



2021

Annual and Sustainability Report

from the Folksam Group

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 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 generate value for customers on page 18.

We take responsibility

The fact that we are a mutual company, our size and our operations 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. Read more about our sustainability work in the Sustainability Report on page 31.

We are financially strong

Our financial strength gives us resilience during the worrying times that the coronavirus pandemic has caused for society. This financial strength has also provided good conditions to develop competitive offers for our customers. We are one of Sweden's largest investors and it is important that we manage our customers' money responsibly. For us, this means yielding a good, competitive return, while at the same time contributing to a more sustainable society.



Contents

	Page
Business overview.....	2
A Word from the CEO	4
The year in brief.....	6
This is the Folksam Group.....	10
Financial development 2021.....	14
The customer in focus	20
The world around us and the market	25
Sustainability Report.....	31
The world around us and target areas	32
Sustainability governance.....	37
Sustainable insurance and pension offers	42
Responsible asset management.....	54
Our own operations	70
In-depth sustainability information.....	80
Corporate governance.....	92
Our customers are in control.....	92
Folksam General	94
Folksam Life.....	97
KPA Pension	100
Folksam LO Pension	103
The Folksam Group's Group management	106



Ylva Wessén
President and CEO

A financially strong 2021 created confidence for Folksam's customers

Russia's invasion of Ukraine is the most serious geopolitical event in Europe since World War II. It is a gross violation of international law against a European democracy that risks having far-reaching consequences and causing great human suffering. We are monitoring this closely, including how it affects the financial market. Folksam has a very strong financial position and we can withstand considerable turbulence. During the second year of the pandemic, Folksam's customers have indicated that they are still satisfied with us, which is our main focus. At the same time we can present the strongest financial position in Folksam's modern history. It is also pleasing to see that our employees have given Folksam its best result in the employee survey since it began in 2009.

”At the same time, we can present the strongest financial position in Folksam’s modern history”

Folksam’s long-term perspective and strong financial key ratios provide good opportunities to contribute to climate transition as an asset owner. We have been investing for many years in bonds that support sustainable transition, and as owners we engage in the sustainability challenges faced by the companies in which we invest, rather than selling our shares. As an example, in 2021 Folksam increased its ownership in SSAB to take responsibility for the company’s important transition to fossil-free steel production. During the year, Folksam and KPA Pension also adopted new milestones to reduce emissions in their investment portfolios by 2025, the first milestone on the road towards the final target of net zero emissions by 2050.

The Folksam Group’s premiums for the full year exceed SEK 61 billion, with premium growth of 12 per cent, which corresponds to just over SEK 6.7 billion. The premium increase was largest at Folksam Life, which rose by almost 50 per cent compared with the previous year. This is particularly evident in savings in endowment insurance, which increased sharply during the year, thanks to a combination of competitive bonus interest rates, increased productivity within Folksam’s team of advisers and good cooperation with partners and insurance intermediaries. All this means that both new and existing customers have been able to get a good return on their savings in a secure, traditional insurance policy, while their capital has helped to create a more sustainable world!

Assets under management grew by SEK 72 billion, or 15 per cent, during the year, to SEK 556 billion. In addition, unit-linked insurance assets grew by 25 per cent to SEK 243 billion.

Folksam Life’s solvency ratio was 194 per cent and FolksamGeneral’s funding ratio was 203 per cent. The balance sheets have mainly been strengthened by the strong performance of the stock market, combined with higher interest rates.

Folksam’s financial strength hit record levels in 2021. We have provided our customers with security, while at the same time ensuring competitive returns on their capital.

A new year

Going forward, Folksam’s focus is on a cohesive customer experience, profitable growth and efficiency in everyday life.

In order to further consolidate our forces around the direction we want to take, we have begun the year with a partial reorganisation. I am looking forward to leading Folksam’s new organisation together with the other members of the Group management team in 2022. Thanks to our focus in recent years on efficiency improvements and low operating costs, we now have the scope to future-proof Folksam and create even more value for our customers.

I would like to thank all our customers and employees for a strong year.



Ylva Wessén
President and CEO

The year in brief

– The Folksam Group

Fossil fuels were opted out in the Folksam LO funds

Since the beginning of the year, the four Folksam LO funds have ruled out investing in the production of fossil fuels in the form of gas, coal and oil. Folksam LO Sweden is the largest Swedish fund on the market.



Folksam's CEO in meeting with UN Secretary-General on the Net-Zero Asset Owner Alliance

UN Secretary-General António Guterres has on several occasions highlighted the importance of the Net-Zero Asset Owner Alliance's climate-related efforts. Ylva Wessén, CEO of Folksam, was invited to a meeting to discuss the role of the financial industry in the transition to a more sustainable world.

Folksam entered into a new partnership with Jaguar/Land Rover and extended its agreements with Hyundai and Suzuki

Folksam signed a three-year agreement with Jaguar/Land Rover, thereby initiating a new partnership. At the same time, Folksam has extended its collaboration with Hyundai and Suzuki.

Folksam increases its investment in Heimstaden Bostad

The Folksam Group expanded its Heimstaden Bostad investment with a commitment of SEK 10.75 billion.

The Folksam Group and Öhman Fonder gathered 76 investors as co-signatories of a letter to Amazon's Board of Directors

The Folksam Group and Öhman Fonder sent a letter to the board of e-business giant Amazon with a clear message, urging the company to take concrete action in its efforts targeting human rights. The letter was co-signed by 76 international investors worldwide, who between them manage more than SEK 50,000 billion.

Trade unions offered pension savings through Folksam

Based on statistics on actual pensions from the Swedish Pensions Agency, about 50 per cent of Swedes would need to save privately if they want to receive 80 per cent of their final salary in retirement. The Electricians' Union, the Building Workers' Union, the Commercial Employees' Union and the Municipal Workers' Union are therefore offering long-term savings with Folksam to their members via Memberspar (Member Savings), which is only available to the members of the association.

The Swedish Athletics Federation and Folksam extended their cooperation

The Swedish Athletics Federation and Folksam extended their cooperation for another four years. This means that Folksam will continue to be the title sponsor of the Folksam Grand Prix and will also step in as a partner for the Healthy Athletics website.

Increased bonus rate for our customers

During the year, the bonus rate for Folksam Life's customers with traditional insurance was increased on five occasions. At the end of the year, the bonus rate for occupational pensions totalled 12 per cent and other life 9 per cent. This means that the surplus goes back to the customers.

The Folksam Group adopted new climate targets for 2025 for its investment portfolios

Great emphasis is placed on advocacy work in efforts to reduce the carbon footprint of equities, corporate bonds and properties by 29 per cent by 2025. Folksam currently manages approximately SEK 556 billion for more than three million customers.

Folksam and Volvo Cars launched new kind of car insurance

Folksam and Volvo Cars entered into a strategic partnership, in which Folksam will deliver full insurance as part of the purchase of Volvo XC40 Recharge, Volvo Cars' first electric car online. As usual, the price of the car includes a vehicle damage guarantee, but buyers of this car model will now get a 3-year half insurance policy to supplement the vehicle damage guarantee.



Folksam part of sustainable development bond from the World Bank

The World Bank issued a sustainable development bond focused on health and gender equality, two of the six goals identified by the Folksam Group out of the UN's 17 Sustainable Development Goals. This is part of the World Bank's strategy to highlight projects and programmes focused on gender equality and health and shows how Covid-19 disproportionately affects women. The Folksam Group's investment totalled SEK 100 million.

Folksam extended its sponsorship agreement for Swedish parasports by four years

The sponsorship agreement runs from 2021 to 2024 and is unique in that it covers commercial rights over three Paralympic Games: Tokyo 2020 (which was held in 2021), Beijing 2021 and Paris 2022.

Folksam increased ownership in SSAB to support fossil-free transition

Folksam increased its holding in the steel company SSAB to approximately 5.2 per cent of the votes and 2.1 per cent of the capital.



Folksam extended its strategic partnership with Newsec

Folksam developed and extended its management agreement with Newsec for all its properties in Sweden. This means that the cooperation that started in 2015 has been extended until 2025. Folksam owns properties in Stockholm, Skåne and Gothenburg with a value of SEK 46 billion spread over 800,000 sq.m.

Folksam and the Swedish Football Association continue their cooperation

Folksam General continued its investment in sport and extended its partnership agreement with the Swedish Football Association. The agreement sees Folksam strengthening its role as "the insurance company of the sports world", and Swedish football receives increased support with the dissemination of fair play and education for sustainable associations.

The Folksam Group acquired offices on Western Kungsholmen

KPA Pension, which is part of the Folksam Group, acquired the property Gångaren 10 on Västra Kungsholmen from Invesco. The underlying property value in the transaction was SEK 2.3 billion. The building contains 30,100 sq.m. of leasable area, and is leased to several companies, of which Securitas is the largest tenant.



Folksam General and Folksam Life's bonus

In mid-May, Folksam General initiated the distribution of a bonus of SEK 339 million to just over 2.5 million customers, with group insurance, and in October Folksam Life issued bonus statements to just over 900,000 customers, who will share SEK 854 million.

The Folksam Group invested a further SEK 1 billion in Volvo Cars

In addition to the Folksam Group converting all preference shares into ordinary shares, an additional SEK 1 billion was invested in connection with the IPO of Volvo Cars. The Folksam Group's total investment in Volvo Cars' ordinary shares thus totalled over SEK 3.1 billion.

New billion-kronor investment presented at COP26

At Climate Change Conference 26 (COP26), the Folksam Group presented a billion-kronor investment in the climate transition and adaptation of developing countries, in partnership with the European Investment Bank and Allianz Group.

Folksam launched a new anti-corruption investor forum

Folksam is one of six Swedish investors to join forces with Transparency International in launching the Investors Integrity Forum (IIF). The aim is to jointly pursue important issues relating to corruption risks, to acquire and disseminate knowledge and to promote transparency, integrity and accountability.

This is the Folksam Group

It is our job 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.

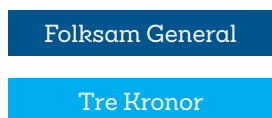
Folksam Life and Folksam General, the two largest companies in the Folksam Group, are owned by their customers. Instead of the profit being distributed to shareholders, it is returned to our owners – our customers – in the form of bonuses, premium reductions or better services, offers and customer services.

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.



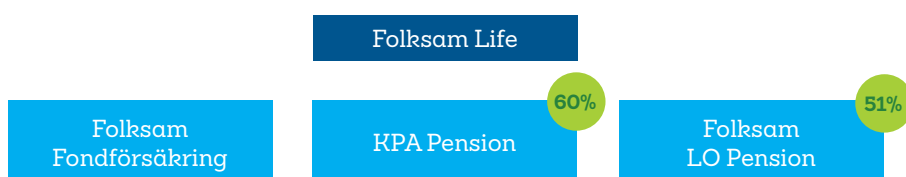
Companies and organisation working in harmony

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



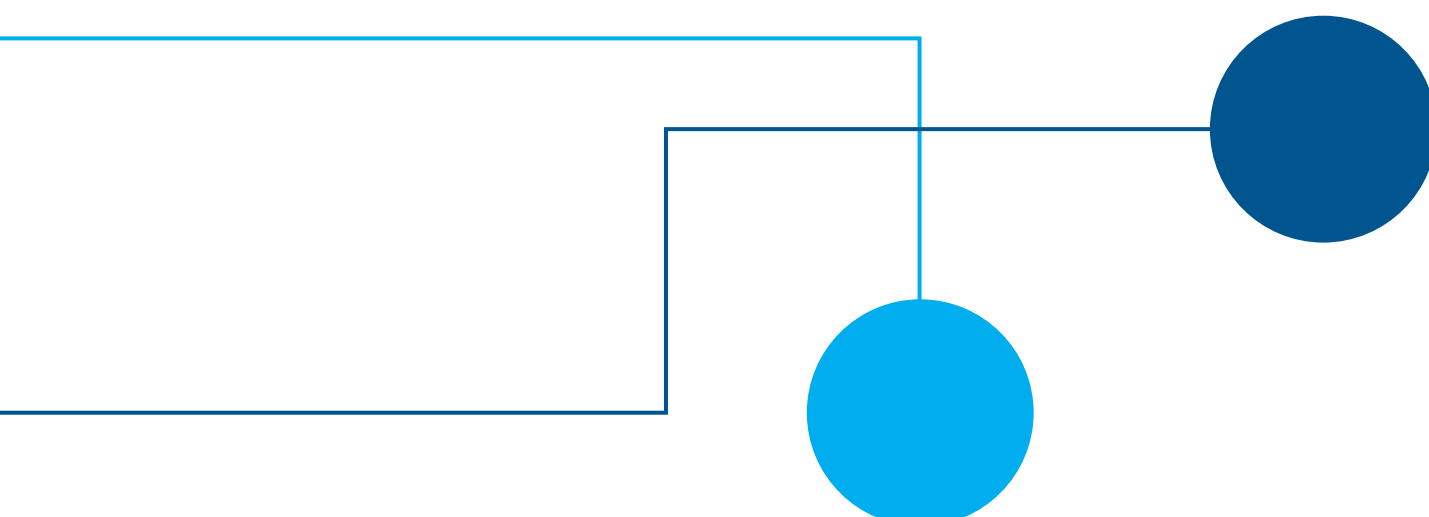
Folksam General is the parent company of a group that, in addition to the parent company, comprises insurance operations in the wholly owned subsidiary Tre Kronor Försäkring AB (Tre Kronor).

* 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. Folksam Tjänste AB was formed in 2021 with the aim of being transformed into a mutual occupational pension company, Folksam Tjänstepension AB, in 2022.

* The KPA Pension brand comprises the parent company KPA AB, the insurance companies KPA Tjänstepension AB (publ) (KPA Tjänstepension) and KPA Tjänstepensionsförsäkring AB (publ) (KPA Tjänstepensionsförsäkring), as well as 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.

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

We aim to have the most satisfied customers in the 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.

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.

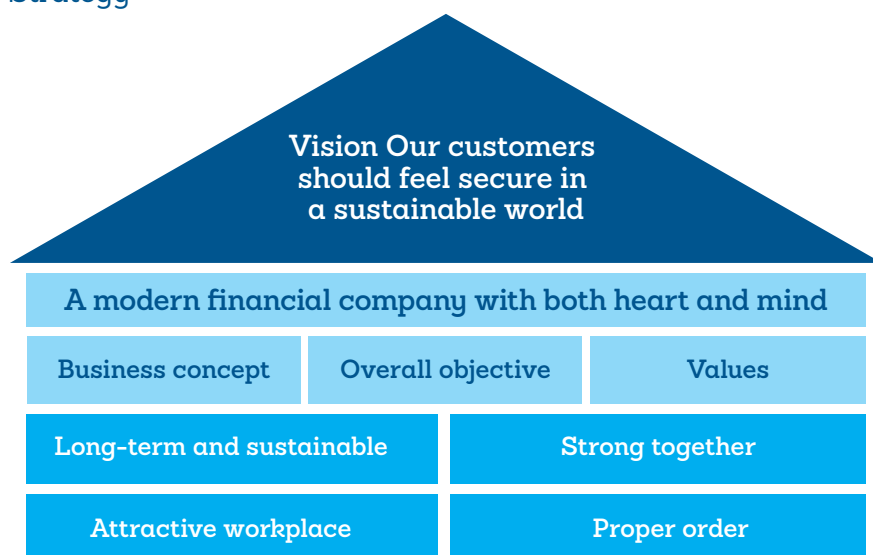


KPA Pension is the pension company for the local government sector and manages occupational pensions for employees in municipalities and regions, as well as municipal and cooperative companies.



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

Strategy



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 22.

Goal structure

To measure our overriding objective of having the most satisfied customers in the industry, we use two milestones: "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.

The goal of "Digitisation" is measured using a balanced index of different digital customer contacts. This year's result is 86 per cent, which exceeds the target level by no less than 16 percentage points.

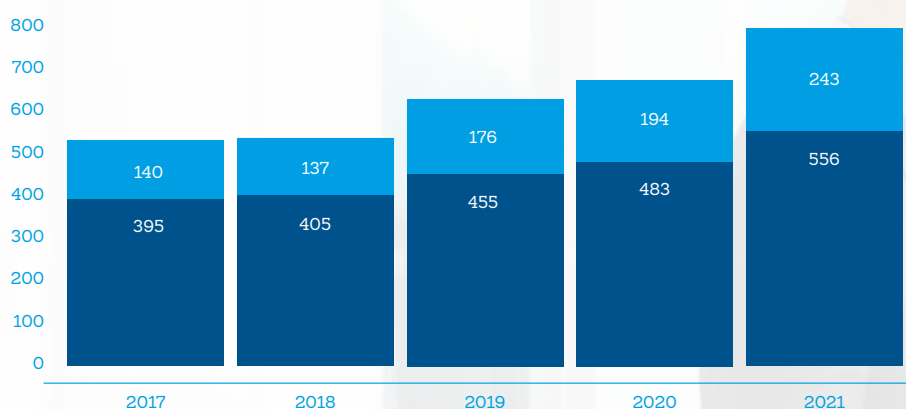
Achievement of goals 2021	Result 2021	Goal 2021
Folksam Customer Index (FCI), %	76	74
Digitisation Index (DI), %	86	70

Financial development 2021

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 61 billion during 2021. Within non-life insurance, premiums increased compared with the previous year.

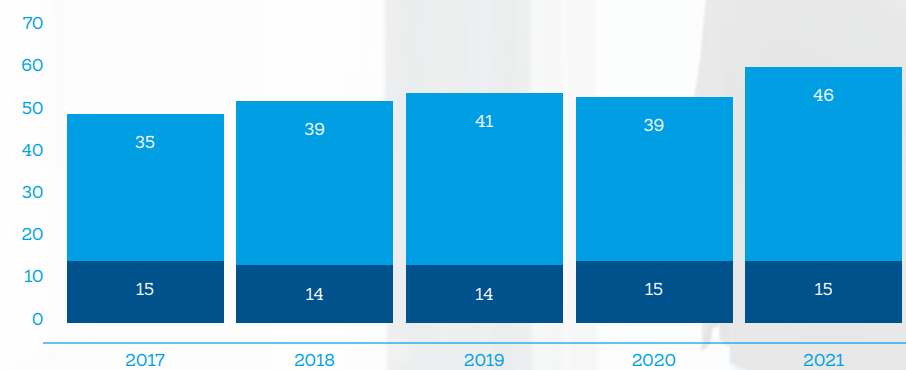
Total managed assets and unit-linked insurance assets, SEK billion

● Unit-linked insurance assets ● Assets under management



Total premium volume, SEK billion

● Life ● General



Key ratios

The Folksam Group	2021	2020	2019	2018	2017
Folksam Customer Index (FCI), % ¹⁾	76	74	75	75	78
Premiums, SEK million ²⁾	61,093	54,351	55,543	53,812	49,778
Assets under management, SEK million ^{3) 4)}	555,681	483,228	454,536	405,272	395,154
Unit-linked insurance assets, SEK million ^{3) 5)}	242,541	193,972	175,826	137,076	139,632
Number of full-time employees ⁶⁾	3,399	3,478	3,605	3,523	3,716

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

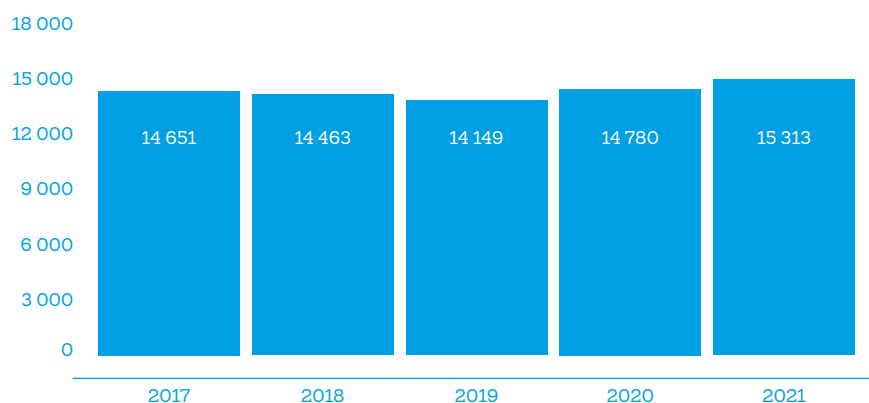
Folksam conducts non-life insurance business focused chiefly on the Swedish household market. Folksam General offers a full range of insurance products to households and individuals with a focus on car and home insurance policies, as well as commercial insurance products within specially selected areas.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

Folksam

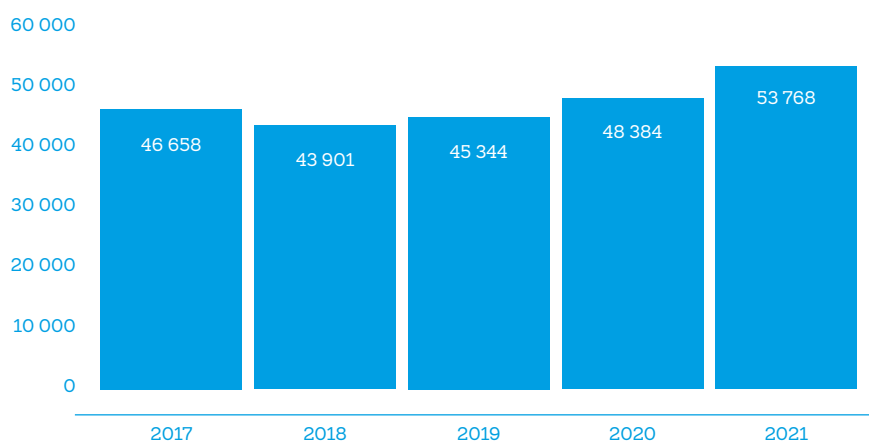
Folksam offers a full range of non-life insurance to Swedish households and private individuals, with a focus on car and home insurance.

