



Sustainability Report 2019



About the report

This is If P&C Insurance Holding Ltd's, continually named as If in the report, second sustainability report, which has been prepared in accordance with GRI Standards: Core option. If's sustainability reports are issued on a yearly basis. If Sustainability Report 2019 covers If's operations and sustainability work for the calendar year 2019.

The main stakeholder groups for this sustainability report are customers, employees, suppliers, partners and owners. These stakeholders are reflected in the content of the report and its presentation. The business impact has been measured through a materiality analysis and the GRI Standards have been used as a framework for planning, structuring and presenting the results. The index on page 54-55 presents the distribution of disclosures.

The report covers both qualitative and quantitative results. The sustainability report assurance is executed by the audit and advisory firm KPMG, see page 60.

For questions regarding this report, please contact Philip Thörn, Head of Sustainability at If, philip.thorn@if.se, +46 70 985 38 11.



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Climate

'If's risk engineers have been our extended arm at the facilities'

Through a successful long-standing cooperation within the area of loss prevention, Essity and If have been able to monitor and minimize operational risks at the Global hygiene and health company's manufacturing facilities, decreasing incurred losses and limiting business interruption while at the same time avoiding any environmental impact of damages and repair processes, says Janina Helenius Bylander and Ola Nilsson.

22

Supply chains and materials

'Repairing means there are a lot of heavy processes we can avoid'

Encouraged by its insurance partner, If's Nordic car glass glazier specialist Ryds Bilglas has been able to dramatically increase the share of damaged windshields being repaired instead of replaced by new ones. Apart from making the process cheaper, the method has environmental merits, says Zandra Kastell.

30

Work environment

'Prioritising our work environment is a no-brainer'

With the ambition of further improving conditions for employee performance and a strengthened internal culture, a major workplace project has been launched in the Finnish offices in Espoo and Turku. Also, as sketches for new workspaces are being mapped out, all employees are encouraged to take part in deciding how they should be organised, according to Timo Harju.



CEO message

As 2019 is coming to an end we can see that sustainability and climate change are, more than ever, on top of the agenda. The World Economic Forum identifies climate action failure and extreme weather events as the top risks in terms of impact and likelihood, which is a clear indicator that these topics are no longer only a concern for researchers, politicians and NGOs but are also being addressed by business leaders. In the insurance industry, where we can already see the frequency and magnitude of natural catastrophes increasing, we welcome the recognition of climate change as an issue of global importance, which requires urgent attention from us all.

Despite promising initiatives, we know, however, that current actions are insufficient. A transformation to a more sustainable society is needed, which requires partnerships between governments, civil society and the private sector. If is committed to promoting sustainability, as we know it is central to the company and its stakeholders. Insurance is a vital part of a well-functioning and evolving society and we believe our knowledge, products and services can support the transformation to a more sustainable society. We make sure our customers are correctly insured and feel confident enough to face risk and build for the future.

Our priority is to help our customers manage risks and provide support when accidents occur. By providing guidance on how to prevent losses, we help our customers to reduce risks and economic costs, and protect the environment. Every year our property risk engineers spend more than 1,300 days providing risk management services on-site to our corporate clients, and we provide house assessments to approximately 30,000 home owners. When something happens, we help our customers rebuild and recover, and make sure the claims are handled in a sustainable way.

During 2019 we have updated our purpose and core values. If's value creation depends entirely on the attitude and motivation of our employees. An inclusive and attractive work environment and strong corporate culture is a prerequisite for innovation and the long-term success of the company.

I look forward to further strengthening our sustainability efforts, in close cooperation with our customers, employees and partners, in 2020.



Morten Thorsrud
CEO, If



Our approach to sustainability

If provides insurance solutions for individuals, businesses and international industrial enterprises. We have approximately 3.8 million customers in the Nordic and Baltic countries. If also has branch offices in France, Germany, the Netherlands and the United Kingdom for customers that conduct international operations. If has almost 7,000 employees and we handle approximately 1.6 million claims every year (see About If).

Sustainability is an integral part of our core business. We provide social and economic security for customers, and society at large, through high-quality insurance products. By providing guidance on how to prevent losses, we help our customers to reduce risk and economic costs, and to protect the environment. Furthermore, we continuously encourage our partners and suppliers to develop more sustainable products and processes. We are committed to providing an attractive and inclusive work place for all our employees.

About If

Company name	If P&C Insurance Holding Ltd
Countries of operation	Denmark, Finland, Norway, Sweden, Estonia, Latvia, Lithuania, France, Germany, the Netherlands and the UK.
Head office	Barks väg 15, Solna, Stockholm, Sweden
Services	Insurance solutions for individuals, businesses and international industrial enterprises.
Number of customers	3.8 million
Number of employees	6,925
Gross Written Premium 2019	49,484

Our key sustainability issues

During 2018, a stakeholder and materiality analysis was conducted in order to identify our most important sustainability issues¹ (see Stakeholder and materiality analysis). The aim of the analysis was to identify and classify different types of sustainability issues based on the stakeholders' perspectives, i.e. what importance a specific issue has for If's stakeholders, as well as the impact perspective, i.e. the direct impact If can have on the economic, social or environmental dimension of sustainability. Issues classified as being of critical importance from both a stakeholder and impact perspective are those that have the highest priority for If.

Some of the sustainability issues If focuses on are strongly connected to each other. Therefore, the originally defined sustainability issues have been summarised into five key sustainability issues: Climate; Supply chains and materials; Work environment; Diversity and gender equality; and Responsible business practices. These sustainability issues and focus areas define If's sustainability work and form the basis of this report.

Climate:

Our aim is to continuously reduce our own emissions and encourage our partners and customers to reduce theirs. We also aim to be a frontrunner in climate change risk management. Our priority is to help our customers manage risks and to provide support when accidents occur. By providing our customers with guidance on how to prevent losses, we help them to reduce risk and economic costs, and at the same time protect the environment and reduce emissions.

Sustainable supply chains and materials:

We are a major procurer of goods and services, especially in claims, and we can have a positive impact if we encourage sustainability throughout our supply chains. If's aim is to encourage and support our suppliers and partners in their efforts to use more sustainable methods in their operations. Strict requirements, in combination with close cooperation with our suppliers and partners, enable us to develop our business while contributing to a more sustainable development.

Our key sustainability issues

UN Sustainable Development Goals

Climate	 
Supply chains and materials	  
Work environment	
Diversity and gender equality	 
Responsible business practices	  

Work environment:

If employs almost 7,000 people and aims to provide a healthy, safe and attractive work environment for all employees. A sound work environment ensures physical safety, relating to issues such as ergonomics and well-functioning office spaces, as well as psychological safety, which concerns issues such as reasonable workload, good leadership, development opportunities and non-tolerance of discrimination and harassment.

Diversity and gender equality:

We are committed to providing a non-discriminatory, open and agreeable work environment where everyone is treated fairly and equally regardless of gender, ethnic background, religion, nationality, age, sexual orientation or physical ability. We are convinced that a diverse and inclusive work culture boosts innovation and the growth of intellectual capital in many ways.

Responsible business practices:

If is committed to providing customers with social and economic security by means of responsible and high-quality

insurance products. We aim to be a responsible and active owner, and we incorporate Environmental, Social and Governance (ESG) issues into our investment operations. We believe that high ethical standards and responsible behaviour, for instance, how employees handle customers, partners and other stakeholders, are essential to the long-term success of the company.

UN Sustainable Development Goals

In 2015, all UN member states adopted the 17 Sustainable Development Goals (SDG). These goals provide a shared blueprint and roadmap for the public and the private sector, as well as civil society, on how to achieve a better and more sustainable future for all. We support the sustainable development goals and are committed to making our contribution in partnership with our stakeholders. In this sustainability report, we have linked our key sustainability issues to the relevant sustainable development goals (see UN Sustainable Development Goals).



‘The most sustainable claim is the one that is avoided altogether’

Helping customers prevent and avoid damage and personal injury to the greatest extent possible is key to a sustainable insurance business. Loss prevention lowers costs, increases safety and reduces the environmental impact. However, damage and injuries do occur, which highlights the importance of the sustainable processing of claims, says Philip Thörn.

Risk management and loss prevention, which aim to help customers prevent and avoid damage and personal injury lie at the heart of If’s insurance operations and sustainability work. If regularly provides customers with a wide range of services related to loss prevention, such as house assessment for home owners, risk management services for industrial clients, and also financing and making data available for research projects, for example on climate change adaptation.

‘The core of our business lies in providing security to our customers and in helping them deal with damage and personal injuries when they happen. But we know that the most sustainable claim is the one that is avoided altogether. If we can contribute to that, we can at the same time strengthen the confidence among our customers, lower the economic costs both for us and the customer, and reduce our environmental footprint’, says Philip Thörn, If’s Head of Sustainability.

However, damage and injuries do happen. And when they do, If has a responsibility of ensuring a sustainable claims handling process. In 2019, a new Supplier Code of Conduct was developed, which defines the minimum standards that If requires suppliers to respect when conducting business with us. The Code covers the following areas of sustainability: human rights, labour rights, the environment, and anti-corruption, and is based on the ten principles of the UN Global

Compact. For our vehicle and property repair contractors, we have additional sector-specific environmental and health-related requirements, which, for example, encourage the reusing of spare parts in car repairs.

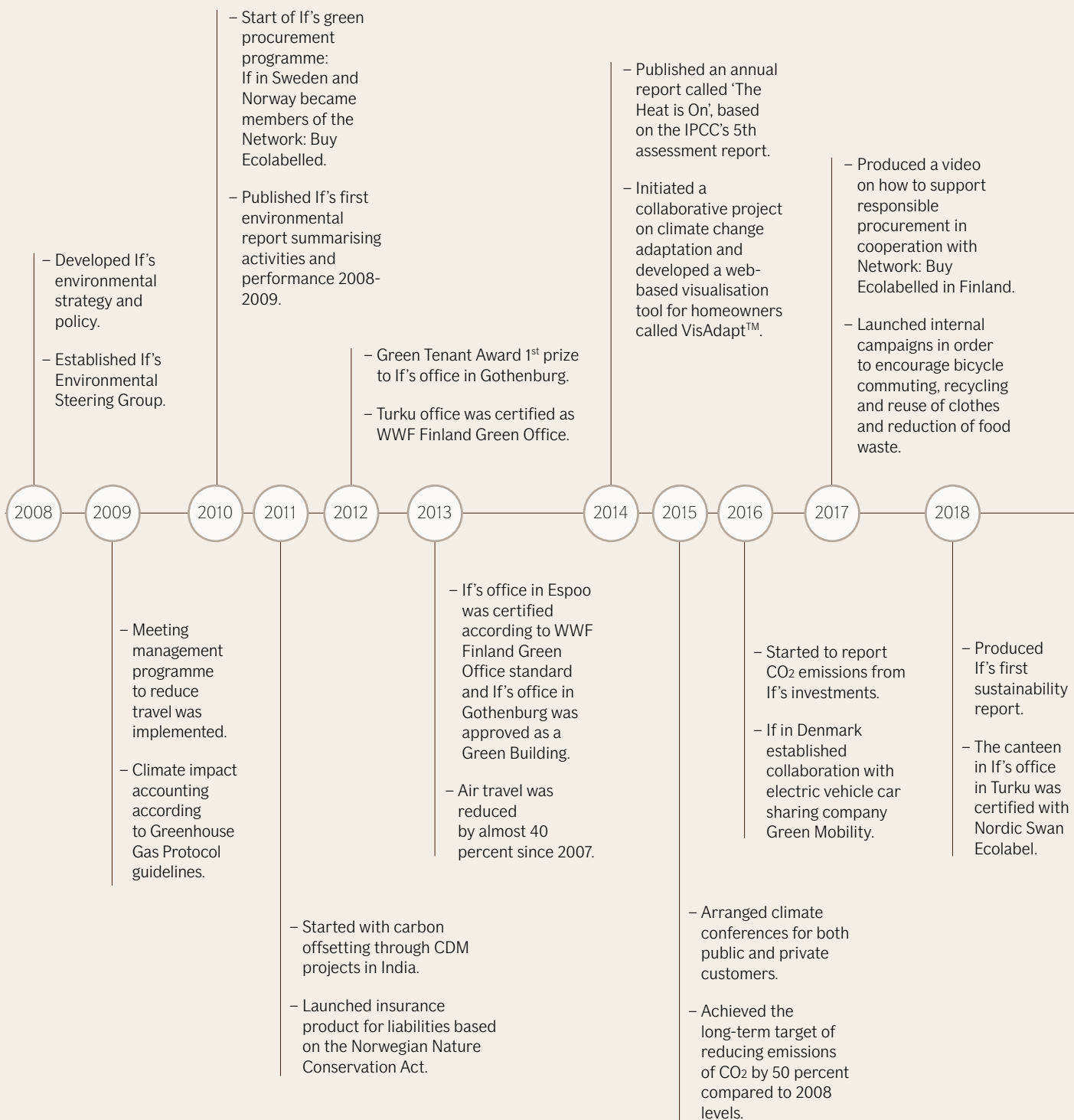
‘We are a major procurer of goods and services, especially in claims handling, and we can have a positive impact if we encourage and support our suppliers and partners in their efforts to use more sustainable methods in their operations. In 2020, we will be reviewing and updating the environmental and health-related requirements for our claims handling contractors to make sure they are state-of-the-art and in line with our sustainability standards’, says Philip Thörn.

On the investment side Environmental, Social and Governance (ESG) considerations have been further integrated into investment operations and management. In 2020, If will take further steps and for example start implementing norm-based research, that is research which assists investors making decisions regarding companies’ adherence to international norms on environmental protection, human rights, labour standards and anti-corruption.

Philip Thörn
Head of Sustainability, If



Our sustainability journey 2008-2018



Highlights 2019

- Climate
- Supply chains and materials
- Work environment
- Diversity and gender equality
- Responsible business practices

Conducted study on climate change adaptation

in Norwegian municipalities in cooperation with CICERO and IVL Swedish Environmental Research Institute.

Developed a Supplier Code of Conduct, which defines the minimum

sustainability requirements

that If asks suppliers to respect when conducting business with us.

Launched a new Nordic onboarding process, which aims to give the new employee a

holistic and professional view of If,

and includes emotional, technical, cultural and knowledge-based aspects.

Purchased a new

whistleblowing service platform,

which employees and external stakeholders can use to report suspected ethical and compliance-related misconduct.

Recycled approximately 1,400 tonnes of waste

from damaged properties in Norway.

If's travel policy was updated and now explicitly states that employees are required to

travel by train

if travelling by train takes less than three and a half hours between two destinations.

2019

Redefined the

purpose and core values

of the company in order to further strengthen the If culture and to increase people engagement.

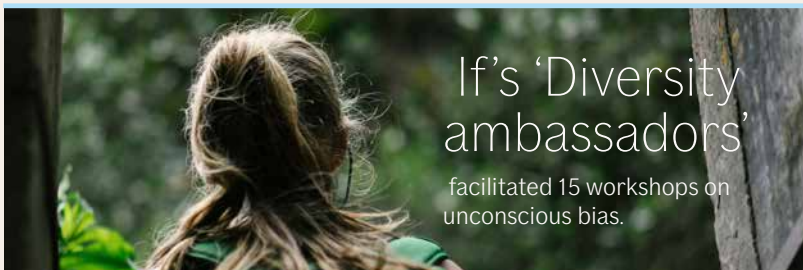
Completed approximately

30,000 house assessments,

where we provide home owners in the Nordic countries with guidance on how to prevent damage.

Updated our investment policies with instructions on how to take Environmental, Social and Governance (ESG) factors into account by using an internal

ESG traffic light model.



If's 'Diversity ambassadors'

facilitated 15 workshops on unconscious bias.

Developed

minimum environmental requirements

for our major offices in the Nordics.

Launched an e-learning course

focusing on inclusion, diversity and unconscious bias.



Climate

Climate change affects us all

Climate change will lead to severe consequences for society unless sufficient mitigation and adaptation measures are implemented. Sea level rise, increased precipitation, higher temperatures and increased risk of extreme weather events will affect the environment as well as residential areas, infrastructure, health, security and economic growth. In the Nordic region, inadequate municipal sewage systems already lead to problems with water forcing its way into cellars and bathrooms during downpours. Major new housing developments close to water present another potential problem due to the expected increase in precipitation and sea level rise. The consequences are already visible – especially to us in the insurance business. Global combined insured losses from natural catastrophes for 2017-2018 amounted to USD 219 billion, the highest ever over a two-year period, according to Swiss Re Institute². Climate change affects us all and therefore requires long-term

solutions that actively involve the insurance industry in partnership with other stakeholders.

Managing risks together

As an insurance company, we work with risk, safety and protection every day and know which solutions increase the safety of our customers while

Global combined insured losses from natural catastrophes for 2017-2018 amounted to USD 219 billion.

minimising environmental impact. By providing guidance on how to prevent losses, we help our customers to reduce risks, including climate-related risks, economic costs and protect the

environment. Our aim is to continuously reduce our own emissions and to encourage our partners and customers to reduce theirs. We actively work on integrating Environmental, Social and Governance (ESG) factors and risks into our investment operations (see Responsible business practices).

Risk management services

If has approximately 1,500 corporate clients (i.e. companies with more than 500 employees) with business operations all over the world. These clients are offered advanced risk management services, where we employ a comprehensive approach to fully understand their specific insurance and risk management requirements. If's risk engineers conduct on-site risk assessments and identify specific and cost-effective preventative measures, which for instance can reduce climate-related risks. Following the on-site surveys our risk engineers provide the clients with thorough loss prevention reports, ¹⁴

'If's risk engineers have been our extended arm at the facilities'

Through a successful long-standing cooperation within the area of loss prevention, Essity and If have been able to monitor and minimize operational risks at the Global hygiene and health company's manufacturing facilities, decreasing incurred losses and limiting business interruption while at the same time avoiding any environmental impact of damages and repair processes, says Janina Helenius Bylander and Ola Nilsson.

