



# Sustainability Report

2018





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# CEO message

The sustainability challenges are many. Climate change affects us all and needs our full attention. More sustainable production and consumption is a necessity for not exhausting our natural resources. Diversity must be actively promoted to eliminate discrimination. The challenges are diverse, yet closely linked. A sustainable development requires partnerships between governments, civil society and the private sector. Businesses have a key role to play, as we are investing in the technologies, products and, above all, people needed for a sustainable development.

A well-functioning, sound and stable insurance market is of major importance to society at large. If is committed to promoting sustainability, as it is central to the company and its stakeholders. We provide social and economic security to customers through high-quality insurance products and have been working with environmental issues for many years. We presented our first environmental policy in 2008 and first environmental report in 2010.

Our priority is to help our customers manage risks and provide support when accidents occur. By providing guidance on how to prevent losses, we help our customers to reduce risks, economic costs and protect the environment. We encourage our partners to develop more environmentally friendly methods, for instance increasing the reuse of spare parts in claims handling. We have also managed to substantially decrease the environmental impact from our own operations. During the period 2008 to 2018 we reduced our carbon emissions with 56 percent.

In this context, I am pleased to present If's first sustainability report. We are now broadening the scope and highlighting the links between the environmental, social and economic dimensions.

We continue to address climate change and supply chains, i.e. our key environmental issues. However, we also include work environment, diversity, gender equality and responsible business practices as part of our sustainability work. In 2019 we will establish new long-term sustainability targets and continue integrating sustainability into our business operations.

I am convinced that strong business performance and sustainability go hand in hand, and that close partnerships are needed to ensure a sustainable development. I look forward to continued and enhanced cooperation with our customers, employees and partners. I hope that this report will inspire and encourage you.



Torbjörn Magnusson  
CEO, If



# About the report

During the past years, If has released environmental reports annually. This report is the company's first sustainability report and covers a broader perspective than the former environmental reports. Social and economic issues have been added to the already existing environmental viewpoint. If Sustainability Report 2018 covers If P&C Insurance Holding Ltd operations, continually named as If in the report.

The main stakeholder groups for this sustainability report are customers, employees, suppliers, partners and owners. These stakeholders are reflected in the content of the report and its presentation. The business impact has been measured through a materiality analysis and the GRI Standards have been used as a framework for planning, structuring and presenting the results. The index at page 49 presents the distribution of disclosures.

The report covers both qualitative and quantitative results from the calendar year 2018. The sustainability report assurance is executed by the audit and advisory firm KPMG, please see page 50.

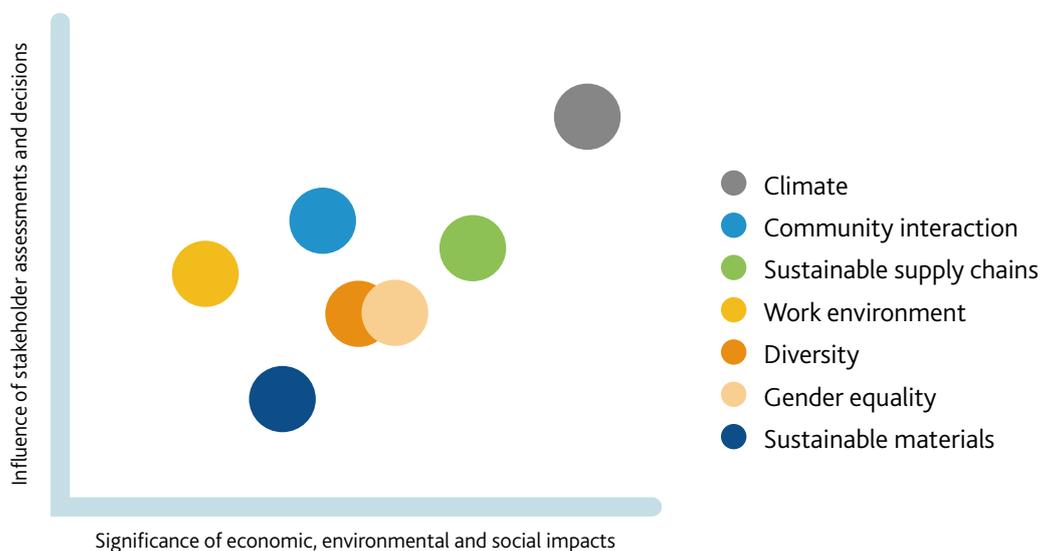
For questions regarding this report, please contact Philip Thörn, Head of Sustainability at If, philip.thorn@if.se, +46 70 985 38 11.

## Stakeholder and materiality analysis

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

To identify the material sustainability aspects, If made a materiality analysis containing desktop studies, media analysis and interviews with representatives from all primary stakeholder groups. The respondents were asked to provide their perspective on what sustainability issues they consider as most important for If. The aim was to identify and classify different types of sustainability issues based on the stakeholders' perspective, i.e. what importance a specific issue has for If's stakeholders, as well as the impact perspective, i.e. the direct impact a specific issue can have on If from an economic, social or environmental perspective. Issues classified as of critical importance from both a stakeholder and impact perspective are those that have the highest priority for If.

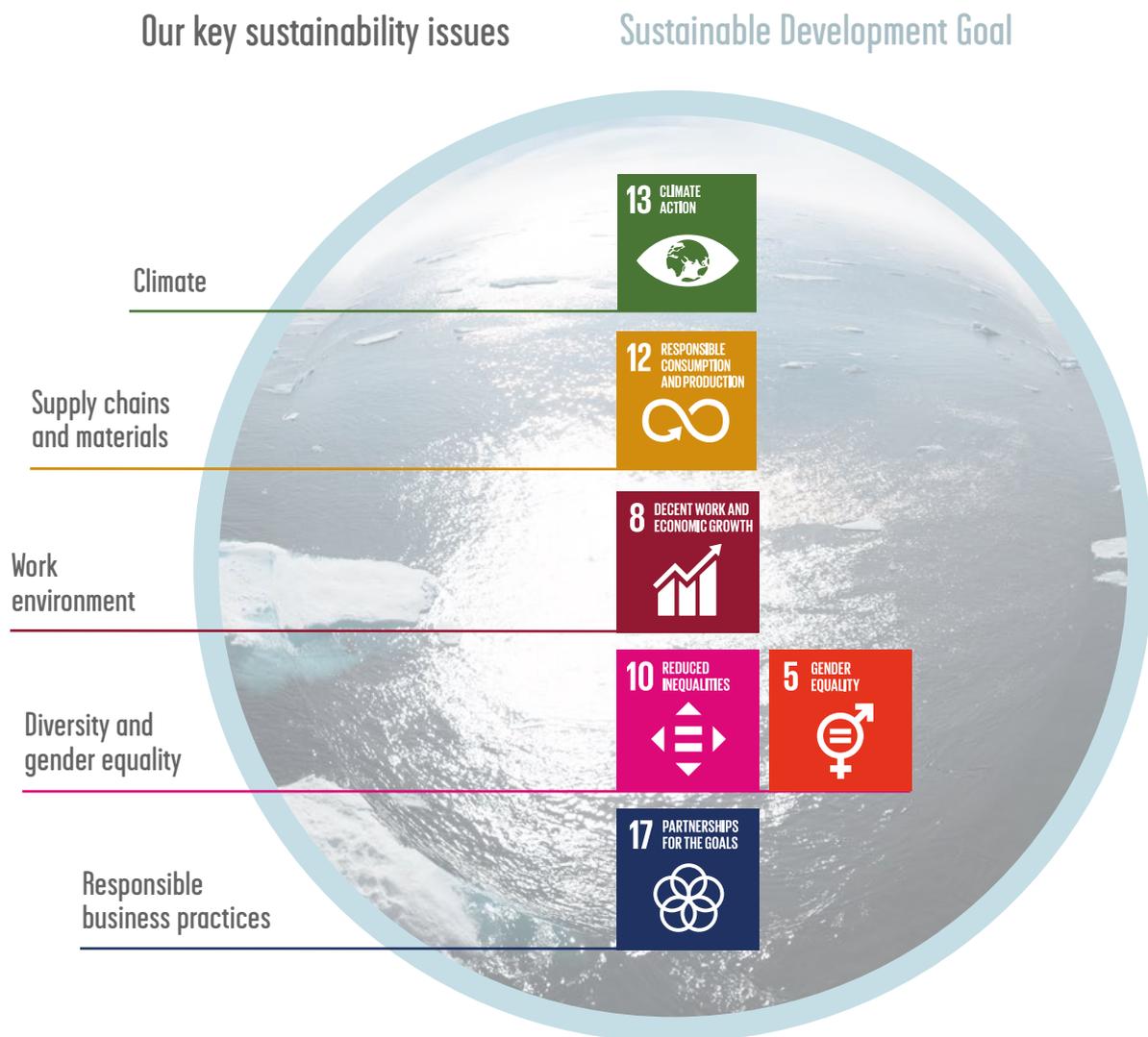
### Stakeholder and materiality analysis – result



## Our key sustainability issues

Some of the sustainability issues If focuses on are strongly connected, and others could be divided further. Therefore, the originally defined sustainability issues have been summarized into five material sustainability aspects: Climate; Supply chains and materials; Work environment; Diversity and gender equality and Responsible business practices. These sustainability issues and focus areas define If's sustainability work and set the base for this report.

In 2015, all UN member states adopted the 17 Sustainable Development Goals (SDG). These goals provide a shared blueprint and roadmap for the public and the private sector, as well as civil society, on how to achieve a sustainable development. We support the sustainable development goals and, well-aware that we cannot achieve the goals on our own, will make our contribution in partnership with our stakeholders. In this sustainability report we have linked our key sustainability issues to the relevant sustainable development goals.



# Environmental highlights

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

2008

- List of 100 activities designed to lead to a 'greener' If.
- Meeting management programme to reduce travel was implemented.
- Climate impact accounting according to Greenhouse Gas Protocol guidelines.

2009

- The '100 environmental action points' list completed.
- Start of If's green procurement programme: If in Sweden and Norway became members of the Network: Buy Ecolabelled.
- Environmental training for all new employees.
- Published If's first environmental report summarizing activities and performance 2008-2009.

2010

- Started with carbon offsetting through CDM projects in India.
- If in Finland and Denmark became the first members of the local Buy Ecolabelled Network.
- Launched Europe's first eCustomer centre in Lysaker in Norway.
- Launched insurance product for liabilities based on the Norwegian Nature Conservation Act.

2011

- If in Denmark launched vehicle insurance whereby the price of the insurance is determined by the amount of CO<sub>2</sub> emissions from the vehicle as well as driving habits.
- Green Tenant Award 1<sup>st</sup> prize to If's office in Gothenburg.
- Turku office was certified as WWF Finland Green Office.

2012

- If's office in Espoo was certified according to WWF Finland Green Office standard and If's office in Gothenburg was approved as a Green Building.
- Energy declarations and action plans were developed for 28 of If's largest offices.
- Air travel was reduced by almost 40 percent since 2007.
- Introduced an environmental liability insurance in Sweden and Finland. Denmark introduced this insurance in autumn 2014. Norway introduced it in late 2012.

2013

- The Commercial business area in Norway launched three new environment-related insurance products.
- Published an annual report called 'The Heat is On', based on the IPCC's 5th assessment report.
- A collaborative project on climate change adaptation and insurance developed a web-based visualisation tool for homeowners called VisAdapt™.
- Changed to more environmentally friendly multi-machine printers and decreased the number of printers by 20 percent.

2014

- Member of the Year in the Danish Swan network, 'Netværk for Miljømærket Indkøb'.
- The office in Oslo, Norway, achieved 'Miljøfyrtårn' certification.
- Arranged climate conferences for both public and private customers.
- Became the insurance provider for Nabobil.no, Norway's largest car pooling operator.
- Achieved the long-term target of reducing emissions of CO<sub>2</sub> by 50 percent compared to 2008 levels.

2015

- Started to report CO<sub>2</sub> emissions from If's investments.
- If became a member of Nollzon, which supports the use of electric taxis.
- If in Denmark established collaboration with electric vehicle car sharing company Green Mobility.
- Relaunch of e-training course on environment.
- If and CICERO together published an opinion article concerning the challenge of climate change in Aftenposten, Norway.

2016

- Speaker at two ecolabelling network meetings in Denmark.
- Produced a video on how to support responsible procurement in cooperation with Network: Buy Ecolabelled in Finland.
- Launched internal campaigns in order to encourage bicycle commuting, recycling and reuse of clothes and reduction of food waste.
- Participated in the Almedalen Week in Sweden.

