



2020

Annual and sustainability report

from the Folksam Group

This report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish report and the English translation, the former shall take precedence.

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 of all people in Sweden are insured by the Folksam Group and more than three million people save for their pension with us. This makes the Folksam Group a leading player when it comes to insurance and pension savings in Sweden.

Folksam Life and Folksam General, the two largest companies in the Folksam Group, are owned by their 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, for example with trade unions and the sports movement. Through our close collaborations and our link-ups with major groups, we are able to provide 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.

Coronavirus has caused a pandemic that affects the entire global economy. Our vision is for our customers to feel secure in a sustainable world. To this end, we invested a total of SEK 2.3 billion in bonds designed to mitigate the negative impact of the pandemic and we also maintained our role as one of Sweden's largest investors in green bonds.

Read more about our sustainability work on page 28 and about our work during the coronavirus pandemic on page 22.

We are financially strong

Our financial strength gives us resilience during the worrying times that the coronavirus pandemic has caused for society, as well as a good foundation for developing 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 time contributing to a more sustainable society.

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“Folksam has strengthened its position in many different ways during a year of great uncertainty on the financial market.”

More satisfied customers and a stronger position during a challenging year

Folksam has strengthened its position in many different ways during a year of great uncertainty on the financial market. We have achieved greater customer satisfaction and stronger finances, as well as increased premium income within non-life insurance, and we have the strongest brand in the industry. Perhaps most importantly of all, we have also taken several important steps to remain a leader in sustainability.

The total premium volume was SEK 54 billion. Non-life business developed strongly within all sectors, while Life business was affected by the prevailing coronavirus pandemic, with premiums slightly lower than last year. Asset management performed well and the total assets under management grew to SEK 483 billion. The total return ratio at Folksam Life was 4.7 per cent, at Folksam General was 2.2 per cent and at KPA Pensionsförsäkring was 4.8 per cent.

Folksam has followed the development of the pandemic closely and over the course of the year has adapted its business operations to comply with the restrictions in force. I am proud of the way our entire organisation has changed and adapted, always with the customer's best interests in mind.

In line with our vision that our customers should feel secure in a sustainable world, we have made investments that contribute to sustainable development. We have joined the Skill Shift Initiative "Beredskapslyftet" to enable those of our employees with healthcare training to support the severely strained healthcare service and we have also provided additional support to sports clubs that have lost revenue during the pandemic.

We are continuing to work on improving efficiency throughout the organisation, with more interdepartmental cooperation and shorter development cycles. It is important that we continue to reduce our operating costs, as this provides us with room for growth and for a technology shift, where digital customer contact is key. We have intensified our digitisation work during the course of the year and our customers can now meet with Folksam digitally to an even greater extent.

Increased implementation rate in 2021

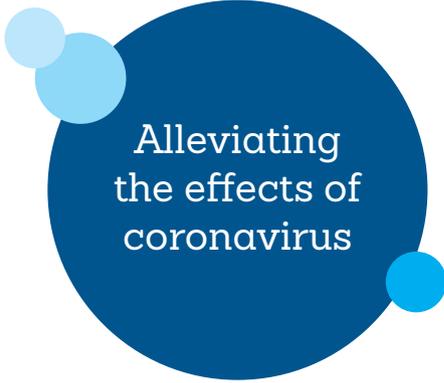
Folksam's business concept is to be our customers' insurance company, offering insurance policies, pensions and long-term savings for the many. Our business concept is more relevant and important to our customers than ever. But there is still more for us to do. The world around us is changing and so are the expectations of our customers. To handle the challenges that Folksam is facing, we need both growth and an increased implementation rate and this will be a key focus area during 2021. One of the adjustments we want to make is to develop the customer experience. We will meet the customer digitally at first, with meetings in person secondary. We will also continue to develop group insurance and so increase the potential of our strong partnerships. This is an area where there are many good ideas within the Folksam organisation that we need to unleash.

We will lead the way towards developing a more sustainable world that will provide a secure future for our customers.



Ylva Wessén
President and CEO

The year in brief



Alleviating the effects of coronavirus

The Folksam Group invests a total of SEK 2.3 billion in bonds to mitigate the social and economic impact of coronavirus.

The government's first green bond

Folksam invests SEK 474 million in the government's first green bond, which will contribute to Sweden's environmental and climate targets through climate investments and railway maintenance and by protecting our valuable nature.



PRO chooses Folksam

The Swedish National Pensioners' Organisation (PRO) signed a new agreement with Folksam. This agreement means that all the insurance offered to PRO's 320,000 members is provided by Folksam.

Folksam part of the Restart Commission

The aim of the Stockholm Chamber of Commerce's Restart Commission is to draw up reforms that will restart and strengthen Sweden's long-term competitiveness following the coronavirus crisis. Folksam is contributing its expertise on several subjects, including digitisation, taxes, and green transition.

SEK 10 billion in real estate credit fund

The Folksam Group invests SEK 10 billion in the real estate credit fund Brunswick Real Estate Capital III (BREC III). This is Folksam's largest-ever single investment.



Top-ranked for sustainability

For the ninth 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 was ranked as Sweden's most sustainable brand in the insurance category.

Folksam consolidates operations into fewer locations

Customers increasingly want to use digital services to manage their insurance cases. In response, Folksam has implemented several strategic office changes over a number of years and is consolidating its operations in larger offices at locations that provide excellent opportunities for the recruitment and development of employees.



The Folksam Group reports its carbon footprint

Reporting is on a quarterly basis and covers both direct and indirect carbon dioxide emissions. The Folksam Group is the first in the industry to report sustainability data in this way.

Green bond

The Folksam Group invests SEK 2.5 billion in a green bond issued by Kommunicinvest. This brings the total invested in green bonds by the Folksam Group to around SEK 30 billion.



Increased bonus rate

As of 1 July 2020, Folksam Life increases the bonus interest rate for occupational pension and other life insurance, from 2 per cent to 3 per cent. The bonus interest rate is further increased on 1 October and on 1 January 2021. These increases bring the bonus interest rate back to pre-coronavirus level by the beginning of 2021.

Best in the industry on gender equality

The Folksam Group is the best in the finance and insurance industry in terms of providing gender-equal working conditions, according to Nyckeltalsinstitutet's Gender Equality Index (Jämix).

Microfinance fund

Folksam invests SEK 350 million in the SEB Impact Opportunity Fund. This is a microfinance fund that helps to increase economic prosperity in developing countries.

Rated excellent as responsible investors

Folksam and KPA Pension are rated excellent in the annual evaluations carried out by Max Mathiessen and Söderberg & Partners of how well Sweden's pension companies are working with responsible investments.

Extended agreement with the Swedish Ski Association and the national cross-country team

As a result of this agreement, all members of an association that is affiliated to the Swedish Ski Association are insured by Folksam.

Folksam LO Pension is the top performer

A comparison of 13 unit-linked insurance companies shows that Folksam LO Pension provides the highest return, with a total return of 24.3 per cent. Folksam LO Pension tops the list of the companies compared when looking at returns over 5, 10 and 15 years.

Michael Kjeller is new Deputy CEO of Folksam

The boards of Folksam Life and Folksam General decide to appoint Michael Kjeller as the new Deputy CEO and Vice President of Folksam.



The industry's best claim settlement

In the 2020 customer satisfaction survey carried out by the Swedish Quality Index (SKI), Folksam's claim settlement comes out on top in the industry.

Housing in Skåne

KPA Pension acquires five real estate projects comprising around 600 apartments that are being built by Skanska. The deal is worth a total SEK 1,490 million.

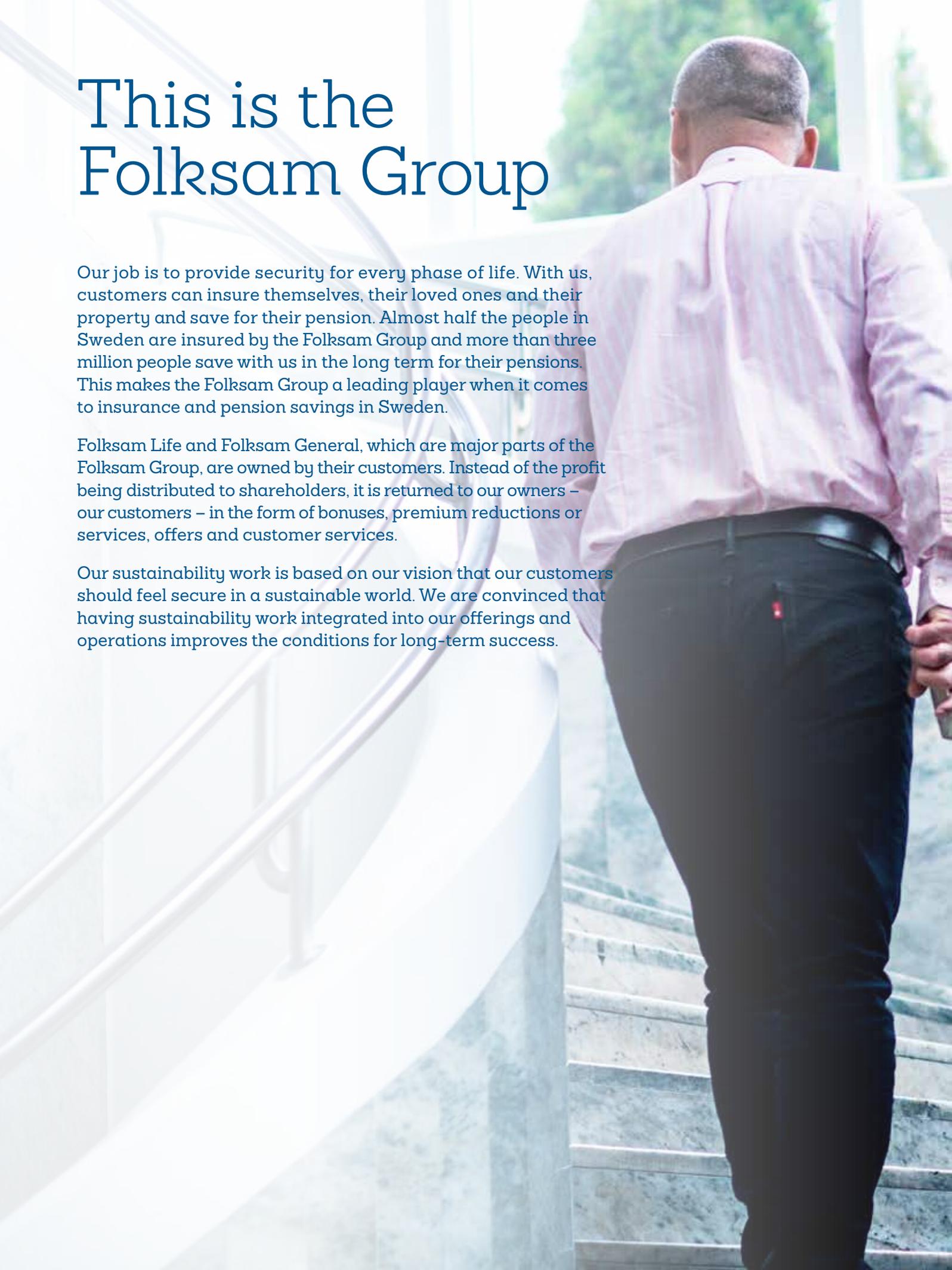
SEK 1 billion in Region Stockholm

The Folksam Group invests SEK 1 billion in a new bond issued by Region Stockholm. This investment contributes to better healthcare and public transport in the region.

Strong demand for legal insurance

So far, 17 trade unions have arranged Folksam's legal insurance for their members. This insurance policy gives all members access to everyday legal expertise, whatever their financial means.

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 Life and Folksam General, which are major parts of the Folksam Group, are owned by their 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.

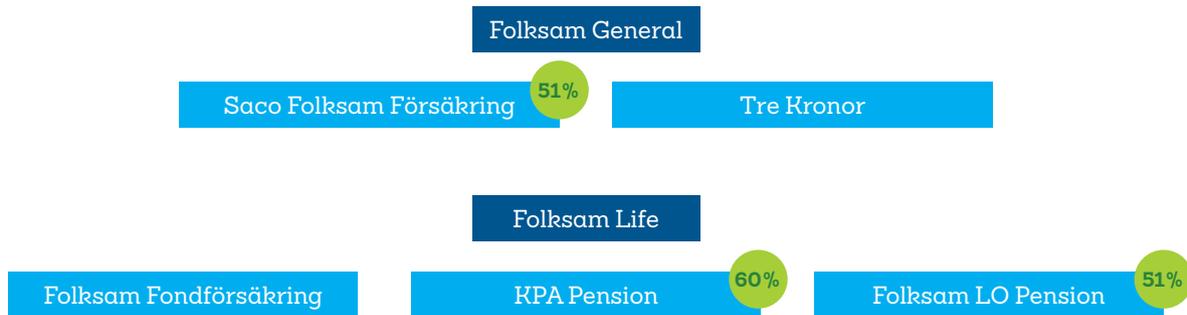
Our sustainability work is based on our vision that our customers should feel secure in a sustainable world. We are convinced that having sustainability work integrated into our offerings and operations improves the conditions for long-term success.



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). The insurance portfolio at Saco Folksam Försäkring was transferred to Folksam General on 4 January 2021 and Folksam General owns all the shares in the company as of 12 January 2021.

* 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.

Strategic brands

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

Folksam

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

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

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 overriding objective

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

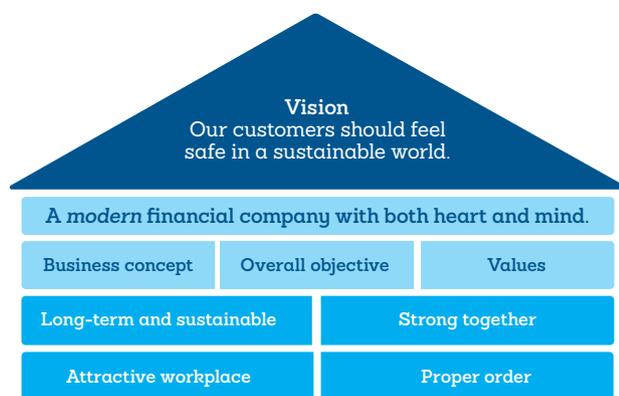
Our values

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.

Strategy



The diagram illustrates Folksam's strategy. The strategy is our common target for where we want to be and how we will get there.

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 20.

Goal structure

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

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 74 per cent of our customers are satisfied with us. This surpasses the target set for 2020.

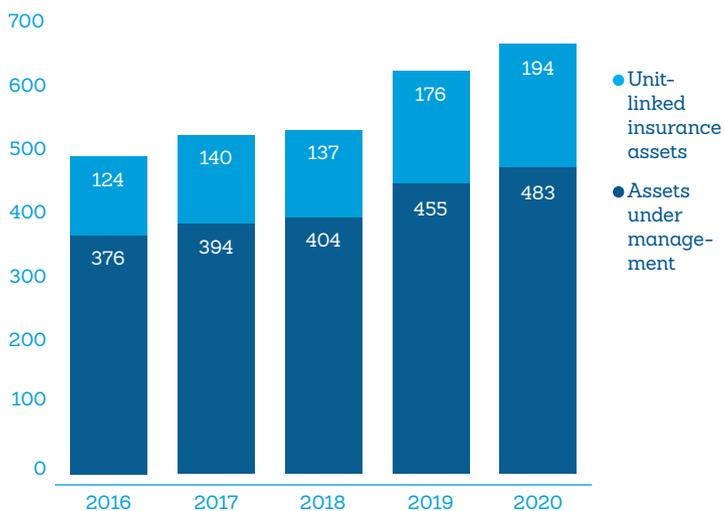
The goal of "Digitisation" is measured using a balanced index of different digitised customer contacts. This year's result is 68 per cent, which is 4 per cent above the target level.

