Sustainability Report 2021

About the report

This is If P&C Insurance Holding Ltd's, continually named as If in the report, fourth sustainability report, which has been prepared in accordance with GRI Standards: Core option. If's sustainability reports are issued on a yearly basis. If Sustainability Report 2021 covers If's operations and sustainability work for the calendar year 2021.

The main stakeholder groups for this sustainability report are customers, employees, suppliers, partners and owners. These stakeholders are reflected in the content of the report and its presentation. The business impact has been measured through a materiality analysis and the GRI Standards have been used as a framework for planning, structuring and presenting the results. The GRI index on pages 80-81 presents the distribution of disclosures.

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Preventing fires and emissions with data and technology

If's top damage prevention experts help corporate customers build practices that focus on active damage prevention and protecting their business.

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Environment and human rights became part of insurance terms

In June 2021, we integrated sustainability into our underwriting. If's corporate clients are expected to respect human rights, labor, environment and anti-corruption.

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High-tech photo solution saves emissions when a car is damaged

What if our customers did not have to bring their damaged car to the body shop for initial damage inspection? What if they could snap photos and send them to the body shop instead and get a reply informing them of a time and a date for repairs? Look no further, this is already an operational service offered by If, which puts the environment first while saving valuable time and cutting emissions.

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Prioritising ethics education for all employees

At the beginning of 2022, If will launch a new mandatory education programme for all employees. The goal is to give all employees an understanding of what responsible corporate culture and business practices mean, and of what is expected from every individual at If.

Message from the CEO

2021 was another challenging year, in many respects. COVID-19 kept changing our everyday lives. The IPCC report in August, referred to as 'Code Red for Humanity' by many, showed how urgent it is that we think about sustainability and reduce emissions in everything we do, whether we are private individuals or businesses.

If has been working on sustainability for many years, and we have now further increased our scope and ambition level. We have integrated sustainability as part of our strategy, and sustainability is now one of four foundations in our revised strategy framework. If is the largest P&C insurance company in the Nordics, and we want to take leadership and define the sustainability agenda in our industry.

I am particularly proud that we have made environmental impact and human rights part of our insurance terms. We expect sustainable behaviour from our corporate clients, and they must comply with the principles of the UN Global Compact, which include fundamental human rights, labour rights, the environment and anti-corruption.

Another important step is that we have joined the Science Based Targets initiative (SBTi) and have committed to set ambitious climate targets that are in line with what the latest climate science deems necessary in order to meet the goals of the Paris Agreement.

By taking such steps, we hope to set an example that others will follow.

I am truly grateful to our employees for the way they have dealt with the pandemic. Working from home offices, they have managed to provide the same excellent service to our customers, and continued to further develop and improve our service and offerings. I believe that the reason is that If has a strong corporate culture, and we are committed to being by our customers' side even under extraordinary circumstances. Together we focus on our purpose: 'We give people confidence today to shape their tomorrow'.

As a company, and in everything we do, we will continue to work towards our ambition of actively contributing to a more sustainable society.

Morten Thorsrud
CEO, If

Photo: Kilian Munch / If

– The work with sustainability never stops

– We have taken a leap with our sustainability work at If. Sustainability is now more integrated in If's strategy, organisation and business operations, summarises Philip Thörn, If's Head of Sustainability.

Philip Thörn has been If's Head of Sustainability for four years. He is the main force behind the development of If's sustainability work, cooperating closely with leaders and employees across all of If, across business areas, across countries and other responsibilities.

Clearly, 2021 has been eventful. If you could pick three favourite actions, what would they be?

– Firstly, I would choose the integration of sustainability factors directly into our underwriting standards for corporate clients. We now expect our clients to comply with the UN Global Compact's principles, even if they are not participating in the initiative themselves. The response has been overwhelming, since we are the first insurance company in the Nordics to integrate sustainability into our underwriting operations in this way (read more on page 27).

– My second personal favourite is If committing to the Science Based Targets initiative (SBTi). We are setting science-based climate targets not only for our own operations, but also for our claims handling and investment operations. This is an ambitious commitment, and shows that we are ready to do our part for the climate (read more on page 67).

– As a third highlight, I would like to choose If's Leadership Compass. It contains concrete tools for our leaders to help create an even more equal, diverse and inclusive workplace (read more on page 48).

And what are you looking forward to next year?

– Naturally, having my own copy of If's Sustainability Report 2021 in my hands, [Philip starts off with a joke].

– But on a more serious note, I'm pleased to see an increase in the interest of all of our employees in issues concerning sustainability. One of the focus areas going forward is to increase engagement possibilities and internal communication. We will also put a lot of effort into developing concrete climate targets and further integrating sustainability into our business operations.

If we look at the sustainability field at large, what kind of trends have you noticed?

– I'm pleased to see the overall change in how companies are working with sustainability. A couple of years ago, many companies were mainly focusing on compliance and how to deal with sustainability risks. Nowadays, ambitious companies are bolder, focusing also on the opportunities that sustainability brings.

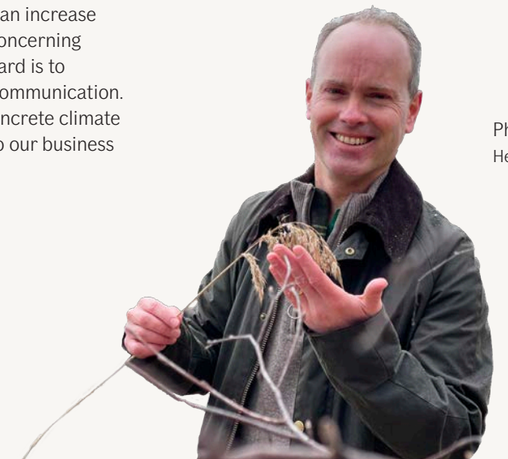
Has the bar for companies' sustainability work also been raised with new laws and regulations?

– Yes, the legal requirements are getting tougher, and will get even tougher in the coming years, with for example the CSRD (Corporate Sustainability Reporting Directive) and the Taxonomy regulation. Regardless of the legal requirements, I feel the report is a nice way to look back at the work we have done together within the different parts of the organisation. I hope you enjoy reading about it.

What is your overriding feeling after 2021?

– I'm truly happy and proud of our sustainability work during 2021 – in that respect, it has been a fantastic year. Sustainability is now one of the four foundations in If's strategy, we have an internal sustainability organisation in place, and we have taken important steps in integrating sustainability into our core operations.

– But, of course, you are never done, you can always do more. The work with sustainability never stops.



Philip Thörn
Head of Sustainability, If

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 7,000 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 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.

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	7,287
Gross Written Premium 2021	MSEK 52,089

Sustainability as an integral part of If's strategy

In 2021, If's strategy was updated and a One If strategy framework for all business areas was developed. The framework consists of four strategic foundations: Customer, Risk, People & Culture and Sustainability. As part of this work, If's stakeholder and materiality analysis was updated (see Stakeholder and materiality analysis, page 82). The strategic foundation of sustainability is based on the stakeholder and materiality analysis and is built on three commitments.

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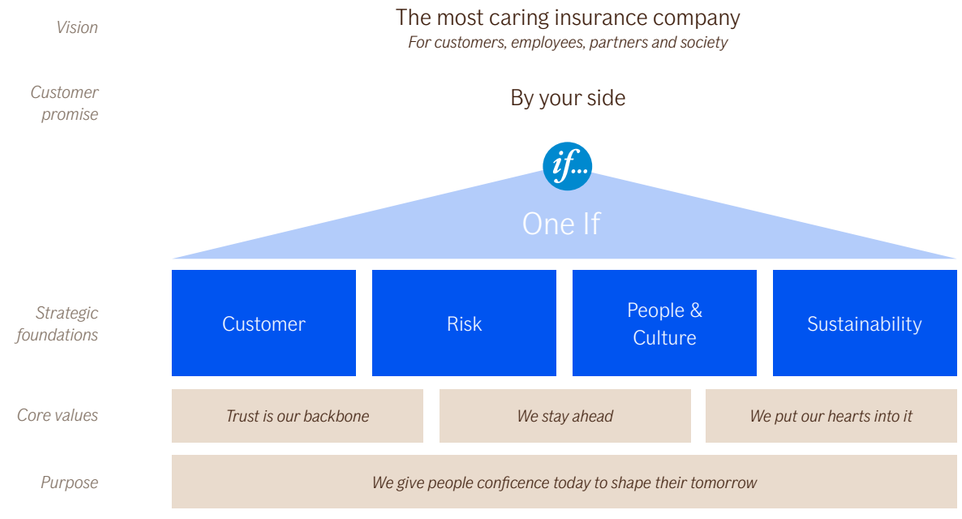
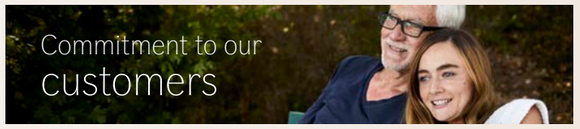
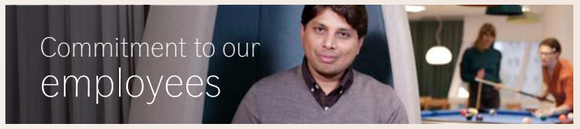
One If strategy framework



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 manage risks, including climate-related risks, and to provide support when accidents occur.

When something happens, we help our customers rebuild and recover, and make sure the 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. Strict requirements, in combination with close cooperation with our suppliers and partners, enable us to develop our business while contributing to a more sustainable development.

We 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 the long-term success of the company.

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 and 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 working 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 growth of intellectual capital in many ways.

We provide environmentally friendly workplaces, enabling 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 providing state-of-the-art virtual meeting opportunities.

Commitment to society

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 the principles part of the 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 with 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, linking to our expertise and knowledge in risk management, and aiming 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 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 goals of the Paris Agreement, limiting global warming to well-below 2°C, preferably 1.5°C.

Our sustainability journey 2008-2020

2008
- Developed If's environmental strategy and policy.
- Established If's Environmental Steering Group.

2009
- Meeting management programme to reduce travel was implemented.
- Climate impact accounting according to Greenhouse Gas Protocol guidelines.

2010
- Start of If's green procurement programme: If in Sweden and Norway became members of the Nordic Swan Ecolabel's procurement network.
- Published If's first environmental report summarising activities and performance 2008-2009.

2011
- Started with carbon offsetting through CDM projects in India.
- Launched insurance product for liabilities based on the Norwegian Nature Conservation Act.

2012
- Green Tenant Award 1st prize to If's 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 Green Building.
- Air travel was reduced by almost 40 percent since 2007.

2014
- Published an annual report called 'The Heat is On', based on the IPCC's 5th assessment report.
- Initiated a collaborative project on climate change adaptation and developed a web-based visualisation tool for homeowners called VisAdapt™.

2015
- Arranged climate conferences for both public and private customers.
- Achieved the long-term target of reducing emissions of CO_2 by 50 percent compared to 2008 levels.

2016
- Started to report CO_2 emissions from If's investments.
- If in Denmark established collaboration with electric vehicle car sharing company Green Mobility.

2017
- Produced a video on how to support responsible procurement in cooperation with Nordic Swan Ecolabel's procurement network in Finland.
- Launched internal campaigns in order to encourage bicycle commuting, recycling and reuse of clothes and reduction of food waste.

2018
- Produced If's first sustainability report.
- The canteen in If's office in Turku was certified with Nordic Swan Ecolabel.

2019
- Conducted study on climate change adaptation in Norwegian municipalities in cooperation with CICERO and IVL Swedish Environmental Research Institute.
- Developed a Supplier Code of Conduct, which defines the minimum sustainability requirements that If asks suppliers to respect when conducting business with us.

2020
- Further integrated Environmental, Social and Governance (ESG) factors into investment operation, by implementing norm-based research and sector-based screening.
- Developed a maturity model which will systematise and guide If's approach to diversity and inclusion, and adds new strategic elements on top of legal requirements.
- Participated in the research project KLIMPEN which analysed how the energy sector can be affected by climate change.

2021

Highlights 2021

Commitment to our customers

Commitment to our employees

Commitment to society

Committed to the
Science Based Targets initiative (SBTi),
meaning we will develop ambitious climate targets in line with the Paris Agreement.

Set a new business travel target,
meaning we will reduce our business travel by 50 percent compared to the 2019 level.

Set up long-term and
visionary targets
for our diversity, equity and inclusion (DEI) work.

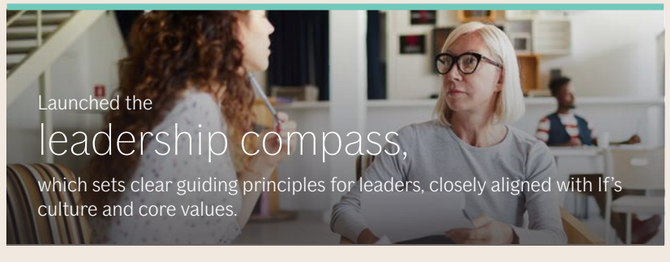
Integrated the UN Global Compact principles on human rights, labour rights, the environment and anti-corruption directly into
our underwriting operations.

Participated in the KLIMPEN research project, which analysed how the energy sector can be
affected by climate change.

Our vehicle repair contractors
repaired and reused 3,398 tonnes
of plastic and metals, instead of using new parts.

Developed a corporate responsibility programme,
One Responsible If,
which will be mandatory for all If employees, to be launched in early 2022.

Conducted
32,000 photo inspections,
instead of inspections at a vehicle repair shop.



Launched the
leadership compass,
which sets clear guiding principles for leaders, closely aligned with If's culture and core values.

Customers

1 Managing risks together

2 Ensuring the 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 rebuild and recover, and make sure the 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.

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Jussi Lehtonen is inspecting electrical equipment on-site to identify and prevent fire risks.

Preventing fires and emissions with data and technology

If's top damage prevention experts help corporate customers build practices that focus on active damage prevention and protecting their business.

Fire is still the most typical and serious cause of property damage companies face, and one third of corporate fires are caused by electricity. If Safety Academy in Finland offers corporate customers a unique service that started from the desire to study and develop electrical safety holistically. Today the initiative is important also for If's sustainability work to reduce risk, prevent emissions and limit environmental damage from businesses and industrial customers.

– If Safety Academy is the only entity that collects comprehensive information on electrical safety. Mapping electrical fire risks makes it possible to identify and prevent the most likely major damage to properties and buildings, says Jussi Lehtonen, the damage prevention manager who initiated the Safety Academy and developed the operating model in Finland.

The mapping of electrical fire risks, often referred to as thermal imaging, accounts for about 80 percent of the work of the Safety Academy. If Safety Academy has collected data systematically from the electrical equipment from 2013 onwards, so this enables us to study this data from a longer period.

– We have done around 4,000 electrical fire safety inspections, covering more than 41,000 electrical substations in operation. We work closely together with our customers to increase understanding of the risks of electrical fires and to share information. As an insurance company, we know our customers' business particularly well and can understand the risks that are especially harmful to them', says Jussi Lehtonen.

Safety inspections especially focus on the electrical centre of the business. The reason is that the electrical centre is the heart of the operational reliability of a business, and even limited damage to an electrical centre can halt all production. Electrical safety plays a very important role when considering the overall safety of a company, but few are aware of this in time, and we want to help our customers to understand this.

There are very few comparable data collections or statistics on electrical fire risks. In addition, a major challenge is that smaller electrical fires and serious near misses are often not investigated and reported to this extent. Lack of information easily leads to a distorted feeling of security about the risks associated. The work of the If Safety Academy puts together facts about the state of Finnish electrical safety. Statistics are used to identify whether this is a national phenomenon or an individual case. Authorities, partners and equipment manufacturers are informed about the perceived risks, so the opportunities for influencing are extensive. The collected facts are difficult to ignore, so the results have many social significances.

The operating process of the Safety Academy has been created so that it can be extended to the mapping of other key risks in the business environment, among other things occupational safety risks.

Jussi Lehtonen
Loss Prevention Manger at the Safety Academy, Pori

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 decrease the environmental impact. The most sustainable claim is the one that can be avoided altogether. Our priority is to help our customers 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 for instance can reduce fire- and climate-related risks. As part of the field work, our risk engineers make assessments and advise our clients on meteorological and climate-related 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 40 of its own property risk engineers, as well as access to an external 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 2020 and 2021, due to COVID-19, several on-site surveys were replaced by remote surveys. During the second half of 2021, the survey work began to return to normal, especially within the Nordic region. During the pandemic, we have also adopted efficient and high-quality remote survey practices, which we will continue to use in the future.

Risk management services for small and medium-sized clients

If has approximately 340,000 small and medium-sized (SME) corporate clients, of which 25 percent own buildings that are insured with If. Our customers suffer claims every day, but an absolute majority of these can be categorised as 'small' claims, such as a minor water-leakage. However, the aggregated effects of these claims are substantial. Each claim that can be avoided helps our customers to reduce cost, increase safety and reduce the environmental impact. Less building material that is destroyed or equipment that is replaced means fewer new items that need to be produced and transported.

Fortunately, larger claims are more uncommon – every year, we have around 70 claims that we categorise as large (i.e. more than MSEK 5 in claims cost), and the absolute majority of these are fires. Fortunately, human lives are seldom lost, but the impact of a fire can still be substantial, for the 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 especially fire-prone industries (such as wood, power/heating and food production), which account for almost a 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 – something that has 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. For our larger SME customers, whom we often meet face-to-face (for example, when visiting their facilities), we can provide hands-on advice that makes them aware of risks, including climate-related risks, and suggest mitigating actions. During 2021 and 2022, all employees who work directly with clients are being provided with tailor-made training for risk advisors. We will also strive to improve the digital risk management work for the customers that we do not meet or talk to, by using digital channels and leveraging our logged in solutions to reach customers with tips about how to avoid claims and the environmental effects of changing their behaviour.

Risk Consulting Magazine
If's Risk Consulting Magazine is a stakeholder magazine covering 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 on various areas of loss prevention, such as photovoltaic systems (solar panels) on roofs, snow loads on roofs, parking and charging electrical vehicles, and li-ion batteries.

Natural Hazard Competence Centre
Our internal Natural Hazard Competence Centre aims to increase our competence and expertise regarding natural hazards. As part of this, we offer our clients a service to tag and monitor insured property and cargo storage locations worldwide 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 when one is about to happen, we and the clients can zoom in to the affected area and identify locations at risk. We also contact our clients directly to inform them about recommended actions prior to and after severe events.

House assessment for small and medium-sized companies
Based on the positive experiences with the house assessment for private customers, we will pilot a house assessment for small and medium-sized (SME) clients that own residential buildings. The pilot will start in Norway and Finland during spring 2022, with a potential target group of 50,000 clients who own residential buildings. Housing associations will be offered a house assessment once every 4-5 years. The service is suitable for all building types, and will focus on checking the structure of the house as well as the common areas. The service focuses on general safety, ease of living, and risk-reducing activities. Following the assessment, the housing association is provided with a maintenance plan.

Risk advisor training
During 2021 and 2022, around 250 salespeople and underwriters who work with SME clients will be provided with expert-led training, with discussions, information and role play, combined with routines and communications tools. The tools include, for example, a digital risk inspection tool, and an easy-to-use mobile platform that helps sales representatives to remember all the relevant questions and advice for the clients, and facilitates a professional way of working.

House assessments, 2019-2021

Target	2021	2020	2019
200,000	184,000	163,000	135,000

House assessments per country

Country	2021	Total 2012-2021
Sweden	11,804	57,536
Finland	3,804	23,629
Denmark	81	709
Norway*	10,440	102,348
Total	26,129	184,222

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

House assessments for private customers

Together with our partner, Anticimex, we offer house assessments to private customers who own their house and hold top-level coverage insurance policies. The house assessments provide the customer with a report that helps them 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, approximately 184,000 house assessments have been completed in the Nordic countries. Our target was to have completed 200,000 house assessments by the end of 2021, but the situation with COVID-19 has resulted in some delays. We anticipate that we will reach the target in 2022. 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 less 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 is equivalent to a reduction of 2,630

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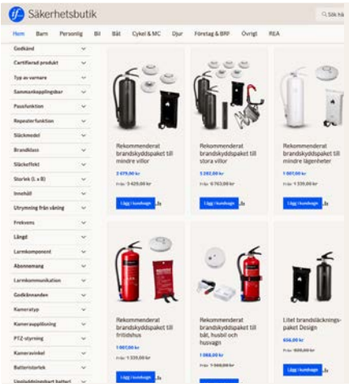


Safety shops
In all Nordic countries, If has good offers on equipment to support their clients in loss prevention. Examples of products made available at special prices to If's customers include alarms, locks, smoke detectors and fire extinguishers. The product range varies in the different markets, 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 700,000 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 shops is approximately MSEK 32 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 CO_2 emitted from a household fire is 25 tonnes, whilst the amount of CO_2 emitted from water damage is 300 kg. Water damage is one of the most common forms of damage that our customers experience.

tonnes in CO_2 emissions. The emission reduction corresponds to the avoidance of 14 million km of car driving.

As part of the inspection, the customers receive a maintenance plan, 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. The result of this cooperation will be evaluated in 2022, and could potentially be introduced to all Nordic countries going forward.

Our Nordic websites also offer advice regarding loss prevention to all our customers. In 2021, 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 1 million 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. Every year, against this background, If proactively communicates (via press releases, content marketing activities, social media and websites) easy-to-understand tips and advice on loss prevention. The tips and advice usually receive substantial media coverage, resulting in multiple articles, TV appearances and radio interviews in the Baltic countries.

Every year, If's risk experts in the Baltics visit approximately 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. On a daily basis, we discover various risk areas or potentially dangerous places that our customers were not aware of. Many risks can be avoided when we work proactively with our clients, and these services are much appreciated by our customers.

Mobility

Coaching and incentivising drivers to improve their habits has been identified as the area within automotive insurance where the potential for making a difference is probably the largest. 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 based on 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. Safer driving

is more sustainable, both 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 CO_2[1] per driver per year.