Folksam General Group

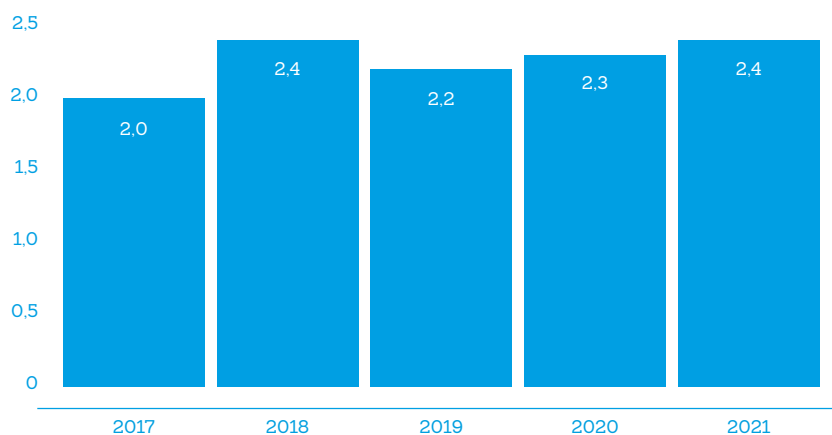
Premiums earned, SEK million



Assets under management, at period-end, SEK million



Solvency factor (SCR), at period-end



Folksam General Group	2021	2020	2019	2018	2017
Premiums earned, SEK million ¹⁾	15,313	14,780	14,149	14,463	14,651
Assets under management, end-of-period, SEK million	53,768	48,384	45,344	43,901	46,658
Solvency factor ²⁾ (SCR), at period-end	2.4	2.3	2.3	2.4	2.0

¹⁾ Premiums are defined as the premiums earned, equivalent 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. The solvency factor in the current quarter is reported with a one-quarter delay.

Premiums earned for the companies in the Folksam General Group increased by four per cent to SEK 15,313 (14,780) million. Assets under management increased by 1 per cent to SEK 53,768 (48,384) million.

Folksam General (parent company)	2021	2020	2019	2018	2017
Premiums earned, SEK million ¹⁾	14,089	13,419	12,885	11,629	11,671
Underwriting result, SEK million	1,306	1,026	237	81	108
Profit/loss before appropriations and tax, SEK million	4,667	1,843	1,308	1,349	913
Total expenses, %	87.3	89.8	96.1	97.9	97.9
of which claims expenses, %	74.5	76.4	81.8	79.4	82.7
of which operating expenses, %	12.8	13.5	14.3	18.5	15.2
Total return, %	7.8	2.2	3.0	4.1	3.4
Solvency capital, at period-end, SEK million	29,016	24,401	22,821	21,565	18,996
Funding ratio, at period-end, %	203	180	178	177	168
Solvency factor ²⁾ (SCR), at period-end	2.4	2.3	2.2	2.4	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.

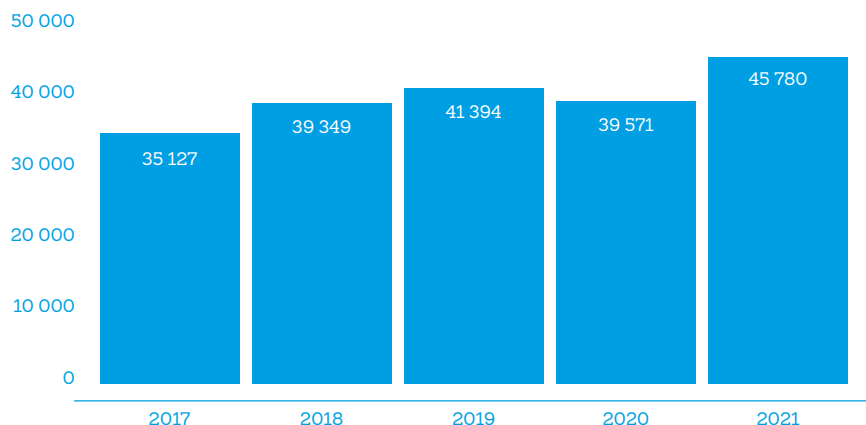


Life insurance

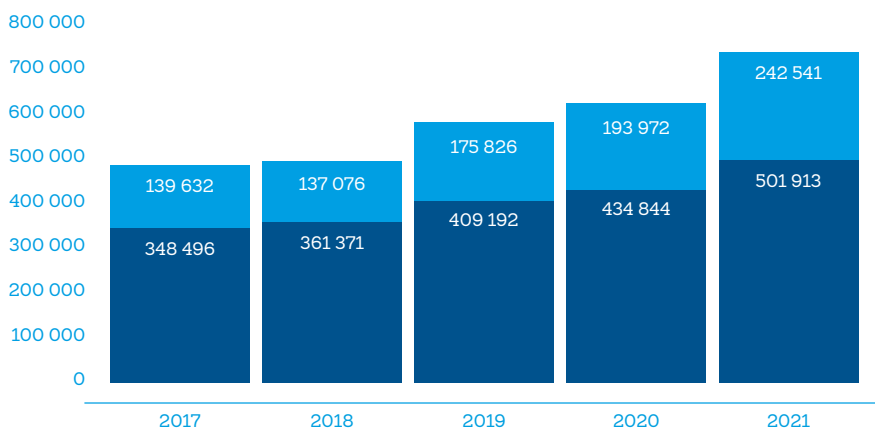
Folksam offers occupational pensions and long-term savings directly to private individuals, or through partnerships, as well as group life insurance and other types of risk insurance. The operations are conducted under three strategic brands: Folksam, KPA Pension and Folksam LO Pension.

Folksam Life Group

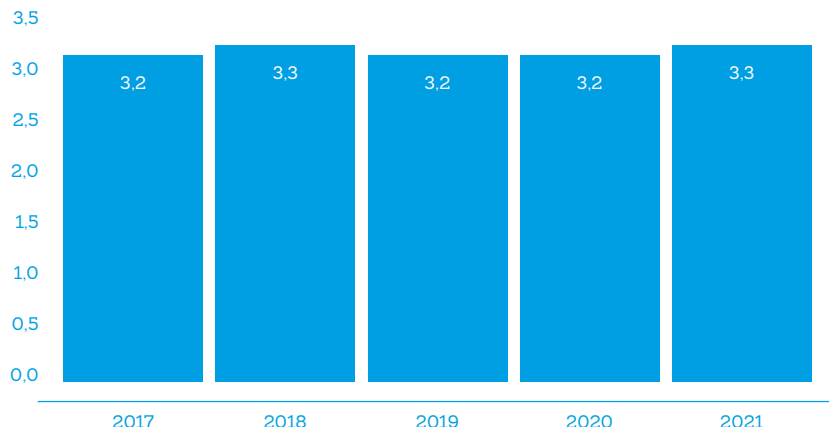
Premiums earned, SEK million



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



Solvency factor, at period-end



Folksam

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



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



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

Folksam Life Group	2021	2020	2019	2018	2017
Premiums, SEK million ¹⁾	45,780	39,571	41,394	39,349	35,127
Assets under management, end-of-period, SEK million	501,913	434,844	409,192	361,371	348,496
Unit-linked insurance assets, end-of-period, SEK million	242,541	193,972	175,826	137,076	139,632
Solvency factor, at period-end ²⁾	3.3	3.2	3.2	3.3	3.2

¹⁾ Premiums comprise premium income 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 increased by 16 per cent to SEK 45,780 (39,571) million for the full year 2021.

Assets under management amounted to SEK 499,407 (432,771) million and unit-linked insurance assets amounted to SEK 242,541 (193,972) million.

Folksam Life (parent company)	2021	2020	2019	2018	2017
Premiums, SEK million ¹⁾	16,399	11,030	12,040	11,584	10,324
Underwriting result, SEK million ⁴⁾	29,017	6,371	11,868	2,018	5,706
Management expense, %	0.5	0.4	0.5	0.6	0.6
Total return, %	12.4	4.7	10.4	1.5	4.2
Assets under management, end-of-period, SEK million ³⁾	238,914	211,444	205,912	187,259	179,413
of which strategic company holdings:	8,142	6,465	5,778	4,073	4,606
Solvency ratio, end-of-period, %	194	171	169	163	165
Solvency factor, mixed companies ²⁾	3.8	3.8	3.7	3.8	3.7
Collective funding ratio, occupational pension, at period-end, %	125	120	119	110	120
Collective funding ratio, other life insurance business, at period-end, %	123	118	119	114	118

¹⁾ Premiums comprise premiums earned in savings insurance and premiums earned in risk insurance.

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. The solvency factor in the current quarter is reported with a one-quarter delay.

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. The figures for previous years have been adjusted in line with this change.

⁴⁾ As of 2020, dividend tax is reported in the annual report on the row titled 'Tax on profit/loss for the period'; the preceding year's figures have been adjusted for this.

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 2021, we had premiums of SEK 61 billion and we manage a total of SEK 556 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 around 3,700 employees, who work every day to achieve our objective of having the most satisfied customers in the industry.

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



2 Business and operations

We generate value for the customer in every part of our operation. We do this by having clear guidance 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. 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.

Claim settlement and customer service

Folksam's claim settlement contributes to our customers' security and makes the situation they are in easier. Our claim settlement and customer service received top-class ratings according to the Swedish Quality Index 2020.

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, providing information about possible alternatives. We always aim to adopt an advisory approach and should never convince a customer to purchase something they do not need. 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 aims to promote long-term security based on return and sustainable development. In order to achieve good risk diversification, we distribute our investments over various kinds of assets and markets. We are convinced that responsible companies will be more profitable in the long term, which increases the potential to give our customers a good return. We never compromise on the financial return, but believe that the return our customers can expect to receive from us is more than just financial. We use our belief in making an impact, constant improvements and transparency as a starting point.



3 Main strategic areas

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

Long-term and sustainable

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

Strong together

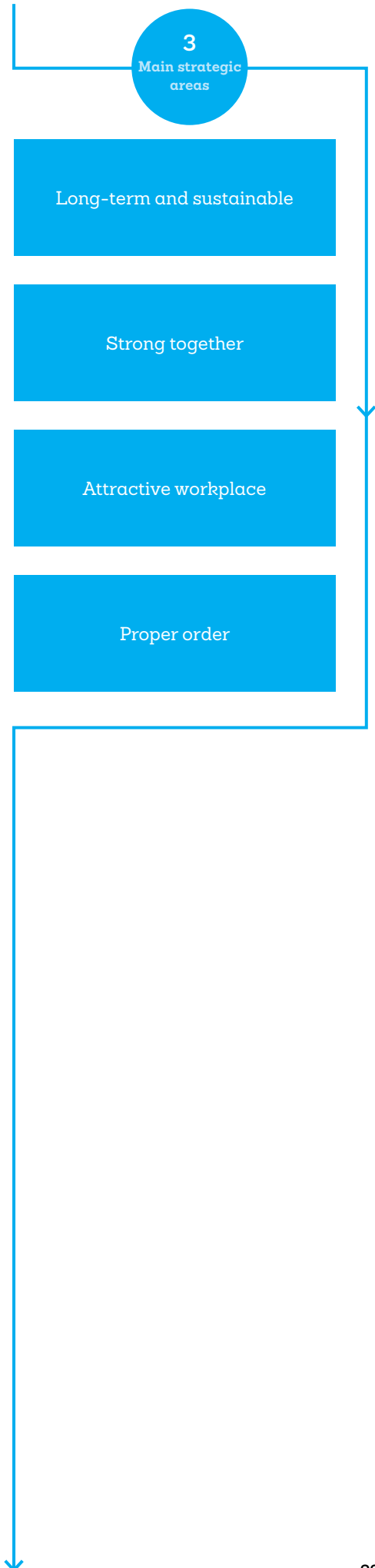
We shall be the obvious insurance partner and create mutual added value through collaboration. We do this through both commercial cooperation with business partners and collaboration between the companies in the Folksam Group.

Attractive workplace

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

Proper order

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



4 Value for the customer

Our job is to provide security for every phase of life. With us, customers can insure themselves, their loved ones and their property and save for their pension. Our aim is to have the most satisfied customers in the industry.

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 customers' security and makes the situation they are in easier, and as a major player in the Swedish insurance and pension savings industry, we also have potential 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 buildings 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 more than 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 goals numbered 3, 5, 8, 11, 12 and 13.

Read more about our sustainability work on page 31.

4

Value for the customer

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

76% of customers satisfied in the Folksam Customer Index

Independent Customer Ombudsman

Multilingual customer service in 17 other languages

Contribution to the UN's global goals:



Climate goals:

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

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, but the Folksam Group instead invests the capital in equity, interest-bearing securities and other assets. The customer is guaranteed a certain amount when it is time for an outgoing payment, and can also receive additional amounts in the form of a bonus.

Occupational pension – the employer pays

The occupational pension is the part of the pension that the customer's employer pays. It is about 4.5 percent of the annual salary, although it can be more, which is set aside each year and is therefore an essential element of the customer's future finances. At present, about ninety per cent of all employees have occupational pensions through their employer, and everyone who works in a cooperative or NGO-owned company is insured with Folksam. We have secure occupational pensions for customers both with and without collective agreements.

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 high-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.

Overview of our customer offering by company

Traditional insurance	Occupational pension	Unit-linked insurance	Personal risk insurance	Non-life insurance
 	 	  	  	 

The world around us and the market

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.

Since March 2020, the world has been seriously affected by the coronavirus pandemic. Measures to protect people and reduce the consequences of the pandemic have affected the economy. Many of our business partners and customers have been hit hard by the crisis.



The world around us

Future developments – Capital markets

The recovery from the pandemic is being challenged in 2022 by high inflation, the rapid spread of infection and geopolitical risks. As inflation has grown, pressure has increased on central banks to normalise monetary policy, and the market now expects five interest rate rises from the US Central Bank in 2022. The year has started with a great deal of turmoil in the financial markets. This is likely to last, and means that we will sometimes see sharp price fluctuations in most asset classes.

Russia's invasion of Ukraine brings a strong increase in security concerns, which can also be assumed to persist for a long time to come. For the financial markets, various sanctions, stances from other countries and the management of Europe's energy supply will be areas that will affect the conditions for both growth and inflation.

Despite many uncertainties, it still appears that growth is being supported by large household buffers and pent-up demand for the consumption of services as the pandemic eases. Inflationary forces are expected to peak to some extent during the year.

The overall expectation of 2022 is thus a continued tug-of-war between the various effects and consequences of the pandemic and a number of additional uncertainty factors such as security policy concerns.

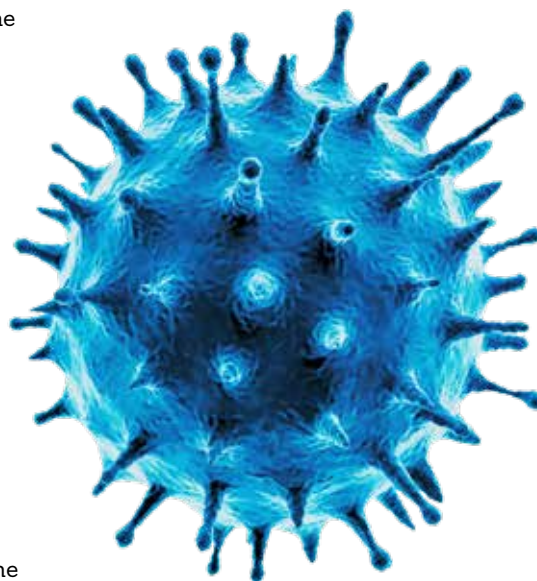
The second year of the coronavirus pandemic

In 2021, the pandemic continued to make its mark on Swedes and society in the form of various kinds of restrictions, even though these were eased to some extent in the late spring.

During the spring, the Folksam Group joined forces with the business community to take part in meetings arranged by the Governor of Stockholm County. The purpose was to highlight the role that the business community has in preventing the spread of infection. Maria Rotzén Östlund, infectious disease physician in the Stockholm region, and vaccine coordinator Magnus Thyberg participated. Throughout the pandemic, the Folksam Group has been monitoring developments closely and has consistently adapted its operations according to the latest restrictions and advice issued by government agencies. In 2021, we took part in the Skill Shift initiative, in which employees with a relevant healthcare background are able to take leave of absence on full pay to relieve the burden on the healthcare service within Region Stockholm.

During the autumn, a gradual return to work began in our offices, which was welcomed by many employees. As the spread of infection increased, and after government agencies issued stricter restrictions in December, the consequence was that Folksam's employees were once more encouraged to work from home as far as possible.

During the pandemic, Folksam has offered all employees the opportunity to borrow office equipment to facilitate working from home. With due consideration for those employees who need to perform work from the offices, we have expanded cleaning, provided hand sanitiser and face masks, and encouraged everyone to keep a distance.



Trends we face

The insurance industry is experiencing an exciting time, with changes driven by a number of major trends in the world around us. Sustainability, rapid technological development and changed values are placing new demands on the Folksam Group as an actor that is sustainable in the long term in the field of 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.

Sustainability

The majority of the world's scientists agree that we are moving towards a future with stronger and more frequent extreme weather. Climate change is having direct effects such as heatwaves, increased rainfall, floods, droughts and forest fires, as well as indirect effects such as air pollution, changing ecosystems and an increase in the spread of disease-carrying insects. But it is not just the climate that is changing in the area of sustainability. There has been more focus on issues relating to social sustainability, such as physical and mental health, especially during the pandemic.

Rapid technological development

We are in an age of rapid technological development in areas such as artificial intelligence, automation, the Internet of Things, biometrics, etc. This has contributed to the emergence of new, agile competitors in the insurance market, but the established insurance companies are also putting a strong focus on digitisation. We are seeing a clear trend that the pandemic has accelerated the pace of the digital transformation across the market.

For the industry, this means new expectations and opportunities in areas such as product and service development, customer service, customer communication and claim settlement.

Changed values

The western world has long been characterised by individualism. Traditional, group-oriented values have given way to more individual-oriented ones, as prosperity and education levels have increased. Sweden is described in international comparisons as the country in the world where values associated with freedom of choice, gender equality, self-determination and co-determination are valued most highly. We are in an age when society is moving from green, liberal values to traditional, conservative ones. Young people in Sweden today have more conservative values than previous generations.

