



IF ENVIRONMENTAL REPORT
2010

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About this report

This report summarizes our environmental impact and performance for 2010. It is our second environmental report. The scope and boundaries of the report are limited to If's operations in Finland, Denmark, Norway, and Sweden.

Text and design: Respect Sustainable Business AB

Photos: If P&C Insurance AB

Contact us



We would appreciate your feedback on this report. For more information about Ifs environmental management please contact Kenth Edström, Environment Director.

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CEO's MESSAGE

The most important issue

As the leading insurance company operating across the Nordic region, our ambition is to consider environmental and social responsibilities both throughout our own operation and also in our collaborations with other stakeholders. Acting proactively to manage future risks today is the most important issue concerning a sustainable development.



Our responsibility

We have worked actively and successfully with environmental issues for many years. The core of our environmental policy is that If shall always find the best solutions not only for the environment, the company, and our customers, but also for our suppliers and partners. This year If has joined the United Nations' program Clean Development Mechanism (CDM) and in 2011 we will become climate neutral. During the past year If has carried out a long list of activities:

Year 2010

We have launched a number of environmentally related insurance products, such as insurance for electric cars in several countries. We have also expanded the insurance protection against natural hazards in the Nordic countries and intensified our work with raising the awareness regarding the need for environmental liability insurance.

We have finalized our ambitious work with the 100-environmental -action-points. One high priority action point was to reduce our employees' business travel, which has dropped 35 % during the past three years. This was achieved by implementing and increasing the use of video conference systems, which you can read more about under Climate & Energy.

Every year we take care of more than 300 000 damaged cars, and order reparations of homes and offices for millions of Swedish kronor. In order to reduce the environmental impact while handling this great volume of services we consider requirements related to environmental and climate while choosing a supplier, transport system, working materials and methods and waste handling. During 2010 we achieved cost savings of hundred million SEK by continuous developing of working methods in car repair shops where damaged plastic parts are being repaired instead of replaced.

I hope you will enjoy reading more about our environmental work in this report!

Torbjörn Magnusson
CEO, If P&C Insurance AB

ABOUT IF

Our 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 initiative and cares about me

Reliable

If keeps its promises and helps me when needed

Forward-thinking

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

Services

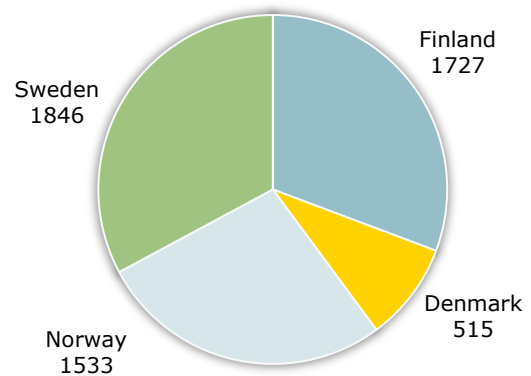
We offer whole range insurance solutions and services. It includes everything from insurances for private cars and homes to customized global insurance programs for international industrial enterprises.

Organization

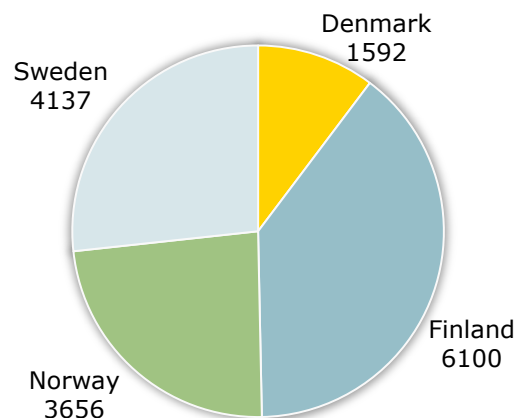
If is the leading property and casualty insurance company in the Nordic region with an integrated organization and activities. The company belongs to Sampo Plc group that is listed on the Helsinki Stock Exchange. The business is managed from Nordic perspective. Our operations are divided into customers within business areas Private, Commercial, Industrial, Baltics and Russia. Supporting functions such as IT, HR and Information are organized from Nordic perspective.

