



Annual and sustainability report

from the Folksam Group

2019

Folksam

The Folksam Group's vision:

Our customers should feel secure in a sustainable world

We are there for our customers

Our job is to provide security for every phase of life. With us, customers can insure themselves, their loved ones and their property and save for their pension. Almost half the people in Sweden are insured by the Folksam Group and more than three million people save with us in the long term for their pensions. This makes the Folksam Group a leading player when it comes to insurance and pension savings in Sweden.

Folksam, which represents a significant part of the Folksam Group, is owned by its customers. Instead of the profit being distributed to shareholders, it is returned to our owners – our customers – in the form of bonuses, premium reductions or better services, offers and customer services.

Working together with our business partners

Many of our customers come to us through collaborations with trade unions and other partners. Through our close collaboration, we are able to offer attractive deals at preferential prices – together we help our customers feel secure in a sustainable world.

Read more about how we create value for customers on page 18.

We take responsibility

Our operations, the fact that we are a mutual company and our size entail a responsibility. As a major player and investor, we have the opportunity to exert influence, employ a long-term approach and contribute to sustainable development. We therefore do business that increases security for customers, at the same time as safeguarding people and the environment. Our goal is to be the leader in the field of sustainability. Our climate target is to have net zero greenhouse gas emissions in our own operations by 2030 and in our investment portfolios by 2050. The Folksam Group was the first of Sweden's pension and insurance companies to adopt the net zero emissions target in its investment portfolios.

Read more about our sustainability work on page 28.

We are financially strong

Our financial strength provides us with good conditions to develop competitive offers for our customers. We are one of Sweden's largest investors and it is important that we manage our customers' money responsibly. For us, this means yielding a good, competitive return, while at the same contributing to a more sustainable society.

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2019 – a strong year but with challenges ahead

The Folksam Group is in a strong position, thanks to our committed employees, good business relations and strong finances. The Folksam Group has worked with an eye towards the future during the year, with a focus on sustainability, digitisation and cost reductions.

The Folksam Group is our customers' company, offering insurance policies, pensions and long-term savings for the many. We shall be the obvious insurance partner and create mutual added value through collaboration. In a changing environment, a higher pace of change is required in the business. Movement areas have been identified and together we will bring about the change.

During the year, we have concluded agreements for expanded or new cooperation with the trade unions IF Metall, Fackförbundet ST and the newly formed SACO federation Akavia, as well as continuing the launch of Folksam's legal insurance for members of trade unions. We work closely with our partners and will continue this work to ensure that the members get the best insurance and pension solutions on the market.

We create the conditions for better customer experiences and work on digital customer contact is being intensified. Being a Folksam customer should be easy.

A major initiative for the Folksam Group is a new system for risk insurance. We are doing this to future-proof Folksam, create better conditions for digitisation and shorten the time between first idea and the launch of products and offers. A first technical production launch took place in February.

Together with our efforts for the future, we need to continue to reduce our operating costs. By reducing operating costs, we increase our competitiveness and can create customer benefits through what we offer. Work to reduce operating costs continues through changes in the way we work and changes in the office structure. The goal is that by the end of 2022 we will be down to a cost level equivalent to SEK 5.3 billion, excluding commissions.

Through our work in the Net-Zero Asset Owner Alliance, we are steadily increasing the pressure on companies in our investment portfolios to achieve net zero greenhouse gas emissions by 2050 at the latest.

Sustainability work is, and always will be, central to our investments and our business.

A financially strong year is over. The Folksam Group's total premium volume grew by SEK 1.7 billion, compared with the same period the previous year, and on 31 December 2019 it amounted to SEK 56 billion. Assets under management increased to SEK 455 billion. The total return ratio at Folksam Life was 10 per cent and at KPA Pensionsförsäkring was 11 per cent.

Our customers' money, the capital that we manage, shall provide good returns so as to ensure good pensions and low insurance premiums in the future. The distribution of capital between different types of assets is important for reconciling good returns with a balanced level of risk. In recent years, the Folksam Group has therefore invested heavily in property and in 2019 this strategy resulted in the acquisitions of the Trygg Hansa building in Kungsholmen, an office property in the Globen area and shares in Heimstaden Bostad AB. Other important investments in the past year have been preference shares in Volvo Cars and a bond issued by the World Bank to reduce food waste.

The coronavirus epidemic is troubling and is generating significant volatility on the financial markets. The Folksam Group is financially stable, however, and we are able to withstand a considerable amount of turbulence. In relation to the very strong upward stock trends of 2019, which saw price increases of around 30 per cent on most stock markets, this development has so far had limited impact on our companies. Naturally, we are following developments extremely closely.

I am pleased and proud to be the CEO of the Folksam Group and, together with my strong group management and our competent employees, I will drive the work towards our vision that our customers should feel secure in a sustainable world. Together we are strong!


Ylva Wessén
President and CEO



“Sustainability work is, and always will be, central to our investments and our business”

The year in brief

New President and CEO

Ylva Wessén succeeds Jens Henriksson as the new President and CEO of the Folksam Group.

Northvolt

The Folksam Group invests SEK 200 million in battery developer Northvolt to build Europe's first large-scale factory for manufacturing sustainable batteries.

Increased bonus interest rate

Folksam Life raises the bonus interest rate for traditional occupational pension insurance from four per cent to five per cent on 1 October. The bonus rate for other life insurance remains unchanged at five per cent.



“How safe is your car?” celebrates 35th anniversary

To help our customers make a safe and confident choice when buying a car, we have been examining the crash safety of different car models and presenting the results in the “How safe is your car?” report for 35 years.

Net zero emissions

The Folksam Group is one of six initiators of the UN-convened Net-Zero Asset Owner Alliance, which at the UN climate summit in September presents its goal of having net zero greenhouse gas emissions in investment portfolios by 2050.

LGBTQ certification

During the year, KPA Pension becomes the first LGBTQ-certified company in the financial sector.

SEK 2.8 billion to reduce food waste

The Folksam Group invests in a World Bank bond that supports UN Sustainable Development Goal no. 12 on responsible consumption and production. The bond is issued exclusively for the Folksam Group.

Trade union ST chooses Folksam

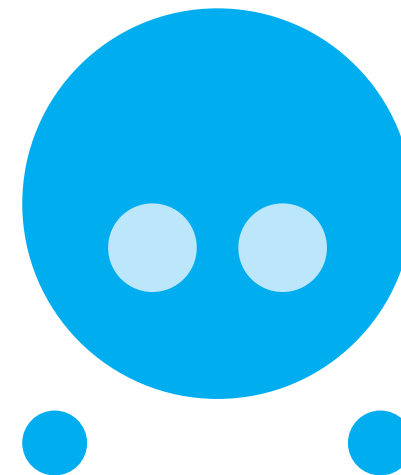
The insurance provides non-life insurance and mandatory income insurance cover for the union's 95,000 members.

Alfrida

Storm Alfrida hits the country at the beginning of the year and in June there is a hailstorm in Lidköping. These events increase claims expenses by SEK 91 million.

Heimstaden

Folksam and KPA Pension invest SEK 4 billion in shares issued by residential property company Heimstaden Bostad AB.



Sam

We launch our digital assistant Sam, developed using AI technology. Sam settles mobile phone claims at folksam.se

Highest average return

Folksam LO Pension and KPA Pensionsförsäkring respectively have the highest and second-highest average return in the industry within unit-linked insurance, when compared over five and ten years respectively.

IF Metall chooses Folksam

... for its members' income insurance. This is included in the membership for the union's 250,000 active members.

Trygg Hansa building

KPA Pension acquires the property at Brädstapel'n 16 for SEK 4.3 billion. This is the third-largest property transaction ever made in Sweden.

Nordic infrastructure

The Folksam Group invests SEK 1.5 billion in infrastructure fund Infranode II. The aim of the investment is to provide a good return and to help make the transition to a more sustainable society.

Improved sustainability in the equity portfolio

From the end of March to mid-April, the Folksam Group more than halves the number of its foreign equity holdings, with a value of SEK 80 billion. The carbon footprint of the equity investments, measured as a weighted average, is reduced by approximately 30 per cent.

Topping the list of responsible investors

Folksam and KPA Pension top life insurance broker Max Matthiessen's review of how pension companies work with sustainable and responsible investments in traditional insurance and unit-linked insurance.

Sustainable brands

For the eighth year running, KPA Pension tops the list of the most sustainable brands in the pension industry, according to the Sustainable Brand Index, the largest study of sustainable brands in Sweden and Europe. Folksam is the second-most sustainable brand in the insurance category.

Volvo Cars

Folksam and KPA Pension reinvest SEK 2 billion in preference shares in Volvo Car AB, as existing preference shares are redeemed.

This is the Folksam Group

Our job is to provide security for every phase of life. With us, customers can insure themselves, their loved ones and their property and save for their pension. Almost half the people in Sweden are insured by the Folksam Group and more than three million people save with us in the long term for their pensions. This makes the Folksam Group a leading player when it comes to insurance and pension savings in Sweden.

Folksam, which represents a significant part of the Folksam Group, is owned by its customers. Instead of the profit being distributed to shareholders, it is returned to our owners – our customers – in the form of bonuses, premium reductions or services, offers and customer services.

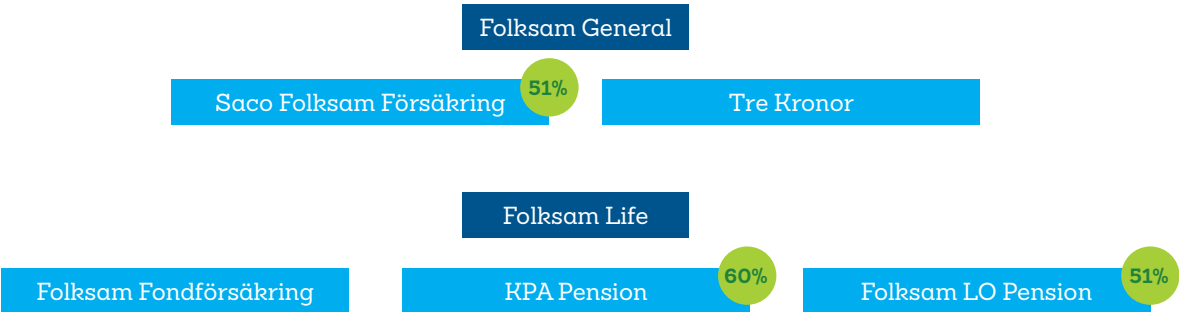
Our sustainability work is based on our vision that our customers should feel secure in a sustainable world. We are convinced that having sustainability work integrated into our offerings and operations improves the conditions for long-term success.



Companies and organisation working in harmony

The Folksam Group comprises the parent companies Folksam ömsesidig sakförsäkring (Folksam General) and Folksam ömsesidig livförsäkring (Folksam Life) and subsidiaries.

The Folksam Group is the largest player in Sweden for life insurance and the third-largest player in non-life insurance, in terms of premium volume.



Folksam General is the parent company of a group that, in addition to the parent company, comprises insurance operations in the wholly owned subsidiary Tre Kronor Försäkring AB* (Tre Kronor), and 51 per cent of Saco Folksam Försäkrings AB (Saco Folksam Försäkring).

* Supplies insurance policies that are sold under a different brand.

Folksam Life is the parent company of a group that, in addition to the parent company, comprises the wholly owned subsidiary Folksam Fondförsäkringsaktiebolag*, the 60 per cent-owned company KPA AB and its subsidiaries, which operate under the KPA Pension brand, as well as Folksam LO Fondförsäkringsaktiebolag, which operates under the Folksam LO Pension brand, which is 51 per cent owned.

KPA Pension comprises the subsidiaries KPA AB, KPA Livförsäkring AB, KPA Pensionsförsäkring AB and KPA Pensionservice AB.

* Folksam Fondförsäkring is being evaluated for possible incorporation with Folksam Life.

Strategic brands

The Folksam Group includes the main brand, Folksam, as well as the two complementary brands, KPA Pension and Folksam LO Pension.

Folksam General offers a full range of non-life insurance to Swedish households and private individuals, with a focus on car and home insurance. **Folksam Life** offers occupational pensions and long-term savings directly to private individuals, or through partnerships, as well as group life insurance and other types of risk insurance.

KPA Pension is the pension company for the local government sector and manages occupational pensions for employees in municipalities and regions, as well as municipal and cooperative companies.

Folksam LO Pension offers unit-linked insurance for collectively agreed occupational pensions, mainly to employees within the SAF-LO area. The company is co-owned by Folksam and LO.

Strategy, vision and overriding objective

Our overriding objective is to have the most satisfied customers in the industry. To achieve this, we need to be profitable, financially stable and a leader when it comes to sustainability. We also need to be an attractive workplace that works in a modern and efficient way, guided by our values. We shall be the obvious insurance partner that creates mutual added value through collaboration and we shall have proper order in our business so as to safeguard the security of our customers.

Our vision
Our customers should feel secure in a sustainable world.

Our job is to provide security to our customers in every phase of life. With us, customers can insure themselves, their loved ones and their property and save for their pension. In this way, we are also creating security in society in general. We get involved in what our customers care about, which is why we promote sustainable development.

Business concept
We are our customers' company, offering insurance policies, pensions and long-term savings for the many.

Our values
Personal, committed, and responsible.

- Everything we do must be permeated by our values. We aim to be:
- Personal by showing consideration, conducting a dialogue and working on the basis of the customer.
 - Committed by being active and taking the initiative in the customer's best interests, as well as seeing opportunities and being solution-oriented.
 - Responsible by being reliable, knowledgeable and employing a long-term approach.

Our overriding objective
To have the most satisfied customers in the insurance and pension savings industry.

Main strategic areas
We will achieve our goals by developing four main strategic areas:

Long-term and sustainable
We shall be profitable, financially stable and a leader when it comes to sustainability.

Strong together
We shall be the obvious insurance partner and create mutual added value through collaboration.

Attractive workplace
We shall be an attractive workplace where we work in a modern and efficient way.

Proper order
We shall have a business and an organisation that are characterised by proper order.

Read more about our main strategic areas and how they add value for the customer on page 18.

Goal structure

To measure our overriding objective of having the most satisfied customers in the industry, we use two intermediate goals: "Satisfied customers" and "Operating expenses".

In order to measure the proportion of satisfied customers, we use our recurring customer survey, Folksam Customer Index (FCI). This gives us customer insights, identifies our strengths and weaknesses and shows how well we are meeting our customer targets. Every quarter, we interpret and analyse our position and identify areas for improvement. This year's customer survey shows that 75 per cent of our customers are satisfied with us. This is close to the target set for 2019.

The target set for operating expenses excludes commissions and non-recurring effects.

We break down our overriding objective and business goals into targets divided between our strategic focus areas: Long-term and sustainable, Strong together, Attractive workplace and Proper order. Based on this, each business area, unit and subsidiary sets goals that are broken down all the way to targets for each employee.

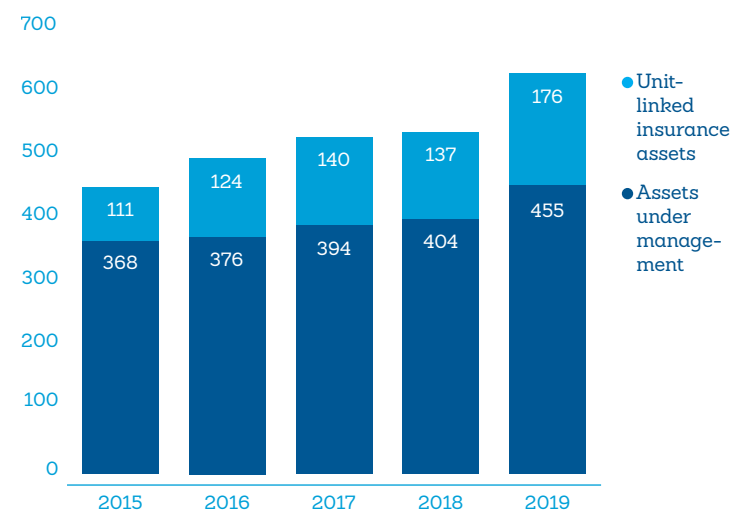
Achievement of goals 2019	Results 2019	Targets 2019
Folksam Customer Index (FCI), %	75	75
Operating expenses ¹⁾ (SEK billion)	5.5	5.6

¹⁾ Excludes commissions and non-recurring effects.

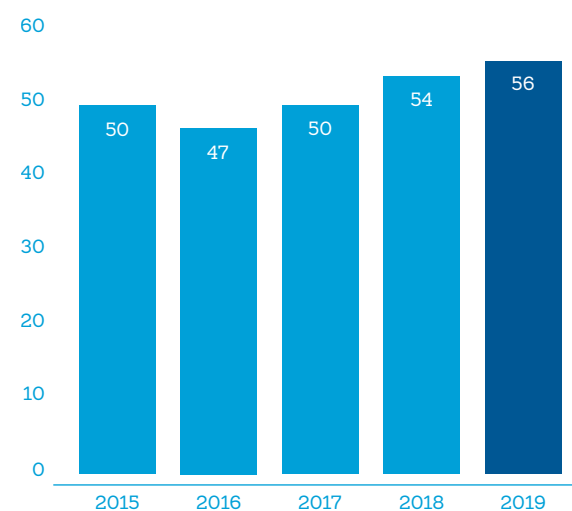
Financial development 2019

The Folksam Group increased its premiums to SEK 55.5 billion in 2019, driven primarily by growth in collectively agreed occupational pensions. In non-life insurance, revenue was on a par with the previous year. Both market shares and the customer satisfaction index were generally stable compared with the previous year.

Total managed assets and unit-linked insurance assets, SEK billion



Total premium volume, SEK billion



Key ratios

The Folksam Group	2019	2018	2017	2016	2015
Folksam Customer Index (FCI), % ¹⁾	75	75	78	79	78
Premiums, SEK million ²⁾	55,543	53,812	49,778	47,023	50,469
Assets under management, SEK million ^{3) 4)}	454,536	404,059	394,125	375,794	368,454
Unit-linked insurance assets, SEK million ^{3) 4) 5)}	175,826	137,076	139,632	124,042	111,144
Number of full-time employees ⁶⁾	3,633	3,771	3,716	3,731	3,706

¹⁾ New measurement method that gives a lower numerical value. The outcome for 2018 is equivalent to the outcome for 2017. The new FCI measurement does not include partners and companies, only private and individual markets.

²⁾ Premiums comprise premiums earned in non-life insurance, premiums written in life insurance, and receipts and fees from unit-linked insurance investors in the insurance companies included in the Folksam Group.

³⁾ At the end of the period.

⁴⁾ Assets according to the total return table less strategic holdings, which principally relate to the value of subsidiaries.

⁵⁾ Investment assets for which the policyholders bear the risk.

⁶⁾ Based on paid time during the period.

Non-life insurance

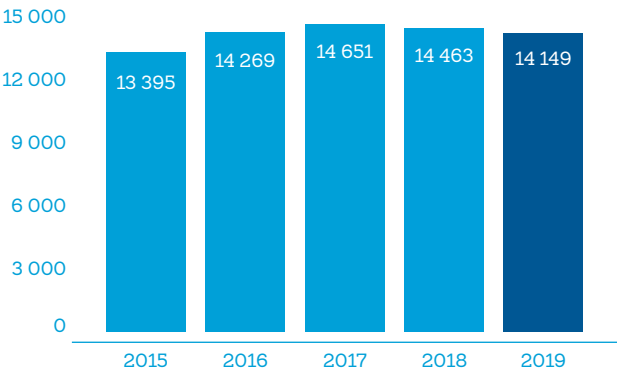
Folksam conducts non-life insurance business focused chiefly on the Swedish household market. Folksam General offers a full range of insurance products to households and individuals with a focus on car and home insurance policies, as well as commercial insurance products within specially selected areas. Operations are conducted under the strategic brand Folksam.

Folksam

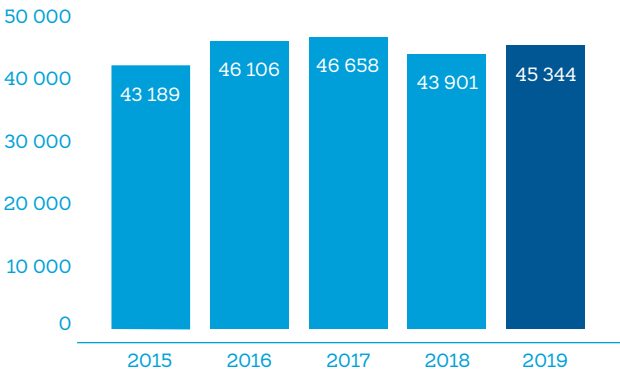
Folksam offers a full range of non-life insurance to Swedish households and private individuals, with a focus on car and home insurance.

Folksam General Group

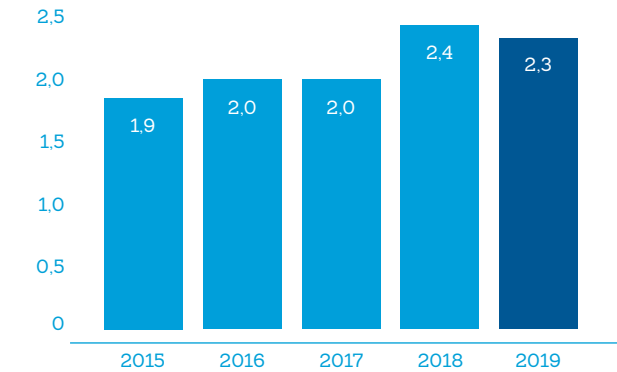
Premiums earned, SEK million



Assets under management, at period-end, SEK million



Solvency factor (SCR), at period-end



Folksam General Group	2019	2018	2017	2016	2015
Premiums earned, SEK million	14,149	14,463	14,651	14,269	13,395
Assets under management, at period-end, SEK million	45,344	43,901	46,658	46,106	43,189
Solvency factor ¹⁾ (SCR), at period-end	2.3	2.4	2.0	2.0	1.9

¹⁾ The solvency factor pertains to the capital base in relation to capital requirements in accordance with the Solvency II Directive.

The premiums earned in the Folksam General Group decreased to SEK 14,149 (14,463) million. The decrease is explained by the fact that premiums for Förenade Liv and Folksam Skadeförsäkring Finland were included in the previous year. The Förenade Liv premiums were transferred as a portfolio to Folksam General and Folk-

sam Life in June of the previous year and Folksam Skadeförsäkring Finland was sold at the end of November. Adjusted for these premiums, the group's premium income grew by SEK 574 million compared with the previous year. The solvency factor amounted to 2.3 (2.4).

Folksam General (parent company)	2019	2018	2017	2016	2015
Premiums earned, SEK million	12,885	12,379	11,671	11,298	10,592
Underwriting result, SEK million	237	81	108	-250	148
Profit/loss before appropriations and income tax, SEK million	1,298	1,349	913	1,746	557
Total expenses, %	96.1	97.9	97.9	100.8	96.8
of which claims expenses, %	81.8	79.4	82.7	84.0	77.9
of which operating expenses, %	14.3	18.5	15.2	16.8	18.9
Total return, %	3.0	4.1	3.4	6.6	2.4
Solvency capital, at period-end, SEK million	22,821	21,565	18,996	18,092	16,708
Funding ratio, at period-end, %	178	177	168	157	133
Solvency factor ¹⁾ (SCR), at period-end	2.2	2.4	2.2	2.2	-

¹⁾ The solvency factor pertains to the capital base in relation to capital requirements in accordance with the Solvency II Directive.

Life insurance

Folksam conducts life insurance business and offers occupational pensions and long-term savings directly to private individuals, or through business partnerships, as well as group life insurance and other types of risk insurance. The operations are conducted under three strategic brands: Folksam, KPA Pension and Folksam LO Pension.

Folksam

Folksam offers occupational pensions and long-term savings directly to private individuals, or through partnerships, as well as group life insurance and other types of risk insurance.



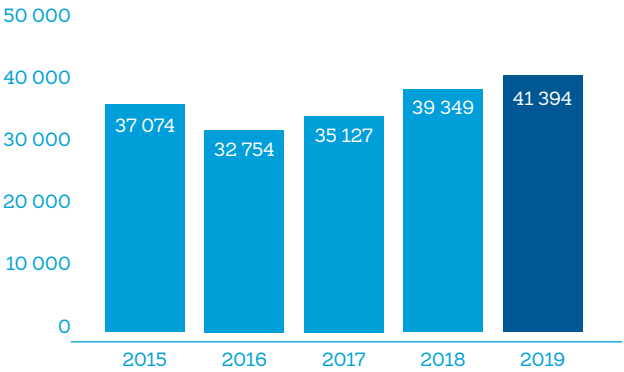
KPA Pension is the pension company for the local government sector and manages occupational pensions for employees in municipalities and regions, as well as municipal and cooperative companies.



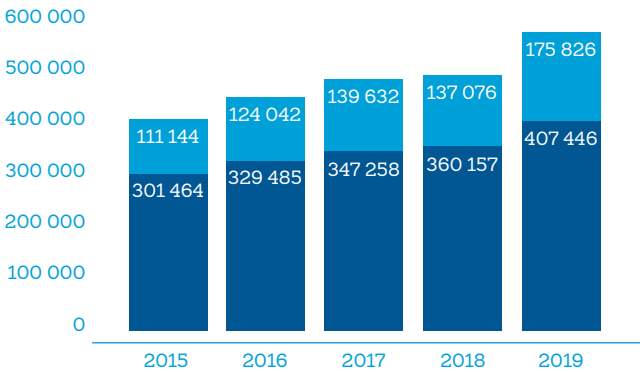
Folksam LO Pension offers unit-linked insurance for collectively agreed occupational pensions, mainly to employees within the SAF-LO area. The company is co-owned by Folksam and LO.

Folksam Life Group

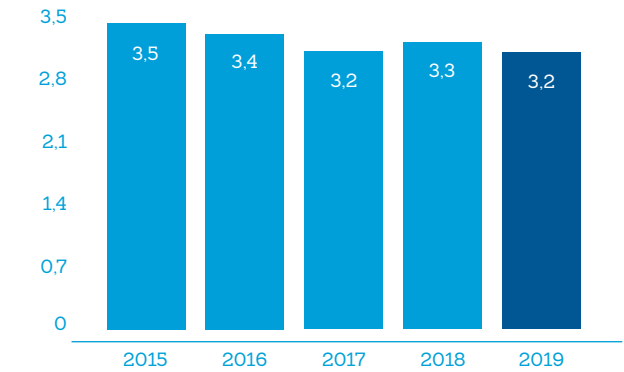
Premium income, SEK million



● Assets under management, at period-end, SEK million
● Unit-linked insurance assets, at period-end, SEK million



Solvency factor, at period-end



Folksam Life Group	2019	2018	2017	2016	2015
Premium income, SEK million	41,394	39,349	35,127	32,754	37,074
Assets under management, at period-end, SEK million	407,446	360,157	347,258	329,485	301,464
Unit-linked insurance assets, at period-end, SEK million	175,826	137,076	139,632	124,042	111,144
Solvency factor, at period-end ¹⁾	3.2	3.3	3.2	3.4	3.5

¹⁾ The solvency factor pertains to the capital base in relation to capital requirements in accordance with the Solvency II Directive.

