

# Tänk längre



**skandia :**

Skandia is one of Sweden's largest, independent, mutually-owned banking and insurance groups. With a strong tradition of pioneering spirit, product development and community engagement, we have served for 160 years to give people financial security through life's various phases.

Today we have some 2 million customers in Sweden and Denmark, to whom we offer savings, insurance and health solutions as well as banking services. Skandia has more than 2,500 employees who work at the headquarters in Stockholm and at 57 local offices throughout Sweden and Denmark, and in Lithuania.

## Skandia's offerings

Skandia's offering of solutions in savings, health and financial security along with its banking services all aim to create the greatest possible benefit for our customers.



**385**

billion kronor in assets under management

### Traditional life management



Saving in traditional life assurance is safe and simple. We invest your money and guarantee your future distributions. It is an alternative with low costs that at the same time offers the potential for a favourable return.



**199**

billion kronor in assets under management

### Unit linked savings



Unit linked assurance and custody account management are offered as part of both our banking and insurance solutions. Our fund offering is based on the premise that it should be easy to invest in a wide selection of high quality funds. We have an array of offerings suited to our customers' varying needs.



**47**

billion kronor in lending

### Banking services



Our bank is a full-service bank serving the retail market. In addition to financial advice and home mortgages with a transparent rate structure, our bank also offers tools that help customers plan their personal economic needs.



**256**

thousand private health-care and health insurance policies

### Health and financial security



We offer financial security in the event of accident, illness and death through disability insurance, accident insurance, and life assurance. Our offering is distinguished by the combination of health and disability insurance, where major emphasis is on prevention of ill-health.

# Contents

- 1 Skandia in figures 2015
- 2 Statement by CEO and Head of Sustainability
- 4 Highlights 2015
- 5 Our business environment
- 6 Chairman's message
- 7 Shared value
- 8 Stakeholder dialogues
- 10 Material aspects
- 12 Sustainability strategy
- 14 Targets and outcome 2015
- 16 Skandia's value creation

## Our most material aspects

- 18 *Transparency and long-term approach to customer relationships*
- 24 *Responsible investments*
- 30 *Social responsibility*
- 35 *Environmental responsibility*
- 39 *Long-term employer*
- 44 *Business ethics*

- 47 Governance of Skandia's sustainability work

Appendix: GRI Index 2015 [www.skandia.se](http://www.skandia.se)

### About Skandia's 2015 sustainability report

This sustainability report is the fifth produced by the Skandia group (Skandia) in accordance with the Global Reporting Initiative (GRI) Guidelines. Skandia's reporting for 2015 has been conducted in accordance with the requirements of version 4.0, Core level, and describes our work with our most material sustainability aspects.

Skandia Fastigheter, the group's wholly owned real estate company, is included in cases where references are made to that company. All countries of operation in 2015 are included. Monetary amounts in this sustainability report are stated in Swedish kronor (SEK), unless indicated otherwise. Figures for the preceding year are in parentheses.

The sustainability report is prepared and published once a year and has not been reviewed by a third party.

### Contact

If you have questions or would like to share comments on Skandia's sustainability work and sustainability reporting, please contact us at: [kundinflytande@skandia.se](mailto:kundinflytande@skandia.se)



“Many of the societal challenges that Sweden is facing are related to health, economics and social security. As a mutually-owned savings company, we are at the interface between the business community and society. In this position Skandia can contribute to sustainability in society at the same time that we create value for our owners and customers.”

Lena Hök  
Head of Sustainability

## Skandia

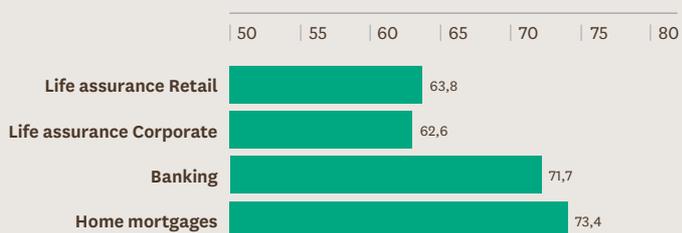
Skandia is driven by the mission to create a richer life for its customers and society, with a view to being the leading savings company in Sweden. We have deep roots in society with long-term obligations to individuals, businesses and the public sector. Thinking ahead (“Tänk längre”) in everything we do is not only a precondition but also a distinctive quality of our business. It is an approach that not only creates a richer life for our customers, but also helps strengthen society over the long term.



## Mutually-owned Skandia

Skandia is owned by the 1.4 million customers of Skandia's life insurance company. Their insight and influence are at the core of our organisational form as a mutual company. In all Skandia has some 2 million customers in Sweden and Denmark.

### Customer satisfaction 2015 – Swedish Quality Index scores (%)



# Skandia in figures 2015

**42** billion SEK

Bonuses paid to customers<sup>1)</sup> who are owners of Skandia's life insurance company – capital that has been built up over the years through successful, long-term asset management.



**167**% Skandia's solvency at year-end 2015.

**0** SEK Paid in bonuses to senior executives.

**0** SEK in management fees

The non-profit Skandia Ideas for life fund turned 20 years in 2015 and celebrated by waiving its asset management fee. Since its inception the fund has paid out more than SEK 70 million in grants to some 3,700 local community projects for children and youths through the Ideas for life foundation.

**7.7** million SEK

Paid in donations to Cancerfonden's cancer research via the non-profit Skandia Cancerfonden fund.

**-56**% sickness rate

Skandia's health offering has contributed to a more than halving of sickness rates among our customers during the last ten years.



**400** million SEK

Savings to society by reducing sedentary lifestyles by 3%, according to calculations performed on Skandia's Health Calculator.



## Awards 2015

### 1st place

For the second year in a row, Skandia's Management Selection ("Förvaltarval") was named as Sweden's best fund analysis team by the Nordic Fund Selection Journal.

### Sweden's best sustainability manager 2015

The environmental magazine Miljöaktuellt and a jury comprising members from the Stockholm School of Economics and the Swedish Government Offices named Lena Hök as Sweden's best sustainability manager.

### Pass with Honours

Skandia's grade in Söderberg & Partners' sustainability ranking of Swedish pension companies

### Among top 25 in Sweden

Skandia scored #23 in sustainability in a ranking by Sweden's most influential opinion-shapers in the area of sustainability.



**100**%

Share of Skandia's mutual funds that have sustainability criteria.

**200** grants

Number of grants awarded by the Ideas for life foundation to local, non-profit projects for children and youths in Sweden.

<sup>1)</sup> Amount allocated to policyholders of Skandia's life insurance company with traditional life assurance policies (savings with a guarantee and bonus rates). Policyholders with traditional life policies from 1 September 2014 and earlier also received a share in an extra allocation. Skandia's surplus is preliminarily apportioned among the policies through the bonus rate.

# A savings company with the ability to align customer and societal benefit

Our ambition is that Skandia – by continuing to think ahead – will evolve to be the leading savings company in Sweden. Our most important task is to maximise value creation for our customers, who are also our owners. We do this with sustainability in mind – something that benefits our customers’ savings over the long term as well as the society they live in today.

An overarching goal of our sustainability work is to, aside from creating value for our owners and customers, also generate societal benefit. We see a growing need in Sweden for the business sector to take greater responsibility for societal development through various measures. Given the obligations we have for pensions, savings and insurance, we are an important complement to the public social welfare systems. It is for this reason that Skandia has long borne a responsibility to meet societal challenges in numerous areas that are related to our core business, such as the risks associated with growing ill-health, a low level of long-term savings, and the growing prevalence of social exclusion. A concrete example can be seen in our Health Chain concept, which links together a spectrum of measures ranging from preventive and rehabilitation to insurance for loss of income. This is a way of working that has proved to be successful in reducing sickness rates while benefiting individuals, our business, and society as a whole. Another example is the more than 100 Swedish and Danish municipalities that are currently using the tools developed through Skandia Ideas for life’s tools to calculate the value of social investments.

## Modern approach to responsible investments

A mutually owned company is an ownership form whose time is right. It offers many advantages, including the demands for a high level of transparency and distribution of profits among the owners – the majority of whom are also our customers. Skandia’s mission to maximise value creation for our owners also includes a responsibility to do so with environmental, social and economic interests in mind. In recent years we have taken a number of important steps through a modern, group-wide approach to ensure a resource-efficient organisation and clear structure for responsible investment, which includes strategies for influencing others. This work has strengthened our ability to fundamentally review and analyse how the companies in our investment portfolio achieve returns in a sus-

tainable manner and to what degree they can otherwise be influenced in such a direction.

## Streamlined, cost effective operations

Aside from generating a return, our assignment from our owners is to ensure that we conduct our business as cost-effectively as possible. As part of this work, during the year we streamlined our operations through a number of divestments. We are also searching for other ways to work with even more efficient use of resources. Our establishment of an office in Lithuania is one example. All of these measures are aimed at giving us greater strength to focus on our core business and the product areas that we believe have the greatest opportunity to generate sustainable value for our customers, owners, and society as a whole.

## Customer benefit and long-term financial security

During its 160 years of insuring people Skandia has created substantial value, which became extra apparent in 2015 with the major surplus that was built up by our successful asset management. At the end of the year we were therefore able to preliminarily allocate as much surplus to the policyholders<sup>1)</sup> in Skandia’s life insurance company that is normally allocated over an entire year, on top of the ordinary bonus rate. In total we allocated SEK 42 billion to our policyholders.

Our ambition is that Skandia will evolve into the leading company for savings in Sweden. We are pursuing this goal through offerings and investments that help individuals, companies and organisations – and by extension, society – have more financially secure and richer lives.

Stockholm, January 2016



Frans Lindelöw  
President and CEO, Skandia



Lena Hök  
Head of Sustainability, Skandia

<sup>1)</sup> Policyholders of Skandia’s life insurance company with traditional life assurance policies purchased on 1 September 2014 or earlier.



“ Given the obligations we have made for pensions, savings and insurance, we are an important complement to the public social welfare systems and have long borne a responsibility to meet social challenges in numerous areas that are related to our core business.

## Skandia's Health Calculator shows the benefits of a healthy lifestyle



We are convinced that the rise of ill-health in society can be countered through prevention. Toward this end, Skandia is involved in a project together with researchers at Uppsala University focusing on various ways of calculating the cost of ill-health. This culminated in the publication of the report "High cost to society for unsound living habits" (Dyr samhällsnota för osunda levnadsvanor) and the unveiling of Skandia's Health Calculator – both of which were presented during the year.

The work on studying the cost of ill-health from various perspectives continues, and we concluded the year with a conference to increase knowledge and awareness about the cost to society for unsound living habits and to illuminate the effects of preventive action. We believe

that through a joint effort – involving actors from the public sector, the business community and organisations – we have great opportunities to contribute to socially sustainable solutions. Read more on page 34.

### The cost of ill-health

For those who underestimate the significance of lifestyle and lack of exercise, with Skandia's Health Calculator we can estimate how much a municipality with 10,000 employees can save by implementing an active, wellness-oriented personnel campaign. In ten years' time, the cost of ill-health for such a municipality would add up to SEK 40.9 million, with a total cost to society of more than SEK 79 million.

## Billions returned to Skandia's customers

2015 will go down in history as a bumper year for policyholders, in which SEK 42 billion in bonuses was allocated – including an extra allocation of approximately SEK 18 billion.

This large surplus was the result of successful asset management that has delivered a level of value creation beyond all expectations. Skandia's life insurance portfolio includes investments in a wide range of asset classes, all of which are aimed at generating the highest possible return and ensuring our obligations to our customers. Most importantly, it includes investments that ensure sustainable value creation over time.

## Improved score in sustainability reviews



A number of external reviews have been performed of Skandia's sustainability work. In its yearly review of pension companies, Söderberg & Partners gave Skandia a grade of "pass with honours", among other things for our value creation and processes for sustainable investments. On top of this, they gave us the highest score for our unit linked assurance offering, citing a well thought out sustainability strategy. Skandia's fund company also received a favourable rating for its work on integrating sustainability in its selection of investments and how its advocacy work is conducted.

In Max Matthiessen's review, Skandia received an approval rating for both its traditional life insurance and unit linked management.

Skandia also earned an improved score in Fair Finance Guide's annual review compared with 2014. However, like all of the companies reviewed, we fell short of an approval rating.

# A rapidly changing business environment

Sweden is facing a number of societal challenges, with an ageing population, a high level of household debt and a growing prevalence of ill-health. The industry Skandia works in is also undergoing significant changes, with new regulations, a record-fast pace of digitalisation, and demands for greater transparency and active sustainability work.

## New solutions to societal problems

Most of the societal challenges we are facing today are related to health, economics and social security. Examples include an ageing population, an increase in ill-health and social exclusion, and a low level of long-term personal savings. This is making it necessary to invest in innovation and research into new solutions for Sweden's social welfare system.

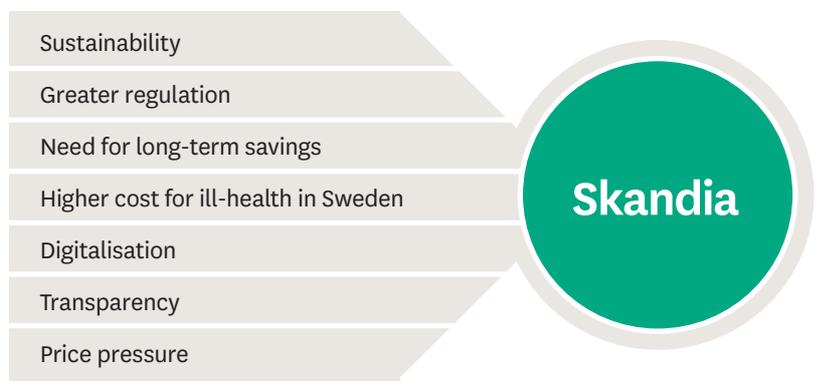
Today the financial sector already fulfils an important function in helping individuals and organisations achieve financial security through long-term savings. With the challenges currently facing society, there is also a growing need to provide new offerings that can be part of the solution to the societal problems emerging in our area of operation.

## Growing ill-health comes at a high cost to society

If the trend of growing ill-health in Sweden continues, the government estimates that the cost to the state of sickness allowance may reach SEK 50 billion by 2019.<sup>1)</sup> A main contributor to this increase is a growth in mental ill-health, which in turn could have far-reaching consequences caused by social and economic marginalisation. We are convinced, however, that this negative trend can be broken by taking a new approach. The path forward relies on preventive measures that give us an ability to think more long-term and act upon the first warning signs. Skandia's Ideas for life foundation serves as a catalyst for innovation by driving research and methods development to combat ill-health and social exclusion.

## Shining a stronger light on sustainability and transparency

The demands on the financial sector to increase transparency surrounding investments have risen considerably. While financial returns and fees are still central areas of focus, they are being complemented by a combination of financial, environmental and social factors. Savers are growing increasingly aware of how



they can influence through their investment decisions. This is being further enhanced by the more frequent reviews of pension and fund companies' sustainability work. From an investor perspective, the trend has gone from avoiding investments in certain companies or sectors to advocacy or positive selection with a focus on companies with good sustainability records.

## Digitalisation and price pressure

One effect of digitalisation is an expectation from customers for simple solutions and highly accessible service. This is a trend that is opening up greater opportunities for customisation at the same time that it offers greater cost efficiency and is better for the environment. Expectations are also growing among consumers and the market for lower prices for financial services.

## New regulations and global sustainability targets

Skandia works in a highly regulated industry in which rules and regulations are evolving at a fast pace. The UN's new Sustainable Development Goals are of particular relevance for Skandia's sustainability work. These are conceived to be a voluntary undertaking by companies, and at Skandia we have begun to integrate these targets in our own work, based on the perspective and conditions of our own operations.

<sup>1)</sup> Bill 2015/16:1 fee area 10.

“Building and strengthening trust in mutuals as a company form is of central importance for Skandia. The Board’s dialogue with the Council of Delegates is characterised by a transparent information flow that ensures that the Council has insight and can exercise influence over the company. This gives the Board an opportunity to make strategic decisions that are aligned with our owners’ interests.”

