

Sustainability Report 2019

Sustainability

The digital development enables new ways of working, greater transparency, more personalised products and services, and huge opportunities to build a more sustainable society. Our responsibility as an insurance company with focus on both pensions and insurance cover for life and health, is to contribute to a more sustainable development, both from a collective and individual perspective. The starting point for Movestic's sustainability efforts are five of the sustainable development goals from the UN.

The pension industry is committed to fighting climate change by providing sustainable investment options. By investing in operations and industries that work towards a more sustainable future, we promote a development towards more sustainable solutions to the big, existential questions, like our future energy sources and food supply. To help our policyholders find the investment product with the level and approach to sustainability that is right for them, we assess and rate all funds included in Movestic's offering on an ongoing basis. We are also working to broaden our fund offering by including funds that in novel ways contribute to a more sustainable society. At the end of 2019, 7 out of 10 funds in Movestic's offering had been approved according to our traffic light model. Most of the non-approved funds are index funds.

Movestic's sustainability efforts now also focus on the individual person in a sustainable society, and on our customers' financial security, now and in the future. In an increasingly individualistic society, we as an insurance company have a responsibility for making sure that the insurance cover, we provide becomes more and more tailored to the needs of the individual. We also have a responsibility to commu-

nicate in a simple and transparent way, to enable our customers to absorb the information and make well-informed decisions, to make advisory services generally available, and to make sure that more people get access to independent advice, free from conflicts of interest. It is also our responsibility to continuously monitor areas where conflicts of interest may arise.

Focus on the individual also involves focusing on our employees and on how we can create the conditions required for a long and sustainable working life, with focus on health, wellbeing and a work-life balance. We do this by offering health promotion, rehabilitation where needed, ongoing involvement in the development of the organisation,



equality targets, and a focus on diversity. We also work to ensure that our employees have the ability to adapt to new working practices, by providing further training in emerging areas, such as new technology, thereby contributing to the long-term development of both the individual, and of the company, industry, and society as a whole.

Movestic's sustainability work covers three areas:

1. Responsible investments with focus on the long-term sustainability of our society
2. Financial security for our customers, now and in the future
3. A long-term sustainable working life for our employees and for society as a whole



Responsible investments

Investments with focus on long-term sustainability for the individual and for society



Sustainable working life

A working life that is sustainable in the longer term for both employees and society as a whole



Financially secure customers

Genuine concern for our customers to provide financial security today and in the future

SUSTAINABILITY RISKS

Movestic operates in an industry based on confidence, where security and value-generation for our customers, both today and in the future, are vitally important. Everything we do has an impact on the trust of our customers and other stakeholders, which is why our efforts to apply a high level of integrity in both the implementation of regulatory frameworks and governance are given high priority. Our work to encourage responsible investment, a sustainable working life and financially secure customers is governed by clear policies and guidelines, and we continuously work to adapt to new conditions in the world around us.

Despite our high ambitions, there is a risk that we are unable to meet our customers' expectations, or our own high demands, in relation to the climate impact of our investment products, for example due to a lack of information, and this must always be taken into account. Other important risk areas include compliance and corruption. This is why we work ceaselessly to ensure compliance with all legal requirements, and to prevent all instances of corruption. We also work proactively to identify any conflicts of interest. Compliance also involves a sustainability risk, which relates to the way in which we manage personal data.

Secure and correct management of personal data will be a key issue for any operation handling large amounts of data, and vital if we are to retain the trust of our customers. To safeguard the personal integrity of our customers by managing the data they have entrusted us with in a responsible way is a natural part of Movestic's administrative work, and something that will always be a priority.

SUSTAINABLE INVESTMENTS

The sustainability area is constantly changing. The requirements placed on us as a company, and the requirements we in turn place on the fund companies included in our offering, are constantly increasing.

Movestic's way of looking at sustainable investments is that a focus on sustainability issues, including the environment, ethics, human rights and good business ethics, bring long-term added value to investors. Sustainability is an integrated part of Movestic's investment analysis and permeates our development of new products and services.

