

If Environmental Report *2016*



Relax, we'll help you.



About THIS REPORT

This is If's 8th annual environmental report in which we summarize the environmental footprint and performance. The reporting period is 1 January 2016 – 31 December 2016. The information in this report covers If's operations in Finland, Denmark, Norway and Sweden.

We would appreciate your feedback on this report. For more information about If's environmental management program, please contact Ole Evensen, Environment Director.



If's investment in efficient wood-burning stoves plays an important role. Many households worldwide use traditional three-stone fires for cooking. A three-stone fire equals burning 400 cigarettes per hour and releases toxic smoke and emissions inside the home, in particular affecting women and children. In Tanzania, as a result of inhaling the fine particles in the smoke emitted from poor-quality stoves, around 19,000 people die annually from heart disease, cancer and lung problems. Most of them are women and children.

Due to the decreasing wood demand in efficient wood-burning stoves, it is estimated that 525,000 trees have been preserved.

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If's HIGHLIGHTS *over the years*

<ul style="list-style-type: none">- If's environmental strategy developed- If's environmental policy implemented <p>2008</p>	<ul style="list-style-type: none">- List of 100 activities designed to lead to a greener If- Meeting management program implemented to reduce travel- Climate impact accounting according to Greenhouse Gas Protocol guidelines <p>2009</p>	<ul style="list-style-type: none">- The 100 'environmental action points' list completed- Start of If's green procurement program: If in Sweden and Norway became members of Buy Ecolabelled Network- Environmental training for all new employees- Published If's first environmental report summarizing activities and performance 2008-2009 <p>2010</p>	<ul style="list-style-type: none">- Global environmental responsibility through carbon offset, CDM project in India- If in Finland and Denmark became members of the local Buy Ecolabelled Network- If launched Europe's first eCustomer center in Lysaker in Norway- Launched insurance product for liabilities based on the Norwegian Nature Conservation Act <p>2011</p>	<ul style="list-style-type: none">- If in Denmark launched vehicle insurance whereby the price of the insurance is determined by the amount of CO₂ emissions from the vehicle as well as driving habits- Green Tenant Award 1st prize to If's office in Gothenburg- Turku office was certified as WWF Finland Green Office <p>2012</p>
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– The Commercial business area in Norway launched three new environmental-related insurance products

– If published an annual report called "The Heat is On", based on IPCC's 5th assessment report

– A collaborative project on climate change adaptation and insurance developed a web-based visualization tool for homeowners called VisAdapt™

– If in Norway tested an initiative whereby customers who were claiming on their car insurance had the option of being given a bicycle to keep instead of renting a car while theirs was being repaired. This was a success and 650 bicycles were delivered in 7 weeks

– If changed to more environmentally-friendly multi-machine printers and decreased the number of printers by 20%

– If was voted Member of the Year in the Danish Swan network "Netværk for Miljømærket Indkøb"

– Continued to improve If's ClimateWise score. This year by 7%, placing If 9th in the overall ranking

– The office in Oslo, Norway, achieved "Miljøfyrtårn" certification

– If arranged climate conferences for both public and private customers

– If became the insurance provider for Nabobil. no – Norway's largest car pooling operator

– Achieved long-term target of reducing emissions of CO₂ by 50% compared with 2008 levels

– Started to report CO₂ emissions from If's investments

– If became a member of Nollzon, which creates a greater demand for electric taxi

– If in Denmark established collaboration with electric vehicle car sharing company Green Mobility

– Revamped e-training course concerning environment for all employees

– Produced ClimateWise report and If was ranked number 11 among the companies in Europe

– If and CICERO together published an opinion article concerning the challenge of climate change in Aftenposten, Norway

– If's office in Espoo was certified according to WWF Finland Green Office standard and If's office in Gothenburg was approved as a Green Building

– Energy declarations and action plans were developed for 28 of If's largest offices

– Air travel was reduced by almost 40% since 2007

– If introduced an environmental insurance based on an EU directive, in Sweden and Finland. Denmark introduced this insurance in autumn 2014. Norway introduced it in late 2012

2013

2014

2015

2016



CEO *message*

As much as 2015 was a landmark year for climate change, 2016 has been a wake-up call that the fight is far from over. The US presidential elections and the current political mood in large parts of Europe have once again proven that we all have to be active and outspoken in our commitment to protect the future of our planet. The scientific community agrees that the threat posed by climate change needs our urgent attention and to ignore it will only aggravate the challenges we are facing.

The insurance industry has long been considered particularly at risk and in March the California Insurance Commissioner Dave Jones spoke about how the changing climate will affect the industry: “We should all be concerned about the impact climate change will have on the future availability and affordability of insurance coverage.” During the past

decades we’ve seen a steady increase in insurance costs related to extreme weather events and there is currently no reason to believe that this trend is soon to end.

Despite a tumultuous year the world has never been more ready

“We should all be concerned about the impact climate change will have on the future availability and affordability of insurance coverage.”

to tackle these challenges. For example, the Paris agreement entering into force, showing that the majority of the world’s nations realize the challenges and the potential that lies ahead.

We’ve also seen a mobilization of many of the world’s largest corporations making pledges and encouraging politician to engage with climate change.

For the past eight years we have published an environmental report where we present the achievements, challenges and accomplishments of If P & C insurance. During these eight years we have progressively increased our ambitions and started offering environmentally focused products and services. We hope that you will enjoy reading about our work in 2016 and that you will find inspiration and encouragement in the following pages.



Torbjörn Magnusson
CEO, If P&C Insurance AB

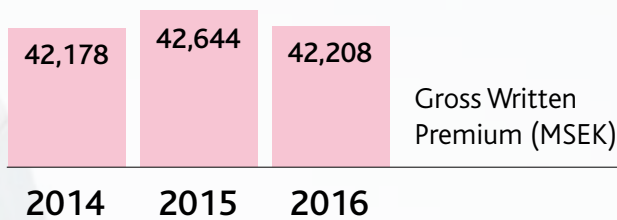
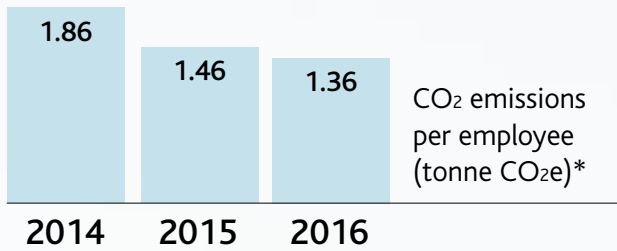




ABOUT
If

Company name.....	If (If P&C Insurance AB)
Countries of operation.....	Finland, Denmark, Norway, Sweden, Estonia, Latvia and Lithuania
Head office.....	Barks väg 15, Solna, Stockholm, Sweden
Markets.....	Non-life insurance solutions for individuals, businesses and international industrial enterprises
Number of customers.....	3.6 million
Number of employees.....	6,180
Total CO ₂ emissions 2016.....	8,389 tonnes

Key figures



*Includes If's Nordic operations: Finland, Denmark, Norway and Sweden.

If's mission

If offers attractively priced insurance solutions that provide customers with security and stability in their business operations, housing and daily life.

CORE VALUES

Easy to reach and relate to

It is easy to get in touch with If and its personnel. If's products and services are easy to understand

Dedicated

If takes the initiative and cares about me

Reliable

If keeps its promises and helps me when needed

Forward-thinking

If is in the forefront of development and continuously creates new insurance products and services

Services

If offers an extensive range of insurance solutions and services, from personal car and home insurance cover to customized global insurance programs for international industrial enterprises.

