



Sustainability Report 2023





About the report

This is the sixth sustainability report by If P&C Insurance Holding Ltd (referred to as If throughout the report). If has reported in accordance with the GRI Standards (2021) for the period 01/01/2023 – 31/12/2023. If's sustainability reports are issued on an annual basis.

The main stakeholder groups for this sustainability report are customers, employees, suppliers, partners and owners. The GRI Standards (2021) have been used as a framework for the planning, structuring and presentation of the results. The GRI index on pages 98-99 presents the distribution of disclosures.

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

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Rebuilding in a greener and more sustainable way

A craving for pizza started the fire that brought down the combined apartment and office building in the Norwegian city of Sandefjord. If turned the Sandefjord premises into a pilot project for our new, more sustainable, way to rebuild for the future.

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Securing diversity through the 'one final candidate principle'

How can recruiters avoid unconscious bias in hiring and ensure they select the best candidates for the job? How about evaluating candidates' deliveries without knowing who they are?

77

If's near-term science-based emissions reduction targets approved by SBTi

– We want our targets to have as much impact as possible. By setting science-based targets, and including voluntary reduction measures for our claims operations, we hope to set an example that other insurance companies will follow, says CEO Morten Thorsrud.



Message from the CEO

We have just emerged from a year that was both different and challenging, but that we succeeded in navigating very well. We live in a time of significant geopolitical turmoil, with a tougher economic landscape for both businesses and households, and where a large number of customers were also affected by extreme weather.

Something that has impressed me a lot over the past year is the way in which we worked to help our customers through some of the biggest storms we've ever faced – literally. The year witnessed numerous severe weather events throughout the summer in both the Nordics and the rest of Europe. These events were followed by the storm Hans and subsequent torrential rain in the autumn. Last year, we handled around 2 million claims, and we paid out an average of SEK 100 million in claims payments every day. We are well prepared for larger events like this and more turbulent times, and we benefit from diversification and a strong underlying result. We have remained by our customers' side and gone the extra mile to provide them with the help they need. We have provided stability in an unstable world.

In December 2023, we received the very good news that our near-term science-based emissions reduction targets have been approved by the Science Based Target initiative (SBTi). As a financial institution, If is required to set targets for the company's investments, as this is the area that typically accounts for the majority of a financial institution's greenhouse gas emissions. We however have chosen to take our commitment one step further, and have also set targets

for our claims operations, although there is no requirement to do so. Claims represent a substantial part of If's total emissions, as If purchases goods and services within the motor and property segments worth more than SEK 11 billion every year. We want our targets to have as much impact as possible. By setting science-based targets, and including voluntary reduction measures for our claims operations, we hope to set an example that other insurance companies will follow.

I am truly proud of the way in which we supported our customers during the year. It is thanks to our employees' hard work and efforts that we have succeeded as well as we have. We have a strong position, we are financially stable, we have satisfied customers and we continue to invest in the future. As a company, and in everything we do, we will continue to work towards our ambition of actively contributing to a more sustainable society.

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



Morten Thorsrud
CEO, If



Reflecting on a busy sustainability year

If's Head of Sustainability, Philip Thörn, is excited about the evolving regulatory landscape for sustainability – and the sweet success of crafting plum marmalade.

As 2023 has come to an end, what are your feelings looking back?

– Very proud – during the year a great number of key initiatives have been implemented across the organisation. This does not happen by itself but as the result of engagement, competence and really good teamwork within If. We have another good year behind us, but with sustainability, the work is never truly done.

– On a more personal note, one of the highlights for me was crafting plum marmalade from the fruits of my own harvest, and successfully selling all the jars at the local yard sale.

What's bubbling under in the sustainability field?

– Sustainability is increasingly on the agenda. Regulatory demands are increasing, and sustainability reporting will become more like financial reporting. We welcome this development that sets a higher standard for everyone and helps create more comparable data. Within If, sustainability is becoming more and more forward-looking and integrated into our strategy and business operations. We're initiating projects where sustainability is the starting point for product and service development.

This report highlights some of If's projects in 2023, what are your top three picks?

– We were excited to introduce the Sustainable Building module (Bærekraftig Bygg) for small and medium-sized corporate clients in Norway. Included in our Building Insurance Super, this module is designed to help our clients rebuild better after major claims. It's an excellent example of how we integrate sustainability into our existing products and services. The launch events were filled with enthusiasm, and throughout the year, selected employees served as ambassadors, spreading the word about the new product. In spring 2024, we're gearing up to introduce a similar module in Sweden. **Read more on page 22.**

– Throughout the year, we actively engaged our employees in sustainability events, providing platforms for discussion and learning. From fun competitions to reduce food waste to well-being initiatives, our employees have shown a keen interest in sustainability. Visiting our Baltic offices for their Sustainability Days was a personal highlight, witnessing the vibrant exchange of views and knowledge. It's moments like these that remind us of

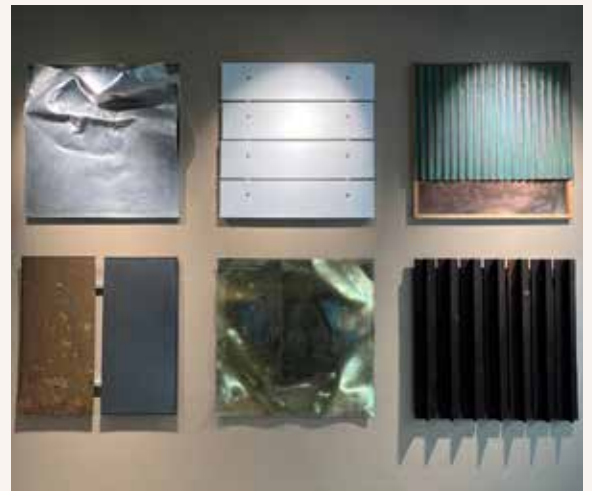
the importance of fostering a culture of sustainability. **Read more on page 58.**

– After two years of dedicated effort, our near-term science-based emissions reduction targets were approved by the Science Based Targets initiative (SBTi) – a fantastic early Christmas present! I'm really proud that we also voluntarily set targets for our claims operations. We have a close cooperation with our suppliers and believe we can make a significant environmental impact in this area. **Read more on page 77.**

Looking forward, what are your expectations for 2024?

– I am excited about introducing new, interesting products and services while maintaining our commitment to involving the entire If community in our sustainability work. This includes a revamped sustainability training programme for our employees, and active participation in initiatives addressing climate change adaptation and loss prevention services. I hope you enjoy the report and will join us on our ongoing journey within sustainability!

Philip Thörn
Head of Sustainability, If



Sustainable Building module, Reducing Food Waste Day, Sustainability Days, Wellbeing Weeks, HubleBee Housing Project and Sustainability Walking Tours.

Our approach to sustainability

If provides insurance solutions for individuals, businesses and international industrial enterprises. We have approximately 4 million customers in the Nordic and Baltic countries. If also has branch offices in France, Germany, the Netherlands and the United Kingdom for customers that conduct international operations. If has almost 8,000 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 to society at large, through high-quality insurance products. We believe our knowledge, products and services can support the transformation to a more sustainable society. As the leading insurance company in the Nordics, we hope to set an example that others will follow. We are continually strengthening our sustainability efforts, in close cooperation with our customers, employees and partners.

Sustainability as an integral part of If's strategy

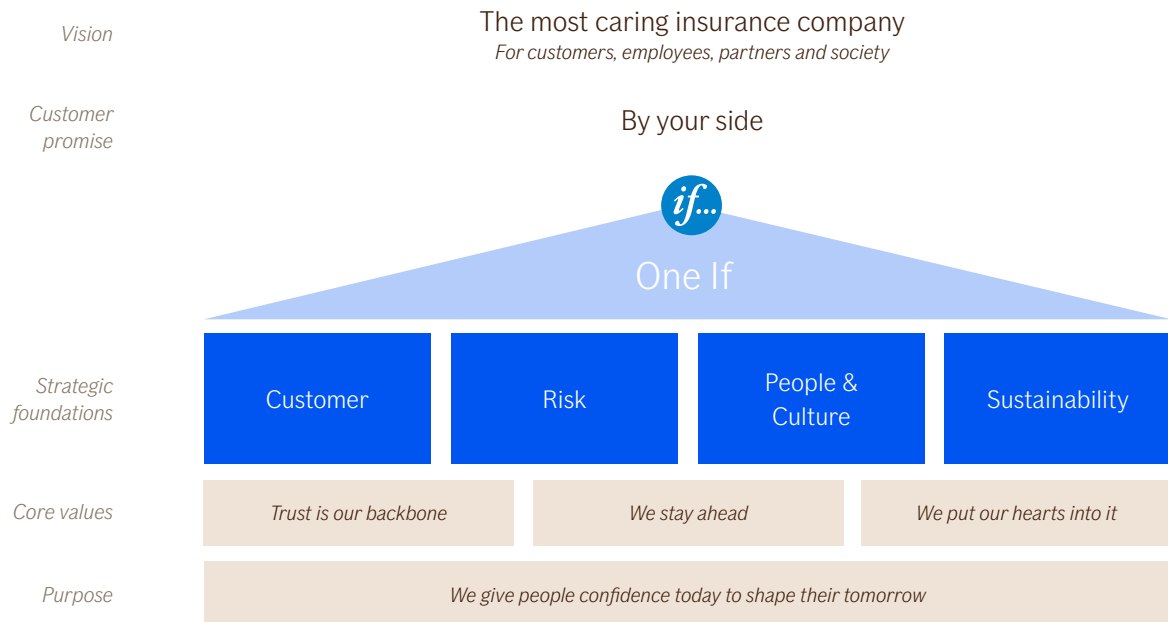
If's strategy framework consists of four strategic foundations: Customer, Risk, People & Culture and Sustainability. The strategic foundation of sustainability is based on the materiality assessment (see Materiality assessment, page 100) and is built on three commitments.

About If

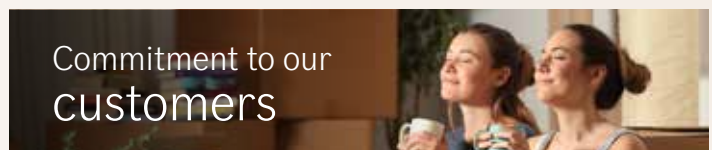
Company name	If P&C Insurance Holding Ltd (publ)
Countries of operation	Denmark, Finland, Norway, Sweden, Estonia, Latvia, Lithuania, France, Germany, the Netherlands and the UK.
Head office	Barks väg 15, Solna, Stockholm, Sweden
Services	Insurance solutions for individuals, businesses and international industrial enterprises.
Number of customers	4 million
Number of employees	7,948
Gross Written Premium 2023	MSEK 62,743

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

One If strategy framework



Our three commitments



Our three commitments

Commitment to our customers

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

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



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

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

Commitment to our employees

We provide a healthy, safe and attractive work environment for all employees. A sound work environment ensures physical safety, with regard to issues such as ergonomics and well-functioning office spaces, as well as psychological safety, which concerns issues such as reasonable workload, good leadership, development opportunities, and the non-tolerance of discrimination or harassment.

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

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

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



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

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

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



Our sustainability journey

2008-2022



Highlights 2023

Commitment to our customers

Commitment to our employees

Commitment to society



Participating leaders devoted approximately 40,000 hours to leadership training, as part of If's Leadership Compass program.

Developed a Responsible Investment Policy, which expands the scope of the responsible investment processes.

Analysed how Norwegian municipalities are working on climate change adaptation and preparing for extreme weather events in cooperation with research institute Cicero.



Our property risk engineers spent more than 1,500 days providing on-site risk management services to our major corporate clients.

Approximately 100,000 windscreens were repaired, due to incentivising customers to repair minor instances of damage to their windscreens instead of replacing them.

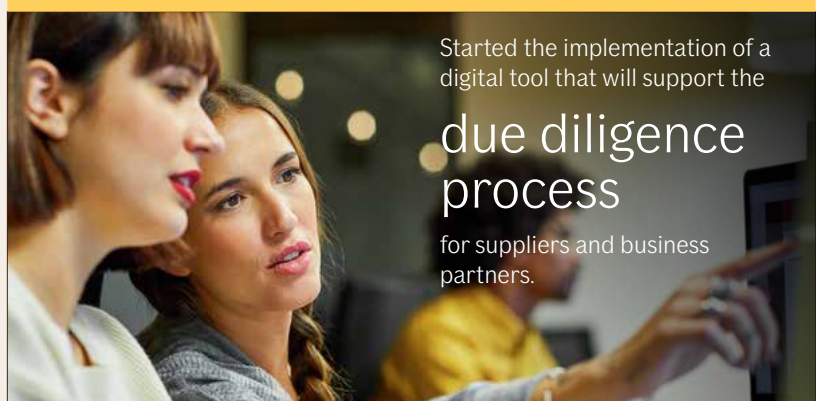


Developed new environmental standards, which provide targets and guidance on topics such as office supplies and how the canteens should operate, for all our offices.

Established a final candidate principle to facilitate inclusive and unbiased recruitment processes and ensure diversity in senior leadership roles.



Our near-term science-based emissions reduction targets were approved by the Science-based targets initiative (SBTi).



Started the implementation of a digital tool that will support the due diligence process for suppliers and business partners.

Customers

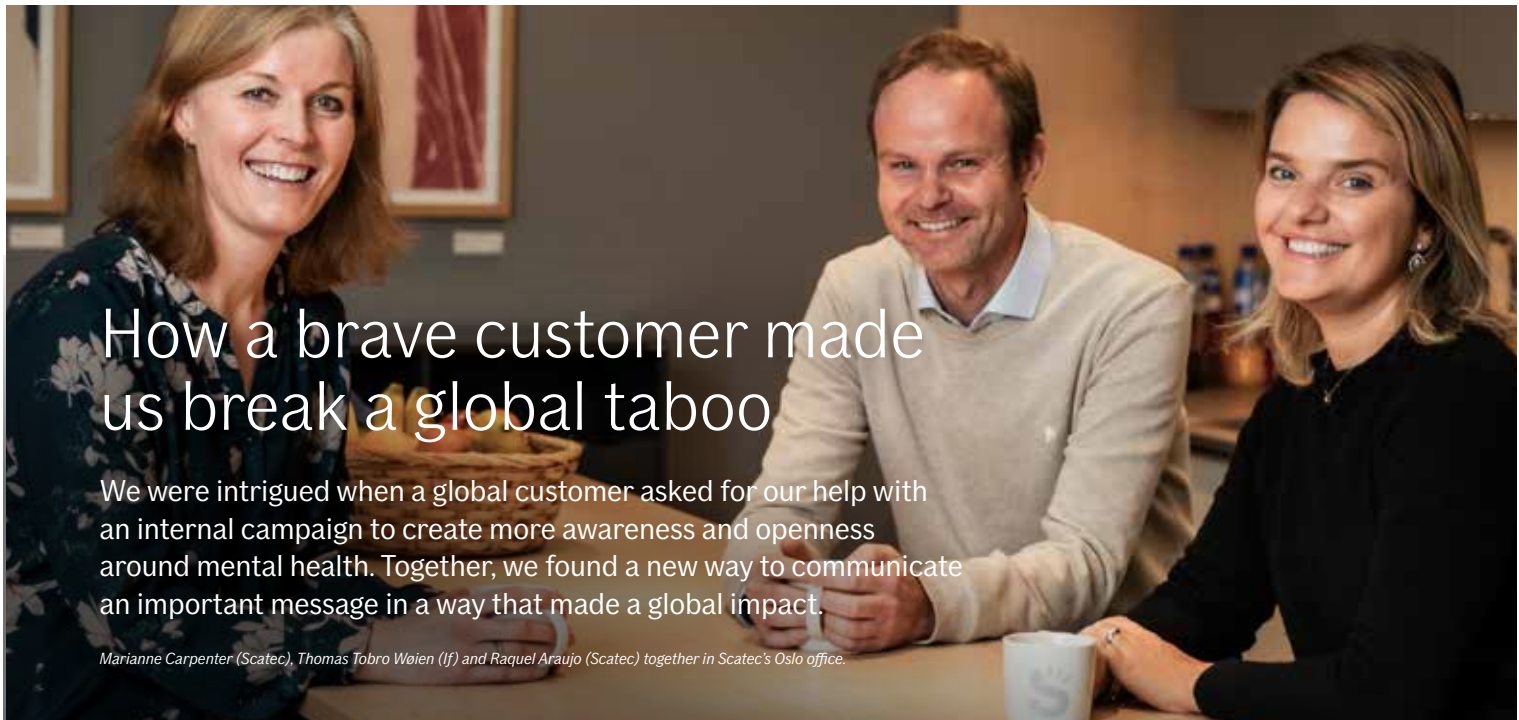
- 1 — Managing risks together
- 2 — Ensuring claims are handled in a sustainable way
- 3 — Responsible business practices

Commitment to our customers

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

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

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



How a brave customer made us break a global taboo

We were intrigued when a global customer asked for our help with an internal campaign to create more awareness and openness around mental health. Together, we found a new way to communicate an important message in a way that made a global impact.

Marianne Carpenter (Scatec), Thomas Tobro Wøien (If) and Raquel Araujo (Scatec) together in Scatec's Oslo office.

Scatec is a leading renewable power producer, with around 700 employees representing almost 50 nationalities in 23 countries in Europe, Africa, Asia and South America. The company's ambitions with regard to diversity, equity, inclusion and belonging definitively transcend borders.

Needed expert assistance

– We wanted to create awareness, reduce stigma, and contribute to better mental health and psychological safety at work through an internal campaign. We reached out to If to get expert assistance. Psychological help is included in Scatec employees' health insurance, and we wanted to see whether If could contribute to improving awareness for all our employees globally, explains Marianne Carpenter, who is Global Lead for Learning & Development at Scatec.

– It's been a pleasant surprise to work with a supplier who demands more and dares to think outside the box.

Marianne Carpenter was responsible for the campaign together with her colleague Raquel Araujo, who is Senior Communications and Public Affairs Manager.

– We wanted to merge awareness, personal narratives and a resources hub, creating a robust support network crafted by our own colleagues. Our top management were personally involved in the initiative, with one of our leaders courageously sharing his personal mental health journey, affirms Raquel.

Driven by heartfelt motivation

For If's Senior Underwriter Janne Moen, the request was the start of an exciting collaboration, involving Thomas Tobro Wøien, who is Chief Psychologist at If.

– The request was unusual, but we were touched by its heartfelt motivation: to remove the stigma and help employees to strengthen their mental health. We know that mental health problems are the second biggest cause of sickness absence from work in the Nordic countries. It has been educational for both parts, explains Thomas.

Livestreaming and local discussions

If produced two webinars for Scatec – one for line managers on how to increase psychological safety and support their employees, and one for employees on how to cope with mental health challenges and how they can support each other at work.

– The campaign ran for one month, with a variety of activities in multiple channels. With If involved, we started off with a masterclass for line managers. Then we livestreamed a learn@lunch session for all employees, which was followed by local discussions, explains Marianne.

Mental health affects everyone

Feedback from positively surprised managers and employees all over the world reveals that taboos were broken.

– It is quite common to talk about mental health in the Nordic countries and in parts of Europe. In other parts of the world, however, there is a stigma attached to mental health and it remains a taboo subject. We have been told that it was mind-blowing to have an expert talk about mental health in the same terms as physical health – as something that we all have and that needs to be taken care of. If's expert was mindful of speaking in simple terms, and thereby demystifying mental health, which proved to be a key to success, Raquel says.

Empowering employees

If's Chief Psychologist is impressed by Scatec's dedication.

– Scatec produces power, but they also empower their employees. Their systematic approach to preventive mental health and creating a workplace with psychological safety is a great example to follow. Leaders sharing their stories reinforces the message, breaks down barriers, and makes it easier for others to come forward and show their own vulnerability, says Thomas.

If's Senior Underwriter Janne Moen agrees:

– This is a unique pilot project, and it is also a perfect way for us to learn more about the needs of our industrial customers, she says.

If collects such experiences in a learning hub for our customers, to help even more companies and employees.

Mental health facts

- In the Nordic countries, mental health problems are the second biggest cause of sickness absence from work.
- Work is good for our mental health. It provides us with a daily structure and a sense of belonging.
- For common mental problems such as anxiety and depression, staying at work with support could be an important part of the recovery process.
- Psychological safety contributes to more productive teams and more engagement.
- Psychological safety is associated with better mental health, less perceived stress and fewer sick days.

1 Managing risks together

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

Risk management services for major corporate clients

If has approximately 1,200 major corporate clients¹ with business operations all over the world. These clients are offered advanced risk management services, where we employ a comprehensive approach in order to fully understand their specific insurance and risk management requirements. If's risk engineers conduct on-site risk assessments, and identify specific and cost-effective preventive measures, which could, for example, reduce fire and climate-related risks. As part of the field work, the risk engineers make assessments and advise the clients on natural hazards, such as coastal flooding, tornados, hailstorms and wildfires. Following the on-site surveys, the 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 50 of its own property risk engineers, as well as access to an external worldwide risk engineering cooperation network. Within a normal year, the property risk engineers spend a total of more than 1,500 days providing on-site risk

management services to the clients. In recent years we have also adapted a remote survey concept to reduce physical travel and it also enables us to reach even more of our clients' locations. We visit more than 800 individual sites each year and engage digitally with our clients over five times per year conducting remote surveys, desktop surveys and project reviews. A combination of on-site surveys and remote surveys has proven to give a good communication platform with the clients.

Recently, If has explored the technology of the global satellite and radar provider ICEYE to inform customers through If Login and send early warnings about flood risks to manage risk and take loss preventative actions. By staying ahead and learning about the available technology we are able to be by our customer's side.

Risk management services for small and medium-sized clients

If has approximately 360,000 small and medium-sized (SME) corporate clients, of which 25 percent own buildings that are insured with If. Some of the customers submit claims every day, but an absolute majority of these can be categorised as 'smaller' claims, such as a minor water leak. However, the aggregated effects of these claims are substantial. Each claim that can be avoided helps the customers to reduce costs, increase safety and reduce their environmental impact. By reducing the amount of building material that is destroyed or equipment that needs to be replaced, we reduce the number of new items that need to be produced and transported. Fortunately, larger claims are less common – every year, we have around 70 property claims that are categorised as large (i.e. more than SEK 5 million in claims cost), and most of these are due to fires.

Fortunately, human lives are seldom lost, but the impact of a fire can still

Risk Consulting Magazine

If's Risk Consulting Magazine is a stakeholder magazine, which provides expert insights into risk management and loss prevention. Available in both print and online form, the magazine is distributed to a wide range of subscribers, including clients, brokers and private individuals, as well as to libraries and institutions. The magazine reports on current topics, including employee health and wellbeing, renewable energy, cyber-threats, and more. We also publish hazard information sheets, which offer in-depth advice on various areas of loss prevention, such as protecting critical IT equipment, installing fire doors and shutters, and charging li-ion batteries.



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 particularly fire-prone industries (such as wood, power/heating and food production), which account for almost one third of our larger claims. Our priority is to make sure that as many customers as possible have fire alarms and sprinklers installed – measures that have proven invaluable in the prevention of large fires. To help our customers to avoid claims, we not only focus on the fire-prone segments but also provide loss prevention services that can prevent several different types of damage.

Our risk experts and loss prevention managers visit our clients and provide them with concrete safety advice and actionable risk reports. We also financially support our customers'



Natural Hazard Competence Centre

Our internal Natural Hazard Competence Centre aims to increase our competence and expertise with regard to natural hazards. As part of this, we offer our clients a service whereby they can tag and monitor insured property locations worldwide using geo-coordinates. The locations are visible on a natural hazard world map in our digital If Login portal. When a major natural disaster occurs, or, for example if a severe tropical storm is developing, we and the clients can zoom in to the affected area and identify the locations that are at risk. We also aim to contact our clients directly to inform them about recommended actions prior to and after severe events.



If Building Check

In 2022, based on the positive experiences with the house assessment for private customers, we introduced the If Building Check for SME clients with residential buildings in Norway. So far, we have conducted more than 400 building checks, and the number is steadily rising. After a physical inspection, our clients get valuable help to identify where maintenance and fire safety measures are most needed – a first and accessible step towards taking action. Both customers receiving the If Building Check and our larger SME customers, receive hands-on advice that makes them aware of risks, including climate-related risks, as well as suggestions for mitigating actions. The If Building Check is offered to each client once every five years.



Risk Management Library and Learning Hub

The Risk Management Library supports our clients in their risk management and loss prevention work. The library is a tool, offering insight articles, hazard info, podcasts, and more. Clients can gain new knowledge, refresh their skills and download valuable materials. The Learning Hub is a digital service, available 24/7 that offers our clients' and their employees expert trainings that help promote safety, manage risks, and support loss prevention. With dozens of training courses, we offer both general and expert content to keep client company employees safe with theoretical and practical information available via different types of media and downloadable materials.

investments in fire safety, and we have piloted a new fire safety training and inspection concept in Sweden. Smaller customers in very fire-prone segments are either physically inspected by experienced sales managers or otherwise receive extra attention and support.

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 to both plan the maintenance of the property and minimise the risk of unpleasant surprises, including climate-related damage. Customers can have a house assessment conducted every four years. Since 2012, more than 230,000 house assessments have been

completed in the Nordic countries. In 2023 alone, around 24,000 houses were inspected. We plan for approximately the same number of inspections in 2024.

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

Going forward, we are looking into a potential digital, low threshold version of the home inspection, which will work in parallel with the physical service. The purpose is to reach out to even more customers with loss prevention and maintenance advice. In 2024 we also plan to strengthen the focus on

Total number of house assessments*

Target 2024	2023	2022	2021
265,000	237,916	214,000	184,000

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

House assessments per country

Country	2023	Total 2012-2023
Sweden	12,130	82,808
Finland	4,169	32,333
Denmark	-	709
Norway*	7,598	122,066
Total	23,897	237,916

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



Safety shops

In all Nordic countries, If has good offers on equipment to support 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 500,000 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 SEK 26 million per year.



Green Energy Strategy

Green energy is not a new area for If – we have been underwriting risks connected to wind and solar energy for more than 10 years. However, due to the increased focus on green energy solutions in the global market, we have also intensified our focus. In 2020, a new Energy Competence Centre was formed to enhance underwriting, risk management process and claims process. In 2021, a task force was established to ensure that we have a clear approach to green energy for the future. The task force outlined our new Green Energy Strategy. According to this strategy, we will continue to be a stable and active partner for our Nordic clients globally, and we will support them as the market and the technology develop. In 2022, a Nordic internal process was set up to make the best use of our resources within

underwriting and in our competence centres, to provide our clients with the best possible expertise. In addition, two new risk engineers, specialised in energy and renewable energy, were recruited in 2022 and 2023. In 2023, we continued to build our knowledge and to understand these new emerging risks, and we continue to grow in our role as a key risk carrier for the green energy transition. Special emphasis is placed on understanding the technological developments in green energy, so that we can be a relevant and consistent insurance partner for large corporate clients with new innovations. If's approach has always been to make sure we have a good understanding of risks, and to only provide insurance for risks that we properly understand. This approach is also a cornerstone in the green energy segment.

Reducing risks and emissions

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

climate-related risks as part of the home assessments by implementing Nordic best practice and looking into new check points, and providing practical advice for customers. Services from Mitigrate, which is a start-up that focuses on loss prevention actions for individual properties, will also be piloted.

Our Nordic websites also offer advice regarding loss prevention to all our customers. In 2023, our 'Tips & Advice' pages, where for example information on how to prevent fires and water damage in the home is readily available, had almost 750,000 page views.

Loss prevention services in the Baltics

Many of the most common types of claims cases could be prevented by basic loss prevention measures and knowledge about how to act

if an accident occurs. Against this background, If proactively communicates easy-to-understand tips and advice on loss prevention every year, using press releases, content marketing activities, social media and websites.

The tips and advice usually receive substantial media coverage in the Baltics, resulting in multiple articles, TV appearances and radio interviews in the Baltic countries. We plan to undertake the development of various tools for our customers, so that they can test their home security, for example. Developed tools will be distributed to the customers via our websites. Every year, If's risk experts in the Baltics visit around 250 corporate clients in order to conduct on-site risk assessments of, for example, the clients' real estate or production facilities, and to advise them on how to avoid accidents. Every day, we

discover various risk areas or potentially dangerous places that our customers had not been aware of. Several risks can be avoided when we work proactively with our clients, and these services are very much appreciated.

Mobility

Coaching and incentivising drivers to improve their habits has been identified as the area within automotive insurance with the greatest potential for making a difference. With data from cars and car usage becoming more readily available, we are looking into ways in which we can incentivise drivers to be safer. Usage Based Insurance (UBI) programmes utilising data from cars and smartphones can enable us to identify the potential for improvement for each individual driver, and even offer the right incentives to improve driving behaviour. We are learning from our sister company in the Sampo Group, Hastings Direct, and their successful YouDrive programme about how to create UBI products that help the customers improve their driving habits. Safer driving is more sustainable, both 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 CO₂ per driver, per year². In 2024, together with Cambridge Mobile Telematics, we will launch a programme in one of our core markets that aims to understand and quantify the risk mitigation and CO₂-saving benefits of mobile phone-based driving behaviour technology among our customers.

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 2023, we insured journeys of more than 23 million kilometres driven in peer-to-peer shared cars³. These shared cars

allow thousands of customers to not own their own cars, which reduces the number of unnecessary trips and even the need for parking spaces in urban areas. It also reduces the number of cars in traffic, which is beneficial from a road safety perspective. Because the cars are distributed throughout the city where people live, the collection and return of the vehicles is also efficient. For many years, we have had partnerships with startup clusters such as Antler and have worked closely with startup companies that develop sustainable products and services in the mobility industry, such as enabling the reuse of car batteries.

We collaborate closely with our automotive partners in order to improve vehicle design by providing feedback on the effect of Advanced Driver Assistance Systems (ADAS). We leverage our large market presence and the quality of our claims data with our partners' data about what their cars are capable of, which enables us to understand the extent to which the safety systems work 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 60).

Personal risk and health

Good health and life quality is an important dimension in a sustainable social development. Health is a topic that concerns everyone. How we feel mentally and physically affects all aspects of our lives.

Throughout the years, If has specialised in helping customers across the Nordics when they face health issues. The importance of an early intervention is crucial for the individual, the employer

and society, where health insurance is an important supplement to meet the increasing demand. The importance of early intervention is greater than ever. In the Nordics, we have the highest levels of absence due to ill-health in the world, and almost 9 in 10 are experiencing negative stress, with 43 percent having felt it for more than six months⁴.

Good physical and mental health is created where people live their lives – in educational institutions, workplaces and the home, and among health and social services, etc. It is crucial to promote and facilitate good health in all these arenas. As a major insurance company If has a responsibility and the opportunity to take a significant role in showcasing the importance and effects of proactive health-work. The evidence that preventative measures work, is so clear that there is no doubt about the effects and benefits.

If is focusing on providing the customers with preventive health services to promote good health and wellbeing, by improving living standards and providing a sustainable economic growth. A better mental and physical health will benefit everyone, including customers, employees and society.

We support companies in mapping the work environment requirements, and measuring the wellbeing of their employees, providing health partners for the individuals, contributing to healthier and more sustainable lifestyles. Our products for the future will be even more proactive. We want to help by reducing the risk of sick-leave and improving the health of customers, employees, friends and family.

Since autumn 2021, If in Sweden has been collaborating with the Swedish Heart Lung Foundation, which is a charitable fundraising organisation. The aim of this collaboration is to increase the number of defibrillators in residential areas (see also Commitment to society, page 60), to save more lives. ■

² https://www.researchgate.net/publication/347755741_The_Effect_of_Aggressive_Driving_on_Vehicle_Parameters and <https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle>

³ Internal figures from peer-to-peer car sharing policies

⁴ <https://www.if.se/globalassets/se/dokument/if/if-nordic-health-report-2023.pdf>

2 Ensuring claims are handled in a sustainable way

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

Encouraging and supporting our suppliers

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

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

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

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

Target 2024	2023	2022	2021
100%	99%	97%	87%

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

Target 2024	2023	2022	2021
100%	98%	82%	53%

* Property and vehicle repairs contractors in the Nordics



If Supplier Code of Conduct

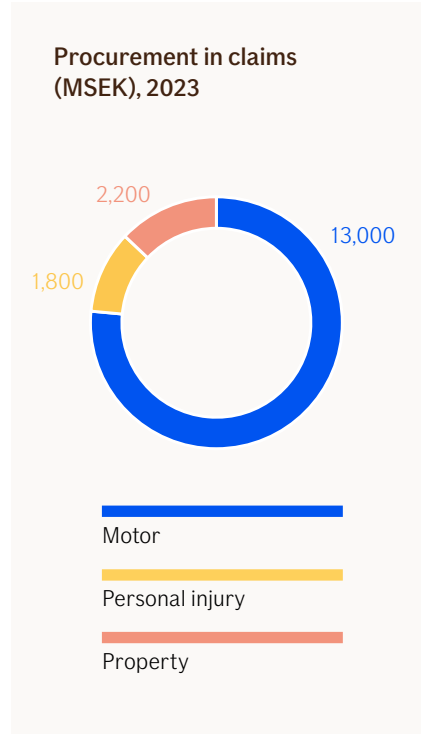
Based on UN Global Compact

- Human rights
- Labour rights
- Environment
- 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 (this applies to both new agreements and agreements that are to be renewed). The Nordic and Baltic procurement managers in claims handling, the head of premises, purchasers in group services and the legal counsels have received training on implementation of the Code. We have also developed and tested an e-course that presents and explains the Code for suppliers. The e-course is available in all Nordic languages. Currently, approximately 99 percent of our suppliers within claims have signed the Code⁵. Our target is that 100 percent of our suppliers in claims will have signed the Code by the end of 2024.

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. As part of our approach to assess the supplier's compliance with the Code of Conduct we have developed a Self-Assessment Questionnaire (SAQ). The SAQ was tested in autumn 2021, and in spring 2022 our property and vehicle repair contractors were invited to participate in a survey. In the event of any identified deviations from the Code, the supplier will be asked to provide a corrective action plan for If to approve. If reserves the right to terminate contracts with the supplier in the event of material breaches of the responsibilities outlined in the Code and the underlying conventions and declarations.

In 2022, we developed a due diligence process, in accordance with the OECD Guidelines for Multinational Enterprises, in order to identify, prevent and address potential adverse impacts on human rights, labour rights,



the environment and anti-corruption associated with our supply chains and business partners (see Commitment to society, page 60).