In the Mobility area, we support the better utilisation of the Nordic car fleet by means of our customised insurance offerings to the sharing economy and new mobility providers. In 2021, we have insured more than 22 million kilometres driven in peer-to-peer shared cars[2].

> In 2021, we have insured more than 22 million kilometres driven in peer-to-peer shared cars.

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 traffic safety perspective. Because the cars are distributed throughout the city where people live, the collection and return of the vehicles is also efficient. We have for many years had partnerships with startup clusters such as StartupLab and Antler and worked closely with startup companies who develop sustainable products and services in the mobility industry, for example 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 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 61).

Personal risk and health

At If, we help our customers to be correctly insured, so that they can dare to take risks, and to build and invest in their lives and businesses. With regard to personal insurance and health, we support our customers with economic safety through our loss of income insurance, such as personal accident, sick leave insurance, life insurance, etc. These protect our customers financially if they suffer from long-term sick leave, sustain injury, or in the event of death. We also offer protection in the form of child insurance and pregnancy insurance. Through the private health insurance, we help our customers with counselling, treatment and surgery if they suffer from illness or injury. The early interventions through health insurance decrease the risk of long-term sick leave, and stimulate health and well-being. In Norway, If cooperates with Overvinne to provide digital preventive services (such as counselling and self-care guidance) within mental health. In Sweden, a cooperation with the Swedish Heart and Lung foundation, a charitable fundraising organisation, was initiated in autumn 2021. The aim of the cooperation is to increase the number of defibrillators in residential areas (see also Commitment to society, page 62). If is 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, helping them to ensure that they have the cover they need to stay healthy, to get well if they become sick or injured, and to secure financial stability in the meantime. We are also investigating how we can best provide our customers with preventive health services, in order to detect and prevent sickness and injury at early stages.

1 https://www.researchgate.net/publication/347755741_The_Effect_of_Aggressive_Driving_on_Vehicle_Parameters
2 Internal figures from peer-to-peer car sharing policies

2

Ensuring the 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. It also involves encouraging companies to act responsibly – for instance, by respecting human rights and labour rights. Large insurance companies such as If rely on suppliers and contractors from around the globe. Today, an increasing number of suppliers can provide clean and environmentally sound services and products. By actively requesting innovative solutions, resource efficiency, transparency and responsibility from suppliers, companies can have a positive impact and stimulate sustainable production and consumption.

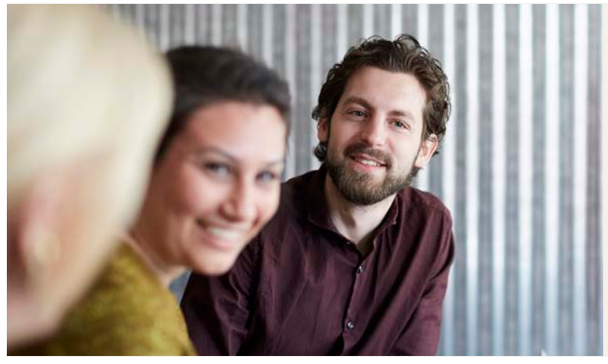
Encouraging and supporting our suppliers

If is a major procurer of goods and services, especially in claims handling, and we are committed to encouraging and supporting our suppliers and partners in their efforts to use more sustainable methods in their operations. Strict requirements, in combination with close cooperation with our suppliers and partners, enable us to develop our business while also contributing to more sustainable development. We believe that holding ourselves and our suppliers to high ethical standards, and encouraging and supporting our partners' work on human rights, labour rights and anti-corruption is crucial for long-term progress. We, and our suppliers, 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 saving both money and time.

If's Supplier Code of Conduct 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-corruption, and is based on the ten principles of the UN Global Compact and its underlying conventions and declarations. All employees who purchase products or services within the areas of office procurements, claims handling and claims settlement must incorporate the Supplier Code of Conduct into the relevant purchasing agreement (i.e. both new agreements and agreements that are to be renewed as of January 2020). During December 2019 and January 2020, the Nordic and Baltic purchasing managers in claims handling, the head of premises, purchasers in group services and the legal counsels received training on implementation of the Code. In spring 2020, we 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 was that 75 percent of all our suppliers should have signed the Code by the end of 2021[3]. Currently, approximately 87 percent of our suppliers have signed the Code. Since we have reached our current target, a new target will be set during 2022.

Suppliers (%) which have signed If's Supplier Code of Conduct

Target 2021	2021	2020
>75%	87%	40%

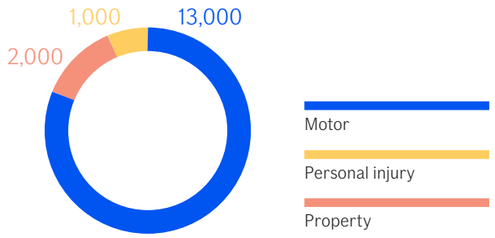


If Supplier Code of Conduct

Based on UN Global Compact

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

Procurement claims per category (MSEK), 2021



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. In 2020, we started to develop a self-assessment questionnaire (SAQ) for suppliers. The SAQ will be part of our approach for assessing a supplier's compliance with our Supplier Code of Conduct, and it was tested during autumn 2021. In case of 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.

87%
have signed the Code

Claims handling

During 2021, If procured products and services as part of claims handling worth more than SEK 16 billion. Together with our suppliers, we handled 560,000 cases of vehicle damage and 455,000 cases of property damage. If's claims handing contractors[4] 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.

Our property and vehicle repair contractors are not only required to respect If's Supplier Code of Conduct, but must also comply with our sector-specific environmental requirements. These Additional Environmental Requirements (AER) 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 the

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

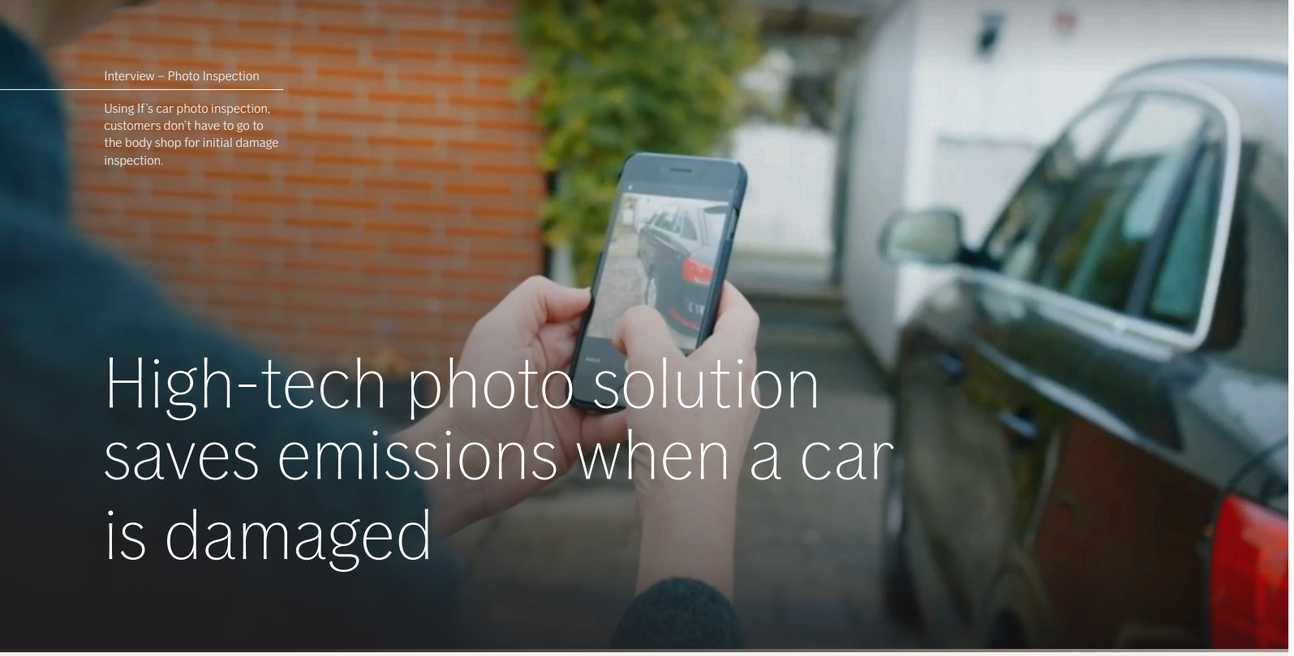
- Comply with If's Supplier Code of Conduct and additional environmental requirements.
- Document results and report to If on a regular basis.
- Develop and implement an environmental plan to reduce environmental impact.
- Minimise transportation.
- Use low-energy equipment and machinery.
- Choose locally 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.

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).

23

3 Our target was that suppliers responsible for 75 percent of the total volume we procure should have signed the Code by the end of 2021.
4 Our suppliers in claims handling are referred to as 'contractors', e.g. vehicle or property repair contractors.



Interview – Photo Inspection

Using If's car photo inspection, customers don't have to go to the body shop for initial damage inspection.

High-tech photo solution saves emissions when a car is damaged

What if our customers did not have to bring their damaged car to the body shop for initial damage inspection? What if they could take photos and send them to the body shop instead and get a reply informing them of a time and a date for repairs? Look no further, this is already an operational service offered by If, which puts the environment first while saving valuable time and cutting emissions.

If's innovative car photo inspection is all about a smoother and more environmentally friendly customer experience. The customer simply reports the claim regarding their damaged car to If via the website or a telephone call, after which they are informed by If whether or not a physical car inspection is required in order to assess the damage before repairs commence.

– This service is great. We have received tonnes of positive customer feedback for our car photo inspection. The users feel the service is easy to use, that they're able to save lots of time and they point out the environmental benefits as they don't have to use their car unnecessarily, says Victoria Åström, Business Developer at Claims, If Sweden.

Traditionally the customer has had to make two trips to the body shop. One trip for the technicians to inspect the damage and a second trip for the repairs. A lot of hassle if you ask us. Instead, If came up with a digital service instructing drivers to take five photos themselves and send them to the technicians for assessment of the damage. This qualitative method of sending photos and details regarding car damage means that in many cases, only one trip to the body shop is required. A win-win situation for customers, the body shops - and not least for the environment.

– There are other services such as this one, but If's solution is advanced and very easy to use for customers and body shops. Our solution is contributing to a greener tomorrow, says Victoria Åström, Business Developer in the Claims Center in If Sweden.

The service rolled out in 2021 in Sweden, and in October the same year there had been 25,000 photo inspections representing savings in CO_2 emissions of 151 tonnes, which corresponds to a petrol car driving 25 laps around the Equator (one million kilometres). Not only that: approximately 1,562 days spent driving to and from the body shop plus waiting time during the inspection have been saved (90 minutes per customer). The amount of petrol that has been saved is 60,000 liters.

The service has now also been implemented in Norway, Finland and Denmark as well and is gradually being rolled out to more body shops. In 2022 If is taking it up a notch since the service has been celebrated by our customers and body shops (approximately 320 signed, and counting). We estimate that 75,000 car photo inspections will be performed in the Nordic countries in 2022, which would save more than 300 tonnes of CO_2 emissions in Sweden alone.

> In other words, we are fully dedicated to making the future a little greener and brighter.

Victoria Åström
Business Developer in Claims, Gothenburg

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

We cooperate with more than 1,230 property repair contractors who perform the initial inspection and undertake repairs for claims that are reported to If. 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. We are continuously seeking to find new ways to reduce material use, increase reuse and recycling, and minimise waste. The updated environmental requirements for property repair contractors, for example, include requirements for ordering material to be sent directly to the claim site, in order to reduce transportation. They also include requirements to use material with environmental certification, when available, and increase the use of electric and hybrid vehicles. In 2021, we recycled approximately 8,900 tonnes of waste from damaged properties in the Nordics. During the COVID-19 pandemic, the total amount of work has dropped somewhat, but it has been possible to perform much of the property claims repairs. The property repair contactors have acted with precautions, by using protection, keeping a distance, and dividing their workforce into separate groups without any contact between the groups.

Vehicle repairs

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. Contractors must document repair processes and methods in the repair calculation systems. The amount of reused and recycled spare parts is reported monthly. Key environmental requirements, which are additional to the Supplier Code of Conduct, include repairing, instead of using new parts, and reusing spare parts. As a consequence, our contractors reuse thousands of tonnes of metal and plastic each year, instead of using brand new spare parts. In 2021, 3,398 tonnes of metal and plastic were reused. We have also set expected

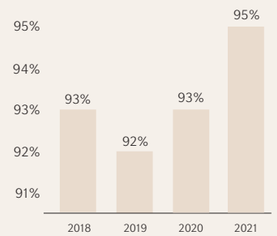
Photo inspections*, 2020-2021

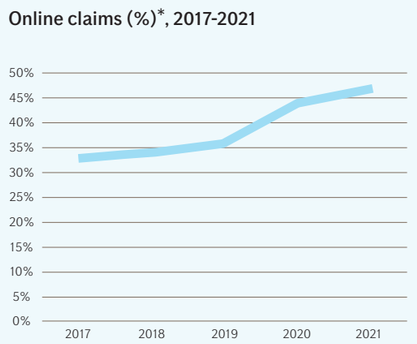
Target 2022	2021	2020
>75,000	31,965	8,900

* Photo inspections in Sweden. Launched in Norway and Finland in autumn 2021.

Repaired and reused parts in vehicle repairs (tonnes), 2018-2021

E-invoices in vehicle repairs (%), 2018-2021





* Private customers and corporate clients, Nordic countries

levels of plastic repairs and used parts, and these are monitored and reported regularly. In 2021, we conducted almost 32,000 photo inspections in Sweden, instead of inspections at a vehicle repair shop. An estimated 1,280,000 km of driving was avoided in this way, since 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 85,000 windshields in the Nordic countries. The repairing of windscreens saves approximately 43 kilo CO_2 per repair[5]. We believe that similar savings can be achieved by also using repairs for smaller claims to car bodies. 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.

We are also working to increase the amounts of parts reused from old vehicles. For example, If, in cooperation with BIL Sweden, Volvo Cars and Volkswagen, is involved in Project Bumper. This project investigates the possibility of recycling plastic from car bumpers, which is then reused to manufacture 3D-printed chairs.

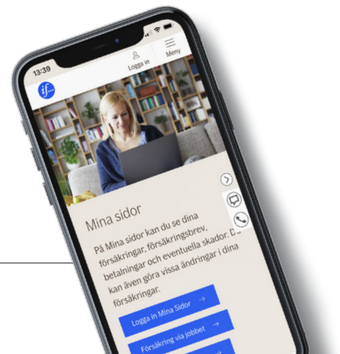
Personal injury claims

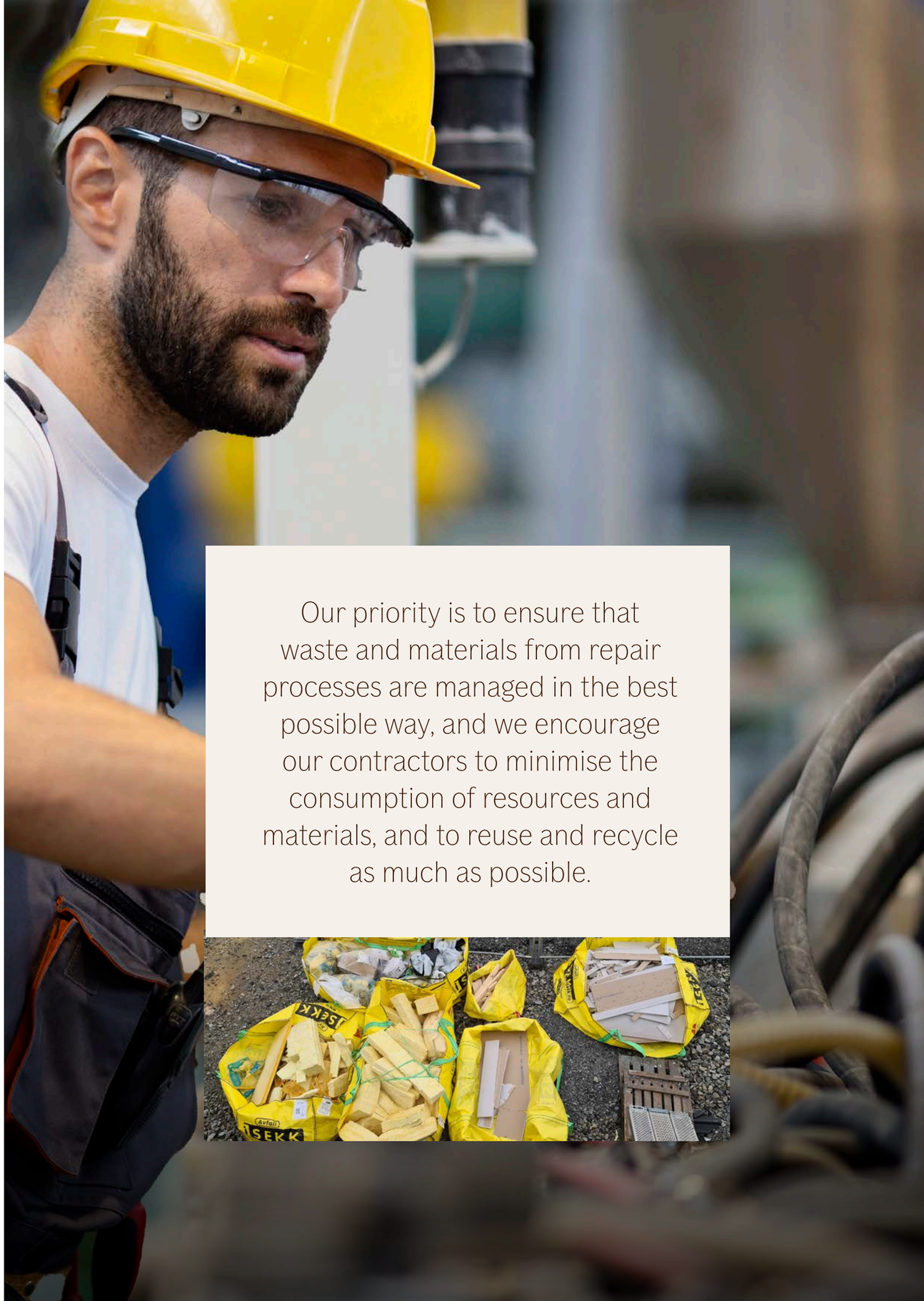
Personal injury claims work to secure our customers' financial situation in the event of illness or injury, and helping them recover with the help of healthcare providers. In 2021, we further developed our digital services in order to find and book the right care. We continue to explore the use of remote doctors, which provides easier access to help for our customers and reduces transportation. Digital services are complemented with 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 play an important role in the Nordic countries' welfare systems, through regulatory insurance for workers' compensation and traffic accidents, where we provide financial compensation, care and rehabilitation.

Digital claims services

If has introduced new claims process for major corporate clients and brokers via the online If Login portal. The aim of the service has been 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 continuously improve these services to provide customers with easy access to their insurance services and a transparent overview of their insurance coverage.





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 the consumption of resources and materials, and to reuse and recycle as much as possible.

5 https://carygroup.com/the-phases-of-a-windshield-replacement/

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. If is committed to providing customers with social and economic security by means of responsible and high-quality insurance products. If expects corporate clients to respect international norms and conventions on human rights, labour rights, the environment and anti-corruption. 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 employees treat customers, partners and other stakeholders) are essential to the long-term success of the company.

Focus on customer satisfaction

Customer satisfaction is our top priority. Satisfied customers are a cornerstone of any successful business, and If is no exception. They are more loyal, and will hopefully recommend products and services to others, and generally contribute to building trust in insurance providers in society. By means of joint efforts across functions and business areas, our aim is to focus on quality throughout the customer journey, and to continuously strive to further improve our products, processes and services.

This also means giving the customer a genuine chance to leave feedback. We have a multilingual Customer Experience (CX) programme, which ensures that customer feedback is not only collected, but also followed up. Firstly, we follow up dissatisfied customers, but the feedback is also followed up and handled appropriately, both in 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 customers can contact in order to submit a complaint.

Customer satisfaction*

Target	2021	2020	2019
Increase in score	61	60	59

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

Source: Customer Experience program,If

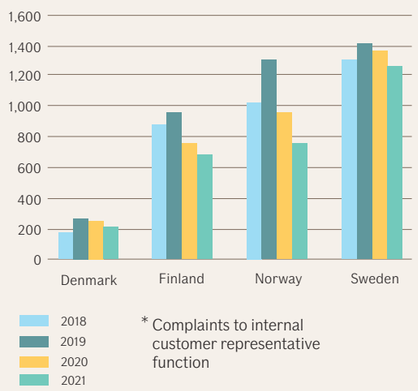
Note: Scale from -100 to 100

Customer Satisfaction Index by EPSI (Extended Performance Satisfaction Index)

	2021	2020	2019
If Sweden	72.9	71.1	71.1
- industry in Sweden	73.0	72.8	73.5
If Norway	73.3	73.9	72.7
- industry in Norway	71.4	72.8	72.5
If Finland	74.5	70.3	75.8
- industry in Finland	72.9	70.1	73.1
If Denmark	76.6	75.8	77.9
- industry in Denmark	76.4	75.7	77.2

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*



* Complaints to internal customer representative function

Responsible underwriting

As of June 2021, If has integrated sustainability 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.