**Hans-Erik Andersson,**  
Chairman of the Board, Skandia



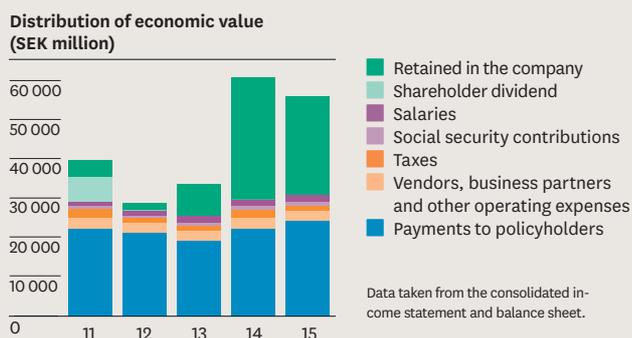
The guiding values and overarching principles for Skandia’s business focus, as laid out in the owner instructions, are clearly exemplified in Skandia’s operations. Apart from sustainable business, where the Council of Delegates has declared that Skandia shall serve as a good example, long-termism is the characteristic in Skandia’s values foundation that most strongly permeates the business. This is because a long-term focus has natural ties to Skandia’s core business of traditional life savings, but also because our obligations both require and enable a long-term perspective of savings and health. Moreover, at Skandia we demonstrate our views of transparency and customer benefit in concrete terms. For example, we have created full transparency surrounding our home mortgage discounts and have eliminated bonuses and variable remuneration for senior executives. It is initiatives like these that reflect the value of being a customer of a mutually owned company.

**Strategic priorities**

A common denominator for our strategic priorities is that they aim to improve the efficiency of our operations and reduce our cost burden at the same time that they give us opportunities to develop ambitious and innovative offerings and products. A few examples of such priorities include the development of a modern digital infrastructure that creates the right conditions for close customer dialogue via a range of different interfaces. Another example is our focus on our core business through continued streamlining of our operations. Skandia’s strategy also includes initiatives that consolidate our position as one of the leading providers of occupational pensions and thereby successively attract and retain more customers who have their personal savings with us. We aim to do this by offering products that are easy to understand, buy and own – and that also deliver sustainable value.

**Skandia’s distribution of economic value**

Skandia’s operations offer a spectrum of economic value that benefits several of the company’s stakeholders. The item “Retained in the company” represents money to be paid out to customers in the future. The reported amounts represent only the actual payments made to customers during the year. Customers’ yearly account statements also show the preliminarily allocated insurance capital that forms the basis of future payments. In 2015 approximately SEK 42 billion was allocated to Skandia’s policyholders.



# Business value and social value

Skandia aspires to be part of the solution to the challenges facing society. In a study reviewed by experts at Harvard, Skandia was pointed out as an example for students from around the world studying shared value strategies, i.e., how an organisation can combine societal benefit with business benefit for customers and owners. Examples of how Skandia creates long-term sustainable value include disability insurance solutions that prevent ill-health, alternative investments and innovative research and development through the Ideas for life foundation.

Society is facing a number of challenges that Skandia wants to help address. Household savings are relatively low, and borrowing is high in relation to personal incomes. There is a risk for a bubble in the real estate market. Social exclusion is rising in Sweden, both in urban and rural areas. Socioeconomic gaps and geographic segregation are presenting special challenges to society. Many newcomers to Sweden are at risk of social exclusion. Ill-health is on the rise, with an increase in sick-listings, and Sweden's healthcare system is heavily strained. The financial sector has the potential to play an important role in meeting these challenges and can also help solve some of the problems facing society through its products and services.

## Research study focusing on Skandia

The concept of shared value as a business strategy has been developed by Professor Michael Porter at Harvard Business School and describes strategies in which business benefit is combined with societal benefit. Focus is on business concepts that create the optimum combination of both. In 2015 a research study was conducted of shared value with a focus on Skandia, where the researchers analysed what Skandia is doing to address these challenges. The study was conducted under the supervision of a reference group of experts that included Mark Kramer, Senior Fellow at the Kennedy School of Government at Harvard University, and Associate Professor Magnus Frostenson, Associate Professor Sven Helin, and Guest Lecturer Tommy Borglund at Örebro University.

## Dialogue a central part of the process

An extensive dialogue served as core documentation for the study. A large number of interviews were conducted with external stakeholders of Skandia, including researchers, politicians, organisational representatives, and sustainability experts. A number of inter-

“Skandia has a long social legacy, and as a mutual company, it cares deeply for the welfare of its customers and Swedish society. The concept of shared value offers Skandia a powerful approach for identifying the societal needs it can best address through new and existing business models across all of Skandia's business units.”

**Mark Kramer**

Senior Fellow, Harvard Kennedy School of Government and Co-Founder, FSG

views were also conducted with various Skandia employees. This material was analysed to identify potential shared value strategies and Skandia's opportunity to play a part.

## Result and conclusions

The study is intended to be used for teaching purposes at universities and economics schools as a means of giving students an opportunity to learn shared-value strategies, with Skandia serving as a prime example. The study has also been used internally at Skandia to discuss the company's future strategy and how Skandia can best integrate social and environmental responsibility in its business development and creation of new services.

One of the conclusions drawn from the study is that, as a mutually-owned company, Skandia has a unique starting point with its long tradition of corporate social responsibility in Sweden as well as great opportunities to develop further as a purpose-driven company. One of the greatest opportunities was identified in the area of health, with Skandia's proactive and preventive disability insurance solutions. Other opportunities were identified in the areas of savings and investment. Read more on page 31.

# Stakeholder dialogues contribute to good relations

Skandia has a multitude of stakeholders which influence and are influenced to varying degrees by our operations. Carrying on a systematic and ongoing dialogue with them is fundamental for the ability to gain an understanding of their needs and expectations on us. Such a dialogue also helps us set the right priorities in our work.

## **Customer-driven development**

Our owners exercise their insight and influence through their ability to nominate and vote for members of the Council of Delegates. A considerable part of the customer dialogue is also conducted on a daily basis at advisory offices, through our customer service centre, on websites and on social media.

Skandia's role in society conveys a responsibility for us to carry on a dialogue about and advocate for issues related to insurance, savings, investments, health, and socioeconomics. We do this by taking initiatives for research, opinion-shaping and dialogue with political decision-makers. We also do this by channeling our engagement for societal issues through partnerships and participation in a wide range of organisations, including Insurance Sweden, the Swedish Insurance Society (SFF), the Swedish Bankers' Association, Swesif, Sustainable Value Creation, CSR Sweden, the Centre for Business and Policy Studies (SNS), the Swedish Mutual Funds Association and ICC Sweden.

## **Dialogue about Skandia's business and societal benefit**

In connection with the shared value study of Skandia during the year, a dialogue was carried out with a number of stakeholders, including our owners, politicians, experts and public sector representatives.

A summation of their views of Skandia's role in society shows that, as a mutually-owned company, in many ways we are perceived as being in a strong position to lead the way in strengthening Sweden's social welfare system. We are also perceived to be in an optimal position to combine business benefit with societal benefit, owing in large part to the natural coupling to our core business. A recurring challenge is to continue driving work on devising innovative solutions to address various societal challenges, such as the increase in ill-health. The end goal is to add business value for our owners and customers while at the same time creating value for society at large.

---

## **ProSkandia – dialogue with focus on owners' and customers' interests**

The stakeholder dialogue plays a central role in understanding others' expectations of us. Communication with the life insurance company's customers through ProSkandia is one example.

ProSkandia is an independent, non-profit policyholder association with some 10,000 members. Its purpose is to safeguard the interests of the customers of Skandia's life insurance company. Their involvement is reflected in the association's programme declaration, which focuses on two main issues: how Skandia is managed and develops, and how the rules for insurance savings in Sweden should be structured.

ProSkandia's board, which works on a voluntary basis, is made up of individuals who possess a breadth and depth of knowledge about insurance as well as other necessary expertise.

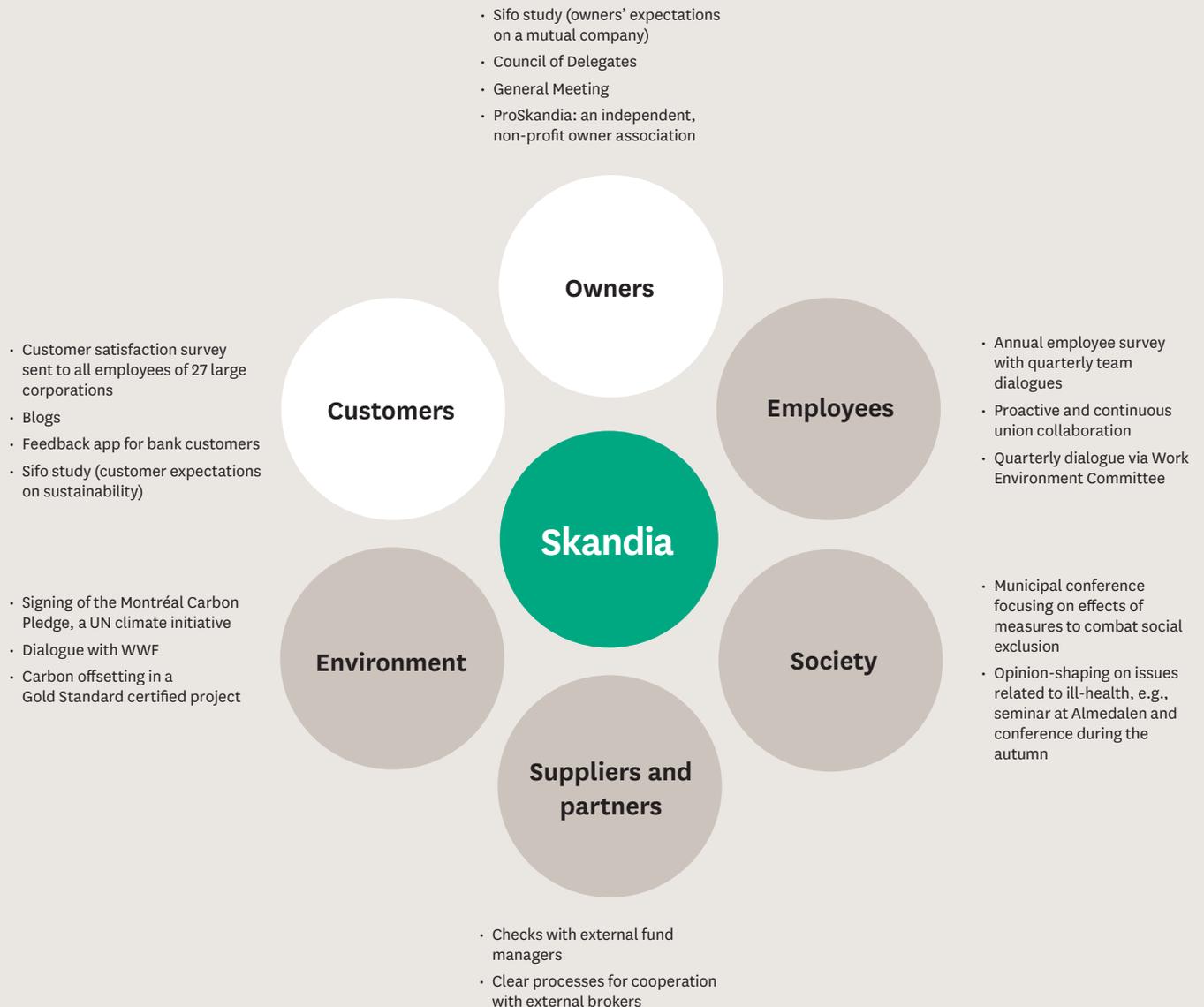
## **Joint activities during the year**

The close dialogue between ProSkandia and Skandia creates mutual benefit in many ways. Skandia contributes to ProSkandia's member activities, such as by providing access to conference facilities and offering financial advice. Skandia, in turn, receives valuable feedback from the association, such as regarding which issues the association identifies as being urgent to take up with politicians and authorities, with the customers' interests in focus.

During the year Skandia participated in ProSkandia's knowledge-building seminars, which provide a forum for dialogue and discussions on how Skandia's various operations contribute to financial returns.

## Stakeholder dialogues 2015 – a few examples

Stakeholder collaboration is decisive for successful sustainability work. Stakeholder dialogues, which are conducted on an ongoing basis in the day-to-day operations as well as at the strategic, group level, are adapted based on the needs and target groups. The stakeholder category with the greatest impact on our priorities is our customers, the majority of whom are also our owners. Read more about our stakeholders' expectations on pages 16–17.



# Important issues for a mutually-owned Skandia

The materiality analysis is an aggregation of issues that are of greatest strategic importance for Skandia. It also highlights the issues that are central to our stakeholders' views of Skandia's ability to both create and manage various types of value.



## Identifying our most important issues

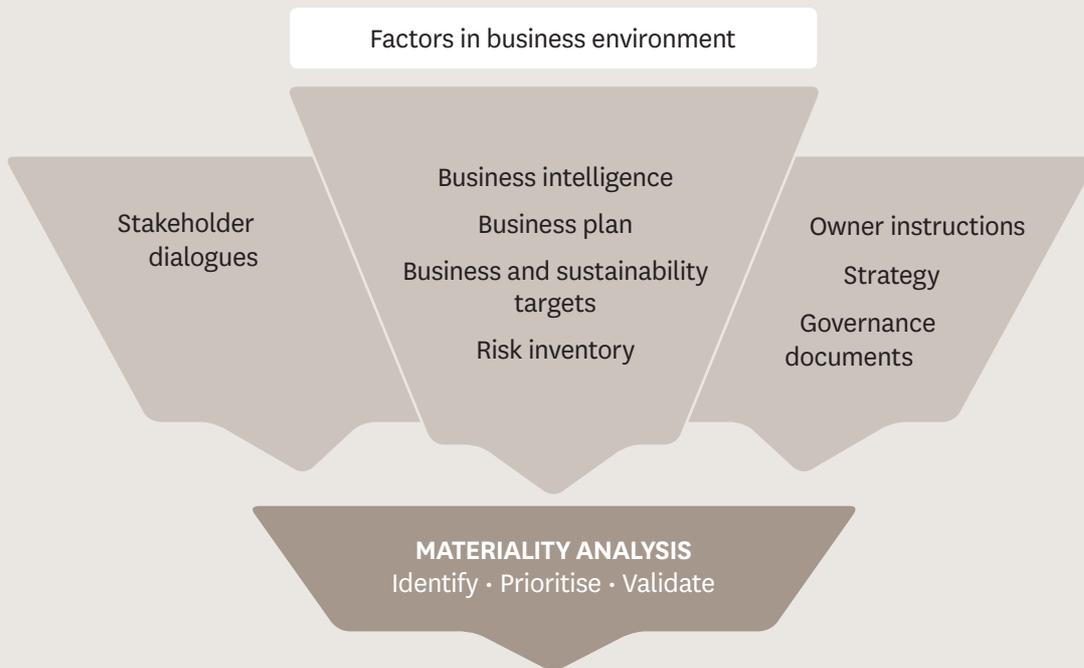
A large share of the documentation for Skandia's materiality analysis comes from the stakeholder dialogues, views shared by people in our operating environment, issues that are relevant for the finance sector (such as summaries from Skandia's Accountability Report, 2014), and current issues on the political agenda. Added to this is internal work at Skandia to continuously test and confirm the analysis of the most significant aspects for Skandia. This process is conducted by Skandia's sustainability department and involves all units for establishing a broad foundation for the pertinent sustainability issues.

The issues that have been identified are evaluated from business and stakeholder perspectives as well as on the basis of their significance for Skandia's abil-

ity to create long-term value. The result is a prioritisation of a number of issues that provide guidance in our sustainability work.

## Validation of analysis

Calibrating the materiality analysis is a continuous process that creates opportunities to adjust and add current sustainability issues. The interviews conducted in connection with the shared value study offered further validation of the materiality analysis. We can ascertain that the responses confirm and contribute to further development of our previous analysis, and strengthen the picture of the societal and commercial value generated by our operations. Further information about the study is provided on page 7.



## Our most material issues

The most material issues associated with Skandia's sustainability work are categorised within the following six areas.



**Transparency and long-term approach in customer relationships**  
Ensuring the best long-term outcome for customers and doing so in an open and comprehensible manner. Customer influence is of central importance for us as a mutually-owned company.