Claims handling

During 2023, If procured products and services as part of claims handling worth more than SEK 17 billion⁷. Together with our partners and suppliers, we handled 1,018,000 cases of vehicle damage, 519,000 cases of property damage and 526,000 cases of personal injury claims. If's claims handling contractors⁶ 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 comply with If's Supplier Code

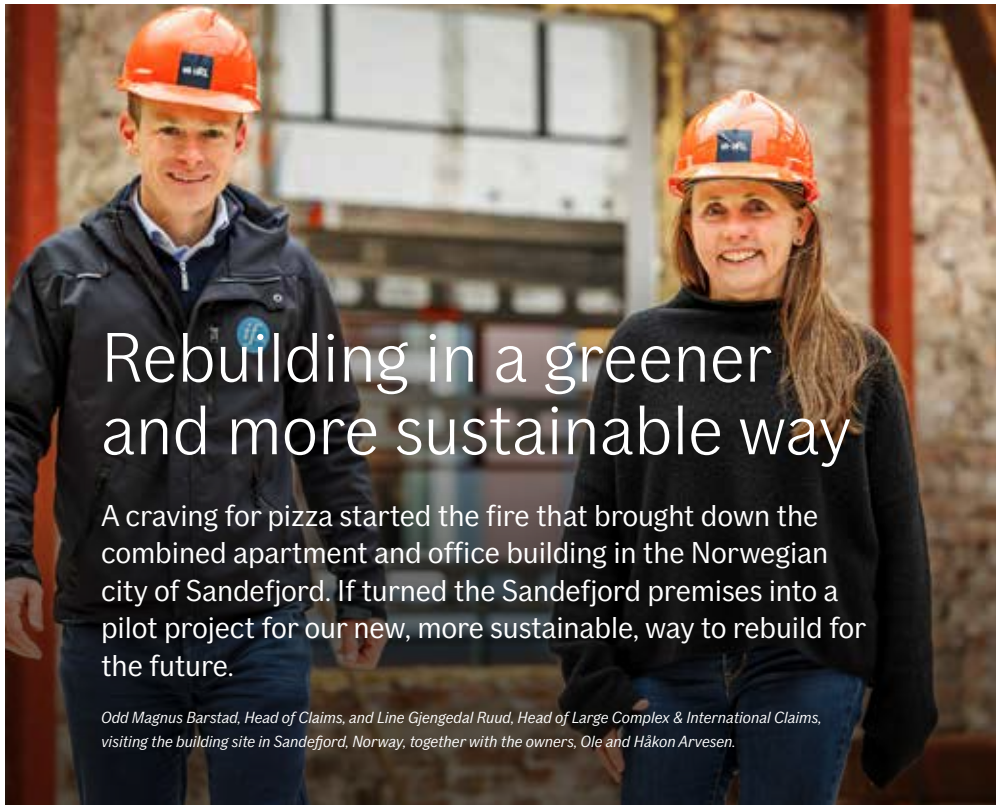
Self-Assessment Questionnaire (SAQ)

As part of our approach to assessing the supplier's compliance with the Code of Conduct we have developed a Self-Assessment Questionnaire (SAQ). In spring 2022, as a pilot survey, the SAQ was provided to 919 property and vehicle repair contractors. In total, 461 contractors completed the whole survey, which corresponds to a response rate of 50 percent. An additional 115 contractors completed parts of the survey. A majority of contractors provided satisfactory answers in the survey. Some contractors, however, provided unsatisfactory or possibly unsatisfactory answers. If has set up a process for cases in which contractors provide unsatisfactory, or possibly unsatisfactory, answers. As a first step the contractors will be contacted and asked to provide complementary information. In the event that the information provided remains unsatisfactory, this will be followed up by conducting site visits. In the event of any identified deviations from If's Supplier Code of Conduct, the supplier will be asked to provide a Corrective Action Plan (CAP) for If to approve. If reserves the right to terminate contracts with a supplier in the event of material breaches of the responsibilities outlined in the Code. The lessons learned from the pilot survey has fed into the development of the due diligence process for suppliers and business partners, and the implementation of a digital tool in 2023 (see Commitment to society, page 60).

⁵ Suppliers responsible for 99 percent of the total volume we procure in claims have signed the Code.

⁶ Our suppliers in claims handling are referred to as 'contractors', e.g., vehicle or property repair contractors.

⁷ Including motor claims redemption approximately SEK 4 billion.



Rebuilding in a greener and more sustainable way

A craving for pizza started the fire that brought down the combined apartment and office building in the Norwegian city of Sandefjord. It turned the Sandefjord premises into a pilot project for our new, more sustainable, way to rebuild for the future.

Odd Magnus Barstad, Head of Claims, and Line Gjengedal Ruud, Head of Large Complex & International Claims, visiting the building site in Sandefjord, Norway, together with the owners, Ole and Håkon Arvesen.



It began with a meal in December 2021: a hungry tenant took a frozen pizza from the box and placed it onto a rack, laying the empty package on top of the hob. He quickly turned on the switches for the cooker – but maybe too quickly, as he didn't notice a fatal flaw: he had turned on one of the hobs, instead of the oven.

He rushed out the door to do some quick shopping, but before he returned, a catastrophe was already taking place in the kitchen: The flames from the burning pizza box had spread to the rest of the apartment, and the fierce and rapidly developing fire caused major damage to the building.

Pilot project for Sustainable building

Today, the site is busy with people repairing the apartment building and getting it back to its original condition. But something is different. The building is covered by If's Sustainable Building module, which is included in the building insurance. This makes it even easier to rebuild damaged properties in a sustainable way.

During the reconstruction, which is using solid wood, the building will be connected to district heating and solar panels will be fitted on the roof. In addition, a number of simple sustainability measures are also being implemented, such as installing automatic water taps in the toilets.

– *District heating is what we have the greatest expectations for. We have no previous experience with this, but it appears to be a sensible and safe way to heat buildings, says one of the two owners of the building in Sandefjord, Ole Arvesen.*

Advice and support

Through Sustainable Building, If provides concrete advice, guidance and financial support for sustainable measures in the reconstruction after major damage to commercial buildings. This is based on the BREEAM-NOR certification model. The certification is Norway's most widely used environmental certification system for commercial buildings.

If's Building Insurance Super for commercial buildings in Norway now has Sustainable Building as part of its coverage. This entails advice and financial contributions to sustainable measures in the reconstruction in the event of extensive damage, for example after a fire.

Sustainable building applies when a building has a degree of damage of 50 percent or more or incurs damage costs in excess

of 10 million Norwegian kroner. If, together with qualified external advisors and partners, will provide advice, guidance and support for proposed sustainability measures related to the damage for up to 3 million kroner.

– *As we know that almost 40 percent of the world's energy-related greenhouse gas emissions are related to the construction and operation of buildings, we also know that every sustainable building-oriented measure will contribute to an actual reduction in total emissions, says Odd Magnus Barstad, who is Head of Claims at If.*

Positive initiative

The Norwegian Green Building Council works to make sustainability a natural choice in the building, construction and real estate sectors, and manages the BREEAM certification in Norway. General Manager Katharina Th. Bramslev is very pleased with If's initiative:

– *Economic carrots are important if we are to reach our climate and environmental goals in time, and banking, finance and insurance play a crucial role here, says Bramslev.*

Line Gjengedal Ruud, who is Head of Large, Complex & International Claims at If, adds:

– *With our long experience and knowledge about commercial buildings, we are in a unique position to provide our corporate customers with concrete advice, guidance and assistance in implementing sustainable measures in connection with reconstruction after damage.*

During the reconstruction process, the company receives documentation of the BREEAM scores achieved, as well as a calculation of the reduction of the building's CO2 footprint.

Warehouses, industrial production buildings and farm buildings are not currently covered by the Sustainable Building module.

This is BREEAM

BREEAM stands for Building Research Establishment Environmental Assessment Method. It is a leading science-based suite of certification systems for sustainable built environment.

of Conduct, but must also comply with our sector-specific Additional Environmental Requirements (AER), which are incorporated into the purchasing agreements. These additional requirements cover the following areas: transportation, energy usage, material usage, water usage, handling of chemicals and hazardous substances, and waste handling. Our priority is to ensure that waste and materials from repair processes are managed in the best possible way, and we encourage our contractors to minimise their consumption of resources and materials, and to reuse and recycle as much as possible.

Property repairs

In the Nordic countries, we cooperate with more than 1,200 property repair contractors, who perform the initial inspection and undertake repairs for claims that are reported to If. The Additional Environmental Requirements (AER) for property repair contractors include requirements to repair more, reduce material usage, demolish less and increase remote work using video and sensors. They also include requirements for material to be sent directly to the claim site in order to reduce transportation, to use material with environmental certification (when available), and to increase the use of electric and hybrid vehicles.

Two mobile tools, In4mo and MEPS, make it possible for contractors to digitally report and calculate property damage claims on site. These tools ensure an efficient and streamlined

process for property damage claims handling at every stage and enable all contractors to comply with If's process requirements. The system also minimises travelling and allows us to measure how much waste has been generated on site. Since November 2023, we have reduced the number of tools and are now using one common Nordic tool, MEPS, which we aim to link even more to sustainability measuring and reporting.

We have throughout the years gathered important learnings to be responsive to change. Through good cooperation with our customers and partners, we have managed to provide good quality property claims services. Despite recent supply chain and transportation challenges all over the world, we have learnt and established new practices to stay competitive. This has been done while also continuously seeking new ways to reduce material use and to increase reuse and recycling as well as minimising waste in claims handling.

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

If's contractors for property repairs are for example required to:

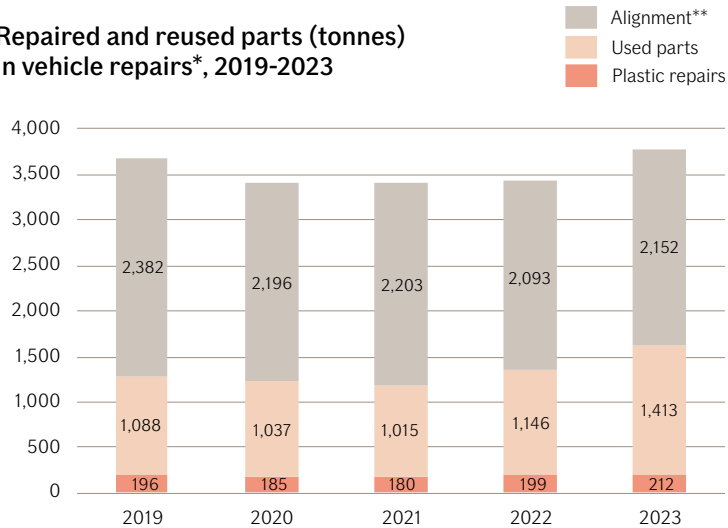
- Comply with If's Supplier Code of Conduct and additional environmental requirements.
- Document results and report to If on a regular basis.
- Develop and implement an environmental plan to reduce environmental impact.
- Minimise transportation.
- Use low-energy equipment and machinery.
- Choose locally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

Video calls in property repairs

Target 2024	2023	2022
>10,000	3,935	2,178*

* Minor revision of 2022 number due to updated calculation methodology

Repaired and reused parts (tonnes) in vehicle repairs*, 2019-2023



* Vehicle repairs in the Nordic countries.
 **Repairing metal panels and frameworks instead of using new parts.

Ifs contractors for vehicle repairs and dismantling are for example required to:

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

Photo inspections in vehicle repairs*

Target 2024	2023	2022	2021
>65,000	60,984	52,764	31,965

* Photo inspections in the Nordic countries.

Vehicle repairs

In the Nordic countries, If has approximately 3,000 contractors that perform vehicle repairs. We cooperate closely with these contractors, and we conduct regular monitoring, by means of reporting and physical meetings, to ensure that they comply with our requirements. The Additional Environmental Requirements (AER) for vehicle repair contractors include requirements to repair instead of using new parts, and to reuse spare parts. We have also set expected levels of plastic repairs and used parts, and these are monitored and reported regularly. As a consequence, our contractors reuse thousands of tonnes of metal and plastic each year, instead of using brand new spare parts. In 2023, 3,776 tonnes of metal and plastic were reused. Contractors must document repair processes and methods in the repair calculation systems. The amount of reused and recycled spare parts is reported monthly. The vehicle repair contractors are also required to make use of photo inspections, where possible, and to increase the share of electric vehicle (EV) rentals. In 2023, we conducted almost 61,000 photo inspections in the Nordics, instead of inspections at a vehicle repair shop. An estimated 2,439,360 km of driving was avoided in this way, as the average distance to a vehicle repair shop is 40 km.

If rewards customers with reduced deductible levels if they choose to repair

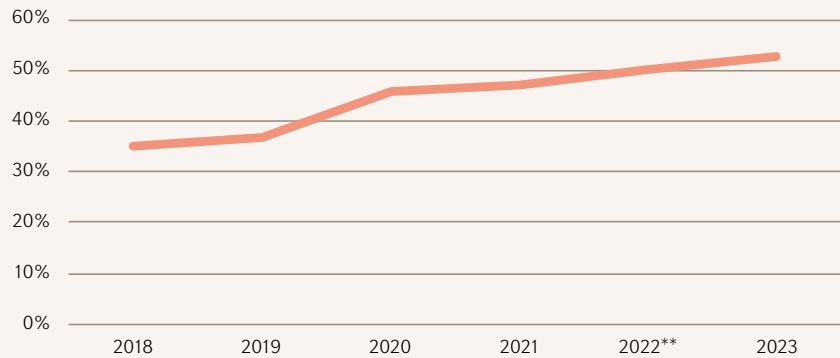
minor instances of damage to their windscreens instead of replacing them. Every year, we repair approximately 100,000 windscreens in the Nordic countries. The repairing of windscreens saves approximately 4,400 tonnes CO₂, or 44 kg CO₂ per repair⁸. We believe that similar savings can be achieved by also using simplified repairs to car bodies for smaller claims, and we are actively working with our customers and repair partners to increase repair rates. For larger claims, we can see that it might be reasonable, from both an economic and an environmental perspective, to repair cars even when the cost of the repair approaches the cost of replacing the vehicle with a new one, which has previously been common practice. We are committed to finding ways in which we can work together with our customers to choose the right type of repair for each damaged car, considering both economic and environmental factors. For vehicle damage, we make use of AI-based technology (i.e., image recognition) to increase the share of automations as well as the accuracy and quality of the damage appraisals. We also make use of digital services to steer customers towards preferred partners – i.e., contractors who conduct repairs with high standards in terms of responsible business practices and the environment.

We are also working to increase the amount of parts that are reused from old vehicles. One example of this is If’s involvement in Project Bumper,



If Office Vilnius

Online claims (%)*, 2018-2023



* Private customers and corporate clients. Baltics not included.

** Minor revision of 2022 number due to updated calculation methodology

in cooperation with Mobility Sweden, Volvo Cars and Volkswagen. This project investigates the possibility of recycling plastic from car bumpers, which is then reused to manufacture 3D-printed chairs. As a spinoff from Project Bumper, we use the same plastic raw material to mould new registration plate holders in a project called The Sign.

Personal injury claims

We help to secure our customers' financial situation in the event of an illness or injury, but also guide them to the right care and support their recovery with the help of healthcare providers. We have high standards for our social responsibility, and we play an important role in the Nordic countries' welfare systems by providing regulatory insurance for workers' compensation (except for in Sweden where it is a public system) and traffic accidents, where we provide financial compensation, care and rehabilitation.

In 2023, we continued to invest in digital development, including data secure digital communication channels and remote doctor services for customers at home and travelling. Our digital services are complemented by personal claims advisory, medical advisory and supporting services, such as legal help. We have also developed our preventative health and advisory services for corporate clients to support the physical and mental wellbeing of their employees. Through

the preventative health insurance, the employer receives support and guidance with regard to statutory work environment measures and health-at-workplace support. It also provides support with work-oriented rehabilitation for employees when needed (see also Personal risk and health, page 19).

Digital claims services

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

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

two-way communication with our customers.

Claims Baltics

In the Baltics, we have started to include If's Supplier Code of Conduct in purchasing agreements in claims. By the end of 2023, the Code had been included in 130 agreements, which means that 55 percent of the repair volume is performed by partners who have committed to the Code. In 2023, we also included a list of these partners on our website. By the end of 2024, the number of signatories should reach 150. We also aim to start using the Code in our repair steering process in 2024.

If has also set specific and individual targets for the repair partner companies regarding repairing (instead of replacing) plastic car bumpers and car windscreens as well as reusing used spare parts. The proportion of windscreens being repaired was 15 percent in 2023 and the target for 2024 is that 17 percent of damaged windscreens will be repaired. Another aim for 2024 is that 52 percent of the plastic bumpers will be repaired, instead of replaced.

In health insurance claims, we are gradually phasing out the use of plastic identification cards. In Estonia, identification is now fully digital; in Latvia, 62 percent of health insurance users are using digital identification; and in Lithuania, the digital identification option will be launched in 2024. ■

3 Responsible business practices

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

Focus on customer satisfaction

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

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

are followed up, and feedback is also followed up and handled appropriately, both in training and in the quality assurance of customers' journeys and offerings. Net Promoter Score (NPS) is used to rate customers' experience of If across 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 Extended Performance Satisfaction Index (EPSI). In accordance with legal requirements, If also has an internal customer representative function ('kundombudsman'), whom private customers can contact in order to submit a complaint.

Customer satisfaction*

Target 2024	2023	2022	2021
62	60	62	61

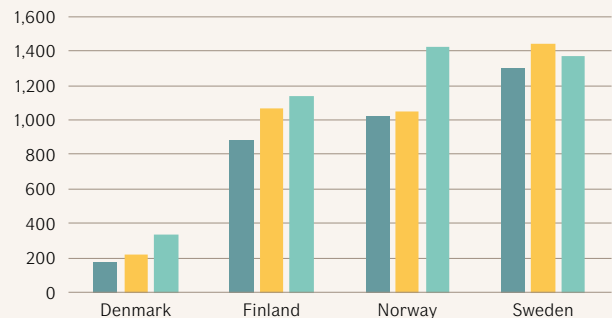
*tNPS, Business area Private. Nordic accumulated results of customer service and claims per country. Source: Customer Experience programme, If. Note: Scale from -100 to 100

Extended Performance Satisfaction Index (EPSI)

	2023	2022	2021
If Sweden	73.3	71.1	72.9
- industry in Sweden	72.8	71.2	73.0
If Norway	72.2	74.5	73.3
- industry in Norway	72.4	72.7	71.4
If Finland	74.2	73.3	74.5
- industry in Finland	72.7	72.1	72.9
If Denmark	77.1	78.1	76.6
- industry in Denmark	76.0	77.5	76.4

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



2021
 2022
 2023

Source: Complaints to internal customers ombudsman

Responsible underwriting

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

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

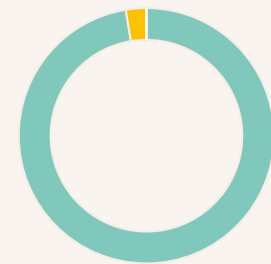
If expects its clients, including entities belonging to the same corporate group as our clients, to comply with the UN Global Compact, even if they are not participating in the initiative themselves. If a corporate client, according to the assessment, is found to be in breach of

one or more of the UN Global Compact principles, the company will be notified and asked to remedy the situation. In the event that a client is not willing or able to improve its governance or practice to comply with the principles, they could be asked to find another insurer.

ESG referral cases

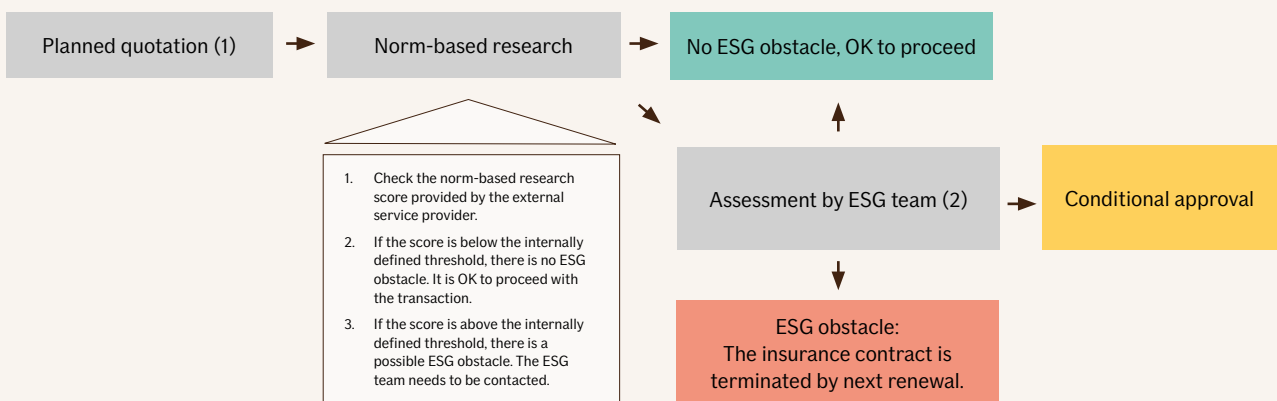
	2023	2022
Permission to proceed, but the company is under observation	12	11
Conditional approval, but the company needs to take action	0	1
Insurance is not offered or renewed	0	2
Clients with improved ratings (no longer referral cases)	3	5
Total	15	19

ESG assessments corporate clients



752 No or unconfirmed allegations
 20 Credible allegations
 0 Confirmed incident

Sustainability in underwriting – our process



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



Raising the bar on responsible investments

In 2023, If implemented a new policy on responsible investments. The policy expands the scope of the responsible investment processes.

Måns Edsman is If's CFO.

If is investing heavily to secure the long-term financial stability that is needed to fulfil our commitments to our customers in all possible circumstances. As of December 2023, we have financial investments amounting to approximately SEK 120 billion.

– Making sure that we invest responsibly and use our financial muscle to do good is an important part of our sustainability work, says Måns Edsman, who is If's CFO and chair of If's Investment Control Committee (ICC).

If aims to recognise and mitigate the adverse impacts of our investment operations on the environment and society. Therefore, we have incorporated sustainability into our investment operations, and the company's investment decisions take into account not only financial aspects, but also sustainability factors, as well as the related risks.

ESG integration and negative screening

Responsible investment is an approach to managing assets that ensures that Environment, Social and Governance (ESG) issues are included in investment analysis, decision-making and reporting. This includes ESG integration, where sustainability risks and opportunities are incorporated into the investment analysis. If's approach also incorporates negative screening, where investments are not made in companies that operate in sectors that are seen to carry sustainability risks and cause adverse impacts on the environment and society.

– For example, we do not invest in companies whose business involves the production of adult entertainment or controversial weapons, such as nuclear or chemical weapons. Exemptions can be made, in some cases, if the company has a credible strategy for transition to a more sustainable business model, explains Måns.

Norm-based research and active ownership

If expects the companies we invest in to respect human rights, labour standards, anti-corruption commitments and environmental protection. When new investments are planned, potential investee companies' possible violations against

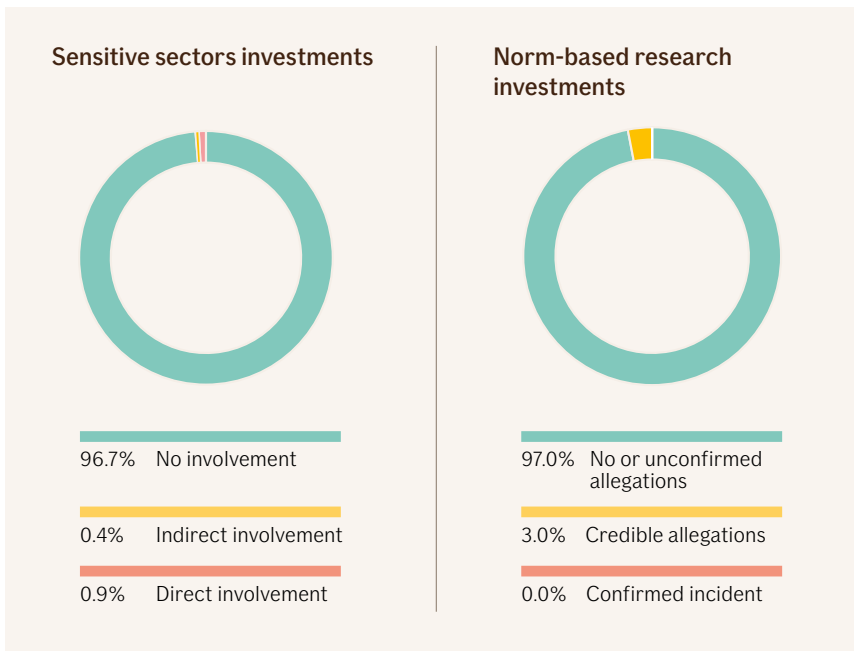
international norms and standards, such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises, are considered. Norm-based research is used to assess whether companies are respecting these norms and standards. The data is provided by an external service provider. In the event that any issues are suspected in a potential investee company, an investigation is conducted.

If expects the companies we invest in to respect human rights, labour standards, anti-corruption commitments and environmental protection.

Companies that do not comply with these norms and standards are generally not approved for investment, unless the company is implementing sufficient actions to prevent the breach or violation. If potential or confirmed norm breaches are detected, the incident is analysed, and actions are taken according to the severity and extent of the incident. The actions may include active ownership efforts, such as engaging with the investee company directly or via collaborative engagement. As a measure of last resort, the investment may be sold, if the company does not take corrective actions within a reasonable time frame.

Ensuring that If's investments do not support controversial businesses is important, but If is also increasingly pursuing investments in green and responsible companies. So far, If has invested more than SEK 15 billion in green bonds and more than SEK 2 billion in sustainability and sustainability-linked bonds. That amounts to about 14 percent of the total portfolio.

– Raising the bar for responsible investments allows If to use its financial influence to further our sustainability ambitions. This has resulted in sound investments with lower reputational and regulatory risk. One could say that If is doing well by doing the right thing, concludes Måns.



If's initial focus is on the company's large corporate clients, but the new assessment also applies to smaller company clients.

During 2023, If assessed 772 corporate clients. In total, 12 cases⁹ were referred to If's ESG assessment team for further assessment. During the year, 3 clients improved their rating and are, therefore, no longer referral cases.

Among the referral cases, If has had cases where additional actions have been taken. One potential client, which was accused of several breaches in compliance, was given a conditional approval, which means that we required additional information and action from the client in order to offer them the insurance. Another case concerned two clients with global ultimate parent companies involved in the same joint venture, which have yet to adequately rectify past environmental damage. Based on the confirmed inaction from the companies, If decided not to renew these clients.

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

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

Responsible investment

Sampo Group, which includes If, is a member of Principles for Responsible Investment (PRI). We aim to be an active owner and to incorporate Environmental, Social and Governance (ESG) factors into our investment analysis and decision-making processes, as well as our ownership policies and practices. If and Mandatum Asset Management Ltd had an asset management agreement, under which certain investment decisions, within the framework of If's Investment Policy were outsourced to Mandatum Asset Management Ltd¹⁰. The investment philosophy of Sampo Group is to invest directly in individual companies' shares and debt instruments. These companies are carefully studied before any investments are made, and ESG factors are considered along with other factors that might affect the risk-return ratio of separate investments.

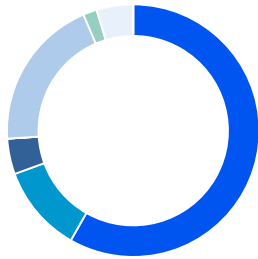
If's investment policies include instructions on how to take ESG issues into account by using an internal ESG traffic light model. The traffic light model is based on ESG risk ratings provided by an external data provider. The ESG risk rating is a two-dimensional materiality framework that measures both a company's exposure to ESG risks and how well the company is managing those risks. The rating distinguishes between subindustries, and adjusts the assessments based on company-specific factors, such as product/business line, financial strength, geographical exposure and the track record for related incidents. Based on the risk ratings, If classifies investment objects into the following risk categories: low risk, medium risk, high risk and severe risk.

As a complement to risk rating, sector-based screening is also used – i.e., screening to identify and make decisions regarding companies that are involved in certain industry sectors and in the production and distribution of certain products and services. Certain industry sectors can be considered sensitive or controversial from an ESG perspective. If has identified the following sectors as sensitive: adult

⁹ The number of referrals represents how many cases we have had. If only our client has a rating, this constitutes one case. If only a global ultimate parent company has a rating, this constitutes one case. However, if both our client and the global ultimate parent company have a rating, we have calculated this as one case (and not two cases)

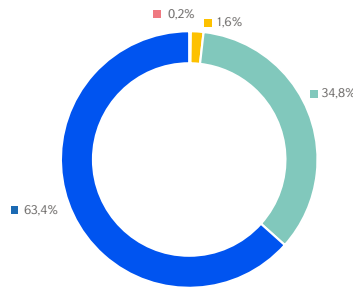
¹⁰ Until 1 October, 2023, If and Mandatum Asset Management Ltd had an asset management agreement according to which some investment decisions, within the framework of the Investment Policy, were outsourced to Mandatum Asset Management Ltd. As of 1 October, 2023, If has an asset management agreement with Sampo plc.

Investment allocation by sector 2023-12-31



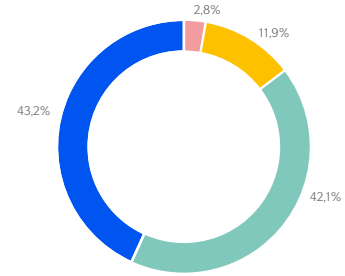
58.2%	Other Fixed Income
11.2%	Equities
4.6%	Government Bonds
0.01%	Private Equity
19.5%	Covered Bonds
1.8%	Money Market
4.7%	Municipalities
0.00%	Real Estate

Investment allocation according to ESG risk rating categories – If portfolio



0.2%	Severe Risk
1.6%	High Risk
34.8%	Medium Risk
63.4%	Low Risk

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



2.8%	Severe Risk
11.9%	High Risk
42.1%	Medium Risk
43.2%	Low Risk

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

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entertainment, coal, controversial weapons, gambling, military equipment, oil and tobacco.

If also uses norm-based research – i.e., research that assists investors in making decisions regarding companies' adherence to international norms¹¹ concerning environmental protection, human rights, labour standards and anti-corruption.

If a sustainability risk is identified, additional research must be conducted, and the investment will not be allowed unless special permission is provided by If's CFO. The ESG risk ratings, sector-based screenings and norm-based research are monitored and followed up monthly, whilst pooled engagements are followed up quarterly, and a detailed report is presented to the Investment Control Committee (ICC). The information is also reported to the

Board of Directors on an annual basis. In 2023, 19 cases were sent to the ICC chairman for approval, due to possible sustainability risks. All investments were allowed, with conditions, after additional research had been conducted.

As an active and responsible owner, and in addition to direct dialogue and voting, If also engages with companies through pooled engagement with other investors, if it is believed that this can be an effective means of achieving a desired change within the investment company. Reasons for engagement include breaches of international norms and standards. This information is obtained using norm-based research. As a measure of last resort, the investment might be sold, if the 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 2023, we reviewed eight potential engagements, and participated in seven pooled engagements.

As of January 2023, If has developed a separate Responsible Investment Policy¹², which expands the scope of the responsible investment processes and will increase alignment across the Sampo Group. In the policy, both current and new investments are covered by the responsible investment processes, and clearly defined responsibilities of the various parts of these processes have been included. Also, the industries that are considered to be sensitive and the tolerance levels for these sectors have been reviewed and slightly updated. Exemptions can, however, be granted for some sectors if the company has a credible strategy to transition to a more sustainable business model, and

¹¹ 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.

¹² The responsible investment approach used to be an appendix to the Investment Policy. The Responsible Investment Policy is available on https://www.sampo.com/globalassets/sustainability/investment-management-and-operations/documents/if_responsible_investment_policy.pdf

In December 2023, If's near-term science-based emissions reduction targets were approved by the Science Based Targets initiative (SBTi).

the policy includes examples of such credible strategies.

In December 2023, If's near-term science-based emissions reduction targets were approved by the Science Based Targets initiative (SBTi). If is a financial institution and developed targets in accordance with the sector-specific guidelines for the financial sector, which includes setting climate targets for investments (see Commitment to society, page 60). The targets will be integrated into the Responsible Investment Policy in 2024.

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 for responsible sales practices, which means that the sales staff involved in the distribution of insurance contracts undergo comprehensive training in this area.

We focus on ensuring that all customers are fairly and correctly insured, and that our services for handling insurance are easily accessible. We are continuously developing and improving the control mechanisms and follow-up routines related to information about insurance products and services, as well as marketing communication. Within If's remuneration structure, fixed compensation represents a sufficiently high proportion of the total remuneration to avoid employees being overly dependent on variable compensation and to ensure that we are acting in the best interests of our customers.

Information security and data privacy

Information security and data privacy are crucial to our business operations. Our services are increasingly digital and need to be provided quickly, effectively and reliably at all times. If has a comprehensive information security governance system, including risk management and reporting structures, and an independent Information Security function headed by the Chief Information Security Officer (CISO). In 2023, the most significant area of focus was the EU's new Digital Operational Resilience Act (DORA). Related investments were made to strengthen If's digital security and resilience, in particular the areas of workstation and server security, identity and access management, security anomaly detection and threat intelligence, security testing, and IT continuity planning. We ran several crisis simulations with various parts of the business organisation, and disaster recovery tests with the IT organisation. This has further strengthened If's capability to detect, mitigate and respond to cyber threats.

If is required to report all severe information security incidents to the Swedish and Estonian Financial Supervisory Authorities (FSAs). In 2023, no events were reported to the FSAs.

The Data Protection Office (DP Office) is an integral part of the organisation and ensures that data protection rules are respected within If, in cooperation with the data protection authorities. In 2023, the DP Office continued to further enhance data protection within If by raising awareness, providing training, giving advice and monitoring

If's compliance with data protection rules and principles. One important task for the DP Office is to support the carrying out of data protection impact assessments and to provide advice in this regard. During the year, the DP Office gave advice on data protection impact assessments on several occasions, and provided training activities on the topic. In 2023, the One Responsible If e-course was updated, based on feedback and identified needs for developing awareness of employees. The DP Office continued its monitoring to ensure that all processing activities relating to personal data are transparent and duly documented, and respect the rights and privacy of customers and employees. Other activities have included advising and supporting functions and projects on the principles of processing personal data, as well as ensuring the interpretation or application of the processing principles. Throughout 2023, the DP Office continued its efforts to ensure that, whenever necessary, personal data breaches are efficiently and effectively reported without delay to the Swedish Data Protection Authority, as well as ensuring that If takes appropriate measures to resolve any such incidents. In 2023, If reported 22 data breaches to the Swedish Data Protection Authority.