Sustainability matters are a standing item on the agenda when Movestic meets fund managers. We continuously monitor and try to influence the funds included in our offering. We are actively encouraging the fund companies to use their power to influence the companies in which they have invested, to:

- ▶ Ensure that the board of directors, management team, and the company as a whole are characterised by diversity,
- ▶ Be active at AGMs and use the vote their ownership entitles them to,
- ▶ Hold a proactive sustainability dialogue with the companies in which they invest,
- ▶ Follow international norms relating to environmental protection, human rights, working conditions, and anti-corruption,
- ▶ Sign the UN's Principles for Responsible Investments, UN PRI.

UN PRI

In 2016, Movestic adopted the UN's Principles for Responsible Investments, UN PRI. Our work is based on its six principles. One of Movestic's basic requirements is that all fund companies must sign up to UN PRI. 100% of the funds available on Movestic's fund platform have now signed up to UN PRI and thereby made the commitment to follow the six principles for responsible investments and agreed to be assessed on an annual basis.

MOVESTIC'S SUSTAINABILITY RATINGS

In December 2019, Movestic published its third annual overview of the sustainability work carried out by the fund companies with funds available on the Movestic fund platform. This overview is provided to make it easier for investors to make well-informed decisions when it comes to sustainability, and to combine saving for the future with a positive impact on the environment and our society.

Memberships/collaborations among the funds in Movestic's offering



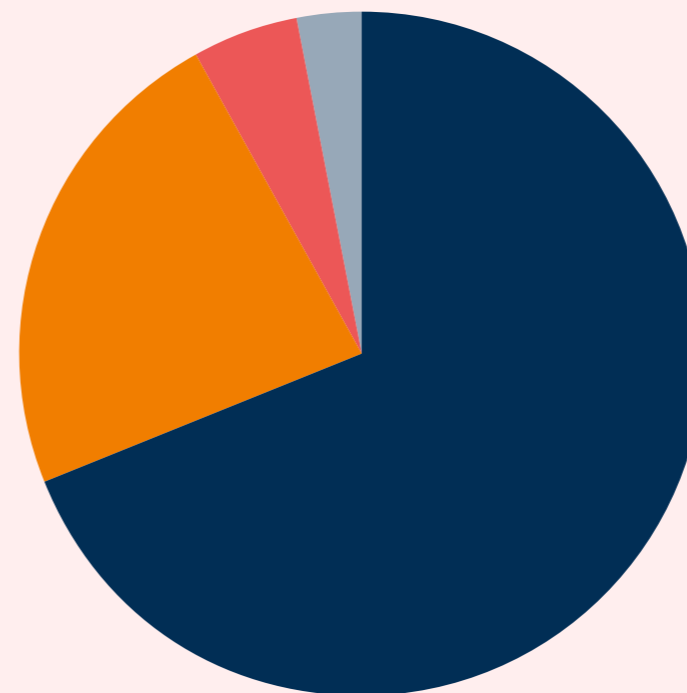
Movestic included its first fund with a clear ethical labelling in its range of funds in 2007 (Öhman Etisk Index USA), and the following year we added information about sustainability certification in our list of funds. Since 2015, we publish a separate sustainability overview, where we assess and rate funds and fund companies on their efforts in relation to responsible investments. Over time, our fund offering has been adapted to enable customers to create diversified savings portfolios, including equity funds, fixed income funds, and hedge funds. Each category includes both actively and passively managed funds, with focus on different regions and sectors. During the year, more funds with a sustainability approach were added.

AN INCREASINGLY SUSTAINABLE FUND OFFERING

In the three years Movestic has published the sustainability overview, the quality of the sustainability efforts by the funds included has continued to improve. This is partly due to an increased focus on sustainability in our process for selecting new funds, but also to significant improvements in the sustainability work carried out by the fund companies included on our platform.

All fund companies represented on Movestic's fund platform have a sustainability policy in place, which in most cases is also implemented in the funds themselves, sometimes with specific applications at fund level. The view of sustainability has changed from simply being regarded as a risk, to also being seen as an opportunity to increase revenue. The traditional borders between including, excluding, and influencing companies are gradually disappearing. The managers now take more overall responsibility and use a variety of different approaches.