Achievement of goals 2020	Result 2020	Goal 2020
Folksam Customer Index (FCI), %	74	73
Digitisation Index (DI), %	68	64

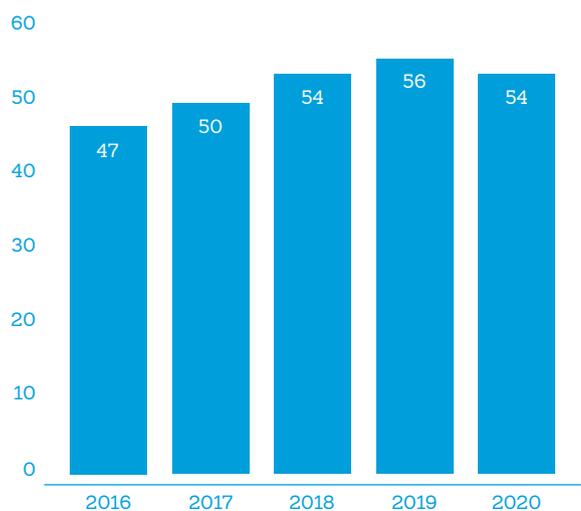
Financial development 2020

The Folksam Group has strengthened its position in many different ways during a year of great uncertainty on the financial market. The premium volume was SEK 54 billion during 2020. Within non-life insurance, premiums increased 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	2020	2019	2018	2017	2016
Folksam Customer Index (FCI), % ¹⁾	74	75	75	78	79
Premiums, SEK million ²⁾	54,351	55,543	53,812	49,778	47,023
Assets under management, SEK million ^{3) 4)}	483,228	454,536	404,059	394,125	375,794
Unit-linked insurance assets, SEK million ^{3) 4) 5)}	193,972	175,826	137,076	139,632	124,042
Number of full-time employees ⁶⁾	3,478	3,605	3,523	3,716	3,731

¹⁾ New measurement method from 2020 that gives a lower numerical value than 2019. 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

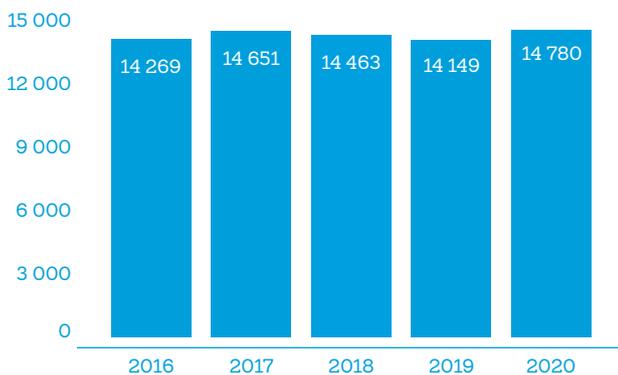
Folksam conducts non-life insurance business focused chiefly on the Swedish household market. Folksam General offers a full range of insurance products to households and individuals with a focus on car and home insurance policies, as well as commercial insurance products within specially selected areas.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

Folksam

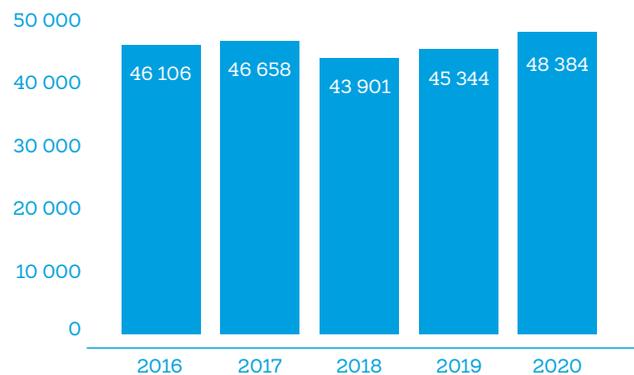
Folksam offers a full range of non-life insurance to Swedish households and private individuals, with a focus on car and home insurance.

Folksam General Group

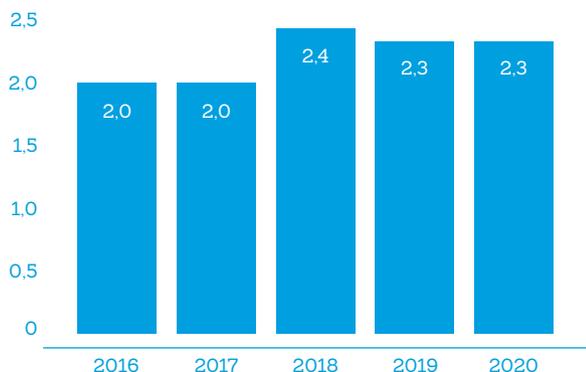
Premiums earned, SEK million



Assets under management, at period-end, SEK million



Solvency factor (SCR), at period-end



Folksam General Group	2020	2019	2018	2017	2016
Premiums earned, SEK million	14,780	14,149	14,463	14,651	14,269
Assets under management, at period-end, SEK million	48,384	45,344	43,901	46,658	46,106
Solvency factor ¹⁾ (SCR), at period-end	2.3	2.3	2.4	2.0	2.0

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

All companies within the Folksam General Group increased their premiums earned, totalling SEK 14,780 (14,149) million at the end of 2020. This increase is the result of both portfolio growth and premium adjustments.

Folksam General (parent company)	2020	2019	2018	2017	2016
Premiums earned, SEK million ¹⁾	13,419	12,159	11,629	11,671	11,298
Underwriting result, SEK million	1,026	237	81	108	-250
Profit/loss before appropriations and tax, SEK million	1,843	1,308	1,349	913	1,746
Total expenses, %	89.8	96.1	97.9	97.9	100.8
of which claims expenses, %	76.4	81.8	79.4	82.7	84.0
of which operating expenses, %	13.5	14.3	18.5	15.2	16.8
Total return, %	2.2	3.0	4.1	3.4	6.6
Solvency capital, at period-end, SEK million	24,401	22,821	21,565	18,996	18,092
Funding ratio, at period-end, %	180	178	177	168	157
Solvency factor ²⁾ (SCR), at period-end	2.3	2.2	2.4	2.2	2.2

¹⁾ Premiums means premiums earned, which corresponds to the proportion of premiums paid in for the period.

²⁾ 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 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

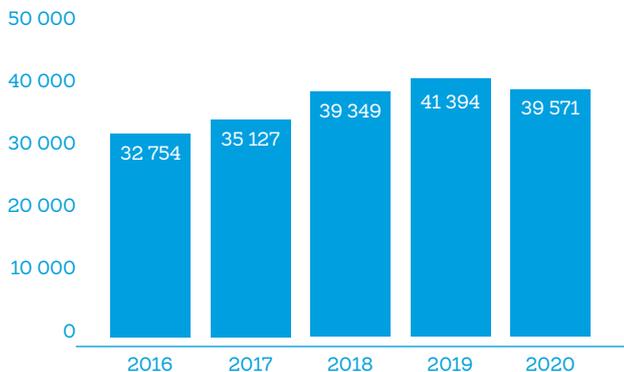
KPA Pension is the pension company for the local government sector and manages occupational pensions for employees in municipalities and regions, as well as municipal and cooperative companies.



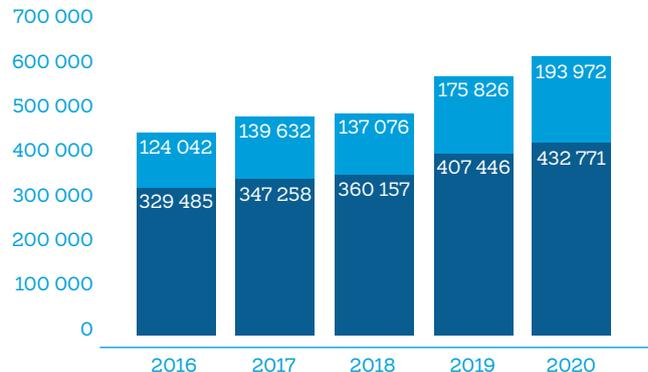
Folksam LO Pension offers unit-linked insurance for collectively agreed occupational pensions, mainly to employees within the SAF-LO area. The company is co-owned by Folksam and LO.

Folksam Life Group

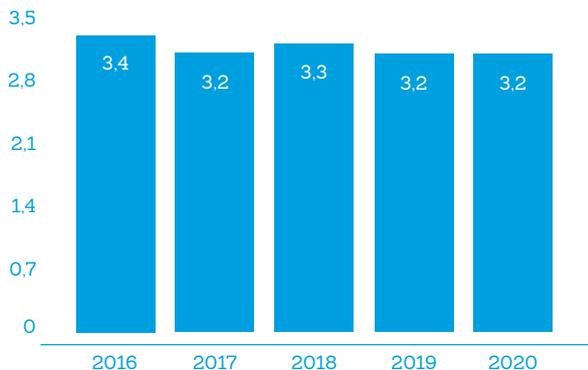
Premiums earned, SEK million



● 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	2020	2019	2018	2017	2016
Premiums, SEK million ¹⁾	39,571	41,394	39,349	35,127	32,754
Assets under management, at period-end, SEK million	432,771	407,446	360,157	347,258	329,485
Unit-linked insurance assets, at period-end, SEK million	193,972	175,826	137,076	139,632	124,042
Solvency factor, at period-end ²⁾	3.2	3.2	3.3	3.2	3.4

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 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 39,571 (41,394) million for the full year 2020.

In total, customers' assets increased by around six per cent in 2020 compared with the previous year.

Assets under management amounted to SEK 432,771 (407,446) million and unit-linked insurance assets amounted to SEK 193,972 (175,826) million.

The solvency factor, which is presented with a one-quarter delay, was 3.2 (3.2).

Folksam Life (parent company)	2020	2019	2018	2017	2016
Premiums, SEK million ¹⁾	11,030	12,040	11,584	10,324	9,840
Underwriting result, SEK million ⁴⁾	6,371	11,868	2,018	5,706	8,190
Management expense, %	0.4	0.5	0.6	0.6	0.6
Total return, %	4.7	10.4	1.5	4.2	8.4
Assets under management, at period-end, SEK million ³⁾	211,444	205,912	187,259	179,413	176,267
of which strategic company holdings:	6,465	5,778	4,073	4,606	4,255
Solvency ratio, at period-end, %	171	169	163	165	165
Solvency factor ²⁾ mixed companies	3.8	3.7	3.8	3.7	3.9
Collective funding ratio, occupational pension, at period-end, %	120	119	110	120	121
Collective funding, other life insurance business, at period-end, %	118	119	114	118	120

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 occupational pension business.

³⁾ The figures for assets under management have been adjusted, as the value of subsidiaries (strategic company holdings) is included in assets under management at the parent company as of 2020. The figures for previous years have been adjusted in line with this change.

⁴⁾ The figures previously reported in the full-year report were SEK 6,483 million for 2020 and SEK 11,777 million for 2019.

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 of all people in Sweden are insured by the Folksam Group and more than three million people save for their pension with us. 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.

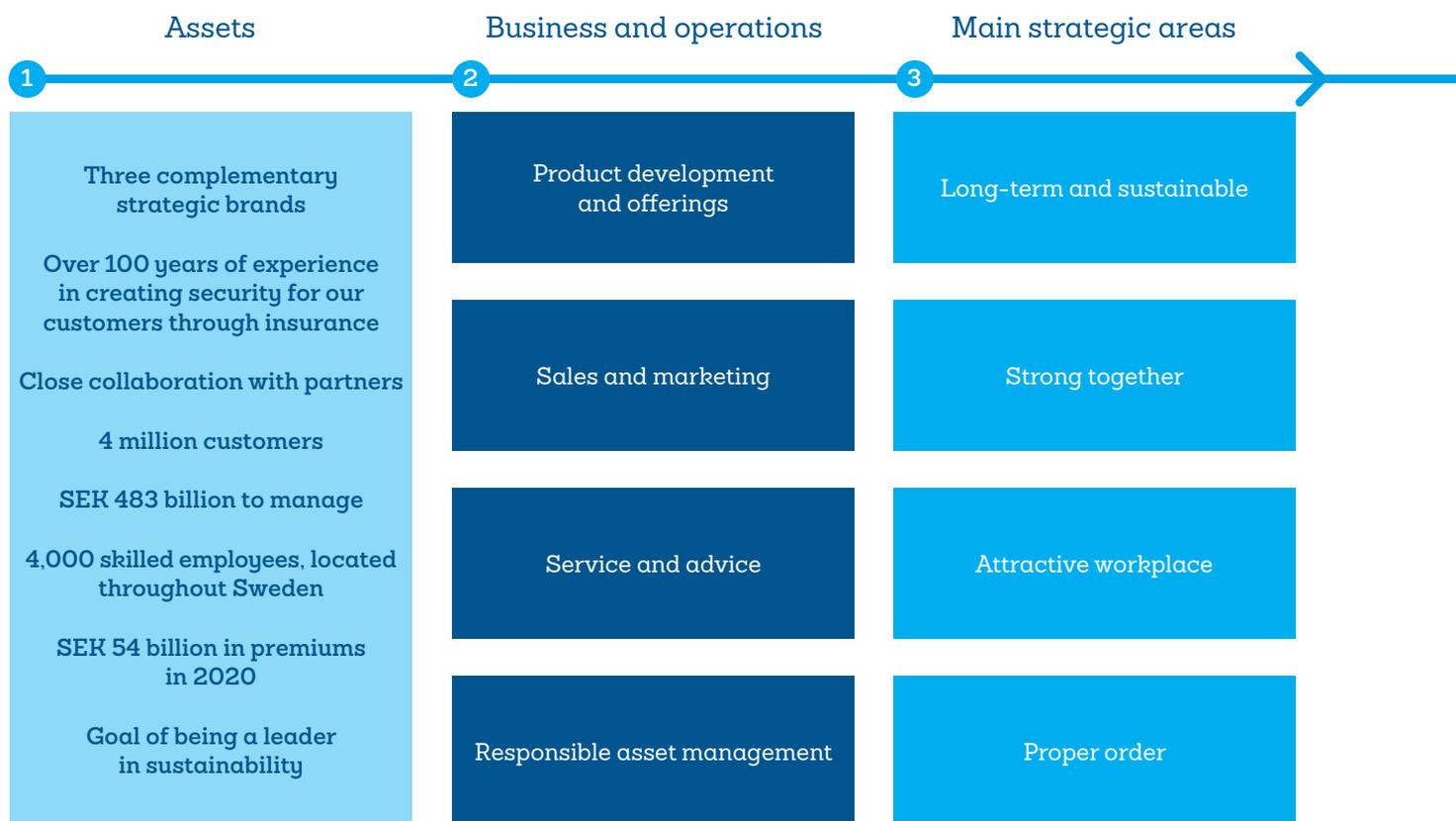
1 Assets

The Folksam Group includes the main brand, Folksam, as well as the two complementary brands, KPA Pension and Folksam LO Pension. In 2020, we had premiums of SEK 54 billion and we manage a total of SEK 483 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 should have the most satisfied customers

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.

Value for the customer

4

Security in every phase of life

Mutual added value together with business partners

Effective and sustainable claims settlement and pension disbursements

Successful damage and injury prevention work and research

Good, competitive return on pension savings

Giving back to our customers

74% of customers satisfied in the Folksam Customer Index

Independent Customer Ombudsman

Multilingual customer service in 17 languages

Contribution to the UN's global goals:



Climate target:

Net zero greenhouse gas emissions in our own operations by 2030 and in our investment portfolios by 2050.

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 74 per cent of our customers are satisfied with us. This surpasses the target set for 2020.

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

Our claim settlement contributes to our customers' security and makes the situation they are in easier. At the same time, as a major player within the Swedish insurance and pension savings industry, we have opportunities to exert an influence. For example, reusing and repairing instead of buying new not only represents a gain for the environment, but is also a good deal for our customers and for us. 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 the 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.

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 17 other languages. 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. Our aim is to have the most satisfied customers in the industry.

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

Traditional insurance – safe saving

Traditional insurance is a safe form of saving. The customer does not determine their own 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 accident, illness and death

Personal risk insurance provides financial security in the event of accident, 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 and income protection 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.



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 year 2020 has been overshadowed by the coronavirus pandemic that has affected the entire world. Measures to protect people and mitigate the consequences of the pandemic are affecting the economy and many of our business partners and customers have been hit hard by the crisis.





The world around us

Following the onset of the pandemic, 2020 proved to be the most turbulent year on the stock market since the financial crisis of 2008–2009. Rapid and strong price movements became commonplace at the end of the first quarter.

The massive bailouts provided by central banks and governments really helped the stock market to rebound in the spring. By the end of the summer, the stock market had recovered all of the ground it had lost.

During the autumn, the second wave of the pandemic, with its renewed restrictions and partial lockdowns, made the market uneasy again. The concern was short-lived, however, as the surprisingly positive results from the vaccine tests of pharmaceutical companies meant that vaccines would be available sooner than previously thought. With the outcome of the US presidential election also well received by the financial markets, there was a more stable and positive development on the stock markets.

There is still a great deal of uncertainty about how the pandemic will develop, even though the ongoing vaccination programmes have brought stability to the situation. It is likely that society will gradually return to normal during 2021, although normal may not be exactly the same as it was before the crisis.

This return to normality is underpinning a continued global economic recovery, while central banks and governments will also do everything they can to support the economy while ensuring that interest rates do not rise so much as to jeopardise the recovery. The major transition towards a more sustainable world will be a focus of the financial markets long into the future.

Low interest rates will be a feature for a long time to come. This supports the value growth of financial assets, but at the same time represents a challenge for insurance companies. It may have a negative impact on both the return on the companies' assets and their 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.

Coronavirus pandemic

Measures to protect people and mitigate the consequences of the pandemic are affecting the entire economy and many of our business partners and customers have been hit hard by the crisis. The Folksam Group is financially stable, however, and able to withstand a considerable amount of turbulence.

Since mid-March, most of the Folksam Group's employees have been working from home. The transition to working from home has gone very well and productivity has generally been maintained.

In line with the Folksam Group's vision that our customers should feel secure in a sustainable world, we invested SEK 2.3 billion during the year in bonds to mitigate the effects of Covid-19. We have also been involved in the Skill Shift Initiative "Beredskapslyftet" in order to mobilise staff to help the severely strained healthcare service in Region Stockholm. Through this Skill Shift Initiative, employees with a healthcare background are able to take leave on full pay to assist the healthcare service in Stockholm.

The Folksam Group has also been part of the Stockholm Chamber of Commerce's Restart Commission, which aims to draw up reforms to restart and strengthen Sweden's long-term competitiveness following the coronavirus pandemic. We provide our expertise on the subjects of the labour market, taxes, housing, green transition and digitisation.

We are following the development of the pandemic closely and we implement the necessary adjustments based on the restrictions and decisions of the authorities and the government. Our focus is on the Folksam Group continuing to take its social responsibility to prevent the spread of infection while at the same time enabling our employees to do their jobs safely.