Essity has around 90 manufacturing facilities all over the globe, producing a wide range of hygiene and health related consumer products. These sites, many of which feature heavy machinery operating with high pressures and temperatures, are exposed to different risks. Fires, machinery breakdowns and other types of incidents can all lead to property damage and costly business interruptions, including negative environmental impact.

'Flammable materials such as dust, waste paper and nonwovens can accumulate around our machinery, posing fire hazards at the production floor. Another concern is our raw material and finished goods storages where, in the event of fire, the risks of a fast spreading fire is high, especially when storing tissue paper, which is why we always install various types of fire protection such as sprinklers and fire walls and initiate other loss prevention measures wherever deemed necessary', says Janina Helenius Bylander, Loss Prevention Director at Essity.

As an external provider of risk management service, If works closely together with Essity's Loss Prevention team to monitor and mitigate risks such as these. Within the service agreement, If's risk engineers perform annual assessments at the production facilities, resulting in a Risk Survey Report identifying and rating the risk profile at the specific site monitored, and a separate report with preventive and mitigating recommendations addressing the findings.

Equally important for If and Essity's successful collaboration within loss prevention, however, has been the ongoing dialogue and informational exchange between the risk engineers, the managers and workers on-site and the Loss Prevention team at Essity, according to Ola Nilsson, Vice President of Risk Management and Insurance at the hygiene and health company.

'Essity has been very successful in its risk and loss prevention work through appropriate risk-mitigating measures and investments, with support from the professionalism in the Essity organization. Planning for those actions, we have valued If and its experts' input. In a sense, If's risk engineers have functioned as our extended arm at our facilities, which has been working very well', he says.

The Loss Prevention unit within Essity and its support from If also have a function of keeping business-as-usual within the company, enabling Essity to keep focus on its own sustainability efforts, Ola Nilsson adds.

'Sustainability is an integrated part of our strategic framework and business model. Through mitigating and preventing damages we facilitate for the group as a whole to keep track of its main target, and thus also of the good sustainability work that is already being carried out within the group'.

Essity

Essity is a leading global hygiene and health company, dedicated to improving well-being through products and services. Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands, such as JOBST, Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa.

Essity has about 46,000 employees. Net sales in 2019 amounted to approximately SEK 129bn (EUR 12.2bn). The company's headquarters is located in Stockholm, Sweden, and Essity is listed on Nasdaq Stockholm. Essity breaks barriers to well-being and contributes to a healthy, sustainable and circular society. For more information, visit www.essity.com.

Janina Helenius
Bylander
Loss Prevention
Director, Essity

Ola Nilsson
Vice President
Risk Management &
Insurance, Essity





The natural hazard map in If Login.

Reducing risks and emissions

According to a study conducted by Insurance Sweden, preventative measures not only lead to reduced risk of damage but also reduce greenhouse gas emissions. The study shows that the average amount of CO₂ emissions from the management of a water damage is 300 kg, while the average amount of CO₂ emissions from repair after fire damage to a house is 2,300 kg. Water damages are some of the most common damages that our customers experience.

including concrete risk improvement recommendations.

Our internal Natural Hazard Competence Centre aims to increase our competence and expertise regarding natural hazards. As part of this, we offer our clients a service to tag and monitor insured property and cargo storage locations worldwide with geo-coordinates. The locations are visible on a scalable natural hazard world map in our digital If Login portal. When a major natural disaster happens, or when there is one about to happen, we and the clients can zoom in on the affected area and identify locations at risk. We also contact our clients directly to inform them about recommended actions prior to and after severe events.

If's Risk Consulting Magazine is a magazine about risk management and loss prevention, which we have published since 2002. The magazine is distributed to a wide range of subscribers, from clients and private individuals to libraries and institutes. It is also available online. Risk Consulting Magazine often reports on climate-related risk, including

articles on how to manage ground conditions in the built environment, fire safety linked to solar panels and how drones can be used to increase the accuracy of risk assessments by creating 3D maps for areas sensitive to flooding.

House assessments

Together with our partner, Anticimex, we offer house assessments to private customers who own their house and hold top-level coverage insurance policies. The house assessments provide the customer with a report that helps them plan the maintenance of the property and minimise the risk of unpleasant surprises, including climate-related damages. Customers can have a house assessment conducted every fourth year. Since 2012, approximately 135,000 house assessments have been completed in the Nordic countries. Our target is to have completed 200,000 house assessments by the end of 2021. According to our statistics, homes that have been subject to house assessments have a lower risk of damage, especially water and fire damage, than a house which has not been assessed. Customers who have taken up the offer of house assessments are also more satisfied and loyal than other customers.

Our website also offers advice regarding loss prevention to all our customers. Every year, almost 900,000 customers visit our 'Tips & Advice' page, where information on how to prevent fires, burglary and water damage at home is readily available. We also have an online If Safety shop in each Nordic country, where customers can purchase safety products, for example bicycle helmets and fire alarms. During 2019, the total turnover from the If Safety shops was approximately SEK 27 million.

Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosure (TCFD) provides





Arild Rekve
If Customer

‘Taking care of what we already have is sustainability at its best’

Through If’s house assessments, we have examined and indicated the need for maintenance in approximately 135,000 homes across the entire Nordic region. After the assessment, If’s customer Arild Rekve was able to attend to several flaws in his property that he had not previously been aware of.

Since 2012, working together with partner Anticimex, If has offered customers with comprehensive house insurance a thorough ‘house assessment’ every fourth year, intended to give an overview of the condition of their homes to avoid major, unforeseen damages. Since then, approximately 135,000 Nordic homeowners have used the service.

‘Our aim has been to carry out 30,000 assessments every year in the Nordic region. We’ve achieved this with a good margin. We very often see that small efforts are enough to substantially prolong the lifespan of different building parts – something that protects both the customer and the environment. Taking the best possible care of what we already have is sustainability at its best’, says Jann O. Brevig, responsible for the service at If.

For long-standing If customer Arild Rekve, who lives in Kristiansand, Norway, the house assessment meant an in-depth condition report of his four-story house, which was built in 1952.

‘A man came from If and Anticimex and thoroughly assessed the entire house from attic to basement. I got advice on replacing everything from a fire extinguisher that had expired to old windows that were no longer as

energy-efficient as they could be. It was quite something to see everything he checked that I’d never thought to take a closer look at’, says Arild Rekve.

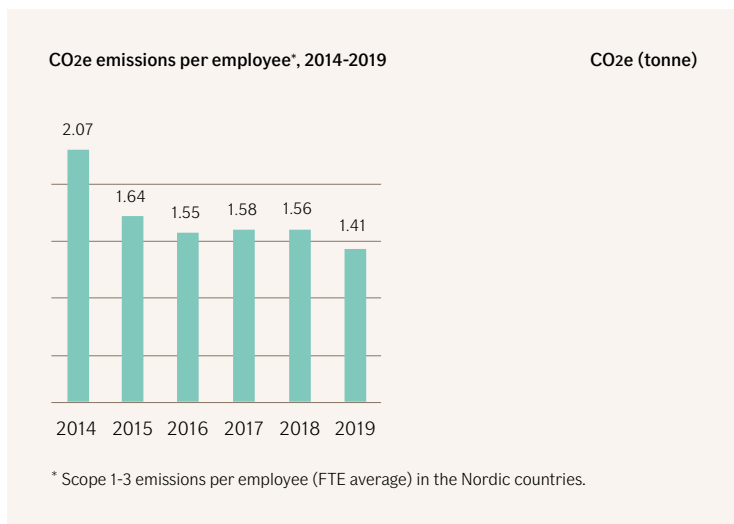
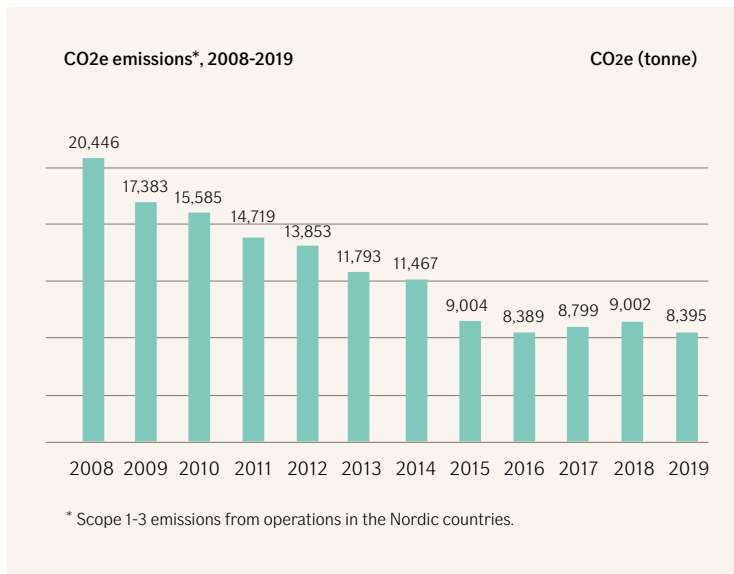
The survey, conducted by specially trained inspectors from Anticimex, consists of 150 different checkpoints, both inside and outside the building. Arild Rekve recommends that all homeowners who are able take advantage of the service.

‘I really do. If you discover things early, you can do something about them. It is very important to be aware of these things, and it is better to get them fixed before they become a major problem’, he says.

Jann O. Brevig
Business Developer, If



If's travel policy was updated during 2019 and now explicitly states that employees are required to travel by train if travelling by train takes less than three and a half hours between two destinations.



recommendations for disclosing clear, comparable and consistent information about the risks and opportunities presented by climate change. One of its aims is that climate change should become a routine consideration in business and investment decisions. We support this initiative and If has initiated a project to start integrating the TCFD recommendations. During autumn 2019, an analysis to identify key areas of improvement for If's alignment with TCFD disclosure was conducted. A gap analysis of the recommended disclosures, both short-term (i.e. to be implemented during 2020) as well as long-term recommendations (i.e. to be implemented during 2021 and beyond), for TCFD implementation was presented. Based on the analysis, If will continue the work to implement the recommendations during 2020.

'Walking the talk' – reducing our greenhouse gas emissions

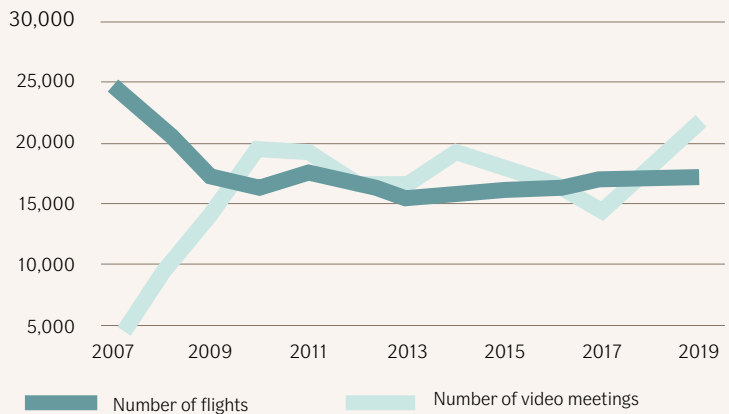
We must of course 'walk the talk' and reduce our own greenhouse gas emissions. Our aim is to continuously reduce our own emissions and encourage our partners and customers to reduce theirs. Carbon emissions from our own operations are primarily linked to business air travel (60 percent) and business car travel (14 percent). Since 2008, we have implemented several measures aimed at reducing our emissions, and we have managed to decrease our CO2e emissions by 59 percent. We are proud of what we have achieved, but we need to do more. Our target is to reduce the CO2e emissions from our

own operations by 60 percent, compared to our 2008 level emissions, by the end of 2021. In 2019, our total direct and indirect CO₂e emissions were 8,395 tonnes (see CO₂e emissions), which is a decrease of 7 percent since 2018. The decrease in total emissions is mainly due to reduced business travel by air and car, and reduced emissions from district heating in Finland. As of 2019 we are also including emissions from business travel hotel nights, production of energy carriers, printed material, marketing material, water consumption, computers, mobile phones, screens, servers and cloud services, when calculating emissions from our own operations.

Meeting instead of travelling

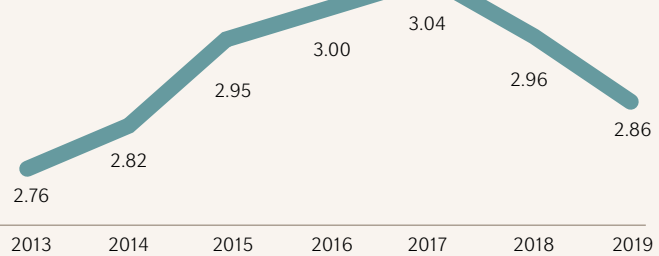
In order to reduce the number of flights, we focus on 'meeting instead of travelling' and are continuously working to provide state-of-the-art virtual meeting opportunities. We have 87 rooms with video meeting facilities, and approximately 1,800 video meetings and 4,500 Skype meetings were organised each month during 2019. We continued to improve the potential to connect via video and Skype meetings and upgrade the quality of our virtual meetings in 2019. In addition, If's meeting and travel policy promotes meeting instead of travelling and more sustainable means of transport instead of air travel. As a result of If's focus on 'meeting instead of travelling', our total number of flights has decreased by 31 percent since 2007. Although our aim is to continue to reduce the number of flights, the total number has increased

Flights and video meetings*, 2007-2019



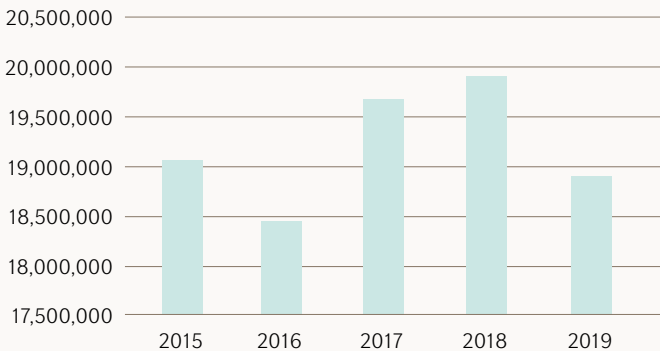
* Flights and video meetings in the Nordic countries.

Flights per employee*, 2013-2019

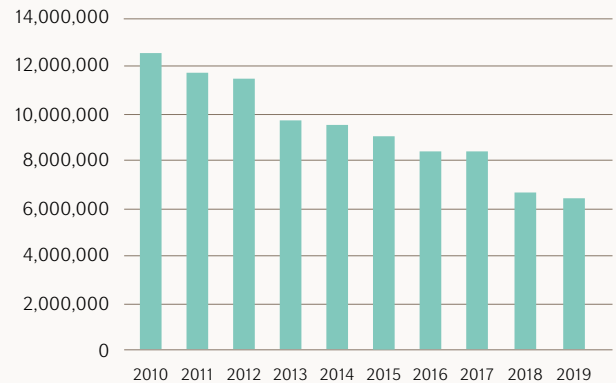


* Flights per employee (FTE Average) in the Nordic countries.

Business travel air (km), 2015-2019

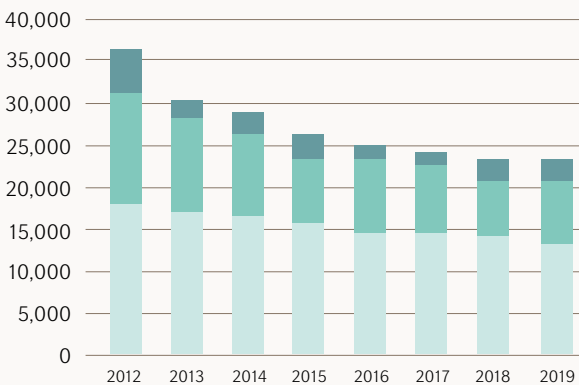


Business travel by private car* (km), 2010-2019



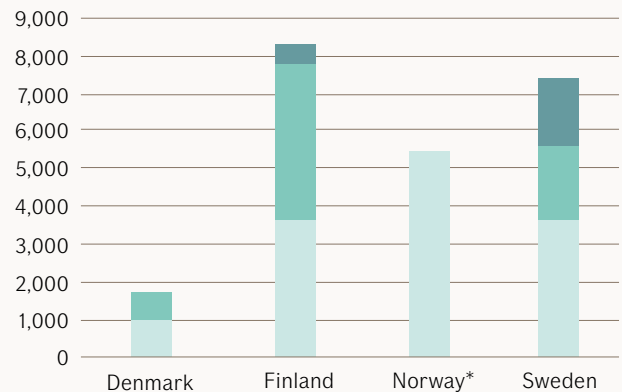
* Business travel by private car, i.e. when the employees use their own private car.

Total indirect energy use*, 2012-2019



* Indirect energy use in the Nordic countries.

Indirect energy use per country, 2019



* In Norway electricity is used for heating and cooling.

every year since 2013. This is mainly due to an increase in the number of employees. The number of flights per employee increased during the period 2014-2017 but has decreased during 2018 and 2019. If's travel policy was updated during 2019 and now explicitly states that employees are required to travel by train if travelling by train takes less than three and a half hours between two destinations. Exceptions are permitted in exceptional circumstances but must be approved by the employees' leader.

Business travel by private car, i.e. when the employees use their own private car, constitutes approximately 80 percent of all business car travel.

During the 2010-2019 period, this type of travel has reduced by 49 percent. In 2019, total business travel by private car was 6,415,618 km, which is a decrease of 5 percent since last year. The decrease in car travel is linked to the fact that claims handling is becoming more digitalised. An increasing number of inspections can be handled online or are directly handled by our property or vehicle repair contractors.