Organization

If is a property and casualty insurance company with an integrated Nordic business organization. The Nordic offices all share supporting functions such as IT, HR and Information. We are part of the Sampo Plc group which is listed on the Helsinki Stock Exchange. If's operations are separated by business areas such as Private, Commercial, Industrial and Baltics.

In total, If's market share amounts to one fifth of the Nordic market. If is one of the leading insurance companies in Sweden, Norway and Finland, with market shares of 18%, 22% and 25% respectively. In Denmark, where the market is more fragmented, If is the fifth largest company with a market share of 6%.

TARGETS

What we've promised to do

LONG TERM TARGET	DEADLINE	STATUS		
		Working on	On schedule	Achieved
Reduce number of flights by 5%	2018	✓		
Reduce indirect energy consumption annually by 3%	2018		✓	
Reduce paper consumption annually by 10%	2018		✓	

ONGOING TARGETS	DEADLINE	STATUS		
		Working on	On schedule	Achieved
Reuse of material parts in vehicle repairs	Ongoing		✓	
Screen all significant suppliers regarding If's environmental requirements	Ongoing		✓	
Continue to improve If's ClimateWise ranking in order to achieve >60% against the 6 principles of ClimateWise	Ongoing		✓	



ENVIRONMENTAL *management*

Our environmental objective is to satisfy customers by reducing our environmental impact and contributing to a sustainable future. Our Steering Group for the environment developed an environmental strategy in 2008, defining our environmental policy and goals and establishing a basis for the approach to minimize our environmental impact.

Our core values remain intrinsic to the strategies we develop to manage our environmental impact. Our approach is to minimize our environmental impact through increasing internal awareness and offering appropriate training and support.

VALUES AND PRINCIPLES

Dedicated **ORGANIZATION**

If's Steering Group establishes our environmental strategy and overall goals. It has eight members, three of whom are members of If's executive board. Each member represents a different business area and country.

The Nordic Environmental Group is responsible for the management and follow-up of implementation of all the environmental measures regarding facilities and procurement.

Local Environmental Groups formulate local action plans and arrange activities for improving awareness of environmental issues. These groups are in place at most larger offices.

KEY *environmental* **ISSUES**

Climate change
Environmental impact from claims handling
Travel and meeting management
Energy consumption
Waste minimization
Training and awareness

TOOLS AND POLICIES

Environmental policy
Procurement policy in line with Nordic Ecolabel procurement guidelines
Supplier assessment principles
Climate impact accounting tool based on Greenhouse Gas Protocol standard
ClimateWise platform for best practice and exchange of ideas
Environmental rules for claims handling

COMMUNICATION AND AWARENESS GROWING

Customers – environment-related activities in each country of operation, information on website
Suppliers – dialogue during environmental assessments and communication regarding If's environmental goals and requirements
Employees – receive training in environmental issues, environmental days and campaigns.
External stakeholders – campaigns, funding research on climate change
Owners – environmental reporting, ClimateWise reporting



If's

ENVIRONMENTAL POLICY

On a daily basis, If considers its impact on the environment and takes substantial measures to ensure this impact is positive both now and in the future.:

- We always endeavor to find the best possible environmental solution – for our customers, suppliers, partners and our company.
- We are developing products, processes and damage prevention services in order to help our customers act in a more environmentally-friendly manner.
- We encourage and support our suppliers and partners in their efforts to use more environmentally-friendly methods in their operations.
- We must always give our staff the opportunity to act in an environmentally-friendly way through the provision of guidelines and support.
- We must always provide information about environmental risks and participate actively in the public debate concerning climate change.

THIS IS IMPORTANT

to us

**ACTIONS AND
MEASURES**

- Increase internal awareness of environmental issues and offer appropriate training and support as needed.
- Minimize waste arising from our operations and reuse and recycle waste when possible.
- Minimize the consumption of energy, water and raw materials in our operations and reuse and recycle when possible.
- Ensure that insurance claims are managed with minimal impact on the environment.
- Apply an environmental perspective to the development of our products and services, in order to ensure maximum advantage to our customers and other stakeholders.
- Promote environmental initiatives through our socially-focused activities.
- Ensure that all local, national and international regulatory obligations that pertain to our operations are fulfilled.



CUSTOMERS

We are developing products, processes and loss prevention services in order to help If's customers act in a more environmentally-friendly manner.

We work with risk, safety and protection on a daily basis and therefore know which solutions best increase our customers' safety whilst minimizing environmental impacts. Our priority is to help customers manage risks and provide support when accidents occur. By providing customers with guidance on how to prevent losses, we help them both to save money and to protect the environment

Prevention is better than cure

Loss prevention is the most important issue we discuss with our customers. We provide information on our website on the page "Advice and tips". This serves as the primary reference point for advice and documentation regarding loss prevention. Readers can find information on measures such as how to prevent fire, burglary and water damage at home. The site also provides information on how to adapt homes to a changing climate via the tool VisAdapt™. It is not possible to measure how many claims we

have avoided thanks to If's loss prevention activities, but we monitor how often people visit If's loss prevention web page, watch If's safety instruction films, download material and acquire safety products and services.

Furthermore, we offer house risk inspections to private customers and actively promote the development of traffic safety, fire and crime prevention through own research and through If's work in organizations such as Brandskyddsforeningen, Stölskyddsforeningen and Trygg Trafikk.

However, when a loss occurs, we focus our efforts on making the repairs as convenient and efficient as possible while mitigating the negative environmental impact. We have implemented rigorous programs to reuse materials and serviceable parts in the repair process and we require If's repair suppliers to comply with stringent environmental performance standards.



	Plastic parts	Metal parts		Total Ton
	Plastic repairs Ton	Used parts Ton	Alignment Ton	
2007	148	761	2,365	3,274
2008	164	791	2,301	3,256
2009	169	876	2,161	3,206
2010	171	817	2,313	3,301
2011	178	745	2,302	3,225
2012	189	806	2,151	3,146
2013	194	823	2,301	3,318
2014	190	843	2,190	3,223
2015	180	795	2,057	3,032
2016	178	881	2,246	3,305

Motor: Reused plastic and metal parts

We try to reuse and recycle as much as possible from damaged cars

Our goals are to increase recycling and to reuse undamaged parts instead of disposing them. We handled approximately 550,000 damaged cars and 400,000 properties in 2016. Damaged materials and waste could have an adverse impact on the environment if not managed correctly. During the year, we continued our work with the policy program focusing on reuse and minimization of waste. Currently the major challenge is to increase the level of customer awareness. We still need to put a lot of effort into explaining why it is better to reuse undamaged spare parts rather than replace them with brand new parts. One argument is that using brand new parts to repair a car creates additional CO₂ emissions that could otherwise be avoided.

We take our environmental responsibility seriously and require that the contractors who repair damaged

1 Did you know?

25 tonnes is the average amount of CO₂ emitted from a household fire. 300 kg is the amount of CO₂ emitted due to water damage, the most common damage in the homes of our customers. In the vast majority of cases water damage is preventable.

Source: Insurance Sweden

2 Did you know?

In 2016, we recycled approximately 1,500 tonnes of waste from damaged property in Norway. This contributes to roughly 500 tonnes of avoided CO₂ emissions.

3 Did you know?

Since 2004, If has been publishing a professional journal on risk management and loss prevention called 'Risk Consulting'. This magazine is distributed to various subscribers and is available online.

Case: Nabobil car pooling

In 2015, If entered the sharing economy by becoming the insurance provider for Nabobil.no, Norway's largest car-pooling operator. Car-pooling is interesting from an environmental perspective as it reduces the number of privately-owned cars on the roads. One shared car can replace up to 10 privately-owned cars, which results in a significant reduction in environmental emissions and noise pollution.