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 and 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. A clear effect of the coronavirus pandemic has been to accelerate the process of digitisation. Society has changed, with many professionals working remotely and e-commerce on the rise. As customers can now easily accomplish tasks, compare offers and give praise and criticism online whenever they like, this increases the demands on 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). Work is under way at Folksam to further develop our digital colleague, Sam, using 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

Greenhouse gas emissions and rising temperatures pose major challenges in the longer term for both the insurance industry and its customers. 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 sus-

tainable world. It is therefore our goal to be the leader in the field of sustainability. The Folksam Group was the first of Sweden's pension and insurance companies to adopt the net-zero emissions target in its investment portfolios. Our climate target is to have net-zero greenhouse gas emissions in our own operations by 2030 and in our investment portfolios by 2050.

Population and lifestyle changes

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 in the 1970s needed help with everyday tasks. Today, the proportion is down to four percent. 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 the future. Understanding how these mechanisms affect us is vital if we are to meet the new conditions of tomorrow.

A growing and changing market

At the end of 2020, according to Insurance Sweden, the insurance industry in Sweden consisted of 325 companies, 285 of which were Swedish companies and 40 were foreign-owned branches operating in Sweden. Among the Swedish companies, there were 38 life insurance companies, 247 non-life insurance companies and 54 friendly societies. Together, the insurance companies employ approximately 22,000 people in Sweden.

Swedish insurance companies have large assets. At the end of 2019, the total value of these was just under SEK 5,350 billion. Most of the assets are managed by life insurance companies, while the rest are managed by non-life insurance companies, according to statistics from Insurance Sweden.

The industry now needs to show its best side as the pandemic changes customer demands and expectations. Despite a slight decline, the industry's overall rating is clearly one of approval when compared with many of the other industries measured by the Swedish Quality Index.

The future will bring both exciting challenges and opportunities. New customer behaviours are challenging current structures. In a more digitised world, insurance can be purchased for shorter periods, temporary activities or rented items. This will probably require a more active customer and potentially claim settlement performed by AI. The insurance market is currently heading towards a more multifaceted approach in the future, which is also facilitated by digitisation. The digital experience must be individually satisfying, in terms of both differentiation and simplicity.

Laws and regulations

Regulations for life insurance

As an initial step, heavily regulated transfer and surrender fees apply to individual life insurance as of 1 January 2020. The next step, which further limits the ability to charge transfer and surrender fees for unit-linked and deposit insurance, has been drafted during the year and is expected to apply from 1 April 2021. These stricter rules mean that only one administrative fee, the amount of which is stipulated in advance by the legislation, may be charged in the event of transfer or surrender.

The deadline for life insurance companies that are currently following the transitional rules and wish to convert to occupational pension companies is approaching. Conversion must be implemented and completed by 31 December 2022, otherwise these companies must comply fully with the Solvency II Directive. Folksam is considering which of its companies should be converted and KPA Livförsäkring applied to convert to an occupational pension company in autumn 2020.

The minimum state pension age was raised to 62 during the year. At the same time, the guarantee pension and the housing supplement ceiling for pensioners have been increased as of 2021.

Incentives needed for private pension savings

Folksam is working to achieve better conditions for our pension savers and has therefore produced a report which was presented in a webinar. The report shows the need to introduce government stimulus for private pension savings in the form of a pension savings bonus that also benefits all those on lower incomes.

New rules on sustainability reporting

New rules on sustainability reporting in the securities market will gradually begin to take effect from March 2021. The first of these to apply is the disclosure regulation. The date for the first periodic report will be 1 January 2022. However, from as early as 10 March 2021, certain types of financial market participants will be required to provide specific sustainability information on their website and in information that is provided prior to the conclusion of contracts.

Need for tax-neutral rules for conversion to occupational pension companies

There is currently no competitive neutrality on the occupational pension market because only customer-owned insurance companies suffer tax effects on conversion to occupational pension companies under the occupational pension regulation, while limited liability companies are able to avoid them. Pension savers, usually with collectively agreed occupational pensions, are the ones who risk these tax effects. The Folksam Group has proposed amendments to the tax legislation so that customer-owned pension companies are also able to make partial portfolio transfers while maintaining tax continuity on conversion to occupational pension companies.

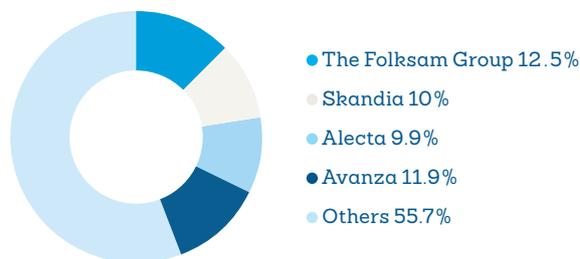
New business models

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

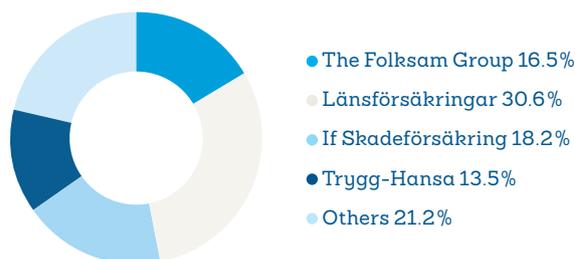
The Folksam Group's total premium volume as at 31 December 2020 was SEK 54 billion. The Folksam Group retains its leading position on the life insurance market and is consolidating its position as the third-largest non-life insurance company in terms of premium volume, according to statistics from Insurance 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

Our focus areas

The Folksam Group's strategic focus going forward is on:

- Developing strong partnerships with customers and business partners.
- Investing in an even better customer experience, where the digital customer experience has an important role to play. Being a Folksam customer should be easy.
- Continuing to reduce operating expenses in order to improve competitiveness and generate greater customer benefit through our offers.
- A higher pace of change which involves us trialling various new working methods, such as more agile working.
- Continuing to focus on 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.



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 the fact that sustainability represents good business. We believe that 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, which sustainability issues have been our most important and, in particular, what we have done and accomplished during 2020. KPA Pension is part of the Folksam Group and also publishes its own sustainability report.





The world around us and target areas

The world around us,
our stakeholders and
important issues

Sustainability governance

How we govern our
sustainability work

Sustainable insurance and pension offers

How we integrate
sustainability in
our business

Responsible asset management

How we integrate
sustainability
in asset management

Our own operations

Sustainability work
regarding our employees,
offices and travel

In-depth sustainability information

Accounting principles,
GRI index and audit report

The world around us and target areas

The Folksam Group's breadth and size give rise to both responsibilities and opportunities. 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.

We have identified target areas for sustainability work based on our business, within both the Life and General Groups, and our influence on society and impact on the environment. 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 for sustainability 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 are as follows:

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 origin, gender or identity should have no bearing on your insurance.

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.

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

Responsible consumption and production: 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.

Stakeholder engagement

We are convinced that sensitivity and cooperation are crucial to achieving success in our target areas. We therefore have an ongoing and transparent dialogue with our stakeholders to ensure that we can best create value for them and the world around us.

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 carry out regular measurements for each strategic stakeholder group. The results of these dialogues have provided an important foundation for the development of our continued work.



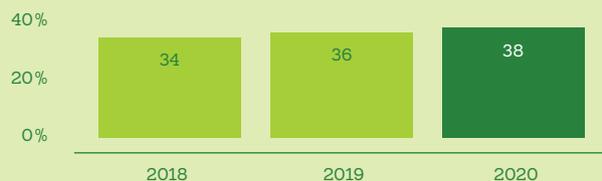


Our sustainability are efforts highly rated

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 our 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.

Proportion of Sweden's consumers who believe that Folksam takes responsibility for sustainability



38%

38 per cent of Sweden's consumers believe that Folksam takes its responsibility for sustainability. This figure is based on 5,200 interviews where Ipsos compares 15 operators in the insurance and pension savings industry and is the average of four quarterly surveys. Folksam led the way in all four quarters in 2020.

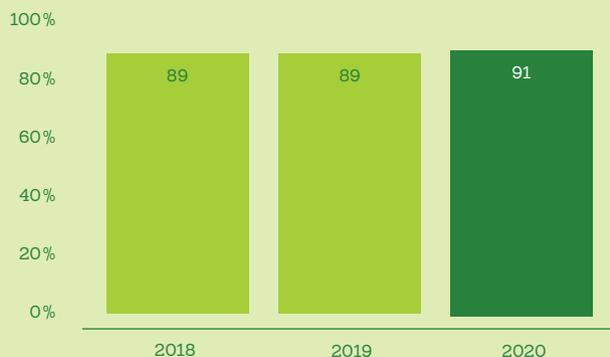
Proportion of our current customers who believe that Folksam takes responsibility for sustainability



69%

69 per cent of our customers think that Folksam takes its responsibility for sustainability. This is an average based on three quarterly customer surveys. As of Q2, the measurements have been carried out in a different way than before, which makes comparison with previous results more difficult.

Proportion of our employees who believe that Folksam takes responsibility for sustainability



91%

91 per cent of the Folksam Group's employees think that we take our responsibility for sustainability. This has been followed up in our annual employee survey since 2018.

External parties also review and rank our sustainability work

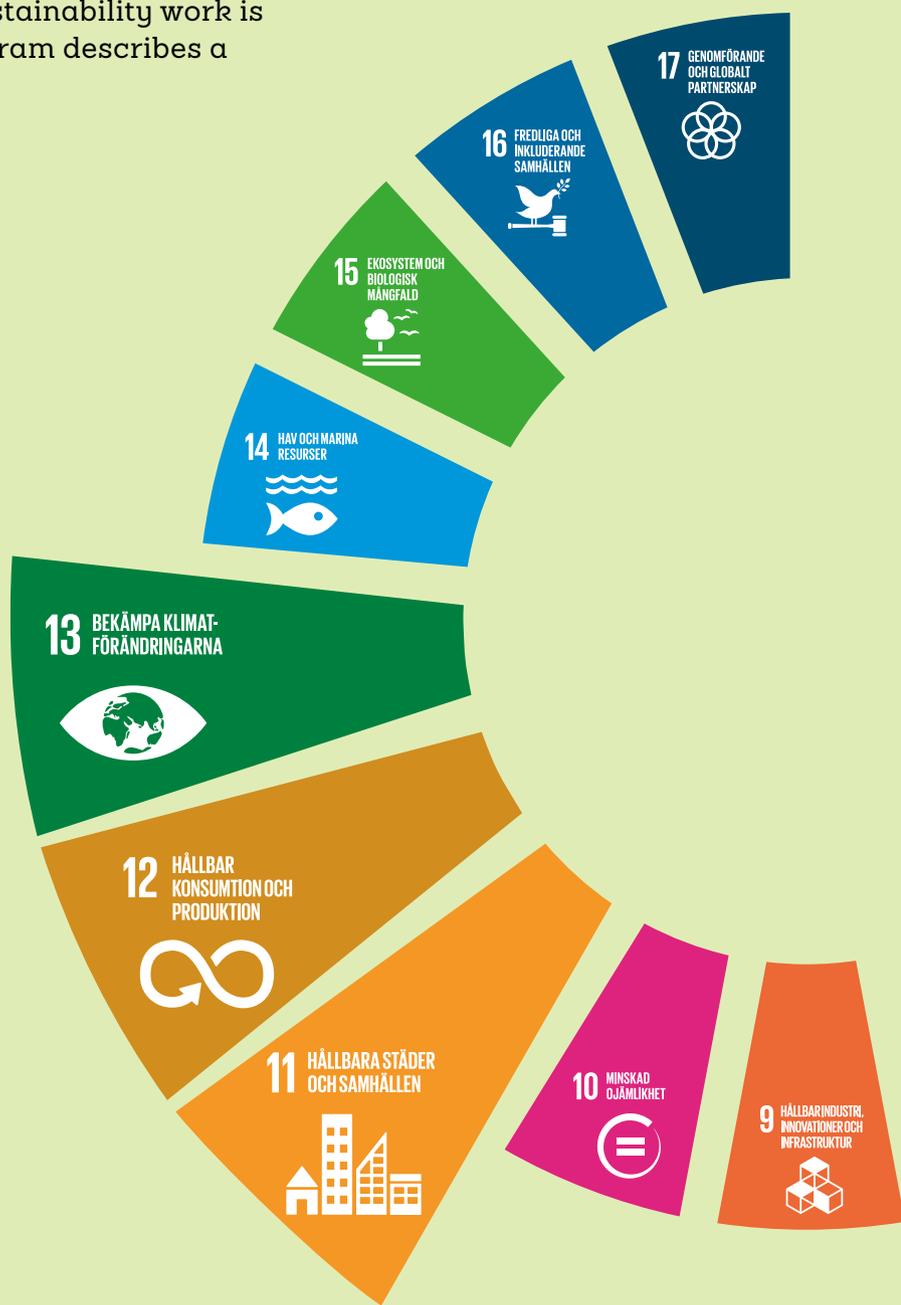
Sustainability work is assessed by external parties on the basis of a range of parameters that are weighted differently, making it hard to assess who is leading the way in the field of sustainability. The main regular surveys include the following:

- Sustainable Brand Index is a major survey of sustainable brands carried out among Swedish consumers. Folksam often achieves a high ranking, coming in first place in the insurance industry in 2020. For the ninth consecutive year, KPA Pension topped the list of the pension industry's most sustainable brands.

- Max Matthiessen publishes an annual report examining how Sweden's largest pension fund managers take responsibility through their investments. In the report for 2020, Folksam and KPA Pension received the highest rating (VG) within the category of "Traditional Insurance".
- Söderberg & Partners published a report during the year entitled "Sustainable pension companies 2020". Here, Folksam achieved the same overall rating of "Yellow" as in last year's survey.

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

A large part of the Folksam Group's sustainability work is in pursuit of the global goals. This diagram describes a selection of our target areas.



13. Climate

We are working for a fossil-free society.

GOAL: Net-zero greenhouse gas emissions in our investment portfolios by 2050. Through membership of the UN-convened Net-Zero Asset Owner Alliance. The Folksam Group was one of the initiators of the Alliance.

GOAL: Net-zero CO2 emissions from own operations by 2030. Folksam is a member of the Haga Initiative and as part of this publishes a GHG Emission Disclosure.

GOAL: Transparent reporting of the Group's work on climate risks through the Task Force on Climate-related Financial Disclosures, TCFD.

12. Responsible consumption and production

We drive the development of the circular economy through partial repairs and reuse.

GOAL: Reduce waste and CO2 emissions through partial repairs and reuse in claim management (motor, home).

GOAL: Increase the number of insurance policies that are certified as Good Environmental Choice. We are certified for home, holiday home and car insurance.

11. Sustainable cities and communities

Focus area for KPA Pension.

GOAL: Reduced energy consumption in the property portfolio.

GOAL: Increase investment in Green bonds.



3. Health

We promote good health and prevent injury.

GOAL: Work to prevent injury to mental and physical health and well-being and integrate terms and conditions into products and services.

GOAL: Reduced long-term absence at Folksam.

GOAL: Zero tolerance of victimisation.

5. Equality and diversity

We counteract discrimination and promote equal rights and opportunities.

GOAL: An even gender distribution (50/50 ± 5 per cent) among employees, managers, group management and boards of both Folksam Life and Folksam General.

GOAL: Gender-equal sponsorship – it goes without saying that for us, women's sport and men's sport receive equal support.

GOAL: Our multilingual customer service must be able to handle at least 15 languages.

8. Decent working conditions

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

GOAL: Provide access to financial and insurance services.

GOAL: 100% compliance with the Code of Conduct for Suppliers.

GOAL: Equal pay for equal or similar work for all employees at Folksam.

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 and its starting point is the commitments we have made and the collaborations we have chosen to participate in, as well as international agreements and frameworks. The Boards of the various companies within the Folksam Group have ultimate responsibility for their own sustainability work. The guidelines for sustainable development work are set out in each company's sustainability policy. In addition to the sustainability policies, there are other internal steering documents that are crucial for this work, such as 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 work to ensure that our employees receive continuous training on sustainability. This includes, for example, mandatory sustainability training and an introduction for all new employees. In 2020, two additional digital training courses on sustainability have been developed, with a focus on skills development in sustainability issues for customer advisers.

Focus on increased management by objectives and integration

All boards have 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 CO2 footprint through circular and sustainable claim settlement.

The business strategies of Folksam Life and Folksam General include sustainability as one of the main strategic areas. In their business planning for the period 2021 to 2023, both Folksam Life and Folksam General have identified sustainability as an important focus 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, along with the Group Vice President, 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. Other business area managers and heads of unit within the Folksam Group are responsible for implementing and conducting the sustainability work within their respective areas of responsibility, in accordance with relevant steering documents and decisions.

In order to prepare the Group President's decisions on sustainability-related issues such as ambitions, priorities and goals, the Folksam Group has established a Sustainability Committee. The Committee is responsible for the general follow-up of the Folksam Group's sustainability work. The Sustainability Committee consists 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 Places and the Head of Marketing and Sales. Co-opted members are the Folksam Group's Sustainability Manager and the Head of Communications. The company CEOs and boards of the Folksam Group handle sustainability work in accordance with established strategic agendas.

Sustainable Finance

The Folksam Group is further strengthening its governance by continuing its work to adapt the organisation to Sustainable Finance, the European Commission's action plan for sustainable finance. The EU is determined to achieve the aims of the Paris Agreement and limit global warming to a maximum of two degrees and preferably a maximum of 1.5 degrees. It will require an enormous amount of capital to achieve these objectives. The finance industry therefore has a key role to play in creating a sustainable economy and the action plan calls for increased responsibility. The ambition is for the financial system to become part of the solution in creating a greener and more sustainable economy.