'Greening' our offices – energy efficiency and renewable energy

We are continuously working on making our offices more energy efficient and environmentally friendly. Measures for improving energy efficiency include upgrading ventilation systems,

thermostatic control, LED lighting and optimising office space. We hold continuous dialogues with If's landlords on how to increase energy efficiency. In several locations, If has moved to new and more energy-efficient buildings. All our electricity comes from renewable sources. Energy use in If's offices has decreased by 37 percent over the 2012-2019 period. In 2019, our indirect energy use was 22,743 MWh, which is a decrease of 2 percent since 2018. As of January 2019, all the district heating we purchase for our office in Turku is produced from renewable sources.

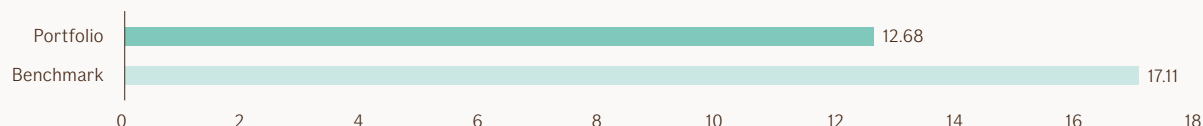
Encouraging our suppliers to reduce their emissions

During 2019, If has developed a Supplier

Carbon footprint* equity

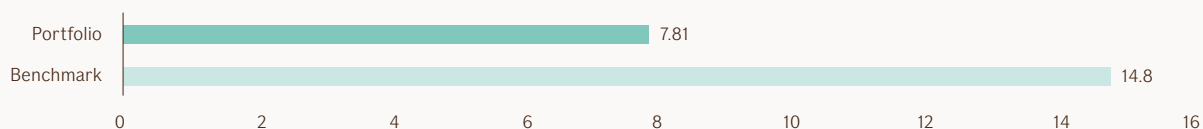
Coverage			Key ratios		
Name	Number of constituents analysed	% of constituents analysed	Emissions exposure by million invested (tCO ₂ e/million SEK)	Emissions by share of revenue (tCO ₂ e/million SEK)	Weighted average carbon intensity (tCO ₂ e/million SEK)
If equity portfolio 2019	22	100	21.2	14.3	12.68
If equity portfolio 2018	24	100	17.49	15.07	14.84
Sustainalytics Global Developed Benchmark 2019	3,583	93			17.11

* The carbon footprint for our equity portfolio has been calculated by Sustainalytics based on Market Cap. The numbers presented in If Sustainability Report 2018 have been recalculated according to the same methodology in order to have comparable numbers.

If equity portfolio vs. benchmark 2019 – weighted average carbon intensity**Carbon footprint* fixed income**

Coverage			Key ratios		
Name	Number of constituents analysed	% of constituents analysed	Emissions exposure by million invested (tCO ₂ e/million SEK)	Emissions by share of revenue (tCO ₂ e/million SEK)	Weighted average carbon intensity (tCO ₂ e/million SEK)
If fixed income portfolio 2019	669	59	37.2	21.13	7.81
If fixed income portfolio 2018	634	63	51.19	22.44	10.85
Sustainalytics Fixed Income Benchmark 2019	1,393	84			14.8

* The carbon footprint for our fixed income portfolio has been calculated by Sustainalytics based on Total Debt Outstanding. The numbers presented in If Sustainability Report 2018 have been recalculated according to the same methodology in order to have comparable numbers.

If fixed income portfolio vs. benchmark 2019 – weighted average carbon intensity

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Code of Conduct that specifies the minimum requirements with which we expect our suppliers in office procurement and claims to comply (see Supply chains and materials). The Code covers for instance environmental issues, including climate change, and stipulates that our suppliers must strive to minimise greenhouse gas emissions by identifying, monitoring, controlling and managing greenhouse gas emissions from their operations. Furthermore, they must use energy responsibly, strive towards reducing energy consumption and prioritise the use of renewable energy sources when possible. This also includes, when possible, choosing means of transportation that have the least negative environmental impact.

For our vehicle and property repair contractors we have additional sector-specific environmental and health-related requirements.

Carbon footprint from investments

We actively work on integrating Environmental, Social and Governance (ESG) factors into our investment operations and aim to be a responsible and active owner (see Responsible business practices). By publishing the carbon footprint of our investment portfolio, we want to contribute towards a more sustainable and transparent investment sector. If is also following Insurance Sweden's recommendations by annually reporting the CO₂e emissions from our

Green bonds

A green bond is a bond specifically earmarked to be used for climate and environmental projects. If has more than SEK 3.7 billion invested in green bonds. In 2019, for example, If invested SEK 600 million in a green bond issued by DnB Boligkreditt. This bond will finance new and existing mortgages for energy efficient residential buildings in Norway.



investments as tonnes of CO₂e per million SEK invested. The calculations are based on the GHG protocol and the portfolio holdings and market value as of 31 December 2019 (see Carbon footprint investments). According to the Insurance Sweden recommendation, insurance companies only need to disclose the carbon footprint from equity investments, but we have chosen to also report the emissions from our fixed income investments as of 2018.

Carbon offsetting

At If, we consider it our responsibility to offset the CO₂e emissions arising from our operations. We offset our emissions by supporting Gold Standard certified projects that enable global collaboration in funding and implementation of greenhouse gas emission reduction projects in developing countries. These projects reduce CO₂e emissions and generate verified emission reductions (VERs) credits, each equivalent to one tonne of CO₂e. By definition, carbon offsetting projects are underfinanced, which means that the projects are not financially feasible without the sale of credits. In 2019, If offset the company's total CO₂e emissions through a project called Breathing Space. The Breathing Space Project reduces carbon emissions by replacing highly polluting traditional cook stoves with fuel-efficient stoves, which require less wood and charcoal.

Sharing our expertise

We actively participate in the public

debate on climate change and hold continuous dialogue with policymakers in the Nordic countries. The purpose is to share our knowledge and increase awareness among policymakers about climate change-related risks and the role of the insurance industry in tackling these issues. In 2005, If founded Insurance Sweden's Climate Group, which provides input into and supports the climate change adaptation process at the national and local level. In Norway, If participates in the Finance Norway focus group on sustainability. In Finland, If is a member of the Federation of Finnish Financial Services and participated in the working group that developed a common set of climate change indicators for the financial industry during 2018. In Denmark, If participates in Insurance and Pension Denmark's work on climate.

Research projects

If also supports and participates in a number of research projects in the Nordic region in order to better understand the risk of climate-related damages and develop preventative measures.

- The SUPER project will study the development of extreme precipitation by applying knowledge about aerosols and the urban heat island effect in combination with climate models and weather observations. The key goal is to quantify human influence on short-duration extreme

Climate change initiatives

If is a signatory of several international initiatives on climate change, including:

- The Trillion Tonne Communiqué, which is a global call to action for businesses that are taking the science of climate change seriously and support a global goal of zero greenhouse gas emissions.
- Insurance Europe's target two-degree campaign, which calls on stakeholders to pledge their support for a worldwide commitment to limit the increase of global warming to 2°C.
- Paris Pledge for Action, which demonstrates that non-Party stakeholders are ready to play their part supporting the objectives of the Paris Agreement.



Foto: Tom Meek / NTB Scenep

‘Climate change adaptation is the key to safer communities’

For Norwegian municipalities, extreme weather has been a growing concern over the last decade, with seven out of ten municipalities having experienced extreme weather events. A comprehensive report commissioned by If shows that many municipalities in Norway need to step-up their climate change adaptation work.

In the spring of 2019, the CICERO Centre for Climate Research, in cooperation with IVL Swedish Environmental Research Institute, conducted a survey on climate change adaptation in Norwegian municipalities. Adaptation means anticipating the adverse effects of climate change and taking appropriate action to prevent or minimise the damage they can cause. The report was commissioned by If, and aimed at investigating how far the municipalities have progressed in their work and highlighting best practices. The survey results also formed the basis for a comparison and ranking of the municipalities' work.

‘Appropriate measures at the municipal level are key to safeguarding communities from the consequences of climate change. The efforts we put into climate adaptation today will be invaluable for future generations. We hope that this report will inspire more municipalities to get started with this important work’, says If Group Executive Vice President, Ivar Martinsen.

Climate change efforts at municipal level can range from technical measures (e.g. flood defences) to administrative

actions (e.g. adapting building codes) and ‘blue-green’ measures (such as green lungs or wetlands). Although the results featured some successful cases of municipal climate adaption, many municipalities need to improve their work. Overall, four out of ten municipalities achieved such a low overall score in the assessment that it is likely they have only just started their climate adaptation work.

‘Extreme weather is nothing new, but there is reason to expect increasingly intense periods of drought and flooding. By presenting both challenges and good examples from the municipalities, we hope to be able to help municipalities that have not yet begun their climate change adaptation work to see how they can get started with simple steps’, says Marit Klemetsen, senior researcher at CICERO.

If has announced that a new survey of the Norwegian municipalities' climate change adaptation work is due in 2020.

‘In addition to protecting citizens from extreme weather, adaptation measures make economic sense for everyone involved. The cost of being prepared is always far lower than the sums the municipality and the community will face when the damage occurs’, If’s Ivar Martinsen concludes.

precipitation in highly populated areas and understand how important this may become in the future leading up to the year 2100. If, together with the Research Council of Norway, is supporting this five-year research project, which is being conducted by climate researchers at CICERO and the University of Leeds.

- During 2019, If initiated and financed a study in order to map Norwegian municipalities' work on climate change adaptation. The aim was to investigate how far municipalities have progressed in their work and to highlight best practices. The survey results formed the basis for a comparison and ranking of the municipalities' work and were presented during Arendal Week in 2019. The study was conducted by CICERO in cooperation with IVL Swedish Environmental Research Institute.
- If is part of the KLIMPEN research project, which will analyse the impact of climate change on the energy sector in Sweden. The project was initiated in 2019 and aims to analyse how different parts of the energy sector, e.g. hydropower, wind power and bioenergy, can be affected by climate change and to identify possible adaptation measures. The research project is led by Energiforsk in cooperation with SMHI, Chalmers, IVL Swedish Environmental Research Institute and Profu. ■



Ivar Martinsen
Head of Business Area
Commercial, If

Marit Klemetsen
Senior Scientist, CICERO

Supply chains and materials



Sustainable supply chains lead to responsible production and consumption

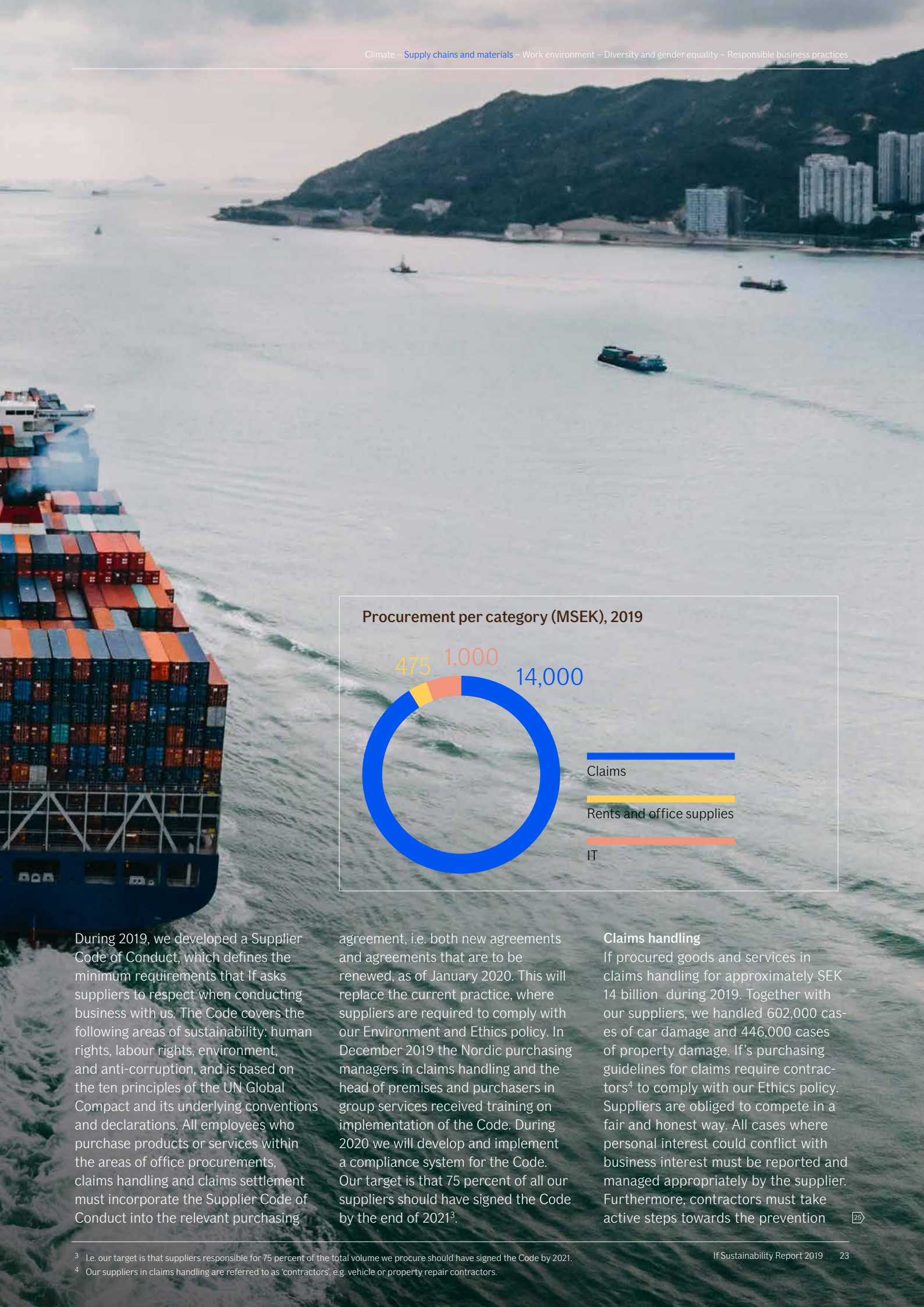
Sustainable consumption and production is about 'doing better with less', making it possible to both increase net welfare and quality of life through economic activities, while at the same time reducing resource use, environmental degradation and pollution. Furthermore, it is about encouraging companies to act responsibly, for instance respecting human rights and labour rights. Large insurance businesses such as If rely on suppliers and contractors around the globe. Today, an increasing number of suppliers can provide clean and environmentally sound services and products. By actively requesting

innovative solutions, resource efficiency, transparency and responsibility from its suppliers, companies can have a positive impact and stimulate sustainable production and consumption.

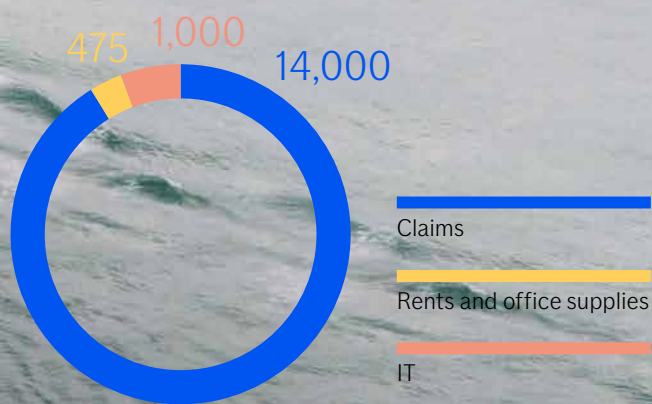
Encouraging and supporting our suppliers

If is a major procurer of goods and services, especially in claims handling, and we are committed to encouraging and supporting our suppliers and partners in their efforts to use more sustainable methods in their operations. Strict requirements in combination with

close cooperation with our suppliers and partners enable us to develop our business while contributing to a more sustainable development. We believe that holding ourselves and our suppliers to high ethical standards and encouraging and supporting our partners' work on human rights, labour rights and anti-corruption, is crucial for long-term progress. We always strive to minimise the consumption of energy, water and raw materials in our operations, and reuse and recycle as much as possible. Often, reducing material use goes hand in hand with saving both money and time.



Procurement per category (MSEK), 2019



During 2019, we developed a Supplier Code of Conduct, which defines the minimum requirements that If asks suppliers to respect when conducting business with us. The Code covers the following areas of sustainability: human rights, labour rights, environment, and anti-corruption, and is based on the ten principles of the UN Global Compact and its underlying conventions and declarations. All employees who purchase products or services within the areas of office procurements, claims handling and claims settlement must incorporate the Supplier Code of Conduct into the relevant purchasing


agreement, i.e. both new agreements and agreements that are to be renewed, as of January 2020. This will replace the current practice, where suppliers are required to comply with our Environment and Ethics policy. In December 2019 the Nordic purchasing managers in claims handling and the head of premises and purchasers in group services received training on implementation of the Code. During 2020 we will develop and implement a compliance system for the Code. Our target is that 75 percent of all our suppliers should have signed the Code by the end of 2021³.

Claims handling

If procured goods and services in claims handling for approximately SEK 14 billion during 2019. Together with our suppliers, we handled 602,000 cases of car damage and 446,000 cases of property damage. If's purchasing guidelines for claims require contractors⁴ to comply with our Ethics policy. Suppliers are obliged to compete in a fair and honest way. All cases where personal interest could conflict with business interest must be reported and managed appropriately by the supplier. Furthermore, contractors must take active steps towards the prevention

³ I.e. our target is that suppliers responsible for 75 percent of the total volume we procure should have signed the Code by 2021.

⁴ Our suppliers in claims handling are referred to as 'contractors', e.g. vehicle or property repair contractors.