Case: Green Mobility

During 2016, If have established collaboration with the electric city car sharing company Green Mobility in Denmark. If insures the electric city cars and a hub for two city cars has been established on If's parking area. The expected outcome is a decrease of the number of private cars driven by fossil fuels in the center of Copenhagen over time due to the benefits of only having accessibility to the car when using it. Furthermore, because the car is driven by electricity, the emissions of CO₂ and other toxic gases, will decrease for the benefits of the entire population in Copenhagen.

vehicles comply with high standards regarding the reuse of undamaged spare parts. We are also strict about monitoring the contractors' compliance. We have a similar policy program to increase the recycling of materials from damaged property and we monitor and review how well waste has been sorted from damaged sites.

Digitalization

The e-insurance services combine environmental thinking with a modern approach to communication and customer satisfaction. We have been using e-invoices since 2001 and have been sending offers via e-mail instead of paper to our customers since 2004. Since the autumn of 2011, this service has included providing online services to private customers. The number of eCustomers in the 'Private' segment increased by 217% during the period 2014-2016.

The 'Private' business line has made an electronic customer account the default for all new customer accounts, and also continues to make it easier for existing customers to move towards electronic communication. One challenge we face in this work is that several of our markets require a minimum amount of written contracts with our customers, or a strong consent to communicate electronically.

E-insurance helps to cut down on paper consumption and enables customers to access their documents on their laptops and smartphones. Using a simple log-in system, customers can access a complete overview of their insurance matters, anytime and anywhere. What's more, they can order e-invoices, adjust payment preferences and sign new agreements online.

Case: To use instead of own

We offer our customers the opportunity to rent a child safety seat from us instead of buying one. If's child safety seat package includes all three seats that your child needs. As your child grows, so do the seats, ensuring that he or she always has a size and age-appropriate seat. By renting a child safety seat, customers contribute to the reuse of equipment that would otherwise become quickly useless as the child grows. However, we still have challenges to further improve the environmental benefits of this offer; we need to reduce the environmental impact of shipping and production.

Case: Insurance product for liabilities

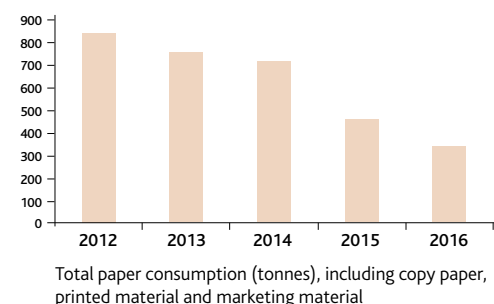
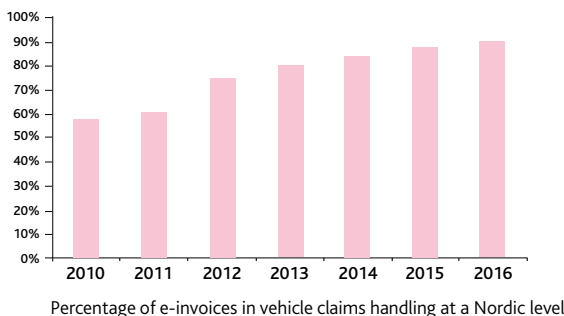
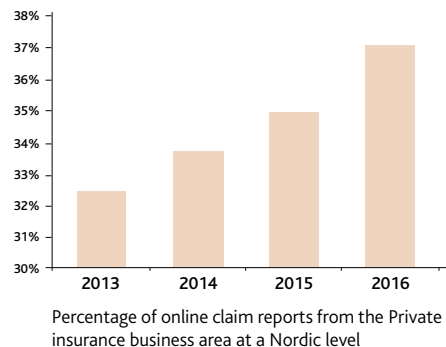
Our earlier introduced Norwegian insurance product for environmental liability is now available in all Nordic countries. The company insurance product addresses damage to the natural environment and is based on the Norwegian Nature Conservation Act.

Case: Fire week in Norway

For the twelfth consecutive year, Norsk brannvernforening, If and Direktoratet for samfunnssikkerhet och beredskap (DSB) held a fire protection week event in September, engaging 260,000 participants. Over 368 towns and cities invited the public to participate in open days at their local fire stations. In addition, a record number of 673,000 Norwegians participated in the Nasjonal brannøvelse, an event to improve fire safety in schools, day care centers, public institutions, offices and private homes. In 2016, If has also launched "Brannleken", an interactive and fun game for smartphones and tablets where families can practice their fire drill together.

Did you know?

If has developed two new environmental insurance products in Norway, reducing costs for customers choosing cars with emissions lower than 120 gCO₂/km and for customers using electric cars in business operations.



SUPPLIERS

We encourage and support our suppliers and partners in their efforts to use more environmentally-friendly methods in their operations.

Together with our suppliers, we handle approximately 550,000 cases of car damage and 400,000 cases of property damage each year. The choice of suppliers can have a significant effect on the environment. Through strict environmental requirements and collaboration with suppliers, we generate synergies that contribute to mutual success and environmental benefits. Our aim is to ensure that the products we use and claims we handle has a minimal impact on the environment.

Environmental responsibility in supply chain and procurement practices

Our procurement policy and principles form the basis for our work with environmental responsibility in the supply chain and in contractual practices. We have established clear principles for selecting products. We regularly assess our suppliers and contractors to ensure that all products comply with our requirements. Everyone involved in a procurement process must take relevant environmental aspects into consideration in the decision-making process.

We prioritize environmentally -sound alternatives and take the full life cycle of a product into consideration. In addition, products and services that are certified according to existing ecolabel criteria or an environmental management system should be preferred. The type of ecolabel that is accepted may vary depending on the product category. If there is no ecolabel for a specific product category, we apply product environmental guidelines from national authorities e.g. The Swedish Society for Nature Conservation.

Case: Buy Ecolabelled

Buy Ecolabelled is a business network under the Nordic Ecolabel promoting environmentally-sound production and consumption. The network focuses on guidance, sharing ideas and connecting companies that want to reduce

their environmental impact from purchased products and services. Membership in the network has helped us to implement the procurement policy and improve the practice. Furthermore, we have developed better knowledge of environmental friendly products for the benefits of both the environment and the general health of the population.

If in Sweden and Norway have been members of the local networks since 2010. The network is so useful that when we discovered in 2011 that it was not established in Denmark and Finland, we applied to become the first member in order to help establish the local networks. The networks in Denmark and Finland were launched in 2012. We have been involved in a number of coordinated activities with the Swan label in various cities. These activities have included information meetings and environmental days. In 2015, If was voted Member of the Year in the Danish Swan network "Netværk for Miljømærket Indkøb".

Case: Nordic Ecolabelled cleaning services

ISS is If's main supplier of cleaning services in Norway and Sweden. Since 2015, ISS's services are carrying the Nordic Ecolabel.

Case: Nollzon

In 2016, If became a member of The Swedish Campaign for Zero Emissions, Nollzon. Nollzon aims to make our cities more clean and quiet. When a taxi is ordered by If, electric vehicles will automatically be prioritized. The membership aims to increase the demand for electric vehicles and in addition reduce the CO₂ emissions on our roads.

Contractors

The priority is to ensure that waste and materials from repair processes are managed in the best possible way. We therefore place high environmental and health-related requirements on our contractors who carry out repairs. We insist on very close and transparent cooperation with all suppliers and we regularly monitor their compliance with our requirements.



If's procurement policy

A product that meets most of the following criteria should be preferred:

- Sustainable and possible to repair.
- Energy efficient.
- Recyclable.
- Produces a minimal amount of waste.
- Carries an ecolabel or environmental certification.