2017

# Our targets

## Current environmental targets

LONG-TERM TARGETS 2016–2018	STATUS		COMMENT
	Achieved	Not achieved	
Reduce number of flights by 5 percent		✓	The total number of flights have increased by 5 percent, mainly due to an increase in the number of employees. For more details, see Climate.
Reduce indirect energy consumption annually by 3 percent	✓		The average annual reduction during the period was 3.7 percent. For more details, see Climate.
Reduce paper consumption annually by 10 percent	✓		The average annual reduction during the period was 15 percent. For more details, see Supply chains and materials.

ONGOING TARGETS	STATUS		COMMENT
	Achieved	Not achieved	
Reuse of material in vehicle repairs	✓		In 2018, more than 3,500 tonnes of plastic and metal materials were reused in our vehicle repairs. For more details, see Supply chains and materials.
Screen all significant suppliers regarding If s environmental requirements	✓		In 2018, all significant (>10,000 euro) suppliers were screened. For more details, see Supply chains and materials.
ClimateWise score >60 percent	✓		In 2018, our ClimateWise score was 64 percent. For more details, see Climate.

## New long-term sustainability targets

In 2019, we will establish new long-term targets for our key sustainability areas: climate, supply chains and materials, work environment, diversity and gender equality, and responsible business practices.



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# Climate

# Climate change affects us all

Climate change can, unless sufficient mitigation and adaptation measures are implemented, lead to severe catastrophic consequences for society. Sea level rise, increased precipitation, higher temperatures and increased risk of extreme weather events will affect the environment, and also residential areas, infrastructure, health, security and economic growth. In the Nordic region, undersized municipal sewage systems already have problems with water forcing its way into cellars and bathrooms during downpours. Major new housing developments close to water present another potential problem, considering the expected increase in precipitation and sea-level rise. The consequences are already visible – especially for us in the insurance business. Between

## 86%

*that is how much the economic losses from extreme weather worldwide rose between 2007 and 2016.*

2007 and 2016, economic losses from extreme weather worldwide rose by 86 percent.

## The time for action is now

Climate change affects us all, and subsequently calls for long-term solutions, actively involving states, companies as well as civil society.

The Paris Agreement aims to strengthen the global response to the threat of climate change by keeping the global temperature rise this century well below 2 degrees Celsius, and to pursue efforts to limit the temperature increase even further to 1.5 degrees. While some countries are losing pace in the transition, cities and businesses are stepping up, taking the necessary leadership. During the One Planet Summit meeting, held in Paris in December 2017, the insurance industry stated its full commitment to contributing to the fight against climate change and the development of long-term solutions. The solution to halting climate change is not to do business as usual and try to avoid the worst consequences, but to make



sustainability an integral part of the business operations.

## Managing risks together – a win-win

If's aim is to be a frontrunner in climate change risk management. As an insurance company we work with risk, safety and protection every day and know which solutions increase the safety of our customers while minimising environmental impact. Our priority is to help our customers manage risks and provide support when accidents occur. By providing our customers with guidance on how to prevent losses, we help them to reduce risk, economic costs, and at the same time protect the environment. ▶

# 'A lot of claims could be avoided'

**Anne Nielsen Sønderskov experiences a higher awareness of increased climate risks among clients. Working on risk analysis has become a fundamental part of If's sustainability work – and it is mutually beneficial, since it lowers costs for both If and the clients.**

'People in the Nordic countries understand the risks caused by climate change. Still, we see a lot of claims that could have been avoided easily. When Copenhagen suffered from cloudburst, a lot of vital equipment, such as IT systems, were destroyed – since these were kept in the basement,' says *Anne Nielsen Sønderskov*.

Anne Nielsen Sønderskov works as a risk engineer with focus on forecasting clients' risks and making plans for how these could be handled. Potential risks vary and could involve fire, flooding or cyber related threats. She is specialised in building materials and conducts, for example, analysis on building constructions and materials – evaluating the fire and smoke contamination hazards.

'We see new solutions and materials invented all the time and one needs to be up to date on all potential dangers connected to them. "It is still common for clients not to completely understand the risks, for example that new insulation actually could lead to more damages in case of fire. These situations are possible to tackle, but you need to know about them,' says *Anne Nielsen Sønderskov*.

Risk engineering is not only about assessing risks, it is also about planning the recovery. Sustainable and resilient businesses can maintain their activities even when problems or accidents occur. If works on limiting damages and enabling business continuity for the clients. This requires prevention and recovery systems that deal with potential threats.

**'The most important thing in my job is to reduce uncertainty, which I call the unknown unknowns. I need to see risks holistically and work together with the clients on minimising potential harm to businesses,' says *Anne Nielsen Sønderskov*.**



Anne Nielsen Sønderskov  
*Risk Engineer, If*



Risk management service

### Reducing risks and emissions

According to a study conducted by Insurance Sweden, preventative measures not only lead to reduced risk of damage but also reduces greenhouse gas emissions. The average amount of CO<sub>2</sub> emitted from a household fire is 25 tonnes while the amount of CO<sub>2</sub> emitted from a water damage is 300 kg. Fire and water damages are the most common damages that our customers experience.



House assessment

### Risk management services

If has more than 1,300 industrial clients (i.e. companies with more than 500 employees) with business operations all over the world. These clients are offered advanced risk management services, where we take a comprehensive approach to fully understand their specific insurance and risk management requirements. If's risk engineers conduct on-site risk assessments and provide recommendations on concrete and cost-effective preventative measures, which for instance can reduce climate related risks. Loss prevention reports, with risk improvement recommendations, are sent to clients within three weeks of each visit.

We have established an internal Natural Hazard Competence Centre to increase our competence and expertise regarding natural hazards. As part of this, we have launched a service to tag insured property and cargo storage locations worldwide with geo coordinates. The locations are visible on a scalable world map. When a major natural disaster happens, or when there is one about to happen, we can zoom in on the affected area, identify locations at risk and contact our clients to inform them about recommended actions prior to and after the event.

Risk Consulting is a magazine about risk management and loss prevention, published by If since 2002. The magazine is distributed to a wide range of subscribers, from clients and private persons to libraries and institutes. It is also available online. Risk Consulting often covers climate risk, for example suggested actions to manage ground conditions in the built environment, and how drones can be used to make more accurate risk assessments by

creating 3D maps for areas sensitive to flooding.

### House assessments

Together with our partner, Anticimex, we offer house assessments to private customers who own their own house and have insurance policies with top coverage. The house assessments provide the customer with a report, which helps them plan the maintenance of the property and minimize the risk of unpleasant surprises, including climate-related damages. Customers can get a house assessment done free of charge every fourth year. Since 2012, approximately 100,000 house assessments have been completed in the Nordic countries, and in the coming years we expect to do approximately 30,000 assessments a year. Houses that have been subject to house assessments have a lower risk of damage, especially water and fire damage, than a house which has not been inspected according to our statistics. Customers who have taken up the offer of house assessments are also more satisfied and loyal than other customers. By providing customers with guidance on how to prevent losses, we can help them to save money, and at the same time reduce their environmental impact.

Our website also offers advice regarding loss prevention to all our customers. Every year more than 800,000 customers visit the 'Tips & Advice' page, where information on how to prevent fires, burglary and water damage at home is readily available. We also have an online If Safety shop, in each Nordic country, where customers can acquire safety products, for instance bicycle helmets and fire alarms. During 2018, the total turnover from the If Safety shops was approximately 20 million SEK. ▶



# ‘People would see the advantages if they travelled by train’

**For Lars Karlsson, the choice between going by train or plane is a given. For him it is not solely about the train being more environmentally friendly – but about the practical advantages.**

**‘Taking the train compared to flying makes perfect sense. On the three-hour train ride to Gothenburg I get a good amount of time that I can use to do work or other things, without the trip being broken up. When you travel as much as I do, it’s important to get things done while on the go,’ says Lars Karlsson.**

He manages If’s claims centres in Sweden. He lives and works in Stockholm, but his employees are scattered around the country with offices in Gothenburg, Sundsvall and Nyköping, which means a lot of travelling. Lars’ passionate engagement for train travel has nowadays given him the unofficial title ‘If’s train ambassador’.

**‘I get very good feedback from colleagues for choosing the train and showing that there is an environmental reasoning behind it. Overall, we notice that there is more engagement in young people with these issues than for older people. It’s not as common to travel by train among the older generations, neither for work nor private use,’ says Lars Karlsson.**

Even though the environment is a key driver, Lars believes that the best way to get more people to go by train is to highlight what you gain personally. He emphasises that there is a risk of backlash when behavioural changes are forced top-down.

**‘People would see the advantages if they travelled by train. I think it’s better to talk about the practical advantages of going by train, rather than the environmental aspects. See the advantages and start there. Then you get a positive spin,’ says Lars Karlsson.**

## **Five tips for a more pleasant train journey:**

- Always plan for a 30–45 minutes time buffer. In case of delay, you will decrease the risk of disrupting your plans.
- Bring food and coffee. At larger train stations there is usually a good selection of food and drinks.
- Get a pair of noise-cancelling headphones so you can work uninterrupted.
- Plan to work without internet access. That way it doesn’t matter if the internet signal is unstable.

Lars Karlsson  
Head of Claims Centre, If



CO<sub>2</sub>e emissions\*, 2008-2018

\* Scope 1-3 emissions (CO<sub>2</sub>e tonnes) from operations in the Nordic countries.

CO<sub>2</sub>e emissions per employee\*, 2014-2018

\* Scope 1-3 emissions (CO<sub>2</sub>e tonnes) per employee (FTE average) in the Nordic countries.

## 'Walking the talk' – reducing our greenhouse gas emissions

We must of course 'walk the talk' and reduce our own greenhouse gas emissions. Our aim is to continuously reduce our own emissions and we encourage our partners and customers to reduce theirs. As a provider of financial services our carbon emissions are primarily linked to business air travel (68 percent), business car travel (18 percent) and energy use (14 percent). Since 2008 we have implemented a number of measures aimed at reducing our emissions, and we have managed to decrease our CO<sub>2</sub>e emissions by 56 percent. We are proud of what we have achieved, but we need to do more, and are continuously seeking new ways to tackle climate change. In 2018, our total direct and indirect CO<sub>2</sub>e emissions were 9,002 tonnes, which is an increase of 2.3 percent since 2017. The increase in total emissions is mainly due to an increased number of employees and increase in emissions from business air travel. CO<sub>2</sub>e emissions per employee were 1.56 tonnes, which is a decrease of 1.3 percent since last year. The emissions from business travel by car and district heating consumption have decreased since last year.

### Meeting instead of travelling

In order to reduce the number of flights we focus on 'meeting instead of travelling' and are continuously working to provide state-of-the-art virtual meeting opportunities. We have 81 rooms with video meeting facilities and during 2018 approximately 1,500 video meetings and 4,000 Skype meetings were organised each month.

In 2018, we continued to improve the potential to connect video and Skype meetings and upgrade the quality of our virtual meetings. In addition, If's meeting and travel policy promotes meeting instead of travelling and more sustainable means of transport instead of air travel. In 2018, the policy was updated, and now explicitly states that travelling by train shall be the primary alternative on domestic routes, where train travelling is a reasonable alternative to flying.

As a result of If's focus on 'meeting instead of travelling' our total number of flights has decreased by 31 percent since 2007. Our aim is to continue to reduce the number of flights and our long-term target during the 2016-2018 period was to reduce our total number of flights by 5 percent by 2018, compared with 2015 levels. We have, however, not met this target, and the total number of flights has increased, mainly due to the fact that the total number of If employees has increased since 2015. During the 2013-2017 period the number of flights per employee increased for every year. In 2018, however, the number of flights per employee was 2.96, which is a decrease of 3 percent from 2017.

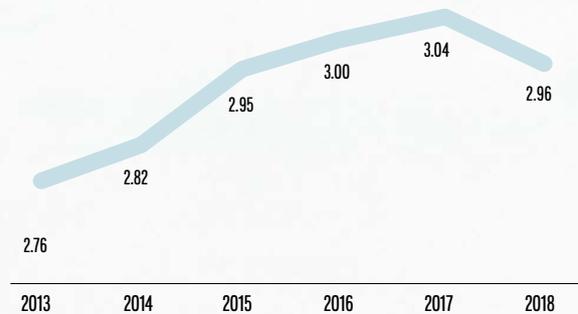
Business travel by private car, i.e. when the employees use their own private car, constitute approximately 80 percent of all business car travel. During the 2010-2018 period this type of travel has reduced by 46 percent. In 2018, total business travel by private car was 6,758,198 km, which is a decrease of 19 percent since last year. The decrease in car travel is linked to the fact that claims handling is becoming more digitalised. An increasing number of inspections can be handled online or are directly handled by our property or vehicle repair contractors.