‘Repairing means there are a lot of heavy processes we can avoid’

Encouraged by its insurance partner, If’s Nordic car glass glazier specialist Ryds Bilglas has been able to dramatically increase the share of damaged windshields being repaired instead of replaced by new ones. Apart from making the process cheaper, the method has environmental merits, says Zandra Kastell.

During the last 20 years, the number of claims related to glass damages has increased dramatically among Nordic motor insurers. Denser traffic on the roads, slimmer glass panes and mudguards being less common on new vehicles are some of the reasons driving the change, which has heightened the need for cost effective and environmental claims processes for insurance companies and its contractors.

During that same time, however, the methods of dealing with glass damages have been refined. At If’s car glass glazier specialist Ryds Bilglas, which handles around 60,000 car glass claims on behalf of If’s Nordic customers every year, the mechanics today first seek to repair the damaged areas of the windshields, instead of discarding and replacing them – something that was much rarer only 20 years ago.

‘Nowadays, the first thing we do when we receive a stone chip damaged windshield is to ask whether we can repair it, instead of replacing it with a new one. For the customer, repairing a windshield is a lot faster and costs less than replacing it, for the insurer it lowers the costs dramatically’, says Zandra Kastell, account manager at Ryds Bilglas and previously a site manager at a glass workshop in Stockholm.

With encouragement from one of its biggest customers, If, and with help from technological advancements, Ryds

Bilglas have been able to significantly slim the share of claims where the whole windshield has needed replacing.

‘Of all the claims due to stone chips among If’s customers that we handled last year, nearly half of them were repairs. That number was around 30 percent ten years ago’, Zandra Kastell adds.

Apart from the economic benefits and the time saving aspects of repairing instead of replacing – the method also has considerable environmental merits. According to calculations made by Ryds Bilglas, the repairs that were made during 2019 alone would have resulted in over a thousand tonnes of carbon dioxide emissions, if the windshields had been replaced instead.

‘The manufacturing of new windshields, transport to and from the wholesaler, and to and from the workshop, waste handling and a mounting process with more chemicals involved – repairing means there are a lot of heavy processes we can avoid’, Zandra Kastell says.

Zandra Kastell
Account Manager,
Ryds Bilglas



of discrimination and bullying and the avoidance of conflicts of interest. We also require our contractors to comply with our Environment policy, and to strive to minimise the consumption of resources and materials, and to reuse and recycle as much as possible. If's priority is to ensure that waste and materials from repair processes are managed in the best possible way and we encourage the reuse of undamaged parts.

Our property and vehicle repairs contractors are not only required to comply with our Environment and Ethics policy but also with sector-specific environmental and health-related requirements (see boxes). During 2020, we will further develop and update the sector-specific requirements.

Property repairs

We cooperate with more than 450 property repairs contractors, who perform the first inspection and repair claims reported to If. Two mobile tools, In4mo and MEPS, make it possible for the contractor to digitally report property

damage claims on site. These tools ensure an efficient and streamlined process for property damage claims handling at every stage, and enable all contractors to comply with If's process requirements. The system also minimises travelling and allows us to measure how much waste has been generated on site. We are continuously seeking new ways to increase recycling and minimise waste, for example by improving waste transportation by using lighter containers and by using industrial bags in densely populated areas. In 2019, we recycled approximately 1,400 tonnes of waste from damaged properties in Norway.

Vehicle repairs

We have approximately 3,000 contractors that perform vehicle repairs. We have close cooperation with these contractors, and we perform regular monitoring, by means of reporting and physical meetings, to ensure that they comply with our requirements. A key requirement is that spare parts must be reused and recycled. The amount of reused and recycled spare

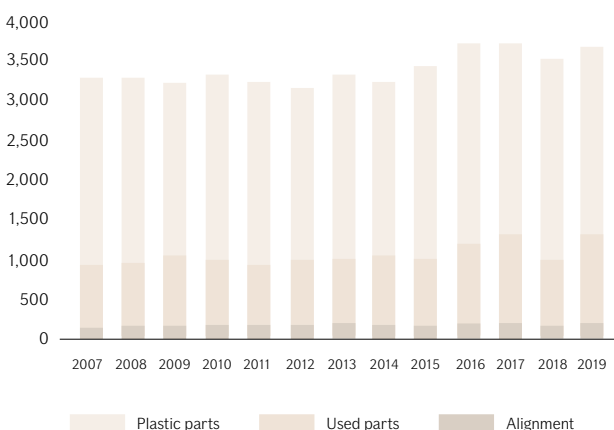
If's contractors in property repairs are required to:

- Comply with If's Environment and Ethics policy.
- Process documentation and reporting through If's project documentation tool In4mo.
- Sort and recycle waste from repairs.
- Use If's recommended supplier of waste management services in respective countries.

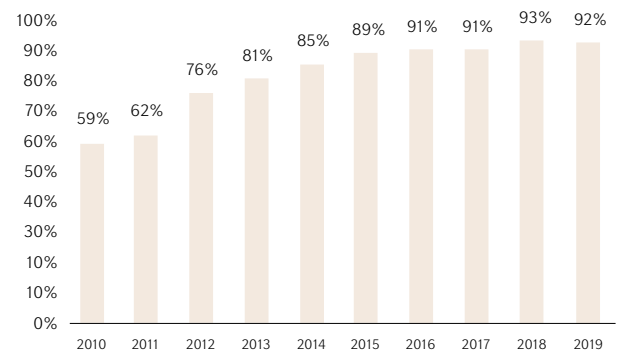
If's contractors in vehicle repairs and dismantling are required to:

- Comply with If's Environment and Ethics policy.
- Report prevention of waste from end-of-life vehicles (compliance with EC's ELV Directive).
- Implement environment and quality management systems in accordance with ISO 9001 and ISO 14001.
- Ensure efficient transportation of vehicles and spare parts.
- Document repair processes and methods in repair calculation systems Cabas, DBS and Autotaks.
- Report the amount of reused and recycled parts.

Repaired and reused parts in vehicle repairs, 2007-2019 (tonnes)



Percentage e-invoices in vehicle repairs, 2010-2019



‘Cleaning without chemicals is here to stay’

For ZidaService, If’s long-term cleaning service provider at the Danish Stamholmen office, the environmental demands from its client have meant that they’ve now begun the process of applying for a Nordic Swan Ecolabel, but they have also been inspired to initiate an even more environmentally ambitious project: chem-free cleaning.

When the contract for the cleaning service provider at If’s office at Stamholmen was due for renewal, one of If’s requirements was that its contractor should have been awarded a Nordic Swan Ecolabel – as for all the bigger premises in the Nordic and Baltic countries. On the back of the new demands, If’s long-term cleaning partner ZidaService has now, with support from If, started the process of complying with the specific requirements and applying for the certification.

‘We’ve given ZidaService six months to take all the necessary steps to go through the certification process, while also helping them as best we can during the process. We’ve gone about doing this as a partnership, having meetings together with the representatives for the ‘Miljømærkning’ here in Denmark’, says Bo Petersen, local sustainability coordinator in Denmark and the person responsible for the cleaning partnerships at If.

Having embarked on the process of eco-labelling its business, If’s Danish cleaning partner hasn’t just stopped there. Inspired by the new requirements from If, they’ve now set even more environmentally ambitious targets for their operations than the ones required by the Swan certification.

As part of the new initiative, they’ve tried to reduce the already low consumption of chemicals acceptable within the Nordic Swan-requirements all the way down to zero.

‘We’ve been encouraged by If to transform our cleaning to a green alternative, which has been well received. But then we thought, why not take it even further? Why not explore the possibility of cleaning without any chemicals at all?’, says Hesham Ziyada, owner and founder of ZidaService.

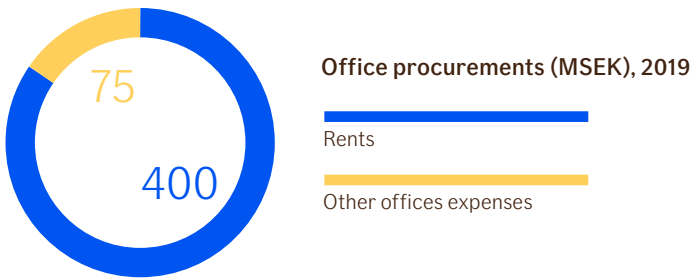
With the 15,000 square metre-Stamholmen office, this has entailed quite a transformation for ZidaService, and a lot of getting used to for Hesham Ziyada’s staff at Stamholmen. But, just a few months into the new routines of almost completely chem-free cleaning, the results are remarkable, he says, adding he will apply the lessons learned from Stamholmen to other clients.

‘We have been in this business for almost 40 years, and this could be almost ground-breaking. It has really lived up to expectations, maintaining a high level of quality cleaning while at the same time keeping it totally natural. I think cleaning without chemicals is here to stay’, says Hesham Ziyada.



Bo Petersen
Sustainability Coordinator, If

Hesham Ziyada
Owner and founder, ZidaService



parts must be reported monthly. As a consequence, our contractors reuse thousands of tonnes of metal and plastic each year, instead of using brand new spare parts. In recent years, the material volumes have been rising steadily, and between 2014 and 2019, the amount of reused metal parts has risen by around 440 tonnes.

We have also set expected levels of plastic repairs as well as used parts, and these are being monitored and reported regularly. The smart transportation of vehicles and spare parts is also important in order to prevent unnecessary emissions. We also work to increase the amount of parts reused from old vehicles. When vehicles are dismantled, many plastic parts are often removed and discarded. However, through our participation in a pilot project together with Car Recyclers Association, among others, we have increased the amount of plastic vehicle parts that can be reused. To use second-life plastic parts instead of new ones is beneficial both from an environmental and economic point of view. The project turned out to be so successful that it became a permanent initiative named Rep Dels Returen.

We are continuously working on ‘greening’ our offices and making them more sustainable.

‘Green’ office procurement

If procured goods and services, including rents, to our offices for approximately SEK 475 million during 2019. All significant suppliers are not only required to comply with If’s Environment policy, but also to develop and implement an environment policy of their own. Furthermore, all significant suppliers are required to provide information, e.g. answer a questionnaire, on their environmental work.

We are continuously working on ‘greening’ our offices and making them more sustainable. If does not own any office buildings⁶ but we have continuous dialogues with our landlords on how to increase the offices’ environmental performance. Measures aimed at improving energy efficiency, such as optimising office space, installing LED lighting and reducing waste, are key to making the offices more environmentally friendly and providing a good work environment. All the electricity we purchase comes from renewable sources (see Climate). During 2019, we developed minimum environmental requirements for our major offices, i.e. offices with more than 100 employees, in the Nordics.

Minimum environmental requirements for offices (examples):

- Upgrading to LED lightning in conjunction with renovation.
- Nordic Swan Ecolabelled cleaning services.
- Reuse of material in conjunction with renovation projects.
- Regular reporting of environmental data

Office supplies that meet the following criteria should be prioritised:

- Ecolabelled or environmentally certified.
- Energy-efficient.
- Recyclable.
- Minimal waste production.
- Possible to repair.

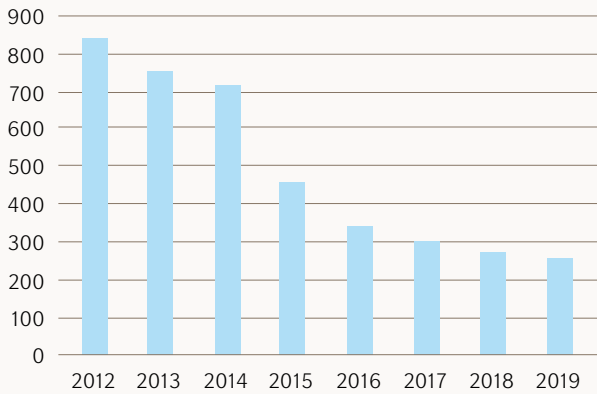
Network: Buy Ecolabelled

Buy Ecolabelled is a business network under the Nordic Swan 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. If has been a member of the Buy Ecolabelled network in Sweden and Norway since 2010. When, in 2011, we discovered that the network had not been established in Finland and Denmark, we applied to become the first members in order to help establish the network. The network was established in Finland and Denmark in 2012.

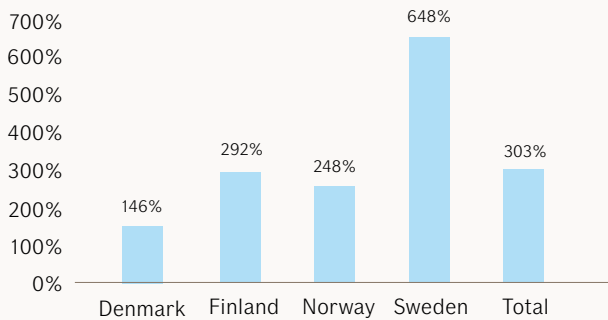
⁵ Office suppliers that provide If with goods and/or services for more than SEK 100 000 per year

⁶ We own If Security Center’s office building in Hobøl, Norway.

Total paper consumption (tonnes) 2012-2019



Increase in private e-customers 2014-2019



Environmentally friendly alternatives should be prioritised when procuring of-office supplies. We have a well-established collaboration with Nordic Swan Ecolabel and are members of the network Buy Ecolabelled in all Nordic countries.

Increasing digitalisation – reducing paper consumption

We are continuously working with digitalisation and developing our e-insurances services, which combine environmental thinking with a modern approach to communication and customer satisfaction. In 2019, 60 percent of our private customers were e-customers, while 30 percent of our Nordic commercial clients, i.e. small and

medium-sized companies, were partly digital customers. The number of private e-customers increased by 303 percent during the period 2014-2019. Our focus on digitalisation is an important reason why we have managed to decrease our total paper consumption by 69 percent since 2012.

Green IT

The use of modern technology and solutions in our IT systems improves functionality and helps us reduce the environmental impact of If’s business-related activities. We use cloud services because they are scalable and flexible, as well as being cost and energy-efficient. Another focus area has been to improve

If’s video meeting facilities. All employees are now able to make phone calls and conduct phone, video, Skype and Teams meetings directly on their PC (see Climate). The easy-to-use mobile app to access live phone meetings has made these solutions very popular. One of the waste streams with substantial negative environmental impact is discarded electronic equipment. At If, we try to reuse and recycle as much electronic equipment as possible, such as computers and mobile phones. In 2019, we returned 2,233 computers to the suppliers and brought 617 refurbished computers back into use. In 2020, we will investigate the possibilities of further developing our sustainability work related to IT. ■



‘Our philosophy is to restore as much as possible’

Property contractor Polygon performs several thousand inspections and restorations of water-damaged properties every year, on behalf of If’s Nordic customers. Rather than disposing of damaged inventory and equipment, they try to dry and salvage as much of it as possible – making the process more energy-efficient, while also lowering damage costs for If.

‘When we clear out water-damaged properties, an average of 70 percent of the material is still dry. That creates a lot of unnecessary waste. Our philosophy is to restore as much as possible’, says Mattias Wiklund.

He works as a sales manager at Polygon Sweden, one of the main contractors If uses to help customers with water-damaged property. With the ambition of drying and restoring damaged goods instead of replacing them, Polygon has been able to reduce the carbon footprint of the process, reducing the need for new production and all the environmentally heavy processes that come with it: material sourcing, processing, energy consumption and distribution.

‘When it comes to sustainability, we try to think holistically about our processes. We use modern, energy-efficient dryers, and we’re very careful to not use unnecessarily large dryers for the damage at hand – minimising both electricity costs and energy usage. In addition, when going on inspections, we plan our routes carefully and install monitors to

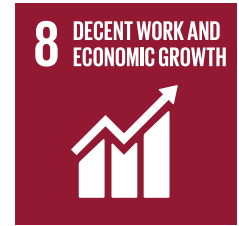
keep track of damage instead of conducting regular check-ups. There are many aspects to this, and they all make a difference’, he says.

Polygon is also a long-term user of the MEPS documentation system for the digital reporting of damage claims on-site – speeding up the process while at the same time minimising travelling and paper consumption.

‘I take professional pride in being in an industry where we can deliver quality services while at the same time making an environmental difference. We like having tough demands put on us when it comes to sustainability and would welcome even tougher requirements in the future’, concludes Mattias Wiklund.

Mattias Wiklund
Sales Manager, Polygon





Work environment

A good work environment lays the foundation for sustainable business performance

No other asset is more important to If than our employees. Digitalisation is transforming companies and society at a rapid pace, which creates an increasingly competitive and uncertain business environment. For many businesses, not least for If, employee competence and operational excellence are key to ensuring a competitive advantage and value creation. Losing talent or being perceived as an unattractive employer pose large risks for businesses. Therefore,

ensuring a sound work environment is important, not only because it is stipulated by law, but also because it lays the foundation for sustainable business performance.

If's competitive advantage is our employees

If strives to create a healthy and safe work environment for all employees. A sound work environment ensures

physical safety, relating to issues such as ergonomics and well-functioning office spaces, as well as psychological safety which concerns issues such as reasonable workload, good leadership, development opportunities and non-tolerance of discrimination and harassment.

If's value creation depends on the quality, attitude and motivation of our employees. If has more than 3.8 million customers, and annually sells and



Our purpose

We give people confidence today to shape their tomorrow.

Core values

Trust is our backbone.
We stay ahead.
We put our hearts into it.

renews more than 10 million insurance policies and handles 1.6 million claims. The company's success is entirely dependent on our employees delivering top-class professional insurance services in these customer interactions.