The three overall objectives of the European Commission's action plan are:

- To realign financial flows in a more sustainable direction
- To integrate sustainability in risk management
- To promote transparency and a long-term approach in finance.



The Folksam Group was already working long-term on these issues before the EU's action plan but there are now clearer requirements in particular in connection with two new regulations: the Regulation on sustainability disclosure within the financial services sector (Disclosure) and the Regulation establishing a framework to facilitate sustainable investment (Taxonomy). The action plan's implementation period begins in 2021 and is expected to last several years. Folksam welcomes this initiative and hopes that it will lead to a more sustainable world and help customers to choose more sustainable products.

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, as defined by 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 2020, a total of 2,831 employees completed regulatory training covering ethical issues and bribery. 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 on 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 2020. No insurance company within the Folksam Group has incurred any sanctions or fines in 2020 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 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 working to minimise this risk. For us, it goes without saying that any suspicion of money laundering or financing of terrorism must be examined and investigated. It is a question of long-term confidence in our industry. Our work to 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 or financing of terrorism and that we report even the slightest suspicion to the competent authority. Above all, we must prevent ourselves, as far as we can, from being exploited by persons and companies engaged in illegal activities.

Our work is based on the general risk assessment we perform. In it, we assess the risks of our products, for example, being exploited for money laundering or terrorist financing. We can then work out what we need to do to prevent this. We then assess each of our customers to understand whether they represent a higher or lower risk. The law requires us to “know our customers” but we can also provide better advice to our customers if, for example, we know more about their financial circumstances or about how we anticipate they will use our products. When we “know our customers” and know what risk they represent, we can check for deviations from their expected behaviour. If we suspect money laundering or financing of terrorism, we have a clear obligation to report this to the Financial Intelligence Unit.

During the year, the EU began working to further clarify and tighten up the requirements for the measures that companies are expected to implement to combat money laundering and the financing of terrorism. We have also seen the Swedish Financial Supervisory Authority take action against several companies that have been deemed to have shortcomings in their anti-money laundering and terrorist financing measures. Folksam is following this work closely in the hope that we will be able to contribute in the fight against this global social problem.

Sustainable supply chain

As part of our sustainability efforts, we work to influence industries and companies to take responsibility and to operate a sustainable business. A large part of our external influence lies in our work with contractual suppliers.

Our purchasing department is responsible for around 2,100 contractual suppliers and approximately 2,400 service agreements. The majority of these agreements (around 82%) fall within the claim settlement framework. The remainder relate to products and services for our internal operations. The vast majority of our suppliers are Swedish companies (around 98 per cent).

Approved supplier

We stipulate both general and detailed environmental and sustainability requirements for operational and claim purchases. We make clear our most fundamental requirements that apply to our contractual suppliers in all industries. A package of requirements for “Approved supplier” status has been developed and includes questions that must be answered by the contractual supplier. Our “Approved supplier” work began in 2017 with our contractual suppliers within operational purchasing. Contractual suppliers within claim purchasing have been covered since 2018. As of 2019, our contractual suppliers within both operational and claim purchasing must complete the same package of requirements.

To become an “Approved supplier” to us, a supplier must fulfil the following sustainability requirements:

- Accept and comply with “Folksam’s Code of Conduct for Suppliers”.

The Code of Conduct is based on international conventions concerning human rights, the working environment, labour law and international environmental and anti-corruption legislation. In 2020, our updated Code of Conduct for Suppliers was adopted by the boards of directors of Folksam and all its subsidiaries. The Code applies at Folksam and all its subsidiaries. The aim was to describe more clearly the requirements for our contractual suppliers.

- Have collective bargaining agreements for employees in Sweden.

Exceptions to the above requirements can only be made with the approval of a member of our senior management.

Sustainability requirements

Sustainable purchasing is, and will remain, a priority area for us. Stipulating sustainability requirements in our purchasing gives us the opportunity to identify and potentially exclude suppliers who do not comply with our package of requirements. By involving ourselves in the sustainability work of our suppliers, we can also influence them to move these issues higher up their agendas, which provides leverage. Through a deeper relationship with our suppliers, we can increase cooperation and expertise through the exchange of experiences and gain support in driving forward our sustainability issues.

We develop requirements by categorising our supplier agreements on the basis of purchasing area. Stipulating relevant sustainability requirements requires industry knowledge and we need to be able to recognise and understand the unique risks/conditions of different industries. The purchasing department develops sustainability requirements according to the purchasing category and creates tailored packages of requirements for each industry. Stipulating requirements for each category gives us a deeper understanding and increases our ability to identify risks and manage the requirements. It also facilitates follow-up work and helps to obtain accurate statistics.

A more stringent Code of Conduct has been established for suppliers in 2020 and for the first time the Code of Conduct has been published and made available at Folksam.se to our customers, investors and suppliers. In 2019, we established a package of requirements for motor purchases and in 2020 we completed a package of requirements for building

purchases by category within claim settlement. We have also initiated work with our contractual suppliers within operations. We will establish sustainability requirements for each category and link these to 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

During the autumn, Folksam took the decision to support Folksam’s contractual suppliers at vehicle workshops affected by the coronavirus pandemic. This was done by speeding up payment of their invoices.

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 us, 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. Many of our IT services are outsourced to external parties and cooperation has been initiated with these to limit our carbon footprint, among other things in relation to server operation and hardware, including its transportation. We are also constantly working to improve our ability to measure the carbon footprint of our external suppliers. To improve our sustainability and make everyday life easier for our customers, many of our business development activities aim to increase our degree of digitisation, both for our employees and for our customers. In this way, our IT operations can 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 2020:

- The Folksam Group has initiated a strategic partnership with its server suppliers to estimate its carbon footprint with these suppliers 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 our largest server supplier, where a model has now been developed to measure our specific energy consumption based on the server capacity used. Measurements have been taken as part of the pilot project during 2020 and we have received the first-half results from our supplier. This also includes measuring the reduction in emissions resulting from the choice of sustainable energy sources.
- 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 our carbon footprint in terms of mailings sent by post, including both paper consumption and transport.

- The Folksam Group has established strategic cooperation with its hardware suppliers in order to maximise the life span of IT products and recycle obsolete equipment in an environmentally friendly manner.
- The Folksam Group works to limit its carbon footprint through central coordination when transporting IT products.
- During 2020, the Folksam Group has, as a result of the Covid-19 pandemic, developed several IT solutions that allow our employees to work from home and has also improved our ability and that of our partners to meet customers digitally, which we hope will also have a lasting impact on our carbon footprint from travel.

Our risk management

Risk and risk management are a central part of the operations within the Folksam Group. Our ability to satisfy 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, guidance and instructions. Through our risk processes, we apply 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 claim rate, amount of damage, cost trend or mortality and morbidity.

The second category is financial risks. Through our insurance operations, we receive large premium payments every year. These incoming payments, together with provisions for our insurance commitments, 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. Sustainability risks are an element of all the risk categories above. A good example of this is climate change, which can be seen as the major issue of our time. We need to limit global warming to below 1.5°C to prevent severe consequences for people, biological systems and companies. As part of TCFD reporting and the own risk and solvency assessment (ORSA), a climate scenario involving severe storms has been analysed within the insurance risks category. 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.



Fully focused on the climate

Climate change is the greatest issue of our time. The effects of climate change are increasingly clear to us.

Natural damage events are increasing, reinsurance costs are rising and international investment flows are shifting away from fossil assets.

During 2020, we have been fully focused on climate issues – in the implementation of Sustainable Finance, in our investment activities and through net-zero targets for our own operations.

Since 2019, in addition to our annual and sustainability report, we have also provided a report in accordance with the recommendations of the TCFD. Our climate report is available at folksam.se

The TCFD's recommendations are based on four parameters for reporting risks and opportunities related to climate change: governance, strategy, risk management and metrics and targets.

Governance

The boards of the various companies within the Folksam Group have ultimate responsibility for the sustainability work, where the climate is part of our priority target areas. The boards are informed of the outcome for our climate targets at least four times per year. Otherwise, climate-related risks are managed as part of the risk management system and through an appointed interdepartmental working group for TCFD.

Strategy

The strategy for managing climate-related risks and opportunities covers both insurance operations and investment activities and is based on climate scenario analyses. In terms of insurance operations, the strategy

involves managing the risks of natural damage caused by climate change through both reinsurance and targeted damage and injury prevention work as well as circular claim settlement, partial repairs and reuse.

The goal is for our investment portfolio to achieve net-zero emissions by 2050. We are also 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.

Risk management

The Folksam Group has for many years insured natural damage that comes under the risk category of insurance risk. Climate-related operational risks have also been identified for some years now. Asset management and sustainability has also applied exclusion criteria in our investment portfolios, which take sustainability risks into account¹⁾.

TCFD reporting intensifies our efforts to identify further climate-related risks within existing risk categories and develop processes to determine which climate-related risks and opportunities may have a material impact on the organisation or our customers.

Metrics and targets

The Folksam Group has clear climate targets and reports outcomes quarterly.

- Net-zero target 2050 for the equity portfolio
- Net-zero target 2030 for own operations
- Quarterly carbon footprint reporting

¹⁾ The term sustainability risks is one that appears in various regulations. Sustainability has three causal areas where 1) environmental factors, 2) social factors and 3) corporate governance factors can give rise to risks with consequences for the company's target attainment. The terminology is based on three causal categories referred to in English as ESG: environmental (E), social (S) and governance (G).



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 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 outside our country, 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 connect with customer groups that are otherwise difficult to reach. With the 17 languages we currently offer, including Arabic, Polish, Persian 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 74 (75) per cent of our customers are satisfied with us.

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, 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 ongoing basis, but also on research and tests that we conduct. 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.

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.

The website also contains advice on climate adaptation and heat pumps. Over the past 30 years, our claims expenses linked to extreme weather events such as storms and cloud-bursts 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. 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.

During 2020, we performed tests and analyses to prevent injury and damage, including:

- Monthly review of all climate-related claims in order to identify recurring geographical clusters.
- Continued analysis work on the effect of installing a water switch on water damage claims under home insurance policies.
- Ongoing review of property damage caused by thunderstorms and lightning strikes.
- Reviewed bicycle thefts with a focus on electric bicycles.
- Conducted a comprehensive review and report on heat pumps sold on the Swedish market. Around 70 heat pumps were covered by the survey. Of these, 21 were certified as a Good Choice. The criteria on which the comparison was based were efficiency, environment, warranty and function.
- Regular survey of how many households have fully functional smoke detectors fitted.
- In autumn 2020, we were the first insurance company to launch a new energy saving advice service. This service provides Folksam residential customers with free advice on how to make their energy use more efficient. During the first month, the service received around 14,000 visits.
- We regularly contact our residential customers with information on preventing damage and injury through targeted campaigns six times a year, campaigns aimed at those customers who have reported water, bicycle or burglary damage.

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 personal injury. 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 research contributes to the Zero 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 sporting activity 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 represents a positive impact for our customers.

We insure the vast majority of sportsmen and sportswomen 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. Examples of such research 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, we have developed a rehabilitation method for brain injuries, the "Brain staircase", which is now widely used in several sports.

Research that reaches out

During 2020, around 235 news articles were published, which were read by approximately 30 million people.

Examples include:

- Consumer tests on bicycle helmets, which this year were jointly published with the UK's Road Safety Trust.
- Mapping of accidents involving motorised scooters.
- An analysis of accidents involving quadricycles, which have increased significantly in recent years.
- For the fourth year in a row, the speed limit compliance of commercial vehicles was recorded.
- For the first time, a test was carried out on bicycle lights.
- Crash tests to demonstrate the importance of securing cargo in light commercial vehicles.
- Development of vehicle safety for men and women and for young and old.
- Follow-up of measurement of seat belt use in vehicles with seat belt reminders 20 years after they were introduced.

Proof of the high quality of Folksam's research can be seen, among other things, in the various publications of the research studies carried out by our researchers. Since the 1980s, 15 doctoral theses have been published based on Folksam's material and where the doctoral students have been supervised by Folksam's researchers. Another doctoral thesis was published during the year, which highlighted the link between disability and sick leave after road accidents.

During the year, six academic papers were published on the following subjects:

- Long-term health effects for people suffering a medical disability following a road accident.
- Sick leave following car and bicycle accidents.
- How pedestrian fatalities can be avoided in both rural and urban areas.
- How car crash safety has developed since the 1980s for women and men and for young and old.
- Accidents involving motorised scooters. The ability of drivers to perform tasks unrelated to driving in autonomous vehicles.

Ministerial conference on road safety

In February, CEO of Folksam Ylva Wessén participated in the third international ministerial conference on road safety, which on this occasion was hosted by Sweden. Folksam put across two messages there. One concerned a proposal to provide opportunities for targeted investments to increase road safety. In autumn 2020, the World Bank, together with the FIA, began work to develop "Sustainability Bonds" for targeted investments in areas such as safer road infrastructure, for example. The second message was that companies should report road safety indicators in the same way as they report environmental indicators. This would also enable road safety aspects to be addressed in dialogues with companies in which major capital providers invest.

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

Since 2011, all of our home, holiday home and car insurance policies bear the Good Environmental Choice label. 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 2020, around 870,000 (850,000) cars, 430,000 (420,000) homes and 120,000 (115,000) holiday homes were insured under our Good Environmental Choice-labelled insurance policies. These insurance policies achieved a turnover of around SEK 6.0 (5.7) billion in 2020.

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 our 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 sportsmen and sportswomen 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. In 2020, there were 13 sports federations signed up to this service.

"Advice and care for sports injuries" is staffed by physiotherapists with extensive knowledge of the injuries that can occur when playing sports. Leaders and coaches can also call them for advice on training in a way that prevents injury. Folksam Sports, together with the Swedish Football Association, has developed the service to help sportsmen and sportswomen 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 sportswomen 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.

Since 2018, we have focused on ensuring that our central sponsorship of sports federations is gender-equal, so that the money invested is split evenly between men's and women's sports. We have terminated the local network agreements 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 encourage good conduct, the Swedish Football Association, in collaboration with Folksam, has introduced the Green Card for Fair Play. A player who is deserving of a Green Card is one who, for example, helps an injured team-mate or opponent, shows respect for everyone, has a positive attitude or helps the referee.

Preferential insurance offers for trade union members

Our partnership with trade unions 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 and that we offer multilingual customer service are both examples of services and terms and conditions developed in cooperation with the LO unions. An important change we have made together with the trade unions is the introduction of 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 "group insurance", irrespective of whether the insurance policies are included in their membership or the members have made a voluntary application. Our householders' comprehensive policy and our child insurance have basically the same terms and conditions as the insurance policies that are taken out individually, but group insurance customers pay lower premiums. Other group insurance policies are usually tailored to the requirements of the trade unions, so as to meet the needs of their members, 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 agreed with the trade unions to give 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. This special limitation means that compensation is not paid during the first year for pre-existing ailments. Otherwise, you have full insurance cover from day one.

The trade unions provide Folksam with large groups of customers at a time, which makes it easy for both parties to manage product development and communication for lots of people all at the same time. We currently have partnerships with all 14 trade unions within LO, 9 of the 13 trade unions within TCO and 10 of the 21 trade unions within Saco. 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 term 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 to 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 requirements that all external funds must satisfy. We hold continuous dialogues with the aim of engaging and influencing the fund management companies to work towards a more sustainable world.

All funds selected must not only have a well-integrated sustainability analysis in their investment processes, but must also influence the companies in which they invest to act more sustainably. This may be in relation to environmental and climate issues or employment terms and conditions for employees, prohibiting child labour and encouraging the companies to work actively to achieve a transparent corporate culture that prevents corruption.

All funds today comply with Folksam's exclusion criteria, which means that none of the funds have investments in companies in industries such as tobacco, pornography or controversial weapons. We review all the holdings in all funds that are in Folksam's platform twice a year.

Folksam is also working to further refine and tighten the sustainability requirements for external funds.

Climate-friendly funds in a sustainable mix

Folksam Fondförsäkring has long focused on sustainability when selecting funds. During autumn 2020, it launched a new concept with funds that exclude investments in fossil fuels. Three different packages of funds are available, with varying levels of risk.

Folksam Fondförsäkring does not have its own funds but offers a guided range of external funds through a fund platform. All funds in the guided range comply with Folksam's own sustainability criteria. In order to be offered as climate-friendly suggested investments, the funds must also exclude investments in fossil fuels in the form of oil, gas and coal.

The idea behind the climate-friendly fund packages is to make it easier for our customers, our own advisers and intermediaries, so that they can quickly and easily suggest a sustainable fund option that meets the customer's needs. As we do with all our funds, we will regularly check that the climate-friendly funds are keeping their promises.

Folksam also carries out active advocacy work and several other fund management companies have changed the content of their funds based on Folksam's sustainability criteria.

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 1.4 (1.0) billion in 2020, while expenses for car repairs were SEK 2.0 (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 1,800 (2,000) tonnes and we saved approximately SEK 260 (290) million in the repair of damaged cars. In total, reuse in connection with car repairs has brought a saving of just over SEK 2.5 (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 the circular economy. Circular claim settlement is central to reducing our customers' consumption of energy and materials. 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 2020, our circular claims handling together with GIAB helped to avoid, according to GIAB's calculations, 2,044 (3,213) tonnes of carbon dioxide emissions and 2,442 (3,195) tonnes of waste. The reported savings of CO2 and waste are the difference between making good the damage with new devices and with repairs or replacement devices.