| Company name | If (If P&C Insurance AB) |
|---------------------------|--|
| Countries of operation | Finland, Denmark, Norway, and Sweden |
| Headquarters | Solna, Stockholm |
| Technical result | 4 284 MSEK |
| CO ₂ emissions | 15 500 tons |
| Markets | Non-life insurances for private persons, businesses, and international industrial enterprises. |
| Number of customers | 3.6 million |

Number of employees



CO₂ emissions by country, 2010 (tons)



CONTINUOUS WORK

What did we say we would do

- Finish the remaining tasks in the list of 100-environmental-action-points
 - At the end of 2009, employees at If will have a better understanding of how we can operate as a more environmentally friendly company
 - 10 percent reduction in CO₂ emissions from July 1, 2009 until the end of 2010
-

What have we done

- Finished the tasks in the list of 100-environmental-action-points
 - Introduced environmental issues and routines as part of training for new employees
 - Improved completeness of climate impact accounting
 - Received an award for being the most active user of video conference systems
 - Finalized a decision to compensate CO₂ emissions from our activities
 - Wrote a debate article on climate issues together with other Nordic insurance companies
 - Released a Climate tool for our business customers
 - If Sweden and Norway became members of Svanen environmental procurement system
 - Became member of the collaborative insurance initiative Climatewise
 - Introduced one new environment related product
 - Funded research in climate change together with other insurance companies
-

Targets for short term - upcoming year

- All the significant contractors in claims handling and also the 50 largest suppliers will undergo screening on If's environmental requirements. Shall be completed by the end of 2011
 - Release of operation at least one environment related product in each country. Shall be completed by the end of 2011
 - Carry in each country of operation at least one environmentally related interaction with our customers. Shall be completed by March 1, 2012
 - Reduce CO₂ emissions by 15 percent from 2011, by the end of 2012
 - In claims handling we shall improve our methods, take better care of waste and increase reuse of materials and plastic parts.
 - All environmental reports shall be of high quality and available at a given date
-

Our long-term target

- Reduce CO₂ emissions by 50 percent from 2008 to 2015

ABOUT OUR APPROACH

Our aim is to establish sustainable customer satisfaction, which is why one of our tasks is to minimize our environmental impact. We developed our environmental strategy in 2008 in a process lead by the Steering Group for Environment. We defined our environmental policy and goals and set up a

basis for the approach to minimize our environmental impact. The main principles while managing our environmental impact are our own Core Values. Our approach is to minimize our environmental impact through increasing internal awareness and offer appropriate education and support.

MANAGING OUR ENVIRONMENTAL IMPACT

| | |
|--|---|
| VALUES AND PRINCIPLES | If's core values |
| ENVIRONMENTAL KEY-ISSUES | Education and awareness Energy consumption Climate change Environmental impact from claims handling Waste minimization |
| COMMITTED ORGANIZATION | Steering Group – ensures that If works according to confirmed environmental goals. 7 members whereof 3 members are from If's executive board. Each member represents a different business area and country. Local Environmental Groups – formulate local activity plans. Present at every larger office. |
| TOOLS AND POLICIES | Environmental policy Procurement guidelines in line with Nordic Ecolabel standard Climate tool based on GHG Protocol standard ClimateWise Environmental rules for claims handling |
| COMMUNICATION AND AWARENESS GROWING | Employees – receive training regarding environmental issues Customers – environmental related interactions in each country of operation Suppliers – receive information about our environmental requirements Owners – environmental reporting External stakeholders – campaigns, funding research in climate change |

OUR STRATEGICAL GOALS

- to increase the internal awareness of environmental issues and offer appropriate education and support as needed
- to minimize waste arising from our operations and to reuse and recycle waste when possible
- to minimize the consumption of energy, water and raw materials in our operations and to reuse and recycle where possible
- to ensure that insurance claims are managed with minimum impact on the environment
- to ensure that environmental impacts are considered in investment decisions
- to apply an environmental perspective to the development of our products and services, in order to ensure maximum advantage to our customers and other stakeholders
- to promote environmental initiatives through our socially focused activities
- to ensure that all local, national and international regulatory obligations that pertain to our operations are fulfilled

OUR ENVIRONMENTAL POLICY

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

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



CLIMATE & ENERGY

Climate change is a global environmental issue with a direct financial impact for the insurance industry. Our significant greenhouse gas emission sources are business travel and energy consumption in the offices.

