

A full-page background image of a sunset over a body of water. The sun is low on the horizon, creating a bright orange and yellow glow. The sky is filled with wispy, white and yellow clouds. The water in the foreground is dark, with a small boat silhouette on the left and a bright reflection of the sun on the right. The overall mood is serene and natural.

Environmental Report 2013



If P&C Insurance
Drammensveien 264
0283 Oslo
Phone: + 47 93403546
Mail: ole.evensen@if.no

About this report

This is our 5th annual environmental report where we summarize our environmental impact and performance. The reporting period for information included in this report is 1 January 2013 – 31 December 2013. The scope and boundaries of the report include our operations in Finland, Denmark, Norway, and Sweden.

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



If's investment in new wood stoves play an important role. In India alone, 500,000 people die from heart disease, cancer and lung problems every year, caused by inhaling the fine particles in the smoke from bad stoves. Most of them are women and children.

It is estimated that 1.8 million trees have been saved, that would otherwise have been spent as fuel in the old stoves.

Contents

Our highlights over the years.....	5
CEO message.....	6
About If	8
Targets and outcomes for 2013.....	10
Environmental management	11
Our environmental policy.....	12
This is important to us.....	13
Employees.....	14
Customers.....	18
Suppliers.....	20
Climate change	22
If Environmental data.....	24

Our highlights over the years



2008

- Our environmental strategy was developed
- Our environmental policy was developed

2009

- List of 100 activities designed to lead to a greener If
- Meeting management program to reduce traveling
- Climate impact accounting according to Greenhouse Gas Protocol

2010

- Completed the tasks in the list of 100-environmental-action-points
- Start of our green procurement program, If in Sweden and Norway became members of Buy Ecolabelled Network
- Launched environmental training for all new employees
- Published our first environmental report summarizing activities and performance 2008-2009

2011

- Global environmental responsibility through carbon offset, CDM project in India
- If Finland and Denmark become the first members of the local Buy Ecolabelled Network
- If launched Europe's first eCustomer center in Lysaker in Norway
- Launched insurance product for liabilities based on the Norwegian Nature Conservation Act

2012

- If Denmark launched vehicle insurance whereby the price of the insurance is determined by the amount of CO₂ emissions from the vehicle as well as driving habits
- Green Tenant Award 1st prize to our office in Gothenburg
- Turku office was certified as WWF Finland Green Office

2013

- If's office in Espoo was certified according to WWF Finland Green Office standard and If's office in Gothenburg was approved as a GreenBuilding
- Energy declarations and action plans have been developed for 28 of If's largest offices
- The number of air travels has been reduced by almost 40% since 2007
- If introduced an environmental insurance based on EU directive, both in Sweden and Finland. Denmark will introduce the insurance autumn 2014. Norway introduced the insurance late in 2012

CEO message

If P&C Insurance (If) has a basic commitment to promote a society in which everyone is able to live safely and securely. Along with police, rescue services, judiciary and other public authorities, the property and casualty insurance companies play a key role in creating a safe and secure society. Furthermore, If aspire to be an active part of society and to contribute to positive changes beyond its business operations.

In 2013 alone, If dealt with more than one and a half million insurance claims. These vary greatly, ranging from private clients injured in road accidents to companies whose production has been suspended, for example, due to fire.

Other insurance claims are related to weather catastrophes such as heavy rainfalls and floods. As severe weather events will become more common and result in more damage, insurance premiums may increase. If the frequency and severity of weather related losses increases drastically, as may happen in a changing climate, such losses may no longer be regarded as sudden and accidental. In the worst case this will lead to a questioning of the insurability of weather risks.

Both private persons and companies have a great need of insurance against weather related risks, and If offer broad insurance covers for these risks today. It's of course very important both for If and other insurers to be able to offer our customers this protection at decent terms and conditions also in a future changed climate.

A robust society is the foundation for the insurance industry and If will therefore support various activities that can reduce the risks of climate change and its negative consequences. We will both promote actions that will reduce emissions of greenhouse gases and that societies are adapted to more serious weather related events in the future.





If the frequency and severity of weather related losses increases drastically, as may happen in a changing climate, such losses may no longer be regarded as sudden and accidental.



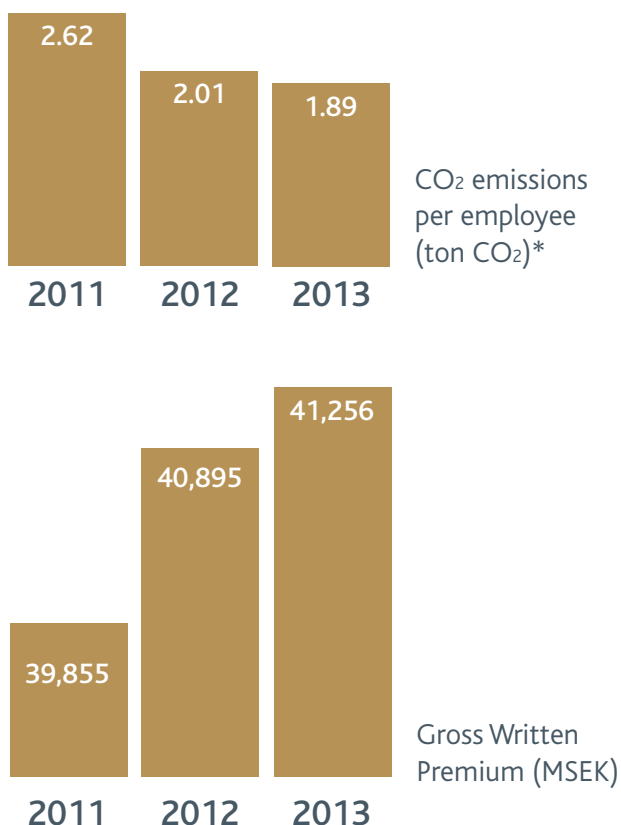
In this report we present some of the accomplishments we have reached in our environmental work. As the environment is important to If this is an ongoing work and we continually monitor our progress. To date we have achieved many improvements with positive implications for the environment, yet much remains to be done. As we look back at what we have accomplished in 2013 we are already planning our future actions to contribute to a sustainable future.