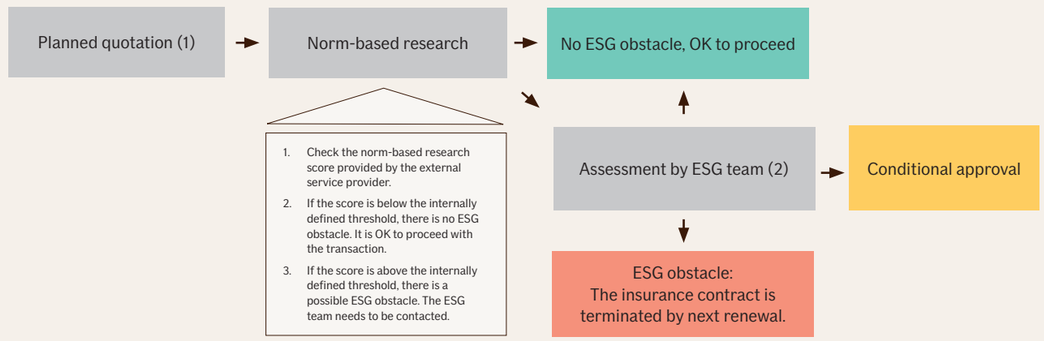
To assess whether corporate clients are respecting the Global Compact, If uses research from an external service provider. In the company assessment from our external partner, each assessed company is given a score. If the score is above the set threshold, a referral is made to If's internal Environmental 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 to comply with the 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 does not want to or is not able to improve its governance or practice to comply with the principles, it 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. During autumn 2021, a total of 472 corporate clients were assessed, and 11 cases[6] were sent for referral to the ESG assessment team. No clients were rejected, however the clients 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. During spring 2021, relevant If employees received training on the principles of the Global Compact, norm-based research and the company's new ESG framework.

Responsible investment

Sampo Group, including 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

Sustainability in underwriting – our process



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

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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).

Interview – ESG

Karoliina Laine was part of the team that integrated sustainability into If's underwriting.

Environment and human rights became part of insurance terms

In June 2021, we integrated sustainability into our underwriting. If's corporate clients are expected to respect human rights, labour, environment and anti-corruption.

The ESG framework is based on the UN Global Compact, an international initiative focusing on ten sustainable business principles on human rights, labor rights, environment, and anti-corruption. ESG stands for Environmental, Social and Governance, and these three areas are often described as sustainability. If now expects its corporate clients to follow these sustainable business principles in order to be insured by If.

Kristine Birk Wagner works as Head of Underwriting for If's large corporate clients. She explains why If chose to implement the ESG framework:

– If, as part of Sampo, is participating in the UN Global Compact since 2019. The implementation of ESG into our underwriting is one of the steps If has taken to integrate sustainability into our business operations. It also supports our ambition to actively contribute to a more sustainable society. The ESG framework is objective and even-handed for all client companies. We felt that looking at the same sustainability principles regardless of the company's business or industry is the best way to proceed.

For If's existing and new customers, the implementation of ESG into underwriting standards means that customers who do not comply with ESG principles will have a dialogue with If's specialists and might have to find another insurer.

– We expect our client companies to comply with the UN Global Compact, even if they are not participating in the initiative themselves. We want to motivate and support our clients towards adopting more responsible business practices. The companies are evaluated before we start a new client relationship or before a contract renewal. So far we've had good and open discussions with our clients, and the change has been well received, says Wagner.

Karoliina Laine has been working with the internal implementation, where the sustainability principles have been integrated into If's existing customer due diligence process for corporate clients. Relevant If employees received training on the principles of the UN Global Compact, norm-based research, and the company's new ESG framework.

– Our employees have been excited about the change and pleased by If being a frontrunner in this area. If's initial focus has been on large corporate clients, but the framework also covers smaller companies as well. To assess whether corporate clients are respecting the principles, we receive an ESG rating for each customer from an external service provider. We have also established internal ESG assessment teams that make decisions based on the external service provider's research and grading and dialogue with the customer.

If a breach of the UN Global Compact principles is detected, the corporate client in question will be notified. If's role is then to support the client to develop and improve their operations. If the client company does not want to or is not able to improve its practices, the client relationship can be terminated.

– The external service provider ensures an objective evaluation, which is not dependent on our relationship with the client. Possible issues might concern, for example, working conditions in a factory, insufficient anti-money laundering practices in place or land rights at the company's premises. We use a three-stepped approach depending on the client's grading and evaluation:

Step 1: We keep monitoring the client but continue the client relationship as normal.

Step 2: A conditional approval, which means requiring additional information from the client.

Step 3: We decide not to enter into a relationship with a client or terminate the relationship within the next contract renewal.

Whatever the issue might be, Karoliina and Kristine want to emphasise cooperation before anything else:

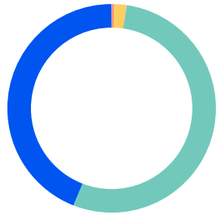
– Our intention is not to preach, but to work together with our customers for a better tomorrow.

Karoliina Laine
Manager in International Network Department, Espoo

Kristine Birk Wagner
Head of Underwriting Industrial, Copenhagen

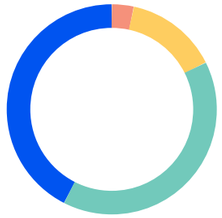
Investment allocation by sector 2021-12-31

- 56.0% Other Fixed Income
- 15.5% Covered Bonds
- 14.3% Equities
- 4.5% Money Market
- 4.4% Government Bonds
- 5.2% Municipalities
- 0.03% Private Equity
- 0.01% Real Estate



Investment allocation according to ESG risk rating categories – If portfolio

- 0.07% Severe Risk
- 2% High Risk
- 54% Medium Risk
- 44% Low Risk



Investment allocation according to ESG risk rating categories – Sustainalytics benchmark*

- 3% Severe Risk
- 14% High Risk
- 41% Medium Risk
- 42% Low Risk

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

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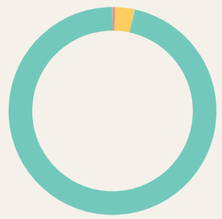
our investment analysis and decision-making processes, and ownership policies and practices. If and Sampo have had an asset management agreement under which all investment decisions, within the framework of If's Investment Policy have been outsourced to Sampo. As of September 2021, this agreement was replaced by an asset management agreement between If and Mandatum Asset Management Ltd with more limited scope. Sampo Group's investment philosophy is to invest directly in individual companies' shares and debt instruments. These companies are carefully studied before any investments are made, and ESG factors are considered along with other factors that might affect the risk-return ratio of separate investments.

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 the external data provider, Sustainalytics. The ESG risk rating is a two-dimensional materiality framework that measures both a company's exposure to ESG risks and how well the company is managing those risks. The rating distinguishes between sub-industries, and adjusts the assessments based on company-specific factors, such as product/business line, financial strength, geographical exposure and track record of related incidents. Based on the risk ratings, If classifies investment objects into risk categories: low risk, medium risk, high risk, and severe risk.

In addition, If also uses sector-based screening – i.e. screening to identify and make decisions regarding companies involved in certain industry sectors, and in the production and distribution of

ESG assessments corporate clients



- 97% No or unconfirmed allegation
- 3% Credible allegations
- 0% Confirmed incident

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Investments in companies operating in sensitive sectors, 2021-12-31

Sensitive sector	Direct involvement (production)	Indirect involvement (service and distribution)	Comment
Adult entertainment	0	0	
Tobacco	1	0	
Gambling	3	0	For 2 of the companies less than 1% of revenues are related to gambling, and for 1 of the companies less than 5% of revenues are related to gambling.
Defense materiel	17	1	For 16 of the companies less than 5 % of revenues are related to defense material.
Controversial weapons	0	0	
Coal mining	2	5	For 2 of the companies less than 1% of the revenue comes from production of coal and for 5 of the companies less than 5 % of the revenue is from indirect involvement. Direct involvement in coal mining is less 0.2 % of If' total portfolio.
Total number of investments	23	6	
Share (%) of total investments	6.4%	2.3%	

certain products and services. Certain industry sectors can be considered sensitive or controversial from an ESG perspective. Sampo Group, including If, has identified the following sectors as sensitive: adult entertainment, coal, controversial weapons, gambling, defence materiel, and tobacco. As of January 2022, the Investment Policy was updated, and oil was also added as a sensitive sector.

If also uses norm-based research – i.e. research that assists investors in making decisions regarding companies' adherence to international norms[7] on environmental protection, human rights, labour standards and anti-corruption.

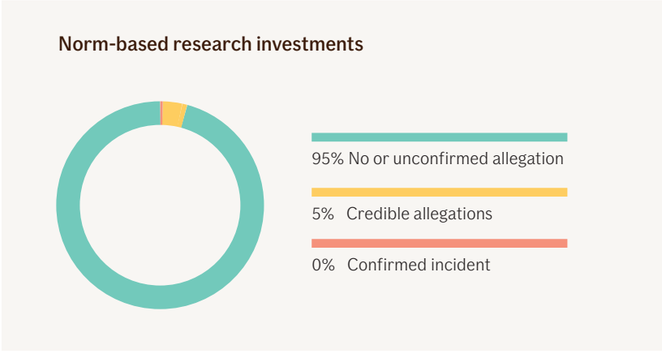
If sustainability risks are identified, additional research must be conducted and the investment will not be allowed, unless special permission is provided from If's CFO and Sampo Group's CIO. The ESG risk ratings, sector-based screenings, norm-based research and pooled engagements are monitored and followed up monthly, 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 2021, five cases were sent to the ICC chairman for approval, due to possible sustainability risks. Two investment were not allowed due to sustainability risks, whilst three investments were allowed after additional research was conducted.

As an active and responsible owner, we also, in addition to direct dialogue and voting, engage 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 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 2021, we reviewed seven potential engagements and participated in one pooled engagement.

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.

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.



We focus on ensuring that all customers are fairly and correctly insured, and that our services for handling this insurance are easily accessible. During the COVID-19 crisis, If has, for example, proactively contacted customers to ensure they are correctly insured, and introduced digital risk assessments for our industrial clients. In December 2020, If introduced a new feature into the Risk Map included in If's customer portal for large corporate clients (If Login), offering COVID-19 data based on information produced by the WHO. Furthermore, our insurance products have been updated, making sure they also cover employees working from home offices.

We are continuously developing and improving the control mechanisms and follow-up routines related to insurance product and service information as well as marketing communications. In 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 we are acting in the best interests of customers.

Information security and data privacy

Information security and data privacy are crucial to our business operations. More and more services are now digital and need to be provided quickly, effectively and reliably at all times. If has a comprehensive information security governance system, including risk management and reporting structures, and a designated Chief Information Security Officer (CISO). In 2021, the most significant areas of focus were aligned with the new EIOPA Guidelines on Information and Communications Technology (ICT) Security and Governance, which applied from 1 July 2021. The guidelines are aimed at strengthening digital security and resilience, and related investments were made in endpoint security, identity and access management, security monitoring, and risk management – which further strengthened If's capability to predict, detect and mitigate cyber-threats. If is required to report all severe information security incidents to the Swedish and Estonian FSAs, and in 2021 one incident relating to a system failure 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 2021, the DP Office continued to further enhance the record of processing registry and impact assessments through a new service. The level of graduality in the recording of processing heightens transparency and accountability. With the support of the new service, impact assessments are more systematically processed using workflows, while also monitoring the overall privacy risk to the data subject. During Q4 of 2021, the DP Office launched a new data privacy e-learning, as a joint corporate effort with Risk Management and Compliance, in order to further raise awareness among employees and contingent workers throughout If's Nordic, Baltic and European organisation. Other awareness activities have included advising and supporting functions and projects on the principles of processing when introducing the use of new technologies, and to ensure the interpretation or application of the processing principles. In 2021, If reported 44 data breaches to the Swedish Data Protection Authority. The increase in incidents compared to 2020 is mainly the result of the promotion of personal data breach reporting. The incidents were due to emails being sent to the wrong recipients. The affected individuals were informed, and appropriate measures were taken to resolve the incidents. Human error was identified as the root cause.

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 all employees must adhere to, such as, a high standard of ethics as a prerequisite for long term success, all people's equal value and non-acceptance of any form of discrimination, transparency and reliability and 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 An equal, inclusive and diverse workplace

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 contributions are If's most important source of competitive advantage. Insurance products can be copied, but copying company 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 million insurance policies and handles more than 2 million claims every year. The company's success is entirely dependent on our employees delivering top-class professional insurance services in these customer interactions.

If invests heavily in culture building, talent acquisition and people engagement in order to build a work environment that supports great performance and 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 through a culture and a work environment where all this is made possible, 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 resulting in people engagement is growing. Digitalisation continues to transform the insurance industry rapidly and radically, and influences both services and offerings as well as internal ways of working. A supportive and inspiring culture based around employees who are proactive, competent and engaged in understanding and adapting to change 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.

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Photo: Espen Wallin / If

New employees*

Country	2021	2020	2019
Denmark	77	63	74
Estonia	58	50	59
Finland	197	40	162
Latvia	86	58	103
Lithuania	16	14	23
Norway	218	234	177
Sweden	389	369	558
Other	58	49	1
Total	1,099	877	1,157

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

Number of employees*

Country	2021	2020	2019
Denmark	574	577	595
Estonia	386	368	361
Finland	1,721	1,692	1,762
Latvia	429	385	377
Lithuania	149	157	156
Norway	1,549	1,507	1,376
Sweden	2,340	2,299	2,274
Other	140	135	23
Total number of employees	7,287	7,120	6,925
% of employees on temporary contracts[8]	1.5	1.3	1.5

* Full Time Equivalent (FTE) per 31 December.

Full and part time employees

	2021	2020	2019
Full time	6,904	6,703	6,491
Part time	383	417	434
Total	7,287	7,120	6,925

2021 continued to be heavily affected by the ongoing pandemic. This year, however, the focus was on preparing for post-pandemic work-life. The initiative called Future Work-life in If that started in 2020 has encompassed several important work streams. A new flexibility guideline has been developed, as well as a model for improving the ergonomic and psychosocial work environment when working from home. During the second half of 2021, the focus was on supporting leaders and employees with the gradual transition back to the office. If's employees will have increased flexibility and freedom to decide where to work, but significant physical presence at the workplace will be required in order to collaborate, innovate and build culture together.

In 2021, If launched the One If Strategy Framework, containing four main strategic foundations: Customer, Risk, People & Culture, and Sustainability. The framework clearly emphasises the people and culture-related topics in the company agenda. Within the People & Culture strategic foundation, three building blocks have been identified. These are: Strengthening the One If culture, Building great leadership, and Securing people and skills for the future.

People & Culture

- Strenghtening the One If culture
- Building great leadership
- Securing people and skills for the future

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 actively work against all kinds of discrimination, harassment and bullying. The Diversity and Inclusion CEO Instruction describes the ambition level and the actions If is adopting to promote a workplace where diversity matters and employees feel safe, included and stimulated. The Leader in If Business Instruction clarifies the expectations on and responsibilities of all leaders, and states that the most important job of a leader is to build trust and engagement and to develop the If culture, as well as supporting If in creating the most caring insurance company.

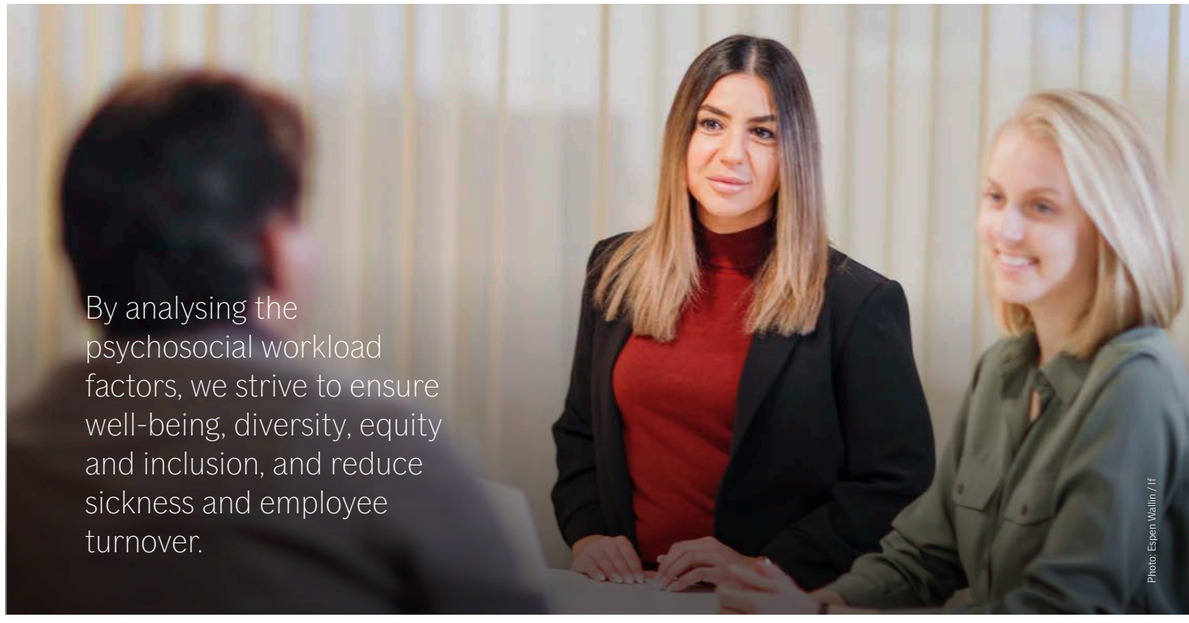
HR supports the leaders and the management in all people processes and the Head of HR is responsible for both the Nordic and the Baltic HR operations. The Nordic HR is organised as five centralised functions: HR Business Partners, Employment Relations and HR Compliance, People Strategy and Culture, System and Operations, and Compensation and Benefits. The Baltic HR organisation encompasses all of 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 the work environment is safe for all employees, both from a physical and psychosocial perspective. If sets an annual work environment plan and follows up the implementation of that plan. The legal work environment requirements include the duty to continually investigate the work environment risks, and to take action to prevent and mitigate the risks. Risk assessments are performed at all If offices. 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 ensures that the employees receive adequate instruction and training regarding health and safety, policies and procedures. Awareness among the employees is, for example, created by using the intranet as a communication channel. Education is offered through the Workday Learning platform. Leaders are also offered more extensive training. On the intranet, there are also links to If's incident and accident reporting system 'Oops!'. The compliance function monitors the incident system, ensuring that any breaches within health and safety are followed up and action is taken. In 2021, 33 ethics-related incidents and 8 health and safety-related incidents were reported via Oops.

If's employees are the most important source of insight into possible misconduct that needs to be addressed. Whistleblowing provides an opportunity to report suspected cases of 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.

In 2021, a common If-wide work environment survey, HealthBeat, focusing on the psychosocial work environment, was launched to replace the country-specific surveys. By analysing the psychosocial workload factors, we strive to ensure well-being, diversity, equity and inclusion, and reduce sickness and employee turnover. 36



8 Temporary contracts women 1.1 percent and temporary contracts men 0.4 percent.

In 2021, the culture building initiatives resulted in, for example, the launch of a new leadership compass and the introduction of a new pulse survey tool.

When we gain a better understanding of the changes in the new work-life environment, we can create a caring work environment for our employees.

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 top management[9] and union representatives meet quarterly to address topics concerning more than one country or business area. If also has forums at the business area level, where senior management regularly meet with Nordic union representatives to proactively share information and discuss business development. Based on local co-determination requirements, If has also established national cooperation forums to handle local issues.

In Finland, 94 percent of the employees are covered by the collective agreement, whilst in the other Nordic countries all employees except the management are covered. 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 or Lithuania. In total, 86 percent of all If employees (all countries of operations) are represented by an independent trade union or covered by collective bargaining agreements.

National work environment councils have been established, and there are also local work environment committees in If's major offices. The work environment councils and committees have statutory responsibilities, including monitoring of the work environment, development of health and safety and ensuring the 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.

The safety representatives are, depending on the local legislation, either appointed by the labour union or elected by the employees to be part of the committees. The specific tasks and the meeting frequency vary, depending on whether the committee is local or national. On average, the national committees meet four times a 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 – for instance, the performance of regular safety inspections. If provides the committee with a standardised checklist for the safety inspections. If any immediate danger is detected during a safety inspection, 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 a great company culture with engaged employees. This requires a healthy and safe work environment for all employees including physical safety, relating to issues such as ergonomics and well-functioning workspaces, as well as psychological safety, which concerns issues such as reasonable workload, good leadership, development opportunities and non-tolerance of discrimination and harassment. Basic building blocks of a sound work environment and culture are clear and well-known purpose statements and values and our vision of becoming the most caring insurance company. An attractive culture is also vital for attracting and retaining the employees we want and need.