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, ensure 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 registering complaints.

An e-learning course on complaints handling has also formed part of this since 2019 and has been completed by many employees. During the year, 13,928 (12,686) 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 at Folksam for more than 50 years, is independent of our Group Management and is answerable only to the General Meetings of the Folksam Group. In 2020, just over 7,000 (7,000) customers consulted the Customer Ombudsman, of which 1,722 (1,604) became cases. Of the cases closed during the year, 17 (18) per cent led to some form of change in the customer's favour.



Preserving the value

Over the past year, the building claims department has developed a new way of prioritising water damage in combination with dehumidification technology. This has accelerated the process and reduced costs and environmental impact.

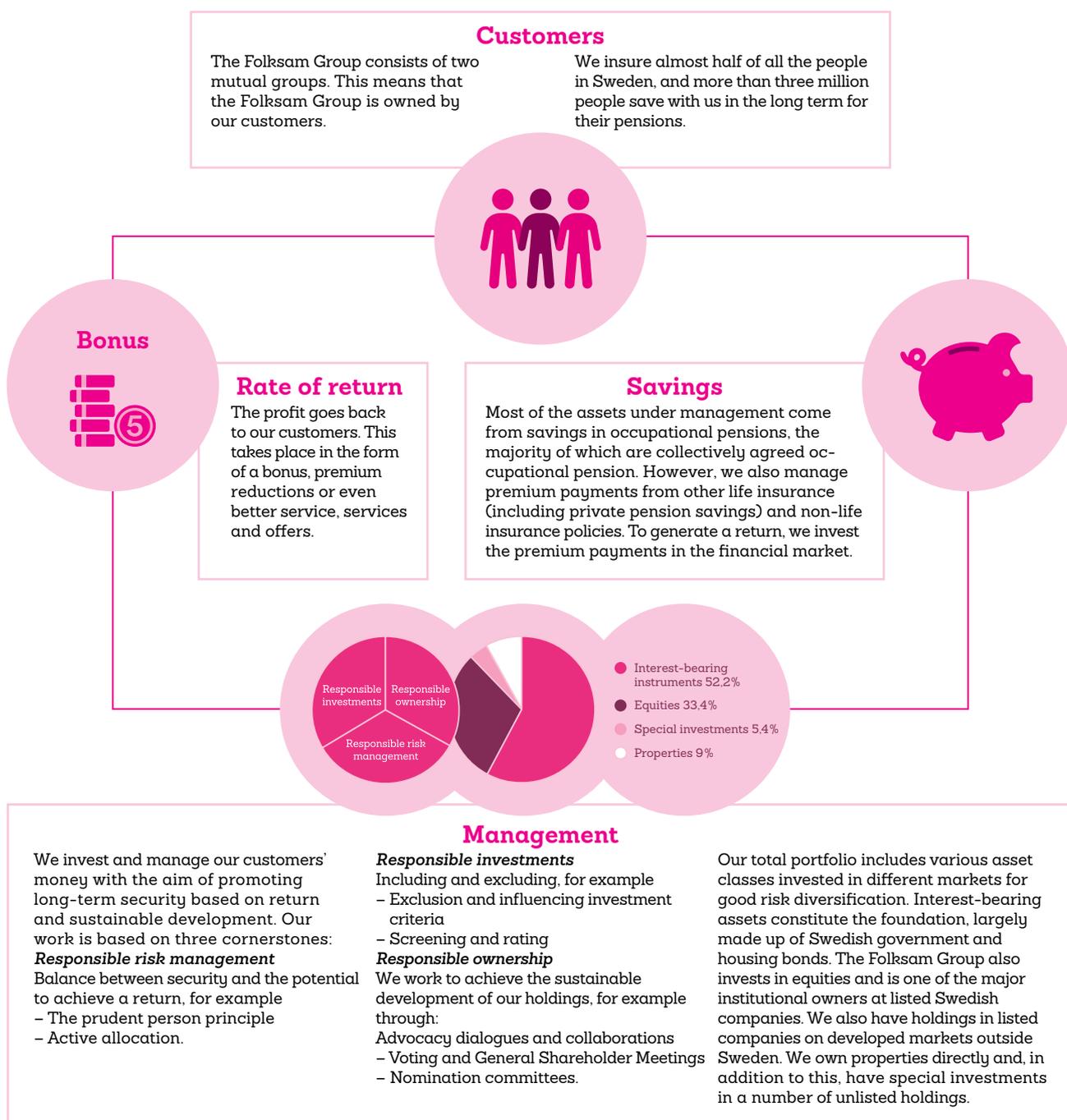
Eighteen months ago, a pilot project was launched to test a new process of prioritising acute water damage and using dehumidification technology to preserve the value by avoiding ripping out and throwing away material. The aim was to shorten the claim settlement process for the customer and at the same time work more sustainably. The traditional method of settling water damage claims is a fairly long and costly process. The customer reports the damage, which several days later is inspected. In many cases, we see that it is no longer possible to save materials and a building contractor then rips everything out. Eventually, a dehumidification contractor arrives to dry out the premises, after which the building contractor returns to perform the renovations.

The pilot project originated from a collaboration with Folksam's contractual dehumidification supplier, Polygon, and continued in 2019. It clearly demonstrated the importance of acting quickly in the event of water damage. The shared focus of Folksam and Polygon enabled over 3,000 m² of surface layer to be saved in actual cases of damage. According to general calculations, this corresponds to a reduction in CO₂ emissions of more than 30,000 kg. Today, all of Building Claims works in line with these recommendations and Folksam and Polygon will continue to refine the working method and monitor the effects.



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 2020, we managed assets totalling SEK 483 (455) billion. Our size provides us with the potential to try to influence the world around us in both the short term 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 to 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. Whether in equities, interest-bearing securities, real estate or special investments, we apply the same criteria when it comes to investor and owner responsibility. 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. Our investments in green bonds, which in 2020 reached a level of SEK 30 billion, are a good 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 made a number of major changes to their foreign equity portfolios. The number of holdings was halved, while the sustainability level in the portfolio was improved with higher sustainability ratings, a reduced carbon footprint and the exclusion of companies that generate 10 per cent or more of their

Responsible investments: We include and exclude and influence

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

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.

Exclusion criteria

The exclusion criteria provide us with external investment frameworks and determine whether or not we are able to invest. We do not invest, for example, in businesses that produce tobacco, pornography and illegal arms such as cluster munitions. The criteria vary between different customer collectives depending on their preferences, but generally speaking we exclude controversial industries that are contrary to the broadly entrenched values of our customer groups.

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 criterion ● Exclusion criterion

* Excludes companies with more than 30% of turnover from coal (e.g. mining companies), or whose operations are based more than 30% on coal (e.g. power companies).

** Excludes energy companies that generate ten per cent or more of their revenues from oil sands.

*** Excludes gambling companies that generate five per cent or more of their revenues from gambling.

revenues from oil sands. These changes prepared us for our continued work within the UN-Convended Net-Zero Asset Owner Alliance, where we have committed to our investment portfolios achieving net-zero greenhouse gas emissions by 2050 at the latest. You can read more about this work on page 55.

Selected highlights from the year



Folksam demanded answers from Ericsson

In light of suspicions of large-scale corruption and billions in fines from the US authorities, the Folksam Group attempted on several occasions to set up a meeting with portfolio company Ericsson. When no answers were forthcoming from the company, Folksam instead went public in January 2020. This move resulted in several meetings with representatives from Ericsson during spring 2020.

January

February

Folksam includes road safety in its advocacy dialogues

Folksam has been carrying out road safety research for over four decades. During a speaking engagement at the UN Global Ministerial Conference in February, our CEO Ylva Wessén highlighted private investments in road safety as an important factor if the goals of the 2030 Agenda are to be achieved. Since then we have included road safety, where relevant, as one of the issues we raise in dialogues with portfolio companies. In doing so, we are trying to influence the companies to take both climate and human health into account, as over one million people die on the roads worldwide every year.

March

Folksam sold its holdings in gambling companies

In March, Folksam sold its last remaining shares in companies engaged in commercial gambling. The decision to exclude this type of company was taken by the boards of Folksam Life and Folksam General at the end of 2019. The services provided by gambling companies are a breeding ground for developing gambling addiction among users and we, as an owner, have made the assessment that the activities of these companies and their fundamental business models are not compatible with a responsible investment portfolio.

April

Folksam part of the Restart Commission

In April, the Stockholm Chamber of Commerce launched a Restart Commission, tasked with drafting reforms within a number of areas with the aim of restarting and strengthening Sweden's long-term competitiveness following the coronavirus crisis. Ylva Wessén and Folksam were involved in the work of the Restart Commission during the year, with the final recommendations presented in August.

Folksam made a stand on the issue of dividends at Swedish listed companies

In spring 2020, a debate arose about whether it is appropriate for companies that are receiving emergency financial support from the government during the coronavirus pandemic to simultaneously distribute dividends to shareholders. In light of this, the Folksam Group decided to vote against any proposed dividend where the company has at the same time applied for and received emergency financial support from the government.



May

Folksam in call against logging in the Amazon

During the first month of summer, Folksam, together with over 50 other global investors, took part in a petition against logging in the Amazon by sending a letter to Brazil's largest meat producers. These companies have a great ability to place demands on their subcontractors and so indirectly influence logging in the Amazon. The deforestation of the Amazon could have major social and climate-related consequences, which is why Folksam has been involved in several advocacy activities on this subject throughout the year.



June



Ylva Wessén attended the A4S Summit
 In December, Ylva Wessén, CEO of the Folksam Group, participated in the A4S Summit – an international conference established by Prince Charles. Ylva presented the Folksam Group’s work within the Net-Zero Alliance and participated in a panel discussion on the role of insurance companies in the journey towards a net-zero economy.

Target work in the Net-Zero Asset Owner Alliance nears completion

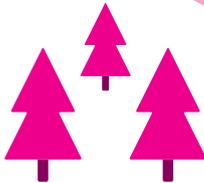
A large part of 2020 was spent developing the Net-Zero Asset Owner Alliance milestones leading up to 2025. In mid-October, the framework that will form the basis of the milestones was published, while mid-November saw the conclusion of the consultation, where we asked for the market’s overall feedback. In total, more than 30 responses were received from climate scientists, business representatives, interest groups and others.

November

December

Folksam in round table discussion with the world’s leading steel and cement producers

In September, Folksam met with Swedish company SSAB and several other leading steel and cement producers from around the world to discuss the industry’s necessary climate transition. This type of company is often singled out as being one of the world’s major climate and environmental villains, which is why Folksam has devoted time and resources over a number of years to try to influence the industry. The meeting took place within the framework of the Climate Transition advocacy project.



Ylva Wessén in opinion piece in Dagens Industri

In October, Ylva Wessén wrote an opinion piece in Dagens Industri on the importance of climate-focused initiatives in the wake of the coronavirus pandemic. In the article, Ylva argued that a larger proportion of the government’s restart budget should be allocated to climate-related and environmental investments and she also urged all listed companies to adopt net-zero targets.

October

September

Folksam in dialogue with the company behind Italy’s Morandi Bridge

In July, Folksam participated in a digital meeting with representatives from Italian portfolio company Atlantia SpA, which manages roads and airports in Italy. The company was responsible for the operation of the Morandi Bridge in Genoa, which collapsed in summer 2018, causing over 40 deaths as well as major damage to nearby houses. Since the event, Folksam has participated in a number of meetings with the company, in order to follow up on the handling of the incident and to make sure that the company implements new and improved procedures to ensure that a similar accident does not happen again.

Folksam in dialogue with AB InBev about sustainable water management

In August, Folksam, together with our partner Sustainalytics, participated in a digital meeting with beverage giant Anheuser-Busch InBev. The subject of the meeting was sustainable water management, which the company is beginning to take increasingly seriously, among other things by placing clear demands on its suppliers. The meeting took place within the framework of the Localized Water Management advocacy project.

August

July

Screening and rating to ensure compliance

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

Screening is carried out in respect of all the exclusion criteria and is based on the proportion of a company's revenue that is generated by activities covered by the exclusion criteria, such as the production of tobacco or controversial weapons. 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. 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 Enterprises, the ILO's labour law conventions and the UNFCCC climate change convention. Violations of the Paris Agreement are also included in norm-based screening, such as corruption related to climate lobbying and the active concealment of information relating to relevant emissions.

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

Green bonds and other sustainable investments

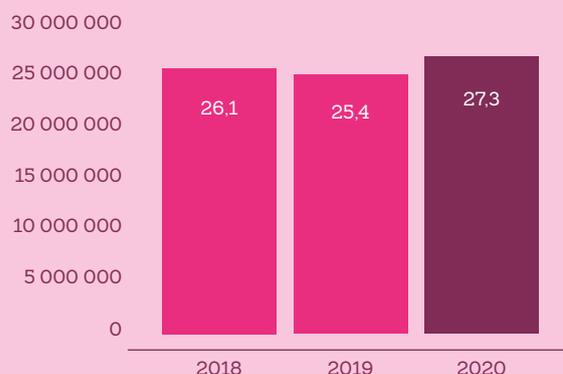
We are increasingly targeting our investments at activities that we consider contribute to sustainable development. Our investments in green bonds are a clear example of this. Green bonds are interest-bearing securities, which are used for environmental and climate-related investment projects.

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. For an investment to be made, 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 2020, the Folksam Group consolidated its position as one of Sweden's leading investors in green bonds: so far we have invested over SEK 30 billion in this asset class. During the year, we invested, among other things, SEK 467 million in the first green bond issued by the Swedish government, the capital from which will contribute to Sweden's environmental and climate targets through climate investments and railway maintenance and by protecting our valuable nature. We also invested a total of SEK 2.3 billion in 2020 in bonds where the capital is used to counteract the social and economic consequences of the coronavirus pandemic.

Green bonds, Market value SEK million



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 also do this within the framework of the investor collaboration Climate Action 100+ and, in particular, the

UN-Convened Net-Zero Asset Owner Alliance, where we, along with the other members of the initiative, have committed to our investment portfolios achieving net-zero greenhouse gas emissions by 2050 at the latest.

The Folksam Group has undertaken to measure the equity portfolio's carbon footprint by signing the Montreal Carbon Pledge and reporting in accordance with 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	2020	2019	2018
Total carbon footprint, tonnes of CO ₂ e	Total Carbon Emissions	655,638	810,493	944,430
Carbon dioxide intensity, tonnes of CO ₂ e/equity portfolio's market value, SEK million	Carbon Footprint	4.2	5.6	8.2
Carbon dioxide intensity, tonnes of CO ₂ e/participating interest in the companies' sales, SEK million	Carbon Intensity	9	10.3	13.4
Carbon dioxide intensity, weighted average, tonnes of CO ₂ e/SEK million	Weighted Average Carbon Intensity	6.9	7.7	10.6

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 2020. The calculation is based on data in USD, which affects reported earnings in SEK.

In our analysis of the portfolio's CO₂ footprint, we can see that the CO₂ intensity in the MSCI World Index – which simply reflects the world's listed companies – generally declined during 2020.

This reduction is partly due to changes in the composition of the stock market during the year, with the IT sector growing and the energy sector shrinking for example, but is also because the CO₂ intensity of many companies has actually decreased. The latter, in turn, may be the result of the reduced economic activity associated with the shutdowns that were implemented around the world during the most critical periods of the coronavirus pandemic.

The carbon footprint trend in the Folksam Group's equity portfolios has followed this general reduction albeit at a lower level, as the emissions of our portfolios are at around 40% of the emissions in the World Index.

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. The initiative was welcomed by the UN Secretary-General as one of the most important at the summit, where governments, companies and NGOs met to step up efforts to achieve the targets set in the Paris Agreement. 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 during 2020. As a group, pension and insurance companies are among the largest asset owners in the world and the 33 companies that have so far joined the Net-Zero Asset Owner Alliance together own assets worth SEK 50,000 billion. This is equivalent to more than five times the total value of all the companies on the Stockholm Stock Exchange.

The Net-Zero Asset Owner Alliance has the ambition to continue to grow and to be a strong force in the essential climate transition of the global economy. This is not about us selling off assets in order to achieve our goal quickly; the aim is instead to try to influence existing holdings and so bring about proper change in the real economy. In 2020, there was intensive work on milestones, with the members of the Net-Zero Asset Owner Alliance publishing a comprehensive framework in October that will form the basis of the Alliance's milestones up to 2025. Actual milestones will then be established and published during the first quarter of 2021.

Responsible ownership: Influencing in a sustainable direction

It is our conviction that well-managed companies, which integrate sustainability in their business model, over time outperform companies with weak corporate governance and without a focus on sustainability issues. It is only natural, therefore, that we attach great importance to discussing the climate and environment, human rights, anti-corruption and other sustainability issues with our listed holdings and other assets in which we invest. As an owner, we work to achieve sustainable development in all asset classes through measures such as advocacy dialogues and collaborations with other investors, as well as by voting at general shareholders meetings.

Dialogues and collaborations

In 2020, the Folksam Group developed a new strategy document to guide us in our advocacy work. In short, we continuously conduct three types of advocacy dialogues:

1. Ongoing dialogues: Ongoing dialogues with portfolio companies without a specific timeframe. Ongoing dialogue is a proactive strategy that focuses on long-term, financially important sustainability factors that can affect the companies' ability to create value. The aim is to improve the risk and return profile of our investments.