During 2019, If worked on redefining the purpose and core values of the company in order to further strengthen the If culture and to increase people engagement. This work involved people across the company – e.g. around 250 leaders⁷ and employees participated in workshops, and another 1,300 employees participated in a survey where core-value themes were identified. The new purpose and core values were launched in November

If's value creation depends on the quality, attitude and motivation of our employees.

in connection with If's 20-year jubilee. During 2020, we will focus on integrating the new core values in all people processes, such as onboarding, development dialogues, employee surveys and leader evaluation, and to make them part of our everyday work at If. Some of the activities planned include storytelling sessions, intranet information, workshops and management roadshows. Intensified employer branding activities and a clarification of If's employer value proposition are being planned to make If an even more attractive employer for current and future employees.

Work environment framework
If's Human Resources (HR) Policy states that the company should offer a [32](#)

Number of employees*

Country	31 Dec 2019	31 Dec 2018	31 Dec 2017
Denmark	595	618	592
Estonia	361	365	347
Finland	1,762	1,729	1,777
Latvia	377	333	292
Lithuania	156	154	153
Norway	1,376	1,312	1,312
Other	23	23	23
Sweden	2,274	2,145	1,955
Total number of employees	6,925	6,680	6,452
% of employees on temporary contracts	1.5%	1.8%	2.3%

* Full Time Equivalent (FTE)

⁷ A leader is a person who has employees directly reporting to him/her.

New employees*

Country	2019	2018
Denmark	74	86
Estonia	59	102
Finland	162	165
Latvia	103	92
Lithuania	23	16
Norway	177	134
Other	1	2
Sweden	558	608
Total	1,157	1,205

* Includes new employees hired externally. Only monthly paid employees.

Full and part time employees

	2019	2018
Full time	6,491	6,281
Part time	434	399
Total	6,925	6,680

nurturing and developing work environment, where all employees have the right to good leadership and adequate competence development. It also highlights personal accountability and acknowledges the employees' own responsibility for professional development and performance. Other central governing documents include If's Ethics policy, which states that all employees must treat each other with respect, trust and compassion, and actively work against all kinds of discrimination, harassment and bullying.

If cooperates with labour unions as stipulated by law and collective bargaining agreements, for example by appointing Work Environment Officers and establishing national Work Environment Councils. In addition, there are local work environment committees in major offices. Based on the European Works Council's stipulation, If has furthermore established a Communication Council, where top management⁸ and unions meet quarterly to handle topics concerning more than one country or business area. If also has forums on the Business Area level, where senior management regularly meet with Nordic Union representatives to proactively share information and discuss business development. Based on local co-determination requirements, If has also established national co-operation forums to handle local issues.

Employee turnover and recruitment

In 2019, the total number of employees in If was 6,925, which represents an increase of 3.7 percent compared with 2018. In the Nordic countries, the major part of this increase can be attributed to If increasing staffing levels in customer and claims centres due to strong customer growth in the private segment. The relocation of IT development continues to increase staffing in the Baltic countries. In the Nordic countries, IT is also insourcing some services

that have previously been handled on a consultancy basis. In 2019, employee turnover decreased in several countries. In the Nordic countries, high turnover is primarily connected to the customer centres. The customer centres have generally recruited young persons, who on average are likely to change jobs more frequently. Especially in Sweden, the situation is also affected by a low unemployment rate and a high general turnover in the job market. To reduce the turnover of staff in the customer centres, If has made developments to the recruitment process, the salary model, the onboarding and the performance follow-up process. In addition, we are looking into the possibilities of offering more flexible working arrangements in customer centres. Work environment and leadership development will continue to be important focus areas and will support If's ambition to increase people's engagement. Our target is that employee turnover should be below 12 percent by 2021. The target will be reviewed in 2020, since the turnover in 2019 was 11.6 percent.

In autumn 2019, a Talent Acquisition unit was established. One key focus group is the customer centres in general and Sweden in particular. The unit is now in the process of structuring and strengthening the recruitment process in order to assure quality in these recruitments. Other focus areas include IT and analytical profiles, and the unit offers an IT Trainee Programme and an Analyst & Actuary Trainee Programme.

In all countries, If works both externally and internally with employer branding in order to attract and retain employees.

Good leadership

At If, we believe good leadership is significant for the continuous



improvement of the work environment and for building a strong corporate culture. As stated in the HR Policy, all employees have the right to good leadership. In 2018, If created a virtual Leadership Centre, focusing on leadership development. It offers leadership-related material, information and suggestions concerning development. Topics include self-development and workshop materials on key aspects of leadership. If also offers traditional training programmes, such as a leadership programme for new leaders, personal leadership, change management, leading high-performance teams and situational leadership. The programmes vary in length from 1-10 days, and in 2019 around 200 leaders

At If, we believe good leadership is significant for the continuous improvement of the work environment and for building a strong corporate culture.

participated in the different programmes. Furthermore, HR organises regular Leader Forums on various topics, as well as virtual training sessions to support leaders in different people processes.

In 2019, approximately 100 new leaders attended a renewed onboarding process. The aim is to create a more systematic onboarding for both values and processes, as well as for their role as leaders and managers.

During 2019, the business areas invested heavily in the development of their leaders. Business Area Private arranged a Nordic Team Leader Academy consisting of five separate 2-day sessions, where around 200 team leaders participated. The purpose of the programme

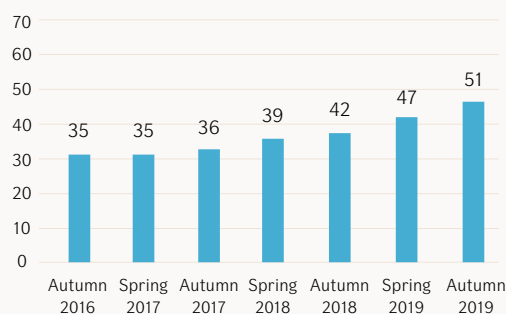
Annual turnover (%)*

Country	2019	2018	2017
Denmark	14.9	11.4	10.0
Estonia	15.0	17.7	18.2
Finland	6.8	9.5	9.3
Latvia	10.9	14.7	13.6
Lithuania	9.1	8.9	7.9
Norway	8.0	8.7	10.0
Sweden	16.5	19.5	15.7
Total	11.6	13.4	12.1

* This is departure turnover including only full-time permanent employees with a monthly pay.



eNPS Employer score 2016-2019



was to increase business understanding, to create a culture of engagement, and to share knowledge across countries. In addition, Business Area Private arranged separate training programmes for customer centre leaders in Sweden (about 90 participants) and for Nordic top leaders (140 participants). Business Area Commercial arranged 2-day seminars for both new leaders and new employees (in total 90 participants) in order to build culture, to inspire great customer experiences, and to encourage cooperation across teams and countries. Business Area Industrial offered leadership coaching to selected leaders, and encouraged leaders to participate in, for example, change management training.

In the employee satisfaction survey, which is conducted twice a year, leadership is measured using a 7-point grading scale. In the most recent survey, in October 2019, the score was 6.05. In the previous survey, in April 2019, the score was 5.98.

People engagement and employee satisfaction

If has a competent and highly trained workforce, and we encourage individual employees to take responsibility for customer service, performance and professional development. When recruiting, If is looking for talents who are customer-oriented and have a strong sense of responsibility for their impact on the working environment in their teams. Employee satisfaction is measured twice a year in order to get a status update on the work environment and also to strengthen team collaboration. The questions are divided into three categories: Environment & Culture, Leadership, and Self & Team. The results are used to identify themes that require specific attention (e.g. feedback culture, information management, etc.) or organisational areas with challenges that require actions (e.g. work-life balance, leadership, etc.). Leaders have access to their team’s results and share them with the team members in order to ensure continued good results or to agree

on the development of certain areas. Furthermore, data on an aggregated level is used by management teams as input into organisational development processes. In 2019, the ‘I enjoy working within If’ question received an average score of 6.18, on a 7-point grading scale. In 2018 the score was 6.12. Overall, the employee satisfaction survey results, including the employee Net Promoter Scores (eNPS), confirm that employee satisfaction is at a very high level and has been increasing steadily during recent years. Our target is that the eNPS should be above 50 by 2021. In 2020, we will evaluate the set target, since the eNPS score in autumn 2019 was above 50.

During 2019, HR has worked on several people engagement projects, such as focusing on the onboarding process, customer centre environment improvements, and reviewing benefits packages. Representatives from top management have participated in the steering groups of several of the projects. In

‘Today, it’s hard to image business development without the frontline being involved’



In order to tap into the insights generated among all ‘frontline’ employees working in direct contact with the customers, If launched the Viima innovation platform. Since then, over a thousand suggestions have been implemented from the system – improving If’s products and processes, but also creating a working milieu more systematically attentive to employee ideas, says Katri Kennedy.

If has over a thousand employees who talk to insurance customers every day. Doing this day-in and day-out, they accumulate unique insights into If’s products and business practices that others simply aren’t aware of. But with decisions usually made elsewhere, tapping into these insights in a systematic way has presented a challenge for a big company like If.

‘We realised that we ought to listen more to our frontliners. They spend each day talking to our customers, and are thus a source of valuable insights into what works and what does not work with regard to our processes and our offering in general’, says Katri Kennedy, head of business development at If in Finland and initiator of the integration of Viima.

That’s where the Viima innovation platform came into the picture. Working like a huge think tank, the Viima platform provides an easy-to-use tool where all employees can forward their suggestions on possible improvements to If’s products and processes. These suggestions – on topics ranging from insurance terms to work environment issues – can then be liked and commented upon by other employees. When a specific suggestion is liked by many users, it grows visually on the platform, lifting its priority.

Viima was initially launched in If’s Business area Private in Finland, since when it has spread to all business areas in

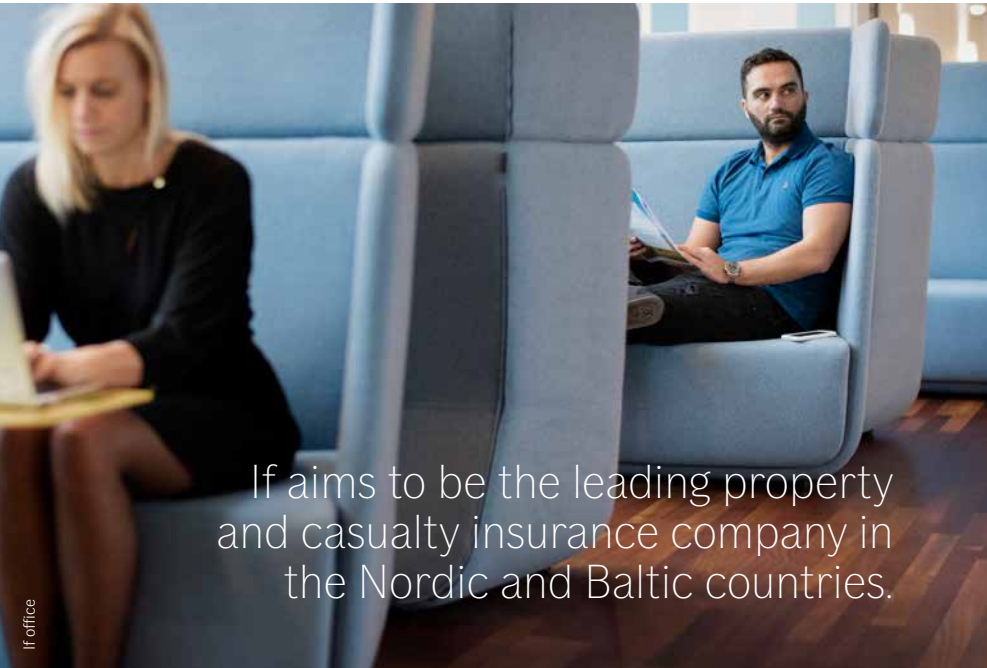
all the Nordic and Baltic countries. As of 2019, more than 10,000 ideas have been generated in the system, and several thousand have been implemented.

Looking back, Katri Kennedy talks of a ‘cultural shift’ when it comes to recognising the value in fixing small but meaningful details in customer processes, but also in internal ones.

‘Whereas internal improvements were previously overseen by those who did not actually use the systems, they now have an important standing in the prioritisation list. One cool aspect is that many of the improvements help both customers and frontliners, as well as decreasing waste. A real win-win situation. Today, it’s hard to image business development without the frontline being involved – and for customer centres to work without this kind of voice being heard’, concludes Katri Kennedy.

Katri Kennedy
Head of Business Development
Finland, If





If aims to be the leading property and casualty insurance company in the Nordic and Baltic countries.

2020, several of these projects will continue and move into an implementation phase.

Promoting health and well-being

If works actively to promote well-being and to ensure a low level of sick leave. Both physical and mental well-being have been the focus of seminars and intranet articles. Health Days and Health Weeks are arranged to promote a healthy lifestyle. Major offices provide employees with access to training facilities, and, where this is not available, a comparable wellness allowance is offered. Many employees have the opportunity to work flexible hours and, when the work tasks allow it, remote work is also possible. Employees in roles with set customer service hours have more limited possibilities for flexible or remote work.

If also focuses on rehabilitation in order to minimise periods of sick leave. During 2019, HR developed better statistics for the monitoring and identification of

worrying negative trends, so that actions can be taken early on. We follow up absence due to illness on a monthly basis in all operating countries, and we discuss trends and possible actions in management teams and with leaders. Customer centres have a significant share of absence due to illness, and special focus is put on working arrangements. Our target is that absence due to sickness should be below 3 percent by 2021.

An overarching theme called ‘Best Place to Work’ was developed during 2019, which encompasses different actions aimed at improving employee well-being and satisfaction, strengthening the common culture, and supporting new ways of collaborating. In Finland, for example, a project has been established to move the Espoo office to new premises and to renovate common areas in the Turku office. Employees have been invited to participate in the planning process, and cross-functional working groups have been set up to discuss well-being and how to enable collaboration.

Absence due to illness*

Country	2019	2018
Denmark	2.1	2.2
Estonia	1.7	1.8
Finland	3.5	3.5
Latvia	1.4	1.4
Lithuania	1.2	0.7
Norway	4.2	4.7
Sweden	3.6	3.3
Total	3.3	3.3

* Sickness statistics are based on If’s internal reporting standards and may deviate from locally published statistics. The calculation basis has changed from sickness hours to sickness days in connection with the implementation of a new HR system. Due to this change, comparison figures for 2017 are not available.

Investing in competence development

If aims to be the leading property and casualty insurance company in the Nordic and Baltic countries. To achieve this, we must have the best in-depth understanding of customers’ insurance needs, and we must strive to be the most customer-oriented company in the industry. If expects employees to be passionate about being the most skilled and competent professionals in their field of specialisation. It is vital to ensure that the competence of the employees is up-to-date, and all employees have the right to adequate competence development. Each employee is also encouraged to take individual ownership for improving operational excellence and ensuring professional growth.

If’s Employee Learning Centre offers training in compliance, project management, communication, languages and coaching. Approximately half of If’s employees are subject to the training requirements of the Insurance Distribution Directive (IDD). In 2019,

‘Prioritising our work environment is a no-brainer’

Internal courses provided to employees in 2019

Name of course	Completed courses 2019
Anti-money laundering	1,432
Challenging unconscious biases	17
Conflicts of interest	1,080
Data privacy	1,335
Dealing with ethical dilemmas	8
Environment	110
Right and wrong at work	1,343
Sampo code of conduct	532
Why compliance	214
Total	6,071

these employees were trained in accordance with the legal requirements of each country.

If has invested in a new learning platform, which was launched in January 2019. The new platform provides a more modern and flexible learning environment, enables detailed reporting and analytics, and allows leaders to follow up on the competence development activities of their employees. During 2019, around 450 courses were offered through Workday Learning, and approximately 24,000 hours were spent on these courses. 5,500 individual employees used Workday Learning during 2019.

A new Nordic onboarding process for all employees was launched in December 2019. This process aims to give the new employee a holistic and professional view of If, and includes emotional, technical, cultural and knowledge-based aspects. The plan is to also expand the process to the Baltic countries. ■

With the ambition of further improving conditions for employee performance and a strengthened internal culture, a major workplace project has been launched in the Finnish offices in Espoo and Turku. Also, as sketches for new workspaces are being mapped out, all employees are encouraged to take part in deciding how they should be organised, according to Timo Harju.

As sponsor and owner of the new Best Place to Work project, busy times lie ahead for Timo Harju, Head of Sales and Service at If in Finland. Over the next two years, the common areas of the Turku office will be redrawn from scratch, while the approximately 650 If employees currently working in Espoo will move to completely new premises in the Helsinki region – all to improve the conditions for favourable working environments and a strengthened internal culture.

‘We’ve said that we want to make If the best place to work at in Finland and, with this new initiative, we’re really giving ourselves the opportunity to make that happen. We’ve also got a unique opportunity to tune into our employees’ wishes, and channel their needs and preferences directly into the designing of the new spaces’, says Timo Harju.

One of the reasons for the choice of location for the new premises in Espoo has been the distribution of current employees in the Helsinki metropolitan area, to minimise travel time. When it comes to the modelling of the new workspaces, everyone is encouraged to get involved in making suggestions about what is important for the project managers to consider.

‘Since September, we have already had lively forums in Viima, where our project teams have been involved in daily discussions with employees about the kind of preferences, we all have for our new surroundings’, adds Timo Harju.

For the new Espoo office, the aim is also to make the premises WELL-certified – a premium standard for green, healthy buildings and office spaces. This will place high demands on such considerations as air quality, noise levels and amounts of daylight.

‘Ensuring a sound and healthy working environment is essential for both the well-being and performance of our employees, and thus for If’s value-creation in general. To put issues such as these high up our priority list is a no-brainer’, concludes Timo Harju.

Timo Harju
Head of Sales and Service
Finland, If



Diversity and gender equality



Diversity and gender equality benefits everyone

Being treated fairly and equally is a basic human right, according to the UN, and also provides the foundation for a diverse and inclusive work environment and organisational culture. A diverse and inclusive work environment, where everyone has the same possibility to develop and advance, is also key to making employees feel satisfied, empowered and engaged.

