

Turning sustainability into a strategic differentiator

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Norrköping

Linköping

Ventspils



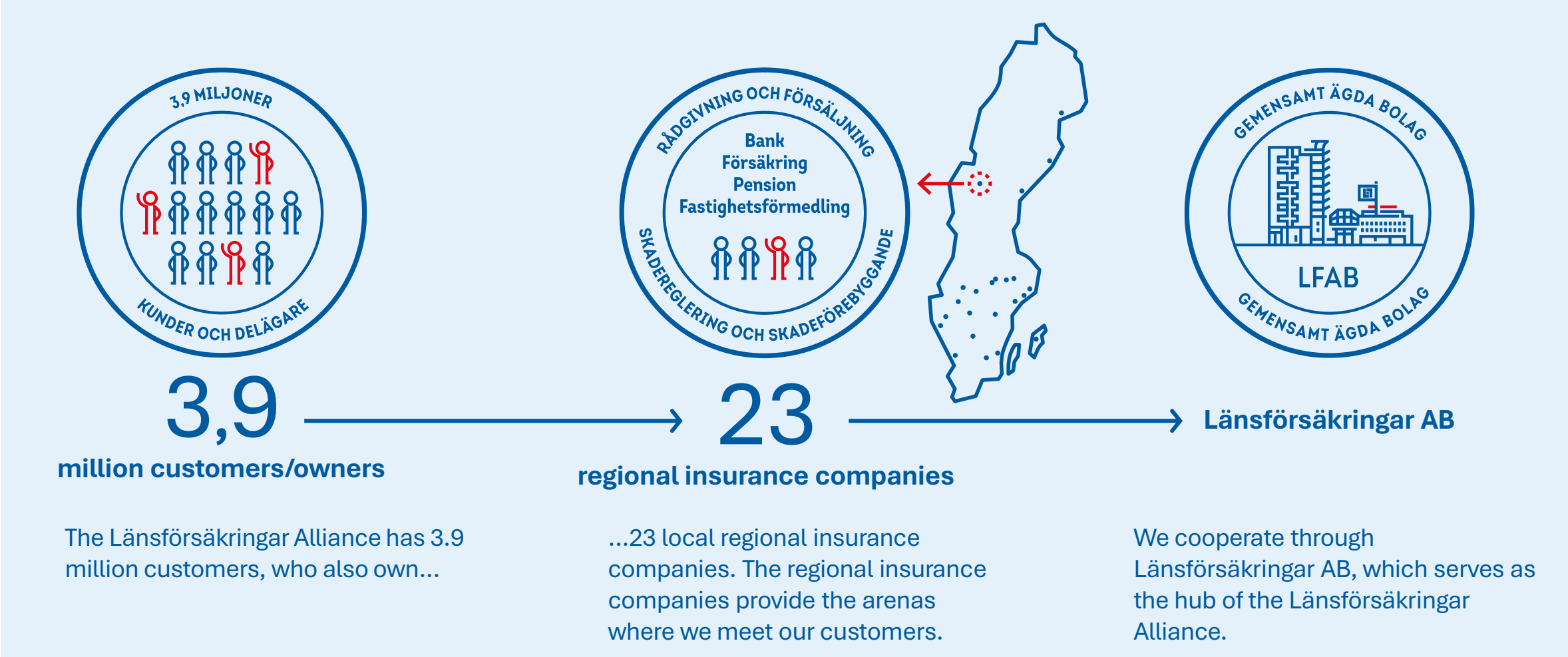
Agenda

2025-11-04

- Brief intro LF
- Enable sustainability at the strategic level
- Case – creating sustainable impact through bond investments



Länsförsäkringar Alliance and its customers



LF business areas

Insurance



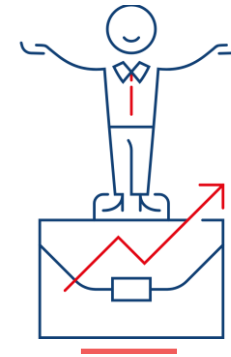
Non-life insurance covering property, travel, motor and personal insurance

Bank



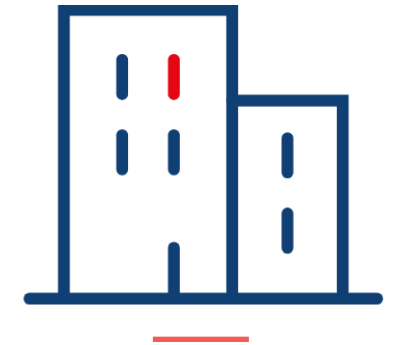
Banking services for individuals, farmers, and small businesses

Life and Pension



Pension savings, fund management, risk insurance and traditional life insurance

Real Estate



Real estate brokerage services provided through a franchise model

A man with white hair and glasses, wearing a red t-shirt and grey overalls, is working on a wooden building. He is holding a long wooden plank against the side of the building, which has a corrugated metal roof. The building is situated in a field of tall green grass and purple flowers. In the background, there are trees and a clear sky. The overall scene is bright and natural.