Flights and video meetings\*, 2007-2018



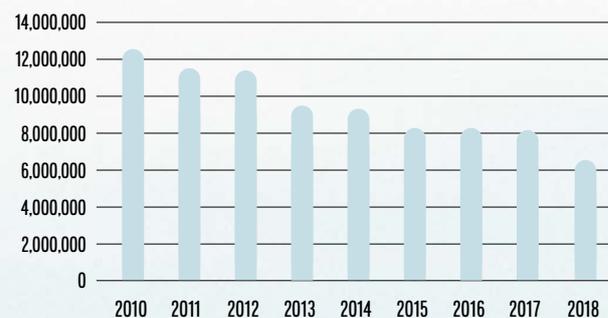
\* Flights and video meetings in the Nordic countries.

Flights per employee\*, 2013-2018



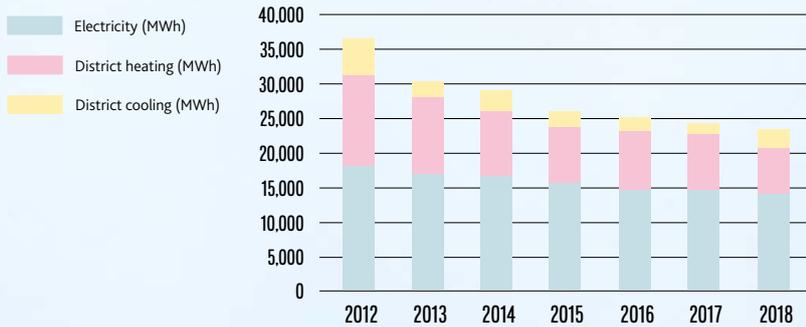
\* Flights per employee (FTE Average) in the Nordic countries.

Business travel by private car\* (km), 2010-2018



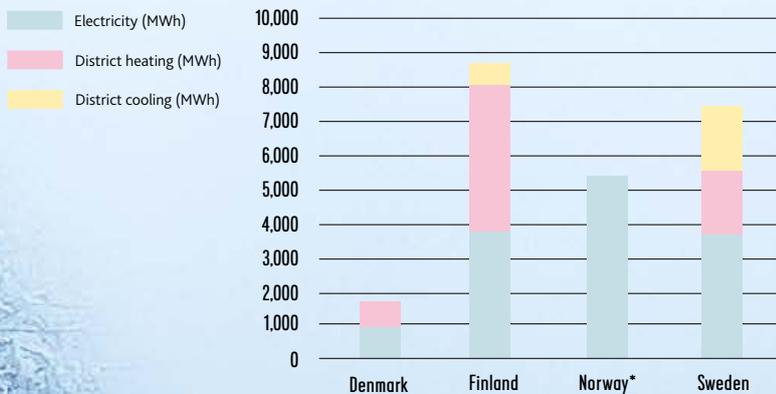
\* Business travel by private car, i.e. when the employees use their own private car.

Total indirect energy use\*, 2012-2018



\* Indirect energy use in the Nordic countries.

Indirect energy use per country, 2018



\* In Norway electricity is used for heating and cooling.

**'Greening' our offices – energy efficiency and renewable energy**

Most of our larger offices have an environmental management programme, specifying how we can reduce our environmental impact. Measures for improving energy efficiency, for instance upgrading of ventilation systems, thermostatic control and LED lighting, and optimising office space are central parts of the environmental management programme. We have continuous dialogues with If's landlords on how to increase energy efficiency. In several places, If has moved to new and more energy-efficient buildings. Energy use in If's offices has decreased by 36 per-

**Energy use in If's offices has decreased by 36 percent during the 2012-2018 period.**

cent during the 2012-2018 period. All our electricity comes from renewable sources.

**ClimateWise**

ClimateWise is a cooperative network founded by a number of insurance companies throughout the world with the goal of raising awareness about all aspects of climate change. The network was founded in 2006 and is managed in cooperation with the University of Cambridge Programme for Sustainability Leadership. Every year members are obliged to report their performance against the ClimateWise principles. In 2018, If's performance against the principles was 64 percent, which is an increase of 3 percent points from the previous year.

Our long-term target during the 2016-2018 period was to reduce our indirect energy consumption by 3 percent annually. The average annual reduction during the period was 3.7 percent, which means we have achieved this target. In 2018 our indirect energy use was 23,128 MWh, which is a decrease of 4 percent since 2017. District heating consumption has decreased by 12 percent, mainly because our HQ in Bergshamra has been able to make use of excess heating from neighbouring facilities. Electricity use in Norway has decreased by 14 percent, due to the fact that we have reduced the total office space.

**Carbon footprint from investments**

If is following the recommendations from Insurance Sweden by annually reporting the CO<sub>2</sub>e emissions from our investments as tonnes of CO<sub>2</sub>e per million SEK invested. The calculations are based on the GHG protocol and the portfolio holdings and market value as of December 31st, 2018. Insurance companies only have to disclose the carbon footprint from equity investments, according to the Insurance Sweden recommendation, but as of 2018 we have chosen to also report the emissions from our fixed income investments. ▶

*Carbon footprint investments, 2018*

Portfolio	Disclosure (%)	Exposure* tCO <sub>2</sub> e/MSEK	Weighted Average** tCO <sub>2</sub> e/MSEK
Fixed income	55.6	13.5	13.1
Equity	78.8	11.4	16.1

\* Exposure Scope 1 and 2 (tCO<sub>2</sub>e) / Share of Revenue (Million SEK).

\*\* Weighted Average Carbon Intensity Scope 1 and 2 tCO<sub>2</sub>e / Revenue (Million SEK).

**Green bonds**

A green bond is a bond specifically earmarked to be used for climate and environmental projects. In 2018, If for instance invested SEK 280 million in a green bond issued by Landshypotek Bank. This bond will finance sustainable forestry in Sweden. If also invested SEK 200 million in a green bond, issued by Swedbank, financing sustainable real estate and renewable energy investments.



We participate actively in the public debate on climate change and have a continuous dialogue with policy makers in the Nordic countries.



*Breathing Space Project, India*

### Carbon offsetting

At If, we see it as our responsibility to offset the CO<sub>2</sub>e emissions arising from our operations. We offset our emissions by supporting Gold Standard certified projects that enable global collaboration in funding and implementation of greenhouse gas emission reduction projects in developing countries. These projects reduce CO<sub>2</sub>e emissions and generate verified emission reductions (VERs) credits, each equivalent to one tonne of CO<sub>2</sub>e. Carbon offsetting projects are per definition underfinanced, which means that the projects are not financially feasible without the sale of credits.

In 2018, If offset the company's total CO<sub>2</sub>e emissions through a project called Breathing Space. The Breathing Space Project significantly reduces carbon emissions by replacing highly polluting traditional cookstoves with fuel-efficient stoves, which require less wood and charcoal. In addition, the stoves provide significant health benefits to some 200,000 households in rural India. These fuel-efficient stoves reduce the amount of smoke produced, limiting dangerous pollutants and the risk of illness and premature death. The project also facilitates women's empowerment by training female entrepreneurs and actively involving them in the marketing and sales of the cookstoves. This allows women in rural India to generate their own income, thereby improving their livelihoods and social standing in their communities.

### Sharing our expertise

We participate actively in the public debate on climate change and have a continuous dialogue with policy

makers in the Nordic countries. The purpose is to share our knowledge and increase awareness among policy makers about climate change-related risks, and the role of the insurance industry in tackling these issues.

In Denmark If participates in an advisory board appointed by the Danish Minister of Environment. The objective is to contribute with expertise in risk management, climate resilience and adaptation issues in the policy marking process. In 2005, If founded Insurance Sweden's Climate Group. The group works proactively on climate change adaption policy marking and has regular meetings with the Swedish parliament's agricultural and environmental committee. In Norway If participate in a committee appointed by the Norwegian government that focuses on climate resilience and improving infrastructure to handle increase rainfall. From 2016 to 2018, If, together with Finance Norway and the Norwegian financial sector, developed a 2030 roadmap to support a low carbon sustainable economy. In Finland, If is a member of the Federation of Finnish Financial Services, and has participated in the working group which developed a common set of climate change indicators for the financial industry.

### Research projects

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

The SUPER project will study the development of extreme precipitation by using knowledge about aerosols and the urban heat island effect combined with climate models and

### Climate change initiatives

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

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

weather observations. The main goal is to quantify human influence on short-duration extreme precipitation in highly populated areas and understand how important this may become in the future leading up to the year 2100. Sudden flooding and erosion can quickly lead to large economic and social costs. The project will also investigate the risks of climate-related damages to companies as well as private individuals. If, together with the Research Council of Norway, is supporting this five-year research project which is carried out by climate researchers at CICERO and the University of Leeds.

In 2018 If supported a research application by IVL Swedish Environmental Research Institute which will study how, and to what extent, extreme

weather events, e.g. flooding, hurricanes and landslides, propagate across international supply chain trade networks and the impact those propagated weather shocks have on Swedish firms, and in aggregate, on the Swedish economy. The research project has been granted funding and will start during the spring 2019. ■



*Cloudburst in Oslo.*

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

## Supply chains and materials

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# Sustainable supply chains lead to responsible production and consumption

The global population is expected to reach 9.8 billion by 2050, at which time the equivalent of almost three planets could be required to provide the natural resources needed to sustain current lifestyles, according to the UN. Sustainable consumption and production is about 'doing better with less', making it possible to both increase net welfare and quality of life through economic activities, while at the same time reducing resource use, environmental degradation and pollution. A sustainable supply chain is key to achieving a more sustainable production system. However, many companies rank supply chain practices as the biggest challenge to their sustainability performance, due to the scale and complexity of many supply chains.

### Requesting sustainable solutions

Large insurance businesses rely on suppliers and contractors around the globe. Today, a larger proportion of suppliers are able to provide clean and environmentally sound services and products than ever before. By actively requesting innovative solutions, resource efficiency and transparency, companies can have a significant positive impact and stimulate sustainable production and consumption. To decrease our reliance on raw materials, we need to reduce material use, reuse what is possible and, as a last resort, recycle materials to turn them into new products.

## Encouraging sustainable behaviour

If's aim is to encourage and support our suppliers and partners in their efforts to use more sustainable methods in their operations. Strict requirements in combination with close cooperation with our suppliers and partners enable us to develop our business while contributing to a more sustainable development. We are also continuously developing products, processes and damage prevention services to help our customers act in a more environmentally friendly way. By doing things differently we are using less materials and thereby reducing our environmental footprint. Often, reducing material use goes hand in hand with saving both money and time. We always strive to minimise the consumption of energy, water and raw materials in our operations, and reuse and recycle as much as possible.

### Sustainable procurement processes

If's procurement policy and processes form the basis of our work on supply chain sustainability. Office suppliers and claims handling services must meet strict environmental requirements. Through our Policy guide for partners, we demand of all our suppliers to not only follow laws and regulations, but also be a reliable supplier. We believe that holding ourselves and our suppliers to high ethical standards is crucial for long-term progress. All our suppliers are obliged to follow labour laws and local regulations, agree to respect the equal rights of all humans, and actively take steps towards prevention of discrimination and bullying. If's suppliers

must also avoid conflicts of interest. All cases where personal interests conflict with business interests should be reported and managed appropriately. Companies that deliver services and products to If are obliged to compete in a fair and honest way. We also encourage all our suppliers to not only report and correct mistakes, but also learn from them. During 2019, we will further advance our sustainable procurement processes and start developing a supplier code of conduct, which will include updated versions of our environmental requirements and ethical standards.

### 'Green' office procurement

We are continuously working on 'greening' our offices and making them more sustainable. Regarding office procurement we have established processes and principles for suppliers and products, aimed at prioritising environmentally sound alternatives. Everyone involved in a procurement decision-making process must take the relevant environmental aspects into consideration. In addition, products and services that are certified according to existing ecolabel criteria or an environmental management system, should be prioritised. We have a well-established cooperation with Nordic Swan Ecolabel. In 2018, the canteen in our Finnish Turku office was Nordic Swan-certified, which means that strict requirements regarding for example energy use, waste handling and eco-labelled food must be met.

Measures aimed at improving energy efficiency, for instance installing LED lighting, optimising office space and ▶

### 'Green' office supplies

Office supplies that meet the following criteria should be preferred:

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

### Requirements on office suppliers:

- All significant (>10,000 euros) suppliers are required to provide information (i.e. answer a questionnaire) on their environmental work.
- All significant suppliers are required to have implemented an environmental policy.
- An environmental clause regarding If's environmental goals is included in all significant supplier contracts.

### Network: Buy Ecolabelled

Buy Ecolabelled is a business network under the Nordic Swan Ecolabel promoting environmentally sound production and consumption. The network focuses on guidance, sharing ideas and connecting companies that want to reduce their environmental impact from purchased products and services. If has been a member of the network Buy Ecolabelled in Sweden and Norway since 2010. When we in 2011 discovered that the network was not established in Finland and Denmark, we applied to become the first members in order to help establish the network. In 2012 the network was established in Finland and Denmark.

