



Sustainability Report 2022



A wide-angle photograph of a mountain valley. In the foreground, a rocky path leads to a wooden bench where two people, one in a yellow jacket and one in a red jacket, are sitting and looking towards a waterfall. The waterfall flows down a rocky slope on the right side of the image. The valley floor is covered in green grass and small shrubs. In the background, there are more mountains, some with patches of snow, under a grey, overcast sky.

About the report

This is the fifth sustainability report by If P&C Insurance Holding Ltd (referred to as If throughout the report). If has reported in accordance with the GRI Standards (2021) for the period 01/01/2022 – 31/12/2022. If's sustainability reports are issued on an annual basis.

The main stakeholder groups for this sustainability report are customers, employees, suppliers, partners and owners. The GRI Standards (2021) have been used as a framework for the planning, structuring and presentation of the results. The GRI index on pages 88-89 presents the distribution of disclosures.

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

Contents

- 2 About the report
- 3 Contents
- 4 Message from the CEO
- 8 Our approach to sustainability
- 12 Our sustainability journey
- 13 Highlights 2022
- 14 Commitment to our customers
- 32 Commitment to our employees
- 58 Commitment to society
- 74 CO₂e emissions
- 75 Carbon footprint investments
- 76 TCFD
- 84 Taxonomy
- 88 GRI index
- 90 Materiality assessment
- 93 UN Sustainable Development Goals
- 94 About If
- 96 Auditor's opinion

15

Learning from natural hazards to reduce impact on customers

Natural hazards will always be here. But with our Natural Hazards Competence Centre, we can better understand risks and help our customers to reduce the impact in the event that something happens.

39

Developing leaders who make employees flourish

One thousand leaders from all over If have embarked on a nine-month long journey to develop their leadership skills. At If, our leaders shall support a culture that makes each employee feel safe and included, ensuring that everyone can truly flourish.

51

A climate challenge for the win

647 If employees were challenged to build more sustainable daily habits. They responded by choosing a vegetarian breakfast 3,814 times!



Message from the CEO

After two years of the pandemic, many of us hoped and believed that 2022 would be a 'normal' year. But not much has been normal, and 2022 offered many surprises as well as some unexpected turns.

It was a brutal start to the year when Russia invaded Ukraine. But in the midst of all the tragedy, it was heart-warming to see how our employees did what they could to help both customers who were there when the war broke out and also our corporate clients with operations in the affected countries. Concern for victims of the war has also continued throughout the year, including with our employee donation scheme. If chose to double donations to charity organisations helping the people in Ukraine, and by the end of the year, we had together donated more than SEK 4 million.

Another initiative that I am particularly proud of from last year is that we made great progress in implementing sustainability in our underwriting. We expect our corporate clients to comply with the principles of the UN Global Compact, which include commitments to fundamental human rights, labour rights, the environment and anti-corruption. We have now assessed almost 700 corporate clients and ensured that they comply with these standards.

Great leadership has always been vital to us at If, but in the rapidly changing world around us, this is becoming increasingly important. We want our leaders to be properly equipped to make the right decisions together with their teams – with a customer perspective in mind. It is equally important for us that all our employees feel safe and included. To guide our leaders in these matters, we decided to create four guiding principles that will help

to build trust, create a strong culture, and ensure that If is an inclusive and engaging workplace. In October 2022, we launched the If Leadership Compass Program for all our 1,000 leaders, which will run for around nine months. This is a significant investment that will enable our leaders to support and motivate their teams in a way that contributes to our common direction and the fulfilment of If's strategy and vision.

One of our leadership principles is to 'Make it all about people', because it is the sum of the contributions that our people make every day that leads to If's improvements. The fact that we are at our very best when we are together became even clearer last year. The joy of returning to our offices was enormous, and I am delighted that our corridors are once again buzzing with life. It has taken some time to find the right balance between working in the office and working from home, but there is no doubt that we cooperate best when we meet face to face. That is when we build on our strong If culture, and create the best conditions for greater collaboration across the company.

I am truly proud of our joint achievements during 2022, and look forward to this being continued in the year to come. Together, we will continue to work towards the fulfilment of our ambition to actively contribute to a more sustainable society.



Morten Thorsrud
CEO, If

‘You know the feeling when you squeeze a ketchup bottle – then sudden there is a great burst!’

If's Head of Sustainability, Philip Thörn, is excited to see how the work of past years has started to pay off.

If's sustainability work from 2022 is described on these pages. How do you feel?

– I'm honestly overwhelmed by the competence and enthusiasm we have experienced at If. We have a growing number of employees throughout the company whose job description includes sustainability, and I believe this is the best way to integrate sustainability to its fullest.

What phase of its sustainability work is If currently in?

– I've really felt ‘the ketchup effect’ lately. You know the feeling, when you try to squeeze a ketchup bottle, but nothing comes out. Then all of a sudden there is a great burst of ketchup that spreads everywhere. This is how I feel about If's sustainability work at the moment; a couple of years ago we made a lot of effort in trying to start up a number of things, and now we have shifted to a phase where many of these initiatives are ongoing – and we try to keep track of all the progress that is made within If. With that said, there is no way we can ease off now – we still have much work ahead of us.

As the reader is soon about to dive into the report, what would you like to highlight?

– This year, we have been focusing on integrating sustainability into our

organisation, and making it part of our day-to-day operations. Each business area has started to investigate how they can contribute and make an impact. But to highlight some of these actions, here are my top picks from this year:

- I am very happy about the way we have implemented ESG in our underwriting. We have assessed a total of 677 corporate clients and had 19 referral cases, conducting thorough analyses of allegations and possible incidents. In two cases, we have also decided that the client will be declined insurance at the next renewal, unless their ESG rating has improved (read more on page 28).*

- One thousand leaders have enrolled in the If Leadership Compass Program this year – including me. We have now defined what is the If way to lead, and the programme consists of common sessions and private coaching. I believe this is an investment in all our employees' everyday lives, and it also makes us a better workplace, where people flourish and feel cared for (read more on page 39).*

- I would like to draw attention to our joint effort for supporting Ukraine. In March, we set up a donation-matching programme, whereby If matches all the donations made by our employees. I chose to donate to the UN Refugee Agency (UNHCR), but there were*

several different organisations one could choose to support. So far, we have donated SEK 4.1 million to different organisations operating in the Ukraine region. We will continue the programme in 2023 (read more on page 68).

What else can we expect in 2023?

– We are looking into some very interesting new services and product features, which I really think can support our customers' sustainability journeys. We are also planning several nice sustainability events for our employees in all countries, which I hope will both engage and inspire. We are also launching important initiatives on climate change adaptation, which is an area where we can contribute with our expertise in order to build a safer and more resilient society.

What do you do to become more sustainable in your private life?

– In my private life, I keep on focusing on the small, but important, changes one can make in everyday life: minimising food waste, trying new vegetarian recipes, commuting by train, and continuing to take ‘123 showers’ (read more on page 51) – a must try!

Philip Thörn
Head of Sustainability, If

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all of a



Our approach to sustainability

If provides insurance solutions for individuals, businesses and international industrial enterprises. We have approximately 3.9 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 more than 7,500 employees, and we handle more than 2 million claims every year.

Sustainability is an integral part of our core business. Our ambition is to be the most trusted insurance company, and to actively contribute to a more sustainable society. We provide social and economic security to customers, and to society at large, through high-quality insurance products. We believe our knowledge, products and services can support the transformation to a more sustainable society. As the leading insurance company in the Nordics, we hope to set an example that others will follow. We are continually strengthening our sustainability efforts, in close cooperation with our customers, employees and partners.

Sustainability as an integral part of If's strategy

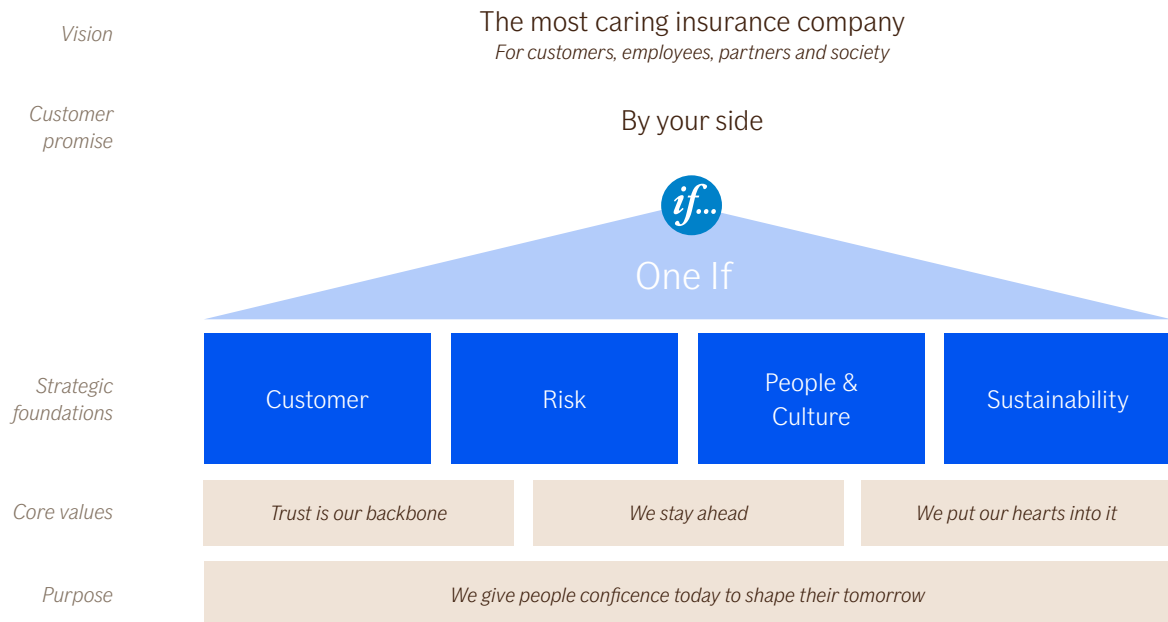
If's strategy framework consists of four strategic foundations: Customer, Risk, People & Culture and Sustainability. The strategic foundation of sustainability is based on the materiality assessment (see Materiality assessment, page 90-93) and is built on three commitments.

About If

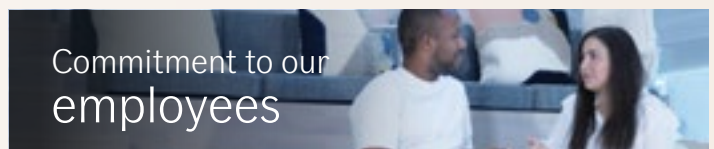
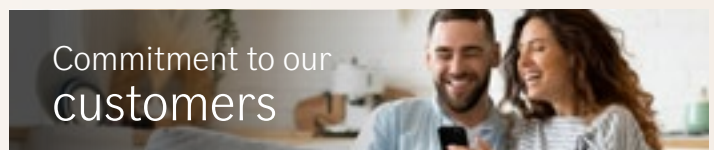
Company name	If P&C Insurance Holding Ltd
Countries of operation	Denmark, Finland, Norway, Sweden, Estonia, Latvia, Lithuania, France, Germany, the Netherlands and the UK.
Head office	Barks väg 15, Solna, Stockholm, Sweden
Services	Insurance solutions for individuals, businesses and international industrial enterprises.
Number of customers	3.9 million
Number of employees	7,630
Gross Written Premium 2022	MSEK 57,732

The strategic foundation of sustainability is based on the materiality assessment and is built on three commitments.

One If strategy framework



Our three commitments



Our three commitments

Commitment to our customers

We provide state-of-the-art loss prevention services that reduce risk and economic cost, increase safety, and decrease the environmental impact. The most sustainable claim is the one that is avoided altogether. Our priority is to help our customers to manage risks, including climate-related risks, and to provide support when accidents occur.

When something happens, we help our customers to rebuild and recover, and we make sure that claims are handled in a sustainable way. If's aim is to encourage and support our suppliers and partners in their efforts to use more sustainable methods in their operations. Our strict requirements, in combination with close cooperation with our suppliers and partners, enable us to develop our business while also contributing to a more sustainable development.



We excel in responsible business practices, and provide insurance products and services with a focus on quality, transparency and efficiency.

If expects corporate clients to respect international norms and conventions on human rights, labour rights, the environment and anti-corruption, as defined in the UN Global Compact. We aim to be a responsible and active owner, and incorporate Environmental, Social and Governance (ESG) factors into our investment operations. We believe that high ethical standards are essential to ensuring the long-term success of the company.



Commitment to society

Commitment to our employees

We provide a healthy, safe and attractive work environment for all employees. A sound work environment ensures physical safety, with regard 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 the non-tolerance of discrimination or harassment.

We provide a diverse and inclusive work environment where everyone is treated fairly and equally. We are

committed to providing a non-discriminatory, open and agreeable work environment, where everyone is treated fairly and equally regardless of gender identity, ethnic group, religion, national identity, 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.



We provide environmentally friendly workplaces, which enables our employees to minimise their environmental footprint. We are continually working on 'greening' our offices and making them more sustainable. Environmentally friendly alternatives should be prioritised when procuring office supplies and services. In order to reduce business travel, If focuses on 'meeting instead of travelling' and provides state-of-the-art virtual meeting opportunities.

We adhere to good corporate governance and transparency. If is committed to the UN Global

Compact principles on human rights, labour rights, the environment and anti-corruption, and we work to make these principles part of our strategy, culture and day-to-day operations, and we engage in collaborative projects that advance the UN Sustainable Development Goals. If strives to ensure transparency and mutual respect in relation to inspectorates and supervisory authorities, as well as other public authorities.

We contribute with our expertise in risk management to the building of a more resilient society. Sharing

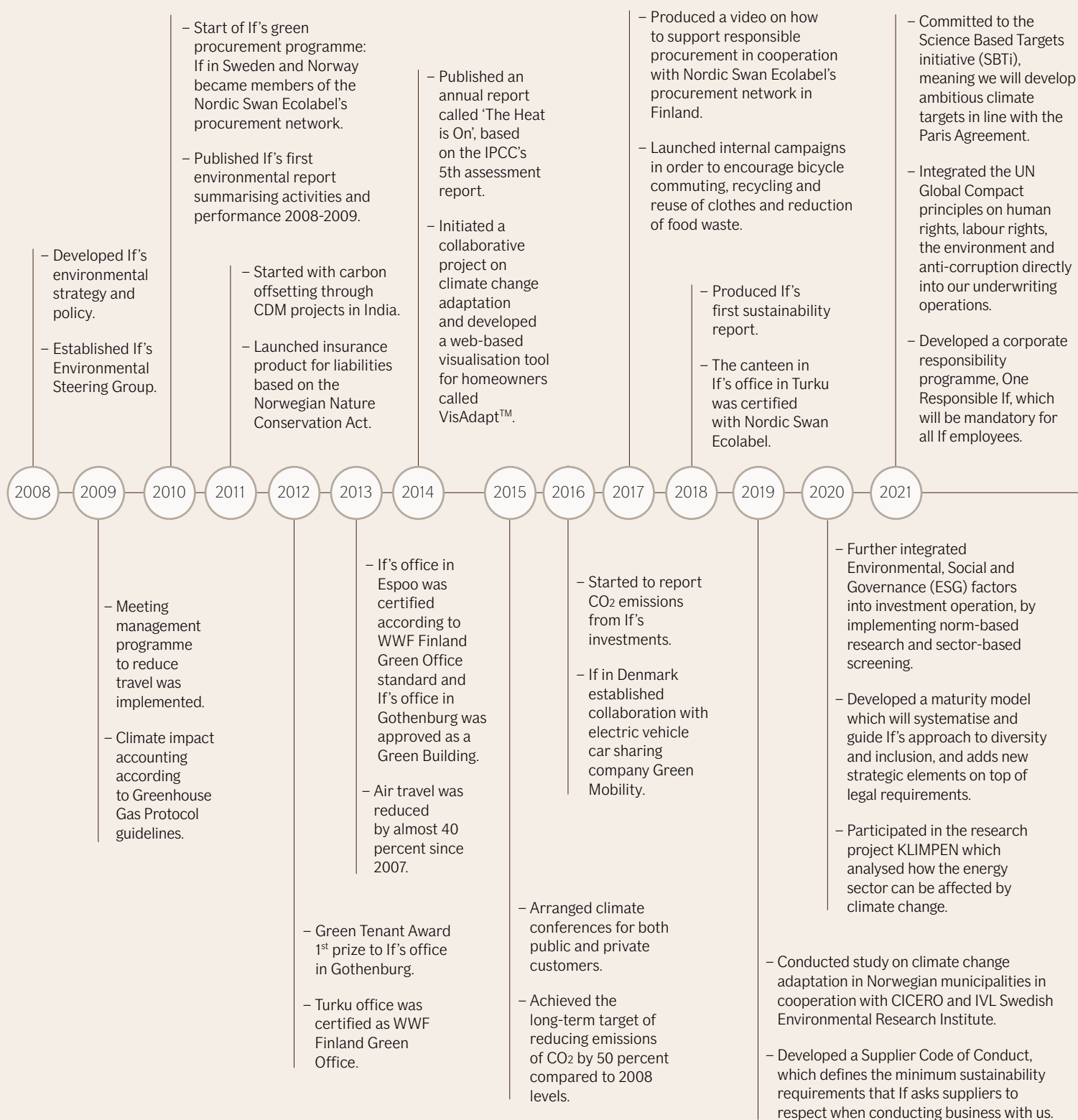
our knowledge and insights is an important part of our interaction with our key stakeholders and with society at large. We participate in relevant research projects that link to our expertise and knowledge in risk management, and that aim to build knowledge on how to reduce risks and increase societal resilience. We consider it our responsibility to support and encourage the local community.

We support the transformation to a low-carbon society. Climate change affects us all, and it therefore

requires long-term solutions that actively involve the insurance industry in partnership with other stakeholders. Our aim is to continually reduce our own emissions, and to encourage our partners and customers to reduce theirs. We are committed to science-based climate targets, which are in line with what the latest climate science deems necessary in order to meet the goal of the Paris Agreement, which is to limit global warming to well below 2°C, preferably 1.5°C, compared to pre-industrial levels.

Our sustainability journey

2008-2021



Highlights 2022

Commitment to our customers

Commitment to our employees

Commitment to society



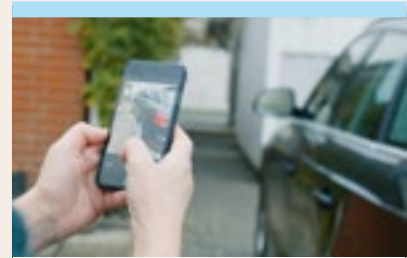
Our Espoo office received the

WELL Platinum Certificate,

which is the highest level of WELL certification, for health and well-being.



Completed approximately **30,000 house assessments,** where we provided homeowners in the Nordic countries with guidance on how to prevent damage.



Conducted almost **53,000 photo inspections,** instead of inspections at a vehicle repair workshop.

2022

A linguistic research study

was conducted among a number of employees, examining their experiences of working in a linguistically diverse workplace in order to identify inclusive language practices.



To further embed what Leadership the If Way means, If's Leadership Compass Program was launched in October 2022, with more than **1,000 leaders taking part.**

A total of **677 corporate clients**

were assessed to establish whether they respect commitments to human rights, labour rights, the environment, and anti-corruption.



If has initiated a collaboration with the Swedish Heart-Lung Foundation to set up a crowdfunding platform to provide

defibrillators in residential areas.

Almost **93% of all employees**

participated in the new corporate responsibility programme, One Responsible If.



If has more than **SEK 12 billion**

invested in green bonds, which are specifically earmarked to be used for climate and environmental projects.

Customers

- 1 — Managing risks together
- 2 — Ensuring claims are handled in a sustainable way
- 3 — Responsible business practices

Commitment to our customers

We provide state-of-the-art loss prevention services that reduce risk and economic cost, increase safety, and decrease the environmental impact.

When something happens, we help our customers to rebuild and recover, and we make sure that claims are handled in a sustainable way.

We excel in responsible business practices, and provide insurance products and services with a focus on quality, transparency and efficiency.

Learning from natural hazards to reduce impact on customers

Natural hazards will always be here. But with our Natural Hazards Competence Centre, we can better understand risks and help our customers to reduce the impact in the event that something happens.

Almost every day there is a flood, a storm or a natural hazard event somewhere around the world. As an international insurer with large customers all over the world, we often have customers that are affected, whether by a flooding event in Europe or a storm in Central America.

– We work very actively with nat-haz, as we have clients all over the world, says Fredrik Holmqvist, using the abbreviation for ‘natural hazards’ that is commonly used among risk engineers with expertise in this field. Fredrik Holmqvist is the Head of Property Risk Management Services in Denmark and International.



Fredrik Holmqvist

If is now reinforcing our overall approach to the risk assessment of natural hazards. The goal with our Natural Hazards Competence Centre is to increase the expertise level in the field of natural hazards within If, and also to support our clients and to provide actions that can reduce their nat-haz risk.

Working to reduce impact

To achieve this, we have organised our people and competencies so that we can easily collect information to facilitate in-depth risk assessment of our clients’ natural hazard exposures.

– If a client builds a new factory, we can map the severity of the risk of natural hazards in that particular location. We can address flood exposure, and we can support business continuity plans for how a company should prepare and act during and after an emergency. Prevention can be built into the structure of a site, explains Holmqvist.

– All over the world, we as societies are expanding our cities and building more and more on perhaps less favourable grounds. People like to live where the weather is warm, but those areas can also be susceptible to hurricanes and typhoons. We like to live close to the water, but that is where there is exposure to flood and wind. Another megatrend with nat-haz exposure is the greening of the economy. The solar and wind energy parks

needed for this transition are often located in natural hazard areas. The energy sector needs to build and secure these assets in a good way, and the insurance industry is part of this equation to support the safe construction and operation of these risks.

The goal with our Natural Hazards Competence Centre is to increase the expertise level in the field of natural hazards area within If.

Identifying vulnerabilities can reduce environmental impact

Helping customers to prepare for these events also means reducing the potential impact on the environment that could be caused by the destruction of buildings and equipment, not to mention the harm that could be inflicted on people and the local habitat.

– There is not much we can do about catastrophic natural events, but smaller natural hazard events can also cause damage. For example, a transformer that is not properly restrained can topple over as a result of vibrations caused by an earthquake, thereby disrupting production and local energy supply. But if we can identify these vulnerabilities and help the clients to improve their preparations, they can prevent or minimise damage, explains Philip Preston, who is a risk engineer in the Danish team.



Philip Preston

– Climate change will have a significant impact and will affect our customers, increasing their need for preparedness and planned responses. We can teach our risk engineers what they should be aware of when surveying customer sites. This will be beneficial for the client, and also for the community to which they belong.

1 Managing risks together

As an insurance company, we work with risk, safety and protection every day, and we know which solutions increase the safety of our customers. We provide state-of-the-art loss prevention services, which reduce risk and economic cost, increase safety, and reduce environmental impact. The most sustainable claim is the one that can be avoided altogether. Our priority is to help our customers to manage risks and to provide support when accidents occur.

Risk management services for major corporate clients

If has approximately 1,200 major 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 in order 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 preventive measures, which could, for example, reduce fire and climate-related risks. As part of the field work, our risk engineers make assessments and advise our clients on natural hazards, such as coastal flooding, tornados, hailstorms and wildfires. Following the on-site surveys, our risk engineers provide the clients with thorough loss prevention reports, including concrete risk improvement recommendations. We also advise clients to take proper mitigating actions during and after natural catastrophes, such as using checklists for actions when a natural catastrophe is approaching. If has approximately 45 of its own property risk engineers, as well as access to an external worldwide risk engineering cooperation network. Within a normal year, our property risk engineers spend more than 1,300

days providing on-site risk management services to our corporate clients. During the COVID-19 pandemic, several on-site surveys were replaced by remote surveys. From the second half of 2021 and onwards, the survey work began to return to normal in most parts of the world. However, the remote survey practices, which were adopted during the COVID-19 lockdowns, are something we will continue to use in the future to enable us to reach even more of our clients' locations. A combination of on-site surveys and remote surveys has proven to give a good communication platform with our clients.

Risk management services for small and medium-sized clients

If has approximately 360,000 small and

medium-sized (SME) corporate clients, of which 25 percent own buildings that are insured with If. Some of our customers submit claims every day, but an absolute majority of these can be categorised as 'smaller' claims, such as a minor water leak. However, the aggregated effects of these claims are substantial. Each claim that can be avoided helps our customers to reduce costs, increase safety and reduce their environmental impact. By reducing the amount of building material that is destroyed or equipment that needs to be replaced, we reduce the number of new items that need to be produced and transported.

Fortunately, larger claims are more uncommon – every year, we have around 70 claims that are categorised as large



Risk Consulting Magazine

If's Risk Consulting Magazine is a stakeholder magazine that covers 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 institutions. The articles and magazines are also available online. Risk Consulting Magazine often reports on climate-related risk. In addition, we publish a wide range of hazard information sheets, which give concrete advice about various areas of loss prevention, such as photovoltaic systems (solar panels) on roofs, snow loads on roofs, parking and charging electric vehicles, and li-ion batteries.



Natural Hazard Competence Centre

Our internal Natural Hazard Competence Centre aims to increase our competence and expertise with regard to natural hazards. As part of this, we offer our clients a service to tag and monitor insured property locations worldwide using 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 e.g. a severe tropical storm is developing, we and the clients can zoom in to the affected area and identify the locations that are at risk. We also contact our clients directly to inform them about recommended actions prior to and after severe events.

(i.e. more than MSEK 5 in claims cost), and most of these are due to fires. Fortunately, human lives are seldom lost, but the impact of a fire can still be substantial, for our client as well as for the environment. Even if we cannot prevent all fires, detecting them early and/or limiting them is crucial. We work closely together with our clients in particularly fire-prone industries (such as wood, power/heating and food production), which account for almost one third of our larger claims. Our priority is to make sure that as many of our customers as possible have fire alarms and sprinklers installed – measures that have proven invaluable in the prevention of large fires. To help our customers to avoid claims, we not only focus on the fire-prone segments but also provide loss prevention services

that can prevent several different types of damage.

During 2021 and 2022, all employees who work directly with clients were provided with tailor-made training for risk advisors. We are also striving to improve the digital risk management work for those customers with whom we do not meet or talk to. We do this by using digital channels and leveraging our logged-in solutions in order to reach customers with tips about how to avoid claims, as well as informing them of the environmental effects of changing their behaviour.

House assessments for private customers

Together with our partner, Anticimex, we offer house assessments to private

Total number of house assessments*

Target 2023	2022	2021	2020
249,000	214,000	184,000	158,000

* Total number of completed house assessments since 2012 in all Nordic countries.

House assessments per country

Country	2022	Total 2012-2022
Sweden	13,142	70,678
Finland	4,535	28,164
Denmark	N/A	709
Norway*	12,120	114,468
Total	29,797	214,019

* The concept was launched first in Norway, which is why total numbers are higher in Norway than the other Nordic countries.



If Building Check

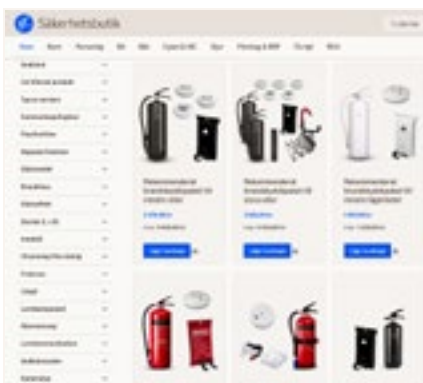
In 2022, based on the positive experiences with the house assessment for private customers, we started offering the If Building Check for small and medium-sized (SME) clients that own residential buildings in Norway. Following a physical inspection, our clients get valuable help to identify where maintenance and fire safety measures are most needed – a first and accessible step towards taking action. Both customers receiving the If Building Check and our larger SME customers, whom we often meet face-to-face (for example, when visiting their facilities), receive hands-on advice that makes them aware of risks, including climate-related risks, and suggestions for mitigating actions. The If Building Check is offered once every fifth year.



Green Energy Strategy

Green energy is not a new area for If – we have been underwriting risks connected to wind and solar energy for more than 10 years. However, due to the increased focus on green energy solutions in the global market, If has also increased its focus. In 2020, a new Energy Competence Centre was established for the purpose of supporting the underwriting process, risk management process and claims process with its expertise. In 2021, a task force was established to ensure that we have a clear approach to green energy for the future. The task force outlined our new Green Energy Strategy. According to this strategy, we will continue to be a stable and active partner to our Nordic clients globally, and we will

support them as the market and the technology develop. In 2022, a Nordic internal process was set up to make the best use of our resources within underwriting and in our competence centres, in order to provide our clients with the best possible expertise. Special emphasis was placed on understanding the technological developments in green energy, so that we can be a relevant and consistent insurance partner for large corporate clients with new innovations. We have also focused on increasing our resources within the area of green energy, to further develop our expertise.



Safety shops

In all Nordic countries, If has good offers on equipment to support their clients in loss prevention. Examples of products made available at special prices to If's customers include alarms, locks, smoke detectors and fire extinguishers. The product range varies in the different markets, according to local needs and competition. If also offers car child seats for rental, making it possible to reuse the seats several times, thereby reducing the environmental footprint. The purpose is to have competitive offers of high-quality loss prevention products that complement the insurance solutions. More than 400,000 customers visit the safety shops every year, and many of the products have won quality tests conducted by consumer organisations and the media. The total turnover in the shop is approximately MSEK 18 per year.

Reducing risks and emissions

According to a study conducted by Insurance Sweden, preventive measures not only lead to reduced risk of damage, but also reduce greenhouse gas emissions. The average amount of CO₂ emitted from a household fire is 25 tonnes, whilst the amount of CO₂ emitted from water damage is 300 kg. Water damage is one of the most common forms of damage that our customers experience.

customers who own their house and hold top-level coverage insurance policies. The house assessments provide the customer with a report that helps them to both plan the maintenance of the property and minimise the risk of unpleasant surprises, including climate-related damage. Customers can have a house assessment conducted every fourth year. Since 2012, more than 210,000 house assessments have been completed in the Nordic countries. In 2022 alone, around 30,000 houses were inspected, which is an increase of around 15 percent compared to the year before. We expect this development to continue as a result of the increased focus on this offering in customer communication going forward. Our target is to conduct 35,000 house assessments in the Nordic countries in 2023.

According to our statistics, homes that have been subject to house assessments have a lower risk of damage (especially water and fire damage) than homes that have not been assessed. The main purpose of the service is to prevent damage from occurring, but it also has a positive environmental impact, as a reduction in damage also reduces the need for repairs or rebuilding. In 2020, If commissioned IVL Swedish Environmental Institute to investigate the environmental benefits of the house assessment scheme in Sweden and Norway. According to IVL's calculations, the aggregated effect from all the house assessments that had been conducted in Sweden and Norway by December 2020 was equivalent to a reduction in CO₂ emissions of 2,630 tonnes, which corresponds to the avoidance of 14 million km of car driving.

As part of the inspection, customers receive a maintenance plan, which is prioritised according to the degree of urgency. When action needs to be taken, customers are referred to If's quality assured partners. Furthermore, cooperation with the Nordic Swan Ecolabel has been introduced in the Norwegian reports, where customers

are advised on the use of Nordic Swan Ecolabelled material.

Going forward, we are planning to develop a digital, low threshold version of the home inspection, which will work in parallel with the physical service. The purpose is to reach out to even more customers with loss prevention and maintenance advice.

Our Nordic websites also offer advice regarding loss prevention to all our customers. In 2022, our 'Tips & Advice' pages, where for example information on how to prevent fires and water damage in the home is readily available, had more than 600,000 page views.

Loss prevention services in the Baltics

Many of the most common types of claims cases could be prevented by basic loss prevention measures and knowledge about how to act if an accident occurs. Against this background, If proactively communicates easy-to-understand tips and advice on loss prevention every year, using press releases, content marketing activities, social media and websites. The tips and advice usually receive substantial media coverage, resulting in multiple articles, TV appearances and radio interviews in the Baltic countries. We plan to undertake the development of various tools for our customers, so that they can test their home security, for example. Developed tools will be distributed to our customers via our websites.

Every year, If's risk experts in the Baltics visit around 650 corporate clients in order to conduct on-site risk assessments of, for example, the clients' real estate or production facilities, and to advise them on how to avoid accidents. Every day, we discover various risk areas or potentially dangerous places that our customers had not been aware of. Several risks can be avoided when we work proactively with our clients, and these services are very

much appreciated by our customers. In 2023, we would like to further expand this work, looking more closely at small and medium-sized enterprises (SMEs). Our aim is to also focus on SME site assessment in the Baltic countries. As part of this, we would like to introduce a self-assessment tool for SMEs that has been developed in If's Nordic units.

Mobility

Coaching and incentivising drivers to improve their habits has been identified as the area within automotive insurance with the greatest potential for making a difference. With data from cars and car usage becoming more readily available, we are looking into ways in which we can incentivise drivers to be safer. Usage Based Insurance (UBI) programmes utilising data from cars and smartphones can enable us to identify the potential for improvement for each individual driver, and even offer the right incentives to improve driving behaviour. We are learning from our sister company in the Sampo Group, Hastings Direct, and their successful YouDrive programme about how to create UBI products that help the customers improve their driving habits. Safer driving is more sustainable, both

offerings to the sharing economy and new mobility providers. In 2022, we insured journeys of more than 25 million kilometres driven in peer-to-peer shared cars². These shared cars allow thousands of customers to not own their own cars, which reduces the number of unnecessary trips and even the need for parking spaces in urban areas. It also reduces the number of cars in traffic, which is beneficial from a road safety perspective. Because the cars are distributed throughout the city where people live, the collection and return of the vehicles is also efficient. For many years, we have had partnerships with startup clusters such as StartupLab and Antler, and have worked closely with startup companies that develop sustainable products and services in the mobility industry, such as enabling the reuse of car batteries.

We collaborate closely with our automotive partners in order to improve vehicle design by providing feedback on the effect of advanced driver assistance systems (ADAS). We leverage our large market presence and the quality of our claims data with our partners' data about what their cars are capable of, which enables us to understand the extent to which the safety systems work

We are learning from our sister company in the Sampo Group, Hastings Direct, and their successful YouDrive programme about how to create UBI products that help the customers improve their driving habits.

by avoiding accidents and because safe driving habits are also more efficient, resulting in less unnecessary fuel consumption. Estimates show that the combined effects of safer and more efficient driving could account for as much as one tonne of CO₂¹ per driver, per year.

In the Mobility area, we support the better utilisation of the Nordic car fleet by means of our customised insurance

as intended. By evaluating ADAS, we can verify their real-world performance, and better understand the extent to which they prevent crashes and injuries, thereby identifying effective road safety measures. By processing information from insurance claims, we can acquire a deeper understanding of accidents involving vulnerable road users (see also Commitment to society, page 66).