**Responsible investments**  
Integration of sustainability in asset management and the fund operations in order to promote favourable returns while taking the environment, social responsibility and good corporate governance into account.



**Social responsibility**  
Through research and development of tools and methods, we can help improve society in a positive direction, particularly with respect to combating ill-health and social exclusion.



**Environmental responsibility**  
Reducing our direct and indirect environmental impacts, and promoting sustainable and innovative solutions for contributing to an ecologically sustainable society.



**Long-term employer**  
Creating a workplace and culture distinguished by engagement and competence, where the employees' involvement and customer focus will further develop Skandia.



**Business ethics**  
Building trusting relationships with suppliers and partners by acting in an honest and fair manner. Good business ethics also entails exercising good judgement in business relationships and preventing risk.

# Sustainability ambitions and strategic choices

Thinking ahead – here and now – permeates our way of doing business. Through our sustainability strategy we strive to do this while taking into account environmental, social and economic sustainability in all aspects of our operations.

Being a Skandia customer should be simple and secure – and provide value – both for businesses and private individuals. Our ambition is to leverage our strong position as an occupational pensions company towards the goal of being the leading savings company in Sweden. Three areas are decisive for our success:

1. Taking a clear position with respect to long-term environmental, social and economic value creation – thinking ahead
2. Striving to have the best products for both businesses and private individuals. Our products should be easy to understand, easy to buy, and easy to own – at the same time that they perform
3. Meeting our customers' needs on their terms. We work according to their needs, behaviours and preferences.

It is about being an innovative company that looks after the customers' best interests and develops solutions and products that we see that customers want and need today as well as over the long term.

## Skandia's sustainability strategy

Our strategy aims to contribute to Skandia's vision and overarching objectives. Six aspects represent Skandia's material sustainability issues, which all have overarching objectives.

An important, recurring point involves integrating the sustainability issues in the respective units' business plans. During 2015, 90% of Skandia's units had specific sustainability targets in place.

---

## Three pillars of sustainability

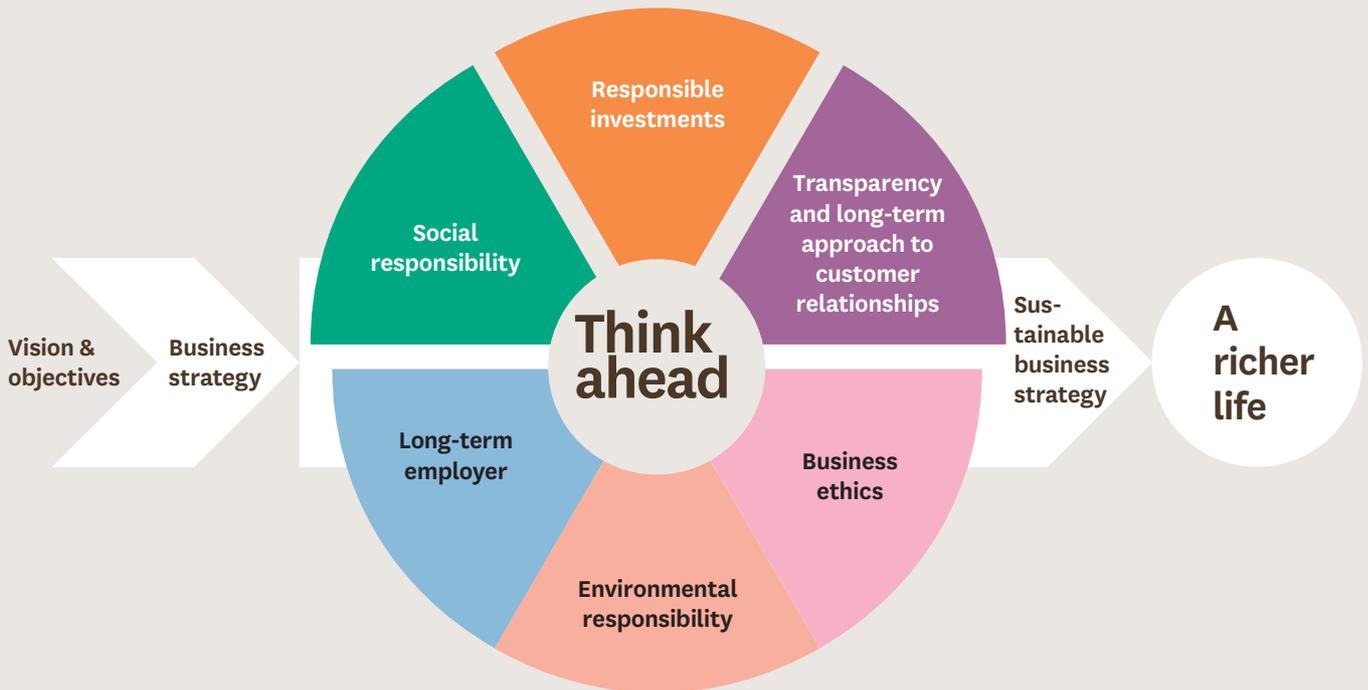
In short, sustainability is a matter of working long-term to reduce impacts on people and the environment. Traditionally the concept is described from the perspective of three dimensions:

- Social sustainability
- Environmental sustainability
- Economic sustainability

A prerequisite for sustainable development is that these three dimensions mutually support each other when we manage and use our resources in a long-term sustainable manner.

Skandia works from this three-pillar perspective when we gather the most material aspects in six overarching areas. These then form the foundation for our corporate social responsibility strategy, which Skandia is working towards and communicates about.





### Skandia's vision

We create a richer life for customers who want more.

### Skandia's strategic objective

Skandia will develop from an occupational pensions company to a modern, mutually-owned savings company.

### Overarching objectives for sustainability strategy

- Sustainability work that creates long-term sustainable value
- Make a positive contribution to societal development and be perceived as a driver of social progress
- Be among the leaders in addressing societal challenges with relevance for our operations

# Overarching objectives and outcome 2015

## Overarching objectives



**Transparency and long-term approach to customer relationships**

With the industry's most modern and most transparent customer influence, our aim is to create a growing base of loyal and engaged customers. We will build further upon offerings that are based on the customers' needs and that show that we are on the customers' side in our words and actions.



**Responsible investments**

Strive for sustainable value creation in all our investments, and generate favourable returns for our customers.



**Social responsibility**

Actively influence social issues related to our operations in the aim of promoting societal development and combating ill-health and social exclusion.



**Environmental responsibility**

Conduct operations that reduce our ecological footprint in all areas and which influence others in our business environment to take the environment into consideration.



**Long-term employer**

Engaged, high performing employees who work towards shared goals with a firm footing in our values foundation.



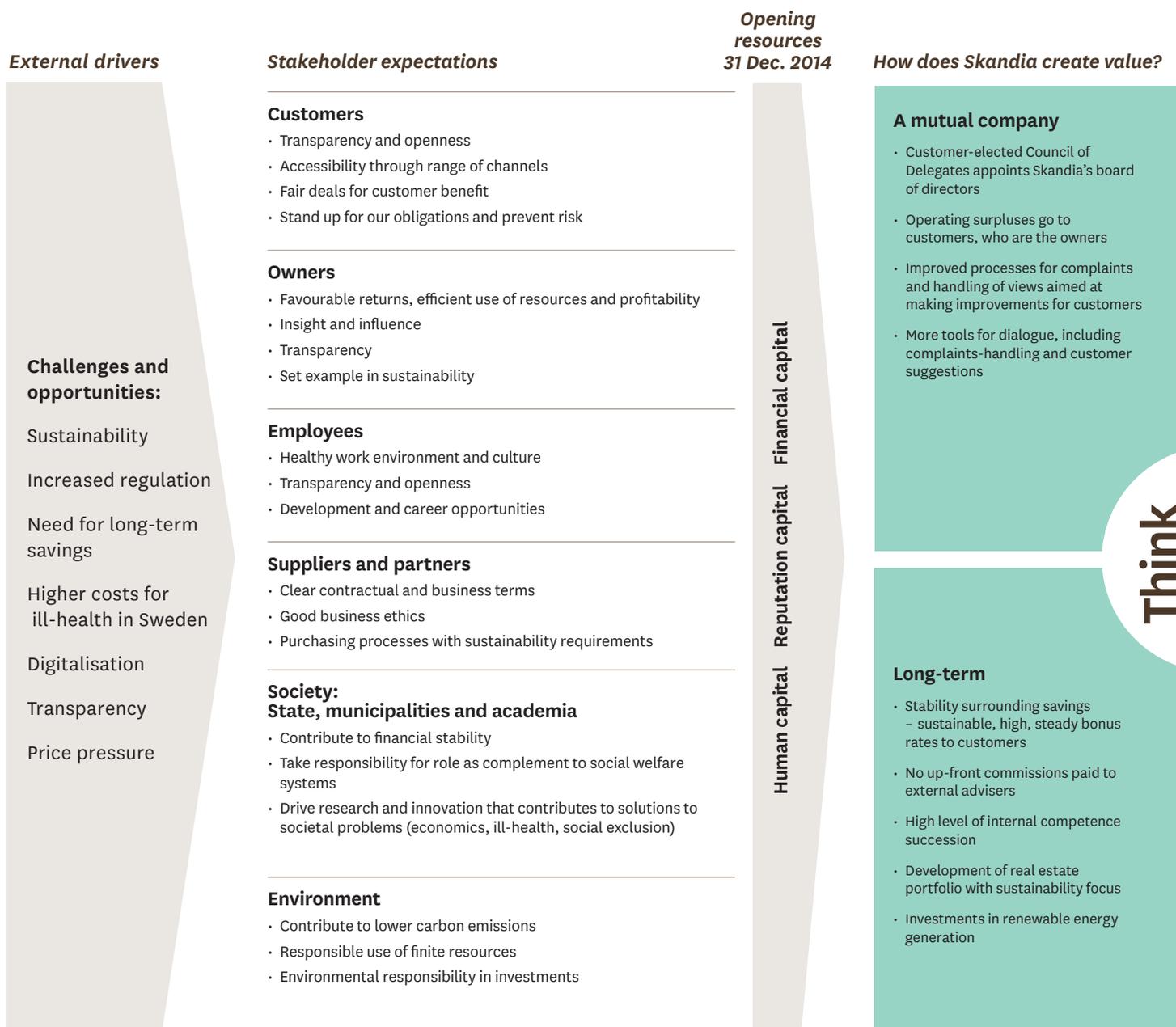
**Business ethics**

Have an approach to suppliers and partners that contributes to responsible business and instils confidence in Skandia.

Outcome	Read more
<ul style="list-style-type: none"> <li>Integration of sustainability concerns in Skandia's risk management system</li> <li>First private fund marketplace to use an ESG (Environmental, Social and Governance) profile for information about funds</li> <li>Developed routines and processes for customers' suggestions for improvements and complaints</li> </ul>	<p><b>Page 18</b></p> <p><b>Page 22</b></p> <p><b>Page 45</b></p>
<ul style="list-style-type: none"> <li>Further development of structures and processes for sustainability analysis, screening and influence</li> <li>Strengthened resources for ESG work and internal training</li> <li>Completed measurement and reporting on climate impact from all of Skandia's equity funds</li> </ul>	<p><b>Page 26</b></p> <p><b>Page 26</b></p> <p><b>Page 37</b></p>
<ul style="list-style-type: none"> <li>Over a ten-year period, Skandia's Health Chain has reduced sick-listings among customers by 56%</li> <li>Publication of Skandia's Health Calculator and research report on the financial value of preventing ill-health</li> <li>102 Swedish and Danish municipalities use the Ideas for life foundation's research and tools for calculating the value of preventive measures against social exclusion/ill-health</li> </ul>	<p><b>Page 31</b></p> <p><b>Page 34</b></p> <p>–</p>
<ul style="list-style-type: none"> <li>Environmental inventory taken of 70% of existing properties held by Skandia's real estate company</li> <li>Advocacy dialogues on environmental issues with most companies that we have invested in</li> <li>SEK 9.5 million donated to the environmental organisation WWF by Skandia Världsnaturfonden (Skandia WWF fund)</li> </ul>	<p><b>Page 36</b></p> <p><b>Page 27</b></p> <p>–</p>
<ul style="list-style-type: none"> <li>Continued mapping of competencies as part of competence succession planning</li> <li>Worked with team development to strengthen employeeship and health.</li> <li>Reduced number of long-term sick leaves (&gt;14 days) from 69 to 60 persons in 2015</li> <li>Support for managers working with employee rehabilitation processes in the aim of facilitating faster return to work</li> </ul>	<p><b>Page 40</b></p> <p><b>Page 40</b></p> <p><b>Page 41</b></p> <p><b>Page 41</b></p>
<ul style="list-style-type: none"> <li>Simplification of the internal whistleblower routine</li> <li>Clarification of rules for preventing bribery and other prohibited benefits</li> <li>Improved processes for identification and analysis of risks and behaviours for actively countering money laundering and financing of terrorism</li> </ul>	<p><b>Page 44</b></p> <p>–</p> <p>–</p>

# Here's how Skandia creates value

Skandia is a mutually-owned company. Consequently, our customers' expectations on us provide guidance for our strategy, priorities and how we work to generate customer benefit, business benefit, and societal benefit.



ahead

Closing resources  
31 Dec. 2015

**Transparent**

- Transparency in home mortgage discounts and average interest rate
- No bonuses paid to senior executives
- Openness towards both customers and employees about Skandia's transformative process, such as cost-cutting measures

**Prevention**

- Research and development for prevention of ill-health and social exclusion
- Active work for increasing cross-sector collaboration between various actors in society
- Prevention of ill-health through Skandia's Health Insurance and Health Chain, among other measures
- Competence development that benefits the customer interface

Human capital Reputation capital Financial capital

**Value created**

**Customers<sup>1</sup>**

- Responsible lending
- Transparent home mortgage discounts
- Lower premiums for lower sickness rates

**Owners<sup>2</sup>**

- Stable bonus rates
- Owner influence via Council of Delegates
- Sustainability considerations in operations, such as in asset management, real estate, purchasing and health offering

**Employees**

- Competence development
- Salaries and benefits
- Good health

**Suppliers and partners**

- Sustainability review of supply chain
- Stable and long-term relationships

**Society<sup>3</sup>; State, municipalities and academia**

- Economic stability
- Lower sickness absenteeism
- Research and new methods for reducing ill-health and social exclusion
- Shared value: business benefit that contributes to societal benefit

**Environment<sup>4</sup>**

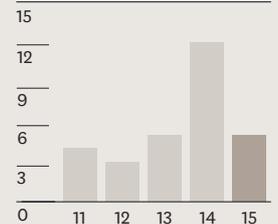
- Active ownership to influence sustainability aspects of investments
- Reporting of carbon footprint
- Retirement savings with sustainability profile
- Carbon offsets

**Outcome**

**1**  
**-56% sickness rate**

More than a halving of sickness rates reported by our customers during the last ten years

**2**  
**Bonus rate, %**



**3**  
**102 municipalities**

in Sweden and Denmark have undergone training in the Ideas for life calculator for social investments.

**7.7 SEK million**

Amount donated in 2015 from Skandia Cancerfonden to the non-profit organisation "Cancerfonden"

**4**  
**100% climate-neutral**

Skandia has offset its climate impact since 2012.

Activities →

Outcome →

Goal achievement

# Customer benefit that builds long-term relationships

Transparency and the building of long-term customer relationships are central to Skandia's sustainability work. As a mutual company we have expectations on us for openness and influence, where customer benefit is the guiding principle.

Skandia's overarching mission is to maximise value for our customers, who are the owners of Skandia's life insurance company. This entails ensuring our ability to run the business and manage their assets in such a way that ensures that we will always fulfil our obligations. Working as a mutually-owned company entails an intersection of customers' and owners' interests and the shared goal of generating long-term returns. In Skandia's case this means that we are owned by Skandia's life insurance company's customers, whose insight and influence are at the centre of operations.

## Clear trend towards increased transparency

As a mutual company, the expectations for openness and ability to influence are extra high. Skandia's customers are showing a clear demand for comprehensible and relevant information that couples customer benefit to our offerings. We are doing this, for example, by clarifying what you as a customer pay for, and by transparently showing how the fee for a particular service is associated with the customer benefit that it has the potential to generate.