A model has been defined for One If's culture work in order to further strengthen governance, enable clear direction setting, and clarify responsibilities for key activities supporting culture building. In 2021, the culture building initiatives resulted in, for example, the launch of a new leadership compass and the introduction of a new pulse survey tool. 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 having engaged people makes all the difference and the

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

Photo: Göran Tell / If

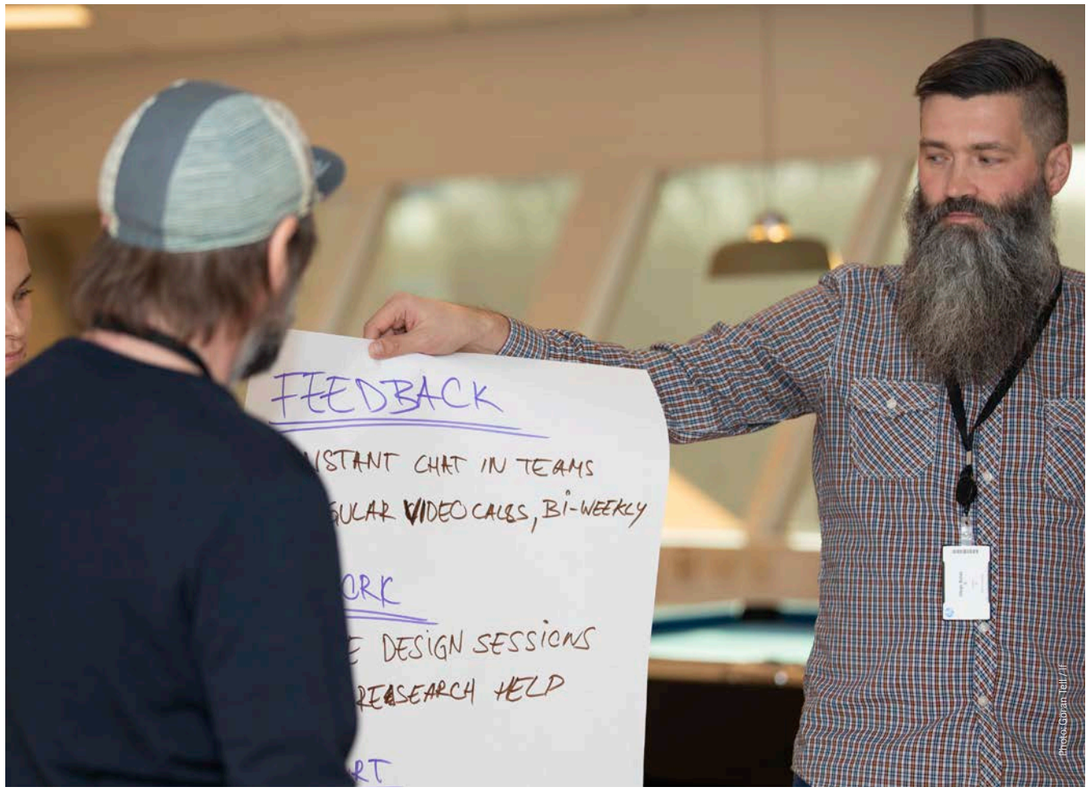
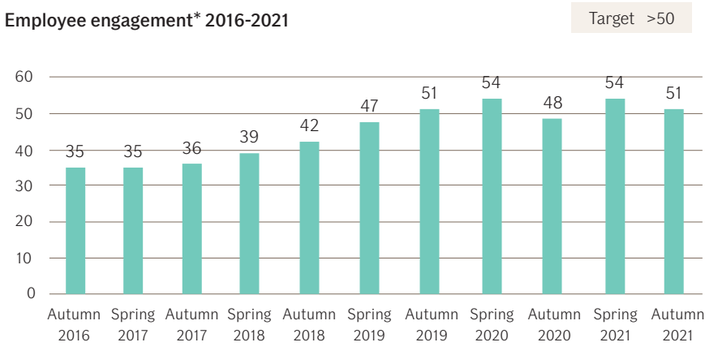


Photo: Göran Tell / If

Employee engagement* 2016-2021



Source: employee Net Promoter Score (eNPS)
* Viking is not included.

Annual turnover* (%)

Country	2021	2020	2019
Denmark	14.8	15.3	14.9
Estonia	9.1	9.8	15.0
Finland	8.4	6.0	6.8
Latvia	8.5	8.7	10.9
Lithuania	11.8	7.4	9.1
Norway	9.7	9.2	8.0
Sweden	12.5	12.1	16.5
Total**	11.0	10.1	11.6

* This is departure turnover including only full-time permanent employees with monthly pay.
** Including all countries of operation.

Annual turnover (%), 2019-2021

Target	2021	2020	2019
<12	11.0	10.1	11.6

ambition is that we will be the best place to work. In 2020, If launched HeartBeat, which is a tool for measuring people engagement and a working process for taking action at a team, unit and company level. HeartBeat replaced the previous employee satisfaction survey. The new survey was launched in the midst of the pandemic, and is run semi-annually.

If's target was that the eNPS[10] should be above 50 by the end of 2021 and this was achieved. In the April 2021 survey, the results were at previous record-high scores for engagement (eNPS 54). The results from October 2021 were still at a good level (eNPS 51) but emphasised the need to work continually on creating the right conditions for engagement. Leaders have access to their team's results and share them with the team members in order to ensure continued good results or to reach agreement on the development of certain areas. Furthermore, data on an aggregated level is used by management teams as an input into organisational development processes.

During 2021, If made further investments to increase the insight into our employees' situations and their perceptions of If as an employer by means of a new monthly pulse survey called HeartRate. The results will be used by top management and HR to proactively identify potential areas which we need to look into in more detail and where mitigating actions are needed.

Employee turnover and recruitment

By the end of 2021, the total number of employees in If was 7,287, which represents an increase of 2.3 percent compared with 2020. Employee turnover at If is monitored on a monthly basis both by country and by business area, and it is part of management reporting. The target was to have a total employee turnover below 12 percent by the end of 2021. The target had already been achieved, but it was not updated during 2021 due to the exceptional circumstances caused by COVID-19, which may well have reduced people's desire and possibilities to pursue other opportunities. On a positive note, the number of employees leaving during their first year of employment has been decreasing.

In 2021, employee turnover started to increase again in several countries. In the Nordic countries, high turnover is primarily still connected to the customer centres. To reduce the employee turnover in the customer centres, If has, for example, continued to develop the recruitment process, the onboarding,

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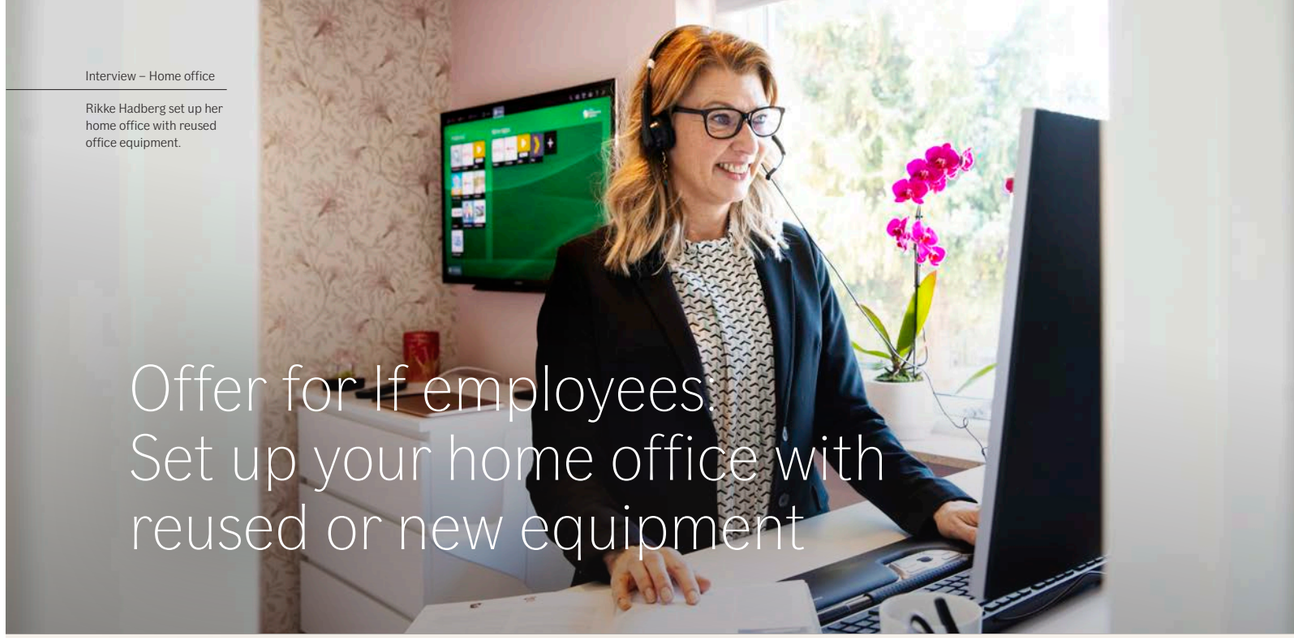
10 employee Net Promoter Score (eNPS)



Interview – Home office

Rikke Hadberg set up her home office with reused office equipment.

Offer for If employees: Set up your home office with reused or new equipment

When If's employees were offered the opportunity to buy equipment for their home offices, some employees immediately asked whether they could buy used equipment to support sustainability. If decided to make a technical accounting adjustment and fulfilled the wish.

When If launched a new hybrid work model in 2021, an offer was made to all employees: spend a certain amount to set up a proper ergonomic workstation in your home to ensure a great working environment. Several employees immediately asked whether they could use the grant to buy used equipment.

– For many employees, sustainability considerations govern their everyday decisions and choices. Some would rather buy used items than new. Of course, we should be able to meet that wish, while at the same time ensuring compliance with the applicable rules for workplaces issued by the supervisory body, says Marketta Helokunnas, Head of Nordic Employment Relations and HR Compliance at If.

Two obstacles were given top priority, and were resolved within a short time:

- A receipt for accounting purposes, which the buyer and seller must fill in together.
- A technical adjustment in the accounting portal so that it became possible to register the purchase of used equipment.

By the end of 2021, 41 percent of employees (corresponding to 3,500 people) had used the company offer to set up an ergonomic home office. Of these, 350 prioritised recycling and bought used furniture.

– For If, the most important thing is to support sustainable behaviour. Many people have been inspired by their colleagues' purchases, resulting in lots of positive discussions about recycling and sustainability. We believe that these 350 colleagues have planted a lot of seeds, says Marketta Helokunnas.

There is so much for sale that is almost like new

Rikke Hadbjerg is one of If's employees who has used the company's solution and set up an ergonomic home office, paid for by If. Rikke works as Product Owner & Engagement Manager at If Denmark. In an average week, she works from home for 3 days and from If's Head Office in Hvidovre for 2 days.

Rikke is one of the If employees who prefers recycling.

– In general, I buy a lot of pre-used things. There is so much for sale that is almost like new. The items I have been looking for were very expensive as new, so, by buying used, I could afford to buy items I would not otherwise have been able to. So there was no reason that the items had to be new.

Rikke bought an ergonomic office chair and an ergonomic rollermouse for her home office.

– I think it is ingenious that If offers employees the opportunity to buy both new and used equipment. In that way, everyone is considered. Being allowed to buy used equipment made it possible for me to buy more and better equipment for the same amount of money. And not least, the environment has been spared, and the world avoids the unnecessary exploitation of resources. I also believe it shows that If is a modern company that manages to adjust, she says.

Marketta Helokunnas
Head of Nordic Employment Relations and HR Compliance, Turku

Rikke Hadbjerg
Channel Engagement Manager, Copenhagen

Commitment to our employees – Providing a healthy, safe and attractive work environment

and the performance and follow-up processes regarding absence due to illness. This has resulted in a decrease in the number of employees leaving during their first year of employment.

During 2021, If continued to make significant investments in improving talent acquisition practices, including, for example, a Nordic social media campaign aimed at increasing awareness among all main target groups. If is investing in sourcing new talent through three trainee programmes and via summer internships. Around 25 trainees started in autumn 2021, and around 15 interns were hired for the summer of 2021. Further investments in structuring and strengthening the recruitment process and toolbox have been made in order to assure quality in recruitment. The building of recruitment capacity continues by means of increased manning in the Talent Acquisition unit.

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 & Culture strategic foundation in the One If Strategy Framework.

In 2021, leadership development continued to focus on providing support to leaders under the extraordinary conditions of remote working as well as supporting leaders in implementing the future model of flexible work. All new leaders are invited to participate in a structured onboarding programme, consisting of several modules and seminars with the aim of training them in leadership practices, culture, compliance, legal requirements, and HR processes. During the pandemic, the training was delivered in digital format.

In 2020, If started a project to develop a common leadership framework to be used across the organisation. The leadership compass, launched in spring 2021, sets clear guiding principles for leaders, in close alignment with If's culture and values. The implementation started in 2021 by incorporating these principles into various people processes, such as recruitment, onboarding and competence development. Work is ongoing to design a leadership programme that, in 2022, will encompass all formal and informal leaders, and support them in developing their own leadership, while also developing If's business and the One If culture.

Significant investments were made in developing leadership by means of targeted programmes in the business areas, such as the Nordic Team Leader Academy for 250 leaders in Private Customer Centres and Claims Centres. The programme aims to increase business knowledge, stimulate sharing across countries, and develop leadership skills. Furthermore, a new leadership programme for 200 leaders from different parts of the organisations working with SME corporate clients was launched.

The agile transformation that encompasses both the Private and Commercial business areas, as well as IT, has created new roles and new requirements for leadership skills and people processes. In the transition to an agile work methodology, If invested in coaching training for the 22 leaders (Chapter Leads) with a specific focus on leadership for employees in cross-functional teams.

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 offers employees[11] comprehensive health insurance 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 the country 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 addition, in most countries, If offers possibilities for part-time arrangements for employees with young children, employees close to pension age, or based on individual social or health 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. If also offers financial support beyond legal requirements for maternity and paternity 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 discussed in management teams and with leaders. To reduce absence due to illness, the ambition is to change the health culture from reactive to proactive. As part of the process, people analytics have been improved and If can now more closely monitor and analyse illness statistics. Based on this information, If can take measures to support the healthy workplace goals.

To strengthen the focus and effort concerning the promotion of health and well-being, Health Partners have been recruited in Sweden, Finland and Norway. The Health Partners' role is to focus on improving the work environment, including both physical and psychosocial well-being. Risk identification is also part of the Health Partners' responsibilities, and both work-related and non-work-related health risks are considered. They also

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11 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	2021	2020	2019
Denmark	2.5	1.9	2.1
Estonia	1.5	1.1	1.7
Finland	2.9	2.8	3.5
Latvia	1.3	0.9	1.4
Lithuania	0.7	1.0	1.2
Norway	3.8	3.6	4.2
Sweden	3.7	3.6	3.6
Total*	3.2	3.0	3.3

* Including all countries of operation.

Absence due to illness (%), 2019-2021

Target	2021	2020	2019
<3.0	3.2	3.0	3.3

systematically develop and maintain tools related to well-being at work for both employees and leaders. One example is a well-being toolkit for the new flexible way of working. In 2021, the Health Partners have focused on mental health, with many activities in order to create awareness and to provide support. For example, seminars have been held for leaders and employees on mental health topics and the prevention of burnout. Health weeks have also been arranged in all countries. Employees suffering from mental health issues have been offered a low threshold coaching service, either through occupational healthcare or other health advisory suppliers.

If's goal was that absence due to illness would be below 3 percent by the end of 2021. In 2021, we unfortunately saw an increase in sick leave to 3.2 percent (3.0 percent in 2020). There was a slight increase in sick leave in most countries of operations.

Securing people and skills for the future

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

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

At a company level, there are fundamental principles for competence development and tools targeting all employees. We focus, for example, on feedback, and development dialogues are held between employees and leaders to follow up both on the current situation and performance and on the ambitions going forward, including individual development plans, etc. Our main digital learning platform, Workday Learning, supplies all employees with general learning paths as well as targeted training in various fields. Competence initiatives at corporate level focus on developing culture, providing compliance training, and targeting specific competence requirements at company and unit level. Workday Learning enables detailed reporting and analytics, and makes it possible for leaders to follow up on the competence development activities of their employees.

The goal of If's Policy on Professional Requirements for Insurance Distribution is to ensure that persons involved in insurance distribution meet certain professional requirements for their role. The related Competence and Training Business Instruction sets out the requirements for the professional competence and training of insurance distributors and company management. HR is responsible for ensuring compliance with the professional competence and training requirements, while the leaders are responsible for ensuring that the insurance distributors fulfil the competence requirements and receive relevant training in accordance with local legislation. To ensure compliance with the requirements, an Insurance Distribution Education Committee has been appointed to regularly review the professional competence and training process.

Approximately one third of If's employees are subject to the training requirements of the Insurance Distribution Directive (IDD). In 2021, these employees were trained in accordance with the legal requirements of the relevant country. In our learning management system, about 45 percent of the education is related to IDD and IDD accounts for about 70 percent of total educational hours. In addition to the IDD training, the business areas run their own customised certification processes. Furthermore, a corporate responsibility training programme will be launched early in 2022, and this will be mandatory for all employees (see Commitment to society, page 57).

An If-wide Coming Together onboarding process for all employees was introduced in 2020. In 2021, the seminars have been held virtually to enable the onboarding of the more than 1,000 new employees who joined If during the year. The onboarding has also been extended to cover summer workers, and seminars in English were introduced to ensure that non-native-speaking employees are given the opportunity to participate in this important culture-building seminar. As part of the development of operational excellence and new ways of working, continued significant investments were made in 2021 to further develop the agile concept. As part of the agile transformation, training events have been held throughout the year for more than 100 employees.

Strategic competence development investments have centred around areas such as change management, analytics and sales. The Analyst Academy (a digital hub with close to 900 members) provides competence development within data management and analytics skills. The Nordic Analyst Seminar annually gathers around 100 analysts working across If for competence development and knowledge sharing. The Finance Academy is a training programme that is available to any employee who is interested in understanding our key financials, value creation in insurance, and risk management. People Development Managers have been recruited to strengthen customer-centred competence development, related for example to sales techniques and customer communication.

Besides formal training, much of the development takes place 'on the job'. Furthermore, If is an organisation with ample job opportunities, offering employees the potential to grow, both vertically and horizontally. Our internal job market includes scouting internal candidates for open positions before any external advertisement, thereby securing career opportunities for existing employees. If also fosters competence development by offering paid and unpaid study leave. The form of the leave depends on the purpose, the length of the leave, and national regulations.

Renumeration

The Sampo Group Risk Management Principles and the Sampo Group Remuneration Principles set a group-wide framework for risk-taking and remuneration. If's Remuneration Policy describes the company-specific governance framework and monitoring and control procedures and applies to all employees.

Well-functioning and competitive remuneration is an essential tool for attracting and engaging competent and experienced employees for If. At the same time, the remuneration structure shall be in line with If's business and risk management strategy, risk profile, objectives and long-term interests. Furthermore, If shall not remunerate or assess the performance of its employees in a way that conflicts with the duty to act in the best interests of the customers.

Fixed salary shall be fair and competitive but not leading in the market. Short-term variable compensation shall be used to reward employees for

Internal courses provided to employees in 2021

Name of course	Completed courses 2021
Anti-money laundering	4,648
Challenging unconscious biases and promoting inclusion	380
Competition law	622
Conflicts of interest	4,639
Data privacy	4,818
Dealing with ethical dilemmas	77
Ethics - it is simply right to do right	1,836
Fraud awareness	3,786
Information security	489
Insider training	501
Right and wrong at work	741
Sampo code of conduct	177
Sustainability	387
Why compliance	541
Why security	62
You are If	1,507
Total	25,211

Number of courses offered and hours spent on training

	2021	2020
Courses offered	1,257	1,030
Individual employees	7,571	7,214
Hours spent	40,628	36,696

contributing to If's profitability. Long-term incentive schemes shall be used to commit employees to Sampo Group and align their interests with those of the shareholders of Sampo plc. Fixed and variable compensation shall be balanced so that fixed compensation represents a sufficiently high proportion of the total remuneration to avoid employees being overly dependent on variable compensation.

The Remuneration Policy is reviewed annually and approved by the Board of Directors (BoD). 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 Renumeration Policy and the compensation systems. Furthermore, an external auditor annually performs an independent review of the implementation of the Remuneration Policy. The results of the reviews are reported to the BoD. A separate Remuneration Committee supports the BoD in overseeing the Remuneration Policy and supervises the compliance of the remuneration governance processes.

The Remuneration Policy includes measures aimed at avoiding and mitigating risk-taking and conflicts of interest. Persons who effectively run the company and risk takers (identified staff) are subject to a deferral rule, meaning that a substantial part of variable compensation is deferred for at least 3 years, after which the BoD decides on the payment/release. Variable compensation may be cancelled in whole or in part if material non-acceptable risk-taking or breaches of internal or external rules for the business by the identified staff have materialised or if the payment/release threatens the company's ability to maintain an adequate capital base. Furthermore, to guarantee 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).

Gender pay gap*

Remuneration	2021	2020	2019
Fixed	0.85	0.85	0.82
Fixed and variable	0.83	0.84	0.78

*Gender pay gap figures do not show pay for the same/similar jobs. Gender pay gap figure describe the difference in pay between men and women explained through various factors, such as different job tasks, responsibilities and positions in the company.

At If, all employees, including top management, who participate in variable compensation programmes have Environmental Social and Governance (ESG) criteria linked to their variable compensation. In 2021, one common criterion was customer retention. 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.

In 2020, If created and implemented a common Nordic-level tool and model for annual equal pay analysis. The common model enables If to perform equal pay analyses in a standardised way and on an aggregated level. The annual equal pay analysis contains an action plan for how to adjust for any unwarranted individual pay gaps detected in the process. The equal pay analysis is one part of If's active measurements according to the discrimination law. The active measurements shall prevent all kinds of discrimination and promote equal rights and opportunities. In the equal pay analysis, If investigates pay differences between men and women who perform equal work or work of equal value. The analysis is conducted in cooperation with If's union representatives. The purpose is to identify, handle and prevent unwarranted pay differences between men and women which directly or indirectly can be seen to derive from their gender.

In 2021, the new tool and model were further refined and developed. HR Business Partners and leaders have been trained in Equal Pay methodology and If's job structure, which is used as a tool for identifying equal jobs and jobs of equal value. The 2021 analysis resulted in a limited number of unwarranted salary differences, evenly distributed in the four Nordic countries. About one third of these cases were related to men. All unwarranted salary differences are adjusted based on individual plans. Many cases that were part of the initial analysis were found to be incorrectly mapped against the job structure. Process enhancements and quality checks in connection with job changes and external recruitments are being planned. For the future, If also plans to include the Baltic countries in the annual analysis. Furthermore, preparations will be made to ensure compliance with the European Commission's proposed Directive on pay transparency.

2

An equal, inclusive and diverse workplace

Diversity, equity and inclusion (DEI) are key focus areas for If, and the company is committed to providing a non-discriminatory, open and agreeable work environment where everyone is treated fairly and equally, regardless of gender, race, ethnicity, religion, nationality, age, sexual orientation or physical ability.

Our approach to diversity, equity and inclusion

If is convinced that a diverse work culture boosts innovation and the growth of intellectual capital, and works actively towards being a meritocratic employer that understands the value of diversity, inclusion and equity. The goal is to create diverse teams and an inclusive workplace where our employees feel they can be their authentic selves, be part of a greater purpose, and feel that they belong and that they are welcomed, seen and appreciated for who they are and for their contribution to If's purpose.