Personal risk and health

We make sure that all private customers and employees, within the 195,000 companies that are covered by our personal insurances, are correctly insured and that we support them through different life stages. We support our private individuals and companies with economic safety in the event of an accident, sickness or death, but we are also focusing on risk prevention and good health and wellbeing for our customers.

Through our health insurances, we help our customers with counselling if they are worried, if they have questions regarding their health or if they face health issues. We also offer high-quality treatment and surgery without delay if they suffer from illness or non-acute injury. The early interventions through Health Insurance decrease the risk of long-term sick leave and stimulate health and well-being. In the Nordics, we are proactive and cooperate with various suppliers to provide digital preventive services within counselling, mental health and self-care guidance.

We at If continually improve our solutions, and we are currently investigating how we can further improve our personal risk and health services in order to act as a proactive and trusted advisor to our customers, employers and private persons, helping to ensure that they receive the support and knowledge they need in order to stay healthy. We also focus on how we can best provide our customers with preventive health services, within mental and physical health, in order to detect, treat and prevent sickness and injury at early stages, and to secure financial stability in the meantime.

Since autumn 2021, If in Sweden has collaborated with the Swedish Heart Lung Foundation, which is a charitable fundraising organisation. The aim of this collaboration is to increase the number of defibrillators in residential areas (see also Commitment to society, page 67), to save more lives. ■

¹ https://www.researchgate.net/publication/347755741_The_Effect_of_Aggressive_Driving_on_Vehicle_Parameters and <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle>

² Internal figures from peer-to-peer car sharing policies

2 Ensuring claims are handled in a sustainable way

Sustainable consumption and production are about ‘doing better with less’ – making it possible to both increase net welfare and improve quality of life by means of economic activities, while also reducing resource use and environmental footprints. This also involves encouraging companies to act responsibly – for example, by respecting human rights and labour rights. Today, an increasing number of suppliers can provide clean and environmentally sound services and products. Our aim is to ensure that we help our customers to rebuild and recover, and to ensure that claims are handled in a sustainable way. We encourage and support our suppliers and partners, which are of central importance in our claims handling, in their efforts to use more sustainable methods in their operations.

Encouraging and supporting our suppliers

If is a major procurer of goods and services, especially in claims handling, and we have an impact on the economy, environment and people. In claims, for example, we have an impact with regard to material use, transportation

and energy. We are committed to encouraging and supporting our suppliers and partners in their efforts to use more sustainable methods in their operations. By actively requesting innovative solutions, resource efficiency, transparency and responsibility from our suppliers, we aim to minimise our negative impact and stimulate sustainable production and consumption. Strict requirements, in combination with close cooperation with our suppliers and partners, enable us to develop our business while also contributing to more sustainable development. We believe that committing ourselves and our suppliers to complying with high ethical standards, and encouraging and supporting our partners’ work on human rights, labour rights and anti-corruption, are crucial for long-term progress. We, and our suppliers and partners, always strive to minimise the consumption of energy, water and raw materials in our operations, and to reuse and recycle as much as possible. Reducing material use often goes hand in hand with savings in both money and time.

If’s Supplier Code of Conduct, which is part of our Sustainability Policy, defines the minimum requirements that we expect suppliers to respect when conducting business with us. The Code covers the following areas of sustainability: human rights, labour rights, the environment and anti-

Total (%) suppliers in claims which have signed If’s Supplier Code of Conduct

Target 2023	2022	2021	2020
99%	97%	87%	40%

Total (%) suppliers in claims* which have signed If’s additional environmental requirements

Target 2023	2022	2021
>95%	82%	53%

* Property and vehicle repairs contractors in the Nordics

If Employee Photo shoot, Oslo. Photo: Espen Wallin



If Supplier Code of Conduct

Based on UN Global Compact

- Human rights
- Labour rights
- Environment
- Anti-corruption

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 (this applies to both new agreements and agreements that are to be renewed). The Nordic and Baltic procurement managers in claims handling, the head of premises, purchasers in group services and the legal counsels have received training on implementation of the Code. We have also developed and tested an e-course that presents and explains the Code for suppliers. The e-course is available in all Nordic languages. Our target is that 99 percent of our suppliers in claims will have signed the Code by the end of 2023³. Currently, approximately 97 percent of our suppliers within claims have signed the Code.

We cooperate closely with our suppliers, and we conduct regular monitoring, by means of reporting and physical meetings, to ensure that they comply with our requirements. We have developed a self-assessment questionnaire (SAQ) for suppliers. The SAQ is part of our approach for assessing a supplier’s compliance with our Supplier Code of Conduct. The SAQ was tested in autumn 2021, and in spring 2022 our property and vehicle repair contractors

were invited to participate in a survey. In the event of any identified deviations from the Code, the supplier will be asked to provide a corrective action plan for If to approve. If reserves the right to terminate contracts with the supplier in the event of material breaches of the responsibilities outlined in the Code and the underlying conventions and declarations.

In 2022, we developed a due diligence process, in accordance with the OECD Guidelines for Multinational Enterprises, in order to identify, prevent and address potential adverse impacts on human rights, labour rights, the environment and anti-corruption associated with our supply chains and business partners (see Commitment to society, pages 61-62).

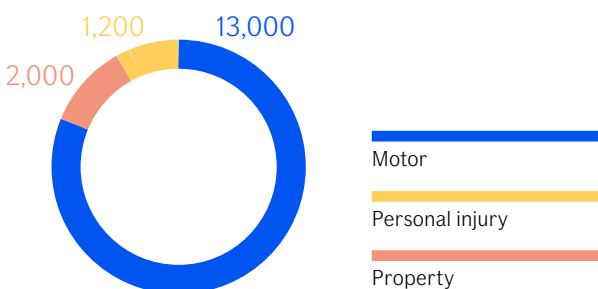
Claims handling

During 2022, If procured products and services as part of claims handling worth more than SEK 16 billion. Together with our partners and suppliers, we handled 685,000 cases of vehicle damage, 496,000 cases of property damage and 617,000 cases of personal injury claims. If’s claims handling contractors⁴ are required to comply with If’s Supplier Code of Conduct, and they must, for example, ensure the fair and equal treatment of all employees, take appropriate measures to protect privacy rights and secrecy, promote the development and use of environmentally friendly technologies, and compete in a fair and honest way.

Self-Assessment Questionnaire (SAQ)

We have developed a self-assessment questionnaire (SAQ) for suppliers. The SAQ is part of our approach for assessing a supplier’s compliance with our Supplier Code of Conduct. In spring 2022, the SAQ was provided to 919 property and vehicle repair contractors. In total, 461 contractors completed the whole survey, which corresponds to a response rate of 50 percent. An additional 115 contractors completed parts of the survey. The responses to the survey are currently being analysed. A majority of contractors provided satisfactory answers in the survey. Some contractors, however, provided unsatisfactory or possibly unsatisfactory answers. As a next step, these contractors will be contacted and asked to provide complementary information. In the event that the information provided remains unsatisfactory, this will be followed up by conducting site visits. In the event of any identified deviations from If’s Supplier Code of Conduct, the supplier will be asked to provide a corrective action plan for If to approve. If reserves the right to terminate contracts with the supplier in the event of material breaches of the responsibilities outlined in the Code.

Procurement in claims (MSEK), 2022

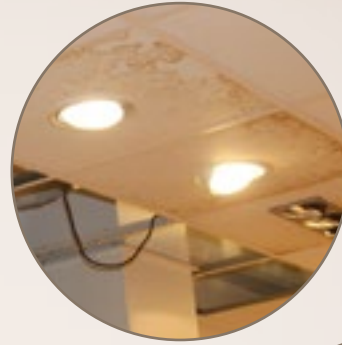


³ Our target is that suppliers responsible for 99 percent of the total volume we procure in claims will have signed the Code by the end of 2023.

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

A change of mindset in claims – using spot repairs

To reduce emissions from our daily operations, If's claims handlers in the property segment are making changes to reuse and repair more materials. Many customers welcome the change: 'This is the right thing to do', says one homeowner after the spot repair.



When a water pipe became damaged in an open-plan apartment in Moss, south of Oslo, in December 2021, water trickled out onto the parquet floor in the kitchen. A small part of the parquet swelled visibly on the kitchen floor.

Saving material means saving emissions

There were no doors between the kitchen and the living room in the modern apartment, and the open-plan design meant that the parquet floor formed one huge and coherent surface between the living areas.

As the damage from the leakage only affected an area of 2.5 m², If's claims expert chose to reuse parquet from a bedroom in order to replace the damaged parquet on the kitchen floor, and then replace the parquet on the bedroom floor. Instead of replacing the whole 30 m² of parquet flooring, the parquet could be kept with a minor repair, and the 6.9 m² bedroom was given a new floor.

– This was the right thing to do. The floor is huge, and only a small part of it was damaged. The rest of the floor was totally fine, explains the homeowner, Tor Brøndstad.

The solution also saved emissions: there was less need for new parquet, less old parquet that needed to be removed, and less transporting of goods and people between locations. For the customer, the process was faster than it would have been to remove and replace the whole floor.

– I was pleasantly surprised by this solution, and I am happy with the way in which the problem was solved. We were abroad when the damage occurred, and by the time we got home, everything had been fixed, says Brøndstad.

Removing 51 tiles instead of 250

Øyeoptikk Teigland is an opticians located in a shopping centre outside Bergen in Norway. A water damage had left the store with a stained ceiling, with brown spots showing where the water had trickled through. As the spots were spread around the ceiling, 25 of the 250 tiles were damaged, and the rest were in good condition.

Used ceiling tiles have a different shade of colouring than new ones. To replace only the 25 damaged tiles was theoretically possible, but it would have given the ceiling an uneven appearance. In this case, it was possible to reuse ceiling tiles from smaller, adjacent rooms, such as the storage room or the staff room in the shop. Instead of replacing the whole ceiling and all of its 250 ceiling tiles, only 51 tiles needed to be replaced.

– I think this is a good way to rectify damage, in terms of both sustainability and expense, says Annette Lindgren, who is managing director at Øyeoptikk Teigland.

Because the customer already had planned a renovation of the ceiling, she chose a different solution in the end, reusing tiles from the shop in adjacent rooms and renewing the shop ceiling.

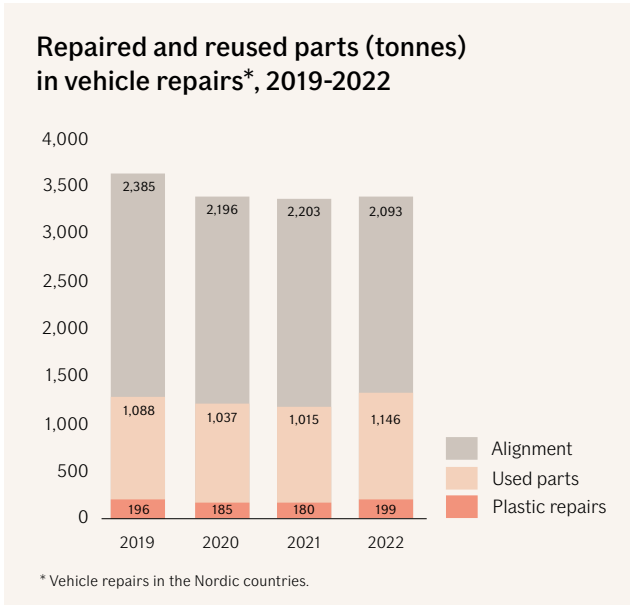
Astrid Folkvord Janbu is Head of Property Claims at If. She is confident that spot repairs will be used a lot more in the years to come.

– We want to support and help our customers when they have experienced damage or loss. Sustainability is part of our strategy at If, and, as a responsible actor, we must lower emissions and limit waste. New material is one of the greatest sources of CO₂e emissions in property repairs, and also results in increased waste. Limiting the consumption of new material is key, she says.



Astrid Folkvord Janbu

– Spot repairs help us to achieve reduced material usage and limit waste, and this is also becoming a much more common way to handle repair cases. Customers understand why we do this. With almost half a million cases of damage or loss related to home and property each year, we know that our choices have an impact, says Janbu.



Our property and vehicle repair contractors are not only required to comply with If’s Supplier Code of Conduct, but they must also comply with our sector-specific Additional Environmental Requirements (AER), which are incorporated into the purchasing agreements. These additional requirements cover the following areas: transportation, energy usage, material usage, water usage, handling of chemicals and hazardous substances, and waste handling. Our priority is to ensure that waste and materials from repair processes are managed in the best possible way, and we encourage our contractors to minimise their consumption of resources and materials, and to reuse and recycle as much as possible. During 2020, we reviewed and updated our property repair requirements, and our requirements for vehicle repair contractors were updated in 2021.

Property repairs

In the Nordic countries, we cooperate with more than 1,200 property repair contractors, who perform the initial inspection and undertake repairs for claims that are reported to If. The Additional Environmental Requirements (AER) for property repair contractors include requirements to repair more, reduce material usage, demolish less and increase remote work using

video and sensors. They also include requirements for material to be sent directly to the claim site in order to reduce transportation, when available use material with environmental certification, and increase the use of electric and hybrid vehicles.

Two mobile tools, In4mo and MEPS, make it possible for contractors to digitally report and calculate 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. Our aim is to end up with one common Nordic tool during 2023, and to link this even more to sustainability measuring and reporting.

In 2022, we recycled more than 10,000 tonnes of waste from damaged properties in the Nordics. During the COVID-19 pandemic, through good cooperation with our customers and partners, we managed to provide good quality property claims services. Against this background, we are certain that we will be also able to handle the current increased cost levels of transport, energy and building materials in a controlled way. We are continuously seeking to find new ways to reduce

If’s contractors for property repairs are required to (examples):

- Comply with If’s Supplier Code of Conduct and additional environmental requirements.
- Document results and report to If on a regular basis.
- Develop and implement an environmental plan to reduce environmental impact.
- Minimise transportation.
- Use low-energy equipment and machinery.
- Choose locally produced materials, where available.
- Process documentation and report using If’s project documentation tools.
- Ensure that materials are, as far as possible, reused or recycled according to the waste hierarchy.
- Use If’s recommended supplier of waste management services in the respective country.

Video calls in property repairs

Target 2023	2022
>7,000	1,667

If’s contractors for vehicle repairs and dismantling are required to (examples):

- Comply with If’s Supplier Code of Conduct and additional environmental requirements.
- Document results and report to If on a regular basis.
- Minimise transportations.
- Make use of photographic inspection, where possible.
- Use low-energy equipment and machinery.
- Increase the share of electric vehicle (EV) rentals.
- Increase the usage of reused and recycled materials (e.g. glass repairs, used parts, plastic repairs and alignment).

Photo inspections in vehicle repairs*

Target 2023	2022	2021	2020
>62,000	52,764	31,965	8,900

* Photo inspections in the Nordic countries.

material use, increase reuse and recycling, and minimise waste.

We are implementing a video tool in customer communication, both for claims advisors within If and for partners handling claims. The tool is provided to better understand the claim situation of the customer, to improve claims handling, to reduce waste, to assure the correct usage of terms and conditions and improved advice during the claim. This tool will improve customer communication, decrease transport, and contribute to an overall improved sustainable claim handling.

Vehicle repairs

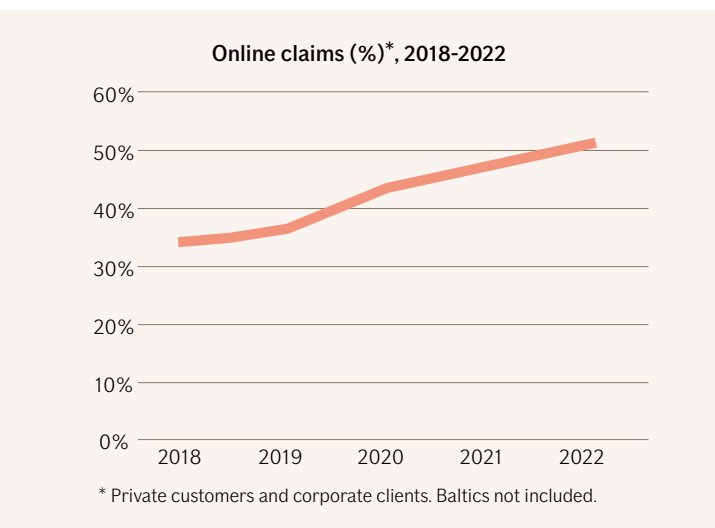
In the Nordic countries, If has approximately 3,000 contractors that perform vehicle repairs. We cooperate closely with these contractors, and we conduct regular monitoring, by means of reporting and physical meetings, to ensure that they comply with our requirements. The Additional Environmental Requirements (AER) for vehicle repair contractors include requirements to repair, instead of using new parts, and to reuse spare parts. We have also set expected levels of plastic repairs and used parts, and these are monitored and reported regularly. As a consequence, our contractors reuse thousands of tonnes of metal and plastic each year, instead of using brand new spare parts. In 2022, 3,438 tonnes of metal and plastic were reused. Contractors must document repair processes and methods in the repair calculation systems. The amount of reused and recycled spare parts is reported monthly. The vehicle repair contractors are also required to make use of photo inspections, where possible, and to increase the share of electric vehicle (EV) rentals. In 2022, we conducted almost 53,000 photo inspections, instead of inspections at a vehicle repair shop. An estimated 2,110,560 km of driving was avoided in this way, as the average distance to a vehicle repair shop is 40 km.

If rewards customers with reduced deductible levels if they choose to repair minor instances of damage to their windscreens instead of replacing them. Every year, we repair approximately 85,000 windscreens in the Nordic countries. The repairing of windscreens saves approximately 43 kg CO₂ per repair⁵. We believe that similar savings can be achieved by also using simplified repairs to car bodies for smaller claims, and we are actively working with our customers and repair partners to increase repair rates. For larger claims, we can see that it might be reasonable, both from an economic and environmental perspective, to repair cars even when the cost of the repair approaches the cost of replacing the vehicle with a new one, which has previously been common practice. We are committed to finding ways in which we can work together with our customers to choose the right type of repair for each damaged car, considering both economic and environmental factors. For vehicle damage, we make use of AI-based technology (i.e. image recognition) to increase the share of automations as well as the accuracy and quality of the damage appraisals. We also make use of digital services to steer customers towards preferred partners – i.e. contractors who conduct repairs with high standards in terms of responsible business practices and the environment.

We are also working to increase the amount of parts that are reused from old vehicles. One example of this is If’s involvement in Project Bumper, in cooperation with Mobility Sweden, Volvo Cars and Volkswagen. This project investigates the possibility of recycling plastic from car bumpers, which is then reused to manufacture 3D-printed chairs. As a spinoff from Project Bumper, we use the same plastic raw material to mould new registration plate holders in a project called The Sign.

Personal injury claims

Personal injury claims help to secure

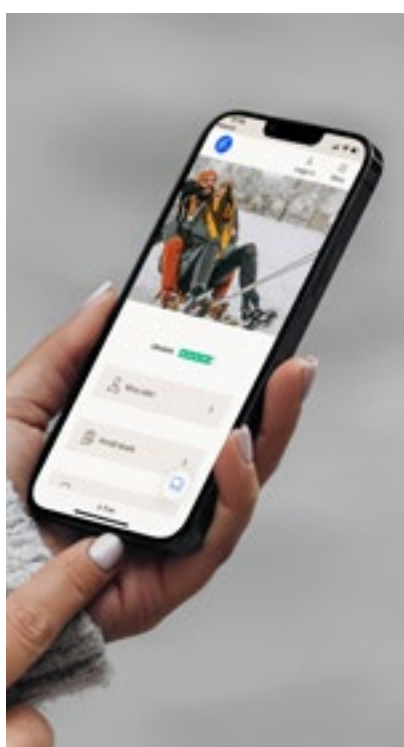


our customers' financial situation in the event of illness or injury, helping them to recover with the help of healthcare providers. In 2022, we continued to develop our digital services in order to find and organise the appropriate care. We have increased the use of remote doctors, and have also started to offer remote doctor services for customers travelling abroad. Digital services are complemented by claims advisory, medical advisory and supporting services, such as legal help, to ensure our customers get the support they need to recover. We also have major social responsibility, and we play an important role in the Nordic countries' welfare systems by providing regulatory insurance for workers' compensation and traffic accidents, where we provide financial compensation, care and rehabilitation.

Digital claims services

If has introduced a new claims process for major corporate clients and brokers via the online If Login portal. The aim of the service is to increase transparency and further simplify the claims handling process for our clients. The claims handler and the client can communicate via If Login, where all the necessary details of the claim are also displayed. All the details are in one place, and clients can review the progress of their claim, and can receive alerts regarding any status changes, new messages or when a document is published.

New and improved digital services, for claims and other insurance matters, are also being developed for private customers and commercial clients. These services are offered through online portals such as My Pages and My Business, but also through mobile applications. We are continually improving these services to provide customers with easy access to their insurance services and a transparent overview of their insurance coverage, while also enabling secure digital two-way communication with our customers.



Claims Baltics

In the Baltics, we have started to include If's Supplier Code of Conduct in purchasing agreements in claims. By the end of 2022, the Code was included in 70 agreements with car repair partners. The aim is to have it included in 100 contracts by the end of 2023, which would mean that 60 percent of the repair volume would be performed by partners who have committed to the Code. In 2023, we will also provide information on which partners have signed the Code on our website. We will also use this in our repair steering process.

If has also set specific and individual targets regarding repairing, instead of replacing, plastic car bumpers. This has resulted in 40 percent of all bumpers being repaired in the Baltics in 2022. Our target is that 45 percent of all bumpers will be repaired in 2023. For the first time, we will also set targets for our glass partners in 2022, with the aim of increasing the proportion of the windscreens that are repaired instead of replaced. Our target is that, in 2023, 16 percent of all windscreens will be repaired. In 2023, we are also planning to introduce the solution of video inspection of property claims. This solution was first implemented in If Denmark. In health insurance claims, we will stop using plastic identification cards in 2023, and the functionality will be implemented via digital solutions. ■

3 Responsible business practices

Our aim is to excel in responsible business practices, and to provide insurance products and services with a focus on quality, transparency and efficiency. We are committed to providing customers with social and economic security by means of responsible and high-quality insurance products. We expect corporate clients to respect international norms and conventions concerning human rights, labour rights, the environment and anti-corruption, as defined in UN Global Compact. As a responsible and active owner, we incorporate Environmental, Social and Governance (ESG) factors into our investment operations. We believe that high ethical standards and responsible behaviour, for example, how people treat each other in the workplace and how employees handle customers, partners and other stakeholders, are essential to the long-term success of the company.

Focus on customer satisfaction

As we strive to be the most caring insurance company, customer satisfaction is our top priority. Satisfied customers are a cornerstone of any successful business; they are more loyal, and will hopefully recommend products and services to others, and they generally contribute to the building of trust in insurance providers in society. By means of joint efforts across functions and business areas, both business-to-business (B2B) and business-to-consumer (B2C), our aim is to focus on quality throughout the customer journey, and to continually strive to further improve our products, processes and services.

We listen to our customers and their experiences of If. To facilitate this, we have a multilingual Customer Experience (CX) programme, which ensures that customer feedback is not only collected but also followed up. The CX programme enables If to become even more customer-centric and data-driven in order to deliver world-class customer experiences. Dissatisfied customers are followed up, and feedback is also followed up and handled appropriately, both in

Customer satisfaction*

Target 2023	2022	2021	2020
62	62	61	60

* tNPS, Business area Private, Nordic accumulated results of customer service and claims per country

Source: Customer Experience program, If

Note: Scale from -100 to 100

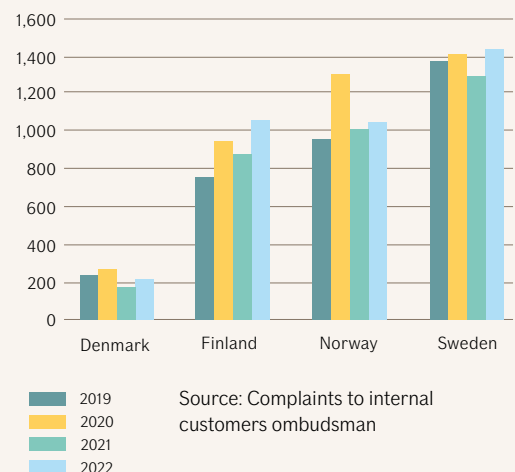
Customer Satisfaction Index by EPSI (Extended Performance Satisfaction Index)

	2022	2021	2020
If Sweden	71.1	72.9	71.1
- industry in Sweden	71.2	73.0	72.8
If Norway	74.5	73.3	73.9
- industry in Norway	72.7	71.4	72.8
If Finland	73.3	74.5	70.3
- industry in Finland	72.1	72.9	70.1
If Denmark	78.1	76.6	75.8
- industry in Denmark	77.5	76.4	75.7

Source: EPSI Extended Performance Satisfaction Index, B2C

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

Total number of customer complaints



Source: Complaints to internal customers ombudsman

training and in the quality assurance of customers' journeys and offerings. Net Promoter Score (NPS) is used to measure the customer experience and to rate If's performance across most of If's business areas. NPS is reported to If's top management, and forms part of business follow-up meetings. The results are also integrated into the management compensation structure. We also benchmark our performance against others in the insurance industry, using the external, annually published EPSI (Extended Performance Satisfaction Index). In accordance with legal requirements, If also has an internal customer representative function ('kundombudsman'), whom private customers can contact in order to submit a complaint.

Responsible underwriting

As of June 2021, If has integrated sustainability considerations directly into its underwriting standards and into the existing Customer Due Diligence (CDD) process for corporate clients. The framework is based on the UN Global Compact, and covers human rights, labour, the environment and anti-corruption.

To assess whether corporate clients are complying with the UN Global Compact, If uses research from an external service provider. In the company assessment from our external partner, each assessed company is given a score. If the score is above the set threshold, a referral is made to If's internal Environmental Social and Governance (ESG) assessment team. The ESG assessment team will make an assessment and decision based on the norm-based research and other relevant material. The ESG assessment team can make one of the following decisions: i) permission to proceed, but the company is under observation, ii) conditional approval, but the company needs to take action, or iii) insurance is not offered or renewed.

If expects its clients, including entities belonging to the same corporate group as our clients, to comply with the UN Global Compact, even if they are not participating in the initiative themselves. If, according to the assessment, a corporate client is found to be in breach of one or more of the UN Global Compact principles, the company will be notified and asked to remedy the situation. In the event that a client is not willing or able to improve its governance

or practice to comply with the principles, they could be asked to find another insurer. If's initial focus is with the company's large corporate clients, but the new assessment also applies to smaller company clients.

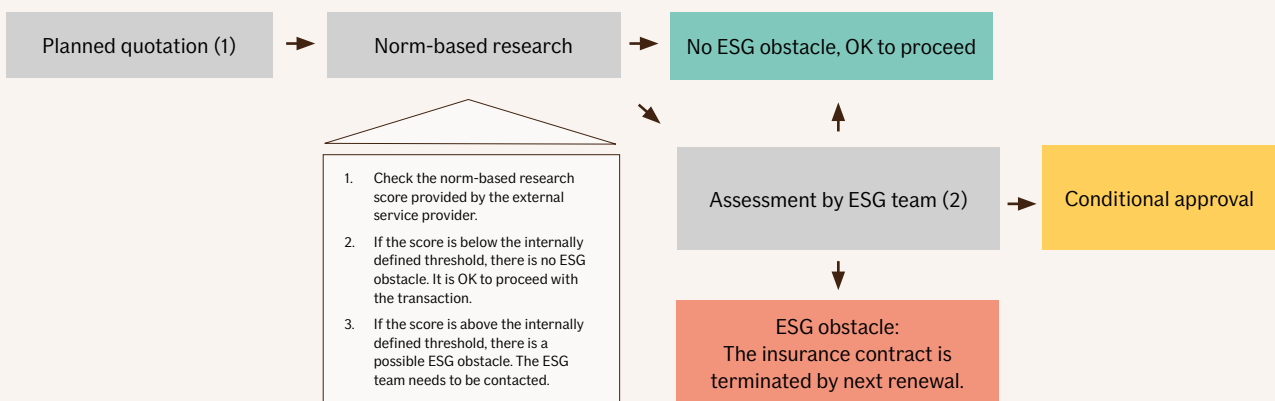
Since the implementation in June 2021 and up until December 2022, a total of 677 corporate clients were assessed. A total of, 19 cases⁶ were sent for referral and were assessed by the ESG assessment team. Five clients improved their rating and are therefore no longer referral cases.

ESG referral cases 2022-12-31*

Permission to proceed, but the company is under observation	11
Conditional approval, but the company needs to take action	1
Insurance is not offered or renewed	2
Clients with improved ratings (no longer referral cases)	5
Total	19

* Total number of cases since launch in June 2021.

Sustainability in underwriting – our process



- (1) Part of the Know Your Client and the Customer Due Diligence processes.
- (2) Internal ESG team conduct assessment based on norm-based research and other relevant sources.

6 The number of referrals represents how many cases we have had. If only our client has a rating, this is one case. If only a Global Ultimate Parent Company has a rating, this is one case. However, if both our client and the Global Ultimate Parent Company has a rating, we have calculated this as one case (and not two cases).

If bids farewell to clients not respecting sustainability requirements

Following If's integration of sustainability requirements in our underwriting, thereby expecting corporate clients to respect human rights, labour rights, the environment and anti-corruption, several companies have improved their practices. If is also bidding farewell to clients that do not adhere to the principles for good sustainable conduct.

Since the end of 2021, almost 700 of the Nordic region's largest insurance company's major corporate clients have been screened for compliance with our commitments to human rights, labour rights, the environment and anti-corruption, as defined in the UN Global Compact.

– Approximately 3 percent of the screened clients still need to meet this challenge. By far the majority perform really well. We're in dialogue with the few companies that have problems, explains Kristine Birk Wagner, who is Head of Underwriting Industrial.



Kristine Birk Wagner

If launched this initiative in autumn 2021 for both new and existing corporate clients. If's aim is to take responsibility for influencing its clients to operate more sustainably, and to adjust their conduct if the screening shows this to be necessary. Based on the screening result, If can also point out the areas in which a company needs to improve its operations or conduct.

Since the start in autumn 2021, 677 corporate clients have been assessed and subsequently received an ESG rating.

Improvements and some goodbyes

Kristine Birk Wagner explains that the initiative has created more resonance in the market than If had expected.

– We've seen great support for this initiative, both at sector level and in our dialogue with clients. Our clients fully accept that requirements are made, and most of them react positively, she says.

Since the start in autumn 2021, 677 corporate clients were assessed and subsequently received an ESG rating. A total of, 19 cases were sent for referral and were assessed by the ESG assessment team. Five clients improved their rating and are therefore no longer referral cases. One company has received conditional approval, whilst two clients will be declined insurance at the next renewal, unless their ESG rating has improved. The companies involved represent a wide range of industries, such as telecommunications, security, energy and technology.

The required effect

Concerning the background to the initiative, If's CEO Morten Thorsrud explains:

– We believe that we're all part of the solution that the world needs. We use our position and our competences to support our customers, and if necessary, we're happy to help by nudging them towards a more sustainable strategy and operations, he says.

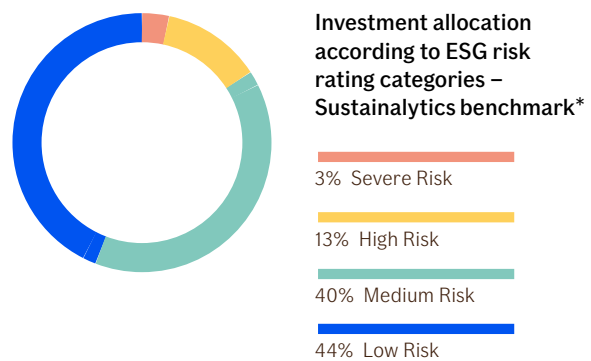
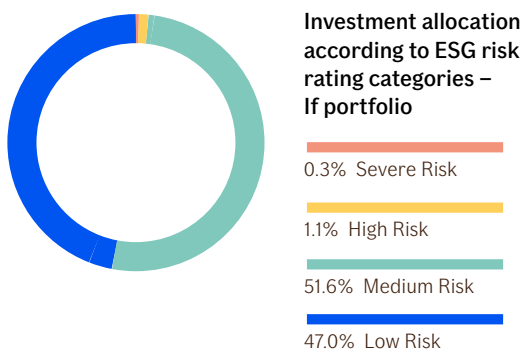
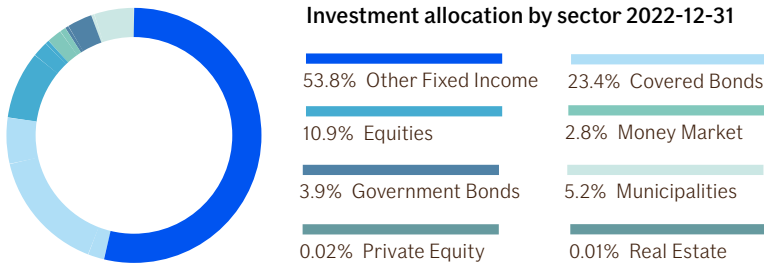


Morten Thorsrud

– We take our participation in the UN Global Compact seriously, and work actively to implement commitments to human rights, labour rights, environmental protection and anti-corruption in all our business activities.

Overall, If is very pleased with the developments and attitudes among the clients on the observation list.

– This is precisely what we want to achieve by implementing the initiative, says Birk Wagner.



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

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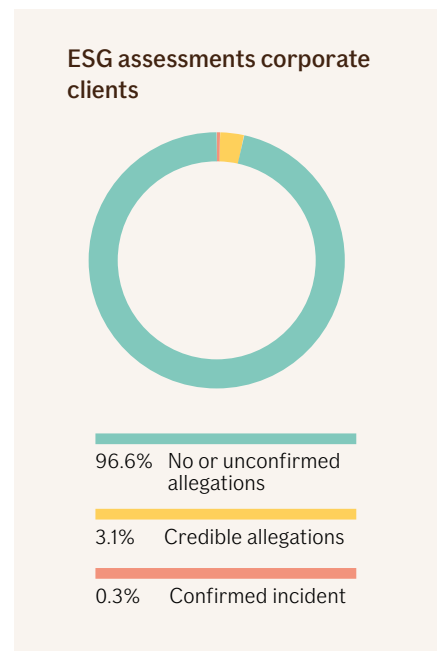
Among the referral cases, If has had cases where additional actions have been taken. One potential client, which was accused of several compliance-breaches, was given a conditional approval, which means that we required additional information and action from the client in order to offer them the insurance. Another case concerned two clients with global ultimate parent companies involved in the same joint venture, which have yet to adequately rectify past environmental damage. Based on the confirmed inaction from the companies, If decided that the clients will be declined insurance at the next renewal, unless the ESG rating has improved.