Enable sustainability at the strategic level

2025-11-03

A serene landscape photograph of a sunset over a calm lake. The sun is low on the horizon, creating a warm, golden glow that reflects on the water. The sky transitions from a pale blue to a soft orange. Silhouettes of trees are visible along the horizon line.

Manage risks

Seize opportunities

Why do we engage in sustainability?

Limit negative impact

Contribute to positive impact

Sustainability in our strategic documents and plans

The strategic platform

“Sustainability has always been, and remains, a part of Länsförsäkringar’s core values.”

Brand strategy

“Through our business operations and active community engagement, we create security and opportunities and contribute to sustainability from a broader perspective.”

Market plan 2030

“For Länsförsäkringar’s business to be profitable over time, it needs to be sustainable.”

Ambition for sustainability

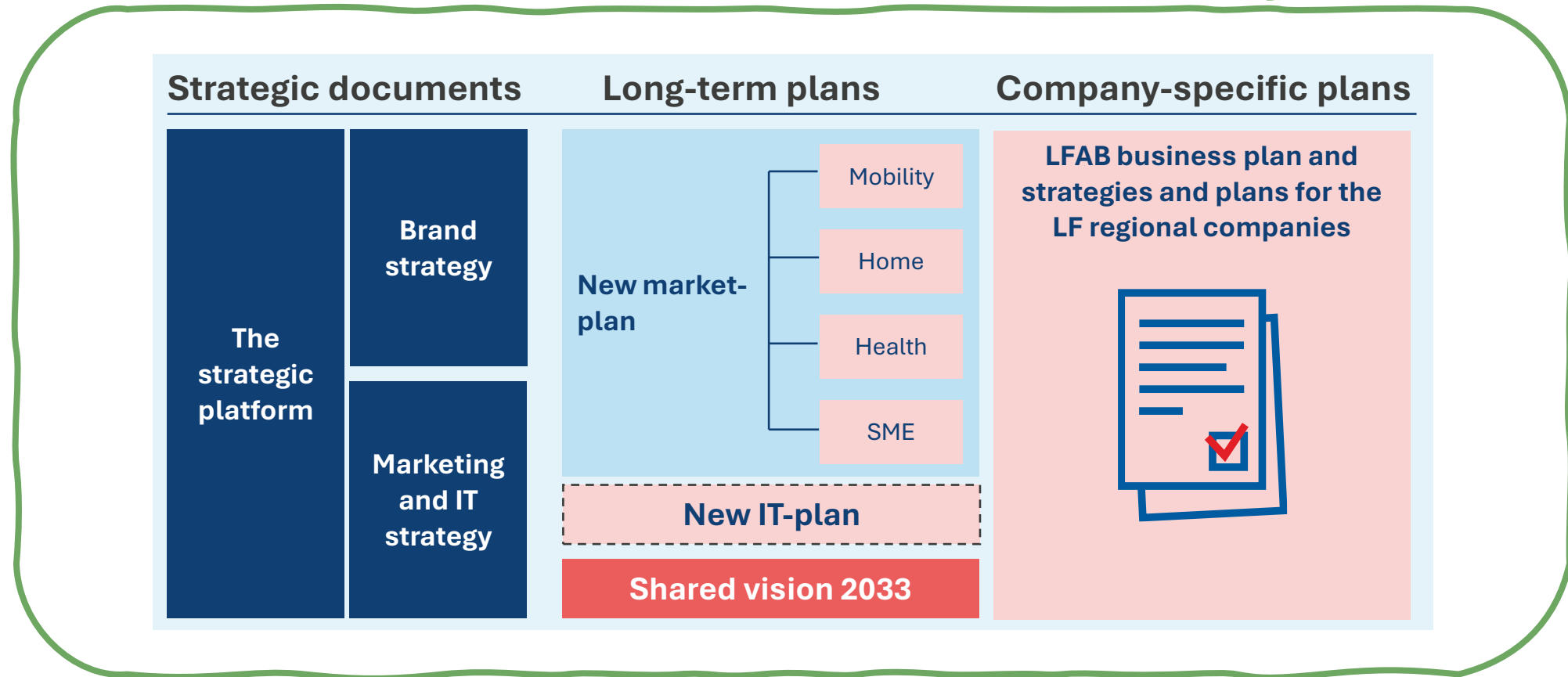
Outcome of CEO consultation discussions in 2024

- 1. Direction of sustainability work** – contribute to future-proofing local communities
- 2. Strategic materiality analysis** – serves as a starting point for sustainability work and is already used by many as an established method
- 3. Holistic perspective on sustainability and business** – link sustainability-focused offerings to arenas in the Market Plan (home, health, mobility, SME)
- 4. Demonstrate sustainable revenues and costs** – the work needs a greater focus on financial dimensions