Distribution of emission sources

The total amount of direct and indirect greenhouse gas emissions from If Nordic operations during 2010 was 15 500 tons. See page 13 for detailed results regarding energy consumption and climate impact. Purchased energy contributes to 29% and business travel (air, train, and car) to 71% of our total impact. The total emissions from business travel are almost 11 000 tons of CO₂ (7500 tons of CO₂, in 2009). Of all the means of transportation we use, air travel has the highest impact per travelled km, which makes it the most significant source of emissions.

Calculation method

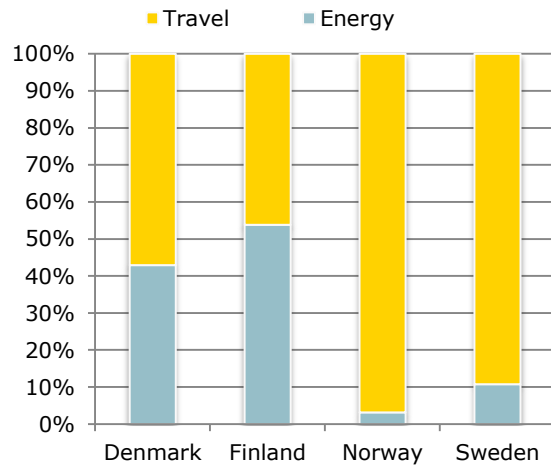
We follow the Greenhouse Gas Protocol guidelines for estimating the climate impact of our operations. For 2010 we have improved the completeness of climate impact calculations from purchased electricity, district heating and cooling. Thus the figures are not completely comparable with 2009. The total amount of CO₂ emissions for 2010 is 31% higher compared to 2009.

Changing meeting culture

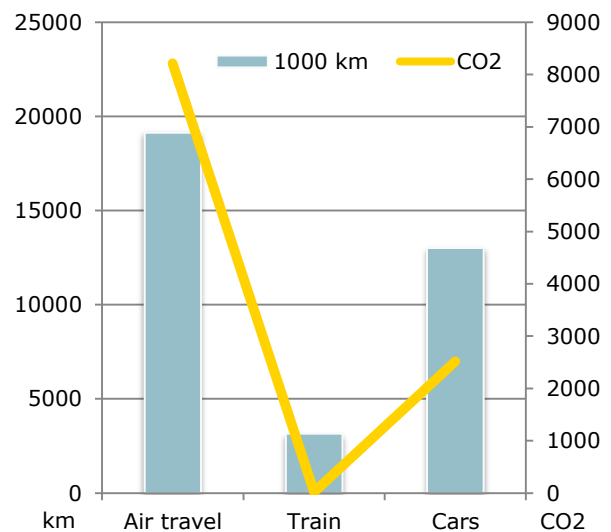
During 2010 we continued our active work on changing our meeting culture and behavior. That primarily consists of creating alternatives for online meetings that are easily accessible and very easy to use. We have fully implemented our video conference system which now consists of 65 facilities in the Nordic offices. Our active focus on these issues continues to show significant results – a 23% reduction in air travel. In November 2010 we received an award for being the most active user of video conference systems in Sweden.

We have changed our travel policy and booking procedure so that the focus is on the meeting, not the journey. The goal is to help employees to find the best possible solution from time management and environmental point of view.