The insurance industry in Sweden

According to Insurance Sweden, at the end of 2021 the insurance industry in Sweden consisted of 315 companies, 278 of which were Swedish companies and 37 were foreign-owned branches operating in Sweden. Of the Swedish companies, 32 were life insurance companies, 195 non-life insurance companies, 14 occupational pension companies and 37 friendly societies. Between them, these insurance companies employ approximately 22,000 people in Sweden.

The industry is predicted to be significantly affected by climate impact and the conversion to electric vehicle ownership, which will drive up premiums within the non-life companies. Other factors, such as the increased frequency of cyber threats, may also affect pricing. For life companies, the increase in climate awareness will mean greater demand for sustainable investments.

”Sustainability,
rapid
technological
development and
changed values”

Understanding the world around us – from global long-term trends, to current and regional ones – is becoming increasingly important to ensure that development work creates value for the customer. One example is Folksam's householders' comprehensive policy, which in 2021 improved protection in cases of domestic violence, as a result of new research into violent crime in Sweden. Another example is the profitable investments we have made with the aim of also accelerating the climate transition, for example in green bonds. It is also our conviction that instead of excluding companies with large carbon dioxide emissions, we can create benefit by investing in them and supporting their transition work.

New business models

New business models are emerging as a result of technical developments. Traditional insurance companies, particularly in the area of non-life insurance, are facing growing competition from totally new digital players. Established companies from other sectors are also making a challenge. Rapid changes are also taking place in the field of life insurance and saving, for example 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.

Laws and regulations

It is important to incorporate new laws and regulations into Folksam's processes. Folksam monitors the development of new or amended laws and regulations, and also participates in meetings with politicians and other decision-makers, in the work of trade associations and in the public debate on important issues.

Solvency II

The EU legislative framework for insurance companies, Solvency II, is under review. The European Commission's amendments concern, among other things, the valuation of the long-term commitments of insurance companies and the structure of capital requirements. Furthermore, the European Commission has presented a directive establishing a crisis management framework for the insurance sector (recovery and resolution) as well as a macroprudential tool. The crisis management framework proposes far-reaching requirements for insurance companies to draw up recovery plans. It is also proposed that a resolution authority be appointed with responsibility for resolution plans in insurance companies.

Retroactive right of transfer and surrender

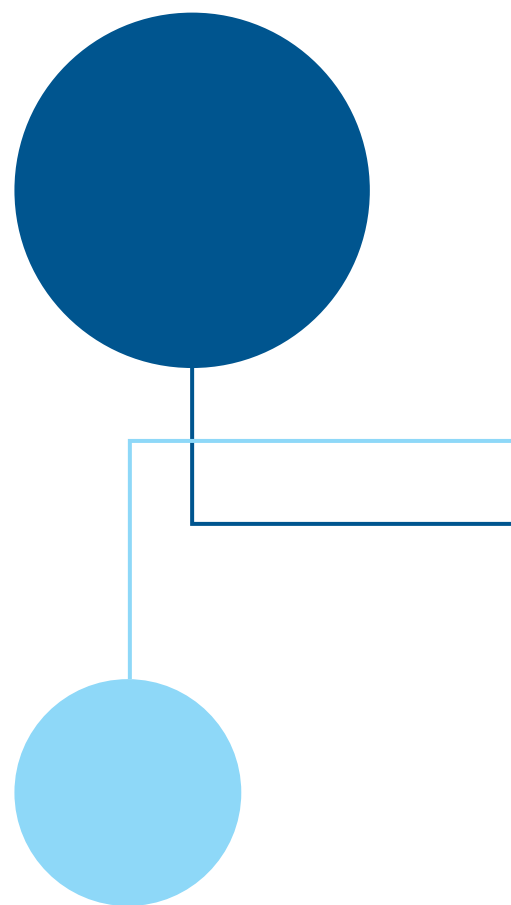
The Swedish Government is proposing that a retroactive right of transfer and surrender be introduced for all unit-linked and deposit insurance agreements, and that for these agreements it should only be permitted to charge a limited administrative transfer and surrender fee, as is already the case for unit-linked insurance that has a right of transfer and surrender. It is proposed that the amended legislation will enter into force on 1 July 2022.

Competitive neutrality in connection with conversion to an occupational pension business

The Ministry of Finance has referred a proposed bill that allows an insurance company to transfer all occupational pension insurance policies and associated activities to another insurance company without immediate tax consequences in the income and return taxation in connection with conversion to an occupational pension business under the Swedish Occupational Pension Company Act. It is proposed that the new provisions will be applied to transfers of insurance portfolios that are carried out during the period 1 January to 31 December 2022. A bill has been announced for 22 March 2022.

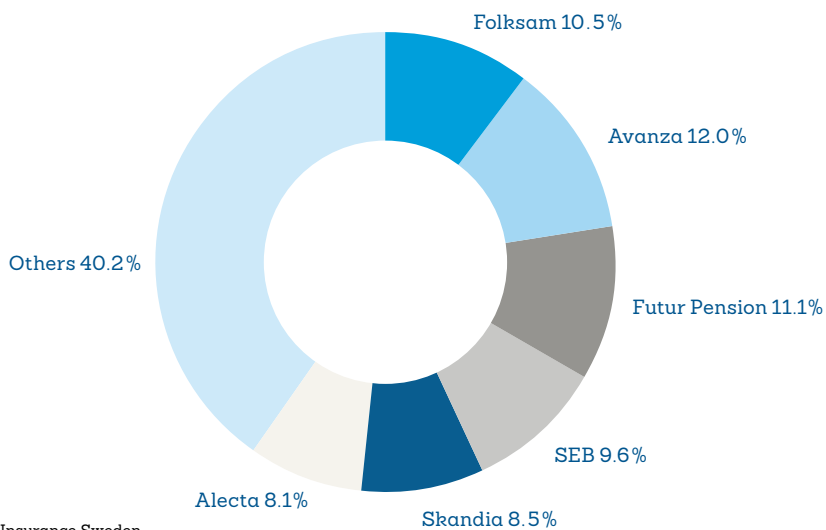
Classification of environmentally sustainable activities

The EU's new regulatory framework for classifying environmentally sustainable activities, the taxonomy regulation, initially only includes criteria for the two climate-related goals in the taxonomy, i.e. climate change mitigation and climate change adaptation. The taxonomy regulation requires financial actors in the EU, including Folksam, to report what proportion of companies' total assets consist of investments that are environmentally sustainable in accordance with the regulatory framework. For the financial year 2021, Folksam will report such key ratios in accordance with special transitional rules.



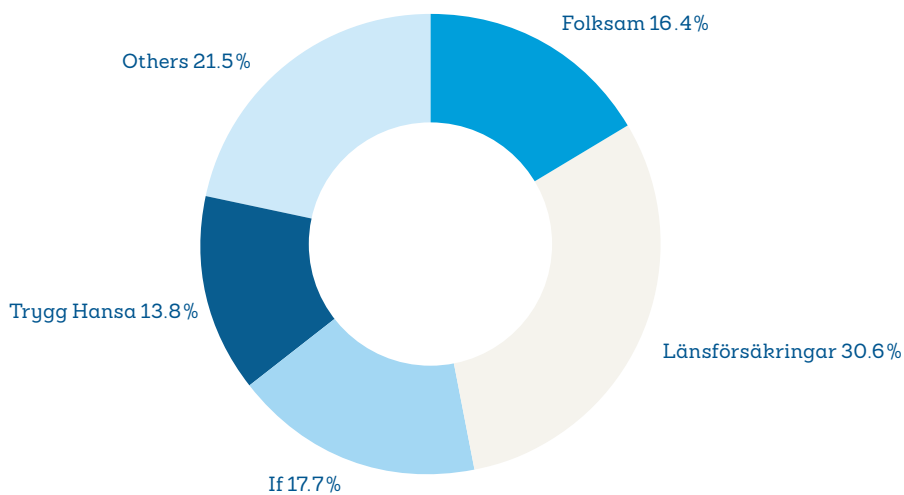
Market share

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

Strategic direction of travel towards 2026

Folksam's long-term and common direction of travel towards 2026 to achieve the vision and our overall objective is about a cohesive customer experience, profitable growth and being efficient in everyday life.

Cohesive customer experience

As a customer, you should be met by a Folksam that provides a cohesive customer experience. You should not feel ignored and you should experience Folksam as being responsible and committed to you, your life situation and a sustainable society. Folksam is here for you, our customer, and you will usually interact with us digitally.

Profitable growth

Folksam continues to develop its business model with group insurance, occupational pensions and insurance policies, as well as savings that are suitable for many different people. Folksam is developing its collaboration with partners to become the obvious choice of insurer and occupational pension company, and also has direct contact with the end customer, who can easily supplement their commitment. Sustainability is at the heart of Folksam's product development and the company shares its expertise in damage and injury prevention.

Everyday efficiency

Folksam uses its joint operational organisation to combine its expertise wherever synergies can be achieved. We work as one Folksam, with a common culture and an employeeship and leadership that provides development and is characterised by ongoing learning, trust and openness. The IT environment is simplified and data and information management streamlined. The development and implementation of new IT solutions is followed by the phasing out of old systems. The level of operating expenses contributes to Folksam's competitiveness.



Sustainability report

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 2021. 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 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. Thanks to our size and our business, we have the opportunity to be a positive force for our customers and society in general. Our sustainability work is based on our vision, the fact that our customers are our owners and that sustainability represents good business. We believe that having sustainability work integrated into our offerings and operations provides better conditions for long-term success. It is therefore our goal to be the leader in the field of sustainability.

Our sustainability work is organised into two overall target areas: *people & society* and *climate & environment*. Within these target areas, we have prioritised six specific areas that are based on our business within both the life and non-life groups and our impact on the environment and society. These have also been influenced by what is most important to our customers and stakeholders. The Folksam Group's target areas form the basis of both strategic development work and operational work to integrate sustainability throughout the business.



People and society

As an insurance and pension company, we contribute to financial security. Offering good conditions to as many people as possible is still one of the most important tasks of the Folksam Group. Fair terms and conditions must apply, regardless of whether you are a customer, an employee or are working somewhere in our supply chain or in companies in which we have invested.



Good health and well-being:

We promote good health and prevent injury for our customers.



Greater gender equality and diversity:

We counteract discrimination and promote equal rights and opportunities. Everyone should have the opportunity to insure themselves and afford to retire.



Promoting a good work environment and human rights:

We strive to achieve decent working conditions and the opportunity to have a full working life.



Climate and environment

Climate change is the greatest issue of our time. The effects of climate change are increasingly clear to us. Natural damage events are increasing on a global scale, reinsurance costs are rising and international investment flows are shifting away from fossil assets.

Our most important sustainability work as an insurance company 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.



Sustainable cities:

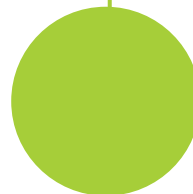
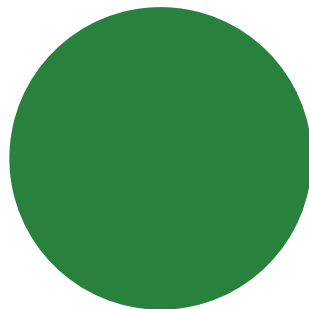
We contribute to the transformation of a more sustainable society by investing in green infrastructure.



Efficient resource utilisation: We prevent and reduce the impact of damage to people and the environment, and strive to preserve biodiversity.



Climate action: We are striving to limit global warming to 1.5 degrees, in line with the Paris Agreement.



Stakeholder engagement

We are convinced that responsiveness 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.

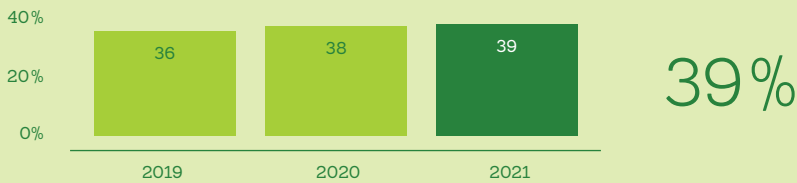
In 2021, two targeted dialogues were conducted with customers and with the boards. In June, the board seminars for Folksam were held on the theme of sustainability. The dialogue took place in groups, and the boards had to identify important sustainability-related issues for Folksam, linked to business opportunities and challenges. During the autumn, a customer survey was conducted on sustainability for pension companies, with a smaller section on insurance policies.



Our sustainability are efforts highly rated

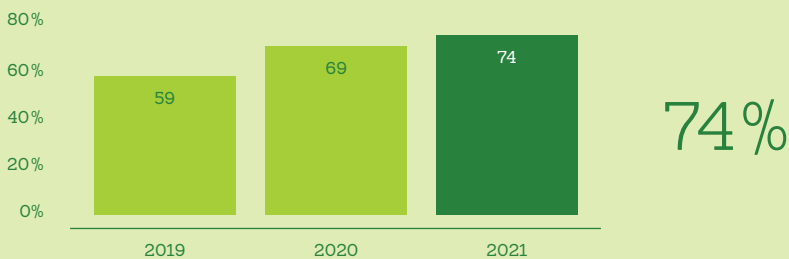
In order for our sustainability efforts to lead both to more customers and to more satisfied customers, as well as to increase our attractiveness as a workplace, it is important for the sustainability work to be known and appreciated by our target groups. We try to achieve this by describing it in our communications. In order to monitor the results, we continually conduct surveys among the relevant target groups, as well as studying and learning from the rating of external auditors.

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



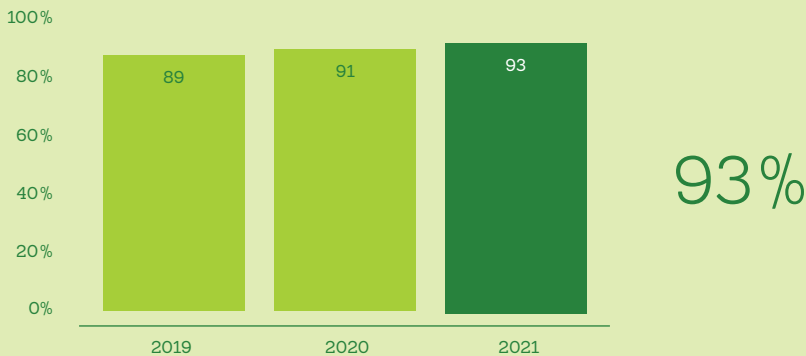
39 per cent of Sweden's consumers believe that Folksam takes its responsibility for sustainability. This figure is based on 5,200 interviews where Ipsos compares 15 operators in the insurance and pension savings industry and is the average of four quarterly surveys. Folksam led the way in all four quarters in 2021.

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



74 per cent of our customers think that Folksam takes its responsibility for sustainability. This is an average based on three quarterly customer surveys. The proportion of customers who answered the question was 36 per cent.

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



93 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 2021. For the tenth consecutive year, KPA Pension topped the list of the pension industry's most sustainable brands.
- The Swedish Consumers' Insurance Bureau integrated sustainability into their assessment in 2021. Folksam performed well in the comparison.
- Söderberg & Partners publishes several sustainability analyses every year, in which they evaluate the sustainability work of different players and give ratings according to a traffic light system. In the analyses published in 2021, in which Folksam and KPA Pension were evaluated, we received the following ratings: Sustainable non-lifeinsurance 2021: Folksam green rating, Sustainable Pension Companies 2021: Folksam yellow rating, KPA Pension yellow rating.



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 international agreements and frameworks, as well as the commitments we have made and the collaborations we have chosen to participate in. 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 activities. Non-life insurance companies, for example, have set themselves the goal of reducing their CO2 footprint through circular and sustainable claim settlement.

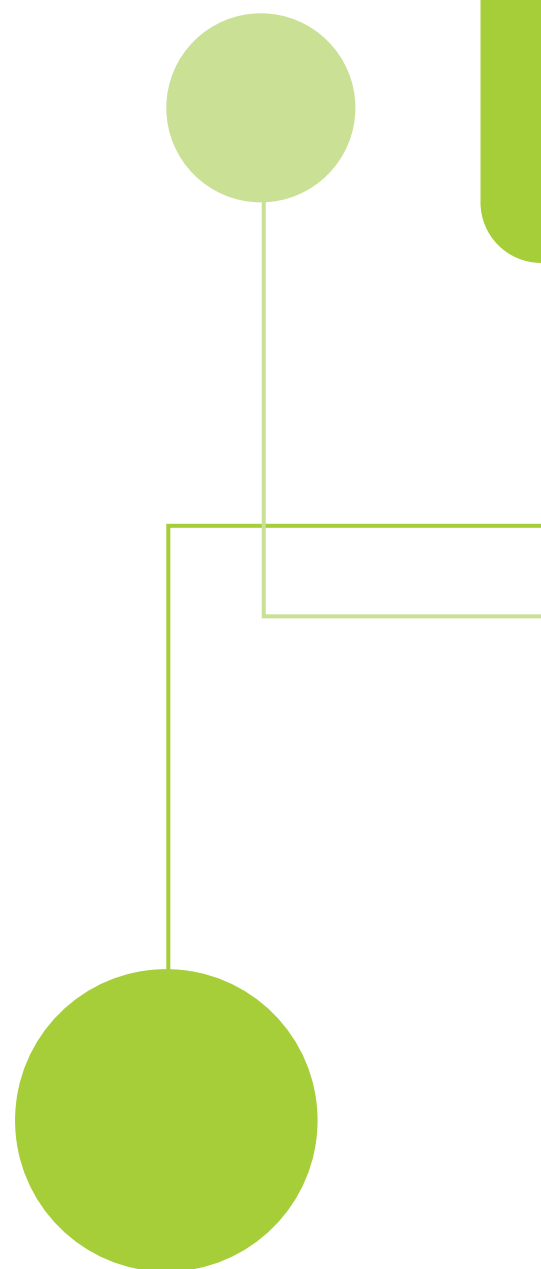
In 2021, the target areas for sustainability have been further integrated into the business strategies of Folksam Life and Folksam General. In the business plan for 2022-2024, each unit has ensured that the sustainability goals are fully integrated into the operational plan.

Sustainability organisation

Responsibility for strategic sustainability work lies with the Asset Management and Sustainability unit. The Head of Asset Management and Sustainability is a member of the Group Management team, 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 general monitoring of on 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 CEOs and boards of the Folksam Group's subsidiaries handle sustainability work in accordance with established strategic agendas.

In 2021, a Sustainability Forum was established, with representatives from all the different parts of the business, including subsidiaries. The purpose of the forum is cross-functional collaboration on sustainability for increased transparency and participation and to prepare matters for the Sustainability Committee.



Sustainable Finance

Sustainable Finance is the European Commission's action plan for sustainable finance. The Commission has developed the action plan as it sees that financial players have a key role to play if the goals of the Paris Agreement are to be achieved. If we are to limit global warming to a maximum of two degrees, preferably one and a half degrees, we need to switch financial flows in a more sustainable direction. Sustainable Finance is primarily a legislative package that aims to clarify what constitutes a sustainable investment and places additional information requirements on financial operators who provide sustainable products to clearly inform about it in a uniform way. The first element of Sustainable Finance, the Disclosure Regulation, entered into force on 10 March 2021. We have adapted to the new requirements. They mean, among other things, that we describe how we integrate sustainability risks in connection with investment decisions. We have also reached the conclusion that all our products promote sustainable properties under the regulation. The changes implemented concern Folksam Life and its subsidiaries.

We are preparing to implement the changes that will arrive in 2022, the so-called Taxonomy Regulation, as well as sustainability-related changes in the IDD and the Solvency II regulations. These changes affect both Folksam Life and Folksam General. The first changes relate to transitional rules associated with the Taxonomy Regulation, and they must be described in the annual reports. Disclosures consist primarily of key ratios linked to our investments in environmentally sustainable financial activities. At Folksam, we adopt a holistic approach to the implementation of the European Commission's action plan and are actively following the work of the Commission and the regulatory authorities. There are many parties engaged in this work, and we are applying a cross-functional work method to implement the regulations. Since the ambition of the regulations is largely about making it easier for customers to make more well-informed decisions linked to sustainable investments, it is our ambition to implement the regulations in the most customer-friendly way possible.

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. An important aspect of our business ethics is our work on anti-corruption. According to the Swedish Anti-Corruption Institute, the insurance industry is particularly privacy-sensitive. We have zero tolerance of bribery.