Concerning supplier selection and contracts, the following principles have been adopted:

- We apply a defined method for evaluating the significance of environmental aspects in every procurement process.
- All significant suppliers are required to have implemented an environmental policy.
- An environmental clause regarding If's environmental goals is included in all significant supplier contracts.

Property repairs

We collaborate with approximately 450 contractors to ensure fast claims handling for our customers. Contractors handle the first inspection at the accident site. Thorough process documentation and high process quality are essential to ensure that customers' claims are handled correctly. Since 2012, we have been using a project process tool (In4mo) for all contractors. This web-based communication tool can be accessed through mobile phones or tablets, giving the claims handler immediate access to all necessary information. This tool ensures an efficient and streamlined process for property damage claims handling at every stage and enables all contractors to comply with If's process requirements. By not being dependent on an office, each contractor now averages one more customer meeting per day. It also means that information reaches our claims handler faster and the overall processing time is shorter. The system helps speed up the handling process for

each customer and minimizes travel and paper consumption, resulting in a smaller carbon footprint.

In 2016, we continued to increase recycling and to reduce the amount of mixed waste from property repairs. In terms of sustainable development, waste minimization is probably the most important issue. We therefore aim to take an active role in ensuring that our contractors minimize waste from repairs. In order to reduce adverse environmental effects, we have focused on improving waste transportation and introduced lighter containers and alternative solutions, such as industrial bags in densely populated areas.

When rebuilding, we strive to use proper environmental materials. Each partner has to follow our guidelines for waste material separation as well as strict national legislation regarding construction.

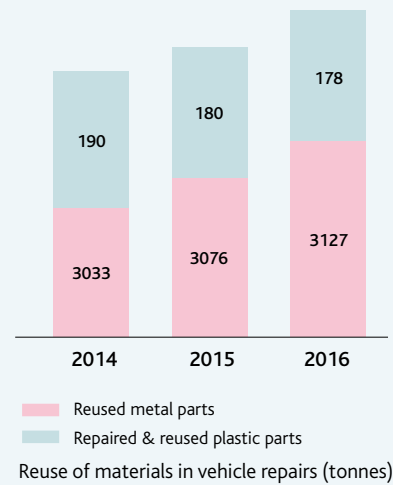
If's requirements on contractors in property repairs

- Follow an environmental policy and all necessary legal permission.
- Follow If's environmental policy.
- An environmental plan and environmental manager for each repair assignment.
- Process documentation and reporting through If's project documentation tool In4mo.
- Waste from repairs is sorted and recycled.
- Use If's recommended supplier of waste management services in respective countries.

	Reused metal parts	Repaired & reused plastic parts
2009	3037	169
2010	3130	171
2011	3047	178
2012	2957	189
2013	3124	194
2014	3033	190
2015	3076	180
2016	3127	178

If's requirements on contractors in vehicle repairs and dismantling

- Report compliance with the European Commission's directive regarding prevention of waste from end-of-life vehicles (ELV Directive).
- Follow If's environmental policy.
- Efficient transportation of vehicles and spare parts.
- Documentation of repair processes and methods, through the repair calculation systems Cabas, DBS and Autotaks.
- Report the amount of reused and recycled parts.



Case: iSEKK

Every year, tens of thousands of iSEKK industrial bags containing bulky waste are transported around central Oslo. About 5,000 of the bags are used in damage restoration activities related to If. Previously, individual contractors were responsible for removing the bags. As a result of a collaborative effort between If and iSEKK AS, some 3,400 unnecessary trips are saved, thereby reducing carbon emissions. As well as in Oslo, this scheme is in operation in Stavanger, Bergen and Trondheim.

Vehicle repairs

We have stringent environmental requirements for vehicle repair and property repair contractors. Spare parts must be reused and recycled. Monthly follow-ups are conducted regarding the amount of undamaged parts that are reused and the quantity of repaired plastic parts sent for reuse. Instead of using brand new spare parts, we reuse thousands of tonnes of plastic and metal each year. Together with our contractors we create operational syner-

gies for efficient techniques and logistics for the collection and distribution of used spare parts.

Case: Minimizing waste project

In 2012-2013, If was part of a reuse project with Swedish Car Recyclers Association, Swedish Transport Sector Association, Bilretur Car Recycling, Stena Recycling and Laga (web-shop for used spare parts) to reduce waste from vehicle repairs and increase the reuse of high-quality spare parts. The project has now become a permanent initiative called Rep Dels Returen, supported by the actors of the projects.

The purpose is to reuse more plastic parts, which are often removed and discarded by the workshops that dismantle end-of-life vehicles, instead of using brand new parts. This is beneficial from both an environmental and economic point of view. It also helps to generate employment since workshops can charge for repairing the plastic parts. Most important of all, the repair technology that is currently available results in high-quality end products.

EMPLOYEES

We always give our staff the opportunity to act in an environmentally-friendly way through the provision of guidelines and support

There are over 6,000 people working at If, and each one of them is an environmental ambassador. It is our sincere hope that by increasing environmental awareness in the workplace, our employees will also make environmentally-conscious choices outside the office. Together we are able to create an organization where everyone works as a team to improve the environment and promote a sustainable future. We provide our employees with guidelines and support to inspire and encourage them to make environmentally-sound choices.

Meeting instead of traveling

We have seen a rapidly growing interest in virtual meetings since their introduction in 2003. Today, If's Nordic offices have 95 rooms with video meeting facilities. User friendliness, clear guidelines and internal video support have contributed to the success. Almost 1,500 video meetings are held every month.

All employees have a fully-integrated online chat and Live Meeting program on their computer. Being able to simultaneously converse and share presentations and documents makes online meetings a viable alternative to physical meetings. Some of the

many benefits of video conferencing are time saving, a better work-life balance, less environmental impact and reduced costs. Our employees frequently use the teleconferencing facilities and the meeting rooms are often fully booked.

Focusing on training and awareness

As part of their induction, all new employees are introduced to how environmental responsibility is integrated into processes and operations. We also offer all employees an e-learning course in environmental responsibility. Approximately 35% of employees have so far attended the course. Our latest e-learning course concerning environmental issues, has had an employee attendance of 10% since its autumn 2016 launch.

We have developed an e-learning course for managers, focusing on how to make meetings more efficient and environmentally-friendly, including choosing the right type of meeting (physical, video, online) and defining responsibilities for meeting participants. Additional information on how employees can reduce If's environmental footprint at work and at home is available on If's internal website and on posters in If's offices. Members of



Group Services environmental group have completed studies concerning environmental steering. We are continuously seeking ways to avoid unnecessary travel in our operations. The process of vehicle claims is almost fully remote. In addition, our vehicle claims inspection employees have all completed eco-driving courses.

Employee engagement through theme weeks

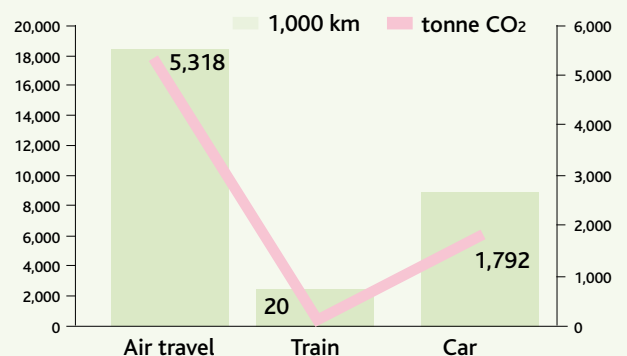
We believe that environmental responsibility is everyone's responsibility.