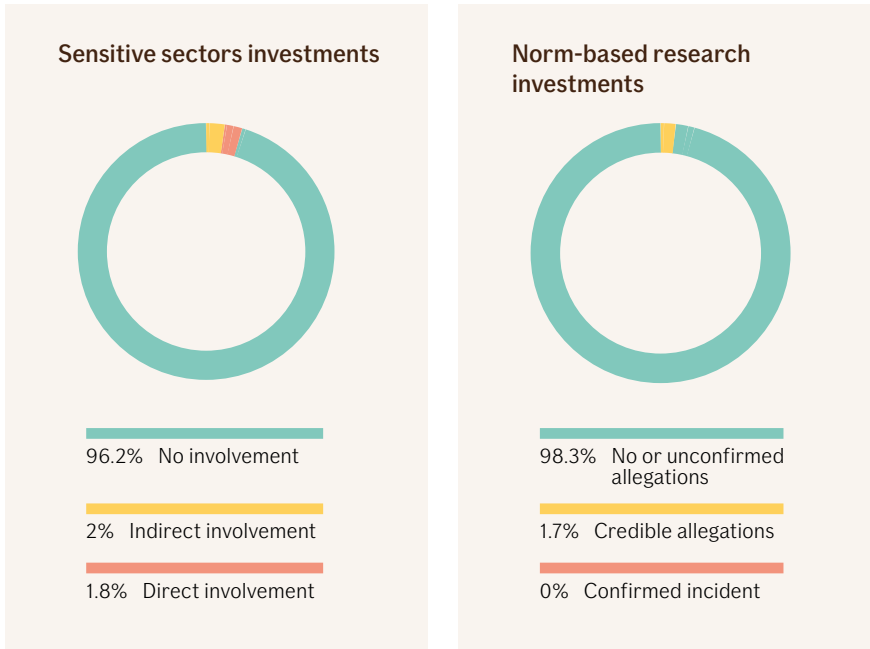
All clients that were assessed by the ESG assessment team were contacted and informed that If has been notified of the alleged breaches and will therefore monitor the actions taken in response to the alleged breaches to ensure

compliance in accordance with the UN Global Compact initiative. Relevant If employees have received training on the principles of the Global Compact, norm-based research and the company's new ESG framework.

Responsible investment

Sampo Group, which includes If, is a member of Principles for Responsible Investment (PRI). We aim to be an active owner and to incorporate Environmental, Social and Governance (ESG) factors into our investment analysis and decision-making processes, as well as our ownership policies and practices. If and Mandatum Asset Management Ltd have an asset management agreement, under which certain investment decisions, within the framework of If's Investment Policy have been outsourced to Mandatum Asset Management Ltd. The investment philosophy of Sampo Group 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.

If's investment policies 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 an external data provider. 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 subindustries, and adjusts the assessments based on company-specific factors, such as product/business line, financial strength, geographical exposure and the track record for related incidents. Based on the risk ratings, If classifies investment objects into the following risk categories: low risk, medium risk, high risk and severe risk.

As a complement to risk rating, sector-based screening is also used – i.e. screening to identify and make decisions regarding companies that are 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. If has identified the following sectors as sensitive: adult entertainment, coal, controversial weapons, gambling, defence materiel, oil and tobacco.

If also uses norm-based research – i.e. research that assists investors in making decisions regarding companies' adherence to international norms⁷ concerning environmental protection, human rights, labour standards and anti-corruption.

If a sustainability risk is identified, additional research must be conducted, and the investment will not be allowed unless special permission is provided by If's CFO. The ESG risk ratings, sector-based screenings and

norm-based research are monitored and followed up monthly, while pooled engagements are followed up quarterly, and a detailed report is presented to the Investment Control Committee (ICC). The information is also reported to the Board of Directors on an annual basis. In 2022, 13 cases were sent to the ICC chairman for approval, due to possible sustainability risks. One investment was not allowed due to sustainability risks, whilst 12 investments were allowed after additional research had been conducted.

As an active and responsible owner, and in addition to direct dialogue and voting, If also engages with companies through pooled engagement with other investors, if it is believed that this can be an effective means of achieving a desired change within the investment company. Reasons for engagement include breaches of international norms and standards. This information is obtained using norm-based research. As a measure of last resort, the investment might be sold, if the

⁷ 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.

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. In 2022, we reviewed eight potential engagements, but did not participate in any pooled engagement.

As of January 2023, If has developed a separate Responsible Investment Policy, which expands the scope of the responsible investment processes and will increase alignment across the Sampo Group. In the new policy, both current and new investments will be covered by the responsible investment processes, and clearly defined responsibilities of the various parts of these processes have been included. Also, the industries that are considered to be sensitive and the tolerance levels for these sectors have been reviewed and slightly updated. Exemptions can, however, be granted for some sectors if the company has a credible strategy to achieve a more sustainable business model, and the policy includes examples of such credible strategies.

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 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 insurance are easily accessible. We are continuously developing and improving the control mechanisms and follow-up routines related to information about insurance products and services, as well as marketing communication.

Within If's remuneration structure, fixed compensation represents a sufficiently high proportion of the total remuneration to avoid employees being overly dependent on variable compensation and to ensure that we are acting in the best interests of our customers.

Information security and data privacy

Information security and data privacy are crucial to our business operations. Our services are increasingly 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 an independent Information Security function headed by the Chief Information Security Officer (CISO). In 2022, the most significant areas of focus were aligned with the increased geopolitical tensions in Europe, and the new EIOPA Guidelines on Information and Communications Technology (ICT) Security and Governance. Related investments were made to strengthen If's digital security and resilience, and in particular in the areas of threat intelligence, workstation and server security, network capacity and redundancy, denial-of-service mitigation, IT continuity planning, identity and access management, regular security tests and reviews. This has further strengthened If's capability to detect, mitigate and respond to cyber-threats. If is required to report all severe information security incidents to the Swedish and Estonian Financial Supervisory Authorities (FSAs). In 2022, no events were reported to the Swedish FSA. One event was reported to the Estonian FSA.

The Data Protection Office (DP Office) is an integral part of the organisation and ensures data protection rules are respected within If and in cooperation with the data protection authorities. In 2022, the DP Office continued to

further enhance data protection within If by raising awareness, providing training, giving advice and performing monitoring activities. One important task for the DP Office is to support the carrying out of data protection impact assessments and to provide advice in this regard. During the year, the DP Office gave advice on data protection impact assessments on several occasions, and provided training activities on the topic. In 2022, the new One Responsible If e-course was launched, which will help to facilitate awareness of data protection issues within If. Monitoring activities were also initiated or completed during the year. Other activities have included advising and supporting functions and projects on the principles of processing personal data, as well as ensuring the interpretation or application of the processing principles. During 2022, the DP Office continued its efforts to ensure that, whenever necessary, personal data breaches are efficiently and effectively reported without delay to the Swedish Data Protection Authority, as well as ensuring that If takes appropriate measures to resolve any such incidents. In 2022, If reported 62 data breaches to the Swedish Data Protection Authority.

According to If's Personal Data Policy, all processing of personal data must be lawful, fair and transparent. In addition, individuals have the right not to be subject to decisions based solely on automated processing. If's Ethics Policy also sets out basic ethical principles that all employees must adhere to, such as a high standard of ethics as a prerequisite for long-term success, all people's equal value, the non-acceptance of any form of discrimination, transparency, reliability and the protection of our customers' information from unauthorised access. These are the guiding principles for all use of data and ethical considerations including any use of artificial intelligence in If. ■

Employees

- 1 Providing a healthy, safe and attractive work environment
- 2 Diversity, equity and inclusion (DEI)
- 3 Environmentally friendly workplaces



Commitment to our employees

We provide a healthy, safe and attractive work environment for all employees.

We provide a diverse and inclusive work environment where everyone is treated fairly and equally.

We provide environmentally friendly workplaces, enabling our employees to minimise their environmental footprint.



① Providing a healthy, safe and attractive work environment

Our employees and their contribution are If's most important source of competitive advantage. Insurance products can be copied, but copying a company's culture and the attitude, competence and engagement of great employees is much harder.

Great employees and a good work environment are at the core of sustainable business performance

If has approximately 3.9 million customers, and sells and renews approximately 10.3 million insurance policies and handles more than 2 million claims every year. The company's

success is entirely dependent on employees delivering top-class professional insurance services in all customer interactions.

If invests heavily in culture, people engagement and talent acquisition in order to build a work environment that both enables strong performance and supports employee well-being. Ensuring that great people want to join If, want to stay at If and want to give their best to help the company reach its goals is vitally important for the company's performance and value creation.

Furthermore, the importance of having great people, a strong company culture

and a first-rate work environment where employees can impact their growth opportunities is vital to the creation of the people engagement on which we are so dependent.

Digitalisation continues to rapidly and radically transform the insurance industry, impacting both insurance products and services as well as internal ways of working. Having a supportive and inspiring culture and the capability to adapt to a changing market is the best way of ensuring that we build a resilient organisation where people put their hearts into it and where we continuously stay ahead.

As One If, we aim to work together across functions and business areas to turn our size into a competitive advantage, where customers and partners experience If as one company

New employees*

Country	2022	2021	2020
Denmark	112	77	63
Estonia	80	58	50
Finland	240	197	40
Latvia	120	86	58
Lithuania	29	16	14
Norway	212	218	234
Sweden	474	389	369
Other	93	58	49
Total	1,360	1,099	877

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

Number of employees*

Country	2022	2021	2020
Denmark	596	574	577
Estonia	418	386	368
Finland	1,817	1,721	1,692
Latvia	492	429	385
Lithuania	161	149	157
Norway	1,592	1,549	1,507
Sweden	2,402	2,340	2,299
Other	152	140	135
Total number of employees	7,630	7,287	7,120
% of employees on temporary contracts	1.3**	1.5	1.3

* Full Time Equivalent (FTE) per 31 December

** Temporary contracts women 0.95 percent and temporary contracts men 0.35 percent

Full and part time employees

	2022	2021	2020
Full time	7,273	6,904	6,703
Part time	357	383	417
Total	7,630	7,287	7,120

regardless of touchpoint. The One If Strategy Framework contains four main strategic foundations (Customer, Risk, People and Culture, and Sustainability), and clearly emphasises the people and culture-related topics in the company agenda. Within the People and Culture strategic foundation, the following three building blocks are defined as focus areas: Strengthening the One If culture, Building great leadership, and Securing people and skills for the future.

In 2022, If re-opened its office doors, welcoming back employees after approximately two years of restrictions. The focus was on adjusting to post-pandemic work-life while continuing to address the physical and psychosocial work environment. Although a significant physical presence at the office is promoted as providing a necessary foundation for collaboration, innovation and building culture together, If's employees also have an increased flexibility and freedom to decide where to work.

To support leaders and employees with the transition back to the office, If arranged Leader Forums for all leaders in all Nordic countries on the topic of flexible work. Approximately 300 leaders participated in knowledge sharing, establishing best practice in the navigation of challenges and how to support their teams in living up to If's Flexibility guideline while also balancing individual and business needs.

Work environment framework

As a participant in the UN Global Compact, If supports its principles on human and labour rights. This is reflected in If's Human Resources (HR) Policy, which states that the company

should offer a respectful and nurturing work environment, where all employees have the right to good leadership and adequate competence development. It also highlights personal accountability and acknowledges each employee's own responsibility for professional development and performance. Other central governing documents include If's Ethics Policy, the Diversity and Inclusion

CEO Instruction and the Leader in If Business Instruction. The Ethics Policy states that all employees must treat each other with respect, trust and compassion, and shall actively work against all kinds of discrimination,

harassment and bullying. The Diversity and Inclusion CEO Instruction describes the level of ambition and the measures that If is adopting to promote a workplace where diversity matters and in which employees feel safe, included and stimulated. The Leader in If Business Instruction clarifies the expectations for, and responsibilities of, all leaders, and states that the most important roles of a leader are to build trust and engagement, develop the If culture, and support If in creating the most caring insurance company.

HR supports leaders and management in all people processes, and the Head of HR is responsible for both the Nordic and the Baltic HR operations. Nordic HR is organised as five centralised functions: HR Business Partners, Employment Relations and HR Compliance, People Strategy and Culture, Systems and Operations, and Compensation and Benefits. The Baltic HR organisation encompasses all these functions and is organised into units by country.

If is obliged by law to systematically plan and manage the work environment to



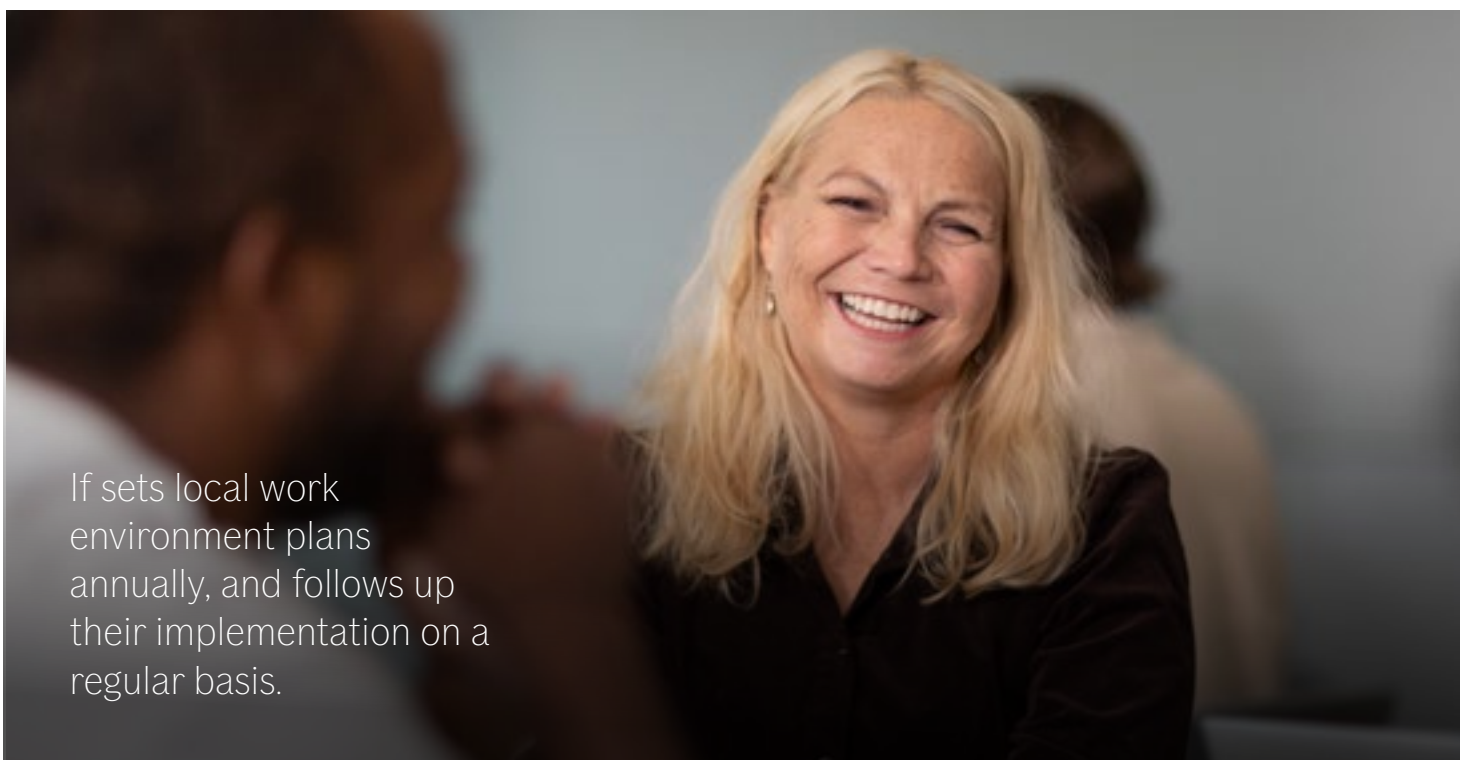
ensure that it is safe for all employees, from both a physical and a psychosocial perspective. If sets local work environment plans annually, and follows up their implementation on a regular basis. The legal work environment requirements include the duty to continually investigate risks and to take preventive action to mitigate potential risks. Risk assessments are performed at all If offices, and any incidents and risks that are detected are handled accordingly and reported in the relevant incident reporting tool. The safety representatives cooperate with the employer, and are also involved in risk assessment processes and other matters related to the work environment, such as workplace orientation and emergency procedures. If also has company-specific and company-wide crisis groups, with representatives across the business who are able to respond to local or global issues. Along with employee surveys, the risk assessments and incident reports provide valuable indications of where focused action is required, enabling

us to further develop our business processes and work environment to prevent them from occurring again.

If provides necessary training regarding health and safety policies and procedures, such as fire drills, first aid courses and crisis training. Awareness among employees is promoted using the intranet as a communication channel, and by their leaders upon joining If. Certain mandatory corporate training is included in the New Leader in If seminar through If's primary learning platform in Workday. Leaders are also offered more extensive training, for example related to our obligation as an employer. If has a preventive approach to occupational health and safety, which is based on each country's regulations and collective agreements, where applicable.

On the intranet, there are links to If's incident and accident reporting tools, which are accessible to everyone with an If computer and user ID. The purpose of each tool is defined to

36



If sets local work environment plans annually, and follows up their implementation on a regular basis.

If Employee Photo shoot Oslo. Photo: Espen Wallin

ensure the efficient management of relevant actions for incidents related to IT incidents, personal data breaches, suspicion of fraud, suspicion of money laundering, threats and harassment. 'Oops business incident' is a channel for collecting statistics, as well as for identifying and following up on risks, and is therefore the main database for all business incidents that have or could potentially have had a negative impact on If's operations, financial position or customers, the public's confidence in If, or the safety of If's employees. All issues are managed according to relevant procedures by the employee and leader, with the support of HR, if needed. Cases relating to ethical breaches are also reported to the Ethics Committee. In 2022, a total of 760 incidents were reported via Oops, of which 44 were reported to the Ethics Committee.

If's employees are the most important source of insight into possible misconduct or irregularities. Employees are primarily encouraged to report openly, but If also offers the opportunity to report anonymously through a whistleblowing system, which is managed by an external party and is available to individuals outside If, through If's website.

The incident and accident reporting tools are developed in accordance with If's policies, to ensure an open and trusting climate that is consistent with If's culture and values. The annual psychosocial work environment survey topics, 'I am able to voice a contrary opinion without fearing consequences' and 'I believe disputes and conflicts are handled in a good manner in my work environment', help to assess the willingness to openly voice opinions and misconduct, and whether the available reporting tools are fit for purpose. The results of the 2022 survey indicate that employees most often know how to report incidents.

Close cooperation with employee representatives

If cooperates with the labour unions, as stipulated by law and collective bargaining agreements. Based on the European Works Council's stipulation, If has established a Communication Council, where representatives from top management and unions meet quarterly to address topics concerning more than one country or business area. If also has forums at 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 cooperation forums to handle local issues.

In Finland, 91 percent of the employees are covered by the collective agreement, whilst in the other Nordic countries all employees except management are covered⁸. In the Baltic countries, collective agreements are company-specific. In Estonia, all employees of If P&C Insurance AS are covered by the collective agreement, whilst there are no collective agreements in Latvia

If strives to ensure a constructive and trustful dialogue with employees and their elected representatives for the purpose of developing If and safeguarding the correct treatment of all employees.

or Lithuania. In total, 86 percent of all If employees in all countries of operations are either represented by an independent trade union or covered by collective bargaining agreements.

If follows local regulation, thereby respecting the freedom of association, and If's business processes are designed to ensure equal treatment regardless of unionisation, based on the employees' constitutional rights. Information about trade unions is available on If's intranet

and is also included in the introduction for new employees. This information stipulates the employment conditions that are applicable for, for example, health and safety, remuneration, working hours, work-time flexibility, training and competence development, employability/life-long learning and equal opportunities.

If strives to ensure a constructive and trustful dialogue with employees and their elected representatives for the purpose of developing If and safeguarding the correct treatment of all employees. Through If's Supplier Code of Conduct (see Commitment to our customers, page 20), If ensures that suppliers or other counterparts who have substantially neglected their obligations to their business partners, employees or the general public will not be engaged. If therefore also respects the rights of contingent workers in If's operations.

If has mandatory national work environment councils based on the country's legislation and practice, and local work environment committees have also been established. The work environment councils and committees have statutory responsibilities, and their duties include monitoring the work environment, developing health and safety procedures, and ensuring high quality of physical, mental and psychosocial well-being at

If. The duties of the work environment committee, the election rules, the number of participants, the mandate and the decision-making procedures are regulated by national work environment law or by country-specific co-determination agreements.

Depending on local legislation, the representatives are either appointed by the labour union or elected by the employees. The specific tasks and the meeting frequency vary, based on



If Employee Photo shoot Oslo, Photo: Espen Wallin

whether the committee is established per each office or at a national level. On average, the national committees meet four times per year, and the local committees meet more frequently. The mission and mandate of a local committee differ from those of the national committee, and the tasks are of a more practical nature, such as conducting regular safety inspections. If provides the committees with a standardised checklist for safety inspections. If any immediate danger is detected, the safety representative has the authority to suspend work until the employer has resolved the situation.

Strengthening the One If culture

If is dependent on the existence of a great company culture with engaged

employees. This requires a healthy and safe work environment for all employees, which includes physical safety, concerning issues such as ergonomics and well-functioning workspaces, as well as psychological safety, concerning issues such as reasonable workload, good leadership, development opportunities and the non-tolerance of discrimination and harassment. The basic building blocks of a sound work environment and company culture include having clear and well-known purpose statements and values, along with our vision of becoming the most caring insurance company. A strong company culture is also vital for attracting and retaining the right employees.

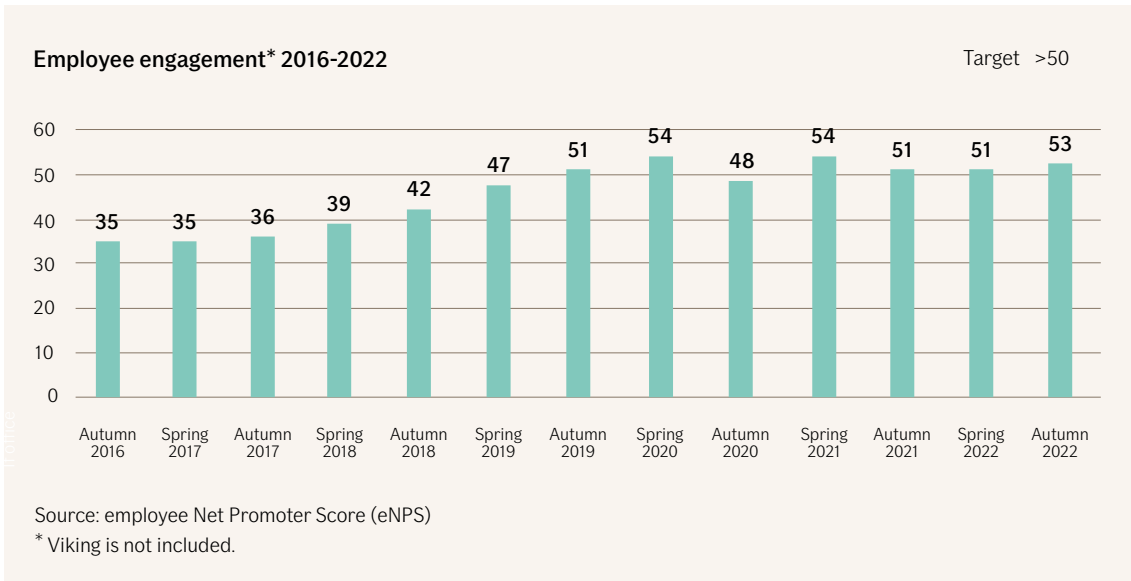
The cultural aspect of One If aims to enable a clear direction and clarify

responsibilities for key activities that support our culture-building journey. In 2022, the culture-building initiatives resulted in, for example, the development of a new company-wide leadership programme. Furthermore, If has focused on promoting diversity, equity and inclusion through a number of workshops and events.

Measuring and working with people engagement

If believes that engaged employees make all the difference, and our ambition is to be the best place to work.

Through the bi-annual survey HeartBeat, If conducts a company-wide engagement and culture survey, with an additional focus on the physical work environment in the spring and the psychosocial work



Employee turnover* (%)

Country	2022	2021	2020
Denmark	15.3	14.8	15.3
Estonia	10.8	9.1	9.8
Finland	8.7	8.4	6.0
Latvia	9.2	8.5	8.7
Lithuania	8.8	11.8	7.4
Norway	11.0	9.7	9.2
Sweden	16.2	12.5	12.1
Total**	13.0	11.0	10.1

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

** Including all countries of operation.

Employee turnover (%), 2020-2022

Target	2022	2021	2020
<12	13.0	11.0	10.1

environment in the autumn. The topics concern both office and remote work, and, by targeting the psychosocial workload factors, we strive to ensure well-being, diversity, equity and inclusion, and to reduce sickness and employee turnover. The results provide a basis for the ongoing working process that focuses on engagement at a team, unit and company level.

One measurement in HeartBeat is the Employee Net Promoter Score (eNPS), and If's target is that the eNPS should be 50 or above. In the spring 2022 survey, the target for engagement was exceeded (eNPS 51), and the score further increased in the autumn 2022 survey (eNPS 53). Leaders have access to their team's results and share them with the team members in order to take relevant action to ensure continued strong results or to reach agreement on development areas. Furthermore, data on an aggregated level is used by management teams as input into organisational development processes. Increased insight into work-life conditions enables us to adapt our working environment to better care for our employees. During 2021 and until September 2022, If conducted an additional monthly pulse survey called HeartRate in order to gain increased insight into employees' situations and their perception of If as an employer. The results were used by top management

and HR to proactively identify potential development areas and to determine where mitigating actions were needed. In December 2022, HeartRate was replaced by the Employee Voice, which will focus on specific themes on each occasion. Depending on the topics that are addressed, the survey may be conducted as a one-off or part of a mini-series, and the aim is to gather sufficient employee experience data and develop accurate and meaningful actions. The theme for the first Employee Voice survey was Hybrid Work, which is defined as working from home and the office in different proportions.

Employee turnover and recruitment

By the end of 2022, the total number of employees had increased by approximately five percent compared to the previous year. Employee turnover at If is monitored on a monthly basis, both by country and by business area, and this forms part of management reporting. The target for 2022 was to have a total employee turnover below 12 percent by year end, however this target was not achieved (13 percent).

Towards the end of 2022, employee turnover showed an increase in several countries and business areas. The figures have been analysed but no

Developing leaders who make employees flourish

One thousand leaders from all over If have embarked on a nine-month long journey to develop their leadership skills. At If, our leaders shall support a culture that makes each employee feel safe and included, ensuring that everyone can truly flourish.

In 2022, we created the If Leadership Compass Program to develop our leadership culture. Our leaders play a key role in creating a safe work environment, and to support and empower their employees, they need knowledge and skills to grow in their roles. The Leadership Compass Program offers a development arena where managers can reflect and work on their personal learning journey on leadership.

– *The objective of the mandatory program is to draw attention to the aspects of leadership that are most important for the development of If, says Anna Lundquist, who is Head of People Strategy and Development.*



Anna Lundquist

Coaching and workshops

The program kicked off at eight venues across the Nordics and the Baltics in October 2022. One thousand If leaders from all leadership levels are participating.

– *For If to become an even more caring and inclusive company towards our customers and our employees, our leaders need to have a deep understanding of how they contribute to the leading of If, going forward, says Lundquist.*

The program will continue with sprints and workshops throughout 2023. Every leader will also have individual coaching sessions with a professional coach.

– *A leader's ability to create trust, motivate and make safe spaces is important in order to build winning teams, explains Lundquist.*

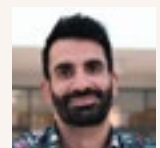
A compass that helps leaders to navigate

The Leadership Compass consists of four guiding principles, and highlights areas such as:

- building an inclusive and inspiring working climate
- providing clear direction
- enhancing collaboration
- seeing things from different perspectives

If's Head of DEI (Diversity, Equity and Inclusion), Ran Lavie, describes the program as a practical set of principles for leaders to utilise in their daily work. To perform at their best in today's uncertain and ambiguous environment, leaders need skills that differ from those that helped them succeed in the past:

– *We wanted to create a compass that truly addresses the challenges we face. The principles of the Compass enable people to collaborate, to dare to question the existing way of doing things, and to have the accountability to create something different that takes us further, he says.*



Ran Lavie

Employees are the key to future success

A diverse and inclusive work environment promotes psychological safety, which allows employees to be themselves and feel comfortable when bringing their unique perspectives and ideas to the table.

This, in turn, leads to more creative and innovative problem solving. Ultimately, a great work environment will benefit the overall success of the organisation.

– *We see the Leadership Compass Program as part of our cultural journey at If. It is up to each of us to continuously explore, learn and develop how to grow in our respective roles at If, says Lundquist.*

The 4 principles of the Leadership Compass

- Make it all about people.
- Empower through direction.
- Enhance collaboration.
- Take an outside-in perspective.



specific cause has been identified. In general, the low turnover rate in 2020 and 2021 was most likely a result of the exceptional circumstances caused by COVID-19, which affected people's desires and possibilities to pursue other professional challenges. In the Nordic countries, high turnover is primarily still connected to the customer centres. To reduce employee turnover in the customer centres, If has, for example, continued to develop the recruitment process, the onboarding, and the performance and follow-up processes regarding absence due to illness.

During 2022, If continued to make significant investments in improving talent acquisition practices, including employer branding initiatives, social media, and external collaborations aimed at increasing visibility among all main target groups. If continually invests in the sourcing of new talent through trainee programmes. In 2022, If was able to recruit 15 new trainees within Analytics, IT and Underwriting, and 16 new summer interns within various areas. Further investments in structuring

and strengthening the recruitment process and toolbox have been made in the form of internal education, building a talent pipeline, offering in-house recruitment support within IT, and taking on all volume recruitment in the customer centres and claims centres. As a response to the increased recruitment needs, the Talent Acquisition team grew significantly in order to deliver on these promises.

Building great leadership

Quality leadership is an important foundation for If's continued success. Leaders play a significant role in the continuous improvement of the work environment and in building a strong organisational culture. To further emphasise the focus on building great leadership, this has been included as one of the three building blocks within the People and Culture strategic foundation in the One If Strategy Framework. The New Leader in If programme is a structured onboarding programme that complements all other leadership training within If. It consists of several

modules and seminars within leadership practices, culture, compliance, legal requirements and HR processes. During 2022, six such training programmes were arranged for leaders in Sweden, Norway, Finland and Denmark.

In the Nordics, by popular demand, HR trains leaders and their respective teams using EASI personality tests. This is a methodology that determines preferred working methods and communication styles among team members, in order to strengthen the team's collaboration, effectiveness and performance.

To further embed what Leadership the If Way means, all leaders partake in If's Leadership Compass Program, which was launched in October 2022 with more than 1,000 participating leaders, including certain leaders without direct reports. The Leadership Compass Program is a significant investment and statement that will enable all leaders to support and motivate their teams in a way that contributes towards engagement in a common direction and the fulfilment of If's vision. The program



Quality leadership is an important foundation for If's continued success. Leaders play a significant role in the continuous improvement of the work environment and in building a strong organisational culture.

was developed through in-depth interviews, focus groups and workshops with leaders and management at If. This modern and inclusive leadership is based on four guiding principles: Make it all about people; Empower through direction; Enhance collaboration, and Take an outside-in perspective. These principles are closely tied to If's core values and strategy framework. The Leadership Compass highlights key aspects of leadership that will support If's culture journey during the coming years. All participants will also receive individual coaching, which will enable leaders to assess and identify strengths and development areas in a trusted partnership with a professional coach outside of If. This will be a great asset in challenging and motivating our leaders on the personal development journey of their leadership, while applying and anchoring the learnings in their daily leadership roles.

Each year, investments are also made towards the development of leadership by means of targeted programmes in the business areas. In 2022, for

example, a Nordic Team Leader programme was launched for team leaders within the customer centres in the Nordic countries, to better align the expectations, skills and leadership competence of the team leader role. A similar team leader programme is currently being developed within the Claims organisation. In addition to this, an If Leadership conference was held in May 2022 for 180 leaders in top management on the topics of Leadership and Technology. The agile transformation that encompasses both the Private and Commercial business areas, as well as IT and Marketing, has created new roles and new requirements for leadership skills and people processes. One important commitment towards building future technical competence will be the Tech Insight Days, which are planned for the second half of 2023.

Promoting health and well-being

As an employer, If has overall responsibility for health and well-being.

If's Ethics Policy states that If seeks to ensure a healthy and safe work environment for all its employees. Furthermore, the Leader in If Business Instruction states that creating and sustaining a healthy workplace requires a shared approach, involving employees, leaders, HR and union representatives.

If's benefits package aims to promote health and well-being. Depending on local regulations, employees are offered comprehensive health insurance⁹ that covers both illness and accidents. In addition, employees also have the possibility to contact the occupational healthcare provider or other vendors and suppliers for work-related medical, psychological and ergonomic advice. The service offering varies, depending on local practice and local legislation. If uses the intranet and other internal channels to share information about health-related benefits and services.

Many employees at If have the opportunity to work flexible hours, and, in most countries, If also offers possibilities for part-time arrangements

⁹ In total 100 percent of all If employees (all countries of operation) are covered by an occupational health and safety management system.

Absence due to illness (%)

Country	2022	2021	2020
Denmark	1.9	2.5	1.9
Estonia	2.0	1.5	1.1
Finland	3.3	2.9	2.8
Latvia	1.4	1.3	0.9
Lithuania	0.8	0.7	1.0
Norway	4.7	3.8	3.6
Sweden	3.8	3.7	3.6
Total*	3.5	3.2	3.0

* Including all countries of operation.

Absence due to illness (%), 2020-2022

Target	2022	2021	2020
< 3.0	3.5	3.2	3.0

for employees with young children, employees close to pension age, or on the basis of individual social or health-related reasons. Employees are also entitled to take leave to care for sick children; the required circumstances and number of days offered vary from country to country. In certain countries and based on market practice, If offers financial support beyond legal requirements for parental leave. Moreover, employees can also request short-term or long-term leave for studies, and some countries offer leave for elderly care. Shorter periods of leave are offered when moving home, or for marriage and family reasons, for example.

If follows up on absence due to illness on a monthly basis in all operating countries, and trends and possible actions are regularly discussed in meetings with management teams, unions and work environment committees, and with leaders. Statistics are also discussed on a Nordic level. To reduce absence due to illness, the ambition is to have a proactive rather than reactive approach to employee health and well-being. As part of the process, people analytics are continuously being improved, which enables more detailed monitoring and analysis of illness statistics. Workday has also been developed to issue notifications according to set parameters, in the case of logged overtime or recurring sick leave. Based on this information, If can take relevant measures in support of a healthy workplace by monitoring certain areas more closely, such as meaningful work, role ambiguity, work autonomy, social support and work-life balance.