## On the customer's side

In recent years we have carried out a number of initiatives to show that we are on the customer's side. For example, we have eliminated up-front commissions to external distributors and adopted total transparency surrounding home mortgage discounts. In 2015 we continued to create new channels for customer influence, and we are broadening our offerings to meet customers' needs. As examples, Skandia's bank launched a new, responsive website with a simplified log-in process, Skandia opened three new advisory

offices to further improve accessibility, and in partnership with Min doktor ("My doctor"), we now also offer access to medical care online. Skandia also stands up for its customers at the industry level by driving joint industry initiatives. Examples of these include the Minpension.se pension portal, the Ersättningskollen benefits calculator, and the Financial Coalition Against Child Pornography. The latter of these was established by Skandia in collaboration with the Swedish Police and Ecpat.

## Ensuring customer influence in practice

According to Skandia's Articles of Association, the formal customer influence is exercised by our owners – the 1.4 million policyholders of Skandia's life insurance company. Suggestions, questions and views are of utmost value and contribute to greater customer-driven development of Skandia. Working with customer influence in practice involves ensuring that customers' views are taken in and brought to the attention of the right people in the organisation for action. This requires an effective infrastructure that helps us document and systematise such information. In 2015 we introduced processes and tools for gathering, following up and acting on customers' views.

## Increased digitalisation

Another priority area involves adapting services and communication to how customers act digitally, such as by offering digital application processes, signatures and information. Increased digitalisation also aims to achieve higher cost efficiency, which benefits our customers through lower fees and higher surpluses.

Our corporate customers are also showing higher

15%

increase in home mortgages, where Skandia's transparent home mortgage model was a contributing factor.

## Transparency and long-term approach to customer relationships

### Prioritised aspects

- Customer influence
- Responsibility for our products and services
- Relevant offerings that offer value for money
- Clear information and communication
- Transparency surrounding matters of relevance for customers
- Accessibility based on the customers' needs

### Identified G4 GRI aspects

Labelling of products and services, Customer privacy, Local communities

### G4 GRI-indicators

PR5, PR8, FS13, FS16



demand for cost efficiency in our processes along with pension services and insurance cover that are adapted to the life situations of their employees. Every corporate customer relationship therefore has an overarching team leader, who serves as the customer's extended arm into Skandia and is responsible for ensuring that each employee's unique situation is handled and prioritised in a relevant manner.

Additional channels for customer influence include various associations and forums, such as Skandia's municipal pensions council, which gathers customers in the public sector, the customer panel for municipalities and county councils, and the ProSkandia owner association. Read more on page 8.

#### Research on mutual companies and customer benefit

At the same time that mutual insurance companies are gaining market shares and have increasingly satisfied customers, there is a lack of academic research about the company form in Sweden and the rest of the EU. To shine light on this area, Skandia has therefore joined together with two other parties and provided funding to research on mutually operated banking and insurance companies. The aim of the research initiative is to amass scientifically based knowledge about mutual insurance companies, their ways of working, customer benefit, and their significance in society.

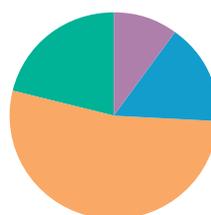
Skandia is a mutual company. For Skandia, being a mutually-owned company entails that it is the customers of Skandia's life insurance company who own the group.

#### Ethical and correct conduct is fundamental

Skandia's operations in Sweden are under the supervision of the Swedish Financial Supervisory Authority. Under the laws that Skandia's advisory activities are subject to, we are obligated to provide sound advice based on each individual customer's unique situation and to advise against unsuitable decisions.

Advisers' competence is ensured through an internal training programme and by requiring that all advisers be licensed by SwedSec and carry a life assurance diploma. Skandia also has a tried-and-tested set of routines for following up externally provided advice as well as the quality of externally brokered business and customer documentation.

#### Skandia's financial contributions to partners 2015



Reported amounts pertain to Skandia, Skandia's foundations and Skandia's non-profit funds (where investors have actively agreed that a share of the assets are to be reinvested in social causes for the benefit of children and youths, the environment, and cancer research).

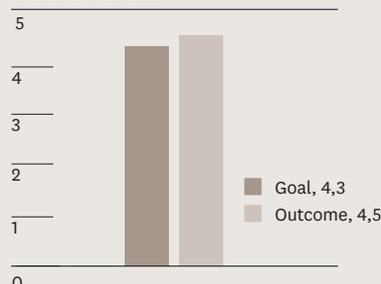
- Sport 10% (SEK 5,000,000)
- Children & youths 16% (SEK 7,427,000)
- Research and methods development 53% (SEK 24,923,000)
- Environment 21% (SEK 9,760,000)

#### Customer service receives high scores from customers

Skandia measures customer influence and customer satisfaction in various ways. We identify the general interaction with our customers through the number customer responses and dialogues via our channels. Measuring the level of customer satisfaction provides important indications of how well we succeed at creating concrete customer benefit.

Skandia's three customer service centres in Gothenburg, Linköping and Sundvall measure customer satisfaction per call using the Customer Satisfaction Index (CSI). The chart at right shows the average values for the goal and outcome for the three customer service centres.

Customer satisfaction per call to customer service





“As a member of the Council of Delegates I work actively for strengthening the long-term trust in Skandia. I believe a key part of this involves urging Skandia to develop open and transparent communication surrounding how Skandia creates sustainable value for us as owners and customers as well as for society in general. I need to understand how everything is tied together in order to feel confident in my role of monitoring and evaluating the Board’s work.”

**Sophie Nachemson-Ekwall,**  
member of Skandia’s Council of Delegates

### Facts about Skandia’s customer-elected Council of Delegates

The general meeting is Skandia’s highest decision-making body and is conducted by a Council of Delegates that is nominated and voted into office by Skandia’s 1.4 million owners. Three general meetings were held in 2015. Apart from these, the Council of Delegates held informal meetings for the purpose of monitoring the company’s development.

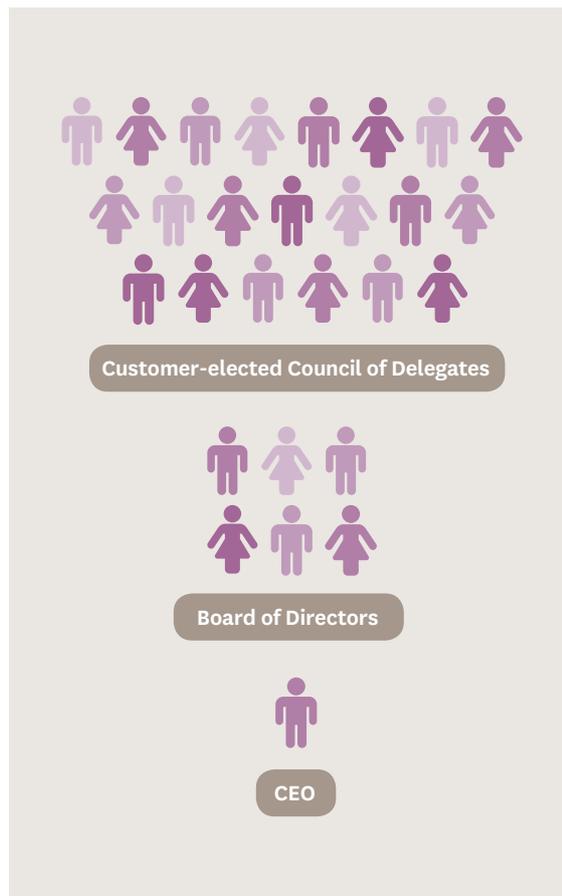
The Council of Delegates has three main duties:

- Appointing Skandia’s board of directors
- Adopting the Articles of Association and owner instructions
- Deciding on remuneration of senior executives of Skandia

As the owners’ representative, the Council of Delegates is responsible for the owners’ dialogue with the Board, where the owner instructions is the most important governance document. In these instructions the Council of Delegates lays out the values that are to permeate operations, which apart from corporate social responsibility consist of long-termism, focus on customer benefit, and a sound openness towards customers and other stakeholders.

The mandate period for delegates is three years. After the Annual General Meeting in 2016 the Council of Delegates will be fully constituted with 21 delegates, with the successive election of seven members every year.

Further information about Skandia’s Council of Delegates and corporate governance is provided in Skandia’s 2015 Annual Report and on Skandia’s website.





# Key ratios help provide a better understanding of Skandia's business

The taxonomy of banking and insurance can be difficult to understand. The following presentation explains some of the terminology that Skandia uses along with a number of key factors that affect returns on pension savings with traditional life management.

## Factors that affect returns on pension savings

For pension savings with traditional life management, Skandia takes responsibility for investment of the policyholders' money. The return on this capital is affected by a number of factors.

**Deposited savings capital (premiums):** The capital (money) that the customer invests in savings is called the premium.

**Investment of capital:** Paid-in premiums are invested in various asset classes, such as bonds, equities and real estate (see page 28). On the whole, the investment portfolio is designed to be robust and well-balanced, so that it can benefit from fluctuations in the market.

**Solvency:** This shows the value of the insurance company's total assets compared with the value promised to customers in the form of future, guaranteed payments. A high solvency level indicates that the insurance company's assets amply exceed the obligations the company has to its customers. The higher the solvency level, the greater share of capital can be invested in assets that can generate higher returns, but which may also entail a higher level of risk.

Deposited savings capital (premiums)

Investment of capital

**167%**

### Skandia's solvency in 2015

Skandia's solvency has been high for a long succession of years. This has enabled us to invest a larger share of our customers' capital in equities and alternative investments, which in turn has resulted in a high average return.

## Right profile for sustainable fund savings

The ESG (Environmental, Social and Governance) profile, which provides more in-depth information and complements fund prospectuses, aims to make sustainability information about funds more comparable and easily accessible for savers. The ESG profile has been created by Swesif, a sustainable investment organisation on which Skandia serves on the board. In the ESG profile the fund company indicates which sustainability criteria the fund adheres to, for example, the extent to which the fund adheres to international conventions, whether it excludes certain sectors for products, and what measures the fund manager takes to influence and monitor a company regarding its work with the environment, social aspects, business ethics and governance.

### First to use ESG profile

Skandia, along with a number of other financial actors, was a driver of Swesif's work on making the ESG profile available for fund marketplaces and was the first private fund marketplace to make use of ESG profiles. Today the profile is a requirement for the 150 PPM funds with environmental/ethical profiles (M/E-fonder). In May 2015, in connection with the introduction of the ESG profile also on the private fund market, we incorporated the ESG profile into our fund marketplace. On Skandia's fund marketplace with evaluated funds, roughly two-thirds of the funds have completed an ESG profile, and we are working to further increase that share.

Skandia's involvement in the ESG profile remains large, and the next step will involve a joint process of developing the profile's content structure.

**Total return:** Describes the combined change in value of the assets that Skandia invests for the benefit of its customers (increase or decrease), typically over a period of one year.

**Bonus rate:** Bonuses are an estimation of how much we can pay out to our policyholders. They are paid out in the form of a yield and are based on the company's assessment of future returns and how much the managed assets have increased in value during a given year.

**Annual statement:** The customer's annual policy statement shows the performance of his or her savings during the year, under the item "Change in value". The change in value represents the bonus rate that is preliminarily allocated to the savings in the form of a yield. Customers' annual policy statements also include an account of taxes, fees, and premiums paid.

Total return

Bonus rate

Skandia's policy statement 2015

**5.3%**

**Skandia's total return for 2015**  
During the last 15 years the average annual total return has been 7.2%.

**5%** (as per year-end 2015)

**Skandia's bonus rate for 2015**  
During the last 15 years Skandia's bonus rate has averaged 5.3%.

**42 billion kronor**

For the customers who were eligible for a share in the extra allocation of the surplus in 2015, the amount was reported as part of the change in value. A total of SEK 42 billion (including bonuses and surplus) was allocated to eligible policyholders.

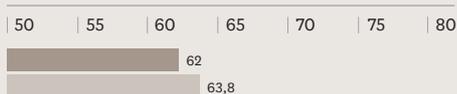
## Results 2015



### Customer satisfaction 2015

Starting in 2015 Skandia measures customer satisfaction with the help of the Swedish Quality Index (SQI), after previously having used the Customer Satisfaction Index (CSI). As a result, no historical data is available from the SQI.

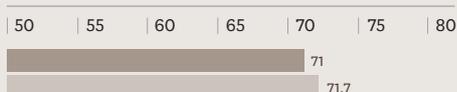
#### Life assurance, Retail, %



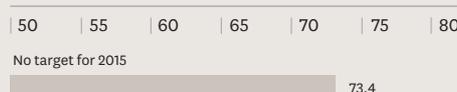
#### Life assurance, Corporate, %



#### Bank, %



#### Home mortgages, %



**1.50%** Average interest rate on 3-month home mortgage, December 2015

# Sustainable value creation

In 2015 Skandia allocated SEK 42 billion to its owners and customers of Skandia's life insurance company. This is more than ever has been allocated in a single year and offers concrete proof of Skandia's strength as a long-term asset manager. During the year important work was also carried out to further develop the organisation and processes for responsible investments.

## Asset management based on thinking ahead

Skandia's success as an asset manager is largely grounded in the resource-strong position in the market that management of more than SEK 385 billion provides. It makes it possible for us to achieve our assignment of maximising value creation for our owners while taking environmental and societal concerns into account. Read more about our investment philosophy on page 28.

## Creating long-term value

Skandia's investments are made in a wide array of asset classes that offer a balanced diversification of risk and steady returns from year to year. We feel it is important that customers' pension assets can be put to a good purpose during the time they are growing in value. Owing to our financial strength and focus on long-term savings, we can invest in assets that generate favourable returns for our customers and owners at the same time that they contribute to the good of society, such as in renewable energy and cancer therapies. Read more about our social investments on page 25.

## Sustainability in asset and fund management

An important strengthening of the organisation and our processes for incorporating sustainability in asset and fund management were carried out during the year. In doing so we have increased the level of transparency and influence for relevant sustainability issues. These processes and how Skandia's advocacy work is conducted are described on pages 26-27.

## Skandia applies Swesif's ESG profile

Roughly two-thirds of the funds on Skandia's fund marketplace of evaluated funds have prepared an ESG profile, and we are working to further increase this share. Swesif's ESG profile, which we have helped develop for the industry, makes sustainability information about funds more comparable and easily accessible for investors. Read more on page 22.

## Better picture of investments' carbon footprint

In 2015 Skandia became a signatory of the Montréal Carbon Pledge, a PRI climate initiative. In doing so, we now annually report on the carbon footprint of Skandia's equity funds. Read more in the Environmental responsibility section on page 37.

# 750

20-year bond issued for Skandionkliniken, the first clinic in the Nordic countries to offer proton radiation therapy for cancer.

## Transparency and long-term approach to responsible investments

### Prioritised aspects

- Sustainable, high and steady bonuses to our owners
- Active ownership
- Sustainability integrated in ownership policy, with clear processes and routines
- Joint influence with other actors within the framework of the Principles for Responsible Investment (PRI)
- Investments in areas that help build society, such as infrastructure, renewable energy, and cancer therapies

### Identified G4 GRI aspects

Product portfolio, Active ownership

### G4 GRI indicators

FS6, FS7, FS11





Hjuleberg wind farm, Falkenberg municipality, Sweden.

## Investments in renewable energy

In partnership with Vattenfall, Skandia is providing nearly SEK 2 billion in direct financing for four wind farms. We can do this by virtue of our high solvency, which gives us strength to invest in infrastructure projects that generate a stable, long-term return to our policyholders. At the same time, such investments are helping to build sustainable value in society – here and now – in this case by contributing to growth of

renewable energy. In a similar manner we have the opportunity to make investments that provide important social value to society. Such is the case with the long-term bond of SEK 750 million, with a 20-year term, that we issued for Skandionkliniken. The clinic, which offers pioneering cancer treatment, has now been in full operation since August 2015.

### Conventions and non-binding codes

Skandia's ownership policies stipulate that no investments may be made in companies that produce tobacco or weapons such as cluster munitions, landmines, and chemical and biological weapons. Our policies also clearly lay out our position with respect to nuclear weapons.