Torbjörn Magnusson
CEO, If P&C Insurance AB

About If

Company name..... If (If P&C Insurance AB)
Countries of operation..... Finland, Denmark, Norway, Sweden, Estonia,
Latvia, and Lithuania
Headquarters..... Barks väg 15, Solna, Stockholm
Markets..... Non-life insurances for private persons, businesses,
and international industrial enterprises
Number of customers..... 3.3 million
Number of employees 6,238
Total CO₂ emissions 2013* ... 11,793 ton CO₂

KEY FIGURES



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

OUR MISSION

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

SERVICES

We offer an extensive range of insurance solutions and services including everything from insurance for private cars and homes to customized global insurance programs for international industrial enterprises.

CORE VALUES

Easy to reach and relate to

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

Dedicated

If takes initiative and cares about me

Reliable

If keeps its promises and helps me when needed

Forward-thinking

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

ORGANIZATION

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

In total, If's market share is equivalent to one fifth of the Nordic market. In Sweden, Norway and Finland, If is one of the leading insurance companies with market shares of 19, 25 and 25 per cent respectively. In Denmark – a more fragmented market – If is the fifth largest company with a market share of five per cent. If also owns over 20 per cent of Topdanmark, a Danish insurance company.



Targets and outcomes for 2013

TARGETS FOR 2013-2014 – WHAT WE PROMISED TO DO SO FAR

- Reduce the total CO₂ emissions by 12 % by the end of 2014 as compared to the 2012 level;
- Reduce CO₂ emissions from energy consumption by 35% by the end of 2014 as compared to the 2012 level: This will be achieved through measures such as purchasing 100% renewable electricity and implementing various energy efficiency measures in our offices;
- Reduce business travel and increase the percentage of video-based meetings;
- All significant suppliers should undergo screening regarding If's environmental requirements;
- Continue to improve our ClimateWise ranking in order to become one of the 25 % best performing insurance companies in Europe;
- Actively engage in environment and climate-related networks where If is a member. (Klimalöftet, Klimatpakten, Climatewise, Svanen, etc.).

OUTCOMES – WHAT WE HAVE DONE

- We have reduced CO₂ emissions by 15%.
- We continue to screen all of our significant suppliers regarding our environmental requirements.
- In order to further develop environmental initiatives with our customers we continued the collaboration with NORD-STAR and the web-based visualization tool.
- We have improved our routines regarding increasing material recycling in car repairs. During 2013 If repaired and reused up to 194 tons of plastic and 3,124 tons of metals in claims handling.
- We published a report about our climate work as an active member of the ClimateWise network and once again scored very well when our work was assessed against the six ClimateWise Principles.

OUR LONG-TERM TARGET

- By the end of 2015 CO₂ emissions should be reduced by 50% compared to 2008.

Environmental management

By reducing our environmental impact, our aim is to satisfy our customers with regards to our contribution towards ensuring a sustainable future. In 2008 our environmental strategy was developed by our Steering Group for the Environment. The strategy defined our environmental policy and goals and established a basis for the approach to minimize our environmental impact. Our core values remain intrinsic to the strategies we develop to manage our environmental impact. Our approach is to minimize our environmental impact through increasing internal awareness and offering appropriate education and support.

MANAGING OUR ENVIRONMENTAL IMPACT

Values and principles	If's Core values
Key environmental issues	<ul style="list-style-type: none"> Climate change Environmental impact from claims handling Travel and meeting management Energy consumption Waste minimization Education and awareness
Committed organization	<p>The Steering Group – establishes If's environmental strategy and overall goals. The Steering group has 7 members of whom 3 are members of If's executive board. Each member represents a different business area and country.</p> <p>The Nordic Environmental Group – holds responsibility for the management and follow up of implementation of all the environmental measures regarding facilities and procurement.</p> <p>Local Environmental Groups – formulate local action plans and arrange activities for improving awareness of environmental issues. These groups are in place at all larger offices.</p>
Tools and policies	<ul style="list-style-type: none"> Environmental policy Procurement policy in line with Nordic Ecolabel procurement guidelines Supplier assessment principles Climate impact accounting tool based on Greenhouse Gas Protocol standard ClimateWise platform for best practice and exchange of ideas Environmental rules for claims handling
Communication and awareness growing	<ul style="list-style-type: none"> Employees – receive training regarding environmental issues, environmental days and campaigns Customers – environmentally related activities in each country of operation, information on home page Suppliers – dialogue during environmental assessments and communication regarding If's environmental goals and requirements Owners – environmental reporting, ClimateWise reporting External stakeholders – campaigns, funding research on climate change

Our environmental policy

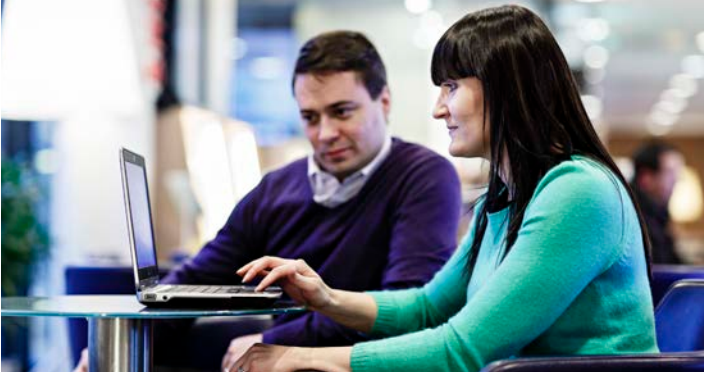
If must take substantial measures to improve the environment on a daily basis. We always endeavor to find the best possible environmental solution – for our company, our customers, our suppliers and our partners.