Distribution of CO₂ emissions per country

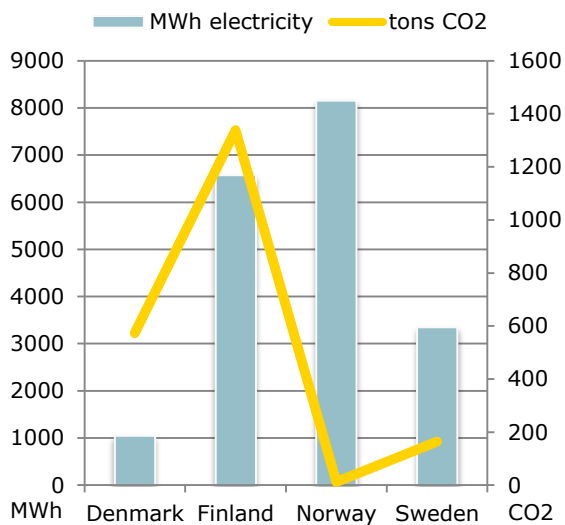


Travelled distance compared to CO₂ emissions (tons)

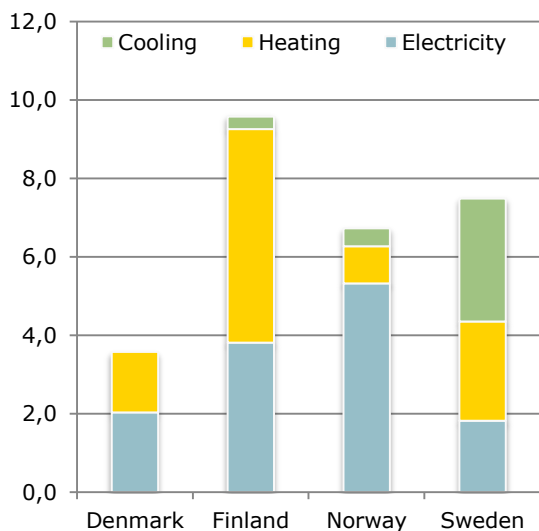


| Year | No of flights | No of video calls |
|-------------------|---------------|-------------------|
| 2008 | 21404 | 9199 |
| 2009 | 17120 | 14040 |
| 2010 | 16563 | 19581 |
| Change since 2008 | -23% | +113% |

Consumed electricity compared to emissions from electricity production



Consumed energy per employee (MWh electricity, heating, and cooling)



Green-IT

With green-IT we consider reducing energy consumption from information systems and responsible electronic waste management.

We focus on reducing the amount of equipment we are using today, changing habits, and investing in energy efficient solutions. In 2010 we started a program that enables us to reduce energy consumption from our IT-systems. We have reduced the amount of servers significantly and at the same time improved the safety and efficiency of our data systems.

Furthermore we have started replacing electronic printing equipment in offices with multifunctional ones. The average energy consumption of the new equipment is 40% lower than before. Plus the printing, scanning, copying, and faxing functions are provided by one machine instead of several different ones. At the end of 2010 offices in Finland, Denmark, Norway, and Sweden were already using such equipment. We have also started a campaign in our offices encouraging everyone to switch off all electronic equipment at the end of the day.

Our ambition is to ensure that the electronic equipment that we do not need or cannot use any more is responsibly taken care of. Since electronic waste often contains substances that are toxic in small amounts, we have set strict requirements for our suppliers of electronic waste management. We only accept suppliers that can ensure safety of people and environment while dismantling and handling the electronic waste.

MATERIALS AND WASTE

The world today is consuming so much that it takes one and a half planet to meet everyone's needs¹. However the fact is that we have only one planet with limited resources. Thus there is an urgent need for sustainable solutions. Efficient use of materials and responsible waste management has very important roles in our environmental agenda.

Materials

Our material use is dominated by paper, which is consistent with the nature of our business sector. See page 14 for detailed results regarding 2010. In order to reduce our paper consumption we have introduced (2008-2009) routines such as always printing on both sides of a document; only purchase copy paper that fulfills high environmental standards (equivalent to Nordic Ecolabel); and run external campaigns towards minimized use of paper (e.g. e-invoices instead of printed ones). In 2010 we started developing routines and rules for "paper-free meetings" which will be introduced during 2011-2012.