**We believe that holding ourselves and our suppliers to high ethical standards is crucial for long-term progress.**

# ‘When everybody does something — it has an effect’

**Yrjö Luukkanen is convinced that organisations should share knowledge and experiences on sustainable business. By being part of the network Buy Ecolabelled in Finland, If can both learn from and inspire other companies.**

*‘Organisations can and should help each other become more environmentally friendly. By demanding sustainable products and services, purchasing organisations put sustainability on the supplier’s agenda. When everybody does something – it has an effect,’ says Yrjö Luukkanen.*

Yrjö Luukkanen works as a development manager at If’s Group Services in Finland. Part of his work is to provide good internal conditions to employees, such as sustainable office environment and equipment. He points out the importance of constantly improving the level of sustainability and believes setting measurable targets is key. If cooperates with the Nordic Swan Ecolabel when buying both products and services. It means buying products and services, labelled with the Nordic Swan, in order to reduce the environmental impact from production and consumption of goods. The canteen at If’s office in Turku was the first of its kind to get Ecolabel in Finland.

*‘We want to constantly improve our level of sustainability when purchasing office related products and services. The Swan ecolabel is a great tool for this since it’s strict and takes the entire life cycle into consideration,’ says Yrjö Luukkanen.*

If’s cooperation with Nordic Swan Ecolabel is not only about buying certified products and services. Cooperating with the Swan has also led to If being part of the network Buy Ecolabelled in Finland. The network consists of different purchasing organisations and the main focus is knowledge exchange.

*‘We are several companies with the same targets, such as cutting emissions. When activities are being multiplied, even small things have an effect. In the network, we share our knowledge and concerns and it feels good to challenge and inspire each other in sustainable purchasing,’ says Yrjö Luukkanen.*

Riikka Holopainen is managing director at Nordic Swan Ecolabel Finland and part of creating the labelling criteria. She highlights the value of organisations encouraging each other through networks and points out If being the most active member in the network for Buy Ecolabelled in Finland.

*‘Naturally, as part of If’s cooperation with the Nordic Swan Ecolabel, paper products and cleaning material are Ecolabelled. But If is very committed. To have an office restaurant getting the Swan is not very common,’ says Riikka Holopainen.*

When labelling a restaurant, Nordic Swan Ecolabel looks at parameters such as energy use and food waste. Generally, Nordic Swan Ecolabel works together with the R&D sections of the member organisations, with the main purpose being to make environmentally friendly behaviour easy.

*‘We give people practical tools so that they are able to make good choices. And it’s not just about the environment. Chemicals, for example, are not only problem for the environment, they are also a health issue,’ says Riikka Holopainen.*

Riikka Holopainen  
Managing Director, Nordic  
Swan Ecolabel in Finland

Yrjö Luukkanen  
Development  
Manager, If



minimising waste, are central parts of making the offices more environmentally friendly. For example, during autumn 2018, all disposable plastic glasses were phased out from our offices. We have continuous dialogues with If's landlords on how we can increase the environmental performance of our offices. All electricity we purchase comes from renewable sources.

**Reducing our paper consumption – digitalization and smart printers**

We need to reduce the amount of paper and other materials used in our offices. We are continuously working with digitalisation and developing our e-insurances services, which combine environmental thinking with a modern approach to communication and customer satisfaction. In 2018, 55 percent of our private customers and 50 percent of our commercial clients (i.e. small and medium-sized companies) were e-customers. The number of private e-customers has increased by 271 percent during the 2014-2018 period. We have also purchased 'smart printers'. These printers reduce not only the amount of paper, but also the number of actual printers needed. Our focus on digitalisation and use of smart printers are important reasons why we have managed to decrease our total paper consumption by 61 percent since 2014.

Our long-term target during the 2016-2018 period was to reduce our paper consumption by 10 percent annually. The average annual reduction during the period was 15 percent, which means we have achieved this target. In 2018 our paper consumption was

279 tonnes, which is a decrease of 6 percent since 2017.

**Green IT**

Using modern technology and solutions in our IT systems improves functionality and helps us reduce the environmental impact of If's business-related activities. We use cloud services since they are scalable and flexible, as well as cost and energy efficient. Another focus area has been to improve If's video meeting facilities. All employees are now able to make phone calls and conduct phone, video and Skype meetings directly on their PC. The easy-to-use mobile app to

access live phone meetings has made these solutions very popular.

One of the waste streams with the highest impact is discarded electronic equipment. At If we

try to reuse and recycle as much electronic equipment as possible, such as computers and mobile phones. During 2018, we recycled approximately 2,100 kilos of computers and brought 160 refurbished computers back in use.

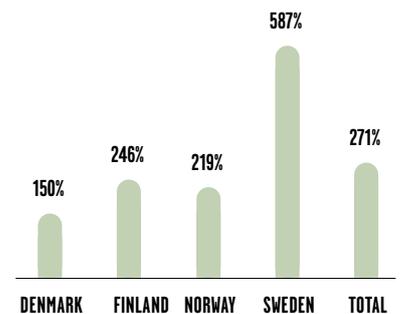
**Claims handling**

Together with our suppliers we handled 596,000 cases of car damage and 432,000 cases of property damage during 2018. We take our commitment to sustainability seriously and require that suppliers that carry out our property and vehicle repairs comply with strict environmental and health-related requirements. If's priority is to ensure that waste and materials from repair processes are managed in the best possible way. Our goals are to increase recycling and to reuse undamaged parts instead of disposing of them. ▶

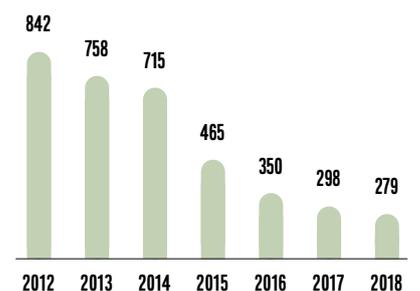
**During 2018, we recycled approximately 2,100 kilos of computers and brought 160 refurbished computers back in use.**



The number of private e-customers has increased by 271 percent during the 2014-2018 period.



Increase in number of private e-customers 2014-2018.



Total paper consumption (tonnes).

# ‘We appreciate that If challenges us’

The Volkswagen workshop in Kista repairs 3,416 cars every year. Almost 40 percent of these repairs are done on behalf of If. By using recycled spare parts and minimising the use of hazardous chemicals, Volkswagen has made repairs both cheaper and more environmentally friendly.

‘Environmental issues are very important to us and environmental thinking permeates the entire facility. It is not something you think about any more but is just routine. And that is something we are very proud of. Being environmentally conscious is also a very good marketing tool,’ says *Dan Andersson*.

He works as a planner, foreman and claims handler at the Volkswagen workshop in Kista outside Stockholm. If is one of the company’s most important customers as well as insurance provider for customers with Volkswagen’s own wagon damage

guarantee. Therefore, If has great influence on the requirements connected to the cooperation with Volkswagen. Some important parts of this have been to improve efficiency and sustainability.

‘As soon as the car is more than two years old, we always look for used spare parts. This means that we give used parts a second life, instead of manufacturing new parts. It also makes the repair cheaper, both for the customer and for us, because the cost of used spare parts is around half of newly manufactured parts.’

The workshop only uses chemical products approved by Volkswagen, a list that is reviewed twice a year. The goal is to constantly reduce the mechanics’ consumption of chemicals.

‘We appreciate that If challenges us when it comes to material use. We want to keep improving, and I also think the workshop has gained financially by working in a more environmentally friendly way,’ says *Dan Andersson*.



Dan Andersson  
Foreman, Volkswagen  
workshop in Kista

## *If’s requirements for contractors in property repairs*

Follow an environmental policy and all necessary legal permission.

Follow If’s environmental policy.

Process documentation and reporting through If’s project documentation tool In4mo.

Waste from repairs is sorted and recycled.

Use If’s recommended supplier of waste management services in respective countries.

## *If’s requirements for contractors in vehicle repairs and dismantling*

Environmental and quality management system according to ISO 9001 and ISO 14001.

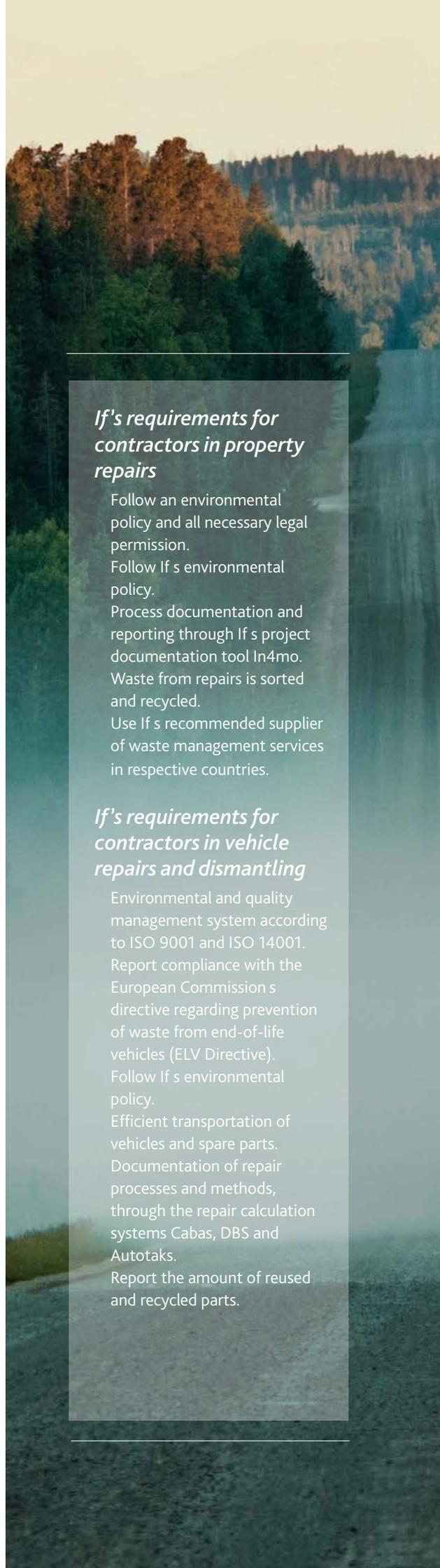
Report compliance with the European Commission’s directive regarding prevention of waste from end-of-life vehicles (ELV Directive).

Follow If’s environmental policy.

Efficient transportation of vehicles and spare parts.

Documentation of repair processes and methods, through the repair calculation systems Cabas, DBS and Autotaks.

Report the amount of reused and recycled parts.



By cooperating with leading suppliers in the market, we minimise the negative environmental impact from the repairs, while giving our customers the best possible support.

**Property repairs**

We cooperate with 450 property repairs contractors to ensure the claims handling goes smoothly for If's customers. When a claim is reported to If, one of our contractors perform the first inspection. Thorough documentation and high process quality are essential to ensure that our customers' claims are handled correctly. Two mobile tools, In4mo and MEPS, make it possible for the contractor to report digitaly on-site property damage claims. These tools ensure an efficient and streamlined process for property damage claims handling at every stage and enables all contractors to comply with If's process requirements. The system also speeds up the process and minimises travelling as well as paper consumption. It also allows us to measure how much waste has occurred on-site. We are continuously seeking new ways to increase

recycling and minimise waste, for example by improving waste transportation by using lighter containers and, as an alternative, industrial bags in densely populated areas.

**Over the past years, the material volumes have been rising steadily, and between 2014 and 2018, the amount of reused metal parts has risen by around 300 tonnes.**

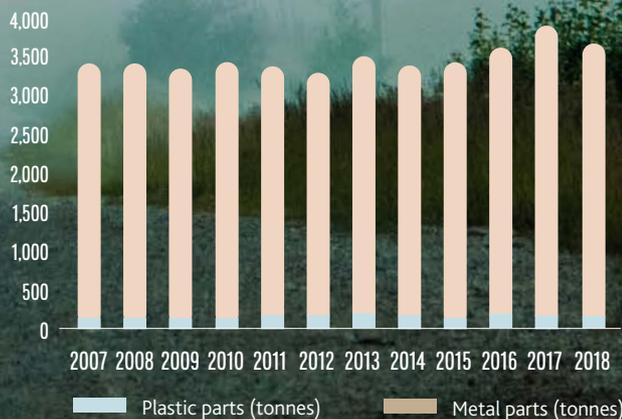
**Vehicle repairs**

We have approximately 3,000 contractors that perform vehicle repairs. We have a close cooperation with these contractors and we regularly monitor that they comply with our requirements. A key requirement is that spare parts must be reused and recycled. The amount of reused and recycled spare parts must be reported monthly. As a consequence,

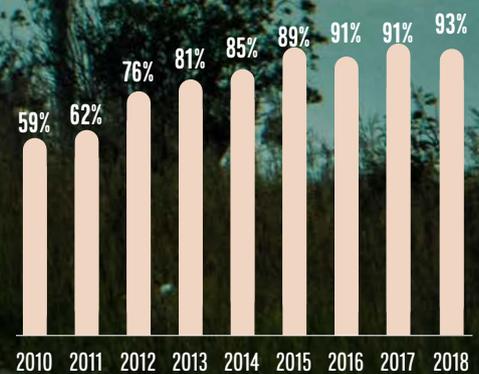
our contractors reuse thousands of tonnes of metal and plastic each year, instead of using brand new spare parts. Over the past years, the material volumes have been rising steadily, and between 2014 and 2018, the amount of reused metal parts has risen by around 300 tonnes. We have also set expected levels of plastic repairs as well as used parts, that are being monitored and reported regularly. Smart transportation of vehicles and spare parts is also important to avoid unnecessary emissions.