If is working on sustaining a long-term cultural change. In 2020, If's Diversity and Inclusion Manager, together with the Diversity Board, launched a maturity model that focuses on four areas and represents four stages of maturity. The model dictates building from the ground up, systematically and one step at a time, taking things in the right order with an initial focus on internal governance, compliance, work climate, leadership and actively working on behavioural change.

Maturity model - identified work 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 and avoidance of unconscious bias

Management
tying diversity and inclusion to performance and rewards

Full-time employees per gender

Gender	2021	2020	2019
Female	3,604	3,493	3,407
Male	3,300	3,211	3,084

Part-time employees per gender

Gender	2021	2020	2019
Female	292	322	329
Male	90	94	105

New employees per gender

Gender	2021	2020	2019
Female	574	470	622
Male	525	407	535

New employees per age group

Age group	2021	2020	2019
Under 30	513	370	577
30-50	505	425	500
Over 50	81	82	80

Annual turnover* per gender (%)

Gender	2021	2020	2019
Female	10.0	9.2	11.3
Male	12.2	11.2	12.1

Annual turnover* per age group (%)

Age group	2021	2020	2019
Under 30	20.5	16.8	20.9
30-50	8.9	8.1	9.4
Over 50	8.8	9.1	9.1

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

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The Leadership Compass is inspired by If's purpose and core values.

Guiding leaders and employees in developing leadership

In If's diversity, equity and inclusion work (DEI), If's leaders have many responsibilities. One of the most important tasks is building trust and culture, to ensure that If is a good workplace for all employees, no matter who they are. In order to guide leadership contributions in If, we have developed the Leadership Compass.

The Leadership Compass is inspired by If's purpose and core values. The target group is If's leaders at all levels, but use of the compass is also encouraged for all employees who want to develop their own personal leadership.

The compass consists of 4 principles:

Principle 1: Make it all about people

Principle 2: Empower through direction

Principle 3: Enhance collaboration

Principle 4: Take an outside-in perspective

The compass is used by new and old leaders alike. Ilona Raibikienė is based in Vilnius, Lithuania, and has worked at If for 21 years, currently as Head of Actuary and Data Modelling. She ensures that new employees feel welcome by showing an interest in them to create a safe space, and uses the compass to inspire increased and improved collaboration:

– I always start by giving the newcomer a proper introduction. It's important not only to have professional support provided by a mentor, but also to take time to learn to create relationships with trust. People are not products, and we should be curious about them and curious about establishing relationships that create energy – this helps to unite forces, enabling us to achieve things together. Nobody loses from a collaboration; we can only win, says Ilona Raibikienė.

Ilona points out the advantages that a safe space facilitates:

– We dare to discuss disagreements, failures and misunderstandings in one form or another. Regular feedback discussions ensure that disagreements don't let us become isolated islands. I always approach with initial trust, thinking that others are open to different angles, she states.

This year, new .NET trainees have been welcomed to If by .NET Developer Fabian Miiro. Fabian has been at If since 2019 – based in the Bergshamra office in Sweden. They have been part of the trainee programme from the start, this year as a leader, and they greatly emphasise encouraging If's fresh faces to bring their new perspectives and ideas:

– I noticed that one of the biggest aspects of this is to make sure that people know that their perspective matters. That's why we hold sessions with our trainees from their first week at If, where the whole purpose is to find a clear way to impact the way we work. When trainees see that their ideas have been seen and heard, and that we do something about it, a lot more ideas begin to take form, says Fabian Miiro.

Fabian has also made knowledge-sharing a major priority in the trainee programme:

– My job is to not take up space. As a new leader, it has been important for me to make space for our new trainees. Sometimes I plant the seed and the team comes up with how they want to solve this. I believe that everyone has knowledge to share, as long as we listen, they conclude.

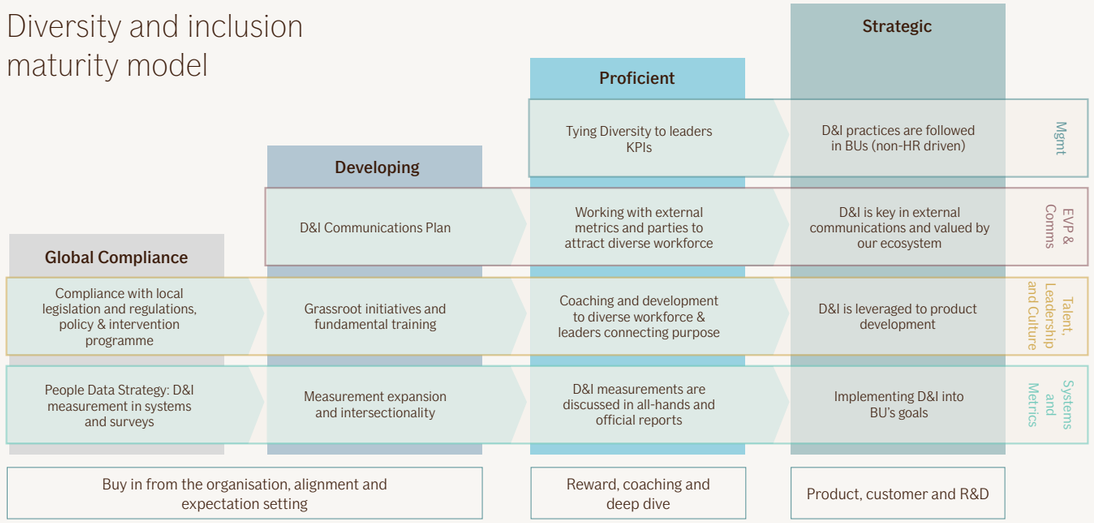
Fact box:
The Leadership Compass is a leadership tool that is intended to focus attention on the key aspects of leadership, and to help in reflections on what leadership means and how we can use leadership to contribute to the future of If.

The Leadership Compass consists of written guidelines that are available to both leaders and employees through the intranet. The guidelines discuss and provide examples of behaviour and culture by means of four main principles and invitations to reflection.

Ilona Raibikienė
Head of Actuary and Data Modelling Unit, Vilnius

Fabian Miiro
.NET Developer, Stockholm

Diversity and inclusion maturity model



In 2021, If successfully completed the first two levels of the maturity model ('Global Compliance' and 'Developing').

We have achieved the level Global Compliance by:

- creating and implementing a Diversity and Inclusion CEO Instruction that applies to all of If. The instruction describes expected behaviours and diversity considerations regarding representation in teams and formal groups, language, cultural celebrations, talent management etc.
- improving the measurement of perceived sense of inclusion by means of the new HealthBeat survey.

We have achieved the level Developing by:

- expanding diversity measurement and approaching intersectionality by means of survey questions that measure the experience of underrepresented populations such as persons of colour, refugees and/or LGBTQIA+ (without compromising privacy or legislation)
- offering fundamental training based on the new Leadership Compass, that includes DEI behaviours such as fostering psychological safety and empowering by giving mandate
- promoting diversity in recruitment, for example by improving job ads and developing the assessment of candidates
- partnering with researchers to create inclusive language principles
- creating a communication plan to raise awareness both internally and externally.

Regarding diversity and inclusion, If's targets are to:

- reach an outstanding perceived sense of inclusion, defined as at least 85 percent of employees agreeing or strongly agreeing with the statements related to inclusion in the employee survey HealthBeat.
- increase diversity in management teams by 30 percent by 2026, defined as selected underrepresented groups, including people of colour and non-binary gender.

Regarding binary gender, If's target is to have equal gender representation, meaning that the ratio of men/women should be 50/50 (+/- 5 percentage points), for both employees and leaders.

In 2021, If successfully completed the first two levels of the maturity model ('Global Compliance' and 'Developing').

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Women in executive management (%)

Management level	2021	2020	2019
Board of Directors*	28	13	11
Other senior executives**	24	25	29

*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	2021	2020	2019
Female	50 (+/- 5)	54	54	55
Male	50 (+/- 5)	46	46	45

Gender equality leaders (%)

Gender	Target	2021	2020	2019
Female	50 (+/- 5)	48	47	48
Male	50 (+/- 5)	52	53	52

Employees per age group (%)

Age group	2021	2020	2019
Under 30	16.5	17.5	21.5
30-50	56	55	51
Over 50	27.5	27.5	27.5

Leaders per age group* (%)

Age group	2021	2020	2019
Under 30	4.5	4	5
30-50	69.5	70	71
Over 50	26	26	24

* Viking is not included.

Perceived sense of inclusion*

Target	Men	Women	ISURG*
>85	85	82	80

*Average score HealthBeat survey
**If Specifically Underrepresented Group (ISURG)

The first measurement of the perceived sense of inclusion took place in autumn 2021, as part of the first HealthBeat survey. The goal was to reach an outstanding perceived sense of inclusion, defined as at least 85 percent of employees agreeing or strongly agreeing with the statements related to inclusion. The average score on these statements was 83 percent. Results were examined in three demographic groups: men, women and ISURG (If Specifically Underrepresented Group, encompassing employees considering themselves a person of colour, a refugee and/or LGBTQIA+). Out of the demographic groups, men reported the highest results (on average 85 percent), whereas women and ISURG reported lower scores (on average 82 percent and 80 percent respectively).

The overall result exceeded the target for example regarding the statements: 'I feel that inclusion is encouraged at If', 'I can be my authentic self', and 'There is a good atmosphere between me and my colleagues'. The ISURG group reported the lowest results with regard to perceiving their own diversity traits as a barrier to feeling included. If is currently setting up a process to address these areas for improvement.

The measurement of diversity in senior positions is challenging due to present legislation. If strives to develop practices that would improve the possibility to measure and increase diversity within the organisation and welcomes a discussion on how these challenges can be overcome.

Binary gender representation

In 2021, If had rather equal gender representation, with 46 percent men and 54 percent women. The distribution of men and women leaders was 52 percent and 48 percent, respectively. In the top management team[12], women accounted for 17 percent (18 percent in 2020) 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. For these functions, the main challenge is to make sure that the talent pool available when recruiting becomes more equal.

Working proactively against discrimination and harassment

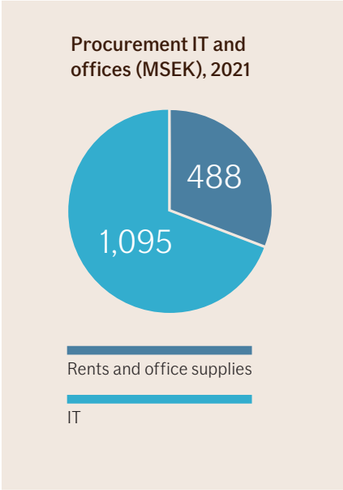
If's Ethics Policy clearly states that no kind of discrimination, harassment or bullying is tolerated, and as an employer, we have a clear responsibility to prevent sexual harassment and to provide a safe work environment for our employees. There is an ongoing training programme in all If-countries that 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 available for all leaders. If conducted company-wide surveys on harassment in 2018 and 2019. The 2018 results showed no cause for major concern, and the results improved further in 2019. In 2020, questions on harassment were included in local surveys. If has a zero-tolerance policy towards any type of harassment and discrimination, and the preventive work will continue. A new whistleblowing system was implemented in 2020 (see Commitment to society, page 60), and a new work environment survey, HealthBeat, including questions about discrimination and harassment, was implemented in 2021. The work to analyse the HealthBeat results and to plan for actions is ongoing. We follow up the statistics and take any corrective actions based on the information we receive via various reporting channels, such as Oops and Whistleblowing. In 2021, four cases of discrimination/harassment were reported. Corrective actions have been taken according to the internal process description, and the cases have been closed.

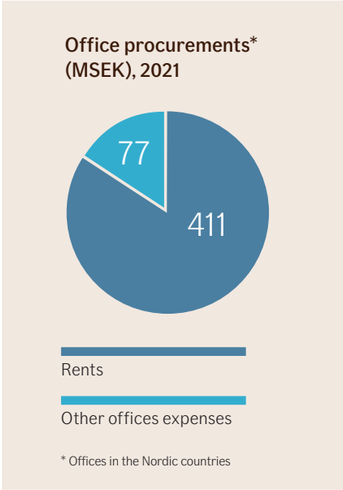
12 Business Management Group (BMG), which is a preparatory and advisory body to the CEO.

3

Environmentally friendly workplaces

The post-pandemic work-life will offer increased flexibility and freedom for employees to decide where to work. Focus has therefore been placed on improving the work environment in home offices, including ergonomic and sustainability considerations. 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 'greening' our offices and making them more sustainable. In order to reduce business travel, If focuses on 'meeting instead of travelling' and providing state-of-the-art virtual meeting opportunities.





Greening our offices

In parallel with the new flexible work-life, If is 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, as well as with our commitment to substantially reduce our own emissions.

In 2021, If procured goods and services (including rent) for our offices worth approximately SEK 488 million. All significant[13] 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 (e.g. by answering a questionnaire) on their environmental work. 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.

If does not own any office buildings[14], but we conduct continuous 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 has decreased by 43 percent over the 2012-2021 period. In 2021, our indirect energy use was 20,548 MWh, which corresponds to the energy use the previous year. Indirect energy use was lower than normal in 2020 and 2021, 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 comes from renewable sources.

During 2019, we developed minimum environmental requirements for our major offices (i.e. offices with more than 100 employees) in the Nordics. In December 2021, approximately 85 percent of the minimum requirements had been implemented.

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

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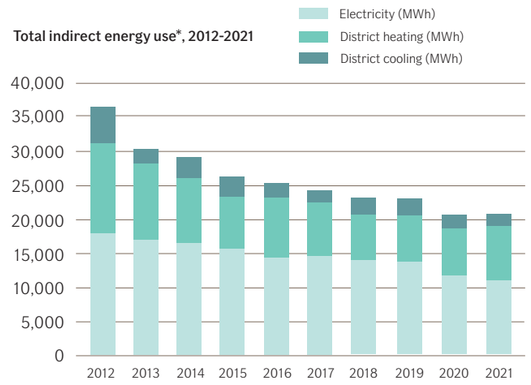
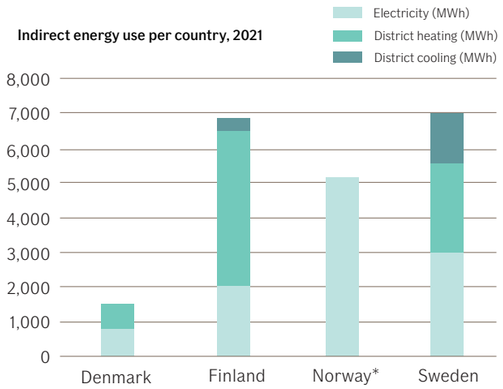
13 Office suppliers that provide If with goods and/or services worth more than SEK 100,000 per year.
14 We own If Security Center's office and training building in Hobøl, Norway.



* Indirect energy use in the Nordic countries.



* In Norway electricity is used for heating and cooling.

were actively involved in the planning process, and cross-functional working groups were set up to discuss well-being and how to enable collaboration. In Norway, the renovation of the Vækerø office will be completed in 2022. The Espoo and Vækerø offices are both being transformed into activity-based offices. Renovation plans are also being developed for other locations, such as the Turku office in Finland.

Meeting instead of travelling

For many years, and in order to reduce business travel, If has focused on 'meeting instead of travelling' and the provision of state-of-the-art virtual meeting opportunities. As a result of If's focus on 'meeting instead of travelling', the total number of flights decreased by 31 percent during the period 2007-2019. During 2020 and 2021, business travel was exceptionally low due to COVID-19. The total number of flights in 2021 was 2,149, which represents a decrease of 45 percent since 2020. 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. The decrease in car travel is linked to the fact that claims handling is becoming more digitalised. An increasing number of inspections can be handled online or are directly handled by our property or vehicle repair contractors. In 2021, total business travel by private car was 3,016,448 km, which is a decrease of 14 percent since last year. This exceptional reduction is also mainly linked to cancelled business travel due to COVID-19. In 2021, If presented an ambition and

Minimum environmental requirements for offices (examples):

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

ZidaService:

When the contract for the cleaning service provider at If's office at Stamholmen was due for renewal, one of If's requirements was that its contractor should have been awarded a Nordic Swan Ecolabel – as for all the 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.

Office supplies that meet the following criteria should be prioritised:

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

Network: Buy Ecolabelled

Buy Ecolabelled is a business network 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.

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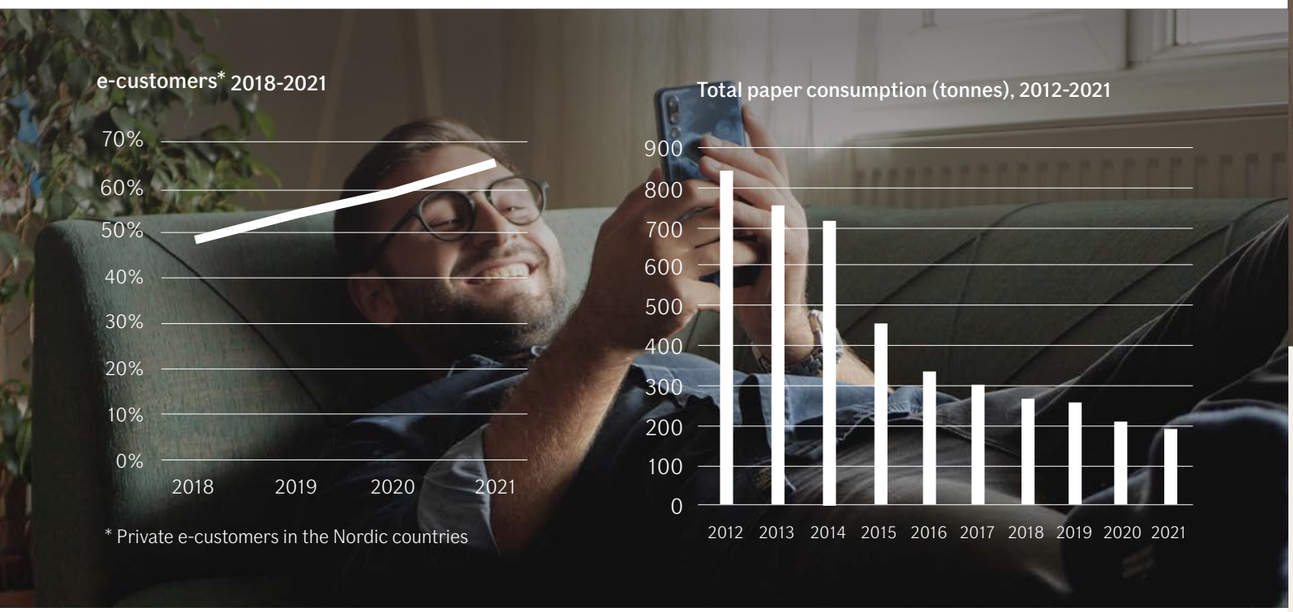

goal to reduce business travel by 50 percent in 2022, compared to the 2019 level. The aim of the new target is to make sure that we travel and meet in a more conscious and sustainable way, reducing our environmental impact as well as reducing costs. Reducing travel means that digital meetings will be the preferred option in most cases.

During spring 2020, If transitioned several thousand employees in the Nordics and Baltics to work from home. The investments in digital solutions and services and virtual meeting opportunities have been key components for the continuity of business operations and our ability to provide the same service to our customers as we could before the COVID-19 outbreak. During 2021, more than 50,000 Teams meetings were organised each month.

Increasing digitalisation – reducing paper consumption

We are continuously working with digitalisation and developing our e-insurance services, which combine environmental thinking with a modern approach to communication and customer satisfaction. In 2021, approximately 64 percent of our private customers were e-customers. The number of private e-customers increased by 41 percent during the period 2018-2021. As a result of our focus on digitalisation, we have managed to decrease our total paper consumption by 76 percent since 2012.

Green IT

The use of modern technology and solutions in our IT systems improves functionality and helps us reduce the environmental impact of If's business-related activities. 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, making 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.

Another focus area has been to improve our 67 video-meeting facilities. All employees are able to make phone calls and conduct video and Teams meetings directly via their PC. The easy-to-use mobile app providing access to live phone meetings has made these solutions very popular.

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 2021, we returned 3,036 workstations and 600 mobile phones to suppliers.

CEO Morten Thorsrud hosting a digital top management meeting.

If reduces company travel and sets new travel targets for 2022

If has decided that the overall company goal is to reduce travelling in 2022 compared with 2019 – the last ordinary travel year. If's new travel target is to reduce business travel by 50 percent.

– We want to travel and meet in a more conscious and sustainable way, says If's Business Meeting Manager Magnus Hagström.

In 2019, approximately 17,000 flights were taken within If. When the pandemic hit in March 2020, travel came to a sudden halt, decreasing by more than 75 percent.

If has decided not to go back to the pre-pandemic normal, even when normal travel can be resumed.

– We have to reduce travelling by 50 percent in 2022, compared with 2019. This target has been set in close cooperation with all business areas. We have also had dialogue with the unions. Travelling less makes us more environmentally friendly, and saves us costs in a meaningful way, says Magnus Hagström, who is a Business Meeting Manager at If.

A sustainable and caring meeting culture

For the new target, If has expanded the travel policy with a new set of meeting guidelines. The purpose of the meeting guidelines is to help employees to decide when to travel to physical meetings or when to meet digitally instead. The guidelines provide several overall tips for good meetings, and help the employees to choose between arranging a physical or a digital meeting.

– During the pandemic, we have shown that we can run our business without travelling, and with digital meetings only. We will use these learnings to maintain a culture of reduced travel, thereby creating a lot of benefits for the environment, for If, and for all of us and our families. By reducing the longer working days caused by frequent travelling, time will be unlocked in everyday life, and this can also reduce stress, says Astrid Holm, who is Head of Nordic HR.