Premiums written for the Folksam Life Group amounted to SEK 41,394 (39,349) million for the full year 2019. Assets under management amounted to SEK 407,446 (360,157) million and unit-linked insurance assets amounted to SEK 175,826 (137,076) million. In total,

customers' assets increased by around 17 per cent in 2019 compared with the corresponding period of the previous year. The solvency factor, which is presented with a one-quarter delay, was 3.2 (3.3).

Folksam Life (parent company)	2019	2018	2017	2016	2015
Premium income, SEK million ¹⁾	12,040	11,584	10,324	9,840	13,479
Underwriting result, SEK million	11,777	2,018	5,706	8,190	8,985
Management expense, %	0.5	0.6	0.6	0.6	0.7
Total return, %	10.4	1.5	4.2	8.4	3.7
Assets under management, at period-end, SEK million	200,134	183,259	179,413	176,267	164,489
Solvency ratio, at period-end, %	169	163	165	165	162
Solvency factor ²⁾ mixed companies	3.7	3.8	3.7	3.9	4.1
Collective funding ratio, occupational pension, at period-end, %	119	110	120	121	119
Collective funding ratio, other life insurance activities, at period-end, %	119	114	118	120	118

¹⁾ Premiums comprise premiums earned in savings insurance and premiums earned in risk insurance as well as from fees from unit-linked insurance investors.

²⁾ The solvency factor for mixed companies refers to the sum of the capital base relative to the capital requirements for other life insurance (compliant with the Solvency II directive) and the capital base relative to the capital requirements (compliant with the Solvency I directive) for the occupational pension operations.

The customer in focus

Our job is to provide security for every phase of life. With us, customers can insure themselves, their loved ones and their property and save for their pension. Almost half the people in Sweden are insured by the Folksam Group and more than three million people save with us in the long term for their pensions. Our aim is to have the most satisfied customers in the industry.

Customer value chain

The Folksam Group's value chain shows how we use our combined expertise, experience and other assets to generate significant value for our customers through our business operations.

1 Assets

The Folksam Group includes the main brand, Folksam, as well as the two complementary brands, KPA Pension and Folksam LO Pension. In 2019, we had premiums of SEK 55.5 billion and we manage a total of SEK 631 billion, including unit-linked insurance assets, for our customers.

The Folksam Group has been providing security for its customers for over 100 years. In order to remain relevant and attractive, we have developed our customer offerings as needs have changed.

Many of our customers come to us through collaborations with trade unions and other partners. Together, we help our customers feel secure in a sustainable world.

Today, we have almost 4,000 employees, who every day work to achieve our objective of having the most satisfied customers in the industry.

We are convinced that having sustainability work integrated into our offerings and operations improves the conditions for long-term success. The Folksam Group therefore aims to be the leader in the field of sustainability.

2 Business and operations

We generate value for the customer in every part of our operation. We do this by having clear guidelines for all areas of our business, from customer contact and product development to managing our customers' money.

Product development and offerings

We offer products that provide protection for various events and contribute to our customers' security through the various phases of their life. The customers should perceive our products as being easy to understand, easy to relate to and important. We are developing our offering in line with changing customer needs.

Sales and marketing

We know that our contact with customers has a bearing on their satisfaction. In sales contexts, we work on the basis of each customer's individual needs, provide information about possible alternatives and never convince a customer to purchase something they do not need. We will always adopt an advisory approach. Folksam's ethical rules guide us in our everyday work.

Service and advice

Digitisation and changing behaviour in customers is driving a need for new and adapted ways of doing business. Customers increasingly want their contact with us to be at a time and place that suits them. Developing digital customer contact is therefore a priority. Whether the customer contact is digital or personal, it must be easy for customers to get in touch with us and receive the help they expect.

We provide needs-based advice on insurance, pensions and long-term savings and we also provide advice on how to avoid damage, fire and burglary.

Responsible asset management

Our management of our customers' money will promote long-term security based on return and sustainable development. In order to achieve good risk diversification, we distribute our investments over various kinds of assets and markets. We are convinced that responsible companies will be more profitable in the long term, which increases the potential to give our customers a good return.

We never compromise on the financial return, but believe that the return our customers can expect to receive from us is more than just financial. We use our belief in making an impact, constant improvements and transparency as a starting point.



3 Main strategic areas

We will achieve our goals by developing four main strategic areas:

Long-term and sustainable

We shall be profitable, financially stable and a leader when it comes to sustainability. We are convinced that having sustainability work integrated into our offerings and operations improves the conditions for long-term success.

Strong together

We shall be the obvious insurance partner and create mutual added value through collaboration. We do this through both commercial cooperation with business partners and collaboration between the companies in the Folksam Group.

Attractive workplace

We shall be an attractive workplace where we work in a modern and efficient way. This enables us to attract and retain the skills we need and to meet customer expectations as a modern, digital company.

Proper order

We shall have a business and an organisation that are characterised by proper order. Our operations are subject to a wide range of regulations, with new ones constantly being added. Proper order is required to safeguard our customers' security, to maintain confidence among customers, authorities and other stakeholders, and to be able to increase business benefit.

4 Value for the customer

Our job is to provide security for every phase of life. With us, customers can insure themselves, their loved ones and their property and save for their pension. Our aim is to have the most satisfied customers in the insurance and pension savings industry. This year's customer survey shows that 75 per cent of our customers are satisfied with us. This is close to the target set for 2019 and is at the same high level as in 2018.

Together with trade unions and other business partners, we create mutual added value through collaboration. Through our close collaboration, we are able to offer attractive deals to our customers at preferential prices.

Our claim settlement contributes to our customers' security and makes the situation they are in easier. As a major player, we also have potential to exert an influence. For example, re-using and repairing instead of buying new does not just represent a gain for the environment, but is also a good deal for us and our customers. We renovate houses using good-quality, sustainable materials, buy and recycle spare parts on damaged vehicles and when the customer is provided with a hire car, it must maintain a high safety and environmental standard. If a customer is unhappy with a decision, they can have it reviewed by the Customer Ombudsman.

A pension is something that is a long way in the future for many people and the management of our customers' pension savings should promote long-term security with regard to both the return and sustainable development. We are convinced that responsible companies will be more profitable in the long term, which increases the potential to give our customers a good return.

By helping customers make the right choices, think first and prevent an injury or accident from occurring, we can contribute to safer customers, lower consumption of resources and consequently lower insurance premiums. Our research and our work to prevent injury and damage benefit both our customers and our environment. For example, we have been examining the crash safety of different car models and presenting the results in the "How safe is your car?" report for 35 years.

Folksam, which represents a significant part of the Folksam Group, is owned by its customers. Instead of the profit being distributed to shareholders, it is returned to our owners – our customers – in the form of bonuses, premium reductions or better services, offers and customer services.

For customers who do not have Swedish as their mother tongue, we offer customer service in 18 other languages, including sign language. This enables more people to obtain information about insurance and savings in their mother tongue.

Our sustainability work provides long-term success

We are convinced that having sustainability work integrated into offerings and operations improves our conditions for long-term success. Thanks to our size and our business, we have a great opportunity to be a positive force for our customers and society in general. It is therefore our goal to be the leader in the field of sustainability. Our climate target is to have net zero greenhouse gas emissions in our own operations by 2030 and in our investment portfolios by 2050.

The Folksam Group also contributes to the UN's Agenda 2030 and the 17 Sustainable Development Goals through our offerings, our investments and how we conduct our business. The Folksam Group's target areas are directly linked to the global goals numbered 3, 5, 8, 11, 12 and 13.

Read more about our sustainability work on page 28.

Broad customer offering

We are developing our offerings in line with changing customer needs. We work closely with our partners to ensure that customers get the best insurance and pension solutions on the market.

In 2019, we have, among other things, developed a new offering for student members of trade unions, which is designed to meet the specific needs of students. For IF Metall, we have developed income insurance for the union's active members and for the ST trade union we have developed non-life and personal risk insurance as well as compulsory income insurance for the union's members.

We have also developed a new non-life insurance policy for members of the newly formed SACO federation Akavia and we have continued the launch of Folksam's legal insurance for members of trade unions. Folksam is also a new insurer for the Cooperative Association and Coop.

During 2019, Folksam LO Pension has increased the flexibility provided to customers when choosing from the available range of funds and KPA Pension has, among other things, further developed the digital service offered to municipalities and regions for handling their pension commitments.

Our offerings to customers

Our insurance and pension offerings can be divided into the following areas:

Traditional insurance – safe and easy saving

Traditional insurance is a safe and easy way to save. The customer does not determine their level of risk and the Folksam Group instead invests the capital in equity, interest-bearing securities and other assets. The customer is guaranteed a set amount when the time comes for payment.

Unit-linked insurance – an opportunity to influence the return

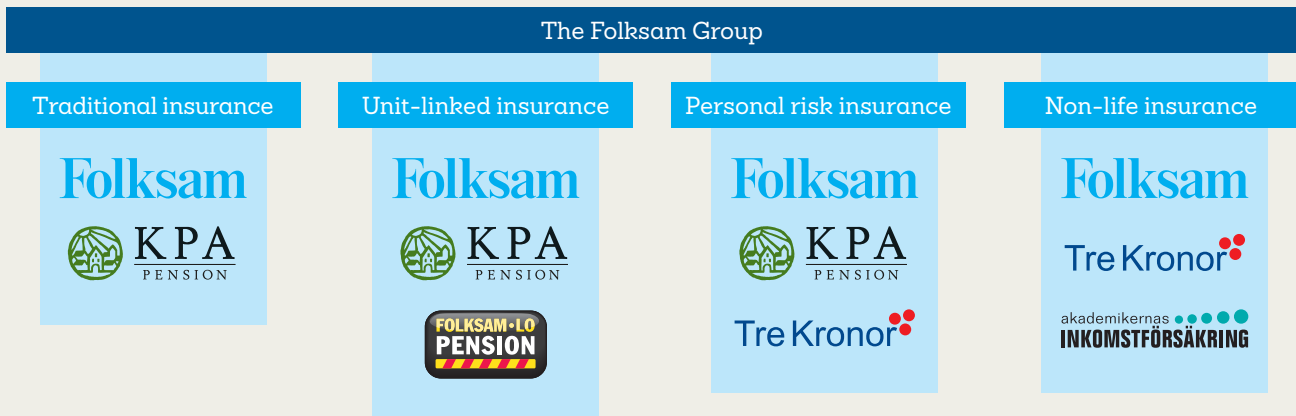
Unit-linked insurance is a form of saving where the premiums are invested in funds. The customer bears the risk here in terms of the development of the fund's value. The funds offered are based on the idea that it should be easy to invest in good-quality funds, offering a broad range that is adapted to the different needs of our customers.

Personal risk insurance – security in the event of accidental injury, illness and death

Personal risk insurance provides financial security in the event of accidental injury, illness and death. The Folksam Group offers both individual insurance solutions and group insurance. Customised group life and occupational group life insurance, as well as health and accident insurance have been specially developed for trade unions, companies and organisations.

Non-life insurance – insurance for the home, car and other property

The Folksam Group offers a full range of non-life insurance products to households and individuals with a focus on car and home insurance policies, as well as commercial insurance products within specially selected areas. We also offer income insurance to cover unemployment for members of trade unions as well as unemployment insurance through Swedbank and Sparbankerna.



Overview of our customer offering by company

The world around us and the market

The Folksam Group is the largest player in Sweden for life insurance and the third-largest player in non-life insurance, in terms of premium volume. The insurance and long-term savings sector plays an important role in the economy and it is becoming increasingly important to have insurance solutions that relieve the pressure on the public sector.





The world around us

The Swedish economy has entered a slowdown phase. The growth rate has been gradually falling since 2015. Unemployment is expected to be slightly higher than normal and inflation is expected to be below two per cent during the next two years, according to the National Institute of Economic Research. According to the Swedish Public Employment Service, 7.4 per cent were registered as unemployed in December 2019, compared with 7.0 per cent in December 2018.

Internationally, economic indicators such as the Purchasing Managers' Index have been falling for a long time but are now showing signs of stabilising and the latest measuring points indicate a brighter outlook for global growth. Contributing factors are progress in the trade negotiations between the USA and China with the signing of a partial agreement, although many issues are yet to be resolved for a trade deal, the reduced risk of a hard Brexit and continued stimulus from the world's central banks in the form of low interest rates and bond purchases.

The coronavirus epidemic is troubling and is generating significant volatility on the financial markets. There is a great deal of uncertainty about the spread of the virus at the time of writing and we must be careful not to draw snap economic conclusions that are too far-reaching, but a protracted process may result in significant downward adjustments to the growth prospects.

The risk of an escalating crisis between the USA and Iran that is in the background is also a cause for concern. The UK's withdrawal from the EU took place on 31 January 2020. During a transitional period extending until 31 December 2020, future agreements – including trade, security, fisheries and various exchanges – between the EU and the UK are to be negotiated.

The Riksbank raised the repo rate at its December meeting and this is now zero per cent. The forecast for the repo rate has remained unchanged since October 2019 and the rate is expected to remain at zero per cent over the next few years. If economic or inflation forecasts change, monetary policy may need to be adapted to the new situation, according to the Riksbank.

Low interest rates are a challenge for insurance companies and can have a negative impact on both the return on company assets and the financial position. Swedish insurance companies continue to maintain a strong financial position, however, providing resilience to cope with the challenges posed by low interest rates, according to Insurance Sweden.

Trends we face

Digitisation, an increased focus on sustainability and population and lifestyle changes are general trends that are placing new demands on the Folksam Group as a long-term sustainable player in insurance, pensions and long-term

savings. Understanding the world around us and how it affects us is vital if we are to meet the needs and demand of tomorrow.

Digitisation

New ways of meeting customers. Digitisation affects the Folksam Group on many levels, in particular as it allows us to meet customers in new ways. When customers are able to easily accomplish tasks, compare offers and give praise and criticism online at any time, this also increases the demands for personal digital service. At the same time, it opens the door to exciting new opportunities, such as working strategically with large volumes of data and finding new solutions, as

more and more things become connected. Everything indicates that the future of the financial and insurance industry lies within the field of artificial intelligence (AI). Folksam is the first insurance company to create a digital colleague, Sam, with AI technology. Sam acts as an independent claims adjuster, but the waiting time is significantly reduced as our digital colleague settles claims in real time via chat at folksam.se

Environment and climate

Climate change affects daily life. Greenhouse gas emissions and rising temperatures pose major challenges for both the insurance industry and customers in the longer term. Storm Alfrida and the hailstorm in Lidköping are just two of the extreme natural events we have experienced in Sweden in 2019. In three decades, the Folksam Group's claims expenses relating to extreme natural events have more than doubled for home insurance policies. We view climate change as a threat to the fundamental principle of insurability

and the potential for our customers to live in a safe and sustainable world. It is therefore our goal to be the leader in the field of sustainability. The Folksam Group's climate target is to have net zero greenhouse gas emissions in our own operations by 2030 and in our investment portfolios by 2050. The Folksam Group is the first of Sweden's pension and insurance companies to adopt the net zero emissions target in its investment portfolios.

Population and lifestyle changes

More, older and healthier. According to Statistics Sweden's population forecasts, by 2050 one in four inhabitants of Sweden will be over the age of 65. As well as growing in number, the elderly are also becoming healthier. According to AgeCap, one in five 75-year-olds needed help with everyday tasks in the 1970s. Today the proportion is down to four per cent. Keeping ourselves healthy and active for longer means a higher retirement age, which places greater demands on us as individuals to save for our pensions.

Connected life brings changes in the way we choose to consume, accomplish tasks and communicate. The issue of climate change is increasingly being considered and influencing our buying and travel habits. The lives of our customers have changed rapidly, and there is nothing to indicate that things are going to slow down in future. Understanding how these mechanisms affect us is vital if we are to meet the new conditions of tomorrow.

A growing and changing market

In Sweden, there are currently around 300 insurance companies, which together employ more than 21,000 people. This is a growing market that is dominated by a few large players. In non-life insurance, the four largest companies, Länsförsäkringar, Folksam, If Skadeförsäkring and Trygg-Hansa, account for just over 80 per cent of the market in terms of premium income. In life insurance, the four largest players, Alecta, Folksam, Skandia och SEB Pension, account for just under 50 per cent of the market in terms of premiums paid. There are several forms of saving, such as bank, equity and unit-linked savings, but insurance is the most common form of saving for Swedish households.

Swedish insurance companies have large assets. At the end of 2018, these assets totalled just under SEK 4,600 billion, which was almost as much as Sweden's GDP. Most of the assets – almost 90 per cent – are managed by life insurance companies, while the rest are managed by non-life insurance companies, according to statistics from Insurance Sweden.

The satisfaction of Swedish customers with their insurance companies is increasing. Customer satisfaction in the industry has seen a long positive trend, which strengthened further in 2019. In a time characterised by instability, uncertainty and rapid change, the insurance industry has succeeded in adapting its offerings and meeting its customers' needs for security and service, according to the Swedish Quality Index.

Laws and regulations

Occupational pension regulation

In November 2019, the Folksam Group pointed out the need for Minister for Financial Markets Per Bolund and the government to review tax legislation regarding occupational pension regulation, because in the event of any change to occupational pension companies, customer-owned insurance companies risk tax consequences running into billions. KPA Pension participates in the meetings of the company parties with the Ministry of Finance regarding the Riksdag's announcements on occupational pension regulation, including solvency and capital requirements. The work also highlights the issue of occupational pension tax, which effectively prevents a conversion into occupational pension companies for parts of the Folksam Group.

Transfer and surrender fees

For Folksam, as a mutual company, it is important that the transfer fees are fair as far as possible, both for those who transfer their pension savings and for those who do not. The changes to the rules applied from the turn of the year on how transfer and surrender fees can be charged mean that some of the costs for customers who transfer their pension savings are instead imposed on those customers who keep their pension savings.

When the Riksdag voted through the amended rules in November 2019, one of the things the government was asked to do was to re-examine the rules on transfer and surrender

fees for unit-linked insurance. In early spring 2020, Folksam proposed to the government a way for the rules on transfer and surrender to be made fair for unit-linked insurance customers – both for customers who transfer their pension savings and for those who do not.

Stimulus for private pensions savings

To enable us to offer good pensions to all our customers, we believe that the government needs to introduce financial stimulus for private pension savings and this is something that Folksam has submitted to the policymakers.

New business models

New business models are emerging as a result of technical developments. Traditional insurance companies, particularly within non-life insurance, are facing growing competition from entirely new digital players. Established companies from other sectors are also making a challenge. Retailers such as ICA are now offering their own insurance solutions. Rapid changes are also taking place within life insurance and savings, such as the development of "robot advice", where customers can receive a customised yet automated solution when choosing long-term savings. Global climate change is another important factor. When weather-related damage increases, this affects the entire insurance sector, which then has to review its forecasts regarding future claims payments.

Market position of the Folksam Group

The Folksam Group's total premium volume grew by SEK 1.7 billion, compared with 2018, and on 31 December 2019 it amounted to SEK 56 billion. The Folksam Group retains its leading position on the life insurance market and is consolidating its position as the third-largest non-life insurance company in terms of premium volume, according to statistics from Insurance Sweden.

Market shares as a percentage for premiums paid in for both old and new life insurance policies



Source: Insurance Sweden

Market shares as a percentage of total premium income, non-life insurance



Source: Insurance Sweden



Sustainability report

The foundation for what the Folksam Group is today was laid over 100 years ago, at a time when a large proportion of Sweden's homes were uninsured. The concept of a mutual insurance association grew out of the idea of establishing better conditions and greater security for ordinary people.

The Folksam Group's sustainability work has proud traditions and a high level of ambition. Our sustainability work is based on our vision, the fact that our customers are our owners and that sustainability represents good business. We believe that having sustainability work integrated into our offerings and operations provides better conditions for long-term success. It is therefore our goal to be the leader in the field of sustainability.

Thanks to our size and our business, we have the opportunity to be a positive force for our customers and society in general. As an insurance and pension company, we contribute to financial security, and we believe that everyone should be able to afford and be given the opportunity to have insurance. Access to banking, insurance and financial services for all is one of the targets of the UN's 17 Sustainable Development Goals and through our services and the way we conduct our business, we have chosen to work with several of the UN's Sustainable Development Goals.

With this report, our aim is to show how the Folksam Group works with sustainability over time, and particularly what we have done and accomplished in 2019. KPA Pension is part of the Folksam Group and also publishes its own sustainability report.



Stakeholders and the outside world

We get involved in what our customers care about. An ongoing and transparent dialogue is vital to enable us to create the best value for our stakeholders and the outside world. We want to be an industry leader in the field of sustainability and we are convinced that responsiveness and collaboration are crucial to achieving this.

The Folksam Group has identified five strategic stakeholder groups, as it is these groups that have the greatest impact on, and are most affected by, our activities and the decisions that we make. The Folksam Group conducts an ongoing dialogue with all our stakeholders within the

framework of our day-to-day operations. In addition, we also carry out regular measurements for each strategic stakeholder group. The results of these dialogues have been an important foundation for the development of our continued work, as well as for the content of this report.



Insurance representatives consider sustainability work to be extremely important

The trade union-elected insurance representatives within the LO unions, those who provide information at workplaces about which insurance policies members can obtain, underwent training during the autumn, which included Folksam's sustainability work on the agenda.

Discussion questions were put to the participants about their knowledge of Agenda 2030 and Folksam's sustainability work, whether they believe sustainability work is important and whether there is any area of sustainability they want to see Folksam work on more.

Around 20 per cent of the approximately 2,400 participants were already aware of Agenda 2030. Half of them knew about Folksam's sustainability work or some of it and almost all, 99.5 per cent, believe that Folksam's sustainability work is important. The participants believe that as a customer-owned company and asset manager, Folksam should be a pioneer that takes responsibility for the future and for future generations.

A number of people think Folksam should continue to develop highly ambitious sustainability work, but that it needs to improve its communication about the work that is being done and the effects this is having. Many people want to see a greater focus on renewable energy and psychosocial health, as well as premium discounts for policyholders who make sustainable choices. Not investing in gambling and alcohol companies, as well as stipulating requirements for suppliers with regard to collective agreements, choice of materials and recycling, were also mentioned.

It has been a valuable experience to involve so many insurance representatives in a discussion about sustainability. The Folksam Group is already working on many of the areas suggested in a variety of ways. Interpreting the results, we can see that we have not been successful in communicating our sustainability work, but we believe that these discussions have generated curiosity and interest. We will develop our work on sustainability communication, particularly in connection with our offerings.

Overview of key issues for our stakeholders				
	The dialogue takes place via	Key issues for stakeholders	Relevant SDG/Target area (see pages 34–35)	How we handle the issues
Customers/Owners	<ul style="list-style-type: none">Annual and quarterly customer and market surveys, such as brand surveys, strategic customer satisfaction surveys and operational customer contact measurements.Opinion and trend surveys.Daily in ongoing operations, for example within customer service and social media.Ad hoc surveys in connection with the development of products, services and customer service to ensure customer benefit.Represented by delegates at the Folksam Group's highest governing body: the AGM.	<ol style="list-style-type: none">Security through good insurance.Good employer in our own operations.Environmentally smart offices and climate-smart travel in our own operations.Responsible asset management.	<ol style="list-style-type: none">Goal 8Goals 3, 5 and 8.Goals 12 and 13All goals	<ol style="list-style-type: none">Read on pp. 41–49Read on pp. 63–66Read on pp. 66–67Read on pp. 52–61
Employees	<ul style="list-style-type: none">Annual employee surveys with associated follow-up work and group dialogue.Ongoing dialogue at individual and group level according to the Folksam Group's Perform and develop process.	<ol style="list-style-type: none">Healthy working environment, reduced sickness absence.Work in an environmentally aware manner in our own operations.Equality and diversity.	<ol style="list-style-type: none">Goals 3 and 8Goals 12 and 13Goal 5	<ol style="list-style-type: none">Read on pp. 63–66Read on pp. 66–67Read on pp. 46, 64
Partners	<ul style="list-style-type: none">Annual customer satisfaction surveys.Day-to-day operating activities.	No general conclusions, as their opinion about the Folksam Group's sustainability commitment is characterised by individual interests and activities.		
Financial and property markets	<ul style="list-style-type: none">In-depth interviews with selected representatives of the financial and property markets (most recently in 2017).	<ol style="list-style-type: none">Sustainable investments.Equality and diversity.	<ol style="list-style-type: none">All goalsGoal 5	<ol style="list-style-type: none">Read on pp. 52–61Read on pp. 46, 64
Opinion leaders and decision-makers	<ul style="list-style-type: none">In-depth interviews with selected opinion leaders and decision-makers (most recently in 2017).	<ol style="list-style-type: none">Proactive damage and injury prevention.Sustainable investments.Driving force in climate and environmental issues.	<ol style="list-style-type: none">Goals 3, 11, 12 and 13All goalsGoals 12 and 13	<ol style="list-style-type: none">Read on pp. 42–47Read on pp. 52–61Read on pp. 46–49, 54–61, 66–67

Our sustainability efforts highly rated

In order for our sustainability efforts to lead both to more customers and to more satisfied customers, as well as to increase our attractiveness as a workplace, it is important for the sustainability work to be known and appreciated by our target

groups. We try to achieve this by describing it in our communications. In order to monitor the results, we continually conduct surveys among the relevant target groups, as well as studying and learning from the rating of external auditors.



External parties also review and rank our sustainability work

Sustainability work is assessed by external parties on the basis of a range of parameters that are weighted differently, making it hard to assess who is leading the way in the field of sustainability. The main regular surveys include the following:

- Sustainable Brand Index is a major survey of sustainable brands carried out among Swedish consumers. Folksam often achieves a high ranking, coming in second place in the insurance industry in 2019. For the eighth consecutive year, KPA Pension topped the list of the pension industry's most sustainable brands.

how Sweden's largest pension fund managers take responsibility through their investments. In the report for 2019, Folksam and KPA Pension were the only companies to receive the highest rating (VG) within the category of "Traditional Insurance".

- Söderberg & Partners published a report during the year entitled "Sustainable pension companies 2019". Here, Folksam achieved the same rating as in last year's survey, "Yellow".

- Max Matthiessen publishes an annual report examining

Our most important sustainability issues

The Folksam Group's breadth and size give rise to both responsibilities and opportunities. We have identified target areas for sustainability work based on our business, within both the Life and General Groups, where we have the greatest ability to influence. These have also been influenced by what is most important to our customers and stakeholders. The Folksam Group's target areas form the basis for both strategic development work and operational work to integrate sustainability throughout the business.