If's goal is that absence due to illness shall not exceed 3 percent. In 2022, If saw a slight increase in sick leave to 3.5 percent (3.2 percent in 2021). There was a slight increase in sick leave in most countries of operations. In 2022, COVID-19 was still heavily present, and with the re-opening of society,

the spread of respiratory viruses and influenza were most likely one of the factors contributing to absence due to illness.

At If, mental health is a top priority. The work environment and how the work is organised have a direct impact on mental health, which is why If has a preventive approach in all countries, focusing on improving both physical and psychosocial well-being. This includes risk identification where both work-related and non-work-related health risks are considered. Employees suffering from mental health issues are offered a low threshold coaching service, either through occupational healthcare or other health advisory suppliers. Although there are local differences due to regulations and common practice, certain information is made available to all employees through the intranet. Statistics on absence or illness due to mental health are not reported separately, for data privacy reasons.

In the Nordic countries, dedicated health partners work systematically to develop and communicate tools related to well-being for both employees and leaders, partly focusing on their respective country, but also scaling relevant efforts to apply to everyone. One example is a well-being toolkit for flexible work, including materials and videos available on the intranet, which enables employees to also incorporate ergonomic tips in their home offices. In 2022, If arranged its first well-being weeks in all countries. Employees could listen to expert guest speakers, gain new insights, and challenge themselves by trying new healthy habits and routines. The webinar topics covered include sleep, happiness at work, mindfulness and relaxation, and mental health and exercise. In some offices, local activities were arranged, such as group walk-and-talk meetings, ergonomic guidance, and in certain countries a four-week well-being challenge was provided in a mobile app, where teams of employees

engaged in earning points from physical, mental and social health activities.

The New Leader in If training includes information on how to detect and act on early signs of health issues. In the autumn of 2022, the training materials were further developed by the health partners to allow for the allocation of more time to understand potential work environment issues.

During 2022, questions on psychological safety were introduced in the HeartBeat survey, in order to better understand which factors might contribute to an employee's ability to take interpersonal risks without fear of consequences for their self-image, career or status within the workplace. With increased analytical possibilities, If and health partners were able to design relevant materials to facilitate the discussion between HR, leaders and employees in units with low results.

Securing people and skills for the future

If aims to be the leading property and casualty insurance company in the Nordic and Baltic countries. Because If's competitive advantage is derived from its employees, high expectations are placed on all employees to strive towards being the best-skilled professionals in their field of expertise. If provides structured training initiatives for certain groups of employees to meet specific business challenges, but each employee is also encouraged to take individual ownership of improving operational excellence within their area of responsibility.

'Securing people and skills for the future' is an important building block in the People and Culture strategic foundation. Investing in competence development will continue to be in focus going forwards, not least considering macro trends such as digitalisation, and the related demands placed on our employees and on If as an organisation.

At If, there are fundamental principles for competence development and tools that target all employees. For example, If promotes regular feedback and development dialogues between employees and leaders in order to follow up on a particular situation, to establish the ambitions going forwards, and to formalise the agreed commitments in individual development plans. If encourages leaders and employees to use the supporting materials that are available on the intranet, in order to have a structured dialogue concerning development goals and improvement areas, as well as job satisfaction on an individual level. The general employee perception is also captured through the HeartBeat survey topics, 'My job enables me to learn and develop new skills', 'In my work I am always challenged to grow' and 'I see development opportunities within If'. The Workday Learning module provides all employees with corporate training, general learning paths and targeted competence development in various fields. Initiatives at corporate level focus on developing culture, providing compliance training, and fulfilling specific competence needs that are determined at company and unit level. Workday Learning enables detailed reporting and analytics, which makes it possible for leaders to follow up on the development activities of their employees. The quality of corporate training is also assessed through (for example) surveys, comments and ratings that are collected after each course, and this information provides valuable input for the design and development of training materials.

In 2022, the programme One Responsible If was completed by almost 93 percent¹⁰ of employees through Workday, as part of a mandatory introduction to If's responsible corporate culture and business practices. The learning programme is part of new employees' onboarding, and is an annual activity for all existing employees. The modules cover If's policies on Ethics, Social Media,

Internal courses provided to employees in 2022

Name of course	Completed courses 2022
Anti-money laundering	7,313
Challenging unconscious biases and promoting inclusion	671
Competition law	552
Conflicts of interest	8,518
Data privacy	8,581
Dealing with ethical dilemmas	23
Ethics - it is simply right to do right	9,071
Fraud awareness	4,202
Information security	675
Insider training	81
Right and wrong at work	1,024
Sampo code of conduct	150
Sustainability	8,374
Why compliance	696
Why security	8,552
You are If	1,292
Total	59,775

Number of courses offered and hours spent on training

	2022	2021	2020
Courses offered	1,567	1,257	1,030
Individual employees	8,880	7,571	7,214
Hours spent on training	54,333	40,628	36,696

¹⁰ 92.88 % of employees (excluding contingent workers) have completed the One Responsible If learning programme.

Sustainability, Information Security, Personal Data, Conflicts of Interest, Anti-Money Laundering and Counter Terrorist Financing.

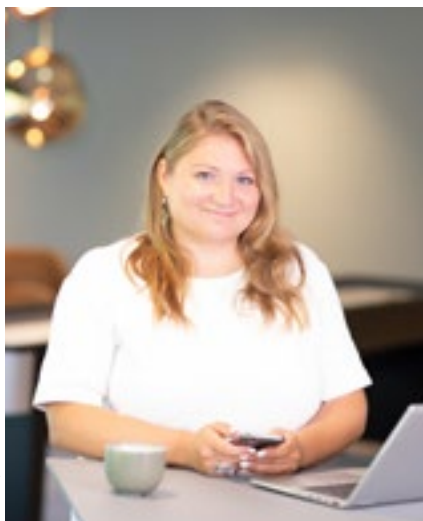
An If-wide Coming Together onboarding process for all employees was introduced in 2020. In 2022, the monthly seminars were offered either at the office or virtually, to enable the onboarding of the more than 1,000 new employees who joined If during the year. The onboarding includes summer workers, and offers seminars in English to ensure non-native-speaking employees are given the opportunity to participate in this important culture-building seminar.

The goal of If's Policy on Professional Requirements for Insurance Distribution is to ensure that employees involved in insurance distribution meet all the professional requirements that are relevant for their role. The related Competence and Training Business Instruction sets out the requirements for said training.

HR is responsible for ensuring legal compliance, whilst leaders are responsible for creating the right conditions in order to meet the requirements. To ensure compliance, the Insurance Distribution Education Committee regularly reviews the professional development and training process.

Approximately one third of If's employees are subject to the training requirements of the Insurance Distribution Directive (IDD). Employees are trained in accordance with the legal requirements of their particular country. In Workday Learning, about 50 percent of the education content is related to IDD. In addition to the IDD training, the business areas run their own customised certification processes.

Over the years, If has seen an organic growth of community-driven



If Employee Photo shoot Oslo. Photo: Espen Wallin

competence development opportunities. Employees have engaged in specialist academies, where they create their own learning paths according to their interests and professional competence needs. One of the most recent additions to the If Academies is the Application Programming Interface Academy, and there are also more-established academies in place, such as the Analytics Academy, which in 2022 provided competence development within data management and analytics skills to almost 1,200 employees through close to 1,900 completed courses. Furthermore, the Analytics Coaching group offers problem-solving and support in analysing data using different analytical tools. The Finance Academy is a training programme in Workday that is available to any employee who is interested in understanding our key financials, value creation in insurance, and risk management.

With the transition to the One If operating model, many will be working in an agile setup and will require adequate training to support the change. The Agile Academy has approximately 1,500 members, and is If's one-stop shop for learning about agile work methods. It is maintained by the Agile Center of Excellence, and, since September 2022, approximately 200 employees have participated in various courses, of which the most popular was a two-day class for Product Owners and Scrum Masters. Materials are continually

Employees have engaged in specialist academies, where they create their own learning paths according to their interests and professional competence needs.

being developed to offer both full-day trainings on agile work methods and self-study materials describing how agile work is defined at If.

As part of the development of operational excellence and new ways of working, significant investments were made in 2022 to further develop the agile concept. For instance, during three competence days, all employees who were part of an Agile Tribe were invited to develop core skills related to their area of expertise. Approximately 600 participants took part in actively selecting and creating content relevant for their own team's success.

In 2022, the People Development units that cover certain areas of the business have grown as a response to the increased needs to strengthen customer-centred competence development, relating for example to sales techniques, customer communication and legal knowledge. At present, approximately 100 Business Learning Partners are already in place, and several Competence Development Leads are being recruited. While these decentralised full-time resources work closely with the business, the global People Development and Culture Specialist has a responsibility to drive common Learning and Development initiatives across all of If. During 2022, a project was initiated with the aim of reviewing and developing the people processes concerning performance,

career development, and reward and recognition in order to better support our operating model.

Besides formal training, much of the development takes place 'on the job'. If is an organisation that has ample job opportunities, offering employees the potential to develop both vertically and horizontally. This is done by posting job openings internally prior to any external advertisement, thereby securing growth opportunities for existing employees. During 2022, 651 employees transferred between positions internally, thereby gaining new skills and competence, and If promotes job shadowing and mentoring in order to increase awareness of potential growth opportunities at If. If also fosters competence development by offering paid and unpaid study leave. The form of the leave depends on the purpose, the length, and national regulation.

Remuneration

Fair and competitive remuneration is essential for attracting and engaging competent employees. At the same time, If has an obligation to ensure

that we do not remunerate or assess employee performance in a way that conflicts with our duty to act in the best interests of the customers.

To avoid employees becoming overly dependent on variable compensation, the fixed salary shall represent a sufficiently high proportion of the total compensation, and shall be fair and competitive but not leading in the market. Short-term incentives (STI) shall be used to reward employees for contributing to If's profitability, whilst long-term incentive (LTI) schemes shall be used to ensure employees' commitment to Sampo Group and align their interests with those of the shareholders of Sampo plc.

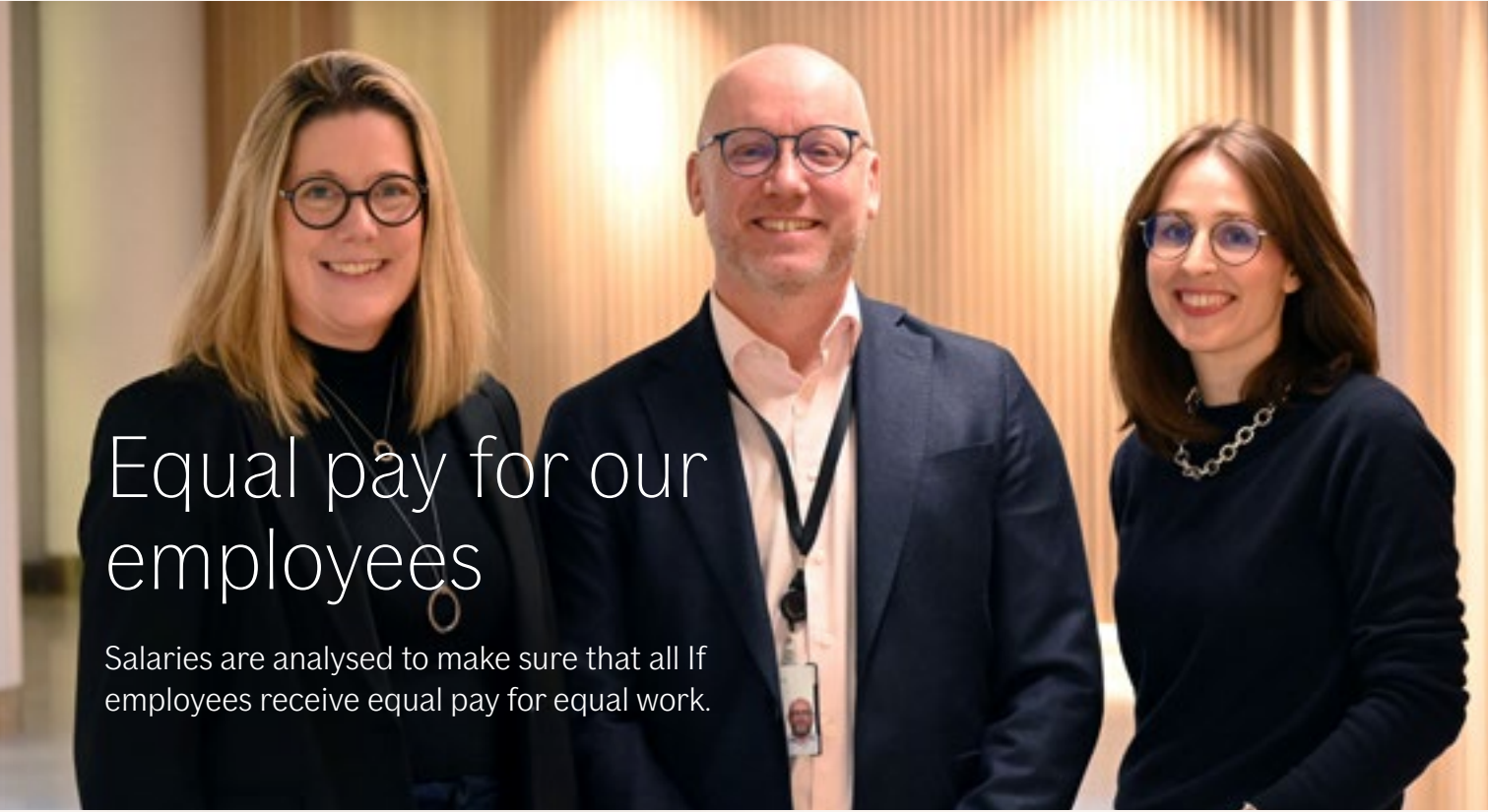
All employees, including top management, who participate in variable compensation programmes, have environmental, social and governance (ESG) criteria linked to their goals. In 2022, one common metric was customer retention, which concerns the customer turnover rate calculated according to the common practice in each business segment. In 2022, our joint objective for goal

setting in the variable compensation programme for managers and key specialists (VCPM) has been to continue strengthening One If by delivering on our strategic foundations Customer, Risk, People & Culture and Sustainability. The underlying annual VCPM goal theme provides a common direction when setting team/individual goals, which shall be qualitative to ensure sound risk-taking and an appropriate balance between quantitative and qualitative goals. Both quantitative and qualitative criteria shall be used for assessing performance where quantitative criteria include financial measures and where qualitative criteria include non-financial (such as sustainability, quality and efficiency) measures. A significant portion of leaders partaking in the VCPM also have eNPS metrics in their annual goals. In addition, to be eligible for payment from a variable compensation programme, the employee must have acted in compliance with internal and external rules for the business.

The Sampo Group Risk Management Principles and the Sampo Group

If Employee Photo shoot. Oslo. Photo: Espen Wallin





Equal pay for our employees

Salaries are analysed to make sure that all If employees receive equal pay for equal work.

Talking about equality is important, but ensuring equality is even better. We consider our annual equal pay analysis to be a health check, to ensure that people receive equal pay for equal (or equivalent) work. As a company, we invest resources and a lot of time in conducting a full pay gap analysis of salaries for all 7,200 employees at If across the Nordics.

– It's important to conduct the pay gap analysis to ensure that we are paying fair and competitive salaries to attract and retain the best people, while complying with equal pay regulations, says Henrik Lyckberg, Head of Compensation and Benefits.



Henrik Lyckberg

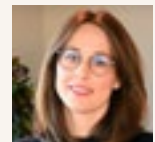
Our first Nordic equal pay analysis was conducted in 2020 as part of a common process, and the same process was repeated in 2021. Now, our duo of Sara Palm and Vanda Tønnesen, who are Group Compensation and Benefits Specialists at If, have teamed up with HR business partners and leaders to review each employee's salary once again.

– If's job profiles, to which all employees are linked, are the basis for our structured payment analysis, explains Sara Palm.

Identifying differences

The result of the analysis is a transparent categorisation that makes it possible to identify differences in salaries that need to be investigated further. An investigation might show that there are logical explanations for a pay gap, such as differences in experience, education, competence, market value or performance. The goal is not to remove all salary differentiations but, by identifying gaps and analysing them, those pay gaps that have no reasonable explanation can be identified.

– All HR business partners in the Nordics are involved, which helps us to understand the reasoning behind salaries that differ across the organisation. Most of the differences are legitimate and can be explained, says Vanda Tønnesen.



Vanda Tønnesen

If there is no clear reason that explains the pay gap, the gap should be resolved, ensuring equal pay for equal work. Vanda Tønnesen continues:

– The purpose of the process is to identify any kind of difference in pay that could indicate a case of potential discrimination – based on gender, for example. A culture of equality, where everyone is appreciated for their work and treated fairly, including in the process of setting their salary, is a culture in which people thrive. We conduct this analysis with pride and enthusiasm.

Small number of cases

So far, among our 7,200 employees in the Nordics, there have only been a small number of cases each year where the gaps could not be reasonably explained. About two thirds of the cases concerned female employees, and one third concerned male employees.

– If we cannot explain why we are paying differently for comparable jobs and performance, we adjust the lower salary according to our HR processes and the regulation in each country, says Palm.



Sara Palm

Next year, the common process will be extended to also include the Baltics.

Remuneration Principles form a group-wide framework for risk-taking and remuneration, and If's Remuneration Policy describes the company-specific governance framework, and its monitoring and control procedures apply to all employees.

The Remuneration Policy is reviewed annually and approved by the Board of Directors. The Compliance function annually reviews whether the Remuneration Policy complies with applicable regulation, and the Risk Management function performs an annual risk analysis of the Remuneration Policy and the compensation systems. Furthermore, an external auditor performs an annual independent review of the implementation of the Remuneration Policy. The results of the reviews are reported to the Board. A separate Remuneration Committee supports the Board in overseeing the Remuneration Policy, and supervises the compliance of the remuneration governance processes.

The Remuneration Policy further describes If's procedures for avoiding and mitigating risk-taking and conflicts of interest. Persons who effectively run the company and risk-takers are subject to a deferral rule, which means that a substantial part of variable compensation is deferred for at least three years, after which the Board will decide on the payment and release of STI/LTI. Variable compensation may be cancelled in whole or in part if the employee has breached internal or external business rules, or if the company's ability to maintain an adequate capital base is threatened.

Furthermore, to ensure fair and objective remuneration for employees, all decisions concerning individual remuneration made by a leader shall also be approved by the leader's leader (grandparent principle).

In 2020, If developed a model for an annual Nordic-level equal pay analysis. The purpose is to identify, handle and prevent unwarranted pay differences that may directly or indirectly be derived from gender. The model is designed to fulfil the local regulation of each included country. The Nordic approach and method is anchored with If's union representatives, and enables a standardised analysis, leveraging insights to further strengthen our ability to ensure fair and competitive remuneration in If. In the equal pay analysis, If investigates pay differences between men and women who perform equal work or work of equal value. The analysis contains an action plan to adjust any unwarranted individual pay gaps, and is one part of If's active measures in accordance with anti-discrimination legislation. The active measures shall prevent all kinds of discrimination and promote equal rights and opportunities. The pay gap figures for 2022 have been analysed but no specific cause has been determined to date. If has a proactive approach to equal pay and continuously develops the related HR processes throughout the year. This requires further investigation of the salary setting practice across the organisation, in order to identify potential focus areas.

In 2022, the equal pay analysis tool and model were further refined. HR Business Partners and leaders are offered training in equal pay methodology and the If job structure, which is the underlying framework used for identifying equal jobs and jobs of equal value in an objective and structured manner. Furthermore, If is closely monitoring the development of the European Commission's proposed Directive on Pay Transparency, and is making the necessary preparations in annual processes in order to include the Baltic countries in a company-wide Equal Pay Analysis in the future. ■

Gender pay gap

Remuneration	2022	2021	2020
Fixed	0.81	0.81	0.82
Fixed and variable	0.79	0.79	0.81

The above Gender pay gap figures describe the difference in actual paid out compensation between men and women. The difference can be explained by factors such as position in the company, job tasks, responsibilities and leave of absence. If is committed to improving the pay gap development through targeted efforts such as establishing a more diverse candidate pool, improving the recruitment toolbox, and thereby achieving a more gender-balanced recruitment in all hires. The Gender pay gap figures for 2020-2021 have been adjusted due to clerical error.

2 Diversity, equity and inclusion (DEI)

If strives to create a culture in which employees feel that they are welcomed, seen and appreciated for who they are, and for their valuable contribution to the achievement of If's purpose. A diverse, equitable and inclusive workplace is key to driving great business results, as new perspectives contribute to the development of potential revenue streams.

Our approach to diversity, equity and inclusion

If is convinced that a diverse work culture boosts innovation and the growth of intellectual capital, and If works actively towards being a fair employer that understands the value of diversity, equity and inclusion. The goal is to create teams that are rich in different perspectives, enabling leaders to take high-quality decisions based on authenticity and openness.

If is dedicated to sustaining a long-term cultural change. In 2020, If's Head of Diversity, Equity and Inclusion, together with the Diversity Board, launched a DEI maturity model representing four stages of maturity: Global compliance, Developing, Proficient and Strategic. The model dictates the systematic implementation of DEI into every aspect of the business through internal governance, compliance, work climate, leadership and actively working on behavioural change.

Maturity model - identified focus areas:

Systems and Metrics
strengthening a data-driven approach

Talent, Leadership and Culture
providing support and tools to integrate diversity and inclusion into everyday processes

Employer Value Proposition and Communication
ensuring inclusive communication

Management
tying diversity and inclusion to performance and rewards

Full time employees per gender

Gender	2022	2021	2020
Female	3,785	3,604	3,493
Male	3,488	3,300	3,211

Part time employees per gender

Gender	2022	2021	2020
Female	274	292	322
Male	83	90	94

New employees per gender

Gender	2022	2021	2020
Female	677	574	470
Male	683	525	407

New employees per age group

Age group	2022	2021	2020
Under 30	596	513	370
30-50	642	505	425
Over 50	122	81	82

Annual turnover* per gender (%)

Gender	2022	2021	2020
Female	12.5	10.0	9.2
Male	13.6	12.2	11.2

Annual turnover* per age group (%)

Age group	2022	2021	2020
Under 30	24.6	20.5	16.8
30-50	11.0	8.9	8.1
Over 50	9.5	8.8	9.1

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

Perceived sense of inclusion*

	Target	2022	2021
Men	>85	87	85
Women	>85	87	82
ISURG**	>85	79	80

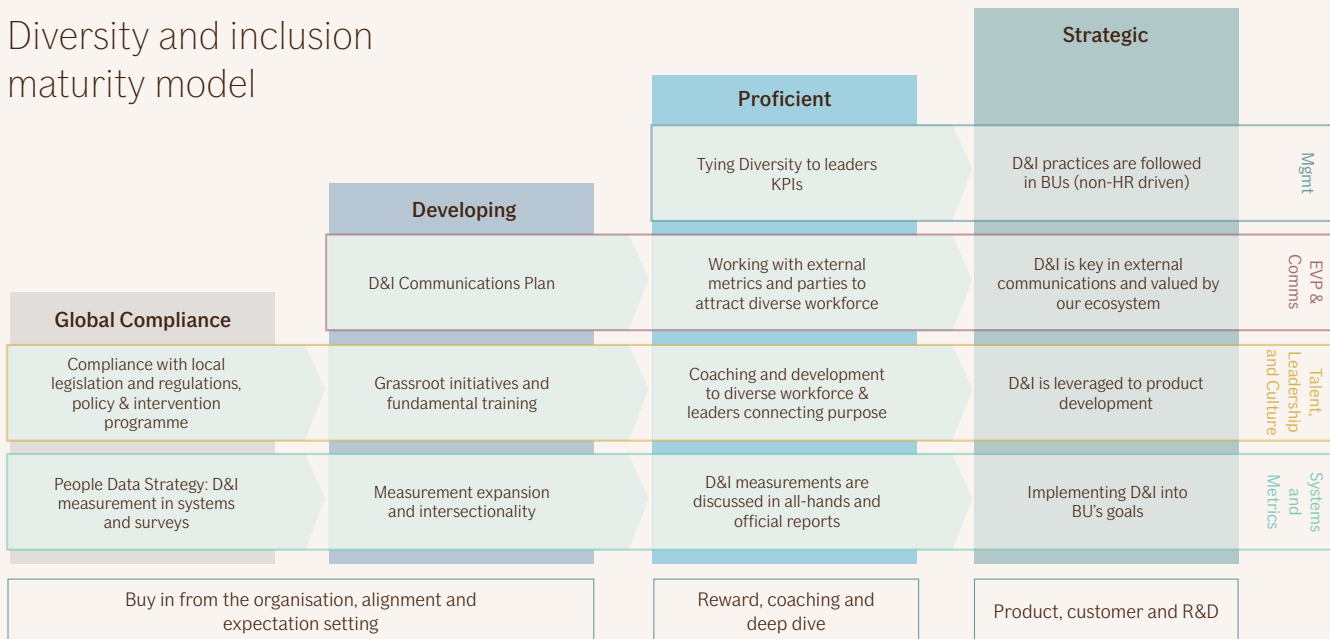
* Average score HealthBeat survey

** If Specifically Underrepresented Group (ISURG)



If Employee Photo shoot Oslo. Photo: Espen Wallin

Diversity and inclusion maturity model



In 2022, If entered the Strategic stage of the DEI maturity model, while simultaneously continuing to sustain and develop the work in the other stages.

Since 2021, the perceived sense of DEI among employees has been measured through HeartBeat. The goal is to achieve an outstanding perceived sense of inclusion, which is defined as at least 85 percent of employees agreeing or strongly agreeing with the statements related to inclusion. In autumn 2022, the average score was 87 percent. The results were examined in three demographic groups: men, women and ISURG (If Specifically Underrepresented Group, encompassing employees who consider themselves to be a person of colour, a refugee and/or LGBTQIA+). Of the demographic groups, men and women reported the highest average scores (both 87 percent), whereas ISURG reported the lowest average score (on average 79 percent).

The overall result exceeded the target in all but the following two statements: 'I am able to voice a contrary opinion without fearing consequences' and 'My diversity traits are a barrier to feeling included at If'. The ISURG group overall reported the lowest results among the demographic groups, although it did meet the target for the statement 'I can be my authentic self at work'. This group reported the lowest results with

regard to perceiving their own diversity traits as a barrier to feeling included. If actively works towards adjusting business processes to address these areas of improvement.

In addition to the already established Employee Resource Group 'Women@If', the group 'Queer@If' was introduced in 2022 as a means to spread awareness and promote an open discussion among If's employees. The group welcomes those who specifically identify as queer, and operates in a closed Teams group to create a safe space and build an important sense of community. Certain events are open to all of If, inviting interested employees to work together for a positive change within our company.

In 2022, a linguistic research study was conducted among a number of If employees to examine their experiences of working in a linguistically diverse workplace. The study identified various challenges, ranging from ineffective knowledge sharing, and difficulty and discomfort in expressing self, to social exclusion when colleagues use a language that is not understood by everyone. As a response to these challenges, the participating employees found themselves engaging in various inclusive language practices, such as lowering the threshold to address language-

related issues, as well as encouraging colleagues to use non-native languages despite insecurity. Ultimately, these practices aim to encourage individuals to feel comfortable when using non-native languages and to find effective solutions together, to create a shared understanding across varying language proficiencies. Psychological safety was identified as an important factor enabling the use of these practices.

As a result of this study, one concrete action was the development of a Language Committee, which will act as an advisory forum and shall work towards establishing principles for when to use English and when to use the local language. The committee will identify relevant collaborators and focus areas across the business, and is responsible for communicating the decisions made in this area. Such decisions shall be made with the main purpose of increasing inclusivity and efficiency.

Improving diversity in senior leadership positions

If is striving to achieve greater diversity in senior management by 2026, as we are convinced that this will increase the perceived sense of diversity within If as a whole. In support of this, two new initiatives were introduced in 2022. The 'one final candidate' principle implies that the top two candidates for

Women in executive management (%)

Management level	2022	2021	2020
Board of Directors*	27	28	13
Other senior executives**	23	24	25

* Board of Directors includes board members in parent company and subsidiaries.

** Other senior executives include group management team members and the presidents of the parent company and subsidiaries.

Gender equality employees (%)

Gender	Target	2022	2021	2020
Female	50 (+/- 5)	53	54	54
Male	50 (+/- 5)	47	46	46

Gender equality leaders (%)

Gender	Target	2022	2021	2020
Female	50 (+/- 5)	48	48	47
Male	50 (+/- 5)	52	52	53

Employees per age group (%)

Age group	2022	2021	2020
Under 30	16	16.5	17.5
30-50	57	56	55
Over 50	27	27.5	27.5

Leaders per age group* (%)

Age group	2022	2021	2020
Under 30	4	4.5	4
30-50	70	69.5	70
Over 50	26	26	26

an opening in Business Management Group (BMG) or the level below BMG, must include at least one candidate who contributes to team diversity through one or more of the following: LGBTQIA+, gender identity or another ethnic group. The other initiative involves providing instructions for succession planning, as a means to broaden our perspective on future demands by increasingly considering candidates who bring new and valuable insights to our business. During 2022, a core team was established with the purpose of improving our products and services offering by introducing a DEI focus in the product development process.

Binary gender representation

In 2022, If had quite an equal gender representation, with 47 percent men and 53 percent women. The distribution of men and women leaders was 52 percent and 48 percent, respectively. In the top management team¹¹, women accounted for 17 percent of positions. However, at the levels immediately below the top management team, the balance is more equal. Certain functions are also dominated by men or women, such as IT and HR, respectively. If actively works towards incorporating DEI into recruitment efforts, through building a more diverse talent pool and offering trainee and internship programmes. If also actively works to increase its presence among defined target groups through fairs and networks, such as ‘Oda, Women in Tech’ in Norway and ‘Women in Tech’ in Sweden. Our DEI focus is communicated in job advertisements, and the recruitment process is continually being developed to include one or more types of assessment, including the use of personality tests and case presentations, structured interview guidelines, references, and a four-eye-principle to avoid decisions being influenced by unconscious bias and discrimination.

Working proactively against discrimination and harassment

As a responsible member of society, If respects human rights by seeking to avoid infringing the rights of others and working to address adverse human rights impacts in which If may be involved. If’s Ethics Policy clearly states that no kind of discrimination, harassment or bullying is tolerated, and as an employer, we have a responsibility to prevent sexual harassment and to provide a safe work environment for our employees. If offers a training programme in all countries that includes discussions on expected behaviour, how to prevent harassment, and how to act when witnessing or experiencing inappropriate behaviour. Supporting material for team workshops is made available to all leaders. If has conducted company-wide surveys on harassment since 2018. The 2022 results were stable compared to the previous year. The survey results are followed up and corrective measures are taken based on the information we receive via various reporting channels, such as Oops and Whistleblowing. In 2021, four cases of discrimination or harassment were reported, and there were seven cases in 2022. Corrective measures have been taken according to the internal process description, and the cases have been closed. If has a zero-tolerance policy towards any type of harassment and discrimination, and the preventive work never stops.

During 2022, a pilot scheme was conducted in three offices across Norway to discuss psychological safety as an active and preventive measure, as well as to gather insights in order to raise awareness of one’s own experiences in life and at work that are interrelated and inseparable. The initiative has been well-received, and further action is being planned. ■

A climate challenge for the win

647 If employees were challenged to build more sustainable daily habits. They responded by choosing a vegetarian breakfast 3,814 times!



If employees are an important target group in our efforts towards achieving a more sustainable future. One of our goals is to increase awareness among the employees, and to do more for society on an individual level. To pursue this goal, we introduced a climate challenge at the beginning of 2022 for our employees working with small and medium-sized corporate clients and large claims.

Small deeds make a difference

The challenge was organised together with Deedster in their gamified climate action app. Employees formed more than 100 internal teams that competed against each other. To start with, all employees calculated their carbon footprint, and week by week they were able to unlock new steps on the virtual journey to gain new knowledge and advice.

The overall goal was to learn more about climate in general and If's sustainability work, and to complete climate-friendly deeds, or small actions, to reduce their own carbon footprint. The small deeds could be, for example, walking to work instead of driving, minimising food waste,

saying no to buying new clothes, or saving energy by adjusting the temperature in their fridge.

Raising competence among employees

After the challenge, 75 percent of the employees said that they were likely to continue working on lowering their carbon footprint.

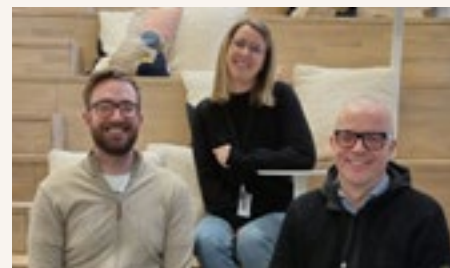
– The climate challenge was a great initiative for increasing awareness in a fun and engaging way. It supported us in finding new ways to think and gradually change our consumption habits, believes Line Gjengedal Ruud, who is Head of Large & International Claims.



Line Gjengedal Ruud

She is convinced that If's customers will benefit from the Deedster challenge, as the challenge raised a lot of interest amongst If employees, and also further increased internal competence and awareness, even after the challenge had ended.

– By building competence among our employees in new ways, we become better discussion partners for our customers when they come to us with sustainability matters – both in sales and claims handling, she explains.



And the winner? A team named G-Squad from Norway was able to complete the most deeds per team member: 719 small actions for the climate in just four weeks (2,876 in total). However, in this challenge we only have one true winner – the climate!

Employee voices:



Ronald Hopperstad Olsen, Norway

I have tried a vegetarian lunch, paid attention to buying local food and listened to a sustainability podcast – and I also studied the ten principles of the UN Global Compact. I showed the mobile application to my friends outside If, and they also thought that this is a great initiative.



Cecilia Sahlin, Sweden

One of my best memories from the challenge is a team dinner that we had. We chose to walk from the office to the restaurant while talking about sustainability, we all opted for a vegetarian menu and any leftovers were put in a doggy bag to minimise waste.