The Folksam Group's internal rules for the prevention of corruption are available to all employees, for example through our intranet. In 2021, 2,692 employees completed the mandatory regulatory training programme, which covers ethical issues, bribery and managing conflicts of interest. 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 2021. No insurance company within the Folksam Group has incurred any sanctions or fines in 2021 for breaches 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 claim 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.

”There are many parties engaged in this work, and we are applying a cross-functional work method to implement the regulations.”

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 works constantly 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. This is about 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 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.

Financial sanctions

Financial sanctions involve restrictions being imposed on the freedom of a state, a group or individuals to take action in order to try to influence behaviour through various economic measures. This may include, for example, trying to influence the policies of a state that is threatening international peace and security, cooling down a conflict, inducing a state to stop systematic violations of human rights, or trying to encourage a state to respect certain democratic principles. The EU decides on financial sanctions in the form of ordinances that apply directly to companies in Sweden. There are currently extensive financial sanctions in connection with the situation in countries such as Ukraine, North Korea and Myanmar.

The Folksam Group conducts checks, for example, on customers and beneficial owners against in the EU sanctions lists to ensure that we do not receive money or make payments to persons on the sanctions list. We have an obligation to immediately freeze, i.e. block, financial assets of those persons or companies, and to report to the relevant government agency. Financial sanctions are a valuable instruments for international efforts to ensure peace and security, and to promote democracy and human rights. Folksam’s actions contribute to this important work.



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 on 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 form 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 the risk assessment. Sustainability risks are an element of all the risk categories above. One example of this is climate change. 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 our 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.

Climate risks

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 2021, 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 2021 is available at [folksam.se](https://www.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 targets and metrics.



Our climate
report 2021
is available at
[folksam.se](https://www.folksam.se)

Sustainable insurance and pension offers

We at Folksam get involved in what our customers care about and we develop our offering in line with the changing needs of customers. Customer focus and sustainability are important every step of the way.

Customer focus and sustainability every step of the way

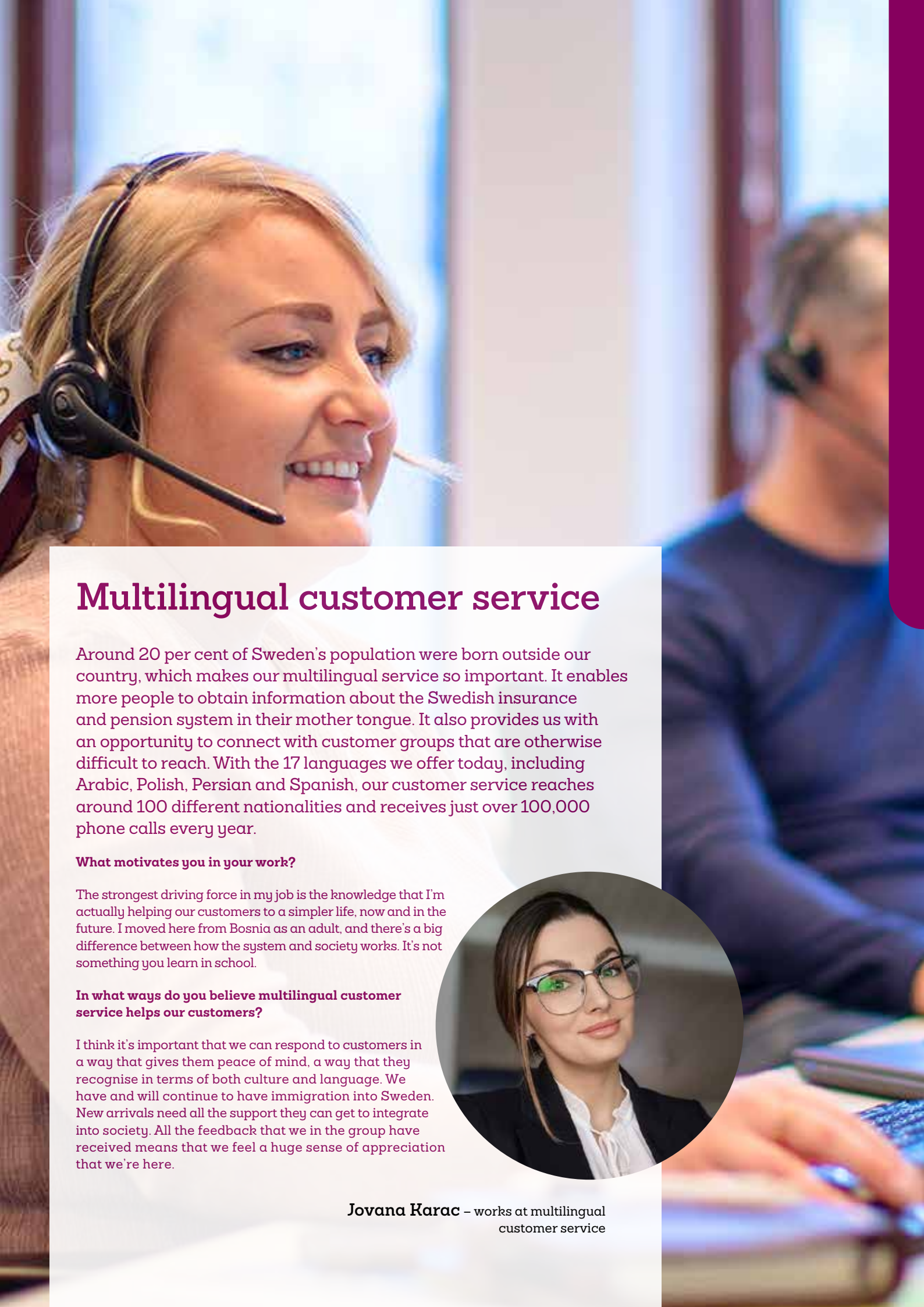
The environment and climate issues are important to our customers and also to us. It will become increasingly expensive to obtain insurance in the future unless we all help to slow climate change. We are owned by our customers, so we have ambitious environmental requirements. For example, our car, home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

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 per cent of our customers are satisfied with us.

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 can 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.





Multilingual customer service

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 offer today, including Arabic, Polish, Persian and Spanish, our customer service reaches around 100 different nationalities and receives just over 100,000 phone calls every year.

What motivates you in your work?

The strongest driving force in my job is the knowledge that I'm actually helping our customers to a simpler life, now and in the future. I moved here from Bosnia as an adult, and there's a big difference between how the system and society works. It's not something you learn in school.

In what ways do you believe multilingual customer service helps our customers?

I think it's important that we can respond to customers in a way that gives them peace of mind, a way that they recognise in terms of both culture and language. We have and will continue to have immigration into Sweden. New arrivals need all the support they can get to integrate into society. All the feedback that we in the group have received means that we feel a huge sense of appreciation that we're here.



Jovana Karac – works at multilingual customer service

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.

Damage and injury prevention work is based in practice on support through analysis of reported damage and injuries, information and advice through, among other things:

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

The website also has advice on climate adaptation and heat pumps. Over the past 30 years, our claims expenses linked to extreme weather events such as storms and cloudbursts have more than doubled for home insurance customers. The level of damage has also grown worse, costing on average more than twice as much as 30 years ago. It is therefore important for us to inform our customers about how they can adapt their homes to climate change. This could be anything from building green roofs and draining house foundations to moving things up off the floor in the cellar. 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 2021, we performed tests and analyses to prevent injury and damage, including:

- Continued analysis work on the effect of installing a water switch on water damage claims under home insurance policies.
- Reviewed bicycle thefts with a focus on electric bicycles.
- Conducted a comprehensive review and report on solar panels that are marketed on the Swedish market. 380 solar panels were included in the investigation. The criteria on which the comparison was based were: number of cells, rated power, efficiency, maximum power, country of assembly, production warranty.
- Updated our report on heat pumps due to high interest from our customers. In 2021, we had 150,000 visits to the information page.
- Regular survey of how many households have fully functional smoke detectors fitted.
- Studied thefts outside the home and identified the most common locations of theft and items stolen.
- We regularly contact our home insurance customers with damage and injury prevention information in the form of targeted and seasonal campaigns six times a year, campaigns aimed at customers who have reported water damage, and monthly to customers whose safety inspection revealed them to be at an increased risk of future damage.
- To reduce the risk of electrical fires in homes caused by incorrect charging of electric vehicles, we have collaborated with Ellevio to offer chargers including installation.
- To prevent water damage, we have joined forces with Bravida to develop an offering for the installation of water switches.

In collaboration with Svensk solenergi

There are doubts about sustainability in parts of the production chain for solar panels. Folksam wants to see a clearer description of requirements for how solar panels are produced. We have therefore started a dialogue with the trade association Svensk solenergi (Swedish Solar Energy) to discuss the development of ways to develop clear criteria for being able to certify both solar panels and installers.

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, which also covers environmental and health aspects, primarily in the field of road transport.

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 and world of sport. 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 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. We are conducting research to develop measures that will prevent sports injuries. Some examples of where our research has resulted in fewer injuries are our collaborations at major sporting events, such as Vätternrundan and Cykelvasan. In equestrian sports, we have conducted 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 the year, around 476 news articles were published, which were read by approximately 42 million people. The published studies that had the greatest impact on and connection with our target areas for sustainability were:

- A study showing that hundreds of lives have been saved in Sweden thanks to seat belt reminders.
- A survey shows that four out of ten pregnant women are using their seat belt incorrectly.
- An evaluation of the safety and environmental performance of vans.
- Three guides for car buyers: How safe is the car, The safest family cars and Safe rechargeable cars.
- Consumer tests of riding helmets and bike helmets (co-published with the UK Road Safety Trust).
- Mapping of accidents involving electric scooters.
- Speed limit compliance of commercial traffic was measured for the fifth year in succession.
- A follow-up test of bicycle lights.

In 2021, a research project was also launched in which fatal accidents that occurred in Sweden were studied from a value chain perspective. The study is the first of its kind, and the results are expected to provide important base data for use in determining how fatal accidents can be prevented. This can be done by identifying how the actions of companies, municipalities and government agencies can be improved through clearer procurement processes, policies and other strategy documents aimed at road safety. The project is expected to be completed in 2022. During the year, studies were also conducted into vehicle driver support systems from a user perspective. The study has shown that the systems are not always activated, which affects their safety potential. Utilisation also differs between systems and vehicle manufacturers.

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

- Electric scooters and how accidents can be prevented.
- The overall health effect of encouraging motorists to become cyclists in Stockholm.
- Evaluation of the effect of a new bicycle helmet design that aims to limit brain damage in the event of oblique impact.
- Mapping of sick leave following pedestrian accidents.

A summer of many floods

It was a summer of historically high levels of flooding, both around Europe and in Sweden. During summer 2021, Folksam's customers reported almost ten times more claims relating to flooding compared to a normal year.

The heavy rainstorm in August that put large residential areas in the Gävleborg area under water hit many of Folksam's customers, primarily with reports of cellars in houses being flooded. When the rain was at its heaviest over Gävle, SMHI measured higher levels of rain than had ever been measured before within a two-hour interval, over 100 mm in two hours.

The first action needed after a claim is to remove the water from the cellar and start the dehumidification process. Folksam's claims organization, together with partners, brought in all available staff and equipment, and worked with enhanced staffing to ensure that customers would get the best possible help and as quickly as possible.

Many customers had had their claim valued and compensated at the turn of the year, in particular for damaged movables and minor damage to buildings. But it takes a long time to repair a flooded house, as damaged areas need to be demolished and dehumidified before restoration work can start. In Gävle, restoration has begun in most of the damaged houses where the dehumidification work has been completed. It is likely that repair work will continue until summer 2022, depending on the extent of the damage and the availability of building contractors.

In August, the Intergovernmental Panel on Climate Change (IPCC) published a report that confirmed a clear link between human greenhouse gas emissions and the increase in the global average temperature. One of the effects of a warmer climate is described as being more intense and more frequent extreme weather events. Folksam's climate work aims partly to reduce greenhouse gas emissions in order to slow down climate change, but also to contribute to climate adaptation and help customers prevent damage that comes from a changing climate. For more information on how we manage climate-related risks and opportunities, see the Folksam Group's climate report in accordance with TCFD's recommendations, and for more information about our damage and injury prevention work, see pages 44-46.

Sustainable claims handling and prevention offers

Sustainability Report



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 2021, around 890,000 (870,000) cars, 435,000 (430,000) homes and 120,000 (120,000) holiday homes were insured under our Good Environmental Choice-labelled insurance policies. These insurance policies achieved a turnover of around SEK 6.3 (6.0) 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 more often 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.

In 2021, the terms of this insurance were improved. See in-depth case study on page 49.

Discount for damage and injury prevention

Customers who take 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.



Up to
15 per cent
discount

Better protection for victims of domestic violence

Three years ago, Folksam introduced compensation and support in householders' comprehensive policies for customers who have been victims of domestic violence. In 2021, protection was improved with financial support to cover urgent additional costs and assault compensation in the event of repeated physical violence.

In 2018, Folksam was the first insurance company to introduce compensation and crisis therapy for assaults that take place between people living in the same household. Assault compensation has previously been awarded to a greater extent to men, because they are more often affected by violence outside the home. The increased protection now balances the ability of all vulnerable persons to receive equivalent insurance cover in the home as well.

Folksam's householders' comprehensive policy now also includes compensation for urgent additional costs that arise when the victim needs to leave home, such as travel to a women's shelter or other emergency accommodation, as well as costs of food, SIM cards, hygiene items, etc. Finances can weigh heavily when someone is considering leaving their home due to domestic violence. For example, the vulnerable person may have shared finances with the perpetrator. In this situation, Folksam can help with the extra costs that can arise due to having to leave the shared household.

The compensation that customers can receive from their householders' comprehensive policy should be viewed as a supplement to the protection offered by society.

What the insurance policy includes

- Assault compensation for individual claims events
- Compensation for persons who are subjected to repeated physical violence (gross violation of integrity and gross violation of a woman's integrity).
- Compensation for additional costs incurred when you are forced to leave your shared home and arrange other accommodation.
- Opportunity for ten sessions with a psychologist and costs of travel, and interpreter for the appointment if required.
- Extended limitation period for minors. This means that children who are victims of sexual abuse or domestic violence can receive compensation from Folksam even a long time after the abuse.



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 54 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. We have 21 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 arrangements, which we choose to call partnerships, should always support our business, and as the insurance company of sports, this means that partnerships in sport are also 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.

During the pandemic, Folksam has continued to be a stable partner, supporting sport even in the situations where it was not possible to deliver the rights promised, due to the fact that many sports associations have faced a strained and difficult situation. We have also chosen to renew our partner agreements at a time when many companies have instead chosen to end their partnerships. In a renewed agreement with the Swedish Golf Federation, we have further extended our collaboration by setting up the Folksam Paragolf Tour.

Green Card for Fair Play

Hundreds of thousands of young people play football all over Sweden. To encourage good conduct, the Swedish Football Association, in partnership with Folksam, introduced the Green Card for Fair Play a couple of years ago. A Green Card is given to a player 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. One important change that we have made together with the trade unions is to improve protection against domestic violence in the householders' comprehensive policy, see case on page 49.

During the year, together with our trade union partners, we have developed a completely new long-term savings product, Medlemspar (Member Savings), which aims to help members achieve a better pension. Together, we have developed favourable terms and savings levels, so that as many members as possible can save in the long term. The insurance policy is appreciated by members, but we have seen that many people miss out on supplementing their home insurance. This is why we have adopted a holistic approach to the home insurance offering. Members are now offered preferential rates for supplements for a house, co-op housing, condominium or extension of householders' comprehensive policy to Medium or Large insurance policies.

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.

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 a large number of customers simultaneously. We currently have partnerships with all 14 trade unions within LO, 9 of the 12 trade unions within TCO and 10 of the 22 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 Folksam 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 time 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 offer specially selected external funds instead. We have over SEK 240 billion in unit-linked insurance assets. In our evaluation process, there are clear sustainability requirements that all external funds must satisfy. All funds selected must not only have a well-integrated sustainability analysis in their investment processes, but 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 the manufacturing of 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.

Easier ways to find sustainable funds

Folksam Fondförsäkring has long focused on sustainability when selecting funds. In autumn 2021, the possibility was launched to filter out funds with holdings in areas such as fossil fuels or gambling. A new tab was added in which the fund's sustainability work was presented. The way the fund works with sustainability is presented under the sustainability tab. It contains information on whether the fund promotes sustainability (light green) or has sustainability as its goal (dark green).

As with all our funds, we will regularly check that the funds are keeping their promises.

Sustainable claim settlement

A large company has major opportunities to exert an influence, and our stringent environmental requirements have contributed to an improved environmental standard at several large subcontractors. Every year, our suppliers repair damaged houses, cars and household goods for large sums of money. Folksam's total expenses for building repairs amounted to over SEK 1 billion in 2021, while expenses for car repairs were about twice that amount. 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 1,880 (1,800) tonnes and we saved approximately SEK 290 (260) million in the repair of damaged cars. In total, reuse in connection with car repairs has brought a saving of just over SEK 2.8 (2.5) 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 volumes and lower carbon dioxide emissions. According to GIAB's calculations, in 2021 our circular claims handling together with GIAB helped to avoid 1 634 (2,044) tonnes of carbon dioxide emissions and 1 903 (2,442) tonnes of waste. The reported savings of carbon dioxide and waste are the difference between making good the damage with new devices and with repairs or replacement devices.

”Training of suppliers is important for long-term, sustainable and efficient claim settlement”

Crisis support

Illnesses, bullying, deaths, fires, traffic accidents and robberies are examples of events that can result in mental illness, and crisis therapy is therefore included in most of our insurance policies. We are able to offer emergency support from a psychologist or therapist within just 24 hours. The affected customer can receive up to ten support sessions through our large network of psychologists and therapists all over the country. 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.

During the year, 9,315 (13,928) customer complaints were reported, a decrease compared to last year, mainly due to changing conditions for work from home because of Covid.

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. Just over 7,000 (7,000) customers consulted the Customer Ombudsman during 2021. Of the cases closed during the year, 1,708 (1,722) per cent resulted in some form of change in the customer's favour.