The companies that Skandia invests in must follow a number of established international conventions, including:

- The UN Universal Declaration of Human Rights
- The UN Convention on the Rights of the Child
- Conventions against bribery and corruption
- The ILO Core Conventions
- International environmental conventions

Skandia also wants the companies we invest in to adhere to the principles of the following non-binding codes:

- The UN Global Compact
- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights

We also expect the companies that we invest in to report on their sustainability work in accordance with an acceptable standard, such as the Global Reporting Initiative (GRI).

Corporate governance policies for Skandia's life company and fund company, with detailed information about our guiding conventions, are available on our website [www.skandia.se/hem/Om-Skandia/Hallbarhet](http://www.skandia.se/hem/Om-Skandia/Hallbarhet) (in Swedish).



## Creating value with responsibility

“Creating financial value is an obvious goal. But how this value is created is equally important. In other words, we aim to maximise value while taking environmental, social and economic sustainability factors into account.”

**Hans Sterte,**  
Head of Asset Management, Skandia

In 2015 Skandia further developed its organisation and structure for responsible investment. With a clear group-wide perspective, a new decision-making structure is now in place that facilitates internal collaboration as well as the follow-up of issues in the operating activities. In addition, both internal and external<sup>1)</sup> resources have been added for screening and company dialogue services.

For Skandia’s asset and fund management, sustainability entails that we strive to balance the traditional asset management work with ESG (Environmental, Social and Governance) factors. We work according to

Skandia’s ownership policy, which lays out our overarching positions on a range of sustainability issues that are of central importance for us. In 2016 we will further clarify our positions in order to facilitate our internal work and to increase transparency surrounding the sustainability of investments. We are currently analysing and drawing up documentation for advocacy activities in an ESG committee. The new structure for drafting decisions is contributing to effective handling with a group-wide perspective in an ESG forum.

1) Sustainalytics, GES Investment Services and ISS Ethix.

## Skandia’s process for responsible investment



## New structure for ESG work



## Advocacy dialogues in 2015

In 2015 we noted progress in a number of companies that we, together with others, have had advocacy dialogues with. Following are a few examples:

Three companies in the food industry

**Progress:** The companies addressed the issue of child labour in the cocoa industry in a credible manner, among other things through participation in Cocoa Action and the International Cocoa Initiative. As a result of this work, a larger share of children in the area are now attending school than previously.

Two companies in the service sector

**Progress:** The companies have taken clear steps in the work on respecting union rights, which has been confirmed by IUF, a global union organisation.

Five companies with operations in occupied areas

**Progress:** The companies have either discontinued their exploration activities or importation of minerals from the Western Sahara, or ended questionable projects and contracts in Palestine.

A company in the paper industry

**Progress:** The company improved its organisation and strengthened its competency for ensuring that it respects human rights in all aspects of its organisation. Suppliers are being trained in sustainability issues, and audits are being carried out to a greater extent than previously.

In addition to continuous investment analyses, we are conducting a review of all holdings of listed equities and corporate bonds to identify any companies that do not adhere to sustainability-related norms and conventions. The review is being performed by an independent party. If, as a result of this review, we see signs that a company is not adhering to international norms, we will initiate an advocacy dialogue with the company – either ourselves or through one of our analysis suppliers.

In 2015 Skandia and its analysis suppliers were in contact with 127 companies regarding their sustainability work or corporate governance matters.

Advocacy work can be conducted either reactively, i.e., after an incident has already occurred, proactively in a preventive capacity, or thematically, in

which case a specific theme is addressed for several companies.

A few recurring issues in our work in 2015 revolved around palm oil, environmental and safety issues among commodities companies, responsibility in the supply chain, and anti-corruption and human rights issues in complex markets. Among other companies we have been in contact with TeliaSonera, Royal Dutch Shell, Walmart and Volvo.

We have also pledged our support to the PRI initiative surrounding supplier issues in IT and the textile industry, oil exploration in the Arctic, palm oil, human rights in mineral exploration industries, and stock exchanges' guidelines for listed companies on the reporting of sustainability issues.

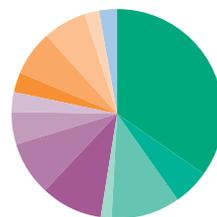


## An investment philosophy for long-term value creation

Generating a high and steady return – that is both the objective and challenge for every asset manager. In Skandia's case, our investment philosophy has proved its ability to cope with challenges while continuing to deliver successful results. It is an investment philosophy that provides scope for flexibility and swift action together with a clear framework for risk-taking that is balanced with our long-term obligations, through a combination of a few fundamental factors:

- The long-term approach in our business gives us persistence to wait for a favourable valuation, based on the conviction that a long-term investment horizon leads to higher returns.
- A diversified portfolio with a combination of traditional and alternative asset classes increases our opportunities to generate favourable returns regardless of inflation, market fluctuations or real estate bubbles.
- A balanced diversification of risk that helps generate higher returns for the risks we take.

## Skandia's life insurance company's portfolio as per 31 December 2015



●	Swedish nominal bonds, 34.9%
●	Inflation-linked bonds, 5.6%
●	Real estate (Skandia Fastigheter), 10.6%
●	Infrastructure, 1.6%
●	Unlisted companies, 9.5%
●	Swedish equities, 8.3%
●	North American equities, 4.8%
●	European equities, 3.3%
●	Pacific equities, 2.9%
●	Emerging market equities, 7.1%
●	Business strategic assets, 6.6%
●	Commodities, 2.2%
●	Credits, 2.6%

## Avenues for conducting advocacy work

We invest in a large number of companies, both in Sweden and abroad. We review and analyse the companies we have holdings in to determine whether they are generating a return through responsible business practices and the extent to which they can be influenced to move in such a direction. While we exclude certain companies based on sustainability factors, our main strategy is to stay on as an owner and influence companies to adopt more sustainable practices. An important starting point is the positions we take in relevant sustainability areas, such as by explicitly setting forth our ownership policy in various areas and clarifying how Skandia chooses to act and what expectations we have on companies' actions.

In the cases where we conduct advocacy activities in collaboration with others, this is done mainly through the UN's Principles for Responsible Investment (PRI) initiative and through our suppliers of dialogue services.

In 2015 our fund company included sustainability in its dialogues with external fund managers. In addition, during the year we evaluated the sustainability work of the external fund managers in Skandia's fund platform.

### Issues on our agenda 2015

Overarching issues	Number of companies
Corporate governance (nominating committees & general meetings)	62
Human rights	35
Environment & climate	29
Working conditions	19
Safety and work environment	8
Business ethics	8

We often discuss several different issues with a single company, which is why the number of companies above does not sum up to 127.

## Results 2015



### Parent company's investment profile

	2015	2014
Assets under management (SEK million)	384 724	365 883
Share of assets with sustainability criteria	85% <sup>1)</sup>	85% <sup>1)</sup>
Excluded companies	35	31

### Active ownership

	2015	2014	2013
Skandia's participation in AGMs, number	62	51	58
Skandia's participation on nominating committees, number	9	12	16

<sup>1)</sup> There is still no sufficiently satisfactory method for applying sustainability criteria for certain asset classes, such as unlisted equities and index derivatives. However, like all other assets, they are covered by Skandia's ownership policy.

### Skandia's fund company

	2015	2014
Assets under management, SEK million	75 135	68 064
Share of assets with sustainability criteria	97% <sup>1)</sup>	98% <sup>1)</sup>
Number of excluded companies	60	63
Number of non-profit funds	3	3
Managed assets in non-profit funds, SEK million	1 274	1 163

### Exclusion list, Skandia's fund company 2015

	Number of companies
Environment	14
Human rights	5
Labour law	1
Controversial weapons	17
Tobacco	23
<b>Total</b>	<b>60</b>

# A responsibility to contribute to improved societal benefit

We are convinced that the most effective and constructive way to deal with problems is to prevent risk. This is an approach that also distinguishes our efforts to combat ill-health and social exclusion.

Skandia plays an important role in Swedish society as a complement to the state social security system. Working preventively and long-term, which is a precondition for our core business, distinguishes our engagement in challenging societal issues which in various degrees are related to our operations. Our calculations show that enormous societal benefit can be gained by investing in early action for children and youths who are otherwise at risk of social exclusion in the future. The same preventive logic can be applied to the growing prevalence of ill-health in society.

We believe the greatest effects can be achieved through collaboration across borders between business, civil society and the public sector. In this respect we are working via the Ideas for life foundation in an effort to boost cross-sector collaboration, and in 2015 we supported 200 local, non-profit projects.

## Initiatives to prevent ill-health

Skandia has long been engaged in conducting preventive work to combat ill-health. The health proposition that we have developed stretches like a safety net from preventive measures to rehabilitation and insurance for lost income. It is an approach that has proved to be successful in reducing the rates of illness. As a result, we have been able to lower premiums for both private and corporate customers by as much as 75%.

## Opinion-shaping surrounding the cost of ill-health

In partnership with a team of researchers at Uppsala University, in 2015 we presented the report Ohälsans pris ("The Cost of Ill-Health") in connection with the

launch of Skandia's Health Calculator. This is a web-based calculator that helps compute how lifestyle factors such as sedentary behaviour, overweight, consumption of alcohol and smoking affect costs for employers and various other actors in society over time. The aim is to shape opinions and spread knowledge about the importance of preventive action.

## Knowledge bank for investment calculations

Together with several research teams we are also highlighting the value of combating ill-health and social exclusion by studying the effectiveness of early action and thus how economically profitable it can be. The ambition is to gradually build up a knowledge bank with evidence-based methodologies and investment calculations that on the one side maximise the impact and on the other side minimise the risk for failure for investments in social initiatives. Being able to accurately evaluate the effect and value of measures is decisive for impact investing as well as collaboration between public and private sector actors – an area that has come into increasingly sharp focus in the financial and real estate sectors.

## Real estate for community service

Other value that Skandia adds to society includes the social infrastructure properties owned by Skandia's real estate company. These are community service properties in which the real estate company's role is to manage and develop operations-specific premises in such areas as healthcare, schools and nursing.

94%

of customers who use our health insurance subsequently become fully fit for work.

## Transparency and long-term approach to social responsibility

### Prioritised aspects

- Health promotion – individuals, organisations, communities
- Contribute to socially sustainable development through research, methodology and tools for calculating the economic value of social investments
- Combat social exclusion and ill-health through social investments
- Support local non-profit projects for children and youths

### Identified G4 GRI aspects

Indirect economic impact,  
Local communities, Product portfolio

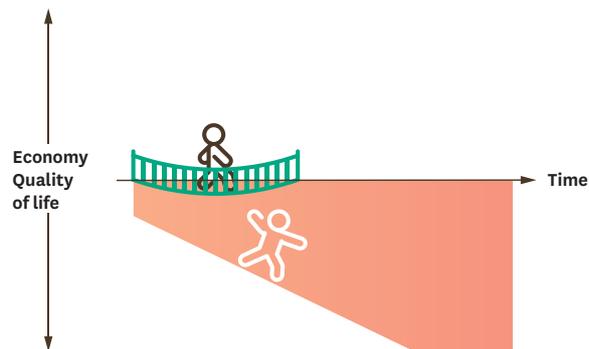
### G4 GRI indicators

EC8, FS7, FS13, FS16



## Business and societal benefit of healthier customers

Skandia's Health Chain is a concept based on research in social medicine, our long record of experience in preventive health work, and collaboration with specialists. Health Chain takes a holistic approach, employing measures at both the individual and organisational levels to bring about a better balance in life – between work, private life and other demands. What sets Skandia's concept apart is that we offer a cost-free preventive health insurance coupled to our company disability insurance plans. As a result, as many as 9 out of 10 of our customers turn to us before sick leave becomes necessary. This has resulted in a 56% decrease in sickness-related absences among our customers in ten years' time.



### Online healthcare service

In 2015 Skandia launched, as the first insurance provider to do so, the opportunity to obtain healthcare assistance online through the Min Doktor online healthcare service. This is just one example of how

Skandia is continuing its long tradition of innovation in meeting its customers' – and society's – needs for access to a convenient means of obtaining medical advice with a high level of accessibility within the framework of Skandia's private healthcare insurance.



### Catalyst for social change

*The starting point for the work conducted by Skandia's Ideas for life foundation is to give more people a chance to live a richer life through good health and as part of a secure and healthy society."*

**Lena Hök,**

*Head of Sustainability at Skandia and Director of the Skandia Ideas for life foundation*

Skandia's Ideas for life foundation works to combat ill-health and social exclusion. People who get stuck in a cycle of ill-health and social exclusion are at risk of developing problems making a living and with their personal economies, resulting in a need to rely on support from the social welfare systems – both public and private. Ideas for life serves as a force for innovation and development of better and stronger public welfare by contributing to a more secure society. We do this through research and development activities and providing financial support to local, non-profit projects for children and youths. In this way we can be

a catalyst for socially sustainable solutions to the challenges facing Sweden, including mental ill-health, youth unemployment, sickness-related absences and substance abuse problems.

With our new calculation tool that has now been developed with a foundation in health economics, long-term comparisons and forecasts of various initiatives can be made that take effects as well as costs into account over the short and long term. As a next step, we aim to identify suitable action programmes that can help prevent depression and mental ill-health.

# Ideas for life – a catalyst for innovation

*Ideas for life works to prevent ill-health and social exclusion.*

## Research

- Research and reports
- Calculation tools for social initiatives
- Knowledge-sharing and efficient use of resources

Calculate and highlight the value of social initiatives by showing the long-term cost if we fail to invest in preventive measures. An important contribution is the work on identifying and addressing social problems with ties to our operations with the aim of determining how social benefit can be combined with business benefit.

Examples of initiatives/channels:

- Calculating the cost of social exclusion and the cost of ill-health
- Training and municipal networks
- See research collaborations, page 33

## Development

- Sport for everyone
- Socially sustainable areas
- School programmes for health and motivation

A number of development projects are being conducted on urgent societal challenges with the ambition to develop new methods for preventing ill-health and social exclusion, which could benefit many.

Examples of achievements:

- School programmes (Star for Life)
  - Number of municipalities: 5
  - Schools: 12
  - Number of students: approx. 1,155
- Sport for everyone (Save the Children, High Five)
  - Number of municipalities: 22
  - Associations: 88
  - Number of children: approx. 12,800

## Local, non-profit projects for children & youths

### Motivators and social entrepreneurs

- Diversity
- Health
- Drug-free
- Anti-bullying
- Parenthood
- Culture
- Safe meeting places

Local non-profit projects that are working to combat ill-health and social exclusion among children and youths. To achieve greater coordination and a greater sense of urgency on a number of current issues, in 2015 the foundation began establishing various hubs to support organisations and projects with similar purposes and challenges. Integration, mental ill-health and sedentary lifestyles are a few examples.

Examples of local projects:

- Tilia
- Nattvandring
- TRIS

*Ideas for life's work is funded by the returns on the foundation's assets, the Skandia Ideas for life mutual fund, and Skandia.*

For further information about Skandia Ideas for life, visit: [www.ideerforlivet.se](http://www.ideerforlivet.se) (in Swedish).

## Early initiatives for integration

Many people ask themselves how they can help – such as in connection with the refugee situation during the past year. The answer is that there are many ways to get involved and contribute. Skandia's Ideas for life foundation offers one possible way through the Volunteer Portal.

Skandia has long been a proponent of giving children and youths opportunities to grow up as secure individuals and to reduce their risk of social exclusion. Ideas for life is based on the principle of preventive social initiatives, and through the foundation, during the past five years we have supported 200 non-profit

projects, all of which are aimed at helping children and youths achieve sound integration into society.

One example is “Swedish with baby” (Svenska med baby), a neighbourhood meet-up organisation for parents on parental leave. The organisation brings together people from all over the world, who meet to interact and talk about parenting while building bridges between widely diverse cultures. Plus they get practice at conversing in Swedish. Another example is TRIS, an organisation that works with preventive measures for combating honour violence and oppression against women.

### Volunteer Portal – here's how it works



More and more people are willing to donate their time, skills and expertise. On the Volunteer Portal digital meeting site, established in partnership between Volontärbyrån and Skandia, it is easy for prospective volunteers to search for suitable assignments.