If has participated in the Earth Hour campaign organized by WWF since 2008. We annually arrange theme weeks that focus on environmental responsibility. Employees are given regular opportunities throughout the year to learn how to reduce paper and waste through simple measures. We have increased the amount of organic food served in canteens and set up recycling stations for collecting second-hand clothing in the offices.

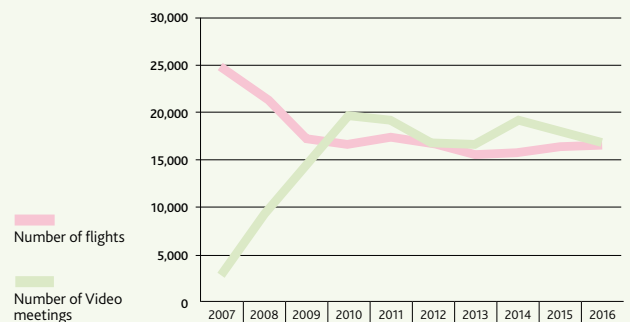
Every major office has an environmental management group

Every If office with 100 employees or more has its own office council that focuses on environmental issues to create an environmentally-sound workplace. We currently have 19 environmental groups throughout the Nordic region. Our aim is to make caring for the environment easy. If employees feel there are ways in which we can improve environmental credentials, they are encouraged to put their ideas in the Suggestion Box or contact the local environmental group.

The local environmental groups develop local environmental management plans, arrange theme weeks and implement recommendations suggested by employees. Common target areas in 2016



Travelled distance compared with CO2 emissions



Annual development of flight travel and video meetings, 2007-2016

- The number of flights has decreased by 34% between 2007 and 2016
- Approximately 35% of all If employees have taken If's e-learning course in environmental awareness. A new e-learning course was developed during autumn 2016 and will be promoted in 2017
- We conduct approximately 1,500 video meetings each month

included e-learning courses, energy declarations, screening suppliers, energy saving, reduced paper use and green procurement. Furthermore, the local environmental groups form part of a larger network in which the members can collaborate.

Office environmental management programs

Most of our larger offices have an environmental management program, specifying what we do to reduce the environmental impact of operations; from green procurement and recycling to training and awareness. The environmental program in each office is developed and implemented by the local environmental groups.

The central part of the environmental management program is If's action plan for improving energy efficiency in If's offices. As part of this plan, we have actively worked for reduced areas and moved to new, more energy-efficient buildings in some places as well.

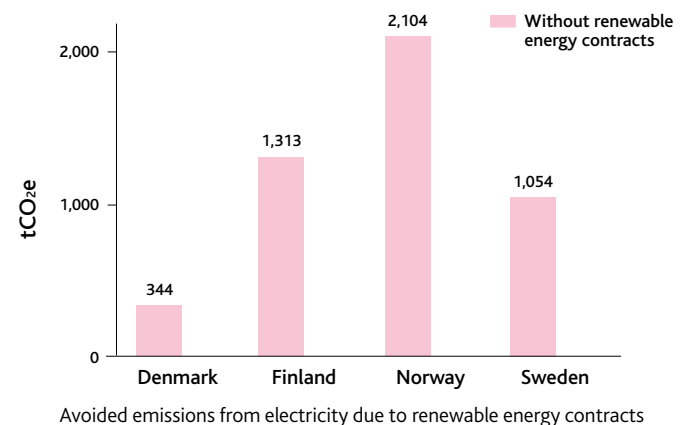
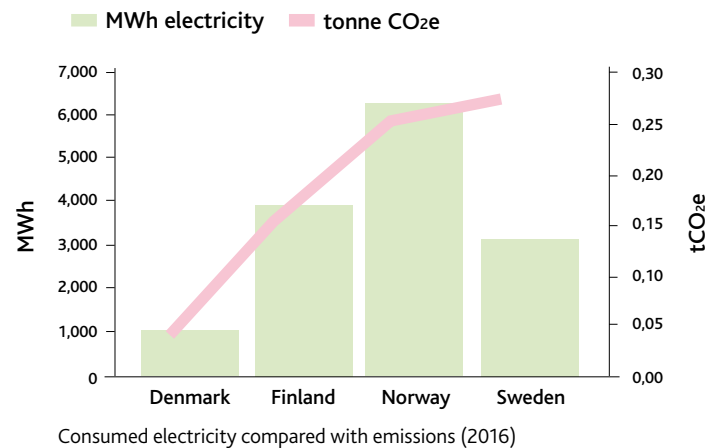
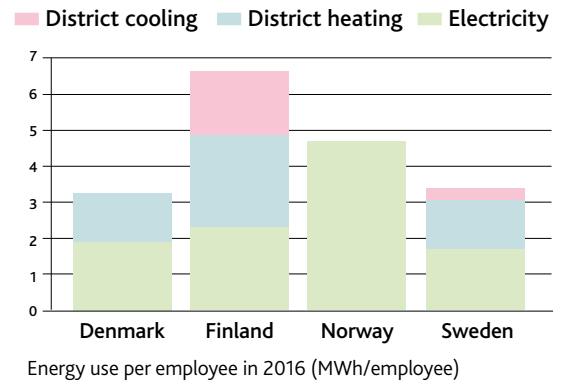
We have also mapped how our different offices performed in terms of energy efficiency. Out of 28 large and medium-size Nordic offices, many fall into the E or F categories on a scale of A-G, where A means high energy efficiency and G means low energy efficiency. As a pilot case, we introduced energy efficiency measures in our office in Gothenburg in 2011. By the end of 2012, we had reduced energy consumption by 35% and we achieved a further 30% reduction in 2013. We are continuing this work by discussing with landlords in other regions how we can find effective solutions for improving energy efficiency in If's offices. Examples of energy-saving actions are investing in and upgrading ventilation systems, thermostatic control and LED lighting. Compared with 2012 levels, our Nordic offices have decreased their energy use by 43 % in 2016.

Case: Green Office Finland

If's offices in Espoo and Turku, comprising 87% of Finnish employees, participate in WWF's Green Office network. Green Office motivates office staff to act in an environmental friendly way with regard to everyday tasks and aims to improve environmental awareness and reduce costs, benefiting both the members and the environment. Compared with 2013 levels, If's offices have reduced their energy consumption (district heating, electricity and district cooling) by 491 MWh . 55% of the office supplies purchased were either ecolabelled or classified as environmentally-friendly.

Did you know?

Since 2013, If has purposefully chosen to procure renewable energy supply in all Nordic countries. In 2016, this commitment resulted in 4,815 tonnes of avoided emissions.



Green IT

Using modern technology and solutions in our IT systems improves functionality and helps us to reduce the environmental impact of business-related activities. We take pride in not only using IT smartly, but also using smart IT. In 2015 we moved several key platforms to the cloud and in 2016 our cloud service journey continued. Cloud services are scalable, flexible and cost and energy-efficient. Our focus has been on solutions for information sharing and communications, such as e-mail, calendars and project and departmental information-sharing solutions. Cloud services can reduce emissions by up to 90% compared with in-house solutions.

Another focus area has been to improve video meeting solutions as part of a meeting management program. All users are now able to make phone calls and conduct phone and video meetings directly on their PC. The easy-to-use, mobile app to access live phone meetings has made these solutions very popular.

As well as improving If's IT systems, we are also working actively to reuse and recycle electronic

equipment (computers, screens, phones, etc.).

In 2016, we recycled 3,000 kg of computers and brought 150 computers back into use. We also had over 500 mobile phones repaired and brought into use again. This is an important measure in reducing If's environmental impact. To illustrate this, the manufacture of one computer uses 1,500 liters of water, 2,100 kWh of electricity and produces approximately 700 kg of CO₂ emissions.

This year we have been actively involved in a bank and insurance industry network for improving the sustainability component in IT purchasing.