The federation's long-term business benefits and sustainability effects

Common framework for sustainability



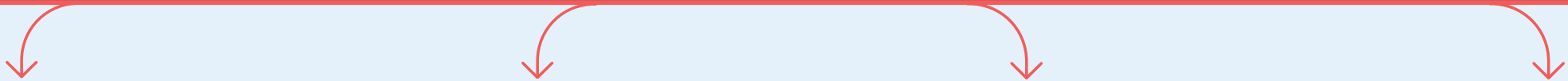
A common framework for developing and driving sustainability efforts throughout the entire LF federation



Adopted Common Framework to Sustainability

Strategic materiality analysis

Identify the company's material sustainability-related impacts, risks, and opportunities with a strategic and business-oriented focus



Joint
responsibility



Joint initiatives to
future-proof the
business



Promote transition
together



Promote transition
locally

Strategic materiality analysis

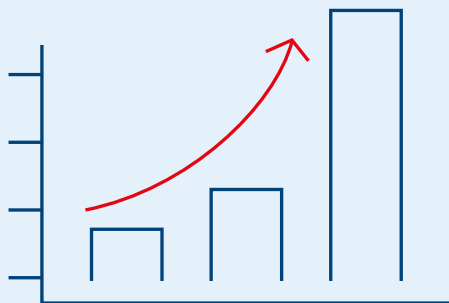
Fundamental to what we focus on



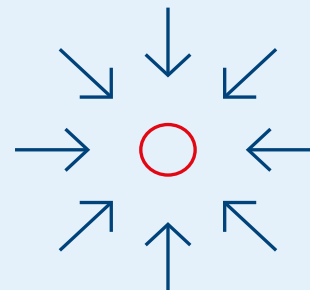
Evidence based



Data driven



Business focused



Holistic approach



Anchored at the "right" level

The future, how do we reason about it?

Different models and concepts when we reason about the future



Forecasts

What is likely to happen ?



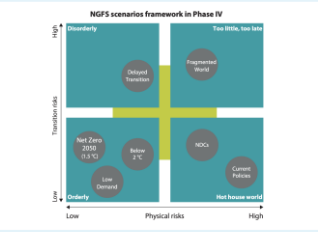
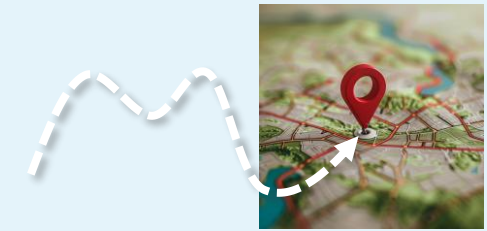
Extreme cases

What could happen?



Visions

What do we want to happen?



Scenarios

What is not unthinkable?



Scenarios in the materiality analysis



Pink blinders: ‘Business-as-usual’. Society makes certain efforts to transition, but they are insufficient; no systemic transformation occurs.

No major changes in humanity’s behaviors or values. The current system changes only in small steps. Crises and extreme weather become normalized. Gradually, trust in authorities and institutions is eroded.



Black sand: The Paris Agreement is not fulfilled. Society fails to transition.

Characterized by problems feeding back, interacting, and growing into crises that exceed the capacity of conventional institutions. This leads to polarization, nationalism, protectionism, and chaos.



The green river: The Paris Agreement is met. Strong emphasis on transformation.

Values and paradigms which prioritize quality of life, “sufficiency,” solidarity, global justice, and balance with nature’s conditions become guiding principles.



