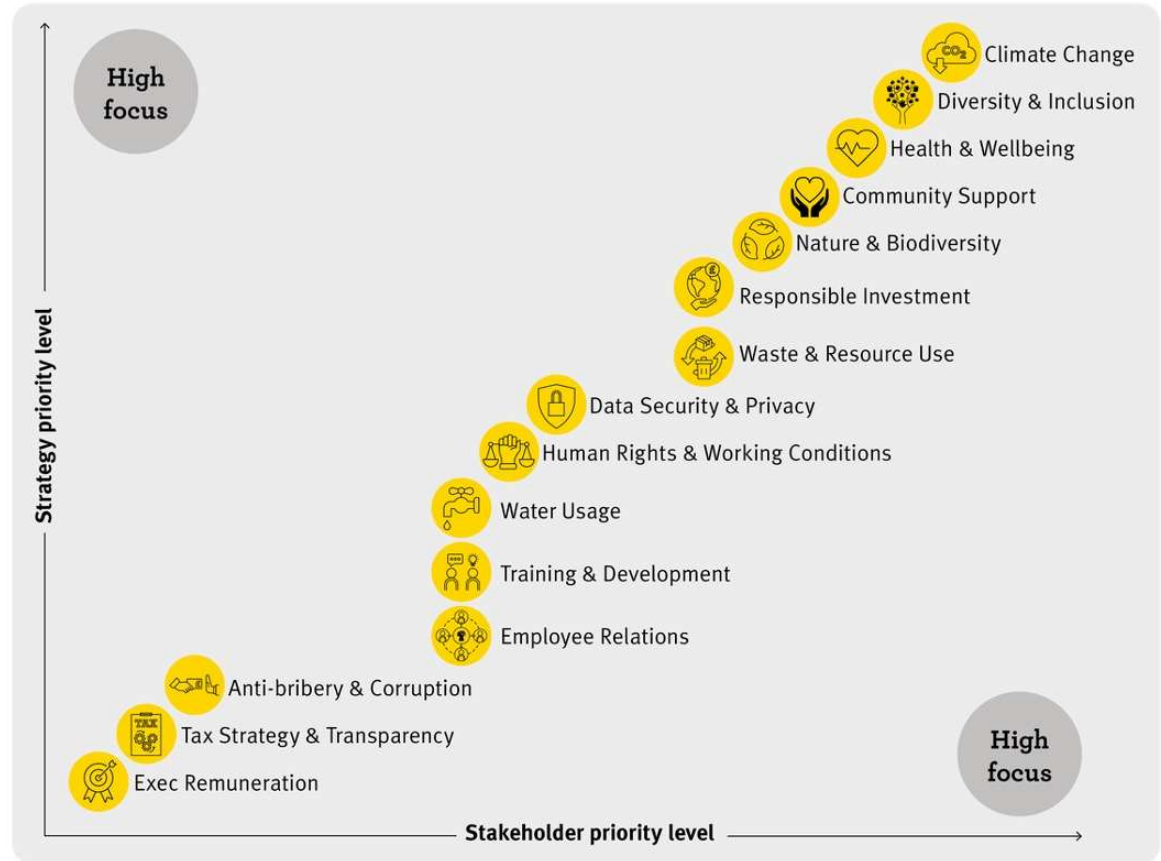
To identify and prioritise our key areas of focus, we conducted extensive research to understand what matters most to key stakeholders from employees and Agents, to suppliers and customers.

Since evolving our Responsible Business Strategy, we have established measurable and meaningful targets against which our performance can be assessed.