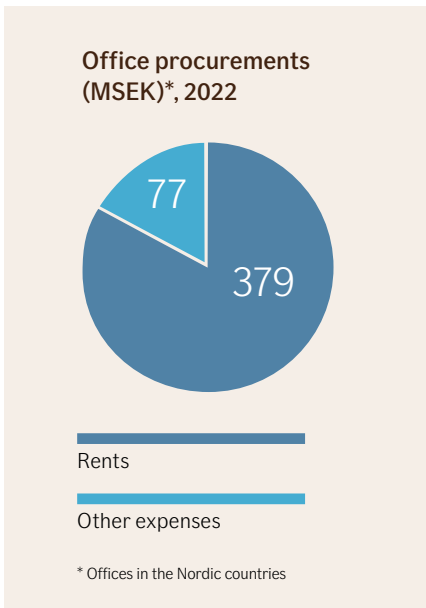
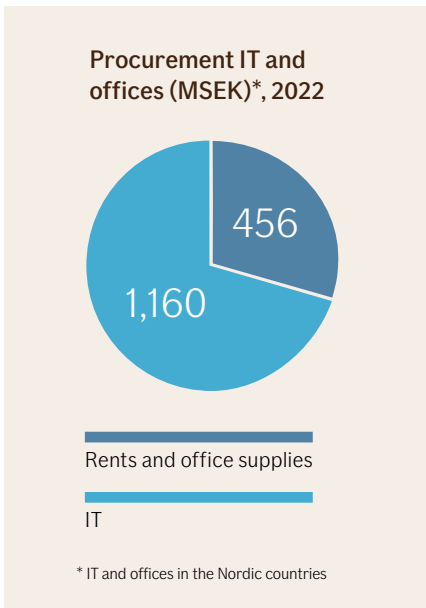


Paula Pylväs, Finland

It was fun to see my competitive side emerge during the challenge. The deeds were inspiring and my colleagues encouraged me to do small things with a big impact. I really pushed myself to go crazy with leftover cooking. One of my other favourites was the 123 shower, which I challenge everyone to try. It means taking a shower in no longer than 1 minute 23 seconds.

3 Environmentally friendly workplaces

The post-pandemic work-life at If offers increased flexibility and freedom for employees to decide where to work. To support this, If is contributing financially to the purchasing of home-office equipment, and provides support in considerations relating to ergonomics and sustainability. However, our offices are still the primary workplace and the cornerstone for innovation and development. If strives to provide environmentally friendly workplaces, enabling our employees to minimise their environmental footprint. We are continually working on the ‘greening’ of our offices and making them more sustainable – for example, by introducing an updated environmental standard for all our offices. To reduce business travel, If focuses heavily on providing state-of-the-art digital meeting facilities.



Greening our offices

In parallel with the new flexible work-life, we at If are continually working to improve our offices. This work strives to combine an attractive ‘look and feel’ with the new hybrid and digitalised way of working at the offices, while also incorporating our commitment to the substantial reduction of our own emissions.

In 2022, If procured goods and services (including rents) for our offices worth approximately SEK 456 million. All significant¹² suppliers are required not only to comply with If’s Supplier Code of Conduct but also to develop and implement an environmental policy of their own. Furthermore, all significant suppliers are required to provide information, such as by answering a self-assessment questionnaire (SAQ) on their environmental work. We initiate

regular supplier follow-ups where sustainability is on the agenda, and we also conduct site visits to ensure that they are complying with our requirements.

If does not own any office buildings¹³, but we conduct continual dialogue with our landlords on how to improve the offices’ environmental performance. Measures such as optimising office space, upgrading ventilation systems, thermostatic control, installing LED lighting, increasing recycling and reducing waste are key to making the offices more environmentally friendly and also to providing a good work environment. In several locations, If has moved to new and more energy-efficient buildings. Energy use in If’s offices in the Nordic countries has decreased by 41 percent over the

2012-2022 period. In 2022, indirect energy use in our offices in the Nordic countries was 21,477 MWh, which is an increase by 5 percent compared to the previous year. Indirect energy use in our offices in the Baltic countries was 1,746 MWh¹⁴. In 2020 and 2021, indirect energy use was lower than normal, due to remote working during the COVID-19 pandemic. As of January 2019, all the district heating we purchase for our office in Turku is produced from renewable sources. All the electricity we purchase to our major offices in the Nordic countries comes from renewable sources.

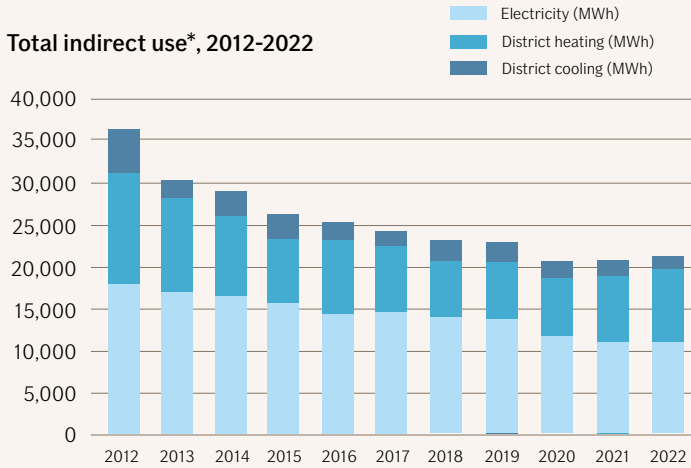
In 2019, we developed minimum environmental requirements for our major offices (i.e. offices with more than 100 employees) in the Nordics. These requirements are currently

¹² Office suppliers that provide If with goods and/or services worth more than SEK 100,000 per year.

¹³ We own If Security Center’s office and training building in Hobøl, Norway.

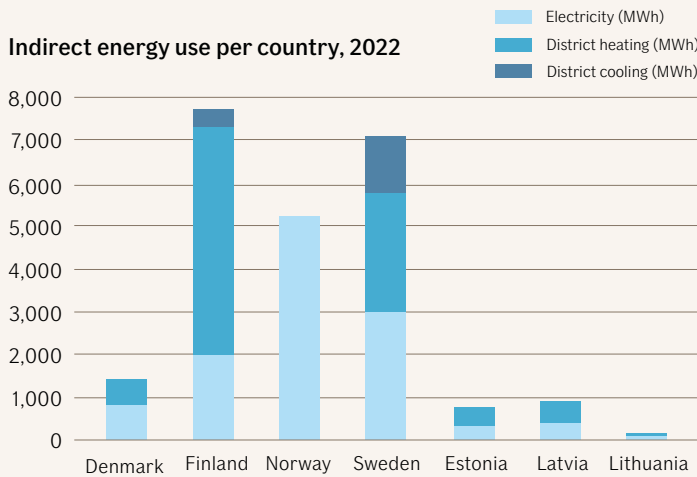
¹⁴ 2022 is the first year we report indirect energy use for our offices in the Baltic countries.

Total indirect use*, 2012-2022



* Indirect energy use in the Nordic countries.

Indirect energy use per country, 2022



being updated and transformed into environmental standards. The new environmental standard defines concrete measures, targets and guidance on topics such as office supplies, how the canteens should operate, energy efficiency, ‘greening’ our rental agreements, reducing our waste and more. If has also invested in new property technology to optimise facility management and to gain fact-based knowledge that can support sustainable action.

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

In Finland, the Espoo office moved to new premises in mid-2021. Employees were actively involved in the planning process, and cross-functional working groups were set up to discuss well-being, facility services and how to enable collaboration. The Espoo office received the WELL Health Safety Rating in January 2022 and the WELL Platinum certificate in June 2022, as well as the WWF Green Office certificate in June 2022. The renovation of our office in Turku was completed during summer 2022, which supports the activity-based working culture. Our Turku office has also been awarded the WWF Green Office certificate. In Norway, the renovation of the Vækerø office was completed in 2022. All the Espoo, Turku and Vækerø offices have been transformed into activity-based offices with a clear environmental vision.

ZidaService

When the contract for the cleaning service provider at If’s office at Ståsholmen was due for renewal, one of If’s requirements was that its contractor had been awarded a Nordic Swan Ecolabel, which is also the case for all the larger premises in the Nordic and Baltic countries. As a result of the new demands, If’s long-term cleaning partner ZidaService has now, with support from If, received Nordic Swan Ecolabel certification.

Network: Buy Ecolabelled

Buy Ecolabelled is a business network operating under the Nordic Swan Ecolabel that promotes 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 yet been established in Finland or Denmark, we applied to become the first members in order to help establish it. The network was established in Finland and Denmark in 2012.

Office supplies that meet the following criteria should be prioritised:

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

Reducing Food Waste Day

During 2022, If also focused on local sustainability events, to raise knowledge and awareness. Work is ongoing to establish internal events as regular yearly events, where all of If gathers together and joins forces. In September 2022, If became involved in the mission to stop food waste. On 29 September, all of If’s bigger offices participated in this event and organised a friendly food waste competition between If countries, both to raise awareness and to increase knowledge and also to support the One If concept. In parallel with the competition, we launched internal and external communication campaigns to spread information about food waste and to share tips and advice about how to reduce it.

Meeting instead of travelling

For many years, and in order to reduce business travel, If has focused on ‘meeting instead of travelling’ and providing state-of-the-art virtual meeting facilities. As a result of If’s focus on ‘meeting instead of travelling’, the total number of flights¹⁵ taken decreased by 31 percent during the period 2007-2019. During 2020 and 2021, business air travel was exceptionally low due to COVID-19. The total number of flights taken in 2022 was 8,354. Our business travel target was to reduce the total number of flights¹⁶ by 50 percent in 2022, compared to the 2019 level, the last ordinary travel year. We achieved

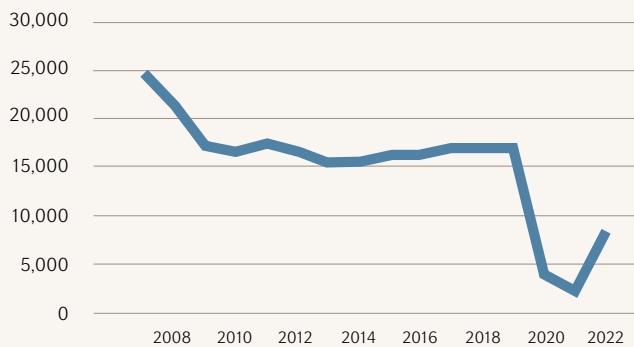
this target since the number of flights is 51 percent lower than the 2019 level. For 2023 we will have the same target, i.e. reduce total number of flights by 50 percent, compared to the 2019 level.

Business travel by private car (i.e., when employees use their own private car) constitutes approximately 80 percent of all business car travel during a normal year. During the 2010-2019 period, this type of travel decreased by 49 percent in the Nordic countries. The decrease in car travel is linked to the fact that claims handling is becoming more digitalised. An increasing number of inspections are handled online or are directly

handled by our property or vehicle repair contractors. During 2020 and 2021, business travel by private car was also exceptionally low, due to COVID-19. In 2022, total business travel by private car amounted to 3,825,676 km in the Nordic countries. Total business travel by private car amounted to 149,984 km in the Baltic countries¹⁷.

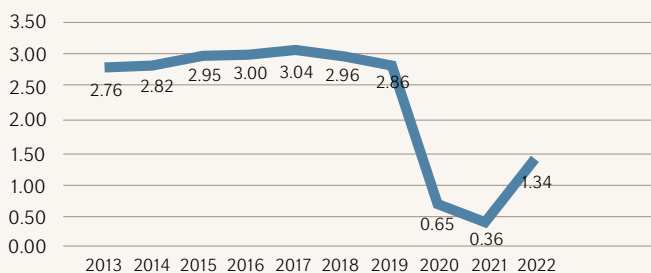
During 2022, If installed approximately 150 Teams-compatible rooms in the Nordics. The purpose of this is to support the new travel policy and to make sure our facilities are well equipped. In 2022, more than 40,000 Teams meetings were organised each month.

Total number of flights*, 2007-2022



* Baltic operations not included in total number of flights.

Flights per employee*, 2013-2022



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

Business travel target

In 2021, If presented an ambition and goal to reduce the total number of flights¹⁸ by 50 percent in 2022, compared to the 2019 level, the last ordinary travel year. The goal is to make sure that we travel and meet in a more conscious and sustainable way, reducing our environmental impact as well as reducing costs. The reduction of travelling means that digital meetings will be the preferred option in most cases. The total number of flights taken in 2022 was 8,354, which is 51 percent lower than the 2019 level. This means we managed to reach our business travel target. For 2023 we will have the same target, i.e. reduce total number of flights by 50 percent, compared to the 2019 level.

Business travel target*

Target 2023	2022	2021	2020	2019
<8,542	8,354	2,149	3,890	17,084

* Target to reduce business air travel (i.e. number of flights) by 50 percent compared to the 2019 level, the last ordinary travel year.

¹⁵ Baltic operations not included in total number of flights.

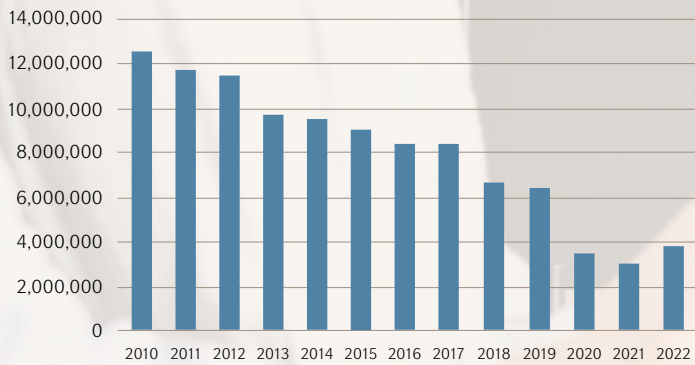
¹⁶ Baltic operations not included in business travel target.

¹⁷ 2022 is the first year we report business travel by private car for the Baltic countries.

¹⁸ Baltic operations not included in business travel target.

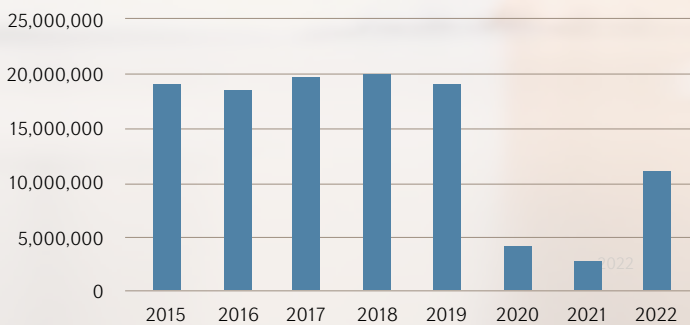


Business travel by private car* (km), 2010-2022



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

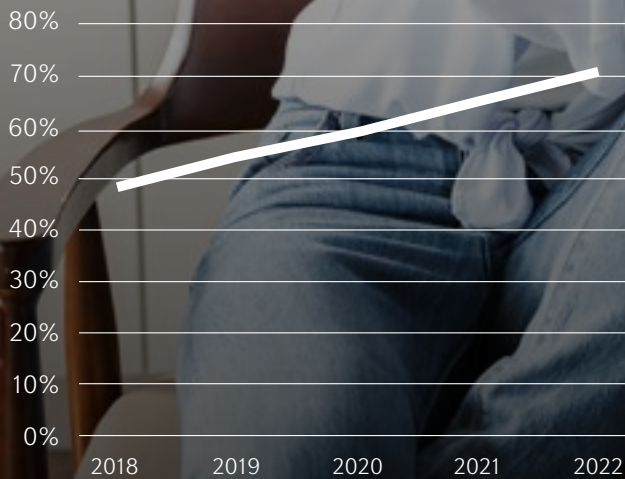
Business travel by air (km), 2015-2022



* Business travel air (km) in the Nordic countries

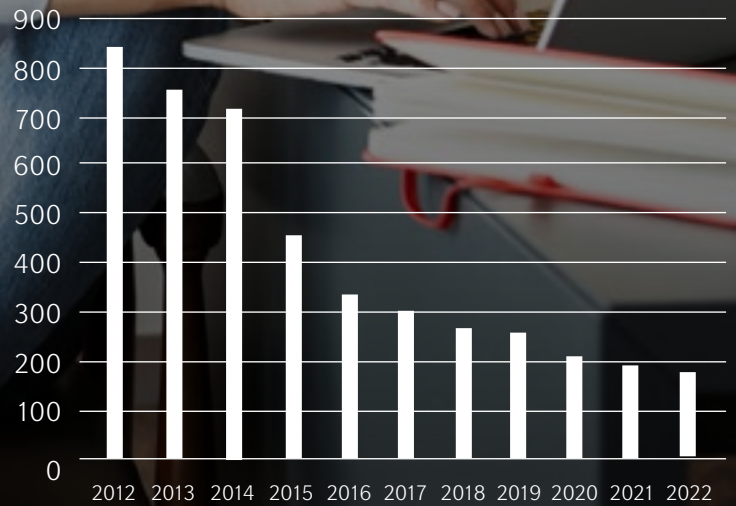


e-customers* 2018-2022



* Private e-customers in the Nordic countries

Total paper consumption (tonnes), 2012-2022



Increasing digitalisation – reducing paper consumption

We are continually working with digitalisation and developing our e-insurance services, which combine environmental thinking with a modern approach to communication and customer satisfaction. In 2022, approximately 71 percent of our private customers were e-customers. The number of private e-customers increased by 52 percent during the period 2018-2022. As a result of our focus on digitalisation, we have managed to decrease our total paper consumption by 79 percent since 2012.

Green IT

The use of modern technology and solutions in our IT systems improves functionality and helps us to reduce the environmental impact of If's business-related activities. If is a substantial user of server capacity, and has been using virtual or cloud-based solutions for several years. We use cloud services because they are scalable and flexible, as well as being cost and energy-efficient. Server installation size can easily be adapted, at a low cost, to fit current needs, which makes it possible to minimise excess capacity. With cloud-based solutions, large numbers of servers can be gathered in one place,

which makes it possible for suppliers to run data centres efficiently.

One of the waste streams with a substantial negative environmental impact is that of discarded electronic equipment. At If, we try to reuse and recycle as much electronic equipment as possible, including computers and mobile phones. The average usage time for our workstations is 4.3 years. Workstations that are decommissioned are returned to the suppliers, who either resell them for continued use elsewhere or recycle the materials. In 2022, we returned 3,153 workstations and 462 mobile phones to suppliers. ■

If's new office in Espoo embraces employees and the environment

When If started looking for a new office space in the capital region in Finland, we rolled out a map and looked at where our employees live, so that everyone would have a reasonable and practical commute.

What is WELL certification?

WELL is a scientific, research-based roadmap that is dedicated to advancing human wellbeing in office spaces.

Projects are required to pursue a certain subset of features or strategies within the 10 WELL concepts, including Air, Water, Thermal Comfort, Light, Movement, Nourishment, Sound, Mind, Community and Materials.



In many cases, employees' wellbeing and sustainability go hand in hand. If's new office and the choices that were made during planning are great examples of this.

– You would be amazed at how the office in Keilaniemi in Espoo is right in the middle of the map when looking at employees' homes, says Pirjo Holmén, who is the Head of Premises in Finland.



Pirjo Holmén

It is beneficial for employees to have a reasonable commute to work and to have the possibility to choose not to drive, with easy access by public transport. At the same time, the location is also sustainable in terms of saving emissions. Cycling to work is also a fantastic way to stay healthy and look after the planet at the same time.

– We want to encourage people to cycle. The office has an indoor garage for bikes, where you can also charge your e-bike, and there is a towel service, so you can have a shower after taking your bike to work, explains Holmén.

Activity-based working – less space but more options

Employees' wellbeing was at the centre of the discussions when planning the new Espoo office. More than 2,000 members of staff were given the opportunity to contribute with feedback and ideas about what it means to have the best place to work.

– As the result of our work, If has now received the highest possible WELL certification, which is Platinum. Ours is the first office in Finland to be awarded this, explains Holmén proudly.

The WELL rating is an evidence-based certification that aims to support the health and wellbeing of employees by looking at several factors, such as air, water, nourishment, light and fitness.

When the sunlight comes in, the LEDs dim down

If's base in Espoo is a smart office, where the quality of air, water, sound and lighting is constantly monitored. For example, the lighting adjusts itself based on how much sunlight is being received from outdoors and whether the room is in use or not. This ensures that the lighting is always comfortable for employees, while also saving electricity.

– With the office being so smart, we can easily make adjustments. For example, we have reduced the office temperature according to the guidelines from the authorities in order to save electricity amid the energy shortage, says Holmén.

Moving the office premises to a new location also meant a change in the working culture at If. With activity-based working (ABW), no one has their own, assigned seats. Employees access different types of working stations and spaces every day for different tasks and activities. Because the office is being used in a new way, the office space is smaller than before.

– We use less energy to heat or cool the office building now, explains Holmén.

The sustainability mindset is also reflected in the details: If has provided all employees with their own Thermos cups for coffee. There is no disposable tableware used anywhere in the office, and no chemicals are used in cleaning.

– We also require all our suppliers to abide by strict sustainability standards, adds Holmén.

Society

- 1 Good corporate governance and transparency
- 2 Contributing with our expertise to build a more resilient society
- 3 Supporting the transformation to a low-carbon society

Commitment to society

We adhere to good corporate governance and transparency.

We contribute with our expertise in risk management to the building of a more resilient society.

We support the transformation to a low-carbon society.



① Good corporate governance and transparency

We adhere to good corporate governance and transparency. If is committed to the UN Global Compact principles on human rights, labour rights, the environment and anti-corruption, we work to make the principles part of our strategy, culture and day-to-day operations, and we engage in collaborative projects that advance the UN Sustainable Development Goals. A well-functioning, sound and stable insurance market is of major importance for society at large. As a consequence, there is a natural need for supervisory authorities. If strives for transparency and mutual respect in relation to inspectorates and supervisory authorities, as well as with other public authorities. 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 taxpayer. We believe that high ethical standards and responsible behaviour, such as how employees treat customers, partners and other stakeholders, are essential to ensuring the long-term success of the company.

Integrating the UN Global Compact into our business operations

Sampo Group, of which If is part, is committed to respecting 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. In September 2019, Sampo Group signed the UN Global Compact, which is a principle-based framework for business, and that states binding principles on human rights, labour, the environment and anti-corruption.

We work to make the UN Global Compact principles part of our strategy, culture and day-to-day operations and have integrated them into central policies and processes. Respect for human rights, labour rights, the environment and anti-corruption is therefore an integral part of policies¹⁹ and processes targeting our employees (e.g. HR Policy and Ethics Policy), customers (e.g. Underwriting Policy), investees (i.e. Investment Policy) and suppliers (i.e. Supplier Code of Conduct).

¹⁹ All policies are adopted by the Board of Directors (BoD). Sampo Code of Conduct, If's Ethics Policy and Supplier Code of Conduct are public documents that are available on Sampo's and/or If's websites. If's Responsible Investment Policy will be made available in 2023.

UN Global Compact 10 principles

Human rights

- 1: Business should support and respect the protection of internationally proclaimed human rights; and
- 2: make sure they are not complicit in human rights abuses.

Labour

- 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4: the elimination of all forms of forced and compulsory labour;
- 5: the effective abolition of child labour; and
- 6: the elimination of discrimination in respect of employment and occupation.



Environment

- 7: Businesses should support a precautionary approach to environmental challenges;
- 8: undertake initiatives to promote greater environmental responsibility; and
- 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Sampo Group Code of Conduct, which is based on the UN Global Compact, defines the principles that guide corporate governance, such as how people should treat each other in the workplace, and how employees should treat customers and other stakeholders, such as investors, partners and authorities. If's HR Policy and Ethics Policy are also based on these principles. All employees are required to comply with the Code of Conduct and these policies, and are provided with regular training on these matters (see Ethics in our own operations).

The UN Global Compact has also been integrated into our investment and underwriting operations, which means that we expect investees and corporate clients to respect human rights, labour rights, the environment and anti-corruption commitments. We make use of research from an external service provider to assess whether companies are adhering to these principles and have established processes for handling actual or potential breaches (See Commitment to our customers, pages 27-30).

If's Supplier Code of Conduct defines the minimum requirements that we expect suppliers to respect when conducting business with us. The Code 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 (see Commitment to our customers, pages 20-21).

In 2022, we developed a due diligence process (see Due diligence process for suppliers and business partners) in accordance with OECD Guidelines for Multinational Enterprises, in order to identify, avoid and address possible adverse impacts on human rights, labour rights, the environment and anti-corruption commitments associated with our supply chains and business partners. The due diligence process is being incorporated into If's purchasing processes, starting in Norway as of 1st July 2022, due to the Norwegian Transparency Act²⁰. More detailed instructions for the due diligence process are currently being developed and implemented, and this work will continue during 2023.

Ethics in our own operations

If's Ethics Committee discusses and coordinates ethics issues within the If Group, and provides recommendations. The 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, the claims organisation and corporate functions have appointed Ethics Officers. The Ethics Officers shall ensure that the Ethics Policy is followed and that a high level of ethics is observed within operations. Ethics Officers can be approached for advice on ethical issues. In addition, If organises courses, seminars and discussions on ethics and ethical dilemmas in the workplace, and provides elearning courses on ethics.

A new learning programme for all employees – One Responsible If – was launched at the beginning of 2022. It includes a new e-course on ethics that reflects the content of the Ethics Policy, and also includes a reading activity for the Ethics Policy and training on a methodology to help manage ethical dilemmas. The programme is mandatory for all employees, and will be conducted annually. In 2022, almost 93% of all employees, excluding contingent workers, completed the programme.

Although, because our business is mainly in the Nordic and Baltic countries²¹, we consider the risk of direct human rights violations to be relatively low in our own operations, we recognise that our actions could have indirect

We work to ensure that suppliers meet our sustainability requirements

According to self-assessments, a majority of If's suppliers and partners comply with our sustainability demands.



If has around 5,000 partners and suppliers in the Nordic region, of which more than 4,000 are motor and property repair suppliers. If has worked with purchasing for more than 20 years, and our sustainability requirements for our suppliers are regulated in our Supplier Code of Conduct, which internally is often referred to as 'the Code'. Our Supplier Code of Conduct is based on the 10 principles of the UN Global Compact and its underlying conventions and declarations, and it covers the following areas of sustainability: human rights, labour rights, environment and anti-corruption.

During winter 2022, If invited 900 partners and suppliers to participate in a self-assessment questionnaire (SAQ) survey, with an emphasis on their work according to the Supplier Code of Conduct. Our partners answered questions about how they work to minimise waste, how they store chemicals and dangerous substances, whether they have their own sustainability managers, whether they have written guidelines for sustainability and the proportion of the workforce that has temporary employment, to mention just a few.

– We use due diligence procedures to follow up the Code to ensure that it is truly understood and implemented in our partners' and suppliers' strategies and day-to-day operations, says Odd Magnus Barstad, Head of Claims and member of If's Business Management Group.



Odd Magnus Barstad

– We want to obtain an overview and ensure a common understanding and way of working. The SAQ was a natural starting point in order to gain insights and an overview of the situation.

Hope to influence a sustainable change

Half of the 900 SAQ respondents completed the entire survey. Including answers from uncompleted surveys, 63 percent of the respondents ended up in the 'green' survey category, which means that they meet all the requirements we set in the Code.

– This is the first time we have sent out such a survey to evaluate how our partners work with the Code. The answers give us a good indication of the ongoing work when it comes to sustainability and ethical conditions in our value chain, explains Barstad.

– Some suppliers have given answers that place them in the 'red' category. These answers might be based on misunderstandings or shortcomings that should be addressed. We continue to work closely on those answers where the supplier has not met our requirements. If we discover something serious, we may reconsider whether or not we should work with this supplier in the future, he says.

A few steps ahead of the new transparency law

In July 2022, a new law entered into force in Norway, named The Norwegian Transparency Act ('Åpenhetsloven'). The law is based on international principles concerning responsible business from the Organisation for Economic Cooperation and Development (OECD) and the UN. The Transparency Act places requirements on large companies like If to ensure that our suppliers have a good foundation for sustainability, respect human rights, and have reasonable working conditions in connection with the production of goods and the provision of services.

The public receives information about how companies handle and act on breaches in these matters.

– More than 97 percent of our Nordic suppliers have signed the Code, and by having the Code incorporated into our agreements, we were a few steps ahead of this legislation. This applies particularly to partners within Claims and Group Services, where we have a very good and close follow-up and structured reporting, says Nina H. Torgrimsby, who is a lawyer at If.



Nina H. Torgrimsby

– We will now transfer this to the entire If organisation. We will also continue to work on the due diligence process and training for those employees who have a special responsibility for sustainability, she says.

– With more than 4,000 motor and property repair suppliers, we can create a sustainable change if we point our partners in the right direction, she concludes.

Tax contribution* per country (kSEK)

Country	2022	2021	2020
Sweden	2,827,329	2,572,970	2,662,967
Norway	3,305,235	3,250,432	3,006,909
Denmark	673,837	751,772	806,054
Finland	3,948,578	3,069,864	3,013,837
Estonia	110,088	105,581	107,796
Latvia	106,987	87,693	82,405
Lithuania	37,975	28,712	28,782
International	119,303	99,111	91,105
Spain**	6,454	8,155	13,814
Total	11,135,787	9,974,289	9,813,668

* Including corporate income tax, employment taxes, VAT, insurance premium tax and withholding tax for the following tax jurisdictions: Denmark, Estonia, Finland, France, Germany, Latvia, Lithuania, Netherlands, Norway, Spain, Sweden and UK.

** Viking.

Due diligence process for suppliers and business partners



Signing contract

negative impacts on human rights. These concerns mainly arise with regard to external factors.

Due diligence process for suppliers and business partners

For many years, If has worked to ensure that our suppliers and business partners act lawfully, respectfully and responsibly. 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). In the event of any identified deviations from the Code, the supplier will be asked to provide a corrective action plan for If to approve. If reserves the right to terminate contracts with the supplier in the event of material breaches of the responsibilities outlined in the Code and underlying conventions and declarations (See Commitment to our customers, page 21).

During 2022, we have further increased our ambitions and developed our processes. To avoid and address possible adverse impacts on human rights, labour rights, the environment and anti-corruption commitments that are

associated with our operations, supply chains and business partners, we have developed a due diligence process in accordance with OECD Guidelines for Multinational Enterprises. The due diligence process is being incorporated into If's purchasing processes, starting in Norway as of 1st July 2022, due to the Norwegian Transparency Act.

The due diligence process consists of four main steps: i) Procurement, ii) Requirements, iii) Follow-up, and iv) Development of suppliers. More detailed instructions for the due diligence process are currently being developed and implemented, and this work will continue during 2023. Two training sessions on the new due diligence process have been held and were offered to relevant If employees during autumn 2022, and further training is planned for 2023. Implementation of the due diligence process will be monitored by means of quarterly internal reporting. During the period July-December 2022, a total of 182 purchasing agreements were subjected to the due diligence process.

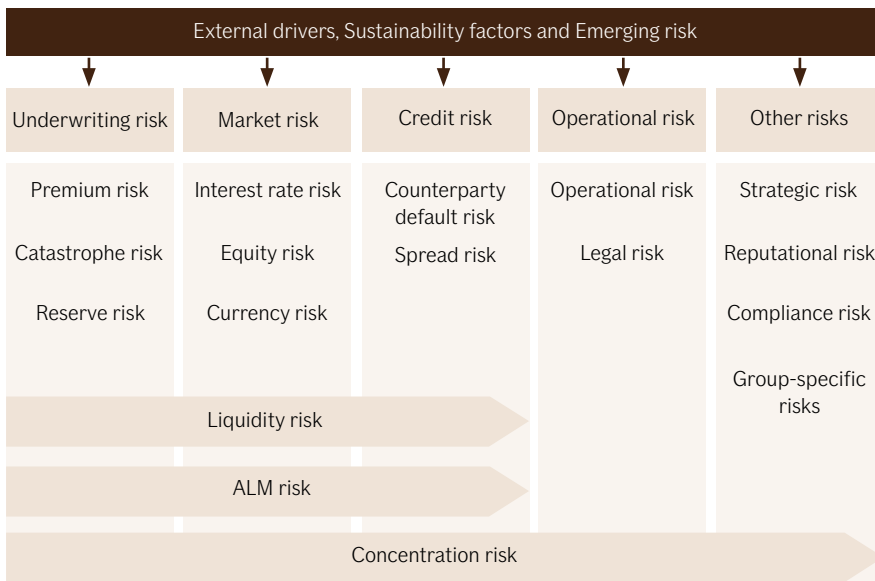
Responsible taxpayer

As a responsible taxpayer, If is committed to ensuring that it observes all applicable tax laws, rules and regulations in all jurisdictions where it conducts business.

Taxes are paid in the country in which the actual business operations take place, and value created is not transferred to low-tax jurisdictions. If does not practice tax planning or tax structuring that would aim to artificially reduce the companies' taxable income. With regard to tax-related issues, If operates within the framework of legislation and legal practice in planning taxable profit. The accounting always complies with local laws and generally accepted accounting principles.

A Central Tax function, consisting of the Head of Tax, VAT Counsel, Tax Counsel and Tax Manager, together with local accounting representatives in the different locations, has overall responsibility for ensuring tax compliance and ensuring that If is a responsible taxpayer. If also has a Tax Committee, consisting of the Chief Legal Counsel, Chief Financial Officer, Chief Risk Officer, Head of Tax, Head of Corporate Accounting and Head of Financial Operations, that is an advisory and preparatory body to the CEOs in the respective companies. The Tax Committee receives updates on the tax positions and legislative developments, and provides opinions on any significant direct and indirect taxation issues.

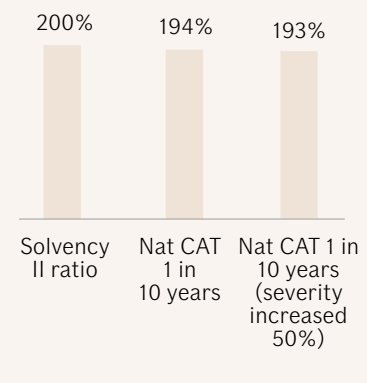
Risks encompassed in the Risk Management System



Sensitivity analysis for natural catastrophes

Natural catastrophes are risk factors that affect If's financial position and results. The financial impact is illustrated by means of 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 result (i.e. a natural catastrophe that is likely to happen once in ten years) is calculated and published in our solvency disclosures.

As 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 therefore 50 percent greater than the current view. The results of the analysis show that this scenario has limited financial impact (i.e. 1 percentage point), due to If's reinsurance protection.



If's taxation approach is regularly evaluated by external auditors²².

Risk management

If has an effective Risk Management System in place to identify, assess/measure, mitigate, monitor and report the risks at an individual level and at an aggregated level, considering the risks' interdependencies. The Risk Management System comprises strategies, processes and reporting procedures, and covers all risks to which the company is or could be exposed. The Risk Management System is part of the Internal Control System and is linked with the If Group Risk Management System, which ensures that all risks are managed from a company perspective as well as from a group perspective.