Case – creating sustainable impact through bond investments

Joint responsibility

Joint initiatives to future-proof the business

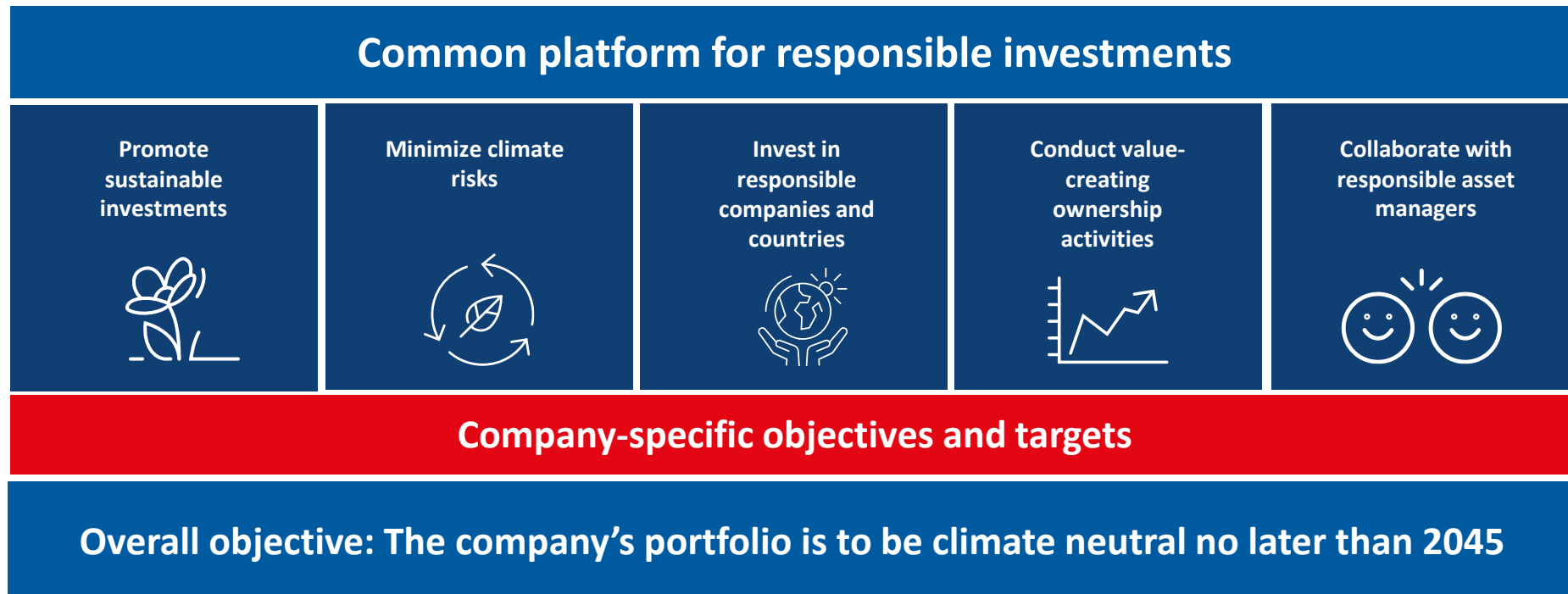


Promote transition **together**

Promote transition **locally**

EXAMPLES

Responsible investment activities shall be carried out in line with the joint approach to sustainability and the approved platform for responsible investments, including its underlying focus areas.