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

This is important for us

To live up to our environmental policy we have defined which actions and measures are important to us. We always strive to take those measures into consideration when managing our environmental impact:

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



Employees

There are over 6,000 people working at If and we consider each one of us an environmental ambassador. It is our sincere hope that by increasing environmental awareness in the workplace our employees will make environmentally conscious choices outside the office as well as at work. And it is only because of our employees that we can create an organization where everyone is working together to improve our environment and contribute to a sustainable future. In order to encourage and support our employees in this daily endeavor we provide them with guidelines and support as a way of encouraging environmentally sound choices

MEETING INSTEAD OF TRAVELING

Approximately a quarter of our managers' working time is spent in meetings. These meetings remain essential to the way we work. Being able to see the other person talking is also a vital factor to the quality of meetings, around 55-60% of our communication is based on body language. This is the reason why employees traditionally spend lot of their time on business travel. We believe that it does not have to be so. We have invested effort into implementing online meeting solutions that are simple and preferred by our employees.

If started with virtual meetings already in 2003 with only a few rooms. There was a rapidly growing interest and today we have a total of 85 rooms with video meeting facilities in our Nordic offices. User friendliness and clear guidelines have been part of the success as well as internal video support. About 1,500-1,600 video meetings are held every month.

All employees also have a fully integrated online chat and

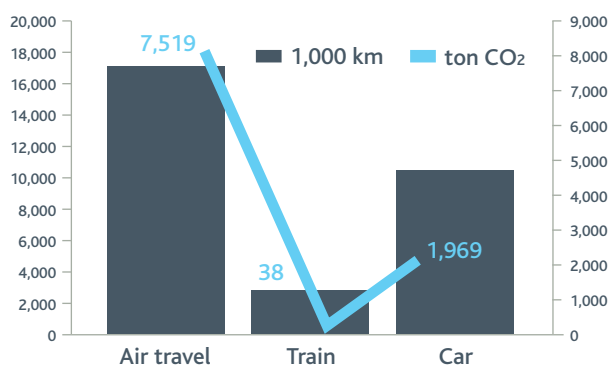
Live Meeting program available on their computer. Being able to simultaneously converse and share presentations or other documents on our monitors constitutes an important feature that makes our online meetings a viable alternative to physical meetings. Video and online meetings offer many benefits including time efficiency and improved work-life balance, reduced environmental impact as well as reduced costs. The fact that video meeting rooms are often booked is also a proof that our employees use the video meeting solutions.

Case: Activity-based meeting rooms

Despite an increase in video meetings, there are still many physical meetings that need to take place. If has started introducing activity-based rooms, where the purpose and activity of the meeting influence the choice of meeting room and facilities. In Copenhagen activity-based meeting areas was introduced in 2013, with smaller areas with higher standing tables for short meetings, meeting rooms where the participants can write on the walls, or rooms with soft pillows and carpets for reflection etc.

Traveling compared to video meetings		
Year	Number of flights*	Number of video meetings
2007	24,784	3,000
2008	21,404	9,199
2009	17,210	14,040
2010	16,563	19,581
2011	17,359	19,177
2012	16,599	16,585
2013	15,491	16,411
Change	-37%	447%

*Internal business travel



Travelled distance compared to CO₂ emissions

FOCUSING ON TRAINING AND AWARENESS

Introducing how environmental responsibility is integrated into If's processes and operations has been a part of the introduction course to all new employees since 2010. This course consistently receives a highly positive feedback from participants. In addition, we have developed and offered an e-learning course for all employees focusing on environmental responsibility. Approximately 45% of employees have taken the course.

We also have developed an e-learning course for managers focusing on how to make meetings more efficient and environmentally friendly, including choosing the right type of meeting (physical, video, online), and defining responsibilities for meeting participants. An evaluation showed that the course was highly appreciated but it also led to further improvement of the course, which has taken place during 2013. Additional information on how to reduce environmental impact is published through our internal web site, where we provide tips both at work and at home, as well as on posters in our offices.

EMPLOYEE ENGAGEMENT THROUGH THEME WEEKS

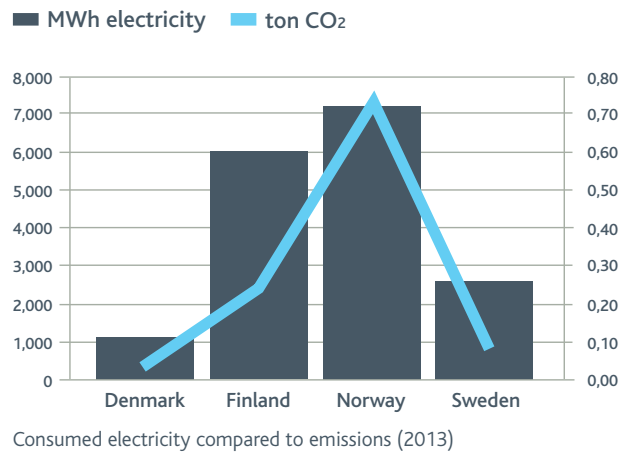
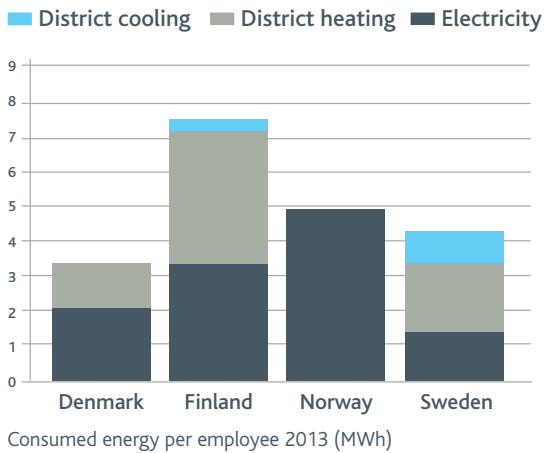
We are convinced that environmental responsibility is everyone's responsibility. If has participated in the Earth Hour campaign since 2008 and, in addition, we traditionally arrange theme weeks for employees that focus on environmental responsibility. During the year employees continuously had the opportunity to learn how to reduce

paper consumption and waste through simple measures. We arranged seminars and competitions focusing on how to reduce paper consumption and waste separation. We also served organic food in our canteens and set up recycling stations for collecting second hand clothing in the offices. In addition to this, we arranged a seminar day in Stockholm where actors such as SJ, Vasakronan and Svanen presented their solutions for energy efficiency and other environmental challenges.