Discrimination and unconscious bias can result in a lack of diversity and equality. This can have a negative impact on business performance, as it limits access to important parts of the talent pool, and therefore results in a reduced ability to innovate. This can also lead to a limited ability to understand different perspectives and customer segments. Furthermore, a lack of diversity leads to a higher

risk of conformity, meaning that the ability to solve problems is limited. Ensuring diversity and gender equality is thus not only fundamental from an ethical perspective, it also provides the foundation for a good work environment and business results. Employees who work in a diverse environment are more likely to be engaged. Consequently, diversity makes it easier to attract, recruit and retain talent.



‘Web accessibility is about participation on equal terms’

As an increasing part of all purchases made and services used are done online, the need for inclusive and accessible digital services grows. Working together with the Funka organisation, If has embarked on the ambitious journey of making websites in the Nordic and Baltic countries accessible to all, according to Ida Sundborg and Maria Ström.

The project started in early 2019, when a team was assembled to begin working towards the achievement of a new, ambitious standard for digital accessibility at If by autumn 2020. Ida Sundborg, Corporate UX Designer at If, has been responsible for the initiative:

‘We want to be able to provide our services to everyone in society, regardless of sensory, motoric or cognitive abilities. Therefore, it makes sense for us to ensure that our most important digital services are broadly accessible – not just as a business, but also as a responsible actor in society. In addition, we know from experience that efforts toward making services more accessible have a tendency to make it easier for everyone’, she says.

‘Web accessibility is essentially about everyone being able to participate in society on equal terms. Since we’re encouraged as citizens and clients to engage in online interaction, it is becoming increasingly important for companies and organisations to take their share of responsibility to make services accessible’, says

Maria Ström, UX Designer and project leader at Funka.

Funka is an organisation with specialists in all the different aspects of digital accessibility – digital interfaces of content, design and technology, web and mobile applications, and documents in all possible formats. Since last year, Funka has also been a collaborative partner for If as part of its new accessibility project.

Since the project was launched, If’s Accessibility team and Funka’s experts have conducted a series of informational courses in accessibility for UX designers, developers and web editors at If. All in all, hundreds of employees in the Nordic and Baltic countries have undergone target-specific training.

‘This project is, of course, a welcome development from our standpoint. We’re hoping that more companies will want to reboot and start working more strategically with digital accessibility. All consumers should have the same opportunities to choose a bank or insurance company without being excluded, as is often the case today’, says Maria Ström.

We are convinced that a diverse work culture boosts innovation and the growth of intellectual capital in many ways.



Maria Ström
UX Designer and Project
Leader, Funka



Ida Sundborg
Corporate UX Designer, If

We are committed to diversity and equality

Diversity and equality are key focus areas for If, and we are committed to providing a non-discriminatory, open and agreeable working environment where everyone is treated fairly and equally regardless of gender, ethnic background, religion, nationality, age, sexual orientation or physical ability. We are convinced that a diverse work culture boosts innovation and the growth of intellectual capital in many ways. We

work actively towards being a meritocratic employer that understands the value of diversity and equality. This work is primarily driven through If's leaders⁹ and teams fostering a corporate culture where inclusion plays an essential role. Secondly, If has governing documents that clearly state the unacceptability of any kind of discrimination or harassment. Thirdly, If runs specific activities and initiatives in order to promote diversity and inclusion, such as leader and team workshops, as well as mentorship and training programmes.

Full time employees per gender

	2019	2018
Female	3,407	3,305
Male	3,084	2,975

Part time employees per gender

	2019	2018
Female	329	311
Male	105	88

New employees per gender

Gender	2019	2018
Female	622	669
Male	535	536

New employees per age group

Age group	2019	2018
Under 30	577	659
30-50	500	484
Over 50	80	62

Annual turnover* per gender (%)

Gender	2019	2018
Female	11.3	13.0
Male	12.1	13.5

Annual turnover* per age group (%)

Age group	2019	2018
Under 30	20.9	22.5
30-50	9.4	9.8
Over 50	9.1	10.8

* This is departure turnover including only full-time permanent employees with a monthly pay.



If generally has equal gender representation with nearly 50/50 female and male employees. The overall number of female leaders in If is 48 percent. Our target is to have equal gender representation, i.e. the ratio male/female should be 50/50 (+/- 5 percent), regarding both employees and leaders. In the top management team¹⁰, female representation is 23 percent (up from 17 percent in 2018). However, on the levels immediately below the top management team, the balance is more equal. There are also certain functions at If that are male or female-dominated, for example IT and HR respectively. For these functions, the main challenge is to make sure that the available talent pool when recruiting becomes more equal. Our internal monthly reporting includes gender diversity KPIs for all countries in which we operate. In business follow-up meetings with the respective business areas, gender equality is an important theme of people analytics. Additionally, annual gender equality and salary mappings are performed in accordance with local requirements.

Diversity and equality initiatives

In 2015, If established a Diversity and Inclusion Board that includes representation from the top management team. The board discusses issues regarding diversity and equality, analyses statistics, and recommends actions to further promote diversity and equality in the organisation. In 2018, the board appointed ‘Diversity Ambassadors’ of different ages and nationalities, who were tasked with promoting diversity from both a business and an ethical perspective. The level of engagement concerning these topics is high, and many employees are interested. During 2019, the ambassadors have facilitated 15 workshops on unconscious bias. Tackling unconscious bias is especially important in recruitment processes.

A blind recruitment trial was performed, and a sample of recruitment ads were reviewed and assessed with regard to biases. The ‘Buddy Mentoring Programme’, which was launched in

2018 and aims to provide new employees with a mentor to help them feel welcomed and included at If, was continued in 2019. This has been very much appreciated and has improved the onboarding process. An e-learning course focusing on inclusion, diversity and unconscious bias was launched in November 2019. The course is also included in the new employee onboarding programme. In 2020, the plan is to recruit a diversity and inclusion professional into HR, who will have full-time responsibility for pursuing this important agenda.

If has examined the ‘Employee Value Proposition’ to better understand how If is viewed by existing and potential talent, in order to become more attractive to a diverse talent pool. These insights will be used by the newly established Talent Acquisition unit to overhaul recruitment processes – for example, the language we use in advertisements and candidate assessments, promoting more inclusivity. This work will continue in 2020, and will also be linked to the updated purpose and core values.

The board and management group also support bottom-up initiatives, such as the FEMALE@if network that has been started in Sweden. The initiative

An e-learning course focusing on inclusion, diversity and unconscious bias was launched in November 2019.

Women in executive management (%)

Management level	2019	2018
Board of Directors	14	10
Other senior executives	23	17

Gender equality employees (%)

Gender	2019	2018
Female	55	55
Male	45	45

Gender equality leaders (%)

Gender	2019	2018
Female	48	47
Male	52	53

Leaders per age group (%)

Age group	2019	2018
Under 30	5	5
30-50	71	69.5
Over 50	24	25.5

Employees per age group (%)

Age group	2019	2018
Under 30	21.5	22
30-50	51	50
Over 50	27.5	28

¹⁰ Business Management Group (BMG), which is a preparatory and advisory body to the CEO.



Floor plan of the new If office Espoo, Keilalampi (SARC Architects)

is owned and run by the employees that are members. The network arranges discussion forums, and sometimes invites external speakers to inspire and challenge us to further promote gender equality.

Working pro-actively against discrimination and harassment

Our Ethics policy clearly states that no kind of discrimination, harassment or bullying will be tolerated, and as an employer, we have a clear responsibility to prevent sexual harassment and to provide a safe work environment for our employees. We have an ongoing training

programme in all countries in which we operate that includes discussions on expected behaviour, how to prevent harassment, and how to act if witnessing or experiencing inappropriate behaviour. Supporting material for team workshops is available for all leaders. We conducted company-wide surveys on harassment in 2018 and 2019. The 2018 results showed no cause for major concern, and the results improved further in 2019. If has a zero-tolerance policy towards any type of harassment and discrimination, and the preventive work will continue. A new whistleblowing system has been tested during autumn 2019, and

this will be implemented in 2020 (see Responsible business practices).

Promoting diversity beyond If

In our efforts to promote diversity and equality beyond If, our ethics policy makes it clear that all employees must actively work against discrimination in relation to our external stakeholders. This policy also applies to our suppliers and subcontractors, as we expect them to uphold the same ethical standards. In 2019, our expectations have been further clarified by the development of a Supplier Code of Conduct (see Supply chains and materials). ■

In our efforts to promote diversity and equality beyond If, our ethics policy makes it clear that all employees must actively work against discrimination in relation to our external stakeholders.



Responsible business practices



Responsible business practices are essential in a trust-based business

Sustainable development requires efforts from and partnerships between governments, civil society and the private sector. Businesses are major drivers of economic growth and job creation. Their stability and responsibility therefore play a crucial role in contributing to a more sustainable society. Companies committed to sustainability create new business models and invest in technologies, products and services that can have a positive influence on the sustainability agenda. We believe that

companies with fair business practices and good governance have a positive impact on their stakeholders by building trust among employees, customers and society in general. A well-functioning, sound and stable insurance market is of major importance for society at large.

Good governance and responsible business practices

If is committed to providing customers with social and economic security by

means of responsible and high-quality insurance products. We also contribute to society by being a high-quality employer as well as a significant tax payer. As a responsible and active owner, we incorporate Environmental, Social and Governance (ESG) issues into our investment operations. We believe that high ethical standards and responsible behaviour, for example how employees treat customers, partners and other stakeholders, are essential to the long-term success of the company.

‘Our interpretation of what is acceptable and what is unacceptable is changing rapidly’

The insurance industry is based on trust and reliable relationships. Having a clear and intuitive framework for making ethical decisions is at the heart of making that happen, according to Espen Skancke.

‘Insurance is a trust-based business. We rely on customers, authorities, investors and other partners having confidence in what we do, and therefore it’s essential that we have a strong ethical backbone underpinning all parts of our business’, says Espen Skancke, compliance officer at If.

As a supervisor of a newly created ethics course at If, Espen Skancke has a pivotal role in highlighting the importance of ethical issues and in providing guidelines on how to deal with them. With the new initiative, he hopes to complement the existing ethics policies with an intuitive and generally applicable framework aimed at helping employees tackle ethical questions, challenges and dilemmas as they occur in their everyday practice.

According to Espen, ethics policies and clear conduct rules are very important to a big company like If, but they aren’t always practical for employees to consult when looking for guidance in blurry borderline cases, where different rules can sometimes contradict each other.

‘We cannot create rules that solve every case. There are probably as many ethical dilemmas as there are functions within If. Rather than giving answers to all possible problems, we want to provide a systematic way

of thinking about these issues – a simple method and tool for evaluating problems in an informed way’, says Espen Skancke.

This becomes even more pertinent, he adds, as norms of acceptable business behaviour seem to be changing more quickly than ever before.



‘Our interpretation of what is acceptable and what is unacceptable is changing rapidly. We cannot assume that actions that were acceptable yesterday will continue to be so tomorrow. This also highlights the importance of simple and comprehensible tools that can guide us through difficult situations’, says Espen Skancke.

The new ethics course will be held in the form of training sessions, consisting of a short presentation of the chosen evaluation method developed together with Norwegian researchers, paired with workshops where the participants are confronted with imagined business dilemmas and can apply their newly acquired skills in practice. The aim is that all employees in the Nordic and Baltic countries will take the course over the coming years.

Espen Skancke
Compliance Officer, If



Tax contribution* per country (kSEK)

Country	2019	2018
Sweden	2,611,022	2,442,545
Norway	3,046,256	2,615,844
Denmark	514,680	462,647
Finland	3,070,821	2,786,013
Estonia	62,324	56,118
Latvia	77,852	64,874
Lithuania	27,270	23,675
International	83,674	74,746
Total	9,493,899	8,526,461

* Including corporate income tax, employment taxes, VAT, insurance premium tax and withholding tax. The 2018 figures have been slightly adjusted due to prior year true-ups/adjustments.

Sampo Group, of which If is a part, respects and adheres to internationally recognised human rights, as defined in the United Nations' Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We are also committed to complying with core International Labour Organization (ILO) labour standards. The Sampo Group Code of Conduct defines the principles that guide corporate governance, for instance how people should treat each other in the workplace, and how employees should treat customers and other stakeholders, such as investors, partners and authorities. All employees of Sampo Group companies are required to comply with the Code of Conduct. In September 2019, Sampo Group signed the UN Global Compact and Principles for Responsible Investment (PRI). In cooperation with Sampo, If will further integrate and ensure compliance with UN Global Compact and PRI during 2020.

If's Ethics Committee discusses and coordinates ethics issues within the company and provides recommendations. Our Ethics policy, which applies to all employees, describes If's goals, principles and responsibilities in this area, including human rights, in greater detail. Furthermore, each business area has appointed Ethics officers. The Ethics officers ensure that the Ethics policy is followed and that a high level of ethics is observed within the business area. All employees within the business area can approach the Ethics

officer for advice on ethical questions. In addition, If organises courses, seminars and discussions on ethics and ethical dilemmas in the workplace in local offices and provides e-learning courses on ethics. A new training and workshop programme in ethics has been developed and was launched in 2019. The aim is that all employees in the Nordic and Baltic countries will take the course over the coming years.

A new training programme in diversity and inclusion was also launched in 2019 (see Diversity and gender equality).

A new training and workshop programme in ethics has been developed and was launched in 2019.

Even though we consider the risk of direct human rights violations as relatively low in our operations, i.e. our business op-

erations are mainly in the Nordic and Baltic countries, we recognise that our actions might have indirect negative impacts on human rights. These concerns mainly arise from external factors, such as through customers, suppliers and investments. During 2019, we developed a Supplier Code of Conduct that defines the minimum requirements, including human rights and labour rights, that If asks suppliers to respect when conducting business with us (see Supply chains and materials).

If has initiated a project, with representatives from all business areas, that will analyse and propose how we can more explicitly integrate Environmental, Social and Governance (ESG) factors in our underwriting.

Fair sales and marketing practices

If's sales and marketing practices focus on meeting the demands and needs of the customer and providing the customer with the information necessary to make well-informed decisions. If's Distribution policy includes instructions on responsible sales practices, which means that the key account managers and the sales staff involved in the distribution of insurance contracts undergo comprehensive training in this area. We focus on ensuring that all customers are fairly and correctly insured, and that our services for handling the insurances are easily accessible. During 2019, If has continued to increase transparency, making it easier for customers to predict the development in the price of their insurance policy. We are continuously developing and improving the control mechanisms and follow-up routines regarding insurance product and service information as well as marketing communications. If also has a salary model that means that most of the sales staff receive a fixed

salary regardless of how many insurance contracts the employee sells.

Focus on customer satisfaction

Customer satisfaction is our top priority, and we believe in serving customers in a transparent and responsible manner. Satisfied customers are a cornerstone of successful business, as they are more loyal and will hopefully recommend products and services to others, and in general contribute to building trust in insurance providers in society. We aim to provide our customers with a great customer experience in order to meet the general increase in need for and expectations on service. This also means giving the customer a genuine chance to leave feedback. We have a multilingual Customer Experience (CX) programme, which ensures that customer feedback is not only collected, but also followed up and handled appropriately. The feedback is then carefully analysed, and both positive and negative feedback is used to develop and improve products


**Customer Satisfaction Index by EPSI
(Extended Performance Satisfaction Index)**

	2019	2018	2017
If Sweden	71.1	70.8	68.1
- industry in Sweden	73.5	72.3	70.2
If Norway	72.7	72.7	73.8
- industry in Norway	72.5	74.2	73.7
If Finland	75.8	75.2	77.7
- industry in Finland	73.1	75.1	77.9
If Denmark	77.9	74.8	77.7
- industry in Denmark	77.2	77.4	77.7

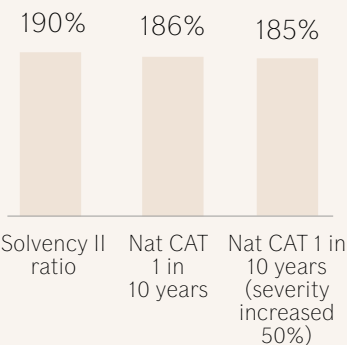
Source: EPSI

Note: Differences need to be more than 2-2.5 points to be statistically significant

Sensitivity analysis natural catastrophes

Natural catastrophes are risk factors affecting If's financial position and results. The financial impact is illustrated through the solvency ratio, which is defined as the available excess capital in our balance sheet divided by our capital requirement. Our sensitivity to a 1-in-10 year natural catastrophe (i.e. a natural catastrophe that is likely to happen once in ten years) is calculated and published in our solvency disclosures.

Since climate change could increase the frequency and/or severity of some natural catastrophes, we have conducted a sensitivity analysis using a scenario where the severity of natural catastrophes is assumed to increase by 50 percent. All modelled losses from natural catastrophe models over a single year are thus 50 percent larger than the current view. The results from the analysis show that this scenario has limited financial impact, i.e. 1 percentage point, due to If's reinsurance protections.



and services. Net Promoter Score (NPS) is used to measure customer experience and to rate If's performance across most of If's business areas. NPS is reported to If's senior management and integrated in the management compensation structure. We also benchmark our performance externally against industry, among other areas, using the external, yearly published EPSI (Extended Performance Satisfaction Index). If continues to work on internal programmes and roadshows to ensure it is a truly customer-oriented company. As required by law, If also has an internal customer representation function ('kundombudsman') whom the customer can contact in order to submit a complaint.