We also work to increase the amount of reused parts from old vehicles. When vehicles are dismantled, many plastic parts are often removed and discarded. But through our participation in a pilot project together with Car Recyclers Association, amongst others, we have increased the amount of plastic vehicle parts that can be reused. To use second life plastic parts instead of new ones is beneficial both from an environmental and economic point of view. The project turned out to be so successful that it became a permanent initiative named Rep Dels Returen. ■

Reused parts in vehicle repairs, 2007-2018



Percentage e-invoices in vehicle repairs, 2010-2018



**8** DECENT WORK AND ECONOMIC GROWTH

## Work environment

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# A good work environment lays the foundation for sustainable business performance

Digitalisation transforms society at a rapid pace, which creates an increasingly competitive and uncertain business environment. For many businesses, employee competence and operational excellence are key to ensuring competitive advantage and value creation. Losing talent or being perceived as an unattractive employer pose large risks for businesses. Therefore, ensuring a sound work environment is important not only because it is stipulated by law, but also because it lays the foundation for sustainable business performance.

## If's competitive advantage is our employees

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

If's value creation depends on the quality, attitude and motivation of our employees. If has more than 3.7 million customers, and annually sells and renews more than 10 million insurance policies and handles 1.5 million claims. The company's success is entirely dependent on our employees delivering top-class professional insurance services in these customer interactions. We are committed to providing a work environment that enables our

**We are committed to providing a work environment that enables our employees to provide customers with the best possible service.**

employees to provide customers with the best possible service.

### Work environment framework

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

If cooperates with labour unions as stipulated by law and collective bargaining agreements, for example by appointing Work Environment Officers and establishing Work Environment Councils. One such forum is the Communication Council, where top

### Number of employees\*

Country	31 Dec 2018	31 Dec, 2017
Sweden	2,145	1,955
Finland	1,729	1,777
Norway	1,312	1,312
Denmark	618	592
Estonia	365	347
Latvia	333	292
Lithuania	154	153
Other	23	23
<b>Total number of employees</b>	<b>6,680</b>	<b>6,452</b>
% of employees on temporary contracts	1.8%	2.3%

\* Full Time Equivalent (FTE)

### Age distribution of employees, 2018



**Employee turnover\***

Country	Annual turnover (%) 2018	Annual turnover (%) 2017
Sweden	19.5	15.7
Finland	9.5	9.3
Norway	8.7	10.0
Denmark	11.4	10.0
Estonia	17.7	18.2
Latvia	14.7	13.6
Lithuania	8.9	7.9
<b>Total (including all operating countries)</b>	<b>13.4</b>	<b>12.1</b>

\* Departure turnover of full-time employees with monthly salary.

management and unions meet quarterly. If also has several informal forums where senior management regularly meet with Nordic Union representatives to proactively share information and discuss business development.

**Employee statistics**

The total number of employees in If was 6,680 during 2018, which is an increase of 3.5 percent compared with 2017. In Sweden, the major part of this increase is connected to the insourcing of about 100 employees from an external service provider. Relocation of support services and IT development to the Baltics continues to increase staffing in the Baltic countries.

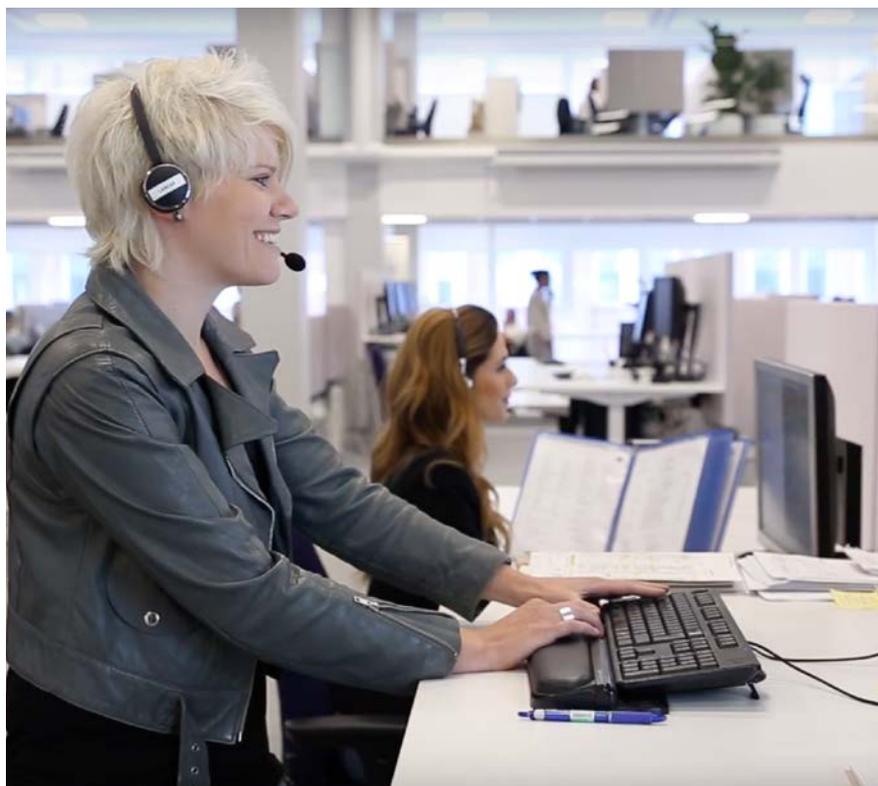
During 2018, there has been an increase in employee turnover in almost all countries. In the Nordic countries,

the high level of turnover is primarily connected to the customer centres. The customer centres have generally recruited young persons, who on average are prone to change jobs more frequently. Especially in Sweden, the situation is also affected by a low unemployment rate and a high general turnover in the job market. To reduce the turnover in the customer centres, If is working actively on developing the recruitment process, the salary model, the onboarding and the performance follow-up process. Going forward, work environment and leadership development will be important focus areas and support If’s ambition to increase people’s engagement. In the Baltic countries, If works both externally and internally with employer branding in order to attract and retain employees.

**Employee turnover\* per age group**

Age group	Annual turnover (%) 2018
Under 30	22.5
30-50	9.8
Over 50	10.8

\* Departure turnover of full-time employees with monthly salary.



If Customer Centre, Mölndal

**Good leadership**

At If we believe leadership is significant for improving the work environment. As stated in the HR Policy, all employees have the right to experience good leadership. If's leaders are key to building a good culture in the organisation. In 2018, If created a virtual Leadership Centre, focusing on leadership development. It offers leadership-related material, information and suggestions on development. Topics include self-development and workshop materials on key aspects of leadership. If also offers traditional training programmes such as a leadership programme for new leaders, personal leadership, change management, leading high-performance teams and situational leadership. In addition to these HR organises regular Leader Forums on various topics.

*If also works continuously with health promotion and rehabilitation. Health Days and Health Weeks are, for instance, arranged to promote a healthy lifestyle.*

Leadership, and Self & Team. The results are used to identify themes that require specific attention, or organisational areas with challenges that require actions. Leaders have access to their team's results and share them with the team members in order to ensure continued good results or agree on developing certain areas. Further, data on aggregated level is used by management teams as input into organisational development processes. Overall, the

employee satisfaction survey results, including the employee Net Promoter Scores (eNPS), confirm that employee satisfaction is at a very high level and have been increasing steadily over the last years. In 2018, the question 'I enjoy

working within If' received an average score of 6.12, on a 7-point grading scale. In 2017 the score was 6.04. ▶

**Absence due to illness\***

Country	Absence due to illness (%) 2018
Sweden	3.3
Finland	3.5
Norway	4.7
Denmark	2.2
Estonia	1.8
Latvia	1.4
Lithuania	0.7
<b>Total (including all operating countries)</b>	<b>3.3</b>

*\*The calculation basis has changed from sickness hours to sickness days in connection with the implementation of a new HR system. Due to this change, comparison figures for 2017 are not available.*

**People engagement and employee satisfaction**

If has a competent and highly trained staff and we encourage individual employees to take responsibility for customer service, performance and professional development. When recruiting, If is looking for talent who are customer oriented and have a strong sense of responsibility for their impact on the working environment in their teams.

Employee satisfaction is measured twice a year to get a status update on the work environment and also to strengthen team collaboration. The questions are divided into three categories, Environment & Culture,

*If Customer Centre, Mölndal*



# ‘We must understand each other’s needs’

**‘A good work-life balance means trust and understanding between me and my employer. And that I can be there for my family when I need to,’ says Jesper Arntzen.**

Jesper Arntzen has worked at If for seven years and works as a team leader in If’s Customer Centre in Sarpsborg, Norway. His days are often filled with meetings and he is the leader of ten employees – all this makes Jesper’s work life quite hectic. However, Jesper Arntzen became a father 16 months ago and since then has been more conscious of finding a sustainable work-life balance.

**‘I am fortunate to have a very supportive family which helps me a lot. But I still highly appreciate and rely on the flexibility I can have in my role at If. When I have a heavy work load, I can work extra hours in the evening, after my son has gone to bed. And when I need to leave work early to get him at daycare, I can plan my work around that,’ says Jesper Arntzen.**

He believes that mutual trust and understanding are key to finding a good balance both professionally and in your private life.

**‘I always work hard to find solutions when employees have needs in their private lives. Attending a child’s important event or being there when a family member is sick, is equally important to all of us.’**

A few years ago, all employees at the customer centre registered every minute they worked too little or too much. Now, Jesper Arntzen’s relationship with his own manager and his employees is solely built on mutual flexibility and trust.

**‘Before, it was quite rigid and caused a lot of unnecessary paperwork. Some days the job might require extra time or energy, and some days it’s your private life. Finding a good work-life balance requires some give and take. You gain healthier and more engaged employees, and in the end – it all evens out,’ says Jesper Arntzen.**

Jesper Arntzen  
Team leader Customer Centre, If



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In 2019, If is committed to take people engagement even further. If will update the recurring employee survey to better reflect the importance of employee engagement. An initiative to outline purpose and evaluate options has started, and the aim is to launch the new survey tool during the second half of 2019.

## **Promoting health and well-being**

If works actively on promoting well-being and securing a low level of sick leave. We follow-up absence due to illness on a monthly basis in all operating countries and discuss trends and possible actions in management teams and with leaders. Both physical and mental well-being have been in focus in seminars and intranet articles. If also works continuously with health promotion and rehabilitation. Health Days and Health Weeks are, for instance, arranged to promote a healthy lifestyle. In all countries and almost all locations, employees have access to training facilities or to a comparable wellness allowance. Many employees have the opportunity to work flexible hours and, when the work tasks allow it, remote work is also possible.

In relation to increased absence due to illness in the Finnish customer centres, an analysis has been conducted during 2018 with the help of an external health service provider. The customer centre facilities were then improved, for example through noise reduction and improved air quality, and breaks for stretching have been introduced. HR is also actively monitoring long-term disability cases and coaching leaders on recommended actions. Similar improvements have been made or are planned in the other countries.

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**Investing in competence development**

If aims to be the leading property and casualty insurance company in the Nordic and Baltic countries. To achieve this, we must have the best in-depth understanding of the customers' insurance needs and strive to be the most customer-oriented company in the industry. If expects employees

**If aims to be the leading property and casualty insurance company in the Nordic and Baltic countries. To achieve this, we must have the best in-depth understanding of the customers' insurance needs and strive to be the most customer-oriented company in the industry.**

to be passionate about being the most skilled and competent professionals in their field of specialisation. It is vital to ensure that the competence of the employees is up-to-date, and all employees have the right to adequate competence development. Each employee is also encouraged to take individual ownership for improving operational excellence and ensuring professional growth.