2. Thematic dialogues: Dialogue relating to a specific issue or industry, such as climate work in the steel and cement industry or water management in the beverage industry. These dialogues have a clear timeframe, usually two or three years, and often involve more than one portfolio company.

3. Incident-driven dialogues: Focus on companies with serious and structural violations of international conventions. Only end once clear improvement has been noted from the company in question. If the outcome of the dialogue is negative, this may result in exclusion.

In 2020, we conducted a number of dialogues within different types of asset class. Examples include:

4. Interest-bearing instruments: Dialogues with issuers of green bonds, where we discussed matters such as climate reporting, the calculation of climate and environmental savings and corruption risks.

5. Equities: Nearly 200 dialogues covering a broad range of topics. Examples include climate transition in the steel and cement industry, anti-corruption work in the telecommunications industry and sustainable water management in the beverage industry.

6. Special investments: Examples include dialogues on sustainable battery production with Volvo Cars and Northvolt.

The Folksam Group is happy to conduct dialogue in collaboration with other investors and interest groups 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 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 General Shareholder Meetings

The General Shareholders Meeting is the highest decision-making body of a limited liability company, and is superior to a company's Board of Directors and CEO. 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 General Shareholder Meetings. At Swedish General Shareholder Meetings, we use our opportunities to exercise our right to vote and to pursue sustainability issues. The General Shareholders Meeting is a good opportunity to ask the companies questions about sustainability, as both the Board of Directors 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 General Shareholder Meetings for many years. Ahead of the 2020 AGM season, Folksam's boards decided that the focus issue for that year at Swedish General Shareholder Meetings would be human rights. The coronavirus pandemic resulted in the general meetings largely not taking place in person, however, and our human rights questions had to be postponed. During the year, we also made a stand on the issue of dividends, where we decided to vote against dividends in our Swedish holdings in those cases where the companies have also applied for and received financial support from the government during the coronavirus pandemic.

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. In 2020, however, we and ten other institutional investors submitted a sustainability-related proposal to the annual general meeting of UK bank Barclays. The proposal called for the bank to stop financing fossil fuel projects and it received 24 per cent of the vote. Later in the year, Barclays announced its intention to become a net-zero emissions bank by 2050. Our efforts with Barclays in 2020 are a clear sign that even as a relatively small shareholder we can make a difference if we work together with other investors around the world.

At foreign General Shareholder Meetings 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 have 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 of Swedbank. 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.

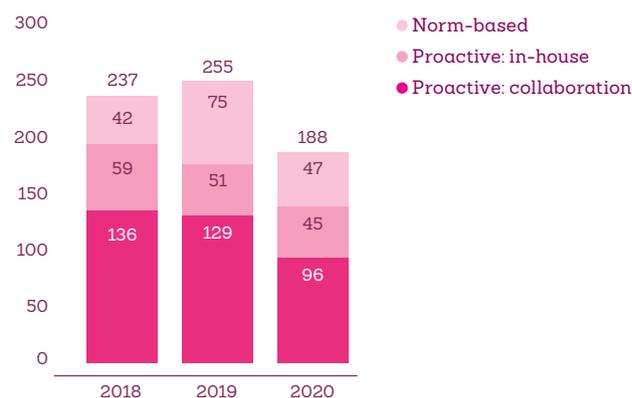
Class actions

The Folksam Group conducts litigation, class actions, against, among others, US companies 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, General Meetings	2020	2019	2018
Number of foreign General Meetings at which the Folksam Group has voted*	618	436	99
Number of Swedish General Meetings at which the Folksam Group has voted	57	43	39
Total	675	479	138

*As of spring 2019, we 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 term and the short term in two selected areas of focus: energy and climate, and environmental certifications. 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 tenants. This allows us to contribute together to a positive development. We environmentally certify our properties according to the Breeam in use and Miljöbyggnad standards. We do this to establish proper order with a clear quality label, as well as to raise the organisation's awareness and expertise in respect of which requirements it is important to stipulate for a building.

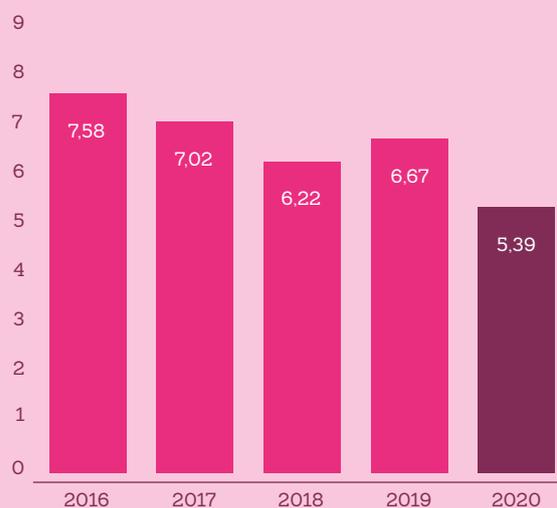
Key ratios	Outcome 2020	Outcome 2019	Outcome 2018
Energy consumption, corrected for a normal year (kWh/m ²)	103	108	109
Green leases [*]	66%	59%	42%
Environmentally certified properties ^{**}	56%	59%	51%

^{*}Share of number of new and renegotiated commercial leases.

^{**}Share of total area.

Green properties are also considered to be more attractive on both the rental and property markets. 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.

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 portfolio. The information is based on degree day-corrected heat consumption, to enable comparisons to be drawn between different years.

Overview of asset classes

At the end of 2020, the Folksam Group managed assets totalling SEK 483 (455) billion.

The figures in the illustration are rounded.

Special
investments
5%

Strategy

The special investments complement the Folksam Group's asset portfolios. These are investments with long investment horizons that give customers exposure to unlisted assets. The investments are mainly made in fund-like structures and in partnership with other operators, 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 identified infrastructure as being of particular interest to us.

2020: Largest-ever single investment

- The Folksam Group invested an additional SEK 1 billion in the Silvestica Green Forest fund. The fund manages and improves its forest ownership in a responsible and sustainable manner in order to achieve strong increases in value and stable direct yields.
- The Folksam Group invested SEK 350 million in the SEB Impact Opportunity Fund, a microfinance fund that enables investments to be made that contribute to increased economic prosperity in developing countries.
- The Folksam Group invested SEK 10 billion in the real estate credit fund Brunswick Real Estate Capital III – Folksam's largest-ever single investment. The fund targets commercial properties with clear sustainability goals.

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 42 per cent of the equity exposure consists of Swedish shares. We have a strategic holding in Swedbank.

2020: Continued focus on advocacy work

- Conducted nearly 200 advocacy dialogues with both Swedish and foreign holdings relating to climate reporting, anti-corruption in the telecommunications industry, working conditions in e-commerce and other sustainability issues.
- Developed a new framework for advocacy work, which clarifies our positions on climate and the environment, human rights and anti-corruption, and sets clearer practical frameworks for this work.
- Voted at 675 Swedish and foreign general meetings. In light of the coronavirus pandemic, we also made a stand on the issue of dividends, where we voted against dividends in cases where the company has also applied for and received financial support from the government.

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 consist of Swedish government and housing bonds. We do not currently hold any corporate bonds.

Interest-bearing assets
52%

2020: Investments in new kinds of sustainable bonds

- Invested SEK 467 million in the first green bond issued by the Swedish government.
- Invested SEK 2.3 billion in bonds that aim to counteract the social and economic consequences of the coronavirus pandemic.
- Invested SEK 2.5 billion in a bond issued by Kommuninvest that aims to finance climate-friendly investment projects in Swedish regions and municipalities.

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 19 billion. The value of the portfolio has almost trebled and now amounts to SEK 46 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.

Properties
9%

2020: Pace of our investments remains high and earnings stable despite an extreme year

- Acquisition of five real estate projects comprising 600 residential apartments in Skåne for SEK 1.5 billion. The projects are due for completion in 2021–2024.
- Acquisition of a newly built retirement home in Helsingborg for SEK 202 million.
- The property portfolio has relatively low exposure to those industries worst affected by the coronavirus pandemic (hotels, restaurants and the consumer discretionary sector). We have supported those customers who have been affected through various initiatives such as rent discounts.
- Three major development projects were completed during the year. The Swedish Legal, Financial and Administrative Services Agency (Kammarkollegiet) moved into fully renovated premises at Slottsbacken in the Old Town area. Folksam's office block in Skanstull is now fully let and external tenants have moved into the former Folksam premises, including Unionen's Unemployment Fund. The Bocken 26 property at Kungsgatan 5 has been newly renovated and fully let to new tenants.
- A particularly strong focus on customer satisfaction during the year has led to customer satisfaction increasing by as many as six points among our office customers and by four points among residential tenants.
- We continued to focus on improving energy efficiency during the year and have reduced energy consumption in the property portfolio by five per cent.
- 92% of the space in our office properties is now environmentally certified.

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 travel will 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), which is known as Fremia from January 2021, 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 competitive offerings for present and future employees. 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 2020 Focus survey, the overall index remained at a high level, with 80 (78) per cent positive responses on average and 86 (83) per cent replying that they would like to continue working at the Folksam Group in future.

Opportunities to perform and develop

Our employees must have good working conditions that enable them to develop and have a stimulating and sustainable working life. 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 both the short term and the long term. In the 2020 employee survey, we followed up compliance with the process, including with the question "Do you and your manager have regular reviews?". 94 (90) per cent of men and 93 (90) per cent 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 hone your skills 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. A new recruitment system was introduced in 2020 that will contribute to a positive candidate experience and provide effective support for continuing to attract and recruit employees with the skills that the Folksam Group needs. Over 300 of our existing employees found new jobs internally within the Folksam Group during the year. In addition, we recruited around 400 new employees.

For roles in management and central functions, as well as employees working in insurance distribution, there are external requirements for a certain level of competence and suitability, as well as further education and knowledge tests. To this end, Folksam has clear internal regulations and procedures for requirements and checks within these areas. These checks are performed and documented systematically and continuously throughout the year within various elements of the skills provision process – principally in recruitment and in the Perform and develop process. These procedures and regulations will ensure that our employees fulfil external regulatory requirements and contribute to the vision that our customers should feel secure in a sustainable world.

The Folksam Group must have managers and leaders who take responsibility for skills provision and for driving change and who employ a coaching approach to contribute to commitment, good performance and results. During 2020, the Folksam Group's internal and external leadership programmes were adapted so they could be offered digitally during the coronavirus pandemic. A particular effort has been made to strengthen the remote management skills of managers. They have also been given support in allocating and clarifying targets, matching skills and suitability, and monitoring performance and development in the Folksam Group's digital support for skills provision.

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 2020, there was a particular focus on ensuring a good work environment, given the coronavirus pandemic. Folksam's sick leave rate for the full year 2020 was 4.6 per cent, which is lower than the previous year's figure of 5 per cent. Long-term sickness absence decreased as a result of the long-term work and continuous support of the managers and Folksam in everyday life and processes. Short-term sickness absence increased in some areas of the business where there was limited ability to work from home during the coronavirus pandemic.

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. In addition, there is a group-wide survey on the physical working environment every year with the aim of ensuring compliance with legal requirements on systematic work environment management and preventing risks to health due to work. In the 2020 survey, 78 (60) per cent said that they were satisfied overall with the physical working environment. The survey is a complement to the Focus employee survey, which assesses the organisational and social working environment.

The Folksam Group must have modern environments, working methods and technology that support efficiency and the needs of the business. To this end, the Folksam Group has continued to develop working methods and digital support for effective skills provision. The Folksam Group has also focused on enhancing agile working in order to drive development and to react faster to the needs of customers. Greater support has also been provided for the switch to a more digital way of working, partly as a result of the coronavirus pandemic.

Sickness absence (%)	2020	2019	2018
Total sickness absence	4.6	5.0	5.3
Women	5.5	6.2	6.5
Men	3.4	3.5	3.9
Short-term sickness absence	2.3	2.3	2.3
Women	2.6	2.7	2.7
Men	2.0	1.8	1.9
Long-term sickness absence	2.2	2.7	3.0
Women	3.0	3.5	3.8
Men	1.4	1.7	2.0

In Nyckeltalsinstitutet's annual gender equality survey (Jämix), Folksam was named best in the finance and insurance industry for gender-equal working conditions.

Equal opportunities workplace

The Folksam Group promotes diversity and 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. In 2020, the activity "Norms in brief" was launched with the aim of maintaining knowledge and deepening insights in the field of diversity. The activity consists of group work on five issues related to norms, gender and discrimination. In the group work, knowledge is interspersed with dialogue to highlight values and encounters in everyday life. The issues are also related to other diversity activities that Folksam has carried out in previous years.

KPA, one of Folksam's subsidiaries, has been LG-BTQ-certified since 2019. This means, among other things, that all employees receive training on LGBTQ issues and that the company has a plan for working with these issues.

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 tables below show, we are achieving this goal both within the total workforce and among managers and Group Management.

The Folksam Group strives to offer employees pay at market rates, and we are working continually to secure equal pay. The difference in average pay between female and male employees was 7 (7) percent in 2020. Broken down to equivalent work (level of difficulty) the gender pay gap was 4 (3) 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, although in 2020 the differences are in favour of men to a greater extent than in 2019. 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 pay survey.

Gender distribution, managers and employees	2020	2019	2018
Number of employees	3,884	3,944	4,056
women (%)	54	53	53
men (%)	46	47	47
Number of managers	366	371	394
women (%)	51	50	49
men (%)	49	50	51

Best in the industry on gender equality

Folksam is the best in the finance and insurance industry in terms of providing gender-equal working conditions, according to Nyckeltalsinstitutet's Gender Equality Index (Jämix).

Nyckeltalsinstitutet publishes an annual list of the employers with the best working conditions in their industry, in terms of gender equality among other things. In 2020, Folksam topped the list of twelve employers in the finance and insurance industry.

Nyckeltalsinstitutet's report is based on statistics collected for 2019 on the actual working conditions of over 600,000 employees at around 350 companies and organisations. The Gender Equality Index is based on various factors relating to equal working conditions for men and women, such as pay, management group composition, parental benefits, part-time working and temporary employment.

This achievement is proof that our active gender equality work is making a difference. We have been working on this issue for many years and the Jämix results are an important tool we use to follow up on our work. Since we began taking part in 2016, our results have been very strong and stable.

Some examples of our long-term gender equality work at Folksam:

- Active work to achieve a gender-equal management group and an equal distribution of women and men in managerial roles (clear approach in the recruitment process).
- Focus on the imbalance between women and men with regard to the taking of parental leave.
- Comprehensive annual pay survey.



Gender distribution, Boards and management	2020	2019	2018
Number of members, Board of Folksam Life	12	12	12
women (%)	50	50	42
men (%)	50	50	58
Number of members, Board of Folksam General	11	11	12
women (%)	45	45	50
men (%)	55	55	50
Number of members, Group Management	10	11	11
women (%)	60	55	55
men (%)	40	45	45

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 and it is important that support is available from an individual's immediate superior, union representative or HR. 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 2020, nine cases of discrimination, harassment or other abuse were reported in the Folksam Group. Of these, two cases led to employment law measures.

The Folksam Group urges employees to report cases of abuse, so that measures can be implemented that will bring these improprieties to an end. 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 taken place, the matter is reported to the police. 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) and specific actions in the form of group activities at a local level.

Employees' contributions to We Effect 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 2020, the Folksam Group and its employees donated just over SEK 1.2 (1.2) million.

Working towards net-zero emissions in 2030

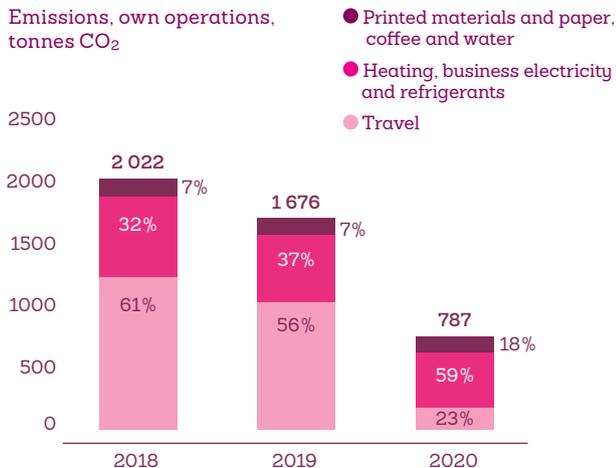
In 2020, the focus has once again been on the issue of climate. The Folksam Group has a goal of achieving net-zero emissions from its own operations by the year 2030. This means that we need to have reduced our emissions by 85% compared with the base year of 2002.

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-guaranteed electricity and adjust our approach to travel. In 2020, we reduced emissions from our own operations by 53 (17) per cent compared with 2019. The reduction achieved in 2020 is largely the result of less travel and more working from home due to the coronavirus pandemic.

The Folksam Group offsets all of its estimated emissions from its own operations each year through Vi-skogen's project, which is certified according to the globally recognised Verified Carbon Standard. Looking forward, we consider reducing our energy consumption and our travel by air and by car to be the most important ways of cutting our emissions.

Energy-efficient offices

Improving the energy efficiency of our offices is an important element in reducing our environmental impact. Energy efficiency improvements are based on further space efficiency 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. In 2020, energy efficiency work began on the heating at Folksam's head office in Skanstull using geothermal energy storage.



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 table shows emissions calculated using the market-based method.

