

Summary

Sustainability-related information for SPPs Traditional insurance

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SPPs Traditional insurance promotes environmental and social qualities¹ and will, although it does not have a sustainable investment as its goal, have a minimum component of 15% sustainable investments.

Traditional Insurance promotes sustainability through:

- ☒ Environmentally-related qualities (such as companies' impact on the environment and climate).
 - ☒ Social qualities (such as human rights, labour rights and equal treatment).
 - ☒ Good governance practices (such as shareholder rights, issues of remuneration of senior executives and anti-corruption).
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- It promotes environmentally-related qualities by avoiding investments that contribute to the following negative consequences for sustainability: The product does not invest in companies that contribute to serious climate and environmental damage or receive more than 5% of their income from the production or distribution of coal and oil sands
 - It promotes social characteristics by avoiding investments that contribute to the following negative consequences for sustainability: The product does not invest in companies that produce or distribute tobacco, cannabis (for non-medical use), non-conventional weapons or that violates human rights, international law or workers' rights in the supply chain or which exploit child or slave labour
 - It promotes good governance practices by avoiding investments that contribute to the following negative consequences for sustainability: The product does not invest in companies that engage in corruption and economic crime or states that are systematically corrupt

Listed holdings, bonds, properties, infrastructure and mortgages have additional environmentally and socially-related qualities by also excluding companies that receive more than 5% of their income from the production or distribution of alcohol, pornography and commercial gambling activities (social and personnel-related sustainability indicators), in addition to the above criteria.

The product also promotes a transition to a low carbon emission (greenhouse gas) world as the asset classes: listed holdings, bonds, properties, infrastructure and mortgages exclude companies which derive more than 5% of their income from the production or distribution of fossil fuels and companies with large fossil fuel reserves. A large proportion of the shareholdings is also in funds that optimise the carbon footprint, so as to invest more in carbon-efficient companies. Investments in property promote the transition to a low carbon emission world by investing in properties that buy origin-labelled, renewable electricity from fossil-free sources and eco-labelled district heating, wherever possible. The goal is to continuously reduce the product's carbon intensity and footprint down to net zero by no later than 2050.

Within the asset class listed shares, investments are made solely in Storebrands Plus funds and in Storebrand Global Solutions. The Plus funds select more companies with lower carbon dioxide emissions and higher ESG ratings compared to their respective index, as well as companies that provide products and services that to some extent contribute solutions to the world's sustainability challenges, i.e. the UN's 17 sustainability goals. These companies are on the group's list of solution-focused companies. The four Plus Funds involved in the investments maintain minimum allocations of 20%, 20%, 25%, and 30% for sustainable investments, respectively. The Storebrand Global Solutions fund invests only in solution-focused companies ensuring a minimum allocation of 90% for sustainable investments.

The following indicators are used to measure the fulfilment of the promoted qualities, and these are monitored annually:

- Investments in companies that receive more than 5% of their income from the production or distribution of fossil fuels
- Carbon intensity (calculated as the weighted average of the holdings' emissions in relation to their income (measured in tonnes of CO2 per million SEK). Includes listed shares and corporate bonds.)
- Investments in companies that receive more than 5% of their income from the production or distribution of tobacco
- Investments in companies that receive more than 5% of their income from the production or distribution of cannabis for non-medical use
- Investments in companies that receive more than 0% of their income from the production or distribution of nuclear weapons or controversial weapons such as cluster bombs, anti-personnel mines, chemical and biological weapons
- Investments whose products and/or services contribute to the achievement of the UN's 17 Sustainability Goals in Agenda 2030. This applies to stocks and bonds, infrastructure, real estate, and private equity.

The product's investment strategy is designed to provide a minimum guaranteed benefit, with an upside in the form of additional amounts. We integrate sustainability into investment decisions through three methods: exclusion, inclusion, and engagement.

At least 15% of the product must be invested in sustainable investments, according to one of these pathways:

Pathway 1	Pathway 2	Pathway 3
<p>All investment teams within Storebrand Asset Management have the authority to nominate companies for inclusion in the Sustainable Investment Universe based on a qualitative assessment, leveraging the collective insights and expertise within our asset management organization. The examination should be that the company or issuer has at least 25% of its revenue directed towards an environmental or social goal that contributes to achieving the global goals, the SDGs.</p> <p>Each team is accountable for maintaining oversight of companies nominated for inclusion, ensuring that these entities contribute to sustainability goals, refrain from causing significant harm to other sustainability objectives, and adhere to best governance practices.</p>	<p>Companies with at least 25 percent green revenue according to FTSE Green Revenue and/or at least 25 percent of CapEx, OpEx, or revenue in line with the EU taxonomy qualify as sustainable investments.</p> <p>Green, social, sustainable, or sustainability-linked bonds where the financial and/or structural characteristics are linked to predefined sustainability goals also qualify as sustainable investments.</p>	<p>Sustainable real estate investments are defined as investments in properties that hold environmental certification at a minimum level of "very good," according to BREEAM or its equivalent, while also adhering to minimum safeguards and good governance practices.</p>

A variety of data sources and both quantitative and qualitative analysis are used to promote sustainability and invest in sustainable investments. Active advocacy is also an important factor in increasing the sustainability of investments over time, reducing sustainability risks and increasing shareholder value.

For exclusions made in the product, an income limit of a maximum of 5% of the companies' income is applied. For some companies, such as the production of controversial weapons, the limit is 0%. Compliance with the exclusion criteria is followed up through daily compliance.