During 2018, If's competence development has been focusing on customer orientation. The business areas are driving change through strengthening the competence of both employees and leaders, especially regarding digitalisation and customer

orientation. Approximately half of If's employees are subject to the training requirements of the new Insurance Distribution Directive (IDD). In 2018, these employees were trained in accordance with the legal requirements of each country.

If's Employee Learning Centre offers a professional and structured onboarding process and training in compliance, project management, communication, languages and coaching. If has invested in a new learning platform, which was launched in January 2019. The new platform will provide a more modern and flexible learning environment and enable detailed reporting and analytics. ■

## Diversity and gender equality

10 REDUCED INEQUALITIES



5 GENDER EQUALITY



# Diversity and gender equality are key for a good work environment and business results

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

Discrimination and unconscious bias can result in lack of diversity and equality. For businesses, lack of diversity can have a negative

impact on business performance, as it limits access to important parts of the talent pool, and therefore results in less ability to innovate. This can also lead to a limited ability to understand different perspectives and customer segments. Furthermore, lacking diversity leads to a higher risk of conformity, meaning that the ability to solve problems is limited. Promoting diversity and gender equality is thus not only the right thing to do from an ethical perspective, it also provides the foundation for a good work environment and business results.

### Enabling sustainable and competitive business performance

Diversity and equality benefits every one, and to actively promote inclusion and non-discrimination is key to ensuring a sustainable organisation culture and an attractive employer brand. Employees who work in a diverse environment are more likely to be engaged. Consequently, diversity makes it easier to attract, recruit and retain talent.

There are several aspects of promoting diversity and an inclusive working



## ‘Building bridges instead of walls’

To promote diversity at If, 14 ‘Diversity Ambassadors’ were appointed in 2018, tasked with building an inclusive company culture. Muzafar Ali is one of the ambassadors for an initiative called the ‘Buddy Program’.

**‘Raising awareness is really important. I truly believe that a high level of diversity has great impact on If and the culture here,’ says Muzafar Ali.**

Muzafar Ali is responsible for outbound operations in Denmark and has been an If employee since April 2017. In 2018 he was appointed Diversity Ambassador, choosing to volunteer for the Buddy Program.

**‘In the Buddy Program, we establish a mentoring relationship between an experienced and a new employee. The mentor is there for the new employee to ask questions. The purpose is to make sure that all our new employees feel safe and included from the very beginning at If,’ Muzafar Ali continues.**

In 2018, pilot programmes in Finland and Denmark were completed with great feedback from mentors and mentees, as well as their managers. The Buddy Program has been making a difference for If’s new employees, and at the same time providing development opportunities for existing employees.

The ambassadorship and the Buddy Program are examples of If’s activities to promote diversity and inclusion. The goal is that these will continue to spread in the organisation.

**‘Focus on diversity contributes to making If a workplace where everybody respects each other no matter their religion, age, gender or sexuality. It contributes to an open company culture and expands people’s perspectives,’ says Muzafar Ali.**

environment. For example, active measures to ensure a safe work environment with a zero tolerance for any discrimination, harassment and violence, are of great importance. Further, awareness and understanding of unconscious bias are necessary to establish an inclusive organisation where all employees have the same possibility to grow and advance in their careers. Training leaders and employees to understand and address their own unconscious bias is therefore key.

Muzafar Ali  
Head of Customer  
Centre Outbound, If



## We are committed to diversity and equality

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

We work actively towards being a meritocratic employer that understands the value of diversity and equality.

work is primarily driven through If's leaders and teams fostering a corporate culture where inclusion plays an essential role. Secondly, If has governing documents that clearly state a non-acceptance of any kind of discrimination or harassment.

Thirdly, If runs specific activities and initiatives in order to promote diversity and inclusion, such as leader and team workshops

as well as mentorship and training programmes.

If generally has equal gender representation with nearly 50/50 female and male employees. The overall number of female leaders in If is 47 percent. In the top management team,

### Employee turnover per gender 2018

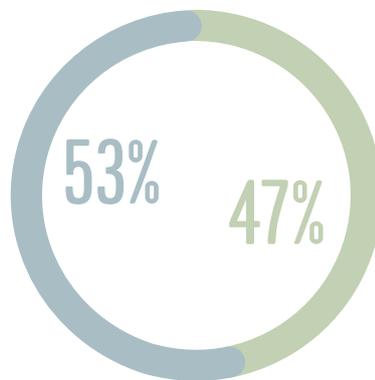
Female 13%  
Male 13.5%

Employees, 2018



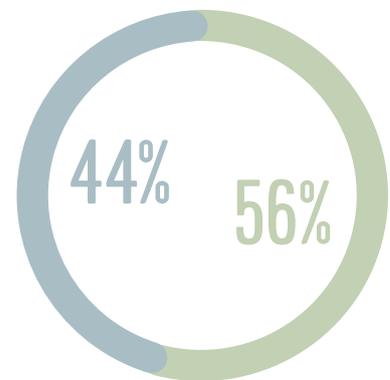
Male Female

Leaders, 2018



Male Female

New employees, 2018



Male Female

female representation is 17 percent. However, on the levels immediately below the top management team, the balance is more equal and several recent senior leader appointments have been female. There are also certain functions at If that are male or female dominated, for example IT and HR respectively. In these areas, the main challenge is to make sure that the available talent pool when recruiting becomes more equal. Our internal monthly reporting includes gender diversity KPI's for all countries in which we operate. Additionally, annual gender equality and salary mappings are done in accordance with local requirements. Although we are proud of our accomplishments so far, we look forward to continuing developing our work in 2019, especially regarding diversity in recruitments.

### Diversity and equality initiatives

In 2015, If established a Diversity and Inclusion Board that includes representation from the top management team. The board discusses issues regarding diversity and equality, analyses statistics, and recommends actions to further promote diversity and equality in the organisation. In 2018, the board appointed 14 'Diversity Ambassadors' within If. Out of 82 applicants, 9 women and 5 men of different age and nationalities were chosen and tasked with promoting diversity from both a business and an ethical perspective. The ambassadors have facilitated workshops on unconscious bias and reviewed the recruitment process. Another

If has also launched several projects aimed at examining our 'Employee Value Proposition' to better understand how existing and potential talent view If.

initiative launched by the diversity ambassadors is the 'Buddy Mentoring Programme'. It aims to provide new employees with a mentor to help them feel welcomed and included at If. In 2019, this programme will continue,

as well as include building a training programme focusing on inclusion, ethics and diversity.

If has also launched several projects aimed at examining our 'Employee Value Proposition' to better understand how existing and poten-

tial talent view If, in order to become more attractive to a diverse talent pool. These insights are being used to overhaul recruitment processes, for example the language we use in advertisements and candidate assessments, promoting more inclusiveness. This important work will continue in 2019.

The board and management group also support bottom-up initiatives such as the network FEMALE@if that has been started in Sweden. The initiative is owned and run by the employees that are members. During 2018, the network has invited several external speakers to inspire and challenge us to further promote gender equality.

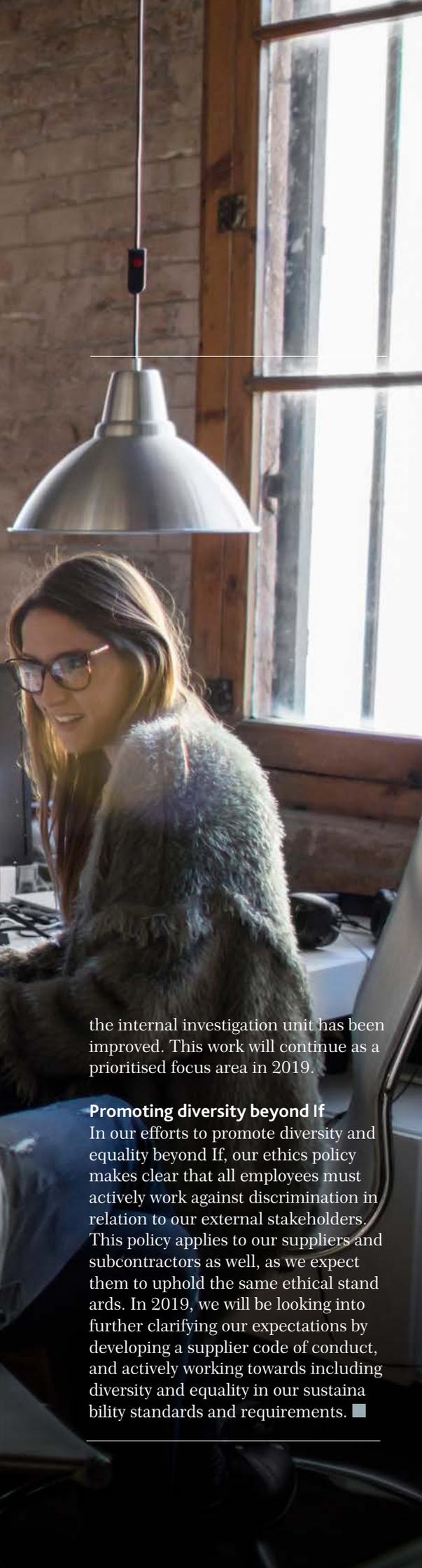
If is also working actively in ensuring gender equal representation in the training programmes for future leaders. In the most recent round of top management's mentor programme for aspiring top leaders, where potential future leaders were mentored by a member of the management board, gender representation was equal with nearly 50/50 female and male mentees. ▶

### Working pro-actively against discrimination and harassment

Our ethics policy clearly states that no kind of discrimination, harassment, or bullying is tolerated, and as an employer, we have a clear responsibility to prevent sexual harassment and provide a safe work environment for our employees. The #metoo campaign in 2017 was a powerful wake-up call for all of society, including If. If immediately took forceful action and increased its already existing activities to prevent sexual harassment. Throughout 2018, the work has continued. We have developed an ongoing training programme in all countries where we operate, which includes discussions on expected

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

behaviour, how to prevent harassment, and how to act if witnessing or experiencing inappropriate behaviour. For example, in Sweden all leaders have been trained to recognise and deal with sexual harassment. Supporting materials for team workshops have been developed and distributed to all leaders. Furthermore, workshops on how to achieve a healthy work environment, including discussions on sexual harassment, have been held in all locations in Sweden in cooperation with the unions. We have performed a company-wide survey on harassment, which will be run again in 2019. The process for reporting sexual harassment has been clarified in all countries and the cooperation between HR and



the internal investigation unit has been improved. This work will continue as a prioritised focus area in 2019.

#### **Promoting diversity beyond If**

In our efforts to promote diversity and equality beyond If, our ethics policy makes clear that all employees must actively work against discrimination in relation to our external stakeholders. This policy applies to our suppliers and subcontractors as well, as we expect them to uphold the same ethical standards. In 2019, we will be looking into further clarifying our expectations by developing a supplier code of conduct, and actively working towards including diversity and equality in our sustainability standards and requirements. ■

# ‘Making a difference is great’

**A platform where female employees can support and encourage each other. That was the idea when Emma Buskas Ljunggren and Jennie Boérius started the network FEMALE@if in 2018. But they never imagined the response the initiative would get.**

*‘The response from other employees has been incredible from the start. We quickly connected with the management team, and they have been very positive and supportive. They are there for help and advice,’ says Jennie.*

Jennie and Emma both felt that a network at If was missing. A network where women can share experiences and support each other, no matter what you work on. That’s why they, before the summer of 2017, started to plan how FEMALE@if would take place.

That there were other employees seeing this as a great opportunity was obvious at the kickoff meeting in Stockholm. Among others, colleagues from the office in Nyköping showed up. Today, the network has around 200 members in If’s

offices in Stockholm, Sundsvall, and Gothenburg. Even though the network is primarily focusing on women, men are always welcome to join all the seminars and lectures that are being arranged.

*‘It’s important for all companies to support initiatives that increase diversity. To feel that you are listened to increases the engagement within the company, which in turn creates possibilities of personal development,’ says Emma.*

*‘To start FEMALE@if has affected us both, as we’ve received such an amazing response. It’s obvious that people think this is important and necessary. Making a difference is great,’ says Jennie.*

Emma Buskas Ljunggren  
*Field Sales Representative, If*

Jennie Boérius  
*Underwriter, If*



**17** PARTNERSHIPS  
FOR THE GOALS

## Responsible business practices

# Good governance and responsible business practices are fundamental to our business

A sustainable development requires efforts from, and partnerships between, governments, civil society and the private sector. Businesses are major drivers of economic growth and job creation. Therefore, their stability and responsibility play a crucial role in contributing to a more sustainable society. Companies committed to sustainability are constantly creating new business models, and investing in technologies, products and services that can have a positive influence on the sustainability agenda. Organisations with fair business practice and good governance have a positive impact on their stakeholders by building trust among employees, customers and the society in general.