Sustainability ratings, funds in Movestic's offering



69% Green
23% Amber
5% Red
3% No rating

Many managers work actively with both reactive and proactive influencing, and larger fund companies in particular have become better at reporting and measuring the outcomes of the dialogues they hold with the companies in which they invest. This is a positive development, as it both puts pressure on the companies to act and improves transparency for the customers.

When it comes to improvement potential, we have sometimes found that there is no real connection between clear policies and practice within the fund companies; this is still the case. As an example, the fund companies rarely make the most of their voting rights. The proportion of cases when fund companies utilise their right to vote is still very low compared to what their policies indicate.

EXCLUSION THE MOST COMMON STRATEGY

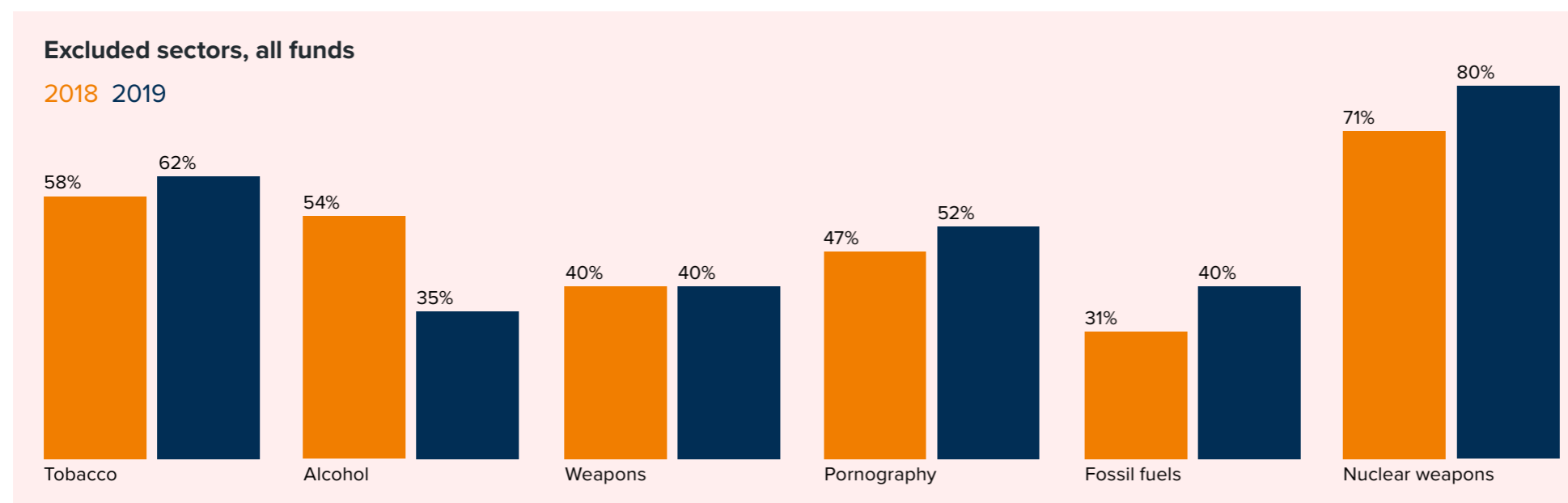
The most common approach to ensure sustainable investments is to exclude companies that operate in undesired sectors when investments are made. An increasing number of funds choose to exclude entire sectors from their investment activities. The proportion of fund managers that choose to exclude certain sectors is generally increasing. The main increase relates to funds that exclude fossil fuels and nuclear weapons.

FOCUS ON CLIMATE

In 2019, Movestic decided to assess the funds in its offering based on four of the UN's sustainable development goals. In the last year, climate change has been given more media attention and several of the funds included in Movestic's offering have chosen to get involved with this issue. The percentage of funds choosing to work to combat climate change increased from 47 to 57 per cent between 2018 and 2019.

NORM-BASED SCREENING

During 2019, Movestic increased the frequency of norm-based screening and now reviews all funds in its regular offering on a monthly basis, to identify holdings that contravene international norms and/or are involved in controversial weapons, including nuclear weapons. To achieve this, we collaborate with ISS ESG, which is a well-established entity in this area, with a high presence and coverage of the markets on which the funds we have selected invest. The results of the screening will be announced during the first quarter, and thereafter be available to our customers on Movestic's website. The results of the screening will also be discussed with the respective fund managers during follow-up meetings.



