

# Sustainable insurance

# 2022

Handelsbanken Liv's report on the  
UN Principles for Sustainable Insurance (PSI)



**Handelsbanken** | Liv





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# About Handelsbanken Liv and this report

## **Handelsbanken Liv**

Handelsbanken Liv is a life insurance company and is a wholly owned subsidiary to Svenska Handelsbanken AB. We provide insurance policies via all of Handelsbanken's branches around Sweden, and our vision is to contribute to more secure lives and a better future. We have approximately SEK 260 billion in assets under management, and work to provide good returns for our customers – financial yields and environmental progress, as well as stability and security.

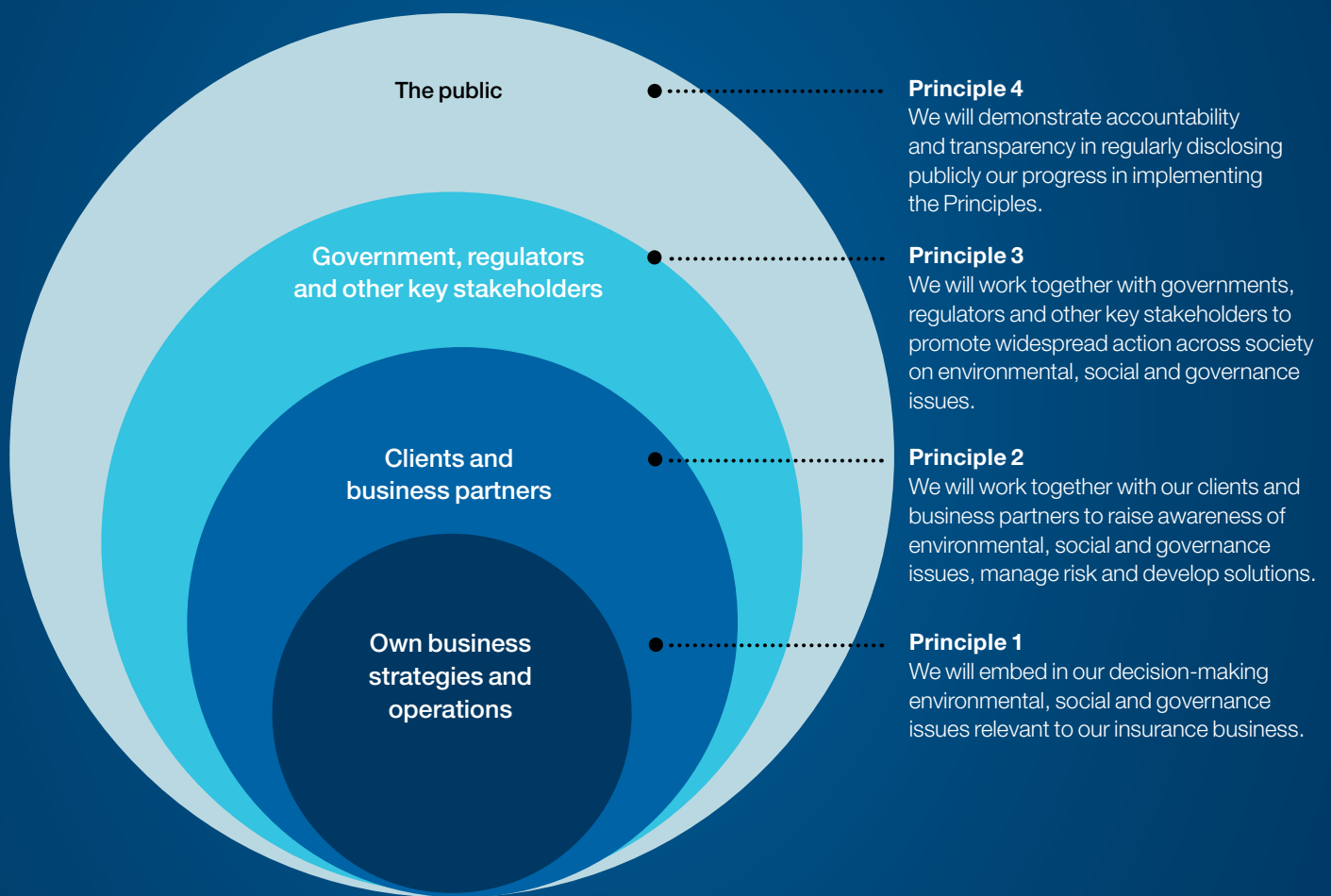
## **The UN Principles for Sustainable Insurance (PSI)**

The UN Principles for Sustainable Insurance (PSI) represent the largest initiative for international cooperation between the UN and the insurance industry. The PSI consist of four principles aiming to boost economic, environmental and social sustainability. All signatories to the PSI commit to report annually on their ongoing work and the results thereof.