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

Employees

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

Commitment to our employees

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

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

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

① Providing a healthy, safe and attractive work environment

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

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

If has approximately 4 million customers, and sells and renews approximately 10.4 million insurance policies and handles more than 2 million claims every year. The company's success is entirely dependent on

employees delivering top-class professional insurance services in all customer interactions.

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

Furthermore, the importance of having great people, a strong company culture and a first-rate work environment where employees can impact their growth

opportunities is central to the continued people-engagement on which we are so dependent.

Digitalisation continues to transform the insurance industry, impacting both insurance products and services as well as internal ways of working. The past years' focus on building culture and engagement has proven to serve If well as the organisation has remained stable despite the changing world around us. Having a supportive and inspiring culture and the capability to adapt to a changing market is the best way of ensuring that we build a resilient organisation where people put their hearts into their work, and where we continuously stay ahead.

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

New employees*

Country	2023	2022	2021
Denmark	64	112	77
Estonia	78	80	58
Finland	201	240	197
Latvia	86	120	86
Lithuania	29	29	16
Norway	214	212	218
Sweden	413	474	389
Other	147	93	58
Total	1,232	1,360	1,099

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

Number of employees*

Country	2023	2022	2021
Denmark	582	596	574
Estonia	462	418	386
Finland	1,898	1,817	1,721
Latvia	518	492	429
Lithuania	176	161	149
Norway	1,642	1,592	1,549
Sweden	2,457	2,402	2,340
Other	213	152	140
Total	7,948	7,630	7,287
% of employees on temporary contracts	1.3**	1.3	1.5

* Full Time Equivalent (FTE) as at 31 December

** Temporary contracts for women 0.87 percent and temporary contracts for men 0.43 percent

Full and part time employees

	2023	2022	2021
Full time	7,549	7,273	6,904
Part time	399	357	383
Total	7,948	7,630	7,287

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

In 2023, If continued the journey towards establishing a hybrid way of working. Although a significant physical presence at the office is promoted as providing a necessary foundation for collaboration, innovation and building culture together, If's employees also have an increased flexibility and freedom to decide where to work, as stated in If's Guidelines for Flexible Work. If continuously initiates measures that support and further optimise, the hybrid workplace.

A significant increase in office presence was enabled by engaging leaders and employees through social events, townhall meetings and knowledge sharing occasions, promoting the value of meeting in person. There have been local events and business-specific events to recognise and inspire each other, as well as certain local investments and office renovations to improve the workplace experience.

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)

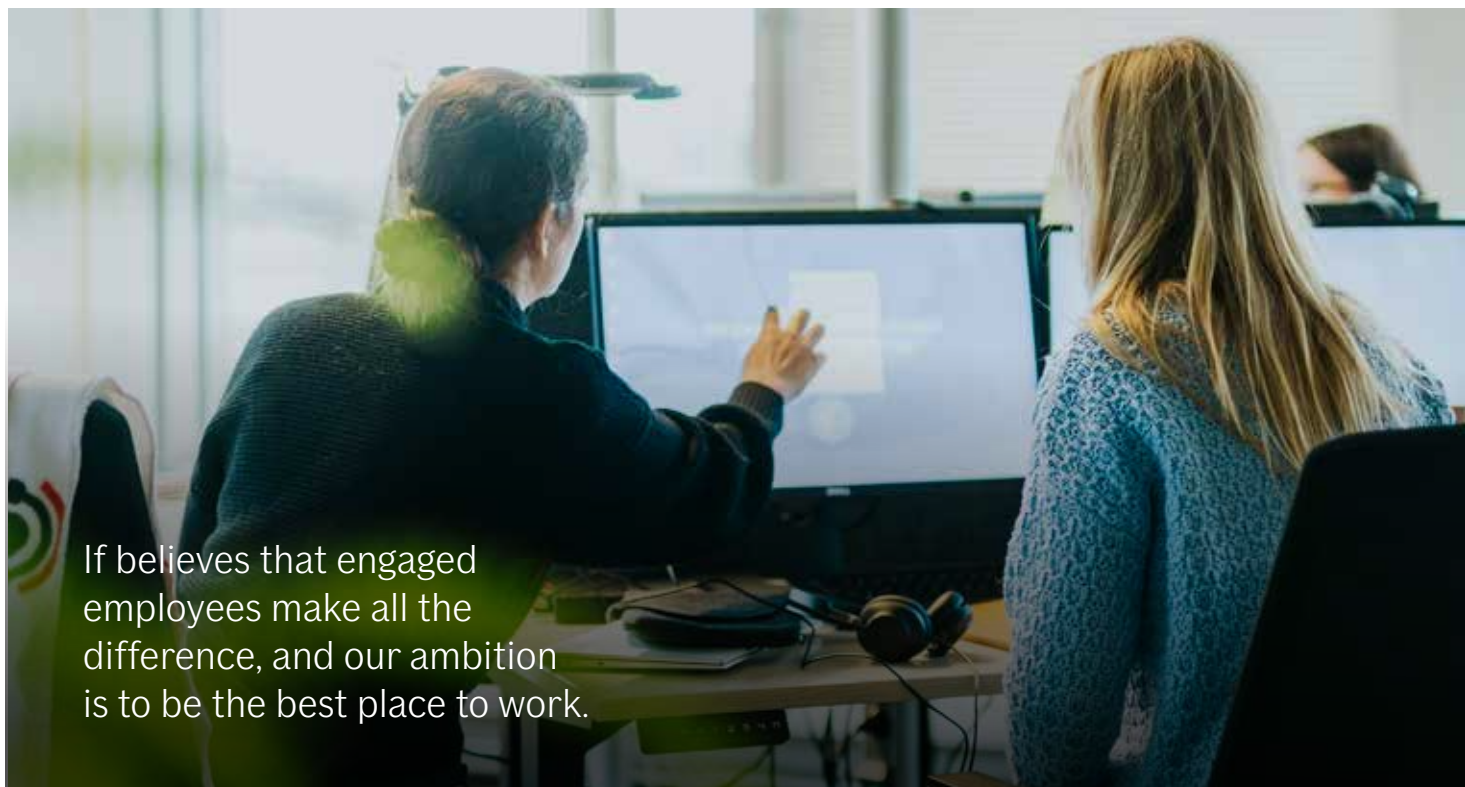
Policy, which states that the company should offer a respectful and nurturing work environment, where all employees have the right to good leadership and adequate competence development. It also highlights personal accountability and acknowledges each employee's own responsibility for professional development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

The Ethics Policy states that all employees must treat each other with respect, trust and compassion, and shall actively work to combat all kinds of discrimination, harassment and bullying. The Diversity and Inclusion CEO

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

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





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

If Office Tallinn

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

processes and work environment to prevent them from occurring again.

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

On the intranet, there are links to If's incident and accident reporting tools, which are accessible to everyone with an If computer and user ID. The purpose of each tool is defined to ensure the efficient management of relevant actions for cases such as IT incidents, personal data breaches, suspicion of fraud, suspicion of money laundering, threats and harassment. 'Oops business

incident' is a channel for collecting statistics, as well as for identifying and following up on risks, and is therefore the main database for all reported business incidents that have or could potentially have had a negative impact on If's operations, financial position or customers, the public's confidence in If, or the safety of If's employees. The tool is owned by the Compliance and Risk Management functions, who assess incidents from an Operative Risk and Compliance perspective, while coordinators for each function or business area assess the severity of each incident, issuing timely and relevant control measures based on the information and metrics provided. All issues are managed according to applicable procedures by the employee and leader, with the support of HR, if needed. Cases relating to ethical breaches are also reported to the Ethics Committee, which meets four times per year. In 2023, a total of 771 incidents were reported via Oops, of which 24 were reported to the Ethics Committee.

If's employees are the most important source of insight into possible misconduct or irregularities. If therefore

offers training on the purpose and correct usage of the incident reporting tools, to promote reporting as an opportunity to proactively identify tendencies and risks, which enable If to avoid or minimise potential risk or injury. Employees are primarily encouraged to report openly, either in their own name or confidentially through their leader, but If also offers the opportunity to report anonymously through the whistleblowing system ‘WhistleB’, which is managed by an external party. WhistleB is also available to individuals outside If, through If’s website.

The incident and accident reporting tools are developed in accordance with If’s policies, to ensure an open and trusting climate that is consistent with If’s culture and values. The annual psychosocial work environment survey topics, ‘I am able to voice a contrary opinion without fearing consequences’ and ‘I believe disputes and conflicts are handled in a good manner in my work environment’, help to assess the willingness to openly voice opinions and misconduct, and whether the available reporting tools are fit for purpose. The results of the 2023 survey remained stable, indicating that employees usually know how to report incidents and show willingness to do so.

Close cooperation with employee representatives

If cooperates with the labour unions, as stipulated by law and collective bargaining agreements. Based on the European Works Council’s stipulation, If has established a Communication Council, where representatives from top management and unions meet quarterly to address topics concerning more than one country or business area. If also has forums at business area level, where senior management regularly meet with Nordic union representatives to proactively share information and

discuss business development. Based on local co-determination requirements, If has also established national cooperation forums to handle local issues.

In Finland, 91 percent of the employees are covered by the collective agreement, whilst in the other Nordic countries, all employees except management are covered¹³. 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, 85 percent of all If employees in all countries of operations are either represented by an independent trade union or covered by collective bargaining agreements.

If follows local regulations, thereby respecting the freedom of association, and If’s business processes are designed to ensure equal treatment regardless of unionisation, in accordance with the employees’ constitutional rights. In the applicable countries, information about trade unions is available on If’s

Risk assessments are performed at all If offices, and any incidents and risks that are detected are handled accordingly and reported in the relevant incident reporting tool.

intranet and in the introduction for new employees. All employees are provided with information stipulating the employment conditions that are applicable for, for example, health and safety, remuneration, working hours, work-time flexibility, training and competence development, employability/life-long learning and equal opportunities.

If strives to ensure a constructive and trustful dialogue with employees and their elected representatives

for the purpose of developing If and safeguarding the correct treatment of all employees. Through If’s Supplier Code of Conduct (see Commitment to our customers, page 14), If ensures that suppliers or other counterparts who have substantially neglected their obligations to their business partners, employees or the general public will not be engaged. If therefore also respects the rights of contingent workers in If’s operations.

If has mandatory national work environment councils based on the country’s legislation and practice, and local work environment committees. The work environment councils and committees have statutory responsibilities, and their duties include monitoring the work environment, developing health and safety procedures, and ensuring a high quality of physical, mental and psychosocial well-being at If. The duties of the work environment committee, the election rules, the number of participants, the mandate and the decision-making procedures are regulated by national work environment law or by country-specific co-determination agreements.

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

frequency vary, based on whether the committee is established per each office or at a national level. On average, the national committees meet four times per year, and the local committees meet more frequently. The mission and mandate of a local committee differ from those of the national committee, and the tasks are of a more practical nature, such as conducting regular safety inspections. If provides the committees with a standardised checklist for safety inspections. If any immediate danger is detected, the



If Office Riga and Vilnius



If Office Espoo, Photo: Laura Hyttinen

safety representative has the authority to suspend work until the employer has resolved the situation.

Strengthening the One If culture

If is dependent on the existence of a great company culture with engaged employees. This requires a healthy and safe work environment for all employees, which includes physical safety, concerning issues such as ergonomics and well-functioning workspaces, as well as psychological safety, concerning issues such as reasonable workload, good leadership, development opportunities and the non-tolerance of discrimination and harassment. The basic building blocks of a sound work environment and company culture include having clear and well-known purpose statements and

values, along with our vision of becoming the most caring insurance company. A strong company culture is also vital for attracting and retaining skilled employees.

The cultural aspect of One If aims to enable a clear direction and clarify responsibilities for key activities that support our culture-building journey. In 2023, the main culture-building initiative was the delivery of the highly appreciated company-wide Leadership Compass Program, which engaged more than 1,000 leaders over the course of nine months. Furthermore, If has continued to promote diversity, equity and inclusion through a number of corporate level decisions, workshops and events. During 2023, there was an increased focus on optimising the collaborative methods across If and its business areas, to create additional

opportunities for learning and knowledge sharing. If also continued to work on the One If operating model by including the Baltics and establishing joint ways of working, thereby further developing our customer offering.

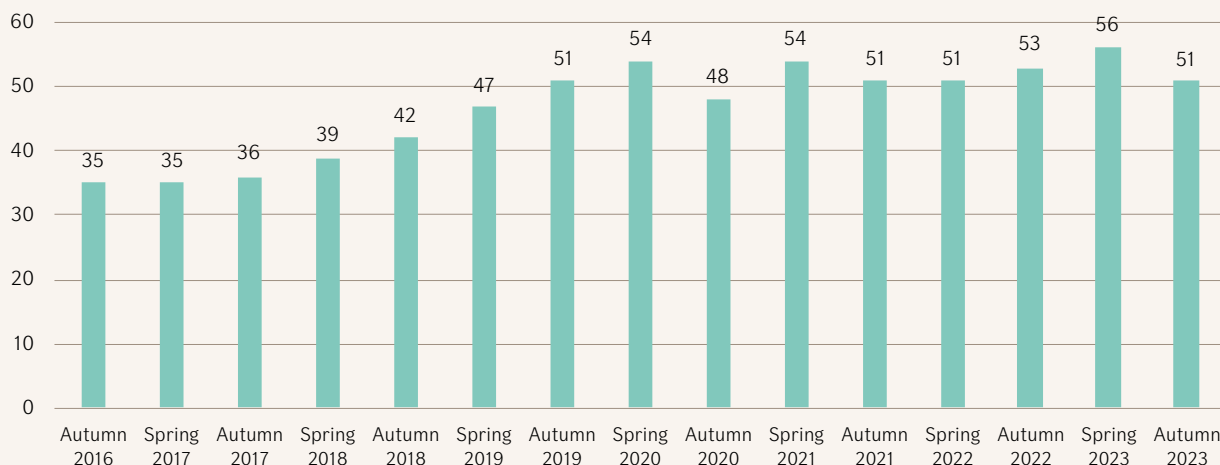
Measuring and working with people engagement

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

Through the bi-annual survey HeartBeat, If conducts a company-wide engagement and culture survey, with an additional focus on the physical work environment in the spring which covers both office and remote work, and a focus on the psychosocial work environment in the autumn. By targeting the factors related to psychosocial workload, we strive to

Employee engagement* 2016-2023

Target >50



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

Employee turnover* (%)

Country	2023	2022	2021
Denmark	16.1	15.3	14.8
Estonia	6.8	10.8	9.1
Finland	6.1	8.7	8.4
Latvia	8.3	9.2	8.5
Lithuania	8.0	8.8	11.8
Norway	8.8	11.0	9.7
Sweden	14.1	16.2	12.5
Total**	11.1	13.0	11.0

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

Employee turnover (%), 2021-2023

Target	2023	2022	2021
<12	11.1	13.0	11.0


ensure well-being, diversity, equity and inclusion, and to reduce sickness and employee turnover. The results provide a basis for the ongoing working process that focuses on engagement at a team, unit and company level.

One measurement in HeartBeat is the Employee Net Promoter Score (eNPS), and If’s target is that the eNPS should be 50 or above. In the spring 2023 survey, the target for engagement was exceeded (eNPS 56) and the score remained above target in the autumn survey (eNPS 51). A decrease in the figures was considered likely, as the results had increased steadily in the previous two years in light of investments in employee engagement initiatives. Due to peaks of extreme weather and related claims management during 2023, the affected employee units within Claims faced a higher workload and thus, a tougher working climate. Leaders are trained on the purpose of the survey, and how to discuss and share the results with their team, in order to take relevant action to ensure stability or to reach agreement on development areas. Furthermore, data on an aggregated level is used by management teams as input into organisational development processes. Increased insight into work-life conditions enables us to adapt our working environment to better care for our employees.

Employee turnover and recruitment

By the end of 2023, the total number of employees had increased by four percent compared to the previous year. This increase was primarily in Finland and the Baltics, as a result of If’s strategy to invest in recruitment in these regions. The two largest offices across If now house over 1,000 employees each, while the increase in specific business areas is connected to meeting customer needs, improving large-scale sales capacity in certain markets and refining existing IT solutions. During 2023, the Danish organisation was restructured to ensure increased efficiency and cost control. Employee turnover at If is monitored on a monthly basis, both by country and by business area, and this forms part of management reporting. The target for 2023 was to have a total employee turnover of below 12 percent by year end, and this target was met (11.1 percent).

The decrease in turnover during 2023 is partly explained by the general tendencies noted across our markets, indicating that employees have valued staying in a secure employment, and If has focused efforts on retaining employees. The most significant differences were noted across the IT and Claims functions, followed by the



Right to celebrate one's own traditions

In 2023, we made an exceptional decision to offer our employees the option to substitute a public holiday with one that aligns with their individual cultural or religious beliefs.

Merja Koistinen, President of the If Union team, and Marketta Helokunnas, Head of Nordic Employment Relations and HR Compliance, together in If's office in Espoo, Finland.

Many of our public holidays are related to the church year in the country in which we work. In a multicultural organisation, this potentially limits equal opportunities for all employees to celebrate the holidays that are significant within their own culture or belief system. At If, we value the diverse backgrounds of our employees and aim to create an environment where everyone feels comfortable being their true selves. For these reasons, If has taken a pioneering step to allow employees the flexibility to honour their own cultural and religious holidays.

– At If, we are proud to be an increasingly diverse organisation with individuals from various backgrounds. Diversity enriches us, but with it comes the responsibility to acknowledge the unique aspects that are significant to individuals with different cultural backgrounds, explains Marketta Helokunnas, who is Head of Nordic Employment Relations and HR Compliance at If.

– The right to celebrate one's own traditions and holidays is important in the promotion of an inclusive work culture.

Adding freedom of choice

We have already encouraged employees to take time off during the holidays that are important to them as part of their own culture or religion, and leaders at If are expected to grant leave during significant cultural holidays, even if they are not celebrated nationally in the country in which the employee works.

In 2023, we started to investigate the possibility of changing our company policy so that employees would be able to exchange a public holiday with one from their own religion or culture.

– This required a comprehensive analysis from both a business and legal perspective. Despite the additional work, company management has been committed from the beginning. We then started local agreement negotiations with trade unions, explains Marketta.

– As employee representatives, we were supportive from the start of this employer initiative to establish local agreements concerning holiday swapping. I really appreciate the culture at If, which respects diverse life values and promotes inclusivity. We are truly committed to fostering an increasingly equal working life, says Merja Koistinen, who is President of the If Union team.

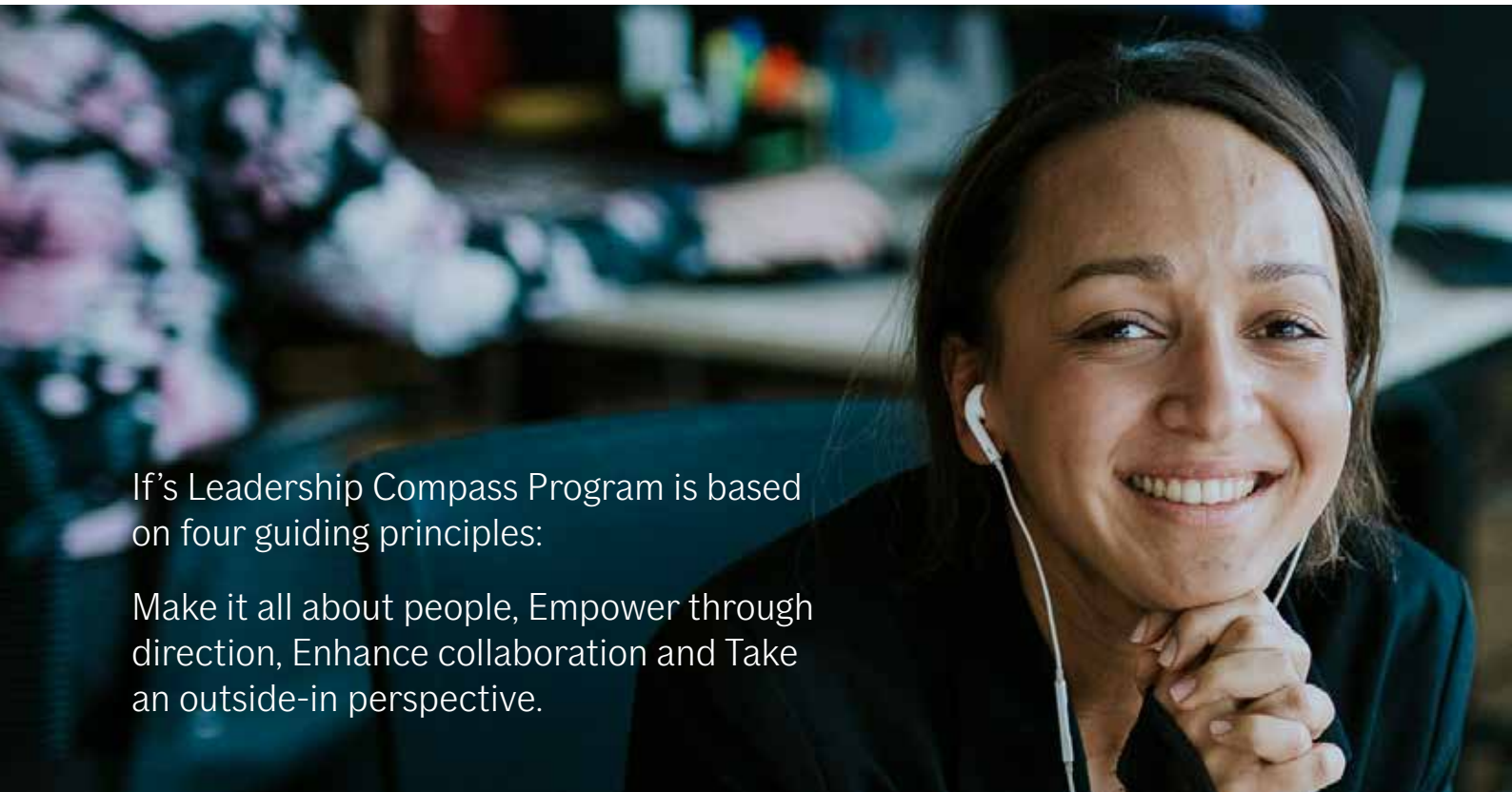
A pilot programme will begin in 2024

To test the right to celebrate-initiative, we will pilot it throughout 2024 and gather insights and experiences within the organisation. This year, employees can choose to work on Good Friday, Easter Monday or Ascension Day, and take a different day off that aligns with their cultural or religious beliefs. These three days were chosen because they occur on the same day of the week every year.

This year, employees can choose to work on Good Friday, Easter Monday or Ascension Day, and take a different day off that aligns with their cultural or religious beliefs.

– Employees can freely choose which culturally important days they want to celebrate: the freedom of choice is not restricted to religious days, explains Marketta and adds:

– We are excited to see how many employees will exercise this option to celebrate their culture or religion. The initiative has already attracted the interest of our employees and has received positive feedback – especially from teams with diverse backgrounds.



If's Leadership Compass Program is based on four guiding principles:

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

Baltics. Data on turnover is part of monthly reporting to ensure a timely response and relevant measures.

In general, higher turnover is primarily connected to the customer centres, and If works actively to appropriately address areas of concern. In one of the affected units, If embarked on a cultural transformation journey to identify the root cause of people leaving and addressing this with targeted initiatives, which have contributed to a steady improvement in recent years. To understand the reasons behind voluntary employee turnover, If performs exit interviews and analyses the results in order to identify tendencies and development areas in, for example, the recruitment process, the onboarding, the internal mobility opportunities, and the performance and follow-up processes regarding absence due to illness.

During 2023, If continued to improve talent acquisition practices, including defining an updated employer value proposition along with a new communication concept. If continued to ensure visibility among all main

target groups and conducted several employer branding campaigns. If continually invests in the sourcing of new talent through trainee programmes. In 2023, If recruited 16 new trainees within Analytics, Controlling, IT and Underwriting, as well as 19 new summer interns within various areas, which is an increase in number of available summer internships offered compared to the previous year. Further initiatives to structure and strengthen the recruitment process and toolbox have been made in the form of internal education, improving the tools used for background checks, investing in more inclusive test tools, updating the recruitment process according to new legal requirements, strengthening the talent pipeline, developing new trainee programmes, offering in-house recruitment support within IT, and handling all volume recruitment in the customer centres and claims centres. As a response to the increased recruitment needs, the Talent Acquisition team expanded its scope in order to offer specialised support to the business, which in turn decreased recruitment costs.

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. The Leader Onboarding programme equips new and existing leaders with the relevant tools and knowledge they require throughout their leadership lifecycle, and complements all other leadership training within If. It consists of several modules and seminars concerning leadership practices, culture, compliance, legal requirements, and people processes, which are offered in their first year of employment, and are made available to all existing leaders. The materials were reviewed and improved during 2023, to signify a clearer ownership of each module, and to offer appropriate educational formats depending on the leader's previous leadership experience. The

Principle #1

Make it all about people



- Build genuine relationships
- Foster psychological safety
- Be open to feedback

Principle #2

Empower through direction



- Set and communicate a clear direction
- Coach for development
- Empower by giving mandate

Principle #3

Enhance collaboration



- Establish networks
- Make knowledge sharing a priority
- Promote cross-functional collaboration

Principle #4

Take an outside-in perspective



- Stay updated on market trends
- Seek customer insights
- Set ambitious goals

new materials were first introduced in the Nordics, and certain portions may be integrated with the Baltic training concepts as a next step. As part of the programme, six New Leader in If onboarding seminars were arranged in Sweden, Norway, Finland and Denmark.

The HR organisation, consisting of approximately 130 employees, partakes in regular skills development and knowledge-sharing on HR topics, to adequately support the organisation in navigating change. Leaders are in turn offered support in managing current themes, through the New Leader Forums. Topics during 2023 included trainings on ‘Salary setting in uncertain times’, and ‘Employer branding’. Upon request, HR trains leaders and their respective teams using EASI personality tests in the Nordics. This is a methodology that determines preferred working methods and communication styles among team members, to strengthen the team’s collaboration, effectiveness, and performance.

To further embed what Leadership the If Way means, all leaders are obliged to partake in If’s Leadership Compass

Program, which has been offered to all formal leaders and certain leaders without direct reports, since its launch in 2022. The Leadership Compass Program is a significant investment and statement that enables all leaders to support and motivate their teams in a way that contributes to engagement in a common direction towards the fulfilment of If’s vision. This modern and inclusive leadership concept is based on four guiding principles: Make it all about people, Empower through direction, Enhance collaboration and Take an outside-in perspective. These principles are closely tied to If’s core values and strategy framework. The Leadership Compass Program highlights key aspects of leadership that will support If’s culture journey during the coming years, and the investment has resulted in an improvement of all the behavioural factors in the If leadership principles. Together, the participants devoted approximately 40,000 hours over the course of nine months, and received more than 4,000 hours of individual coaching, which enabled leaders to assess and identify strengths and development areas in a trusted partnership with a professional coach

outside of If. This was a great asset in challenging and motivating the leaders on the personal development journey of their leadership, while applying and anchoring the learnings in their daily leadership roles.

Although much of 2023 was dedicated to the Leadership Compass Program, investments are made each year towards the development of leadership by means of targeted programmes in the business areas. For example, the Claims organisation conducted a leader programme consisting of modules relating to operational excellence, value creation and digital visualisation. The agile transformation that encompasses both the Private and Commercial business areas, as well as IT and Marketing, has created new roles and new requirements for leadership skills and people processes. Two important initiatives towards the building of future technical skills were delivered through the Tech that Matters event and the AI days, which were arranged during the second half of the year. During 2023, the learning materials were reviewed based on feedback collected from the first year’s participants. The

Absence due to illness (%)

Country	2023	2022	2021
Denmark	2.1	1.9	2.5
Estonia	1.8	2.0	1.5
Finland	2.9	3.3	2.9
Latvia	1.4	1.4	1.3
Lithuania	0.6	0.8	0.7
Norway	3.8	4.7	3.8
Sweden	3.5	3.8	3.7
Total*	3.1	3.5	3.2

* Including all countries of operation.

Absence due to illness (%), 2021-2023

Target	2023	2022	2021
< 3.0	3.1	3.5	3.2

next Leadership Compass Program is scheduled for January 2024, which will be offered to new leaders, while those who completed the program in 2023 will have access to the Leadership Library in order to keep developing their leadership skills and be invited to two Leader Forums during 2024 which address themes in line with the Leadership Compass.

Promoting health and wellbeing

As an employer, If has overall responsibility for health and wellbeing. The Ethics Policy states that If seeks to ensure a healthy and safe work environment for all its employees. Furthermore, the Leader in If Business Instruction states that creating and sustaining a healthy workplace requires a shared approach, involving employees, leaders, HR and union representatives.

If's benefits package aims to promote health and wellbeing. Depending on local regulation, employees are offered comprehensive health insurance¹⁴ that covers both illness and accidents. In addition, employees also have the possibility to contact the occupational healthcare provider or other vendors and suppliers for work-related medical, psychological, and ergonomic advice. The service offering varies, depending on local legislation and common practice. If uses the intranet and other internal channels to share information about health-related benefits, services and initiatives.

Many employees at If have the opportunity to work flexible hours, and, in most countries, If also offers possibilities for part-time arrangements for employees with young children, employees close to pension age, or on the basis of individual social or health-related reasons. Employees are also entitled to take leave to care for sick children; the required circumstances and number

of days offered vary from country to country. In certain countries and based on market practice, If offers financial support beyond legal requirements for parental leave. Moreover, employees can also request short-term or long-term leave for studies, and some countries offer leave for elderly care. Shorter periods of leave are offered when moving homes, or for marriage and family reasons, for example.

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

If's goal is that absence due to illness shall not exceed 3 percent. In 2023, If saw a decrease in sick leave to 3.1 percent and the target was nearly met (3.5 percent in 2022). Employees do not register the reason for sick leave due to integrity reasons, however, leaders follow-up on illness to ensure employees are offered the support they are entitled to. During 2023, reporting and insights were improved to enable more proactive management of work environment factors which

tend to be linked with illness. The cooperation between the Nordic and Baltic organizations was also improved during 2023, to ensure a global coordination of the health area.

At If, mental health is a top priority. The work environment and how the work is organised have a direct impact on mental health, which is why If has a preventive approach in all countries, focusing on improving both physical and psychosocial wellbeing. This includes risk identification where both work-related and non-work-related health risks are considered. Employees with mental health issues are offered a low threshold coaching service, through either occupational healthcare or other health advisory services. The service is offered without cost for the employee and since its introduction in Finland in 2017, it has been implemented in additional countries. It is regarded as an appreciated offering by the employees who have utilised the services. Statistics on absence or illness due to mental health are not reported separately, for data privacy reasons.

In the Nordic countries, dedicated health partners work systematically to develop and communicate tools related to well-being for both employees and leaders, partly focusing on their respective country, but also scaling relevant efforts to apply to everyone. In 2023, If arranged wellbeing weeks in all countries. On these occasions, employees could listen to expert guest speakers, meet different health providers in our offices, gain new insights, and challenge themselves by participating in a well-being bingo that encouraged new healthy habits and routines.

The New Leader in If training includes information on how to detect and act on early signs of health issues. During 2023, the training materials were further developed by the health partners to ensure that they support

leaders in understanding and acting on potential work environment issues.

Since 2022, questions on psychological safety have been covered in the annual HeartBeat survey, in order to better understand which factors might contribute to an employee's ability to take interpersonal risks without fear of consequences for their self-image, career or status within the workplace. With increased analytical possibilities, If and health partners are able to design relevant materials to facilitate the discussion between HR, leaders and employees in units with low results. The results of the 2023 survey indicate that, while the results suggest a high sense of inclusion among all If employees, significant differences emerge when examining the data by demographic groups. Specifically, there are notable variations among employees identifying as one of the two ISURG (If Specifically Underrepresented Group), in comparison to employees who do not consider themselves as part of the ISURG. It was also noted, that despite employees reporting a high sense of psychological safety, responses for themes such as job demand and control remain low. This suggests that further examination of the context and relationship between psychological safety and other areas is necessary.

Securing people and skills for the future

'Securing people and skills for the future' is an important building block in the People & Culture strategic foundation. If strives to have the best professionals in the insurance industry, and as we live in a world of constant change and increasing customer expectations, we need to secure skills for the future in order to stay ahead.

Investing in skills development will continue to be in focus going forward. The People and Skills strategy will define the elements of a One If culture,

Internal courses provided to employees in 2023

Name of course	Completed courses
Anti-Money Laundering	7,101
Challenging unconscious biases and promoting inclusion	670
Competition law	1,005
Conflicts of interest	8,953
Data Privacy	8,340
Dealing with ethical dilemmas	14
Ethics - it is simply right to do right	8,456
Fraud awareness	4,182
Information Security	687
Insider training	87
Right and Wrong at Work	913
Sampo Code of Conduct	152
Sustainability	8,340
Why Compliance	714
Why Security	8,326
You are If	733
Total	58,673

Number of courses offered and hours spent on training

	2023	2022	2021
Courses offered	1,914	1,567	1,257
Individual employees	9,059	8,880	7,571
Hours spent on training	93,309	54,333	40,628

focusing on learning, growth and feedback. During 2023, If further developed the people processes concerning performance, career development, and reward and recognition in order to better support our operating model. One key delivery was the new model for Growth talks which was piloted across several business areas and will be launched as a mandatory global process for all employees beginning in January 2024. The process will focus on identifying key skills and competence needs, as well as discussing the employee's individual growth and career development plans.