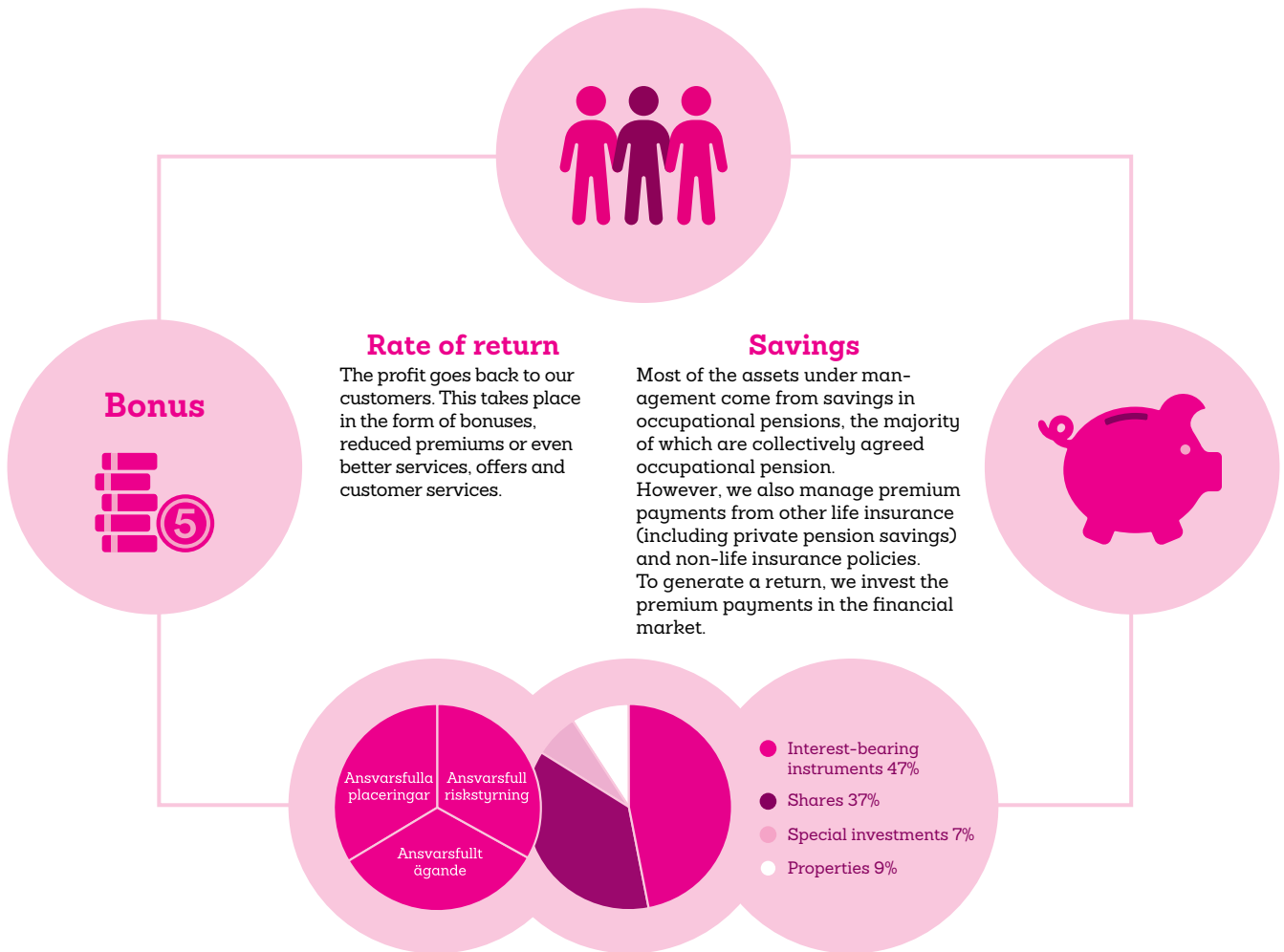
Responsible asset management

The Folksam Group strives 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 the transition to a more sustainable society.



Customers

The Folksam Group consists of two mutual groups. This means that the Folksam Group is owned by our customers. We insure almost half of all the people in Sweden, and more than three million people save with us in the long term.



Management

We invest and manage our customers' money with the aim of promoting long-term security based on return and sustainable development. Our work is based on three cornerstones:

Responsible risk management

Balance between security and the potential to achieve a return, for example

- The prudent person principle
- Active allocation.

Responsible investments

Including and excluding, for example

- Exclusion and influencing investment criteria
- Screening and rating.

Responsible ownership

We work to achieve the sustainable development of our holdings, for example through:

- Advocacy dialogues and collaborations
- Voting at General Shareholder Meetings
- Nomination committees.

Our total portfolio includes various asset classes invested in different markets for good risk diversification. Interest-bearing assets constitute the foundation of our asset portfolios, largely made up of Swedish government and housing bonds. The Folksam Group also invests in equities and is one of the major institutional owners at listed Swedish companies. We also have holdings in listed companies on developed markets outside Sweden. We own properties directly and, in addition to this, have special investments in a number of unlisted holdings and funds.

The Folksam Group is one of Sweden's largest investors. At the end of 2021, we managed assets totalling SEK 556 (483) 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 our customers. They should be able to feel secure in the knowledge that we are working both to achieve a good return and for a more sustainable society. Our goal is to deliver a competitive return and at the same time to be a leading player in responsible asset management. Whether in equities, interest-bearing securities, properties 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 2021 reached a level of SEK 27.3 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 Pension, 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.



Responsible investments: We include, 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 try to 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, for example, invest in businesses that produce tobacco, pornography or illegal arms such as cluster munitions. The criteria vary somewhat 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	●	●	●
Alcohol		●	●
All weapons		●	●
Cannabis	●*	●*	●*
Illegal weapons	●	●	●
Coal-fired power	●**	●	●**
Nuclear power		●	
Oil sands	●***	●***	●***
Pornography	●	●	●
Gambling	●****	●****	●
Tobacco	●****	●****	●****

● Influencing criterion ● Exclusion criterion

* Excludes companies that generate 5 per cent or more of their revenues from the production of non-medical cannabis.

** Excludes companies that generate more than 30 per cent of turnover from operations based on thermal coal (primarily power companies) and more than 5 per cent of turnover from thermal coal (primarily mining companies).

*** Excludes energy companies that generate 10 per cent or more of their revenues from oil sands.

**** Excludes gambling companies that generate 5 per cent or more of their revenues from gambling.

***** Excludes companies that produce tobacco as well as companies that generate 5 per cent or more of their revenues from the distribution of tobacco.

Continued development of the foreign 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 revenues from oil sands. In 2021, a new review was conducted of the equity portfolios' exposure to the energy sector in particular, which resulted in both ExxonMobile and Chevron being excluded from our portfolios. The selection process was also further refined, which means that the requirements for the energy companies that we can own have been made stricter. The changes were made partly to reduce sustainability risks linked to two controversial companies, while our portfolios now have a generally higher level of sustainability.

Screening and rating to ensure compliance

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

Screening is carried out 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 in the areas of human rights, labour law, the environment and corruption, such as the OECD Guidelines for multinational companies, the ILO's labour law conventions and the UNFCCC climate convention. Violations of the Paris Agreement are also included in norm-based screening, such as corruption related to climate lobbying and active concealment of information relating to relevant emissions.

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

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.

Indicators for the carbon footprint of the equity portfolio				
Indicators*	TCFD indicator name	2021	2020	2019
Total carbon footprint, tonnes of CO ₂ e	Total Carbon Emissions	660,954	655,638	810,493
Carbon dioxide intensity, tonnes of CO ₂ e/equity portfolio's market value, SEK million	Carbon Footprint	3.3	4.2	5.6
Carbon dioxide intensity, tonnes of CO ₂ e/participating interest in the companies' sales, SEK million	Carbon Intensity	8.2	9	10.3
Carbon dioxide intensity, weighted average, tonnes of CO ₂ e/SEK million	Weighted Average Carbon Intensity	5.5	6.9	7.7

*The key ratios present a snapshot of the equity portfolio's greenhouse gas emissions. Note that the measure does not show the total climate impact of the investments. The calculations are not comprehensive and also do not include all indirect emissions. The calculation of the equities portfolio is based on the latest available data from MSCI and includes emissions corresponding to scopes 1 and 2 according to the Greenhouse Gas (GHG) Protocol. Greenhouse gas emissions are measured in carbon dioxide equivalents (CO₂e), which makes it possible to measure different greenhouse gases in the same way. The measurement includes all listed Swedish and foreign companies in the equity portfolio as of 31 December 2021. 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's World Index – which simply reflects the world's listed companies – declined during 2021.

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 per cent of the emissions in the World Index.

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 in the share portfolio is reported in accordance with the recommendations of Insurance Sweden and TCFD. Information regarding the footprint of the Folksam Group's directly owned properties can be found on pages 67 and 83.

Investments for a sustainable future

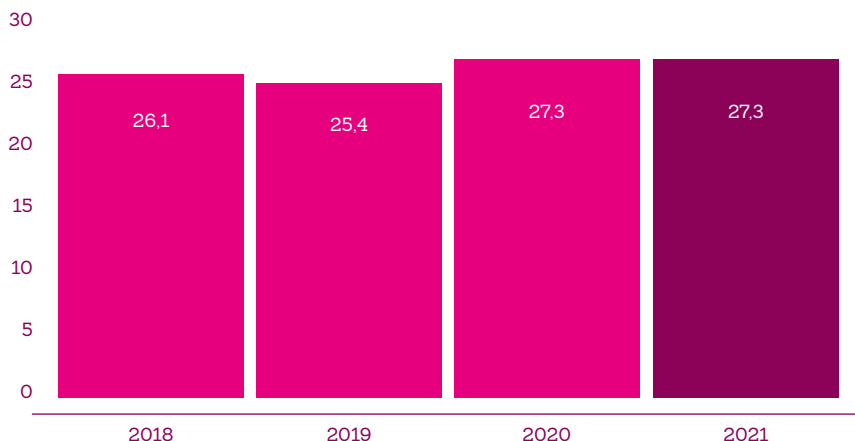
We are increasingly targeting our investments at activities that we consider contribute to sustainable development. Our investments in green bonds are a clear example of this. Green bonds are interest-bearing securities, which are used for environmental and climate-related investment projects.

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, to which we have signed up. The purpose of these principles is to improve transparency and reporting in respect of green bonds.

But it is not only in green bonds that the Folksam Group's investments make a difference. In 2021, we invested SEK 100 million in a themed bond issued by the World Bank, focusing on health and gender equality. This bond is part of the World Bank's strategy to highlight projects and programmes focusing on gender equality and health, in light of how the coronavirus pandemic disproportionately affects women. The coronavirus pandemic has resulted in major challenges for a variety of industries, and Folksam has made a number of investments during 2020 and 2021 aimed at tackling the social and economic challenges that have arisen during the pandemic.

Green bonds, Market value SEK million



Folksam increased ownership in SSAB to support fossil-free transition

In June 2021, The Folksam Group increased its ownership in the Swedish steel company SSAB. In total, we now control 5.2 per cent of the votes and 2.1 per cent of the capital, making us the company's fifth largest shareholder.

The purpose of this larger holding is to be involved in supporting SSAB's transition to fossil-free steel production as a long-term owner, while the investment is expected to have good potential in the long term to provide an attractive return for Folksam's customers.

Being able to produce fossil-free steel is one of the most important issues for making the climate transition, both in Sweden and globally. At the same time, the transition is also important for securing Swedish industrial jobs. Folksam has been a shareholder in SSAB for many years, and with our expanded ownership we aim to be involved in assuming longer-term responsibility for the company's transformation work.

SSAB is currently one of Europe's biggest emitters of greenhouse gases. At the same time, over a couple of years the company has been successfully running the HYBRIT project together with LKAB and Vattenfall, where the ultimate goal is the large-scale production of completely fossil-free steel. In other words, the investment in SSAB increases the carbon footprint from the Folksam Group's investment portfolios in the short term, but at the same time gives us a good opportunity as a shareholder to be involved in influencing the climate transition in one of Sweden's most important industrial companies.

Our belief is that we can do more good by supporting, rather than excluding, the conversion work in companies that have large carbon dioxide emissions. With increased ownership, we have a greater opportunity to be involved and make a real difference in a company that currently accounts for 10 per cent and 7 per cent of emissions in Sweden and Finland respectively.

The Folksam Group's increased ownership in SSAB entitles us to a seat on the company's Nomination Committee, where we are represented by Michael Kjeller, Head of Asset Management and Deputy CEO of Folksam. The decision to increase the holding in SSAB was made during the spring and is yet another example of a strategic investment made with the aim of accelerating the climate transition in a profitable way for the Folksam Group's customers.

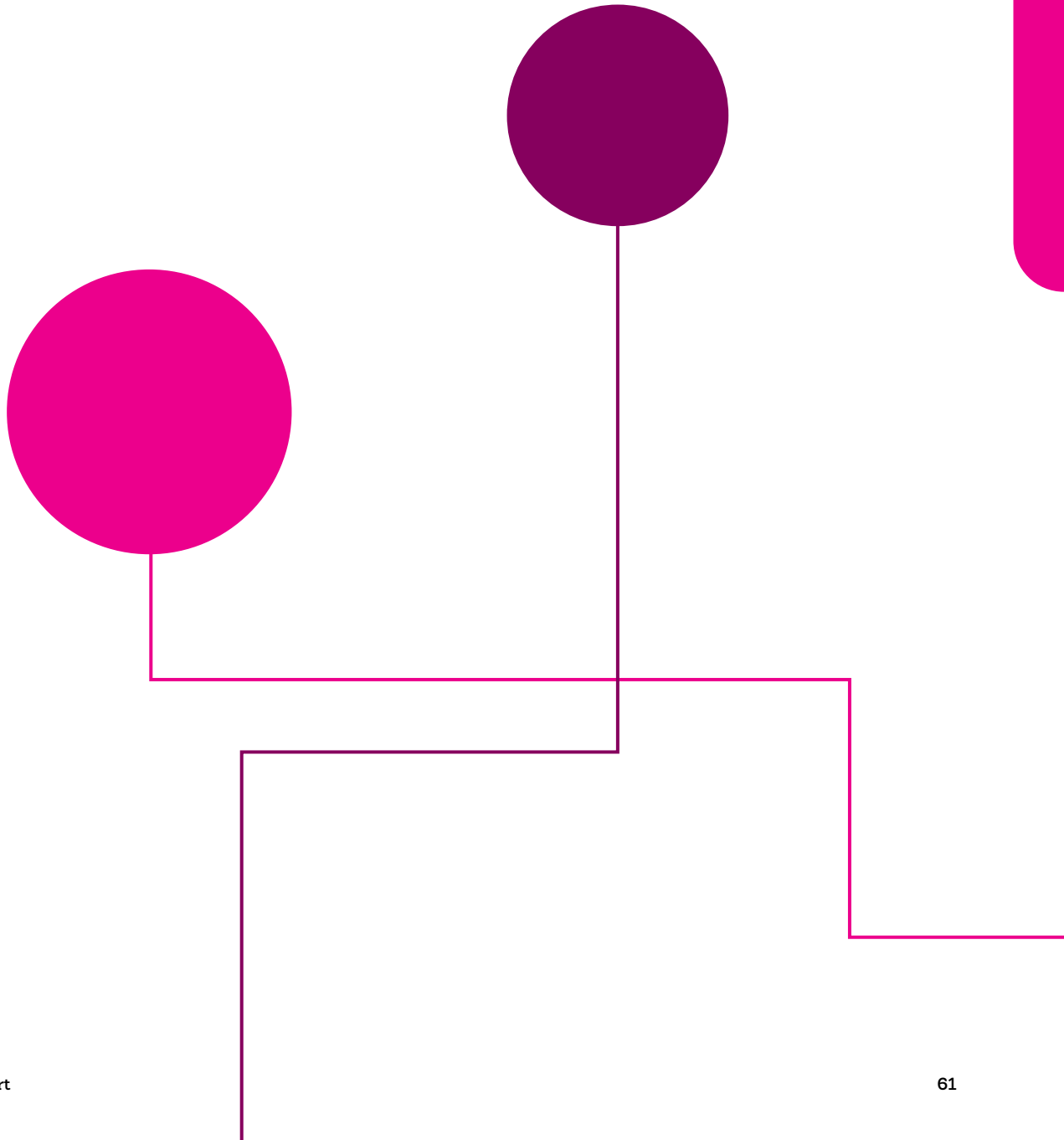


The Folksam Group – one of the initiators of the Net-Zero Asset Owner Alliance

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. This alliance brings together some of the world's largest asset owners with the shared goal that our investment portfolios should report net-zero emissions of greenhouse gases by 2050.

The Net-Zero Asset Owner Alliance was originally launched at the UN climate summit in New York in 2019, and has been described on several occasions as a gold standard by UN Secretary-General António Guterres. The alliance currently consists of 66 asset owners, who between them manage assets worth SEK 100,000 billion. The ambition is 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 2021, Folksam presented its first milestones linked to the Net-Zero Asset Owner Alliance. See pages 62 - 63.



New climate targets for investment portfolios

At the end of the first quarter of 2021, the Folksam Group presented new climate targets for 2025 for the investment portfolios. The targets include reducing the carbon footprint of equities, corporate bonds and properties by 29 per cent, while Folksam will work to ensure that a larger proportion of the portfolio's largest emitters adopt science-based climate targets. The Folksam Group also adopted new targets to promote the availability of green investments. The climate targets shall primarily be achieved through various advocacy activities aimed at existing holdings.

The climate targets and the overall work of the Net-Zero Asset Owner Alliance include a stated ambition to reduce greenhouse gas emissions in the real economy. To achieve this, the Folksam Group plans to try to influence the companies we own to assume greater responsibility in the climate transition. By 2025, the target is also that at least 50 per cent of the 86 largest emitters in the Folksam Group's investment portfolios shall have adopted science-based climate targets.

"We want to ensure that climate work is strategically anchored in the companies that the Folksam Group owns, especially among the companies that currently have the biggest climate footprint," says Michael Kjeller, Head of Asset Management and Sustainability and Deputy CEO of Folksam. "Significantly reducing greenhouse gas emissions in the real economy does not happen overnight, so strong advocacy in particular will be an important part of our work in the years ahead."

The milestones for 2025 should be viewed as the first stage along the road to net-zero emissions by 2050. The Folksam Group's advocacy work towards the new climate targets was initiated back in autumn 2021 through individual meetings with the Swedish portfolio companies with the biggest greenhouse gas emissions. The work within the Net-Zero Asset Owner Alliance will be reported annually via reports communicated on the Folksam Group's website.



Michael Kjeller
Head of Asset Management and Sustainability



A woman with long dark hair, wearing a white top and a colorful patterned scarf, is smiling and looking towards a man. The man is balding with a short beard, wearing a light pink shirt, and is also smiling and looking towards the woman. They appear to be in a meeting or collaborative work environment. The background features large, abstract, colorful panels in shades of teal, white, and dark blue.

The Folksam Group's milestones 2025

Advocacy: The Folksam Group has identified the 121 biggest emitters of greenhouse gases in the Group's investment portfolios. Between now and 2025, the Folksam Group will strive, through general meetings, direct meetings and other advocacy activities, in its own name or in collaboration with others, to ensure that the companies on the list gradually improve their reporting and the targets they set associated with the climate transition. Companies already covered by the Folksam Group's existing climate impact initiatives have been removed from the list of the 121 biggest emitters. The remaining 86 companies have then been divided into four different categories, depending on the current level of their climate targets and climate reporting, with milestones linked to each category. The overriding target, however, is that at least 50 per cent of these 86 companies shall have adopted science-based climate targets by 2025, approved by the Science Based Targets Initiative or equivalent. At the end of the first quarter of 2021, that figure was 23 per cent.

Reduced emissions: The Folksam Group is continuing to build on the reduction work carried out in 2019, with a new target to reduce emissions of carbon dioxide equivalents by an additional 29 per cent by 2025. The asset classes covered are equities, corporate bonds and properties. The target shall be achieved primarily through advocacy activities directed towards each asset. At the same time, divestments may be relevant in cases where the Folksam Group – despite repeated attempts at advocacy – does not see sufficient desires to make the transition in line with the goals of the Paris Agreement.

Promote the availability of green investments: The Folksam Group's target by 2025 is to further develop its relationships with issuers and other players in the primary market, in order to promote the availability of green investment alternatives. This will be achieved by such means as dialogue meetings and advocacy activities, with the aim of clarifying the link to sustainability in future investment products and encouraging more players in the primary market to create climate adaptation strategies.

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

The Folksam Group continuously conducts 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 2021, we conducted a number of dialogues within different types of asset class. Examples include:

- 1. Interest-bearing instruments:** Dialogues with a number of Swedish municipalities, such as Norrköping, Lund, Malmö, Vellinge and Sundsvall. The Folksam Group conducts continuous discussions on the municipalities' challenges and opportunities associated with sustainable investments and loan financing.
- 2. Equities:** Nearly 160 dialogues covering a broad range of topics. Examples include climate transition in major international banks, sustainable water management in the beverage industry and advocacy dialogues in order to encourage the biggest emitters in our portfolio to adopt science-based climate transition goals.
- 3. Special investments:** Examples include a number of dialogues with Heimstaden Bostad regarding the company's new climate goals. During the year, Heimstaden Bostad signed up the Science Based Targets Initiative, which means that the company became one of the first residential property companies in Europe to commit to transforming its operations in line with the goals of the Paris Agreement.

Working together, we can be more effective and find a stronger voice than if all investors engage in a separate dialogue with each company. Two examples of this are our involvement in the Net-Zero Asset Owner Alliance and in 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 AGMs, 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.