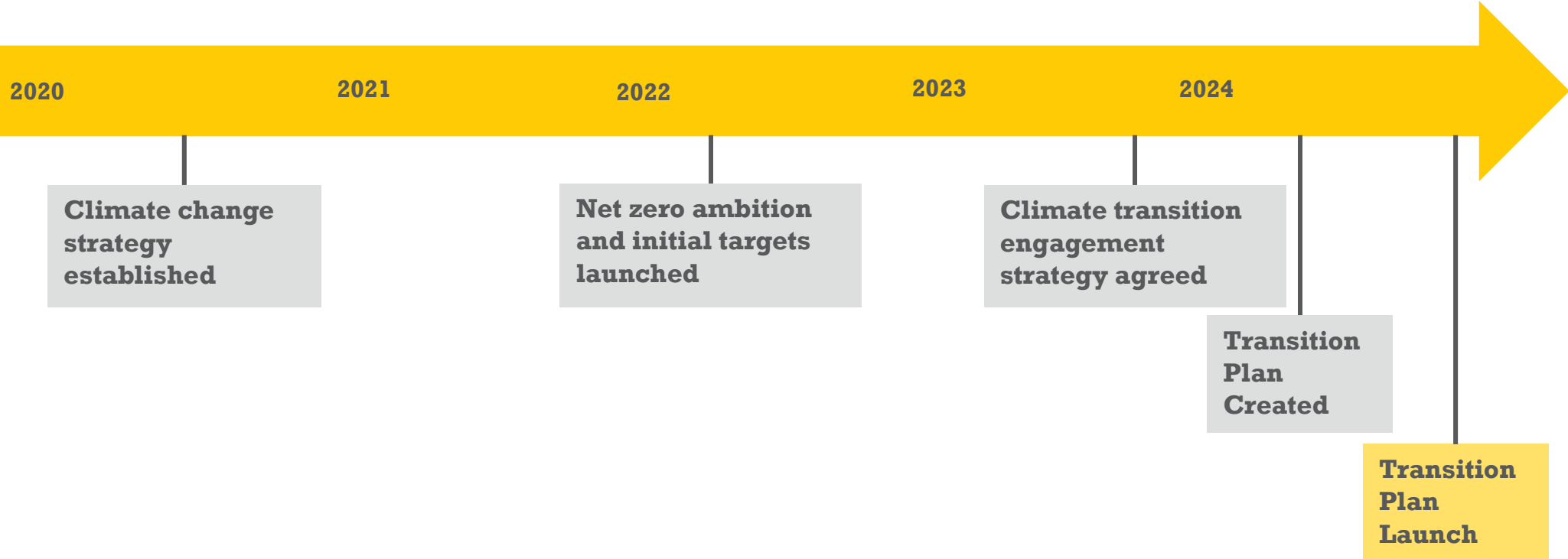
What's next?

- We'll continue to embed targets across our organisation
- We'll ensure robust measurement processes are in place to support clear and accurate performance disclosure