EVERY MAJOR OFFICE HAS AN ENVIRONMENTAL MANAGEMENT GROUP

Every larger If office with 200 employees or more has its own management group focusing on environmental issues to create an environmentally sound workplace for everyone. Our ambition is to ensure that caring about the environment in all of our offices is easy. If this is deemed insufficient, employees are encouraged to leave suggestions for improvements in our Suggestion Box or to contact the local environmental group.

The local environmental groups develop the local environmental management plans, arrange theme weeks and implement the recommendations suggested by the employees. The common target areas during 2013 included e-learning courses, increasing the amount of waste recycled, energy saving, reducing paper use, and green procurement. Further, the local environmental groups form part of a larger network through which the members can collaborate.



EVERY MAJOR OFFICE HAS AN ENVIRONMENTAL PROGRAM

This includes everything we do to reduce the environmental impact of our operations; from green procurement and recycling to training and awareness. The environmental program in each office is developed and implemented by the local environmental groups.

The central part in the environmental management program is our action plan for improving energy efficiency in our offices. As part of this we have moved to new more energy efficient buildings in Kuopio, Tampere, Stavanger, Tönsberg, Haugesund and Vækerø. The Stavanger office is a so-called passive house, i.e. a house built with special construction resulting in substantially lower energy consumption than what is normal. Another way of decreasing energy consumption has been to reduce office size in current buildings, for example in Malmö and Stockholm.

We have also mapped how well our different offices performed in terms of energy efficiency. Out of 28 large and medium size Nordic offices many fall into the category E or F in a scale of A-G where A means high energy efficiency and G means low energy efficiency. As a pilot case we introduced energy efficiency measures in our office in Gothenburg in 2011. By the end of 2012 we had reduced energy consumption by 35% and in 2013 about a 30% further reduction was achieved. We continue this work by discussing with our landlords in other regions how we can find effective solutions for improving energy efficiency in our offices. Examples of energy saving actions are invest-

ing/upgrading of ventilation systems, thermostatic control and LED lighting.

Case: If has investigated use of solar panels

In 2013 If investigated the possible use of solar panels on the roof of its headquarter in Bergshamra. However, pre-studies showed that the roofs had too little sun exposure to be efficient enough, and the pay-off period was estimated to be more than 20 years.

Here is a short summary of examples of activities, which demonstrates how we manage the environmental impact from our offices:

- Local Environmental groups
- Targets and action plan
- Environmental tips on the internal website
- Course in environmental responsibility at If
- Developed e-learning course for sorting waste
- Improved e-learning course for efficient meetings
- Video and online meeting solutions
- Reduction of air travels by almost 40% since 2007
- If is part of the industry organization CER's environmental group in Sundsvall, to share knowledge and create new initiatives in the area
- Earth Hour campaign and theme week
- Green procurement through the network Buy Ecolabelled
- Reduced paper consumption and unnecessary printing through measures such as printing on both sides, and documents that are not retrieved manually are not printed

- Reuse and recycling of electronic equipment
- Recycling and reducing mixed waste. Some offices have already removed all conventional bins and have only recycling stations (implementation is in progress)
- Green products share of all office equipment purchases 50%
- All cleaning in Norway is now Swan-labelled
- Implementing energy efficiency measures in cooperation with our landlords
- Energy declarations including action plans for 28 of If's largest offices
- Usage of green electricity in all our offices in Denmark, Sweden, Norway and Finland
- If's office in Gothenburg was approved as a GreenBuilding
- Moved to five energy efficient buildings and improved energy efficiency for a number of offices
- Certified the environmental management program in our Espoo office according to WWF Finland Green Office program. This means that from beginning of 2014 WWF Green Office program covers approximately 70% of If employees in Finland.

GREEN IT

Using modern technology and solutions in our IT systems improves functionality and facilitates reducing our environmental impact from business-related activities.

During 2013 we continued our work with reducing the number of servers, by offering "server hotel" functionality, thus reducing the number of physical servers by approxi-

mately 200. Through reducing the number of servers we have saved approximately 250,000 kWh electricity.

Another focus area has been to improve our video meeting solutions as part of a meeting management program. In addition, all users now have the possibility to make phone calls, have phone and video meetings directly on their PC. The easy-to-use approach and mobile app to access live phone meetings has made these solutions very popular.

While we are improving our IT systems we also work actively to reuse and recycle electronic equipment (computers, screens, phones etc.). During 2013 we recycled 3,000 kg of computers and have taken 1,000 computers back into use. At the same time we have had over 500 mobile phones repaired, and taken into use again. This represents an important measure towards reducing our environmental impact. To illustrate this, the production of one computer results in approximately 700 kg CO₂ emitted, 1,500 liters of water used and 2,100 kWh electricity used.

This year we have also taken active part in a bank- and insurance industry network for improving the sustainability component in IT purchasing.

During 2013 If reduced our number of office printers and at the same time introduced more energy efficient multimachine printers with less environmental impact. The printers have a so-called "follow me" application that helps us measure paper and energy consumption.

Customers

Risk, safety, and protection are what we work with daily. Therefore we know which solutions increase our customers' safety in the best way while reducing environmental impact. Our priority is to help our customers manage risk and provide assistance when accidents happen. By providing our customers with guidance on how to prevent damages we help them save money and protect the environment.

PREVENTION IS BETTER THAN CURE

Loss prevention is the most important issue we discuss with our customers. We also provide information on loss prevention on our home page under "Advice and tips". This serves as the primary reference point for advice and documentation regarding loss prevention. Readers can find information on measures such as how to prevent fire, burglary and water damages at home. We also send loss prevention information to our customers in our regular mailings and insurance letters promoting them to read more on our web. It is not possible to measure how many accidents we have avoided thanks to our loss prevention activities, but we monitor how often people visit our loss prevention web page, watch our safety instruction films, download material and acquire safety products and services.

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

However, when an accident has occurred we focus our efforts on making the repair as convenient and efficient as possible while mitigating the negative environmental impact. This means that we have implemented rigorous programs to reuse materials and well-functioning parts in the repair process while also holding our repairs suppliers to very high environmental performance standards.