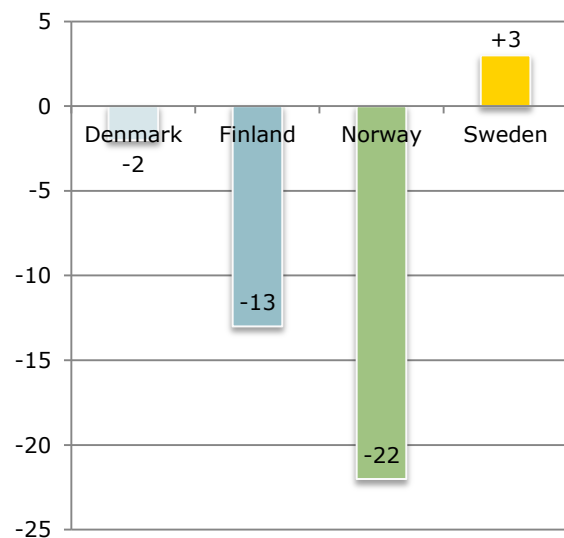
Waste minimization

Our ambition is to reuse and recycle materials from our operations. In this area we can make the biggest difference by reusing materials and undamaged parts from claims handling processes. We manage over 300 000 cars every year. To minimize waste generation we have initiated reuse of plastic and metal parts from motor claims instead of disposing them.

In 2010 our repair shops have reused 171 tons of plastic and 2313 tons of steel and

aluminum from claims handling. In addition we have reused over 800 tons of previously used spare parts of various materials. Recycling materials has a significant positive effect on climate, and the effect from reuse in auto claims is exceeding the total amount of CO₂ emissions from business travel (10967 tons CO₂).

Change in paper consumption 2008-2010 (tons)



| | Amount (tons) | Estimated avoided emissions (tons CO₂) |
|-----------------|----------------------|--|
| Plastic | 171 | 1482 |
| Steel/ Aluminum | 2313 | 12722 |
| Total | 3301 | 14204 |

¹) Global Footprint Network 2010

AWARENESS AND COMMITMENT

We believe that we can achieve a great reduction in our impact on environment when our employees have a better understanding of how we can operate more environmentally friendly.

Awareness

In 2010 environmental training was introduced as part of introduction training for all new employees. In addition to training we have during the year used many other ways to encourage our employees to act more environmentally friendly, e.g. campaigns, information days and environmentally related news on our intranet.

Commitment

In order to encourage commitment among employees we have arranged our environmental steering group and local environmental groups so that they involve people throughout the Nordic organization from different countries, divisions and levels. This way we have managed to introduce environmental thinking into every unit and part of the organization. Everyone has a chance to get a better understanding of environmental issues, which enables them to help implementing the solutions that has the most effect at their specific workplace.

Our environmental commitments

| | |
|---|-------------------------------------|
| Strategy | <input checked="" type="checkbox"/> |
| Goals | <input checked="" type="checkbox"/> |
| Environmental policy | <input checked="" type="checkbox"/> |
| Environmental committees at bigger offices | <input checked="" type="checkbox"/> |
| Environmental board including members from group executive board | <input checked="" type="checkbox"/> |
| Business' climate impact compensation | <input checked="" type="checkbox"/> |
| Environmental reporting | <input checked="" type="checkbox"/> |
| Climatewise member | <input checked="" type="checkbox"/> |
| Environmental requirements for suppliers | <input checked="" type="checkbox"/> |
| Climat tool for business customers | <input checked="" type="checkbox"/> |
| More than 60 video conference facilities | <input checked="" type="checkbox"/> |
| Environmental rules for claims handling | <input checked="" type="checkbox"/> |
| E-learning for employees | <input checked="" type="checkbox"/> |
| Training for new employees includes business' environmental issues and routines | <input checked="" type="checkbox"/> |
| Funding research in the field of climate change | <input checked="" type="checkbox"/> |
| Climate/environment related insurance products | <input checked="" type="checkbox"/> |
| Reduced CO2 emissions | <input checked="" type="checkbox"/> |

CUSTOMERS, PRODUCTS AND SERVICES

Our customers expect us to provide services and products to manage environmental risks and also support easily accessible solutions in the way we communicate with each other.

