

**Swedish Society for Nature Conservation | Good Environmental  
Choice**

# Car Insurance

Criteria 2024:1



## Bra Miljöval

NOTE: This text is a translation. The original Swedish version always prevails.

# Good Environmental Choice Ecolabel of the Swedish Society for Nature Conservation

The Swedish Society for Nature Conservation (SSNC) is a non-profit organisation that is independent of political and religious affiliations. We are driven by an ambition to preserve the environment and protect people's health. It is partially due to us that seals, sea-eagles and peregrine falcons are no longer endangered species in Sweden. We promote biodiversity, and strive to prevent climate change, acidification, eutrophication, the spread of dangerous chemicals and much more besides.

However, it is not enough to protect nature in reserves or stop individual polluters. We need to reduce our total environmental impact. Companies that adapt their production methods and products to reduce the burden on the environment play a vital role in this work.

Good Environmental Choice is SSNC's own ecolabel and one of the tools we use to drive development towards a sustainable society. Good Environmental Choice demands high environmental standards from the products and services that it approves for labelling

Good Environmental Choice is what the industry calls a Type I ecolabel – a third-party certification scheme that operates independently from all the parties involved. Good Environmental Choice is a member of the Global Ecolabelling Network (GEN). To ensure that Good Environmental Choice meets the requirements for a quality assured system, the ecolabel has been audited under the Global Ecolabelling Network's Internationally Coordinated Ecolabelling System (GENICES).

Thanks to Good Environmental Choice, hundreds of products have been reformulated and environmentally adapted, with the ecolabel generating concrete results. For example, Good Environmental Choice has helped to ensure that phosphates have been phased out and banned in laundry detergents within the EU. The Good Environmental Choice label for grocery shops drove the development of the first ecolabelled, non-mercury-based button cell battery and got manufacturers of sound greetings cards to use these for the entire Swedish market.

Another example is that electricity labelled with Good Environmental Choice has placed demands on the water flow through hydroelectric power plants, and, through this, benefited plants and animals in the affected rivers. In addition, the label encourages energy efficiency measures and the building of fish ladders so that fish can bypass hydropower stations. Good Environmental Choice also helps consumers to choose the means of transport with the lowest environmental impact, while ecolabelled insurance companies are subject to environmental requirements concerning asset management.

Public procurement is a powerful tool for driving sustainable development. When municipalities, regions and government agencies choose eco-labelled products and services in their procurements, it can have a major impact. Good Environmental Choice serves as a support in this work – by setting high and independent environmental requirements, the label makes it easier for procuring entities to make sustainable decisions. The eco-label also facilitates the follow-up of whether set environmental requirements are actually met, which contributes to increased transparency and quality assurance in the procurement process.

Consumers place a great deal of trust in the Good Environmental Choice label, giving Licence Holders competitive advantages.



Bra Miljöval

Find out more about Good Environmental Choice and download documents at [www.bramiljoval.se](http://www.bramiljoval.se) Information in English, see [www.bramiljoval.se](http://www.bramiljoval.se)

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## Foreword

The criteria for Good Environmental Choice Car insurance is one of the Swedish Society for Nature Conservation's tools to drive development towards a sustainable society. Ecolabelling helps consumers and producers to make environmentally smart choices, both at the time of consumption but also in the production of goods and services. The Good Environmental Choice eco-label strategically selects the areas that the Swedish Society for Nature Conservation considers particularly relevant in order to increase the pace of development.

The insurance industry has a special position partly in being a major consumer of services and products in claims settlement on behalf of its customers, partly in informing the customer about risks and acting as a loss prevention and finally, in anticipating possible damages, managing large financial resources. A large part of the financial resources work financially pending claims settlement, and how these are invested in turn affects the environment.

With these criteria, Good Environmental Choice wants to give consumers the opportunity to choose insurance policies that take environmental aspects into account in the investment of insurance premiums, work with loss prevention and that provide environmentally adapted claims settlement in the event of a claim. At the same time, with the help of the eco-label, we want to help the insurance industry identify aspects of the business that have a high environmental impact.