During the year, we transferred our Folksam offices in Växjö, Gävle, Jönköping, Västerås and Umeå to coworking centres, which has significantly reduced the total area rented. We also closed six smaller sales offices. At the same time, we continue to reuse our furniture and our fixtures and fittings.

We have expanded the garage space for electric cars at the office in Skanstull to provide an additional 24 spaces.

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. During the summer holidays, we closed eight floors for five weeks in order to save on energy and cleaning.

We have redeveloped one of the courtyards at our office in Stockholm to promote biodiversity. We have removed thorn bushes and in their place created a flower garden for the benefit of bees and insects. The new space covers an area of 2,100 m².

Work for safer and more climate-efficient 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 these. At the same time, travel is a natural part of our business: the Folksam Group has offices all over Sweden and business travel is usually 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 2020, we decided to launch a review of company vehicles with a focus on safety and climate efficiency. The project was initiated in December 2020 and will be implemented during 2021.

In order to reduce the environmental impact of travel while at the same time cutting 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. Travel decreased sharply in 2020 as a result of travel restrictions and increased working from home because of the coronavirus pandemic. Much of the day-to-day work of the majority of employees at Folksam is now done entirely digitally.

Our travel policy includes clear guidelines on how to conduct business trips. Among other things, any journeys shorter than 600 km should be made by train. Virtual meetings should be used both for internal and external meetings, wherever practicable. During the year, we and our travel partner 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 sharply in 2020.

Energy consumption within the organisation (MWh)	2020	2019	2018
Heat consumption	4,545	5,377	6,535
Business electricity	6,495	7,129	7,621
Total energy consumption	11,039	12,506	14,156

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 those 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 our head office in Skanstull and at our other 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.

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. The project 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.* In the first two months of 2020, we achieved a saving of an estimated one tonne of paper towels per month. In 2021, we will examine the possibility of starting paper towel recycling at another office in southern Sweden.

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

Our KRAV-labelled restaurant in Skanstull

In our KRAV-labelled restaurant, which we run ourselves, the CO2 is calculated for all of our menus, enabling guests to make a good choice. All the fish we serve is MSC-labelled. All our coffee is KRAV-labelled, Fairtrade and carbon offset and our teas are organic and Fairtrade. The milk is organic.

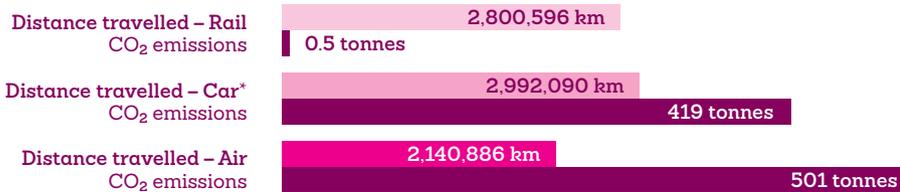
Food waste is sent for conversion into biogas. Liquid fat is collected and sent for recycling, where it is turned into soap. All PET bottles are sent to Pantamera.

We are now also Kranmärkt-labelled, which means that we use tap water instead of water in plastic bottles.

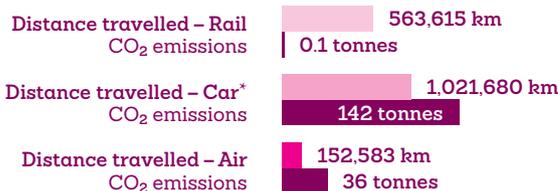
2018



2019



2020





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 Ernst & Young; see the Auditor's report on page 77.

This is the sixteenth sustainability report published by the Folksam Group; the previous report was published in April 2020. The sustainability report covers the entire Folksam Group (Folksam Life and Folksam General, including subsidiaries). For more information, see the annual reports for Folksam General and Folksam Life, 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.

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 along with last year's outcome, the latter in brackets. In those cases where the outcome constitutes a GRI disclosure, two comparison years are presented to enable readers 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. The GRI indicator 403-2 Health and safety has been removed from the GRI index because it is no longer fully reported. Information about health and safety can be found in the report on pages 62–65. No other significant differences have been updated since the previous accounting period.

Accounting principles & materiality

The report is aimed at the Folksam Group's stakeholders. The content of the report has been selected on the basis of material impact. In other words, the extent to which the issue has a negative or positive impact on society and the environment. Material issues are also selected on the basis of an ongoing sustainability dialogue with the Folksam Group's key stakeholders. The Folksam Group has a common process for the collection of sustainability data. Reporting is performed 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. The Folksam Group prepares a GRI report annually but has been reporting climate data every quarter since 2020. Measurement and calculation methods are set out in detail below for material issues.

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 made using the leased cars of the Folksam Group and its subsidiaries, 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.

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, and from premises rented by the Folksam Group 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 2020 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 2020 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 2020 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 requirements in terms of how the electricity is produced and it works to ensure that the impact on the environment from electricity production is constantly reducing. The consumption for 2020 is based on actual consumption figures.

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.

The Folksam Group's carbon footprint distributed by scope (tonnes CO2)			
	2020	2019	2018
Car journeys made using leased cars or employees' cars used for work	142	419	486
Refrigerants	68	68	46
Total Scope 1	210	487	532
Heating of the Folksam Group's offices	305	448	482
Business electricity for the Folksam Group's offices*	2	2	1
Total Scope 2	307	450	483
Upstream emissions from electricity generation*	92	101	115
Air travel	36	501	729
Rail travel	0.12	0.5	0.6
Taxi journeys	2	18	25
Printed materials and paper	59	64	75
Coffee	79	52	58
Water	2	3	3
Total scope 3 excl. property and equity portfolio	270	740	1,006
Directly owned properties: Property electricity*	237	251	217
Directly owned properties: heating	2,952	3,858	3,188
Directly owned properties: Water	57	61	53
Carbon footprint of the equity portfolio	655,638	810,493	944,430
Total Scope 3 including properties and the equity portfolio	658,884	815,403	948,894

*Electricity emissions are calculated using a market-based model.

Energy consumption, directly owned properties (MWh)			
	2020	2019	2018
Heat consumption	46,028	50,085	35,991
Electricity consumption	15,740	17,297	11,545
Total	61,768	67,382	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.

Travel

- **Air travel:** Carbon dioxide emissions from air travel are based on statistics provided by the travel agency BCD Travel on the number of passenger kilometres travelled. The carbon dioxide emissions have been calculated using the Our Impacts reporting tool. Our supplier switched booking systems during the year and changed the calculation method for reporting Co2.
- **Rail travel:** The carbon footprint of the Folksam Group and its subsidiaries from rail travel is based on statistics provided by the travel agency BCD Travel on the number of passenger kilometres, and the emissions have been calculated using the Our Impacts reporting tool.
- **Taxi:** 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 electric and plug-in 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 using 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 reported. The number of employees includes all permanent and probationary employees, as well as all fixed-term employees as at 31 December 2020.

Employee turnover: Calculated on the basis of permanent employees (not fixed-term employees) from 2020 onwards. The lower of either the number of externally recruited new employees or the number of departures during the year, divided by the number of employees. Reported as a percentage.

Percentage who have changed job internally in the past 12 months (%)			
	2020	2019	2018
On own initiative via advertised position	9	10	11
In connection with restructuring	6	5	3
Employee turnover, external	10	10	13
Employee turnover, external, women	10	10	12
Employee turnover, external, men	11	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 on Boards of Directors is based on ordinary Board members (excluding employee representatives) as at 31 December 2020.

Employment and form of work (percentage)			
	2020	2019	2018
Employees on permanent contracts, total	99	99	98
Employees on permanent contracts, women	99	99	98
Employees on permanent contracts, men	99	99	99
Employees on fixed-term contracts, total	1	1	2
Employees on fixed-term contracts, women	1	1	2
Employees on fixed-term contracts, men	1	1	1
Full-time workers, total	94	93	93
Full-time workers, women	91	90	90
Full-time workers, men	97	97	97
Part-time workers, total	6	7	7
Part-time workers, women	9	10	10
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.
- ICA (International Cooperative Alliance): A non-profit international association that aims to promote the cooperative model in a number of industries.
- 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 Zero Vision in 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 platform within the field of road safety, located at Chalmers University of Technology in Gothenburg.

Responsible asset management

- Carbon Disclosure Project (CDP): The CDP brings together over 650 institutional investors worldwide to influence companies to take greater responsibility in the climate transition.
- Climate Action 100+: Global investor initiative with over 500 investors that aims, through advocacy, to achieve the transition of companies that have the greatest impact on the climate.
- GISD: Convened by the UN Secretary-General, Global Investors for Sustainable Development aims, through the efforts of the world's long-term investors, to mobilise resources to achieve the sustainable development goals.
- 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 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 regulatory issues on the stock market.
- Nordic Engagement Cooperation: Cooperation with the Finnish Illmarinen and the Danish PFA on sustainability and corporate governance activities targeted at Swedish holdings.
- 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 net-zero greenhouse gas emissions by 2050.
- World Benchmarking Alliance: Global alliance that works to develop publicly available benchmarks to assess and rank companies according to their contribution to achieving the SDGs and to assess their environmental impact.
- WWF: The Folksam Group's chief strategist for responsible asset management is on the WWF's board of trustees.

General

- The Haga Initiative: Corporate network that works to strengthen the role of business in climate policy by demonstrating the connection between ambitious climate strategies and greater profitability.
- European Corporate Leaders Group (CLG Europe): A cross-sectoral group of European businesses working to achieve a climate neutral economy.

Agreements and frameworks endorsed by the Folksam Group

- UN Agenda 2030 and the global sustainable development goals (SDG).
- The UN Global Compact.
- The UN Principles for Responsible Investment (PRI). Folksam is one of the founders of these.
- 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.

Information	Description	Comment	Page
GRI 102: General information, 2016			
Organisational profile			
102-1	Name of the organisation		10
102-2	Activities, brands, products and services		10, 21
102-3	Location of headquarters		62
102-4	Location of operations		2
102-5	Ownership and legal form		10
102-6	Markets served		14-17
102-7	Scale of the organisation		12-17, 64
102-8	Information on employees and other workers		63, 70
102-9	Supply chain		38-39
102-10	Significant changes to the organisation and its supply chain		38-39
102-11	Precautionary Principle or approach		40
102-12	External initiatives		72
102-13	Membership of associations		72
Strategy			
102-14	Statement from senior decision-maker		4-5
102-15	Key impacts, risks, and opportunities		24-25
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour		11, 37-39
102-18	Governance structure		38
Stakeholder engagement			
102-40	List of stakeholder groups		30
102-41	Collective bargaining agreements		62
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		30-35
102-48	Restatements of information		69
102-49	Changes in reporting		69
102-50	Reporting period		69
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	The management approach and its components		36, 38
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.	36, 38
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		40-41
203-1	Infrastructure investments and services supported	The aim of is to provide a good return and to help make the transition to a more sustainable society. For us, this means investing in new, climate-friendly infrastructure and – where necessary – developing existing infrastructure to make it greener in terms of energy, transport, telecommunications and community properties.	54, 59
203-2	Significant indirect economic impacts		60-61
Anti-corruption			
103-1:3	Management approach to anti-corruption		38-39
205-1	Share of operations reviewed with respect to corruption risks	Within the operation, no special review has been carried out in addition to supplier evaluations. 100% of our holding is reviewed with regard to corruption.	38-39
205-2	Information and training on anti-corruption policies and processes	Not reported by employment category.	38-39
205-3	Confirmed incidents of corruption and actions taken		38
GRI 300: Environmental standards, 2016			
103-1:3	Management approach to environmental standards		32-35, 36-41, 56, 58
302-1	Energy consumption within the organisation	The division into renewables and fossil fuels is made only for electricity.	66, 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

Disclosure	Description	Comment	Page
GRI 400: Social standards, 2016			
103-1:3	Management approach to social standards		33-35, 56-58, 62-63, 71
401-1	New staff and staff turnover	No reporting by age group	62, 71
404-3	Percentage of employees receiving regular performance and career development reviews	The Folksam Group only reports distribution by gender.	62
405-1	Diversity in the Board, management and among employees	No reporting by age group.	63, 71
405-2	Ratio of basic salary and remuneration of women to men		63
406-1	Incidents of discrimination and corrective actions taken		63
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	We include the asset class of equities in the concept of significant investments as described in this GRI indicator.	56, 60
Sustainability governance, financial services sector			
G4-FS8	Monetary value of products and services with specific environmental objectives	Does not report the number of eco-labelled insurance policies in relation to the total number of policies	46, 56, 58
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		56, 58
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening		51, 54
G4-FS14	Initiatives to improve access to financial services for disadvantaged people		34-35, 45-46
PRI			
PRI 1	Incorporate ESG issues into investment analysis and decision-making processes		40, 50-51
PRI 2	Be an active owner and incorporate ESG issues into our ownership policies and practices		50-56
PRI 3	Seek appropriate disclosure on ESG issues by the entities in which we invest		54-56, 60-61
PRI 4	Promote acceptance and implementation of the Principles within the investment industry		56, 58
PRI 5	Work together to enhance our effectiveness in implementing the Principles		56, 58, 72
PRI 6	Report on our activities and progress towards implementing the Principles		50, 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 of Folksam ömsesidig livförsäkring and Folksam ömsesidig sakförsäkring ("Folksam") to conduct a review of the contents of the Folksam Sustainability Report 2020. Folksam has defined the scope of the Sustainability Report on pages 74–76 of the Folksam Annual and Sustainability Report.

Responsibility of the Board of Directors and the company management for the sustainability report

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, constituting 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 an opinion on the Sustainability Report based on our review. Our assignment is limited to the information contained in this document and the historical information that is reported and consequently does not encompass forward-looking data.

We have conducted our 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 review is substantially smaller in scope and has a different focus compared with the scope and focus of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards.

The audit 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

requirements, 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 consequently do not enable us to obtain an assurance that would make us aware of all significant matters that might be identified in an audit. The stated opinion based on a 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 review, nothing has come to our attention that gives us cause 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 on the date indicated by our electronic signature.

Ernst & Young AB	
Jesper Nilsson	Outi Alestalo
Authorised Public Accountant	Specialist member,
	Swedish Institute for Authorised Chartered Accountants

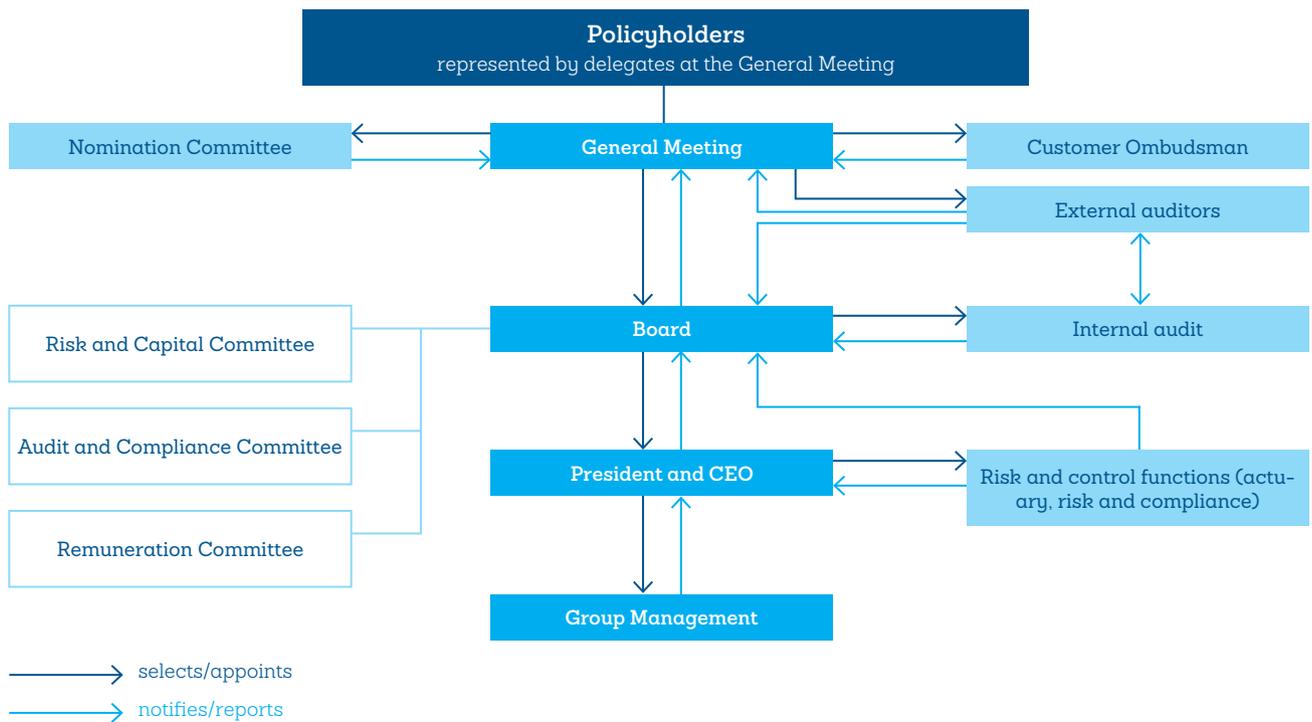


Our customers are in control

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

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 second-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). As of 1 January 2021, Saco Folksam Försäkring is part of Folksam General. Ylva Wessén is the CEO.