If's main risk categories are underwriting risk, market risk, credit risk, operational risk and other risks. External drivers, sustainability factors and emerging risks have a potential impact on all risk categories, and key risk areas are subject to dedicated risk management processes. Within the Risk Management System, sustainability-related risks, such as climate change risks, are not assessed and reported as a stand-alone risk category. Instead, the risks are

assessed as an integral part of the assessments per defined risk category. Environmental, Social and Governance (ESG) factors are integrated into the risk management framework. Since 2020, the Task Force on Climate-related Financial Disclosures (TCFD) is included in the sustainability reporting.

Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-Related Financial Disclosures (TCFD) is an industry initiative that aims to identify and report the information needed by investors, lenders and insurance underwriters to appropriately price and assess climate-related risks and opportunities. One of the objectives is that climate change should become a routine consideration in business and investment decisions. We think this is an important initiative, and we are working to integrate TCFD into our operations. The work to implement the recommendations continued during 2022 – for example, If conducted an updated assessment of climate-related risks according to the TCFD standard, and also implemented a climate change risk scenario analysis of If's investment portfolio (see TCFD, pages 76-83).

²² More information on our approach to taxation is available in the If Annual Report 2022 and the Solvency and Financial Condition Report 2022 <https://www.if.se/om-if/om-oss/finanssiell-information/solvens-och-verksamhetsrapporter>

Anti-corruption

The Nordic countries, which are our main area of business, generally have the lowest perceived levels of corruption in the world, according to Transparency International²³. Although the level of corruption is low, however, it is not non-existent. 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 are 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, which is communicated to all employees, is complemented by different practical ethics-related examples – concerning bribery, for example. Work to combat corruption and bribery is also carried out as part of If's work to prevent money laundering and terrorist financing. We have controls in place within these areas, and we check whether customers are politically exposed persons or are included in relevant sanction lists. During 2022, If piloted a new fraud detection system that utilises machine learning and artificial intelligence. If considers it important to use modern technology to identify deviating patterns in customer behaviour in addition to relying on expertise of employees. The new solution has been created by combining knowledge from the Investigation and Data Management (Advanced analytics) units in If. In 2022, no incidents were reported related to corruption or bribery at If.

Anti-money laundering and counter terrorist financing and sanctions

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, which are reviewed annually. An e-learning course on this topic is included in the One Responsible If learning programme. In addition, targeted employees are required to undergo supplementary training. If has risk-based know your customer (KYC) procedures in place including identification and verification of customers. In addition, If's customer databases undergo screening to identify politically exposed persons, in accordance with national legislation. Identified politically exposed persons are assessed by authorised decision-makers, and all decisions are stored. Payments to countries, which are under increased monitoring by the Financial Action Task Force (FATF), are automatically stopped and controlled. Furthermore, payments to countries imposed by EU (and in some cases by the UN) with restrictive measures regarding asset freeze and prohibition to make funds available are also stopped and controlled. Sanction clauses are used in our policies to exclude from coverage and claims payments any risks/entities that are in breach of sanctions.

Whistleblowing channel

If has a whistleblowing service platform, which employees and external stakeholders can use to report non-compliance with EU regulations and suspicions of serious misconduct or irregularities, such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour. In 2022, If adopted the whistleblowing channel to comply with implemented local legislation, and local follow-ups are continuing. If encourages open reporting, but the channel allows the whistleblower to report anonymously, and the designated recipients can follow up the message through dialogue with the anonymous reporter. The whistleblowing routine is available to employees in local languages on If's

intranet pages. It is also possible for external parties, including customers and partners, to report via If's external web pages. In 2022, three whistleblowing cases were received.

All reporting channels, including the whistleblowing channel, can be easily accessed via one page on If's intranet. In 2022, a new e-course on reporting was included in the One Responsible If learning programme. The aim of this course is to make sure that all employees are aware of the channels and what should be reported. If encourages employees to report openly through the 'Oops!' internal incident reporting system. Incidents reported through this system are reviewed and managed at operational level, and, when necessary, are reported to the relevant risk committee and the Board of Directors.

Compliance with laws and regulations

Compliance is an integral part of our daily operations. If strives to be fully compliant with the rules related to our license to conduct business and with rules where a breach may result in regulatory sanction. Notwithstanding this objective, If has received remarks from supervisory authorities regarding three instances of non-compliance with laws and regulations during 2022. Two of these remarks included fines and both concern events that took place before the current reporting period. First, the Norwegian Finanstilsynet found that If violated the rules regarding disclosure of large shareholdings in the Norwegian Securities Trading Act. The authority decided on a violation penalty of NOK 75,000. Second, If was found to have violated the Danish Equal Rights Act due to text included in certain terms and conditions. If accepted a fine of DKK 100,000, and the terms and conditions have been changed and are no longer in conflict with the law. If has also received a reprimand from the Swedish Data Protection Authority for violation of the right of access, following a complaint from a customer. ■

② Contributing with our expertise to the building of a more resilient society

We use our expertise in risk management to contribute to the building of a more resilient society. Sharing our knowledge and insights is an important part of our interaction with our key stakeholders and with society at large. We participate in relevant research projects that are related to our expertise and knowledge in risk management, with the aim of building knowledge about how to reduce risks and increase societal resilience. We actively participate in the public debate on relevant topics, such as climate change, traffic safety and health, and we conduct continual dialogue with policymakers. We consider it our responsibility to support and encourage the local community.

■ Research on climate change

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 the increased risk of extreme weather events will affect the environment, as well as residential areas, infrastructure, health, security and economic growth. The consequences are already visible – especially to those of us in the insurance business. Natural catastrophes caused insured losses worth an estimated USD 115 billion in 2022, according to Swiss Re Institute²⁴. Climate change affects us all, and therefore requires long-term

solutions that actively involve the insurance industry in partnership with other stakeholders. If supports and participates in a number of research projects in the Nordic region in order to better understand the risk of climate-related damage and to develop preventative measures:

- The SUPER project studied 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 was to quantify human influence on short-duration extreme precipitation in highly populated areas, and to understand how important this may become in the future, leading up to the year 2100. If, together with the Research Council of Norway, supported this five-year research project, which was conducted by climate researchers at CICERO and the University of Leeds, and was completed in 2022.

- If is part of a one-year pilot, which started in 2022, which investigates how satellite data (from the company ICEYE) can be utilised in claims situations by e.g. mitigating losses, and optimising loss adjusting and claim handling resources. Claims handling today is rather reactive but, the aim of this project is to learn whether we could be more proactive by improving abilities to predict potential floods, and to have more communication

and co-operation with our customers when an event is potentially approaching.

- If and its risk engineers also participate in various research projects, together with universities, research institutes and clients. The aim of this work is to better understand risks and to support our clients in their risk management, but also to contribute to a more sustainable society. In 2022, If joined a four-year research project in Norway, entitled SafeBESS, with the primary objective of establishing the theoretical and practical knowledge for safe implementation of large-scale Li-ion battery systems in buildings through experimental, numerical and theoretical studies of battery cells and modules. Other research partners in the project include SINTEF Energy, SINTEF Community, RISE Fire Research and NTNU Department of Civil and Environmental Engineering.

■ Research on traffic safety

As an insurance company in the Nordic region, we have access to a lot of data, for example data concerning new vehicles with the latest technologies. To support the goals for road safety, it is essential to identify traffic safety measures that really work. We have a strong commitment to evaluating the safety performance of advanced driver assistance systems



If has therefore launched a cooperation project with the Estonian Hunters' Society to investigate whether and to what extent the installation of light reflectors on roads could help to prevent and reduce accidents involving wild animals.

and their development by using insurance data collected from real world accidents. Insurance data is an enabler for early assessments of the effects of new technologies, which represents important information for road authorities, politicians, vehicle manufacturers and consumer organisations about new technologies that have great impact on road safety. This type of information can encourage faster introduction to the market. If initiates and supports a number of research projects in the Nordic region and the Baltics in order improve traffic safety:

- In Sweden, we continually collect and analyse data for long-term improvements of traffic safety, and we collaborate in the traffic safety community in order to achieve the best possible impact with our research. If is a partner of SAFER, which is a competence centre where partners from the Swedish automotive industry, academia and authorities cooperate in order to

In Sweden, we continually collect and analyse data for long-term improvements of traffic safety, and we collaborate in the traffic safety community in order to achieve the best possible impact with our research.

create a centre of excellence with regard to traffic safety research and safe mobility. In one current project, both physical and virtual verification methods are being developed for vehicle safety systems that prevent crashes when a car overtakes a cyclist. If's contribution to this project is the fundamental knowledge

about crashes circumstances. Such information is collected and analysed in If's unique car-to-cyclist and car-to-pedestrian crashes databases. These databases are also used in a number of commitments as part of the national programme 'Action plan for safe road traffic 2022-2025', which is led by the Swedish Transport Administration.

In addition, usage and acceptance studies are performed to support the development of safety equipment. One example is the Child Safety in Cars study, which is an annual report on Swedish parents' knowledge and approach to child safety in vehicles.

The 12th edition was published this year, and is a comprehensive study that examines how child seats and boosters are used and accepted by car drivers. Also addressing children in traffic, If is engaged in a project in Sweden that encourages safe and environmentally friendly travelling to school. A nationwide survey among principals in May 2022 identified potential areas for improvement in the traffic situation around the schools.

- Every day, almost 15 accidents involving large wild animals take place on the roads of Estonia. Many of these accidents involve animals such as roe deer, elk and wild boar. These accidents are very serious, usually resulting in the death of the animals, but sometimes also causing injuries or fatalities to people in the cars. If has therefore launched a cooperation project with the Estonian Hunters' Society to investigate whether and to what extent the installation of light reflectors on roads could help to prevent and reduce accidents involving wild animals. In the course of the project, test sections have been

Putting our hearts into it

If has partnered with the Swedish Heart-Lung Foundation and Philips to get more defibrillators in residential areas, where most sudden cardiac arrests occur. This is a partnership that will save lives, one heart at a time.



PHILIPS

Hjärt-
Lungfonden



Imagine that you're in your local neighbourhood, waiting for the bus. Suddenly the person next to you collapses. You realise that his heart has stopped, and you need to find a defibrillator, fast. You must bring it back within five minutes. Would you know in which direction to run?



Kristina Sparreljung, Secretary-General, Heart-Lung Foundation, Anna-Carin Strandberg, Country Manager Sweden, Philips AB and Morten Thorsrud, CEO, If.

Low survival rate

Around 10,000 such out-of-hospital sudden cardiac arrests occur in Sweden each year. Most are fatal – only about 6 percent survive.

A cardiac arrest can happen to anyone, regardless of age or fitness. Many will remember when Danish professional footballer Christian Eriksen suffered a cardiac arrest during a match at the European Championship in 2021, 29 years old and in prime health. The player was gone for five minutes, but he survived because there was a medical team standing by, who was ready to give CPR (cardiopulmonary resuscitation) and had access to a defibrillator.

In most cases, there is no defibrillator available. In order to have the best chance of saving the life of someone whose heart has stopped, it is essential to start CPR right away, but also to use a defibrillator to produce an electric shock to restart the heart within five minutes. The average response time for an ambulance in Sweden is 11 minutes. That is not fast enough.

Most defibrillators are at a workplace

In Sweden, there are quite a few defibrillators, but most are to be found at places of work, where they are only available during office hours. Most cardiac arrests occur at home, but in residential areas, defibrillators are few and far between.

In order to save lives, more defibrillators need to be available where people live. If has therefore joined forces with the Swedish Heart-Lung Foundation and health-tech company Philips in order to increase the number of defibrillators in residential areas, and to raise awareness of the importance of CPR and defibrillators in order to save lives.

– As an insurance company, we have a unique role in the healthcare system. Whilst you won't register on the public healthcare system's radar until you're sick or have been in an accident, we have a shared incentive with the customer to keep him or her healthy. We are interested in preventive measures. One such measure is to make

sure that defibrillators are available in the areas where people actually live, says Kristina Ström Olsson, If's Nordic health strategist.

Purchase the defibrillator before your neighbour needs it

The partnership has set up a platform where anyone can initiate a crowdfunding project in his or her own neighbourhood. Successful projects are supplied with a Philips FRx defibrillator, a heated outdoor cabinet, and a five-year service agreement and insurance. If the defibrillator is stolen or vandalised, it will be replaced without incurring a deductible.

– Defibrillators are expensive and must be purchased before they are needed. With a heated outdoor cabinet and a five-year service agreement and insurance, it costs over SEK 30,000. To help more initiatives to reach their goal, we decided to cover the remainder of the cost for every project that reached SEK 20,000 during 2022, explains Ström Olsson.

The platform was launched in September 2022, and by the end of the year more than SEK 600,000 had been raised from 1,300 donors – ordinary people joining together to make their neighbourhoods safer and to help each other.

Defibrillators have been made available in Swedish communities in Öckerö, Hölö, Älvsjö, Örebro and Degerfors, to mention a few examples of successful crowdfunding initiatives. Most reached their goals with the help of funding from If.



Kristina Ström Olsson

Supporting Ukraine

As an insurance company, If is affected by the Russian invasion of Ukraine in many ways. For example, If insures customers with operations in Ukraine as well as many transports from and to the region. The war also affects and concerns our employees, in the Baltics as well as the Nordic countries. Against this background, we launched a donation-matching programme in 2022 to support the population in Ukraine. Donation-matching means that If matches the donations made by its employees. We have chosen to channel our help through several humanitarian civil society organisations who are operating in or close to Ukraine. In 2022, all employees also had the option to make a donation instead of receiving a Christmas gift. The total sum of the Christmas donations was also matched by If. In total, approximately SEK 4.1 million was donated in 2022, and the programme is continuing in 2023.



installed on various roads all over Estonia in areas with particularly high risk. To investigate the effectiveness of light barrier reflectors, some parts of these roads have been covered with reflectors and others have not. The three-year study is being conducted by the Estonian Hunters' Society and is supervised by researchers at the Estonian University of Life Sciences. The project has now been running for two years, and it has already shown very good results.

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. If initiates and supports a number of initiatives:

- In Finland, we organise the Yellow Cap initiative, and If has donated reflective yellow caps for all first-year school pupils since 2006. The aim is to improve road safety for children, and over the course of 17 years, more than a million children have received their own yellow cap. According to If's survey, Finns believe that the most important ways to ensure safe school travel are the good examples of road safety behaviour set by parents, the increased provision of pedestrian and cycle paths and underpasses, and the use of reflectors and reflective materials. In 2022, 57,000 children began their first year at school, and almost 55,000 yellow caps were sent to schools. The initiative has been well received: in a survey in autumn 2020, six out of ten respondents considered it to be positive because it promoted an important cause and communicated it with a cheerful and clear message.
- In Sweden, If has initiated a collaboration with the Swedish Heart-Lung Foundation, which is a charitable fundraising organisation, to set up a crowdfunding platform to provide defibrillators in residential areas. Defibrillators substantially increase the likelihood of surviving cardiac arrest, but as it is so important to have access to a defibrillator within the first five minutes, and most cardiac arrests happen at home, the defibrillators need to be available in residential areas. The platform was launched in September 2022, and by the end of the year more than SEK 600,000 had been raised from 1,300 donors.
- In Norway, we have cooperated for many years with the Norwegian fire safety organisation concerning fire safety in private homes, with a particular focus on families. Together



we have educated hundreds of thousands of Norwegians about how to prevent fires, and every year we have organised a fire safety week. In 2022, digital activities were provided on social media channels, teaching people how to safely charge their digital devices, home appliances and scooters at home, in order to prevent fires. If Safety Centre's purpose is to provide companies and individuals with knowledge about how they can prevent unwanted incidents. At our course and competence centre in Hobøl, in Norway, we offer courses and exercises in risk prevention, which are primarily aimed at fire prevention, industrial safety and first aid. The target group is primarily companies with requirements for industrial safety, certifications within various safety schemes, and documented competence, as well as training facilities for the police

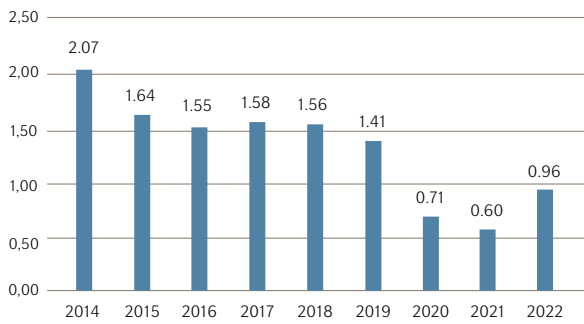
and the fire brigade. Between 3,000 and 3,500 participants take part in courses at the safety centre every year.

Dialogue with policymakers

We actively participate in the public debate on climate change, and engage in continual dialogue with policymakers in the Nordic countries. The purpose of this is to share our knowledge and to increase awareness among policymakers about climate change-related risks and the role of the insurance industry in tackling these issues. In Sweden, If actively participates in Insurance Sweden's working groups on sustainability and climate change adaptation. 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 is represented

by Sampo in the working group on sustainability. In Denmark, If participates in Insurance and Pension Denmark's work on climate. If also has regular dialogues with policymakers regarding healthcare, in order to raise awareness of the importance of prevention and early intervention. Through our private health insurance, we provide support and early interventions (see Commitment to our customers, page 19). The industry associations are also used as a platform in order to take part in EU-level discussions on sustainable finance – for example, regarding the Taxonomy regulation and the Corporate Sustainability Reporting Directive (CSRD). ■

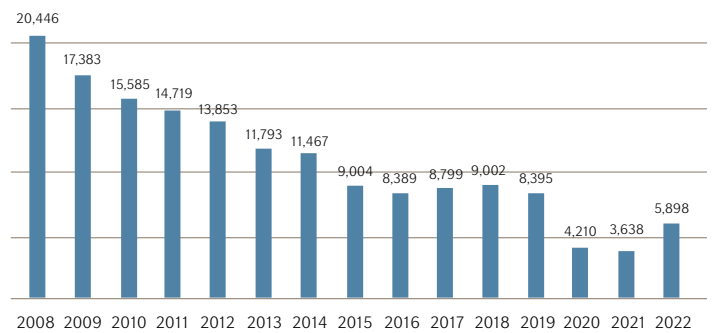
CO2e emissions per employee*, 2014-2022



* Scope 1-3 emissions (CO2e tonnes) per employee (FTE Average) in the Nordic countries.

CO2e (tonne)

CO2e emissions in the Nordic countries*, 2008-2022



* Scope 1-3 emissions (CO2e tonnes) from own operations in the Nordic countries. For more details on included scope 3 emissions (see CO2e emissions, page 74).

3

Supporting the transformation to a low-carbon society

We actively support the transformation to a low-carbon society. Climate change affects us all, and therefore requires long-term solutions that actively involve the insurance industry in partnership with other stakeholders. Our aim is to continually reduce our own emissions, and to encourage our partners and customers to reduce theirs. We see it as our responsibility to set ambitious and science-based climate targets in line with what the latest climate science deems necessary in order to meet the goals of the Paris Agreement – i.e. to limit global warming to well below 2°C (preferably 1.5°C), compared to pre-industrial levels.

Commitment to the Science Based Targets initiative (SBTi)

In October 2021, If committed to the Science Based Targets initiative (SBTi)²⁵. The SBTi is a partnership between CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The initiative drives ambitious climate action in the private sector by enabling companies to set science-based targets for the reduction of emissions. The initiative provides sector-specific guidance for

companies to reduce greenhouse gas (GHG) emissions, thereby helping to prevent the worst impacts of climate change and to futureproof business growth. Targets are considered to be ‘science-based’ if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement. Following this commitment, If has 24 months to develop targets, to submit targets for validation (the SBTi must approve submitted targets) and to communicate targets. All targets must cover a minimum of five years and a maximum of 15 years from the date on which the target is submitted to the SBTi.

If is a financial institution and will follow the sector-specific guidelines for the financial sector. If’s investment portfolio of about SEK 120 billion represents the majority of If’s total greenhouse gas emissions, and If will set targets for aligning the investment activities with the Paris Agreement. If will also investigate the possibility to set targets for our claims handling, although this is not a requirement, as claims represent a substantial proportion of If’s total emissions. We purchase goods and services worth more than SEK 16 billion in claims every year, and we think we can make an important difference by requiring and supporting our claims contractors to work ambitiously on sustainability – for example, by reducing material use, by repairing and reusing instead of using new parts, and by recycling.

If will also develop targets for our own operations, including, for example,

company vehicles and energy use in offices. Emissions from these represent a relatively small proportion of our total emissions, compared to investments and claims, but we must and will continue to do everything we can to reduce these emissions.

In 2022, three parallel projects further investigated our target setting opportunities for investments, claims and our own operations. These projects will be completed in early 2023.

Reducing emissions from our own operations

For many years, we have actively worked to reduce CO2e emissions from our own operations – i.e. company vehicles, energy and electricity use, waste, office supplies, water, IT and business travel. During the period 2008-2022, we implemented several measures aimed at reducing our emissions, and we managed to decrease CO2e emissions from our own operations in the Nordic countries by 71 percent. Total emissions from our own operations in the Nordic countries amounted to 5,898 tonnes CO2e in 2022 (see CO2e emissions, page 74). This represents an increase of 62 percent, compared to the previous year. This increase is mainly due to increased business travel, which was exceptionally low in 2020 and 2021 due to the COVID-19 pandemic.

For many years, and in order to reduce business travel, If has focused on ‘meeting instead of travelling’ and providing state-of-the-art virtual meeting opportunities. As a result of If’s focus on

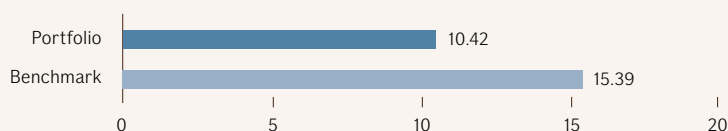
Carbon footprint* equity, 2020-2022

Portfolio	Disclosure Number/Weight	Emission Exposure tCO ₂ e			Relative Emission Exposure tCO ₂ e/Mio SEK Revenue	
		Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
	Share of disclosing holdings					
If equity portfolio 2022	76.2% / 95.1%	74,012	1,638,398	8.99	10.41	10.42
If equity portfolio 2021	72.7% / 92.3%	78,634	1,651,350	6.58	9.90	9.67
If equity portfolio 2020	60.9% / 85.5%	80,271	233,054	9.13	11.22	9.87
Benchmark**	89.4% / 91.5%	38,652	383,050	4.69	15.49	15.39

* The carbon footprint for our equity portfolio has been calculated by ISS ESG.

**iShares MSCI World ETF

If equity portfolio vs. benchmark 2022 – weighted average carbon intensity



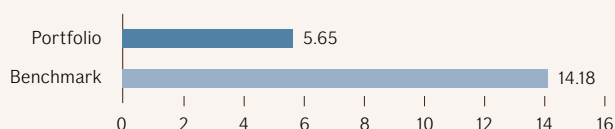
Carbon footprint* fixed income, 2020-2022

Portfolio	Disclosure Number/Weight	Emission Exposure tCO ₂ e			Relative Emission Exposure tCO ₂ e/Mio SEK Revenue	
		Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
	Share of disclosing holdings					
If fixed income portfolio 2022	86.5% / 93.5%	250,523	3,575,015	3.38	14.64	5.65
If fixed income portfolio 2021	79.6% / 88.5%	329,722	2,554,416	5.00	18.10	7.81
If fixed income portfolio 2020	70.1% / 82.3%	352,420	1,161,046	5.65	19.94	7.33
Benchmark**	95.5% / 97.1%	555,146	3,858,128	7.49	17.75	14.18

* The carbon footprint for our fixed income portfolio has been calculated by ISS ESG.

**Xtrackers iBoxx EURCorporate Bond YieldPlus UCITS ETF

If fixed income portfolio vs. benchmark 2022 – weighted average carbon intensity



‘meeting instead of travelling’, the total number of flights linked to the Nordic countries decreased by 31 percent during the period 2007-2019. During 2020 and 2021, business air travel was exceptionally low, due to the COVID-19 pandemic. In 2022, the number of flights increased compared to 2021. Our business travel target was to reduce the total number of flights²⁶ by 50 percent in 2022, compared to the 2019 level, the last ordinary travel year. We achieved this target since the number of flights was 51 percent lower than the 2019 level.

Business travel by private car, i.e. when an employee uses their own private car, constitutes approximately 80 percent of all business car travel during a normal year. During the 2010-2019 period, this type of travel decreased by 49 percent

in the Nordic countries. Business travel by private car was also lower than normal during the COVID-19 pandemic. In 2022, business travel by private car increased compared to 2021, but was 40 percent lower than the 2019 level (see Commitment to our employees, page 54).

We work continually to make our offices more energy-efficient and environmentally friendly. We engage in continual dialogue with If’s landlords on how to increase energy efficiency. In several locations, If has moved to new and more energy-efficient buildings. Energy use in If’s offices in the Nordic countries has decreased by 41 percent during the period 2012-2022. In 2020 and 2021, indirect energy use was lower than normal, due to remote working during the COVID-19 pandemic. In

Green bonds, Sustainability bonds and Sustainability-linked bonds

A green bond is a bond that is specifically earmarked to be used for climate and environmental projects. Sustainability bonds are issues where proceeds are used to finance or re-finance a combination of green and social projects or activities, while sustainability-linked bonds are structurally linked to the issuer’s achievement of climate or broader sustainability goals. If has more than SEK 12 billion invested in green bonds, and more than SEK 1.8 billion invested in sustainability and sustainability-linked bonds.

Climate change initiatives

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

- In 2021, If committed to the Science Based Target initiative (SBTi). The SBTi is a partnership between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi drives ambitious climate action in the private sector by enabling companies to set science-based targets for the reduction of emissions.
- In 2020, Sampo group, which includes If, became supporters of Climate Action 100+, which is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.
- Paris Pledge for Action, which demonstrates that non-party stakeholders are ready to play their part in supporting the objectives of the Paris Agreement.

2022, indirect energy use in our offices in the Nordic countries increased by 5 percent compared to the previous year (see Commitment to our employees, pages 52-53).

In 2022, we initiated a project to investigate target setting opportunities for our own operations in the Baltic and Nordic countries. As part of the project, we measured and reported CO₂e emissions from our own operations in the Baltics for the first time. Total emissions from our own operations in the Baltic countries amounted to 896 tonnes CO₂e in 2022 (see CO₂e emissions, page 74). The project will be finalised in early 2023.

Encouraging our suppliers to reduce their emissions

If's Supplier Code of Conduct specifies the minimum requirements with which we expect our suppliers in office procurement and claims to comply. The Code covers areas such as environmental issues, including climate change, and stipulates that our suppliers must strive to minimise greenhouse gas emissions by identifying, monitoring, controlling and managing the emissions of greenhouse gases from their operations. Furthermore, they must use energy responsibly, strive to reduce 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 requirements (see Commitment to our customers, pages 23-24).

In 2022, If commissioned IVL Swedish Environmental Research Institute to calculate the CO₂e emissions from our property and vehicle repairs, using life cycle assessment (LCA) methodology and input data from our claims

organisation. The results from this analysis will be completed in early 2023.

Carbon footprint from investments

We actively work to integrate Environmental, Social and Governance (ESG) factors into our investment operations. If also reports on the CO₂e emissions from our fixed income and equity investments, in accordance with Insurance Sweden's recommendations, which were updated in 2020. The calculations are conducted by the external service provider ISS ESG, and are based on the Greenhouse Gas Protocol and the portfolio holdings and market value as of 31 December 2022.

If is a financial institution and will follow the sector-specific SBTi guidelines for the financial sector. If's investment portfolio of about SEK 120 billion represents the majority of If's total greenhouse gas emissions, and If will set targets for aligning the investment activities with the Paris Agreement. In 2022, we conducted a detailed bottom-up analysis and investigated different target setting approaches. This work will be completed in early 2023.

Carbon offsetting

At If, we consider it our responsibility to offset the CO₂e emissions that arise from our own operations. For many years, If has offset the emissions by supporting Gold Standard-certified projects that enable global collaboration in the funding and implementation of greenhouse gas emission reduction projects in developing countries. These projects reduce CO₂e emissions and generate verified emission reduction credits (VERs), each of which is equivalent to one tonne of CO₂e. In 2022, we decided to review our current process and to investigate possible local alternatives, which would enable increased employee involvement and contribution in kind. ■



Photo: Robin Herzog

Companies must lead by example

Intense work during 2022 in order to develop concrete science-based climate targets.

In October 2021, If committed to the Science Based Targets initiative (SBTi). In 2022, three parallel projects further investigated our target-setting opportunities for investments, claims and our own operations.

– We all need to support the transition to a low-carbon society. Therefore, we committed to the Science Based Targets initiative (SBTi), which requires us to set ambitious and science-based targets. During 2022, we put a great deal of effort into developing our concrete targets, says Philip Thörn, Head of Sustainability If.



Philip Thörn

Claims

If, in collaboration with IVL Swedish Environmental Research Institute, has analysed large volumes of data, for example regarding material and energy use, in order to calculate CO₂e emissions from motor and property claims.

– Determining type-claims is imperative in order to set climate targets. When we determine type-claims, we get a starting point to work from and we can see what potential for reduction exists in terms of the climate emissions of damage repair, says Jonas Fagerström, who is Nordic Sustainability Coordinator, Motor Claims.



Jonas Fagerström

– For motor claims, for example, the results relating to workshops, spare parts, paint and other aspects are analysed. The results fall into four categories: collision, theft, warranty and mechanical. With this type of analysed data, we can calculate the CO₂e emissions for different types of damage and claims, explains Fagerström.

Investments

If has analysed the carbon footprint from our investment portfolio, together with different target-setting approaches. The analysis is extensive, and a lot of data from different sources, for example CO₂e emissions data from individual companies, are needed in order to perform the calculations.

– A large proportion of our CO₂e emissions come from our investments. The work has been time-consuming as there is a very large volume of data that must be produced for all our holdings. This has required us to use different financial data sources, and then compile them manually, says Linnea Joelsson, who is a Performance and Risk Analyst at If.



Linnea Joelsson

Own operations

We have also calculated the CO₂e emissions linked to the company vehicles, offices, IT procurement and business travel in If's offices in the Nordic and Baltic countries. This includes, for example, emissions from heating, cooling and electricity, the consumption of paper and waste generation. In addition, the use of our own vehicles, servers, computers, monitors and mobile phones has also been analysed.

– We are focusing on as many elements of our operations as possible. This is necessary for us to set concrete targets for reducing our CO₂e emissions, says Jon Sindre Isaksen, who is Project Manager for Purchasing and Projects, Group Services at If.



Jon Sindre Isaksen

– We will continue our work in 2023, and will develop and implement concrete actions. Examples of this include the launch of If's updated environmental requirements for our offices, updating our business travel policy, and ensuring due diligence for our suppliers, says Isaksen.

The targets will be presented in 2023.

CO2e emissions by country and scope 2022

Scope 1 (direct energy use)									Emissions (tonnes CO2e)
	Denmark	Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Total	Total
Petrol (litres)	8,492	878	-	1,695	517	722	639	12,943	28.5
Diesel (litres)	8,400	372	225	3,592	-	-	-	12,589	23.5
Hybrid	1,872	30	-	4,425	-	-	-	6,327	13.9
Total scope 1								31,859	65.9

Scope 2 (indirect energy consumption)									Emissions (tonnes CO2e)
	Denmark	Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Total	Total
Electricity (MWh)*	793	1,966	5,258	2,980	281	359	70	11,707	334.5
District heating MWh	598	5,356	-	2,802	-	-	-	8,756	634.7
District cooling (MWh)	-	406	-	1,318	-	-	-	1,724	0.1
District heating/cooling (MWh)					434	530	72	1,036	143.5
Total scope 2								23,223	1,112.8

Scope 3 (other indirect emission sources)									Emissions (tonnes CO2e)
	Denmark	Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Total	Total
Business travel									
Air (km)	1,080,748	2,477,220	3,962,621	3,572,415	227,835	407,975	170,000	11,898,814	2,748.3
Train (km)	15,340	516,656	248,034	1,507,227	11,040	2,500		2,300,797	20.5
Taxi, rental, buss and private car (km)	250,724	1,492,425	1,221,138	1,277,528	66,152	24,500	91,723	4,424,190	741.9
Hotel (guest nights)	649	2,585	2,893	4,560	160	178	205	11,230	125.0
Purchased goods and services									
Paper (tonnes)	9	61	37	69	2	2.5	1.5	181	64.4
Water consumption (m3)	3,813	7,163	9,549	16,014	1,059	1,213	480	39,291	5.9
IT equipment (number of devices)								21,289	1,248.3
Cloud services (users)								25,369	33.2
Waste generated									
Office waste (tonne)**	43	125	232	311	24.5	26	9	771	204.5
Energy related activities									
Production of energy carriers									423.4
Total scope 3									5,615.4
Total emissions scope 1-3									6,794

*An additional 8 MWh have been included in electricity calculations, representing charging of hybrids and electric vehicles.

**In previous accountings all waste has been assumed to be recycled. However, in this accounting the mixed waste and the domestic waste was calculated as being incinerated. This result in increased emissions from waste.

Emission factors

Activity	Emission factor reference
Business travel	BEIS, 2022; Ecoinvent v.3.9.1; EI, 2022; Hotel Sustainability. Benchmarking Index, 2021; NTM Method, 2015; Swedish. EPA, 2021; Swedish Transport Administration, 2019
District cooling	Helen, 2018, 2020 & 2021; Swedish district cooling suppliers; Turku Energia, 2017
District heating	BEIS, 2022; Euroheat & Power, 2017; Finnish Energy. Statistics, 2021; IEA; If P&C Insurance, 2023; Swedenergy, 2021; Swedish EPA, 2022
Electricity	AIB, 2022; Ecoinvent v.3.9.1; EI, 2022; IEA, 2022; IPCC, 2014
Fuel	Drivmedel, 2021; Swedish EPA, 2022
Fuel and energy-related activities	AIB, 2022; BEIS, 2022; Ecoinvent v.3.9.1; EI, 2022; Euroheat & Power, 2017; Finnish Energy Statistics, 2021; IEA; Swedenergy, 2021; Swedish EPA, 2022; Swedish district cooling suppliers; Värmeforsk, 2011
Purchased goods and services	Amazon, 2021; Apple, 2016-2022; BEIS, 2022; Dell, 2021; Google, 2012 & 2017-22; HP, 2022; Huawei, 2019; IPCC, 2014; Lenovo, 2021; Microsoft, 2021; Ortviken, 2021; Samsung, 2020; South Pole data base, 2023; Staples
Waste	BEIS, 2022; Ecoinvent v.3.9

Carbon footprint investments

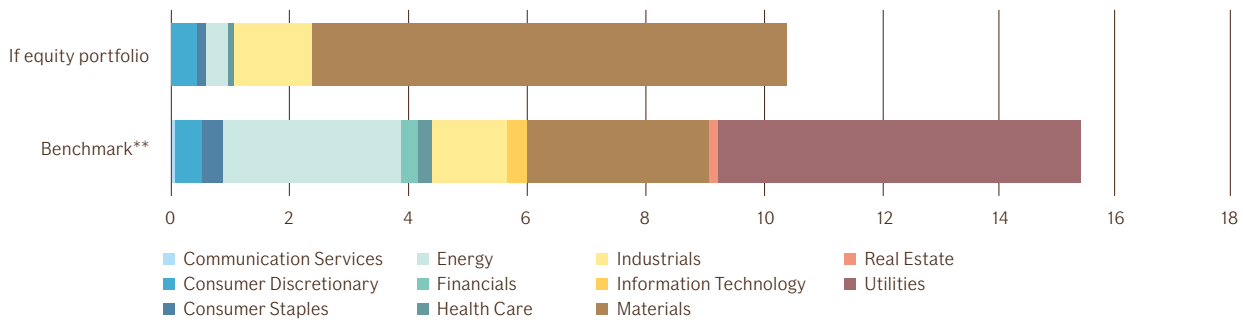
Carbon footprint* equity, 2020-2022

Portfolio	Disclosure Number/Weight	Emission Exposure tCO ₂ e			Relative Emission Exposure tCO ₂ e/Mio SEK Revenue	
	Share of disclosing holdings	Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
If equity portfolio 2022	76.2% / 95.1%	74,012	1,638,398	8.99	10.41	10.42
If equity portfolio 2021	72.7% / 92.3%	78,634	1,651,350	6.58	9.90	9.67
If equity portfolio 2020	60.9% / 85.5%	80,271	233,054	9.13	11.22	9.87
Benchmark**	89.4% / 91.5%	38,652	383,050	4.69	15.49	15.39

* The carbon footprint for our equity portfolio has been calculated by ISS ESG.

