

Sustainability in insurance

2025



Introduction

Storebrand's purpose is clear: To create a brighter future. Our driving force is to be closest to the customer, in a simple and sustainable way, to deliver security and financial wellness.

As a broad financial services provider and one of the largest asset managers in the Nordic region, Storebrand plays an important role in financing the transition to a sustainable society. Storebrand is committed to work towards ensuring that we as a society take nature, climate and social conditions into account when authorities, consumers and companies make decisions.

Our work with sustainability is of great importance to the Group, our customers and the world around us. We contribute to financial security and freedom through good management of customers' assets, the payment of life, disability and non-life insurance policies and the financing of home purchases.

We believe that solid work with sustainability helps us to deliver the best possible risk-adjusted future returns to customers and owners, and it is therefore important for achieving our commercial goals.

We want to motivate customers to make good financial and sustainable choices for the future, so that they can have a future to look forward to. In this way, we create value for customers, owners and society.

Read more about our Group strategy on page 12 in our [2024 Annual Report](#).

Governance

Roles and responsibilities within the Group's climate and sustainability work are defined by our policy for sustainability work, which is reviewed annually by both the Group's Board of Directors and the boards of its subsidiaries. The policy specifies that the Board of Directors reviews the Group's sustainability strategy, which sets the ambitions for our work as a corporate citizen, in products and services and in the Group's own operations. To operationalise this for the Insurance subsidiary in the Group (Storebrand Forsikring), and as part of our commitment to continuous improvement, we have established a governance framework that further incorporates environmental, social, and governance (ESG) principles into our decision-making processes across the organisation.

Further strategic work and transition plans adopted by the Board of Directors of Storebrand ASA and the Board of Directors of Storebrand Forsikring outline our climate ambitions and specific focus areas for insurance. The most important targets will be monitored by the Board of Directors at both the group level and in Storebrand Forsikring on an annual basis. Targets and measures in the plan are monitored through corporate governance procedures in the Group and its subsidiaries.

Read more about our governance and control systems for sustainability on page 35 of our [2024 annual report](#).

Underwriting and product development

Sustainability criteria are incorporated when Storebrand performs product development, risk management, underwriting, pricing, legal terms, and settlement.

Pricing and product development

Storebrand has incorporated environmental aspects into insurance pricing and product development. Sustainability is one of the subjects that shall always be covered in the process of developing new insurance products.

Activities that might cause damage to the environment could mean higher risks, and might result in increased prices, reduced coverage or not offering insurance. If insurance is offered for these high-risk products, Storebrand is particularly concerned with preventative and mitigating measures for the customers. We increase the price in areas where repeated damage incidents of the same kind are caused by climate change and other factors. This is done on an individual property basis, for example by using stormwater models.

ESG integration in the underwriting process

By integrating ESG considerations into underwriting practices, Storebrand can better manage ESG risks and inform our decision-making. We work in different ways to integrate ESG considerations.

Authorisation process: We have three levels of underwriting and authorisation documents. Our escalation process is as follows:

- The lowest level is available to all sales personnel.
- Level two is handled by sales personnel with special authorisation.
- High-risk cases are escalated to level three, the Underwriting Committee with product managers and senior management.

For corporate insurance, we have an additional level with specialised underwriters. They consider risks that go beyond the sales mandate for assessment and approval. An underwriter is a person with authorisation delegated from the Product & Price manager to approve which risk is to be allowed to be included in Storebrand's portfolios. The specialised underwriters follow an established 5-step process, where the first step considers risk of the insured company (including insured objects and company governance), in which ESG is an integrated part, in the second step the risk is considered in light of own guidelines and risk appetite- including exclusions based on ESG (see more below).

High risk cases: High-risk cases are to be assessed by underwriting. This includes special cars and boats. It also includes special buildings. Here, the underwriting instructions clearly define that sustainability principles are to be assessed in terms of the conditions under which insurance can be offered. Most of the underwriting cases are defined as high risk ESG cases:

- Large expensive cars with large fossil engines and large electric vehicles with large damage potential if involved in an accident.
- Large expensive boats with large fossil engines and large damage

potential if involved in an accident.

- Large buildings with large damage potential in case of fires or water damage.
- Buildings in areas with high risk of flooding.
- Buildings with special building materials, in poor condition or otherwise with large damage potential.
- Companies with high-risk activities/operations.