Joint responsibility

Joint initiatives to future-proof the business



Promote transition together

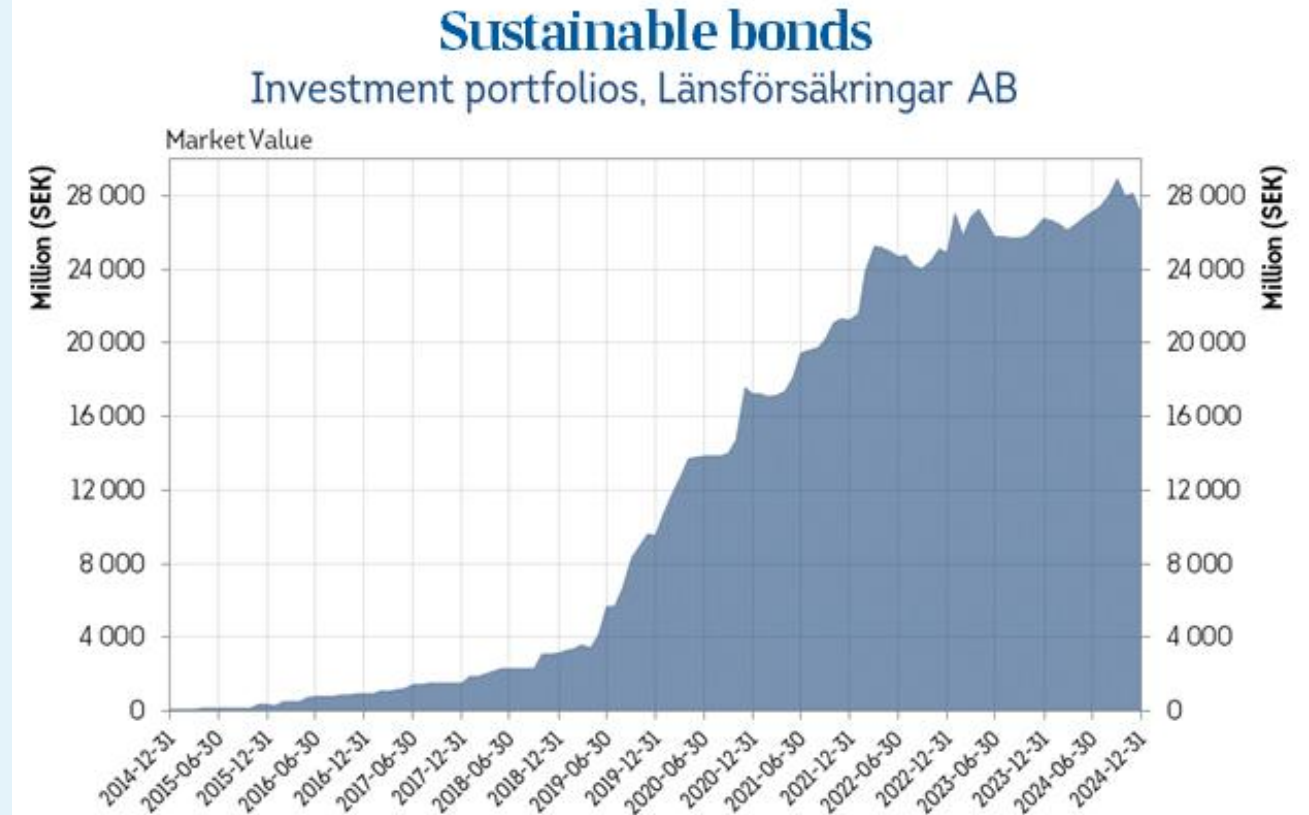
Promote transition locally

LF's investments in sustainable bonds

Investments in green, social, and thematically sustainable bonds

Holdings per	All portfolios	Share of AUM
2024-12-31	27 billion SEK	21,8%

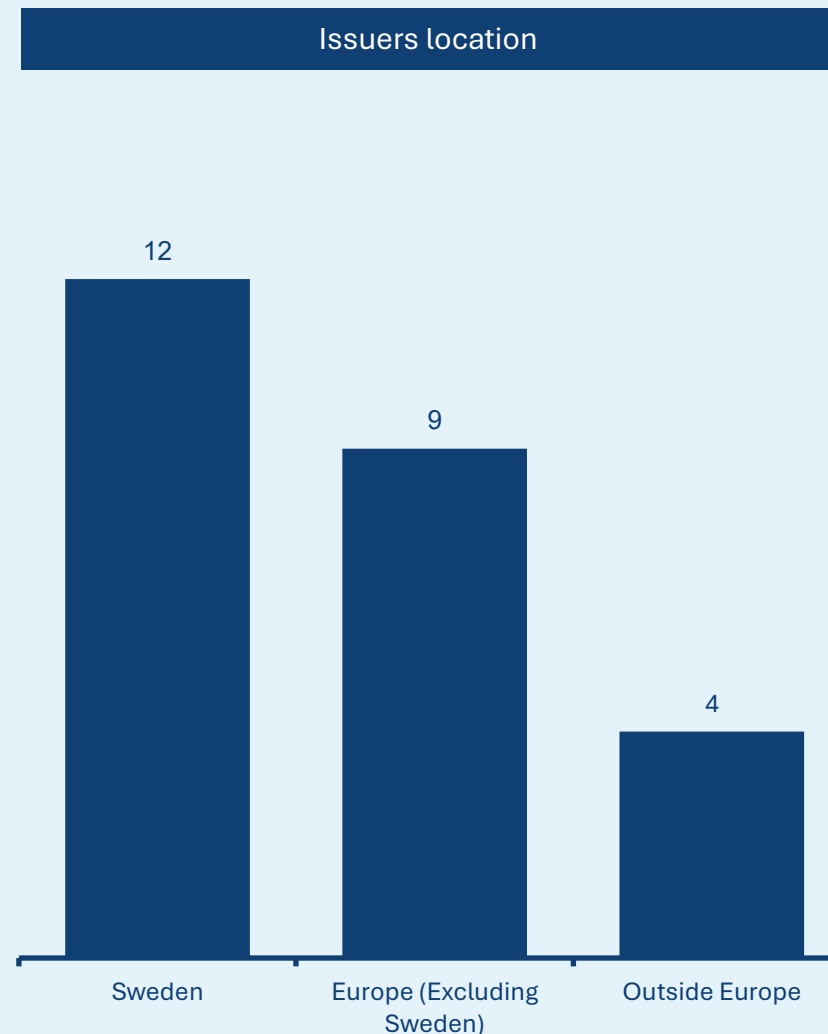
These investments aim to contribute to a subset of global goals



LF's investments in sustainable bonds

Who are the issuers in our portfolios (year end 2024)?

No.	Issuer	Issuer's full name
1	KBN	Kommunalbanken
2	ASIA	Asian Development Bank
3	IBRD	Intl Bank for Reconstruction & Development
4	EBRD	European Bank for Reconstruction & Development
5	KOMINS	Kommuninvest i Sverige AB
6	IFC	International Finance Corp
7	SEK	Swedish Export Credit Corporation
8	LANDHYP	Landshypotek Bank AB
9	Gota	City of Gothenburg
10	Skane	Region Skåne
11	EIB	European investment Bank
12	Stockkl	Region Stockholm
13	AFDB	African Development Bank
14	SVEGNO	Sparebanken Vest Boligkreditt AS
15	EUROF	Eurofima
16	COE	Council of Europé Development
17	DNBNO	DNB Boligkreditt AS
18	RENTEN	Landwirtschaftliche Rentenbank
19	NIB	Nordic Investment Bank
20	NDASS	Nordea Hypotek AB
and more...		





