

Personnel at If

If has more than 3 million customers. If sells and renews close to 8 million insurances annually and handles 1.5 million claims. If's success is entirely dependent on how well the company does in all of these customer interactions. Therefore, first class customer focus through dedicated employees with professional insurance competence is the main determinant of success.

The cornerstones of If's Human Resources (HR) Strategy are: Competence Development & Innovation, Right Person in the

Right Place, Leadership the If way, and Employeeeship & Performance Culture. HR plays a key role in ensuring that If can attract the best talent, that competence building is strong, and that both leadership and employeeeship are first class. Employeeeship refers to the employees' own responsibility for customer service, performance and development.

Competence Development and Right Person in the Right Place

In the mature insurance industry, having the industry's most competent employees is the main source of sustainable competitive advantage. If's competence development unit – If Academy – supports the business units and ensures efficient planning and delivery of competence development across the company. Senior competence partners are

working in close cooperation with business leaders in setting the competence development agenda.

If believes in building top analytical skills to manage the continuously evolving competition. To support the analytical core, If focuses on ensuring the right competences in customer orientation, product development and marketing.

Strengthening Customer Orientation in If in 2017

In If's Business Area Private, the Private Ahead initiative has engaged nearly 100 leaders on a change journey that aims at raising the organization's problem-solving skills and customer orientation to a new level. The focus has been on creating Nordic synergies in an increasingly digital environment.

In Business Area Commercial, the SEE-journey (Safe, Easy, Express) challenges both managers and employees to take an intense customer focus. 40 ambassadors have been appointed to take the message forward within the organization. In Business Area Industrial, the Challenger Approach aspires to increase customer orientation and team work around key customers.

A key factor in ensuring the industry's most competent employees is recruitment. Recruiting employees with both the right skill set and the right motivation and attitude is essential. During 2017, HR launched initiatives to increase the emphasis on attitude, motivation and cultural fit in If's

recruitment processes. The resources working with recruitment have been strengthened, for example through junior HR Partners focusing on recruitment in customer centers. In addition, HR is starting up a project to analyze and develop If's employee value proposition.

Leadership

In contemporary business, leadership is multifaceted. Strong skills in traditional management must be complemented by abilities to help highly skilled specialists reach their full potential through nurturing their own motivation. If continues to develop the leadership model to better reflect the increased importance of intrinsic motivation, where performance is based on the inner drive, motivation, and commitment of the individual employee.

Through If Academy, If supports a balanced development of skills in business management, customer service and initiatives and employee engagement. Specific training has been offered for new leaders as well as for more experienced ones. Also informal leaders, such as project leaders, have been targeted.

Leadership Model If



Employeeeship

Great leadership is essential, but it is not enough. A modern, complex service organization like If, with competent and highly trained staff, increasingly requires that individual employees take full responsibility for customer service, performance and development. At If this is called employeeeship.

Strengthening employeeeship in If and making it a cornerstone of the company's culture are key priorities. To support this effort, If has developed an Employeeeship Model based on the If Leadership Model and is promoting it through

articles, workshops and presentations and also in development discussions, appraisals, training programs and employee surveys.

If's key personnel processes are being reviewed and revised based on the employeeeship model. For example, in 2017 an updated mid-year review process was launched. The aim was to make the mid-year review-discussions more interactive and supportive of a true employeeeship-approach, where employee engagement and own initiative are central to the progress and development.

Praise Your Colleague Campaign in If in 2017

In 2017, Finland and the Baltic countries launched a campaign called "Praise your Colleague", aiming at strengthening the employeeeship and feedback culture in If. Employees can praise their colleagues with the help of postcards that have been distributed in the offices. In Finland, the campaign has included intranet information, videos on the theme, and a blog to be shared in social media. The videos have later been used also in recruitment ads. In the Baltic countries, the theme is promoted quarterly and the individual praise is regularly published on the intranet.



Well-Being and Equality

During 2017, If continued to work with promoting health and reducing sick leave. In Norway, the sick leave trend is gradually improving. Denmark and Sweden are on a stable level, but Finland's sick leave rate is deteriorating. In Finland, absences due to illness have increased mainly in the customer centers. This is followed up and targeted actions are planned. In the Baltic countries, the number of sick days is very low.