**iShares MSCI World ETF

If equity portfolio vs. benchmark 2022 – sector contribution greenhouse gas emission intensity*



* The carbon footprint for our equity portfolio has been calculated by ISS ESG.

** iShares MSCI World ETF

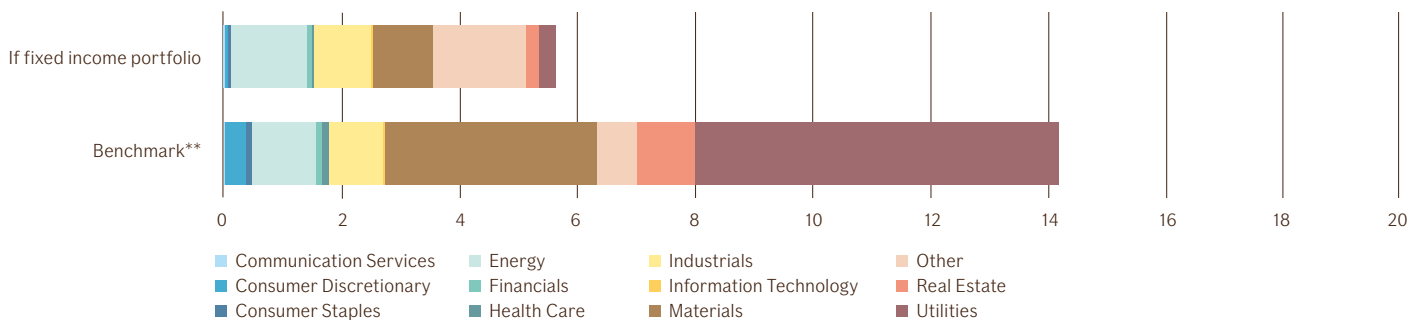
Carbon footprint* fixed income, 2020-2022

Portfolio	Disclosure Number/Weight	Emission Exposure tCO ₂ e			Relative Emission Exposure tCO ₂ e/Mio SEK Revenue	
	Share of disclosing holdings	Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
If fixed income portfolio 2022	86.5% / 93.5%	250,523	3,575,015	3.38	14.64	5.65
If fixed income portfolio 2021	79.6% / 88.5%	329,722	2,554,416	5.00	18.10	7.81
If fixed income portfolio 2020	70.1% / 82.3%	352,420	1,161,046	5.65	19.94	7.33
Benchmark**	95.5% / 97.1%	555,146	3,858,128	7.49	17.75	14.18

* The carbon footprint for our fixed income portfolio has been calculated by ISS ESG.

** Xtrackers iBoxx EURCorporate Bond YieldPlus UCITS ETF

If fixed income portfolio vs. benchmark 2022 – sector contribution greenhouse gas emission intensity*



* Weighted average greenhouse gas intensity sector contribution (tCO₂e/MSEK Revenue)

** Xtrackers iBoxx EURCorporate Bond YieldPlus UCITS ETF

Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) is an industry initiative²⁷ aiming to identify and report the information needed by investors, lenders and insurance underwriters in order to appropriately price and assess climate-related risks and opportunities. TCFD has divided climate-related risks into two major categories: i) Transition risks – i.e., risks related to the transition to a low-carbon economy, and ii) Physical risks – i.e., risks related to the physical impacts of climate change.

We think this is an important initiative, and we are integrating TCFD into our operations. In this chapter, which is structured according to the areas of TCFD's recommendations (Governance, Strategy, Risk Management, and Metrics and Targets), we describe If's current alignment.

Governance

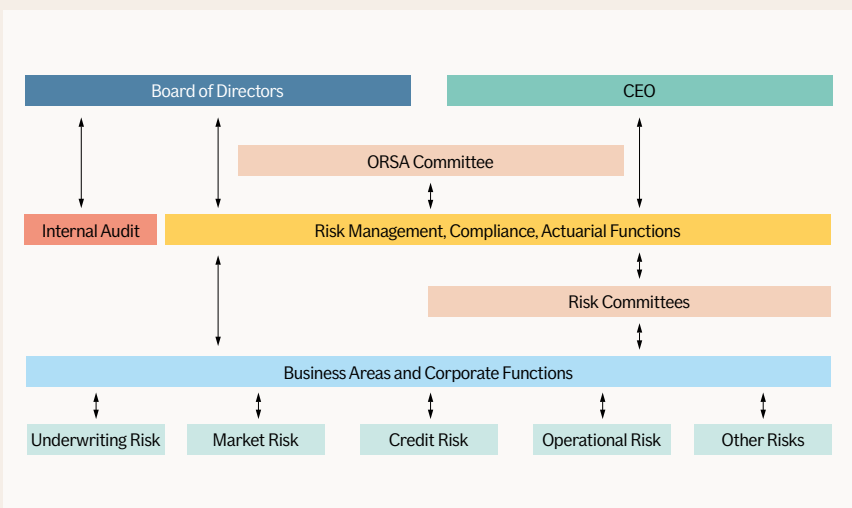
Board oversight

The Board of Directors' (BoD) decision-making powers follow from local legislation in the respective companies' country of incorporation, as well as the articles of association and any other instructions given directly by the general meeting. The BoD adopts instructions for the CEOs and also approves If's policy framework, the Own Risk and Solvency Assessment (ORSA) report and the financial plan. Sustainability, including climate-related risks and opportunities, is already a part of the BoD's oversight. The financial plans, ORSA and the risk committees address the issue of sustainability, including climate-related risks and opportunities. The BoD also approves the Sustainability Policy and Report.

Management role

The CEOs hold overall responsibility for the day-to-day business activities of the companies within If. They have the possibility to delegate decision-making authority concerning day-to-day business activities to other persons within If, but retain the ultimate responsibility for the decisions that are made. If's Sustainability Committee is an advisory and preparatory body to the CEOs on sustainability-related matters and the integration of sustainability into operations. The Sustainability Committee is a risk committee that meets quarterly and reports to the ORSA Committee. Members of the committee include: Chief Financial Officer (chair), Head of Human Resources, Head of Brand Marketing & Communication, Chief Legal Counsel, Chief Information Officer, Chief Risk Officer, Head of Sustainability, and representatives from BA Private, BA Commercial, BA Industrial, BA Baltics and Claims.

Governance structure



The Head of Sustainability coordinates If's sustainability work and reports on strategy, targets, actions and follow-up processes to the Sustainability Committee. The Head of Sustainability is supported in the sustainability work by the Sustainability Office, which was established in 2021, and Sustainability Core teams. The Sustainability Office provides, for example, strategic input on sustainability issues, and coordinates the reporting to the Sustainability Committee and the work of the Sustainability Core teams. The Sustainability Core teams consist mainly of persons in the line organisation who perform sustainability-related

work within If. If's Sustainability Policy presents If's position and approach to sustainability.

Strategy

If's yearly planning cycle begins with a strategy revision based on market outlook, trends and risks. The strategic direction, together with planning assumptions and management directives, is translated into focus areas and indicative financial targets with input from risk heat maps and risk-based targets. The indicative targets form the basis for the detailed three-year financial plan.

If's strategy is based on a One If strategy framework for all business areas. The framework consists of four strategic foundations: Customer, Risk, People & Culture and Sustainability. The strategic foundation of sustainability is based on three commitments: Commitment to our customers, Commitment to our employees and Commitment to society, with climate being an integral part of all three commitments.

The Business Management Group (BMG) has also formulated ambitions for each strategic foundation. Regarding sustainability, the ambition is formulated thus: Our ambition is to be the most trusted insurance company and actively contribute to a more sustainable society.

As part of the Commitment to society, we have formulated our climate approach as follows: We support the transformation to a low-carbon society. Climate change affects us all and therefore requires long-term solutions that actively involve the insurance industry in partnership with other stakeholders. Our aim is to continually reduce our own emissions and to encourage our partners and customers to reduce theirs. We are committed to science-based climate targets, which are in line with what the latest climate

science deems necessary to meet the goal of the Paris Agreement, which is to limit global warming to well-below 2°C, preferably 1.5°C, compared to pre-industrial levels.

Identified climate-related risks and opportunities

Climate change risks relate to the impacts from increasing physical manifestations of global warming (physical risk), as well as from measures taken by societies to transition to low-emission economies (transition risk). If works with climate change risk from two perspectives: i) the impact of climate change risk and opportunities on If's risk profile (outside-in perspective), and ii) the impact of If's business activities on the climate (inside-out perspective). The outside-in perspective and the associated potential need for risk mitigation activities and capital are discussed below. The inside-out perspective and the measures taken by If to reduce its impact on the climate are described in the chapter Commitment to society (see Supporting the transformation to a low-carbon society, pages 70-72).

Regarding underwriting, climate-related physical risks are already relevant in the short term, and are likely to grow in the mid to long term. In the short term, risk arises in the form of changes in claim frequencies and/or the severity of the climate-related physical risks that are already relevant in the current climate in the Nordics, such as windstorms, floods, heavy rainfall, landslides, erosion and heatwaves. In the short term, windstorms dominate If's claim portfolio. There are also some indications that hail could become more frequent. In the Nordic region, inadequate municipal sewage systems already lead to problems. Major new housing developments close to water present another potential problem due to the expected increase in precipitation and rising sea levels. In the mid to long term, increased weather-related losses are likely to increase the exposure for If and

for other insurers. If continually identifies and assesses the impact of physical risks. During 2022, several workshops were conducted with experts from three business areas²⁸ to discuss the impacts of climate change risks, divided into physical and transition risks according to the TCFD standard.

The transition to a low-carbon economy will also result in risks. There are risks associated with changes in the regulatory environment, new technology, changing customer behaviour and increased stakeholder concern. Companies that If insures may be exposed to litigation under new regulation related to climate change, leading to increased claims costs in liability insurance. With new technology there are also new risks. For example, new battery-driven technology, where batteries are stored overnight in private homes, offices and production facilities, as well as more solar panels on roofs, environmentally friendly materials for insulation (such as foam plastic), and more wood used in construction instead of concrete all lead to increased fire hazards. New untested materials, which are rushed to the market due to a surge in demand for green products, can also lead to risks that are difficult to foresee and price. Increased concern from stakeholders (e.g., from investors, customers and reinsurers) can lead to increased costs for due diligence and a need to discontinue business relationships with certain suppliers and clients.

There are not only risks related to climate change, but also opportunities, such as underwriting opportunities and possibilities to invest in new green technologies. Increased climate-related physical risks could possibly lead to an increased demand for insurance products and services that provide protection against physical risks and that support climate change adaptation.

Regarding investments, If manages assets on behalf of its policyholders, and

²⁸ Industrial, Commercial and Private

has an investment portfolio worth about SEK 120 billion (see Commitment to our customers, pages 29-31). On behalf of If, an external consulting company has performed a Climate Impact Assessment (CIA) of If's investment portfolio²⁹ to assess the exposure to transition and physical risks. According to this CIA, the investment portfolio is exposed to physical risks (for example, floods, droughts, storms and other natural catastrophes), even if the increase in global temperature is limited to 2°C. However, If's investment portfolio has a lower risk exposure than the benchmark portfolios³⁰. If's investment portfolio is also exposed to transition risks (for example, technological risk, regulatory risk and reputational risk), which could affect the value of If's investments. However, the size of If's carbon footprint (i.e., the weighted average carbon intensity (WACI) for equity as well as fixed income investments) is well below the carbon footprint from relevant benchmark portfolios³¹ (see Carbon footprint investments, page 75). Approximately 63 percent of the portfolio's value is committed to ambitious climate targets, including investees committed to or with approved science-based targets.

Impact on business, strategy and financial planning

For If, climate-related physical risks are already relevant in the short term, and are likely to grow in the mid to long term. As part of the planning process, external factors that impact If's portfolio are closely followed, including, for example, windstorms, sea temperature and flooding. Pricing is typically based on claims data and portfolio results – i.e., trends in claims will 'automatically' have an effect on price. Physical risks could affect reinsurance prices, but the Nordic market is in a good situation to handle these, as the reinsurance prices for natural catastrophe protection are low in relation to inward premiums. This is because natural catastrophes are rare here, compared to in other parts of the world.

Currently, insurance policies in the Nordics typically provide extensive protection against natural catastrophes. If the claims frequency is very high for a specific object, If can limit the insurance coverage, or increase the premium/ deductible, for that specific object. For larger corporate clients, there could be loss limits in place. Reinsurance is used to manage our aggregated exposure to natural catastrophes.

There are both climate-related physical and transition risks that could affect If in terms of its business, strategy and financial planning. Physical risk could, for example, impact future investment portfolio value. In 2022, the exposure of If's direct equity and fixed income was analysed by an external service provider. According to the analysis, If's investments are not exposed to a high level of physical risk (neither chronic nor acute), based on their sector or geographical region. The transition to a low-carbon society, with potentially increasing environmental and climate regulation, more stringent emission requirements and changes in the market preferences, could affect the value of If's investments. The identified risks are assessed to have a relatively low likelihood in the short term, compared to other risk types. In a longer time horizon, however, these risks could become material. In order to create a greater understanding of these risks, If has developed climate change risk scenarios.

Increased climate-related physical risks could also lead to increased demand for loss prevention services. If already offers major corporate clients comprehensive risk management services. The risk management services are part of the insurance programme and are not a separate service. At present, If, in cooperation with Anticimex, offers house assessments to private customers who own their house and hold top-level coverage insurance policies. In 2022, based on the positive experiences from the house assessment for private customers, we started offering the If Building Check for small and medium-sized (SME) clients that own residential buildings in Norway (see Commitment to our customers, pages 16-18). If also supports and participates in a number of research projects in the Nordic region in order to better understand climate-related physical risks and to develop preventative measures (see Commitment to society, page 65).

Scenario analysis

If's risks are measured, aggregated, analysed and reported regularly for the purpose of performing an overall assessment of risk and capital. The outcome and the follow-up of risk reporting procedures are documented as part of the quarterly Own Risk and Solvency Assessment (ORSA) process. If's capital planning model is a tool used in the ORSA process, which forecasts own funds and capital requirements over a three-year planning period. The assessment also includes a number



of scenario analyses, stress tests, sensitivity analyses (see Commitment to society, page 63) and reverse stress tests, including scenarios relating to natural catastrophes. In addition to the quantification of If's main risk categories, a qualitative assessment of If's key risks over the planning period is also conducted.

During 2022, If conducted its first scenario analysis to understand the impact of climate change on the long-term risks and opportunities for If's investment portfolio. The goal was




to embed the analysis in the Risk Management System, but further work is needed to define and understand the risks, so that more robust conclusions may be drawn.

On behalf of If, the external consultant ORTEC Finance analysed If's investment portfolio's exposure to systemic economic and financial climate change risks in three different climate scenarios during the period 2022-2060. The methods, assumptions and results obtained by ORTEC Finance were, in turn, analysed by If. The insights gained have the potential

to be used in the management of If's investment portfolio (e.g., to remove or decrease certain climate change-related risks, or to try to benefit from identified opportunities), but more work is needed before this can happen.

Three scenarios (here called pathways) were used in the analysis. Each pathway is associated with a narrative and a set of assumptions about, for example, implemented climate policies, technology changes, fuel demand, emissions, temperature changes and physical risks.

The three pathways are:

- 
Net Zero Orderly Transition Pathway: Paris Agreement goals are met, and average global temperatures increase by no more than 1.5°C by 2100. Political and social organisations act quickly and predictably to achieve net zero CO₂e emissions by 2050. An ambitious policy regime is pursued to encourage greater decarbonisation of the electricity sector and to reduce emissions across all sectors of the economy. Financial market pricing of transition and physical risks over the coming 40 years takes place in the first 4 years (2022-2025);
- 
Net Zero Disorderly Transition Pathway: Paris Agreement goals are met, and average global temperatures increase by no more than 1.5°C by 2100. Sudden divestments made in 2025 to align portfolios to the Paris Agreement goals have disruptive effects on financial markets, with sudden repricing followed by stranded assets and a sentiment shock. Compared to the Net Zero Orderly Transition Pathway, this pathway assumes that transition is sudden and disruptive, but otherwise the two are similar;
- 
Failed Transition Pathway: The world fails to meet the Paris Agreement goals and global warming reaches 4.3°C above pre-industrial levels by 2100. Physical climate impacts cause large reductions in economic productivity and increasing impacts from extreme weather events. The impact of transition risk factors is limited in the absence of additional policy measures, whilst the impact of physical risk factors is severe, leading to both acute and chronic physical changes, such as more frequent and severe extreme weather events, melting ice caps, sea level rise and changes in agricultural productivity. Financial markets price in physical risks over the first 40 years during 2026-2030, and then again in a second wave in 2036-2040 when further evidence suggests even higher future risks (risks of 40-80 years).

Investments

The results show that, on an overall level, If's investment portfolio is relatively resilient to climate change risk in all three pathways. In the short run, the main risk is related to the pricing-in shock in the *Net Zero Disorderly Transition Pathway*, whilst in the long run, there are negative impacts on the returns in all pathways due to increasing physical risks. In addition, returns from 'brown' sectors, such as Oil, Gas, Coal and Fossil Based Utilities, are particularly affected in both of the Net Zero pathways. The general behaviour of If's investment returns in each pathway is summarised below.

Net Zero Orderly Transition	Net Zero Disorderly Transition	Failed Transition
<p>The entire portfolio is relatively resilient under the Net Zero Orderly Transition Pathway. Most of the risks are located in the equities and are balanced out by the corporate credit exposure.</p> <p>Climate impacts are concentrated in the short term due to the nature of how the scenario captures transition risks. In the long term, physical risks become more material but remain manageable.</p> <p>Fixed income nominal returns are influenced by inflation impacts in the short term, due to the surge in investments in low-carbon electricity generation and energy efficiency improvements in order to reach net zero emissions by 2050. In the medium term, electricity prices decline due to the switch to cheap renewables in the power sector, contributing to lower overall price levels and lower inflation.</p> <p>The pricing-in shock in financial markets, which affects equities and bonds spreads, takes place gradually up to 2025, with a fairly mild overall effect.</p>	<p>The conclusions drawn for the Net Zero Orderly Transition Pathway also apply for the Net Zero Disorderly Transition Pathway. The key difference here is that transition risks are exacerbated due to the disorderly transition, which brings confusion and additional volatility to financial markets.</p> <p>The Net Zero Disorderly Transition Pathway includes the same policy assumptions, technology trends and physical risks as the Net Zero Orderly Transition Pathway. However, delayed awareness of the scale and speed of the transition leads to a confidence shock to the financial system, due to an aggressive market correction of carbon-intensive and related assets. Equities and bonds are abruptly re-priced in 2025, with a consequential sentiment shock. Stock market volatility is increased from the start of the pricing-in shock to one year after the start of the sentiment shock. Listed assets are particularly affected, which provokes an overshooting effect when the transition occurs in 2025. This overshoot is then partially corrected in the following year, leading to the V-shape pattern. This leads to much larger losses in the first-time bucket and positive returns in the following years.</p> <p>After the chaotic period, climate impacts under the Net Zero Disorderly Transition Pathway follow the same pattern as in the Net Zero Orderly Transition Pathway. However, the short-term losses still lead to an underperformance (cumulatively speaking) of the Net Zero Disorderly Transition Pathway throughout the time horizon.</p>	<p>In the Failed Transition Pathway, climate impacts are pretty much muted across the portfolio in the first decade; this is because of the assumption that a transition does not occur. As such, this scenario highlights physical risk exposure in isolation.</p> <p>From the 2030s, physical risks start building up and causing material losses in the riskier asset classes. These losses compound as time passes due to ever increasing global average temperatures, and thereby physical risks.</p> <p>After several severe extreme weather event clusters hit the Western world, the market becomes aware of the lower-than-expected market performance due to these expected physical impacts. These expected physical impacts up to 2050 are priced in over the period 2026-2030. Expected physical risks of the second half of the century are then priced in over the period 2036-2040. This explains the underperformance observed in those periods.</p> <p>Europe is relatively resilient to extreme weather events, and remains only mildly impacted compared to the US, for instance. However, gradual temperature rises are expected to impact productivity and the performance of certain sectors in particular (e.g., agriculture), but unlike for the transition scenarios, there are no clear winning/losing sectors in the failed transition. It is expected that the entire economy will suffer from physical risks, whether actors are operating in a green or brown industry. The key differentiating factor here will be the location and resilience of operations, and the length/complexity of supply chains.</p>

Underwriting and business strategy

The application of a comprehensive climate change risk scenario analysis to If's underwriting operations is difficult for an external provider to perform with only exposure input from If, as insurance products are less standardised than financial instruments. Such a scenario analysis would, however, be a useful complement to the short-term scenarios that are currently partly reflecting climate change risk – in particular, scenarios relating to natural catastrophes. This is therefore something that is being planned for the coming years. For now, the impact of climate change risk on underwriting and business strategy has been qualitatively assessed for the three pathways.

Net Zero Orderly Transition	Net Zero Disorderly Transition	Failed Transition
<p>Changes in the frequency and/or severity of climate change-related claims are assumed to not be very sudden or severe, and can therefore be priced based on claims data and portfolio results as the current practice is today. It follows that the gross profitability of the business can be maintained based on the strategy that has already been implemented. Furthermore, the impact on reinsurance prices and availability is assumed to be moderate. Reinsurance can therefore continue to be used to manage If's aggregated exposure to natural catastrophe risk and to reduce volatility in claims costs over time, thereby stabilising the net financial results.</p> <p>The demand from customers and partners for sustainable products and services, as well as for insurance policies tailored to new technologies and new market practices, is assumed to increase. The change is assumed to be gradual, and the strategic risks can therefore be mitigated by the business practices currently in place.</p>	<p>Compared to the Net Zero Orderly Transition Pathway, there is greater uncertainty related to the transition path. The uncertainty can lead to general market effects, such as increased demand for insurance, more selective underwriting and higher insurance risk margins. Furthermore, the reinsurance market may also be affected by uncertainty, leading to higher prices and/or lower capacity. Developments in this pathway could therefore potentially affect If's business strategy to a moderate extent, at least temporarily.</p>	<p>In the Failed Transition Pathway, the frequency and severity of climate change-related claims will increase. The demand for certain types of insurance protection will increase. If will need to focus more on climate change risks and natural catastrophes in both risk selection and pricing. Some objects, regions and perils may become excluded, or may be covered only partially, while the price of insurance will increase. At the same time, the demand for reinsurance against climate-related losses will increase, while capacity is likely to become lower, thereby raising the cost of reinsurance. In this pathway, If's business strategy will need to be reviewed to some extent, at least in terms of risk appetite and risk preferences.</p>

Solvency and capital

The impact of climate change risk on If's solvency position and capital has been qualitatively assessed in the three pathways.

Net Zero Orderly Transition	Net Zero Disorderly Transition	Failed Transition
<p>As gross profitability, reinsurance protection and business strategy are assumed to continue as today, the effect on solvency and the need for additional capital will be small.</p> <p>The high investment activity in the pathway may increase interest rates, which would be positive for If's solvency position.</p>	<p>Compared to the Net Zero Orderly Transition Pathway, If's solvency position is assumed to be somewhat more volatile in this scenario. The appetite for taking risk may therefore be lower, at least temporarily, and additional capital buffers to mitigate risks may be needed.</p> <p>If's solvency position would also be negatively affected by lower interest rates following interventions by central banks.</p>	<p>In the Failed Transition Pathway, If's solvency position may become more volatile if If's product terms and conditions are not carefully aligned with the reinsurance protection available. The positive return from the investment portfolio could be somewhat lower in the long term, putting more emphasis on the profitability of the insurance operations. The need for additional solvency capital increases.</p>

Risk management

If applies the Three Lines Model to ensure efficient risk management and internal control, as well as having a clear division of roles and responsibilities within the organisation (see Commitment to society, pages 63).

Risk identification processes and integration of climate-related risks

Physical risks linked to climate change are identified and assessed as part of the existing risk management practices within the business. The first line identifies and assesses the magnitude of each risk on a regular basis. When reporting to Risk Management, the influence of physical risk factors on the defined risks is assessed on a severity/likelihood basis on a heat map, using the same scale and principles as any other risk. In addition to the day-to-day work involving short-term risks, long-term risks (including physical climate-related risks) are identified by a cross-BA specialist group (the Emerging Risks Core Group), which identifies emerging risks and assesses their impact on If on a quarterly basis. Using the risk assessments within all risk categories and from different units across the company, Risk Management summarises the most severe risks on a consolidated heat map and reports them to the ORSAC.

A key tool in assessing physical risks is If's internal model, which includes the modelling of natural catastrophes for the upcoming year at a company level. The risk of a higher frequency of natural catastrophes within premium risk has been followed closely over the years. At If, catastrophe risk is defined as the risk of loss, or of adverse change, in the value of insurance liabilities, resulting from significant uncertainty of pricing provisioning assumptions related to extreme or exceptional events. The model acknowledges If's portfolio (geographic locations and the characteristics and value of insured objects) while simulating windstorms, floods and other natural catastrophes to estimate the magnitude

and frequency of potential losses. The model is constantly updated using the latest scientific methods.

Sustainability has been one of the focus areas for If's risk management during recent years. If has developed an increased awareness of sustainability factors affecting other risk categories, which is also reflected in the Risk Management Policy. During the coming years, risk identification relating to climate-related risks will be further developed in the risk management processes. The main risk categories at If are underwriting, market, credit, operational and other risks. Climate-related risks (transition as well as physical) can have a potential impact on all risk categories.

Risk management processes and integration of climate-related risks

If's risk appetite statement in the Risk Management Policy gives quantitative and qualitative limits for how much and what kinds of risk If is willing to take in the pursuit of its business.

Physical risks linked to climate change are identified, assessed and managed as part of the existing risk management practices within the business. Risk management actions depend on the type of risk. Daily risk management processes include prudent underwriting and price analysis. Increasing natural catastrophe claims costs can be mitigated through pricing. The economic impact of unexpectedly high levels of natural disasters is managed through a combination of reinsurance and diversification. The need and optimal choice for reinsurance is evaluated by comparing the expected cost against the benefit of reinsurance, the impact on result volatility and capital requirements. The main tool for this evaluation is If's internal model. The BoD decides on the net retention levels and the purchase of reinsurance programmes. The reinsurance protects If from losses beyond its risk appetite. Transition risks in the supply chain

are, to some extent, identified using the If Supplier Code of Conduct, as well as sector-specific environmental requirements, and through the new due diligence process for suppliers and business partners (see Commitment to society, page 62). In investment operations, transition risks are, to some degree, identified and managed using ESG risk ratings, sensitive sector screenings, norm-based research and active ownership. In the underwriting operations, transition risks are, to some degree, identified and managed using norm-based research (see Commitment to our customers, pages 27-31).

Metrics and targets

Metrics disclosure

Climate-related risks and opportunities are assessed using the same metrics that are used for assessing other types of risks and opportunities. Metrics for assessing physical risks are well-established, as natural catastrophes are risk factors that affect If's financial position and results. The financial impact is illustrated by 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. Regarding loss prevention services to private customers, the current key metric is the number of services provided. Since 2012, approximately 210,000 house assessments have been completed in the Nordic countries. During 2020, If carried out an internal analysis to assess the impact of the house assessments on the customer risk ratio. Based on these results, the IVL Swedish Environmental Research Institute has been consulted to assess the environmental benefits (including CO₂e reductions) that are linked to the house assessments (see Commitment to our customers, pages 18). Regarding



investment operations, the TCFD metrics are well integrated. The carbon intensity for If's equity and fixed income portfolio is calculated using the following metrics: emission exposure by million invested, emissions by share of revenue and weighted average carbon intensity.

Scope 1, 2 and 3 disclosure and risks

If discloses greenhouse gas (GHG) emissions in accordance with GHG Protocol methodology. GHG emissions scope 1, 2 and 3 categories are reported as part of the sustainability report (see CO₂e emissions, page 74). The emissions factors used come from credible sources and are presented in the report. An external service provider provides support to If regarding the calculation of GHG emissions scope

1-3. In October 2021, If committed to the Science Based Targets initiative (SBTi)³². Targets are considered to be 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement. Following this commitment, If has 24 months to develop targets, to submit targets for validation and to communicate targets. All targets must cover a minimum of five years and a maximum of 15 years from the date on which the target is submitted to the SBTi. The initiative provides sectorial guidance regarding the development of targets, as the source of greenhouse gas emissions varies according to sector. If is a financial institution and will follow the sector-specific guidelines for the financial sector (see Commitment to society, page 70).

Risk management targets

Following If's commitment to the Science Based Targets initiative (SBTi), If has 24 months to develop targets, to submit targets for validation and to communicate targets. Regarding loss prevention services to private customers, the current key metric is the number of services provided (see Commitment to our customers, pages 16-17). Regarding physical risks, no specific target is set concerning financial loss from natural hazards. However, as natural catastrophes are risk factors that affect If's financial position and results, these are integrated into If's financial (solvency) target. ■

³² <https://sciencebasedtargets.org>

Taxonomy

EU Taxonomy Regulation

The EU Taxonomy is a green classification system that translates EU's climate and environmental objectives into criteria for specific economic activities. The Taxonomy is part of EU's efforts to achieve ambitious development goals in line with Agenda 2030 and the Paris Agreement. The aim is to provide a common language to help investors and companies navigate the transition to a low carbon, resilient and resource-efficient economy. The basic principles for the taxonomy are that in order for an economic activity to be recognised as environmentally sustainable it must make a substantial contribution to at least one of EU's climate and environmental objectives, while at the same time not significantly harming any of the other objectives and meeting minimum social safeguards. The Taxonomy Delegated Regulation³³ establishes and maintains clear criteria (i.e. technical screening criteria) for activities to define what it means to

make a substantial contribution and what it means to do no significant harm. The Taxonomy Regulation³⁴ entered into force in July 2020, however, some parts of the Taxonomy are still under development.

Mandatory disclosures

Article 8 of the Taxonomy Regulation requires large financial and nonfinancial companies that are subject to the Non-Financial Reporting Directive (NFRD) to disclose to what extent the activities that they carry out meet the criteria set out in the EU Taxonomy. Insurance companies are required to report key performance indicators (KPIs) on sustainable underwriting activities³⁵ and sustainable investments³⁶.

The regulation is implemented gradually, meaning that only reporting on Taxonomy eligibility (i.e. reporting on whether the economic activity is included in the Taxonomy Regulation) is required for financial companies

for the reporting years 2021 and 2022. Reporting on Taxonomy alignment (i.e. reporting on whether the economic activity meets the technical criteria for i) substantial contribution ii) do no significant harm and iii) comply with minimum social safeguards) is required for the reporting year 2023.

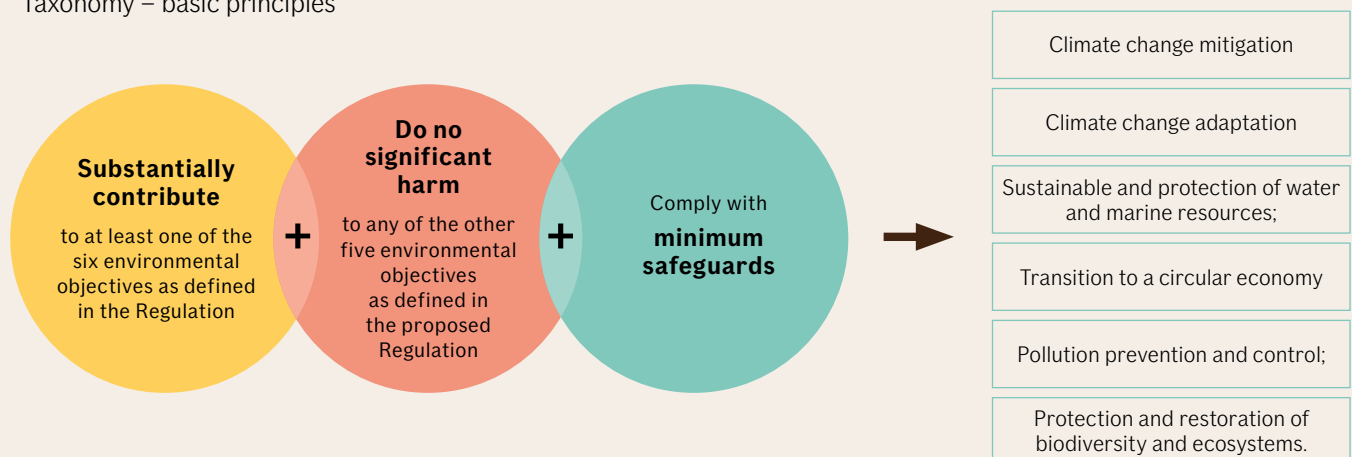
In 2022, If closely monitored and reviewed the Taxonomy Regulation, and the delegated acts, and also participated in consultations and dialogues, via for example the national insurance associations in the Nordics, on the implementation of the regulation.

KPIs sustainable underwriting activities

Non-life insurance and reinsurance are recognised as enabling³⁷ economic activities, regarding the climate change adaptation, in the Taxonomy.

In 2022, If assessed the Taxonomy eligibility regarding underwriting

Taxonomy – basic principles



³³ Commission Delegated Regulation (EU) 2021/2139

³⁴ Commission Regulation (EU) 2020/852

³⁵ The proportion of the non-life 'gross premiums written' - in relation to total non-life gross premiums written - corresponding to insurance activities identified as environmentally sustainable in the EU Taxonomy.