## **This report**

Handelsbanken Liv signed the PSI in 2022. We are committed to being a part of the financial shift towards a more sustainable development of society. Our aim is to contribute to the initiative and to encourage others in the insurance industry to do the same. This report provides information on the progress and key actions undertaken during 2022 up until June 2023. For more information about our work with sustainability, please visit [handelsbanken.se](https://handelsbanken.se) where you will find our sustainability policies and our latest climate report (TCFD).

# The principles





A modern conference room with a large, polished wooden table and several leather-upholstered chairs. The room features a glass wall in the background and a contemporary chandelier with multiple lit bulbs hanging from the ceiling.

## Principle 1

**“We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.”**

### **Governance: Integrating sustainability in all long-term business decisions**

Handelsbanken Liv works systematically with the risks and opportunities related to sustainability. Our ground rule is that we always integrate sustainability in long-term business decisions. The division of responsibilities is briefly described below.

- The Board of Directors is responsible for the overall sustainability strategy and how sustainability is integrated in the business. It also has the ultimate responsibility for realising the company's sustainability objectives and making decisions about sustainability frameworks and policies.
- The leadership team makes their strategic decisions based upon the policies for responsible investments and sustainability. They continuously follow the work with sustainability and reports to the Board of Directors. The CEO makes decisions about the inclusion or exclusion of funds from the customer offering, on the basis of recommendations from the Fund selection committee.
- Control functions, such as the Risk Manager, review sustainability risks and report to the CEO.

### **Polices and frameworks**

**Sustainability policy** – our policy for sustainability in Handelsbanken Liv.

**Responsible investments** – our policy for responsible investments in Handelsbanken Liv.

**Environment and Climate change** – our guidelines for environment and climate change.

**Guidelines for the Fund selection and investment committee** – describes our process for the evaluation of funds and fund companies in regards to sustainability.

### **Our strategy**

Our vision is to provide insurance policies that give our customers a more secure life and a better future. We are convinced that sustainability is essential in enabling us to deliver on that.

One of the most effective ways to contribute to the shift towards a more sustainable society for us as an insurance company is in connection with our investment offering. Our strategy for responsible investments is:

- **Include:** Increase investments in funds that enable a sustainable shift with science based climate targets, for example Paris Aligned Benchmark (PAB) or Science Based Targets (SBTi).
- **Exclude:** Reduce exposure to carbon-intensive sectors in investments, in particular by excluding investments in companies that extract or process fossil fuels.
- **Engage:** Influence the fund companies to actively and systematically work with their climate impact.

Handelsbanken Liv has a well established fund selection process where the selection and evaluation of funds and fund companies take place. Examples of sustainability characteristics that could be included when evaluating funds are:

- Low carbon intensity – the fund's carbon intensity should be less than 50 per cent, compared to the corresponding market weighted index.
- Decreasing carbon intensity – the fund's carbon intensity should decrease over time by at least 7 per cent annually, to be in line with the Paris Agreement target and to achieve net zero emissions by 2040.
- Classification as environmentally sustainable in accordance with the Sustainable Finance Disclosure Regulation – meaning that the fund should encourage environment and social factors (Article 8) or have sustainability investment as an objective. (Article 9).

### **Working systematically to identify, assess and manage sustainability-related risks**

Handelsbanken Liv identifies sustainability related risks by conducting climate and market analysis, engaging in dialogues with fund companies and through our own knowledge within sustainability. We work systematically to identify, assess and manage sustainability-related risks. Handelsbanken Liv has a very restrictive view of risks, and investments with large sustainability risks are avoided.



### **Our targets and progress made so far**

Handelsbanken Liv's sustainability targets intend to promote sustainable development and a richer future for coming generations, as well as our planet. Our targets are categorised in accordance with environmental, social and governance (ESG) issues.

#### **Environmental: Initiatives and achievements 2022**

Our overarching objective is to reach net zero emissions from our investment portfolio as soon as possible, or by 2040 at the latest. To achieve this, we have set three sub-targets to be reached before 2025:

- Decrease the carbon footprint from our own operations by 25 per cent.
- Increase the amount of funds we offer with positive environmental solutions by 15 per cent.
- Only offer funds that exclude fossil fuels.