During the year, If also focused on gender equality. The Equal Opportunities Advisory Board, founded in 2015, continued its work by, for example, hosting workshops in management teams. Based on the proposals from the Advisory Board, HR processes such as recruitment, succession planning and leader evaluation were strengthened in order to further secure gender equality in the company. The share of female

managers is steadily rising and was 46.5 per cent in the end of 2017.

During the #metoo-campaign in fall 2017, several cases of sexual harassment were investigated in If, some of them leading to disciplinary action. As a result, If has taken forceful action to prevent sexual harassment: additional reporting channels have been set up and instructions and training have been provided to leaders.

The Equal Opportunities Advisory Board will work further on diversity issues based on a plan of concrete actions, which will be initiated at different levels of the organization. Voluntary Diversity Ambassadors will be appointed. Their task will be to promote diversity both from a business and an ethical perspective.

Promoting Health in If in 2017

In If Sweden, the project Sweden's Best Work Place was launched in the Sales and Service organization. In the Gothenburg office, a pilot group has tested yoga classes. In the Sundsvall office, a Stress and Health Program was introduced, targeting employees on long-term sick leave due to stress, and also employees at risk of stress-related sickness.

In Norway, a pilot took place in Business Area Commercial to improve wellbeing and boost preventive health. A Job Stretch session, 10 minutes a week with basic physical activities, has been very popular in many offices in Norway. It was introduced to prevent sickness by helping employees to stretch the neck, back, arms and shoulders. Denmark has launched MIND-strain, an anti-stress training program.

Absence Due to Illness If, 2017

	2017	Change compared to previous year (in percentage points)
Norway	4.20%	-0.51%
Sweden	4.08%	0.04%
Finland	4.01%	0.70%
Denmark	2.88%	0.20%
Estonia	2.81%	0.25%
Latvia	2.26%	-0.37%
Lithuania	1.10%	-0.32%

Sickness statistics are based on If's internal reporting standards and may deviate from locally published statistics.

Employee Structure

The number of personnel at If increased slightly during 2017 compared to the previous year. As a result of strategic initiatives in Business Area Private, the number of employees

in central flagship offices is growing and the number of employees in small branch offices is decreasing. The number of employees in Business Area Private's sales, claims and

product units has grown and Business Area Commercial's New Business unit is expanding. A new claims support company, Nordic Assistance AB, was also established in the beginning of 2017.

Adaptation to new regulation, for example regarding data privacy and insurance distribution, requires resources to drive the projects, but also to administrate the new governance processes. This has an effect on personnel numbers both in the business as well as in the support functions, including HR. Off-shoring of support services and

IT development to the Baltics is continuing to increase manning in the Baltic countries. The off-shoring mainly concerns back office jobs, but customer fronting roles are also being added.

The increased focus on digitalization and on how to serve customers better is leading to major change initiatives in the business areas. HR is supporting in reorganizations, the building of flagship offices, the set-up of new units, the development of training activities and the design of remuneration systems.

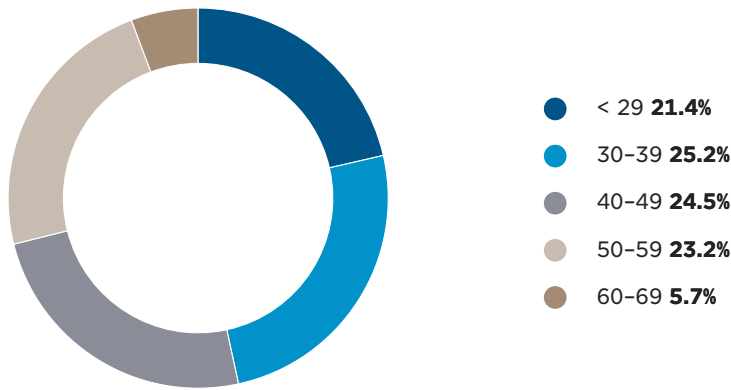
Number of Employees (FTE) If, 31 December 2017 and 31 December 2016

	31 Dec 2017		31 Dec 2016	
	FTE	of which temporary employees	FTE	of which temporary employees
Sweden	1,955	2.1%	1,867	4.6%
Finland	1,777	2.9%	1,663	2.9%
Norway	1,312	1.5%	1,348	0.7%
Denmark	592	0.7%	547	1.6%
Estonia	347	0.6%	344	0.0%
Latvia	292	3.3%	250	3.5%
Lithuania	153	12.4%	155	8.4%
Other countries	23	0.0%	24	0.0%
Total	6,452	2.3%	6,200	2.8%