The Folksam Group has been raising sustainability issues with boards and management teams at Swedish General Shareholder Meetings for many years. However, the 2021 AGM season was still affected to a large extent by the coronavirus pandemic, with physical shareholder meetings replaced by postal votes. This meant we were unable to raise sustainability issues at this year's General Shareholder Meetings. Prior to this year's AGM season, Folksam sent its customary letter to the chairman of the board at each holding; in this letter, we highlighted, among other things, the proposal to allow the meeting to vote on the companies' climate strategy. Just as in 2020, we also made a stand on the issue of dividends, where we decided to vote against ordinary dividend proposals in cases where the company has simultaneously applied for and received coronavirus support from the government.

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 foreign companies. In 2021, however, we and several other international investors submitted a sustainability-related proposal to the annual general meeting of the major bank HSBC. The proposal included a call for the Bank to restructure its financing activities in line with the goals of the Paris Agreement. Following a close dialogue with representatives of the bank, HSBC's board submitted its own proposal, which received 99 per cent of the votes at the meeting, with the effect that the bank is now formally bound to change its operations. Throughout 2021, the FolksamGroup has continued its dialogue with HSBC and continues to monitor the bank's transformation work.

At foreign AGMs, the Folksam Group votes through an agent (Nordic Investor Service), known as proxy voting. Since a couple of years ago, we also vote at all foreign holdings of Folksam Life and KPA Pension. The way we have voted is reported publicly. Sometimes, as in the example above, we submit our own proposals or support other people's proposals for the meetings, because it is a good tool where we as a relatively small owner can also be involved and make a difference by collaborating with other investors around the world.

Nomination committees

The Folksam Group's ownership shares have entitled us a place on the nomination committees at Swedbank, Bilia, Trelleborg and Volvo Cars. In these nomination committees, the Folksam Group ensures that the candidates for the board have been evaluated regarding their knowledge and competence from both an individual and a group perspective.

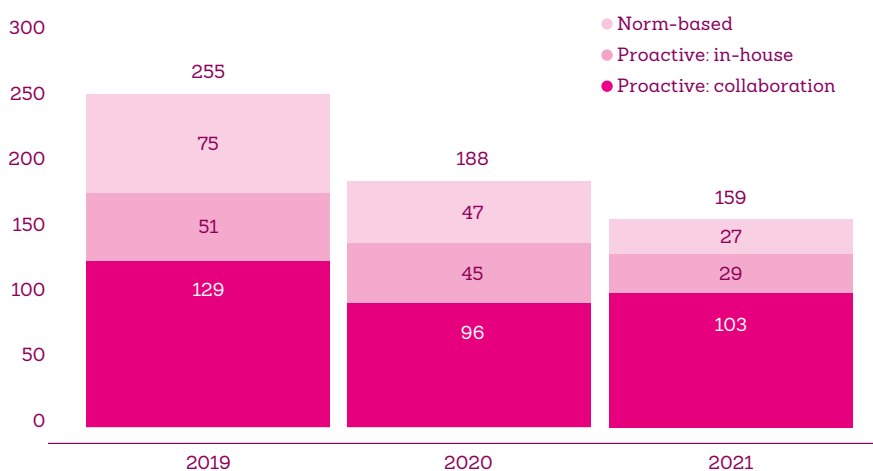
Class actions

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

Voting, General Meetings	2021	2020	2019
Number of foreign General Meetings at which the Folksam Group has voted*	560	618	436
Number of Swedish General Meetings at which the Folksam Group has voted	64	57	43
Total	624	675	479

*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 9 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 targets in both the long term and the short term in 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.

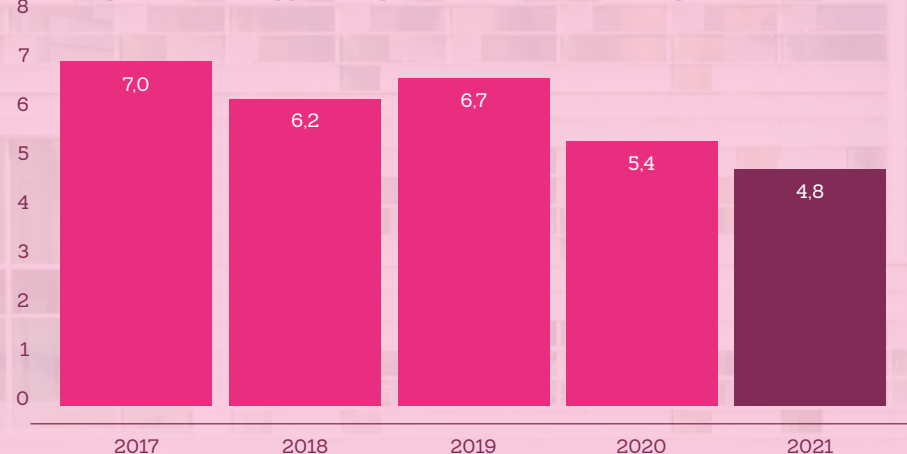
Green leases are based on the collaboration between us as landlord and our tenants. This allows us to contribute together to a positive development. We environmentally certify our properties according to the BREEAM In-Use and Miljöbyggnad standards. We do this to establish proper order with a clear quality 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 2021	Outcome 2020	Outcome 2019
Energy consumption, corrected for a normal year (kWh/m ²)	102	103	108
Green leases*	54%	66%	59%
Environmentally certified properties**	76%	56%	59%

* Share of number of new and renegotiated commercial leases.

** Share of total area (excluding project properties).

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, in order that comparisons can be drawn between different years.

Overview of asset classes

At the end of 2021, the Folksam Group managed assets totalling SEK 556 (483) billion.

The figures in the illustration are rounded.

Strategy

The special investments complement the Folksam Group's asset portfolios. These are investments with long investment horizons that give the customers exposure to unlisted assets. The investments are mainly made in fund-like structures and in 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.

Special investments
7%

2021: New billion-kronor investment presented at COP26

- The Folksam Group invested SEK 1.5 billion in an innovative fund that enables pension and insurance companies to invest in climate transition and climate adaptation in Africa, Asia, Latin America and the Middle East. The fund was created by the European Investment Bank and Allianz Group, and the Folksam Group's investment was presented at the COP26 climate summit in November.
- The Folksam Group increased its investment in Volvo Cars. In addition to all preference shares being converted into ordinary shares, an additional SEK 1 billion was invested in connection with the IPO of Volvo Cars in October. The Folksam Group's total investment in Volvo Cars' ordinary shares thus totals over SEK 3.1 billion.
- The Folksam Group expanded its Heimstaden Bostad investment with a total commitment of SEK 10.8 billion. Heimstaden Bostad is one of Europe's largest private residential property companies, whose property portfolio has grown strongly in recent years.

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.

Equities
37%

2021: Strategic investment to support the climate transition

- In June, we increased our holding in the steel company SSAB. The holding now amounts to approximately 5.2 per cent of the votes and 2.1 per cent of the capital. The purpose of this larger holding is to be involved in supporting SSAB's transition to fossil-free steel production as a long-term owner, while the investment is expected to have good potential in the long term to provide an attractive return for Folksam's customers.
- Conducted nearly 160 advocacy dialogues with both Swedish and foreign holdings. A large proportion of these dialogues took place within the framework of the Net-Zero Asset Owner Alliance and aimed to get more portfolio companies to adopt science-based climate goals.
- Voted at 624 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.

Interest-bearing
assets
47%

Strategy

Interest-bearing assets form the basis of our total asset portfolios. They are characterised by high quality and low risk. The majority of our interest rate portfolios consist of Swedish government and housing bonds.

2021: Investments in new kinds of sustainable bonds

- Invested SEK 100 million in a themed sustainable development bond issued by the World Bank, focusing on health and gender equality.
- Invested SEK 500 million in green bond issued by Linköping Municipality, aimed specifically at KPA Pension, to build a new swimming pool. The property must meet the requirements for the Miljöbyggnad silver award.
- Invested SEK 450 million in a bond issued by Lund Municipality.

Properties
9%

Strategy

The Folksam Group is a long-term property owner that strives to ensure that our residential customers should feel safe in and proud of their homes, and that local customers should be satisfied with how their premises contribute to their being able to achieve their targets. Since 2015, we have had an expansive strategy, with a new organisation, and have acquired properties to a value of SEK 23 billion. The value of the portfolio has trebled and now amounts to SEK 53 billion. The property portfolio comprises 131 properties, consisting of 5,100 residential apartments and 490,000 sq.m. of 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 and deals with the day-to-day management of our properties.

2021: Continued expansion of the directly owned portfolio

- Acquisition of properties for a total of SEK 4.5 billion and continued expansion of the directly owned portfolio.
- Completion of an apartment block in Västra Hamnen in Malmö with 65 apartments.
- Sale of a small office property in Helsingborg.
- There is a discussion in the industry about the long-term impact of the pandemic on the office market. Our assessment is that demand for office space will continue to be strong, mainly due to continued strong growth in the number of people working in offices in our markets. Our properties are in good locations, are attractive and currently have an occupancy rate of 96 per cent.
- Continued active work with existing customers has yielded results showing that satisfaction among our tenants is rising for the second successive year.
- Decided to invest SEK 50 million in various energy projects to reduce energy consumption in the properties at the pace we have set ourselves and in line with the targets we have set in the Net-Zero Asset Owner Alliance.
- Achieved the target of 100 per cent of our premises properties being environmentally certified. We have started to certify residential properties in accordance with the new Miljöbyggnad iDrift certification system.

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. We are also working to achieve net zero by 2030 in our own operations, and to reduce our total environmental impact.



The Folksam Group has just over 3,700 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 team – are covered by collective bargaining agreements. Through its membership of the employers' organisation Fremia, the Folksam Group is bound by collective bargaining agreements on pay and general terms and conditions of employment.

Folksam should be a sustainable and attractive workplace, with good opportunities for development and competitive offerings. Every year, the Folksam Group carries out its Focus employee survey, monitoring areas such as commitment, the working environment, health, employeeship and diversity. The 2021 survey produced generally good results. The total index remained at a high level, with an average of 82 (80) per cent positive responses. 86 (86) per cent responded that they would like to continue working in the Folksam Group in the future. This year's survey also introduced a question to measure eNPS (employee Net Promoter Score), i.e. the extent to which employees would recommend Folksam as an employer. The result was 36, which is generally considered a very good result.

Opportunities to perform and develop

We want to be a Folksam with a common culture where we work together to make our customers feel secure in a sustainable world. In 2021, there was an initiative in Folksam's employeeship and leadership to create commitment and power going forward, so that together we can achieve our targets and meet the challenges that face us. During the autumn, Folksam's updated employeeship and leadership were launched in the business through workshops, dialogue materials, webinars and panel discussion with Group Management that was broadcast live.

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 2021 employee survey, we followed up compliance with the process, including with the question "Do you and your manager have regular reviews?". 96 (94) per cent of men and 95 (93) 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. Around 300 of our existing employees found new jobs internally within the Folksam Group during the year. In addition, we recruited around 350 new employees.

For roles in management and central functions, as well as employees working in insurance distribution, there are external requirements for a special 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 should have managers and leaders who assume responsibility for the provision of skills and create the conditions for good performance. Folksam's leadership programme has been implemented digitally during the pandemic. The digital format has in some cases enabled a higher number of participants and more sessions. With new lessons on digitisation, the programmes have been evaluated and adapted for a more flexible working life. Managers 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.

”Folksam should be a sustainable and attractive workplace, with good opportunities for development and competitive offerings.”

Initiatives to promote a good working environment and health

The Folksam Group is focusing on both targeted and more general efforts to create a working environment that promotes good health, motivation and productivity. In 2021, there was a particular focus on minimising the spread of infection during the coronavirus pandemic, with measures such as extended working from home. Employees have also received support in self-leadership, and managers have been offered training in managing remotely. During the autumn, a gradual return to the offices began, based on the Folksam Group's return plan. The different businesses each developed plans for a secure return and risk-assessed the return in collaboration with trade union representatives and health and safety officers.

Folksam's sick leave rate for the full year 2021 was 4.1 per cent, which is lower than the previous year's figure of 4.6 per cent. This decrease is largely due to a drop in short-term sick leave, but also to active work to reduce long-term sick leave. The Covid-19 measures also seem to have had an effect on the spread of other diseases.

Sickness absence (%)	2021	2020	2019
Total sickness absence	4.1	4.6	5.0
Women	5.0	5.5	6.2
Men	3.1	3.4	3.5
Short-term sickness absence	2.0	2.3	2.3
Women	2.3	2.6	2.7
Men	1.7	2.0	1.8
Long-term sickness absence	2.1	2.2	2.7
Women	2.7	3.0	3.5
Men	1.4	1.4	1.7

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 2021 survey, 81 (78) 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's meeting places, working methods and technology should promote efficiency in everyday life. As one element of this, the Folksam Group has continued its efforts to enhance the agile way of working in development and life cycle management in order to be able to meet customers' needs more quickly. The shift towards digital working methods has also been further boosted. During the year, a survey of the employees' experience of the digital workplace was introduced. The purpose of the survey is to be able to monitor the shift of the digital experience and to continuously implement improvements.

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.

There is a diversity group in the Folksam Group, with representatives from different parts of the organisation and also from the trade unions. The group is dedicated to our internal work on diversity. In 2021, the activity "Looking at norms" was completed, which consisted of a group session featuring issues associated with norms, gender and concepts of discrimination. In the wake of that activity, the diversity group discussed increasing diversity rates in the Folksam Group and continuing work to even out the number of days of parental leave between women and men.

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 meet the goal for employees, managers and boards. The boards of both Folksam Life and Folksam General also have an even gender distribution within the range (50/50 ± 5 per cent)

According to Nyckeltalsinstitutet's annual gender equality survey (Jämix), Folksam is one of the best employers in the finance and insurance industry for equal working conditions.

The Folksam Group strives to offer employees pay at market rates, and we are working continually to secure equal pay. In 2021, the difference in average pay between female and male employees was 7 (7) per cent. Broken down to equivalent work (level of difficulty) the weighted gender pay gap was 2 (2)* per cent. This breakdown shows that the differences are not entirely one-sided; 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 the majority of cases the difference are in favour of men. 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.

**In 2021, a new calculation method was developed for calculating pay differences for equivalent jobs (weighting of differences within each degree of difficulty/level) based on the population size of each level of difficulty.*

Gender distribution, employees and managers	2021	2020	2019
Number of employees	3,710	3,884	3,944
women (%)	55	54	53
men (%)	45	46	47
Number of managers	352	366	371
women (%)	53	51	50
men (%)	47	49	50

Gender distribution, Boards and management	2021	2020	2019
Number of members, Board of Folksam Life	12	12	12
women (%)	50	50	50
men (%)	50	50	50
Number of members, Board of Folksam General	12	11	11
women (%)	50	45	45
men (%)	50	55	55
Number of members, Group Management	10	10	11
women (%)	60	60	55
men (%)	40	40	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.

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.

The Folksam Group has both formal internal regulations and information on the intranet regarding discrimination, harassment/sexual harassment, retaliation and victimisation. These sources indicate the channels through which an employee can receive support and also make formal reports. When there is a suspicion of a crime, Folksam reports the matter to the police.

KPA Pension, one of the companies in the Folksam Group, is LGBTQI-certified. 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.

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. In 2021, seven cases of discrimination, harassment or other abuse were reported in the Folksam Group. None of these cases resulted in employment law measures.

We Effect

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 2021, the Folksam Group and its employees donated just over SEK 1.2 (1.2) million.

Working towards net-zero emissions in 2030

2021 was a year with a strong focus on climate. In August, the UN's Intergovernmental Panel on Climate Change (IPCC) published the first part of its new climate report, which compiles current scientific knowledge about climate. This confirms a clear correlation between man-made greenhouse gas emissions and the increase in the global average temperature.

Folksam is striving actively to reduce greenhouse gas emissions and aims to have net-zero emissions in its own operations by 2030. This means that we need to have reduced our emissions by 85% compared with the base year of 2002.

Based on emissions in 2017, the Folksam Group developed a plan towards the net-zero target that involves a nine per cent reduction in emissions every year. The roadmap is based on Carbon Law and is in line with the Paris Agreement.

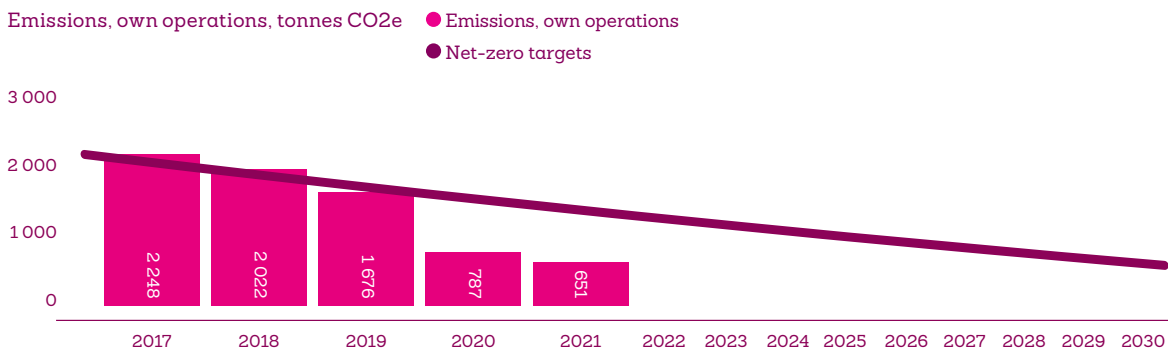
Since we began working on the goal of net-zero emissions by 2030 in our own operations, the results have been in line with the annual targets. The most important measures have been to reduce energy consumption, increase the use of origin-guaranteed electricity and adjust our approach to travel.

In 2021, we reduced emissions from our own operations by 17 (53) per cent compared with 2020. In the last two years, we have seen large reductions in emissions as a result of the coronavirus pandemic, as travel has been extremely limited and many employees have been working from home. Looking forward, we see reduced energy consumption and a continued reduction in travel by air and by car to be the most important ways of cutting our emissions.

Folksam Fastighet's decision to invest SEK 50 million in various energy projects to reduce energy consumption in its properties will involve, among other things, the construction of geo-layers and a geothermal heating plant at the head office in Skanstull. The investments are planned to be completed and fully operational towards the end of 2022.

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.

Our own operations



The Folksam Group's climate impact from its own operations. The table shows emissions calculated using the market-based method.

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. In Skanstull, 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. In 2021, we closed eight floors for five weeks during the summer holidays in order to save on energy and cleaning.

Folksam has green leases in all offices except one small office in Ronneby (excl. co-working centres). In 2022, we will continue to maintain a dialogue and share experiences regarding sustainability with our landlords as part of the follow-up on the green leases. All electricity consumption at the head office and at those offices where electricity is not included in the lease is labelled Good Environmental Choice.

In 2021, we closed our offices in Visby, Karlskrona and Kristianstad, and discontinued our rented spaces at co-working centres in Borås, Borlänge, Eskilstuna, Halmstad, Kalmar, Norrköping and Trollhättan, as well as sales rooms in Larum and Stenungsund. This has had a significant impact on the total space that we lease. We are of course continuing to reuse technology, as well as furniture and equipment.

At nine of our 13 Folksam offices (excluding co-working centres), we have an activity-based work method and use activity-based environments, which streamlines and optimises the utilisation of office space. This means that we have reduced the need for renovation, thereby reducing our environmental impact.

At the office in Skanstull, we have created a bicycle area for charging lithium batteries. By making it easier to charge electric bikes and electric scooters, we are making a contribution to alternative modes of transport.

We have streamlined the transport operations for paper recycling at our offices outside Stockholm. The paper containers in the offices have been removed, and we instead only use the remaining confidential material containers, which has enabled us to reduce transport operations for collection by half, as confidential material and office paper were previously collected by different vehicles. Work is under way to introduce this at the office in Skanstull as well.

At the office in Skanstull, we modified an area of 2,100 square metres in one of our courtyards at the end of 2020 in order to promote biodiversity, replacing shrubs with a flower garden for the benefit of insects and bees.