Issuer: Vellinge
municipality

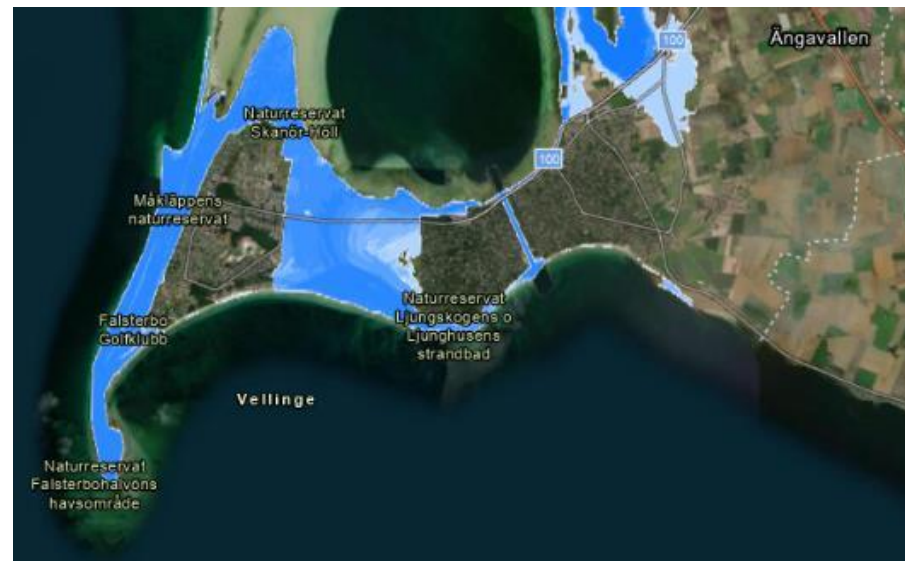
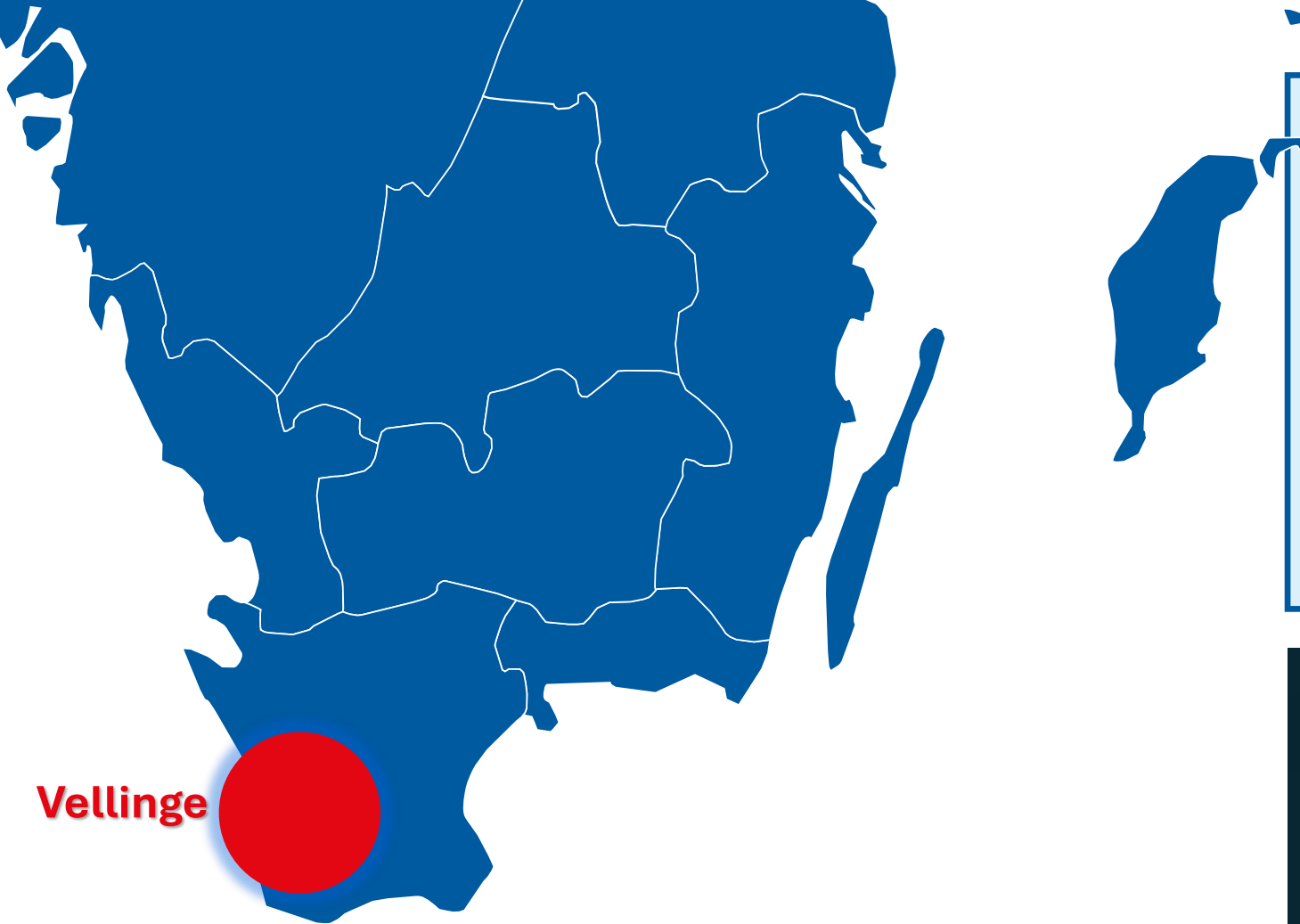
Vellinge seawall