Good Environmental Choice Car Insurance is a comprehensive criteria document, applicable for eco-labelling of the insurance product car. Good Environmental Choice sets criteria in four parts of the insurance business:

- **Company:** That the company that sells the eco-labelled insurance acts environmentally conscious in governance, procurement and operation.
- **Management of insurance capital:** That insurance premiums are invested with the aim of operating with a high degree of environmental consideration.
- **Information to customers and loss prevention:** That the insurance company informs its customers about risks and how to minimize them, as well as helping their customers to make sustainable choices in everyday life linked to the insurance object.
- **The insurance product and claims settlement:** That the insurance company works to reduce the environmental and climate impact based on the insurance product and when settling the damage caused by the insured object strives for high criteria for environmental considerations.

The criteria for Good Environmental Choice Car insurance have been developed by Good Environmental Choice's expert experts and have been established by the Secretary General of the Swedish Society for Nature Conservation. During the development of the criteria, Licence Holders, other experts and companies have shared knowledge and valuable input. We extend a particularly warm thank you to all of them.

**Sofie E Munteanu**

Head of Good Environmental Choice

## Purpose

- That the insurance capital is managed transparently according to environmental and ethical principles.
- That claims settlement is carried out on the basis of high requirements for environmental considerations so that:
  - The proportion of reuse is increasing
  - Energy consumption and resource consumption are reduced, both during repairs and during the operational phase of the insured object
  - Emissions and use of harmful chemicals are reduced
  - Injury prevention is favoured
- That there is simple and up-to-date information for insurance customers on ways to avoid damage to the insured object
- That insurance companies lead by example by reducing their environmental impact
- That the insurance company makes it easy for consumers to choose products that are as gentle as possible on people and the environment.

## Scope of the Criteria

The criteria apply from 20.02.2024 until the next revised criteria come into force, no earlier than 20.02.2028.

These criteria include non-life insurance for cars. The criteria are mostly an update of the previous criteria *Good Environmental Choice Car and Detached House Insurance*. In this work, non-life insurance for cars has been separated out as a separate ecolabel category, Good Environmental Choice Car Insurance.

The criteria include requirements for the Licence Holder, the Licence Holder's asset management, information to the insurance customer, loss prevention and the insurance product and claims settlement. Most car insurance policies can be labelled according to these criteria for Good Environmental Choice. The criteria are open to consumer insurance products.

## Definitions and Glossary

CFA	CFA stands for <i>The Chartered Financial Analyst (CFA) Institute</i> which provides training and certification of training in sustainable investments
EU Disclosure Regulation	EU Disclosure Regulation, included in the <i>EU Financing Action Plan of sustainable growth</i> (also referred to as the <i>EU Action Plan on Sustainable Finance</i> and the <i>EU Action Plan on a Sustainable Financial Market</i> ) and regulates, among other things, how fund management companies, insurance companies and financial advisors are to inform their investors and customers about ESG factors
Replacement Car	A replacement car means a car that is provided within the framework of the insurance when the insured car is repaired, e.g. a rental car
UN:s Global Compacts: The Ten Principles	International principles on human rights, labour law, the environment and anti-corruption aimed at companies. The Ten Principles are based on the UN declarations and conventions that are universally accepted by the international community, such as the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the UN Convention against Corruption
GRI	GRI stands for <i>Global Reporting Initiative</i> , an independent international organisation that develops standards and guidelines for sustainability reporting
Chemical Products	Chemical products mean, for example, soap, detergents and dishwashing liquid
Supplier	Suppliers are all types of companies that carry out claims settlement measures for the Licence Holder, such as building contractors, craftsmen and car repair shops
Licence Holder	For definition, see License Terms
Green Car	An environmental car may emit a maximum of 70 grams of carbon dioxide per kilometer, or be powered by gas. The definition of an environmental car follows the regulations for climate bonus cars and applies from 1 July 2020. Since autumn 2022, the regulations for climate bonus cars no longer apply, however, the definition in this document remains in 1.1.2.
Eco-labelled	Eco-labelled means Good Environmental Choice, the Nordic Swan, the EU Ecolabel, KRAV, EU-organic and the Blue Angel
PRI	PRI stands for <i>Principles for Responsible Investments</i> and is <i>UN Principles for Responsible Investment</i> , an open global initiative for institutional investors in partnership with the UN Global Compact and the UNEP Finance Initiative with the aim of increasing the implementation of environmental, social and governance aspects in investment decisions ( <i>ESG</i> ; Environmental, Social and Governance) and contribute to a sustainable global financial system
Private Car Sharing	Private car sharing means that a private individual chooses to rent or lend their car to other private individuals when they themselves are not in need of it. Private car sharing is different from professional car rental