From 2013 through 2016, we reduced the number of office printers and introduced more energy-efficient multi-machine printers with a lower environmental impact. The printers have a so-called "follow me" application that helps us measure paper and energy consumption.

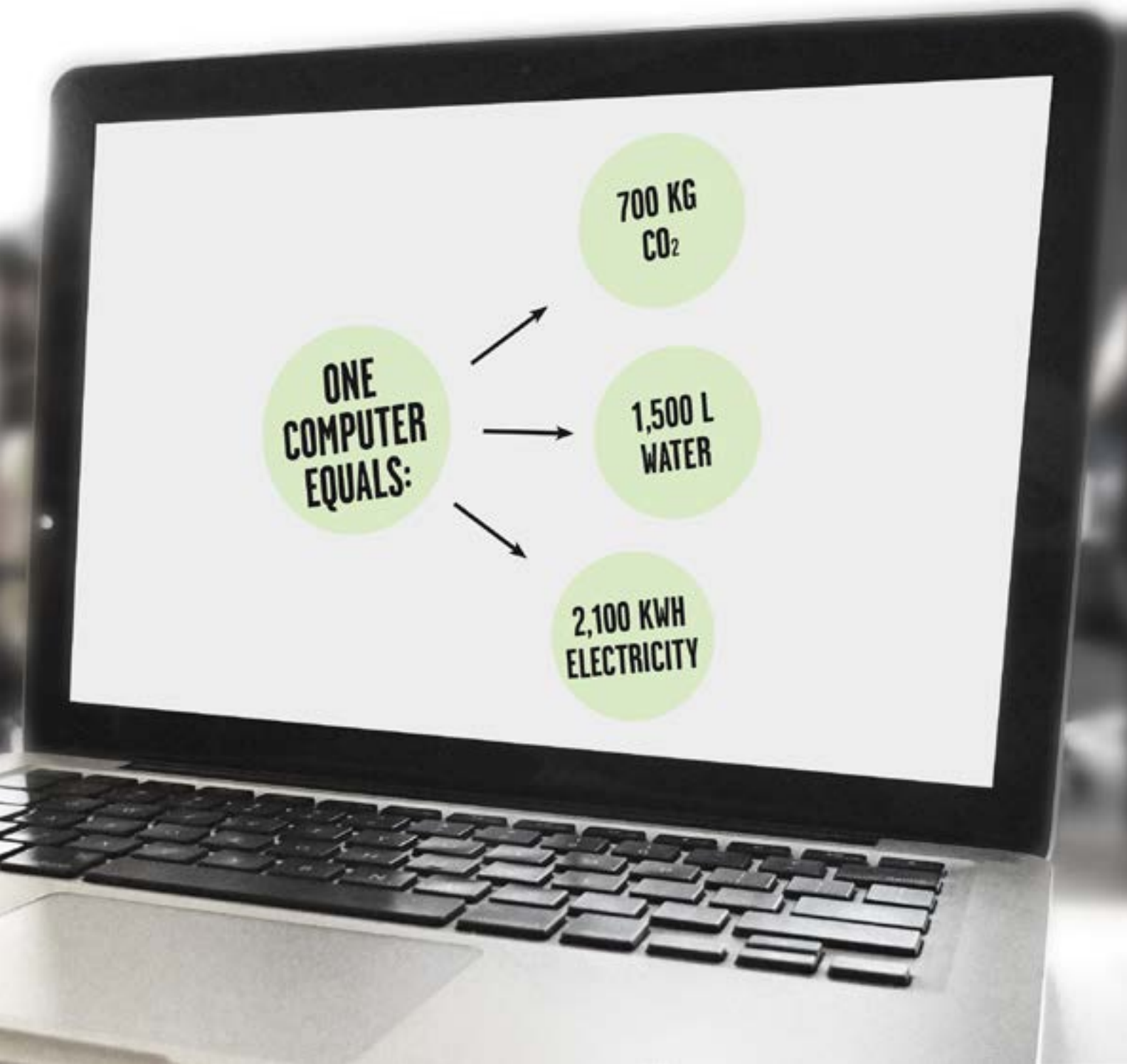
■ Did you know?

In 2016 all If's Nordic offices saved 1,963 boxes of copy paper. The annual paper reduction is equivalent to almost 3 million of paper sheets or 589 trees. Consequently, the number of transports has been reduced.

Activities that demonstrate how we manage the environmental impact from If's offices:

- 19 local environmental groups
- Targets and action plan
- Environmental tips on the internal website
- Many of the employees have attended a course in environmental responsibility
- Developed e-learning course for sorting waste
- Improved e-learning course for efficient meetings
- Video and online meeting solutions
- If is part of the industry organization CER's environmental group in Sundsvall, to share knowledge and create new initiatives in the area
- Annually participation in WWF's campaign Earth Hour
- Environmental theme weeks
- Green procurement through the network Buy Ecolabelled
- In 2013/2014 If installed new multi-printer machines with "follow me" solution in all Nordic offices. It resulted in 20% fewer printers and a decreased copy paper consumption of 44% from 2013 to 2016.
- Printers preset for double-sided printing
- Reuse and recycling of electronic equipment
- Recycling and reducing mixed waste. Some offices have already removed all conventional bins and only have recycling stations (implementation is in progress)
- A lot of the purchased office equipment is either Ecolabelled or environmentally-friendly
- All cleaning in Norway, Sweden and the two biggest offices in Finland, Espoo and Turku is Swan-labelled and in Finland the supplier is ISO 14001 certified.
- If's canteen in Sarpsborg is Swan-labelled and If's canteen in Copenhagen is certified organic
- Implementing energy-efficiency measures in cooperation with If's landlords
- Energy declarations, including action plans for 40 of If's largest offices
- Use of green electricity in all If's offices in Denmark, Sweden, Norway and Finland
- If's office in Gothenburg is approved as a Green Building
- Moved into seven energy-efficient buildings and improved energy efficiency in a number of offices
- If's Copenhagen office is certified as "good" under the BREEAM scheme. Initiatives are under way to improve the rating to "very good"
- If was voted Member of the Year 2015 in the Danish Swan network "Netværk for Miljømærket Indkøb"
- The office in Oslo, Norway, is certified according to "Miljøfyrtårn"

**If recycles 3,000 kg of
computers each year.**



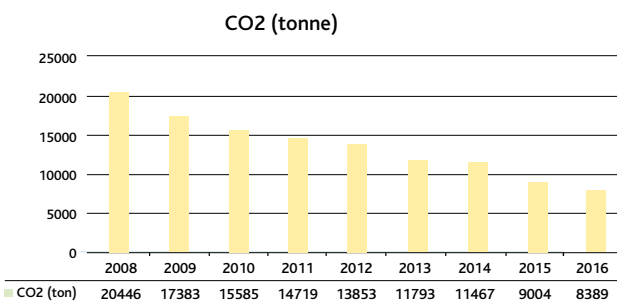
CLIMATE CHANGE

We provide information about environmental risks and participate actively in the public debate concerning climate change.

Climate change is currently the most prominent and discussed global environmental challenge. As research continues to show, a substantial increase in the average world temperature is likely to occur by the end of the century. This would mean catastrophic environmental, social and economic consequences for society and the insurance industry. If's aim is therefore to be a frontrunner in the management of risks from climate change. In order to achieve credibility in the marketplace, we must also "walk the talk" and minimize the CO₂ emissions from If's our own activities.