At If, there are fundamental principles for skills development and tools that target all employees. For example, If promotes and supplies relevant tools for regular feedback and development dialogues between employees and leaders in order to follow up on a particular situation, to establish the ambitions going forwards, and to formalise the agreed commitments in individual development plans. The general employee perception is also captured through the HeartBeat survey topics, 'My job enables me to learn and develop new skills', 'In my work I am always challenged to grow' and 'I see development opportunities within If'. The Workday Learning module provides all employees with corporate training, general learning paths and targeted skills development in various fields. Initiatives at corporate level focus on developing culture, providing compliance training, and fulfilling specific learning needs that are determined at company and unit level. Workday Learning enables detailed reporting and analytics, allowing leaders to follow up on the development activities of their employees. The quality of corporate training is also assessed through (for example) surveys, comments and ratings that are collected after each



If is an organisation that has ample job opportunities, offering employees the potential to develop both vertically and horizontally.

course, and this information provides valuable input for the design and development of training materials.

In 2023, the One Responsible If programme was completed by almost 94 percent¹⁵ of employees through Workday, as part of a mandatory introduction to If's responsible corporate culture and business practices. This high completion score indicates the relevancy of the format and content, which are reviewed each year to incorporate any adjustments made to the policies upon which the programme is based. The learning programme is a mandatory part of new employees' onboarding and an annual activity for all existing employees (except for those who are on leave

for the full year) and information about the programme is available on the intranet and promoted through system notifications and emails to spread awareness and promote a timely completion. The modules cover If's policies on Ethics, Sustainability, Security, Data Privacy, Conflicts of Interest, Preventing Money Laundering and Financing of Terrorism, and Reporting Incidents and Suspensions.

An If-wide Coming Together onboarding process for all employees was introduced in 2020. Since then, the monthly seminars have been offered either at the office or virtually, to all new joiners. The onboarding includes summer workers, and offers seminars in English to ensure non-native-speaking employees are given the opportunity to participate in this important culture-building seminar. During 2023, the structure, scope and content of the onboarding programme were reviewed to ensure a relevant introduction to If's business and core processes. In addition to the corporate onboarding, leaders arrange specific onboarding programmes that are designed in line with the role and the type of work the new employee will be performing.

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

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

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

Over the years, If has seen an organic growth of community-driven skills development opportunities. Employees have engaged in specialist academies, where they create their own learning paths according to their interests and professional needs. In 2023, a Senior Insurance Advisor programme was developed specifically for the Customer Centres, and the Application Programming Interface Academy was launched the year before. There are also more-established academies in place, such as the Analytics Academy, which in 2023 provided skills development within data management and analytics skills to almost 1,400 employees through approximately 3,200 completed courses since its

start. Furthermore, the Analytics Coaching group offers problem-solving and support in analysing data using different analytical tools. Almost 200 employees across If participated in the first internal digital event 'If Databricks Day', and 'If Tableau Day' attracted over 100 employees. The Finance Academy is a training programme in Workday that is available to any employee who is interested in understanding our key financials, value creation in insurance and risk management. Since its launch in 2021, over 600 participants have completed the five courses, which are offered in English.

With the transition to the One If operating model, many are working in an agile setup and require adequate training to support the change. The Agile Academy has approximately 1,500 members and is If's one-stop shop for learning about agile work methods. It is maintained by the Agile Center of Excellence, and, in 2023, over 750 employees across If participated in almost 40 courses, of which the most popular was a two-day class for Product Owner and Scrum Master and a full-day class on 'Mastering

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

As part of the development of operational excellence and new ways of working, investments were made in 2023 to further develop the agile concept. For instance, during three competence days, all employees who were part of an Agile Tribe were invited to develop core skills related to their area of expertise. Approximately 1,200 participants took part in actively selecting and creating content relevant for their own team's success.

In 2023, the People Development units that cover certain areas of the business continued to establish relevant processes to strengthen customer-centred skills development. At present, approximately 100 Business Learning Partners are in place. During 2023, If recruited an additional Competence Development Lead, and established a new team for IT Learning and Growth. While these decentralised full-time resources work





Securing diversity through the 'one final candidate principle'

How can recruiters avoid unconscious bias in hiring and ensure they select the best candidates for the job? How about evaluating candidates' deliveries without knowing who they are?

Head of IT and Group Services, Kjell Rune Tveita together with Noora Hyvätti, who is Head of HR Business Partners in Finland.

If is committed to ensuring diversity in senior leadership roles and has established a final candidate principle to ensure that If has leaders who have a broad understanding of other employees and of our customers. To manage this, If has implemented the 'one final candidate principle', which emphasises diversity in the leadership recruitment process to reinforce If's commitment to diversity, equity, and inclusion (DEI).

This principle is applied to appointments at the Management Group level and positions reporting directly to management members. This principle aims to ensure that the pipeline of candidates for senior roles includes at least one finalist who represents diversity in terms of gender identity, ethnicity or LGBTQ+ representation.

The goal is to create an inclusive workplace that harnesses the strengths and perspectives of a diverse team by deliberately seeking candidates with different cultural backgrounds, motivations, and experiences.

How do we ensure a fair assessment of a diverse candidate pool in IT?

Last year, If's IT did a reorganisation and Kjell Rune Tveita, If's Head of IT, and Noora Hyvätti, who is Head of HR Business Partners in Finland, led the recruitments that were connected to the reorganisation. The role of HR was to ensure that the recruitment processes were unbiased in terms of applicants' age, race, gender, religion, sexual orientation and other characteristics that did not relate to their talent, competence or job performance. To ensure compliance with the one final candidate principle, there had to be at least one finalist who, in addition to having the required skills, would also bring diversity to the team.

To reduce bias in recruitment processes, If's HR experts use specific tools to increase awareness and objectivity. Noora explains how the process works:

– Final candidates are asked to complete anonymous cases to ensure that no-one is overlooked. The results are then evaluated for the interview stage by senior management team members, rather than by the hiring manager. We use this anonymous hiring process to reduce the impact of unconscious bias.

In the process, If also ensures that job advertisements do not unintentionally discourage candidates from underrepresented groups from applying. Ensuring gender-neutral texts has been eye-opening for many recruiters, including Hyvätti.

– I have learnt that the use of certain words and expressions can lead certain candidates to withdraw or can deter them from applying. So, it's important that job adverts don't carry any restrictive or gender-centric terms, she explains.

The diversity principle works

– By adding the anonymous test to the recruitment process, we were able to not only gain an unbiased view of the candidates but also identify relevant topics for the interview itself, says Kjell Rune Tveita, who is Head of IT at If.

Interviewing still has its pitfalls, but to improve the process, interviewers and hiring managers receive training in diversity and unconscious bias to help mitigate these pitfalls and further humanise the process.

– We recognise that diversity is a vital asset in understanding the needs of our customers and driving the overall success of the business. Recent recruitments of senior managers from diverse backgrounds are strong evidences of our commitment to diversity in recruitment. We are pleased to have people with various backgrounds on board, says Kjell Rune.

Tips for recruiters

1. Make your job descriptions gender-neutral to ensure you attract diverse candidates
2. Train interviewers and hiring managers to recognise and mitigate unconscious bias.
3. Make sure that your culture and employer brand image are attracting diverse talent.

closely with the business, the People Development Board along with a global People Development Coordinator, have the responsibility to drive common Learning and Growth initiatives across If.

Besides formal training, much of the development takes place 'on the job'. If is an organisation that has ample job opportunities, offering employees the potential to develop both vertically and horizontally. This is done by posting job openings internally prior to any external advertisement, thereby securing growth opportunities for existing employees. In 2023, a pilot was launched in the IT organisation to explore internal mobility challenges and opportunities within If, with the aim of defining concepts that spark internal movement. During 2023, approximately 700 employees transferred internally between positions, thereby gaining new skills and competence, and If promotes job shadowing and mentoring in order to increase awareness of potential growth opportunities. If also fosters learning and development by offering paid and unpaid study leave. The form of the leave depends on the purpose, the length, and national regulation. An initiative focusing on Digital Employee Experience was established in 2023. The initiative will establish common ways for communicating and collaborating in If, as well as exploring common learning and growth solutions. The aim of the initiative is to increase proficiency and maturity levels in these areas.

Remuneration

Fair and competitive remuneration is essential for attracting and engaging competent people. At the same time, If has an obligation to ensure that we do not remunerate or evaluate employee performance in a way that conflicts with our duty to act in the best interests of the customers.

To avoid employees becoming overly dependent on variable compensation, the fixed salary shall represent a



If Office Tallinn



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

All employees, including top management, who participate in variable compensation programmes, have Environmental, Social and Governance (ESG) criteria linked to their goals. In 2023, one joint metric was customer retention, which concerns the customer turnover rate calculated according to the common practice in each business segment. In 2023, our joint objective for goal setting in the variable compensation programme for managers and key specialists (VCPM) has been to continue strengthening One If by delivering on our strategic foundations Customer, Risk, People & Culture and Sustainability. The underlying annual VCPM goal theme provides a common direction when setting team/individual goals, which shall be qualitative to ensure sound risk-taking and an appropriate balance between quantitative and qualitative goals. Both quantitative and qualitative criteria shall be used for assessing performance, where quantitative criteria include financial measures and where qualitative criteria include non-financial (such as sustainability, quality and efficiency) measures. A

significant portion of leaders partaking in the VCPM also have eNPS and leadership metrics in their annual goals. In addition, to be eligible for payment from a variable compensation programme, the employee must have acted in compliance with internal and external rules for the business.

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

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

The Remuneration Policy further describes If's procedures for avoiding and mitigating risk-taking and conflicts of interest. Persons who effectively

Since 2020, If has conducted an annual Nordic Equal Pay Analysis, and in 2023, significant preparations were made to include the Baltics in a global common process from 2024 and onwards.



Office Vilnius

Gender pay gap

Remuneration	2023	2022	2021
Fixed	0.82	0.81	0.81
Fixed and variable	0.79	0.79	0.79

The above gender pay gap figures describe the difference in actual paid compensation between men and women. The difference can be explained by factors such as position in the company, job tasks, responsibilities and leave of absence. If is committed to narrowing the pay gap through broad efforts such as training HR and leaders on the outcome of the annual Equal Pay Analysis, establishing a more diverse candidate pool, improving the recruitment toolbox, and thereby achieving a more gender-balanced recruitment in all hires.

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

Furthermore, to ensure fair and objective remuneration for employees, all decisions concerning individual remuneration made by a leader shall also be approved by the leader's leader (grandparent principle). Since 2020, If has conducted an annual Nordic Equal Pay Analysis, and in 2023, significant preparations were made to include the Baltics in a global common process from 2024 and onwards. The purpose is to identify, address and prevent unwarranted pay differences that may directly or indirectly be derived from gender. The model is designed to fulfil the local regulation of each included country. This approach and method is anchored with If's union representatives, and enables a standardised analysis, leveraging insights to further strengthen our ability to ensure fair and competitive remuneration in If. In the equal pay analysis, If investigates pay differences between men and women who perform

equal work or work of equal value. The aggregated results of the analysis are presented in If's annually produced Equal Pay Report, where gender salary measurements are compared to previous years' data and benchmarked towards the external market. The goal of the report is to offer a consistent metric for the assessment of progress over time. Moreover, the report also includes an action plan to adjust any unwarranted individual pay gaps and forms one part of If's active measures in accordance with anti-discrimination legislation. The active measures shall prevent all kinds of discrimination and promote equal rights and opportunities. If has a proactive approach to equal pay and continuously develops the related HR processes throughout the year.

HR Business Partners and leaders are offered training in equal pay methodology and the If job structure, which is the underlying framework used for identifying equal jobs and jobs of equal value in an objective and structured manner. This is in turn connected to salary data and external market data, to ensure a thorough analysis of If's salary setting criteria. Furthermore, If has anchored a common plan in preparation for the European Commission's Directive on Pay Transparency, and for adjusting annual processes for all If countries, to ensure compliance once the regulation is implemented in local legislation. ■

2 Diversity, equity and inclusion (DEI)

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

Our approach to diversity, equity and inclusion

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

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

Maturity model - identified focus areas:

Systems and Metrics:
strengthening a data-driven approach.

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

Employer Value Proposition and Communication:
ensuring inclusive communication.

Management:
tying diversity and inclusion to performance and rewards.

Since entering the Strategic stage of the DEI maturity model in 2022, If has been continuing to make good progress on the DEI roadmap, as related actions and initiatives are more frequently incorporated into everyday decisions and processes. Leaders are offered training to promote certain behaviours that will help to build more cohesive teams and create open environments. In 2023, If reached a foundational milestone within DEI, as most of the effort is initiated at management level in the business areas. With the support of HR, leaders are equipped with the knowledge to identify and address local challenges, which may manifest differently depending on the geographic location and cultural context. If has begun preparations to revise the DEI maturity model during 2024.

Since 2021, the perceived sense of DEI among employees has been measured using the HeartBeat survey. The goal is to achieve an outstanding perceived sense of inclusion, which is defined as at least 85 percent of employees agreeing or strongly agreeing with the statements related to inclusion. In autumn 2023, the average score was 87 percent. The results were examined in several demographic groups consisting of gender and ISURG (If Specifically

Full time employees per gender

Gender	2023	2022	2021
Female	3,945	3,785	3,604
Male	3,603	3,488	3,300

Part time employees per gender

Gender	2023	2022	2021
Female	294	274	292
Male	105	83	90

New employees per gender

Gender	2023	2022	2021
Female	651	677	574
Male	581	683	525

New employees per age group

Age group	2023	2022	2021
Under 30	540	596	513
30-50	581	642	505
Over 50	111	122	81

Annual turnover* per gender (%)

Gender	2023	2022	2021
Female	10.3	12.5	10.0
Male	12.0	13.6	12.2

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

Annual turnover* per age group (%)

Age group	2023	2022	2021
Under 30	23.6	24.6	20.5
30-50	9.5	11.0	8.9
Over 50	6.7	9.5	8.8

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

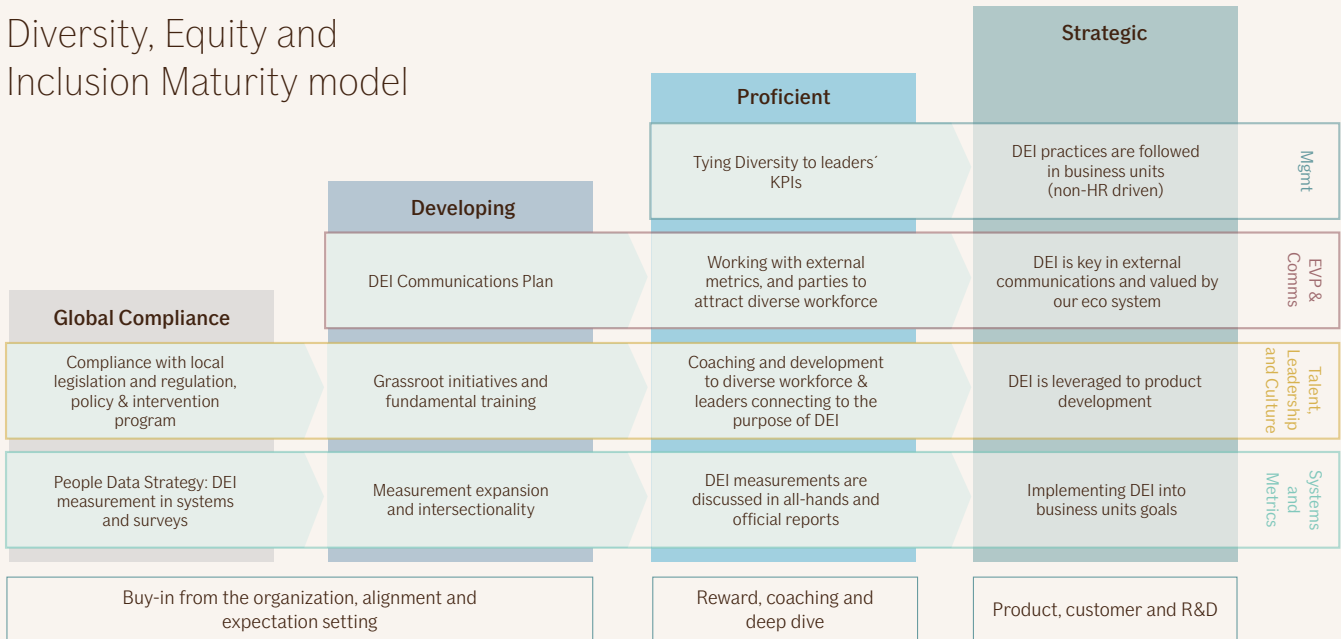
Perceived sense of inclusion*

	Target	2023	2022	2021
Men	>85	87	87	85
Women	>85	86	87	82
ISURG**	>85	77	79	80

* Average score HealthBeat survey

** If Specifically Underrepresented Group (ISURG)

Diversity, Equity and Inclusion Maturity model



Underrepresented Group, which encompasses employees who consider themselves to be a person of colour, a refugee and/or LGBTQIA+, and in 2023, an additional ISURG category for employees with neurodiversity and disability was introduced. Of the demographic groups in the engagement survey, men and women reported the highest average scores (87 and 86 percent, respectively), whereas the two ISURG groups reported the lowest average scores (both 77 percent).

The overall result exceeded the target in all but the following two statements: 'I am able to voice a contrary opinion without fearing consequences' (82 percent) and 'My diversity traits are a barrier to feeling included at If' (83 percent). The two ISURG groups generally reported the lowest results among the demographic groups. If actively works towards adjusting business processes to address these areas of improvement.

In the Employee Resource Groups 'Women@If' and 'Queer@If' If has established forums as a means to spread awareness and promote an open discussion among If's employees. The Queer@If group welcomes those who specifically identify as queer and operates in a closed Teams group to create a safe space and build an

important sense of community. Certain events are open to all, inviting interested employees to work together for a positive change within the company. During 2023, the Baltics appointed a resource to integrate DEI topics across the Baltic region, initially focusing on neurodiversity and disability.

Following a linguistic research study that was conducted among If employees in 2022, one concrete action was the development of an advisory forum in 2023 that shall work towards establishing principles for when to use English and when to use the local language. The aim is to act as a sounding board to identify relevant collaborators and focus areas across the business, and to communicate decisions made in this area. Any decisions shall be made with the main purpose of increasing inclusivity and efficiency. One initiative in 2023 was the introduction of local language courses as a means to equip non-native speakers with relevant skills in support of their cultural and societal integration into their new country.

Further, If acknowledges the importance of DEI in our policies and has initiated an expansion of the If Ethics Policy in line with this. In 2023, If also secured equity in our people processes and policies through, for example, enabling holiday swapping to support employees to

celebrate in line with their culture and religion. During the 2024 pilot, employees will be allowed to swap Ascension Day, Good Friday and Easter Monday.

Improving diversity in senior leadership positions

In 2022, If committed to achieving greater diversity in senior management by 2026, as we are convinced that this will increase the perceived sense of diversity within If as a whole. In support of this, If applies the 'one final candidate' principle, which implies that the top two candidates for an opening in Business Management Group (BMG) or the level below BMG must include at least one candidate who contributes to team diversity through one or more of the following: LGBTQIA+, gender identity or another ethnic group. The other initiative involves applying DEI principles in succession planning, to broaden our perspective on future demands by increasingly considering candidates who bring new and valuable insights to our business. The figures in 2023 indicate that there has been a positive development for a more equal gender balance in senior management compared to the previous year. Since 2022, a core team has been working to improve our products and services offering by introducing a DEI focus in the product development process.



In 2022, If committed to striving to achieve greater diversity in senior management by 2026, as we are convinced that this will increase the perceived sense of diversity within If as a whole.

Women in executive management (%)

Management level	2023	2022	2021
Board of Directors*	28	27	28
Other senior executives**	24	23	24

* 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	2023	2022	2021
Female	50 (+/-5)	53	53	54
Male	50 (+/-5)	47	47	46

Gender equality leaders (%)

Gender	Target	2023	2022	2021
Female	50 (+/-5)	49	48	48
Male	50 (+/-5)	51	52	52

Employees per age group (%)

Age group	2023	2022	2021
Under 30	15.8	16.0	16.5
30-50	57.1	57.0	56.0
Over 50	27.1	27.0	27.5

Leaders per age group* (%)

Age group	2023	2022	2021
Under 30	3.3	4.0	4.5
30-50	70.3	70.0	69.5
Over 50	26.4	26.0	26.0

Binary gender representation

In 2023, If had quite an equal gender representation, with 44 percent men and 56 percent women. The distribution of male and female leaders was 51 percent and 49 percent, respectively. In the top management team¹⁶, women accounted for 17 percent of the positions. However, at the levels immediately below the top management team, the balance is more equal. Certain functions are also dominated by men or women, such as IT and HR, respectively. If actively works towards incorporating DEI into recruitment efforts, through building a more diverse talent pool and offering trainee and internship programmes. If also actively works to increase its presence among defined target groups through fairs and networks, such as ‘Oda, Women in Tech’ in Norway and ‘Women in Tech’ in Sweden.

Our DEI focus is communicated in job advertisements, and the recruitment process has been further developed during 2023 to include one or more types of assessment, including the use of personality tests and case presentations, structured interview guidelines, references, and a four-eye-principle to avoid decisions being influenced by unconscious bias and discrimination. One example of how this was successfully applied was in recent IT management team recruitment processes where the candidates’ case presentations were anonymised to limit the influence of unconscious bias.

If has integrated DEI into its trainee programme and trainees may freely select DEI challenges to analyse. During 2022, they reviewed the recruitment process to identify development opportunities relating to DEI, and in 2023, their focus was to assess diversity in the Private customer segment offering.

Working proactively against discrimination and harassment

As a responsible member of society, If respects human rights by seeking

to avoid infringing the rights of others and working to address adverse human rights impacts in which If may be involved. If’s Ethics Policy clearly states that no kind of discrimination, harassment or bullying is tolerated, and as an employer, we have a responsibility to prevent sexual harassment and to provide a safe work environment for our employees. If offers a training programme in all countries that includes discussions on expected behaviour, how to prevent harassment, and how to act when witnessing or experiencing inappropriate behaviour. Supporting material for team workshops is made available to all leaders.

If has conducted company-wide surveys on harassment since 2018. The 2023 cases remained at a low level, similar to the previous year. The survey results are followed up, and corrective measures are taken based on the information we receive via reporting channels such as Oops and WhistleB. In 2023, four cases of harassment were reported. Corrective measures have been taken according to the internal process description, and the cases have been closed. If has a zero-tolerance policy towards any type of discrimination and harassment and the preventive work never stops.

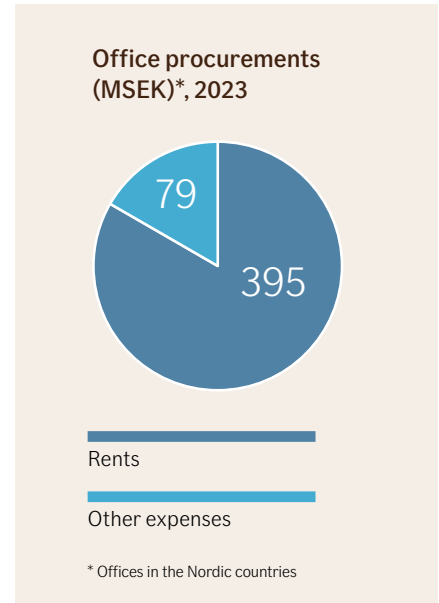
In 2023, as a joint One If initiative, the topic of discrimination and harassment was discussed in an effort to harmonise the legal aspects and global processes across all If countries. Corporate functions were invited to a legal training session, with the ambition of establishing common knowledge and measures moving forward. With the establishment of the Alliance Academy in 2023, employees were invited to the first course on the Minority Stress Model, which focuses on how each employee contributes to diversity, and highlight how experience impacts behaviour in the workplace. Initiatives may be piloted across If countries in stages, to identify suitable One If implementation methods. ■

3 Environmentally friendly workplaces

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

Greening our offices

In parallel with the new flexible work-life, we at If are continually working to improve our offices. This work strives to combine an attractive ‘look and feel’ with the new hybrid and digitalised way of working at the offices, while also incorporating our commitment to the substantial reduction of our own emissions. In 2023, If procured goods and services (including rents) for our offices worth approximately SEK 474 million. All significant¹⁷ 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 certain information, such as by answering a self-assessment questionnaire (SAQ) on their environmental work. We initiate regular supplier follow-ups where sustainability is on the agenda and conduct site visits



to ensure that they are complying with our requirements. In 2023, we also started the implementation of a digital tool that will support the due diligence process. The tool is already in use and will gradually be implemented into If’s other countries of operations (see Commitment to society, page 60).

If does not own any office buildings¹⁸ but we conduct continual dialogue with our landlords on how to improve the offices’ environmental performance. Measures such as optimising office space, upgrading ventilation systems, thermostatic control, installing LED lighting, increasing recycling and reducing waste are key to making the offices more environmentally friendly and also to providing a good work environment. In several locations, If has moved to new and more energy-efficient buildings. Energy use in If’s offices in the Nordic countries has decreased by 43 percent over the 2012-2023 period. In 2023, indirect energy use in our offices in the Nordic countries was 20,754 MWh, which is a decrease by 3.5 percent compared to the previous year. Indirect energy use in our offices in the Baltic countries was 1,746 MWh in 2023, which is the same level as previous year. In 2020 and 2021, indirect energy use was lower than normal, due to remote working during the COVID-19 pandemic. As of January 2019, all the district heating we purchase for our office in Turku is produced from renewable

sources and we made the same change for our Espoo office in 2023. All the electricity we purchase for our major offices in the Nordic countries comes from renewable sources.

In 2019, we developed minimum environmental requirements for our major offices (i.e., offices with more than 100 employees) in the Nordics. In 2023 we raised our ambitions and created a new environmental standard for all our offices. We are currently mapping the present status and the new standard will serve as a baseline in securing environmentally friendly operation. The new environmental standard defines concrete measures, targets, and guidance on topics such as office supplies, how the canteens should operate, energy efficiency, ‘greening’ our rental agreements, reducing our waste, and more. If has also invested in new property technology to optimise facility management and to gain fact-based knowledge that can support sustainable action.

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

In Finland, the Espoo office moved to new premises in mid-2021. Employees

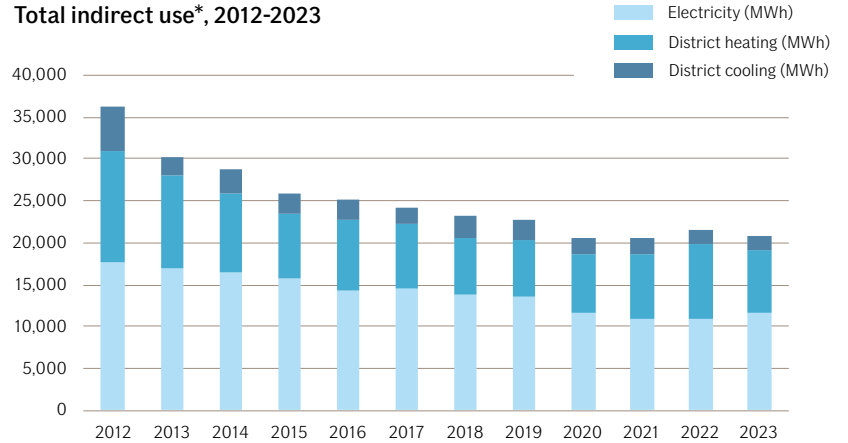
¹⁷ Office suppliers that provide If with goods and/or services worth more than SEK 100,000 per year.

¹⁸ We own If Security Center’s office and training building in Hobøl, Norway.

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 had been awarded a Nordic Swan Ecolabel, which is also the case for all the larger premises in the Nordic and Baltic countries. As a result of the new demands, If's long-term cleaning partner ZidaService has now, with support from If, received Nordic Swan Ecolabel certification.

Total indirect use*, 2012-2023

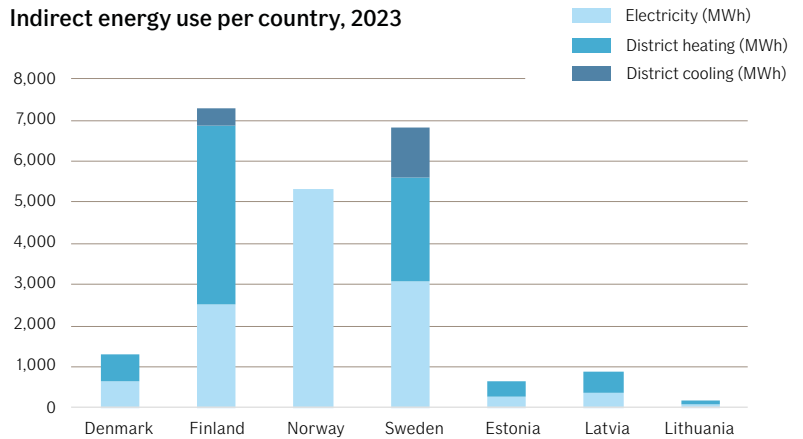


* Indirect energy use in the Nordic countries.

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 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 it to become established. The network was established in Finland and Denmark in 2012.

Indirect energy use per country, 2023



Rooftop beehives

In the summer of 2023, bees found a home on the roof of our Espoo office. The production of one third of the world's food is dependent on bees, but their numbers are declining. If wants to support biodiversity, and as part of our efforts, we have partnered with the HubleBee Housing Project to make a positive impact. Our office bees – a serene Italian variety – peacefully pollinate green spaces in the city, covering a two-kilometer range from their hive at If. They don't bother people; instead, they contribute to the urban environment. In the autumn, If employees had the delight of sweetening their tea with honey harvested by our bees. We were able to collect about 150 jars of honey during this first summer. As winter approached, the bees were relocated to the countryside for a peaceful rest. Until next summer!

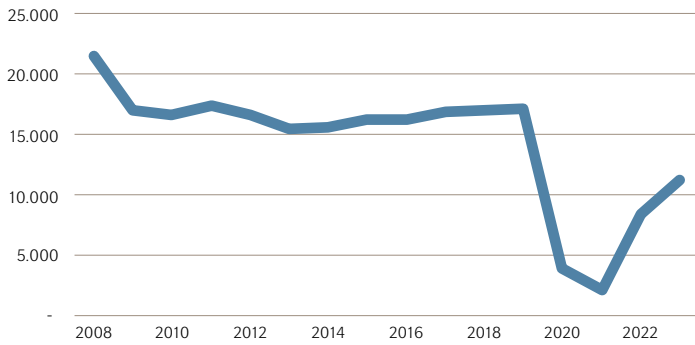
Reducing Food Waste Day

During 2023, If also focused on local sustainability events in order to raise knowledge and awareness. This commitment is reinforced by recurring yearly events, where all of If comes together and join forces. On 29 September, all of If's bigger offices participated in this event and organised a friendly food waste competition between If countries, both to raise awareness and to increase knowledge and also to support the One If concept. In parallel with the competition, we launched internal and external communication campaigns to spread information about food waste and to share tips and advice about how to reduce it. Today we have celebrations upon the Food waste day, World environment day and Earth hour and we strongly believe in 'showing by doing'.

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

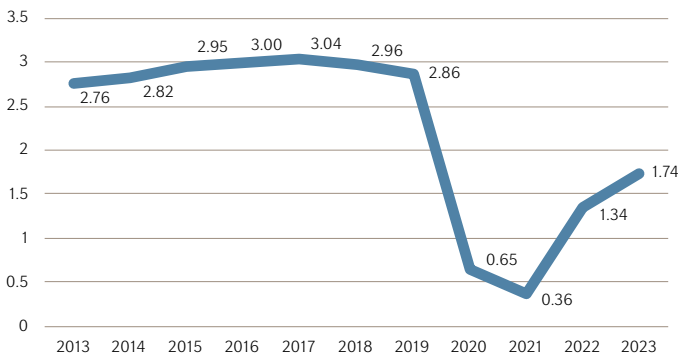
In 2023 we also focused on our Baltic offices with one highlight being the

Total number of flights*, 2007-2023



* Baltic operations not included in total number of flights.

Flights per employee*, 2013-2023



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

renovation of our Riga office. With a close landlord cooperation, the Riga office now has a high environmental standard, with regard to green energy consumption, the introduction of recycling stations, the redesigning of old furniture, intelligent lighting and more. Our Riga office has received BREEAM In Use 'Asset Performance – Excellent' certificate.

Ensuring the energy efficiency of our offices is a constant work in progress. In 2023 our office in Vækero¹⁹ was fitted with solar panels, in fact one of the biggest office-related installations in Norway – and this will potentially cover 5-10 percent of the total energy requirements. In 2024 solar panels will also be installed at our HQ in Stockholm.

Office supplies that meet the following criteria should be prioritised:

- Ecolabelled or environmentally certified.

- Energy-efficient.
- Recyclable.
- Minimal waste production;
- Possible to repair.

Meeting instead of travelling

For many years, and in order to reduce business travel, If has focused on 'meeting instead of travelling' and providing state-of-the-art virtual meeting facilities. As a result of If's focus on 'meeting instead of travelling', the total number of flights²⁰ taken decreased by 31 percent during the period 2007-2019. In 2020 and 2021, and also the two first months in 2022, business air travel was exceptionally low due to COVID-19. The total number of flights taken in 2023 was 11,191, which is an increase by 34.5 percent compared to the previous year. The increase was mainly due to 2023 being the first full year of travelling, since 2019, without COVID-19 restrictions and a backlog

Business travel target

Number of flights					
Target*	2023	2022	2021	2020	2019
<8,542	11,191	8,354	2,149	3,890	17,084

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

Business travel target

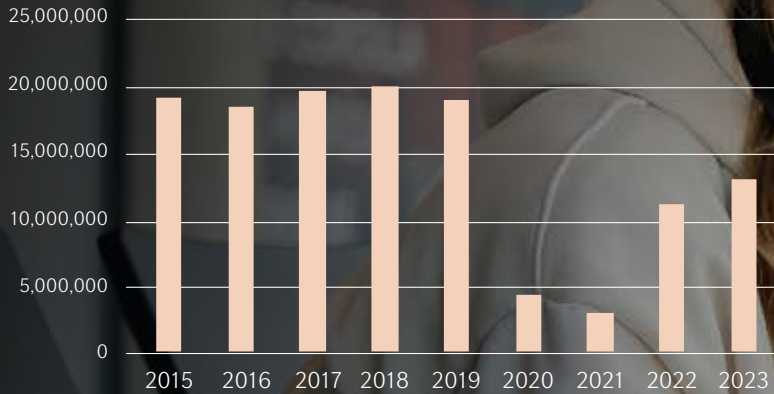
In 2021, If presented an ambition and goal to reduce its total number of flights²¹ by 50 percent in 2022, compared to the 2019 level, which was the last ordinary travel year. The goal was to help ensure that we travel and meet in a more conscious and sustainable way, thereby reducing our environmental impact as well as reducing costs. The reduction in travelling means that digital meetings will be the preferred option in most cases. In 2020 and 2021, and also the two first months in 2022, business air travel was exceptionally low due to COVID-19. In 2022 we managed to reach the business travel target and the same target level applied for 2023. The total number of flights taken in 2023 was 11,191, which was an reduction of 34.5 percent compared to 2019, meaning that we did not reach the target. The increase was mainly due to 2023 being the first full year of travelling since 2019, without COVID-19 restrictions and a backlog regarding physical meetings. For 2024 we will have the same target – i.e., to reduce the total number of flights by 50 percent, compared to the 2019 level. We have updated our travel policy and have optimised our internal travel portal with the intention of encouraging both cost efficiency and reduced travel frequency.