Products	Products refer to materials and products used in claims settlement
The Substitution Principle	The substitution principle is also called the substitution principle, the substitution rule or the product selection principle. The substitution principle is defined in the Environmental Code and means that harmful chemicals and products are replaced with less harmful chemicals, products or technologies when this is possible
Task Force on Climate-related Financial Disclosure (TCFD)	The Task Force on Climate-related Financial Disclosure (TCFD) is a market-driven initiative with the aim of developing recommendations for reporting climate-related financial risks and opportunities. TCFD's guidelines are based on governance, strategy, risk management, metrics and targets
Taxonomy	<i>EU Taxonomy Regulation</i> or <i>EU:s taxonomi</i> Included in <i>EU Action Plan on Financing Sustainable Growth</i> (also referred to as the <i>EU Action Plan on Sustainable Finance</i> and <i>EU Action Plan for a Sustainable Financial Market</i> ) and is a statutory framework that will serve as a tool for classifying which investments are environmentally sustainable. The aim is to ensure that the financial sector has common guidelines for which investments should be called green

# 1 Company

## 1.1 Corporate Policies and Sustainability Reporting

### 1.1.1 Environmental Policy/Management System

The Licence Holder must demonstrate that it is working for systematic and continuous environmental improvement in its operations. This can be done through an environmental management system, alternatively an environmental policy or equivalent governing document, with associated guidelines. This document shall describe procurement criteria covering energy, chemicals and the substitution principle. It must be established by the CEO and communicated to the customer.

The substitution principle is also called the substitution principle, the substitution rule or the product selection principle and is defined in the Environmental Code.

### 1.1.2 Travel Policy

The Licence Holder has a travel policy where physical travel is to be avoided as far as possible and which takes into account environmental aspects when traveling is necessary. The policy aims to choose the most environmentally efficient alternatives at every opportunity, both for transport and housing; flights and cars should be avoided and eco-labelled hotels (Svanen, Green Key) should be used as far as possible. If a company car is used in the service by an employee, it must be an environmental car. This means that when purchasing a new company car or leasing a company car used by employees, it must be an environmentally friendly car (as defined in 2020).

### 1.1.3 Sustainability Report

The Licence Holder must report material sustainability aspects in the sustainability report or annual report, for example in accordance with the GRI guidelines. The reporting should also include a description of how the company analyses and manages climate-related risks, for example by following the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). The report shall be easy to find on the Licence Holder's website.

## 1.2 Environmental Work in Own Operations

### 1.2.1 Consumables and Paper

When purchasing soap, toilet paper, kitchen towels and paper towels, only eco-labelled products may be purchased. Only organic coffee, tea, and milk may be procured for the company's staff room. When cleaning premises where the company conducts business, only eco-labelled chemical products must be used, such as hand and dishwasher detergents and other cleaning products.

Also applies to non-animal beverage options. The requirement applies regardless of whether the company makes the purchases itself or, for example, procured cleaning services.