The Folksam Group's target areas are directly linked to six of the UN's 17 Sustainable Development Goals. We contribute to the goals by integrating sustainability in our business, our investments and the way we conduct our business. Our target areas, and why we chose them:

Health: Preventing damage is the most important thing we can do as an insurance company, for security, finances and to prevent the destruction of the world's resources.

Equality and diversity: As a customer-owned company, we represent the Swedish population, where gender, identity and origin should have no bearing on your insurance.

Efficient use of resources: Cars, homes, the stock exchange and consumption are all elements of our insurance and are things we handle when damage occurs. We are working to change the industry from a claim settlement that is linear to one that is circular and sustainable.

Climate: We cannot afford to insure ourselves if we do not arrest climate change. Our size gives us the strength to reduce emissions in all areas of our business, from our own offices and travel to the influence we exert over other companies to reduce their emissions through active management and stringent purchasing requirements.

Sustainable cities and communities: KPA Pension contributes to sustainable cities and communities by reinvesting customers' pensions in green infrastructure.

Decent working conditions: The Folksam Group was formed with the vision of establishing better conditions and greater security for all people. Together with our trade union partners, we work to give our customers security at their workplace and enable them to maintain a full working life.

The next page describes some of the important measures implemented during the year that help to achieve these goals.

The Folksam Group's contribution to the UN's global goals

13. Climate

We are working for a fossil-free society.

- The Folksam Group is one of the initiators of the UN-convened Net-Zero Asset Owner Alliance. The Alliance's goal is for their investment portfolios to have net-zero greenhouse gas emissions by 2050. See page 56.
- The foreign equity portfolio has been revised. Fewer holdings, higher sustainability ratings, smaller carbon footprint and exclusion of oil sands. See pages 53 and 55.
- CO2 emissions from operations are falling in line with our target of net zero emissions by 2030. Emissions from air travel are 31 per cent lower. See pages 66–67.

12. Efficient use of resources

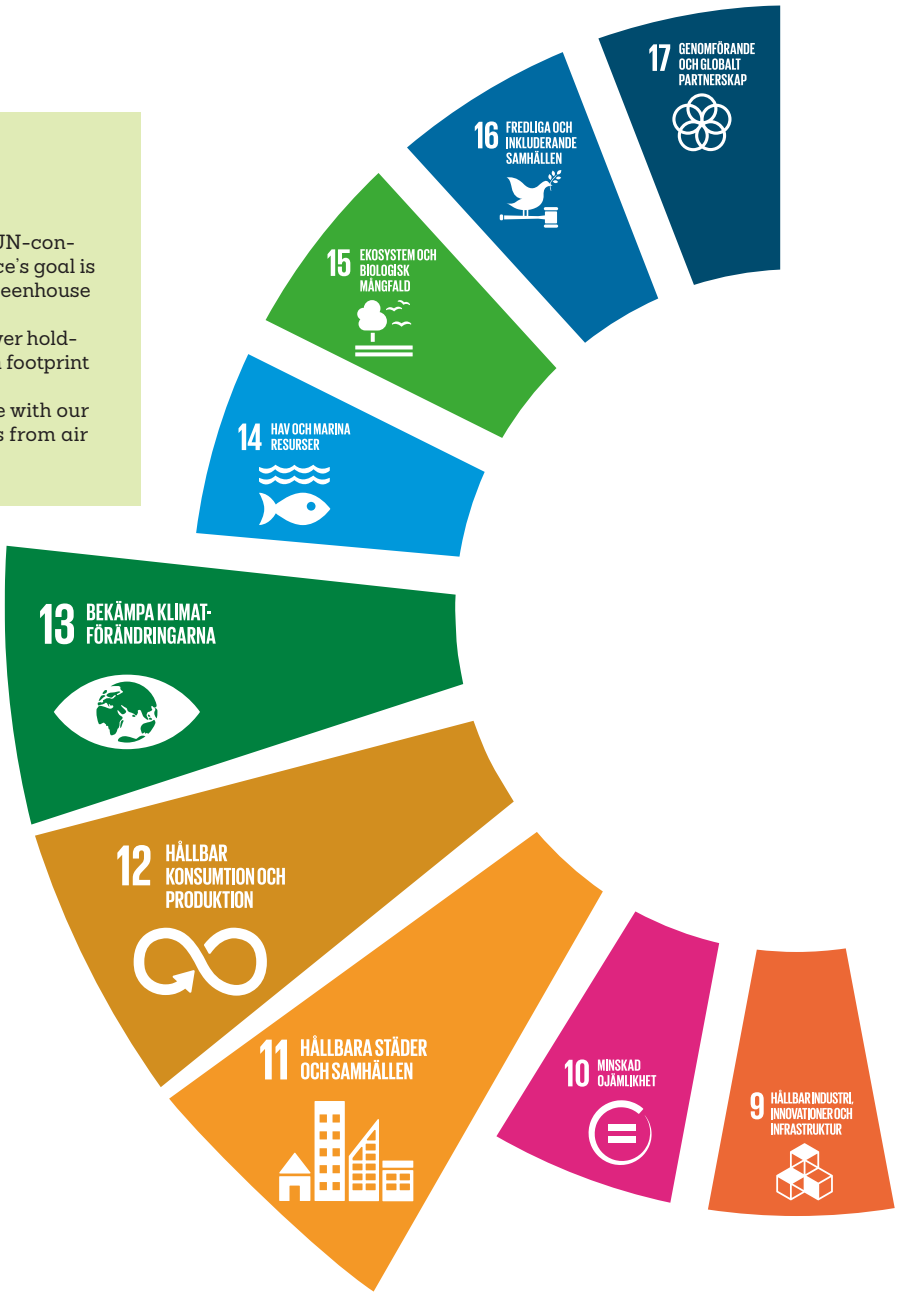
We promote the development of circular economy and minimise the consumption of resources.

- Our circular claim settlement helps to reduce waste and cut CO2 emissions. See pages 48–49.
- Folksam is the only major company in the industry that has home, holiday home and car insurance products that are Good Environmental Choice certified and we have done so since 2011. See page 46.
- The Folksam Group acquired a bond for SEK 2.8 billion, issued by the WorldBank, which focuses on food waste. At the same time, food waste is being reduced at the KRAV-certified staff restaurant at head office. See pages 54 and 67.

11. Sustainable cities and communities

Focus for KPA Pension.

- KPA Pension has invested SEK 165 million in the more efficient use of energy in housing, through a green bond issued by SBAB. See KPA Pension's sustainability report.
- KPA Pension has also invested SEK 360 million in a blue bond, where the money is used for sustainable water projects around the Baltic Sea. See KPA Pension's sustainability report.
- The Folksam Group manages properties worth around SEK 45 billion and aims to reduce energy consumption and increase the proportion of environmentally certified properties and green leases. See page 59.



3. Health

We promote good health and prevent injury.

- Folksam collaborates with the Swedish Football Association on the "Green Card" initiative, which promotes fair play in children's and youth football, and offers Advice and Care for sports injuries, a free service that is included in sports insurance. See pages 46–47.
- New investment criteria that exclude companies where more than five per cent of revenues are generated from commercial gambling. See page 53.
- Together with the trade unions, we have introduced the bullying of a child as an element of child insurance that qualifies for compensation. See page 48.

5. Equality and diversity

We counteract discrimination and promote equal rights and opportunities.

- KPA Pension has become the first company in the finance industry to be LGBTQ-certified. See page 50.
- The Folksam Group has an even gender distribution (50/50 ± 5 per cent) among employees, managers, group management and the boards of both Folksam Life and Folksam General. See page 64.
- Equal sponsorship – it goes without saying that for us, women's sport and men's sport receive equal support. See page 46.

8. Decent working conditions

We work to establish decent working conditions and to enable everyone to obtain insurance.

- Folksam LO Pension has awarded its sustainability prize, "Ledstjärnan" [Leading Light], for the first time. This year's two winners were given the award for their efforts to establish workplaces that are free from harassment and mistreatment. See page 51.
- The code of conduct for suppliers is being updated and we demand active environmental work and collective agreements at our suppliers. See pages 38–39.
- Trade union members are offered householders' comprehensive policy and child insurance with basically the same terms and conditions as the insurance policies that they can take out individually, but they pay lower premiums. See page 48.



Sustainability governance

Our vision and our goals mean that we have high ambitions for our sustainability work. This in turn places high demands on governance and follow-up, as well as on knowledge and skills, in order to ensure that the entire operation works in line with the Folksam Group's overall strategy and working methods.

The Folksam Group's sustainability work is based on our vision, using the regulations that we follow and the commitments and collaborations that we have chosen to participate in as a starting point. The Boards of the various companies within the Folksam Group have ultimate responsibility for the sustainability work. Several internal steering documents are crucial for this work, such as sustainability policies, the code of conduct for suppliers, the ethical rules and staff-related policies such as the remuneration policy and the working environment guidelines. In order to integrate sustainability in all parts of the business, the employees' skills and understanding of the sustainability issues are vital. We are working to ensure that our employees receive continuous training on sustainability. This includes, for example, mandatory sustainability training (e-learning) and an introduction for all new employees.

Focus on increased management by objectives and integration

At the end of 2018, all the company boards within the Folksam Group adopted a new sustainability policy. The policy has a common basis, but with company-specific elements. It sets out what applies to the Folksam Group's work on sustainable development and is reviewed once a year.

In 2019, we focused strongly on integrating sustainability in all parts of the business and on strengthening management by objectives. During the year, all boards adopted measurable sustainability goals linked to the target areas. Some of the goals apply to all companies, such as the goals of achieving net zero emissions from own operations by 2030, reducing the carbon footprint in the equity portfolio, having an even gender distribution among employees, managers and boards, and having equal pay for equal work. Depending on the nature of the companies, they have also adopted goals that are linked to their specific activities. Non-life insurance companies, for example, have set themselves the goal of reducing their carbon footprint through circular and sustainable claim settlement.

The business strategies of Folksam Life and Folksam General have been supplemented during the year with the addition of our aim to be long-term and sustainable as one of the main strategic areas (see page 20). In their business planning for the period 2020 to 2022, both Folksam Life and Folksam General have identified sustainability as an important movement area. We will therefore continue to integrate and monitor sustainability throughout the business in the coming years with the ambition of leading the way among our competitors.

Sustainability organisation

Responsibility for the strategic sustainability work lies with the unit for Asset Management and Sustainability. The Head of Asset management and Sustainability is a member of the group management and has overall responsibility for coordinating, evaluating and reporting the Folksam Group's sustainability work, as well as supporting other business areas and units on issues relating to sustainability. Within the Asset Management and Sustainability unit, there are two sections that drive sustainability work: The Sustainability Section and the Responsible Ownership Section.

Since the beginning of 2019, the Folksam Group's Sustainability Committee has consisted of the Head of Asset Management and Sustainability (Chair), the Head of Business Area General, the Head of Business Area Life, the Head of Claims, the Head of People and Environments and the Head of Marketing and Sales. The Folksam Group's sustainability manager is always co-opted as rapporteur. The Sustainability Committee's task is to prepare the CEO's decisions on sustainability-related issues such as ambitions, priorities and goals.

The Committee is also responsible for the general follow-up of the Folksam Group's sustainability work. The heads of business areas and heads of unit are responsible for implementing and conducting the sustainability work within their respective areas of responsibility, in accordance with the new policy and other relevant steering documents and decisions. The CEOs of the subsidiaries receive information through the Company forum about both the strategic and the operational sustainability work within the Folksam Group. Strategic decisions are made by each board and the issue of sustainability is on the strategic agendas set for each calendar year.

Ethics and anti-corruption

Acting in an ethical manner is only natural to us. In order for everyone in the Folksam Group to know what applies, we have ethical rules in place. An important aspect of our business ethics is our work on anti-corruption. We have a zero tolerance policy towards bribery, in line with the Swedish Anti-Corruption Institute. The Folksam Group's internal rules for the prevention of corruption are available to all employees, for example through our intranet.

In 2019, a total of 1,869 employees completed an e-learning course on ethical issues, including bribery. The course was made available to all employees at the start of December 2018.

The Group staff is responsible for the regulations and for the overall processes that exist within the business. The Folksam Group's managers are responsible for disseminating information and guiding their employees on these issues. All new managers receive training on ethical issues and about bribery as part of their basic management training. The compliance function and the Folksam Group's lawyers assist the whole business with advice and support regarding ethics and anti-corruption.

The Folksam Group has an incident reporting system to deal with incidents of various kinds. There is also a whistleblower function, where reports are submitted to an external party, allowing anonymous reporting of irregularities. The Folksam Group has not handled any confirmed cases of corruption during 2019. No insurance company within the Folksam Group has incurred any sanctions or fines in 2019 for a breach of laws and provisions.

In order to reduce the risk of bribery and corruption within the claims operation, where we pay compensation to customers for repairs, restoration work or other compensation for damage that has occurred, we hire, as far as possible, companies with which we have entered into agreements. We have also developed a control mechanism to ensure that we are compensating for damage in the right way. This consists of decision verification, payment verification, quality assurance and damage audits. In addition, certain types of damage are also inspected on site. In this way, we can monitor that we are handling damage in accordance with the terms and conditions, instructions and applicable legislation.

Money laundering and financing of terrorism

There is a risk to all financial companies of being exploited for money laundering and financing of terrorism. The Folksam Group is constantly striving to improve its work to minimise the risk of exploitation. For us, it is obvious that any suspicion of money laundering and financing of terrorism must be examined and investigated. It concerns long-term confidence in our industry.

Our work to prevent and minimise this risk goes on – and must continue to do so – at all times. The most important thing is that we have procedures and processes in place to detect attempted money laundering and that we report even the slightest suspicion to the competent authority, but above all we must prevent ourselves from being exploited as far as we can.

Our work is based on the general risk assessment we perform. In it, we assess the risks of our products being exploited for money laundering or terrorist financing, for example, and then we can work out what we need to do to prevent this. We then need to assess each customer in order to understand whether or not some customers represent a greater risk. The law requires us to "know our customers" but we can also provide better advice to our customers if we know more about their financial circumstances, for example.

When we "know our customers" and know which risks their products with us involve, for example, we can also perform technical and automated checks on whether something is different from what is expected. If we suspect money laundering or financing of terrorism, we have a clear obligation to report this to the Financial Intelligence Unit.

Sustainable supply chain

As part of our sustainability work, the Folksam Group works to influence other industries and companies to take responsibility and operate a sustainable business. A large part of our external influence lies in our work with suppliers. Our purchasing department handles around 2,700 supplier agreements (with roughly 2,600 suppliers). The majority of the agreements fall within the scope of claim settlement (approximately 82%), while supplier agreements for the provision of products or services for our internal business needs account for around 18%. The vast majority of the Folksam Group's suppliers are Swedish companies (around 98 per cent).

Approved supplier

The Folksam Group was among the first to stipulate both general and detailed environmental and sustainability requirements in claim purchases (building and motor). A few years ago, we identified a need to review the requirements for motor purchases, as we felt that the requirement descriptions could be clarified. In some cases, the situation led to individual requirements being imposed on suppliers outside the industry to which the requirement applied. Structuring and repackaging the requirements has made them more relevant.

We saw the opportunity to use the same structure for all purchases, irrespective of area. This involved a major change for purchases on the operational side, where sustainability requirements had been stipulated in all purchases, but where we lacked cohesion and structure and where the requirements were stipulated on an individual basis. A package of requirements for "approved supplier" status was developed. The idea was to summarise and clarify our most basic requirements, which apply to all suppliers, whichever industry they operate in.

The "approved supplier" initiative was launched in 2017 with our suppliers in operations and as of 2018 it also covers the majority of suppliers within claim settlement. In 2019, the purchasing department has worked to ensure that the "approved supplier" package of requirements is received and completed by all suppliers within both operational and claim purchases. Work is now under way to identify suppliers who have not received the package of requirements and to contact those suppliers who, for whatever reason, have not responded to our communications.

To become an "approved supplier" of the Folksam Group, a supplier must fulfil the sustainability requirements below:

- Accept and comply with "Folksam's Code of Conduct for Suppliers".
- Have concluded collective bargaining agreements with employees in Sweden.

Exceptions may be made on an individual basis with regard to any of the above requirements, but a member of the Folksam Group's management group must then approve the supplier separately.

The code of conduct is based on international conventions concerning human rights, the working environment, labour law and international environmental and anti-corruption legislation. The Purchasing department has been working during 2019 to update the "Folksam Group code of conduct for Suppliers". The aim is to achieve a more structured content that aligns better with other agreement templates for purchasing and makes it clearer to decision-makers, such as clients and steering groups, which requirements form the basis of the supplier evaluation. The code of conduct is currently only available for Folksam ömsesidig saksförsäkring, although the intention is for the new code to be designed for other companies within the Folksam Group. A decision on the new code of conduct is expected in the spring of 2020.

Sustainability requirements

Sustainable purchasing is, and will remain, a priority area for the Folksam Group. Stipulating sustainability requirements in our purchasing gives the Folksam Group the opportunity to identify and potentially exclude suppliers who do not comply with our specified requirements. At the same time, we believe that by involving ourselves in the sustainability work of our suppliers, we can influence them to move these issues higher up their agendas, which can provide leverage. Through a deeper relationship with our suppliers, the Folksam Group is also able to increase cooperation and through the exchange of experiences obtain help and inspiration to drive forward our own sustainability issues.

We are working to categorise our agreements according to purchasing area. Stipulating relevant sustainability requirements requires industry knowledge and we need to be able to recognise and understand the unique risk pictures of different industries. The purchasing department has therefore continued to adapt the sustainability requirements to our different purchasing categories and create tailored packages of requirements for each industry, in addition to the "Approved supplier" package of requirements. Stipulating requirements for each category gives us a deeper understanding that increases our ability to identify risks and manage the requirements. This facilitates follow-up work and helps to obtain accurate statistics.

In 2019, we have restructured and completed the remaining category-specific packages of requirements within claim settlement (building purchases) and also begun work on the process for our operational suppliers. We will be examining one category at a time and the completion of category-specific sustainability requirements is directly dependent on our overall category work.

Following up sustainability requirements

The purchasing department is working to classify all suppliers on the basis of business value and delivery risk in order to further develop the purchasing process based on the classification given to each supplier. This work includes structuring, systematising and clarifying the way we integrate sustainability issues into our purchasing process. This includes conducting audits of sustainability requirements. The intention is for the classification of each supplier and agreement to indicate whether and when an audit is necessary and, if so, what form the audit should take. Over time, we are planning to conduct supplier audits based on how significant the supplier is for the Folksam Group, together with the sustainability risks involved in the relevant agreement.

New sustainability goals for IT

The purpose of the Folksam Group's sustainability work in IT is to clarify how information and technology will contribute to the overall goal of being carbon neutral by 2030. The Folksam Group currently has limited opportunities to measure its carbon footprint, when using IT products for example, and to demonstrate how ongoing initiatives within digitisation can contribute to increased sustainability. One of the reasons for this is that many of our IT services are outsourced to external partners. The focus of the Folksam Group's IT work with regard to sustainability in 2019 has therefore been on establishing a strategic partnership with suppliers within server operation, information management and IT products in order to estimate its carbon footprint and so develop measures and goals that we believe will have the greatest impact on our carbon footprint within IT. This will enable us to demonstrate how IT operations contribute to the Folksam Group's overall goal of being carbon neutral by 2030.

The Folksam Group has carried out the following IT-related sustainability work during 2019:

- The Folksam Group has been working to establish a strategic partnership with its server supplier and has endeavoured to estimate its carbon footprint with this supplier in order to minimise its carbon footprint in terms of energy consumption. As part of this work, we are carrying out a pilot project with a server supplier in order to develop a model that measures the specific energy consumption of customers in relation to the server capacity used by the customer.
- The Folksam Group has been working to increase its digital correspondence with customers and has estimated its carbon footprint in this respect in order to minimise its carbon footprint in terms of paper processing.
- The Folksam Group is planning to establish strategic cooperation with its hardware suppliers and to try to measure its carbon footprint at each supplier in order to maximise the life span of existing IT products and recycle obsolete equipment in an environmentally friendly manner.
- The Folksam Group is planning to establish the central coordination of orders and transport in order to minimise its carbon footprint when ordering and transporting IT products.

Our risk management

Risk and risk management are a central part of the operations within the Folksam Group. Our ability to fulfil our commitments to our customers, comply with legal requirements and achieve the goals of the business is affected by how we control, manage and follow up risks. We therefore have internal regulations that regulate and support structured and consistent risk management, such as policies, guidelines and instructions. Through our risk processes, we are applying the precautionary principle.

Within the Folksam Group, risks are split into three general categories that form part of the company's risk management system. Insurance risks are the first category and constitute the very core of an insurance company. The customer's premiums are based on assessments of various insurance risks, such as uncertainty with regard to predicting injury rate, amount of damage, cost trend or mortality and morbidity.



The second category is financial risks. Through the insurance business, we receive large premium payments every year. These payments are invested in the financial market so that a yield can be generated and then returned to our customers. Financial risks relate to the constant balancing act between security and the potential to achieve a return. Examples of asset classes that we invest in and forms of risk exposure that arise as a consequence include equities, property and interest-bearing investments. The third risk category is operational risks that may arise in insurance and financing operations as a result of various deficiencies in business processes, information systems or employees' skills and abilities.

Social challenges in relation to sustainable development have a clear impact on risk assessment. A good example of this is climate change, which can be seen as the major issue of our time. We need to limit warming to below 1.5°C so that the consequences will not be too severe for people, biological systems and companies. As part of TCFD reporting and the own risk and solvency assessment (ORSA), two different climate scenarios were analysed during the year. One scenario with severe storms within the insurance risks category and another scenario in the financial risks category where companies with fossil fuel assets lose a lot of value. Scenario analyses form part of the general risk management process and risk management measures are being implemented in the form of various damage and injury prevention measures.

TCFD: Our work on climate-related risks

In December 2017, the Folksam Group announced that we will be implementing and following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in 2019 we published our first climate report based on the TCFD's recommendations. The TCFD provides a framework of recommendations on how companies should categorise and report climate-related risks and opportunities. Climate-related risks are not a separate category but are managed within existing risk categories, such as financial and insurance risks, at a company and ultimate responsibility lies with the company's board of directors and management.

Examples of activities related to the implementation of TCFD include an increased focus on the business impact of climate change in our own dialogues with companies, mortgage institutions and issuers, as well as in our selection of investor initiatives. Other activities aim to develop processes and analyses that provide a better assessment of the impact of various climate scenarios on the company's risk-taking.

Sustainable insurance and pension offers

The environment and climate issues are important to our customers and so also to us. It will become increasingly expensive to obtain insurance in the future unless we all help to slow climate change. We are owned by our customers so we have stringent environmental requirements: our car, home and holiday home insurance, for example, carry the Good Environmental Choice label. Sustainability is also a cornerstone of our work on pricing, damage and injury prevention and our extensive research.

Customer focus and sustainability every step of the way

We at Folksam get involved in what our customers care about and we develop our offering in line with the changing needs of customers. From a sales perspective, we work on the basis of each and every customer's individual needs, and it should be easy to get in touch with us when it comes to customer service and advice. Customers are free to choose how they contact us about their case, whether it is an offer, service, claim or insurance holding. For this reason, we are investing in digital channels with self-service options alongside a very strong and highly valued staffed operation.

Around 20 per cent of Sweden's population were born in a country other than Sweden, which makes our multilingual service so important. It enables more people to obtain information about the Swedish insurance and pension system in their mother tongue. It also provides us with an opportunity to reach customer groups that are otherwise difficult to reach. With the 18 languages we currently offer, including Arabic, Polish, Somali and Spanish, our customer service covers some of the world's most widely spoken languages and receives over 100,000 telephone calls each year.

One of our fundamental business objectives is for customers to be satisfied with us and we measure this annually in Folksam's Customer Satisfaction Index (FCI). This year's customer survey shows that 75 per cent (75) of our customers are satisfied with us. This is on a par with last year and the proportion of satisfied customers remains high at both KPA Pension and Folksam LO Pension.

Our customers are at the heart of what we do and we integrate the key sustainability issues at every stage of the business: Premiums and bonuses, Damage and injury prevention and research, Terms and conditions, services and pricing, as well as Claim settlement.



Premiums and bonuses

We are owned by our customers and we want our offering to suit our customers and their families. Thanks to our broad range of insurance and pension savings (see page 21), we are able to tailor offers to meet all the needs of our customers. We work hard to keep our costs down, so we can offer high-quality insurance at the right price.

The more people who are insured with us, the greater our risk spread and so the greater the security for our customers. We are a financially stable and secure insurance company with sound insurance expertise and over 100 years of experience. We want to give our customers the best possible service and we strive to manage their savings and premiums in a way that contributes to a more sustainable world. We are owned by our customers, so they are also able to share in our profits in the form of bonuses.

Damage and injury prevention work and research

Our most important sustainability work is to help our customers prevent an injury or accident from occurring. Preventing damage and injury provides greater security for customers, lower resource consumption, lower claims expenses and so lower insurance premiums. Our knowledge is based on experience of injuries and damage that the Folksam Group handles on an on-going basis, but also on research and tests that we conduct.

In practice, damage and injury prevention work is based on providing support, information and advice through, among other things:

- Digital mailings containing damage and injury prevention information through targeted campaigns.
- A safety inspection by Anticimex for all new home insurance customers, with specific tips and advice to prevent water damage and fire damage, for example.
- Offer of damage and injury prevention advice through our building advice service for customers who have reported water damage.
- Apps and advice relating to work to prevent sports injuries.
- Sending targeted text messages in emergency situations related to extreme weather.

Our website provides customers with access to a security store, where preferential offers are available on products that prevent damage and injury. The website also contains the results from our tests and provides good advice on how to prevent damage and injury. You will find tips, for example, to reduce the risk of water damage, information about which cars are the safest and the most fuel-efficient, which cycle helmets are the safest and environmental tips on how to make your consumption and renovations environmentally friendly. The website also contains advice on climate adaptation. Over the past 30 years, our claims expenses linked to extreme weather events such as storms and cloudbursts have more than doubled for home insurance customers. The level of damage has also grown worse, costing on average more than twice as much as 30 years ago. It is therefore important for us to inform our customers about how they can adapt their homes to climate change. This could be anything from building green roofs and draining house foundations to moving things up off the floor in the cellar.