Some examples of the ESG related underwriting risks factors that are considered in high-risk cases are:

- Objects that are in particularly high-risk areas must be given a higher price. This can be a risk of water damage from for example flooding or areas that are particularly vulnerable to burglary.
- Sustainable, environmentally friendly and in other ways less risk prone homes must be given a discount / lower price.
- Sustainable, environmentally friendly and in other ways less risk prone vehicles must be given a reduced price.
- Particularly expensive, special, damaged or polluting vehicles must not be insured or may be considered separately. If they are to be insured, the price must be increased and / or coverage reduced.

In 2024, 21 high risk cases were escalated to further review in the UW committee, where ESG was a part of the reason for escalation.

Exclusion criteria and sensitive sectors for corporate insurance

We exclude all the sectors that we consider sensitive. Therefore, we do not currently underwrite:

- Coal
- Unconventional oil & gas
- Heavy process industry, such as pulp and paper, steel works
- Chemical production industry
- Pharmaceutical & Biotech Industry

Our sustainability strategy

As a non-life insurance provider, we are observing an increase in claim frequency due to the impacts of climate change and insufficient climate adaptation measures in society. It is important that we understand and price climate risk correctly, while at the same time being able to give advice on how climate risk can be reduced.

Our greatest contribution to the green shift is the development of a more circular economy. We must help our customers prevent damage by taking care of their things. Once damage occurs, we have to repair more often and not always buy new.

Storebrand also offers disability insurance that covers both disability pension and lump-sum compensation. An increasing degree of disability in Norway, combined with demographic changes, leads to higher disability payments. We seek solutions through preventive measures and targeted early intervention together with the public sector, to help both young people and adults with disabilities return to work.

In its role as a corporate citizen, Storebrand will actively participate in the public debate and, through the industry and other partners, be a driving force for change. Storebrand participates in national and global networks and alliances to help accelerate the transformation of society and share insight that provides a better basis for decision-making for our customers and society in general. Through the networks, we will contribute to defining best practices for sustainability work both in the financial industry and the broader private sector. Through our invested insurance premium, Storebrand has a particularly important role as asset owner and asset manager. International initiatives such as the Net-Zero Asset Owner Alliance, the Net-Zero Asset Manager Initiative, the UN Principles for Responsible Investments (PRI) and Climate Action 100+ are examples of such cooperation.

Our insurance strategy is based on four key areas:

1. To promote a circular economy through our product and service offerings and communicate this actively
2. Through effective loss prevention, repairs and reuse, we shall contribute to a purchasing pattern that increases the demand for circular services, as well as focus on circular claims settlements
3. Climate adaptation through the requirements of the EU taxonomy is a priority, and we will implement

climate adaptation measures in line with good loss preventive insurance business and enable ourselves to understand and manage climate risks

4. We shall, in cooperation with the public sector, contribute to reducing the level of disability in Norway and among our customers by launching preventive measures and targeted efforts, aiming to help disabled young and adult people return to work

In 2024, Storebrand developed a climate transition plan¹. Developing this plan has provided us with further insights into our understanding of climate risk, the enhancement of climate adaptation, and the consideration of loss prevention and circularity as key levers for decarbonisation.

Key sustainability initiatives

Loss prevention

- Changing terms and conditions to motivate prevention, including climate adaptation for taxonomy requirements.
- Distribution of preventive advice through SMS, emails, marketing campaigns and other PR channels.
- Offers within products and services to help the customer take care of their belongings, such as boat guard service ("Båtvakten").
- Storebrand will continue to use our voice to highlight the need for climate change adaptation, through communication activities, cooperation and dialogue with authorities.

¹ [Transition plan for climate Storebrand ASA](#)

Circularity

- Storebrand will continue to demand high standards for responsible operations from our suppliers. More than 90 per cent of repair shops have signed the Group's Supplier Declaration on Sustainability Commitments, in which we expect companies to work towards reaching net zero emissions by 2050 and set science-based targets. Expectations are followed up, and suppliers will be assessed and monitored on repair rates and reuse of parts specified in the objectives above.
- We will collaborate with suppliers to facilitate circular value chains. Among other things, we have collaborated with suppliers in car parts assembly to facilitate increased reuse of car parts. We have also collaborated with Miljø Norge and Jernia on distributing recycled fire extinguishers.
- We will continue to update terms and conditions to promote repair rather than new purchasing. We will also work through industry and relevant partners. An example is the extent of damage to the car before being replaced rather than repaired, which has increased from 60 to 80 per cent.
- We have a strategic partnership to assess material consumption and GHG emissions in motor vehicle claim settlements. This provides a better understanding of where the largest emissions occur, allowing us to identify and quantify reduction potential, as well as prioritise measures.
- We take initiative to share our work and methodology for calculating emissions in claims settlements in Finance Norway's working group for non-life insurance and sustainability.
- We will continue to participate in the public debate, through industry

organisations and government initiatives, to contribute to a circular transition.