### 1.2.2 Electricity Use

All electricity used in the company's Swedish premises must be labelled with Good Environmental Choice or be product-specific electricity from solar energy. This applies to all premises that are directly involved in the company's operations and service delivery, as well as own owned properties to the extent that the company owns them. If the Licence Holder owns a share of a property, the electricity used in that part must be subject to the requirement.

Eco-labelled means Good Environmental Choice, the Nordic Swan, EU Ecolabel, KRAV and EU organic.

Electricity from own wind power must also be labelled with Good Environmental Choice. Talk to administrators at Good Environmental Choice

**1.3 Education**

**1.3.1 Education on Sustainability and What the Label Means**

Training on sustainability and Good Environmental Choice eco-labelling for insurance will be given to all employees. The training must be completed within 12 months for each new employment. Those within the company who have customer contact must be aware of what the eco-label requires and why. Follow-up and/or repeating training in sustainability shall thereafter be offered annually to all employees.

**1.3.2 Driving Economy Training**

All personnel who frequently drive cars in the course of their work on behalf of the Licence Holder shall be trained in eco-driving. This applies to those who are obliged to travel for business and who obtained a driving licence before 2007. The training must be started within 6 months for each new employment.

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**Justification For the Criteria**

[1.1] Describes the company's general environmental work and ensures that the entire company works with environmental issues in a structured way.

[1.2] Aims to reduce the company's environmental impact in its day-to-day operations.

[1.3] Aims to provide all employees within the company with a basic understanding of environmental aspects related to the insurance business.

## 2 Management of Insurance Capital

The following criteria apply to Licence Holder's with both internal and external asset management. In external asset management, the Licence Holder has a responsibility to select an asset manager who ensures that insurance premiums are managed transparently in accordance with environmental principles and that the criteria are met.

### 2.1 Overall Guidelines

#### 2.1.1 Responsible Investments

In its internal as well as external asset management, the Licence Holder must have signed and work in accordance with the UN-supported Principles for Responsible Investment (PRI). The Licence Holder's investments in asset management shall take into account the impact of companies on the environment and people in accordance with established guidelines such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and The UN Guiding Principles on Business and Human Rights. These guidelines include the principles of international conventions such as the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the ILO core conventions, the Rio Declaration, the Convention on Biological Diversity (CBD) and the Paris Agreement (UN Framework Convention on Climate Change).

The Licence Holder publicly advocates strong measures to reduce greenhouse gas emissions in asset management with concrete targets for annual reductions in accordance with the 1.5 degree target. The Licence Holder invests in companies that contribute to alternative solutions to fossil fuels, the protection and restoration of biodiversity, and to the global goals for sustainable development.

#### 2.1.2 Capital Investment Policy

The Licence Holder shall have a capital investment policy or equivalent document describing the guidelines, control systems and positions that the company follows with regard to its capital investment. This shall be available on the Licence Holder's website and shall be reported to the Swedish Society for Nature Conservation at the time of application.

### 2.2 Transparency of Insurance Capital

#### 2.2.1 Reporting of Holdings

The Licence Holder must report the current holdings of all securities on its website, and this must be updated at least annually.

#### 2.2.2 Sustainability and Climate Risk Reporting

The Licence Holder shall annually report both the integration of sustainability risks into investment decisions in accordance with the EU Disclosure Regulation, as well as the portfolio's climate risk and management thereof in accordance with the TCFD's recommendations. This also includes the portfolio's carbon footprint in accordance with Insurance Sweden's updated recommendation (2020.12.10).

### 2.3 Training of Asset Managers

All managers of the capital related to the licensed product must be trained in sustainability, e.g. by having completed TCFD's, CFA's and/or PRI's sustainability training or an equivalent level of training. This applies to internal as well as external managers. Training must be started within 6 months of each new hire related to the licensed product.

## **2.4 Exclusion of Unsustainable Activities**

Exclusion of unsustainable operations also applies to relevant subsidiaries and associated companies where the Licence Holder owns more than 50 percent in total.