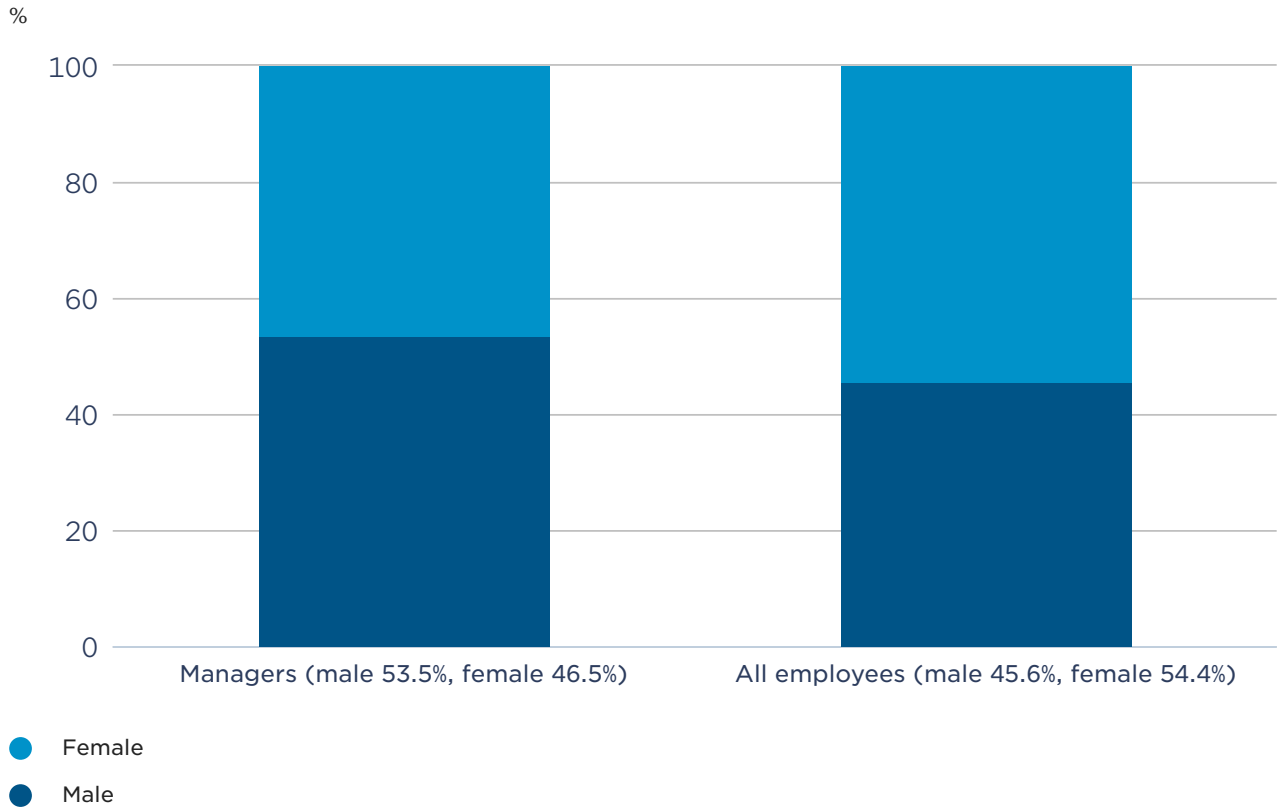
Employee Turnover If, 2017 and 2016

	2017	2016
Estonia	18.2%	13.3%
Sweden	15.7%	12.3%
Latvia	13.6%	17.1%
Denmark	10.0%	9.6%
Norway	10.0%	11.1%
Finland	9.3%	10.9%
Lithuania	7.9%	8.1%
Total	12.1%	11.7%

Age Distribution
If, 2017



Gender Distribution
If, 2017



Improved HR Services

HR strives to provide the leaders and employees of If with great service every day. HR has implemented a modern, fully integrated HR system that facilitates harmonizing HR processes across country borders and offers better

onboarding and learning management, facilitated feedback discussions, improved compliance work and enhanced work force analytics.