Energy consumption within the organisation (MWh)	2021	2020	2019
Heat consumption	4,785	4,545	5,377
Business electricity	4,810	6,495	7,129
Total energy consumption	9,595	11,039	12,506

Work for safer and more climate-efficient travel

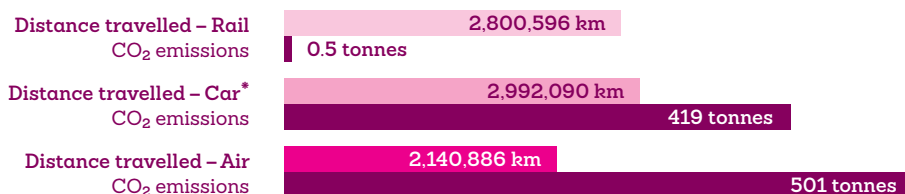
The Folksam Group’s goal is to have net-zero carbon dioxide emissions from our own operations by 2030. As carbon dioxide emissions from business travel account for more than half of our emissions, it is important that we take steps to reduce these. At the same time, travel is a natural part of our business: 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 assignments 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 2021, a review of company vehicles was conducted, with a focus on safety and climate efficiency. The project was ongoing in 2021 and will continue in 2022. The aim is to identify the climate impact of employees’ commuting and business trips in order to propose adapted measures for climate-efficient travel.

The Folksam Group been working systematically for many years to reduce the number of physical trips and steer employees towards digital meetings and a digital work method. Travel decreased sharply in 2021 as a consequence of travel restrictions and increased working from home because of the coronavirus pandemic. For large parts of the year, much of the day-to-day work of the majority of employees at Folksam has been done entirely digitally. During the autumn, there was a gradual return to the offices, and travel increased somewhat.

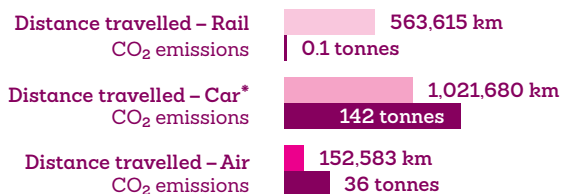
Our travel policy includes clear guidelines on how to conduct business trips. Among other things, any journeys shorter than 600 km should be made by train. Virtual meetings should be used both for internal and external meetings, wherever practicable.

Flights for journeys shorter than 600 km cannot 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.

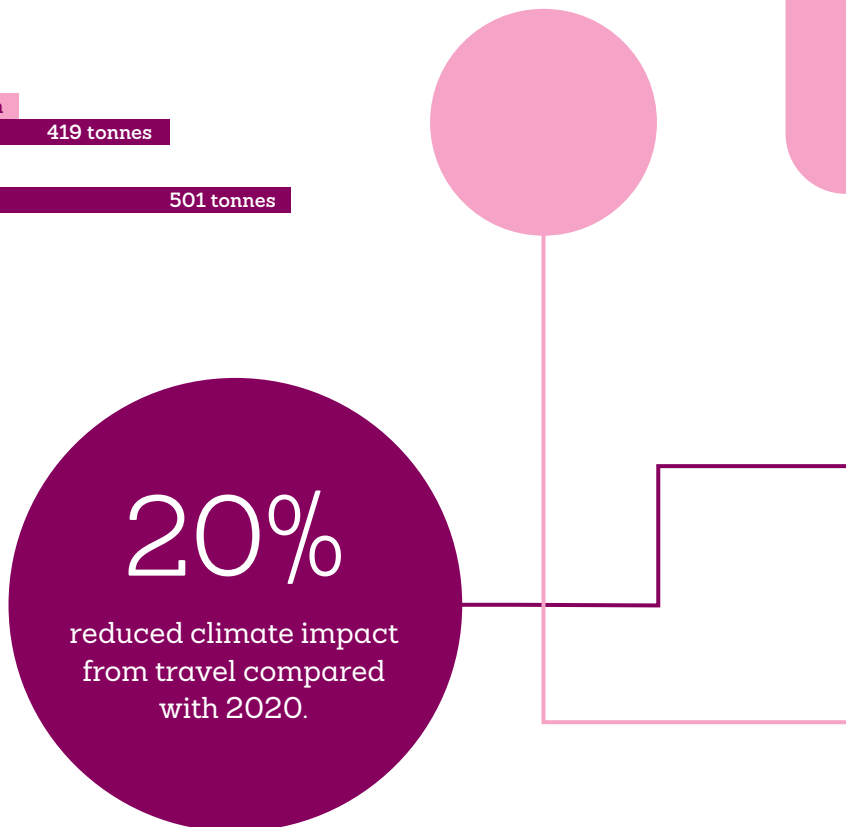
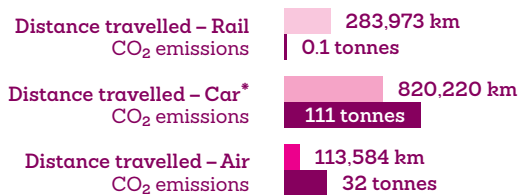
2019



2020



2021



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 already 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, so it 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.

In 2021, we also introduced cleaning with Tersano water into all our other offices (excluding co-working centres). All cleaning is needs-based, which means that we can quickly reduce the frequency when there are fewer employees in the office. In 2022, our supplier of cleaning products/services will start replacing its vehicle fleet with electric vehicles.

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 reduces the need for new resources. According to our partner, the carbon footprint is reduced by at least 40 per cent compared with previous waste management.* In 2021, we also introduced this at our office in Gothenburg, where we had a successful discussion with the landlord. We will continue to plan to start recycling paper towels at another office in southern Sweden in 2022. We have started a discussion with our cleaning company about replacing the paper towels dispensers at our approximately 280 toilets in Skanstull. The new dispensers allow only one piece of paper to be dispensed at a time.

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

Our KRAV-labelled restaurant in Skanstull

In our KRAV-labelled restaurant, which we run ourselves, the carbon dioxide is calculated for all of our menus, enabling guests to make a good choice. We are working to increase the number of KRAV-labelled/organic products, and use a lot of locally grown and seasonal ingredients. Our ingredients aim to promote diversity in agriculture and nature.

By means of smarter purchases, we have been able to reduce the number of transport operations to the restaurant. During the first quarter of 2022, our food deliveries will arrive by electric truck. During the autumn, we started weighing the food leftovers that guests throw away, to see if we can improve portion sizes or take any other action to reduce food waste.

During the pandemic, we have been baking our own bread, using KRAV-labelled wheat from Öland.

Sustainable 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 net-zero 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 net-zero by 2030.

The Folksam Group has carried out the following IT-related sustainability work during 2021:

- Initiated a strategic partnership with our 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 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 2021 and we have received the first-half results. This also includes measuring the reduction in emissions resulting from the choice of sustainable energy sources.
- We have been working to increase our digital correspondence with customers and have estimated our 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.
- We have established strategic collaboration with our hardware suppliers in order to maximise the life span of IT products and recycle obsolete equipment in an environmentally friendly manner.
- In order to limit our climate footprint, we coordinate our transportation of IT products centrally.
- During 2021, as a consequence of the coronavirus pandemic, we developed several IT solutions that allow our employees to work from home and have 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.



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.

Purchasing activities are responsible for approximately 1,560 contractual suppliers and approximately 1,700 purchase agreements. The majority of these agreements (around 74%) fall within the framework of claims settlement. The remainder relate to products and services for our internal operations. The vast majority of our suppliers are Swedish companies.

Sustainability in purchasing activities

Since January 2021, purchasing activities have been divided into three organisations (Economics and Finance, Claims and IT), with the aim of getting closer to the purchasers and operations. Responsibility for agreements and suppliers and responsibility for supporting purchasers in the agreement and purchasing process have thus been outsourced to the respective units.

Purchasing for Economics and Finance is also responsible for the elements that must be in place for a purchase to be carried out, all in consultation and consensus with other purchasing departments. This is in practice about regulations such as the purchasing process and purchasing guidelines, as well as responsibility for agreement systems. Overall responsibility for sustainability issues associated with the purchasing process thus also falls under Economics & Finance purchasing, including Folksam's Code of Conduct for Suppliers. In work that involves structuring, systematising and clarifying the way we integrate issues of sustainability into the purchasing process, part of this concerns audits linked to sustainability requirements. The plan is to develop a systematic approach linked to the risk of the supplier and the agreement to indicate if and when an audit is necessary, and if so, what form the audit should take.

Priority area

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(s) of requirements. When we engage with 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 own sustainability issues.

We clarify our most basic requirements in "Approved Supplier". This is a package of requirements containing questions to be answered by the contractual supplier, regardless of the industry in which it operates. 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".
- Have collective bargaining agreements for employees in Sweden.

The Code of Conduct is based on international conventions concerning human rights, the working environment, labour law and international environmental and anti-corruption legislation. The Code is valid for the entire Folksam Group and underwent an update in 2020, with the aim of clarifying the description of the requirements for both our contractual suppliers and internal purchasers. The Code of Conduct has been published since this update and is available at [folksam.se](https://www.folksam.se).

Exceptions to the above requirements require the approval of a member of Folksam's Group Management team.

Sustainability requirements

In addition to "Approved supplier", Folksam specifies detailed environmental and sustainability requirements in our procurement processes for both operational and claim purchases. Stipulating relevant sustainability requirements requires industry knowledge and we need to be able to recognise and understand the unique risks/conditions of different industries. We therefore develop sustainability requirements and/or customised packages of requirements in consultation with purchasers or representatives from the business. Stipulating industry-specific requirements 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.

In 2022, a large part of the focus of purchasing activities will be on getting a new agreement system into place. This platform will allow us to have cohesive monitoring of our suppliers, which also includes our sustainability requirements. We will also focus on strengthening our support regarding sustainability requirements towards the purchasers. This includes both the development of packages of requirements and procurement-specific requirements that are relevant.

”Sustainable purchasing is, and will remain, a priority area for us”

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 31-79, and is reviewed externally by the independent public accounting firm Ernst & Young; see the Auditor's Report on page 90. 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 report 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, an additional 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 Head of Sustainability Karin Stenmar, karin.stenmar@folksam.se. No other significant differences have been updated since the previous accounting period.

Accounting principles and 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 takes place annually and is part of the Folksam Group's monitoring and reporting of sustainability work. The Folksam Group uses predetermined definitions and documents procedures for the collection and control of 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 from our own operations as shown in the figure on page 76 includes the consumption of water, electricity and heating from the Group's own operations and business travel by air, taxi and train, car journeys using leased cars, employees' cars used for work, emissions from refrigerants, paper, printed matter 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, water 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.

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 2021 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 by-product of the supplier's district heating production, with emissions consequently deemed to be zero or very low. As of 2021, we include 100 per cent of the emissions from electricity, heat and water in our directly owned properties, regardless of ownership in the subsidiary that owns the properties. In previous years, we calculated the proportion of emissions corresponding to our ownership shares. Folksam Life owns, for example, 60 per cent of KPA Pension, so we previously included 60 per cent of the emissions from the properties that KPA Pension owns. But since Folksam Fastighet manages the entire property portfolio, as of this year we will include emissions from the entire property portfolio.

Electricity consumption in properties: Carbon dioxide emissions from electricity consumption in the Folksam Group's properties in 2021 are relatively low because the Folksam Group uses electricity that is 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. Consumption for 2021 is based on actual consumption figures.

Electricity consumption is reported according to the market-based calculation method.

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. As the units are topped up as required, an average value is reported for the last five years.

The Folksam Group's carbon footprint distributed by scope (tonnes CO _e)			
	2021	2020	2019
Road travel	111	142	419
Refrigerants	75	68	68
Total Scope 1	186	210	487
Heating of the Folksam Group's offices	282	305	448
Business electricity for the Folksam Group's offices [†]	1	2	2
Total Scope 2	283	307	450
Upstream emissions from electricity generation [†]	65	92	101
Air travel	32	36	501
Rail travel	0.06	0.12	0.5
Taxi journeys	1	2	18
Printed materials and paper	41	59	64
Coffee	41	79	52
Water	2	2	3
Total scope 3 excl. property and equity portfolio	182	270	740
Directly owned properties: Property electricity ^{†**}	271	237	251
Directly owned properties: Heating ^{**}	4,131	2,952	3,858
Directly owned properties: Water ^{**}	86	57	61
Carbon footprint of the equity portfolio	660,954	655,638	810,493
Total Scope 3 including properties and the equity portfolio	665,624	659,154	815,403

[†]Electricity emissions are calculated using a market-based model.

^{**}As of 2021, we include 100 per cent of the emissions from the properties in our property portfolio, regardless of participating interest in subsidiaries that own the property, which we have done before. The figures for 2021 are therefore not comparable with previous years.

Energy consumption, directly owned properties (MWh)			
	2021	2020	2019
Heat consumption*	73,112	46,028	50,085
Electricity consumption*	18,665	15,740	17,297
Total	91,777	61,768	67,382

*As of 2021, we include 100 per cent of the energy consumption from the properties in our property portfolio, regardless of participating interest in subsidiaries that own the property, which we have done before. The figures for 2021 are therefore not comparable with previous years.

Travel

- **Air travel:** Emissions from air travel are based on statistics provided by the travel agency BCD Travel on the number of passenger kilometres travelled. Greenhouse gas emissions have been calculated using the Our Impacts reporting tool.
- **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 calculation platform.
- **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 on 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 platform. Emissions from printed materials are based on weight in kilograms.

Calculation methods, asset management

The footprint in the share portfolio is reported in accordance with the recommendations of Insurance Sweden and TCFD. Information regarding the footprint of the Folksam Group's directly owned properties can be found on pages 67 and 83.

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 of 31 December 2021.

Employee turnover: Calculated on the basis of permanent employees (not fixed-term employees) from 2021 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 (%)			
	2021	2020	2019
On own initiative via advertised position	8	9	10
In connection with restructuring	5	6	5
Employee turnover, external	10	10	10
Employee turnover, external, women	9	10	10
Employee turnover, external, men	10	11	10

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 of 31 December 2021.

Employment and form of work (percentage)			
	2021	2020	2019
Employees on permanent contracts, total	99	99	99
Employees on permanent contracts, women	99	99	99
Employees on permanent contracts, men	100	99	99
Employees on fixed-term contracts, total	1	1	1
Employees on fixed-term contracts, women	1	1	1
Employees on fixed-term contracts, men	0	1	1
Full-time workers, total	93	94	93
Full-time workers, women	91	91	90
Full-time workers, men	97	97	97
Part-time workers, total	7	6	7
Part-time workers, women	9	9	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 insurance companies.
- Swedish Insurance Society: This organisation aims to 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 Benchmark 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, application level core, 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.

Disclosure	Description	Comment	Page
GRI 102: General information, 2016			
Organisational profile			
102-1	Name of the organisation		11
102-2	Activities, brands, products and services		11, 21
102-3	Location of headquarters		71
102-4	Location of operations		2
102-5	Ownership and legal form		11
102-6	Markets served		18-19
102-7	Scale of the organisation		14-19
102-8	Information on employees and other workers		73
102-9	Supply chain		79
102-10	Significant changes to the organisation and its supply chain		79
102-11	Precautionary Principle		41
102-12	External initiatives		85-86
102-13	Membership of associations		85-86
Strategy			
102-14	Statement from senior decision-maker		4-5
102-15	Key impacts, risks, and opportunities		25-26
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour		12, 79
102-18	Governance structure		38-39
Stakeholder engagement			
102-40	List of stakeholder groups		34
102-41	Collective bargaining agreements		71
102-42	Identifying and selecting stakeholders		34
102-43	Approach to stakeholder engagement		34-35
102-44	Key topics and concerns raised		34-36
Reporting practice			
102-45	Entities included in the consolidated financial statements		81
102-46	Defining report content and topic boundaries		81
102-47	List of material topics		33-34
102-48	Restatements of information		81
102-49	Changes in reporting		81
102-50	Reporting period		81
102-51	Date of most recent report		81
102-52	Reporting cycle		81
102-53	Contact point for questions regarding the report		81
102-54	Claims of reporting in accordance with the GRI Standards		81
102-55	GRI content index		87-89
102-56	External assurance		90-91

Disclosure	Description	Comment	Page
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries		33-34
103-2	The management approach and its components		37-41
103-3	Evaluation of the management approach	For references to information about the management approach regarding Economic standards, Anti-corruption, Environmental standards and Social standards, please refer to the respective heading below.	37-41
GRI 200: Economic standards 2016			
103-1:3	Management approach to economic standards		34-35, 37-41, 60-61
201-2	Financial implications and other risks and opportunities due to climate change	Folksam reports its climate risks every year in accordance with TCFD. The report is available to read at folksam.se	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		68-69
Anti-corruption			
103-1:3	Management approach to anti-corruption		39-40, 79
205-1	Operations assessed for risks related to corruption	No special review has been carried out within the business other than supplier evaluations. 100% of our holding is reviewed with regard to corruption.	39-40, 79
205-2	Information and training on anti-corruption policies and processes	Not reported by employment category.	39-40, 79
205-3	Confirmed incidents of corruption and actions taken		39
GRI 300: Environmental standards, 2016			
103-1:3	Management approach to environmental standards		33-34, 37-41, 61-63, 67, 74
302-1	Energy consumption within the organisation	The division into renewables and fossil fuels is made only for electricity.	81-82
302-2	Energy consumption outside of the organisation		75-76
305-1	Direct greenhouse gas emissions (Scope 1)	No reporting of biogenic share.	82
305-2	Energy indirect (Scope 2) greenhouse gas emissions		82
305-3	Other indirect (Scope 3) greenhouse gas emissions		58, 82

Disclosure	Description	Comment	Page
GRI 400: Social standards, 2016			
103-1:3	Management approach to social standards		34-35, 57, 64, 70-72
401-1	New staff and staff turnover	No reporting by age group	70, 84
404-3	Percentage of employees receiving regular performance and career development reviews	The Folksam Group only reports distribution by gender.	70
405-1	Diversity in the Board, management and among employees	No reporting by age group.	71, 84
405-2	Ratio of basic salary and remuneration of women to men		73
406-1	Incidents of discrimination and corrective actions taken		73
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.	58, 78, 79
Sustainability governance, financial services sector			
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit	Does not report the number of eco-labelled insurance policies in relation to the total number of policies	48, 59, 61
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		61, 64-66
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening		64-66
G4-FS14	Initiatives to improve access to financial services for disadvantaged people		48
PRI			
PRI 1	Incorporate ESG issues into investment analysis and decision-making processes		48, 58, 64-66
PRI 2	Be an active owner and incorporate ESG issues into our ownership policies and practices		64-66
PRI 3	Seek appropriate disclosure on ESG issues by the entities in which we invest		64-66
PRI 4	Promote acceptance and implementation of the Principles within the investment industry.		48, 58, 61-66
PRI 5	Work together to enhance our effectiveness in implementing the Principles		48, 58, 61-66
PRI 6	Report on our activities and progress towards implementing the Principles		64-66

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 2021. Folksam has defined the scope of the Sustainability Report on pages 87-89 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 81 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 in a general review do not enable us to obtain an assurance that we are made aware of all significant matters that might be identified in an audit. The stated 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 us to believe that the Sustainability Report has not, in all material respects, been prepared in accordance with the above criteria set forth by the Board of Directors and the company management.