¹⁹ The office at Vækero is shared with Hydro, Sweco and Klavenes.

²⁰ Baltic operations not included in total number of flights.

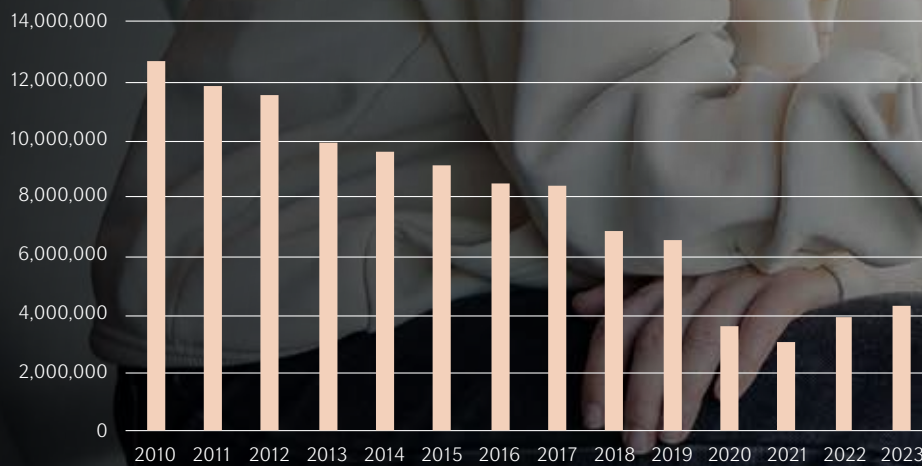
²¹ Baltic operations not included in business travel target.

Business travel by air (km), 2015-2023



* Business travel air in the Nordic countries

Business travel by private car* (km), 2010-2023



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

regarding physical meetings. Our business travel target was to reduce the total number of flights²² by 50 percent in 2023, compared to the 2019 level, which was the last ordinary travel year. We did not achieve this target as the number of flights was 34.5 percent lower than the 2019 level. For 2024 we will have the same target, i.e., to reduce the total number of flights by 50 percent, compared to the 2019 level.

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

49 percent in the Nordic countries. The decrease in car travel is linked to the fact that claims handling is becoming more digitalised. An increasing number of inspections are handled online or are directly handled by our property or vehicle repair contractors. During 2020 and 2021, and also the first two months in 2022, business travel by private car was also exceptionally low, due to COVID-19. In 2023, total business travel by private car amounted to 4,227,919 km in the Nordic countries, which is an increase by 11 percent compared to previous year. Total business travel by private car amounted to 180,461 km in the Baltic countries, which is an increase by 20 percent compared to

previous year²³. The increase was mainly due to 2023 being the first full year of travelling, since 2019, without COVID-19 restrictions and also a backlog regarding physical meetings.

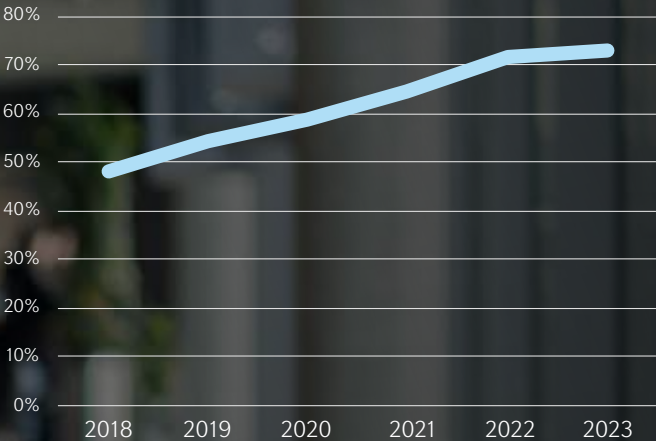
As of today If has a more than 350 Teams-compatible meeting rooms in the Nordics. This is seen as an important factor when it comes to supporting our travel policy. During 2023, more than 38,000 Teams meetings were organized every month.

Increasing digitalisation – Reducing paper consumption
We are continually working with

²² Baltic operations not included in business travel target.

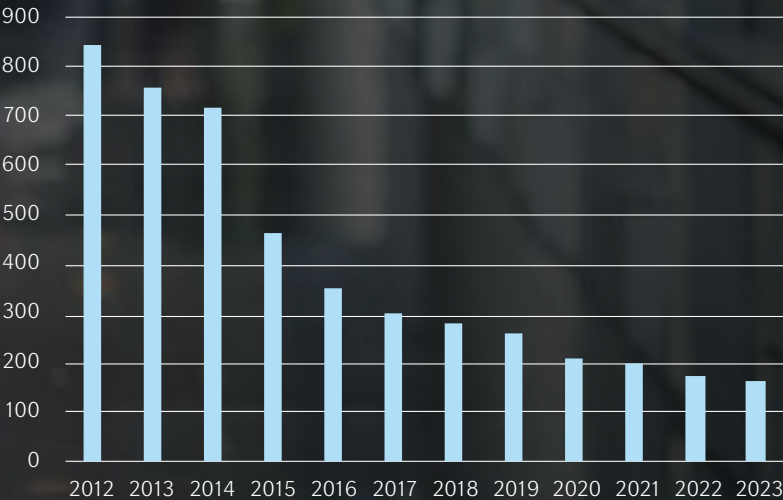
²³ 2022 was the first year for which we reported business travel by private car for the Baltic countries.

e-customers* 2018-2023



* Private e-customers in the Nordic countries

Total paper consumption (tonnes), 2012-2023



digitalisation and developing our e-insurance services, which combine environmental thinking with a modern approach to communication and customer satisfaction. In 2023, approximately 73 percent of our private customers were e-customers. The number of private e-customers increased by 56 percent during the period 2018-2023. As a result of our focus on digitalisation, we have managed to decrease our total paper consumption by 81 percent since 2012.

Green IT

The use of modern technology and solutions in our IT systems improves

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

One of the waste streams with a substantial negative environmental impact is that of discarded electronic equipment. At If, we try to reuse and recycle as much electronic equipment as possible, including computers and mobile phones. The average usage time for our workstations is 4.2 years. Workstations that are decommissioned are returned to the suppliers, who either resell them for continued use elsewhere or recycle the materials. In 2023, we returned 1,324 workstations and 598 mobile phones to suppliers. ■

Engaging employees in sustainability

Sustainability is not just something we talk about at If – it is woven into our daily operations. Our sustainability organisation is a network of employees in different roles, who actively contribute to sustainability initiatives throughout the company. However, sustainability is also a shared commitment that resonates throughout If.

According to Eeva Norros from Internal Communications:

– We have a bunch of enthusiastic individuals at If who are genuinely interested in sustainability. They not only want to learn more about our work but also aim to challenge and be challenged by adopting new habits. We engage our employees in sustainability events that serve as platforms for promoting discussions, raising awareness, supporting wellbeing, and encouraging sustainable practices.

Explore our line-up of sustainability events in 2023 to discover how our employees have been making efforts to minimise their environmental footprints.

Earth Hour

25 March, 2023



Spotlight office: Tallinn

Facts:

- If has been involved in Earth Hour since 2010.
- In 2023, we turned off the lights in 35 If offices across the Nordic and Baltic countries.
- We organised an office event in 10 offices.

Earth Hour is an annual global event that serves as a reminder of the importance of caring for our planet. Turning off lights for an hour is a symbolic gesture, and what we do every day really matters. This year, we focused on discussing energy saving with our employees, sharing tips and showing what we do as a company. One specific action we took was adjusting office temperatures in Finland, lowering from 22 to 21 degrees in winter and raising to 23 degrees in summer.

In Tallinn, we had Toomas Kärner, who is an expert in energy markets, as a guest speaker. He spoke about the broader energy landscape, providing examples of smart and sustainable energy consumption. Toomas shared his journey of bringing his home consumption to close to zero by combining his knowledge of energy and IT.

– We received practical tips for saving electricity in our daily lives, and the guest speaker shared the tools he uses to monitor consumption. As the installation of solar panels gains popularity in Estonia, we learned how to calculate the profitability of the investment and to choose the best possible spot. We also discovered that the most valuable investments are still in good-quality windows and smart ventilation to prevent energy loss, reflects Eva-Grete Aljas, from our Communications team in Estonia.

Sustainability Walking Tours

19 April, 2023



Spotlight office: Vækerø

Facts:

- 8 tours
- 5 offices
- 4 countries
- 100+ participants

Our Sustainability Walking Tours brought together our employees to celebrate the release of If's Sustainability Report 2022. Inspired by the pleasant city strolls we enjoy during vacations, we aimed to create a lively experience for both the organising team and participants. These walking tours provided a close-up look at the tangible sustainable practices and choices implemented across our offices, covering aspects such as energy use, food, recycling, furniture and supplier selection.

At our Vækerø office in Norway, Jon Sindre Isaksen from Group Services served as our tour guide. He led employees through the office, explaining how we derive some of our energy from solar panels and a heat pump in the Oslo Fjord, how almost all our waste is repurposed to heat the building, and how our carpets are skilfully crafted from old fishing nets.

– I also revealed that our 'marble' tables are in fact crafted from recycled plastic found in the ocean. This was a fantastic initiative, because people often pass by these elements every day without paying them any further attention. During the tour, participants even took a moment to feel the 'marble' table-tops to check whether they felt like plastic or not. I also showcased our pieces of artwork that were created from waste collected at our customers' claims sites. The walking tour left a lasting impression on our employees, with some even suggesting incorporating such walks into our onboarding process.

Wellbeing Weeks

29 May – 8 June, 2023



Spotlight office: Espoo

Facts:

- 5 wellbeing webinars by guest speakers
- 8 wellbeing fairs hosted at If offices
- Wellbeing bingo and other activities for employees
- A plogging event in celebration of World Environment Day
- Bicycle repairs for World Bicycle Day

If's Wellbeing Weeks are designed to benefit every If employee. The programme is organised by If's health partners and focuses on providing knowledge and inspiration regarding wellbeing topics such as sleep, nutrition, meditation and exercise.

Arttu Lazarev, who is based in our Espoo office in Finland, was eagerly looking forward to last year's event. He had been inspired to change his daily habits after the wellbeing fair in the previous year and has become an inspiration across the company.

– I've always enjoyed an active lifestyle, but the birth of twins a few years ago changed my routines. If's wellbeing fair at the office came at the right time for me. At the fair, different service providers presented their offerings, and I was encouraged to take part in a body composition measurement at one of the stands. The results really hit me – I realised that I needed to set a long-term goal to improve my health. Two days later, I started doing a short exercise session before work. I also adjusted my diet by reducing portion sizes, skipping desserts and choosing healthier lunch options at work. It wasn't easy to begin with, but I've rediscovered my love for sports, and now feel energetic at home and at work.

Reducing Food Waste Day

29 September, 2023



Spotlight office: Stamholmen

Facts:

- Reducing food waste competition between 4 countries and 10 offices
- The results per country were as follows:
 - Denmark: 17 grams per If employee (baseline average 34 g)
 - Sweden: 31.2 grams per If employee (baseline average 41.2 g)
 - Norway: 8.98 grams per If employee (baseline average 11.1 g)
 - Finland: 14.8 grams per If employee (baseline average 14.3 g)

If actively collaborates with canteens, coffee providers and snack suppliers to reduce food waste in our offices. To acknowledge International Day of Awareness of Food Loss and Waste, we challenged our employees in a friendly food waste competition between countries. The winner was the country that reduced food waste the most, compared to their usual amount. Denmark came out on top, with an impressive 50 percent reduction.

Simon Krathus, who is an If employee and Head Chef at the restaurant in our Stamholmen office in Denmark, explains:

– We serve food in small portions to minimise food waste, and employees can always come back for more. Our kitchen also strives to reuse leftovers, and on Fridays, employees can buy leftover food to take home. The food waste from our office is sent to biogas plants, where it's turned into district heating, electricity and fertilisers.

Sustainability Day in the Baltics

4 October, 2023



Spotlight offices: Riga, Vilnius and Tallinn

Facts:

- 3 events in three countries
- Presentations by 10 experts
- 300 participants

Our Baltic offices in Riga, Tallinn and Vilnius organised a Sustainability Day for employees. This was an opportunity to come together and discuss If's approach to sustainability and global challenges, and how to integrate sustainability into everyone's daily work and life in a practical and meaningful way.

Liene Meklere-Kutsare is Head of Baltic Marketing and Communication Department, and highlights some of the discussions:

– Sustainability means different things to different people. So, for the first time, we organised an event to truly understand If's vision for sustainability. We had external speakers in Estonia, Latvia and Lithuania who helped us to explore sustainability, not just as a concept, but as a way of life. Together, we discovered how each of us can make a difference through small yet meaningful changes. In Estonia, we learned about the importance of mobility, and how the insurance industry affects sustainability. Finally, we engaged in local discussions on the numerous initiatives already in progress across If.

Society

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

Commitment to society

We adhere to good corporate governance and transparency.

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

We support the transformation to a low-carbon society.



1 Good corporate governance and transparency

We adhere to good corporate governance and transparency. If is committed to the UN Global Compact principles on human rights, labour rights, the environment and anti-corruption; we work to make the principles part of our strategy, culture and day-to-day operations; and we engage in collaborative projects that advance the UN Sustainable Development Goals. A well-functioning, sound and stable insurance market is of major importance for society at large. As a consequence, there is a natural need for supervisory authorities. If strives for transparency and mutual respect in relation to inspectorates and supervisory authorities, as well as with other public authorities. If is committed to providing customers with social and economic

security by means of responsible and high-quality insurance products. We also contribute to society by being a high-quality employer, as well as a significant taxpayer. We believe that high ethical standards and responsible behaviour, such as how employees treat customers, partners and other stakeholders, are essential to ensuring the long-term success of the company.

Integrating the UN Global Compact into our business operations

Sampo Group, of which If is part, is committed to respecting internationally recognised human rights, as defined in the United Nations Universal Declaration of Human Rights and the

UN Guiding Principles on Business and Human Rights. We are also committed to complying with core International Labour Organization (ILO) labour standards. In September 2019, Sampo Group signed the UN Global Compact, which is a principle-based framework for business that states binding principles on human rights, labour, the environment and anti-corruption.

We work to make the UN Global Compact principles part of our strategy, culture and day-to-day operations and we have integrated them into central policies and processes. Respect for human rights, labour rights, the environment and anti-corruption is therefore an integral part of the policies²⁴ and processes directed at our employees (e.g., HR Policy and Ethics Policy), customers (e.g., Underwriting Policy), investees (i.e., Investment Policy) and suppliers (i.e. Supplier Code of Conduct).

²⁴ All policies are adopted by the Board of Directors (BoD). Sampo Code of Conduct, If's Ethics Policy, If's Responsible Investment Policy, and the Supplier Code of Conduct are public documents that are available on Sampo's and/or If's websites.

UN Global Compact 10 principles

Human rights

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

Labour

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



Environment

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

Anti-corruption

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

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

The UN Global Compact has also been integrated into our investment and underwriting operations, which means that we expect investees and corporate clients to respect human rights, labour rights, the environment and anti-corruption commitments. We make use of research from an external service provider to assess whether companies are adhering to these principles and have established processes for handling actual or potential breaches (See Commitment to our customers, page 14).

If's Supplier Code of Conduct defines the minimum requirements that we expect suppliers to respect when conducting business with us. The Code is based on the ten principles of the UN Global Compact and its underlying conventions and declarations. All employees who purchase products or services within the areas of office procurements,

claims handling and claims settlement must incorporate the Supplier Code of Conduct into the relevant purchasing agreement (see Commitment to our customers, page 14).

In 2022, we developed a due diligence process (see Due diligence process for suppliers and business partners) in accordance with OECD Guidelines for Multinational Enterprises, in order to identify, avoid and address possible adverse impacts on human rights, labour rights, the environment and anti-corruption commitments associated with our supply chains and business partners. The due diligence process is being incorporated into If's purchasing processes, initially focusing on the processes in, or linked to our operations in, Norway, in accordance with the Norwegian Transparency Act²⁵. During 2023, the number of agreements being verified and screened, as part of the due diligence process, in compliance with the Norwegian Transparency act, was 280. In 2023 If also began the implementation of a digital tool that will support the process. The tool is already in use and will gradually be implemented into If's other countries of operations.

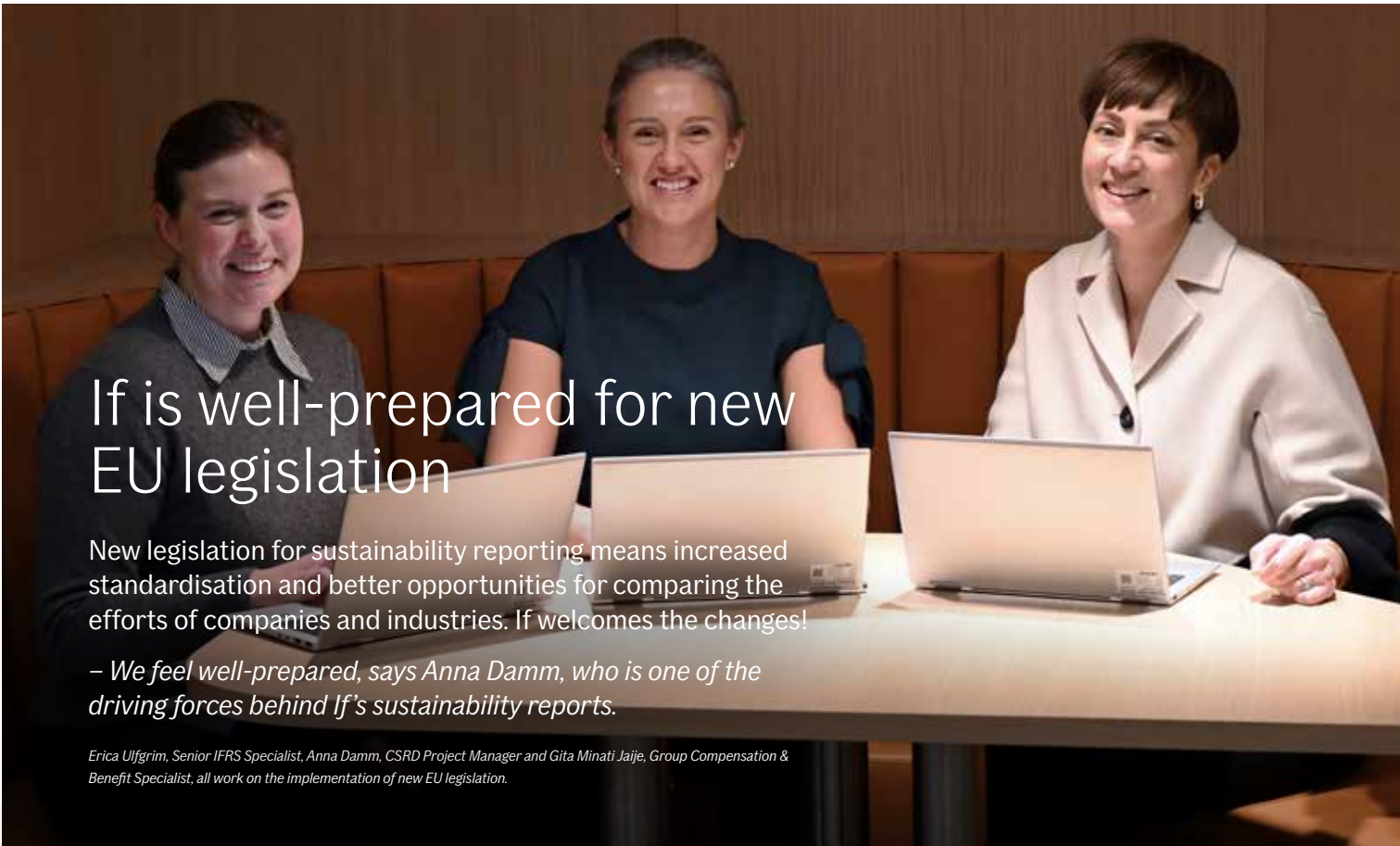
Ethics in our own operations

If's Ethics Committee discusses and coordinates ethics issues within the If Group and provides recommendations. The Ethics Policy, which applies to all employees, describes If's goals,

principles and responsibilities in this area, including human rights, in greater detail. Furthermore, each business area, the claims organisation and corporate functions have appointed Ethics Officers. The Ethics Officers shall ensure that the Ethics Policy is followed and that a high level of ethics is observed within operations. Ethics Officers can be approached for advice on ethical issues. In addition, If organises courses, seminars and discussions on ethics and ethical dilemmas in the workplace, and provides e-learning courses on ethics.

In 2022, a new learning programme for all employees – One Responsible If – was launched. The programme includes an e-course on ethics that reflects the content of the Ethics Policy, and also includes a reading activity for the Ethics Policy and training on a methodology to help manage ethical dilemmas. The programme is mandatory and is conducted annually. In 2023, almost 94 percent of all employees, excluding contingent workers, completed the programme.

Although, because our business is mainly in the Nordic and Baltic countries, we consider the risk of direct human rights violations to be relatively low in our own operations²⁶, we recognise that our actions could have indirect negative impacts on human rights. These concerns mainly arise with regard to external factors.



If is well-prepared for new EU legislation

New legislation for sustainability reporting means increased standardisation and better opportunities for comparing the efforts of companies and industries. If welcomes the changes!

– We feel well-prepared, says Anna Damm, who is one of the driving forces behind If’s sustainability reports.

Erica Ulfgrim, Senior IFRS Specialist, Anna Damm, CSRD Project Manager and Gita Minati Jaije, Group Compensation & Benefit Specialist, all work on the implementation of new EU legislation.

If has been working intensively with the EU’s new Corporate Sustainability Reporting Directive (CSRD) since the requirements were announced in July 2023.

– I am pleased that, with the new sustainability reporting, it will be possible to compare apples with apples in the future, both across and within industries, says Anna Damm, who is a CSRD Project Manager at If, working with If’s sustainability reporting.

If has for many years used GRI (Global Reporting Initiative), which is a well-established voluntary reporting framework, for sustainability reporting. GRI is largely the basis for the new CSRD reporting directive.

– Based on that, we are well-prepared because we already collect and report a large part of the information. For us, the big difference is that a lot of what we previously reported voluntarily is now mandatory, explains Anna.

Gap analysis identifies focus areas

One of the tools that If has used, after the publication of the new standards, is a gap analysis. This analysis has enabled If to identify the scope of the new requirements, which material is already included in If’s sustainability reports, whether there are actual gaps, how large they are, and what is needed to fully meet the new requirements.

– We applaud the transparency within the new directive. It will provide customers and the public with a better basis for comparison by using the same standards for sustainability reporting within the EU, says Anna.

– There are still many unknown elements. But zooming out and looking at the new legislation from a broader perspective, my assessment is that it makes really good sense, and it is a wise move towards more standardised reporting. I believe that it will be a source of improvement and a competitive parameter in the future.

Both new and familiar

CSRD aligns with the familiar ESG dimensions: environmental, social and governance. Companies are required to disclose information that enables an understanding of the company’s impact on climate,

environment, human rights, etc., and how the same dimensions will affect the company.

The double materiality assessment is a central new feature. Whereas previous reports have only focused on sustainability materiality – meaning how a company affects the external environment (for example, greenhouse gas emission from buildings, vehicle fleet, investments, etc.) – there is now an added outside-in perspective, known as financial materiality. This means that companies must now also provide information on sustainability-related risks and opportunities that may affect them financially, such as how increased risks for natural hazards will affect their assets, revenues or costs.

– We operate in a world that is marked by climate change and other environmental challenges. With CSRD, there will be increased focus on both how companies can contribute to a more sustainable future and how they will be affected if the necessary changes do not occur, concludes Anna.

European Sustainability Reporting Standards (ESRS)

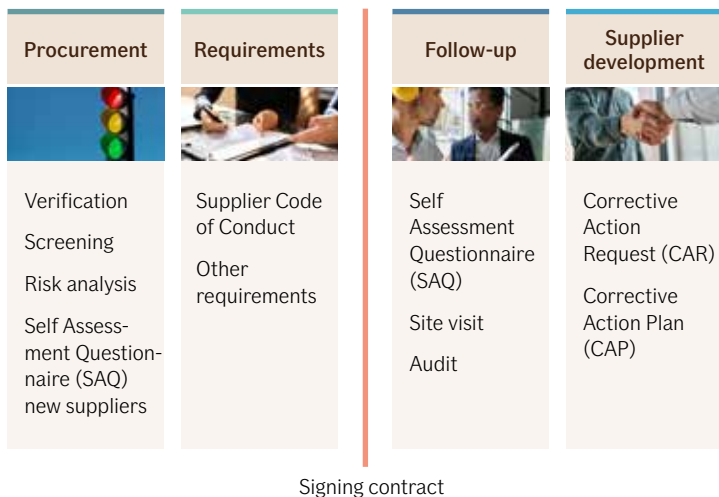
There are three categories of European Sustainability Reporting Standards (ESRS): cross-cutting standards, topical standards, and sector-specific standards.

Cross-cutting standards and topical standards are sector-agnostic, which means that they apply to all undertakings regardless of which sector or sectors the undertaking operates in.

Topical standards cover a sustainability topic (Environmental, Social or Governance) and are structured into topics and sub-topics, or where necessary sub-sub-topics.

Sector-specific standards are applicable to all undertakings within a sector. They address impacts, risks and opportunities that are likely to be material for all undertakings in a specific sector and that are not covered, or are not sufficiently covered, by topical standards. The sector specific standards are currently being developed by the EU and will be implemented at a later stage.

Due diligence process for suppliers and business partners



Tax contribution* per country (kSEK)

Country	2023	2022**	2021
Sweden	2,744,399	2,691,069	2,572,970
Norway	3,460,523	3,305,235	3,250,432
Denmark	861,148	673,837	751,772
Finland	4,057,843	3,948,578	3,069,864
Estonia	184,515	107,546	105,581
Latvia	147,389	106,987	87,693
Lithuania	40,247	37,975	28,712
International branches	196,661	119,303	99,111
Spain***	20,141	6,454	8,155
Total	11,712,865	10,996,984	9,974,289

* 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 Swedish figures for 2022 have been adjusted

*** Viking

Due diligence process for suppliers and business partners

For many years, If has worked to ensure that our suppliers and business partners act lawfully, respectfully and responsibly. All employees who purchase products or services within the areas of office procurement, claims handling and claims settlement, must incorporate the Supplier Code of Conduct into the relevant purchasing agreement (i.e., both new agreements and agreements that are to be renewed). In the event of any identified deviations from the Code, the supplier will be asked to provide a corrective action plan for If to approve. If reserves the right to terminate contracts with the supplier in the event of material breaches of the responsibilities outlined in the Code and in underlying conventions and declarations (see Commitment to our customers, page 14). To avoid and address possible adverse impacts on human rights, labour rights, the environment and anti-corruption commitments that are associated with our operations, supply chains and business partners, we have developed a due diligence process in accordance with OECD Guidelines for Multinational Enterprises. The due diligence process is being incorporated into If's purchasing processes, initially focusing on our processes in, or linked to our operations

in, Norway, in accordance with the Norwegian Transparency Act.

The due diligence process consists of four main steps:

- i) Procurement,
- ii) Requirements,
- iii) Follow-up, and
- iv) Development of suppliers.

More detailed instructions for the due diligence process are currently being developed and implemented. In 2023 If also began the implementation of a digital tool that will support the process. The tool is already in use and will gradually be implemented into If's other countries of operations. Implementation of the due diligence process is monitored by means of quarterly internal reporting. During 2023, the number of agreements being verified and screened, as part of the due diligence process, in compliance with the Norwegian Transparency act, was 280.

Responsible taxpayer

As a responsible taxpayer, If is committed to ensuring compliance with the letter and the spirit of all applicable tax laws, rules and regulations in all jurisdictions where it conducts business.

Taxes must be paid in the countries in which If's actual business operations

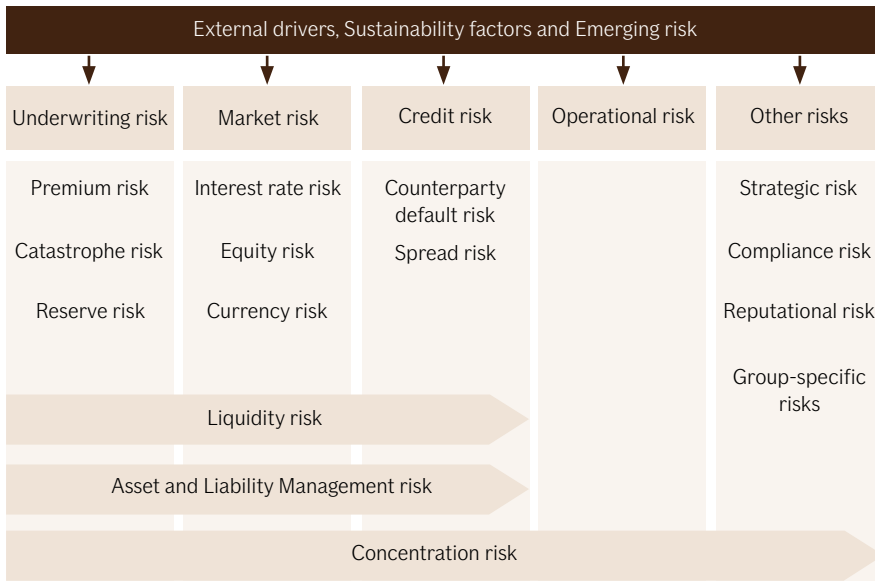
take place. All taxes must be paid on time, and If is committed to not transferring value created to low-tax jurisdictions. All forms of tax avoidance (e.g. through transfer pricing) are strictly prohibited and If is committed to undertaking transfer pricing using the arm's length principle.

If's approach to tax risk management is consistent with and embedded in overall risk management. If actively identifies, assesses, monitors and manages tax risks to ensure that they remain in line with the business and strategic objectives.

If does not practice tax planning or tax structuring that would aim to artificially reduce the taxable income. With regard to tax-related issues, If must operate within the framework of legislation and legal practice in planning the taxable profit. In addition, the accounting must always follow local laws and generally accepted accounting principles.

A Central Tax function, consisting of the Head of Tax, VAT Counsel, Tax Counsel and Tax Manager, together with local accounting and legal representatives in the different locations, has overall responsibility for ensuring tax compliance and ensuring that If is a responsible taxpayer. If also has a Tax Committee, consisting of the Chief

Risks encompassed in the Risk Management System



Legal Counsel, Chief Financial Officer, Chief Risk Officer, Head of Tax, Head of Corporate Accounting and Head of Financial Operations, which is an advisory and preparatory body to the CEOs in the respective companies. The Tax Committee receives updates on the tax positions and legislative developments, and provides opinions on any significant direct and indirect taxation issues.

If's taxation approach is regularly evaluated by external auditors²⁷.

Risk management

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

If's main risk categories are underwriting risk, market risk, credit risk, operational

risk and other risks. External drivers, sustainability factors and emerging risks have a potential impact on all risk categories, and key risk areas are subject to dedicated risk management processes. Within the Risk Management System, sustainability-related risks, such as climate change risks, are not assessed and reported as a stand-alone risk category. Instead, the risks are assessed as an integral part of the assessments per defined risk category. Environmental, Social and Governance (ESG) factors are integrated into the risk management framework. Since 2020, the Task Force on Climate-Related Financial Disclosures (TCFD) has been included in the sustainability reporting.

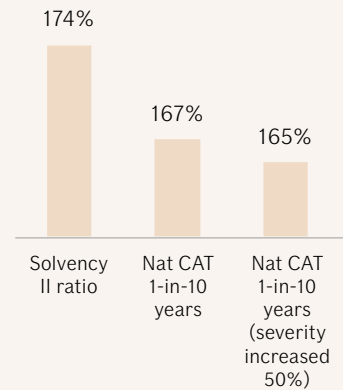
Task Force on Climate-related Financial Disclosures

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 believe that this is an important initiative, and we are working to integrate TCFD into our operations. The work to implement

Sensitivity analysis for natural catastrophes

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

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



²⁷ More information on our approach to taxation is available in the If Annual Report 2023 and the Solvency and Financial Condition Report 2023 www.if.se/om-if/om-oss/finansiell-information/solvans-och-verksamhetsrapporter

the recommendations continued during 2023 – for example, If conducted an updated assessment of climate-related risks according to the TCFD standard, and also implemented a climate change risk scenario analysis of If's investment portfolio (see TCFD, page 80).

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 International²⁸. 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 the Ethics Policy. The policy states that, in relation to gifts and hospitality, we are guided by the Code of Business Conduct from the independent organisation, Swedish Anti-Corruption Institute (IMM). The Ethics Policy, which is communicated to all employees, is complemented by different practical ethics-related examples – concerning bribery, for example. In addition, in the team discussion, which is a part of the One If conflicts of interest process, practical situations related to the risk of corruption in the daily work of the team are discussed. Work to combat corruption and bribery is also carried out as part of the work to prevent money laundering and terrorist financing. There are controls in place within these areas, and we check whether customers are politically exposed persons or are included in relevant sanction lists. In 2023, no incidents were reported related to corruption or bribery at If.