Risk management

If's Risk Management System comprises the strategies, processes and reporting procedures that are necessary to continuously identify, assess, measure,

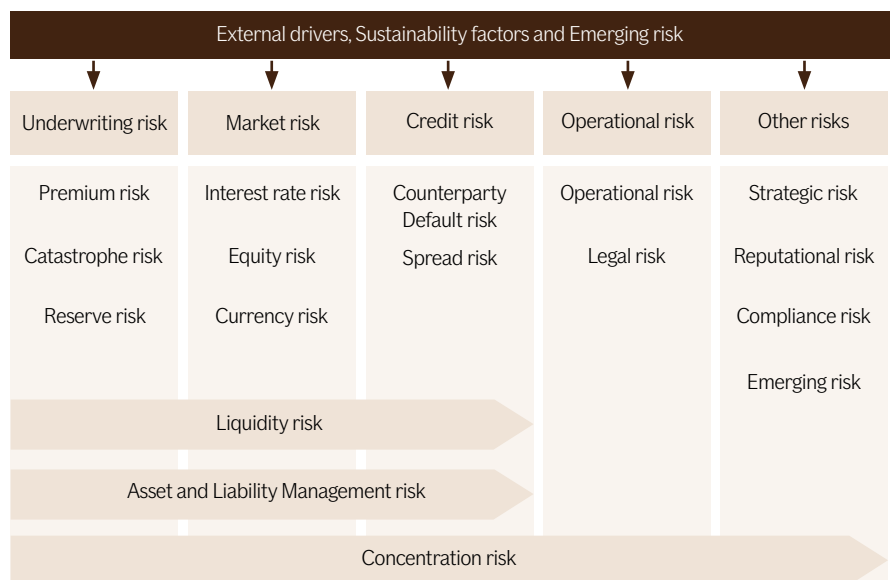
manage, monitor and report risks. The Risk Management System is part of the larger Internal Control System and ensures that all risks are managed from a Group-wide perspective as well as that of a legal entity.

The main risk categories in If are underwriting, market, credit, operational and other risks. Sustainability factors can have a potential impact on all risk categories (see the figure below). Risks linked to If's key sustainability issues are identified, assessed and managed in the existing risk management practices in the business. Environmental, Social and Governance (ESG) factors have been further integrated in the updated Risk Management Policy that will come into force on 1 January 2020.

Anti-corruption

The Nordic countries, which are our main area of business, generally have

Risks encompassed in the Risk Management System



the lowest perceived levels of corruption in the world, according to Transparency International¹¹. Although the level of corruption is low, it is not non-existent, however. Sampo Group's Code of Conduct states that Sampo does not permit any form of corruption, bribery or conduct that could create the appearance of improper influence. All employees of Sampo Group companies must ensure that all payments to third parties are appropriate for legitimate business reasons and correctly recorded. If's work on anti-corruption and bribery stems from If's Ethics policy. The policy states that, in relation to gifts and hospitality, we are guided by the Code of Business Conduct from the independent organisation Swedish Anti-corruption Institute (IMM). The Ethics policy is updated yearly and contains different practical ethics examples, for instance concerning bribery. Work against corruption and bribery is also performed as part of If's work to prevent money laundering and terrorist financing. We have controls in place within these areas and check whether customers are politically exposed persons or are on EU or UN sanction lists. In 2019, no incidents were reported related to corruption or bribery at If.

Anti-money laundering and counter-terrorist financing

If follows local legislation and authority regulations to prevent money laundering and terrorist financing. We have implemented an Anti-Money Laundering (AML) and Counter-Terrorist Financing

(CTF) policy and local AML/CTF instructions. If has e-learning programmes in anti-money laundering and counter-terrorist financing. These are mandatory for all employees working with products covered by AML legislation, and we also provide individual training to different personnel groups. During 2019, If has continued the efforts, which started in 2018, to raise employee awareness on AML/CTF. Instructions and guidelines have been updated with AML/CTF information and how to conduct customer due diligence (CDD) checks, and AML/CTF training is included in onboarding programmes and in the regular training of employees.

Whistleblowing channel

During 2019, If purchased a new whistleblowing service platform to replace the current routine, which employees and external stakeholders can use to report suspected ethical and compliance-related misconduct. The new system will be

During 2019, If purchased a new whistleblowing service platform to replace the current system.

implemented during Q1, 2020. The service allows the whistleblower to report anonymously, and the organisation to follow up the message

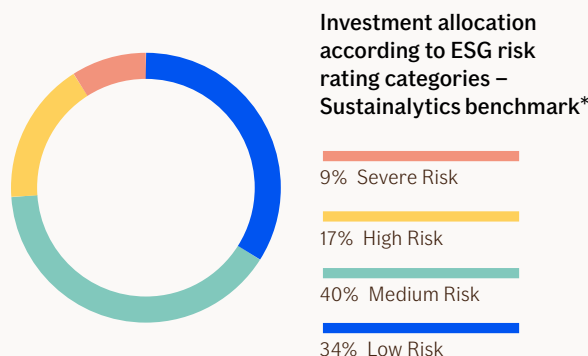
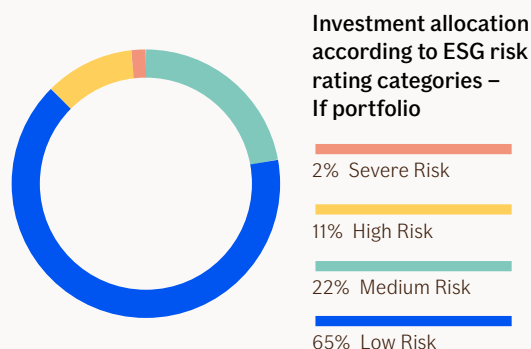
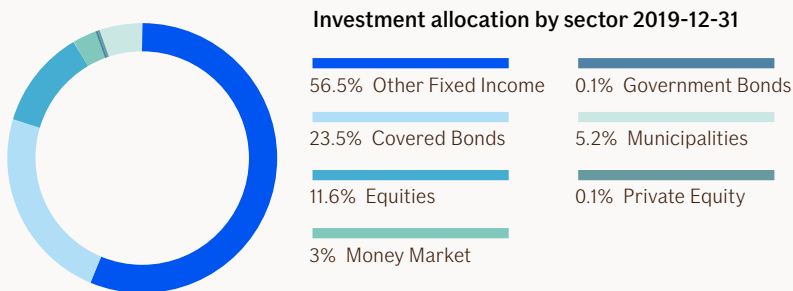
through dialogue with the anonymous reporter. The whistleblowing service will be available to all employees in their local language on If's intranet pages. It will also be possible for external parties to report via If's external webpages. To supplement the whistleblowing service, we also have an incident reporting system (i.e. the Oops! reporting system). Incidents reported through this system are reviewed and managed at the

operational level, then escalated to the relevant If Risk Committee and, when necessary, to the Board of Directors. During 2019, no whistleblowing notifications were reported in If.

Information security and data privacy

Information security and data privacy are crucial to our business operations. More and more services are digital and need to be provided quickly, effectively and reliably at all times. If has a comprehensive information security governance system, including risk management and reporting structures, and a designated Chief Information Security Officer (CISO). In 2019, one of the most significant areas of focus was cybersecurity risks. Further investments in 24/7 security monitoring services, access controls, security testing, reporting and employee awareness have strengthened If's capability to predict, detect and mitigate cyber threats. The Data Protection Office team directs and oversees personal data protection activities within If. Their work ensures continued compliance with relevant national legislation and GDPR. In 2019, the Data Protection Office increased its approach to GDPR from a risk management and governance perspective through more efficient processes and by using methods and tools as enablers, not solutions. In achieving GDPR compliance, the Data Protection Office focused not only on IT but also on working closely together with a broad range of business roles and supporting functions within the organization, i.e. CRM and HR. Together, these efforts increased the level of awareness across the organization, thus resulting in a higher level of compliance. During 2019, a total of 22 incidents were assessed as risks and therefore reported to the Swedish Data Inspection.

¹¹ Transparency International Corruption Perception Index 2019



* Benchmark consisting of large and medium cap investable issuers in developed markets

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Responsible investments

Sampo Group, including If, became members of Principles for Responsible Investment (PRI) in 2019. We aim to be an active owner and to incorporate Environmental, Social and Governance (ESG) factors into our investment analysis and decision-making processes and ownership policies and practices. If and Sampo have an asset management agreement under which all investment decisions, within the framework of If's Investment policy, have been outsourced to Sampo. The Sampo Group investment philosophy is to invest directly in individual companies' shares and debt instruments. These companies are carefully studied before any investments are made, and ESG factors are considered along with other factors that might affect the risk-return ratio of separate investments.

In March 2019, If's investment policies were updated to include instructions on how to take ESG issues into account by using an internal ESG traffic light model. The traffic light model is based on ESG

risk ratings provided by the external data provider Sustainalytics. The ESG risk rating is a two-dimensional materiality framework that measures both a company's exposure to ESG risks and how well the company is managing those risks. The rating distinguishes between 139 subindustries and adjusts the assessments based on company specific factors,

In March 2019, If investment policies were updated to include instructions on how to take ESG issues into account by using an internal ESG traffic light model.

such as product/business line, financial strength, geographical exposure and track record of related incidents. Based on the risk ratings, If classifies investments

objects into risk categories: low risk, medium risk, high risk and severe risk.

Depending on the risk category of a current or potential investment, a portfolio manager is required to conduct additional research on the investment in question, further study the possible causes and effects of the ESG-related risks, and request an additional authorisation from the Sampo Group CIO. The ESG risk ratings are monitored and followed up monthly, and a detailed report, including a breakdown of the investments into the risk classes of the ESG traffic light model, is presented to the Investment Control Committee (ICC) twice a year. The information is also reported to the Board of Directors on an annual basis.

In 2020, If will continue to further integrate ESG considerations into investment operations and management. We will start to implement sector-based screening, i.e. screening to identify and make decisions regarding companies involved in certain industry sectors and in the production and distribution of certain



products and services. Certain industry sectors can be considered sensitive or controversial from an ESG perspective. Sampo Group, including If, have identified the following sectors as sensitive: adult entertainment, coal mining, controversial weapons, gambling, defense materiel, and tobacco. If will also start with norm-based research, i.e. research which assists investors making decisions regarding companies' adherence to international norms¹² on environmental protection, human rights, labour standards and anti-corruption. Furthermore, we will, as an active and responsible owner, in addition to direct dialogue and voting also start to engage with companies through pooled engagement with other investors, if it is believed that it can be an effective means of achieving a desired change in the investment company. Reasons for engagement are breaches of international norms and standards. This information is received using the norms-based research. As a measure of last resort, the investment might be sold, if the investment object that is the target of the engagement action does not respond to the engagement efforts and does not take measures to prevent the abuse or breach within a reasonable time frame.

Community interaction

Sharing our knowledge and insights is an important part of our interaction with our key stakeholders and society at large. We consider it our responsibility to support and encourage the local community. In Sweden, we are members of SAFER, a competence centre where partners from the Swedish automotive industry, academia and authorities cooperate to create a centre of excellence within traffic safety research and safe mobility. In Finland, we support the 'Yellow cap' campaign, and If has donated reflective yellow caps for all first graders since 2006. The aim is to improve children's traffic safety and almost half a million Finnish children have received a yellow cap so far. In Norway, we cooperate with the Norwegian fire safety organization ('Norsk Brannvernforening') on fire safety in private homes, focusing on families. Together we have educated hundreds of thousands of Norwegians on how to prevent fires and every year we arrange fire safety week ('Brannvernuka'). ■

¹² The international conventions considered in this context include for example the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the Guiding Principles on Business and Human Rights

CO2e emissions by country and scope 2019

Scope 1 (direct fuel consumption by type, m ³)						Scope 1 emissions (tonnes CO ₂ e)				
	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Petrol (m ³)	22	1	0	6	29	49	3	1	14	67
Diesel (m ³)	6	1	1	14	22	16	2	2	35	55
Total										122

Scope 2 (indirect energy consumption, MWh)						Scope 2 emissions (tonnes CO ₂ e)				
	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Electricity (MWh)	1,012	3,565	5,390	3,648	13,615	0	0	0	0	0
District heating (MWh)	687*	4,244	0	1,924	6,855	50	306**	0	86	442
District cooling (MWh)	0	466	0	1,808	2,274	0	7	0	8	15
Total					22,744					457

Scope 3 (other indirect emission sources)						Scope 3 emissions (tonnes CO ₂ e)				
	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Business travel										
Air (km)	1,827,387	4,815,943	5,678,723	6,570,819	18,892,872	497	1,264	1,537	1,713	5,011
Train (km)	20,397	764,325	628,268	963,088	2,376,078	0	5	4	1	10
Total taxi & private car (km)	393,112	2,456,470	2,001,325	2,119,067	6,969,974	70	421	329	347	1,167
Hotel	868	2,989	4,057	4,974	12,888	15	51	69	85	220
Materials and services										
Copying paper (tonne)	4	11	8	12	35	1	3	2	3	9
Printed materials (tonne)	6	66	25	61	158	2	24	9	22	57
Marketing materials (tonne)	8	18	14	25	65	3	7	5	9	24
Water consumption (m ³)	3,664	12,924	14,178	14,179	44,945	4	14	15	15	48
IT devices and services										
Computers					8,973					146
Mobile phones					3,580					65
Screens					10,090					685
Servers					65					10
Cloud services (users)					16,000					142
Production of energy carriers										
Production of energy carriers					22,744					222
Total										7,816
Total emissions scope 1-3										8,395

* District heating numbers for 2018, since numbers for 2019 are not yet available.

** As of January 2019 all the district heating we purchase for our office in Turku is produced from renewable sources. This has lowered the emission factor from 336.5 kg CO₂e/MWh in 2018 to 3.88 kg CO₂e/MWh in 2019.

Emissions factors

Activity	Emission factor reference
Mobile combustion	Swedish EPA, 2018; Swedish Petroleum and Biofuels Institute, 2017; Thermal Engineering Research Institute, 2011
Electricity	Swedish Energy Markets Inspectorate, 2017; Vattenfall, 2015; AIB, 2018; IEA, 2019
Heating	Swedenergy, 2019; Danish Energy Agency, 2017; Finsk Energiindustri, 2019
Cooling	Swedish average, Data provided by suppliers 2018
Business travel	DBEIS, 2019; South Pole Group's database
Water consumption	DBEIS, 2019
Paper consumption	Staples, 2017; SCA, 2012

Carbon footprint investments

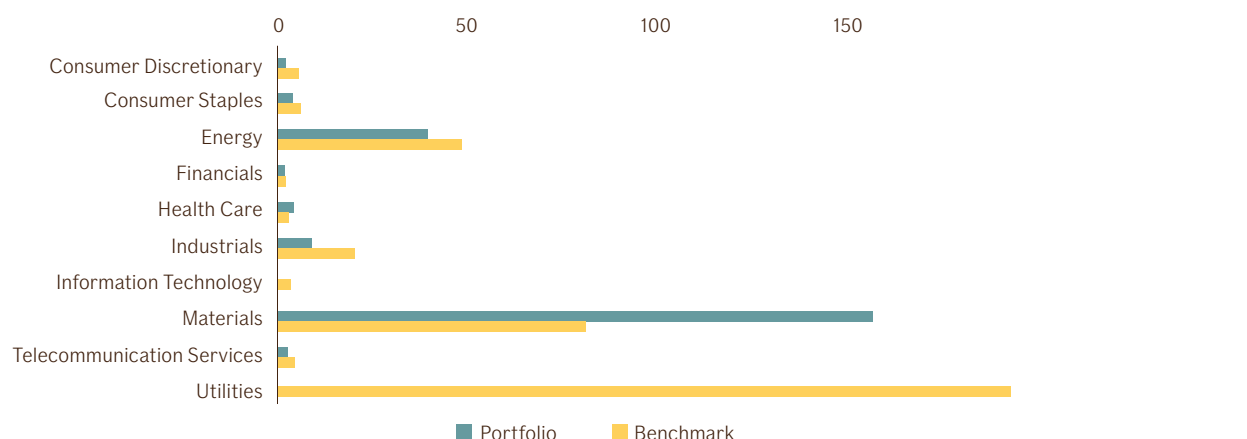
Carbon footprint* equity

Coverage				Key ratios		
Name	Number of constituents analysed	% of constituents analysed	% that report emissions	Emissions Exposure by Million Invested (tCO ₂ e/million SEK)	Emissions by Share of Revenue (tCO ₂ e/million SEK)	Weighted Average Carbon Intensity (tCO ₂ e/million SEK)
If equity portfolio 2019	22	100	32	21.2	14.3	12.68
If equity portfolio 2018	24	100	46	17.49	15.07	14.84
Sustainalytics Global Developed Benchmark** 2019	3,583	93	38			17.11

* The carbon footprint for our equity portfolio has been calculated by Sustainalytics based on Market Cap. The numbers presented in If Sustainability Report 2018 have been recalculated according to the same methodology in order to have comparable numbers.