During 2019, we have carried out analyses and tests in order to prevent injury and damage, including:

- In-depth work aimed at monitoring developments relating to damage caused by climate change, primarily water damage as a result of cloudbursts and rising water levels. In 2019, we also studied fire damage linked to the hot summer of 2018.
- Began an analysis for installation looking at the effect of a water switch on the progress of water damage among home insurance policies.
- An investigation of damage to property in the event of lightning.
- Reviewed bicycle thefts with a focus on battery thefts and electric bicycles.
- Reviewed burglaries in single-family homes.
- Performed an in-depth analysis of the impact of home alarms on risks linked to fire and burglary.
- Tested new technology for developing and simplifying the process of obtaining information from claims files.

The surveys and tests that we carry out are not only for our customers. The results are also published in various reports and disseminated via the media for long-term advocacy work, with the aim of raising issues that benefit our customers' health and safety among companies and decision-makers, for instance.

Research that contributes to a more sustainable society

Since the late 1970s, we have carried out research activities aimed at developing new knowledge to prevent damage and injuries. Our research group conducts long-term advocacy work in particular with regard to road safety and sports injuries, although it also covers environmental and health aspects, primarily in the field of road transport. This advocacy work is linked to several of the UN's global goals, in particular those we have chosen as target areas (see pages 34–35).

Our road safety research contributes to the long-term vision of a road transport system that is free from long-term suffering in the form of personal injuries that result in death or disability. The advice we provide to customers promotes transport and sports that minimise injury to people and harm to the environment. By highlighting differences in the risk of personal injury and accident for different genders and age groups, we contribute indirectly to a more equal road transport system. Consumer tests also help customers to choose products that are safe. Through our work here, we support long-term sustainable consumption and influence manufacturers to develop products that are safer and more sustainable. We also promote transport that has a reduced climate impact by earmarking investments for improving the cycling infrastructure and by highlighting the health benefits of active forms of transport.

Our road safety research helps to reduce suffering in the form of death and disabling injuries on the roads. Fewer road traffic claims also mean lower claims expenses and so lower premiums for our insurance products. In this way, our road safety research is part of our offering and has a positive effect on our customers.

We insure the vast majority of sportsmen and women in Sweden and our unique sports injury base makes it possible to see and monitor the effects of injury prevention work that allows people to remain physically active for their entire lives. Consequently, we are conducting research to develop measures that will prevent sports injuries. Some examples of where our research has resulted in fewer injuries are our collaborations at major sporting events, such as Vätternrundan and Cykelvasan. In equestrian sports, we have performed tests on riding helmets to prevent head injuries and, together with the Swedish Equestrian Federation, developed a rehabilitation method for brain injuries, the "Brain staircase", which is now widely used in several sports.

During the year, around 300 news articles were published that were read by over 13 million people. The studies that had the greatest impact and connection with the sustainable development goals were:

- Assessment of car safety in four different studies1. How safe is your car? – consumer advice on car safety. 2. Cataloguing safe family cars. 3. List of new cars that are safe and have a low climate impact. 4. Crash tests on motorhomes – a collaboration with the Swedish Transport Administration.
- Consumer tests on helmets for skiing and cycling.
- For the third year in a row, we catalogued the speed limit compliance of commercial vehicles.
- Implementation of various activities to prevent injuries when cycling for commuting and exercise purposes.
- Measurement of the air pollution to which our employees were exposed when commuting by bicycle in Stockholm.

Research that reaches out

Publications and awards

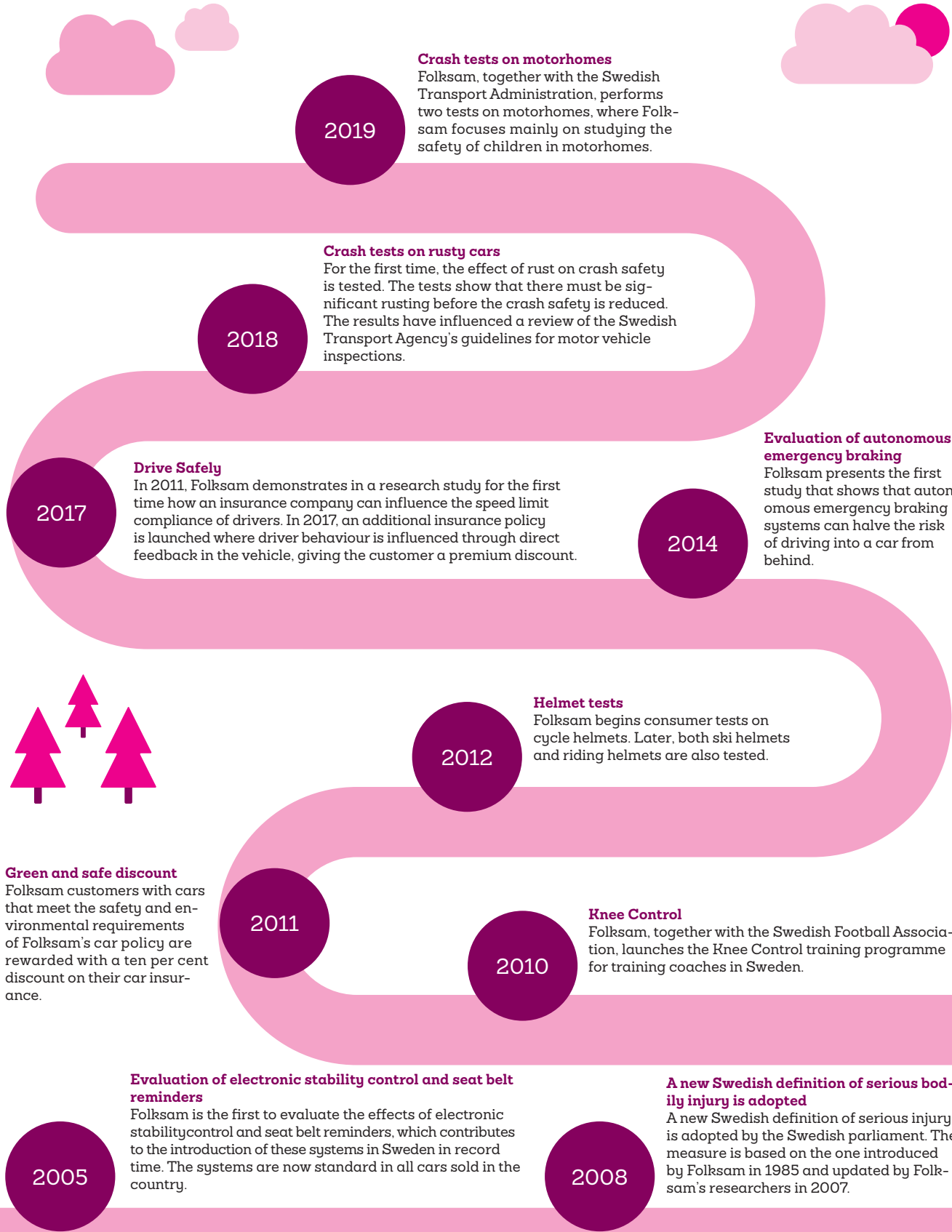
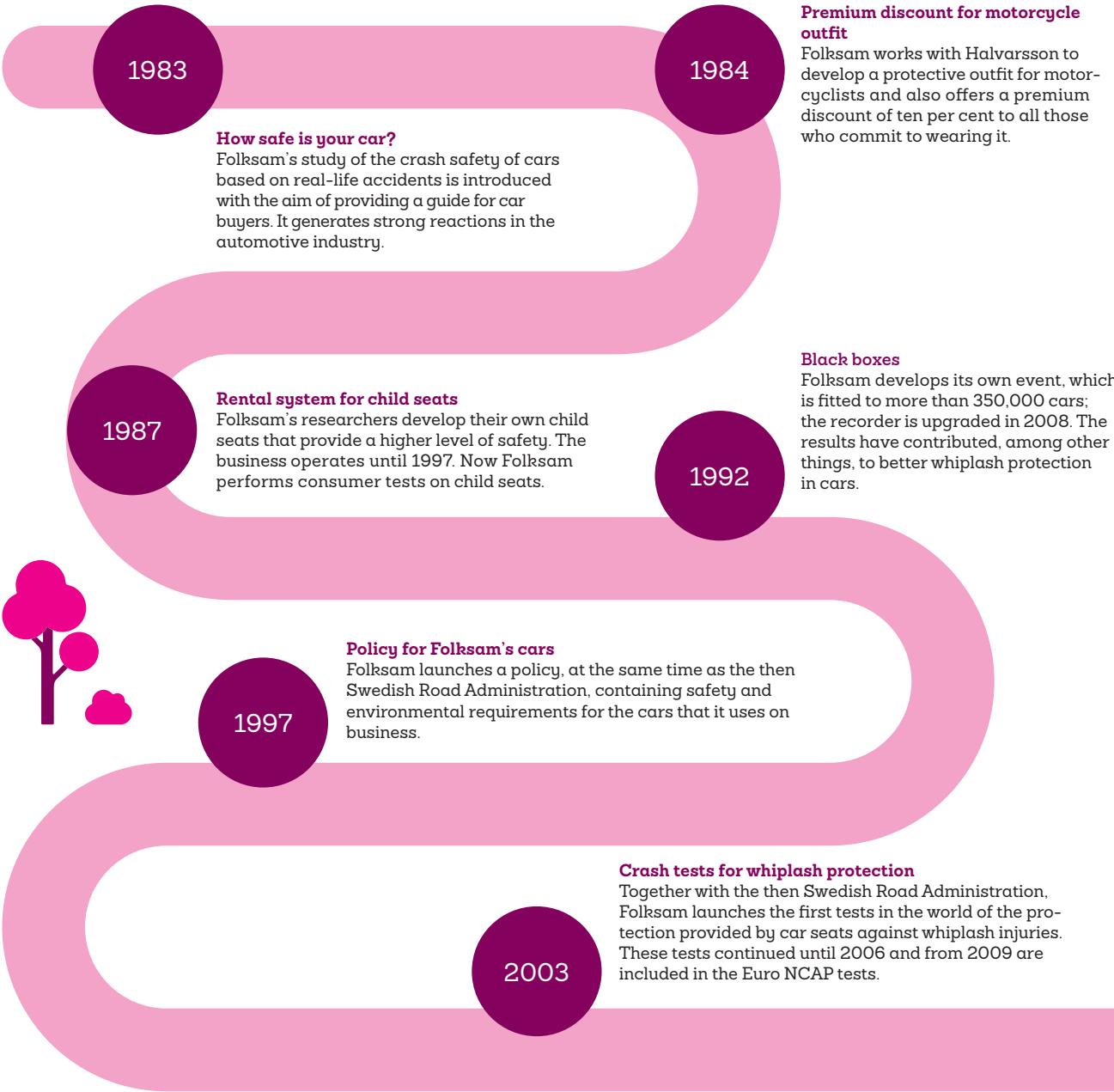
Proof of the high quality of Folksam's research can be seen in, among other things, the various publications made of the research studies and the awards that our researchers receive. During the year, eight academic papers were published on how best to protect cyclists and pedestrians, the development of car safety, the effectiveness of different car protective systems, how our car-buying policy has developed and mapping injuries within riding and cycling for exercise. Our Research Director, Anders Kullgren, was also praised by the US Department of Transportation for his long-term contribution to road safety when he received the "U.S. Government Award for Safety Engineering Excellence" at a road safety conference in Eindhoven.



Milestones in Folksam's research activities

Folksam began its research operations in the late 1970s. The timeline below shows groundbreaking activities that have attracted considerable attention or which we believe have had a major impact on the risk of personal injury associated with

accidents. The basis for most of the research activities is the personal injury problems that we see in analyses of real-life accidents.



Sustainability integrated into terms and conditions, services and pricing

We want our offerings to be sustainable and we also want to reward those customers who make sustainable choices. We therefore incorporate key sustainability aspects in our terms and conditions and in many cases we provide premium discounts to customers who take steps to prevent damage and injury and who make sustainable choices.

Eco-labelled insurance

We are proud to offer insurance that has Good Environmental Choice certification. Since 2011, all our home, holiday home and car insurance policies carry this certification and we are the only major insurance company in Sweden to offer eco-labelled insurance. To achieve this certification, our insurance policies have to meet a number of criteria from the Swedish Society for Nature Conservation's Good Environmental Choice. A few examples:

- The company: ensuring environmentally friendly purchasing and using eco-labelled electricity in our offices.
- Asset management: using negative and positive selection and conducting advocacy work.
- Insured objects and customer relations: notifying policyholders about sustainable lifestyles and helping them with energy efficiency measures.
- Claim settlement: working with materials selection and eco-friendly repairs.

At the end of 2019, around 850,000 cars, 420,000 homes and 115,000 holiday homes were insured under our Good Environmental Choice-labelled insurance policies. These insurance policies achieved a turnover of around SEK 5.7 billion in 2019. During the year, more than 217,000 instances of damage to cars or homes that are covered by Good Environmental Choice-labelled insurance were reported.

Gender equality aspects of insurance terms and conditions

In January 2018, we became the first Swedish insurance company to offer protection against domestic violence under our householders' comprehensive policy. Historically, householders' comprehensive policies have not included cover for assault if the victim and the perpetrator are registered at the same address and are therefore covered by the same householders' comprehensive policy. Men are generally more exposed to violence outside the home, while women and children are exposed to domestic violence. We therefore consider it an important gender equality issue that householders' comprehensive policy includes cover for assault, regardless of whether the assault took place at the home or outside the home.

Discount for damage and injury prevention

Customers who takes steps to prevent damage and injury receive a discount. By installing home alarms, safety doors and water switches, for example, our customers can prevent damage and receive a discount of up to 15 per cent on their householders' comprehensive policy. Customers who choose safe cars with a low climate impact receive a 10 per cent discount on their car insurance. Similarly, we give customers whose motorcycles have ABS brakes a 15 per cent discount on motorcycle insurance because our researchers have shown that these brakes have a major impact on the risk of accident.

Insurance policies that promote an active and sustainable lifestyle

Through our commitment to sport, we want to be part of the development of better public health. We insure the active participants and sportsmen and women of 52 sports federations, including football, skiing and equestrian sports. All are equally welcome, both recreational and elite athletes.

"Advice and care for sports injuries" is a free service that is included in sports insurance for many of the sports federations that we work with. There are currently 13 sports federations signed up to this service, with more set to join in 2020.

"Advice and care for sports injuries" is staffed by physiotherapists with extensive knowledge of the injuries that can occur when playing sports. Managers and coaches can also call them for tips on training that prevents injuries, how to handle the heat during summer activities and more. Folksam Sports, together with the Swedish Football Association, has developed the service to help sportsmen and women stay free of injury and receive assistance with care when they need it. Receiving the right assessment at an early stage helps more sportsmen and women to keep playing longer and not to have to stop because of injury.

Our sponsorship collaborations should always support our business and as a sports insurance company, this makes sports sponsorship important to us. The things that the Folksam Group sponsors must have a broad popular base and not be unethical or contribute to negative environmental impact. The objective is to support both elite and recreational sport as well as to create and strengthen long-term relationships with Swedish sport. In 2018, we focused on ensuring that our central sponsorship of sports federations was equal, so that the money invested is split evenly between men's and women's sports. In 2019, we terminated the local network agreement that we previously had for men's football. As a result, we can feel confident about the gender equality of all our sponsorship.

Green Card for Fair Play

Hundreds of thousands of young people play football in various leagues all over Sweden. To promote good conduct, the Swedish Football Association, together with Folksam, has introduced the Green Card for Fair Play in 23 of Sweden's 24 districts.

Green Card is an initiative designed to encourage fair play in children's and youth football. After each match, the coach or designated parent should choose a player from the opposing team who has stood out a little for their conduct on the pitch. The green card is then recorded in an app where friends and relatives can see it and provide further encouragement.

A player who is deserving of a Green Card is one who helps an injured team-mate or opponent, for example, who always shows respect for everyone, has a positive attitude and helps the referee. From the autumn season 2019, a Green Card will be awarded after all league games in the 8-14 age group.

"The experience of districts that trialled the concept is that it contributed to a number of good, valuable discussions between the young players, their parents and coaches about what fair play means. It has resulted in fairer games and a better atmosphere both on and off the pitch. We are pleased to have Folksam as our partner and we look forward to continuing to work together in the future," says Håkan Rossberg of the Swedish Football Association.

Anyone who plays football with a club is covered by Folksam's sports insurance through the Swedish Football Association. This insurance policy provides good basic cover for anyone who suffers an injury during training or a match. The insurance for footballers includes the "Advice and Care for sports injuries" service, which provides assistance to players in the event of injury or suspected injury.

"Green Card is an initiative for fairer games that reduces the risk of injury. We are pleased to be a partner in this nationwide initiative and we hope it will also help to increase awareness among young footballers about the insurance cover they have when playing football," says Lena Lindqvist, Folksam Sports, partner manager for the Swedish Football Association.



Preferential insurance offers for trade union members

Our trade union partnership is one of the cornerstones of the business of the Folksam Group. Through close cooperation, and based on the needs of the members, we develop services and terms and conditions for group insurance policies. The fact that assault protection under the householders' comprehensive policy covers domestic violence (see page 46) and that we offer multilingual customer service (see page 41) are both examples of services and terms and conditions developed in cooperation with the LO unions. An important change we are making together with the trade unions is to introduce bullying of a child as an element of child insurance that qualifies for compensation. Here we provide children with counselling support and entitlement to ten support sessions with a psychologist.

All those who receive their insurance policies through membership of a trade union have what is called "group insurance", irrespective of whether the insurance policies are included in their membership or the members have made a voluntary application. Householders' comprehensive policy and child insurance have basically the same terms and conditions as the insurance policies taken out individually, but group insurance customers pay lower premiums. Other group insurance policies are usually adapted to the requirements of the trade unions and are not offered on the individual market. They have generous purchasing rules and give everyone the opportunity for cover, which is an important principle for the trade unions. On 1 January 2020, we are giving even more trade union members the opportunity for really great insurance cover by replacing the traditional health declaration with a special limitation clause in the terms and conditions.

The trade unions provide Folksam with large groups of customers in one fell swoop and it is easy for both parties to manage product development and communication for lots of people all at the same time. We currently work with all the LO unions, 77 per cent of the TCO unions and half of the Saco associations. This means that around 2.6 million trade union members have group insurance with the Folksam Group. The members of the LO unions make up around half of these, with insurance often included for them as part of the membership fee. This enables the Folksam Group to offer security solutions to people who may not otherwise have chosen such extensive insurance cover.

Traditional insurance – safe and easy saving that contributes to a sustainable world

Traditional insurance is a safe and easy way to save. It is important to the Folksam Group that we manage our customers' long-term savings responsibly and to us this means that our customers' money should provide a good return while at the same contributing to a more sustainable society. Our size provides us with the potential to influence the world around us in both the short and the long term. As an investor and an owner, we are able to focus on a number of issues that we know are important for our customers. How we integrate sustainability in asset management is described in the next chapter.

Responsible range of funds

We do not have our own fund management company within the Folksam Group, but we instead offer specially selected external funds. In our evaluation process, there are clear sustainability criteria that the external funds must meet. During the year, we have communicated these in various external forums and have maintained an active dialogue in order to engage with and influence the fund management companies to work towards a more sustainable world.

All selected funds will primarily work to influence the companies in which they invest towards more sustainable behaviour. This may relate to our environment and our climate, but also to good employment terms and conditions for employees, prohibiting child labour and encouraging companies to work actively to achieve a transparent corporate culture that prevents corruption. During the year, the range of funds offered has been fully adapted to Folksam's sustainability criteria and those funds that have not met the criteria have been rejected for investment. This includes Folksam Life's exclusion criteria. Folksam is also working to further refine and tighten the sustainability criteria for external funds.

Sustainable claim settlement

A large company has major opportunities to exert an influence and our stringent environmental requirements have contributed to an improved environmental standard at several large subcontractors. Every year, our suppliers repair damaged houses, cars and household goods for large sums of money. Folksam's total expenses for building repairs amounted to over SEK 1 billion in 2019, while expenses for car repairs were SEK 2.3 billion. This gives us financial strength and opportunities to place stringent demands on our suppliers. We also provide them with training to ensure that claim settlement is long-term, sustainable and effective. This work has a significant impact. For example, our suppliers buy and recycle used spare parts for cars. There is an established second-hand market for car parts and we require that car mechanics repair and use reused parts wherever possible and appropriate. During the year, this way of working helped us to avoid a mountain of waste of around 2,000 tonnes and we saved approximately SEK 290 (270) million in the repair of damaged cars. In total, reuse in connection with car repairs has brought a saving of just over SEK 2.3 billion since the beginning of the millennium.

In addition to influencing the industry, we are also hoping to be able to influence our customers' attitude towards repairs and circular economy. Circular claim settlement is central to reducing our customers' consumption of energy and materials. See pages 38–39 for more information about how we work with our suppliers.

Since 2015, we have been working together with Godsinlösen (GIAB) to create a circular flow for damaged objects such as sofas, glasses, bicycles, mobile phones, computers and other electronics. A special "mobile circle" has been developed for mobile phones, where customers hand in their damaged phones and, in most cases, receive an equivalent remanufactured or repaired phone in return. Through our cooperation with (GIAB), the majority of our customers' mobile phones are reused. All usable parts are reused as a resource for other customers' mobiles, rather than becoming electronic waste. The burden on the environment is reduced, in the form of reduced

waste and lower carbon dioxide emissions. In 2019, our circular claims handling together with GIAB helped to avoid, according to GIAB's calculations, 3,213 (4,026) tonnes of carbon dioxide emissions and 3,195 (3,701) tonnes of waste.

Crisis support

Ailments, deaths, fires, road accidents and robberies are examples of damage and injuries that can lead to mental illness. We therefore include Crisis intervention in most of our insurance policies. We are able to offer emergency support from a psychologist within just 24 hours. Affected customers can then receive up to ten support sessions through our large nationwide network of therapists. This kind of injury is handled by a specialist group of claims adjusters, all with the skills and experience necessary to help people in crisis.

If the customer is dissatisfied

With the millions of customer contacts we have annually, misunderstandings, dissatisfaction or problems of various kinds sometimes arise. For example, a customer may feel that they have received too little compensation or that a claim has not been handled in line with the customer's expectations. The customer can then file a complaint. Proper handling of these is important to us, as it gives us the opportunity to identify problems, do something about them and, in the long term, assure ourselves that the customer is satisfied. We have focused on improving system support during the year and, through close cooperation with the relevant employees and business partners, we have increased awareness regarding the importance and usefulness of registered complaints. An e-learning course on complaints handling has also formed part of this since April 2019 and has been completed by many employees. During the year, 12,686 (10,388) complaints were reported, an increase from last year that we believe is due primarily to improvements in reporting, follow-up and e-training.

When a customer is dissatisfied with our decision in a case, they are offered a quick, simple and free review procedure. The Customer Ombudsman is independent and is entitled to recommend changes in cases that have been submitted for review. This function, which has existed within Folksam for more than 50 years, is independent of our Group management and is answerable only to the Folksam Group's AGMs. In 2019, just over 7,000 (7,000) customers consulted the Customer Ombudsman, of which almost 1,604 (1,600) became cases. Of the cases closed during the year, 18 (23) per cent led to some form of change in the customer's favour. There were 123 (114) cases reported to the National Board for Consumer Disputes and the number of legal proceedings brought in which the Folksam Group was a party totalled 62 (67).



KPA Pension, first in the finance industry to be LGBTQ-certified

In spring 2019, KPA Pension began its journey towards becoming the first company in the finance industry to be LGBTQ-certified. In October, that goal was achieved, as we received our certificate from RFSL and approval of our action plan for further initiatives. Now the work begins in earnest, according to Britta Burreau, CEO of KPA Pension.

KPA Pension is the occupational pension company that shows thought and consideration. Our customers and employees should feel secure and included, be able to be themselves and always be treated with respect, whatever their gender, gender identity and sexuality. To this end, our employees have received training during the year to increase their knowledge of LGBTQ issues, norms and consequences of norms for the health and living conditions of LGBTQ persons.

"I am very pleased and proud of what we have achieved. Certification has given us insightful lessons, both as individuals and as an organisation. I am convinced that the knowledge we have gained will have a positive impact on our business," says Britta Burreau.

Now that the certification process is complete, the work begins in earnest. The training has provided us with practical tools for systematic work with human rights from an LGBTQ perspective. Now we need to implement the activities in our action plan to help us achieve an inclusive customer experience and an open working environment where we prevent discrimination.

"It is high time for everyone in the industry to take responsibility for updating their customer experience, so that everyone feels included. We are the first, but we hope that many more will follow," says Britta Burreau.



Leading Light – The award that makes a difference

For good things to happen, it takes someone to show the way, innovate, ask the difficult questions and shake up old habits. Through commitment, good ideas and powerful argumentation, each of us can change the conditions, create new opportunities and show the way towards a more equal and sustainable future. Folksam LO Pension wants to highlight those who lead the way, who are passionate and whose actions make a real difference, not only for themselves but for everyone. In other words, Leading Lights!

The Leading Light sustainability award was given out for the first time at the Folksam and LO annual national conference. The award is designed to highlight those who make a difference at their workplace and show the way towards a sustainable and equal future. The winners were two women who shared the prize of SEK 50,000 for their efforts to establish workplaces that are free from harassment and mistreatment. The reasoning was as follows:

Michelle Malmberg, Livs, is a committed inspirer in Skåne, where she has dared to make a stand against injustice and bullying at the workplace from the moment she began her employment. She demonstrated courage and her views on what is right by reporting abuse when colleagues were mistreated and bullied.