### **2.4.1 Exclusion in the Licence Holder's Total Portfolio**

Investments must not be made in companies that have any production of thermal coal (e.g. lignite, hard coal, anthracite) (0 per cent turnover). In a transition phase of no more than three years, a certain level of coal-related turnover in each company can be accepted provided that the level is reduced annually and that there is a clear strategy for transition that is followed.

Furthermore, investments should not be made in companies that:

- Fails to prevent or to remedy confirmed negative impacts on people and the environment. This also includes those companies that have been involved in serious incidents without credible action being taken, as well as companies that show systematic deficiencies such as repeated incidents, substandard policies and management systems for the environmental risks they are exposed to.

Or have revenue from one of the following activities:

- The extraction of uranium or the operation of nuclear power plants and/or the transport of nuclear fuel.
- Operations that have more than 5% turnover from the production and sale of tobacco, pornography and military equipment and military services intended for use in combat.
- Activities that are directly or through significant ownership involved in so-called controversial weapons: cluster munitions, anti-personnel mines, white phosphorus, biological weapons, chemical weapons, nuclear weapons and depleted uranium.

### **2.4.2 Exclusion Linked to the Insurance Premium**

The Licence Holder shall ensure that the insurance capital related to the licensed product is not invested in activities that derive more than 5 percent of their revenues from the exploration, extraction, manufacture, generation, sale or trading of fossil energy (natural gas, oil). A certain proportion of businesses with oil or gas-related turnover, no more than 1 percent of the total invested insurance capital, are accepted provided that the relevant businesses have a clear strategy for transition that is followed and that the insurance company works with active advocacy work in line with the goals of the Paris Agreement.

## **2.5 Inclusion of Activities Aimed at Environmental Improvement and Innovation**

The Licence Holder supports the vision of global sustainable development that underpins the United Nations Sustainable Development Goals, which the international community has committed to achieving by 2030 (Agenda 2030). The Licence Holder invests in companies contributing to sustainable development and innovation in line with Agenda 2030. Examples of relevant areas in which companies in which the licentiate holder should plan to increase their investments in accordance with the EU Action Plan for a Sustainable Financial Market (EU Taxonomy); Work with:

- climate change mitigation
- adaptation to climate change
- sustainable use and protection of water and marine resources
- transition to a circular economy
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems

The Licence Holder focuses its investments on businesses that work in accordance with Agenda 2030. At portfolio level, the Licence Holder shall report annually on how these investments contribute to the 2030 Agenda and how the investment strategy is linked to it.

**2.6 Active Ownership**

Licence Holders who own shares in companies through shareholdings must work actively to influence companies under management to increase their environmental considerations. In addition, they should be encouraged to report on material sustainability factors, including climate impact factors in accordance with e.g. TCFD recommendations. Examples of activities are to present proposals for improving the environment at general meetings or to identify areas for environmental improvement in the portfolio companies for discussion with the companies in question. This work shall be reported on the Licence Holder's website and should include information about:

- Number of advocacy activities
- Which sustainability aspects have been taken into account
- Methods and tools used
- Results and progress in advocacy

If the Licence Holder has ongoing dialogue processes linked to improvement work, the problems and planned measures must be described to the Swedish Society for Nature Conservation. These can be incidents as well as serious deficiencies in environmental or climate policy and action at any of the companies under management.

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**Justification for the Criteria**

[2.1] Aims to ensure that the Licence Holder works according to internationally accepted principles for sustainability in its investments.

[2.2] A lack of transparency in asset management means that customers have poor transparency and understanding of what their money is used for and how it is managed. A lack of transparency also means that it is more difficult to pursue environmental improvement measures. The purpose of the item is to increase transparency in the management of insurance capital and thereby enable greater transparency and understanding for consumers of what their collective savings are used for, as well as to make it easier for the Licence Holder to follow up and pursue environmental improvement measures.

[2.3] Environmental and sustainability education among those involved in managing insurance capital is a prerequisite for pursuing the above points.