** Benchmark consisting of large and medium cap investable issuers in developed markets.

If equity portfolio vs. benchmark 2019 – weighted average carbon intensity per sector



Carbon footprint* fixed income

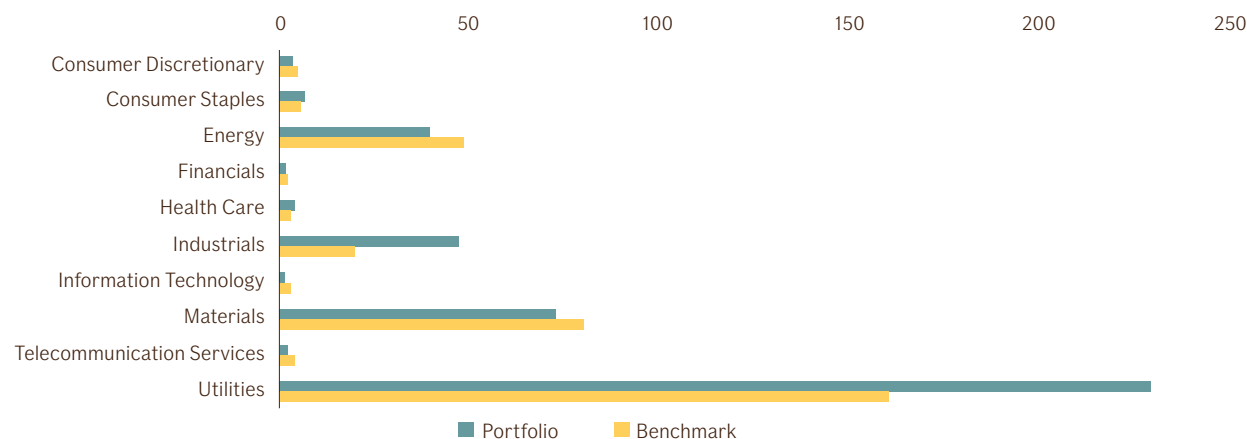
Coverage				Key ratios		
Name	Number of constituents analysed	% of constituents analysed***	% that report emissions	Emissions Exposure by Million Invested (tCO ₂ e/million SEK)	Emissions by Share of Revenue (tCO ₂ e/million SEK)	Weighted Average Carbon Intensity (tCO ₂ e/million SEK)
If fixed income portfolio 2019	669	59	37	37.2	21.13	7.81
If fixed income portfolio 2018	634	63	41	51.19	22.44	10.85
Sustainalytics Fixed Income Benchmark** 2019	1,393	84	52			14.8

* The carbon footprint for our fixed income portfolio has been calculated by Sustainalytics based on Total Debt Outstanding. The numbers presented in If Sustainability Report 2018 have been recalculated according to the same methodology in order to have comparable numbers.

** Benchmark consisting of large and medium cap investable fixed income issuers in developed markets.

***% of constituents analysed for Weighted Average Carbon Intensity is 76 percent due to usage of complimentary bespoke estimation.

If fixed income portfolio vs. benchmark 2019 – weighted average carbon intensity per sector



GRI Index

General disclosure			
Disclosure	Name of disclosure		Page
102-1	Name of the organisation		6, 56
102-2	Activities, brands, product and services		6
102-3	Location of headquarters		6, 56
102-4	Location of operations		6
102-5	Ownership and legal form		58
102-6	Markets served		6
102-7	Scale of the organization		6, 57
102-8	Information on employees and other workers		31, 32, 40, 41
102-9	Supply chain		12, 22
102-10	Significant changes to the organization and its supply chain	No significant changes to the organisation and its supply chain	
102-11	Precautionary Principle or approach	Included in Supplier Code of Conduct	23
102-12	External initiatives		20, 51, 61
102-13	Membership of associations		20, 46, 51, 61
102-14	Statement from senior decision-maker		5
102-16	Values, principles, standards, and norms of behaviour		31, 46
102-18	Governance structure		56, 57
102-40	List of stakeholder groups		54
102-41	Collective bargaining agreements	Omission due to information unavailable. The majority of If's employees are covered by collective bargaining agreements.	32
102-42	Identifying and selecting stakeholders		54
102-43	Approach to stakeholder engagement		54
102-44	Key topics and concerns raised		54
102-45	Entities included in the consolidated financial statements		57
102-46	Defining report content and topic Boundaries		54
102-47	List of material topics		54
102-48	Restatements of information	Tax contribution 2018	46
102-49	Changes in reporting	No significant changes have been made from previous reporting period.	
102-50	Reporting period	Calendar year	2
102-51	Date of most recent report	If Sustainability Report 2018 was published 2019-03-06	
102-52	Reporting cycle		2
102-53	Contact point for questions regarding the report		2
102-54	Claims of reporting in accordance with the GRI Standards		2
102-55	GRI content index		54, 55
102-56	External assurance		60

Economic				
GRI Standard	Disclosure	Name of disclosure	Comment	Page
201 Economic performance	103-1	Explanation, management and evaluation	Topic boundary: If insurance and our customers	44
	103-2			
	103-3			
	201-1	Direct economic value generated and distributed		44
205 Anticorruption	103-1	Explanation, management and evaluation	Topic boundary: If Insurance, suppliers and customers	6, 25, 45, 46, 48, 49
	103-2			
	103-3			
	205-3	Confirmed incidents of corruption and actions taken		49

GRI Index

Environmental				
GRI Standard	Disclosure	Name of disclosure	Comment	Page
301 Material	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	6, 12, 25, 24, 28, 29
	301-2	Recycled input material used		25, 27
302 Energy	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	12
	302-1	Energy consumption within the organisation		19
	302-4	Reduction of energy consumption		19
305 Emission	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	6, 12, 25, 24, 28, 29, 52
	305-1	Scope 1 Direct		16, 17, 18, 52
	305-2	Scope 2 Indirect energy		16, 17, 52
	305-3	Scope 3 Other emissions		16, 17, 19, 52

Social				
GRI Standard	Disclosure	Name of disclosure	Comment	Page
401 Employment	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance	30, 31, 32
	401-1	New employee hires and employee turnover agreements with trade unions		32, 33, 40
403 Occupational health and safety (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	7, 34, 36
	403-1	Health and safety concerns covered in formal agreements with trade unions		32
404 Training and education	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance	7, 31, 33
	404-2	Programs for upgrading employee skills and transition assistance programs		32, 36
405 Diversity and equal opportunity	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	7, 38, 39, 40, 41, 42
	405-1	Diversity of governance bodies and employees		41
406 Non-discrimination	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	7, 32, 38, 39, 40, 41, 42
	406-1	Incidents of discrimination and corrective actions taken		49
418 Customer privacy	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: customers	4, 49
	418-1	Information security and customer privacy		49

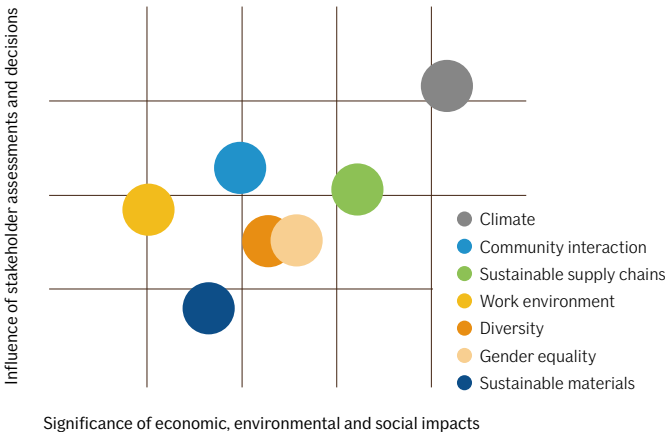
Stakeholder and materiality analysis

During the first part of 2018, a stakeholder and materiality analysis was conducted in order to identify our most important sustainability issues¹. The identification and categorisation of different stakeholder groups was based on existing inhouse research and interviews with internal experts. The analysis identified the following primary stakeholder groups: customers, employees, management (i.e. owners, board and management), partners and suppliers, and our local community (i.e. authorities, NGOs and the media). Each primary stakeholder group has several subcategories. These groups are directly critical for If's business in a short and long-term perspective, and they both affect and are affected by If.

To identify the key sustainability issues, If conducted a materiality analysis containing desktop studies, market research, media analysis, and interviews with representatives from all primary stakeholder groups. The respondents were asked to provide their perspective on what sustainability issues they consider to be the most important for If. The aim was to identify and classify different types of sustainability issues based on the stakeholders' perspectives, i.e. what importance a specific issue has for If's stakeholders, as well as

the impact perspective, i.e. the direct impact If can have on the economic, social or environmental dimension of sustainability. Issues classified as being of critical importance from both a stakeholder and impact perspective are those that have the highest priority for If.

Stakeholder and materiality analysis – result














Stakeholder group	Forum for dialogue	Key issues raised	How we address these issues
Customers	<ul style="list-style-type: none"> – Customer meetings – Customer satisfaction surveys – Customer ombudsman – Interviews* 	<ul style="list-style-type: none"> – Reducing CO₂ emissions – Local communities and indirect economic impacts – Procurement practices 	<ul style="list-style-type: none"> – See Climate – See Climate and Responsible business practices – See Supply chains and materials
Employees	<ul style="list-style-type: none"> – Leader–employee dialogues – Work environment councils – Meeting with union representatives – Employee surveys – Interviews* 	<ul style="list-style-type: none"> – Reducing CO₂ emissions – Energy–efficiency at the work place – Work environment – Diversity and gender equality 	<ul style="list-style-type: none"> – See Climate – See Work environment – See Diversity and gender equality
Management	<ul style="list-style-type: none"> – Board of Directors meetings – Management Group meetings – Interviews* 	<ul style="list-style-type: none"> – Climate – Economic performance – Local communities and indirect economic impacts – Diversity, gender equality and non–discrimination 	<ul style="list-style-type: none"> – See Climate – See Responsible business practices – See Work environment and Diversity and gender equality
Partners and suppliers	<ul style="list-style-type: none"> – Meetings with partners and suppliers – Interviews* 	<ul style="list-style-type: none"> – Climate – Energy–efficiency – Economic performance 	<ul style="list-style-type: none"> – See Climate – See Supply chain – See Responsible business practices
Local communities	<ul style="list-style-type: none"> – Meetings with supervisory authorities – Meetings and communication via industry organisations – Interviews* 	<ul style="list-style-type: none"> – Reducing CO₂ emissions – Local communities and indirect economic impacts – Procurement practices 	<ul style="list-style-type: none"> – See Climate – See Responsible business practices – See Supply chains and materials

¹ If uses the term 'key sustainability issues' when describing our GRI material topics

* Interviews with stakeholder group representatives which were conducted specifically for identifying our key sustainability issues.

UN Sustainable Development Goals

In 2015, all UN member states adopted the 17 Sustainable Development Goals (SDG). These goals provide a shared blueprint and roadmap for the public and the private sector, as well as civil society, on how to achieve a better and more sustainable future for all. We support the sustainable development goals and are committed to making our contribution in partnership with our stakeholders. In this sustainability report, we have linked our key sustainability issues to the relevant sustainable development goals.

Key sustainability issue	Link to SDG	Relevant SDG sub-target
Climate  	Sustainable cities and communities (SDG 11) Climate action (SDG 13)	<ul style="list-style-type: none"> – Development of risk management services and preventative measures that increase resilience and climate change adaptation (13.1 and 11.5). – Awareness-raising and dialogue with stakeholders on climate change mitigation and adaptation (13.3). – Financing of research on climate change adaptation (13.3).
Supply chains and materials   	Decent work and economic growth (SDG 8) Responsible consumption and production (SDG 12) Climate action (SDG 13)	<ul style="list-style-type: none"> – Suppliers must comply with ethical requirements regarding labour rights (8.8). – Require claims contractors to reuse, reduce and recycle (12.5). – Suppliers need to comply with environmental requirements and reduce their environmental impact (12.6 and 13.3).
Work environment 	Decent work and economic growth (SDG 8)	<ul style="list-style-type: none"> – Provide a decent and attractive work environment that supports labour rights (8.8).
Diversity and gender equality  	Gender equality (SDG 5) Reduced inequalities (SDG 10)	<ul style="list-style-type: none"> – Promote equal opportunities for leadership at all levels of decision-making (5.5). – Promote diversity and inclusion and ensure zero-tolerance for discrimination via internal policies and requirements on suppliers (10.3).
Responsible business practices   	Sustainable cities (SDG 11) Climate action (SDG 13) Partnerships for the goals (SDG 17)	<ul style="list-style-type: none"> – Support development and implementation of local climate change adaptation plans (11.5). – Risk management services that reduce climate-related risk and increase resilience (13.1 and 11.5). – Encourage and support effective private-public and civil society partnerships on e.g. environment, traffic safety and fire safety (17.17).

About If

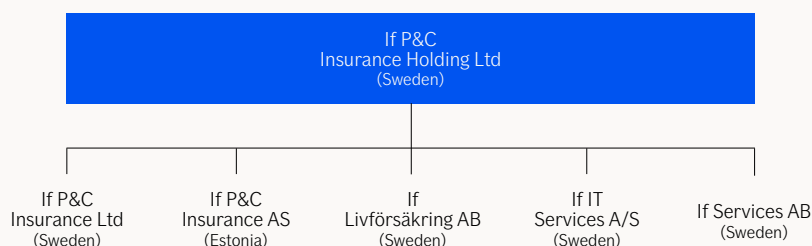
Key figures

Company name	If P&C Insurance Holding Ltd
Countries of operation	Denmark, Finland, Norway, Sweden, Estonia, Latvia, Lithuania, France, Germany, the Netherlands and the UK.
Head office	Barks väg 15, Solna, Stockholm, Sweden
Services	Insurance solutions for individuals, businesses and international industrial enterprises.
Number of customers	3.8 million
Number of employees	6,925
Gross Written Premium 2019	49,484

Customers per business area, 2019

Private	3,200,000
Commercial	340,000
Industrial	1,500
Baltic	295,000
Total	3,850,000

Legal structure



Mission

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

Purpose:

We give people confidence today to shape their tomorrow.

Core values:

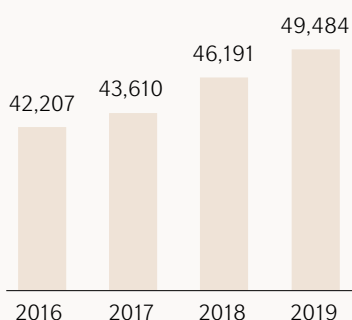
Trust is our backbone.
We stay ahead.
We put our hearts into it.

Organisation

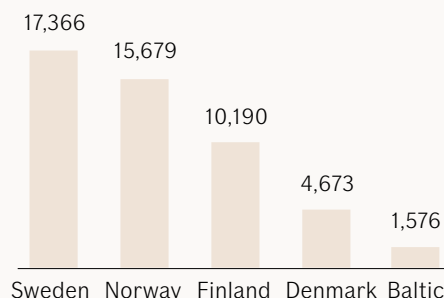
If is a Nordic group that also conducts insurance operations in the Baltic countries. The group's headquarter is located in Solna, Sweden. The Parent Company of the If Group, If P&C Insurance Holding Ltd (publ), is a wholly owned subsidiary of Sampo plc, a Finnish listed company, with head offices in Helsinki. The main role of If P&C Insurance Holding Ltd is to manage shares in wholly owned property and casualty insurance operations as well as other significant holdings. The holding company owns the Swedish companies, If P&C Insurance Ltd, If Services AB and If Livförsäkring AB, the Danish company If IT Services A/S and the Estonian

company If P&C Insurance AS. If's operations in Denmark, Norway, Finland and Latvia, are conducted via branches of If P&C Insurance Ltd in each country. In addition, If P&C Insurance Ltd has branch offices in France, the Netherlands, the UK and Germany to support customers with international operations. The Estonian company If P&C Insurance AS also conducts operations in Latvia and Lithuania via branches.

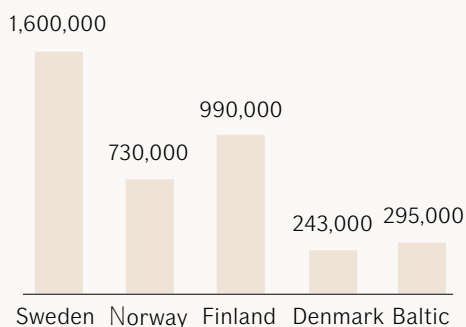
Gross Written Premium (MSEK)



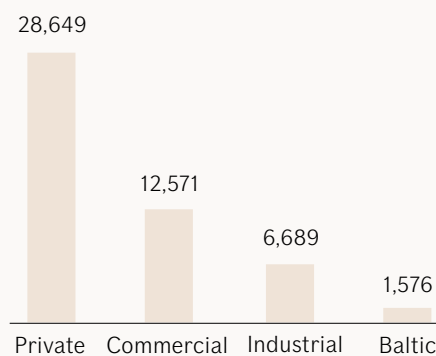
Gross Written Premium (MSEK) per country, 2019



Customers per country, 2019



Gross Written Premium (MSEK) per business area, 2019



Organisation of our sustainability work

If's Steering Group on Sustainability (SGS) is an advisory body to the Business Management Group (BMG) regarding If's sustainability strategy, targets and actions. SGS should meet at least semi-annually. Members of the steering group include: Head of Communication (chair), Chief Financial Officer, Head of Human Resources, Head of IT and Group Services, Chief Risk Officer, Head of Sustainability (secretary) and representatives from BA Private, BA Commercial and BA Industrial.

The Head of Sustainability has the overall responsibility for implementation of the sustainability strategy, targets

and actions adopted by SGS. The Head of Sustainability reports to CFO and SGS and is responsible for coordination and follow-up with other relevant parts of the organisation. During 2019, If developed a Sustainability policy, which replaced the previous Environment policy, and presents If's position and approach to sustainability.

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in If P&C Insurance Holding Ltd (publ), corporate identity number 556241-7559

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2019 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 4 March 2020

KPMG AB
Mårten Asplund
Authorized Public Accountant

WE SUPPORT



Since 2019 Sampo Group, including If, has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

Examples of other initiatives and memberships

Buy Ecolabelled green procurement network (Nordic)



WWF in Finland



Climate Pledge (Norway)



Energy saving week (Finland)



Business for Climate (Norway)



The Climate Pact (Sweden)



BSAG



Earth hour



PRI



If P&C Insurance
Holding Ltd
Barks väg 15, 106 80 Stockholm
Phone: +46 70 985 38 11
Email: philip.thorn@if.se

Printed on environmentally friendly paper. 