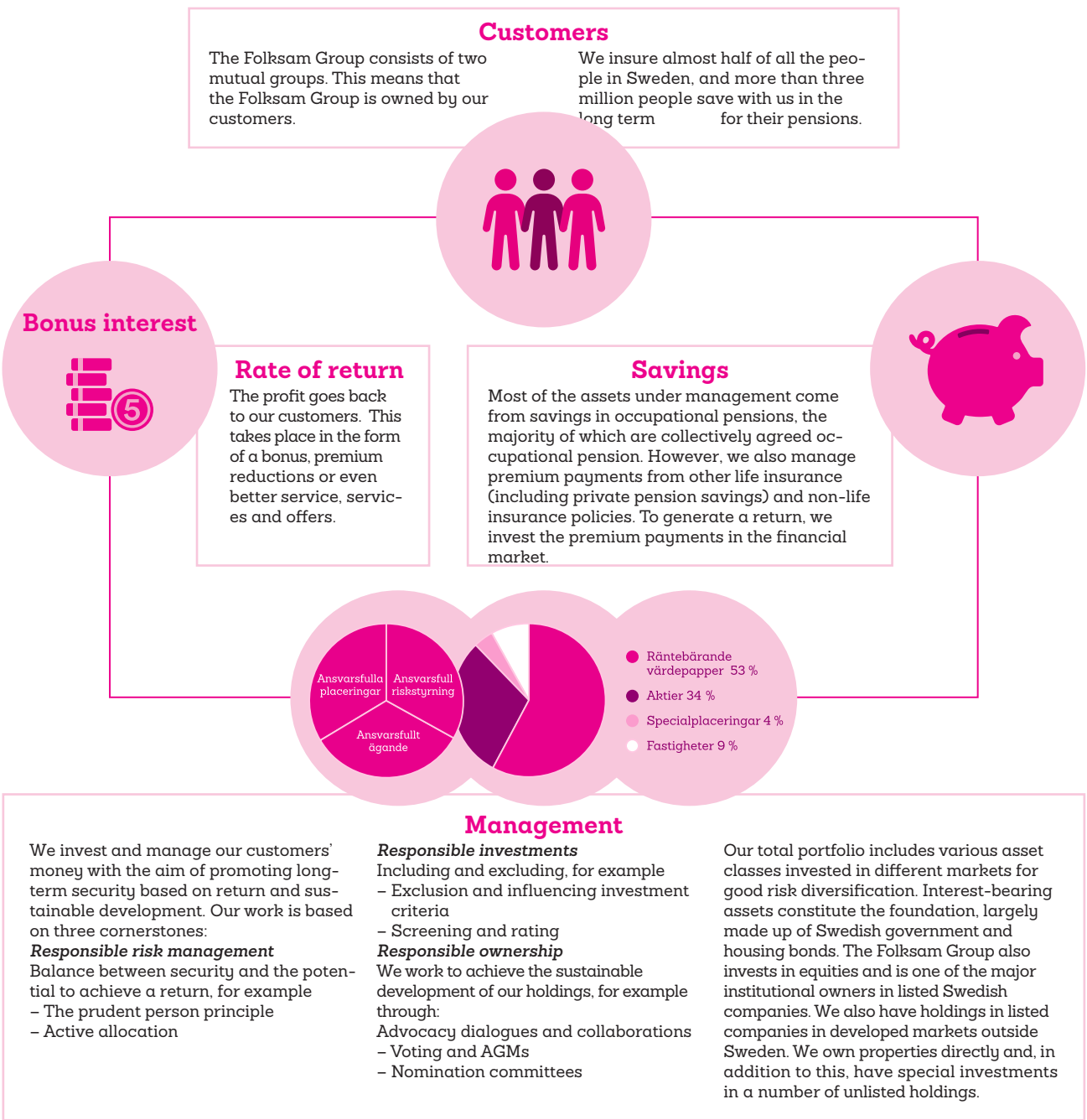
Michelle was one of the organisers of Liv's first youth forum and showed strength in leading the #metoo debate and shared her own experiences from her job as the only female electrician.

Berit Starckenberg, Livs, joined Marabou 30 years ago and over the years has pursued an impressive campaign to raise the wages of women and challenge the norm that men are given jobs with more responsibility, which consequently pay better. As branch chair and trade union feminist at Livs, she has gradually, consciously and cleverly been driving a positive wage trend, where women's wages have been increased to the level of men's and more jobs have been opened up to women. Berit is consistent and has worked hard with a clear vision to make a difference where it is perhaps most noticeable. In the finances and in self-esteem.



Responsible asset management

For the Folksam Group, it is important for us to manage our customers' premium payments and long-term savings responsibly. For us, this means that our customers' money has to yield a good return, while also contributing to a more sustainable society.



The Folksam Group is one of Sweden's largest investors. At the end of 2019, we managed assets totalling SEK 455 (404) billion.

Our size provides us with the potential to influence the world around us in both the short and the long term. As an investor and an owner, we are able to focus on a number of issues that we know are important for our customers. They should be able to feel secure in the knowledge that we are working both to achieve a good return and for a more sustainable society. Our goal is to have a competitive return and to be a leading player in responsible asset management. We apply the same criteria when it comes to investor and owner responsibility with all types of assets. We always work on the basis of the following principles:

- Responsible risk management
- Responsible investments
- Responsible ownership

This forms a framework that helps us to target our investments at clearly sustainable choices. The new foreign equity portfolios are an example of this.

The Folksam Group's insurance companies all have different focuses and profiles, with different objectives for their asset management. For Folksam Life and KPA Pensionsförsäkring, the objective is to achieve the highest possible level of real return under relevant risk and investment restrictions, while at Folksam General and the other companies, it is to make the optimum contribution to stable and competitive premiums.

Responsible risk management: Provides a balance between stability and return

The Board expresses its overall attitude to risk and risk-taking in the Folksam Group's risk strategy, such as the risks and extent to which the Group wishes to have exposure. The risk level, even in the event of extremely negative developments on the financial and insurance markets, must not be so high that the statutory requirements cannot be satisfied. In our investment activities, risk-taking is all about the balancing act between security and the potential to achieve a return. Investment activities should be conducted on the basis of the prudent person principle. This means, among other things, that the assets must be invested in such a way that appropriate risk diversification is achieved and in the manner that best benefits our customers.

New equity portfolio

During 2019, the Folksam Group's life insurance company, Folksam Life, and companies within KPA Pension have more than halved the number of holdings in their foreign equity portfolios.

Responsible investments: We include and we exclude

The Folksam Group's investment criteria apply to all asset classes. We have both exclusion criteria and influencing criteria.

Exclusion criteria

The exclusion criteria provide the external investment frameworks and determine whether or not we are able to invest. For example, we do not invest in businesses that produce tobacco and illegal arms such as cluster munitions. The criteria differ between different customer collectives, depending on their preferences. In 2019, Folksam General and Folksam Life decided not to invest in gambling companies where more than five per cent of revenues are generated from gambling. Folksam Life and KPA Pension also decided in 2019 not to invest in energy companies where ten per cent or more of revenues are generated from oil sands.

Influencing criteria

The influencing criteria are about how we take responsibility as an owner. Our starting point is always to try to guide our holdings in a more sustainable direction. However, if we find that an asset is not compatible with our view of sustainability after advocacy dialogues, we may choose to sell. Through our investments, we influence holdings on issues relating to climate and the environment, human rights and anti-corruption.

The Folksam Group's investment criteria			
Criteria	Folksam Life	Folksam General	KPA Pension
Climate and environment	●	●	●
Human rights	●	●	●
Corruption	●	●	●
Tobacco	●	●	●
Pornography	●	●	●
Illegal weapons	●	●	●
All weapons		●	●
Alcohol		●	●
Gambling	●	●	●
Coal-fired power**	●	●	●
Nuclear power		●	
Oil sands***	●		●

● Influencing criteria ● Exclusion criteria
*Excludes companies that generate more than five per cent of revenues from gambling.
**Excludes companies that generate more than 30 per cent of revenues from coal (e.g. mining companies), or whose operations are based more than 30 per cent on coal (e.g. power companies).
*** Excludes energy companies that generate ten per cent or more of revenues from oil sands.

The sustainability level has been improved with higher sustainability ratings and a reduced carbon footprint. Read more under "Carbon footprint of the equity portfolio" on page 55.

Screening and rating to ensure compliance

In order to ensure that no company we own conducts operations that are contrary to our investment criteria, we employ screening and rating. Screening is also used to identify companies for advocacy dialogues.

Screening is carried out on the basis of all exclusion criteria and is based on the proportion of the revenue derived from the exclusion criterion in accordance with this. The Swedish and foreign equity portfolio is continually screened and potential shareholdings are screened before they are approved for investment. Existing holdings that can no longer be approved according to the investment criteria as a result of changes in their behaviour or composition are sold immediately if the market conditions permit. Otherwise, they are sold within a period not exceeding six months. As we do not hold any corporate bonds, and only hold government bonds in a few countries, we do not currently conduct any company-specific or country-specific screening of the interest rate portfolio. We also conduct norm-based screening with the aim of identifying any violations of the UN Global Compact and underlying conventions and guidelines within human rights, labour law, the environment and corruption, such as the OECD Guidelines for multinational companies, the ILO's labour law conventions and the UNFCCC climate convention. Violations of the Paris Agreement are also included in norm-based screening, such as corruption related to climate lobbying and active concealment of information relating to relevant emissions.

Our sustainability analysis uses data from MSCI and Sustainalytics. Rating and underlying information are also used as a basis in advocacy dialogues.

Green bonds and other sustainable investments

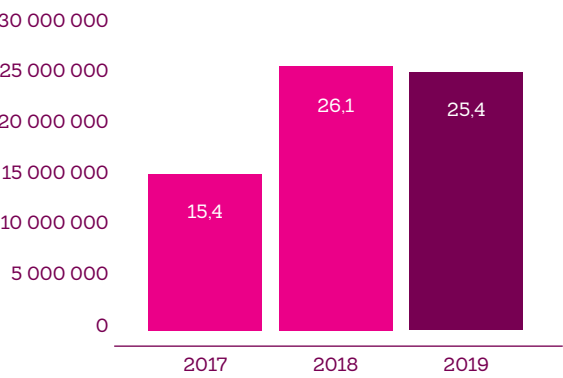
We are increasingly targeting our investments at activities that we consider contribute to sustainable development. Our investments in green bonds are a clear example of this.

Green bonds are interest-bearing securities, which are used for environmental and climate-related investment projects. This may include investing in projects in areas such as renewable energy, energy efficiency, clean transport, greenhouse gas emissions reduction, waste and water management, sustainable agriculture and fisheries or biodiversity. As a result, the Folksam Group can invest our customers' money with a low level of risk, while at the same time the funds are contributing resources to the transition towards a sustainable society.

The Folksam Group's investments in green bonds finance environmental and climate-related projects both in Sweden and globally. In order for an investment to be relevant, the Folksam Group requires that the green bond must live up to the Green Bond Principles framework, which the Folksam Group has signed up to. The purpose of these principles is to improve transparency and reporting in respect of green bonds.

In 2018, the Folksam Group achieved its goal of SEK 25 billion in green bonds. Some bonds have matured in 2019 and we continue to invest in new green and other sustainable bonds. For example, we have invested SEK 400 million in a blue bond that focuses on managing and protecting water resources in the Baltic Sea region. We have also invested SEK 2.8 billion in a bond with a focus on food waste.

Green bonds, Market value SEK million



The Folksam Group invests SEK 2.8 billion in a bond to reduce food waste

In 2019, the Folksam Group acquired a bond issued by the World Bank, which focuses on food waste. The investment totals SEK 2.8 billion (USD 300 million). This is the World Bank's first bond targeted at the UN's sustainability goal 12 relating to responsible consumption and production.

The bond has been issued exclusively for the Folksam Group. The bond focuses specifically on challenges relating to sustainability target 12.3, where global food waste is to be halved by 2030.

Carbon footprint of the equity portfolio

The carbon footprint of the equity portfolio (Swedish and foreign) is affected by its composition and how the companies work to reduce their footprint, which the Folksam Group tries to influence through company dialogues. The Folksam Group is working to comply with the Paris Agreement's goal of making financial flows compatible with a pathway towards low greenhouse gas emissions and development that is resilient in respect of the climate. We do this in part by utilising the influence we have as a shareholder in advocacy dialogues with companies. We are also doing this within the framework of the investor collaboration Climate Action 100+ and the new investor initiative Net-Zero Asset Owner Alliance.

The Folksam Group has undertaken to measure the equity portfolio's carbon footprint by signing the Montreal Carbon Pledge and TCFD. The footprint of the equity portfolio is reported in line with the agreement within Insurance Sweden and the recommendations for TCFD.

Indicators for the carbon footprint of the equity portfolio				
Indicators'	TCFD indicator name	2019	2018	2017
Total carbon footprint, tonnes of CO ₂ e	Total carbon emissions	810,493	944,430	1,143,394
Carbon dioxide intensity, tonnes of CO ₂ e/equity portfolio's market value, SEK million	Carbon footprint	5.6	8.2	8.8
Carbon dioxide intensity, tonnes of CO ₂ e/participating interest in the companies' sales, SEK million	Carbon intensity	10.3	13.4	16.9
Carbon dioxide intensity, weighted average, tonnes of CO ₂ e/SEK million	Weighted average carbon intensity	7.7	10.6	13.7

'The key ratios present a snapshot of the equity portfolio's greenhouse gas emissions. Note that the measure does not show the total climate impact of the investments. The calculations are not comprehensive and also do not include all indirect emissions. The calculation of the equities portfolio is based on the latest available data from MSCI and includes emissions corresponding to scopes 1 and 2 according to the Greenhouse Gas (GHG) Protocol. Greenhouse gas emissions are measured in carbon dioxide equivalents (CO₂e), which makes it possible to measure different greenhouse gases in the same way. The measurement includes all listed Swedish and foreign companies in the equity portfolio as at 31 December 2019. The calculation is based on data in USD, which affects reported earnings in SEK.

The Folksam Group – one of the initiators of the Net-Zero Asset Owner Alliance

Together with some of the world's largest pension and insurance companies, the Folksam Group has initiated the UN-convened Net-Zero Asset Owner Alliance. The Alliance's goal is for their investment portfolios to have net-zero greenhouse gas emissions by 2050.

The Net-Zero Asset Owner Alliance was presented at the UN climate summit in New York in September 2019, after Greta Thunberg but before French President Macron. The initiative was welcomed by the UN Secretary-General as one of the most important at the UN climate summit, where governments, companies and NGOs met to step up efforts to implement the Paris Agreement and fight climate change. Following the climate summit, there was an increase in interest in the Net-Zero Asset Owner Alliance among the world's pension and insurance companies, with more asset owners joining at a rapid rate.

As a group, pension and insurance companies are among the largest asset owners in the world and the companies that have so far joined the Net-Zero Asset Owner Alliance together own assets worth SEK 40,000 billion. This is equivalent to 40 times the Swedish government budget.

"We are proud to be the first Swedish pension and insurance company to adopt a target of net zero emissions and to be one of the initiators behind the Net-Zero Asset Owner Alliance. With this ambitious goal, we are clearly demonstrating that we want to take our work on climate adjustment to a new level through our investments. This is in line with our vision that our customers should feel secure in a sustainable world," says the Folksam Group's President and CEO, Ylva Wessén.

The Net-Zero Asset Owner Alliance has the ambition to continue to grow and to be a strong force in the essential transformation of the global economy. The focus is on achieving real change and using the power for change that exists when many owners join forces with a clear and common goal – to achieve net zero greenhouse gas emissions by 2050. The Folksam Group has therefore urged other Swedish and foreign investors to join.

"At the Folksam Group, we believe in responsible and active ownership and that as asset owners we can contribute to the transition that needs to be made if we are to achieve the 1.5-degree target," says Michael Kjeller, Head of Asset Management and Sustainability at the FolksamGroup and member of the Net-Zero Asset Owner Alliance Board.

The Folksam Group is one of the initiators behind the UN-convened Net-Zero Asset Owner Alliance, along with Allianz, CDPQ, Caisse des Dépôts, Swiss Re and PensionDanmark, in partnership with the United Nations Environment Programme Finance Initiative (UNEP FI) and the UN Principles for Responsible Investment, with support from the WWF and Mission 2020. Aviva, AXA, CNP Assurances and FRR, Alecta, AMF, CalPERS, Nordea Life and Pension, Storebrand, and Zurich have all subsequently joined.

Responsible ownership: Influencing in a sustainable direction

As an owner, we are working to ensure sustainable development within all asset classes. We are doing this through advocacy dialogues and collaborations, voting at AGMs and in nomination committees.

Dialogues and collaborations

We conduct both norm-based and proactive dialogues – both directly with our investors and together with other investors. Collaborating with other investors gives us a greater opportunity to exert influence, particularly in companies where we have a smaller share of ownership.

We conduct norm-based dialogues when we learn that a company in which we own shares is involved in an incident that is in violation of international conventions. This may include corruption, poor working conditions in factories or environmentally hazardous emissions, for example. The norm-based dialogues are conducted in liaison with other investors through the supplier Sustainalytics. The purpose of the dialogue is to ensure that the incident ceases and is handled responsibly, and that the company improves its practices in order to prevent future violations. The dialogues follow a standardised process with clear criteria. Each dialogue has a defined objective, a strategy for achieving change and a timeframe. If a dialogue is not deemed to be effective within the defined timeframe and all the available tools have been tried, exclusion can take place. However, the dialogue with the excluded company continues with the aim of resuming dialogue, if the company wishes this.

Proactive dialogues are conducted to encourage holdings to act more sustainably. We focus our work by following a theme or issue in several dialogue channels and asset classes simultaneously over a period of time. In 2019, we followed up and intensified our focus on climate change and the Task Force on Climate-related Financial Disclosures (TCFD) framework. In concrete terms, this took place by:

- Asking the CEO follow-up questions on the topic at all AGMs in which we participated.
- Dialogue with Swedish housing institutes on the theme of climate change.
- Dialogue with Swedish and foreign issuers of green bonds in order to monitor how they report climate benefits, including carbon savings.
- Dialogue with companies within the NEC investor collaboration on the theme of TCFD and the food sector.

The Folksam Group is happy to conduct dialogue in collaboration with others for effective advocacy work. Working together, we can be more effective and find a stronger voice than if all investors engage in a separate dialogue with each company. An example of this is the investor initiative Climate Action 100+, where investors work to ensure that the hundred or so largest emitters of greenhouse gases reduce their carbon footprint and set measurable targets for their climate work. The Folksam Group is globally responsible for a company dialogue together with a foreign investor. Another example is Nordic Engagement Cooperation (NEC), an investor initiative with KLP from Norway, PFA from Denmark and Ilmarinen from Finland, which aims to coordinate corporate governance activities targeted at listed holdings with regard to sustainability issues.

Voting and AGMs

The Folksam Group believes it is important to exercise our right to vote as a shareholder, and we vote annually at both Swedish and foreign AGMs. At Swedish AGMs, we use our opportunities to exercise our right to vote and to pursue sustainability issues. The AGM is a good opportunity to ask the companies questions about sustainability, as both the board and management are present. The company also has the opportunity to inform its shareholders directly what it is doing in this field. We have been raising sustainability issues with boards and managements at Swedish AGMs for many years. We raise a new issue each year that reflects the current sustainability risks and opportunities that we want to pursue and highlight. This year’s question concerned the TCFD framework, but at two of the AGMs other questions were asked which were deemed more relevant for the particular companies, namely the risks of gambling abuse and the companies’ liability for this. The theme of the question and the replies from the AGMs are published on folksam.se in an annual meeting report.

The Folksam Group’s conditions for corporate governance in companies outside Sweden differ from those in the Swedish holdings. One of the reasons for this is that we are a minor shareholder in the foreign companies. At foreign AGMs in particular, the Folksam Group votes through an agent (Nordic Investor Service), known as proxy voting. As of spring 2019, we also vote at all foreign holdings of Folksam Life and KPA Pension. The way we voted is reported publicly. It may also be the case that we submit our own proposals or support the proposals of others at the meetings.

Nomination committees

The Folksam Group’s ownership shares have entitled us to a place on a nomination committee. In the nomination committee, the Folksam Group has ensured that the candidates for the Board have been evaluated in respect of their knowledge and expertise from both an individual and a group perspective.

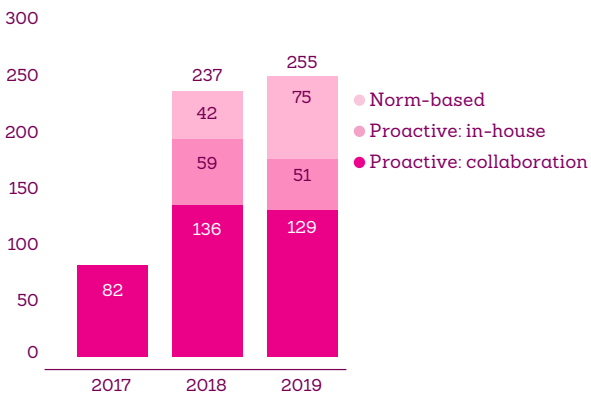
Class actions

The Folksam Group conducts litigation, class actions, against US companies, among others, that have treated shareholders incorrectly and where this has had a negative impact on the share price. This work results in the Folksam Group receiving SEK 1–2 million in compensation each year.

Voting, AGMs	2019	2018	2017
Number of foreign AGMs at which the Folksam Group has voted*	436	99	96
Number of Swedish AGMs at which the Folksam Group has voted	43	39	48
Total	479	138	144

*As of spring 2019, we also vote at all foreign holdings of Folksam Life and KPA Pension.

Total number of advocacy dialogues, all asset classes



From 2018, dialogues in all asset classes are included as well as dialogues through collaboration. Only dialogues in the holdings/companies we owned during the respective years are included.



Responsible property owner

Properties are an important asset class, representing just over nine per cent of the Folksam Group’s managed assets. For us, it is important to be a responsible property owner. All properties are subject to the Folksam Group’s ethical investment criteria. As of 2018, the property business also reports according to the UN’s guidelines for international investors, PRI (Principles for Responsible Investment).

We set clear environmental goals in both the long and the short term in three selected areas of focus: energy and climate, environmental certifications and green leases. We mainly influence the property portfolio’s carbon footprint through energy efficiency measures and by means of all property electricity that is purchased being labelled with Good Environmental Choice. We calculate the climate impact and offset the property holdings’ carbon dioxide emissions.

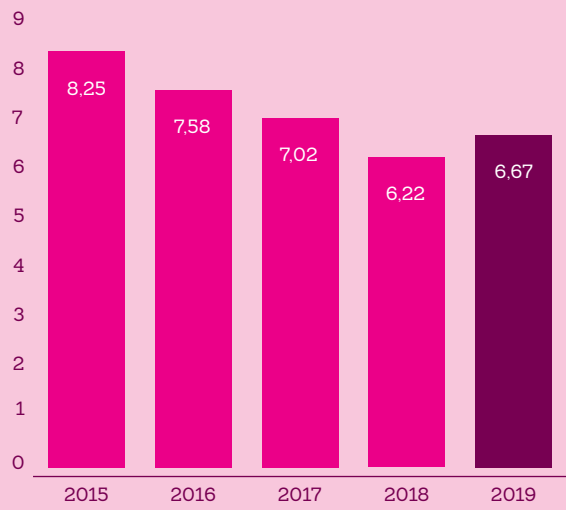
Green leases are based on the collaboration between us as landlord and our office tenants. This allows us jointly to contribute to a positive development. We environmentally certify our properties according to the Breeam in use and Miljöbyggnad standards. We do this both to create order with a clear quality label, as well as to raise the organisation’s awareness and expertise in respect of which requirements are important to stipulate for a building. Green properties are also considered to be more attractive on both the rental and the property market.

Key ratios	Targets 2019	Outcome 2019	Outcome 2018
Energy consumption, corrected for a normal year (kWh/m²)	102	108	109
Green leases*	50%	59%	42%
Environmentally certified properties**	63%	59%	51%

*Share of number of new and renegotiated commercial leases.
**Share of total area.

Together with our management partner, Newsec, we have continued to raise awareness and knowledge about how we can influence customers, business partners and suppliers to promote sustainable development. During the year, we were actively involved in two pilot projects to contribute to the Sweden Green Building Council’s new environmental certification, Miljöbyggnad i Drift. We have also provided inspiration for the new climate platform of Fastighetsägarna in Stockholm.

Carbon dioxide emissions per square metre (CO2 kg/m²), corrected for a normal year



Includes emissions from heating, water and property electricity, and refers to the CO2 footprint of the entire managed stock. The information is based on degree day-corrected heat consumption, in order that comparisons can be drawn between different years.

A major contributor to the increased CO2 emissions in 2019 is higher emission factors for district heating in Stockholm and Malmö compared with the previous year.

Overview of asset classes

At the end of 2019, the Folksam Group managed assets totalling SEK 455 billion.

Interest-bearing assets
53%

Strategy

Interest-bearing assets form the basis of our total asset portfolios. They are characterised by high quality and hence low risk. The majority of our interest rate portfolios are made up of Swedish government and housing bonds. We currently have no corporate bonds.

2019: Investments in new kinds of sustainable bonds

- Invested in Sweden's first secured green bond with mortgages as collateral, where the money will contribute to reduced residential energy consumption.
- Invested in a blue bond where the money is used for investments to manage and protect water resources in the Baltic Sea region.
- SEK 2.8 billion in a bond issued by the World Bank aimed at reducing food waste.

Equities
34%

Strategy

The Folksam Group has a well-diversified equity portfolio divided into Swedish and foreign developed stock markets, as well as emerging markets. Approximately 41 per cent of the equity exposure consists of Swedish shares. We have a strategic holding in Swedbank.

2019: New foreign equity portfolio with a higher level of sustainability

- New foreign equity portfolio at the Folksam Group's life company, Folksam Life, and companies within KPA Pension. Holdings have more than halved and the sustainability level has been improved with higher sustainability ratings, reduced carbon footprint and the exclusion of companies that generate ten per cent or more of revenues from oil sands.
- Asked CEOs follow-up questions about climate change and TCFD at the AGMs in which we participated. At two of the AGMs other questions were asked, however, which were deemed more relevant for the particular companies, namely the risks of gambling abuse and the companies' liability for this.

Properties
9%

Strategy

The Folksam Group is a long-term property owner that works to ensure that our residential customers are secure and proud of their homes, and to ensure that business customers are satisfied with the way their premises support their business goals. Since 2015, we have had an expansive strategy, with a new organisation, and have acquired properties to the value of SEK 17 billion. The value of the portfolio has more than doubled and now amounts to SEK 45 billion. The property portfolio comprises approximately 130 properties with some 5,000 residential apartments and around 466,000 m² of office premises. We mainly own office and residential properties in Stockholm, Gothenburg and Skåne, and we want to continue to grow. For us, it is important to be a responsible property owner. Newsec is our strategic partner in the management of our properties.

2019: Continued strong expansion

- Continued strong and profitable expansion of the property portfolio.
- New expansion target of increasing by a further SEK 20 billion.
- Third-largest real estate transaction in Sweden completed through the acquisition of the office property Brädstapeln 16 in Stockholm.
- Acquisition of the newly built Pelaren 1 office property in Stockholm.
- To optimise the portfolio, we sold properties for just over SEK 0.5 billion.
- During the year, we continued to focus on increasing energy efficiency, gaining environmental certification for our properties and increasing the share of green leases. By the end of the year, 59 per cent of the total area was certified.

Special investments
4%

Strategy

The special investments complement the Folksam Group's asset portfolios. These are investments with long investment horizons that give the customers exposure to unlisted assets. The investments are mainly made in fund-like structures and in cooperation with other players, sometimes in real assets, such as our investment in the electricity grid company Ellevio, or through indirect property investments in order to complement the direct property investments. We have particularly identified infrastructure as being of interest to us.

2019: Rapid pace with multiple investments

- Invested in battery manufacturer Northvolt, Europe's first large-scale battery manufacturer, helping to drive the electrification of transport, storage and industrial and consumer products.
- Continued focus on infrastructure through new investments in two funds and increased investments in a third.
- Invested in a fund that invests in highly innovative life science companies that are working to change medical treatment practices and meet medical needs that cannot currently be treated.