Online reports

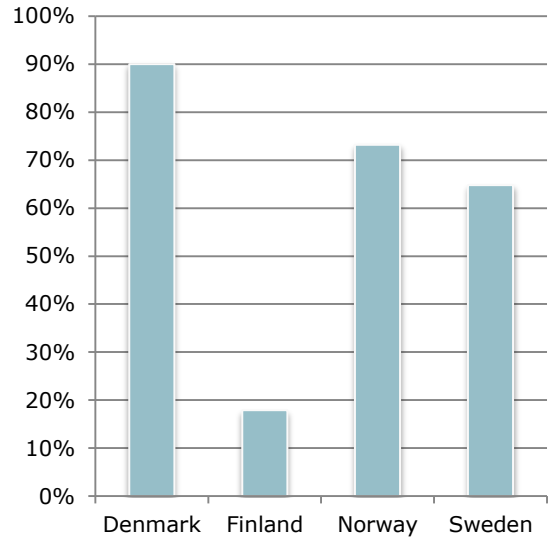
Online channels for reporting claims and receiving invoices are becoming increasingly common alternatives for communication. The number of claims being reported through online channels has increased even more during 2010 and in total 31% of claims are reported online. This means reduced need to travel or printed material concerning customer relations.

Constant access to the Internet through phones and other media equipment means we also need to adjust our sales and communication channels to the customers' habits. Therefore we have set goals to increase the use of online channels for contacting customers.

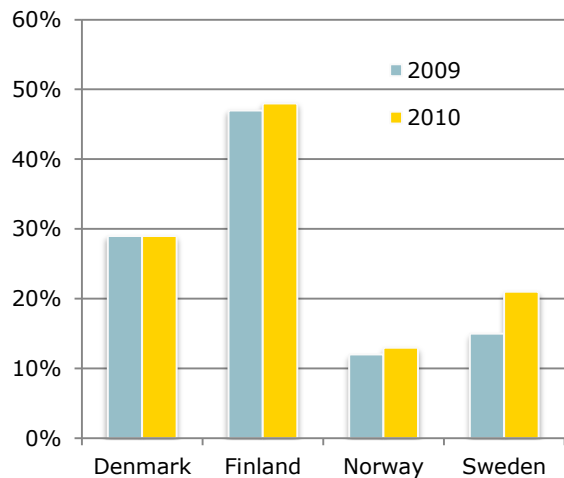
Environmental products

During 2010 we launched several new products related to environment. For instance in Norway we released a product that will cover sudden and accidental damage to the environment, including first and third party liability as well as damage by cars and boats. The purpose of the product is to cover the total operation in one insurance service. In 2011 the similar product will be launched in Sweden. By the end of 2011 we want to be providing at least one product related to environment in every Nordic country.

Share of e-invoices in vehicle claims handling (2010)



Ratio of online claim reports



DETAILED OVERVIEW OF RESULTS 2010

Climate and energy

| | Denmark | Finland | Norway | Sweden | Total | Denmark | Finland | Norway | Sweden | Total |
|---|-----------|----------|----------|-------------|-------------|---|-----------|-----------|-----------|------------|
| Direct energy use by source (m3) | | | | | | Climate impact (tons CO₂) | | | | |
| Petrol (m3) | 8 | 3 | 0,2 | 4 | 15 | 18 | 8 | 0,5 | 10 | 37 |
| Diesel (m3) | 20 | 5 | 5 | 15 | 45 | 52 | 13 | 13 | 37 | 115 |
| Biogas (m3) | | | | 4 570 | 4570 | | | | 0,1 | 0,1 |
| Natural gas (m3) | | | | 3 590 | 3590 | | | | 8 | 8 |
| Ethanol E85 (m3) | | | | 48 | 48 | | | | 21 | 21 |
| Total | 28 | 8 | 5 | 8227 | 8267 | 70 | 21 | 14 | 76 | 181 |