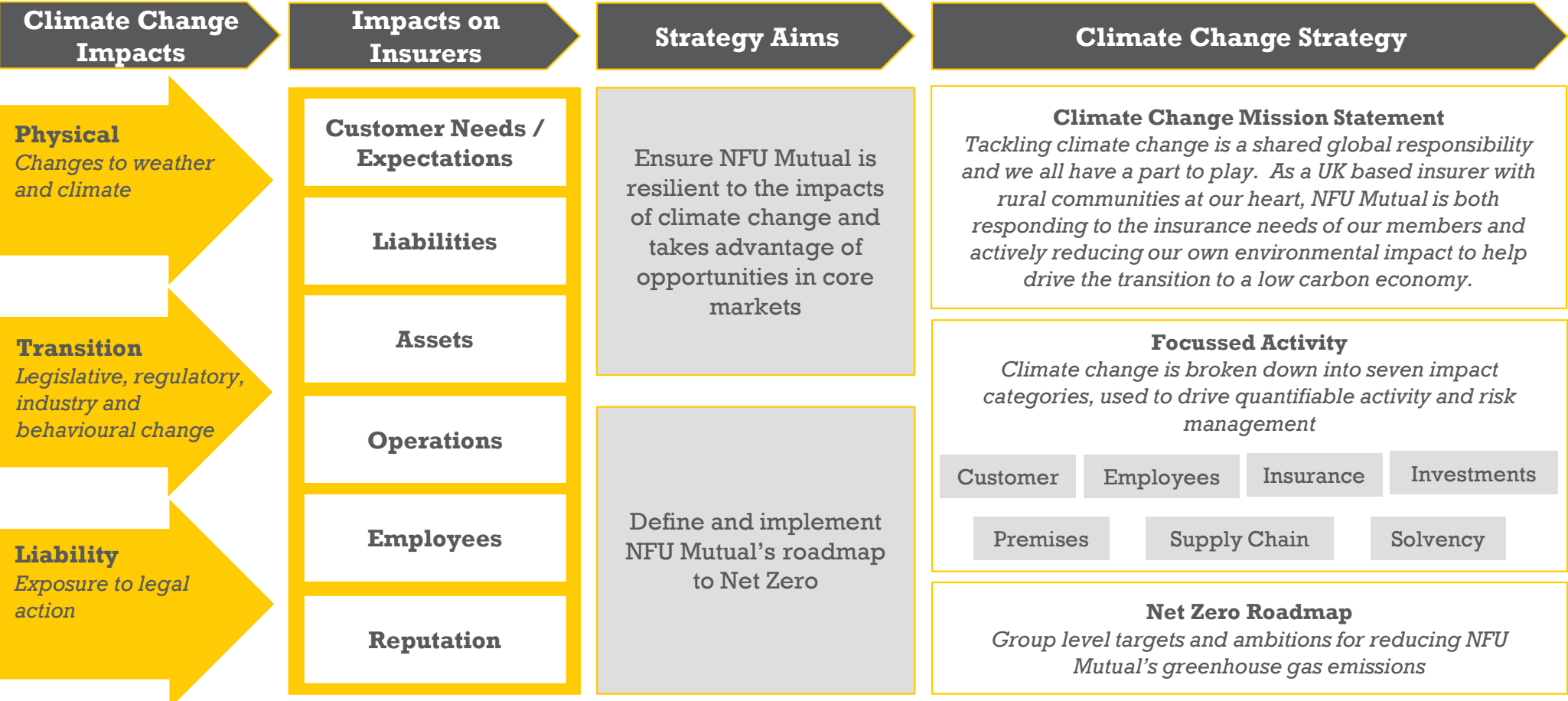
Material impact areas



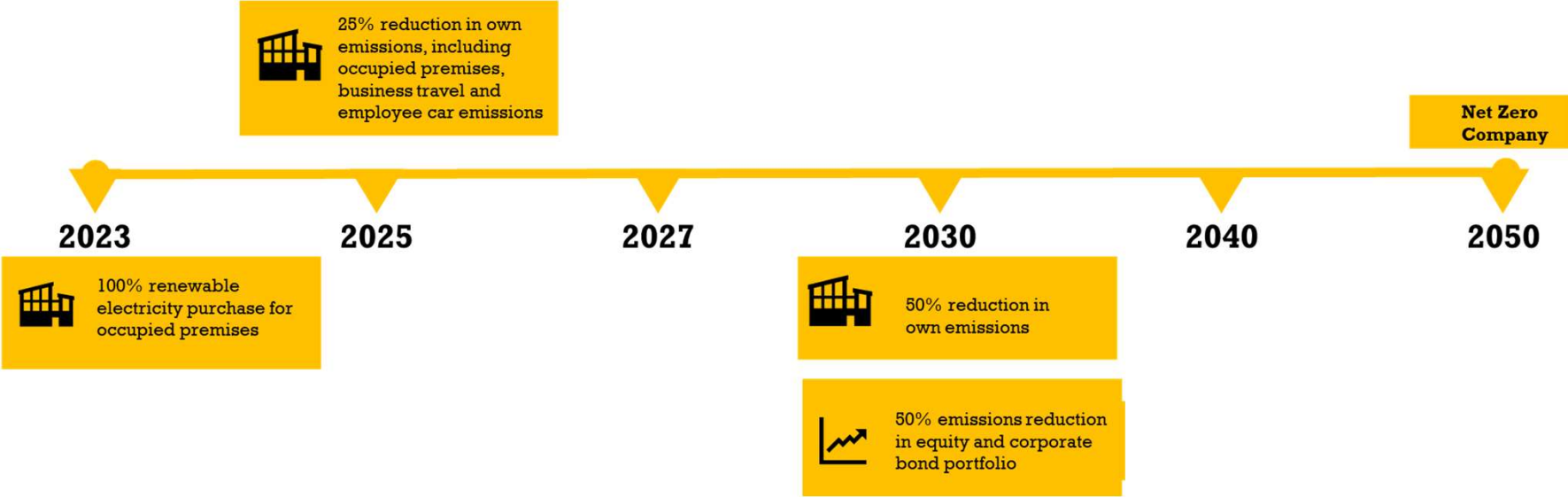
Climate Change Strategy Development



NFU Mutual's Climate Change Strategy



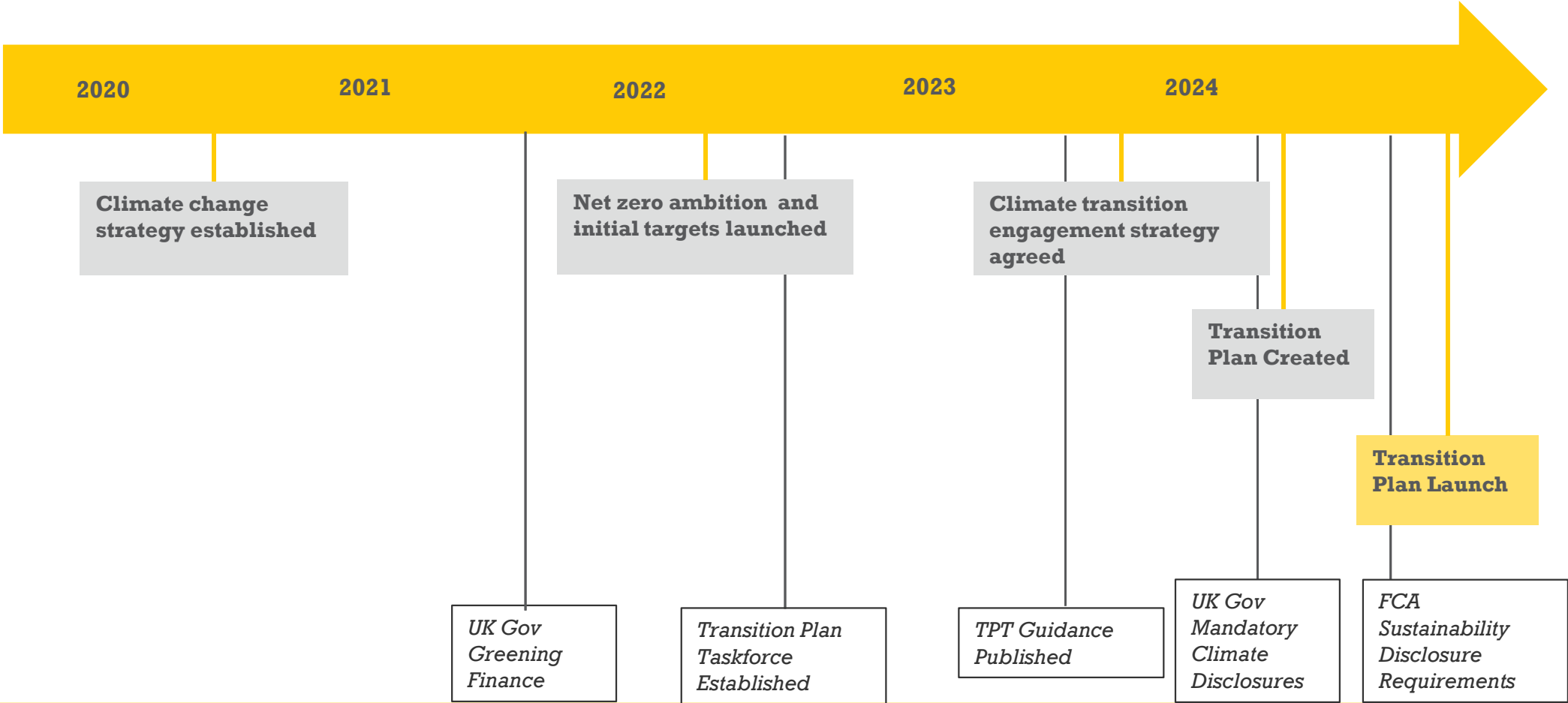
Our Net Zero ambitions and targets:



NFU Mutual aims to deliver its climate transition through:

Prioritising engagement and influence over exclusion

UK Regulatory Context



Developing NFU Mutual's Climate Transition Plan
























Transition Plan Taskforce Framework



NFU Mutual Climate Transition Plan Structure



Overarching Net Zero Ambition - Net Zero by 2050 with interim targets and metrics to track progress

Our Strategy	 Respond to members' insurance needs and transition to become a Net Zero business	 Seven strategic intents, focussing on members, employees, insurance, investments, premises, supply chain and solvency
	 Prioritising engagement and influence over exclusion	
Our Insurance Business	 Develop insurance products that deliver climate resilience – protecting from the impacts of climate change and enabling adaptation	 Reduce emissions associated with our claims services
Our Investments	 Prioritise engagement with our investees over divestment	 Reduce emissions associated with our property investment portfolio
	 Finance the transition by investing in green assets	 Actively manage our portfolio to mitigate the impact of climate risk on our investments
Our Operations	 Reduce emissions associated with our occupied premises	 Enable our employees to take climate positive action
	 Reduce emissions associated with business travel	
Our Supply chain	 Prioritise engaging and influencing suppliers over supplier de-selection	 Actively monitor and manage supply chain emissions
	 Work with suppliers to develop climate positive solutions	 Embed ESG factors into supplier selection and management processes
Our Industry Influence	 Engage with industry stakeholders, such as the UK farming unions DEFRA and the ABI, to drive progress towards Net Zero	 Contribute to industry initiatives, such as ClimateWise and Principles for Responsible Investment to develop climate solutions and leverage industry influence
Our Accountability	 Clear accountability and oversight of our Climate Change Strategy and Net Zero Roadmap	 Internal communication and education for all employees to embed climate throughout our culture
	 Consideration of climate change incorporated into frameworks across the business to embed in decision making	

Lessons Learnt

**Climate Transition
Plan**

**Disclosure
Appetite**

**Metrics and
Targets**

Collaboration

Governance

Consistency