Digital meetings are If's preferred alternative to travelling. To support this culture and the new ways of working, If makes continual improvements at the offices and has equipped new rooms with devices for Teams meetings.

– We have integrated Teams with our video solution, and installed Teams equipment in about 150 meeting rooms around the Nordic region to facilitate digital meetings, says Magnus Hagström.

It is the employee's responsibility to ensure that travelling is conducted in compliance with the Travel Instruction.

The travel policy in brief:

- When deciding between a physical, Teams or hybrid meeting – consider the purpose of the meeting.
- Teams is the best choice if the main purpose of the meeting has a fixed agenda, and consists of a status update, information and knowledge sharing, presentations, business follow-ups, etc.
- A physical meeting is the best choice if the building of relationships and culture is the main purpose. Face-to-face meetings provide opportunities to engage and connect, to collaborate and innovate, and to build trust and relationships – both individually and within the team.
- A hybrid meeting is an alternative to a Teams meeting – some participants are present in a meeting room/location, while others participate virtually on Teams, and content is the main purpose of the meeting. With a hybrid meeting, the goal should be to provide a very similar experience (whether live or virtual) for all attendees.

Magnus Hagström
Business Meeting Manager, Gothenburg

Astrid Holm
Head of Nordic HR Business Partner, Oslo

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, and we work to make the principles part of the 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 the long-term success of the company.

International commitments

Sampo Group, of which If is a part, commits to respect internationally recognised human rights, as defined in the United Nations' Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We are also committed to complying with core International Labour Organization (ILO) labour standards. The Sampo Group Code of Conduct defines the principles that guide corporate governance, such as how people should treat each other in the workplace, and how employees

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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.

should treat customers and other stakeholders, such as investors, partners and authorities. All employees of Sampo Group companies are required to comply with the Code of Conduct. In September 2019, Sampo Group signed the UN Global Compact and Principles for Responsible Investment (PRI). In 2020, If implemented a project that looked at how to further integrate and ensure the compliance of governance documents with the UN Global Compact and PRI. As a result of this project, additional wording was added to relevant policies and instructions, such as the Ethics and HR Policies. The updates came into force on 1st January 2021, and further work continued during the year. In 2021, If integrated the UN Global Compact principles into the underwriting operations (see Commitment to our customers, page 27) and also joined the Science Based Targets initiative (SBTi).

Ethics

If's Ethics Committee discusses and coordinates ethics issues within the company, and provides recommendations. Our Ethics Policy, which applies to all employees, describes If's goals, principles and responsibilities in this area, including human rights, in greater detail. Furthermore, each business area and the claims organisation have appointed an Ethics Officer. The Ethics Officers shall ensure that the Ethics Policy is followed and that a high level of ethics is observed within operations. All employees within operations can approach the Ethics Officer for advice on ethical issues. In addition, If organises courses, seminars and discussions on ethics and ethical dilemmas in the workplace, and provides e-learning courses on ethics. Fewer seminars and courses than normal have been held during the pandemic. In 2021, 1,836 employees took the e-learning courses on 'Ethics – it is simply right to do right' (see Commitment to our employees, page 43).

A new launch of ethics e-training was planned for autumn 2021, but this was postponed due to a new corporate responsibility training programme, One Responsible If, which will be launched in Q1, 2022. This will include a new e-course on ethics that reflects the content of the Ethics Policy, and includes a reading activity of the Ethics Policy and training on a methodology to help manage ethical dilemmas. The new training programme will be mandatory for all employees, and will be taken annually.

Even though we consider the risk of direct human rights violations to be relatively low in our operations, since our business operations are mainly in the Nordic and Baltic countries[15], we recognise that our actions might have indirect negative impacts on human

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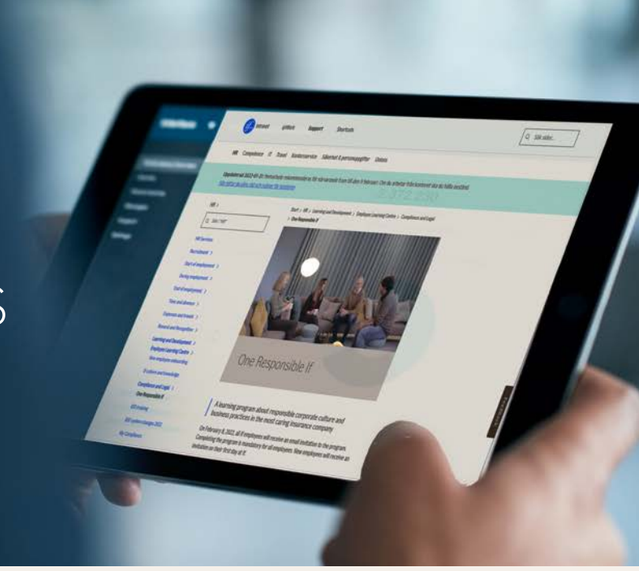
15 https://www.amnesty.org/en/

Interview – One Responsible If

The new mandatory programme is called One Responsible If, and the theme is responsible corporate culture and business practices.

Prioritising ethics education for all employees



At the beginning of 2022, If will launch a new mandatory education programme for all employees. The goal is to give all employees an understanding of what responsible corporate culture and business practices mean, and of what is expected from every individual at If.

The new mandatory programme is called One Responsible If, and the theme is responsible corporate culture and business practices.

The One Responsible If programme includes courses in ethics, sustainability, physical and IT security, privacy, reporting incidents and suspicions, anti-money laundering and counter-terrorist financing, and conflict of interest.

– Responsible business practices are fundamental to If's business, states Victor Kihlström, Head of Legal Operations at If, explaining:

– We at If have a long-term commitment to being the most caring insurance company in the market. Caring does not mean that we only care for ourselves and our customers, but that we understand our role in society. People and businesses come to us with things they care about, and then place the trust to care for those things in our hands. If we are to be perceived as one caring company, we all need to look at our responsibilities in the same way. To reach this goal, we have created the One Responsible If training programme.

All employees will need to complete the programme annually, and new employees will receive an invitation to begin the programme during the very first days of their employment. To ensure that the programme is well received and understandable for all employees, it is available in the Nordic and Baltic languages and in English.

– The One Responsible If training will be reviewed and updated annually to make sure that we have relevant, interesting courses in the context of a changing world and regulatory environment. The programme is complemented by various other forms of training, depending on the position and work tasks of the employees. The programme can be thought of as a higher-level framework to make sure that all employees have the same foundation for the most important topics, such as ethics and sustainability, says Hannele Sääksvuori, Compliance Officer at If.

Good governance and responsible business practices

If has chosen a long-term commitment to be the most caring insurance company in the market. The definition of care is not only caring for the company, its employees and its customers, but also understanding If's role in society.

– Our corporate responsibility concerns the impact our organisation has on society, the environment and the economy. In this programme, all employees in the If Group will learn about our most important ethical and practical guidelines, and what is needed from each and all of us to succeed together, as One Responsible If, says Victor Kihlström.

If has estimated that all employees will spend approximately 2.5 hours each on the programme.

– As If employees, we need to know what is expected of us, says Katarina Rodell Zaar, who is a Senior Legal Counsel at If.

Katarina Rodell Zaar
Senior Legal Counsel, Stockholm

Victor Kihlström
Head of Legal Operations, Stockholm

Hannele Sääksvuori
Compliance Officer, Espoo

Tax contribution* per country (kSEK)

Country	2021	2020	2019
Sweden	2,572,970	2,662,967	2,611,022
Norway	3,250,432	3,006,909	3,046,256
Denmark	751,772	806,054	514,680
Finland	3,069,864	3,013,837	3,070,821
Estonia	105,581	107,796	62,324
Latvia	87,693	82,405	77,852
Lithuania	28,712	28,782	27,270
International	99,111	91,105	83,674
Spain**	8,155	13,814	n/a
Total	9,974,289	9,813,668	9,493,899

* 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. The 2020 figures for Denmark have been slightly adjusted compared to If Sustainability Report 2020 due to prior year true-ups/adjustments.

** Viking.

rights. These concerns mainly arise from external factors. We work pro-actively on making sure customers, suppliers, companies we invest in, and employees respect human rights. Respect for human rights is an integrated part of our Underwriting policy, Supplier Code of Conduct, Investment policy and Ethics policy (see Commitment to our customers and Commitment to our employees).

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. We pay our taxes in the country in which actual business operations take place, and we do not transfer value created to low-tax jurisdictions. Furthermore, 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. If's accounting always complies with local laws and generally accepted accounting principles. If's tax approach is regularly evaluated by our external auditors[16].

Risk management

If's Risk Management System comprises the strategies, processes and reporting procedures that are necessary to continuously identify, assess, measure, manage, monitor and report risks. The Risk Management System is part of our larger Internal Control System, and ensures that all risks are managed from a Group-wide perspective as well as that of each legal entity.

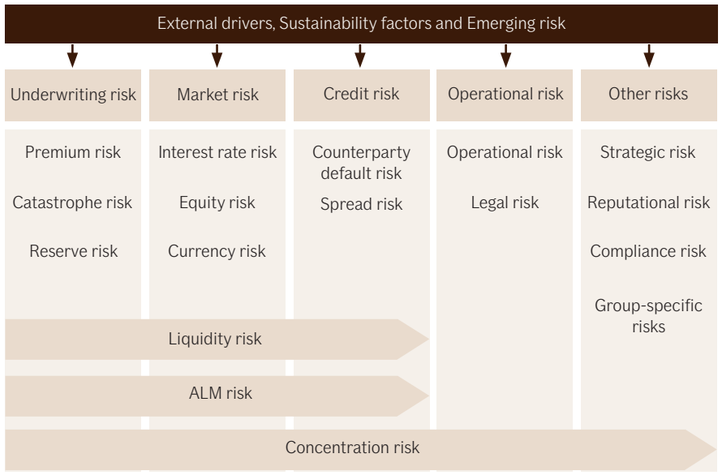
The main risk categories for If are underwriting, market, credit, operational and other risks. Sustainability factors can have a potential impact on all risk categories. Risks linked to If's key sustainability issues are identified, assessed and managed as part of the existing risk management practices in the business. Environmental, Social and Governance (ESG) factors are integrated into the risk management framework. As of 2020, we have also included climate-related financial disclosures (TCFD) in our 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. In 2020, If initiated a project to describe and assess our current alignment with TCFD, and to provide suggestions for continued work. The work to implement the recommendations continued during 2021, for example, If has qualitatively assessed the impact of reasonable and relevant outcomes in three different climate change risk scenarios (see TCFD, page 70).

16 More information on our Tax approach is available in If Annual report 2021 and Solvency and Financial Condition Report 2021 https://www.if.se/om-if/om-oss/finansiell-information/solvens-och-verksamhetsrapporter

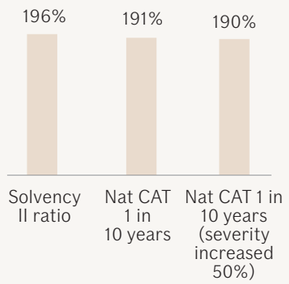
Risks encompassed in the Risk Management System



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 (i.e. a natural catastrophe that is likely to happen once in ten years) is calculated and published in our solvency disclosures.

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



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 International[17]. 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, and mandatory reading for, all employees, is complemented by different practical ethics examples, for instance, concerning bribery. Work against 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 EU or UN sanction lists. In 2021, no incidents were reported related to corruption or bribery at If.

In 2021, 4,648 employees took the e-learning courses on AML.

Anti-money laundering and counter-terrorist financing

If follows local legislation and authority regulations to prevent money laundering and terrorist financing. We have implemented an Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policy and local AML/CTF Instructions, which are reviewed annually. If provides e-learning programmes on this topic, which are mandatory for employees working with distribution, claims handling and product development. In 2021, 4,648 employees took the e-learning courses on AML (see

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17 Transparency International Corruption Perception Index 2020.

Commitment to our employees, page 43). We also provide individual training to different personnel groups. In Q1 2022, If plans to launch a new training programme, One Responsible If. The programme will include an e-course on AML/CTF for all employees. During 2021, If further aligned its AML/CTF work on a Nordic level.

Whistleblowing channel

If has a whistleblowing service platform, which employees and external stakeholders can use to report suspicions of misconduct or irregularities, such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour. 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 December 2021, the Whistleblowing Directive was due to be implemented into local legislations, but it has been delayed in several countries. The development is monitored and needed adoptive measures to the existing service will be made.

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 will be included in the One Responsible If training 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 internal incident reporting system, 'Oops!'. 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.

2 Contributing with our expertise to build 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 society at large. We participate in relevant research projects, linking 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 adaptation

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. Global insurance industry losses from natural catastrophes amounted to USD 105 billion in 2021, according to Swiss Re Institute[18]. 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.

- If was part of the KLIMPEN research project, which analysed the impact of climate change on the energy sector in Sweden. The project, which started in January 2020 and was completed in spring 2021, analysed how different parts of the energy sector, e.g. hydropower, wind power and bioenergy, could be affected by climate change in order to identify possible adaptation measures. The research project was led by Energiforsk in cooperation with SMHI, Chalmers, IVL Swedish Environmental Research Institute and Profu.

- The SUPER project studies the development of extreme precipitation by applying knowledge about aerosols and the urban heat island effect, in combination with climate models and weather observations. The key goal is to quantify human influence on short-duration extreme 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, is supporting this five-year research project, which is being conducted by climate researchers at CICERO and the University of Leeds, and will be completed in 2022.

- If participated in a Royal Swedish Academy of Engineering Sciences (IVA) project that analysed how climate change can affect water flows, access to water, water quality, and the risks and opportunities for society and ecosystems. The working group consisted of experts from academia, public sector, civil society and the private sector. The project began in spring 2020, and was completed in 2021.

Research on traffic safety

As an insurance company in the Nordic region, we have access to a lot of data, including 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 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 is 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 about vulnerable road users, and we use this information to make traffic safer. The situation for vulnerable road users is important to highlight, and several goals in Agenda 2030 are connected to this research. If is a partner of SAFER, which is a competence centre where partners from the Swedish automotive industry, academia and authorities cooperate to create a centre of excellence within traffic safety research and safe mobility. We are also committed to contributing to the action plan for safe road traffic 2022-2025 led by the Swedish Transport Administration. By sharing facts and knowledge in projects, and by cooperating with other researchers at SAFER and in other contexts related to traffic safety, we can pinpoint risks in traffic and identify what needs to be done in order to increase road safety.

- Every day, there are almost 15 accidents involving wild animals on the roads of Estonia. Many of these accidents involve larger animals, such as roe deer, elk and wild boar. These accidents are very serious, and are sometimes fatal. If has therefore launched a cooperation project with the Estonian Hunters' Association 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 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 study is being conducted by the Estonian University of Life Sciences, and will last for three years. The project has now been running for one year, and it has already shown very good results. Throughout Estonia, only very few accidents have occurred in the areas covered with light barrier reflectors.

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 16 years, more than a million children have received

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18 Swiss Re Institute, 2021

In Finland, we organise the 'Yellow Cap' initiative, and If has donated reflective yellow caps for all first-year school pupils since 2006.

The fire safety week in 2021 was organised as a quiz for people out walking, using an app, and there was a digital focus in social channels on teaching people how to charge their digital gadgets in a safe way at home to prevent fires.

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 2021, 58,000 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 positive because it promoted an important cause and communicated it with a cheerful and clear message.

- In Sweden, If initiated a collaboration with the Swedish Heart and Lung Foundation, a charitable fundraising organisation, in autumn 2021. The aim of the collaboration is to increase the number of defibrillators, which substantially increase the likelihood of surviving cardiac arrest, in residential areas. Although defibrillators are often available in workplaces and public facilities, they are usually not available in private homes, where most cardiac arrest incidents occur. The project will last for at least three years.

> In Sweden, If initiated a collaboration with the Swedish Heart and Lung Foundation, a charitable fundraising organisation, in autumn 2021.

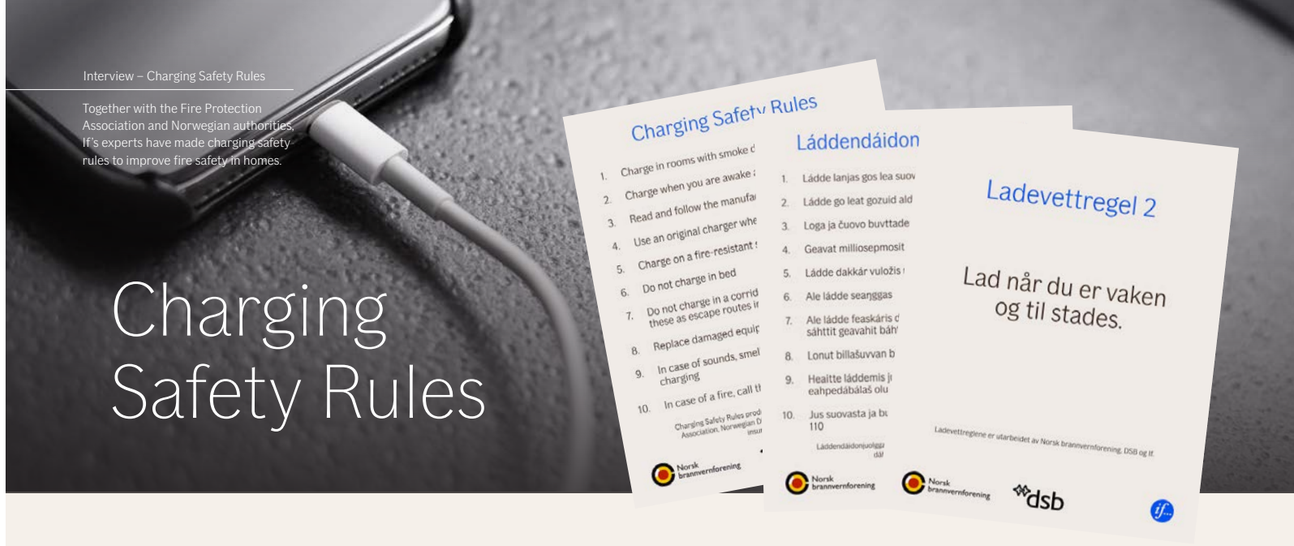
- In Norway, we cooperate with the Norwegian fire safety organisation ('Norsk Brannvernforening') concerning fire safety in private homes, with a particular focus on families. Together we have educated hundreds of thousands of Norwegians on how to prevent fires, and every year (in normal circumstances), we organise a fire safety week ('Brannvernuka'). Due to the COVID19 pandemic, the fire safety week was cancelled in 2020, and in 2021 it was organised as a quiz for people out walking, using an app, and there was a digital focus in social channels on teaching people how to charge their digital gadgets in a safe way at home to prevent fires. We also work together with the organisation Safe Traffic ('Trygg Trafikk') to improve general traffic safety in Norway.

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 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. 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 Corporate Sustainability Reporting Directive (CSRD).

Together with the Fire Protection Association and Norwegian authorities, If's experts have made charging safety rules to improve fire safety in homes.

Charging Safety Rules



How can we help people to prevent fires and make them safer at home? For the 19th time, If participated in the Norwegian 'Fire protection week' – a period in September with special focus on fire protection and safety – together with the Norwegian Fire Protection Association (Norsk brannvernforening) and the Norwegian Directorate for Civil Protection (DSB - Direktoratet for samfunnssikkerhet og beredskap).

This year, we wanted to educate people on how to charge home electronics safely by creating the 'Charging Safety Rules', which is a consumer-focused guide that everyone can use to decrease the chance of charging-related fires in their homes.

The idea behind the Charging Safety Rules emerged from the identification of the potential to affect people's habits and provide knowledge about charging safety. Together with experts from the Norwegian Fire Protection Association and the Norwegian Directorate for Civil Protection, If's experts created a set of rules that consumers can follow in order to prevent fires in their chargeable home electronics, such as mobile phones, drones, tools and e-scooters.

– We have talked about battery and charging safety for a long time. A lot of the things we all charge in our homes have lithium-ion batteries, which can cause fires that are difficult to extinguish. Every fire affects humans. Our mission is to take care of people's lives when the worst happens, but preventing a fire is even better. Also from an environmental perspective, it is better if a fire never happens, because of the emissions, waste, transportation, etc. that result from a fire, says Sigmund Clementz, who is a Communications Manager at If.

When engaging in this year's Fire Protection Week, one of our goals was to find a way to educate consumers without creating an excessive fear of fires, keeping our communication simple and stimulating action. And it worked, even for our own people:

– After one of our meetings, I went home and looked at my own charging safety, and I found two broken chargers, says Janne Kristin Moen, who is a Partner Manager at If.

– Everyone is afraid of fires, but a lot of people have an 'it won't happen to me' mindset. Therefore, it's really motivating to work with something that can limit the risk of fires occurring, by giving consumers the opportunity to do something about it themselves. And we believe this is best achieved by starting with easy and small steps.

The rules were made by experts in the field of fire prevention from If, the Norwegian Fire Protection Association and the Norwegian Directorate for Civil Protection:

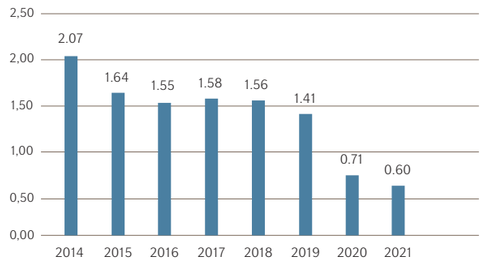
– We're really pleased to have a large actor like If on board for this project, and it's been a true pleasure working with them to improve fire safety in Norwegian homes – for the good of our planet and of people, says Mari Bræin Faaberg, who is a manager in the Department of Social Responsibility in the Norwegian Fire Protection Association.

Fact box:
- The Charging Safety Rules have been translated into 20 different languages, including Sami.
- The Charging Safety Rules have been shared on Facebook and Instagram.
- The Charging Safety Rules have also been published on all three partners' websites.
- A video has been produced that has been spread mostly on Facebook. The video was shown on TV as part of a free advertisement campaign for NGOs in Norway over Christmas.