[2.4] An insurance policy is a form of collective savings while waiting for a possible claim. Criteria for the administration of the insurance premium ensure that the management is carried out with the aim of continuously reducing the negative impact on nature and the environment. Exclusion criteria ensure a common minimum basis for all asset management at the Licence Holder.

[2.5] Aims to activate insurance capital so that it actively contributes to environmental improvement measures. [2.6] Aims for the Licence Holder to take responsibility for its ownership and management portfolio by working actively with environmental improvements in its holdings.

## 3 Information and Damage Prevention

### 3.1 Information about Good Environmental Choice

- 3.1.1** On the company's website, the Good Environmental Choice label must always be clearly visible together with the labelled product. Information about what the label stands for should be easy to find.
- 3.1.2** In all information to the customer, both physical and digital, about the labelled product, it must be clear that the product is labelled with Good Environmental Choice and what this means.

### 3.2 Information and Strategic Work on Loss Prevention

The Licence Holder must have a strategic work with damage prevention measures to help reduce the number of injuries linked to the labelled product. The Licence Holder must inform its customers at least once a year about loss prevention measures linked to the labelled product. The Licence Holder shall also offer products or services to avoid or reduce damage.

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#### Justification for the criteria

[3.1] Information to the customer about the eco-label and the effects of the eco-label gives the customer a better understanding of the environmental aspects of the insured object.

[3.2] Loss prevention measures are an effective way to reduce the negative environmental impact of non-life insurance. Information about loss prevention measures means that the Licence Holder helps insurance customers to be more environmentally friendly in their everyday lives and provides its customers with clear information on how they can reduce their environmental impact.

## 4 Insurance Product & Claims Settlement

### 4.1 Insurance Product – Requirements for Licence Holder

#### 4.1.1 Private car sharing

The Licence Holder's insurance products within insurance for cars marked with Good Environmental Choice must not prevent or make it more difficult for an insured car to be used for private car sharing within a car sharing platform with its own insurance solution. If there are conditions that make it more difficult for private car sharing within a car sharing platform with its own insurance solution, these must be revised within one year of obtaining the license.

*Private car sharing is based on private individuals choosing to rent or lend their car to other private individuals when they themselves are not in need of it.*

#### 4.1.2 Incentives for Insurance Customer

In the area of insurance for cars, the Licence Holder must create incentives for, and benefit the insurance customer who insures a car that runs on electricity, biogas or hydrogen. At least one of the following alternatives, or at least one other method to meet the criteria approved by the Swedish Society for Nature Conservation, must have been implemented when obtaining a license and applies as a minimum to insurance products within insurance for cars labelled with Good Environmental Choice for cars that run on electricity, biogas or hydrogen:

- Offer premium discount,
- Offer a deductible discount,
- Use fuels as a tariff argument where fossil-free fuels are favored over fossil fuels,
- Offer discounted or free additional services worth at least 1000 SEK per year per insurance customer.

### 4.2 Claims Settlement - Claims on the Licence Holder

#### 4.2.1 Agreements with Suppliers Who Carry Out Claims Settlement Measures on Cars

The Licence Holder must have agreements with all suppliers who carry out claims settlement measures on cars and to whom the insurance customers are referred or recommended. The agreement or annexes to the agreement shall include the criteria of Chapter 4.3 of these criteria. A list of the suppliers with which the Licence Holder has agreements that carry out claims settlement measures in car insurance marked with Good Environmental Choice, as well as a list of suppliers who have de facto carried out claims settlement measures in car insurance marked with Good Environmental Choice must be available.

*Claims management measures on cars include damage management through towing, damage management through repair and replacement of car parts, and dismantling.*

#### 4.2.2 Damage Inspection

Inspection of damage should primarily be carried out by means of photo inspections or other digital means where transport is avoided. If a company car must be used to carry out an inspection of damage, the vehicle must at least meet the criteria of the Euro 6 emission class and emit a maximum of 70 grams CO<sub>2</sub>-eq/km according to the WLTP driving cycle, or alternatively run on biogas or hydrogen.