WE TRY TO REUSE AND RECYCLE AS MUCH AS POSSIBLE FROM DAMAGED CARS

If handled over 400,000 damaged cars and 460,000 properties during 2013. These damages could contribute

to negative environmental impact if waste and damaged materials were not handled properly. Over the course of the year we have continued our work with the policy program focusing on reuse and minimization of waste. Our goals are to reuse undamaged parts instead of disposing of them and to increase recycling.

Currently the major challenge in achieving our goals has been increasing awareness among customers. We still need to put lot of effort into explaining why reusing undamaged spare parts is a better alternative than replacing them with completely new ones. Using brand new parts each time we repair a car would for instance result in additional CO₂ emissions that could otherwise be easily avoided.

We take our environmental responsibility seriously and hold the contractors who repair damaged vehicles to high standards regarding reusing undamaged spare parts. We are also strict about following up with these contractors. We have a similar policy-program to increase the recycling of materials from property damages and follow up how well waste have been sorted from damaged sites.

	Plastic parts	Metal parts		Total Ton
	Plastic repairs	Used parts Ton	Alignment Ton	
2007	148	761	2,365	3,273
2008	164	791	2,301	3,256
2009	169	876	2,161	3,260
2010	171	817	2,313	3,301
2011	178	745	2,302	3,225
2012	189	806	2,151	3,146
2013	194	823	2,301	3,318

Motor: Reused plastic and metal

1 Did you know?

25 tons is the amount of CO₂ emitted on average from a household fire.

300 kg is the amount of CO₂ emitted due to water damage. This is the most common damage in our homes and is preventable in the vast majority of cases.

Source: Insurance Sweden

2 Did you know?

During 2013 we recycled approximately 1,500 tons of waste from property damages in Norway. This contributes to roughly 500 tons of avoided CO₂ emissions.

3 Did you know?

Since 2008, If has published a professional magazine on risk management and loss prevention called 'Risk Consulting'. This magazine is distributed to various subscribers and is available online.

4 Did you know?

Many of our customers still prefer to receive their insurance information on paper by post. In order to reduce the environmental impact from this process we began an initiative in Norway; printing post on paper rolls instead of A4 sheets. This reduces the amount of waste and

improves the logistics. We are currently evaluating how to implement this in other countries.

5 Did you know?

The Simone storm in October 2013 lead to about 760 cases on villa/hemförsäkringar, 250 vehicle damages and about 70 corporate damages. Additional storms during the year have lead to similar consequences.

Case: Car insurance based on CO₂ emissions did not work
During 2012, If Denmark made an effort to introduce vehicle insurance for which the premium is based on the vehicle's level of CO₂ emissions as well as driving habits. As such, the customer has a clear incentive to minimize their CO₂ emissions. Beyond choosing a fuel-efficient car, customers could choose to monitor their mileage and drive in an eco-friendly manner to reduce their premium. However performance of CO₂ calculations per car became too uncertain as a price mechanism tool and If therefore has decided not to continue with the product.

E-INSURANCE

The e-insurance services combine environmental thinking with a modern approach to communication and customer satisfaction. We have used e-invoices since 2001. Since 2004 we have sent offers via e-mail instead of on paper to our customers. Since autumn 2011 If has provided online services to our private customers.

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

Since autumn 2011 our customers in Norway have had the opportunity to use Europe's first virtual customer service center. This eCustomer center located in Vækerøis meant for anyone who would like to buy insurance or ask for advice regarding insurance services. The eCustomer center is a part of our goal to introduce modern technology for meeting customers wherever they are.

As part of If's overall digitalization of communication, If Denmark uses E-box as an electronic postbox to communicate with its customers. Today about 100,000 If customers in Denmark uses E-box. The plan is to further implement electronic postbox in all other Nordic countries.

Case: To use instead of own

We offer our customers the opportunity to rent a child safety seat from us instead of buying one. Our child safety seat package includes all three chairs that your child needs. The chairs grow with your child so that he or she has a size and age-appropriate seat. By renting a child safety seat, customers contribute to the reuse of equipment that would otherwise become quickly useless as the child grows. However, we have many challenges to further improve the environmental benefits of this offer; we need to reduce the environmental impact transports and production.

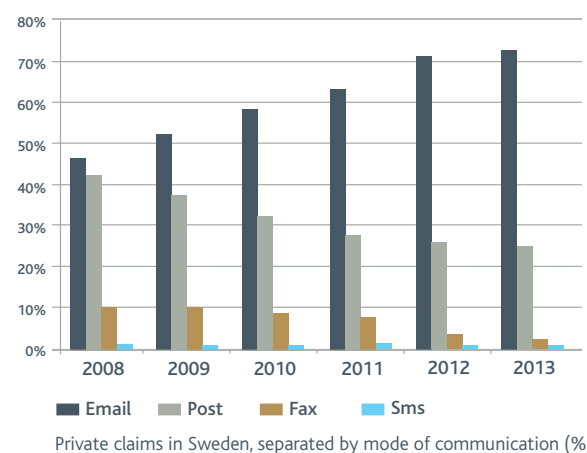
Case: Insurance product for liabilities

If introduced an insurance product for liabilities in all If's countries except Denmark, where it will be introduced during spring 2014. The company insurance product address nature damages and is based on the Norwegian Nature Conservation Act.

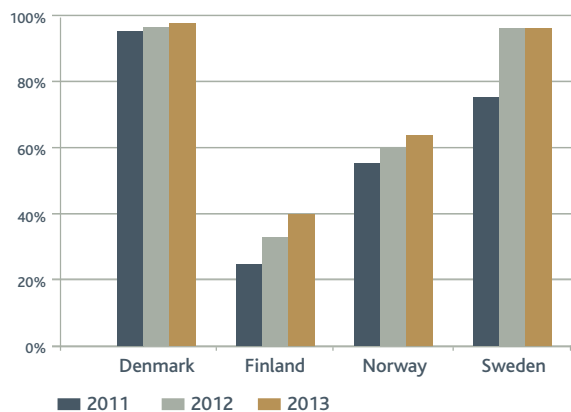
Case: Fire week in Norway

For the eleventh year in a row Norsk brannvernforening, If Skadeforsikring and Direktoratet for samfunnssikkerhet och beredskap (DSB) held a fire protection week in September engaging almost 600,000 participants. An open day was arranged at over 320 fire stations where If was represented at 80 of these, a real increase by 30 from last year.