Folksam General (parent company)	2020	2019	2018
Premiums, SEK million ¹⁾	13,419	12,855	12,379
Underwriting result, SEK million	1,026	237	81
Profit/loss before appropriations and tax, SEK million	1,843	1,308	1,349
Total expenses, %	89.8	96.1	97.9
of which claims expenses, %	76.4	81.8	79.4
of which operating expenses, %	13.5	14.3	18.5
Total return, %	2.2	3.0	4.1
Solvency capital, at period-end, SEK million	24,401	22,821	21,565
Funding ratio, at period-end, %	180	178	177
Solvency factor (SCR), at period-end ²⁾	2.3	2.2	2.4

¹⁾ Premiums means premiums earned, which corresponds to the proportion of premiums paid in for the period.

²⁾ The solvency factor pertains to the capital base in relation to capital requirements in accordance with the Solvency II Directive.

Board of Directors



Karl-Petter Thorwaldsson

Chair of the Board
Elected 2013. Born 1964.

Current assignments

Deputy President of the International Trade Union Confederation. Member of the Board of the European Trade Union Confederation and Member of the Board of the Council of Nordic Trade Unions.

Selected previous assignments

President of LO. 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 inquiry committee (SOU) on 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. Member of the boards 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 Lärarförbundet 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. Member of the boards of We Effect, Berättarministeriet, the Stora Sköndal Foundation 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 KF Fastigheter. Chair of Coeli Fastighet II, Bostadsutveckling Kungens Kurva and Norra Backaplan Fastighets AB. Member of the boards of Medmera Bank, Bro Markutveckling and Valbo Volymhandel.

Selected previous assignments

Board Member and member of the audit committee, Technopolis Oyj. CEO of KF 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 KF, the employers' association Fremia and of Fonus. Chair of the Risk and Capital Committee of Folksam General.

Selected previous assignments

CEO of Riksbyggen. President of KF. CEO of Konsumentföreningen Svea. Member of the Board of Svensk kooperativ. 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 AB. 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

Managing Director at Karolinska University Hospital. Managing Director of Women's Health and Allied Health Professionals. Chair of the Board of the Swedish Social Insurance Agency. President-elect of the World Medical Association.

Selected previous assignments

President of the Swedish Medical Association. Chair of the board, Swedish Medical Journal. Chair of the Stockholm Medical Association, the Donation Council, the SPUR Foundation and SYLF. Member of the Board of Forska!Sverige and Blomsterfonden. Member of VINNOVA's programme council and the board of SBU. Specialist in anaesthesia and intensive care.

Education

Medical training, University of Würzburg. MBA, Stockholm School of Economics.



Pia Carlsson Thörnqvist

Board Member
Elected 2017. Born 1964.

Current assignments

Head of Communications at Avtaltat, Kollektivavtalsinformation Sverige AB. Member of the Board of 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

Head of Brand and Membership, KF. Chair of the Board of Vi-skogen, Tre Kronor försäkring and of Folksam Skadeförsäkring. Member of the boards of KPA Livförsäkring, KPA, Folksam LO fondförsäkring, Förenade Liv Gruppörsäkring, Riksbyggen and Kombi-spel. 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)	2020	2019	2018
Premiums, SEK million ¹⁾	11,030	12,159	11,629
Underwriting result, SEK million ⁴⁾	6,371	11,868	2,018
Management expense, %	0.4	0.5	0.6
Total return, %	4.7	10.4	1.5
Assets under management, at period-end, SEK million ³⁾	211,444	205,912	187,259
Of which corporate holdings	6,465	5,778	4,073
Solvency ratio, at period-end, %	171	169	163
Solvency factor, mixed companies ²⁾	3.8	3.7	3.8
Collective funding ratio, occupational pension, at period-end, %	120	119	110
Collective funding, other life insurance business, at period-end, %	118	119	114

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 occupational pension business.

³⁾ The figures for assets under management have been adjusted, as the value of subsidiaries (strategic company holdings) is included in assets under management at the parent company as of 2020. The figures for previous years have been adjusted in line with this change.

⁴⁾ The figures previously reported in the full-year report were SEK 6,483 million for 2020 and SEK 11,777 million for 2019.

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 Stormarknader. 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.



Robert Eriksson

Board Member
Elected 2020. Born 1967.

Current assignments

CFO of the Swedish Municipal Workers' Union. Member of the Folksam/Swedish Municipal Workers' Union insurance committee. Deputy Board member of the Swedish Municipal Workers' Union's pension foundations. Member of the boards of Arena Idé Kapital, Kommunalarbetaren in Sweden and the Polstjärnan property company.

Selected previous assignments

CFO and Head of IT of the GS trade union and prior to that Union to Union. Head of internal bank, Postnord.

Education

Degree in Economics, Stockholm University. Certified controller, FAR.



Britt Hansson

Board Member
Elected 2015. Born 1966.

Current assignments

President and CEO of OK economic association. Member of the boards of KF, OKQ8, OKQ8 Bank, Bra Bil Sverige and Fremia. 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 McDonald's Sweden. Member of the boards of Arithma Shared Service, Petrolia, the Nordic Academy of Management, and Apotek Produktion och Laboratorier.

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 and teacher, KTH. Consultant in economics and business administration. Senior Economist, Swedbank. Member of the boards of Creades, HUI, IVA, WaterAid. Member of the Swedish Retail and Wholesale Economic Council and Vice Chair of the Swedish Climate Policy Council. Chair of the Risk and Capital Committee of Folksam Life.

Selected previous assignments

Chief Economist, Swedbank. Acting Assistant Under-Secretary, Ministry of Finance. Macroeconomist at Sida and the Swedish Embassy, Nairobi. Member of the Swedish Fiscal Policy Council. Chair of the Swedish Industry Economic Council. Member of the advisory council of the Swedish National Mediation Office.

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 Guld-kanten 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 Förtagsekonomiska 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.



Britta Lejon

Board Member
Elected 2019. Born 1964.

Current assignments

President of the ST trade union. 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 Consumer Affairs. 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. Board Member of LO. Chair of the Board of Riksborgen. President of the Nordic Federation of Building and Wood Workers (NBTF) and President of the European equivalent, EBTF. Member of the Board of the global federation Building and Wood Workers' International (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.



Elisabeth Brandt Ygeman

Board Member
Elected 2016. Born 1970.

Current assignments

First Vice President of the Swedish Commercial Employees' Union. Member of the boards of Bantorget förvaltning, the Swedish Commercial Employees' Union unemployment fund, and Runö folk high school and development centre.

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. Chair of the Investment Committee of the Swedish Teachers' Union. Member of the boards of Education International (EI) and 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



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. Camilla Larsson will take over as CEO in April 2021. Until she takes up her position, Johan Sjöström is the acting CEO of KPA AB while retaining his role as CEO of KPA Livförsäkring. KPA Pensionsförsäkring has appointed Ninni Wibeck as acting CEO and she also remains CEO of KPA Pensionservice.

KPA Pensionsförsäkring	2020	2019	2018
Premiums, SEK million ¹⁾	17,381	17,315	16,475
Solvency ratio, %	172	171	165
Assets under management, SEK million	223,364	202,714	172,402
Total return, %	4.8	11.2	0.5
Bonus rate (%), defined benefit	3.4	11.3	0.5
Bonus rate (%), defined contribution	5.1	11.3	0.5

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

Board of Directors



Ylva Wessén

Chair of the Board
Elected 2019. Born 1970.

Current assignments

President and CEO of Folksam. Chair of the Board of Folksam's Research Foundation. Member of the boards of We Effect, Insurance Sweden, ICMIF and KFO.

Selected previous assignments

Deputy CEO and 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, Hägglund & Ramm-Ericsson KB.

Education

Jur. kand., Stockholm University.



Anders Henriksson

Board Member
Elected 2019. Born 1961.

Current assignments

Vice Chair of SKR Företag, 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 the boards of Första AP-fonden, KPA Pensionsförsäkring and SMER. Chair of the Board of INERA. Ombudsman of central LO.

Education

Upper secondary school and leadership training.



Staffan Isling

Board Member
Elected 2019. Born 1955.

Current assignments

CEO of SALAR.

Selected previous assignments

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

Education

Social worker.



Anders Knapé

Vice Chair
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. Member of the Board 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. Head of Telephone Banking at Skandiabanken, Head of Customer Unit Skandia. Member of the boards of ICA-banken and ICA-försäkring.

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 Places, Folksam. Human Resources Director, Sveriges Television. Human Resources Director, Semper Foods. Member of the boards of KPA Pensionservice, KPA Pensionstjänst, Tre Kronor, Folksam LO Fondförsäkring and Campus Bommersvik.

Education

Social worker, Stockholm School of Social Sciences.



Lena Dahl

Co-opted Board Member
Elected 2011. Born 1966.

Current assignments

CEO of SKR Företag. Chair of the Board of Slussgården, SKR Kapitalförvaltning and SKR Pensionsstiftelse. Member of the boards of SKL Kommentus and INERA.

Selected previous assignments

Deputy CEO of SKR Företag. Acting CEO of Pacta and Pactarb. Acting CEO of SALAR and SKR Företag. Controller, 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. Member of the Board of Käpan Pensioner. Substitute at the Transition Fund. Member of the KR delegation at AFA Försäkring. Vice Chair of KKP.

Selected previous assignments

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

Education

Social worker.



Johan Ingelskog

Co-opted Board Member
Elected 2020. Born 1977.

Current assignments

Agreement secretary, Swedish Municipal Workers' Union. Member of the KR delegation at AFA Försäkring, the Transition Fund for the KR section, KKP and the Labour Court.

Selected previous assignments

Ombudsman, LO. Head of Unit, Swedish Municipal Workers' Union. Vice Chair LO-TCO legal protection. Member of the Board of the United Nations Association of Sweden.

Education

European and Swedish labour law, Stockholm University. Leadership training. School of Economics Executive Management.

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	2020	2019	2018
Premiums, SEK million ¹⁾	7,272	7,925	7,405
Profit for the period, SEK million	340	312	238
Solvency factor	7.7	6.6	6.6
Unit-linked insurance assets, at period-end, SEK million	135,487	118,624	88,609

¹⁾ Premiums comprise premium payments from unit-linked insurance investors.

Board of Directors



Anna-Karin Laurell

Chair of the Board
Elected 2018. Born 1963.

Current assignments

Head of Business Area Life, Folksam.
Member of the boards of Folksam Fondförsäkring, KPA AB, KPA Pensionservice and Min pension.

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. Head of Telephone Banking at Skandia-banken, Head of Customer Unit Skandia, Member of the boards of ICA-banken and ICA-försäkring.

Education

Humanities course, Lund University.



Carina Aho Laitinen

Board Member
Elected 2018. Born 1965.

Current assignments

Head of Division Claims Backoffice, 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.



Linn Edström Larsson

Board Member
Elected 2019. Born 1976.

Current assignments

CFO, 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. in Economics and Fil. Kand. in English, 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 Fondförsäkring 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 IT Life and Pension, Folksam. Member of the boards of KPA Pensionsservice and Fullmaktskollen.

Selected previous assignments

Head of Division Strategy and Governance, Business Area Life, Folksam. Business Manager Private and Corporate Pension, Folksam. Head of Division Product Life, Folksam. Deputy CEO and Head of Administration, KPA Pension. CFO, KPA Pension. Controller, SEB Trygg Liv.

Education

Economics course, Lund University.



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 Advokatbyrå.

Education

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



Kristina Mårtensson

Board Member
Elected 2020. Born 1966.

Current assignments

Administrative Director of the Swedish Municipal Workers' Union and member of AP2.

Selected previous assignments

Head of Investigations, Swedish Municipal Workers' Union. Head of Unit Management Office LO. Special adviser to the Ministry of Enterprise and Innovation, and political adviser to the Swedish Government Offices. Member of the boards of the Swedish Social Insurance Agency and Luleå University of Technology.

Education

Degree in Economics, Gothenburg School of Economics.



Annika Nilsson

Board Member
Elected 2020. Born 1966.

Current assignments

Union Ombudsman Working Life Division, IF Metall. Member of the Swedish Road Traffic Injuries Commission and LO's insurance committee.

Selected previous assignments

Union Officer, Swedish Transport Workers' Union. Member of LO's pension committee and welfare policy committee.

Education

Upper secondary qualification.



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 Johanssons 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 University.



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, Folksam. Head of Department partner business trade unions, Folksam. Sales manager for group insurance, Folksam.

Education

Upper secondary qualification.

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, Folksam. Head of Governance, Risk and Compliance, Folksam. Company lawyer and insurance lawyer, Folksam. Lawyer, Lindhs DLA Nordic. Legal associate, Hågglund & 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 of KPA Kapitalförvaltning AB 2000–2001.

Education

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



Linn Edström Larsson
CFO

Born 1976.

Current assignments

Board Member of Folksam LO Fondförsäkringsaktiebolag

Selected previous assignments

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

Education

Fil. Mag. in Economics and Fil. Kand. in English, Stockholm University.



Pernilla Glad
Head of People and Places

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.



Anna-Karin Laurell
Head of Business Area Life

Born 1963.

Other current assignments

Chair of the Board of Folksam LO Fondförsäkringsaktiebolag. Member of the boards of Folksam Fondförsäkringsaktiebolag, KPA AB, KPA Pensionservice and Min pension.

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. Head of Telephone Banking at Skandia-banken, Head of Customer Unit Skandia, Member of the boards of ICA-banken and ICA-försäkring.

Education

Humanities course, Lund 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.



Johan Rudén

Head of IT and CIO

Left the Group Management in February 2021. 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 Riksbyggen.

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.

Other current assignments

Member of the Fonus Group Board and Member of the Board of Friskis & Svettis.

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.



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.



The reports for 2020

For the 2020 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

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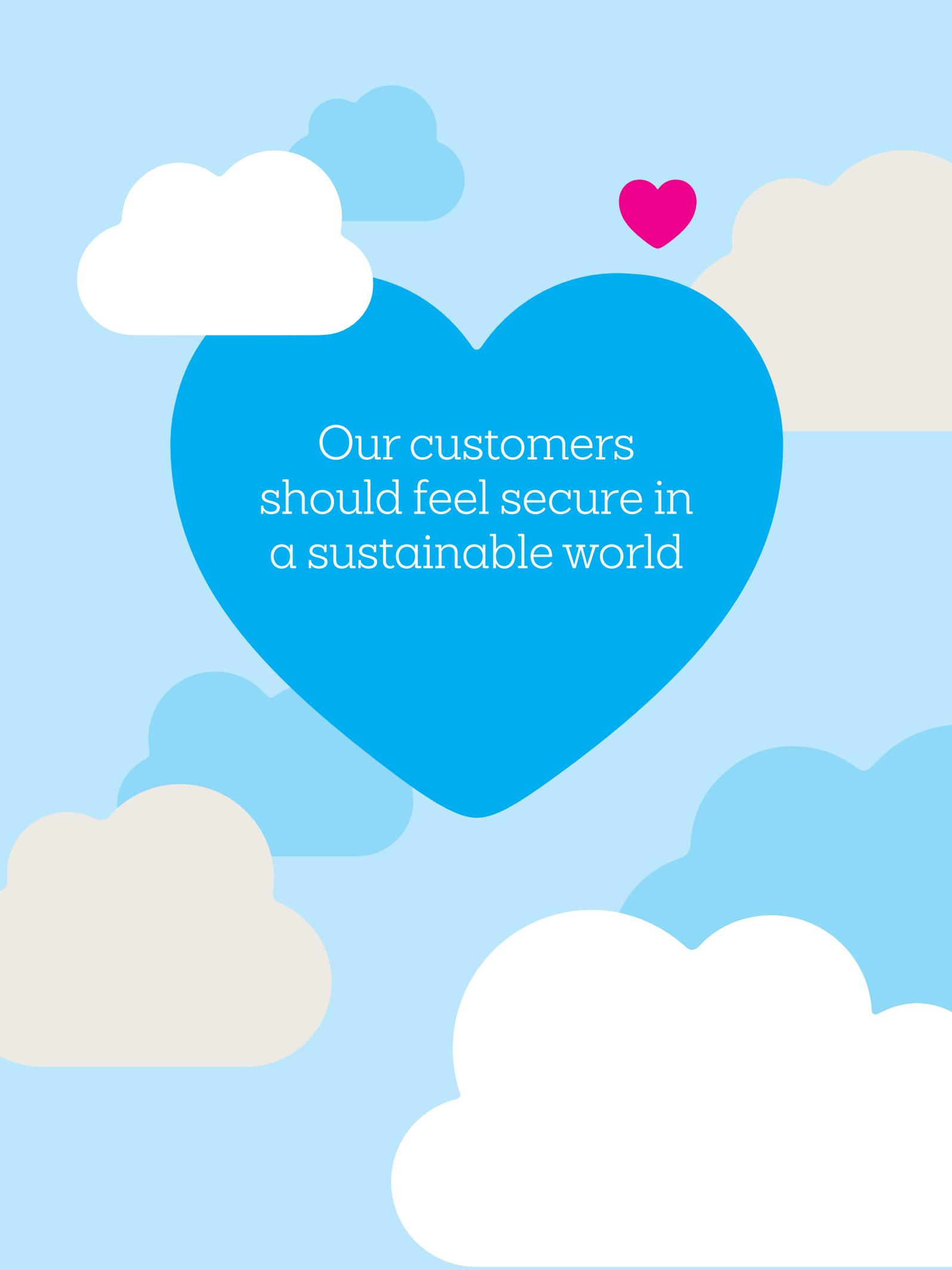
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Our customers
should feel secure in
a sustainable world