³⁶ The proportion of the insurers or reinsurers 'investments' - in relation to 'total investments' - that are directed at funding, or are associated with, economic activities that qualify as environmentally sustainable.

³⁷ Enabling activities: activities that enable other activities to make a substantial contribution to one or more of the objectives.

activities. As a first step, If assessed the proportion of total gross written premium (GWP), on group level, that relates to the non-life insurance activities³⁸ listed in the delegated acts to the Taxonomy Regulation. As a second step, the coverage against climate related perils was assessed, as in order to be eligible, the non-life insurance activities must also provide coverage against climate related perils (for example flooding, landslides and heat stress)³⁹. This second step was performed in each business area (i.e. Private, Commercial, Industrial and Baltics) by underwriters and product owners, with in-depth knowledge of the terms and conditions for the different products and contracts, with support from the legal department, corporate accounting and the sustainability unit.

If's insurance policies typically provide extensive coverage against climate-related perils. As long as an insurance policy does not explicitly exempt climate-related events from coverage,

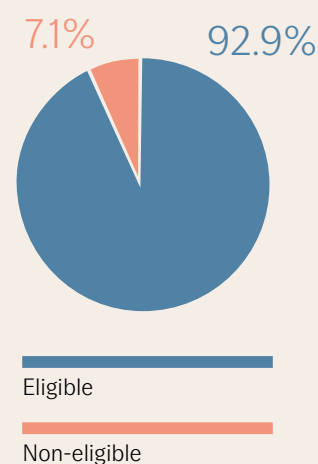
we conclude that the insurance product encompasses coverage against climate-related perils. If's interpretation, which is line with Insurance Europe's interpretation⁴⁰, is that as long as there is some cover against climate-related perils for an insurance activity, total premiums shall be assessed as eligible even though there might be some climate related exceptions in the terms and conditions. Premiums related to life insurance and general liability insurance are not listed in the Taxonomy and are therefore not eligible. The analysis, which is based on these interpretations and has been performed to the best of our abilities, shows that 92.9 percent of If's non-life insurance and reinsurance activities in 2022 were Taxonomy-eligible.

Eligible and non-eligible non-life insurance and reinsurance activities*

GWP (MSEK)	2022	2021
Eligible insurance activities	53,023	48,102
Non-eligible insurance activities	4,078	3,439
Total	57,101	51,541
% of total GWP	2022	2021
Eligible insurance activities	92.9%	93.3%
Non-eligible insurance activities	7.1%	6.7%
Total	100%	100%

* The Taxonomy eligibility analysis is based on gross written premiums divided by Solvency II lines of business.

% of total GWP, 2022



³⁸ The following lines of business (LoB) as defined in Annex I of Commission Delegated Regulation (EU) 2015/35: (a) medical expense insurance; (b) income protection insurance; (c) workers' compensation insurance; (d) motor vehicle liability insurance; (e) other motor insurance; (f) marine, aviation and transport insurance; (g) fire and other damage to property insurance; (h) assistance.

³⁹ Commission Delegated Regulation (EU) 2021/2139

⁴⁰ Insurance Europe survey on article 8 reporting submitted to Platform on Sustainable Finance (PSF) suggests once the LoB-level analysis has confirmed there is climate-related cover, the full GWP for that LoB is reported as eligible, in keeping with Article 8 Delegated Act objective to facilitate reporting during the first two years.



KPIs sustainable investment activities

For the year 2022 the Taxonomy Regulation requires non-life insurance companies to report the proportion of underlying investments which were Taxonomy eligible. To facilitate this type of reporting on portfolio level all holdings need to be screened and analysed in relation to the economic activities in the Taxonomy.

All our underlying investments were analysed, except for sovereign exposures that are to be excluded in the Taxonomy analysis according to Taxonomy Regulation

requirements. When analysing Taxonomy eligibility, derivatives and non-NFRD companies were excluded from the numerator, in line with the reporting requirements⁴¹. Non-NFRD companies here meaning companies that themselves are not covered by reporting requirements under the Taxonomy Regulation.

To facilitate coherence in reporting between Taxonomy eligibility and alignment reporting and ensure coherence of the reporting across undertakings, it is suggested that financial undertaking-related disclosures should be based on actual information

provided by the financial or non-financial underlying investee entity or counterparty. Our reporting is based on the most recently available reported information provided by the underlying investee entity or counterparty, using data from If's investment operations and a screening service provided by the external service provider ISS ESG. The analysis, which is based on these interpretations and has been performed to the best of our abilities, shows that 2.2 percent of If's investments in 2022 were Taxonomy-eligible. The eligibility numbers for investments are likely to increase in the reporting year 2023, as

Eligible and non-eligible investments, 2022

	Share (%) of covered assets*	Share (%) of total assets**
Exposure to taxonomy eligible economic activities	2.2%	2.0%
Exposures to taxonomy non-eligible economic activities	97.8%	98.0%
Out of which		
Derivatives		0.5%
Exposures to Non-NFRD companies		76.0%
Exposures to central governments, central banks and supranational issuers		9.0%

* Covered assets (i.e. totals assets, excluding sovereign exposures)

** Total investments, including cash



more underlying undertakings continue to develop their taxonomy eligibility reporting.

Continued work

If is continually working to integrate sustainability, and the Taxonomy Regulation into the business strategy and product design processes. Clients and other counterparties are actively involved in these processes. If has initiated a project in order to assess whether, and to what extent, our eligible underwriting and investment activities meet the technical criteria for i) substantial contribution ii) do

no significant harm and iii) comply with minimum social safeguards), and to prepare for Taxonomy alignment reporting. We will continue to closely monitor and participate in the development of the EU Taxonomy.

Supplementary voluntary disclosures

To supplement the mandatory disclosures, we provide voluntary disclosures with additional details.

Supplementary voluntary disclosures underwriting

Eligible re-insurance non-life insurance activities per line of business*, 2022

Re-insurance activity	GWP (MSEK)	% of total GWP
Marine, aviation and transport insurance	200	0.35%
Fire and other damage to property insurance	1,628	2.85%
Total eligible re-insurance GWP	1,828	3.2%

* The Taxonomy eligibility analysis is based on gross written premiums divided by Solvency II lines of business.

Eligible non-life insurance activities per line of business*, 2022

Non life insurance activity	GWP (MSEK)	% of total GWP
Medical expense insurance	3,279	5.7%
Income protection insurance	4,110	7.2%
Workers' compensation insurance	1,975	3.5%
Motor vehicle liability insurance	5,824	10.2%
Other motor insurance	16,002	28.0%
Marine, aviation and transport insurance	1,265	2.2%
Fire and other damage to property insurance	18,741	32.8%
Assistance *	0	0
Total eligible non-life insurance GWP	51,195	89.7%

* The Taxonomy eligibility analysis is based on gross written premiums divided by Solvency II lines of business.

** Assistance reinsurance in If relates to travel insurance as part of the home insurance and is according to Swedish regulation on supervisory reporting for Solvency II included in 'fire and other damage to property insurance'

GRI content Index

Statement of use	If P&C Insurance Holding Ltd has reported in accordance with the GRI Standards for the period January 1st – December 31st 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(S) omitted	Reason	Explanation

General disclosures

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(S) omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	p.94			
	2-2 Entities included in the organization's sustainability reporting	p.2 & 94			
	2-3 Reporting period, frequency and contact point	p.2			
	2-4 Restatements of information	None			
	2-5 External assurance	p.96			
	2-6 Activities, value chain and other business relationships	p.14-31, 64, 94			
	2-7 Employees	p.32-50	2-7-b-iii	Information unavailable/incomplete	Data on employees with non-guaranteed hours is currently not available
	2-8 Workers who are not employees		2-8 a-c	Information unavailable/incomplete	Data on workers who are not employees is currently not available
	2-9 Governance structure and composition	p.50,94-95			
	2-10 Nomination and selection of the highest governance body		2-10 a-b	Confidentiality constraints	Nomination and selection process, including criteria, for the highest governance body is not publicly communicated
	2-11 Chair of the highest governance body	https://www.if-insurance.com/about-if/about-us/management-board			
	2-12 Role of the highest governance body in overseeing the management of impacts	p.94-95			
	2-13 Delegation of responsibility for managing impacts	p.94-95			
	2-14 Role of the highest governance body in sustainability reporting	p.94-95			
	2-15 Conflicts of interest	https://www.if-insurance.com/about-if/about-us/management-board			
	2-16 Communication of critical concerns	p.94-95			
	2-17 Collective knowledge of the highest governance body	p.95 & https://www.if-insurance.com/about-if/about-us/management-board			
	2-18 Evaluation of the performance of the highest governance body		2-18 a-b	Confidentiality constraints	Process for evaluating the highest governance body is not publicly communicated
	2-19 Remuneration policies	p.45-47			
	2-20 Process to determine remuneration	p.45-47			
	2-21 Annual total compensation ratio		2-21 a-c	Confidentiality constraints	Annual total compensation ratio not publicly communicated
	2-22 Statement on sustainable development strategy	p.4-5			
	2-23 Policy commitments	p.60-64			
	2-24 Embedding policy commitments	p.27-31, 60-64			
	2-25 Processes to remediate negative impacts	p.60-64	2-25 a-e	Information unavailable/incomplete	
	2-26 Mechanisms for seeking advice and raising concerns	p.64			
	2-27 Compliance with laws and regulations	p.64			
	2-28 Membership associations	p.97			
	2-29 Approach to stakeholder engagement	p.92			
	2-30 Collective bargaining agreements	p.36			

Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p.90				
	3-2 List of material topics	p.91				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.76-83, 95				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p.95				
	201-2 Financial implications and other risks and opportunities due to climate change	p.76-83				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.64				
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	p.64				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.62				
GRI 207: Tax 2019	207-1 Approach to tax	p.62				
	207-2 Tax governance, control, and risk management	p.62				
	207-3 Stakeholder engagement and management of concerns related to tax	p.62				
	207-4 Country-by-country reporting	p.62				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.20-25				
GRI 301: Materials 2016	301-2 Recycled input materials used	p.23	301-2-a	Information unavailable/incomplete	Repaired and reused parts only available for vehicle repairs. Total numbers currently not available	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.70-72				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p.74				
	302-2 Energy consumption outside of the organization	p.74				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.70-72, 76-81				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p.74				
	305-2 Energy indirect (Scope 2) GHG emissions	p.74				
	305-3 Other indirect (Scope 3) GHG emissions	p.74-75				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.32-50				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p.34, 38, 48				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.32-50				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p.41-43				
	403-2 Hazard identification, risk assessment, and incident investigation	p.34-37, 41-43				
	403-3 Occupational health services	p.34-37, 41-43				
	403-4 Worker participation, consultation, and communication on occupational health and safety	p.34-37, 41-43				
	403-5 Worker training on occupational health and safety	p.35				
	403-6 Promotion of worker health	p.41-43				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.20-24, 60-62				
	403-8 Workers covered by an occupational health and safety management system	p.34-37, 41-43	403-8-a-i-iii	Information unavailable/incomplete	Data on workers who are not employees is currently not available.	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.43-45				
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	p.43-45				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.48-50				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p.47	405-1-a-ii	Information unavailable/incomplete	Data on diversity by age-group currently not available	
	405-2 Ratio of basic salary and remuneration of women to men	p.48-50				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.50				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p.50				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.31				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.31, 64				

Materiality assessment

In order to determine our material topics, i.e. identifying actual and potential, negative and positive, impacts on the economy, the environment and people, including impacts on human rights across activities and business relationships, we conduct a materiality assessment, which is regularly updated. The first assessment was initiated in 2018, and the most recent update was conducted during the period autumn 2020 to spring 2021. In 2023, If will initiate a double materiality assessment, in accordance with the Corporate Sustainability Reporting Directive (CSRD)⁴².

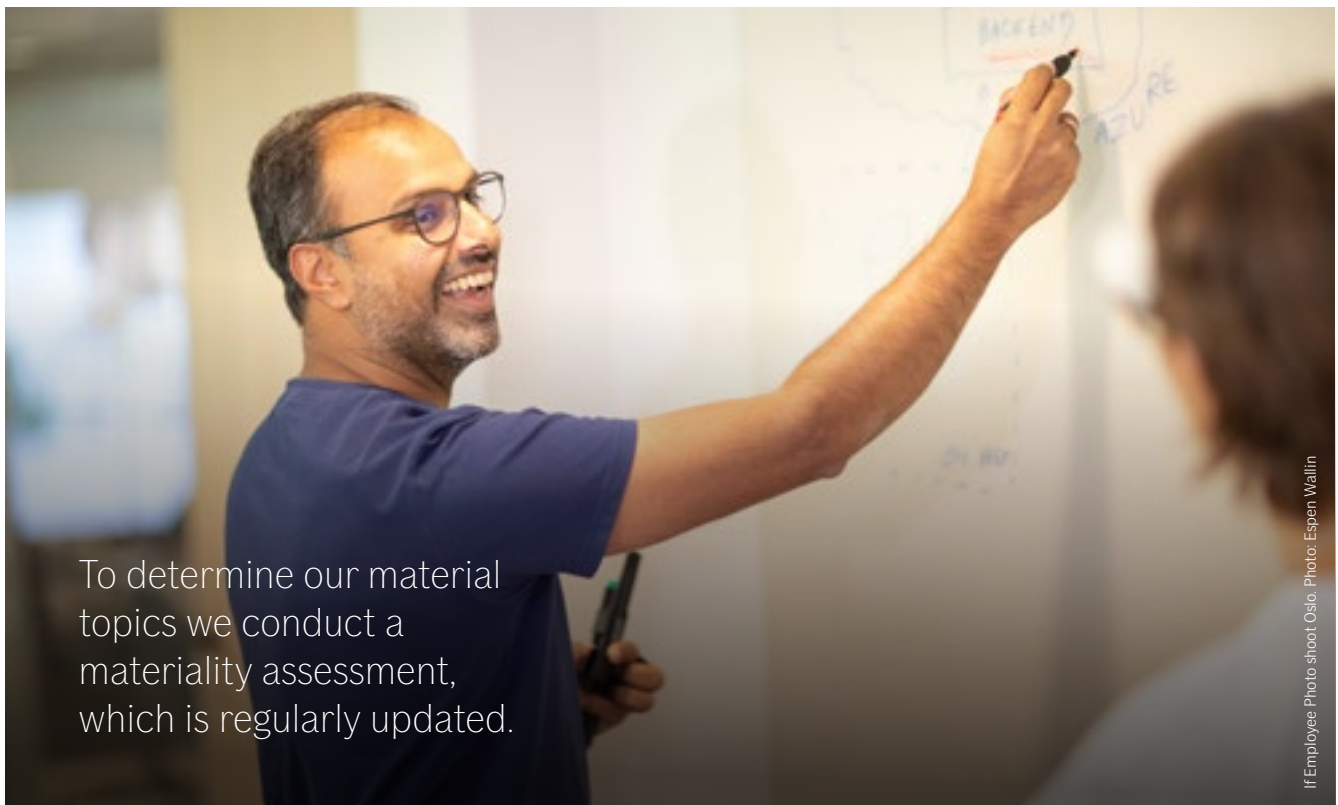
Identification of actual and potential impact

To identify our actual and potential impact we have reviewed and taken into account external research, e.g. analysis and assessments from insurance industry associations, insurance peers, academia and non-governmental organisations (NGOs) on sustainability related impacts linked to insurance activities. We have also conducted several desktop studies, including market research, brand studies, media analysis and carbon footprint analysis. In addition, and in order to complement the desktop studies, we have conducted interviews and workshops with internal and external key stakeholders and experts. During the interviews and workshops the experts have been asked to identify actual and potential impacts.

The combination of external research, desktop analysis, interviews and workshops has facilitated a comprehensive understanding of the organisation context and has enabled the identification of actual and potential impacts on the economy, environment and people.

Prioritisation of impacts based on their significance

Following the identification of material topics, they have been prioritised based on their significance. In order to assess the significance of the impacts we have conducted interviews and workshops with internal and external experts and stakeholders. Prior to the interviews and workshops the experts were provided with the initial findings from the identification of actual and potential impact on the economy, environment and people. During the interviews and workshops the identified impacts have been individually assessed by the experts and stakeholders. The significance of actual negative impacts has been determined by the severity of the impact, i.e. the scale, scope and irremediable character, while the significance of potential impacts has been determined by the severity and likelihood of the impact. Following the individual assessments, the impacts have been prioritised based on their significance. The most prioritised impacts have been selected for the reporting.



To determine our material topics we conduct a materiality assessment, which is regularly updated.

If Employee Photo shoot Oslo. Photo: Espen Wallin

Summary of the materiality assessment

Topic	Description of impact	How we address the impact
Loss prevention	We work with risk, safety and protection every day, and we know which solutions increase the safety of our customers. Loss prevention services can reduce risk and economic cost, increase safety, and reduce environmental impact.	We provide advance loss prevention services to our private customers, small and medium-sized companies as well as major corporate clients, since we know that the most sustainable claim is the one that can be avoided altogether. Our priority is to help our customers to manage risks and to provide support when accidents occur (see Commitment to our customers pages 16-19).
Claims handling	Every year If procure goods and services, worth more than SEK 16 billion, as part of claims handling. As a major procurer, we have an impact on the economy, environment, for example regarding material use, transportation and energy, and people.	We are committed to encouraging and supporting our suppliers and partners in their efforts to use more sustainable methods in their operations. By actively requesting innovative solutions, resource efficiency, transparency and responsibility from our suppliers, we aim to minimise our negative impact and stimulate sustainable production and consumption. Strict requirements, in combination with close cooperation with our suppliers and partners, enable us to develop our business while also contributing to more sustainable development (see Commitment to our customers pages 20-25).
Responsible business practices	If provides insurance solutions for individuals, businesses and international industrial enterprises. We have approximately 3.9 million customers in the Nordic and Baltic countries. We recognise that our business operations have an impact on the economy, environment and people.	We are committed to providing customers with social and economic security by means of responsible and high-quality insurance products. We expect corporate clients to respect international norms and conventions concerning human rights, labour rights, the environment and anti-corruption, as defined in UN Global Compact. As a responsible and active owner, we incorporate Environmental, Social and Governance (ESG) factors into our investment operations (see Commitment to our customers, pages 26-31).
Work environment	If has more than 7,000 employees. We are dependent on the existence of a great company culture with engaged employees. This requires a healthy and safe work environment for all employees, which includes physical safety as well as psychological safety, concerning issues such as reasonable workload, good leadership, development opportunities.	Our employees and their contribution are If's most important source of competitive advantage. Insurance products can be copied, but copying a company's culture and the attitude, competence and engagement of great employees is much harder. If invests heavily in culture, people engagement and talent acquisition in order to build a work environment that both enables strong performance and supports employee wellbeing. Ensuring that great people want to join If, want to stay at If and want to give their best to help the company reach its goals is vitally important for the company's performance and value creation (see Commitment to our employees, pages 33-47).
Diversity, equity and inclusion	If has more than 7,000 employees. We are dependent on the existence of a great company culture with engaged employees. This requires a non-discriminatory, open and agreeable working environment, where everyone is treated fairly and equally regardless of gender identity, ethnic group, religion, national identity, age, sexual orientation or physical ability.	If is convinced that a diverse work culture boosts innovation and the growth of intellectual capital, and If works actively towards being a fair employer that understands the value of diversity, equity and inclusion. The goal is to create teams that are rich in different perspectives, enabling leaders to take high-quality decisions based on authenticity and openness. No kind of discrimination, harassment or bullying is tolerated (see Commitment to our employees, see pages 48-51)
Environmentally-friendly offices	If has major offices in the Nordic countries (Denmark, Finland Norway and Sweden) and the Baltic countries (Estonia, Latvia and Lithuania). Our offices have an environmental impact, for example the use of energy, office supplies, water and IT, as well as our company vehicles and business travel.	The post-pandemic work-life at If offers increased flexibility and freedom for employees to decide where to work. However, our offices are still the primary workplace and the cornerstone for innovation and development. If strives to provide environmentally friendly workplaces, enabling our employees to minimise their environmental footprint. To reduce business travel, If focuses heavily on providing state-of-the-art digital meeting facilities (see Commitment to our employees, see pages 52-57).
Good corporate governance	The Nordic countries, which are If's main area of business, generally have the lowest perceived levels of corruption in the world. In the Baltics, too, the perceived levels of corruption are relatively low ⁴³ . Although the level of corruption is low, however, it is not non-existent.	We believe that high ethical standards and responsible behaviour, such as how employees treat customers, partners and other stakeholders, are essential to ensuring the long-term success of the company. If is committed to the UN Global Compact principles on human rights, labour rights, the environment and anti-corruption, we work to make the principles part of our strategy, culture and day-to-day operations. If strives to ensure transparency and mutual respect in relation to inspectorates and supervisory authorities, as well as other public authorities (see Commitment to society, see pages 59-64).
Building a more resilient society	We work with risks every day, and we know which preventative measure increase the safety of not only our customers, but also other stakeholders and society at large. Loss prevention services can reduce risk and economic cost, increase safety, and reduce environmental impact.	We use our expertise in risk management to contribute to the building of a more resilient society. Sharing our knowledge and insights is an important part of our interaction with our key stakeholders and with society at large. We participate in relevant research projects that are related to our expertise and knowledge in risk management, with the aim of building knowledge about how to reduce risks and increase societal resilience (see Commitment to society, see pages 65-69).
Climate change	We handle more than 2 million claims every year, and we have more than 7,000 employees and approx. SEK 120 billion in investments. We recognise that our business operations have an impact on the economy, environment, for example greenhouse gas emissions, and people.	We actively support the transformation to a low-carbon society. Climate change affects us all, and therefore requires long-term solutions that actively involve the insurance industry in partnership with other stakeholders. Our aim is to continually reduce our own emissions, and to encourage our partners and customers to reduce theirs. If committed to the Science Based Targets initiative (SBTi) in 2021 (see Commitment to society, see pages 70-73).

⁴³ <https://www.transparency.org/>

Stakeholder engagement

We have involved and engaged with stakeholders as part of the materiality analysis. The identification and categorisation of different stakeholder groups was based on external research, including analysis from insurance industry associations and non-governmental organisation (NGOs), desktop analysis, including marketing research and brand analysis, and interviews with internal experts. The research and output from the internal purpose, core value and positioning work provided important input. Stakeholder groups which both affect and are affected by If, in the short and long-term, have been important identification and categorisation criteria. The analysis identified the following primary stakeholder groups: customers, employees, management (i.e. owners, board and management), partners and suppliers, and authorities and local communities (i.e. authorities, NGOs and the media). Each primary stakeholder group has several subcategories.

The purpose of the stakeholder engagement in the materiality analysis is to provide a stakeholder perspective on our material topics. The stakeholders' perspectives provide important insights for identifying and fully understanding our actual and potential, negative and positive, impacts on the economy, environment and people, including impacts on human rights across activities and business relationships.

We have integrated stakeholder engagement and activities into the ordinary business operations, in order to ensure meaningful and regular engagement with our stakeholder groups. The type of dialogue and activity depends on the specific stakeholder group.

If's strategy framework consists of four strategic foundations: Customer, Risk, People & Culture and Sustainability. The strategic foundation of sustainability is based on the materiality analysis and is built on three commitments: Commitment to our customers, Commitment to our employees, and Commitment to society.

Stakeholder groups and engagement activities

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"> – Preventing damage, injuries and accidents – Responsible and environmentally friendly claims handling – Responsible investments – Counteracting financial crime and corruption 	<ul style="list-style-type: none"> – See Commitment to our customers, pages 14-31 – See Commitment to society, pages , pages 58-73
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"> – Healthy and safe work environment – Diversity and inclusion – Reducing CO2 emissions and environmental impact – Supporting civil society and local communities 	<ul style="list-style-type: none"> – See Commitment to our employees, pages 32-57 – See Commitment to society, pages , pages 58-73
Management	<ul style="list-style-type: none"> – Board of Directors meetings – Management Group meetings – Interviews* 	<ul style="list-style-type: none"> – Responsible business practices and satisfied customers – Healthy, safe, diverse and inclusive work environment – Good governance, active contribution to society and reducing CO2 emissions 	<ul style="list-style-type: none"> – See Commitment to our customers, pages 14-31 – See Commitment to our employees, pages 32-57 – See Commitment to society, pages 58-73
Partners and suppliers	<ul style="list-style-type: none"> – Meetings with partners and suppliers – Interviews* 	<ul style="list-style-type: none"> – Responsible procurement practices encouraging environmentally friendly products and services – Responsible business practices and transparency – Active contribution to society and reducing CO2 emissions 	<ul style="list-style-type: none"> – See Commitment to our customers, pages 14-31 – See Commitment to society, pages 58-73
Authorities and 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"> – Responsible business practices – Good corporate governance and transparency – Active contribution to society and reducing CO2 emissions 	<ul style="list-style-type: none"> – See Commitment to our customers, pages 14-31 – See Commitment to society, pages 58-73

* Interviews with stakeholder group representatives, which were conducted specifically as part of the materiality analysis

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, for how to achieve a better and more sustainable future for all. We support the sustainable

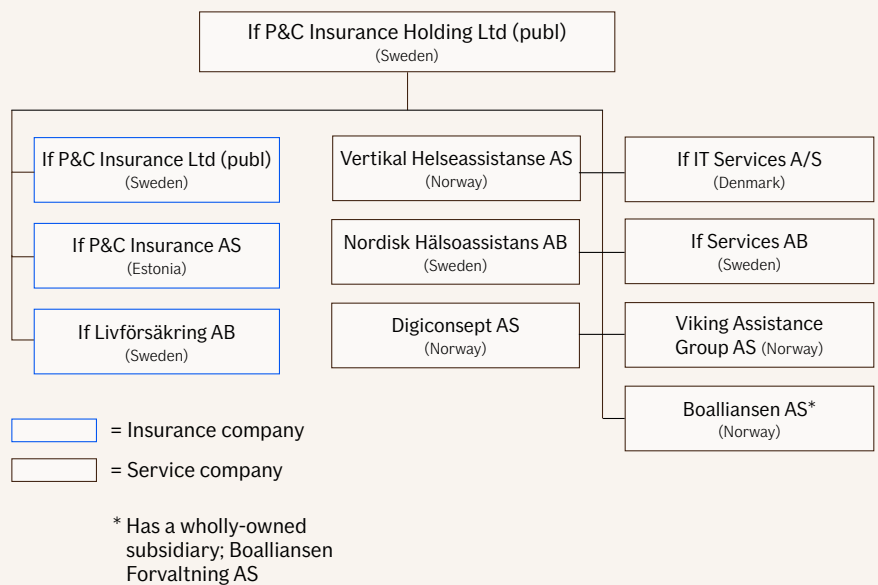
development goals and are committed to making our contribution in partnership with our stakeholders. In this sustainability report, we have linked our three commitments to the relevant sustainable development goals.

Commitment	Link to SDG	Relevant SDG sub-target
<p>Commitment to our customers – Managing risks together</p>		<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). – Development of digital preventive services within mental health (3.4).
<p>Commitment to our customers – Ensuring the claims are handled in a sustainable way</p>		<ul style="list-style-type: none"> – Suppliers must comply with ethical requirements regarding labour rights (8.8). – Claims contracts required to reuse, reduce and recycle (12.5). – Suppliers need to comply with environmental requirements and reduce their environmental impact (12.6 and 13.3).
<p>Commitment to our customers – Responsible business practices</p>		<ul style="list-style-type: none"> – Corporate clients and investee companies must respect human rights, labour rights, the environment and anti-corruption (8.8 and 12.6).
<p>Commitment to our employees – Providing a healthy, safe and attractive work environment</p>		<ul style="list-style-type: none"> – Provide a decent and attractive work environment that supports labour rights (8.8 and 3.4).
<p>Commitment to our employees – An equal, inclusive and diverse workplace</p>		<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).
<p>Commitment to our employees – Environmentally friendly workplaces</p>		<ul style="list-style-type: none"> – Suppliers need to comply with environmental requirements and reduce their environmental impact (12.6 and 13.3).
<p>Commitment to society – Good governance and transparency</p>		<ul style="list-style-type: none"> – Encourage companies to adopt sustainable practices and sustainable reporting (12.6). – Encourage and support effective private-public and civil society partnerships (17.17).
<p>Commitment to society – Contributing with our expertise to build a more resilient society</p>		<ul style="list-style-type: none"> – Support development and implementation of local climate change adaptation plans (11.5). – Financing of research, awareness-raising, and dialogue with stakeholders on climate change (13.3). – Research on traffic safety (3.3) and cooperation with NGOs on access to health care services (3.8).
<p>Commitment to society – Supporting the transformation to a low carbon society</p>		<ul style="list-style-type: none"> – Commitment to science-based targets (13.2). – Awareness-raising, and dialogue with stakeholders on climate change mitigation and adaptation (13.3). – Suppliers need to reduce their environmental impact (12.6 and 13.3).

About If

Legal structure

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	3.9 million
Number of employees	7,630
Gross Written Premium 2022	MSEK 57,732



Vision

If's vision is to be the most caring insurance company for customers, employees, partners and society.

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.

Strategic foundations – One If

If has one strategy framework for all business areas. Four areas are highlighted in the strategy framework:

Customer – Our ambition is to have the most satisfied customers and partners in the Nordics and Baltics.

Risk – Our ambition is to be best in risk.

People & Culture – Our ambition is to have the most engaged people.

Sustainability – Our ambition is to be the most trusted insurance company and actively contribute to a more sustainable society.

Organisation

If is a Nordic group that also conducts insurance operations in the Baltic countries. The group's head office is located in Stockholm, Sweden. The parent company of the If Group, If P&C Insurance Holding Ltd (publ), is a wholly owned subsidiary of Sampo plc, which is a Finnish listed company that has its head office 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, Nordisk Hälsoassistans AB and If Livförsäkring AB, the Danish company If IT Services A/S, the Norwegian companies Vertikal Helseassistanse AS, Viking Assistance Group AS, Digiconcept AS and Boalliansen AS, and the Estonian company If P&C Insurance AS. If's insurance operations in Denmark, Norway, Finland and to some extent Estonia 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.

Organisation of our sustainability work

Board oversight

The decision-making powers of the Board of Directors (BoD) follow from local legislation in the respective company's country of incorporation, as well as the articles of association and any other instructions given directly by the general meeting. The BoD adopts instructions for the CEOs and also approves If's policy framework, the Own Risk and Solvency Assessment (ORSA) report and the financial plan. Sustainability, including climate-related risks and opportunities, already forms part of the BoD oversight. The financial plans, ORSA and the risk committees address sustainability, including climate-related risks and opportunities. The BoD also approves the sustainability reports and the Sustainability Policy.

The BoD is informed of If's risk profile and solvency position through the Own Risk and Solvency Assessment (ORSA).

Key figures

Customers per business area, 2022

Private	>3,200,000
Commercial	346,000
Industrial	1,200
Baltic	360,000
Total	3,900,000

Customers per country, 2022

Sweden	>1,550,000
Norway	794,000
Finland	1,000,000
Denmark	240,000
Baltic	360,000
Total	3,900,000

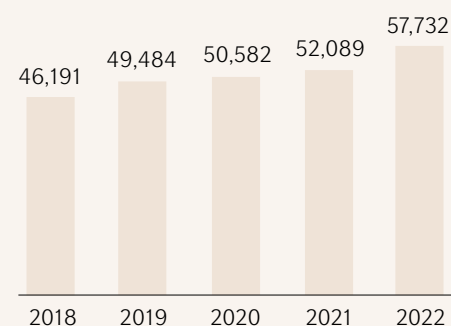
GWP (MSEK) per business area, 2022

Private	31,712
Commercial	14,371
Industrial	9,464
Baltic	2,184
Total	57,732

GWP (MSEK) per country, 2022

Sweden	19,751
Norway	18,935
Finland	11,163
Denmark	5,699
Baltic	2,184
Total	57,732

Gross Written Premium (MSEK), 2018-2022



By approving the ORSA report, the BoD accepts it as the basis for deciding on the financial plan. The BoD approves the three-year financial plans on a yearly basis. The BoD has established a set of committees at Group level, which form part of If's Risk Management System. The committees are advisory bodies to the CEO.

All key functions (Compliance function, Risk Management function, Internal Audit and Actuarial function) report to the BoD every quarter. In addition to the regular reporting, the Compliance function reports relevant compliance incidents to the BoD and the CEOs, when appropriate and necessary. The Compliance function is also responsible for managing If's whistleblowing channel, including taking appropriate measures in relation to whistleblowing reports. The number of whistleblowing reports is reported to the BoD every quarter.

The BoD receives regular training on developments in the area of sustainability.

Management role

The CEOs bear overall responsibility for the day-to-day business activities

of the companies within If. They have the possibility to delegate decision-making authority concerning day-to-day business activities to other persons within If, but they retain ultimate responsibility for the decisions made. Several business groups have been formed to coordinate and follow up on various issues that lie within the CEO's areas of responsibility. The Business Management Group (BMG) is a preparatory body for the If Holding CEO, who is also the Chairman of the group.

Sustainability Committee

If's Sustainability Committee is an advisory and preparatory body for the CEOs on sustainability-related matters and the integration of sustainability into operations.

The committee meets quarterly and reports to the ORSA Committee.

Members of the committee include: Chief Financial Officer (chair), Head of Human Resources, Head of Brand Marketing & Communication, Chief Legal Counsel, Chief Information Officer, Chief Risk Officer, Head of Sustainability, and representatives from BA Private, BA Commercial, BA Industrial, BA Baltics and Claims.

Sustainability Office and Sustainability Core teams

The Head of Sustainability coordinates If's sustainability work and reports on strategy, targets, actions and follow-up processes to the Sustainability Committee. The Head of Sustainability is supported in this work by the Sustainability Office and Sustainability Core teams. The Sustainability Office, for example, provides strategic input on sustainability issues, and coordinates the reporting to the Sustainability Committee and the work of the Sustainability Core teams. The Sustainability Core teams mainly consist of persons in the line organisation who perform sustainability-related work within If. If's Sustainability Policy presents If's position and approach to sustainability.

Auditor's opinion regarding the statutory sustainability report

To the annual general meeting of the shareholders in i Lf P&C
Insurance Holding AB (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 2022 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 9 March 2023

Henrik Nilsson
Authorized Public Accountant

Deloitte.

WE SUPPORT



We acknowledge that our parent company participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals as well as broader UN goals. We consolidate our support for this initiative fully under our parent's commitment. Therefore, we do not participate in UN Global Compact activities nor do we participate in activities of a Global Compact Local Network.

Examples of other initiatives and memberships

PRI



WWF in Finland



Business for Climate (Norway)



Energy-saving week (Finland)



BSAG



Earth Hour





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Svanenmärkt trycksak 3041 0247