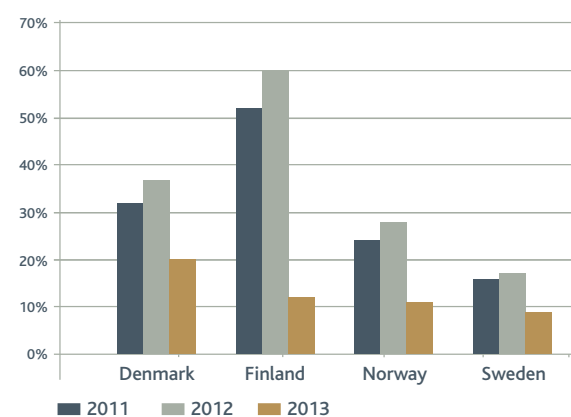
Level of outgoing activities
Private Claims Sweden



Private claims in Sweden, separated by mode of communication (%)



Share of e-invoices in vehicle claims handling



Ratio of online claim reports from business area private

Suppliers



Together with our suppliers we handle approximately 400,000 car damages and 460,000 property damages each year. How we choose our suppliers impacts the environment more than you might imagine. Through strict environmental requirements and collaboration with our suppliers we can create a synergy that contributes to mutual success and environmental benefits. Our ambition is to ensure that products we use and every damage claim we handle contributes to minimal negative impact.

ENVIRONMENTAL RESPONSIBILITY IN SUPPLY CHAIN AND PROCUREMENT PRACTICES

Our procurement policy and principles form the basis for our work with environmental responsibility in supply chain and contractual practices. We have established clear principles for selecting products whereby we carry out assessments among contractors in repairs and suppliers in IT and office equipment to ensure that they comply with our requirements. Anyone involved in a procurement process must take relevant environmental aspects into consideration in the decision-making process.

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

Case: Buy Ecolabelled

Buy Ecolabelled is a business network under Nordic Ecolabel promoting environmentally sound production and consumption. The network focuses on guidance, sharing ideas and connecting companies that want to reduce their environmental impact from purchased products and services. Membership in the network has helped us to implement our procurement policy and improve the practice.

If in Sweden and Norway have been members of the local networks since 2010. The network is actually so useful that when we discovered that it is not yet established in Denmark and Finland we applied in 2011 to become the first member in order to help establish the local networks. After preparations the local networks in Denmark and Finland for promoting environmentally sound production and con-

sumption were finally launched in 2012. In 2013 If and Svanen had a number of joint activities in various cities, such as information meetings and environmental days.

OUR PROCUREMENT POLICY

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

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

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

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

CONTRACTORS

Our overall priority is to ensure that waste and materials from repair processes are managed in the best possible way from an environmental point of view. We therefore place high environmental and health-related requirements on our contractors who carry out repairs that we follow up. We also insist on very close and transparent cooperation.

Our requirements on contractors in property repairs

- Follow an environmental policy and all necessary legal permission.
- Follow our environmental policy.
- An environmental plan and environmental manager for each repair assignment.
- Process documentation and reporting through our project documentation tool In4mo.

- Waste from repairs is sorted and recycled.
- Use If's recommended supplier of waste management services in respective countries.

Our requirements on contractors in vehicle repairs and dismantling

- Environmental and quality management system according to ISO 9001 and ISO14001.
- Report compliance with the European Commission's directive regarding prevention of waste from end-of-life vehicles (ELV Directive).
- Follow If's environmental policy.
- Efficient transportation of vehicles and spare parts.
- Documentation of repair processes and methods, through the repair calculation systems Cabas, DBS and Autotaks.
- Report the amount of reused and recycled parts.

PROPERTY REPAIRS

We collaborate with approximately 450 contractors in property repairs in order to ensure fast claims handling for our customers. Contractors handle If's first inspection on site of accident. Thorough process documentation and high process quality are essential to ensure that our customers receive claims handling the way it should be. Since 2012 we are using a project process tool (In4mo) for all our contractors. This is a web-based communication tool that contractors working on a claim site can access through their mobile phones or tablets, providing the claims handler with all necessary information directly. This tool ensures an efficient and streamlined process for property damage claim handling in all steps and enables all contractors to live up to our process requirements. By not being dependent on an office for administration work, each contractor now can on average make one more customer meeting per day. At the same time information reaches If's claims handler faster and the total time for processing an act is shortened. The system help speed up the handling process for each customer and minimizes environmental impact both from travelling and from paper consumption.

During 2013 we also continued our work towards reducing the amount of mixed waste from property repairs and increasing recycling. In terms of sustainable development, waste minimization is likely the most important issue. Our ambition is therefore to take an active role in ensuring that our contractors minimize waste from repairs.

We require at least 15% improvement in waste segregation per year, which we follow up for each repair. In order to reduce the negative environmental impacts from the process as a whole we have also focused on improving waste transportation and introduced lighter containers and alternative solutions such as industrial bags in densely populated areas. As for rebuilding, we strive to use proper environmental materials and each partner has to follow If's guidelines for materials and waste assortment as well as strict national legislation regarding construction.

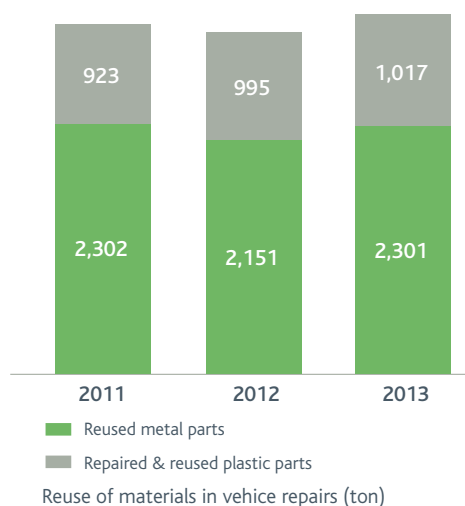
VEHICLE REPAIRS

Furthermore, we are continuously seeking ways to use modern communication technologies in our operations to avoid unnecessary traveling. The process of vehicle claims inspection is almost completely remote. In addition, all of our employees in vehicle claims have participated in eco-driving courses. Strict environmental requirements are placed on our contractors in vehicle repairs just as they are in property repairs. We require reuse and recycling of spare parts and conduct monthly follow ups regarding the amount of reuse of undamaged parts as well as the amount of repaired plastic parts for reuse. Instead of using brand new spare parts we reuse thousands of tons of plastic and metal each year. Together with our contractors we have created synergies regarding what is possible, which techniques work best and how to create efficient logistics for the collection and distribution of used spare parts.