**Process: Handelsbanken Liv is in line with achieving the first two sub-targets, and reached the third sub-target ahead of schedule in 2021.**

#### **Initiatives and achievements 2022**

- 100 per cent of the funds in our fund range in insurance opts out of investments in fossil fuels.
- 95 per cent of our funds in our fund range encourage environmental and social factors (Article 8) or have sustainability investment as an objective (Article 9).
- Handelsbanken Liv launched Sweden's first Nordic Swan Eco-labelled solution for occupational pension.

#### **Social: Equal pensions**

Our overarching objective is to create long-term economic safety for all customers, and in particular to contribute to decreasing the income disparity between men and women. To achieve this, we have set three sub-targets to be reached before 2025:

- Decrease the pension gap between men and women, through business development and education initiatives about equal pensions.
- Decrease economic inequality, through increased access to financial services.
- Increase knowledge about gender equality in our own company.

**Process: Handelsbanken Liv is working with all sub-targets.**

#### **Governance: Sustainable suppliers and partners**

Our overarching objective is to evaluate and ensure that sustainability is accommodated by our suppliers and partners. To achieve this, we have set three sub-targets to be reached before 2025:

- All of Handelsbanken Liv's purchases are sustainable.
- Only offer funds from suppliers with commitment to the Paris Agreement.
- Only offer funds from suppliers actively contributing to Agenda 2030.

**Process: Handelsbanken Liv is in line to achieve the first sub-target, and reached the second and third sub-targets ahead of schedule in 2021, as all the fund suppliers we work with have commitments to the Paris Agreement and actively contribute to Agenda 2030.**

#### **Carbon intensity / Emission intensity**

Since 2016, Handelsbanken Liv has monitored the carbon intensity of the company's investments. The calculations are made in accordance with the recommendations from Insurance Sweden. During 2022, the carbon intensity of our investments decreased by 13 percent, from 7.8 tons of CO<sub>2</sub>e/SEKm in 2021 to 6.8 tons of CO<sub>2</sub>e/SEKm in 2022.

## Principle 2

**“We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risks and develop solutions.”**

### **Yearly Climate report (TCFD)**

Since 2018, Handelsbanken Liv has published an annual climate report in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In the report we describe how Handelsbanken Liv takes climate change into account in investment decisions. We also explain how climate-related risks and opportunities are identified, assessed and managed, as well as the effect they have on our business, strategy and risk management. The latest report can be found on our website.

### **A 100 per cent fossil free fund offering**

Handelsbanken Liv has excluded all funds exposed to fossil fuels and has a 100 per cent fossil free fund offering.

### **The first ECO-labelled pension solution in Sweden**

In early 2023 Handelsbanken launched the first ECO-labelled occupational pension solution from the official Nordic Svan Ecolabel.





An aerial photograph of a vast, snow-covered forest. The trees are densely packed and their branches are heavily laden with white snow. In the background, rolling mountains are visible under a pale, overcast sky. The overall scene is serene and wintry.

## 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.”**



An aerial photograph of a dense, snow-covered evergreen forest. A paved road with a guardrail runs along the left edge of the frame, curving slightly. The background shows a hazy, mountainous landscape under a pale sky.

### **First Insurance company to endorse the Fossil Fuel Non-Proliferation Treaty**

Handelsbanken Liv is the first life insurance company in the world to endorse the Fossil Fuel Non-Proliferation Treaty – a global initiative to phase out fossil fuels and support a just transition. This is one way for us to encourage politicians, as well as other banks, fund management companies, and insurance companies, to act.

### **Participating at the international UN meeting Stockholm+50**

In June 2022, Handelsbanken Liv participated at the international environmental meeting Stockholm+50. We were there to share our expertise, learn and encourage others to come together and take action. During

the meeting, which was convened by the United Nations General Assembly, we hosted an associated event where we invited external key stakeholders to gather and discuss what actions the financial industry can and must take in order to shift towards a more sustainable society.

### **Working together and taking a stand**

We have joined several initiatives and collaborate with many partners to work together towards a more sustainable future. This is a way for us to share knowledge and experience, and to co-operate with different parts of society.

A list of all the current initiatives we are a part of can be found on our website.







## Principle 4

**“We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.”**

Our ambition is to clearly communicate and disclose our objectives and the progress we are making. By being transparent and open, we want to encourage others to do the same, whilst also making ourselves open for feedback. Our reports on progress, as well as different sustainability initiatives, can be found on our website.