Climate risk and adaptation

- Storebrand is continuously working to understand, price and report on climate risk through data collection and integrating forward-looking climate risk into scenario and stress tests.
- Climate risk assessments are carried out through the ORSA process. We use our partner Geodata to assess forward-looking climate risk for our property portfolio.
- Storebrand is working together with the industry to establish incentives and mechanisms that ensure climate-related loss prevention. For example, we participate in a working group for climate change adaptation through Finance Norway, and contribute to the Knowledge Bank ("Kunnskapsbanken"), where damage data will be made available to municipalities for use in their planning.

Disability

- To strengthen efforts to reduce disability, several pilot projects were launched in Norway in 2023 as part of a strategic initiative. The work has continued throughout 2024, and the aim is to address societal challenges related to disability, while creating positive results for individuals, corporate customers and Storebrand as a company. So far, around 600 individuals have received help through the pilot projects, and the results are promising.
- In 2025, the new service, VEL, will be scaled out to the market. In the long term, the ambition is that the initiative will also be launched in Sweden.

Further details on our sustainability targets, metrics and actions can be found in the *Sustainability statement* in [Storebrand Annual Report 2024](#).

Customer engagement

We actively engage with our customers to address business risks and opportunities within our insurance operations. Loss prevention is a vital component of sustainability in insurance. Repairs, no matter how efficient, will always have a greater impact than preventing damage altogether. Therefore, the best way to reduce damages is by working with our customers to implement preventive measures.

In corporate insurance, there is an opportunity to integrate sustainability through a strict risk selection through underwriting guidelines and providing advice during the sales process. Customers will inform us about their overall risk profile, ensuring that we receive sufficient technical information. During this process, we will identify risks, assess exposures, and verify the risks against our underwriting guidelines (UWGL) to determine whether an offer will be made. Similarly, in retail insurance, customers will inform us about their risk profile, such as the location of their home, the risk of flooding, and any measures taken to mitigate these risks.

The channels that are used for customer engagement are:

- **Storebrand.no:** This is one of the best resources for our customers to

obtain information on how to prevent damages. In recent years, the content has increasingly focused on preventing damages caused by climate change.

- **Advisor dialogue:** This includes customer interactions through advisory services as well as through internal sellers, agents, and brokers. We have also intensified our efforts to engage in loss prevention discussions with customers during the claims process.
- **SMS alerts:** We send preventive advice during specific events, such as extreme weather conditions.
- **Marketing campaigns:** These campaigns can focus on specific loss prevention topics.
- **Seasonal newsletters:** We send these via email to all customers, providing timely and relevant information.
- **Storebrand's Facebook page:** This platform is used to share updates and engage with our audience.
- **Media exposure:** We interact with the media on insurance-related topics to reach a broader audience.

All engagement channels outlined above cover 100 % of our customers.

Sustainability nudging

To encourage our home insurance customers to adopt more sustainable practices, we offer a grant of up to NOK 150,000 for the installation of climate-friendly or safety-related measures that exceed legal or regulatory requirements when rebuilding

insured houses after a total loss. Climate-friendly measures are defined as fixed installations, construction methods and building materials designed to reduce GHG emissions and energy consumption.

For car insurance customers, Storebrand provides a cash compensation if they choose not to use a rental car while their vehicle is being repaired. This incentive encourages customers to opt for more sustainable transportation options during the repair period.

Furthermore, we adhere to a strict safety policy that also prioritises environmental issues. We have established safety regulations for handling buried oil and kerosene tanks in insured homes, addressing a significant concern in the Norwegian housing market. In accordance with marine laws and regulations, our boat insurance conditions specify that we aim to remove wreckages from the seabed. This means all sunken boats are to be raised, safely handled, repaired, and disposed of when necessary.