Anti-money laundering and counter terrorist financing and sanctions

If follows local legislation and authority regulations to prevent money laundering and terrorist financing. We have implemented an Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) Policy and local AML/CTF Instructions, which are reviewed annually. An e-learning course on this topic is included in the One Responsible If learning programme. Targeted employees are also required to undergo supplementary training. If has risk based Know Your Customer (KYC) procedures in place, including identification and verification of customers. In addition, If's customer databases undergo screening to identify Politically Exposed Persons (PEP), in accordance with national legislation. Identified politically exposed persons are assessed by authorised decision-makers, and all decisions are stored. Payments to countries, which are under increased monitoring by the Financial Action Task Force (FATF), are automatically stopped and controlled. Furthermore, payments to countries imposed by EU (and in some cases by the UN) with restrictive measures regarding asset freeze and prohibition to make funds available are also stopped and controlled. Sanction clauses are used in our policies to exclude from coverage and claims payments any risks/entities that are in breach of sanctions.

Whistleblowing channel

If has a whistleblowing service platform, which employees and external stakeholders can use to report non-compliance with EU regulations and suspicions of serious misconduct or irregularities, such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour. Follow-up on local implementation of the Whistleblower Directive continued in 2023. 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 submit reports via If's external web pages. In 2023, seven whistleblowing cases falling under the scope of the Whistleblower Directive and its local extensions²⁹ were received.

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

Compliance with laws and regulations

Compliance is an integral part of our daily operations. If strives to be fully compliant with the rules related to our license to conduct business and with rules where a breach may result in regulatory sanction. Notwithstanding this objective, If received remarks from supervisory authorities regarding two instances of non-compliance with laws and regulations in 2023. First, the Danish Natural Hazards Council, which supervises insurance companies' handling of cases such as flooding from rivers and lakes, criticised If's handling of a specific case concerning flooding. The criticism regards a lack of documentation and a payment of an incorrect amount for electricity used. Second, If also received a reprimand from the Estonian Data Protection Authority for violation of certain principles relating to the processing of personal data in connection with sending documents containing sensitive personal data to an incorrect recipient. ■



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

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

■ Research on climate change

Climate change will lead to severe consequences for society unless sufficient mitigation and adaptation measures are implemented. Sea level rise, increased precipitation, higher temperatures and the increased risk of extreme weather events will affect the environment, as well as residential areas, infrastructure, health, security and economic growth. The consequences are already visible – especially to those of us in the insurance business. Natural catastrophes caused insured losses worth an estimated USD 95 billion in 2023, according to Munich Re³⁰. 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:

- In 2023 we launched the extreme weather report for the third time, in close cooperation with CICERO Center for Climate Research and IVL Swedish Environmental Research Institute. The report, and the mapping behind it, shows how well Norwegian municipalities are equipped to deal with the increasing amount of extreme weather. If's CEO, Morten Thorsrud, handed over the report to the Norwegian Minister for Climate and Environment in October 2023.
- If is part of a one-year pilot, which started in 2022 and investigates how satellite data (from the company ICEYE) can be utilised in claims situations for example by mitigating losses, and optimising loss adjusting and claim handling resources. Claims handling today is rather reactive but, the aim of this project is to learn whether we could be more proactive by improving abilities to predict potential floods, and to have more communication and co-operation with our customers when an event is potentially approaching. The pilot was completed in September 2023, and the outcome indicates that the ICEYE technology could suit the identified If needs, and the work will continue in 2024.
- If and its risk engineers also participate in various research projects, together with universities, research institutes and clients. The aim of this work is to better

understand risks and to support our clients in their risk management, but also to contribute to a more sustainable society. The extensive Safe BESS (Battery Energy Storage Systems) project driven by the research organization SINTEF supported by If spans from 2023 to 2026. During 2023 case studies of existing battery installations have been conducted together with literature review of existing research material, international standards and regulations. Small scale fire tests have been executed on battery cell level to prepare for more large-scale testing of battery modules and racks in 2024. This phase of the project has to a large extent been focusing on preparing for more in-depth studies within these areas.

■ Research on traffic safety

Traffic safety is an important sustainable development issue. We are dedicated to reducing deaths, injuries and property damage from traffic crashes, as a natural part of our injury- and damage prevention efforts. As an insurance company in the Nordic region, we have access to unique data representing the specific environmental- and cultural context in which we operate. This information can be used to, for example, estimate vehicle safety performance with recent technologies and to develop traffic safety priorities and strategies. We continuously provide consumers, infrastructure planners, policymakers and safety professionals with knowledge based on findings from our insurance data.

If initiates and participates in various research projects in the Nordic countries and the Baltics in order to improve traffic safety. A selection of such projects from 2023 is presented below.

- In the project MICA2³¹ which was finalised in 2023, we addressed the safety of the car-to-cyclist overtaking maneuver. The project included partners from the Swedish automotive industry and academia with a focus on developing and testing prototypical active and passive safety systems. Specifically, If analysed insurance claims accident databases to determine relevant crash scenarios and crash-causation mechanisms for different overtaking phases.
- In spring 2023, If conducted a nationwide survey³² to collect basic information on rural road car-to-cyclist overtaking manoeuvres in the Safe Distance project, and thereby addressed the knowledge gap on exposure and experiences from both cyclists and motorists. The research was presented at the Cycling Research Board Annual Meeting in October. The rural road cycling scenario is judged to have high potential to contribute to a better environment and public health by generating solutions for safe active transportation. A new consortium (including If, the Swedish National Road and Transport Research Institute, POC and Ramboll) was granted funding for a project that aims to quantify the effect of behavioural, infrastructure and vehicle connectivity measures on car-to-cyclist rural overtaking manoeuvres³³.
- In the national programme Action Plan for Safe Road Traffic 2022-2025³⁴, which is led by the Swedish Transport Administration, If has a number of ongoing commitments, such as the establishment of research reports on specific crash types, and providing consumer information about safe and environmentally friendly travelling to school for children³⁵.
- The project ProSAFe is an interdisciplinary research consortium that addresses the health care sector's needs for fall prevention equipment to improve the health and well-being of the elderly by developing new, innovative, protective solutions that can prevent fall-related injury. One third of all people who are injured in traffic are pedestrians: this is the road user group that is most exposed to injuries. The majority of injuries occur when pedestrians fall without any other party being involved. As the age distribution is shifting towards an increasing proportion of older people, the problem of fall-related injuries will grow. In 2023 If contributed to the project with fundamental and updated knowledge about personal injuries related to fall accidents by analysing recent claims data.
- A new report by If on the crash-reducing effects of ADAS systems in car-to-pedestrian and car-to-bicycle crashes was published and presented to various stakeholders in the vehicle development community³⁶. Retrospective evaluation of vehicle driver support/crash avoidance systems is one of the focus areas for traffic safety research at If and such knowledge is of high importance for



the vehicle industry when it comes to improving ADAS in order to increase traffic safety benefits.

- In the Child Safety in Cars study³⁷, usage and acceptance studies were conducted to support the development of safety equipment. The study is an annual, publicly available, report on Swedish parents' knowledge and approach to child safety in vehicles. The 13th edition was published this year and is a comprehensive study that examines how child seats and boosters are used and accepted by car drivers.
- If is a partner of SAFER³⁸, which is a competence center where partners from the Swedish automotive industry, academia and authorities cooperate in order to create a centre of excellence with regard to traffic safety research and safe mobility.
- In 2023, If became a member of SIS³⁹ and ISO – a network of experts (including industry, academia, the public sector and non-governmental organisations) who work to create international standards and best practices that encourage the smart, sustainable development of society. If has active representation in technical

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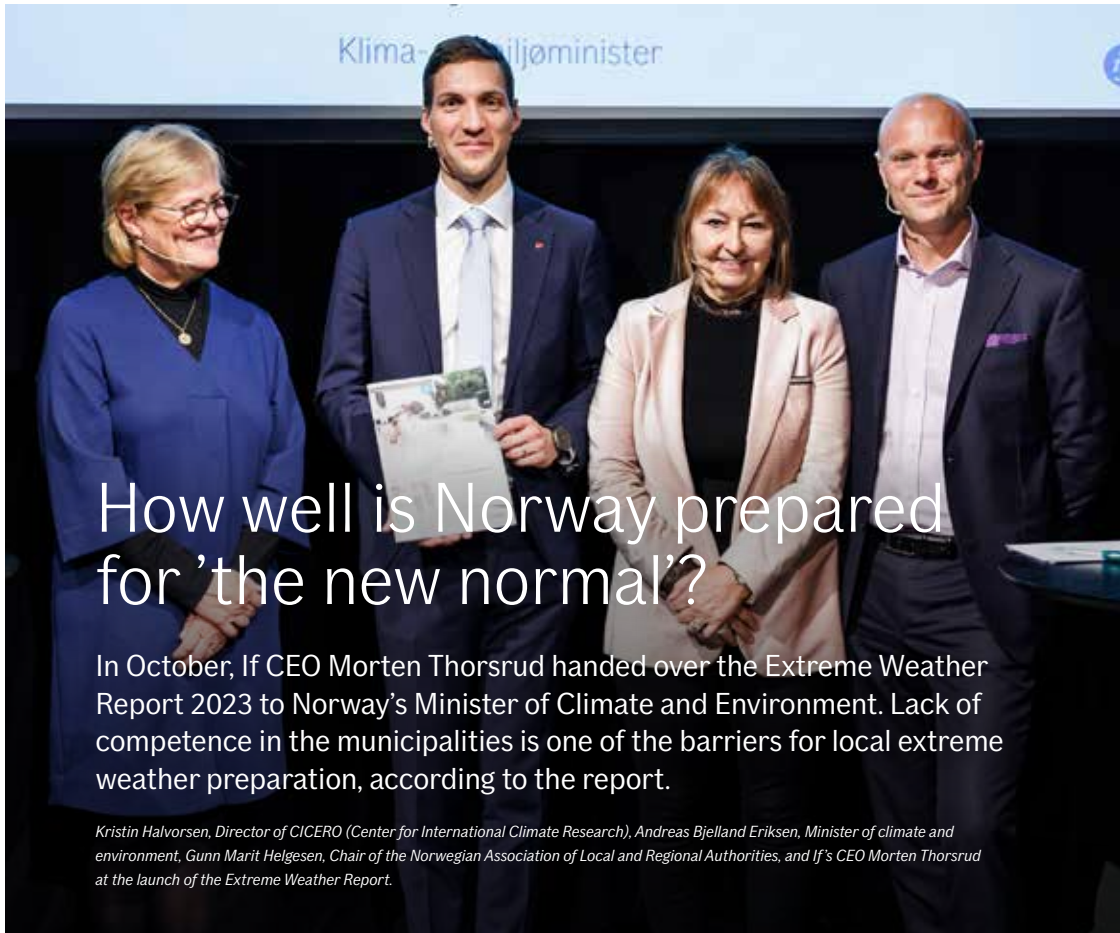
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39 www.sis.se/standardutveckling/



How well is Norway prepared for 'the new normal'?

In October, If CEO Morten Thorsrud handed over the Extreme Weather Report 2023 to Norway's Minister of Climate and Environment. Lack of competence in the municipalities is one of the barriers for local extreme weather preparation, according to the report.

Kristin Halvorsen, Director of CICERO (Center for International Climate Research), Andreas Bjelland Eriksen, Minister of climate and environment, Gunn Marit Helgesen, Chair of the Norwegian Association of Local and Regional Authorities, and If's CEO Morten Thorsrud at the launch of the Extreme Weather Report.

For the third time, If, together with the CICERO Center for International Climate Research, published the Extreme Weather Report for Norway. The report is based on a survey of how Norwegian municipalities are doing with their very important climate adaptation work.

Why does If create this report?

– Both climate scientists and state meteorologists agree that the extreme weather we are seeing is the new normal. It is therefore crucial that Norwegian municipalities speed up their preventive work. We must help the water find its way to the sea, instead of building new homes in vulnerable places. And we need to update our drainage systems so that they are adequately sized for the future. We must adapt to the forces of nature, rather than fight against them, says Morten Thorsrud, who is CEO of If.

As the Nordic region's largest P&C insurance company, If believes that it is natural that we do what we can to speed up the societal work on climate adaptation. As a society, we must stop repairing the same damage over and over again, and instead prioritise preventive measures. Prevention is far more economically useful, and it can save lives.

– As an insurance company, we naturally have an interest in reducing the cost of claims, which is something that naturally benefits both private and business customers. But the most important thing is to make sure that our customers are safe and that they don't have to find themselves in difficult situations, says Morten.

Competence is the key

The Extreme Weather Report is the result of a survey that is sent out to all of Norway's 356 municipalities. This year, the response rate reached a new record, which indicates that climate adaptation is higher on the agenda than it was in the past. Nevertheless, when comparing the results with those from 2020, we can see that Norwegian municipalities have not made much progress with climate adaptation since then. This is unfortunate, at a time when extreme weather is increasing in both strength and frequency.

Norwegian municipalities cite several barriers to this work, and If has presented these to the Minister of Climate and Environment. A lack of both personnel and financial resources is a regular problem. And the same is true of the generally poor collaboration across departments in Norwegian municipalities, explains Andreas Handeland, who is the project leader for the report.

– But what surprised us a little was the lack of competence – we believe competence must be in place for this work to be done correctly. The municipalities state that the competence regarding climate adaptation is poor in the municipal council and among local politicians, but that they also lack personnel with the right competence, he continues.

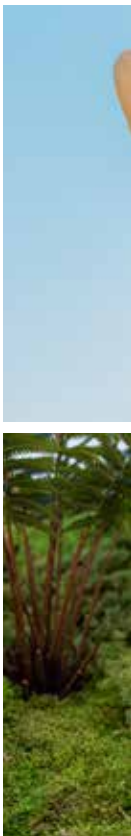
If's message to the Minister of Climate and Environment in the report, and widely to the media, is therefore that competence must be increased, and that this will lay the foundation for taking the right preventive measures.

Main findings:

- 1 in 10 municipalities do not work with climate adaptation at all.
- In general, the climate adaptation work of Norwegian municipalities is no better than it was in 2020.
- Municipalities that have experienced extreme weather incidents have progressed further in their work.
- More municipalities are implementing climate adaptation measures, but fewer evaluate them.

Stated barriers:

- Lack of personnel with the right competence
- Lack of time/capacity
- Lack of financial resources
- Difficult to integrate climate adaptation work across specialist departments
- Unclear signals from the municipal councils regarding the prioritisation of climate adaptation work



Yellow Cap Finland. Photo: Markus Konttinen

committees working on traffic safety and electric vehicles, with the chance to influence future standards.

- In Estonia, we are (for the third year) continuing the Wild Animal Reflector Project in collaboration with the Estonian Hunters Association. We are currently conducting two different research projects: one comparing road sections with reference sections, and the other analysing the same sections in the context of different years. The use of reflectors may reduce the number of accidents in these areas. Both projects are producing encouraging results and giving us the confidence to continue with our efforts.

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:

- As an insurance company, If is affected by the Russian invasion of Ukraine in many ways. For example, If insures customers with operations in Ukraine as well as many transports from and to the region. The war also affects and concerns our employees, both in the Baltics and in the Nordic countries. Against this background, we launched a donation-matching programme in 2022 to support the population in Ukraine. Donation-matching means that If matches the donations made by its employees. We have chosen to channel our help through several humanitarian civil society organisations who are operating in or close to Ukraine. In total, approximately SEK 1.15 million was donated in 2023, and the programme is continuing in 2024.
- According to If's survey, Finns believe that the most important ways to ensure safe school travel are by 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 Finland we organise the Yellow Cap initiative and have 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 18 years, more than one million children have received their own yellow cap. In 2023, 55,000 children began their first year at school, and almost 56,000 yellow caps were sent to schools. The initiative has been well received: in a survey in autumn 2020, six out of ten respondents considered it to be positive because it promoted an important cause and communicated it with a clear and cheerful message.

- In Sweden, If has initiated a collaboration with the Swedish Heart-Lung Foundation, which is a charitable fundraising organisation, to set up a crowdfunding platform to provide defibrillators in residential areas. Defibrillators substantially increase the likelihood of surviving cardiac arrest, but as it is so important to have access to a defibrillator within the first



In Finland we organise the Yellow Cap initiative and have 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 18 years, more than one million children have received their own yellow cap.

five minutes, and because most cardiac arrests happen at home, the defibrillators need to be available in residential areas. The platform was launched in September 2022, and by the end of 2023 almost SEK 3 million have been raised from 4,200 donors.

- In Norway, we have cooperated for many years with the Norwegian fire safety organisation with regard to fire safety in private homes, with a particular focus on families. Together we have educated hundreds of thousands of Norwegians about how to prevent fires, and every year we have organised a Fire Safety Week.
- In all Baltic countries we continue to develop the cooperation with pet shelters: 'SOS animals' in Lithuania, 'Varjupaikade MTÜ' in Estonia and 'Labās Mājas' in Latvia. In 2022 we carefully selected partners in each country with whom we look forward to enjoying long-term and valuable mutual cooperation. Together with the representatives from the shelters we have been working to inform society about responsibility towards

pets, adoption, animal welfare and other important topics. In Latvia, we also continue to support the volunteers' organisation 'Bezvests.lv' which takes part in searches for missing people, often cooperating with the police, and organising volunteers for the searches. We provide insurance for the organisation's technical equipment as well as pet insurance for specially trained dogs that help in these searches.

Dialogue with policymakers

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

sustainability. In Finland, If is a member of the Federation of Finnish Financial Services, and is represented by Sampo in the working group on sustainability. In Denmark, If participates in Insurance and Pension Denmark's work on climate issues. 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 14). The industry associations are also used as a platform in order to take part in EU-level discussions on sustainable finance – for example, regarding the Taxonomy Regulation and the Corporate Sustainability Reporting Directive (CSRD). ■

3

Supporting the transformation to a low-carbon society

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



Science-based targets

In October 2021, If committed to the Science Based Targets initiative (SBTi)⁴⁰. The SBTi is a partnership between CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The initiative drives ambitious climate action in the private sector by enabling companies to set science-based targets for the reduction of emissions. The initiative provides sector-specific guidance for companies aiming to reduce greenhouse gas (GHG) emissions, thereby helping to prevent

the worst impacts of climate change and to futureproof business growth. Targets are considered to be ‘science-based’ if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement. Following the commitment, If had 24 months to develop targets, and to submit targets for validation (the SBTi must approve submitted targets). All targets must apply for a minimum of five years and a maximum of 15 years from the date on which the target is submitted to the SBTi. In 2021, If initiated three parallel projects in order to investigate the target-setting opportunities for investments, claims and own operations. These projects were completed in 2023, and the targets were submitted for validation in spring 2023, well in advance of the 24-month deadline. The validation process began in August 2023, and If’s near-term science-based emissions reduction targets were approved by SBTi in December 2023⁴¹.

As a financial institution, If developed targets in accordance with the SBTi sector-specific guidelines for the financial sector. These guidelines require financial institutions to set targets for: direct emissions from owned or controlled sources (scope 1), indirect emissions from the generation of purchased electricity, heating, steam and cooling (scope 2), and investment and lending activities (scope 3, category 15). As financial institutions’ greatest impact on climate change is generally through their investment and lending activities, the SBTi guidelines prioritise target-setting in these areas.

If’s science-based targets focus on investments, as our investment portfolio of about SEK 120 billion represents the majority of If’s total greenhouse gas emissions. If has also chosen to set targets for claims handling, although this is not a requirement, as we purchase goods and services worth more than

SEK 11 billion yearly within the motor and property segments, and claims represent a substantial part of the total emissions. If has also developed targets for the use of company vehicles and energy in offices, as this is a requirement for financial institutions. Emissions from these categories represent a very small proportion of the total emissions, compared to investments and claims. The base year for If’s science-based targets is 2020.

Investment portfolio targets

If’s science-based targets focus on investments (scope 3, category 15), as the investment portfolio of about SEK 120 billion represents the majority of If’s total greenhouse gas emissions. In 2023, emissions from the fixed income and equity investments⁴² accounted for 283,651 tonnes CO₂e (see Carbon footprint investments, page 79). The calculations⁴³ are conducted by the external service provider ISS ESG, and are based on the portfolio holdings and market value as of 31 December 2023.

If’s internal science-based targets project conducted comprehensive top-down and bottom-up analysis of the investment portfolio, and thoroughly reviewed the different target-setting methodologies available⁴⁴. Based on this analysis, If has decided to mainly use the Temperature Rating Approach for target-setting. Financial institutions may use the Temperature Rating Approach to address and cover corporate instruments, including corporate debt, listed equity and bonds, and private equity and debt. Financial institutions can use this approach to determine the current temperature rating of their portfolios, based on the public GHG emissions reduction targets (including science-based targets and any other valid public GHG targets that meet the method criteria) of their investees, and take actions to align their portfolios to

40 <https://sciencebasedtargets.org/>

41 https://sciencebasedtargets.org/resources/files/Target-language-and-summary_If-PC-Insurance-Holding-Ltdpubl.pdf

42 Financed emissions scope 1 and 2

43 These calculations are in accordance with Insurance Sweden’s recommendations, which were updated in 2020.

44 Sectoral Decarbonisation Approach (SDA), Temperature Rating Approach (TR) and Portfolio Coverage Approach.

If's approved near-term science-based emissions reduction targets

Scope 1 and 2:

If P&C Insurance Holding Ltd (publ) commits to reduce absolute scope 1 and scope 2 GHG emissions 42.5% by 2030 from a 2020 base year.

Scope 3 category 1-14:

If P&C Insurance Holding Ltd (publ) commits that 30% of its suppliers by spend, covering purchased goods and services, will have science-based targets by 2028.

Scope 3 portfolio targets

Headline Target:

If P&C Insurance Holding Ltd (publ)'s portfolio targets cover 85% of its total investment and lending by investments and assets under management as of 2020. As of that year, required activities made up 85% of If P&C Insurance Ltd (publ)'s total investment and lending by investments and assets under management while out of scope activities made up 15%.

Scope 3 asset class level targets

Asset class	Method	Target language
Corporate loans: Commercial real estate	Sector Decarbonisation Approach (SDA)	If P&C Insurance Holding Ltd (publ) commits to reduce GHG emissions from the commercial real estate sector within its corporate loan portfolio 57.2% per square meter by 2028 from a 2020 base year.
Corporate loans	Temperature rating	If P&C Insurance Holding Ltd (publ) commits to align its scope 1 + 2 portfolio temperature score by invested value of its corporate loan portfolio from 2.91°C in 2020 to 2.25°C by 2027. If P&C Insurance Holding Ltd (publ) commits to align its scope 1 + 2 + 3 portfolio temperature score by invested value of its corporate loan portfolio from 2.84°C in 2020 to 2.21°C by 2027.
Listed equity, corporate bonds, funds and ETFs	Temperature rating	If P&C Insurance Holding Ltd (publ) commits to align its scope 1 + 2 portfolio temperature score by invested value of its listed equity, corporate bond, fund and ETFs portfolio from 2.52°C in 2020 to 2.04°C by 2027. If P&C Insurance Holding Ltd (publ) commits to align its scope 1 + 2 + 3 portfolio temperature score by invested value of its listed equity, corporate bond, fund and ETFs portfolio from 2.7°C to 2.14°C by 2027.

ambitious long-term temperature goals by engaging with portfolio companies to set ambitious targets. This approach takes an engagement-oriented approach focused on portfolio companies' actions to measure and reduce emissions. If uses the Temperature Rating Approach for corporate loans, listed equity, corporate bonds, funds and ETFs. Listed equity and bonds represent more than 90 percent of If's total investment portfolio.

The Sectoral Decarbonisation Approach (SDA), which involves the use of emissions-based physical intensity

targets, is used for commercial real estate loans, as the Temperature Rating Approach cannot be used for this asset class.

If's responsible investment approach and strategy currently includes several important features that will contribute to achieving the portfolio target. If aims to be an active owner and to incorporate Environmental, Social and Governance (ESG) factors into its investment analysis and decision-making processes, as well as its ownership policies and practices. As an

active and responsible owner, and in addition to direct dialogue and voting, If also engages with companies through pooled engagement with other investors, if it is believed that this can be an effective means of achieving a desired change within the investment company. As a measure of last resort, the investment might be sold, if the target of engagement does not respond to the engagement efforts. As a complement, sector-based screening and ESG risk ratings are also used (see Commitment to our customers, page 14). In 2024, If will further develop the approach and

If commits that 30 percent of its suppliers by spend, covering purchased goods and services, will have science-based targets by 2028.

strategy for achieving the investment targets and will update the Responsible Investment Policy.

Supplier engagement targets

If has also chosen to set targets for purchased goods and services (scope 3, category 1), although this is not a SBTi requirement for financial institutions. We purchase goods and services worth more than SEK 11 billion yearly within the motor and property segments, and claims represent a substantial part of our total emissions. In 2022, If commissioned IVL Swedish Environmental Research Institute to calculate the CO₂e emissions from its property and vehicle repairs, using life cycle assessment (LCA) methodology and input data from the claims organisation. According to the calculations, which were completed in early 2023, the total amount of GHG emissions for property repairs and vehicle repairs in the baseline year 2020 was 89,685 tonnes CO₂e.

If's internal science-based targets project also thoroughly reviewed the different target-setting methodologies available⁴⁵ for the suppliers. Based on the analysis, If has decided to use supplier engagement targets for target-setting. Supplier engagement targets offer a way to influence decarbonisation efforts within a

company's supply chain when granular emissions data is challenging to track or unavailable. These targets focus on engaging a defined set of suppliers in the near-term to set their own science-based targets for all applicable scopes and categories. Companies should recommend that their suppliers use the SBTi guidance and the tools available to set science-based targets. SBTi validation of suppliers' science-based targets is recommended but not required. Supplier engagement targets must be achieved within five years of target-setting. If commits that 30 percent of its suppliers by spend, covering purchased goods and services, will have science-based targets by 2028.

If's current supplier engagement approach and strategy includes several important features that will contribute to the achievement of the target. Our aim is to ensure that we help our customers to rebuild and recover, and to ensure that claims are handled in a sustainable way. We

encourage and support our suppliers and partners, who are of central importance in our claims handling, in their efforts to use more sustainable methods in their operations. By actively requesting innovative solutions, resource efficiency, transparency and responsibility from our suppliers, we aim to minimise our negative impact and stimulate sustainable production and consumption. Strict requirements, in combination with close cooperation with our suppliers and partners, enable us to develop our business while also contributing to more sustainable development. If's Supplier Code of Conduct specifies the minimum requirements with which we expect our suppliers to comply. The Code covers 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

We purchase goods and services worth more than SEK 11 billion yearly within the motor and property segments, and claims represent a substantial part of our total emissions.



responsibly, strive to reduce energy consumption, and prioritise the use of renewable energy sources, wherever possible. For our vehicle and property repair contractors, we have additional sector-specific environmental requirements, which cover the use of materials, repairs, reuse and recycling (see Commitment to our customers, page 14). In 2024, we will further develop our approach and strategy for achieving our supplier engagement targets.

Reducing emissions from our company vehicles and energy use in offices

In accordance with the SBTi requirements, we have also developed targets for direct emissions from owned or controlled sources (scope 1) and indirect emissions from the generation of purchased electricity, heating, steam and cooling (scope 2). If's scope 1 and scope 2 emissions are linked to the use of company vehicles and energy in the offices in the Nordics and Baltics,

including subsidiaries. Emissions from these sources represent a very small proportion of the total emissions, compared to investments and claims. In 2023, total emissions from company vehicles and energy use in the offices was 1,171 tonnes CO₂e, according to calculations made by the external consultant South Pole (see CO₂e emissions, page 78).

The internal science-based targets project also investigated the target-setting methodology available for the



scope 1 and scope 2 emissions. As a financial institution, If must use absolute targets for the target-setting. Absolute reductions must at least be consistent with the level of decarbonisation required to keep the global temperature increase to well below 2°C, compared to preindustrial temperatures, although financial institutions are encouraged to pursue greater efforts towards a 1.5°C trajectory. The use of offsets does not count towards emissions reductions in the efforts to achieve financial institutions' science-based targets. If commits to reduce absolute scope 1 and scope 2 GHG emissions by 42.5 percent by 2030, from a base year of 2020.

If strives to provide environmentally friendly workplaces, enabling employees to minimise the environmental footprint. If's company vehicle guidelines and facility management strategy currently include several important features that will contribute towards meeting the target. For many years, If has actively worked to reduce CO₂e emissions from company vehicles, energy and electricity use, waste, office supplies, water, IT and business travel. During the period 2008-2023, we implemented several measures aimed at reducing our emissions, and we

managed to decrease CO₂e emissions from these sources in the Nordic countries by 72 percent. We work continually to make our offices more energy-efficient and environmentally friendly. In 2019, we developed minimum environmental requirements for our major offices (i.e., offices with more than 100 employees) in the Nordics. In 2023, we raised our ambitions and developed a new environmental standard for all our offices. We are currently mapping the present status, and the new standard will serve as the baseline in securing environmentally friendly operations. The new environmental standard defines concrete measures, targets and guidance on topics such as office supplies, how the canteens should operate, energy efficiency, 'greening' our rental agreements, reducing our waste and more. If's purchasing guidelines for company vehicles encourages the purchasing of plug-in hybrids and electrical vehicles (EV). The share of company vehicles in the Nordics that are plug-in hybrids or EVs increased from 39 percent in 2020 to 77 percent in 2023. In 2024, we will further develop our approach and strategy for achieving our scope 1 and scope 2 targets. ■

Green bonds, Sustainability bonds and Sustainability-linked bonds

A green bond is a bond that is specifically earmarked to be used for climate and environmental projects. Sustainability bonds are issues where proceeds are used to finance or re-finance a combination of green and social projects or activities, whilst sustainability-linked bonds are structurally linked to the issuer's achievement of climate or broader sustainability goals. If has more than SEK 15 billion invested in green bonds, and more than SEK 2.4 billion invested in sustainability and sustainability-linked bonds.



If's near-term science-based emissions reduction targets approved by SBTi

– We want our targets to have as much impact as possible. By setting science-based targets, and including voluntary reduction measures for our claims operations, we hope to set an example that other insurance companies will follow, says CEO Morten Thorsrud.

If's Head of Sustainability Philip Thörn and CEO Morten Thorsrud walking in the vicinity of If's headquarters at Bergshamra in Stockholm, Sweden.

If's near-term science-based emissions reduction targets were approved by the Science Based Targets initiative (SBTi) shortly before the end of 2023, and If joined more than 4,000 companies worldwide that have had their climate targets approved by the renowned international sustainability organisation.

If committed to the SBTi in 2021, and CEO Morten Thorsrud awaited the approval with anticipation.

Including voluntary targets for claims operations

If's investment portfolio of around SEK 120 billion represents the majority of If's total greenhouse gas emissions. As a financial institution, If was required to set targets for the company's investments. If chose to take its commitment one step further and also set targets for its claims operations, although there is no requirement to do so.

– We can make an important difference by requiring and supporting our claims contractors to work ambitiously on sustainability – for example, by reducing material use and by repairing and reusing instead of using new parts. That's why we wanted to include claims operations in our target setting, says CEO Morten Thorsrud.

– Our claims operations are the core of our business. We buy materials and services for more than SEK 11 billion per year, and handle more than a million claims within the motor and property segments. This is where we indirectly have a substantial part of our emissions, and obviously we can make an impact by encouraging our suppliers to set ambitious climate targets, continues Morten.

If's Head of Sustainability, Philip Thörn, agrees.

– By actively requesting innovative solutions, resource efficiency, transparency and responsibility from our suppliers, we aim to minimise our negative impact and stimulate sustainable production and consumption, explains Philip.

– Climate change is an issue of global importance. We want to do our part and support the transformation by setting ambitious and science-based targets that are in line with the Paris Agreement. The SBTi approval is an important milestone on this journey, says If's CEO Morten Thorsrud.

About the Science Based Targets initiative (SBTi)

The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

SBTi drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets. 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.

CO2e emissions

Scope 1 (direct energy use)*									
	Denmark**	Finland	Norway**	Sweden	Estonia	Latvia**	Lithuania**	Total (litres)	Total (tonnes CO2e)
Petrol (litres)***	18,475	1,030	6,335	6,296	10,195	5,552	8,257	56,140	124
Diesel (litres)	4,800	147	0	2,012	0	0	0	6,959	13
Total scope 1								63,099	137

* As of 2023 also including direct energy use and emissions from subsidiaries Boallians, Digiconcept and Viking. Energy use and emissions from Vikings operations in Spain are included in total.

** Regarding Vikings operations and IF's operations in Denmark, Norway, Latvia and Lithuania the number of kilometres driven for business-related travel has been estimated as there is currently no exact data available.

*** Including fuel use and emissions from hybrids

Scope 2 (indirect energy consumption)*									
	Denmark	Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Total (MWh)	Total (tonnes CO2e)**
Electricity (MWh)	825	2,539	6,774	3,366	282	330	108	14,469	808
District heating (MWh)	835	4,383	0	2,775	1	395	0	8,389	204
District cooling (MWh)		425	0	1,302	0	0	0	1,790	7
District heating/cooling (MWh)					387	0	81	468	15
Total scope 2								25,116	1,034

* As of 2023 also including indirect energy use and emissions from subsidiaries Boallians, Digiconcept and Viking. Indirect energy use and emissions from Vikings operations in Spain are included in total.

** This data has been calculated using a market-based method.

Scope 3 (other indirect emission sources)									
	Denmark	Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Total	Total (tonnes CO2e)
Business travel									
Air (km)	1,402,195	3,280,769	4,289,733	3,937,711	231,807	407,975	129,435	13,679,625	3,219
Train (km)	19,788	645,506	267,876	2,009,723	16,744	2,500	0	2,962,137	26
Taxi, rental and private car (km)	261,314	1,714,633	1,311,064	1,422,006	75,929	33,603	107,803	4,926,352	651
Hotel (guest nights)	841	4,009	3,737	5,933	224	178	184	15,106	191
Purchased goods and services									
Paper (tonnes)	13	60	32	59	2	2	1	169	60
Water consumption (m3)	2,795	8,233	6,208	10,110	1,185	1,125	703	30,359	13
Cloud services (users)								18,337	32
Motor and property claims (MSEK)*								11,200	88,618
Capital goods									
IT equipment (number of devices)								15,748	1,386
Waste generated									
Office waste (tonne)**	260	194	106	73	21	26	11	691	182
Fuel and energy related activities									
Production of energy carriers									356
Fuel and energy related activities									
Employee commuting (km)								33,703,710	3,570
Investments									
Equity***									60,268
Fixed income***									223,383
Total scope 3									381,955
Total emissions scope 1-3									383,126

* Emissions for 2021 based on life cycle assessment conducted by IVL Swedish Environmental Research Institute

** Office waste include data from our landlords and waste collection suppliers as well as estimations in the offices where we could not attain any data.