## Research for the prevention of ill-health and social exclusion

In our role as an insurance company, Skandia provides security not only when there is a risk – we are also one of Sweden's largest institutional investors and provide funding to growth-creation projects that contribute to societal benefit. We complement the public social welfare system and are strongly committed to promoting health and combating social exclusion across a broad spectrum. One of the ways we do this is by supporting research focused on finding new solutions.

### Following is a selection of research projects that we have provided funding to:

- Ohälsans Pris (“The Cost of Ill-Health” –Health Calculator), Uppsala University
- Skandiamodellen and Utanförskapets Pris (“The Cost of Social Exclusion”), Uppsala University and Copenhagen Business School
- Star for Life (school method), University of Gothenburg
- Diabetes research, Per Olof Berggren, Karolinska Institutet, Stockholm
- KIDSS, Marie Åsberg, Karolinska Institutet, Stockholm, Stress rehabilitation. Clinically viable methods for treating mental ill-health
- Compassionate Mind, Stefan Einhorn, Christina Andersson, Karolinska Institutet, Stockholm. Study of psychological training programmes for stress-related problems
- Sesbic Study, Gunilla Sydsjö, Linköping University. How children's mental health is affected by their family and environmental factors, and the effect of preventive measures
- Prescription tobacco cessation, Tanja Tomson, Karolinska Institutet, Stockholm. New model for bringing about a behavioural change to quit smoking
- QUICK Posture, Wim Grooten, Karolinska Institutet, Stockholm. A 3D tool for visualising bodily posture
- En Frisk Generation (“A Healthy Generation”), Mai-Lis Hellenius, Karolinska Institutet, Stockholm. A method for promoting physical activity and a healthy lifestyle for children and their families
- Pilot, Kerstin Brismar, Karolinska Institutet, Stockholm. Personally adapted lifestyle medicine for pharmaceutical-based primary hypothyroidism with lingering symptoms
- Research report on dementia, Swedish Care International (SCI).

## Research and opinion-shaping activities for combating ill-health

Skandia is working to show the gains that can be made from foreseeing, preventing and remedying ill-health and conveying them in both human and economic terms. We believe that it is through joint strengths – together with other business actors, the public sector, non-profits and the research community – that socially sustainable development can be achieved.

### The cost of ill-health and Skandia's Health Calculator

The Ohälsans pris (“The Cost of Ill-Health”) conference held during the autumn was a joint arrangement sponsored by Skandia, Karolinska Institutet and the organisation En Frisk Generation. The focus was on the major challenges that lifestyle-related illnesses are presenting for society. Among other topics, Professor Maj-Lis Hellénus talked about new research that shows that sedentary lifestyle is a contributing factor behind one in ten deaths, and that stroke and cardiovascular disease is rising among young people. Four risk factors are behind a large share of ill-health in modern society: obesity, daily smoking, physical inactivity and high alcohol consumption. The scope and costs associated with these risk factors are shown by Skandia's Health Calculator, which was developed to quantify the importance of preventive work. Using this tool it is possible to calculate the long-term costs of ill-health along with the socio-economic savings that can be achieved by adopting a more sound lifestyle.

### High cost to society for unhealthy lifestyle

In connection with the conference, Skandia also presented the report “Dyr samhällsnota för osunda levnadsvanor” (Eng. approx.: “High cost to society for unhealthy lifestyle”), which was published by a team



of researchers at Uppsala University. The report includes calculations that show that if Sweden were to achieve a 1% decrease in smoking, during a five-year period 202 cases of lung cancer and 27 cases of stroke would be avoided. It would also significantly reduce costs for employers and societal actors, as the cost for a single stroke is estimated to be roughly SEK 1 million per year.

### Almedal race for better health

During the Almedal Week political forum event, Skandia directed the spotlight on health issues through various seminars focusing on prevention and the costs of ill-health. In connection with the conference Skandia also sponsored Almedalsloppet, a 4.2 km fun run in which several hundred participants ran under the theme “even short distances have huge health benefits”.

## Results 2015



**102** municipalities

The number of municipalities in Sweden and Denmark that use the Skandia Ideas for life foundation's calculator for preventing ill-health and social exclusion.

**200** grants

In 2015 the Skandia Ideas for life foundation awarded 200 grants worth SEK 4.2 million. In Denmark the foundation awarded 13 grants worth nearly DKK 97,000.

**-56%** sickness frequency

Skandia's wellness offering has contributed to a more than halving of sickness among Skandia's customers during the past ten years.

# Large and small initiatives that reduce our environmental impact

Skandia has impacts on the environment directly through its business activities, including Skandia's real estate company, and indirectly through purchases and investments. We have a responsibility to take every opportunity and occasion to reduce our environmental impact to the best of our ability in an effort to minimise our ecological footprint.

At Skandia we strive to conserve our shared resources in all parts of operations and to limit our climate impact. Skandia's largest direct environmental impacts are made within our real estate portfolio, which is managed by our real estate company, Skandia Fastigheter. The real estate portfolio accounts for approximately 10% of the investments in the life company's investment portfolio.

The direct environmental impacts from our office operations pertain mainly to the use of energy in offices and IT operations, and emissions associated with business travel. We can gradually lower our environmental impact by continuously working with internal improvements. We see potential environmental gains by driving development toward greater digitalisation and the overall goal of using less paper through postal mailings. Today most of customers' annual policy statements have now been digitalised.

Another opportunity to reduce the direct environmental impact from our office operations exists in locating to new offices or renovating old ones, where we can put demands on the property's environmental standard while also requiring environmental alternatives in purchases of furnishings and services. During the year we established and built up an office operation in Lithuania, and in Sweden three new advisory offices were opened. Two offices in Sweden now have green leases, while Skandia's head office is environmentally certified.

To contribute to lower greenhouse gas emissions we buy electricity from renewable sources and priori-

tise alternatives to physical business travel where possible, in accordance with the group's travel policy. As for the emissions from our office activities that we give rise to, despite all, we climate offset for these by contributing to environmental projects that are Gold Standard-certified. This is a quality seal with requirements for social responsibility on top of environmental and climate considerations.

## Key guiding principles

Skandia applies the precautionary principle in its purchasing processes to mitigate environmental risks associated with its selection of suppliers, services and products. In connection with purchases and procurement processes, our policy is to evaluate suppliers' sustainability work as far as possible. This entails, among other things, that we put demands on their environmental work and other sustainability aspects.

## Environmental considerations in investments

Integrating environmental considerations into our investments and asset management is an important tool for lowering our indirect environmental impacts. Our ownership policy serves as the starting point in this work, which integrates sustainability issues. The main strategy is to have a constructive influence over the companies we choose to invest in. This entails staying on as an owner and demanding improvements when defects are discovered in the companies' environmental work.

# 94%

Renewable energy used at Skandia's own offices.

## Transparency and long-term approach to environmental responsibility

### Prioritised aspects

- Limit our adverse climate impact
- Sustainable use of resources
- Environmental considerations in our offerings and processes
- Sustainable buildings and city districts through our real estate investments

### Identified G4 GRI aspects

Energy, Emissions,  
Supplier assessments

### G4 GRI-indikatorer

EN3, EN16, EN17, EN32, LA14, SO9





## Effective, long-term property management

“As a real estate company and Skandia subsidiary, sustainability is more than a responsibility for us. It is a precondition for our success.”

**Anders Kupsu,**  
CEO Skandia Fastigheter

Skandia’s real estate company owns, manages and develops office buildings, shopping centres, residential buildings and community service properties. At year-end 2015 the company managed 117 properties with a combined value of approximately SEK 43.2 billion and leasable area of approximately 1.2 million square metres. The largest single property purchase in 2015 was the Tyresö centrum shopping centre, with 31,000 square metres of retail and service area. The property holdings are located mainly in Sweden’s three major metropolitan areas and employ 135 people.

### Continuous work with energy efficiency improvements

As a property owner we feel it is only natural to have the most energy-efficient operations as possible. For the past few years all electricity used in operations is derived from hydro and wind power, and continuous work is being conducted on energy efficiency based on the ISO 140001 Environmental Management System. A large share of operational work involves fine-tuning installations in existing properties in the aim of achieving a higher level of energy efficiency. With the help of green leases, a joint effort is pursued with tenants in initiating measures to reduce energy consumption. An environmental inventory is currently being conducted

of all properties in accordance with the Sweden Green Building Council criteria, which is helping us identify the buildings’ environmental status with respect to energy, indoor climate and material. By taking such an inventory we are gaining an idea of each property’s potential and limitations for energy efficiency improvements and what measures need to be taken. The inventory of the entire portfolio will be completed by 2017 at the latest, and at year-end 2015, 70% of the holdings had been inventoried. An energy plan is to be in place for every property by 2017 at the latest.

### Working for a more sustainable closed loop

We are conducting a methodical process of reducing waste volumes and improving the efficiency of our waste sorting routines. The Environmental Management System is used in support of this process, as are green leases, where tenants are engaged by sorting their waste. The goal is to have a waste plan along with waste sorting instructions in place for every property by 2017 at the latest. We are working to strictly limit the use of environmentally hazardous compounds and non-renewable material in our properties, and the goal is that the *Byggsvarubedömningen* standards will be fully implemented in operations by 2017 at the latest.

## Masthusen

As the first city district in the Nordic countries, Masthusen in Malmö has obtained a BREEAM Communities sustainability certification and thereby meets the requirement for energy efficiency and own production of energy. The city district, which is being developed by Skandia Fastigheter, is future-proofed to be able to withstand both floods and a rainier future.

### Sustainable development activities of the Masthusen city district continued in 2015 with the following:

- Masten 1 (Senior living facility, gym, student housing, LSS assisted living facility) certified according to BREEAM Building. Among other features, this section features seashore biotopes on the rooftops, raised gardens and solar panels
- Masten 2 (rental apartments) certified according to Sweden Green Building Council Silver
- Solar panels installed on the rooftop of Masttorget 6
- Rental bike system installed at Masttorget
- Bike pump stations installed
- Provided funding for a tenant car-sharing system, in cooperation with Sunfleet
- Energy efficiency improvements through installation of floor fans in an office building.

# Quantifying the carbon footprint of equity funds

Global warming and its consequences for the environment and human life is one of the greatest challenges of our time. As a savings company we want to help increase transparency surrounding the indirect environmental impact of investments. As part of this undertaking, in 2015 Skandia signed the Montréal Carbon Pledge, a UN climate initiative, and have thereby committed ourselves to annually measuring and reporting on the indirect climate impact of Skandia's equity funds.

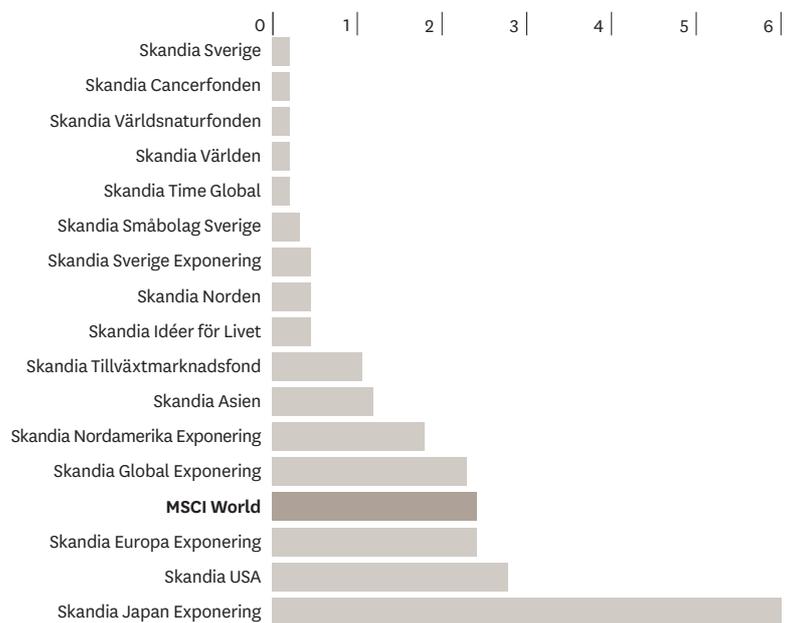
The carbon footprint provides a snapshot of a fund's climate impact. The values will vary over time in pace with changes in the constituent companies' reported emissions as well with changes in the funds' composition.

Since an industry standard for measuring a fund's carbon footprint is still lacking, in the future we may change our measurement method in order to make it easier for our policyholders to make informed decisions.

A more detailed explanation of the measurement results is provided on our website: [www.skandia.se/fonder](http://www.skandia.se/fonder) (in Swedish).

## Carbon footprint of Skandia's 16 equity funds, kgCO<sub>2</sub>e<sup>1)</sup>/SEK 100

The reporting is based on the equity funds' holdings and fair market value as per 30 October 2015. The measurement includes Scope 1 and 2 according to the GHG Protocol, i.e., direct and indirect emissions from purchased energy, and shows how many kilograms of CO<sub>2</sub> every invested SEK 100 gives rise to.

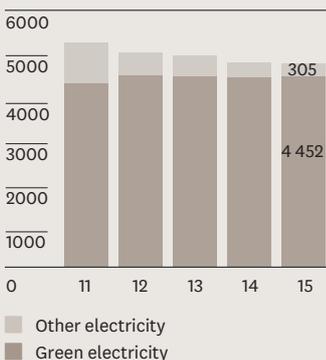


1) CO<sub>2</sub>e (carbon dioxide equivalent) is a measurement unit that makes it possible to measure various greenhouse gases in the same way. By expressing emissions of a certain greenhouse gas in terms of CO<sub>2</sub> equivalents, a measure is obtained of how much CO<sub>2</sub> would have the same climate impact.

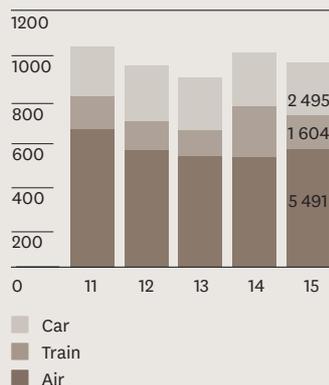
## Results 2015

### Skandia's environmental data

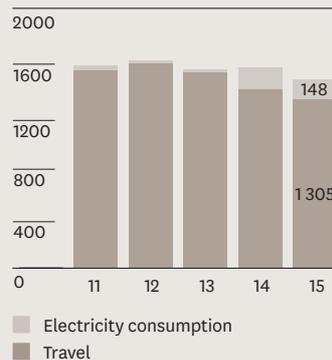
#### Electricity consumption, MWh



#### Travel, 10,000 km<sup>1,2)</sup>



#### CO<sub>2</sub> emissions, tonnes



1) Excluding Skandia's operations in Lithuania.  
2) Including Norway starting in 2012.



# Building tomorrow's Skandia together

Our employees' commitment and innovative strength are our most important resources for building tomorrow's Skandia. Together we will continue to develop a culture and workplace characterised by customer focus with a large personal mandate and responsibility.

Skandia's journey of change is challenging our ability to grow our business while at the same time working more efficiently and lowering our costs. We are doing this with the conviction that in this way we will create the conditions for a Skandia that will meet our employees' ambitions as well as our customers' future needs and the digital development.

Our customer interface, advice and service are increasingly being conducted via digital channels. Development is progressing at a record pace, and for us it is a matter of taking a digital perspective to all business development and in our customer interface. We must also ensure an internal understanding for how the current trends affect our work duties and work flows; while certain job duties are being automated, new ones are being developed.

A central feature of this process is the adaptation of our offerings to digital channels, i.e., to the actual distribution. Today this already has a major impact on our way of working with advice and sales, and in many ways is making our work more efficient and more multifaceted.

**To grow we must be more efficient**

Skandia is currently in a transformation process that is exciting and challenging, but also necessary for the company. Within the framework of the structural transformation of the organisation, Skandia has established operations in Vilnius, Lithuania. During the year this operation was staffed by approximately 70 new employees who, in the first stage, perform administrative work. The operation will be in full swing

during the first quarter of 2016, and in the longer term it is estimated that approximately 200 people will be employed at Skandia's Vilnius office. In connection with the establishment in Lithuania, some 70 positions will be affected primarily at Skandia's offices in Sundsvall, Gothenburg, in staff functions, and in Skandikon. In 2015 the ongoing work on efficiency improvement and streamlining of operations also involved a study looking into a possible expansion of the outsourcing of our IT operations.