Janne Kristin Moen
Partner Manager, Oslo

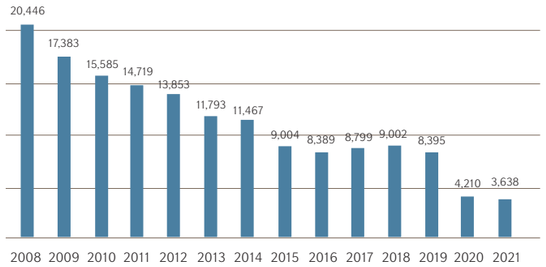
Sigmund Clementz
Communication Manager for House/Car, Oslo

CO_2e emissions per employee*, 2014-2021 — CO_2e (tonne)



* Scope 1-3 emissions (CO_2e tonnes) per employee (FTE Average) in the Nordic countries.

CO_2e emissions*, 2008-2021 — CO_2e (tonne)



* Scope 1-3 emissions (CO_2e tonnes) from own operations in the Nordic countries. For more details on included scope 3 emissions (see CO_2e emissions, page 68).

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. limiting 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)[19]. 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 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, helping to prevent the worst impacts of climate change and to future-proof 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 now 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 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 a 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 set targets for our claims handling, although this is not a requirement, since 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 – e.g. by reducing material use, by repairing and reusing instead of using new parts, and by recycling.

If will also develop targets for company vehicles, offices (energy and electricity use, waste, office supplies, water and IT) and business travel. These emissions represent a relatively small proportion of our total emissions, compared to investments and claims, but we must and will also continue to do everything we can to reduce these emissions.

Reducing emissions from our own operations

For many years, If has actively worked to reduce CO_2e emissions from its own operations – i.e. company vehicles, energy and electricity use, waste, office supplies, water, IT and business travel (see CO_2e emissions, page 68). During the period 2008-2021, we implemented several measures aimed at reducing our emissions, and managed to decrease CO_2e emissions from our own operations by 82 percent. Total emissions from our own operations amounted to 3,638 in 2021. This represents a reduction of 14 percent, compared to the previous year.

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 'meeting instead of travelling', the total number of flights decreased by 31 percent during the period 2007-2019. During 2020 and 2021, business travel was exceptionally low, due to the COVID-19 pandemic. 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 period 2010-2021, this type of travel was reduced by 76 percent. 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 has decreased by 43 percent during the period 2012-2021 (see Commitment to our employees, page 50).

Green bonds
A green bond is a bond specifically earmarked to be used for climate and environmental projects. If has more than SEK 6.4 billion invested in green bonds. In 2021, for example, If invested SEK 100 million in a green bond issued by SCA.

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 towards reducing energy consumption, and prioritise the use of renewable energy sources, when possible. This also includes, when possible, choosing means of transportation that have the least negative environmental impact. For our vehicle and property repair contractors, we have additional sector-specific environmental requirements (see Commitment to our customers, page 21).

Carbon footprint from investments

We actively work on integrating Environmental, Social and Governance (ESG) factors into our investment operations. If also reports on the CO_2e 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

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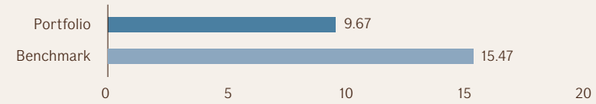
Carbon footprint* equity, 2019-2021

Portfolio	Disclosure Number/Weight	Emission Exposure tCO_2e			Relative Emission Exposure tCO_2e/MSEK Revenue	
	Share of disclosing holdings	Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
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
If equity portfolio 2019	59.1% / 76.9%	136,473	690,375	15.19	15.05	11.96
Benchmark**	86.9% / 86.9%	53,410	543,654	4.47	16.56	15.47

* The carbon footprint for our equity portfolio has been calculated by ISS ESG.
**iShares MSCI World ETF

If equity portfolio vs. benchmark 2021 – weighted average carbon intensity

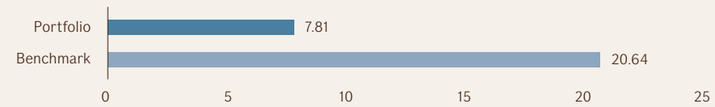


Carbon footprint* fixed income, 2019-2021

Portfolio	Disclosure Number/Weight	Emission Exposure tCO_2e			Relative Emission Exposure tCO_2e/MSEK Revenue	
	Share of disclosing holdings	Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
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
If fixed income portfolio 2019	68.3% / 81.3%	384,665	1,318,580	5.52	22.46	10.07
Benchmark**	92.1% / 95.2%	660,803	4,287,616	10.03	22.69	20.64

* 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 2021 – weighted average carbon intensity



19 https://sciencebasedtargets.org

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 emissions reduction targets.
- In 2020, Sampo group, including If, became a supporter of Climate Action 100+, 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.

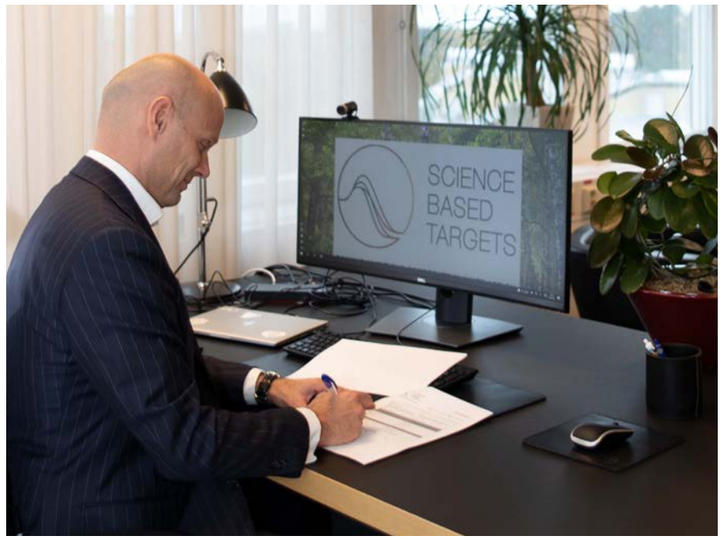
are based on the GHG protocol and the portfolio holdings and market value as of 31 December 2021.

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 a majority of If's total greenhouse gas emissions, and If will set targets for aligning the investment activities with the Paris Agreement. During spring and summer 2021, we conducted a top-down analysis of our investment portfolio. This shows that more than half of the portfolio can be categorised as being in alignment with the Paris Agreement, which is higher than the proportion of aligned investments within the MSCI world index. In 2022, we will conduct a more detailed bottom-up analysis.

Carbon offsetting

At If, we consider it our responsibility to offset the CO_2e emissions that arise from our own operations. We 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 CO_2e emissions and generate verified emission reduction credits (VERs), each of which is equivalent to one tonne of CO_2e. By definition, carbon offsetting projects are underfinanced, which means that the projects are not financially feasible without the sale of credits. In 2021, we offset the total emissions from our own operation in 2020, i.e. 4,210 tonnes CO_2e, through a project focusing on providing access to safe water in Cambodia. The project sells locally made Ceramic Water Purifiers (CWPs), providing clean water to communities in Cambodia. With a filter in their home, families no longer need to boil their water to make it safe to drink. This reduces indoor air pollution from wood burning, decreases household fuel costs, and reduces pressure on Cambodia's vulnerable forests.

We all need to support the transition to a low-carbon economy. In 2021, If committed to the Science Based Targets initiative (SBTi).



Interview – SBTi

If's CFO Måns Edsman explains why we will set targets to align the investment activities with the Paris Agreement.

Setting targets in line with climate science

We all need to support the transition to a low-carbon economy. Therefore, in October, we committed to the Science Based Targets initiative (SBTi), which requires us to set ambitious and science-based climate goals for If. More than 2,000 businesses and financial institutions already work with SBTi to reduce their emissions in line with climate science, and If is now one of them.

If has worked to reduce climate emissions since 2008, and we have achieved a reduction in CO_2e emissions from our own operations of 82 percent in this period. We expect that our ambitious climate goals will create an increased effect throughout the company's approximately 3,000 partners in the automotive and car-workshop industry and more than 1,200 suppliers in the recovery and reconstruction business.

– We want our reduction to have the greatest possible impact in terms of limiting global temperature increase. We believe that the most ambitious way to ensure this is to join the SBTi, whereby we set climate targets that are based on the latest climate research, says CEO Morten Thorsrud.

In 2021, If handled damage repairs and reconstructions for more than SEK 16 billion, divided between more than 560,000 instances of vehicle-related damage and almost 455,000 instances of damage related to homes and properties.

– Our partners reuse and repair spare parts whenever possible. Last year, If reused almost 3,400 tonnes of metal and plastic instead of using new parts. But we believe we can do more. That is why we have committed to the SBT initiative – we must all contribute to fulfilling the Paris Agreement, says Morten Thorsrud.

The SBTi guidelines for the financial sector require that financial institutions such as If include investments in their setting of targets.

– If's investment portfolio of around SEK 120 billion, of which more than SEK 6 billion is invested in green bonds, represents a majority of If's total greenhouse gas emissions. We will now set targets to align the investment activities with the Paris Agreement. An initial analysis of the investment portfolio shows that If has a good starting position – more than half of the portfolio can currently be categorised as being in alignment with the Paris Agreement, says If's CFO Måns Edsman.

The ambitious new targets must be set and approved within 24 months after making the commitment. If has begun work on clarifying future investments and goals and setting milestones for the achievement of If's climate ambitions.

Science-Based Targets initiative (SBTi) in brief:

- SBTi is a partnership between the UN Global Compact, the World Resources Institute (WRI), the CDP and the World Wildlife Fund (WWF). The goal is to drive ambitious climate action in the private sector by enabling companies to set science-based emission reductions.
- The climate targets must be set within two years and be in accordance with what the latest climate science deems necessary in order to meet the goals of the Paris Agreement and to keep global warming below 2°C, but preferably below 1.5°C.
- The goals must be approved by SBTi and cover a minimum of 5 years and a maximum of 15 years from the date of submission. Progress towards the goals must be reported transparently and publicly every year.

Morten Thorsrud
CEO, Oslo

Måns Edsman
CFO, Stockholm

CO2e emissions by country and scope 2021

Scope 1 (direct energy use)						Scope 1 emissions (tonnes CO2e)				
	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Petrol (litres)	12,646	1,018	0	8,481	22,145	28.4	2.3	0	19.1	49.8
Diesel (litres)	7,826	489	163	6,114	14,592	14.7	0.9	0.3	11.5	27.4
Compressed natural gas (litres)	0	373	0	0	373	0	<0.1	0	0	<0.1
Total scope 1					37,110					77.2

Scope 2 (indirect energy consumption)						Scope 2 emissions (tonnes CO2e)				
	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Electricity (MWh)	770	2,039	5,158	2,978	10,945	0	13.0	0.2	1.6	14.8
District heating (MWh)	769	4,424	0	2,594	7,787	0.5	164.9*	0	97.2	262.5
District cooling (MWh)	0	390	0	1,426	1,816	0	4.3	0	0.3	4.6
Total scope 2					20,548					281.9

Scope 3 (other indirect emission sources)						Scope 3 emissions (tonnes CO2e)				
	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Business travel										
Air (km)	290,915	540,164	1,385,435	693,548	2,910,062	79.4	147.3	377.9	189.2	793.8
Train (km)	4,749	128,888	94,570	492,361	720,568	<0.1	0.1	0.1	0.5	0.7
Total taxi & private car (km)	150,749	1,122,271	872,178	1,016,739	3,161,937	24.6	183.4	123.7	165.6	497.3
Hotel	140	740	1,121	1,395	3,396	1.5	7.8	11.8	14.7	35.8
Materials and services										
Copying paper (tonne)	1	5	4	8	18	0.2	1.2	1.0	1.9	4.3
Printed materials (tonne)	7	58	24	47	136	2.6	21.3	8.8	17.3	50
Marketing materials (tonne)	7	10	8	19	44	2.6	3.7	2.9	7.0	16.2
Water consumption (m3)	2,115	5,301	4,995	7,492	19,903	0.9	2.2	2.1	3.2	8.4
Office waste (tonne)**	97	136	254	260	747	2.1	2.9	5.4	5.5	15.9
IT devices and services										
Computers					9,173	55.3	166.7	143.4	228.3	593.7
Mobile phones					2,970	6.3	19.1	16.5	26.2	68.1
Mobile phones					12,161	68.8	207.5	178.5	284.2	739
Screens					847	12.5	37.8	32.5	51.8	134.6
Servers					1,242	2.3	7	6	9.6	24.9
Cloud services (users)					7,287	2.9	8.8	7.6	12	31.3
Energy-related activities										
Production of energy carriers										264.6
Total scope 3										3,278.6
Total emissions scope 1-3										3,638

*As of January 2019 all the district heating we purchase for our office in Turku is produced from renewable sources.

**Including waste from renovation projects

Emission factors

Activity	Emission factor reference
Business travel	AIB, 2018; UK Department for Business, Energy & Industrial Strategy (BEIS), 2021; CHSB Index, 2019; IEA, 2020; Swedish Environmental Protection Agency, 2020; Swedish Transport Administration, 2019
Cooling	South Pole database, 2022
Electricity	Association of Issuing Bodies (AIB), 2021; International Energy Agency (IEA), 2021; IPCC, 2014; Swedish Energy Markets Inspectorate, 2020; Ecoinvent v.3.8
Fuel	Swedish Environmental Protection Agency, 2021; Värmeforsk, 2011
Heating	Euroheat & Power, 2017; Finnish Energy, 2021; South Pole database, 2022
Purchased goods and services	Apple, 2017 & 2019; BEIS, 2021; Bhakar, Digalwar & Sangwan, 2018; Cisco, 2022; Dell, 2011 & 2018; HP, 2017 & 2018; Huawei, 2019 & 2022; Lenovo, 2016-2019; Ortviken, 2012; South Pole database, 2022; Staples, 2020
Waste	BEIS, 2021

Carbon footprint investments

Carbon footprint* equity

Portfolio	Disclosure Number/Weight	Emission Exposure tCO2e			Relative Emission Exposure tCO2e/MSEK Revenue	
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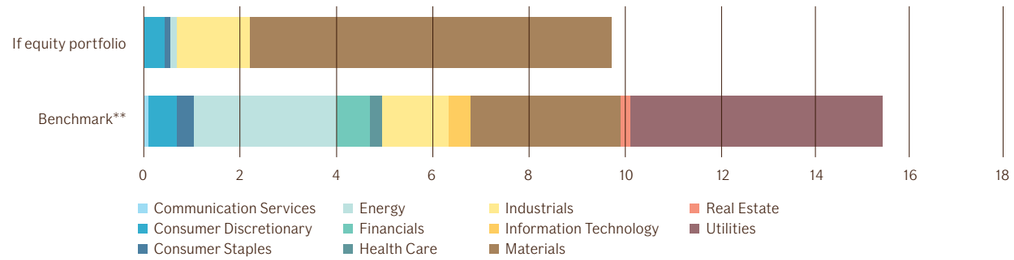
**iShares MSCI World ETF

If equity portfolio vs. benchmark 2021 - sector contribution greenhouse gas emission intensity*



* Weighted average greenhouse gas intensity sector contribution (tCO_2e/MSEK Revenue)
** iShares MSCI World ETF

Carbon footprint* fixed income

Portfolio	Disclosure Number/Weight	Emission Exposure tCO2e			Relative Emission Exposure tCO2e/MSEK Revenue	
	Share of disclosing holdings	Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
If fixed income portfolio 2021	79.6% / 88.5%	329,722	2,554,416	5.00	18.10	7.81
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Benchmark**	92.1% / 95.2%	660,803	4,287,616	10.03	22.69	20.64

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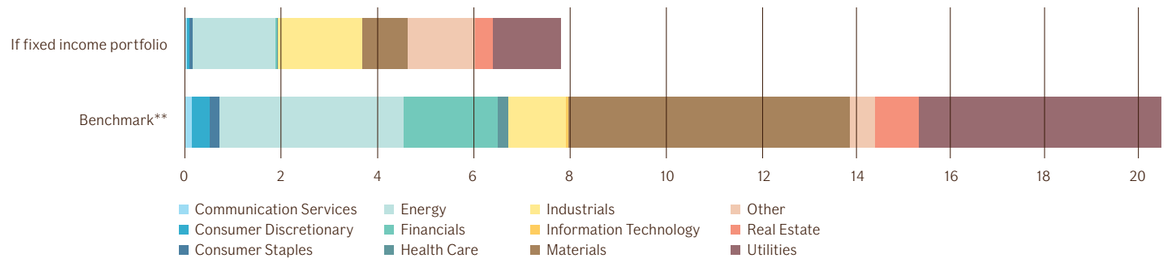
If fixed income portfolio vs. benchmark 2021 – sector contribution greenhouse gas emission intensity*



* Weighted average greenhouse gas intensity sector contribution (tCO_2e/MSEK Revenue)
** Xtrackers iBoxx EURCorporate Bond YieldPlus UCITS ETF

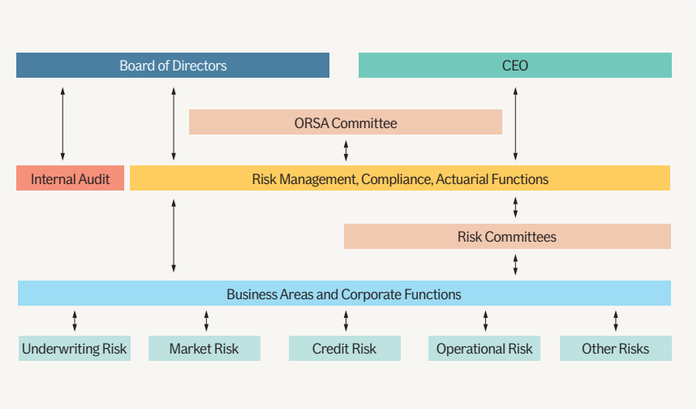
Task Force on Climate-related Financial Disclosures (TCFD)

Task Force on Climate-related Financial Disclosures (TCFD) is an industry initiative[20] 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: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change. We think this is an important initiative, and we are working to integrate TCFD into our operations. In 2020, If initiated a project to describe and assess our current alignment with TCFD, and to provide suggestions for continued work. 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 Director's (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 oversight. The financial plans, ORSA and the risk committees address sustainability, including climate-related risks and opportunities. The BoD also approves the Sustainability Policy and Report.

Governance structure



Management role
The CEOs hold the 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 made.

If's Sustainability Committee, which was set up in 2021 and replaced the previous Steering Group on Sustainability, 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, Head of Risk Control and Reporting, Head of Sustainability and representatives from BA Private, BA Commercial, BA Industrial, BA Baltics and Claims.

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 by the Sustainability Office, which was established in 2021, and Sustainability Core teams in the sustainability work. The Sustainability Office provides for example strategic input on sustainability issues, and co-ordinates the reporting to the Sustainability Committee and the work of the Sustainability Core teams. The Sustainability Core teams consists mainly of persons in the line organisation performing sustainability related work in 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 are the basis for the detailed three-year financial plan.

During 2021 If's strategy was updated and a One If strategy framework for all business areas was developed. 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: 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: 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 goals of the Paris Agreement, limiting global warming to well-below 2°C, preferably 1.5°C.

Identified climate-related risks and opportunities
For If, 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. If continually identifies and assesses the impact of physical risks. 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 also for other insurers.

The transition to a low-carbon economy will also result in risks, especially for sectors dependent on fossil fuels. The European Insurance and Occupational Pensions Authority (EIOPA) has identified transition risks, linked to policy, legal issues, technology, market sentiment and reputation, for non-life insurers. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organisations.

Increased climate-related physical risks will possibly lead to increased demand for insurance products and services providing protection against physical risks and supporting climate change adaptation.

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 impacting 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 have an effect on price 'automatically'. 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[21]. If the claims frequency is very high for a specific object, If can limit the insurance coverage, or increase 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.

In 2021, the exposure of If's direct equity and fixed income investments to physical and transition risks 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 market preferences, could affect the value of If's investments. However, almost half of If's investments are in the financial sector, where the exposure to transition risks is considered relatively low.

[20] https://www.fsb-tcfd.org/recommendations/

[21] https://www.insuranceeurope.eu/natural-catastrophes

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 who hold a house insurance policy with the most extensive cover. 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. A house assessment service for small and medium-sized corporate clients will be tested in 2022 (see Commitment to our customers, page 16-17).

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 59) and reverse stress tests, including scenarios relating to natural catastrophes. In addition to a quantification of If's main risk categories, a qualitative assessment of If's key risks over the planning period is conducted.

If has started the work to analyse climate change risks and embed the analysis in the Risk Management System, but further work is needed to define, understand and quantify the risks, so that more robust conclusions may be drawn. In terms of scenario analysis, If has so far qualitatively assessed the impact of reasonable and relevant outcomes in three different climate change risk scenarios on i) solvency and capital, and thereby implicitly on policyholder protection, and ii) business strategy. The three risk scenarios used are defined by the Sampo Group's supplier of macroeconomic scenarios and can be compared to the representative scenarios defined by the Network for Greening the Financial System[22].

The three scenarios are:

- Paris Orderly Transition: Paris Agreement goals are met, and average global warming stabilises below 2°C by 2100. The impact of transition risk factors is large due to ambitious low-carbon policies and high investment in low-carbon tech, while the impact of physical risk factors is moderate. In this scenario, transition is smooth over a long period;
- Paris Disorderly Transition: Paris Agreement goals are met, and average global warming stabilises below 2°C by 2100. Compared to the Orderly Transition scenario, this scenario assumes that transition is sudden and disruptive, but otherwise the two scenarios are similar;
- Failed Transition: Paris Agreement goals are not met, and average global warming reaches to well over 3°C by 2100. The impact of transition risk factors is limited in the absence of additional policy measures, while 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.