Stockholm, 24 March 2022

Ernst & Young AB

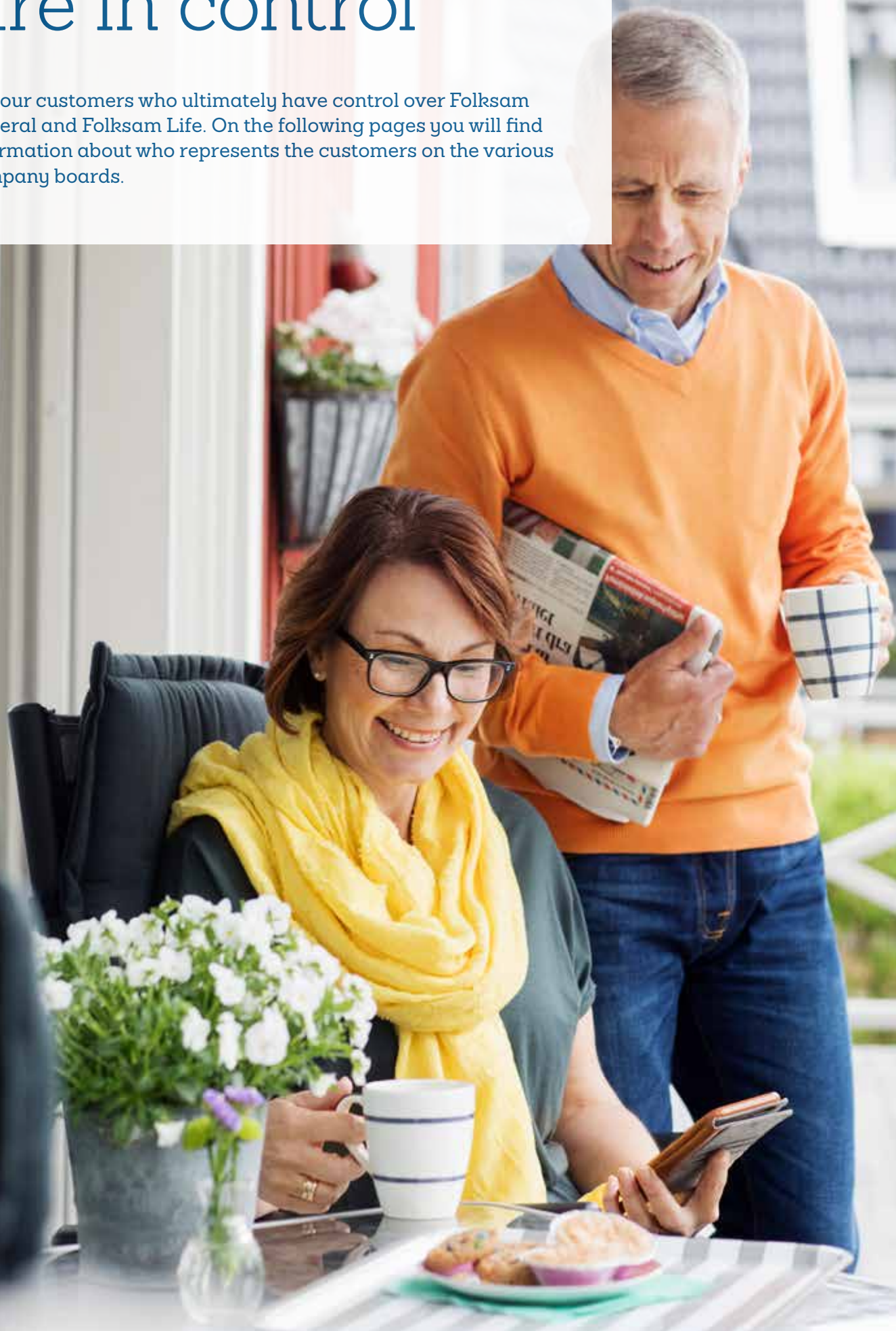
Jesper Nilsson
Authorised Public
Accountant

Daniel Eriksson
Authorised Public
Accountant

Outi Alestalo
Specialist member,
Swedish Institute
for Authorised
Chartered Accountants

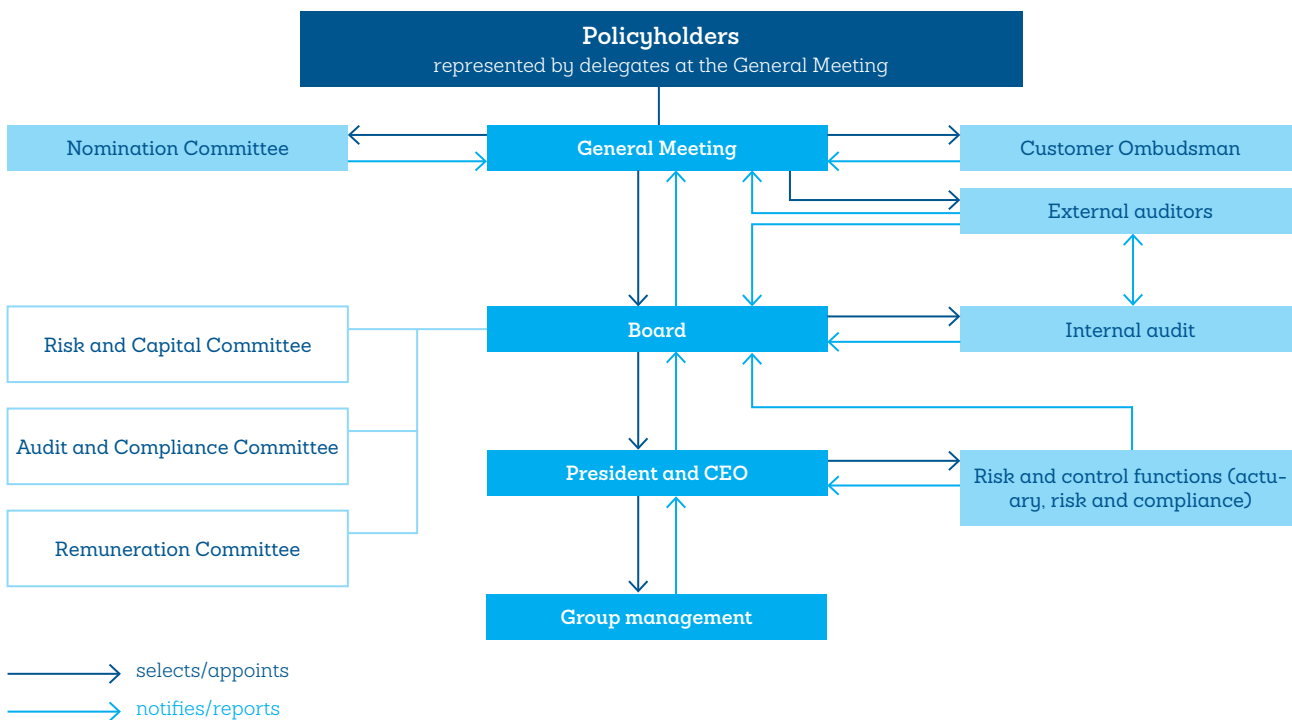
Our customers are in control

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

Folksam General (parent company)	2021	2020	2019
Premiums, SEK million ¹⁾	14,089	13,419	12,855
Underwriting result, SEK million	1,306	1,026	237
Profit/loss before appropriations and tax, SEK million	4,667	1,843	1,308
Total expenses, %	87.3	89.8	96.1
of which claims expenses, %	74.5	76.4	81.8
of which operating expenses, %	12.8	13.5	14.3
Total return ratio, %	7.8	2.2	3.0
Solvency capital, end-of-period, SEK million	29,016	24,401	22,821
Funding ratio, end-of-period, %	203	180	178
Solvency factor (SCR), at period-end ²⁾	2.4	2.3	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.

Board of Directors



Susanna Gideonsson

Chair of the Board
Elected 2021. Born 1963.

Current assignments

President of LO. Member of the board of Trygghetsfonden SAF-LO.

Selected previous assignments

Chair of the Swedish Commercial Employees' Union. Member of the boards of Folksam Liv, LO/TCO Rättsskydd, Handelsanställdas Förbunds A-kassa and KP Pension och försäkring.

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.



Mikael Ahlström

Board Member
Elected 2021. Born 1971.

Current assignments

CEO and Chairman of Sprout Park. Chair of the Park Group. Member of the Government's collaborative group for skills provision, Fryshuset, Bambuser, Stiftelsen Hack for Earth and Advisory Board UNHCR.

Selected previous assignments

Chair of Hyper Island. Chair of SUP46.

Education

Upper secondary Economics. Berghs School of Communication.



Ulf Andersson

Board Member
Elected 2009. Born 1965.

Current assignments

CFO of IF Metall. Elected auditor of LO and of Industri All 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 the Swedish School of Sport and Health Sciences and of the Swedish Media Publishers' Association's social security fund. Chair of Kontantupproret (The Cash Uprising). 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

Member of the boards of Svenska Lärarförbund and the Swedish National Union of Teachers, and several honorary positions 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.



Johanna Frelin

Board Member
Elected 2021. Born 1969.

Current assignments

CEO of Riksbyggen. Member of the boards of Addnote and Springtime Group.

Selected previous assignments

CEO of Tengbom and Hyper Island. Head of Division at SVT. Member of the board of SNS.

Education

MBA, School of Economics. BA in Media Studies, Luther College, Iowa.



Anders Lago

Board Member
Elected 2013. Born 1956.

Current assignments

Chair of HSB. Vice Chair of We Effect. Member of the boards of Berättarministeriet, the Stora Sköndal Foundation and the International Co-operative Alliance.

Selected previous assignments

Chair of HSB. Chair of the Municipal Board of Södertälje municipality. Chair of the Board of the Telge Group and Svenskt Vatten. Member of the board 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

Board Member
Elected 2017. Born 1969.

Current assignments

CEO of KF Fastigheter. Member of the Risk and Capital Committee of Folksam General. Chair of Coeli Fastighet II, Bostadsutveckling Kungens Kurva, Norra Backaplan Fastighets AB and Bro Mälarstrand Bostads AB. Member of the boards of Mednera 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.



Therese Svanström

Board Member
Elected 2021. Born 1973.

Current assignments

Chair of TCO.

Selected previous assignments

Administrative Director of Unionen and Vision. State Secretary at the Ministry of Health and Social Affairs. Secretary of S-students.

Education

Fil. kand. in Political Science, Lund University and Örebro University.

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)	2021	2020	2019
Premiums, SEK million ¹⁾	16,399	10,935	12,040
Underwriting result, SEK million ⁴⁾	29,017	6,371	11,868
Management expense, %	0.5	0.5	0.5
Total return ratio, %	12.4	4.7	10.4
Assets under management, at period-end, SEK million ³⁾	238,914	211,444	205,912
Of which corporate holdings	8,142	6,465	5,778
Solvency ratio, end-of-period, %	194	171	169
Solvency factor, mixed companies ²⁾	3.8	3.7	3.7
Collective funding ratio, occupational pension, at period-end, %	125	120	119
Collective funding ratio, other life insurance business, at period-end, %	123	118	119

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⁾ As of 2020, dividend tax is reported in the annual report on the row titled 'Tax on profit/loss for the period'; the preceding year's figures have been adjusted for this.

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.

Corporate governance



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, Charge Amps AB 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 Guldkanten national lottery. Member of the board of the Nordic Committee for Cooperation. Member of the Audit and Compliance Committee of Folksam General.

Selected previous assignments

Background in business administration and analysis as well as financial control at Förtagssekonomiska 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. Member of the board 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 Riksbyggen. 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/BTD).

Selected previous assignments

Chair of Riksbyggen 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.



Kerstin Wallentin

Board Member
Elected 2021. Born 1964.

Current assignments

Senior advisor/interim manager in communication, marketing and leadership. Executive coach at Ståhl&Partner. Vice Chair of the Stockholm Consumer Cooperative Society. Member of the boards of KF and Riksbyggen.

Selected previous assignments

Head of Communication Department, Systembolaget. Director of Marketing and Communication, ATG. Managerial roles within KF/COOP. Member of SEEM.

Education

Degree in HR and Labour Market Studies, Stockholm University.



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. Member of the board 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

Member of the Audit and Compliance Committee of Folksam Life.

Selected previous assignments

President and CEO of Fonus. Business Manager for the Swedish Golf Federation. CEO of Martin Olsson Restauranghandel, Hall-Miba, Vivo and D&D Närhandel. Marketing Manager at Dagab. Member of the board 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, PTR.

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 Lärarförbundet. 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.



Maria Bolin

Employee representative since 2021.
Born 1968.

Appointed by
Swedish Commercial Employees' Union.

Employed at Folksam since
2007.

KPA Pension

KPA Pension is a brand in the Folksam Group and the joint name for KPA AB, KPA Pensionsförsäkring (as of 1 January 2022, the company is called KPA Tjänstepensionsförsäkring), KPA Tjänstepension 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 is the CEO. Johan Sjöström is CEO of KPA Tjänstepension and Ninni Wibeck is CEO of KPA Pensionservice.

KPA Tjänstepensionsförsäkring AB (publ) (formerly KPA Pensionsförsäkring)	2021	2020	2019
Premiums, SEK million ¹⁾	18,613	17,381	17,315
Solvency ratio, %	204	172	171
Assets under management, SEK million	264,049	223,364	202,714
Total return, %	13.7	4.8	11.2
Bonus rate (%), defined benefit	7.2	3.4	11.3
Bonus rate (%), defined contribution	14.6	5.1	11.3

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 board of We Effect. Member of the board of Insurance Sweden and of the Nomination Committee. Member of the board and of the Executive Committee, ICMIF. Member of the board of Fremia (formerly 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

Second Vice President of SKR. Vice President of SKR Företag. President of KPA Occupational Pension and chair of the Risk and Capital Committee for KPA Tjänstepension.

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 Knappe

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 Tjänstepensionsförsäkring and chair of the Risk And Capital Committee of KPA Tjänstepensionsförsäkring.

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 Marketing and Sales, Folksam and member of Folksam's Group Management team. Chair of the Board of Folksam LO Fondförsäkringsaktiebolag. Member of the board of KPA Tjänstepensionsförsäkring 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 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 member of the board 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. Board training EFL, Lund.



Lena Dahl

Co-opted Board Member
Elected 2011. Born 1966.

Current assignments

CEO of SKR Företag. Chair of the Board of Slussgården, SKR Kapitalförvaltning and SKR Pensionsstiftelse. Member of the boards of KPA Tjänstepensionsförsäkring, SOS Alarm, Adda 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 Kåpan 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



Ann-Charlotte Tollqvist

Employee representative since 2013.
Born 1960.

Appointed by
Forena Folksam.

Employed at KPA Pension since
2001.



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
2005.

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. Christoffer Jönsson is the CEO.

Folksam LO Fondförsäkringsaktiebolag	2021	2020	2019
Premiums, SEK million ¹⁾	6,485	7,272	7,925
Profit for the period, SEK million	477	340	312
Solvency factor	8.0	7.7	6.5
Unit-linked insurance assets, end-of-period, SEK million	171,711	135,487	118,624

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

Chief Marketing and Sales Officer, 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 Skandiabanken, Head of Customer Unit Skandia. Member of the boards of ICA-banken and ICA-försäkring.

Education

Humanities course, Lund University.



Christoffer Ahlqvist

Vice Chair
Elected 2021. Born 1971.

Current assignments

CEO of LO Mervärde.

Selected previous assignments

HR Manager, Bantorget Förvaltning AB. Head of Finance, IT and HR, LO. Head of HR, Fackförbundet GS. Board Member of Runö folk high school and the Coop Pension Foundation. Chair of the Labour movement's negotiating organisation.

Education

Upper secondary school qualification, as well as study programmes in leadership, Board work, economics and law at Brunnsvik Folk High School.



Mats Davidsson

Board Member
Elected 2021. Born 1978.

Current assignments

Finance Director, Folksam.

Selected previous assignments

Head of Business Control, Folksam. Head Business manage Office, Group IT Nordea. Management consultant, Acando. Business Controller, Scania.

Education

Master's degree in Industrial Economics, KTH.
Master's degree in Economics, Stockholm University.



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 Tjänstepensionsförsäkring, KPA Pensionservice 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.



Magnus Karlsson

Board Member
Elected 2021. Born 1968.

Current assignments

Responsible for ALM, Asset Management, Folksam.

Selected previous assignments

Head of Strategic Asset Allocation, Folksam. Actuarial, Folksam Life

Education

Master's degree in Mathematical Statistics, Stockholm University. CEFA, Stockholm School of Economics.



Maria Liljedahl

Board Member
Elected 2021. Born 1962.

Current assignments

Head of Analysis, Folksam Life. Chair of the Board of Folksam Fondförsäkring.

Selected previous assignments

Strategic advisor, Folksam Life. Head of Department and Responsible for Actuary Function, Folksam Life Group. Group Chief Actuary, Folksam Life Group. Vice-President of the Swedish Society of Actuaries.

Education

Degree in Mathematics, Umeå University.



Bent Malmsjö

Board Member
Elected 2021. Born 1969.

Current assignments

Responsible for "New occupational pension regulation", Folksam.

Selected previous assignments

CRO Folksam Life, Chief Actuary of KPA Pension, Chief Actuary of Skandia.

Education

Master of Science in Mathematical Statistics, Umeå 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

Courses in Law and Work Environment Law at Stockholm University and Örebro University. Leadership and board work, Brunnsvik Folk High School.



Tina Nordling

Board Member
Elected 2021. Born 1968.

Current assignments

Ombudsman for Contract Unit, LO. Member of the Foundation for Special Pension Funds, Fora. Deputy board member of the Foundation for the Collective Agreement Guarantee, etc. for KAP within the agreement area RFO-LO.

Selected previous assignments

Ombudsman, Swedish Electricians' Union. Member of the Electrical Safety Council.

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.

The Folksam Group's Group Management team during 2021



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. Member of the board and of the Executive Committee, ICMIF. Member of the board of Fremia (formerly KFO).

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

Deputy CEO and Head of Asset Management and Sustainability

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.

Other current assignments

Member of the board of the Sweden-America Foundation.

Previous assignments

Transformation Program Manager, Tele2. CFO Office, Carnegie Investment Bank. Nordic Integration and Business Manager, Royal Bank of Scotland. Risk Manager, Swedish Export Credit.

Education

Fil. Mag. in Economics, Stockholm University. 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, Government Offices of Sweden. Senior Vice President HR, Nasdaq OMX 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

Chief Marketing and Sales Officer

From 1 January 2022, Chief Marketing and Sales Officer. The new Head of Business Area Life is Katrin Röcklinger. Born in 1963.

Other current assignments

Chair of the Board of Folksam LO Fondförsäkringsaktiebolag. Member of the boards of Folksam Fondförsäkringsaktiebolag, KPA AB, KPA Pensionsservice 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 Skandiabanken, 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.



Bjorn Ekstedt

Acting Head of IT and CIO

Left the Group Management team in February 2022. The new CIO from February is Anders Lundsten. Born 1965.

Other current assignments

Executive Advisor, MinimumQue.

Previous assignments

CIO Postnord, Senior IT Advisor, Burnt Oak Ltd. CIO Sandvik. A number of roles within Vattenfall, including CIO Business Group Pan Europe. Colonel in the Swedish Armed Forces.

Education

Master in Industrial Economics, Linköping University. MBA, Warwick Business School.



Elisabeth Sasse

Head of Business Area General

Left the Group Management team on 31 December 2021. As of 1 January, Jens Wikström is the new 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

Head of Business Area General

As of 1 January 2022, Head of Business Area General. Anna-Karin Laurell is the new Head of Marketing and Sales from the same date. Born in 1973.

Other current assignments

Member of Fonu's Group Board, the Swedish Theft Prevention Association and Friskis & Svettis Riks and Stockholm.

Previous assignments

Strategic Partner Personal Banking, Head of Region North and Head of Key Account Unit Service – all at Nordea. CEO of Skellefteå Industrihus. A number of political assignments within Skellefteå municipality, and also within Sparbanksstiftelsen Norrland and Swedbank

Education

Graduate in Computer Engineering, Luleå University of Technology.



AnnKristine Wuopio-Mogestedt

CCO and Head of Claims

Born 1961.

Other current assignments

Chair of the Board of the Swedish Fire Protection Association. Member of the board of CAB AB and SOS International a/s.

Previous assignments

Various management positions within Claims at Folksam since 1988. CEO of Svenska Konsumentförsäkringar 2005–2006. Board assignments including the Association of Swedish Motor Insurers, Larmtjänst and the Swedish Theft Prevention Association.

Education

Subject teacher degree, Linköping University.

About the reports for 2021

For the financial year 2021, 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. Annual reports are published separately. Folksam has published sustainability reports every year since 2002. More in-depth information can also be found at folksam.se

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	Page
Carina Gran	1, 2, 9, 17, 25, 31, 33, 36, 42, 53, 54, 80, 92 and 108
Camilla Styrstrom	4, 94 – 107
Petter Karlberg	10, 14, 15, 37, 40, 43, 62, 63, 66, 70, 78, 94 – 107
Folio, Andy Liffner	6
Volvo Cars	7
SSAB - Tähtikuva Oy, Pekka Rötökönen	8
AdobeStock, Feydzhet Shabanov	26
TT Bild, Fredrik Sandberg	47
Hydebrink	60





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