**An internal compass pointing to a dynamic Skandia culture**

To clarify what our values mean in our daily work, since 2013 we have had a manager profile in place, and in 2015 this was complemented with an employee profile. The purpose of these is to provide a uniform view of how we collaborate and perform, and to facilitate feedback by setting clear expectations. These correlate with each other; for example, at the same time that employees are encouraged to show a willingness to act and test their own ideas, a responsibility is put on leaders to give employees a mandate that includes scope for mistakes along the way.

**A competence-driven business**

Skandia's culture is built upon commitment and an eagerness to develop and take responsibility for achieving the company's and one's own personal goals. This is done through quarterly follow-ups of performance and results.

Managers and employees are offered competence

**13%**  
decrease in the number of persons on long-term sick leave (>14 days) at Skandia in 2015.

**Transparency and long-term approach as long-term employer**

<p><i>Prioritised aspects</i></p> <ul style="list-style-type: none"> <li>• Continue cultural journey – Think Ahead – in everything we do</li> <li>• Healthy employees with a high level of engagement</li> <li>• Participation and influence in efficiency improvement work</li> <li>• Right competence for Skandia's strategic transformation</li> </ul>	<p><i>Identified G4 GRI aspects</i></p> <p>Working environment, Health and safety, Training and development, Diversity and equal opportunity, Equal remuneration for men/women</p> <p><i>G4 GRI indicators</i></p> <p>LA 5, LA 6, LA 11, LA 12, LA 13</p>	
---	---	---

development in various forms – internal as well as external, obligatory as well as targeted. We work in a structured manner with competence development starting with new employee orientation, within employees’ current roles, and for employees seeking to move into a new role. In addition to programmes, training and seminars, learning is promoted in employees’ daily work and development through internal recruitment as well as through support via mentorships, coaching and networks.

In 2015 Skandia continued its focus on leadership and carried out several management and leadership programmes as well as a development programme for talented prospects. During the year, a team development initiative was also taken to improve efficiency, collaboration and communication, with the formation of some forty teams and leadership groups. We have also further developed our orientation training, both in classroom format and via e-learning. As a result of our focus on expanding Skandia’s internal distribution force, a very large number of advisers and internal sales representatives have participated in Skandia’s internal training programme.

For the past few years Skandia has been working systematically on identifying critical competencies and planning for effective competence succession. This work grew even more important during a year dominated by change.

**Security for colleagues and customers**

Skandia works systematically in its recruitment process to proactively minimise risks in the work environment for existing employees as well as the risk for fraud. In addition to customary screening based on

competence, experience and references, our recruitment process also involves formal background checks via external suppliers. This is done for all recruitment and for the insourcing of staffing consultants. We have established a tried and tested process for assessing any deviations, where the recruiting manager receives guidance from a committee with competence in HR, corporate security, legal affairs and risks. This process is currently being adapted to the rules on suitability assessment laid out in Solvency 2.

**Union involvement and collaboration**

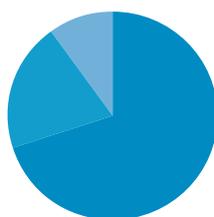
Employees’ opportunities for exerting formal influence in the workplace are channelled primarily through co-determination negotiations and collaboration in accordance with agreements that are in place with local union chapters. Skandia carries on a close dialogue at the local level with the organisations that represent the employees. All Skandia employees are covered by collective agreements, with two such agreements at the central, industry level: between the Swedish Insurance Employers’ Association (FAO) and the Trade Union for Insurance and Finance (FTF), and between FAO and the Swedish Confederation of Professional Associations (SACO).

Employees in the Danish operations are covered by collective agreements between the Danish Employers’ Association for the Financial Sector (FA) and the Association of Insurance Employees in Denmark (DFL). Managers and specialists are covered by the rules of the Danish Salaried Employees Act instead of by collective agreements.

In Lithuania, terms of employment, etc. are regulated by law instead of by collective agreements.

**How is competence development conducted?**

To be effective, a large part of competence development should take place as learning in the day-to-day operations. Skandia therefore has the ambition that approximately 70% of competence development work will taken place in employees’ daily activities. It can be a matter of taking on greater responsibility, broader work duties, project participation or job rotation. Approximately 20% involves more informal learning when we participate in networks, find a model or mentor, receive feedback or are inspired by a colleague. The remaining 10% consists of formal learning in more structured forms.



- Learning through on-the-job training, 70%
- Informal learning from others, 20%
- Formal learning via training, 10%

“My feeling is that many think it is good that Skandia acts and deals with changes in the external operating environment. The path we have charted out, with early and transparent communication about our actions, is intended to make it easier for employees to engage themselves in their work and contribute to new conditions.”

**Marie Ågren,**  
Head of HR, Skandia



**A distinctive feature of Skandia’s health and disability insurance is the major emphasis that is put on prevention. How does this affect Skandia’s internal work with working environments and reducing ill-health among employees?**

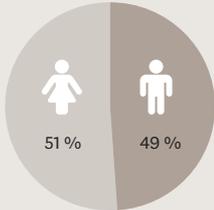
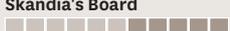
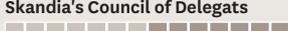
– A good work environment is characterised by good leadership, engaged employees and, of course, proactive health measures. One example of preventive measures is our own health insurance, which is offered to all employees. Among other things it gives employees an opportunity to constructively manage stress-related problems – regardless of whether they are private or work-related. In 2015 work on preventing and reducing long-term sick-listings in Sweden intensified with resources from HR that gives managers earlier and more active support. We can see clear signs of improvement in the 13% reduction in the number of employees on sick leave (>14 days), from 69 to 60, in 2015. Short-term sickness-related absences in Sweden are rising, however, and will be in focus in 2016.

Another factor that plays a major role in reducing instances of ill-health entails working actively towards zero tolerance for harassment and bullying. We have made it clear that it is the responsibility of every manager and employee to be alert for signs indicating a need for early and proactive measures. It is therefore gratifying to note that the share of employees who have experienced bullying has decreased from 5.2% to 2.9% compared with the level in 2012, at that same time that the share of employees who have experienced sexual harassment has been halved, from 0.8% to 0.4%.

**The employee survey is usually a good gauge of how employees feel and are getting along. How is the situation with Skandia’s employees?**

– On the whole we are seeing stable results at a continued favourable level, which is especially gratifying given the challenging development agenda we have had. We can also ascertain that the employees’ understanding of our strategy varies widely among the group’s operations. In October a two-day leadership conference was held for all of Skandia’s managers, which was followed up with local employee meetings to go over our strategy along with Skandia’s long-term direction. Parallel with this, units at every level are working on developing things that work well and on strengthening areas in need of improvement. In addition, I view the high response rate of 86% as an expression of the great commitment to Skandia as a workplace. In the areas in which we have achieved concrete, significant changes, we are working with additional surveys for managers and employees as well as performance reviews based on the results. All of these efforts are being made to create a broader dialogue surrounding the needs that teams and individuals have for maintaining their commitment, willingness and ability to contribute to the reshaping of tomorrow’s Skandia.

# Results 2015

Area	Goal	Outcome 2015																								
Gender balance	A balance between women and men employees of between 40% and 60% in all professional categories and levels	<p>Skandia has slightly more women than men employees: 51% (50%) and 49% (50%), respectively.</p> <p>40% (37%) of management teams within the group are women. Achieving an even gender balance at the company management level has thus been achieved.</p> <p>The gender balance in the group's executive management was 33% (36%) women and 67% (64%) men.</p> <p>Of the 11 directors on Skandia's Board in 2015, 6 were women.</p> <p>In 2015 Skandia's Council of Delegates had 14 members, of whom 7 were women.</p>																								
		<p><b>Gender balance - Skandia group 2015</b></p>  <p><b>Group management</b></p>  <p><b>Skandia's Board</b></p>  <p><b>Skandia's Council of Delegates</b></p> 																								
Diversity and equal opportunity	Skandia's goal is to be the industry's most attractive place to work, where everyone is treated with respect and dignity, and where women and men have equal rights, opportunities and obligations. Skandia's equal opportunity and diversity plan includes measures for each of these objectives.	Work with diversity and equal opportunity is monitored primarily via equal opportunities for development and career advancement regardless of gender. See the outcomes for "Gender balance" and "Development" for 2015.																								
Sickness-related absenteeism	Max. 3% sickness-related absenteeism for the group.	<p>Sickness-related absenteeism at Skandia in Denmark has decreased significantly, while it has risen in Norway. In Sweden, short-term absences due to illness have risen, which has driven up the total level of absenteeism somewhat. However, the last three quarters of 2015 showed a declining trend for total sickness-related absences.</p> <table border="1"> <thead> <tr> <th>Sickness-related absenteeism, %</th> <th>2015</th> <th>2014</th> <th>2013</th> <th>2012</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Sweden</td> <td>3,45</td> <td>3,36</td> <td>2,94</td> <td>2,91</td> <td>3,03</td> </tr> <tr> <td>Norway</td> <td>4,23</td> <td>2,22</td> <td>3,00</td> <td>1,55</td> <td>1,63</td> </tr> <tr> <td>Denmark</td> <td>1,74</td> <td>3,02</td> <td>2,26</td> <td>2,28</td> <td>2,78</td> </tr> </tbody> </table>	Sickness-related absenteeism, %	2015	2014	2013	2012	2011	Sweden	3,45	3,36	2,94	2,91	3,03	Norway	4,23	2,22	3,00	1,55	1,63	Denmark	1,74	3,02	2,26	2,28	2,78
Sickness-related absenteeism, %	2015	2014	2013	2012	2011																					
Sweden	3,45	3,36	2,94	2,91	3,03																					
Norway	4,23	2,22	3,00	1,55	1,63																					
Denmark	1,74	3,02	2,26	2,28	2,78																					
Remuneration	Skandia works actively to ensure that there are no unreasonable salary differences.	In 2015 Skandia and its unions followed up a salary mapping process from 2013 and performed an analysis of "equal work". The work group found no unreasonable salary levels based on gender, but ascertained that a good structure for performance evaluation has been established via operational roles and market salary data.																								



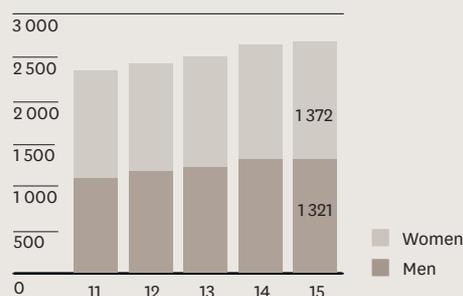
Area	Goal	Outcome 2015																								
Development	All employees should have equal opportunities for competence development and career advancement.	The year's employee survey showed that 88.1% (89.1%) of employees agree fully or in part that women and men have equal conditions and opportunities at Skandia.																								
		<b>88%</b> agree that men and women have equal conditions and opportunities.																								
2015 employee survey	The goal is to achieve a total index score of at least 70 in the survey used (QWC). In Sweden Skandia showed a stable result at a high level – the year's total index score in the employee survey was 73.7 (75.4)	<table border="1"> <thead> <tr> <th></th> <th>2015</th> <th>2014</th> <th>Target value</th> </tr> </thead> <tbody> <tr> <td>Target quality</td> <td>67,2</td> <td>69,4</td> <td>70</td> </tr> <tr> <td>Leadership</td> <td>76,3</td> <td>78,1</td> <td>70</td> </tr> <tr> <td>Participation</td> <td>78,4</td> <td>80,0</td> <td>80</td> </tr> <tr> <td>Feedback</td> <td>79,1</td> <td>80,4</td> <td>65</td> </tr> <tr> <td>Effectiveness</td> <td>70,2</td> <td>71,3</td> <td>65</td> </tr> </tbody> </table>		2015	2014	Target value	Target quality	67,2	69,4	70	Leadership	76,3	78,1	70	Participation	78,4	80,0	80	Feedback	79,1	80,4	65	Effectiveness	70,2	71,3	65
	2015	2014	Target value																							
Target quality	67,2	69,4	70																							
Leadership	76,3	78,1	70																							
Participation	78,4	80,0	80																							
Feedback	79,1	80,4	65																							
Effectiveness	70,2	71,3	65																							
Work/life balance	All employees should have equal opportunities to balance their work with their family and leisure time.	The year's employee survey shows that 70.2% (69.6%) of employees agree fully or in part that it is possible to maintain balance between work and parenthood. This is an important issue, which is why Skandia offers parents the opportunity to work part-time until their children turn 12. Skandia also tops up the state parental benefit to 90% of employees' salaries.																								
Conduct	No one should be discriminated against.	2.9% (3.1%) of employees indicated that they have been subjected to bullying or harassment, and 0.4% (0.6%) said that they have experienced sexual harassment. Work is continuing towards the absolute goal of getting these figures down to zero.																								



## 269<sup>st</sup>

Number of employees in Sweden and Denmark who served as ambassadors within the framework of the Skandia Ideas for life foundation.

### Average number of employees, Skandia group



# Sustainable relationships are at the core of Skandia's business culture

In the course of its operations Skandia strives to work responsibly and with integrity to protect its tangible and intangible assets, employees and reputation. Good business ethics affect Skandia's own organisation as well as people in the company's operating environment and also encompass risk management, anti-corruption and demands on suppliers and other business partners.

Skandia works in a highly regulated industry, and its operations are subject to an extensive set of laws and regulations. Internally we are guided by Skandia's values platform, which defines the values and conduct that should characterise our actions and our policies.

Skandia's principles for business ethics, which are laid out in the sustainability policy, focus on ensuring the following, in brief:

- That operations are conducted in compliance with laws as well as internal and external rules and regulations
- That Skandia promotes an open and trust-based culture in which inappropriate perquisites and influence are not accepted
- That business relations are conducted in an ethical, lawful and correct manner
- That no employees or others acting under Skandia's name act in a corrupt or unethical manner
- That no contributions are made to political parties or other political representatives

Skandia adheres to the Swedish Anti-Corruption Institute's Business Code.

## Employees are our most important resource

Training plays a central role in ensuring that employees have the right conditions to act in the customers' best interests and safeguard their assets, and comply with the extensive rules and regulations surrounding our business. All employees receive training in countering money laundering, conflicts of interest, fraud

and bribery, and are ensured physical and information security.

In addition, Skandia's employees are encouraged to report all cases of suspected improprieties. They can do this anonymously, since it is important that employees who witness any irregularities can report such without worrying about their own security. Employees are also informed on a regular basis about how to recognise and report deviations or incidents. All reports about improprieties or security-related incidents are handled by Skandia's central security function.

## Handling of incidents

Skandia has a thorough process for handling incidents and defects that occur in its processes and systems. All employees receive obligatory training in incident reporting to enable swift action. Our customers are informed about incidents that affect them directly via our external channels, such as social media and our customer service centres, and about what they should be observant of along with recommendations for suitable protective measures.

## Risk prevention work

Skandia's operations give rise to a broad spectrum of risks that affect the group's earnings and financial position. As a mutual company, it is Skandia's policyholders who benefit from all value that is generated, but who also bear the risks.

55%

Share of suppliers (purchasing volume) that have submitted a self-declaration for sustainability.

## Transparency and long-term approach to business ethics

### Prioritised aspects

- Sustainability in the supply chain
- Clear demands and follow-up
- Fair business terms and conditions, and anti-corruption
- Structured risk management

### Identified G4 GRI aspects

Labour practices grievance mechanisms, Human rights grievance mechanisms, Corruption, Market communications, Supplier assessments

### G4 GRI-indikatorer

EN 32, LA14, LA16, HR12, SO3, SO4, SO5, SO9, PR5, PR7, PR8



Our risk management system covers all risks and is based on the following components:

- Risk strategy – specifies Skandia’s risk philosophy, risk appetite and risk governance
- Risk framework – contains governance documents and defines the organisation and division of responsibilities for risk management within Skandia
- Risk management processes – consist of processes for identifying, measuring, assessing, managing, monitoring and reporting risks

Skandia’s risk appetite limits which risks and how much risk we expose our owners to. One important risk metric is solvency risk, i.e., the risk of Skandia not being able to meet its obligations to its policyholders.