The analytical framework that If has used can be summarised as in the following figure:

[22] NGFS Climate Scenarios for central banks and supervisors, June 2020.

Summary of the scenario analysis results

Paris Orderly Transition	Paris Disorderly Transition	Failed Transition
In this scenario, the general impact of transition risk factors is large due to ambitious low-carbon policies and high investment in low-carbon tech, while the general impact of physical risk factors is moderate. Transition is smooth over time. **Underwriting and business strategy** In this scenario, changes in frequency and/or severity of climate change related claims are assumed not to be very sudden or severe and can therefore be priced based on claims data and portfolio results as today. It follows that the gross profitability of the business can be maintained based on the strategy that is already implemented. Furthermore, the impact on reinsurance prices and availability is assumed to be moderate in this scenario. 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, thus stabilising the net financial results. The demand from customers and partners for sustainable products and services, as well as for insurance tailored to new technologies and new market practices, is assumed to increase in this scenario. The change is assumed to be gradual, and the strategic risks can therefore be mitigated by current business practices in place. **Investments** The market price of assets associated with high-carbon sectors and business models is assumed to fall in this scenario. If's investment practices are forward-looking and If has already started to decrease the exposure to such assets. Further changes to the investment portfolio will be considered in this scenario, as is already the case today. **Solvency and capital** Since gross profitability, reinsurance protection and business strategy are assumed to continue as today in this scenario, the effect on solvency and the need for additional capital will be small. The high investment activity in this scenario may increase interest rates, which would be positive for If's solvency position and profit levels.	In this scenario, the general impact of transition risk factors is large due to ambitious low-carbon policies and high investment in low-carbon tech, while the general impact of physical risk factors is moderate. Transition is sudden and disruptive. **Underwriting and business strategy** Compared to the Paris Orderly Transition scenario, uncertainty related to the transition path is larger in this scenario. This 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 scenario could therefore potentially affect If's business strategy to a moderate extent, at least temporarily. **Investments** Compared to the Paris Orderly Transition scenario, the additional uncertainty will increase the price of risk and market values will fall more broadly, at least for some time. It is likely that central banks will intervene to stabilise markets and keep risk-free rates low. Market volatility will increase, which is both a risk and an opportunity for If's investment activities. The additional return from If's investment portfolios is likely to be more volatile than in the Paris Orderly Transition scenario, and the portfolio risk could therefore be reduced to stabilise financial results. **Solvency and capital** Compared to the Paris Orderly Transition scenario, 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. If's solvency position would also be negatively affected by lower interest rates following interventions by central banks.	In this scenario, the general impact of transition risk factors is limited in the absence of additional policy measures, while the general impact of physical risk factors is severe, leading to both acute and chronic physical changes. **Underwriting and business strategy** In this scenario, 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, thus raising the cost of reinsurance. In this scenario, If's business strategy will need to be reviewed to some extent, at least in terms of risk appetite and risk preferences. **Investments** The additional uncertainty will lead to the same effects as in the Paris Disorderly Transition scenario. In the long run it is also likely that the accumulated total market return will be lower due to the increased societal costs related to climate change. This may affect the long-term return of If's investment portfolio as well. **Solvency and capital** In this scenario, 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 return from the investment portfolio could be somewhat lower in the long run, putting more emphasis on the profitability of the insurance operations. The need for additional solvency capital increases in this scenario.

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 58-59).

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 are 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, that identifies emerging risks and gathers to assess 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 in risk management is If's internal model that includes 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 modelling 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. Transition risks are planned to be further integrated into the risk management processes during the coming year. The main risk categories at If are underwriting, market, credit, operational and other risks. Transition risks can have a potential impact on all risk categories. The aim is to integrate the management of transition risks into the same processes as for the main risk that they have an effect on.

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 risks If is willing to take to pursue 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 versus 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. 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 27-28). However, there is no dedicated process for managing all transition risks yet, but this work is ongoing. Transition risks will be further integrated into the risk management processes during the coming year.

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, since natural catastrophes are risk factors affecting 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 184,000 house assessments have been completed in the Nordic countries. During 2020, If carried out an internal analysis assessing 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

CO_2e reductions, linked to the house assessments (see Commitment to our customers, pages 17-18).

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 CO_2e emissions, page 68-69). 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)[23]. 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 now 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 the target is submitted to the SBTi. The initiative provides sectorial guidance regarding developing targets, since the source of greenhouse gas emissions depends on sector. If is a financial institution and will follow the sector-specific guidelines for the financial sector (see Commitment to society, page 64).

Risk management targets
Following If's commitment to the Science-Based Targets initiative (SBTi), If now 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, page 17). Regarding physical risks, no specific target is set regarding financial loss from natural hazards. However, since natural catastrophes are risk factors affecting If's financial position and results, these are integrated into If's financial (solvency) target. ■

[23] 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 Regulation[24] establish and maintain 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 Regulation[25] entered into force in July 2020. However, the taxonomy is still under development and as of 2021-12-31 only two of the environmental objectives, climate change mitigation and climate adaptation have been defined with technical screening criteria.

Mandatory disclosures

Article 8 of the Taxonomy Regulation requires large financial and non-financial companies that fall under 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 activities[26] and sustainable investments[27].

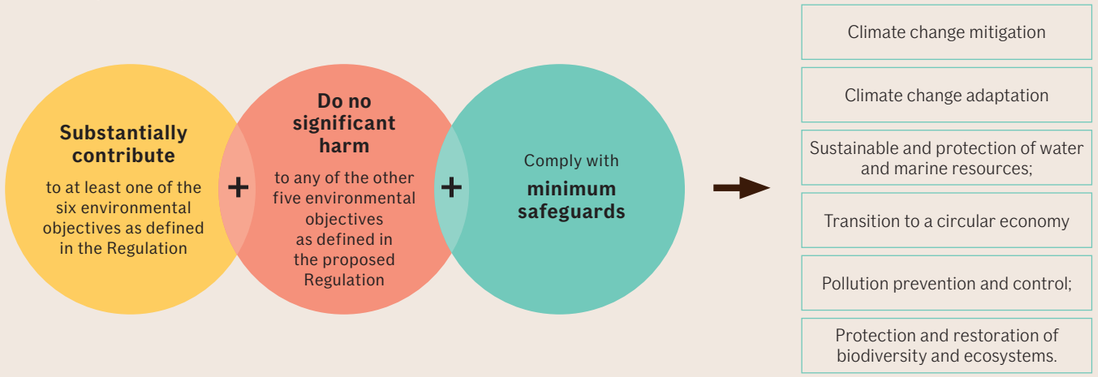
The regulation is implemented gradually, meaning that only reporting on taxonomy eligibility (i.e. reporting on whether the economic activity is included in the taxonomy regulation) is required for financial companies for the reporting year 2021 and 2022. Reporting on taxonomy alignment (i.e. reporting on whether the economic activity meet 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 2021, If has closely monitored and reviewed the Taxonomy Regulation, and the delegated acts, and has 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 enabling[28] economic activities, regarding the climate change adaptation, in the taxonomy.

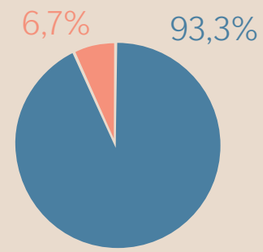
Taxonomy – basic principles



In 2021, If has assessed the taxonomy eligibility regarding underwriting activities. As a first step, If has assessed the proportion of total gross written premium (GWP), on group level, that relates to the non-life insurance activities[29] listed in the delegated acts to the taxonomy regulation. As a second step, the coverage against climate related perils has been assessed. Since, 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)[30]. This second step has been 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 interpretation[31], 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 thus are not eligible. The analysis, which is based on these interpretations and to the best of our abilities, shows that 93.3 percent of If's non-life insurance and reinsurance activities in 2021 were Taxonomy-eligible.

Eligible and non-eligible non-life insurance and reinsurance activities*, 2021



	GWP (MSEK)	% of total GWP
Eligible insurance activities	48,102	93.3%
Non-eligible insurance activities	3,439	6.7%
Total	51,541	100%

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

24 Commission Delegated Regulation (EU) 2021/2139
25 Commission Regulation (EU) 2020/852
26 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.
27 The proportion of the insurer's or reinsurer's ' 'investments' – in relation to 'total investments' – that are directed at funding, or are associated with, economic activities that qualify as environmentally sustainable
28 Enabling activities: activities that enable other activities to make a substantial contribution to one or more of the objectives

29 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
30 Commission Delegated Regulation (EU) 2021/2139
31 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, then 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 2021 the Taxonomy Regulation requires non-life insurance companies to report the proportion of underlying investments which are 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 requirements[32]. Non-NFRD companies here meaning companies that themselves are not covered by reporting requirements under the Taxonomy Regulation.

	Share (%) of covered assets*	Share (%) of total assets**
Exposure to taxonomy-eligible economic activities	0%	0%
Exposures to Taxonomy non-eligible economic activities	100%	100%
Out of which		
Derivatives		<0.1%
Exposures to Non-NFRD companies		67.7%
Exposures to central governments, central banks and supranational issuers		9.6%

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

** Total investments, including cash

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. Due to the fact that our underlying undertakings has not yet reported their taxonomy eligibility, our proportion of eligible investment are 0 percent for the reporting year 2021. The eligibility numbers for investments are likely to increase in the reporting year 2022, as more underlying undertakings have then reported their taxonomy eligibility.

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, via for example stakeholder and materiality analysis. If has initiated an assessment of how and to which extent the eligible insurance activities are taxonomy-aligned. 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 activity per line of business*, 2021

Re-insurance activity	GWP (MSEK)	% of total GWP
Marine, aviation and transport insurance	157	0.3%
Fire and other damage to property insurance	1,216	2.4%
Total eligible re-insurance GWP	1,374	2.65%

* 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*, 2021

Non-life insurance activity	GWP (MSEK)	% of total GWP
Medical expense insurance	2,911	5.6%
Income protection insurance	3,600	7.0%
Workers' compensations insurance	1,835	3.6%
Motor vehicle liability insurance	5,630	10.9%
Other motor insurance	15,260	29.6%
Marine, aviation and transport insurance	1,113	2.2%
Fire and other damage to property insurance	16,379	31.8%
Assistance**	0	0.0%
Total eligible non-life insurance GWP	46,728	90.65%

* 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'

Supplementary voluntary disclosures investments

In the case where an underlying undertaking has not yet disclosed its taxonomy eligibility, a financial undertaking may choose to estimate the proportion of eligibility of economic activities. Such estimated values may only be reported on a voluntary basis and must not form part of the mandatory disclosures[33]. If has estimated the proportion of underlying investments which are taxonomy eligible with the use of data from the service provider ISS ESG. ISS ESG identified companies engaged in economic activities covered by the EU Taxonomy. Involvement in taxonomy-eligible activities, as well as revenue derived from them, was mapped using a combination of revenue data from an external data provider and ISS ESG proprietary data. According to this estimate the taxonomy eligibility of our covered assets is 2.78 percent.

32 Commission delegated regulation (EU) 2021/2178

33 Commission delegated regulation (EU) 2021/2178 and FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act?

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205 Anticorruption (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If Insurance, suppliers and customers	59-60
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207 Tax (2019)	103-1 103-2 103-3	Explanation, management and evaluation		58
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	301-2	Recycled input material used	Repaired and reused parts in vehicle repairs Total numbers not available.	23
302 Energy (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	49-52
	302-1	Energy consumption within the organisation	Total % district heating and cooling from renewable sources not available.	49-50
	302-4	Reduction of energy consumption		49-50
305 Emission (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance, suppliers and customers	64-69
	305-1	Scope 1 Direct		68
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401 Employment (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance	32-36
	401-1	New employee hires and employee turnover		34, 38, 45
403 Occupational health and safety (2018)	103-1 103-2 103-3 403- 1-7	Explanation, management and evaluation Topic specific management approach disclosures	Topic boundary: If insurance	32-36
	403-8	Workers covered by an occupational health and safety management system	Numbers on contingent workers not available.	41
404 Training and education (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance	42-43
	404-2	Programs for upgrading employee skills and transition assistance programs	If does not report on transition assistance programs provided to facilitate continued employability since data is not available. If plans to assure that this information can be obtained for coming reports.	42-43
405 Diversity and equal opportunity (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	45-48
	405-1	Diversity of governance bodies and employees		45, 48
406 Non-discrimination (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: If insurance and suppliers	48
	406-1	Incidents of discrimination and corrective actions taken		48
418 Customer privacy (2016)	103-1 103-2 103-3	Explanation, management and evaluation	Topic boundary: customers	26-27, 30-31
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Stakeholder and materiality analysis

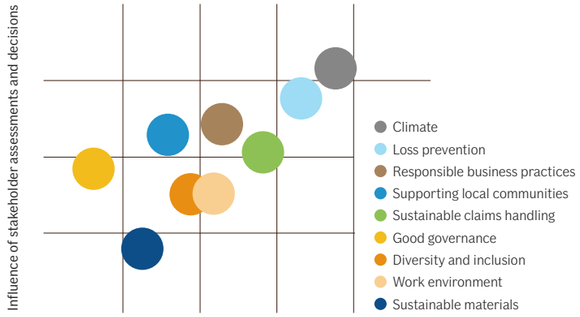
During the first part of 2018, a stakeholder and materiality analysis was conducted in order to identify our most important sustainability issues. In 2021, the stakeholder and materiality analysis was updated and revised.

The identification and categorisation of different stakeholder groups was based on existing in-house research and interviews with internal experts. The analysis identified the following primary stakeholder groups: customers, employees, management (i.e. owners, board and management), partners and suppliers, and authorities and local communities (i.e. authorities, NGOs and the media). Each primary stakeholder group has several subcategories. These groups are directly critical to If's business in a short and long-term perspective, and they both affect and are affected by If.

To identify the key sustainability issues, If conducted a materiality analysis containing desktop studies, market research, brand studies, media analysis, and interviews and internal workshops with key stakeholders. The research and output from the internal purpose, core value and positioning work provided important input. The aim was to identify and classify different types of sustainability issues based on the stakeholders' perspectives (i.e. what importance a specific issue has for If's stakeholders) as well as the impact perspective (i.e. the direct impact If can have on the economic, social or environmental dimension of sustainability). Issues classified as being of critical importance from a stakeholder and/or impact perspective are those that have the highest priority for If. The identified sustainability issues have been grouped and further refined.

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

Stakeholder and materiality analysis – result



Significance of economic, environmental and social impacts

Stakeholder group	Forum for dialogue	Key issues raised	How we address these issues
Customers	– Customer meetings – Customer satisfaction surveys – Customer ombudsman – Interviews*	– Preventing damage, injuries and accidents – Responsible and environmentally friendly claims handling – Responsible investments – Counteracting financial crime and corruption	– See Commitment to our customers, pages 14-31 – See Commitment to society, pages 54-67
Employees	– Leader–employee dialogues – Work environment councils – Meeting with union representatives – Employee surveys – Interviews*	– Healthy and safe work environment – Diversity and inclusion – Reducing CO_2 emissions and environmental impact – Supporting civil society and local communities	– See Commitment to our employees, pages 32-53 – See Commitment to society, pages 54-67
Management	– Board of Directors meetings – Management Group meetings – Interviews*	– Responsible business practices and satisfied customers – Healthy, safe, diverse and inclusive work environment – Good governance, active contribution to society and reducing CO_2 emissions	– See Commitment to our customers, pages 14-31 – See Commitment to our employees, pages 32-53 – See Commitment to society, pages 54-67
Partners and suppliers	– Meetings with partners and suppliers – Interviews*	– Responsible procurement practices encouraging environmental–friendly products and services – Responsible business practices and transparency – Active contribution to society and reducing CO_2 emissions	– See Commitment to our customers, pages 14-31 – See Commitment to society, pages 54-67
Authorities and local communities	– Meetings with supervisory authorities – Meetings and communication via industry organisations – Interviews*	– Responsible business practices – Good corporate governance and transparency – Active contribution to society and reducing CO_2 emissions	– See Commitment to our customers, pages 14-31 – See Commitment to society, pages 54-67

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

UN Sustainable Development Goals

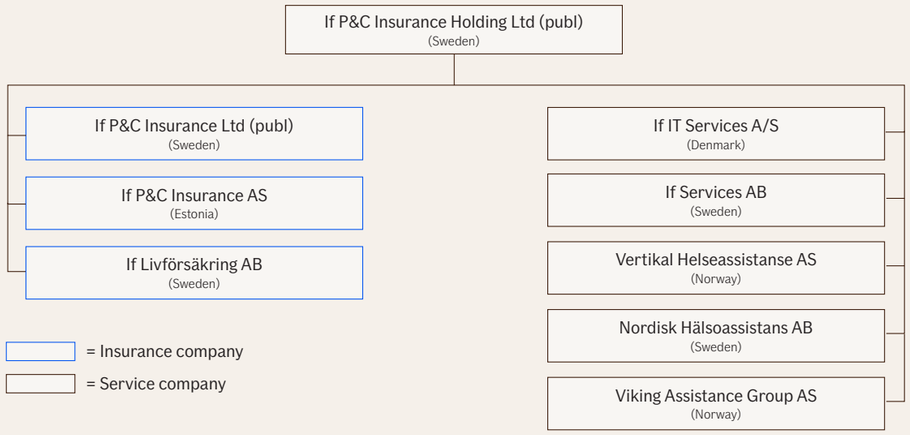
In 2015, all UN member states adopted the 17 Sustainable Development Goals (SDG). These goals provide a shared blueprint and roadmap for the public and the private sector, as well as civil society, for how to achieve a better and more sustainable future for all. We support the sustainable development 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
Commitment to our customers – Managing risks together	13 Climate action 11 Sustainable cities and communities 3 Good health and well-being	– 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).
Commitment to our customers – Ensuring the claims are handled in a sustainable way	8 Decent work and economic growth 12 Responsible consumption and production 13 Climate action	– 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).
Commitment to our customers – Responsible business practices	8 Decent work and economic growth 12 Responsible consumption and production	– Corporate clients and investee companies must respect human rights, labour rights, the environment and anti-corruption (8.8 and 12.6).
Commitment to our employees – Providing a healthy, safe and attractive work environment	8 Decent work and economic growth 3 Good health and well-being	– Provide a decent and attractive work environment that supports labour rights (8.8 and 3.4).
Commitment to our employees – An equal, inclusive and diverse workplace	5 Gender equality 10 Reduced inequalities	– 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).
Commitment to our employees – Environmentally friendly workplaces	12 Responsible consumption and production 13 Climate action	– Suppliers need to comply with environmental requirements and reduce their environmental impact (12.6 and 13.3).
Commitment to society – Good governance and transparency	12 Responsible consumption and production 17 Partnerships for the goals	– Encourage companies to adopt sustainable practices and sustainable reporting (12.6). – Encourage and support effective private-public and civil society partnerships (17.17).
Commitment to society – Contributing with our expertise to build a more resilient society	11 Sustainable cities and communities 13 Climate action 3 Good health and well-being	– 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).
Commitment to society – Supporting the transformation to a low carbon society	13 Climate action 12 Responsible consumption and production	– 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

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	7,287
Gross Written Premium 2021	MSEK 52,089

Legal structure



Key figures

Customers per business area, 2021

Private	>3,200,000
Commercial	340,000
Industrial	1,200
Baltic	350,000
Total	3,900,000

GWP (MSEK) per business area, 2021

Private	29,801
Commercial	13,110
Industrial	7,466
Baltic	1,712
Total	52,089

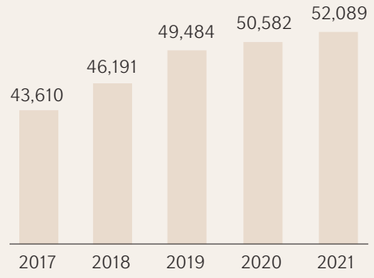
Customers per country, 2021

Sweden	>1,550,000
Norway	750,000
Finland	1,000,000
Denmark	240,000
Baltic	350,000
Total	3,900,000

GWP (MSEK) per country, 2021

Sweden	18,657
Norway	16,573
Finland	10,180
Denmark	4,967
Baltic	1,712
Total	52,089

Gross Written Premium (MSEK)



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 Solna, Sweden. The parent company of the If Group, If P&C Insurance Holding Ltd (publ), is a wholly owned subsidiary of Sampo plc, a Finnish listed company, with 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 and Viking Assistance Group AS, and the Estonian company If P&C Insurance AS. If's operations in Denmark, Norway, Finland and Latvia are conducted via branches of If P&C Insurance Ltd in each country. In addition, If P&C Insurance Ltd has branch offices in France, the Netherlands, the UK and Germany to support customers with international operations. The Estonian company If P&C Insurance AS also conducts operations in Latvia and Lithuania via branches.

Organisation of our sustainability work
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, Head of Risk Control and Reporting, Head of Sustainability, and representatives from BA Private, BA Commercial, BA Industrial, BA Baltics and Claims.

Sustainability Office and 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 by the Sustainability Office and Sustainability Core teams in the sustainability work. 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 consist mainly of persons in the line organisation performing sustainability related work in 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 If 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 2021 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 auding standard RevR 12 *The auditor's opinion regarding the statutory sustainability repor*t. 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 10 March 2022

Henrik Nilsson
Authorized Public Accountant

Deloitte.

WE SUPPORT

UN GLOBAL COMPACT

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

PRI Principles for Responsible Investment

WWF in Finland

GREEN OFFICE
A WWF INITIATIVE TO REDUCE ECOLOGICAL FOOTPRINT
WWF

Business for Climate (Norway)

NÆRING FOR KLIMA

Energy-saving week (Finland)

ENERGIAN-SÄÄSTÖ VKO
ENERGY AWARENESS WEEK

BSAG

BSAG®
Baltic Sea Action Group

Earth Hour

60+
EARTH HOUR

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Printed on environmentally friendly paper.

If-401723 If SE 02.22