Our own operations

Thanks to our employees' commitment and energy, we are able to promote customer benefit and sustainability work. For us in the Folksam Group, it is important for us to offer an attractive and inclusive workplace where our employees can grow and develop. In addition, we work hard to ensure that our offices and any travel have as little environmental impact as possible.

The Folksam Group has almost 4,000 employees, distributed between different companies and locations. Approximately half of our employees work at the head office in Stockholm. All employees in the Folksam Group – except the CEO and members of the group management – are covered by collective bargaining agreements. Through its membership of KFO, the Swedish Co-operative Employers' Association, the Folksam Group is bound by collective bargaining agreements concerning pay and general terms and conditions of employment.

The Folksam Group aims to be an attractive workplace with well-known and competitive offerings for present and future employees. For this reason, we are proud to have received the "Employer branding company of the year" award from Universum Communications in 2019 for our work aimed at being an attractive workplace. The jury's reasoning described Folksam as a pioneer that has inspired many other companies to work with employer branding.

Every year, the Folksam Group carries out its Focus employee survey, monitoring areas such as commitment, the working environment, health, employeeship and diversity. In the 2019 Focus survey, the overall index remained at a high level, with 78 per cent (76) positive responses on average and 83 per cent (83) replying that they would like to continue working at the Folksam Group in future.

Opportunities to perform and develop

We are committed to providing our employees with good working conditions that enable them to develop and have a stimulating career. We are therefore working in a structured manner in line with the Folksam Group's Perform and develop process. This means that every employee has individual delivery targets, as well as development goals for what they need to develop in order to achieve their delivery targets in the short and long term. In the 2019 employee survey, we followed up compliance with the process, including with the question "Do you and your manager have regular discussions?". 90 per cent (88) of men and 90 per cent (87) of women answered yes in response to this question.

As a large employer, we are able to offer many different career paths, whether the aim is to grow into a managerial role, to immerse yourself as a specialist or to try out an entirely new area of work. The Folksam Group encourages internal mobility, and all job vacancies are advertised internally, with just a few exceptions.

During 2019, over 300 of our existing employees found new jobs internally within the Folksam Group. In addition, we recruited around 400 new employees. The consultant exchange that began in 2018, with the aim of strengthening the FolksamGroup's internal expertise and reducing costs, continued in 2019.

Our employees must be suitable for the responsibility they are given in their job. Suitability means having the right skills and ability to contribute to the vision that our customers should feel secure in a sustainable world. As an insurance company, we are subject to requirements to monitor and check suitability and to support us in this, all our employees have a job description specifying responsibilities, requirements, training and evaluations. Suitability is monitored on the basis of the job description by performing checks on compliance and conflicts of interest, for example, as well as training and certifications. These checks are performed systematically and continuously throughout the year within various elements of the Folksam Group's skills provision process –principally in recruitment and in the Perform and develop process.

To achieve the goal of having the industry's most satisfied customers, the Folksam Group needs managers and leaders who employ a strategic and coaching approach to take responsibility for skills provision and appropriate performance. In 2019, a particular effort was made to strengthen managers in allocating and clarifying targets, matching skills and suitability, and monitoring performance and development in the Folksam Group's digital support for talent management.

Initiatives to promote a good working environment and health

High sick leave rates have been a challenge in recent years, both for society as a whole and for the Folksam Group. The Folksam Group is therefore focusing on both targeted and more general efforts to create a working environment that promotes good health, motivation and productivity.

In 2019, the Folksam Group's sick leave rate fell slightly, thanks in part to the ongoing work of managers in day-to-day operations and processes. During the year, each business has identified various needs and implemented activities at local level to meet these needs. These have then been followed up

at general level. Follow-up at individual level with regard to performance, workload and well-being takes place continuously in a dialogue between the employee and the manager. The Folksam Group has also made efforts to strengthen the activity-based working method, which contributes, among other things, to cooperation, learning, sustainability and cost-effectiveness. A group-wide survey on the physical working environment is also conducted once a year with the aim of ensuring compliance with legal requirements on systematic work environment management and preventing risks to health due to work. The survey is a complement to the Focus employee survey, which assesses the organisational and social working environment.

Sickness absence (%)	2019	2018	2017
Total sickness absence	5.0	5.3	5.4
Women	6.2	6.5	6.5
Men	3.5	3.9	4.1
Short-term sickness absence	2.3	2.3	2.4
Women	2.7	2.7	2.8
Men	1.8	1.9	1.9
Long-term sickness absence	2.7	3.0	3.0
Women	3.5	3.8	3.7
Men	1.7	2.0	2.2

Equal opportunities workplace

One of the Folksam Group's goals is to achieve an even gender distribution between women and men at all levels and in all occupational groups (50/50 ± 5 per cent). As the table below shows, we are achieving this goal both within the total workforce and among managers and the group management. The Folksam Group strives to offer employees pay at market rates, and we are working continually to secure equal pay. In 2019, the average pay of women was seven per cent lower than that of men. Broken down to equivalent work (level of difficulty) the gender pay gap was three per cent. This breakdown shows that the differences are not one-sided; in other words in some jobs, the average pay of women is higher than that of men, while in other jobs the average pay of men is higher. Most of the differences have objective explanations such as skills, experience, performance and market forces. Where unjustified pay differences are identified, appropriate measures are implemented in the annual salary survey.

The Folksam Group sees great value in working actively on diversity issues. We want an inclusive working climate where differences are seen as an advantage. All employees' skills and different perspectives will be taken into account, regardless of factors such as gender, origins or age.

Gender distribution, managers and employees	2019	2018	2017
Number of employees	3,944	4,056	3,890
women (%)	53	53	53
men (%)	47	47	47
Number of managers	371	394	367
women (%)	50	49	49
men (%)	50	51	51

Gender distribution, Boards and management	2019	2018	2017
Number of members, Board of Folksam Life	12	12	12
women (%)	50	42	42
men (%)	50	58	58
Number of members, Board of Folksam General	11	12	12
women (%)	45	50	42
men (%)	55	50	58
Number of members, Group management	11	11	12
women (%)	55	55	50
men (%)	45	45	50

Zero tolerance of discrimination and abuse

Within the Folksam Group, we have a zero tolerance policy towards all forms of discrimination and victimisation. Clear values are fundamental for an inclusive culture, with the potential for support from an individual's immediate superior, union representative or HR being central. The Folksam Group has both formal internal regulations and information on the intranet regarding discrimination, harassment/sexual harassment, retaliation and victimisation. This indicates the channels through which an employee can receive support and also make formal reports. In 2019, eight cases of discrimination, harassment or other abuse were reported in the Folksam Group. Of these, one case led to employment law measures.

The Folksam Group urges employees to notify their employer in cases of abuse, with a view to being able to implement measures that will lead to the cessation of these improprieties. All reports are investigated and, if the investigation determines that discrimination or bullying has taken place, the Folksam Group may decide to instigate employment law measures. When there is suspicion that a crime has occurred, the matter is reported to the police.

In 2019, the Folksam Group held workshops on discrimination in general and sexual harassment in particular. The uneven taking of parental leave in the Folksam Group has been highlighted through internal communication initiatives. The preventive work is carried out primarily through clear procedures within the skills provision process, such as regular individual follow-up within the Perform and develop process. Other activities include systematic working environment efforts in collaboration with safety representatives, the annual employee survey (Focus), the annual Jämix survey (key indicator for gender equality) and specific actions in the form of group activities at local level.

Employees' contribution to global gender equality doubled by Folksam

The Folksam Group has a far-reaching collaboration with We Effect, an aid organisation with roots in the Swedish cooperatives and which Folksam co-founded 60 years ago. We Effect works to eradicate poverty in the world and has a focus on gender equality, women and assistance with self-help, where people come together to form their own organisations.

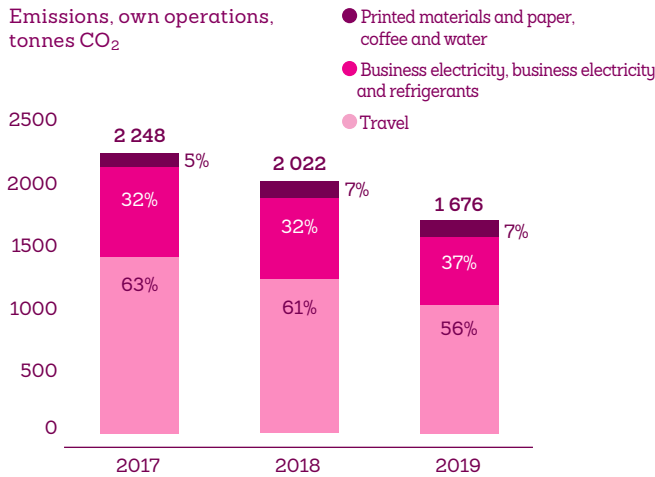


The Folksam Group's employees can support We Effect by making a contribution that is taken directly from their salary. The amount donated by the employee is then matched by the Folksam Group. During 2019, the Folksam Group and its employees donated just over SEK 1.1 (1.2) million.

Working towards net zero emissions in 2030

In 2019, the focus has once again been on the climate issue. The Folksam Group has set itself the goal of having zero net emissions from its own operations by the year 2030. This means that we need to have reduced our emissions by 85% compared with the base year of 2002. We are working according to a roadmap called Carbon Law, which has been developed in part by researcher Johan Rockström. This translates the Paris Agreement's objective, i.e. keeping global warming between 1.5 and 2°C, into the reductions in emissions required each year.

Since we began working on the goal of net zero emissions by 2030 in our own operations, the results have been in line with the annual targets. The annual rate of reduction in order to achieve the target stands at almost nine per cent, based on total emissions in 2017. The most important measures have been to reduce energy consumption, increase the use of origin-specified electricity and reduce travel. In 2019, we reduced emissions from our own operations by 17 per cent compared with 2018.



The Folksam Group's climate impact from its own operations; see page 70 for a breakdown of the Folksam Group's carbon footprint according to the scopes based on the Greenhouse Gas Protocol.

The Folksam Group offsets all of its estimated emissions each year through Vi-skogen's project, which is certified according to the globally recognised Verified Carbon Standard. Vi-skogen's carbon offsetting project is called Kenya Agricultural Carbon Project. The project provides farmers with knowledge of tree planting and sustainable farming methods which they can then implement on their own farms. Looking forward, we see reduced energy consumption and reduced travel by air and in cars as the most important measures for reducing our emissions.

Energy-efficient offices

Improving the energy efficiency of our offices is an important part of reducing our environmental impact. Energy efficiency improvements are based on further space efficien-

cy measures in the offices as well as Green leases, with the aim of optimising the operation of cooling and heating, for example. This also reduces operating costs at the same time. All electricity consumption at the head office and at those offices where electricity is not included in the lease is labelled Good Environmental Choice, which means that CO₂ emissions from electricity consumption are low. We have increased the number of Green leases for our offices in Kramfors and Helsingborg and our new office in Gothenburg. In Stockholm, we as a tenant hold a discussion with the property manager every month on how together we can optimise energy consumption, depending on how many staff we have on the different floors. Ahead of the next summer holidays, we are currently discussing the possibility of closing certain floors to save on energy and cleaning.

Energy consumption in the organisation (MWh)	2019	2018	2017
Heat consumption	5,377	6,535	7,416
Business electricity	7,129	7,621	7,597
Total energy consumption	12,506	14,156	15,013

Working to reduce travel

The Folksam Group's goal is to have net zero carbon dioxide emissions from our own operations by 2030. As carbon dioxide emissions from business travel account for more than half of our emissions, it is important that we take steps to reduce them. At the same time, travel is a natural part of our business: the Folksam Group has offices all over Sweden and traditional business travel takes place primarily between one of the locations where Folksam has offices and the head office in Stockholm. The Folksam Group also has a number of employees whose work requires them to travel, as it largely takes place away from the office. Their duties involve working closely with customers, for example in trade union business, where the unions' representatives are spread around larger workplaces. Or claims adjusters, whose job is to visit the damaged houses or cars of customers.

In order to reduce the environmental impact of travel while at the same time saving costs, the Folksam Group has been working systematically for many years to reduce the number of physical journeys and steer employees towards digital meetings and digital working methods.

Our travel policy includes clear guidelines on how to conduct business trips. Among other things, any journeys shorter than 600 km should be conducted by train. Virtual meetings should be used both for internal and external meetings, wherever practicable. During the year, we and our travel partner have updated the booking system to improve compliance with the travel policy. Flights for journeys shorter than 600 km can no longer be booked through the digital booking service and if an employee wants to make such a booking, they must contact our partner and also obtain approval from their immediate manager in order to gain exemption from the policy for a specific flight.

Total travel decreased in 2019 and the Folksam Group has been offsetting all its travel via Vi-skogen since 2012.

Resource efficiency at our workplaces

We work with innovative solutions and continuous improvements to improve resource efficiency and reduce the environmental impact at our workplaces. Below are a few examples:

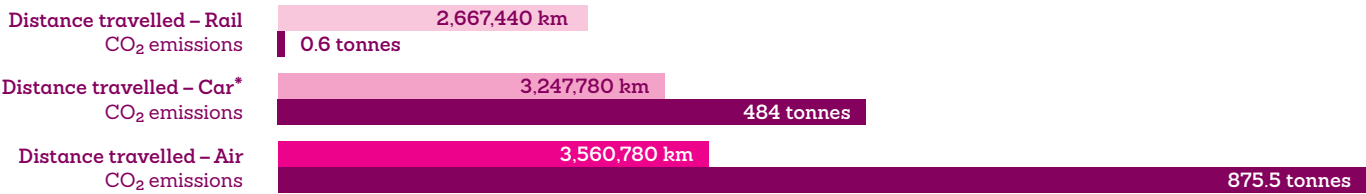
Cleaning with ultrapure water

All cleaning carried out in the Folksam Group is Nordic Ecolabel-certified. In order to reduce the environmental impact, we have switched to cleaning using Tersano water and have therefore replaced the detergents at our head office in Skanstull. This works by connecting the incoming cold water to an ultrapure water system, where the water is deionised and filtered from its natural salts and minerals. Filtration takes place immediately and out comes an ultrapure water that actively seeks out, dissolves and absorbs dirt. When the ultrapure water evaporates, it leaves no residue behind, as ordinary water or traditional detergents would, and the surface is more resistant to dirt and does not need to be cleaned as often. Cleaning without the use of chemicals provides a non-toxic indoor environment, both for the people who carry out this work and for those who spend time on the premises. We are also continuing to roll this out to our other offices.

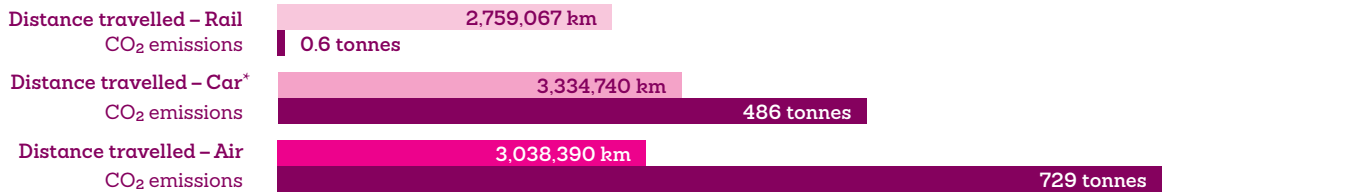
Foam soap instead of liquid soap

We have switched to using foam soap in the toilets at the head office in Skanstull and in a further ten offices around the country. Adding air to the soap liquid creates bubbles, which makes spreading the soap on your hands quick and easy. It provides comprehensive cleaning, which is good for hygiene and requires less soap compared with "ordinary" soap. In addition, an average of 16 per cent less water is needed to rinse off the foam soap.

2017



2018



2019



* Excluding taxis.

Recycling paper towels

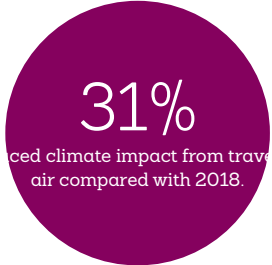
The Folksam Group is the first company in Stockholm to be granted an exemption by the City of Stockholm to recycle paper towels from the toilets at its head office. Preparatory work took place during the autumn and the scheme was launched in January 2020. We estimate that we will be able to recycle just over one tonne of paper towels every month. Recycling used paper towels reduces the amount of waste, contributes to the circular economy and diminishes the need for new resources. According to statistics from our partner, the carbon footprint is reduced by at least 40 per cent compared with previous waste management.*

*Results of a life cycle assessment (LCA) conducted by Essity Tork and verified by IVL, Miljöforskningsinstitutet, Ltd 2017, where the processes avoided have been taken into account.

Plastic-free restaurant

During the year, the café business at the restaurant in Skanstull has worked to become completely plastic-free. We have removed bags with plastic windows and replaced mugs, mug lids, straws and smoothie cups made from plastic with equivalent compostable maize products. The only plastic left in the café business is the plastic wrap, but this is PVC-free, after all.

Since the vegetarian option was positioned at the top of the menu in the KRAV-labelled restaurant, and the climate impact of each dish is displayed on the menu, the proportion of diners choosing the vegetarian option has increased by 35 per cent. It is estimated that we have reduced food waste by 15 kg per day, equivalent to 3.3 tonnes per year, simply by removing the salad plates.





In-depth sustainability information

About the sustainability report

The Folksam Group's sustainability report describes how sustainability work is carried out and developed. The sustainability report forms part of the Folksam Group's Annual and sustainability report, principally pages 28–76, and is reviewed externally by the independent public accounting firm KPMG, see the Auditor's report on page 77. This is the fifteenth sustainability report published by the Folksam Group; the previous report was published in March 2019. The sustainability report covers the entire Folksam Group (Folksam Life and Folksam General, including subsidiaries). See the annual reports for Folksam General and Folksam Life for more information, which also include the statutory sustainability reporting in accordance with the requirements of the Swedish Annual Accounts Act. When the Folksam Group is referred to as Folksam in the report, this refers to the Folksam brand.

The report is aimed at the Folksam Group's stakeholders. The content of the report has been selected on the basis of the importance of the business in relation to the extent of engagement and impact. This year's sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2016 and satisfies the core level. This year's outcome is reported in the text, generally with last year's outcome, the latter in brackets. In those cases where the outcome constitutes a GRI disclosure, two comparison years are presented in order for readers to be able to follow the development of the sustainability work. The contact person for the sustainability report is the Folksam Group's sustainability manager, Karin Stenmar, karin.stenmar@folksam.se.

This year's sustainability report contains GRI disclosure 201-1, as economic value generated is handled and described in the companies' Annual reports and in the operations section of the Annual and sustainability report. No other significant differences have been updated since the previous accounting period.

Accounting principles

The Folksam Group has a common process for the collection of sustainability data. Reporting takes place annually and ensures the quality of data and disclosures included in the Folksam Group's monitoring and reporting of sustainability work. The Folksam Group uses predetermined definitions and documents procedures for collection and control as well as for data. Measurement and calculation methods are set out in detail below for significant aspects.

Calculation methods and in-depth information

Calculation methods Environment and climate

The carbon footprint includes the consumption of water, electricity and heating from the Group's own operations and property holdings, business travel by air, taxi and train, car journeys using the Folksam Group's and its subsidiaries' leased cars, employees' cars used for work, emissions from refrigerants, paper, printed materials and coffee.

The Folksam Group's climate impact from its own operations and property holdings is divided into three "scopes" in accordance with the international standard for the measurement, management and reporting of greenhouse gas emissions, the Greenhouse Gas Protocol.

The Folksam Group's carbon footprint distributed by scope (tonnes CO2)			
	2019	2018	2017
Car journeys made using leased cars or employees' cars used for work	419	486	484
Refrigerants	68	46	55
Total Scope 1	487	532	539
Heating of the Folksam Group's offices	448	482	542
Business electricity for the Folksam Group's offices*	2	1	2
Total Scope 2	450	483	544
Upstream emissions from electricity generation*	101	115	114
Air travel	501	729	875.5
Rail travel	0.5	0.6	0.6
Taxi journeys	18	25	53
Printed materials and paper	64	75	95
Coffee	52	58	24
Water	3	3	2.6
Total scope 3 excl. property and equity portfolio	740	1,006	1,165
Directly owned properties: Property electricity*	251	217	176
Directly owned properties: heating	3,858	3,188	2,839
Directly owned properties: Water	61	53	37
Carbon footprint of the equity portfolio	810,493	944,430	1,143,394
Total Scope 3 including properties and the equity portfolio	815,403	948,894	1,147,611

*Electricity emissions are calculated using a market-based model; with a location-based model, the figures for business electricity and upstream electricity generation for the offices would be 166 and 403 for property electricity in directly owned properties.

Where possible, emissions have been calculated in CO2e, carbon dioxide equivalents. Carbon dioxide equivalents mean that all seven greenhouse gases are included in the emissions calculations, not just carbon dioxide. This ensures that the Folksam Group carbon-offsets the whole of its climate impact and not just carbon dioxide emissions. For the same reason, the principle is to calculate conservatively and make high estimates in instances where data is scarce, for example when calculating the climate impact of employees' cars used for work.

The Folksam Group's sustainability report presents electricity and heat consumption from the properties that the Folksam Group owns and conducts operations in, from properties it only owns, or from premises the Folksam Group rents for its operations.

The following legal entities are included in the consumption figures:
Folksam Life, Folksam General (wholly owned properties), KPA Pension (60 per cent owned by the Folksam Group).

The Folksam Group's former subsidiary, Förenade Liv, is also included.

Electricity consumption is reported according to the market-based calculation method. All purchased electricity is renewable from hydro and wind power. Consumption figures for electricity, water and heating are based on meter readings in the property system in January each year. Emissions for electricity and heating have been calculated in the Greenadvisor property system and have been supplied by Greencon. Emissions from refrigerants have been calculated using the Our Impacts calculation tool.

Heating of properties: The information about carbon dioxide emissions from properties in 2019 is based on actual heat consumption statistics in MWh and CO2 from our property managers, while the heating, electricity and water consumption for local offices and advice bureaux is estimated. The majority of heating is provided through district heating, while some properties use pellets and natural gas. We do not include district cooling as a basis for the climate calculations. This is because all the district cooling purchased is for properties in Stockholm and district cooling is a byproduct of the supplier's district heating production, with emissions consequently deemed to be zero or very low.

Liv2 is 71 per cent owned by the Folksam Group. The carbon dioxide emissions in the 2019 carbon footprint are equivalent to the Folksam Group's share of the total carbon dioxide emissions from heating for Liv2, i.e. 71 per cent. KPA Pension is 60 per cent owned by the Folksam Group. Reported carbon dioxide emissions are equivalent to the Folksam Group's share, i.e. 60 per cent of the carbon dioxide emissions from heating of KPA Pension's properties. The same method as for share of ownership has been used for electricity and water.

Electricity consumption in properties: Carbon dioxide emissions from electricity consumption in the Folksam Group's properties in 2019 are relatively low because the Folksam Group uses electricity labelled Good Environmental Choice from renewable sources – wind, hydro, biomass and solar power. Good Environmental Choice stipulates stringent demands regarding how the electricity is produced, and works to ensure that the impact on the environment from electricity production is constantly reducing. The consumption for 2019 is based on actual consumption figures.

Energy use, directly owned properties (MWh)			
	2019	2018	2017
Heat consumption	50,085	46,034	35,991
Electricity consumption	17,297	14,217	11,545
Total	67,382	60,251	47,537

Energy consumption in the properties we own (scope 3), excluding heating and business electricity in the properties where the Folksam Group leases the premises. Electricity and heating for its offices are included in scope 2 for the Folksam Group.

Water consumption in properties: Carbon dioxide emissions from water in the Folksam Group's offices and properties are based on actual consumption figures.

Refrigerants: The refrigerant that is reported is the topping up that has been carried out in the units, as an approximation for leakage.

Travel

- **Air travel:** Carbon dioxide emissions from air travel are based on statistics from the travel agency BCD Travel. The emissions figures from the travel agency have been multiplied by a factor of two, according to the practice of various operators that perform climate calculations.
- **Rail travel:** The Folksam Group's and its subsidiaries' carbon footprint from rail travel is based on statistics from the travel agency BCD Travel regarding the number of passenger kilometres, and the emissions have been calculated using the Our Impacts tool.
- **Taxi:** The Folksam Group's and its subsidiaries' carbon footprint from taxi journeys is included as of the climate footprint from 2017. The emission calculation is based on data regarding costs in SEK, including VAT, and statistics from the taxi industry.
- **Car travel:** The figures for the Folksam Group's road vehicle emissions are based on statistics on mileage allowance.

The vehicles are divided into two categories:

- **Vehicle A:** Number of kilometres driven using vehicles which, at the time of purchase, met the Folksam Group's safety and environmental requirements. In other words, fuel-efficient petrol and diesel vehicles, ethanol vehicles, gas vehicles and hybrids.
- **Vehicle B:** Number of kilometres driven by other vehicles.

Paper, printed materials and coffee: The statistics come from the Folksam Group's Purchasing department and from Marketing Communications. Statistics about purchased copier paper, envelopes, output data production, printed materials and coffee have been reported by weight for subsequent conversion to CO2 equivalents in the Our Impacts calculation tool.

Calculation methods, Asset management

The footprint of the equity portfolio is reported in line with the agreement within Insurance Sweden and the recommendations for TCFD.

The Folksam Group reports the carbon footprint of the equity portfolio using the following indicators:

Total carbon footprint, tonnes of CO2e

Shows the total carbon footprint of the equity portfolio based on the owned share of the companies' total emissions.

Carbon dioxide intensity, tonnes of CO2e/equity portfolio's market value, SEK million

Shows the total carbon footprint in relation to the market value of the equity portfolio.

Carbon dioxide intensity, tonnes of CO2e/participating interest in the companies' sales, SEK million

Shows the total carbon footprint per SEK million in sales.

Carbon dioxide intensity, weighted average, tonnes of CO2e/SEK million

Shows the portfolio's exposure to carbon dioxide-intensive companies, where the sum of the companies' share in the portfolio (based on market value) is multiplied by the companies' carbon dioxide intensity in relation to sales.

Calculation methods, Employees

Personnel key indicators: Includes all subsidiaries. Staff paid by the hour and on the basis of fees are not presented. The number of employees includes all permanent and probationary employees, as well as all fixed-term employees as at 31 December 2019.

Employee turnover: Calculated on the basis of permanent employees (not fixed-term employees) from 2019 onwards. The lowest of either the number of external new employees or the number of departures during the year, divided by the number of employees. Reported as a percentage.