Case: Minimizing waste project became permanent

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

The purpose is to, instead of using brand new plastic parts, increase the reuse of used plastic parts that are often removed and wasted by workshops disassembling end of life vehicles. This is beneficial from both an environmental and an economic point of view. In addition this contributes to job generation since workshops can charge for repairing the plastic parts. What is most important, the currently available repairing techniques result in high quality end products.





Climate change

Climate change is a global environmental challenge. The World Bank stated in its recent research report that a 4 degree increase in the average world temperatures is likely to occur by the end of the century. This would mean catastrophic environmental, social and economic consequences for society and the insurance industry. Our ambition is therefore to be a frontrunner in the management of risks from climate change. We believe that in order to achieve credibility in the marketplace, we must also “walk the talk” and minimize the CO₂ emissions from our own activities.

CLIMATE IMPACT ACCOUNTING

The total amount of direct and indirect CO₂ from Nordic operations during 2013 was 11,793 tons, which is 15 percent lower than the 2012 level (13,853 tons CO₂). See page 22 for detailed results. Purchased energy contributes to 18% and business travel (air, train and car) to 82% of our total measured impact. The total emissions from business travel were 9,525 tons of CO₂ (10,298 tons of CO₂, in 2012). Of all the means of transportation we use air travel has the largest impact per travelled kilometer, which makes it the most significant source of emissions. We follow the Greenhouse Gas Protocol guidelines in our climate impact accounting.

OUR ACTIONS

Our offices in the Nordic countries participate actively in the local debate regarding climate change and its consequences. Our activities and engagement in order to reduce CO₂ emissions and mitigate climate change is divided into six categories according to the six principles of Climate-Wise;

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

RESEARCH

We are always seeking new ways to combat climate change. In 2012 we joined a research collaboration to support research on increasing Nordic homeowners’ adaptive capacity to climate change. The project continued during 2013 and will be concluded in the fall of 2014. The project includes three insurance companies along with If, as well as an advisory group as members. The CEO from each participating insurance provider was active in signing the project. The project has two objectives including the analysis of claims data to identify insurance-relevant climate change impacts and vulnerability as well as to develop a web-based visualization tool for lay people and professionals.

¹ The World Bank (2012) *Turn down the heat – why a 4°C warmer world must be avoided.*

EXAMPLES OF INITIATIVES AND MEMBERSHIPS

- The Carbon Price Communiqué
- Network for climate neutral companies (Sweden)
- ClimateWise
- Buy Ecolabelled green procurement network
- WWF i Finland
- Klimaløftet (Norway)
- Klimatpakten (Sweden)
- Earth Hour
- Energy saving week (Finland)
- Nätverk källsortering (Sweden)
- Nätverk Hållbar IT (Sweden)
- Global Insurance Industry Statement

CARBON OFFSET

Since 2011, all CO₂ emissions arising from our own operations have been offset. In 2013, we offset 11,786 tons of CO₂ emissions through a Gold Standard VER project called Envirofit India.

In India over 60 % of the population uses firewood for cooking. As a result, millions of women and children are exposed to toxic emissions on a daily basis. It is estimated that household air pollution causes ca 500,000 premature deaths per year. In addition, the high dependency on firewood is one of the main drivers of deforestation in India. Over 13 million hectares of forest is lost every year. This leads to significant losses of a vital carbon sink and biodiversity.

The Envirofit cookstove reduces the amount of toxic emissions by 80 % and the fuel requirement by 60 %. This increases the women and children's standard of living dramatically. Alongside the health benefits, the children can spend less time on collecting firewood and more time on education. The project helps to slow down the rate of deforestation, as 1.8 million trees are saved yearly. The reduction in emissions from one cookstove per year (1.3-1.9 tons CO₂) is equivalent to a 10,000 km long car journey. Collaborating with Envirofit enables us to support the distribution of thousands of energy efficient cookstoves and make a difference for families in India and the global climate. Our ambition is to take a global responsibility and continue to fund carbon offset projects during the coming years.

The Gold Standard projects enable global collaboration in funding and implementing emission-reduction projects in developing countries. These projects in developing countries reduce CO₂ emissions and generate so called verified (VER) or certified (CER) emission reduction credits, each equivalent to one ton of CO₂. Those that purchase such credits fund these emission reduction projects. Without the emission reduction credits the projects would not be financially feasible. Companies that purchase the verified

or certified emission reduction credits thus use what is known as carbon offset.

Case: Green bond a climate-related investment

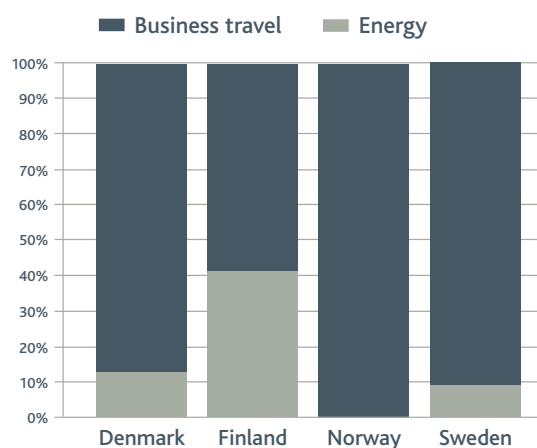
If participated in an investment where the City of Gothenburg borrowed 500 MSEK in a so-called "green bond". Green bonds offer the same yield as other investments with similar conditions. Since the investment is earmarked for environmental purpose, investment in these bonds also contributes to a better environment and higher awareness of climate-related challenges and solutions. The Green Bond concept was developed in 2007/2008 by SEB and the World Bank as a response to increased investor demand for engagement in climate-related opportunities.