| Indirect energy consumption by source | | | | | | Climate impact (tons CO₂) | | | | |
|--|-------------|--------------|--------------|--------------|--------------|---|-------------|------------|------------|-------------|
| Electricity (MWh) | 1046 | 6577 | 8153 | 3350 | 19126 | 573 | 1338 | 12 | 164 | 2087 |
| District heating (MWh) | 796 | 9403 | 1452 | 4689 | 16340 | 109 | 1928 | 86 | 147 | 2270 |
| District cooling (MWh) | | 562 | 703 | 5788 | 7053 | | 11 | 16 | 134 | 161 |
| Total | 1842 | 16542 | 10308 | 13827 | 42519 | 682 | 3277 | 114 | 445 | 4518 |

| Indirect energy use from business travel | | | | | | Climate impact (tons CO₂) | | | | |
|---|---------|---------|---------|---------|----------|---|-------------|-------------|-------------|--------------|
| Air (km) | 1415953 | 4706578 | 6289360 | 6729999 | 19141890 | 607 | 1988 | 2779 | 2838 | 8212 |
| Train (km) | | 1540650 | 415755 | 1200554 | 3156959 | | 19 | 0,002 | 0,005 | 19 |
| Car* (km) | 1142078 | 3881875 | 3681192 | 4315634 | 13020777 | 230 | 779 | 738 | 766 | 2513 |
| Petrol | 571603 | 1379464 | 1315782 | 2133910 | 5400759 | 118 | 286 | 272 | 427 | 1103 |
| Diesel | 570475 | 2502411 | 2365410 | 1477984 | 6916280 | 112 | 493 | 466 | 285 | 1356 |
| Ethanol | | | | 451422 | 451422 | | | | 27 | 27 |
| Biogas | | | | 45823 | 45823 | | | | 2 | 2 |
| Hybrid | | | | 206495 | 206495 | | | | 25 | 25 |
| Copy paper | 9 | 54 | 38 | 40 | 141 | 3 | 16 | 11 | 12 | 42 |
| Total | | | | | | 840 | 2802 | 3528 | 3616 | 10786 |
| Summa | | | | | | 1592 | 6100 | 3656 | 4137 | 15485 |

*Taxi, rented cars, personal cars

Materials and waste

| Water | Denmark | Finland | Norway | Sweden | Total |
|------------------------|---------|---------|--------|--------|-------|
| Water consumption (m3) | 2272 | 14232 | 14742 | 14486 | 45732 |

| Paper | Denmark | Finland | Norway | Sweden | Total |
|--------------------|---------|---------|--------|--------|-------|
| Copying paper | 9 | 54 | 38 | 40 | 141 |
| Printed material | 20 | 185 | 163 | 99 | 467 |
| Marketing material | | 164 | 36 | 120 | 320 |
| Total (tons) | 29 | 403 | 237 | 259 | 928 |

| Waste | Denmark | Finland | Norway | Sweden | Total |
|--------------------------------------|---------|---------|--------|--------|-------|
| Disposal (tons) | | | | | |
| Mixed waste | n.a. | 57 | 99 | 105 | 261 |
| Paper and cardboard | n.a. | 0 | 0 | 0 | 0 |
| Waste IT products | n.a. | 0 | 0 | 0 | 0 |
| Metal and glas | n.a. | 0 | 0 | 1 | 1 |
| Domestic waste e.g. Kitchen waste | n.a. | 0 | 0 | 8 | 8 |
| Recycled and/or reused (tons) | | | | | |
| Mixed waste | n.a. | 25 | 17 | 0 | 42 |
| Paper and cardboard | n.a. | 96 | 74 | 86 | 256 |
| Waste IT products | n.a. | 2 | 0,2 | 0 | 2 |
| Domestic waste (bio) | n.a. | 36 | 52 | 12 | 100 |
| Metal, glass | n.a. | 19 | 4 | 0 | 23 |