*** Financed emissions scope 1 and 2.

Emission factors*

Activity	Emission factor reference
Business travel	Swedish Transport Administration 2019, Swedish EPA 2021 and 2022, Calculated by South Pole based on DEFRA 2023, Drivmedel, 2021, Hotel Sustainability Benchmarking Index 2021.
Capital goods	ADEME 2022, BC V8.8, Apple 2021, BEIS 2022, CarbonCatalogue 2015, Dell 2021, Ecoinvent v3.9.1, Lenovo 2021, Lexmark 2020, Seagate July 2016, South Pole derived from BC ADEME 21.1 and cost, Supplier average Apple 2020/2021.
District heating and cooling	Deducted from fuel mix based on emission factors from BEIS, Swedish EPA, IEA, Euroheat & Power 2017, CH4 and N2O. Deducted from fuel mix from Euroheat & Power and emission factors from BEIS; Swedish EPA, and IPCC 2014, Turku Energia 2023, Turku Energia 2017, Helen 2018, Helen 2020, Helen 2021, Paikallisvoima 2023, Swedenergy 2021, Swedish district cooling suppliers.
Electricity	Electricity (location-based): EI 2022, Ecoinvent v.3.9.1., IEA electricity EFs 2022. Electricity (market based): AIB 2022, Ecoinvent v.3.9.1., and AIB 2022 grid mix for CH4 and N2O, EI 2022, EI 2022 grid mix for CH4 and N2O and IPCC, 2014.
Employee commuting	Swedish Transport Administration 2019, Swedish EPA 2021
Fuel and energy-related activities	AIB 2022, Ecoinvent v3.9.1; Euroheat & Power, 2017, CH4 and N2O. Deducted from fuel mix from Euroheat & Power and emission factors from BEIS, Swedish EPA, IPCC 2014 and Finnish Energy Statistics 2021. Deducted from fuel mix using emission factors from the Swedish EPA 2022 and BEIS 2022. Deducted from fuel mix based on emission factors from BEIS, Swedish EPA, IEA 2022, IPCC 2014, Swedenergy 2021, Swedish district cooling suppliers Värmeforsk 2011.
Purchased goods and services	Paper: Calculated supplier average, SCA Ortviken 2012 (Life cycle assessment). Cloud services: Google 2012, Microsoft 2021, IPCC 2014. Motor and property claims: Life cycle assessment IVL Swedish Environmental Research Institute 2023. Water supply & treatment; BEIS 2022.
Waste	Ecoinvent version 3.9 2022, BEIS 2022

* The GHG data has been calculated with the help from an external party, South Pole, based on the 'The Greenhouse Gas Protocol (GHG Protocol): A Corporate Accounting and Reporting Standard – Revised Edition' ('GHG Protocol') and the complementary 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard'. The data has been calculated using an activity-based method, and estimations and assumptions have been made where data has not been available, for more information see the notes under each data table.

Carbon footprint investments

Carbon footprint equity*, 2021-2023

Portfolio	Disclosure Number/Weight	Emission Exposure tCO ₂ e			Relative Emission Exposure tCO ₂ e/Mio SEK Revenue	
		Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
	Share of disclosing holdings					
If equity portfolio 2023	89.5% / 99.7%	60,268	1,515,115	7.22	7.87	4.57
If equity portfolio 2022	76.2% / 95.1%	74,012	1,638,398	8.99	10.41	10.42
If equity portfolio 2021	72.7% / 92.3%	78,634	1,651,350	6.58	9.90	9.67

*Calculations by ISS ESG based on the portfolio holdings and market value as of 31 December 2023.

Carbon footprint fixed income*, 2021-2023

Portfolio	Disclosure Number/Weight	Emission Exposure tCO ₂ e			Relative Emission Exposure tCO ₂ e/Mio SEK Revenue	
		Scope 1 & 2	Incl. Scope 3	Relative carbon footprint	Carbon intensity	Weighted average carbon intensity
	Share of disclosing holdings					
If fixed income portfolio 2023	94.9% / 98.1%	223,383	4,267,247	2.74	9.30	3.08
If fixed income portfolio 2022	86.5% / 93.5%	250,523	3,575,015	3.38	14.64	5.65
If fixed income portfolio 2021	79.6% / 88.5%	329,722	2,554,416	5.00	18.10	7.81

* Calculations by ISS ESG based on the portfolio holdings and market value as of 31 December 2023.

Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) is an industry initiative⁴⁶ that aims 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:

- Transition risks – i.e., risks related to the transition to a low-carbon economy
- Physical risks – i.e., risks related to the physical impacts of climate change.

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

Governance

Board oversight

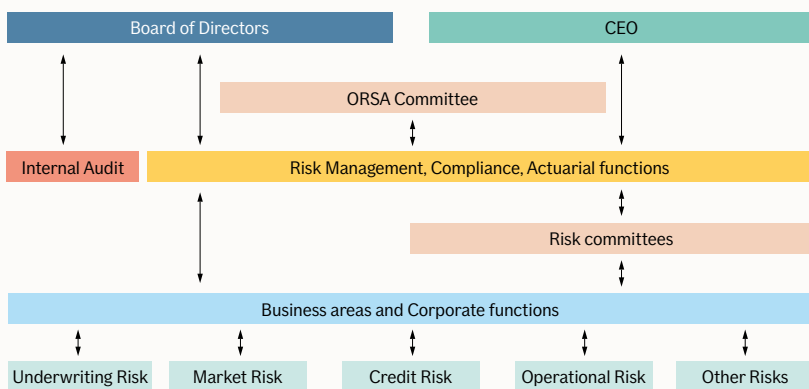
The Board of Directors' (BoD) decision-making powers follow from local legislation in the respective companies' country of incorporation, as well as the articles of association and any other instructions given directly by the general meeting. The BoD adopts instructions for the CEOs and also approves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

Management role

The CEOs hold overall responsibility for the day-to-day business activities of the companies within If. They have the possibility to delegate decision-making authority concerning day-to-day business activities to other persons within If but retain ultimate responsibility for the decisions that are made. If's Sustainability Committee meets quarterly and is an advisory and preparatory body for the CEOs on sustainability-related matters and the integration of sustainability into operations. Members of the Sustainability committee include the Chief Financial Officer (chair), Head of Human Resources, Head of Brand Marketing & Communication, Chief Legal Counsel, Chief Information Officer, Chief Risk Officer, Head of Sustainability, and representatives from business area Private, Commercial, Industrial, 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 in the sustainability work by the Sustainability Office, which was established in 2021, and by the Sustainability Core teams. The Sustainability Office provides, for example, strategic input on sustainability issues, and coordinates the reporting to the Sustainability Committee and the work of the Sustainability Core teams. The Sustainability Core teams consist mainly of persons in the line organisation who perform sustainability-related work within If. If's Sustainability Policy

Risk-reporting structure within If



presents If's position and approach to sustainability.

Strategy

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

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

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

As part of the Commitment to society, we have formulated our climate approach as follows: We support the transformation to a low-carbon society. Climate change affects us all and therefore requires long-term solutions that actively involve the insurance industry in partnership with other stakeholders. Our aim is to continually reduce our own emissions and to encourage our partners and customers to reduce theirs. We see it as our responsibility to set ambitious and science-based climate targets in line with what the latest climate science deems necessary in order to meet the goals of the Paris Agreement – i.e., to

limit global warming to well below 2°C (preferably 1.5°C), compared to pre-industrial levels.

Identified climate-related risks and opportunities

Climate-related risks concern the impacts from increasing physical manifestations of global warming (physical risk), as well as from measures taken by societies to transition to low-emission economies (transition risk).

If works with climate-related risk from two perspectives:

- The impact of climate-related risk and opportunities on If's risk profile (outside-in perspective).
- The impact of If's business activities on the climate (inside-out perspective).

The outside-in perspective and the associated potential need for risk mitigation activities and capital are discussed below. The inside-out perspective and the measures taken by If to reduce its impact on the climate are described in the chapter Commitment to society (see Supporting the transformation to a low-carbon society, page 72).

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

related losses are likely to increase the exposure for If and for other insurers. If continually identifies and assesses the impact of physical risks. Several workshops have been conducted with experts from three business areas⁴⁷ to discuss the impacts of climate-related risks, which are divided into physical and transition risks, according to the TCFD standard.

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

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

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

⁴⁷ Business area Industrial, Commercial and Private

and has an investment portfolio worth about SEK 120 billion (see Commitment to our customers, page 14). On behalf of If, an external consulting company has performed a Climate Impact Assessment (CIA) of If's investment portfolio⁴⁸ to assess the exposure to transition and physical risks. According to this CIA, the investment portfolio is exposed to physical risks (for example, floods, droughts, storms and other natural catastrophes), even if the increase in global temperature is limited to 2°C. If's investment portfolio is also exposed to transition risks (for example, technological risk, regulatory risk and reputational risk), which could affect the value of If's investments. If's near-term science-based emissions reduction targets, which are validated and approved by the Science Based Targets initiative (SBTi), include targets for investments. If's portfolio targets cover 85 percent of its total investment and lending by investments and assets under management as of 2020. If uses the Temperature Rating Approach for corporate loans, listed equity, corporate bonds, funds and ETFs, and the Sectoral Decarbonisation Approach (SDA) for commercial real estate loans (see Commitment to society, page 60).

Impact on business, strategy and financial planning

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

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

There are both climate-related physical and transition risks that could affect If in terms of its business, strategy and financial planning. Physical risk could, for example, impact future investment portfolio value. The transition to a low-carbon society, with potentially increasing environmental and climate regulation, more stringent emission requirements and changes in market

preferences, could also affect the value of If's investments. These risks are assessed to have a relatively low likelihood in the short term, compared to other risk types. In a longer time horizon, however, these risks could become material. In order to create a greater understanding of these risks, If has developed climate-related risk scenarios.

Increased climate-related physical risks could also lead to increased demand for loss prevention services. If already offers major corporate clients comprehensive risk management services. The risk management services are part of the insurance programme and are not a separate service. At present, If, in cooperation with Anticimex, offers house assessments to private customers who



From the extreme weather "Hans" in August, Norway. Photo: Thomas Thomassen

own their house and hold top-level coverage insurance policies. In 2022, based on the positive experiences from the house assessment for private customers, If started offering the If Building Check for small and medium-sized (SME) clients that own residential buildings in Norway (see Commitment to our customers, page 14). If also supports and participates in a number of research projects in the Nordic region in order to better understand climate-related physical risks and to develop preventative measures (see Commitment to society, page 60).

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 that is 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 60) and reverse stress tests, including scenarios related to natural catastrophes. In addition to the quantification of If's main risk categories, a qualitative assessment of If's key risks over the planning period is also conducted.

On behalf of If, the external consultant ORTEC Finance analysed If's investment portfolio's exposure to systemic

economic and financial climate-related risks in four different climate scenarios during the period 2024-2060. The methods, assumptions and results obtained by ORTEC Finance were, in turn, analysed by If. The insights gained have the potential to be used in the management of If's investment portfolio (e.g., to remove or decrease certain climate-related risks, or to try to benefit from identified opportunities), but more work is needed before this can happen.

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

The four pathways are:

Net-Zero:

This scenario describes an easy and smooth transition, where political and social organisations act quickly and predictably to achieve net-zero CO₂ emissions by 2050.

Net-Zero Financial Crisis:

In this scenario, the transition to a greener economy happens in a disorderly manner. Sudden divestments to align portfolios with the Paris Agreement goals in 2025 have disruptive effects on financial markets, with sudden repricing followed by stranded assets and a sentiment shock.

Limited Action:

In this scenario policymakers implement limited Nationally Determined Contributions (NDCs) and fall short of meeting the Paris Agreement goals. Global warming reaches 2.8°C and this causes high physical impact.

High Warming:

In this scenario the world fails to meet the Paris Agreement goals, and global warming reaches 4.2°C above pre-industrial levels by 2100. The physical climate causes large reductions in economic productivity and increased impacts from extreme weather events. This scenario focuses on physical risk, as a green transition does not take place.

Investments

The results show that, on an overall level, If's investment portfolio is relatively resilient to climate-related risk in all four pathways. In the short run, the main risk is related to the pricing-in shock in the Net-Zero Financial Crisis, whilst in the long run, there are negative impacts on the returns in all pathways, due to increasing physical risks. In addition, returns from 'brown' sectors, such as oil, gas, coal and fossil based utilities, are particularly affected in both of the Net-Zero pathways. The general behaviour of If's investment returns in each pathway is summarised below.

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

Underwriting and business strategy

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

Net-Zero	Net-Zero Financial Crisis	Limited Action	High Warming
<p>Changes in the frequency and/or severity of climate-related claims are assumed to not be very sudden or severe, and can therefore be priced based on claims data and portfolio results, as is the current practice today. It follows that the gross profitability of the business can be maintained based on the strategy that has already been implemented. Furthermore, the impact on reinsurance prices and availability is assumed to be moderate. Reinsurance can therefore continue to be used to manage If's aggregated exposure to natural catastrophe risk and to reduce volatility in claims costs over time, thereby stabilising the net financial results.</p> <p>The demand from customers and partners for sustainable products and services, as well as for insurance policies tailored to new technologies and new market practices, is assumed to increase. The change is assumed to be gradual, and the strategic risks can therefore be mitigated by the business practices currently in place.</p>	<p>Compared to the Net-Zero pathway, there is greater uncertainty related to the transition path. 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, thereby leading to higher prices and/or lower capacity. Developments in this pathway could therefore potentially affect If's business strategy to a moderate extent, at least temporarily.</p>	<p>In the Limited Action pathway, policy makers take moderate (although too weak and slow), steps to increase climate action. This will lead to rising temperatures, which may lead to an increase in the frequency and intensity of extreme weather events. The impact of increased temperature is likely to have a different impact depending on the peril – floods, storms, freezing temperatures, etc. Overall, the Nordic region is less susceptible to extreme weather events and the changes in temperature will have regional impacts and will become evident over time. For If, it is important to follow the regional impact within the Nordics, and to help policyholders with pre-emptive risk mitigation and overall risk selection and pricing of weather events. The extreme weather events result in a higher number of insurance claims related to property damage and (potentially) business interruption, although fewer claims than in the High Warming pathway. If should consider reviewing its business strategy in this pathway, to ensure it is relevant for the changing environment and the rising costs.</p>	<p>In the High Warming pathway, the frequency and severity of climate-related claims will increase. The demand for certain types of insurance protection will also increase. If will need to focus more on climate-related risks and natural catastrophes in both risk selection and pricing. Some objects, regions and perils may become excluded, or may be covered only partially, and the price of insurance will increase. At the same time, the demand for reinsurance against climate-related losses will increase, and capacity is likely to become lower, thereby raising the cost of reinsurance. In this pathway, If's business strategy will need to be reviewed to some extent, at least in terms of risk appetite and risk preferences.</p>

Solvency and capital

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

Net-Zero	Net-Zero Financial Crisis	Limited Action	High Warming
<p>As gross profitability, reinsurance protection and business strategy are assumed to continue as today, the effect on solvency and the need for additional capital will be small.</p> <p>The high investment activity in the pathway may lead to an increase in interest rates, which would be positive for If's solvency position.</p>	<p>Compared to the Net-Zero pathway, If's solvency position is assumed to be somewhat more volatile in this scenario. The appetite for taking risk may therefore be lower, at least temporarily, and additional capital buffers to mitigate risks may be needed.</p> <p>If's solvency position would also be negatively affected by lower interest rates following interventions by central banks.</p>	<p>In the Limited Action pathway, increased payouts for weather-related claims could start to put pressure on If's financial reserves, thereby affecting If's solvency position. The investment portfolio result could also be slightly lower in the long term, unless increased attention is devoted to ESG factors. The need for additional solvency capital may increase if reinsurance capacity for weather events decreases.</p>	<p>In the High Warming pathway, If's solvency position may become more volatile if the product terms and conditions are not carefully aligned with the reinsurance protection available. The positive return from the investment portfolio could be somewhat lower in the long term, which will place more emphasis on the profitability of the insurance operations. The need for additional solvency capital increases.</p>

Risk management

If applies the Three Lines Model to ensure efficient risk management and internal control, as well as having a clear division of roles and responsibilities within the organisation (see Commitment to society, page 60).

Risk identification processes and integration of climate-related risks

Physical risks linked to climate change are identified and assessed as part of the existing risk management practices within the business. The first line identifies and assesses the magnitude of each risk on a regular basis. When reporting to Risk Management, the influence of physical risk factors on the defined risks is assessed on a severity/likelihood basis on a heat map, using the same scale and principles as for 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-business area specialist group (the Emerging Risks Core Team), which identifies emerging risks and assesses their impact on If on a quarterly basis. Using the risk assessments within all risk categories and from different units across the company, the Risk Management summarises the most severe risks on a consolidated heat map and reports them to the ORSA Committee.

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



In December 2023, If's near-term science-based emission reduction targets were approved by the Science Based Targets initiative (SBTi).

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

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

physical) can have a potential impact on all risk categories.

Risk management processes and integration of climate-related risks

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

Physical risks linked to climate change are identified, assessed and managed as part of the existing risk management practices within the business. Risk management actions depend on the type of risk. Daily risk management processes include prudent underwriting and price analysis. Increasing natural catastrophe claims costs can be mitigated through pricing. The economic impact of unexpectedly high levels of natural disasters is managed through a combination of reinsurance and diversification. The need for and optimal choice of reinsurance is evaluated by comparing the expected cost against the benefit of reinsurance, the impact on result volatility and capital requirements. The main tool for this evaluation is If's internal model. The BoD decides on the net retention levels and the purchase of reinsurance programmes. The reinsurance protects If from losses beyond its risk appetite. Transition risks in the supply chain are, to some extent, identified using the If Supplier Code of Conduct, as well as sector-specific environmental requirements, and through the new due diligence process for suppliers and business partners (see Commitment to society, page 60). 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, page 14).



Metrics and targets

Metrics disclosure

Climate-related risks and opportunities are assessed using the same metrics that are used for assessing other types of risks and opportunities. Metrics for assessing physical risks are well-established, as natural catastrophes are risk factors that affect If's financial position and results. The financial impact is illustrated by the solvency ratio, which is defined as the available excess capital in our balance sheet divided by our capital requirement. Our sensitivity to a 1-in-10-year natural catastrophe (i.e., a natural catastrophe that is likely to happen once in ten years) is calculated and published in our solvency disclosures. Regarding loss prevention services to private customers, the current key metric is the number of services provided. Since 2012, more than 230,000 house assessments have been completed in the Nordic countries. During 2020, If carried out an internal analysis to assess the impact of the house assessments on the customer risk ratio. Based on these results, the IVL Swedish Environmental Research

Institute has been consulted to assess the environmental benefits (including CO₂e reductions) that are linked to the house assessments (see Commitment to our customers, page 14). 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 (WACI).

Scope 1, 2 and 3 disclosure and risks

If discloses greenhouse gas (GHG) emissions in accordance with GHG Protocol methodology. The GHG emissions categories scope 1, 2 and 3 are reported as part of the sustainability report (see CO₂e emissions, page 78). The emissions factors used come from credible sources and are presented in the report. If is supported by external service providers regarding the calculation of GHG emissions scope 1-3. In December 2023, If's near-term science-based emission reduction targets were approved by the Science Based Targets initiative (SBTi)⁴⁹. 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. All targets must cover a minimum of five years and a maximum of 15 years from the date on which the target is submitted to the SBTi. The initiative provides sectorial guidance regarding the development of targets, as the source of greenhouse gas emissions varies according to sector. If is a financial institution and has developed targets in accordance with the sector-specific guidelines for the financial sector (see Commitment to society, page 60).

Risk management targets

Regarding loss prevention services to private customers, the current key metric is the number of services provided (see Commitment to our customers, page 14). Regarding physical risks, no specific target is set concerning financial loss from natural hazards. However, as natural catastrophes are risk factors that affect If's financial position and results, these are integrated into If's financial (solvency) target. ■

⁴⁹ <https://sciencebasedtargets.org/companies-taking-action#dashboard>

EU Taxonomy

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 Climate 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 (Taxonomy-aligned) it must make a substantial contribution to at least one of the EU's climate and environmental objectives (i.e., climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems), while at the same time not significantly harming any of the other objectives and also meeting the minimum social safeguards criteria. The Taxonomy Delegated Acts establish and maintain 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. Some parts of the Taxonomy Regulation are still under development.

Mandatory disclosures

Article 8 of the Taxonomy Regulation requires large financial and non-

financial companies that are subject to the Non-Financial Reporting Directive (NFRD) to disclose to what extent the activities that they carry out meet the criteria set out in the EU Taxonomy. Insurance companies are required to report key performance indicators (KPIs) on sustainable underwriting activities⁵⁰ and sustainable investments⁵¹.

The EU Taxonomy is implemented gradually. For the financial years 2021 and 2022, insurance companies were required to report on Taxonomy eligibility (i.e., reporting on whether the economic activity was included in the Taxonomy Delegated Acts). Reporting on Taxonomy alignment (i.e., reporting on whether the economic activity meets the technical screening criteria for substantial contribution, does no significant harm and complies with minimum social safeguards) is required from the financial year 2023.

Insurance companies are required to report KPIs on sustainable underwriting activities (the proportion of the non-life gross written premiums (GWP) in relation to total non-life GWP corresponding to insurance activities identified as environmentally sustainable in the EU Taxonomy) and sustainable investments (the proportion of the insurer's or reinsurer's investments that are directed at or associated with, funding economic activities that qualify as environmentally sustainable).

In 2023, If closely monitored and reviewed the Taxonomy Regulation and the delegated acts, and also participated in consultations and

dialogues, via for example the national insurance associations in the Nordics, and Insurance Europe, on the implementation of the regulation.

If will continue to further monitor the regulation and integrate it into the business strategies and business operations. Strategy and reporting is regularly discussed and addressed in the Sustainability Committee and the respective business areas. There are several ongoing research and development projects on climate change adaptation, addressing climate risks and scenarios and the further development of loss prevention measures.

Sustainable underwriting activities

Sustainable underwriting activities – eligibility

Non-life insurance and reinsurance are recognised as enabling⁵² economic activities that can make a substantial contribution to the environmental objective of climate change adaptation. At the time of writing this report, the EU Taxonomy does not recognise that non-life insurance or reinsurance activities can make a substantial contribution to any other environmental objectives.

In 2021 and 2022, If calculated and reported the Taxonomy eligibility of its insurance activities by following the industry best practice at the time. As a first step, If assessed the proportion of total Gross Written Premium (GWP), at group level⁵³ that relates to the non-life insurance activities⁵⁴ listed in the delegated acts to the Taxonomy.

⁵⁰ 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

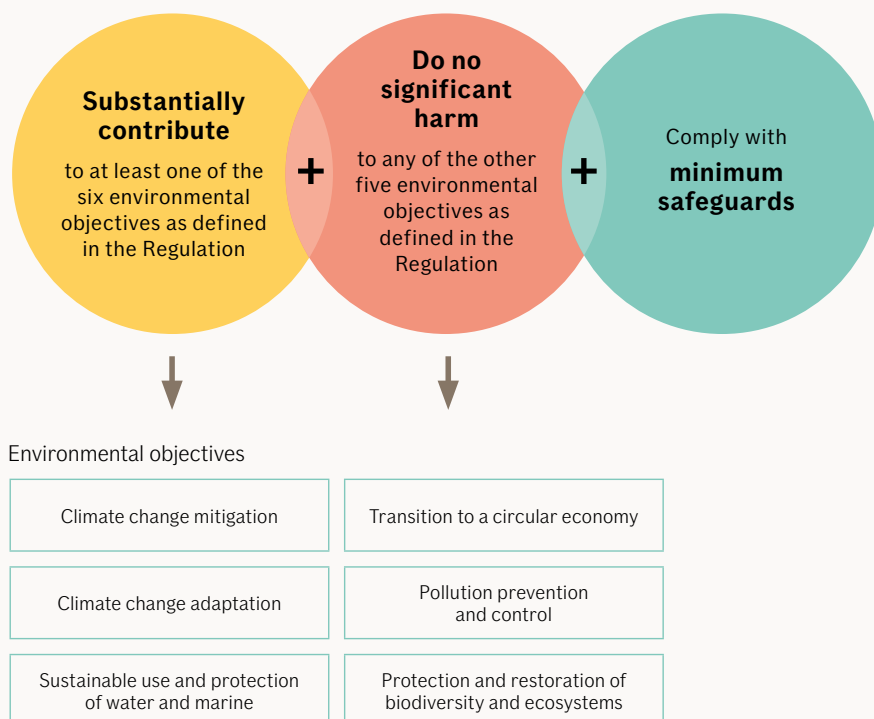
⁵¹ The proportion of the insurers or reinsurers 'investments' in relation to 'total investments' that are directed at funding, or are associated with, economic activities that qualify as environmentally sustainable.

⁵² Enabling activities: activities that enable other activities to make a substantial contribution to one or more of the objectives

⁵³ In accordance to the quantitative reporting template S.05.01.02 Premiums, claims and expenses by line of business.

⁵⁴ The following lines of business (LoBs) 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

Taxonomy – basic principles



As a second step, the coverage against climate related perils was assessed, as in order to be eligible, the non-life insurance activities must also provide coverage against climate-related perils (e.g., flooding, landslides and heat stress)⁵⁵. This second step was performed in each business area (i.e., Private, Commercial, Industrial and Baltics) by underwriters and product owners with in-depth knowledge of the terms and conditions for the different products and contracts, with support from the legal department, corporate accounting, and the sustainability unit.

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

climate-related events from coverage, If concluded that the insurance product encompasses coverage against climate-related perils. If's interpretation, which was in line with the insurance industry best practice, was that, as long as there is some cover against climate-related perils for an insurance activity, total premiums should be assessed as eligible even though there might be some climate-related exceptions in the terms and conditions. Premiums related to life insurance and general liability insurance are not listed in the Taxonomy and are therefore not eligible. The analysis, which was based on these interpretations and was performed to the best of our abilities, resulted in an eligibility of 93.3% and 92.9% for the years 2021 and 2022 respectively.

In 2023, If revised the methodology to calculate Taxonomy eligibility to be in line with the European Commission's FAQ⁵⁶, which was published in December 2023. If aimed to follow the guidance as closely as possible, and for 2023 only the proportion of insurance premiums that pertain to the coverage of climate-related perils are reported as eligible. Based on this additional guidance eligibility for 2023 is available in the 'Fire and other damage to property insurance' line of business. As required by the December 2023 guidance, premiums, for which the necessary data related to climate-related perils is not available, are reported as non-eligible. The new methodology results in a significantly lower eligibility figure compared to the previous years.

⁵⁵ Commission Delegated Regulation (EU) 2021/2139

⁵⁶ European Commission draft commission notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice)

Sustainable underwriting activities – alignment

Substantial contribution

For an eligible non-life insurance activity to be classified as environmentally sustainable (Taxonomy-aligned), it must fulfil the technical screening criteria set out for the substantial contribution to the environmental objective of climate change adaptation:

- Leadership in modelling and pricing of climate risks – e.g., the insurance activity uses state-of-the-art modelling techniques that: (a) properly reflect climate change risks; (b) do not only rely on historical trends (c) integrate forward-looking scenarios.
- Product design – e.g., insurance products sold under the insurance activity offer risk-based rewards for preventive actions taken by policyholders.
- Innovative insurance solutions – e.g., insurance products sold under the insurance activity offer coverage for the climate-related perils where required by the demands and needs of policyholders.
- Data sharing – e.g., a significant share of loss data related to insurer's activity is made available, free of charge, to one or several public authorities for the purpose of analytical research.
- High level of service in post-disaster situation – e.g., claims under insurance activity are processed fairly with regard to customers, in accordance with high handling standards for claims.

Do No Significant Harm

The eligible non-life insurance activity must also fulfil the technical screening criteria set out for the 'Do No Significant Harm' (DNSH) principle for the environmental objective of climate change mitigation:

- The activity does not include insurance for the extraction, storage, transport or manufacture of fossil fuels, or insurance of vehicles, properties or other assets dedicated to such purposes.

Minimum Social Safeguards

Finally, the eligible non-life insurance must meet the requirements for minimum social safeguards, (e.g., procedures implemented to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles⁵⁷):

- Human rights, including workers' rights – e.g., adequate human rights due diligence processes are in place.
- Bribery/corruption – e.g., adequate internal controls, and compliance programmes, or measures for preventing and detecting bribery are in place.
- Taxation – e.g., the company has adequate tax risk management strategies and processes.
- Fair competition – e.g., employee awareness of the importance of compliance with all applicable competition laws.

If's substantial contribution analysis

Leadership in modelling and pricing of climate risks

To fulfil the criteria, the insurance activities need to use state-of-the-art modelling techniques that properly reflect climate change risks, do not only rely on historical data and integrate forward-looking scenarios. 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 such as windstorms, sea temperature and flooding that could impact the portfolio are closely followed. Pricing is typically based on historical claims data and portfolio results and trends in claims will 'automatically' have an effect on the price. Forward-looking scenarios (including nat-cat scenarios) on a one-year basis are also part of the annual capital allocation process that in turn affects the pricing on all products. In the medium term, a number of scenario analyses, stress tests, sensitivity analyses and reverse stress tests, including scenarios relating to natural catastrophes, are used in the assessment. Scenario analyses are also used to understand the impact of climate change on the long-term risks and opportunities. However, the scenarios used for the medium and long term are not used in the actual pricing, as these concern a longer period than the contracts are signed for.

Product design

The insurer also needs to provide incentives for risk reduction by setting out conditions for the insurance coverage of risk and by acting as a price signal of risk. The incentive could be an increased coverage or reduced deductible or premium when the policyholder protects an asset or activity against natural catastrophe damages. A core part of the business is to give our customers advice on preventative measures. The house assessments provided to homeowners in Sweden and Norway provide the customer with recommendations on maintenance and loss prevention measures. If measures are taken, the coverage of the insurance could be increased or the deductible could be reduced.

Innovative insurance solutions

In accordance with the rules in the Insurance Distribution Directive (IDD) regarding product oversight and governance (POG) all relevant risks for the specific customer group must be specified when developing new products. The IDD also requires the need to assess the demands and needs of the customer before entering into an insurance contract. If adheres to IDD when developing new products. Risk transfer solutions such as protection against business interruption or replacement home are also offered.

Data sharing

If has made information on loss data available, free of charge to one or several public authorities for the purpose of analytical research. Where If is not yet sharing this type of data, a declaration of the intention to do so if asked for is made available on the website.

High level of service in post-disaster situation

Finally, If has a clear process on how to act if a large-scale loss event happens (regardless of whether it is climate related or not). For example, If will contact the specialists needed and make sure that they go out to the customer. More than 50 percent of the claims can be solved within 24 hours and in case of a large-scale loss event, If employees will go out to the location within three hours⁵⁸. Information on those additional measures in those cases can be found on the website. Also, after a climate risk event has occurred, insurers need to provide information on the conditions under which coverage could be renewed or maintained. However, insurance policies in the Nordics typically provide extensive protection against natural catastrophes and renewing the policy after an event is in most cases, unconditional.

If's Do No Significant Harm (DNSH) analysis

To be aligned, insurance activities cannot cause any significant harm to the environmental objective of climate change mitigation. Therefore, the activities cannot include insurance for the extraction, storage, transport or manufacture of fossil fuels or insurance of vehicles, property or other assets dedicated to such purposes. If have used NACE codes to extract contracts that could be related to the extraction, storage, transport or manufacture of fossil fuels.

⁵⁸ <http://www.if.se/foretag/kundfordelar/skadehantering>

If's Minimum Social Safeguard analysis

Human rights

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

Sampo Group, of which If is part, is committed to respecting internationally recognised human rights, as defined in the United Nations' Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We are also committed to complying with core International Labour Organization (ILO) labour standards. In September 2019, Sampo Group signed the UN Global Compact, which is a principle-based framework for business, and that states binding principles on human rights, labour, the environment and anti-corruption.

We have integrated the UN Global Compact principles on human rights, labour rights, the environment and anti-corruption directly into our underwriting operations. To assess whether corporate clients are complying with the UN Global Compact, If uses research from an external service provider. In the company assessment from our external partner, each assessed company is given a score and when needed, actions are taken.

If also uses norm-based research that assists investors in making decisions regarding companies' adherence to international norms concerning environmental protection, human rights, labour standards and anti-corruption. If a sustainability risk is identified, additional research must be conducted, and the investment will not be allowed unless special permission is provided by the CFO.

If's Supplier Code of Conduct, which is part of our Sustainability Policy, defines the minimum requirements that we expect suppliers to respect when conducting business with us. The Code covers the following areas of sustainability: human rights, labour rights, the environment and anti-corruption. 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. To avoid and address possible adverse impacts on human rights, labour rights, the environment and anti-corruption commitments that are associated with our operations, supply chains and business partners, we have developed a due diligence process in accordance with OECD Guidelines for Multinational Enterprises.

Corruption/Bribery

The internal control system encompasses a range of both proactive and reactive mitigating techniques to mitigate the risk of corruption or bribery, – e.g., clear and implemented steering documents and instructions, employee training, access rights, segregation of duties, the four-eyes principle and other manual and automatic control activities. The effectiveness of the risk mitigation techniques is monitored through various kinds of quality follow-ups in the business. Neither the undertaking nor senior management have been convicted of corruption or bribery.

Taxation

Sampo Group is committed to ensuring that it observes all applicable laws, rules and regulations in all jurisdictions where it conducts business. Each Sampo Group company must pay its taxes in the countries in which its actual business operations take place. All taxes must be paid on time and the Group is committed to not transferring value created to low-tax jurisdictions. At If, the central tax function and local accounting have overall responsibility for ensuring tax compliance. The financial tax position is audited annually by the external auditors. The company has not been convicted of tax evasion.

Fair competition

There is an e-training course in fair competition in the annual policy certification package and a mandatory e-training course on competition law for relevant groups of employees. Neither the company nor its senior management have been convicted of breaking competition laws.