Case: Damage data input for area planning

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

Case: Strengthen energy expertise in the construction industry

In 2013 If Norway joined the project Build Up Skills. The project serves to develop training material to craftsmen in the construction industry with the purpose of ensuring expertise in energy efficiency and use of renewable energy in the construction industry.



Distribution of CO₂ emissions per country 2013

If CO₂ emissions summary 2012-2013 by scope

Scope 1 (direct fuel consumption and emissions by type)					
	2012		2013		Change in emissions (%)
	Consumption (m ³)	Emissions (tons CO ₂)	Consumption (m ³)	Emissions (tons CO ₂)	
Petrol	10	22	10	24	10%
Diesel	47	119	58	150	26%
Biogas	0	0	0	0	50%
Natural gas	0	1	0	1	50%
Ethanol E85	-	-	1	0	-
Sum	57	142	71	176	24%

Scope 2 (indirect energy consumption and emissions by type)					
	2012		2013		Change in emissions (%)
	Consumption (MWh)	Emissions (tons CO ₂)	Consumption (MWh)	Emissions (tons CO ₂)	
Electricity	17,741	1,191	16,948	1	-100%
District heating	13,103	2,201	11,069	2,005	-9%
District cooling	5,443	126	2,245	52	-59%
Sum	36,287	3,518	30,262	2,058	-41%

Scope 3 (other indirect emission sources)					
	2012		2013		Change in emissions (%)
	Use	Emissions (tons CO ₂)	Use	Emissions (tons CO ₂)	
Business air travel (km)	18,845,511	8,122	17,354,185	7,519	-7%
Business train travel (km)	2,643,040	16	4,599,932	38	138%
Business car travel (km)	10,569,973	2,013	10,286,730	1,968	-2%
<i>Petrol (km)</i>	3,590,089	733	3,620,533	741	1%
<i>Diesel (km)</i>	6,228,248	1,217	5,988,789	1,172	-4%
<i>Ethanol (km)</i>	466,198	29	419,973	26	-10%
<i>Biogas (km)</i>	47,370	2	41,714	2	0%
<i>Natural gas (km)</i>	47,370	7	41,714	6	-14%
<i>Hybrid (km)</i>	190,699	23	174,008	21	-9%
Copy paper use (ton)	121	37	114	34	-8%
Sum	-	10,188	-	9,559	-6%
Total emissions, Scope 1, 2, and 3 (tons CO ₂)		13,848		11,793	-15%

If CO₂ sources and emissions by country and scope 2013

	Denmark	Finland	Norway	Sweden	Sum	Denmark	Finland	Norway	Sweden	Sum
Scope 1 (direct fuel consumption by type, m ³)						Scope 1 emissions (tons CO ₂)				
Petrol	3	3	0	4	10	8	8	0	8	24
Diesel	23	6	3	27	58	60	16	7	67	150
Natural gas	-	-	-	0	0	-	-	-	1	1
Biogas	-	-	-	0	0	-	-	-	0	0
Ethanol	-	-	-	1	1	-	-	-	0	0
Sum	26	9	3	32	71	68	24	8	76	176

	Denmark	Finland	Norway	Sweden	Sum	Denmark	Finland	Norway	Sweden	Sum
Scope 2 (indirect energy consumption, MWh)						Scope 2 emissions (tons CO ₂)				
Electricity (MWh)	1,138	6,055	7,185	2,570	16,948	0	0	1	0	1
District heating (MWh)	667	6,876	-	3,526	11,069	101	1,612	-	292	2,005
District cooling (MWh)	-	618	-	1,627	2,245	-	14	-	38	52
Sum	1,805	13,549	7,185	7,723	30,262	101	1,626	1	330	2,058

	Denmark	Finland	Norway	Sweden	Sum	Denmark	Finland	Norway	Sweden	Sum
Scope 3 (other indirect emission sources)						Scope 3 emissions (tons CO ₂)				
Air (km)	1,315,124	3,714,848	6,334,071	5,990,142	17,354,185	570	1 559	2 820	2 570	7 519
Train (km)	19,800	2,954,083	540,036	1,086,013	4,599,932	1	37	0	0	38
Total taxi & personal car (km)	337,645	3,224,300	2,999,040	3,725,745	10,286,730	68	646	600	654	1,968
--Petrol	168,199	1,134,848	1,058,928	1,258,558	3,620,533	35	235	219	252	741
--Diesel	168,905	2,080,288	1,930,528	1,809,069	5,988,789	33	410	380	349	1,172
--Etanol	542	9,164	9,584	400,683	419,973	0	1	1	24	26
--Biogas	-	-	-	41,714	41,714	-	-	-	2	2
--Naturgas	-	-	-	41,714	41,714	-	-	-	6	6
--Hybrid	-	-	-	174,008	174,008	-	-	-	21	21
Copying paper (ton)	13	40	30	31	114	4	12	9	9	34
Sum						642	2,254	3,429	3,233	9,559
Total emissions, Scope 1, 2, and 3 (tons CO ₂)						812	3,904	3,438	3,640	11,793

Water consumption by country 2013

	Denmark	Finland	Norway	Sweden	Sum
Water consumption (m ³)	3,285	15,483	14,246	14,057	47,071

Paper and printed materials by weight by country 2013

	Denmark	Finland	Norway	Sweden	Sum
Copying paper	13	40	30	31	114
Printed material	22	85	145	70	322
Marketing material	-	155	45	122	322
Sum (tons)	35	280	220	223	758

Produced and recycled waste by country 2013

	Denmark	Finland	Norway	Sweden	Sum
Recycled and/or reused (tons)					
Mixed waste	-	25	0	0	25
Paper and cardboard	-	112	147	81	340
Waste IT products	-	3	1	0	4
Domestic waste (bio)	-	44	33	13	90
Metal, glass	-	12	5	2	19

If P&C Insurance
Drammensveien 264
0283 Oslo
Phone: + 47 93403546
Mail: ole.evensen@if.no

Tryckt på miljøvenligt paper.