OPEN LETTER TO GLOBAL INDEX PROVIDERS

Movestic and 141 other institutional investors (UN PRI signatories), who together manage 6.8 trillion USD of assets, have signed an open letter. The letter calls on the global index providers to exclude controversial weapons from their global indices, to align their products with what has become standard practice among institutional and individual investors.

The letter was coordinated by Swiss Sustainable Finance and sent to leading index providers FTSE Russell, Morningstar, MSCI, S&P Dow Jones Indices, STOXX, and Index Industry Association in the first week of February 2019. The letter was published, together with the names of the institutional institutions that had signed it, in the Financial Times, Neue Zürcher Zeitung, and Le Temps on Monday 11 February 2019.

Movestic has a representative in Insurance Sweden’s reference group for sustainability. The group will prepare a suggestion for how the insurance industry can remain an important societal stakeholder in the sustainability field.

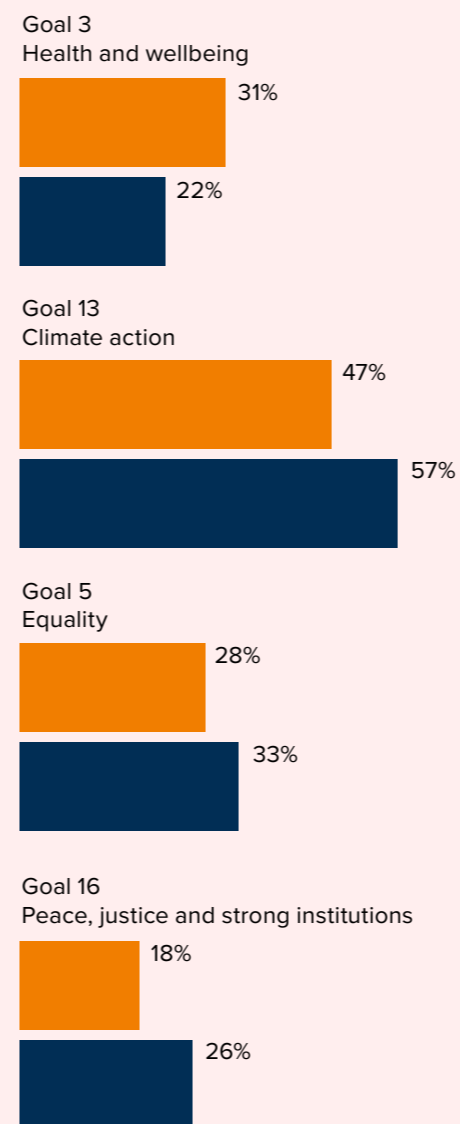
MOVESTIC IMPROVES ITS RATING FROM UN PRI FOR THE SECOND YEAR IN A ROW

In the summer of 2019, the UN initiative Principles for Responsible Investments (UN PRI) published their review of how well the signatories to the initiative meet the principles for responsible investments. Movestic signed the PRI in 2016 and has been assessed annually since then.

In this year’s assessment, Movestic improved its ratings in two areas, equity and fixed income funds of high credit standard. We also received a rating above, or on par with, the median rating for our peer group in all areas. Areas where Movestic increased its ratings included how the principles are applied when fund managers are selected, and in relation to assessment and monitoring.

Percentage of funds working with each goal

2018 2019



Sustainability in numbers

54%


► Proportion female employees



► Proportion women on board of directors: 33 %



► Proportion women in management team: 56 %



► Proportion female managers: 60 %

42


► Average age of employees

30

► eNPS Employee Net Promoter Score

82 %

► Proportion of employees who are satisfied with the way the company is led




► 100 % Climate compensation for work-related travel

100 %

► Environmentally certified paper
► Organic fruit and coffee



► Movestics Carbon footprint of the operation in 2019: 69 tonnes



► 183 802 kWh Energy consumption*



► Sick leave: 1,45 %



► Proportion of employees utilising the fitness vouchers: 75 %