Percentage who have changed positions internally in the past 12 months (%)			
	2019	2018	2017
On own initiative via advertised position	10	11	8
In connection with restructuring	5	3	4
Employee turnover, external	10	13	14
Employee turnover, external, women	10	12	—
Employee turnover, external, men	10	14	—

Sickness absence: Reported sickness absence in relation to scheduled hours. Sickness is reported to Previa and registered in the HR system. The data is then sent to the Cognos analysis tool, where statistics are compiled into reports. Proportion calculated on same population as Number of employees. Calculated over full calendar year.

Employee survey: The Focus employee survey is carried out once a year and includes the same population as in "Number of employees". Long-term absentees, new employees and people who will soon be leaving are excluded, however. In the case of new arrivals/leavers and the reformulation of questions from year to year, the results are recalculated for the affected index/key ratio, which is why differences across the years may arise.

Boards of Directors: Information about gender distribution in Boards of Directors is based on ordinary Board members (excluding employee representatives) as at 31 December 2019.

Employment and form of work (percentage)			
	2019	2018	2017
Employees on permanent contracts, total	99	98	98
Employees on permanent contracts, women	99	98	98
Employees on permanent contracts, men	99	99	98
Employees on fixed-term contracts, total	1	2	2
Employees on fixed-term contracts, women	1	2	2
Employees on fixed-term contracts, men	1	1	2
Full-time workers, total	93	93	93
Full-time workers, women	90	90	89
Full-time workers, men	97	97	97
Part-time workers, total	7	7	7
Part-time workers, women	10	10	11
Part-time workers, men	3	3	3

Membership and collaborations of greater significance for the sustainability work

Mutuality

- AMICE (Association of Mutual Insurers and Insurance Cooperatives in Europe): Its primary objective is to act as a uniform voice for the mutual and cooperative insurance sector in Europe.
- ICMIF (International Cooperative and Mutual Insurance Federation): International federation that represents mutual and cooperative companies.
- Insurance Europe: This organisation works to promote the European insurance market and its conditions.
- Insurance Sweden: The insurance companies' trade association that works for good operating conditions for the insurance companies.
- Swedish Insurance Society: This organisation will contribute to the sound and appropriate development of insurance in Sweden by developing the members' profession-specific and general knowledge in respect of insurance.

Road safety research

- ETSC (European Transport Safety Council): European lobby group whose purpose is to influence European road traffic legislation.
- GNS (Group for National Collaboration): Forum for the exchange of knowledge and the coordination of operations within the field of road safety with the purpose of realising the Zero Vision.
- ISO/TC 22/SC 12/WG 7 Road vehicles: International standardisation group within road accident analyses where the Folksam Group is chair.
- RCAR: Collaborative international insurance industry group that focuses on road safety and repair methods.
- SAFER: Collaborative Swedish group within the field of road safety, located at Chalmers University of Technology in Gothenburg.

Responsible asset management

- Advisory Board on Sustainable Bonds: Collaboration with the aim of developing the Nordic market for green, social and sustainable bonds.
- Climate finance and sustainable finance: Collaboration and research project funded by the Folksam Group, Nasdaq Nordic Foundation and Nordic Investment Bank. The aim is to conduct a legal analysis of contractual terms for climate and green bonds, with the focus on the Nordic region.
- Global Network Initiative (GNI): International collaboration with the aim of working for human rights, freedom of expression and integrity online and in the field of telecommunications.
- Sustainable Value Creation: Collaborative project between some of Sweden's largest institutional investors and Nasdaq Stockholm, aimed at further highlighting the importance of companies working in a structured way with sustainability issues.

- Institutional Owner Association: The Folksam Group cooperates with other institutional owners on regulation issues on the share market.
- Monetisation and sustainable finance: The Folksam Group is part of the working group that is developing e.g. ISO 14030 Green Bonds.
- SISD Agenda 2030 for Swedish investors: Led by Sida, addressing how investors can contribute to the achievement of the UN's global development goals, Agenda 2030.
- Swesif: Network forum for organisations that work for or with sustainable investments (SRI) in Sweden.
- UN Net-Zero Asset Owner Alliance: Together with some of the world's largest pension and insurance companies, the Folksam Group has committed to its investment portfolios having zero net greenhouse gas emissions by 2050.
- WWF: The Folksam Group's chief strategist for responsible asset management is on the WWF's board of trustees.
- Carbon Disclosure Project (CDP): Global non-profit organisation that helps investors, companies and cities to assess their environmental impact.

General

- The Haga Initiative: Corporate network that works to strengthen the role of business in climate policy by showing the connection between ambitious climate strategies and greater profitability.
- Social Venture Network: Cross-sector network for accelerating the transition towards sustainability.
- United Nations Association of Sweden: The cooperation is based on strengthening human rights in Sweden and internationally.

Agreements and frameworks that the Folksam Group has endorsed

- UN Agenda 2030 and the global sustainable development goals (SDG).
- The UN Global Compact.
- The UN Principles for Responsible Investment (PRI).
- Global Reporting Initiative (GRI).
- Green Bond Principles (GBP).
- The Swedish Society for Nature Conservation's Good Environmental Choice certification for home, holiday home and car insurance.
- Task Force on Climate-related Financial Disclosures, TCFD.
- The Montreal Carbon Pledge.



GRI Index

This year’s sustainability report has been prepared to meet the requirements of the GRI Standards, including the industry supplement for financial players (Financial Services, FS). This GRI Index indicates where in the Folksam Group’s sustainability report information can be found.

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Strategy			
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102-40	List of stakeholder groups		30
102-41	Collective bargaining agreements		63
102-42	Identifying and selecting stakeholders		30
102-43	Approach to stakeholder engagement		31
102-44	Key topics and concerns raised		31
Reporting practice			
102-45	Entities included in the consolidated financial statements		69
102-46	Defining report content and topic Boundaries		69
102-47	List of material topics		31–35
102-48	Restatements of information		69
102-49	Changes in reporting		69
102-50	Reporting period		28
102-51	Date of most recent report		69
102-52	Reporting cycle		69
102-53	Contact point for questions regarding the report		69
102-54	Claims of reporting in accordance with the GRI Standards		69
102-55	GRI content index		74–76
102-56	External assurance		77

Disclosure	Description	Comment	Page
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		33–35
103-2	Disclosures about sustainability governance		37
103-3	Evaluation of the management approach	For references to information about the management approach regarding Economic standards, Anti-corruption, Environmental standards and Social standards, please refer to the respective heading below.	37
GRI 200: Economic standards 2016			
103-1:3	Management approach to economic standards		33–35, 37–40, 52–61
201-2	Financial implications and other risks and opportunities due to climate change		39–40
203-1	Infrastructure investments and services supported		54, 59
203-2	Significant indirect economic impacts		60–61
Anti-corruption			
103-1:3	Management approach to anti-corruption		37–38
205-1	Operations assessed for risks related to corruption	No special review has been carried out within the business other than supplier evaluations. 100% of our holding is reviewed with regard to corruption.	37–38
205-2	Information and training on anti-corruption policies and processes	Not reported per employment category.	37–38
205-3	Confirmed cases of corruption and handling/measures taken		37–38
GRI 300: Environmental standards, 2016			
103-1:3	Management approach to environmental standards		33–35, 37–40, 53–54
302-1	Energy use within the organisation	The division into renewables and fossil fuels is only made for electricity.	66, 69–70
302-2	Energy consumption outside of the organisation		69–70
305-1	Direct greenhouse gas emissions (Scope 1)	No reporting of biogenic share.	69–70
305-2	Energy indirect (Scope 2) greenhouse gas emissions		69–70
305-3	Other indirect (Scope 3) greenhouse gas emissions		69–71
308-1	New suppliers that were screened using environmental criteria		38–39

Disclosure	Description	Comment	Page
GRI 400: Social standards, 2016			
103-1:3	Management approach to social standards		33–35, 37–38, 63–64, 71
401-1	New staff and staff turnover	No reporting distributed by age	63, 71
403-2	Extent of injuries and sickness absence	The Folksam Group only reports sickness absence.	64
404-3	Percentage of employees receiving regular performance and career development reviews	The Folksam Group only reports distribution by gender.	63
405-1	Diversity in the Board, management and among employees	No reporting distributed by age.	64, 71
405-2	Ratio of basic salary and remuneration of women to men		64
406-1	Incidents of discrimination and corrective actions taken		64
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		38–39, 53–54
414-1	New suppliers that were screened using social criteria		38–39
Sustainability governance, financial sector			
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit	Does not report the number of eco-labelled insurance policies in relation to the total number of policies	46
G4-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues		57–58
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening		52–54
G4-FS14	Initiatives to improve access to financial services for disadvantaged people		34–35, 46–48
PRI			
PRI 1	Incorporate ESG issues into investment analysis and decision-making processes.		40, 52–53
PRI 2	Be an active owner and incorporate ESG issues into our ownership policies and practices.		52–58
PRI 3	Seek appropriate disclosure on ESG issues by the entities in which we invest.		54–55, 60–61
PRI 4	Promote acceptance and implementation of the Principles within the investment industry.		57–58
PRI 5	Work together to enhance our effectiveness in implementing the Principles.		57–58, 72
PRI 6	Report on our activities and progress towards implementing the Principles.		52–61

Auditor’s report on the review of the Folksam Sustainability Report

For Folksam Life and Folksam General

Introduction
We have been engaged by the Board of Directors and Executive Management of Folksam ömsesidig livförsäkring and Folksam ömsesidig sakförsäkring (“Folksam”) to conduct a review of the contents of the Folksam Sustainability Report 2019. Folksam has defined the scope of the Sustainability Report on page 69 of the Folksam Annual and Sustainability Report.

Responsibilities of the Board of Directors and the company management
The Board of Directors and the company management are responsible for preparing the Sustainability Report in accordance with the applicable criteria, as shown on page 69 of the Sustainability Report, made up of those parts of the sustainability reporting framework published by the Global Reporting Initiative (GRI) that apply to the Sustainability Report, as well as the company’s own accounting and calculation principles. This responsibility also includes the internal control that is deemed necessary to prepare a sustainability report that does not contain material misstatement, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to express a conclusion on the Sustainability Report based on our review. Our mission is limited to the historical information that is reported and consequently does not encompass forward-looking data.

We have conducted our general review in accordance with *ISAE 3000 Assurance engagements other than audits or reviews of historical financial information*. A review consists of making enquiries, primarily among persons responsible for preparing the Sustainability Report, and of performing analytical and other review procedures. A general review is substantially smaller in scope and has a different focus compared with the scope and focus of an audit conducted according to IAASB standards on auditing and good accounting practice in general. The public accounting firm applies ISQC 1 (International Standard on Quality Control) and consequently has a comprehensive quality control system that includes documented guidelines and procedures regarding compliance with ethical require-

ments, standards for professional activities and applicable legal and regulatory requirements. We are independent of Folksam in line with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibilities according to these requirements.

The procedures performed in a general review do not enable us to obtain an assurance that we are made aware of all significant matters that might be identified in an audit. The stated conclusion based on a general review therefore does not have the certainty that an expressed opinion based on an audit has.

Our review of the Sustainability Report is based on the criteria defined above that have been selected by the Board of Directors and the company management. We consider these criteria suitable for the preparation of the Sustainability Report.

We consider the evidence we have obtained during our review to be sufficient and appropriate in order to provide grounds for the opinion we provide below.

Opinions
Based on our general review, nothing has come to our attention that causes us to believe that the Sustainability Report has not, in all material respects, been prepared in accordance with the above criteria set forth by the Board of Directors and the Company management.

Stockholm, 26 March 2020

KPMG AB
Anders Bäckström
Authorised Public Accountant
Swedish Institute for Authorised Chartered Accountants

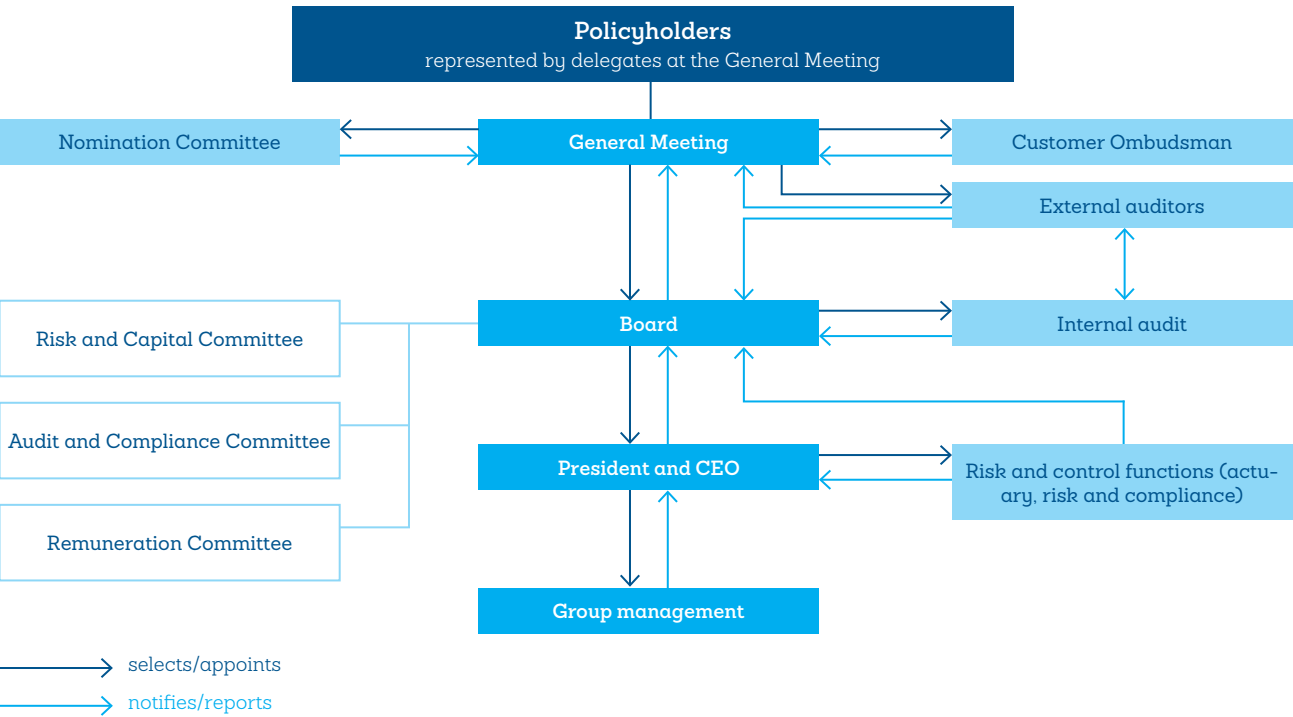
Torbjörn Westman
Specialist member,

Our customers are in control

It is our customers who ultimately have control over Folksam General and Folksam Life. On the following pages you will find information about who represents the customers on the various company boards.

The customers' influence in the form of voting rights, the right of expression and proposal is exercised through specially elected delegates. Delegates are elected at the General Meetings and are either directly elected policyholders or appointed by large customer groups/organisations.

The allocation of mandates is based on the number of policyholders, premium volume and strategic importance of each customer group and is regulated in the Articles of Association. At Folksam General, the customers are represented by 80 delegates and at Folksam Life by 75 delegates.



Our boards and companies

On the boards of Folksam General and Folksam Life, the board members represent the policyholders' interests. This means that the members represent the various customer groups: The cooperative sphere, the trade union sphere, the sports movement, retirees, entrepreneurs and employers. Since 2013, there have also been board representatives who do not come from these groups.

The nomination committees propose board members to the AGMs. They should aim to ensure that the boards have a suitable composition with regard to skills, age and gender. For further information about how the boards are appointed and how they work, please see our formal annual reports at [folksam.se](https://www.folksam.se)



Folksam General

The Folksam General Group is customer-owned and conducts non-life insurance business focused chiefly on the Swedish private market. The Group offers a full range of insurance products based on household and car insurance policies, as well as commercial insurance products within specially selected areas. Folksam General is the third-largest non-life insurance company in Sweden and is the sec-

ond-largest company in the household insurance market. Folksam General is the parent company of a group that, in addition to the parent company, comprises insurance operations in the wholly owned subsidiary Tre Kronor Försäkring AB (Tre Kronor), and 51 per cent of Saco Folksam Försäkrings AB. (Saco Folksam Försäkring). Ylva Wessén is the CEO.

Folksam General (parent company)	2019	2018	2017
Premiums earned, SEK million	12,855	12,379	11,671
Underwriting result, SEK million	237	81	108
Profit/loss before appropriations and income tax, SEK million	1,298	1,349	913
Total expenses, %	96.1	97.9	97.9
of which claims expenses, %	81.8	79.4	82.7
of which operating expenses, %	14.3	18.5	15.2
Total return, %	3.0	4.1	3.4
Solvency capital, at period-end, SEK million	22,821	21,565	18,996
Funding ratio, at period-end, %	178	177	168
Solvency factor (SCR), at period-end	2.2	2.4	2.2

Board of Directors



Karl-Petter Thorwaldsson

Chair of the Board
Elected 2013. Born 1964.

Current assignments

President of LO. Member of the Social Democratic Party's board and working committee. Deputy President of the International Trade Union Confederation. Member of the board of the European Trade Union Confederation and of the board of the Council of Nordic Trade Unions.

Selected previous assignments

Ombudsman at IF Metall. Chief Information Officer of the Social Democrats. Expert adviser to the Prime Minister's Office. Sole investigator for parental insurance. Chair of the Metropolitan Committee parliamentary inquiry. Member of the government's gender equality organisation for the labour market.

Education

Upper secondary qualification.



Malin Ackholt

Board Member
Elected 2017. Born 1972.

Current assignments

President of the Hotel and Restaurant Workers' Union. Board Member of LO. President of the EFFAT European Trade Union Federation. Vice President of the International Union IUL. Member (lay judge) of the Labour Court. Chair of the Hotel and Restaurant Workers' unemployment insurance fund and of the R&D Fund of the Swedish Tourism & Hospitality Industry, BFUF.

Selected previous assignments

Agreement secretary of the Hotel and Restaurant Workers' Union and Chair of HRF-Folksam's insurance committee.

Education

Executive leadership courses at IFL, Rutgers University and the Stockholm School of Economics.



Ulf Andersson

Board Member
Elected 2009. Born 1965.

Current assignments

CFO of IF Metall. Elected auditor of LO and of IndustriALL Global. Chair of the Audit and Compliance Committee of Folksam General and of Folksam's Remuneration Committee.

Selected previous assignments

CFO of Wedins Norden. Tax accountant and tax administrator at the Swedish Tax Agency. Elected auditor of AFA Försäkring. Board Member of Folksam LO Fondförsäkringsaktiebolag.

Education

Degree in Economics from the Umeå School of Business, Economics and Statistics.



Björn Eriksson

Board Member
Elected 2016. Born 1945.

Current assignments

Chair of the Swedish Sports Confederation. Chair of the Board of Directors of the Swedish School of Sport and Health Sciences, Årets Nybyggare (immigrant entrepreneurship) and the Newspaper Publishers' social welfare fund. Member of the Risk and Capital Committee of Folksam General.

Selected previous assignments

Governor of Östergötland County. National Police Commissioner. General Customs Director. Deputy Governor of the Riksbank. President of Interpol and the World Customs Organization. One-man investigation assignment (SOU) relating to escapes from prisons, immigrant entrepreneurship, unaccompanied refugee children and hooliganism in sport.

Education

Degree in Economics from the Stockholm School of Economics. Honorary Doctorate from Linköping University.



Åsa Fahlén

Board Member
Elected 2018. Born 1967.

Current assignments

President of the Swedish National Union of Teachers. Board Member of Saco, the Swedish Public Employees' Negotiation Council (OFR) and the Nordic Teachers' Council (NLS). Chair of management company Luna and of skoltema.

Selected previous assignments

Board member of Svenska Lärarförbund and the Swedish National Union of Teachers and several positions of trust for the Swedish National Union of Teachers, Gothenburg.

Education

Master of Education for the Upper Secondary School, Lund University. Specialism in Social Sciences, Lund University.



Anders Lago

Board Member
Elected 2013. Born 1956.

Current assignments

Chair of HSB. Board Member of We Effect and of Berättarministeriet and the International Cooperative Alliance. Vice Chair of FUB.

Selected previous assignments

Chair of the Municipal Board of Södertälje municipality. Chair of the Board of the Telge Group and Svenskt Vatten. Board member of SALAR and of the Municipality Association of Stockholm County. Investigator at the Swedish Ministry of Employment.

Education

Political science, economics and statistics at Stockholm University.



Helena Liljedahl

Vice Chair
Elected 2017. Born 1969.

Current assignments

CEO of RF Fastigheter. Chair of Coeli Fastighet II, Bostadsutveckling Kungens Kurva and Norra Backaplan Fastighets AB. Member of the boards of Bro Markutveckling and Valbo Volymhandel.

Selected previous assignments

Board Member and member of the audit committee, Technopolis Oyj. CEO of RF Fastigheter Centrumhandel. Head of Commercial Development, Ingka Centres Russia. Asset Manager, AssetManagement, Alecta. Deputy CEO, Centrumutveckling.

Education

Degree in Economics from Örebro University.



Leif Linde

Board Member
Elected 2010. Born 1955.

Current assignments

Chair of the boards of the KFO Employers' Association and Fonus. Member of Svensk kooperativ. Chair of the Risk and Capital Committee of Folksam General.

Selected previous assignments

CEO of Riksbyggen. President of KF. CEO of Konsumentföreningen Svea. Director-General of the Swedish Agency for Youth. Expert adviser to the Ministry of Enterprise and Innovation. Party Secretary of the Social Democrats. President of ABF and SSU.

Education

Upper secondary qualification.



Patrik Nygren

Board Member
Elected 2017. Born 1973.

Current assignments

CEO of Unionen Medlemsförsäkring. Member of the Audit and Compliance Committee of Folksam General.

Selected previous assignments

Controller of Unionen Medlemsförsäkring and Purchasing Manager at Unionen. Administrative Manager of the Swedish Union of Commercial Salaried Employees, HTF.

Education

Upper secondary qualification.



Heidi Stensmyren

Board Member
Elected 2017. Born 1973.

Current assignments
President of the Swedish Medical Association. Chair of the board, Läkartidningen. Member of the boards of OFR, Forska!Sverige. Member of the Nomination Committee for SBU's board.

Selected previous assignments
Chair of the Stockholm Medical Association, the Donation Council, the SPUR Foundation and SYLF. Board Member of Blomsterfonden. Member of VINNOVA's programme council. Vice President of the Swedish Medical Association. Specialist in anaesthesia and intensive care.

Education
Medical training, University of Würzburg, Germany.



Pia Carlsson Thörnqvist

Board Member
Elected 2017. Born 1964.

Current assignments
Head of Brand and Membership, KF. Chair of the Board, Vi skogen. Member of the boards of Medmera Bank and the Swedish Hockey League (SHL). Member of the Risk and Capital Committee and of the Audit and Compliance Committee of Folksam General.

Selected previous assignments
Chair of the Board of Tre Kronor försäkring and of Folksam Skadeförsäkring. Member of the boards of KPA Livförsäkring, KPA, Folksam LO fondförsäkring, Förenade Liv Gruppörsäkring, Riksbbyggen and Kombispiel. Head of Marketing and Communications at Folksam and subsidiaries.

Education
Upper secondary qualification.

Employee representatives on the Board of Directors



Ann-Louise Andersson

Employee representative since 2005.
Born 1971.

Appointed by
Association for graduate professionals at Folksam.

Employed at Folksam since
2001.



Anneli Ersson

Employee representative since 2016.
Born 1967.

Appointed by
Forena Folksam.

Employed at Folksam since
1984.



Mikael Karlsson

Employee representative since 2013.
Born 1961.

Appointed by
Swedish Commercial Employees' Union.

Employed at Folksam since
2003.

Folksam Life

The Folksam Life Group is customer-owned and conducts life insurance business. The Group offers occupational pensions and long-term savings directly to private individuals, or through partnerships, as well as group life insurance and other types of risk insurance. Folksam Life is the parent company of both wholly owned subsidiaries

such as Folksam Fondförsäkringsaktiebolag (publ) (Folksam Fondförsäkring), and part-owned subsidiaries such as the companies within the KPA Pension brand, which is 60 per cent owned, and Folksam LO Fondförsäkringsaktiebolag (publ) under the Folksam LO Pension brand, which is 51 per cent owned. Ylva Wessén is the CEO.

Folksam Life (parent company)	2019	2018	2017
Premium income, SEK million	12,040	11,584	10,324
Underwriting result, SEK million	11,777	2,018	5,706
Management expense, %	0.5	0.6	0.6
Total return, %	10.4	1.5	4.2
Assets under management, at period-end, SEK million	200,134	183,259	179,413
Solvency ratio, at period-end, %	169	163	165
Solvency factor, mixed companies	3.7	3.8	3.7
Collective funding ratio, occupational pension, at period-end, %	119	110	120
Collective funding, other life insurance activities, at period-end, %	119	114	118

Board of Directors



Lars Ericson

Chair of the Board since 2017.
Elected 2015. Born 1963.

Current assignments
CEO of KF Stockholm. Member of the boards of Coop Sverige and Coop Butiker och Storknåder. Member of the Nomination Committee of Atrium Ljungberg and chair of the Nomination Committee of RNB. Member of the Risk and Capital Committee of Folksam Life and of the Folksam Remuneration Committee.

Selected previous assignments
Chair of the Board of MedMera Bank. Member of Folksam's Nomination Committee. Member of the boards of Ambulanssjukvården i Stockholm and Folktandvården i Stockholms län. Business area and marketing manager at Swedbank and Municipal Commissioner for Tyresö Municipality.

Education
Upper secondary qualification.



Göran Arrius

Board Member
Elected 2013. Born 1959.

Current assignments
President of Saco. Chair of the Board of Akademikernas a-kassa unemployment fund (AEA). Chair of the Board of Folk och Försvar. Member of the Risk and Capital Committee of Folksam Life.

Selected previous assignments
Chair of the Board of Jusek. President of the Saco association at SEB. Employee representative on the board of SEB. Board Member of Första AP-fonden.

Education
Degree from the Swedish Armed Forces Staff College. Officer's degree from the Royal Swedish Naval Academy.



Tobias Baudin

Board Member
Elected 2017. Born 1974.

Current assignments
President of the Swedish Municipal Workers' Union. Board Member of LO. Vice Chair of Kommunals A-kassa unemployment fund. Member of the international trade unions for municipal workers or civil servants NOFS, EPSU and PSI.

Selected previous assignments
First Vice President of LO. First Vice President of Kommunal. Member of SAMAK and of the Council of Nordic Trade Unions (NFS). Member of the Executive Committee of EF-FAT. Member of KPA Livförsäkring.

Education
Upper secondary qualification.



Britt Hansson

Board Member
Elected 2015. Born 1966.

Current assignments

President and CEO of OK. Member of the boards of KF, OKQ8, OKQ8 Bank, Bra Bil Sverige, KFO and of Apotek Produktion och Laboratorier. Chair of the Audit and Compliance Committee of Folksam Life.