*Annual inspection means the Swedish Society for Nature Conservation's control of the fulfilment of the criteria.*

#### 4.2.3 Replacement Trips and Replacement Car

If a replacement car is offered by the insurance, the insurance customer must be offered cash compensation, compensation for public transport tickets or compensation for renting/buying a bicycle as an alternative. Compensation for public transport tickets and for bicycle rental/bicycle purchase shall amount to a minimum of the value of the cash compensation. If a replacement car is offered and paid for by the insurance, the insurance customer shall be offered a smaller car than the insured car or a car that runs on electricity, biogas or hydrogen if such is available from suppliers of replacement cars to the Licence Holder. A summary of carbon dioxide emissions in grams CO<sub>2</sub>-eq/km from replacement cars taken out for the current inspection year is reported by the Licence Holder on request at the annual inspection to the Swedish Society for Nature Conservation.

#### 4.2.4 Ranking in Damage Repair Car

When repairing damage to a car, the following order of principle must be followed:

1. Car part repair
2. Replacement of car part with insertion of reused car part
3. Replacement of car part with insertion of new car part.

The ranking must be followed as far as it is technically possible and economically justifiable with regard to the total cost of the repair. Exceptions can be made in cases where regulatory and contractual obstacles exist, for example according to warranty requirements. The Licence Holder is responsible for following up and ensuring that the above criteria are complied with by the suppliers. On request, the Licence Holder shall, upon request, deliver overall statistics on damage repair and replacement with the insertion of reused and new car parts.

*Car part* corresponds to spare part and can also be called detail.

*Reused car part* corresponds to used, reused or remanufactured car part.

The *total cost of the repair* means the cost of the car part and the cost of labour.

### 4.3 Suppliers Who Handle Claims – in Contracts

#### 4.3.1 Code of Conduct

Agreements or an appendix to agreements between the Licence Holder and suppliers in the field of claims settlement measures on cars shall include a code of conduct for suppliers containing the UN Global Compact's The Ten Principles or equivalent principles for human rights, labour law, the environment and anti-corruption.

More information about the *UN Global Compact's The Ten Principles* can be found here:

<https://globalcompact.se/om-un-global-compact/>

#### 4.3.2 Environmentally Friendly Detergents and Degreasers

In the agreement or in an appendix to the agreement between the Licence Holder and suppliers in the field of damage control measures on cars, it shall be included a requirement that detergents and degreasers used by the supplier are labelled with Good Environmental Choice, the Nordic Swan, the EU Ecolabel and/or equivalent independent eco-label, or alternatively be listed on the Swedish Society for Nature Conservation's Kemikaliesvepet. This applies to the interior and exterior cleaning of the vehicles and to the suppliers who use detergents and degreasers for damage-controlled cars. The Licence Holder must have procedures in place to follow up on compliance with the requirement.

#### 4.3.3 Documented and Systematic Environmental Work

An agreement or an appendix to an agreement between the Licence Holder and suppliers of claims management measures on cars shall include a requirement that the supplier works for systematic and continuous environmental improvement in its operations. Suppliers shall, within one year from the date of entering into a new agreement between the Licence holder and the supplier, have documented environmental work; an environmental management system, an environmental policy or similar governing documents that they work actively towards. This shall contain clear guidelines and measurable environmental objectives and shall be followed up by the Licence Holder, no less than every two years. The Licence Holder must report the results of follow-up to the Swedish Society for Nature Conservation upon request at the annual inspection. In the event that a supplier has an environmental management system with follow-up by an independent certification body, a requirement for follow-up by the Licence Holder is not a requirement.

A *given time limit* means the time an authority has given the supplier to rectify a remark made during supervision.

#### 4.3.4 Remarks Regarding the Environment and the Working Environment

Suppliers to the Licence Holder in the field of damage control measures on cars may not have any unresolved remarks within a given time limit from supervision by any authority regarding the environment and work environment. The Swedish Society for Nature Conservation can request the latest inspection protocol from the suppliers during annual inspections.