Climate impact accounting

The total amount of direct and indirect CO₂ from Nordic operations in 2016 was 8,389 tonnes. See page 29 for detailed results. Purchased energy contributes to 13%, mobile combustion from If's own vehicles equals 2% and business travel (air, train and car) to 85% of If's total measured impact. Of all the means of transportation we use, air travel has the largest impact per travelled kilometer, which makes it the most significant sources of emissions. We follow the Greenhouse Gas Protocol guidelines in If's climate impact accounting.



- If has decreased the CO₂ emissions by 59% since 2008
- In 2016, If offsets 8,389 tonnes CO₂e through a Gold Standard VER project
- 100% of all electricity purchased by If comes from renewable resources

If's actions

If's offices in the Nordic countries participate actively in the local debate on climate change and its consequences. Our activities and commitment to reduce CO₂ emissions and mitigate climate change are divided into six categories, according to the six principles of ClimateWise;

- Lead in risk analysis,
- Inform public policy making,
- Support climate awareness among customers,
- Incorporate climate change into investment strategies,
- Reduce climate impact from If's business,
- Report If's impact and actions.

In 2016, we were placed 11th in the ranking for reporting companies in Europe. Furthermore, our deputy CEO is an elected member of the ClimateWise Insurance Advisory Council and our Head of Public Affairs is an elected member of ClimateWise Managing Committee, since June 2016 and May 2016, respectively.

Research

We are seeking new ways to combat climate change. Research provides the essential input for mapping risks and opportunities driven by changes in regulation, physical environment and socio-economic and other climate-related developments.

In 2012, we entered into a partnership to support research into increasing Nordic homeowners' capacity to adapt to climate change. A website was launched in the autumn of 2014 as part of this project. The partnership comprised three insurance companies, If and an advisory group. The CEO from each participating insurance provider was active in signing the project. The project has two objectives; the analysis of claims data to identify insurance-relevant climate change impacts and vulnerability, and the development of a web-based visualization tool for lay people and professionals.



Through membership in the Norwegian Insurance Federation, we are engaged in a collaborative research project with Norwegian cities to improve methods and preparedness to manage climate-change-related risks. By providing claims statistics, we help identify the most critical issues and risks related to climate change. We help finance national and regional weather and catastrophe forecasting through our participation in the Norwegian natural perils pool.

As a member of the national Insurance Associations in Sweden and Denmark, we participate in research used to ensure and improve adaptation to climate change.

Public policy making

We participate in the public debate regarding climate change and its consequences and have a continuous dialogue with policy makers. The purpose is to share knowledge and increase awareness among policy makers about climate-change-related risks in the Nordic countries and the role of the insurance industry in combating these issues.

Through membership in the Nordic Insurance Federations, we participate in an advisory board

appointed by the Danish Minister for the Environment. We contribute expertise in risk management, climate resilience and adaptation issues in the policy-making process.

In Norway, we are part of a committee appointed by the Norwegian government focusing on climate resilience and improving infrastructure to handle increased rainfall. Our role is to contribute expertise in climate resilience and adaptation issues in the policy-making process.

In 2016, If together with CICERO published an opinion article in the Norwegian newspaper Aftenposten. The article highlighted the challenges of climate change in big cities.

See below for examples of networks and initiatives in which we are involved.

Carbon offset

Since 2011, all CO₂ emissions arising from our own operations have been offset. In 2016, we offset 8,389 tonnes of CO₂ emissions through a Gold Standard VER project called Envirofit Tanzania. More than 77% of the population of Tanzania uses firewood for cooking. 7.2 million families depend on

1 Did you know?

If supports and participates in a number of research projects in the Nordic region:

Byg-Erfa

We represent the insurance industry in the Danish construction organization Byg-Erfa.

Centre for International Climate and Environmental Research (CICERO)

If is a member of the CICERO Climate Panel in Norway, participating in research focusing on climate change.

SINTEF

If is contributing to Scandinavia's largest independent research organization, SINTEF. Nordic Centre of Excellence for Strategic Adaptation Research (NORD-STAR) If has co-funded the research project NORD-STAR, which focused on climate change adaptation in the Nordic countries.

2 Did you know?

If regularly organizes meetings on climate change. In 2016, If together with Insurance Sweden mapped and ranked all Swedish municipalities' climate change adaptation actions. The results were presented during a seminar in Almedalen, Sweden in July 2016.

3 Did you know?

If acts to influence decision makers to reach wise long-term resolutions. One such example is If's push to ensure community planners take into account the risks of rising sea levels when assessing building permit applications for locations close to lakes and sea shores.

Case: Green bond a climate-related investment

If has participated in green bond investments in both Sweden and Norway. In Sweden, If participated in an investment initiative whereby the City of Gothenburg borrowed 500 MSEK in a so-called "green bond". Green bonds offer the same yield as other investments with similar conditions. Since the investment is earmarked for environmental purposes, investment in these bonds also contributes to a better environment and greater awareness of climate-related challenges and solutions.

In June 2016, If invested 160 MSEK in a green bond emitted by the bank SBAB. This is the first green bond emitted by a Swedish bank. The bonds net proceeds will finance energy efficient and environmental certified housing constructions.

The Green Bond concept was developed in 2007/2008 by SEB and the World Bank in response to increased investor demand for engagement in climate-related opportunities.

Case: Damage data input for area planning

If is involved in a project initiated by Finance Norway where damage data is collected from specific municipalities. The purpose is to test how damage data can help municipalities when planning new areas and water and drainage systems. Moreover, insurance companies in Denmark, including If, have been sharing damage data with 70% of Danish municipalities for eight consecutive years.

Case: CO₂ emissions from investments

By following recommendations from Insurance Sweden If has started to report emissions of CO₂ from investments. The table below shows the ratio of CO₂ emissions in relation to the holdings' revenues. The calculation is based on the GHG protocol and the key figure is reported as tonne CO₂e / million. The number is based on data on the equity portfolio holdings and the market value on December 31.

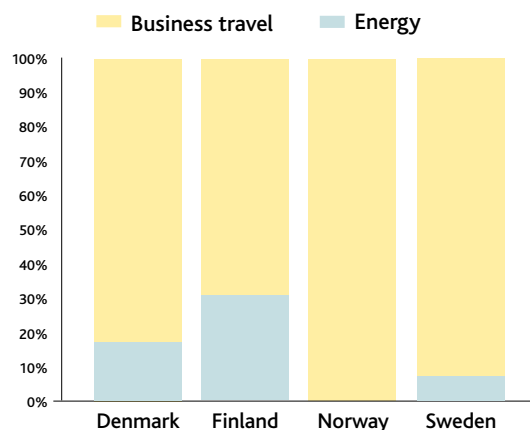
tCO ₂ e/MSEK	Coverage of holding
9.9	79.2%

this rapidly-depleting resources. They walk an average of 3 hours a day to collect wood and spend up to 1/3 of their annual income on cooking.

The Envirofit cookstove reduces the amount of toxic emissions by 80% and the fuel requirement by 60%. This drastically improves the standard of living for the women and children. Alongside the health benefits, the children can spend less time collecting firewood and more time in school. The project helps to slow down the rate of deforestation, as 525,000 trees are saved each year. The reduction in emissions from one cookstove per year (approximately two tonnes of CO₂) is equivalent to a 10,000 km car journey. Collaborating with Envirofit enables us to support the distribution of thousands of energy-efficient cookstoves and make a difference for families in Tanzania and the global climate. Our ambition is to take a global responsibility and continue to fund carbon offset projects over the coming years.













The Gold Standard projects enable global collaboration in funding and implementing emission-reduction projects in developing countries. These projects reduce CO₂ emissions and generate so-called verified (VER) or certified (CER) emission reduction credits, each equivalent to one tonne of CO₂. The

projects are funded by the purchase of such credits, and without the credits, the projects would not be financially feasible. Companies that purchase the verified or certified emission reduction credits thus use what is known as carbon offsets.