### Good governance and responsible business practices

At If, we provide social and economic security to customers through high-quality insurance products. We also contribute to society by being a high-quality employer as well as a significant tax payer. A well-functioning, sound and stable insurance market is of major importance for society at large. To achieve this, supervisory authorities are key. If strives for transparency and mutual respect in relation to supervisory authorities, as well as with other public agencies.

# ‘Ethics and sustainability are crucial to our profitability’

**Working with ethics and sustainability is not just about doing what is right – it is also about ensuring long-term profitability. Insurance is based on trust – if the trust is damaged, the company is threatened, according to If’s Head of Quality and Investigation, Bodil Schnitler.**

**‘Issues relating to ethics and sustainability are crucial to our profitability. Insurance is based on trust and our future as a company depends on our good reputation and that our customers trust us. Without trust, our whole business idea is threatened,’ says Bodil Schnitler.**

As Head of Quality and Investigation at If, Ethics Officer for If’s private insurance branch in the Nordic region, and member of the Ethics Committee, she is responsible for safeguarding these aspects for her business area and the company. This means making sure that the company’s ethics policy is not just a document, but also a part of every employee’s daily life.

**‘I think we have come a long way. During my years as an ethics officer, questions about ethics are more often on the agenda now than before. But we are constantly employing new managers and new staff, so there is a need to keep the ethical issues alive. Raising awareness is important.’**

An important part of Bodil’s work is to answer questions from employees and give advice about ethical issues. She welcomes every call she receives, since asking questions show that staff are thinking about the ethical aspects of their work.

**‘Ethics is a lot about how we behave and treat each other. We must show that we expect employees to live by high standards – and that we will act when people fail to. Our behaviour and conduct should reflect the values that If stands for.’**

In practice, this means constantly raising awareness of ethical issues with all employees – and not least in management teams. Bodil also believes that If, as a company and societal actor, has a great responsibility in contributing to sustainable development.

**‘Sustainability is about making wise choices when developing our insurance solutions, making it easy for individuals and companies to make decisions that safeguard the environment and contribute to sustainability. This is where we have a big responsibility. We can help our customers, both private individuals and companies to make wise choices,’ says Bodil Schnitler.**



Bodil Schnitler  
Head of Quality and Investigation, If

**Tax contribution\* per country (kSEK), 2018**

Country	Tax (kSEK)
Sweden	2,442,276
Norway	2,615,844
Denmark	462,647
Finland	2,790,108
Estonia	56,118
Latvia	64,874
Lithuania	23,675
International	74,746
<b>Total</b>	<b>8,530,288</b>

\* Including corporate income tax, employment taxes, VAT, insurance premium tax and withholding tax.

Sampo Group, which If is part of, supports internationally recognised human rights, as defined in the United Nations’ Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We are also committed to complying with core International Labour Organization (ILO) labour standards. The Sampo Group Code of Conduct defines the principles that guide corporate governance, for instance how people should treat each other in the workplace, and how employees should handle customers and other stakeholders, such as investors, partners and authorities. All employees of Sampo Group companies are required to comply with the Code of Conduct. During 2019, Sampo Group will investigate the possibility of signing UN’s Global Compact.

If has established an Ethics Committee, which discusses and coordinates ethics issues within the company and provides recommendations on ethical issues. If also has an

*We focus on ensuring that all customers are fairly and correctly insured, and that our services are easily accessible.*

Ethics Policy that describes the goals, principles and responsibilities for this area. It requires that all employees follow the company’s Ethics Policy. It organises courses, seminars and discussions on ethics and ethical dilemmas in the workplace at individual offices. It also provides e-learning courses on ethics, including human rights. A new training programme in Ethics, Diversity and Inclusion is currently being developed and will be launched during 2019.

Even though the risk of direct human rights violations is relatively low in our operations, we recognise that our actions might have indirect negative impacts on human rights. These concerns mainly arise from external factors, such as through customers, suppliers, and investments. Therefore, we also require consultants and partners to follow the company’s Ethics Policy, support our ethical values and respect human rights. During 2019, we will further develop how to measure and report our work on human rights.

**Consumer Trust Index (CSI)**

	2016	2017	2018
If Sweden	67.8	68.1	70.8
- industry in Sweden	71.5	70.2	72.3
If Norway	71.6	73.8	72.7
- industry in Norway	72.0	73.7	74.2
If Finland	74.2	77.7	75.2
- industry in Finland	75.9	77.9	75.1
If Denmark	74.1	77.7	74.8
- industry in Denmark	76.2	77.7	77.4

Source: External Performance Satisfaction Index (EPSI)

# ‘Our vision is to provide safety’

**The fundamental task of an insurance company is to provide its customers with safety. In order to make this possible an insurance company must be managed in accordance with laws and regulations – and have a system that detects possible risks.**

## **Fair sales and marketing practices**

If's sales and marketing practices focus on meeting the needs of the customer and providing the customer with the information necessary to make well-informed decisions. If's Underwriting Guidelines include instructions on responsible sales practices, and employees who have contact with customers undergo comprehensive training in this area. We focus on ensuring that all customers are fairly and correctly insured, and that our services are easily accessible. During 2018 If has worked on increasing transparency and securing a more stable pricing mechanism, making it easier for customers to transparently foresee the development of the future price of their insurance policy. Another focus point has been to ensure the same price, no matter if the customer buys the product online, over the phone or through other sales channels. To make sure every customer is correctly insured, we have also removed staff sales bonuses from the sales processes. If is also continuously developing and improving the control mechanisms and follow-up routines around incident handling regarding product and service information as well as marketing communications.

## **A focus on customer satisfaction**

Customer satisfaction is our top priority and we believe in serving customers in a transparent and responsible manner. Satisfied customers are a cornerstone of successful business, as they are more loyal and will hopefully recommend products and services to others, and in general contribute to building trust in insurance providers in society. To track how we are accomplishing this, customer feedback is collected continuously. Both positive and ▶

**'We provide our customers with safety and stability in their daily lives. If something happens, our customers should trust and know that we will help them. To ensure customer safety, the law regulates how insurance companies should operate, making sure internal control functions are in place. Since insurance is a vital societal function, an extra layer of control is required,' says Lena Ekedahl Sjödin.**

She is the Chief Compliance Officer at If, and responsible for providing advice on compliance issues and to monitor that the company is acting in accordance with laws and regulations. An important part of her work is to identify potential compliance risks and foresee where the company could potentially violate current laws and regulations. This could be anything from conflicts of interest to money laundering.

**'To sell insurance, you must have a licence from Finansinspektionen (the Swedish Financial Supervisory Authority). The licence is a very important asset. Without it, we cannot do any business at all.**

**And in order to maintain it, and our customers' trust, we must comply with all regulations that follows from the licence.'**

The work that Lena Ekedahl Sjödin and her colleagues carry out means that they monitor and assess the work of the employees within the company. This could be sensitive, but she finds that there is a great understanding of how important the compliance work is.

**'Our purpose is not to make anyone's life difficult, instead we are trying to find things to improve. We are not seeking someone to blame – instead it is about making If even better.'**

Even though Lena's main task is to provide the board of directors and the management team with information about compliance risks within the business, her assignment, in the long run, also has crucial impacts on both the safety of the customers and on the overall society.

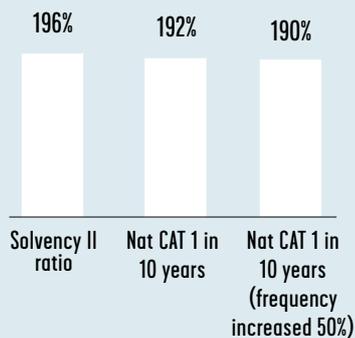
**'For society, it is crucial that insurance companies are operated in a way that does not threaten the financial stability. There is a societal perspective in everything that we do, if you step back and see the bigger picture,' says Lena Ekedahl Sjödin.**



Lena Ekedahl Sjödin  
Chief Compliance Officer, If

**Sensitivity analysis natural catastrophes**

Natural catastrophes are risk factors affecting the financial position and results of If. The financial impact is illustrated through the solvency ratio, which is defined as the available excess capital in our balance sheet divided by our capital requirement. Our sensitivity to a 1 in 10 year natural catastrophe (i.e. a natural catastrophe which is likely to happen once in ten years) is calculated and published in our solvency disclosures. Since climate change could increase the frequency and/or severity of some natural catastrophes we have conducted a sensitivity analysis, using a scenario where the frequency of natural catastrophes is assumed to increase by 50 percent. The results from analysis show that this scenario has limited financial impact, i.e. 2 percentage points, due to If's reinsurance protections.



negative feedback is carefully analysed and used to further develop and improve products and services. External Performance Satisfaction Index (EPSI) and Net Promoter Score (NPS) are used across most of If's business areas to measure customer experience and to rate If's performance. This is reported to If's top management and integrated in the structure for the compensation of managers. We also use a multilingual Customer Experience (CX) programme, which ensures that customer feedback is not only collected, but also followed up and handled appropriately. In 2018, If organised roadshows for all large If offices and held presentations and facilitated discussions regarding customer focus and improving customer journeys. If also has an internal customer ombudsman function, which the customer can contact.

**Risk management**

If's Risk Management System comprises strategies, processes and reporting procedures necessary to continuously

identify, measure, monitor, manage and report risks. The Risk Management System is part of the larger Internal Control System and ensures that all risks are managed from a Group-wide perspective as well as from a legal entity perspective. The main risk categories in If are: underwriting; market; credit; operational and other risks.

Risks linked to If's material sustainability aspects are identified and managed through the general risk management system in If. During autumn 2018, If organised an internal workshop, during which risks linked to climate, supply chain, material use, work environment, diversity, gender equality and responsible business practices were specifically analysed. The results from the workshop have been further integrated in the risk management system through, for example, development of relevant risk assessment processes. During 2019, the work to further improve the integration of sustainability risks into the general risk management system will continue.

**Risks encompassed in the Risk Management System**

Underwriting risk	Market risk	Credit risk	Operational risk	Other risks
Premium risk	Interest rate risk	Counterparty Default risk	Operational risk	Strategic risk
Catastrophe risk	Equity risk	Spread risk	Legal risk	Reputational risk
Reserve risk	Currency risk			Compliance risk
Liquidity risk				Emerging risk
Asset and Liability Management risk				
Concentration risk				

**Anti-corruption**

In general, the Nordic countries, which are our main area of business, have the lowest perceived levels of corruption in the world. However, although the corruption level is low, it is not non-existent. Sampo Group’s Code of Conduct states that Sampo does not accept any form of corruption, bribery or conduct that could create the appearance of improper influence. All employees of Sampo Group companies must ensure that all payments to third parties are appropriate, for legitimate business reasons, and correctly recorded. If’s work against anti-corruption and bribery stems from If’s Ethics Policy. The policy states that in relation to gifts and hospitality we are guided by the Code of Business Conduct from the independent organisation Swedish Anti-corruption Institute (IMM). The Ethics Policy is updated yearly and contains different training scenario dilemmas, such as on bribery. Work against corruption and bribery is also performed as part of If’s work to prevent money laundering and terrorist financing. Within these areas we have controls in place and check if customers are politically exposed persons or are on the EU or UN sanction lists. In 2018, no incidents were reported related to corruption or bribery at If.

**Anti-money laundering and counter-terrorist financing**

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

and local AML/CTF Instructions. If has e-learning programmes on anti-money laundering and counter-terrorist financing. These are mandatory for all employees working with products covered by the AML legislations and we also provide individual training to different personnel groups. During 2018, If has also raised awareness on anti-money laundering for employees within sales, claims and underwriting in Norway, Finland and Sweden. In total 2,144 employees participated in the training.

In 2019 the awareness raising activity will also be conducted in Denmark.

**Whistleblowing channels**

If has a whistleblowing channel for suspected infringements of financial market regulations, anti-money laundering and counter-terrorist financing regulations. In addition, If has a whistleblowing routine in place. Via this, serious misconduct or negligence, such as unethical behaviour,

can be reported anonymously and confidentially. The whistleblowing routine is available to all employees in their local language on If’s Intranet pages. If a whistleblowing report indicates violation of external laws or regulations, or harmful violation of internal

*In addition, we have a whistleblowing routine in place. Via this, serious misconduct or negligence, such as unethical behaviour, can be reported anonymously and confidentially.*

**7/24**

*security monitoring services has strengthened If’s capability to foresee, detect and mitigate cyber threats.*

**2,144**

*If has also raised awareness on anti-money laundering for employees within sales, claims and underwriting in Norway, Finland and Sweden. In total 2,144 employees participated in the training.*

rules, further investigation is conducted by If’s Investigation Unit. If there is good reason to suspect criminal activity the matter will be referred to the police. To supplement the whistleblowing channels, we also have an incident reporting system (i.e. the Oops! reporting system). Incidents reported through this system are reviewed and managed at the operational level, then escalated to the relevant If Risk Committee and, when necessary, to the Board of Directors.