Taxonomy aligned underwriting

Economic activities	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
	Absolute premiums, year 2023 (MSEK)	Proportion of premiums, year 2023 %	Proportion of premiums, year 2022 %	Climate change mitigation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	934	1.5%	N/A	Y	Y	Y	Y	Y	Y
A.1.1 Of which reinsured	-	0.0%	N/A	Y	-	-	-	-	Y
A.1.2 Of which stemming from reinsurance activity	-	0.0%	N/A	Y	-	-	-	-	Y
A.1.2.1 Of which reinsured (retrocession)	-	0.0%	N/A	Y	-	-	-	-	Y
A.2 Non-life insurance and reinsurance underwriting Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	1,206	1.9%	N/A						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	59,905	96.6%	N/A						
Total (A.1 + A.2 + B)	62,045	100.0%	100.0%						

Taxonomy alignment analysis

If's alignment analysis focused on fulfilment of the technical criteria for the principles of substantial contribution, Do No Significant Harm and Minimum Social Safeguards. The analysis was first conducted on a more overall line of business level, followed by a more detailed analysis on product level in workshops with participants from the business areas, underwriters, product owners and corporate functions. The detailed analysis focused on the 'Fire and other damage to property insurance' line of business, where taxonomy alignment was most likely according to

the initial overall analysis. This process also included support from the legal department, corporate accounting, and the sustainability unit.

For the product lines, where potential alignment with the technical screening criteria was identified, a more thorough and granular product-level analysis and split of premium (e.g., based on a policy, country, or element) was conducted to identify the specific premiums that are in scope for Taxonomy-alignment. For example, the premiums related to the home insurance with comprehensive coverage is considered to be in scope for alignment, whilst premiums that are

not connected to the comprehensive coverage are removed from the calculation. Finally, it is only the part of the premiums that pertains to the coverage of climate-related perils that is deemed to be fully aligned. The analysis and assessment of fulfilment and potential future actions are properly documented and have been reported to If's Sustainability Committee.

The analysis and assessment, which are based on the above-mentioned interpretations, show that 3.4 percent of the non-life insurance GWP were Taxonomy-eligible and 1.5 percent⁵⁹ were Taxonomy-aligned in 2023.

⁵⁹ Part of the 'Fire and other damage to property insurance' line of business within Private and Industrial business areas.

Sustainable investment activities

The EU Taxonomy requires insurance companies to report the proportion of underlying investments that are Taxonomy-eligible and aligned. This means that insurance companies need to report on the extent to which the economic activities of the companies they invest in are taxonomy-eligible and aligned. To facilitate this type of reporting at portfolio level, all holdings need to be screened and analysed in relation to the economic activities of the Taxonomy. The Taxonomy-alignment of the investments is based on the investee companies' disclosed alignment information, and is disclosed both in percentage terms relative to total investments as well as in absolute monetary units.

All underlying investments are analysed, except for sovereign exposures that are to be excluded in the Taxonomy analysis. In If's analysis, exposures to municipalities are not categorised as sovereign exposures, in accordance with the additional guidance provided in the European Commission's FAQ, which was published in December 2023. When analysing Taxonomy eligibility and alignment, derivatives and investments

in undertakings that do not fall within the scope for publishing non-financial information under Directive 2013/34/EU (referred to as non-NFRD companies) were excluded from the numerator, in line with the reporting requirements⁶⁰. Reporting requirements also obligate insurance undertakings to distinguish between the proportion of the investments held with regard to life insurance contracts where the investment risk is borne by the policy holders and the proportion of remaining investments. If has no investments held with regard to life insurance contracts where the investment risk is borne by the policy holders.

To facilitate coherence in reporting between Taxonomy eligibility and alignment reporting, and to ensure the coherence of the reporting across undertakings, financial undertaking-related disclosures should be based on actual information provided by the financial or non-financial underlying investee entity or counterparty. If's reporting is based on the most recently available reported information provided by the underlying investee entity or counterparty, using data from If's Investment Operations and a screening service provided by the external service provider ISS ESG.

Eligibility and alignment results are aggregated at the portfolio level, totalling the shares of revenue (or for financial companies, exposure to eligible assets based on counterparties' turnover KPIs) and capital expenditure (or for financial companies, exposure to eligible assets based on counterparties' capital expenditure KPIs). Companies' reported eligibility and alignment data are not modified in any way by the data provider or by If and, therefore, it could include some discrepancies (e.g., breakdown of alignment to environmental objectives might not correspond to total alignment).

The relevant investment assets are further analysed according to the Taxonomy reporting requirements by using both data provided by ISS ESG and data gathered based on each investee company's issuer. The investments in undertakings categorised as non-NFRD companies are identified by using data provided by ISS ESG. As ISS ESG does not cover all NFRD companies, there is a possibility that the assets not covered by the analysis could include NFRD companies that have not been identified. Investments in undertakings from the EU and non-EU countries have been identified using the investee

Taxonomy aligned investment

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	1.1%	Turnover-based:	MSEK 1,373
Capital expenditures-based:	1.6%	Capital expenditures-based:	MSEK 1,980
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio:	94.4%	Coverage:	MSEK 120,299

Additional, complementary disclosures: Breakdown of denominator of the KPI

The percentage of derivatives relative to total assets covered by the KPI:		The value in monetary amounts of derivatives:	
	0.1%		MSEK 75
The proportion of exposures to financial and nonfinancial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and nonfinancial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	30.7%	For non-financial undertakings:	MSEK 36,879
For financial undertakings:	32.9%	For financial undertakings:	MSEK 39,602
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and nonfinancial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	14.8%	For non-financial undertakings:	MSEK 17,764
For financial undertakings:	11.3%	For financial undertakings:	MSEK 13,560
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and nonfinancial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	17.3%	For non-financial undertakings:	MSEK 20,766
For financial undertakings:	15.7%	For financial undertakings:	MSEK 18,885
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of exposures to other counterparties and assets:	
	3.4%		MSEK 4,091
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	
	100.0%		MSEK 120,299
The value of all the investments that are funding economic activities that are not Taxonomy eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy eligible:	
	92.8%		MSEK 111,597
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	
	6.1%		MSEK 7,329

Additional, complementary disclosures: Breakdown of numerator of the KPI

The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:		For non-financial undertakings:	
Turnover-based:	1.1%	Turnover-based:	MSEK 1,310
Capital expenditures-based: %	1.5%	Capital expenditures-based:	MSEK 1,776
For financial undertakings:		For financial undertakings:	
Turnover-based:	0.1%	Turnover-based:	MSEK 63
Capital expenditures-based:	0.2%	Capital expenditures-based:	MSEK 204
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based:	0.0%	Turnover-based:	MSEK 0
Capital expenditures-based:	0.0%	Capital expenditures-based:	MSEK 0
The proportion of Taxonomy-aligned exposures to other counterparties and assets in over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based:	1.1%	Turnover-based:	MSEK 1,373
Capital expenditures-based:	1.6%	Capital expenditures-based: [monetary amount]	MSEK 1,980

companies' issuers' country code. Similarly, investments in undertakings categorised as financial and non-financial, have been identified using the investee companies' issuers' internal sector information to determine the main sector the companies operate in (e.g., NACE codes).

The underlying investments analysed also include real assets (property plant and equipment as well as investment property), cash and cash equivalents, investments in associated companies as well as intangible assets. These assets are included in the denominator of the EU Taxonomy calculations.

For the direct real estate investments, no activities with EU taxonomy alignment were identified. However, direct real estate investments have been included in the EU Taxonomy

eligibility figures for If. All investments in associated companies are in non-NFRD companies, and thus, includes no EU Taxonomy eligibility or alignment. Cash and cash equivalents are analysed based on the counterparties but due to the nature of the instruments (e.g., cash and money market instruments), there is no EU Taxonomy eligibility or alignment reported. The intangible assets of If are also not found to have activities related to the EU Taxonomy.

According to the analysis as per 31 December 2023, the turnover and capital expenditures-based taxonomy eligibility of If's covered assets was 7.2% and 7.7% respectively, and the turnover-based and capital expenditures-based Taxonomy alignment of If's covered assets was 1.1% and 1.6% respectively. As expected, the reported numbers

are low, as most of the underlying companies are not subject to mandatory taxonomy reporting, and reported taxonomy eligibility and alignment are low in general.

Continued work

Going forward, If will continue to closely follow the development of the Taxonomy regulation, as the company is committed to developing its assessment and reporting processes accordingly. During 2024, If will focus on enhancing its data collection in accordance with the European Commission guidance. If is continually working to integrate sustainability and the EU Taxonomy into the business strategy and product development processes, while also monitoring the market expectations and customer needs in this area.

Breakdown of the numerator of the KPI per environmental objective

Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:				
(1) Climate change mitigation	Turnover:	1.0%	Transitional activities:	Turnover 0.1% CapEx 0.1%
	CapEx:	1.3%	Enabling activities:	Turnover 0.4% CapEx 0.7%
(2) Climate change adaptation	Turnover:	0.0%		
	CapEx:	0.0%	Enabling activities:	Turnover 0.0% CapEx 0.0%
(3) The sustainable use and protection of water and marine resources	Turnover:	-%		
	CapEx:	-%	Enabling activities:	Turnover -% CapEx -%
(4) The transition to a circular economy	Turnover:	-%		
	CapEx:	-%	Enabling activities:	Turnover -% CapEx -%
(5) Pollution prevention and control	Turnover:	-%		
	CapEx:	-%	Enabling activities:	Turnover -% CapEx -%
(6) The protection and restoration of biodiversity and ecosystems	Turnover:	-%		
	CapEx:	-%	Enabling activities:	Turnover -% CapEx -%

Nuclear and fossil gas related activities

Following the publication of the Commission Notice (draft) on 21 December 2023, If has acknowledged the reporting requirements laid down by the Delegated Regulation (EU) 2022/1214, related to fossil gas and nuclear energy sectors. Due to the late publication date of the Notice, If was not able to gather the reliable data needed for the information to be declared as part of this report. In addition, the varying reporting practices and data quality of non-financial companies impacted If's capabilities to produce high-quality reporting for the financial year 2023. During 2024, If will focus on enhancing its data collection in accordance with the European Commission guidance.

Supplementary voluntary disclosures

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

Calculation of Taxonomy eligibility according to the previous methodology (not taking into consideration the European Commission FAQ published in December 2023, for comparison with 2022) shows that 92.9 percent of the non-life insurance GWP would have been Taxonomy eligible in 2023 (92.9 percent in 2022). Calculation of taxonomy alignment (not taking into consideration the European Commission FAQ published in December 2023 guidance) shows that 10.4 percent of the non-life insurance GWP would have been Taxonomy-aligned in 2023. ■

GRI content index

Statement of use	If P&C Insurance Holding Ltd has reported in accordance with the GRI Standards for the period January 1st - December 31st 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

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

General disclosures						
GRI 2: General Disclosures 2021	2-1 Organisational details	p. 104				
	2-2 Entities included in the organisation's sustainability reporting	p. 2, 104				
	2-3 Reporting period, frequency and contact point	p. 2				
	2-4 Restatements of information	There were no restatements of information				
	2-5 External assurance	p. 106				
	2-6 Activities, value chain and other business relationships	p. 14-31, 66,104				
	2-7 Employees	p. 32-52	2-7-b-iii	Information unavailable/ incomplete	Data on employees with non-guaranteed hours is currently not available	
	2-8 Workers who are not employees		2-8-a-c	Information unavailable/ incomplete	Data on workers who are not employees is currently not available	
	2-9 Governance structure and composition	p. 52, 104-105	2-9-c-i-viii	Information unavailable/ incomplete	All information concerning the composition if the board is currently not communicated in the report.	
	2-10 Nomination and selection of the highest governance body		2-10-a-b	Confidentiality constraints	Nomination and selection process, including criteria for the highest governance body is not publicly communicated	
	2-11 Chair of the highest governance body	The Chair of the Board of Directors does not hold an executive position in If.				
	2-12 Role of the highest governance body in overseeing the management of impacts	p.104-105				
	2-13 Delegation of responsibility for managing impacts	p.104-105				
	2-14 Role of the highest governance body in sustainability reporting	p.104-105				
	2-15 Conflicts of interest	p. 43-44, 47				
	2-16 Communication of critical concerns	p.104-105				
	2-17 Collective knowledge of the highest governance body	p.105				
	2-18 Evaluation of the performance of the highest governance body		2-18 a-b	Confidentiality constraints	Process for evaluating the highest governance body is not publicly communicated	
	2-19 Remuneration policies	p. 47-48				
	2-20 Process to determine remuneration	p. 47-48				
	2-21 Annual total compensation ratio		2-21 a-c	Confidentiality constraints	Annual total compensation ratio not publicly communicated	
	2-22 Statement on sustainable development strategy	p. 4-5				
	2-23 Policy commitments	p. 62-66				
	2.24 Embedding policy commitments	p. 27-31, 62-66				
	2-25 Processes to remediate negative impacts	62-66	2-25 a-e	Information unavailable/incomplete	There is not one centralised process for tracking the effectiveness of grievance mechanisms in If, and therefore it is not publicly communicated	
	2-26 Mechanism for seeking advice and raising concerns	p. 66				
	2-27 Compliance with laws and regulations	p. 66				
	2-28 Membership associations	p. 107				
	2-29 Approach to stakeholder engagement	p. 102				
	2-30 Collective bargaining agreements	p. 36				

Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p.100				
	3-2 List of material topics	p.101				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.80-87, 105				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 105. See If's annual report for additional economic figures.				
	201-2 Financial implications and other risks and opportunities due to climate change	p.80-87	201-2-iii 201-2-v	Information unavailable / incomplete	The current TCFD-analysis does not include monetary estimates of risks and opportunities.	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.66				
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	p.66				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.64				
GRI 207: Tax 2019	207-1 Approach to tax	p.64				
	207-2 Tax governance, control, and risk management	p.64				
	207-3 Stakeholder engagement and management of concerns related to tax	p.64				
	207-4 Country-by-country reporting	p.64				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.20-25				
GRI 301: Materials 2016	301-2 Recycled input materials used	p.23	301-2-a	Information unavailable/incomplete	Repaired and reused parts only available for vehicle repairs. Total numbers currently not available	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.72-76				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p.78				
	302-2 Energy consumption outside of the organization	p.78				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.72-76, 80-85				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p.78				
	305-2 Energy indirect (Scope 2) GHG emissions	p.78-79				
	305-3 Other indirect (Scope 3) GHG emissions	p.78-79				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.32-52				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p.34, 38, 49				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.32-52				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p.42-43				
	403-2 Hazard identification, risk assessment, and incident investigation	p.34-37, 42-43				
	403-3 Occupational health services	p.34-37, 42-43				
	403-4 Worker participation, consultation, and communication on occupational health and safety	p.34-37, 42-43				
	403-5 Worker training on occupational health and safety	p.35				
	403-6 Promotion of worker health	p.42-43				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.20-24, 62-64				
	403-8 Workers covered by an occupational health and safety management system	p.34-37, 42-43	403-8-a-i-iii	Information unavailable/incomplete	Data on workers who are not employees is currently not available.	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.43-45				
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	p.43-45				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.49-52				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p.49	405-1-a-ii	Information unavailable/incomplete	Data on diversity by age-group currently not available	
	405-2 Ratio of basic salary and remuneration of women to men	p.48				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.52				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p.52				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	p.31				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.31, 66				

Materiality assessment

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

Identification of actual and potential impact

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

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

Prioritisation of impacts based on their significance

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



Summary of the materiality assessment

Topic	Description of impact	How we address the impact
Loss prevention	We work with risk, safety and protection every day, and we know which solutions increase the safety of our customers. Loss prevention services can reduce risk and economic cost, increase safety, and reduce environmental impact.	We provide advance loss prevention services to our private customers, small and medium-sized companies as well as major corporate clients, since we know that the most sustainable claim is the one that can be avoided altogether. Our priority is to help our customers to manage risks and to provide support when accidents occur (see Commitment to our customers page 14).
Claims handling	Every year If procure goods and services, worth more than SEK 17 billion, as part of claims handling. As a major procurer, we have an impact on the economy, environment, for example regarding material use, transportation and energy, and people.	We are committed to encouraging and supporting our suppliers and partners in their efforts to use more sustainable methods in their operations. By actively requesting innovative solutions, resource efficiency, transparency and responsibility from our suppliers, we aim to minimise our negative impact and stimulate sustainable production and consumption. Strict requirements, in combination with close cooperation with our suppliers and partners, enable us to develop our business while also contributing to more sustainable development (see Commitment to our customers page 14).
Responsible business practices	If provides insurance solutions for individuals, businesses and international industrial enterprises. We have approximately 4 million customers in the Nordic and Baltic countries. We recognise that our business operations have an impact on the economy, environment and people.	We are committed to providing customers with social and economic security by means of responsible and high-quality insurance products. We expect corporate clients to respect international norms and conventions concerning human rights, labour rights, the environment and anti-corruption, as defined in UN Global Compact. As a responsible and active owner, we incorporate Environmental, Social and Governance (ESG) factors into our investment operations (see Commitment to our customers, page 14).
Work environment	If has almost 8,000 employees. We are dependent on the existence of a great company culture with engaged employees. This requires a healthy and safe work environment for all employees, which includes physical safety as well as psychological safety, concerning issues such as reasonable workload, good leadership, development opportunities.	Our employees and their contribution are If's most important source of competitive advantage. Insurance products can be copied, but copying a company's culture and the attitude, competence and engagement of great employees is much harder. If invests heavily in culture, people engagement and talent acquisition in order to build a work environment that both enables strong performance and supports employee wellbeing. Ensuring that great people want to join If, want to stay at If and want to give their best to help the company reach its goals is vitally important for the company's performance and value creation (see Commitment to our employees, page 32).
Diversity, equity and inclusion	If has almost 8,000 employees. We are dependent on the existence of a great company culture with engaged employees. This requires a non-discriminatory, open and agreeable working environment, where everyone is treated fairly and equally regardless of gender identity, ethnic group, religion, national identity, age, sexual orientation or physical ability.	If is convinced that a diverse work culture boosts innovation and the growth of intellectual capital, and If works actively towards being a fair employer that understands the value of diversity, equity and inclusion. The goal is to create teams that are rich in different perspectives, enabling leaders to take high-quality decisions based on authenticity and openness. No kind of discrimination, harassment or bullying is tolerated (see Commitment to our employees, see page 32).
Environmentally-friendly offices	If has major offices in the Nordic countries (Denmark, Finland Norway and Sweden) and the Baltic countries (Estonia, Latvia and Lithuania). Our offices have an environmental impact, for example the use of energy, office supplies, water and IT, as well as our company vehicles and business travel.	The post-pandemic work-life at If offers increased flexibility and freedom for employees to decide where to work. However, our offices are still the primary workplace and the cornerstone for innovation and development. If strives to provide environmentally friendly workplaces, enabling our employees to minimise their environmental footprint. To reduce business travel, If focuses heavily on providing state-of-the-art digital meeting facilities (see Commitment to our employees, see page 32).
Good corporate governance	The Nordic countries, which are If's main area of business, generally have the lowest perceived levels of corruption in the world. In the Baltics, too, the perceived levels of corruption are relatively low ⁶¹ . Although the level of corruption is low, however, it is not non-existent.	We believe that high ethical standards and responsible behaviour, such as how employees treat customers, partners and other stakeholders, are essential to ensuring the long-term success of the company. If is committed to the UN Global Compact principles on human rights, labour rights, the environment and anti-corruption, we work to make the principles part of our strategy, culture and day-to-day operations. If strives to ensure transparency and mutual respect in relation to inspectorates and supervisory authorities, as well as other public authorities (see Commitment to society, see page 60)
Building a more resilient society	We work with risks every day, and we know which preventative measure increase the safety of not only our customers, but also other stakeholders and society at large. Loss prevention services can reduce risk and economic cost, increase safety, and reduce environmental impact.	We use our expertise in risk management to contribute to the building of a more resilient society. Sharing our knowledge and insights is an important part of our interaction with our key stakeholders and with society at large. We participate in relevant research projects that are related to our expertise and knowledge in risk management, with the aim of building knowledge about how to reduce risks and increase societal resilience (see Commitment to society, see page 60).
Climate change	We handle more than 2 million claims every year, and we have almost 8,000 employees and approximately SEK 120 billion in investments. We recognise that our business operations have an impact on the economy, environment, for example greenhouse gas emissions, and people.	We actively support the transformation to a low-carbon society. Climate change affects us all, and therefore requires long-term solutions that actively involve the insurance industry in partnership with other stakeholders. Our aim is to continually reduce our own emissions, and to encourage our partners and customers to reduce theirs. If's near-term science-based emissions reduction targets were approved by the Science Based Targets initiative (SBTi) in 2023 (see Commitment to society, see page 60).

⁶¹ Transparency International Corruption Perceptions Index 2023.

Stakeholder engagement

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

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

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

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

Stakeholder groups and engagement activities

Stakeholder group	Forum for dialogue	Key issues raised	How we address these issues
Customers	<ul style="list-style-type: none"> - Customer meetings - Customer satisfaction surveys - Customer ombudsman - Interviews* 	<ul style="list-style-type: none"> - Preventing damage, injuries and accidents - Responsible and environmentally friendly claims handling - Responsible investments - Counteracting financial crime and corruption 	<ul style="list-style-type: none"> - See Commitment to our customers, page 14 - See Commitment to society, page 60
Employees	<ul style="list-style-type: none"> - Leader-employee dialogues - Work environment councils - Meeting with union representatives - Employee surveys - Interviews* 	<ul style="list-style-type: none"> - Healthy and safe work environment - Diversity and inclusion - Reducing CO2e emissions and environmental impact - Supporting civil society and local communities 	<ul style="list-style-type: none"> - See Commitment to our employees, page 14 - See Commitment to society, page 60
Management	<ul style="list-style-type: none"> - Board of Directors meetings - Management Group meetings - Interviews* 	<ul style="list-style-type: none"> - Responsible business practices and satisfied customers - Healthy, safe, diverse and inclusive work environment - Good governance, active contribution to society and reducing CO2e emissions 	<ul style="list-style-type: none"> - See Commitment to our customers, page 14 - See Commitment to our employees, page 32 - See Commitment to society, page 60
Partners and suppliers	<ul style="list-style-type: none"> - Meetings with partners and suppliers - Interviews* 	<ul style="list-style-type: none"> - Responsible procurement practices encouraging environmentally friendly products and services - Responsible business practices and transparency - Active contribution to society and reducing CO2e emissions 	<ul style="list-style-type: none"> - See Commitment to our customers, page 14 - See Commitment to society, page 60
Authorities and local communities	<ul style="list-style-type: none"> - Meetings with supervisory authorities - Meetings and communication via industry organisations - Interviews* 	<ul style="list-style-type: none"> - Responsible business practices - Good corporate governance and transparency - Active contribution to society and reducing CO2e emissions 	<ul style="list-style-type: none"> - See Commitment to our customers, page 14 - See Commitment to society, page 60

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

UN Sustainable Development Goals

In 2015, all UN member states adopted the 17 Sustainable Development Goals (SDG). These goals provide a shared blueprint and roadmap for the public and the private sector, as well as civil society, for how to achieve a better and more sustainable future for all. We support the sustainable

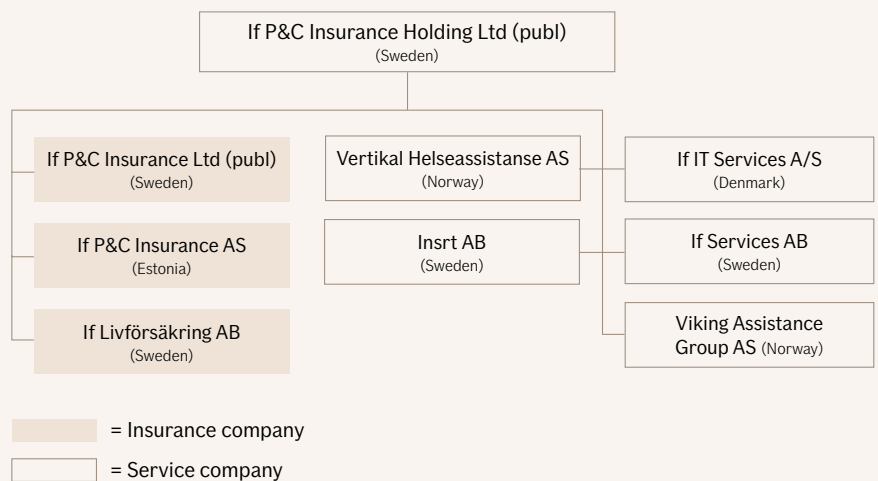
development goals and are committed to making our contribution in partnership with our stakeholders. In this sustainability report, we have linked our three commitments to the relevant sustainable development goals.

Commitment	Link to SDG	Relevant SDG sub-target
<p>Commitment to our customers – Managing risks together</p>		<ul style="list-style-type: none"> – Development of risk management services and preventative measures that increase resilience and climate change adaptation (13.1 and 11.5). – Providing customers with preventive health services.
<p>Commitment to our customers – Ensuring the claims are handled in a sustainable way</p>		<ul style="list-style-type: none"> – Suppliers must comply with ethical requirements regarding labour rights (8.8). – Claims contractors required to reuse, reduce and recycle (12.5). – Suppliers need to comply with environmental requirements and reduce their environmental impact (12.6 and 13.3).
<p>Commitment to our customers – Responsible business practices</p>		<ul style="list-style-type: none"> – Corporate clients and investee companies must respect human rights, labour rights, the environment and anti-corruption (8.8 and 12.6).
<p>Commitment to our employees – Providing a healthy, safe and attractive work environment</p>		<ul style="list-style-type: none"> – Provide a decent and attractive work environment that supports labour rights (8.8 and 3.4).
<p>Commitment to our employees – An equal, inclusive and diverse workplace</p>		<ul style="list-style-type: none"> – Promote equal opportunities for leadership at all levels of decision-making (5.5). – Promote diversity and inclusion and ensure zero-tolerance for discrimination via internal policies and requirements on suppliers (10.3).
<p>Commitment to our employees – Environmentally friendly workplaces</p>		<ul style="list-style-type: none"> – Suppliers need to comply with environmental requirements and reduce their environmental impact (12.6 and 13.3).
<p>Commitment to society – Good governance and transparency</p>		<ul style="list-style-type: none"> – Encourage companies to adopt sustainable practices and sustainable reporting (12.6). – Encourage and support effective private-public and civil society partnerships (17.17).
<p>Commitment to society – Contributing with our expertise to build a more resilient society</p>		<ul style="list-style-type: none"> – Support development and implementation of local climate change adaptation plans (11.5). – Financing of research, awareness-raising, and dialogue with stakeholders on climate change (13.3). – Research on traffic safety (3.6 and 11.2) and cooperation with NGOs on access to health care services (3.8).
<p>Commitment to society – Supporting the transformation to a low carbon society</p>		<ul style="list-style-type: none"> – Near-term science-based emissions reduction target (13.2). – Awareness-raising, and dialogue with stakeholders on climate change mitigation and adaptation (13.3). – Suppliers need to reduce their environmental impact (12.6 and 13.3).

About If

Legal structure

Company name	If P&C Insurance Holding Ltd
Countries of operation	Denmark, Finland, Norway, Sweden, Estonia, Latvia, Lithuania, France, Germany, the Netherlands and the UK.
Head office	Barks väg 15, Solna, Stockholm, Sweden
Services	Insurance solutions for individuals, businesses and international industrial enterprises.
Number of customers	4 million
Number of employees	7,948
Gross Written Premium 2023	MSEK 62,743



Vision

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

Purpose:

We give people confidence today to shape their tomorrow.

Core values:

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

Strategic foundations – One If

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

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

Risk – Our ambition is to be best in risk.

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

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

Organisation

If is a Nordic group that also conducts insurance operations in the Baltic countries. The group's head office is located in Stockholm, Sweden. The parent company of the If Group, If P&C Insurance Holding Ltd (publ), is a wholly owned subsidiary of Sampo plc, which is a Finnish listed company that has its head office in Helsinki. The main role of If P&C Insurance Holding Ltd (publ) 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 (publ), If Services AB, InsrtAB and If Livförsäkring AB, the Danish company If IT Services A/S, the Norwegian companies Vertikal Helseassistanse AS, Viking Assistance Group AS, and the Estonian company If P&C Insurance AS. If's insurance operations in Denmark, Norway, Finland and to some extent Estonia, Lithuania and Latvia are conducted via branches of If P&C Insurance Ltd (publ) and If Livförsäkring AB. In addition, If P&C Insurance Ltd has branch offices in France, the Netherlands, the UK and Germany to support customers with

international operations. The Estonian company If P&C Insurance AS also conducts operations in Latvia and Lithuania via branches.

Organisation of our sustainability work

Board oversight

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

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

Key figures

Customers per business area, 2023

Private	>3,250,000
Commercial	340,000
Industrial	1,200
Baltic	380,000
Total	4,000,000

Customers per country, 2023

Sweden	> 1,500,000
Norway	810,000
Finland	1,000,000
Denmark	230,000
Baltic	380,000
Total	4,000,000

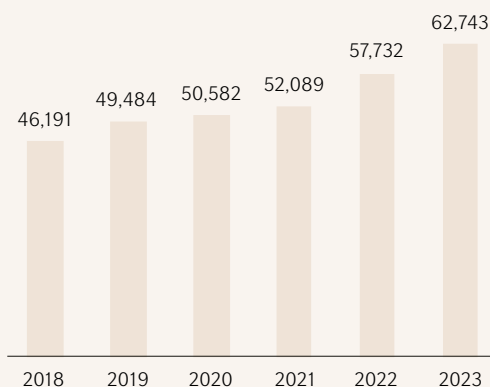
GWP (MSEK) per business area, 2023

Private	33,553
Commercial	15,381
Industrial	11,080
Baltic	2,729
Total	62,743

GWP (MSEK) per country, 2023

Sweden	21,190
Norway	19,552
Finland	13,143
Denmark	6,128
Baltic	2,729
Total	62,743

Gross Written Premium (MSEK), 2018-2023



accepts it as the basis for deciding on the financial plan. The BoD approves the three-year financial plans on a yearly basis. The BoD has established a set of committees at Group level. The committees are advisory and preparatory bodies to the CEOs or certain functions of the respective If companies.

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

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

Management role

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

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

Sustainability Committee

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

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

Sustainability Office and Sustainability Core teams

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

Auditor's opinion regarding the statutory sustainability report

To the annual general meeting of the shareholders in i Lf P&C
Insurance Holding AB (publ), corporate identity number
556241-7559

Engagement and responsibility

It is the board of directors who is responsible for the
sustainability report for the year 2023 and that it is prepared
in accordance with the Annual Accounts Act.

The scope of the examination

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

Opinion

A statutory sustainability report has been prepared.

Stockholm 11 March 2024

Henrik Nilsson
Authorized Public Accountant

Deloitte.

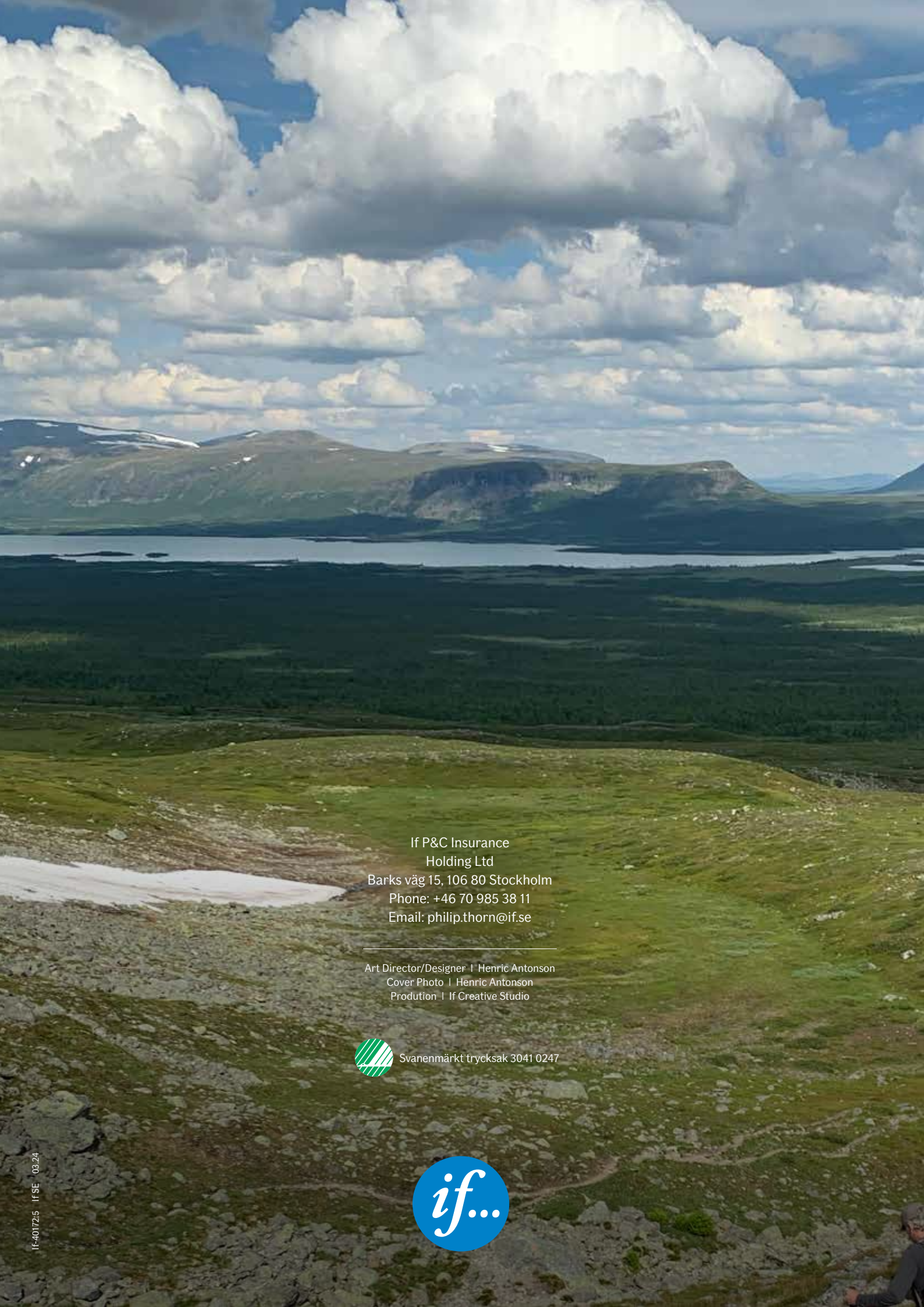
WE SUPPORT



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

Signatory of:





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Art Director/Designer | Henric Antonson
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