Distribution of CO₂ emissions per country in 2016

Examples of initiatives and memberships

<p><i>The Corporate Climate Communiqù</i></p> 	<p><i>Network for climate neutral companies</i></p> 	<p><i>ClimateWise</i></p> 
<p><i>Buy Ecolabelled green procurement network</i></p> 	<p><i>WWF i Finland</i></p> 	<p><i>Earth hour</i></p> 
<p><i>Naering for klima</i></p> 	<p><i>BSAG</i></p> 	<p><i>Nätverk Hållbar IT (Sweden)</i></p> 
<p><i>Klimatpakten (Sweden)</i></p> 	<p><i>Klimaløftet (Norway)</i></p> 	<p><i>Energy saving week (Finland)</i></p> 

If CO₂ emissions summary 2015-2016 by scope

Scope 1 (direct fuel consumption and emissions by type)				
	2015		2016	
	Consumption (m ³)	Emissions (Tonnes CO ₂)	Consumption (m ³)	Emissions (Tonnes CO ₂)
Petrol	17	38	15	35
Diesel	48	118	43	107
Biogas	0	0	0	0
Natural gas	0	0	0	0
Sum	65	156	59	142

Scope 2 (indirect energy consumption and emissions by type)				
	2015		2016	
	Consumption (MWh)	Emissions (Tonnes CO ₂)	Consumption (MWh)	Emissions (Tonnes CO ₂)
Electricity	15,664	1	14,311	1
District heating	7,879	993	8,529	1,050
District cooling	2,383	61	2,360	50
Sum	25,926	1,054	25,200	1,101

Scope 3 (other indirect emission sources)				
	2015		2016	
	Use	Emissions (Tonnes CO ₂)	Use	Emissions (Tonnes CO ₂)*
Business air travel (km)	19,050,533	5,836	18,444,613	5,318
Business train travel (km)	2,803,529	24	2,534,395	20
Business car travel (km)	9,490,058	1,917	9,007,360	1,792
<i>Petrol (km)</i>	<i>3,429,468</i>	<i>758</i>	<i>3,208,458</i>	<i>704</i>
<i>Diesel (km)</i>	<i>5,561,625</i>	<i>1,116</i>	<i>5,182,296</i>	<i>1,033</i>
<i>Ethanol (km)</i>	<i>316,871</i>	<i>23</i>	<i>303,172</i>	<i>22</i>
<i>Biogas (km)</i>	<i>0</i>	<i>0</i>	<i>70,664</i>	<i>3</i>
<i>Natural gas (km)</i>	<i>0</i>	<i>0</i>	<i>70,664</i>	<i>10</i>
<i>Hybrid (km)</i>	<i>182,094</i>	<i>21</i>	<i>150,408</i>	<i>17</i>
<i>Electricity (km)</i>	<i>-</i>	<i>-</i>	<i>21,698</i>	<i>2</i>
Copy paper use (Tonne)	71	17	64	15
Sum	-	7,794	-	7,146
Total emissions, Scope 1, 2 and 3 (Tonnes CO ₂)		9,004		8,389

* The methodology to calculate emissions from flights has been updated for 2015. Using the previous methodology the emissions from flights in 2015 would have been 7,615 tonnes of CO₂.

If CO₂ sources and emissions by country and scope 2016

	Denmark	Finland	Norway	Sweden	Sum	Denmark	Finland	Norway	Sweden	Sum
Scope 1 (direct fuel consumption by type, m ³)						Scope 1 emissions (Tonnes CO ₂)				
Petrol (m ³)	11	1	0	3	15	25	3	0	7	35
Diesel (m ³)	17	4	2	21	43	42	9	5	52	107
Natural gas (m ³)	-	-	-	-	0	-	-	-	-	0
Biogas (m ³)	-	-	-	-	0	-	-	-	-	0
Ethanol (m ³)	-	-	-	-	0	-	-	-	-	0
Sum	28	5	2	24	59	67	12	5	58	143

	Denmark	Finland	Norway	Sweden	Sum	Denmark	Finland	Norway	Sweden	Sum
Scope 2 (indirect energy consumption, MWh)						Scope 2 emissions (Tonnes CO ₂)				
Electricity (MWh)	1,021	3,902	6,254	3,134	14,311	0	0	0	0	1
District heating (MWh)	708	5,295	0	2,527	8,529	76	826	0	148	1,050
District cooling (MWh)	0	1,771	0	589	2,360	0	37	0	13	50
Scope 2 without renewable energy contracts	-	-	-	-	-	343	1,313	2,104	1,054	4,814
Sum	1,728	10,968	6,254	6,250	25,200	76	863	0	162	1,101

	Denmark	Finland	Norway	Sweden	Sum	Denmark	Finland	Norway	Sweden	Sum
Scope 3 (other indirect emission sources)						Scope 3 emissions (Tonnes CO ₂)				
Air (km)	1,618,642	4,284,816	6,328,306	6,212,849	18,444,613	471	1,217	1,875	1,755	5,318
Train (km)	21,889	827,928	593,446	1,091,132	2,534,395	0	12	8	0	20
Total taxi & private car (km)	625,716	2,749,917	2,320,372	3,311,355	9,007,360	141	615	516	520	1,792
--Petrol	311,404	974,174	820,158	1,102,723	3,208,458	71	223	188	221	704
--Diesel	314,313	1,775,743	1,478,516	1,613,724	5,182,296	69	392	325	247	1,033
--Ethanol	0	0	0	303,172	303,172	0	0	0	22	22
--Biogas	0	0	0	70,664	70,664	0	0	0	3	3
--Natural gas	0	0	0	70,664	70,664	0	0	0	10	10
--Hybrid	0	0	0	150,408	150,408	0	0	0	17	17
--Electricity	0	0	21,698	0	21,698	0	0	2	0	2
Copying paper (Tonne)	9	23	14	18	64	2	6	3	4	15
Sum						614	1,849	2,403	2,279	7,146
Total emissions, Scope 1, 2, and 3 (Tonnes CO ₂)						758	2,725	2,408	2,499	8,389

Water consumption by country

2015	Denmark	Finland	Norway	Sweden	Sum
Water consumption (m ³)	2,936	12,435	10,697	15,168	41,236
2016	Denmark	Finland	Norway	Sweden	Sum
Water consumption (m ³)	3,364	12,835	13,765	15,701	45,665
Change in water consumption (%)	15%	3%	29%	4%	11%

Paper and printed materials by weight by country

2015	Denmark	Finland	Norway	Sweden	Sum
Copying paper	11	26	16	18	71
Printed material	15	87	80	53	235
Marketing material	25	50	30	54	159
Sum (tonnes)	51	163	126	125	465
2016	Denmark	Finland	Norway	Sweden	Sum
Copying paper	9	23	14	18	64
Printed material	11	69	43	48	171
Marketing material	22	32	21	37	112
Sum (tonnes)	42	124	78	103	347

Produced and recycled waste by country

2015	Denmark	Finland	Norway	Sweden	Sum
Recycled and/or reused (Tonnes)					
Mixed waste	-	36	-	0	36
Paper and cardboard	-	156	72	68	296
Waste IT products	-	4	6	0	10
Domestic waste (bio)	-	43	24	12	79
Metal, glass	-	6	-	4	10
2016	Denmark	Finland	Norway	Sweden	Sum
Mixed waste	-	41	-	0	41
Paper and cardboard	-	95	72	63	230
Waste IT products	-	3	0	0	3
Domestic waste (bio)	-	60	25	17	102
Metal, glass	-	8	-	2	10



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