**Information security and Data privacy**

Information security and data privacy is crucial for our business operations. More and more services are digital and need to be provided quickly, effectively, and reliably at all times. If has a comprehensive information security governance system, including risk management and reporting structures, and an appointed Chief Information Security Officer (CISO). In 2018, one of the most significant focus areas was cybersecurity risks. New 7/24 security monitoring services has strengthened If’s capability to foresee, detect and mitigate cyber threats.

Our Data Protection Office team directs and oversees the personal data protection activities within If. Their work ensures continued compliance with relevant national legislation and GDPR. Thanks to a unified and efficient process, personal data breaches are quickly addressed within two



hours. In 2018 training courses, which enabled the business units to implement data privacy assessments as a practice, continued for all employees in the Nordic and Baltic countries.

**Responsible investments**

If and Sampo have an asset management agreement according to which all investment decisions, within the framework of If’s Investment Policy have been outsourced to Sampo. The Sampo Group investment philosophy is to invest directly in individual companies’ shares and debt instruments. These companies are carefully studied before any investments are made. Hence, environmental, social and governance issues are considered along with other factors that might affect the risk/return ratio of separate investments. Environmental, Social and Governance (ESG) issues have an impact on the long-term performance, risk and value of all companies. Therefore, taking these issues into consideration in the investment process is

an important instrument to improve the risk-return profile of investment, and it is a critical success factor of investment activities, especially in the long-run.

As of 2019, If will start using ESG Risk Rating, a method for research and ratings provided by Sustainalytics, a consultancy firm specialising in ESG issues. The Risk Ratings are designed to help investors identify and understand financially material ESG risks at the security and portfolio level as well as how they might affect the long-term performance for equity and fixed income investments. ESG Risk Ratings offer insights about companies’ material ESG risks. The rating distinguishes between 139 subindustries and adjusts the assessments based on company specific factors, such as product/business line, financial strength, geographical exposure and track record of related incidents.

**Sharing our knowledge and insights is an important part of our interaction with society. We have large amounts of data and statistics that can be useful to different type of policy makers.**

# ‘We are involved in making our society safer’

Depending on the risk linked to a potential or current investment, a portfolio manager is required to, for example, conduct additional research on the investment in question, study further the possible causes and effects of the ESG related risks, and request an additional authorization from the Sampo Group CIO. In 2019, Sampo Group will continue to integrate ESG considerations into its investment activities and investigate the possibility of signing UN’s Principles for Responsible Investment (UN PRI).

## Community interaction

This sustainability report is a starting point for greater understanding of what kind of challenges and obstacles we see in our society, what possible solutions we see, and most importantly; how we can contribute to these solutions. Sharing our knowledge and insights is an important part of our interaction with society. We have large amounts of data and statistics that can be useful to different types of policy makers. We hope to inspire our customers as well as other actors in and outside the industry. Most important to us is that this work will push our sustainability efforts and ambitions further. ■

**If has long highlighted issues in the public debate around road safety and bicycling. One of the people behind this is Irene Isaksson-Hellman, statistician and road safety expert. In her view, the work to encourage more cycling and minimise road accidents is very much a sustainability issue.**

*‘We want to contribute to an increased safety level on the roads, reducing the number of accidents and injuries. When we are involved in making our society safer, it is a win-win for everybody,’ says Irene Isaksson-Hellman.*

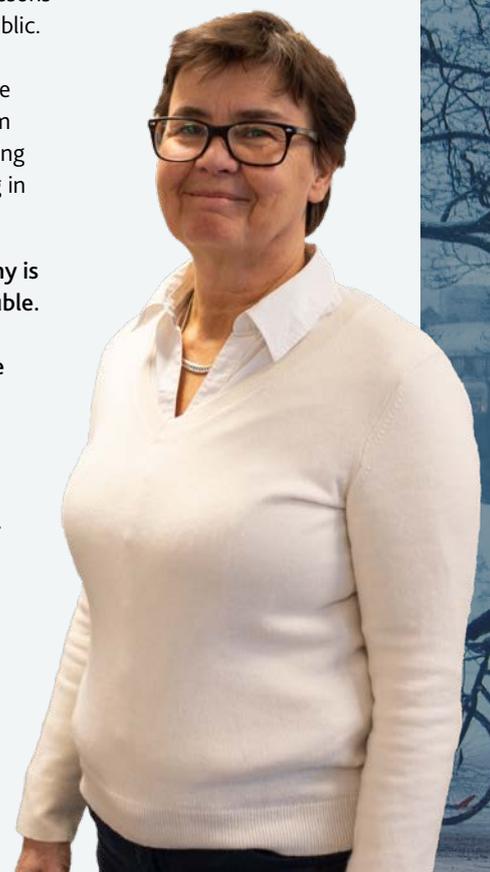
As a statistician, with expert knowledge about road safety, she is a goldmine when it comes to information, starting with all the accident reports that If receives. Statistics show that cyclists are the group of road users that have the highest amount of serious injuries annually. If uses this information to promote more well-considered infrastructure for cyclists, making traffic safer for pedestrians, cyclists and motorists alike.

*‘Previously, only car use was considered when building new infrastructure. Today, we realise the value of making room for everybody. Then it’s a health issue as well, of course,’ says Irene Isaksson-Hellman.*

To increase road safety, it is not enough to state facts. Conclusions and lessons learned also need to reach the public. And a big part of Irene Isaksson-Hellman’s job is to take part in the public debate – in everything from road safety conferences and writing scientific articles, to commenting in the news about winter cycling.

*‘Naturally, an insurance company is there when people run into trouble. But it is even better to prevent accidents from happening in the first place. By sharing facts and knowledge, we can pinpoint risks in traffic and what needs to be done in order to increase road safety,’ says Irene Isaksson-Hellman.*

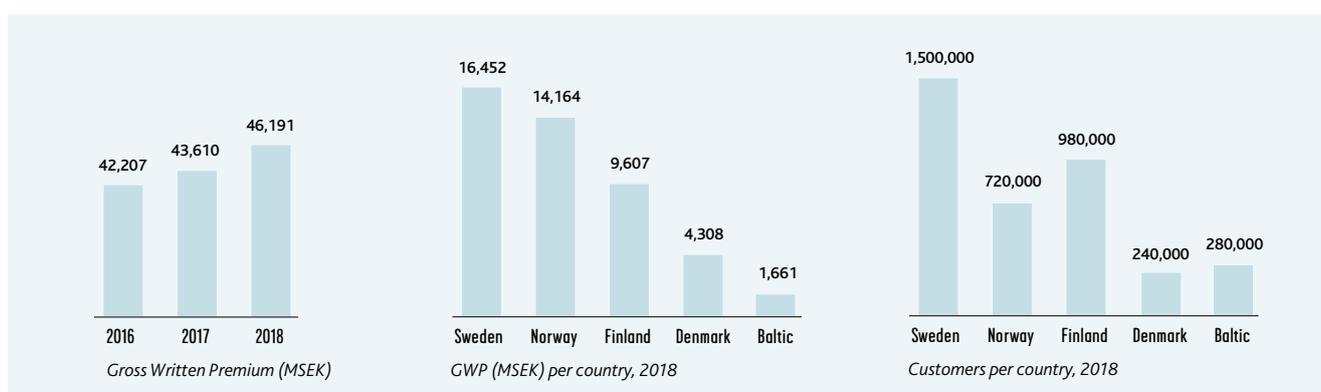
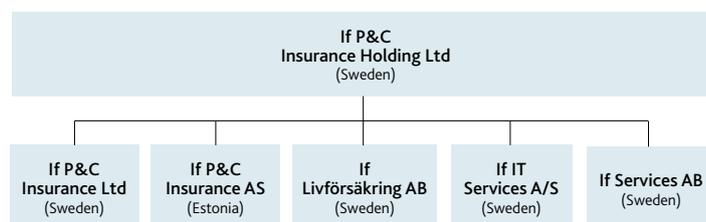
Irene Isaksson-Hellman  
Research Leader  
Traffic Safety, If



# About If

Company name	If P&C Insurance Holding Ltd
Countries of operation	Finland, Denmark, Norway, Sweden, Estonia, Latvia and Lithuania
Head office	Barks väg 15, Solna, Stockholm, Sweden
Services	Insurance solutions for individuals, businesses and international industrial enterprises
Number of customers	3.7 million
Number of employees	6,680
Gross Written Premium 2018	46,191

## Legal structure



## Mission

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

### Core values

#### Easy to reach and relate to

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

#### Dedicated

If takes the initiative and cares about me.

#### Reliable

If keeps its promises and helps me when needed.

#### Forward-thinking

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

## Organisation

If is a Nordic group that also conducts insurance operations in the Baltic countries. The group's headquarter is located in Solna,

Sweden. The Parent Company of the If Group, If P&C Insurance Holding Ltd (publ), is a wholly owned subsidiary of Sampo plc, a Finnish listed company, with head offices in Helsinki. The main role of If P&C Insurance Holding Ltd is to manage shares in wholly owned property and casualty insurance operations as well as other significant holdings. The holding company owns the Swedish companies, If P&C Insurance Ltd, If Services AB and If Livförsäkring AB, the Danish company If IT Services A/S and the Estonian company If P&C Insurance AS. If's operations in Denmark, Norway, Finland and Latvia, are conducted via branches of If P&C Insurance Ltd in each country. In addition, If P&C Insurance Ltd has branch offices in France, the Netherlands, the UK and Germany to support customers with international operations. The Estonian company If P&C Insurance AS also conducts operations in Latvia and Lithuania via branches.

## Organisation of our sustainability work

If's Environmental Steering Group (ESG) was established in 2008. The steering group was responsible for establishing If's environmental strategy, policy and goals. During 2018 the steering group changed name to If's Steering Group on Sustainability, since we are now broadening our scope and addressing the environmental, social and economic dimensions of sustainability. The steering group has the overall responsibility for If's sustainability work. Members of the steering group include If's Deputy CEO (chairman), CFO, Head of HR, Head of IT and Group Services, Head of Communication and CRO, and a representative from each business area, i.e. Private, Commercial and Industrial. If's Head of Sustainability, who is responsible for the daily sustainability work, reports to If's CFO and the Steering Group on Sustainability.

## Examples of initiatives and memberships

### *The Corporate Climate Communiqué*



### *ClimateWise*



### *Buy Ecolabelled green procurement network (Nordic)*



### *WWF in Finland*



### *Climate Pledge (Norway)*



### *Energy saving week (Finland)*



### *Business for Climate (Norway)*



### *The Climate Pact (Sweden)*



### *BSAG*



### *Earth hour*



# CO<sub>2</sub>e emissions by country and scope 2018

	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Scope 1 (direct fuel consumption by type, m <sup>3</sup> )						Scope 1 emissions (tonnes CO <sub>2</sub> e)				
Petrol (m <sup>3</sup> )	23	1	0	4	27	53	2	1	8	64
Diesel (m <sup>3</sup> )	8	2	1	15	27	20	5	2	37	64
Total										128

	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Scope 2 (indirect energy consumption, MWh)						Scope 2 emissions (tonnes CO <sub>2</sub> e)				
Electricity (MWh)	1,011	3,777	5,333	3,651	13,772	0	0	0	0	0
District heating (MWh)	700	4,224	0	1,868	6,792	63	1,070	0	142	1,275
District cooling (MWh)	0	676	0	1,888	2,564	0	10	0	8	18
Total										1,293

	Denmark	Finland	Norway	Sweden	Total	Denmark	Finland	Norway	Sweden	Total
Scope 3 (other indirect emission sources)						Scope 3 emissions (tonnes CO <sub>2</sub> e)				
Air (km)	1,849,327	4,871,327	5,799,460	7,373,619	19,893,733	577	1,475	1,822	2,206	6,080*
Train (km)	20,304	730,319	625,392	881,439	2,257,454	0	10	9	0	19
Total taxi and private car (km)	417,312	2,409,376	2,114,261	2,369,071	7,310,020	94	540	453	385	1,472
Copying paper (Tonne)	4	14	10	14	42	1	3	3	3	10
Total										7,581
Total scope 1-3 emissions (tonnes CO <sub>2</sub> e)										9,002

\* The emission factors for flights, which are produced by well-renowned UK Department for Business, Energy and Industrial Strategy (DBEIS), are reviewed and updated annually. From 2017 to 2018 the emission factors for flights increased by 8-12 percent due to an increase in the share of smaller planes and change of load factor in the overall fleet in Europe.

# GRI Index

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# Auditor's opinion regarding the statutory sustainability report

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

## **Engagement and responsibility**

It is the board of directors who is responsible for the  
sustainability report for the year 2018 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 26 February 2019

KPMG AB  
Mårten Asplund  
Authorized Public Accountant





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