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### Justification for the Criteria

[4.1.1] Passenger cars are parked about 95% of the time and are an underutilized resource that also often takes up valuable parking space. Insurance labelled with Good Environmental Choice should not constitute an obstacle to efficient use of the car. It is desirable that a car that is shared and thus used to a greater extent has low emissions during operation, i.e. runs on electricity, biogas or hydrogen. Public car-sharing platforms where privately owned passenger cars are used for private car sharing usually have their own insurance solution. Source of car: Gullberg, Anders (2015) Here is the available capacity in metropolitan traffic Rapport från KTH Centre for Sustainable Communications, ISSN: 1654-479X TRITA-SUS- 2015:1

[4.1.2] Insurance companies have the opportunity to influence their customers' choice of car and can reward those customers who choose to insure a car that is powered fossil-free and with low emissions of carbon dioxide during operation. There are several ways to create incentives and benefit insurance customers in the above ways, for example by implementing fuel as a tariff argument where fossil-free fuels are favoured over fossil fuels as an aspect of, for example, setting premiums, offering premium discounts, deductible discounts, discounted or cost-free additional services or other improved terms in the insurance.

[4.2.1] In the event of a damage, the claims settlement is usually outsourced to suppliers who rectify the damage. It is therefore important that suppliers also comply with the criteria for claims settlement and minimise the environmental impact of their operations. An exemption from the requirement for a contract is justified, for example, if no contract suppliers are available at the site of the damage incurred. An insurance company, in this case the Licence Holder, does not have the ability to deny the insurance customer the right to choose a provider without an agreement with the insurance company; Licence Holder.

[4.2.2] The requirement aims to reduce the environmental impact of damage inspection.

[4.2.3] The requirement aims to reduce the environmental impact of transport during the time of claims handling and to give the insurance customer the opportunity to use another form of mobility (public transport, bicycle). As a rule, the insurance customer is entitled to a replacement car equivalent to the one that has been insured, but offering the customer a smaller car or a car that runs on electricity, biogas or hydrogen can reduce carbon dioxide emissions when transported with the replacement car during the time of the claims handling, compared to the car that the insurance customer has insured.

[4.2.4] There are major environmental savings to be made in car damage repairs, not least in terms of climate impact. In a study from 2020 from IVL Swedish Environmental Research Institute, on behalf of Länsförsäkringar's Research Fund, the climate impact of a damage repair of a type damage is examined based on three different approaches: with new, reused (used) and repaired spare parts. The study is based on a comparative life cycle analysis (LCA) and is thus sensitive to assumptions and estimates about the background data used. However, the study clearly shows that repair with new spare parts has the highest climate impact and repair of damaged car parts has the lowest. The study shows that the climate impact is 83 percent lower when the damaged car part is repaired instead of replaced, and that the result is just over 75 percent lower greenhouse gas emissions if the car repair shops use used spare parts compared to newly manufactured ones. The study can be read here: <https://mb.cision.com/Public/152/3251000/b56652ff24eaf38f.pdf>.

[4.3.2] The purpose of the requirement is to reduce the use of chemicals that are hazardous to the environment and health, and in this way also to reduce the risk of leakage of these into the environment.

[4.3.3] The purpose of the requirement is for the Licence Holder's suppliers to increase their knowledge and awareness of the environmental impact of their operations through active environmental work and to work purposefully to reduce it.

Good Environmental Choice is an independent eco-label run by Sweden's largest environmental organization, the Swedish Society for Nature Conservation, with over 200,000 members. Good Environmental Choice started in 1990 and the label is based on two basic ideas: that natural resources must be saved and that biodiversity and human health must not be threatened. Our criteria for Licence Holders are strict and constantly evolving. Products and services that carry the Good Environmental Choice label must therefore be continuously developed to be kinder to health and the environment.

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