Selected previous assignments

Scandinavian Director for HR, Integration, IT and Purchasing at OKQ8. CFO at OKQ8. CEO of OKQ8 Bank. Nordic CFO of Svenska McDonald's. Member of the boards of Arithma Shared Service, Petrolia, Flaskgascentralen Malmö and Företagsekonomiska föreningen.

Education

Degree in Economics from Örebro University. Leadership course, Ashridge Business School. Authentic Leadership Development, Harvard Business School.



Cecilia Hermansson

Board Member
Elected 2015. Born 1962.

Current assignments

Researcher at KTH. Teacher of Finance at KTH. Consultant and lecturer in economics and business administration. Senior Economist, Swedbank. Member of the boards of Creades, The Royal Swedish Academy of Engineering Sciences IVA, Medlingsinstitutet HUI Research and member of The Swedish Retail and Wholesale Economic Council. Chair of the Risk and Capital Committee of Folksam Life.

Selected previous assignments

Chief Economist at Swedbank. Acting Assistant Under-Secretary at the Ministry of Finance. Macroeconomist at Sida and the Swedish Embassy in Nairobi. Member of the Swedish Fiscal Policy Council. Chair of the Swedish Industry Economic Council.

Education

PhD in Banking and Finance from KTH. Degree in Economics from the School of Economics.



Lars-Inge Larsson

Board Member
Elected 2015. Born 1946.

Current assignments

Treasurer of the Swedish Municipal Pensioners' Association. Chair of the Insurance Committee, SKPF/Folksam. Lottery director for the Guldanten national lottery. Board Member of the Nordic Committee for Cooperation. Member of the Audit and Compliance Committee of Folksam Life.

Selected previous assignments

Background in business administration and analysis as well as financial control at Företagsekonomiska Institutet. Business economist at the Swedish Municipal Workers' Union and at Kommunals A-kassa unemployment fund. Administrative Director of the Swedish Factory Workers' Union. Internal auditor at SEKO. External auditor at the Swedish Food Workers' Union.

Education

Upper secondary qualification.



Elisabeth Brandt Ygeman

Board Member
Elected 2016. Born 1970.

Current assignments

Second Vice President of the Swedish Commercial Employees' Union. Member of the boards of Bantorget förvaltning, Sveriges a-kassor and Handelsanställdas a-kassa.

Selected previous assignments

Secretary of the Swedish Commercial Employees' Union. Election manager and ombudsman at LO. Board Member and head of the LO district Stockholm County. Member of Stockholm Municipal Council. Chair of the Board of Folkets Hus. Deputy Board Member of Globe Arena Fastigheter.

Education

Upper secondary qualification.



Mikael Åbom

Board Member
Elected 2017. Born 1964.

Current assignments

President and CEO of Fonus. Member of the Audit and Compliance Committee of Folksam Life.

Selected previous assignments

Business Manager for the Swedish Golf Federation. CEO of Martin Olsson Restauranghandel, Hall-Miba, Vivo and D&D Närhandel. Marketing Manager at Dagab. Board Member of Electrolux Home.

Education

Company Accounting, Administration & Management, Stockholm University.



Johanna Jaara Åstrand

Vice Chair
Elected 2018. Born 1974.

Current assignments

President of the Swedish Teachers' Union. Constitution and By-Laws Committee and Board Member of Education International (EI). Chair of the Investment Committee of the Swedish Teachers' Union. Board Member of the Public Employees' Negotiation Council (OFR) and member of the OFR Conflict Committee. AGM Member, PTK.

Selected previous assignments

Member of the Board of the Swedish Teachers' Union, the Skills and Development Committee of the Swedish Teachers' Union and of Svenska Lärarförsäkringar. Chair of the Board of the Nordic Teachers' Council (NLS).

Education

Teacher training at Umeå University.

Employee representatives on the Board of Directors



Britta Lejon

Board Member
Elected 2019. Born 1964.

Current assignments

President of the ST trade union. Vice Chair of TCO. Chair of NEA. Vice Chair of the Swedish Job Security Foundation.

Selected previous assignments

Member of the Swedish parliament. Member of the Labour Market Committee. Vice Chair of the Justice Committee. Minister for Democracy and Administration. Minister for Youth and Minister for Consumers. Board Member of Folksam LO Fondförsäkringsaktiebolag.

Education

Liberal Arts, Stockholm University. Studies in Political Science, Business Administration and Economics at Lund University.



Johan Lindholm

Board Member
Elected 2017. Born 1964.

Current assignments

President of the Swedish Building Workers' Union. Member of the boards of LO and Riksborgen. President of the Nordic Federation of Building and Wood Workers (NBTF) and First Vice President of the European equivalent, EBTF. Member of the Board of Directors of the international organisation BWI/BTI.

Selected previous assignments

Chair of Riksborgen Bospar. Vice Chair of Byggnads A-kassa unemployment fund. Member of the boards of Byggnads solidaritetsfond, the Polstjärnan property company and of A-kassornas samorganisation.

Education

Upper secondary qualification.



Eva Nordström

Board Member
Elected 2017. Born 1969.

Current assignments

CEO of Stockholms Kooperativa Bostadsförening (SKB). Member of Folksam's Remuneration Committee.

Selected previous assignments

Head of Economic Policy at the Co-operative Employers' Association, KFO. CEO of HSB Riksförbund. Board member of estate agent Husman-Hagberg. HSB Stockholm, HSB North and the HSB Foundation's guarantee fund. Chair of the Sektor3 think tank.

Education

Degree in Compulsory school teacher training Ma/NO, Luleå University of Technology.



Anders Johansson

Employee representative since 2007.
Born 1960.

Appointed by

Forena Folksam.

Employed at Folksam since

1989.



Susanna Järnek

Employee representative since 2012.
Born 1968.

Appointed by

Association for graduate professionals at Folksam.

Employed at Folksam since

1999.



Mikael Täll

Employee representative since 2014.
Born 1956.

Appointed by

Swedish Commercial Employees' Union.

Employed at Folksam since

2010.

KPA Pension

KPA Pension is a brand in the Folksam Group and the joint name for KPA AB, KPA Pensionsförsäkring, KPA Livförsäkring and KPA Pensionservice. KPA Pension operates in the local government sector and manages occupational pensions for employees in municipalities and regions, as well as municipal and cooperative companies. KPA Pensionservice offers

employer service for the handling of municipal pension commitments, administration of the employees' individual pension choices, qualified consulting services, occupational group life insurance and professional pension advice. Folksam owns 60 per cent of KPA AB and the Swedish Association of Local Authorities and Regions (SALAR) owns 40 per cent. Britta Burreau is the CEO.

KPA Pensionsförsäkring	2019	2018	2017
Premium income, SEK million	17,315	16,475	13,378
Solvency ratio, %	171	165	168
Managed assets, SEK million	202,829	172,553	163,060
Total return, %	11.2	0.5	4.6
Rate of return, %	11.3	0.5	4.8

Board of Directors



Ylva Wessén

Chair of the Board
Elected 2019. Born 1970.

Current assignments

President and CEO of Folksam Life and Folksam General. Chair of the Board of Folksam's Research Foundation. Board member of We Effect. Member of the Board of Insurance Sweden and of the Nomination Committee. Board Member and member of the Executive Committee, ICMIF.

Selected previous assignments

Director of Group Staff, Folksam. Head of Governance, Risk and Compliance, Folksam. Company lawyer and insurance lawyer, Folksam. Lawyer, Lindhs DLA Nordic KB. Legal associate, Häggglund & Ramm-Ericsson KB.

Education

Jur. kand., Stockholm University.



Anders Henriksson

Board Member
Elected 2019. Born 1961.

Current assignments

Second Vice Chair of SALAR, SALAR's Board of Directors and working committee. Chair of KPA Livförsäkring.

Selected previous assignments

Chair of the Regional Executive Board of Kalmar County, County Councillor, Member of Första AP-fonden, KPA Pensionsförsäkring, SKR Företag, SMER and Amerikavägen 1 Kalmar. Chair of the Board of INERA. Ombudsman of central LO.

Education

Upper-secondary school and four-year applied mathematics course, Leadership courses.



Staffan Isling

Board Member
Elected 2019. Born 1955.

Current assignments

CEO of SALAR.

Selected previous assignments

Regional Director of Region Uppsala County. MunicipalDirector in Örebro. Municipal head in Tyresö, Haparanda and Gällivare.

Education

Social worker.



Anders Knape

Board Member
Elected 2007. Born 1955.

Current assignments

Chair of SALAR and Chair of SKR Företag. President of the Congress of Local and Regional Authorities of the Council of Europe, Councillor of Karlstad Municipality and Chair of Visit Karlstad. Vice President of the European Committee of the Regions and of the Council of European Municipalities and Regions, CEMR. Chair of the Board of KPA Pensionsförsäkring and Chair of the Risk And Capital Committee of KPA Pensionsförsäkring.

Selected previous assignments

Second Vice Chair of SALAR and Vice Chair of SKR företag. Sales Manager, RB Trading. Municipal Commissioner.

Education

Economist.



Anna-Karin Laurell

Board Member
Elected 2018. Born 1963.

Current assignments

Head of Business Area Life, Folksam, and member of Folksam's Group Management. Chair of the Board of Folksam LO Fondförsäkringsaktiebolag and of Folksam Fondförsäkringsaktiebolag. Chair of KPA Pensionsförsäkring AB.

Selected previous assignments

Head of Business Area Private, Folksam. CEO of Bukowskis and of SalusAnsvar. Operations Manager, Claims, Folksam. Sales Manager, SalusAnsvar. Customer Service Director, Tre.

Education

Humanities course, Lund University.



Harriet Pontán

Board Member
Elected 2019. Born 1953.

Current assignments

No current assignments other than Board Member of KPA AB.

Selected previous assignments

Head of People and Environment, Folksam. Human Resources Director, Sveriges Television. Human Resources Director, Semper Foods. Board Member of KPA Pensionservice, KPA Pensionstjänst, Tre Kronor, Folksam LO Fondförsäkring and Campus Bommersvik.

Education

Stockholm School of Social Work. Leadership-course at Ruter Dam and MIL. Board training EFL, Lund.



Lena Dahl

Co-opted Board Member
Elected 2011. Born 1966.

Current assignments

CEO of SKR Företag. Chair of the Board of SKR Fastigheter och Service, SKR Kapitalförvaltning and SKR Pensionsstiftelse. Board Member of SKR Kommentus, INERA and Dagens Samhälle.

Selected previous assignments

Deputy CEO of SKR Företag. Acting CEO of Pacta and Pactarb. Acting CEO of SALAR and SKR Företag. Controllor, SALAR. Administrative manager, Tyresö Gymnasium school.

Education

Degree in Economics, Uppsala University.



Eva Fagerberg

Co-opted Board Member
Elected 2011. Born 1963.

Current assignments

Administrative Director/1st ombudsman at the Public Employees' Negotiation Council (OFR). CEO of OFR Fastighets AB. Substitute at Käpan Pensioner and at the Transition Fund. Member of the KLdelegation at AFA Försäkring. Vice Chair of KKP.

Selected previous assignments

Prison Service Inspector, HR administrator, Chief Negotiator, Akademikerförbundet SSR.

Education

Social worker.



Lenita Granlund

Co-opted Board Member
Elected 2010. Born 1962.

Current assignments

Agreement secretary. Vice Chair of the Transition Fund KOM-KL and of the Sunt arbetsliv association. Board member of AFA försäkring and of Prevent.

Selected previous assignments

Nursing assistant. Ombudsman.

Education

Nursing school.

Employee representatives on the Board of Directors



Susanna Järnek

Employee representative since 2014.
Born 1968.
Appointed by
Association for graduate professionals at Folksam.
Employed at Folksam since
1999.



Karin Lindblom

Employee representative since 2017.
Born 1968.
Appointed by
Forena Folksam.
Employed at KPA Pension since
2008.



Ann-Charlotte Tollqvist

Employee representative since 2013.
Born 1960.
Appointed by
Forena Folksam.
Employed at KPA Pension since
2001.

Folksam LO Pension

Folksam LO Pension focuses on offering unit-linked insurance for collectively agreed occupational pensions. Operations are conducted under the Folksam LO Pension brand in

the company Folksam LO Fondförsäkring AB, which is 51 per cent owned by Folksam Life and 49 per cent owned by LO and its associations. Mia Liblik is the CEO.

Folksam LO Fondförsäkringsaktiebolag	2019	2018	2017
Premium payments, SEK million	7,925	7,405	6,911
Profit for the period, SEK million	312	238	276
Solvency factor	6.5	6.6	5.4
Unit-linked insurance assets, at period-end, SEK million	118,624	88,609	87,525

Board of Directors



Anna-Karin Laurell

Chair of the Board
Elected 2018. Born 1963.
Current assignments
Head of Business Area Life, Folksam, and member of Folksam's Group Management. Chair of the Board of Folksam Fondförsäkringsaktiebolag. Chair of KPA Pensionsförsäkring and of KPA AB.
Selected previous assignments
Head of Business Area Private, Folksam. CEO of Bukowskis and of SalusAnsvar. Operations Manager, Claims, Folksam. Sales Manager, SalusAnsvar. Customer Service Director, Tre.
Education
Humanities course, Lund University.



Carina Aho Laitinen

Board Member
Elected 2018. Born 1965.
Current assignments
Head of Division Claims, Home and Motor, Folksam. Board Member of Tre Kronor Försäkring AB.
Selected previous assignments
Business Manager for Private Business within Folksam Life. Head of Business Support, Folksam. Business Manager for Animal Insurance and Pleasure Craft Insurance, Folksam. Deputy CEO of Svenska Konsumentförsäkringar AB.
Education
Upper secondary qualification.



Sannah Bäcklin

Board Member
Elected 2019. Born 1981.
Current assignments
Central ombudsman with policy responsibility, LO office Stockholm.
Selected previous assignments
Board Member of Swedish Commercial Employees' Union, dept. 26. Congress representative, Swedish Commercial Employees' Union. Organisation manager, Swedish Commercial Employees' Union, Stockholm and Uppsala. Project coordinator.
Education
Business Administration, University of Gävle.



Linn Edström Larsson

Board Member
Elected 2019. Born 1976.

Current assignments
Finance Director, Folksam.

Selected previous assignments
Transformation Program Manager, Tele2.
Strategic projects, Carnegie Investment Bank.
Nordic integration and business manager,
Royal Bank of Scotland.

Education
Fil. Mag. (political science, economics and
statistics) from Stockholm University. Fil.
Rand. (English, Swedish, social anthropology
and political science), Stockholm University.



Eva Fredriksson

Board Member
Elected 2012. Born 1958.

Current assignments
Collectively agreed occupational pensions
manager, Folksam. Board Member of KPA
Pensionsservice.

Selected previous assignments
Member of the boards of Folksam Fond-
försäkring and Folksam Spar. KAM partner
business trade unions, Folksam.

Education
Upper secondary qualification.



Karin George af Klercker

Board Member
Elected 2016. Born 1962.

Current assignments
Head of Division Strategy and Governance,
Business Area Life, Folksam. Member of the
boards of KPA Pensionsförsäkring and KPA
Pensionsservice.

Selected previous assignments
Business Manager Private and Corporate
Pension, Folksam. Head of Division Product
Life, Folksam. Deputy CEO and Head of Ad-
ministration, KPA Pension. CFO, KPA Pension.
Controller, SEB Trygg Liv.

Education
Economics course, Lund University.



Sven Olander

Board Member
Elected 2014. Born 1960.

Current assignments
Head of Membership and Fees Unit, IF
Metall. Vice Chair of IF Metall Finans and of
its investment committee.

Selected previous assignments
Ombudsman IF Metall central Söderman-
land and in central Norrland. Deputy Member
of the Board, Atlas Copco Secoroc.

Education
Upper secondary qualification.



Anders Olson

Board Member
Elected 2012. Born 1964.

Current assignments
Senior Advisor within Business Area Life,
Folksam. Vice Chair of Saco Folksam
försäkringsaktiebolag.

Selected previous assignments
Head of Division Trade Union Business, Folk-
sam. Head of Department partner business
trade unions, Folksam. Sales manager for
group insurance, Folksam.

Education
Upper secondary qualification.



Inger Hjärtström

Board Member
Elected 2010. Born 1957.

Current assignments
Ombudsman at Kommunals union office in
Stockholm, with responsibility for central
negotiations within pension, social, occu-
pational sickness and member insurance.
Vice Chair of the Church of Sweden Pension
Fund. Member of the boards of Solahaga-
gruppen's pension trust and Näckrosbuss
pension trust.

Selected previous assignments
Local ombudsman, Kommunal Östergötland.
Nursing assistant in orthopaedic operations.

Education
Nursing assistant, Birgittaskolan Linköping.



Christoffer Jönsson

Board Member
Elected 2018. Born 1979.

Current assignments
President and CEO of Bantorget Förvaltning
and Bantorget Finans.

Selected previous assignments
Deputy CEO, Mercer Sweden AB. Company
lawyer, Green Cargo. Lawyer, MAQS Ad-
vokatbyrå.

Education
Master of Science in General Management,
Stockholm School of Economics. Jur. kand.,
Stockholm University.



Jörgen Nyberg

Board Member
Elected 2017. Born 1975.

Current assignments
Central ombudsman, Swedish Food Workers'
Union. Member of the Livs-Folksam insurance
committee. Vice Chair, Stiftelsen Anna Jo-
hanssons minne.

Selected previous assignments
Local ombudsman Central region, Swedish
Food Workers' Union. Member and Vice Chair,
RBF Gävlehus. Machine operator, Arla Foods
and Gefleortens Mejeriförening.

Education
International Economics, Södertörn Univer-
sity.

The Folksam Group's

group management



Ylva Wessén
President and CEO

Born 1970.

Other current assignments

Chair of the Board of KPA AB and of Folksam's Research Foundation. Board member of We Effect. Member of the Board of Insurance Sweden and of the Nomination Committee. Board Member and member of the Executive Committee, ICMIF.

Previous assignments

Deputy CEO and Director of Group Staff. Head of Governance, Risk and Compliance, Folksam. Company lawyer and insurance lawyer, both at Folksam. Lawyer, Lindhs DLA Nordic. Legal associate, Hägglund & Ramm-Ericsson.

Education

Jur. kand., Stockholm University.



Michael Kjeller
Head of Asset Management and Sustainability

Deputy CEO as of February 2020

Born 1964.

Other current assignments

Board Member of the UN-Convended Net Zero Asset Owner Alliance.

Previous assignments

Various positions within Folksam since 1988. CEO KPA at KPA Kapitalförvaltning AB 2000–2001.

Education

Fil. kand. in Mathematical Statistics/Mathematics, Uppsala University.



Britta Bureau
CEO of KPA Pension

Left the Group management in January 2020

Born 1964.

Other current assignments

CEO of KPA AB and of KPA Pensionservice. Chair of KPA Pensionservice. Member of the Council of Trustees of SNS, the Centre for Business and Policy Studies. Chair of the Swedish Scouting Association and Board Member of Akademiska Hus.

Previous assignments

CEO of Nordea Liv & Pension and various positions at Accenture Financial Services. Board Member of Insurance Sweden.

Education

Master of Science in Engineering, Chalmers University of Technology and an Executive MBA – Finance, Stockholm School of Economics.



Johan Rudén
Head of IT and CIO

Born 1965.

Other current assignments

Member of SOS International A/S.

Previous assignments

Global Head of Post Trade, COO Nordic Operation, CEO Nordic Clearing, Regional General Manager Baltics, Customer Representative and part of the CEO's staff, all at Nasdaq.

CEO coordinator and various project management roles at Ericsson. Medical technician, Södersjukhuset hospital.

Education

Master of Science in Mechanical Engineering/Industrial Economics, KTH Royal Institute of Technology.



Elisabeth Sasse
Head of Business Area General

Born 1966.

Other current assignments

Vice Chair of Saco Folksam's Board of Directors, Chair of the Board of Tre Kronor Försäkring and Board Member of Riksbysggen.

Previous assignments

Head of various business areas at Folksam. Administrative Director and Chief Negotiator at the Public Employees' Negotiation Council (OFR).

Education

Degree in Economics, University of Gothenburg.



Jens Wikström
Chief Marketing and Sales Officer

Born 1973.

Previous assignments

Strategic Partner Personal Banking, Head of Region North and Head of Corporate Service – all at Nordea. CEO of Skellefteå Industrihus. Various political assignments within Skellefteå Municipality and also within Sparbanksstiftelsen Norrland and Swedbank Bothnia.

Education

Degree in Computer Science, Luleå University of Technology.



Pernilla Glad
Head of People and Environment

Born 1967.

Other current assignments

Board Member of the Coop Pension Foundation.

Previous assignments

HR Director, Region Stockholm. HR Director, Swedish Government Offices. Senior Vice President HR, Nasdaq, and managerial positions in HR at Tredje AP-Fonden, Hemsö Fastighet and Vattenfall.

Education

Fil. kand. HR and Labour Market Studies, Stockholm University and HR Executive Program at Stockholm School of Economics.



Jesper Andersson
CFO and Director of Economics and Finance

Linn Edström Larsson Acting CFO March 2020 – December 2020

Born 1977.

Other current assignments

Member of the boards of Landstingens ömsesidiga försäkringsbolag, Fonus and Familjens Jurist.

Previous assignments

Head of Business Area Private, Chief Group Actuary and Actuary General, all at Folksam. CEO of Tre Kronor Försäkring.

Education

Degree in mathematical statistics, Stockholm University.



Anna-Karin Laurell
Head of Business Area Life

Born 1963.

Other current assignments

Chair of the Board of Folksam LO Fond-försäkringsaktiebolag and of Folksam Fond-försäkringsaktiebolag. Board Member of KPA AB.

Previous assignments

Head of Business Area Private, Folksam. CEO of Bukowskis and of SalusAnsvar. Operations Manager, Claims, Folksam. Sales Manager, SalusAnsvar. Customer Service Director, Tre.

Education

Humanities course, Lund University.



AnnKristine Wuopio-Mogestedt
CCO and Head of Claims

Born 1961.

Other current assignments

Board assignments at the Association of Swedish Motor Insurers, Larmtjänst, GSR, CAB and the Swedish Theft Prevention Association.

Previous assignments

Various management positions within Claims at Folksam since 1988. CEO of Svenska Konsumentförsäkringar 2005–2006.

Education

Subject teacher degree, Linköping University.



Björn Nordin
Director of Group Staff

Born 1959.

Previous assignments

Head of Corporate Law, Company Law, company lawyer and insurance lawyer, all at Folksam. Lawyer, Advokatfirman Fylgia. Legal clerk and junior judge at Svea Court of Appeal.

Education

Jur. kand., Uppsala University.

The reports for 2019

For the 2019 financial year, the Folksam Group has published an Annual and Sustainability Report, which includes a Sustainability Report according to GRI, as well as formal annual reports for each company. Folksam has published sustainability reports every year since 2002. More in-depth information can also be found at [folksam.se](https://www.folksam.se)

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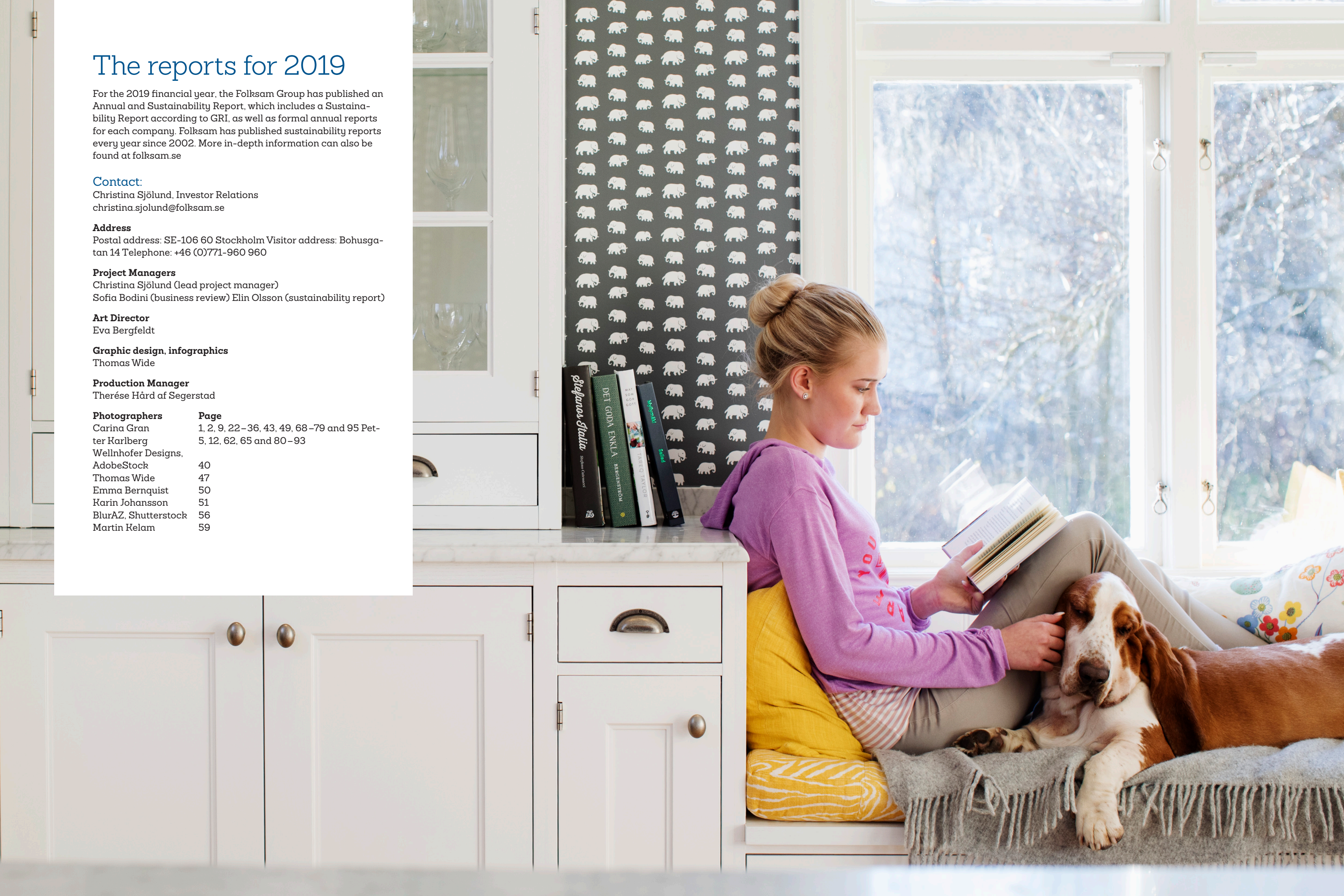
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Our customers should feel
secure in a sustainable
world