Vellinge municipality is actively working to defend against rising sea levels, with SMHI forecasting that the average sea level may rise by up to one meter in the next 100 years. The protective embankment is intended to protect around 5,000 homes from flooding and elevated water levels due to climate change.

Project category: **Climate adaption**

Number of homes protected: **Roughly 5 000**

Vellinge



Issuer: African development bank



Sustainable Water and Sanitation Supply for Akure City

The project aims to ensure sustainable access to clean drinking water and sanitation for the residents of Akure City and its surroundings. It includes the rehabilitation and expansion of the water system, the construction of new sanitation facilities, and the establishment of institutional and organizational arrangements for long-term sustainability.

Project category: **Water usage and treatment**

Residents with safe water access: **1.3 million (from 100 000 in 2019)**

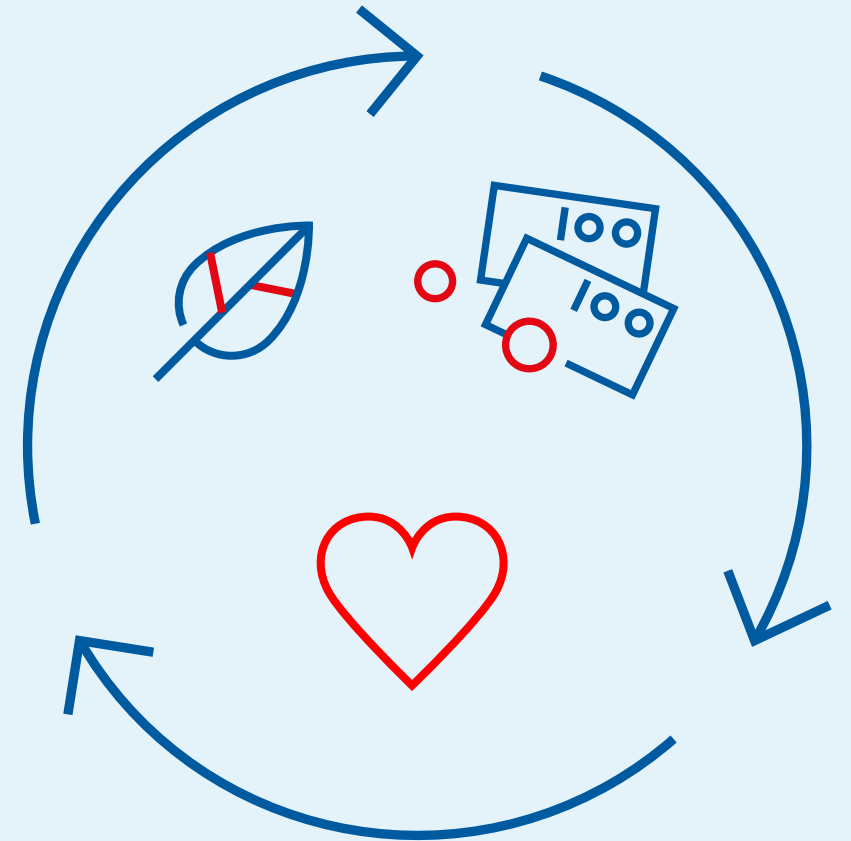
Nigeria



Challenge to identify and aggregate impact

Investments in green, social, and thematically sustainable bonds

- Through our sustainable bond investments, we can contribute to sustainable projects **globally**.
- Our **stakeholders** are interested in our impact, not just how much we have invested
- However, with a diverse base of issuers, different approaches exist to **impact metric measurement**, which pose a challenge when aggregating impact.




Examples of errors

The risk of blindly relying on issuer data: A 236x error

Green Bonds

ACHIEVED RESULTS


Since 2008, the proceeds from World Bank Green Bonds²² contributed to **\$16.3 billion** in disbursements to projects helping member countries pursue a transition to low-carbon and climate resilient development and growth. Below is a selection of the cumulative results reported for green bond projects that closed on or before June 30, 2023:

 **27.3 million tCO₂eq**
GHG emissions avoided/
reduced annually
27.5 million people
benefitted from
green bond projects²³

Renewable Energy and Energy Efficiency

 **9.2 billion MWh**
annual energy savings
4,876 MW
of renewable energy capacity added

Clean Transportation


 **202 km**
of rail tracks/BRT/public transport/
pedestrian walkways constructed/
rehabilitated




Green Bonds

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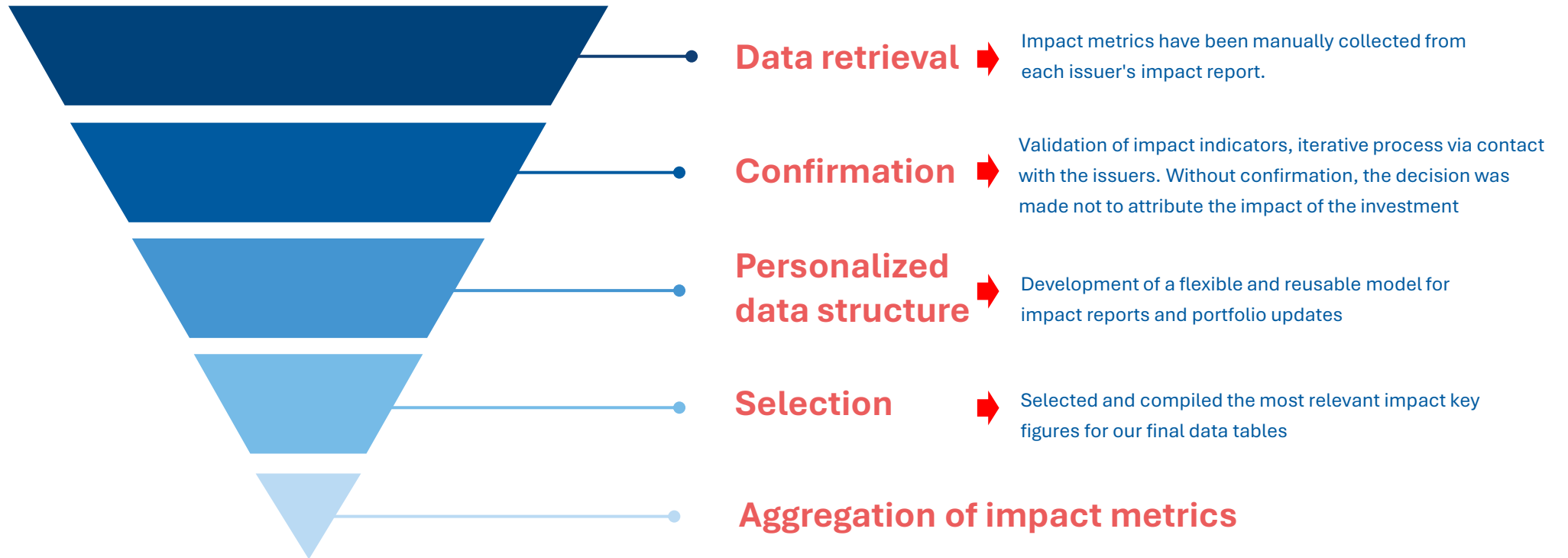
Renewable Energy and Energy Efficiency

 **38.9 million MWh**
annual energy savings
4,876 MW
of renewable energy capacity added

Clean Transportation

 **202 km**
of rail tracks/BRT/public transport/
pedestrian walkways constructed/
rehabilitated

A new process for impact management



The impact of LFs portfolios year end 2024

Investments in green, social, and thematically sustainable bonds

1 612 181 TCO₂

**GHG Emissions
Avoided/Reduced/Savings**



Equivalent to **715 808** of
gasoline powered cars
emissions over a year

5 106 596 MWh

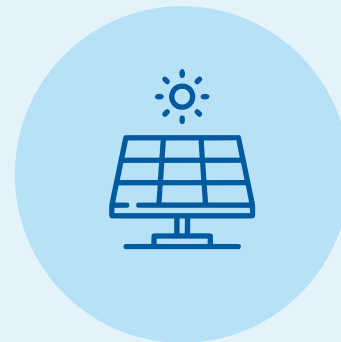
**Generated renewable
energy**



Equivalent to the energy
required to heat **279 638**
Swedish homes for 1 year

888 MW

**Energy capacity
added (MW)**



Equivalent to **2 221 228**
installed solarpanels

2 116 708 m³

**Annual water
savings**



Equivalent to the annual water
consumption of **12 095**
families

Thank you!