Further information about risk is provided in Skandia’s 2015 Annual Report, pages 32-35.

### Good business ethics apply for the entire value chain

Skandia’s business partners are required to adhere to the same requirements for ethics, quality and efficiency that we put on ourselves, and which apply in all long-term relations with business partners. Checks are made to ensure that intermediaries have a licence from the Financial Supervisory Authority to conduct insurance intermediary business and that they have met the requisite knowledge requirements. To ensure a continuous dialogue and high quality, every external intermediary has a contact person at Skandia. For support, routines are in place for monitoring externally brokered business and internal collaboration in order to identify any deviations.

### Statement from the Board of Ethics for Fund Marketing

In December the Board of Ethics for Fund Marketing (ENF) assessed Skandia with a fine of SEK 25,000 for misleading marketing in a web advertisement. No other violations were noted for Skandia.

## Our routines for handling suggestions for improvement and complaints

Despite good intentions, it happens that customers are not satisfied with a decision by Skandia. In 2015 we further developed and improved our processes for handling and following up complaints as well as for addressing suggestions for improvement that we receive from customers. During the year Skandia had a total of 3,841 (2,901) complaint cases. The increase compared with a

year earlier was due to technical problems with our bank cards which coincided with a necessary, extensive change of the bank’s IT platform. All cases related to card problems were cleared up, and at the end of the fourth quarter the number of complaints had returned to the same level as during the corresponding period a year ago.

#### Customer contacts Skandia

A customer contacts Skandia with a suggestion for an improvement or a request to address a complaint.

#### Skandia registers and addresses the customer’s suggestion for improvement and/or complaint

If a customer is not satisfied with a decision or a service, he or she is instructed to initially contact the person or office that handled the matter or made the decision. The person who is in contact with the customer registers the case in our system for improvement suggestions and complaints. In certain cases, the matter may be handled by a complaints specialist at Skandia.

#### The customer can appeal Skandia’s decision and contact the Customer Ombudsman

If the customer is not satisfied with Skandia’s decision, he or she can turn to Skandia’s Customer Ombudsman for an impartial, cost-free review of the case.



Every six weeks the Head of Customer Influence, the Head of Complaints and the Customer Ombudsman provide feedback to Skandia’s forum for product and service development on customers’ views.



## Sustainability in the supply chain

Skandia’s sustainability requirements on its suppliers are defined in the group’s Code of Conduct. To analyse and assess risk associated with suppliers’ influence and capacity with respect to sustainability, we have developed a model in which a self-declaration and risk analysis are central features. The self-declaration that all suppliers are requested to provide is based on the content of the Code of Conduct and lays out the sup-

plier’s guidelines, processes, goals and monitoring in areas such as working conditions and anti-corruption.

The next step is to perform a supplier risk assessment. The risk analysis is based on the sector the supplier works in and where its operations are conducted, as well as on the supplier’s ability to handle sustainability issues, and is integrated in Skandia’s purchasing process.

### Procurement



## Results 2015



**100%**

Share of Skandia’s employees in Sweden who have received instructions on how to use Skandia’s whistleblower system.

**146 suppliers**

At year-end 2015 a total of 146 of Skandia’s suppliers, which account for approximately 55% of our purchasing volume, had submitted sustainability self-declarations. The responses are documented in Skandia’s supplier database.

# Governance of Skandia's sustainability work

The Council of Delegates' ownership instructions, together with Skandia's vision, business strategy, sustainability strategy and sustainability policy serve as the foundation for governance of our sustainability work. Additional guidance is provided by a number of international conventions and non-binding codes.

## Governance of the Skandia group

Skandia has been a mutual company since 2014. This means that Skandia is owned by the life company's approximately 1.4 million voting customers. The company is ultimately governed by the delegates elected by the owners, through their insight and influence over the company. The Council of Delegates expressly emphasises sustainability in its ownership instructions by stipulating that the Skandia group shall serve as a model and conduct its operations according to a clear set of ethical values and high standards regarding sustainability. Further information about governance of the Skandia group is provided in the corporate governance report in the 2015 Annual Report, pages 28-31.

## Sustainability governance at Skandia

Sustainability governance entails setting the group's strategy, guidelines and overarching objectives, overseeing implementation of the goals, and regularly following up targets and compliance with guidelines.

The Board of Directors and group CEO have ultimate responsibility for governance of sustainability work at Skandia. The Head of Sustainability is responsible for the sustainability policy, which is the starting point for governance regardless of which parts of the organisation are working with sustainability issues, as well as for the strategic and operational work and for Skandia's sustainability reporting.

Sustainability is part of the group's Communication function. Skandia's Head of Sustainability thus reports to the Head of Communications, who is a member of the executive management team. The Head of Sustainability also convenes Skandia's sustainability council.

## Organisation and responsibility for sustainability work

The sustainability department is responsible for:

- directing, developing, coordinating and following up Skandia's sustainability initiatives, while the line organisation is responsible for implementation and execution

- directing and developing the interaction with customers, where the operational responsibility for customer contacts rest with the respective functions
- customer influence, which includes the handling of the voting process for the Council of Delegates and the Annual General Meeting
- the Head of Customer Complaints function, with a mandate to further strengthen the structure and strategic processes for dealing with complaints

From a group perspective, all parts of the organisation are responsible for:

- regulatory compliance and risk mitigation
- integrating sustainability perspectives in the business strategy and operational execution
- being responsive to and fielding customers' views and expectations for corporate social responsibility

## Functions for coordination and integration

Skandia's sustainability council is responsible for providing support to the group-wide coordination and integration of sustainability in Skandia's business activities. In addition to the group CEO and Head of Sustainability, the sustainability council includes the persons responsible for the group functions sales, asset management, communication, products, risks and offerings.

Under the direction of the sustainability department and the asset and fund management units, the group-wide organisation and structure for responsible investments has been further developed. The former ethical investment council has been split into an ESG forum and an ESG committee, which rely on a clear decision-making structure to more effectively integrate sustainability issues in the operating activities. In brief, these two entail the following:

ESG forum: tasked with handling strategic issues related to Environmental, Social and Governance issues. The forum is led by Skandia's Head of Asset Management and includes various business heads along with the Head of Sustainability.

ESG committee: an operating work group that reports to the ESG forum. It includes sustainability

analysts, and ESG coordinator, the Head of Asset Manager Selection, the CEO of Skandia Fonder, senior portfolio managers, the Head of Sustainability, and a sustainability specialist.

**Governance of economic aspects**

The focus of the group's economic governance is the business objective of maximising value for our owners and customers of the life insurance company over time. Further information about Skandia's financial position and risk management is provided in Skandia's 2015 Annual Report.

**Governance of social aspects**

Skandia's Head of Human Resources is responsible for the group's strategic HR work. The assignment includes motivating all Skandia employees to create customer benefit to the best of their abilities. Key success factors are Skandia's culture and values, leadership, and ability to recruit and retain people with the right attitude and competence. HR work is conducted according to a number of guidelines in such areas as equal opportunity and diversity, with clear targets whose achievement is followed up on a continuous basis.

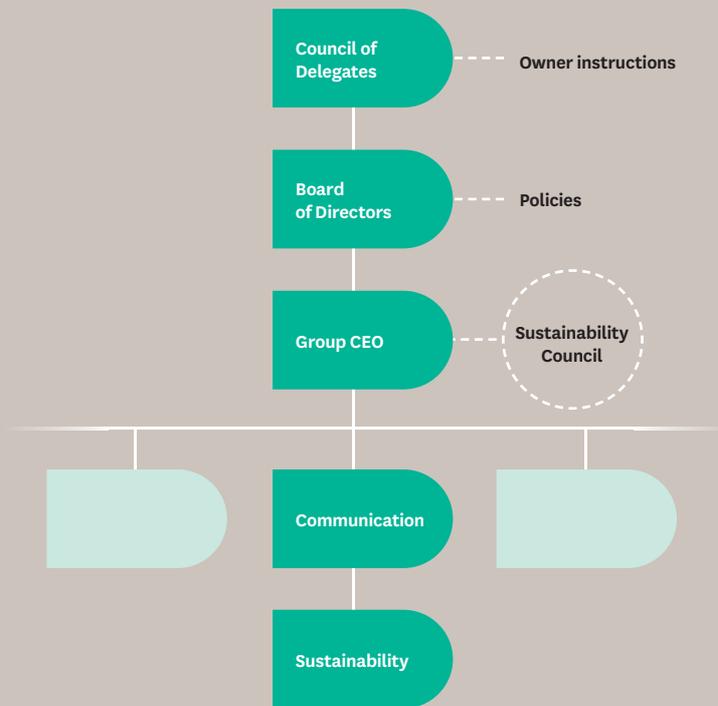
The research and development work conducted by Skandia's foundations is also organised within the framework of the Head of Sustainability's area of responsibility. An important part of the foundations' work involves innovative initiatives through research and methods development focusing on the prevention of ill-health and social exclusion. A large part of this work is conducted within the auspices of Skandia's Ideas for life foundation.

**Governance of environmental aspects**

Skandia's environmental responsibility is defined in the group's sustainability policy. Developing environmental governance and incorporating environmental concerns into the entire organisation continues to be a priority area in which Skandia's business planning process plays a central role. Environmental aspects of operations are a standing item on the sustainability council's agenda as are aspects that the ESG organisation addresses in its investment decisions. Skandia's greatest direct environmental impacts are made primarily by the group's real estate holdings, which are managed by Skandia's real estate company, whose company-adapted sustainability policy is aligned with the Skandia group's sustainability policy. Skandia's real estate company is certified according to ISO 14001.

## Skandia's sustainability governance

The Board of Directors and the group CEO have ultimate responsibility for sustainability governance at Skandia. Sustainability is included in the group's Communication function. Skandia's Head of Sustainability, who is also the head of Skandia's Ideas for life foundation, reports to the Head of Communication and to the foundation's board of directors. Skandia's sustainability council is made up of the group CEO, the Head of Sustainability, and the heads of the group functions for sales, asset management, communication, products, risks and propositions.



## Reporting in accordance with GRI G4-20 and G4-21

The following overview is part of the materiality analysis. The aim is to complement this analysis with a report on Skandia's significant impacts per material aspect and stakeholder group, together with references to our views and are how we are working to take our responsibility.

Aspects	Significant impacts					Our responsibility; read more
	Customers/owners	Employees	Society	Suppliers/partners	Environment	
<b>Transparency and long-term approach to customer relationships</b>						Page 18–23
Customer influence	✓					
Responsibility for our products and services		✓		✓		
Relevant offerings that offer value for money	✓		✓	✓		
Clear information and communication	✓		✓	✓		
Transparency surrounding matters of relevance for customers	✓		✓	✓		
Accessibility based on the customers' needs	✓		✓	✓		
<b>Responsible investments</b>						Page 24–28
Sustainable, high and steady bonus for owners	✓		✓	✓		
Active ownership	✓		✓	✓	✓	
Sustainability integrated in ownership policy, with clear processes and routines	✓	✓	✓	✓	✓	
Joint influence with other actors within the framework of PRI			✓			
Investments in areas such as infrastructure, renewable energy and even cancer therapies			✓		✓	
<b>Community responsibility</b>						Page 31–34
Health promotion – individuals, organisations, communities	✓	✓	✓			
Contribute to socially sustainable development through research, methodologies and tools for calculating the economic value of social investments			✓			
Combat social exclusion and ill-health through social investments			✓			
Support local non-profit projects			✓			
<b>Environmental responsibility</b>						Page 35–37
Limit our adverse climate impact			✓		✓	
Sustainable use of resources			✓		✓	
Environmental considerations in our offerings and processes	✓		✓	✓	✓	
Sustainable buildings and city districts through our real estate investments			✓		✓	
<b>Long-term employer</b>						Page 39–43
Continue cultural journey – Think Ahead – in everything we do		✓				
Healthy employees with a high level of engagement	✓	✓		✓		
Participation and influence in efficiency improvement work		✓		✓		
Right competence for Skandia's strategic transformation		✓				
<b>Business ethics</b>						Page 44–46
Sustainability in the supply chain				✓	✓	
Clear demands and follow-up				✓		
Fair business terms and conditions, and anti-corruption	✓	✓		✓		
Structured risk management	✓	✓		✓	✓	





# Tänk längre



**skandia :**

# GRI Index 2015

Skandia's ambition in publishing an annual sustainability report is to provide an open and balanced reporting of our positions, activities and results in areas that we have identified as being material for sustainable business. The process of determining the material areas is described on pages 10-11 of Skandia's 2015 Sustainability Report. We believe that Skandia's sustainability report and annual report for the 2015 calendar year enable the reader to make a fair assessment of the company's sustainability work. The most recent sustainability report was published in April 2015. This

year's sustainability report, which is the fifth produced by the Skandia group, has been prepared in accordance with the requirements of the GRI Guidelines, version 4.0, Core level, including the Financial Services (FS) sector supplement. The Sustainability Report has not been reviewed by a third party.

This GRI Index provides references to where the indicators and disclosures can be found in Skandia's 2015 Sustainability Report (SR) and in Skandia's 2015 Annual Report (AR).

		Page references to SR 2015 and AR 2015
<b>STANDARD DISCLOSURES</b>		
<b>Strategy and analysis</b>		
G4-1	Statement from the CEO	SR: 2-3
G4-2	Description of key impacts, risks and opportunities	SR: 2-3, 5; AR 6-9, 73-82
<b>Organisational profile</b>		
G4-3	Name of the organisation	SR: Cover
G4-4	Primary brands, products and services	SR: Outside flap
G4-5	Location of the organisation's headquarters	SR: Outside flap
G4-6	Countries where the organisation operates	SR: Outside flap
G4-7	Nature of ownership and legal form	SR: Outside flap, 20, 47; AR: 28-31
G4-8	Markets served	SR: Outside flap
G4-9	Scale of the organisation	SR: Outside flap
G4-10	Employee data	SR: 42-43
G4-11	Percentage of total employees covered by collective bargaining agreements	SR: 40
G4-12	The organisation's supply chain	SR: 46
G4-13	Significant changes during the reporting period	SR: 2-3; AR: 44
G4-14	Application of the precautionary principle	SR: 35
G4-15	Externally developed standards, principles and initiatives	SR: Inside flap, 25
G4-16	Membership in organisations	SR: 8, 24
<b>Identified material aspects and boundaries</b>		
G4-17	Entities included in the organisation's consolidated financial statements	SR: Inside flap
G4-18	Process for defining report content	SR: 10-11
G4-19	Identified material aspects	SR: 10-11
G4-20	Aspect boundary within the organisation	SR: 49
G4-21	Aspect boundary outside the organisation	SR: 49
G4-22	Explanation of the effect of any restatements of information proved in previous reports	SR: 23; no other restatements of information in previous reports
G4-23	Significant changes from previous reporting periods in the scope, aspect boundaries or measurement methods applied in the report	SR: Inside flap, 23

		Page references to SR 2015 and AR 2015
<b>Stakeholder engagement</b>		
G4-24	List of stakeholder groups	SR: 8-9
G4-25	Basis for identification and selection of stakeholders	SR: 8-9
G4-26	Approaches to stakeholder engagement	SR: 8-9
G4-27	Key topics and concerns that have been raised through stakeholder engagement	SR: 8-9; 16-17
<b>Report profile</b>		
G4-28	Reporting period	SR: Cover
G4-29	Date of most recent previous report	GRI Index, 1
G4-30	Reporting cycle	SR: Inside flap
G4-31	Contact point for questions regarding the report or its contents	SR: Inside flap
G4-32	GRI content index, reporting level, external assurance	SR: Inside flap, GRI Index
G4-33	Policy and current practice with regard to seeking external assurance for the report	SR: Inside flap; GRI Index
<b>Governance</b>		
G4-34	Governance structure of the organisation	SR: 20, 47-48; AR: 28-42
<b>Ethics and integrity</b>		
G4-56	Code of conduct	SR: 46; <a href="http://www.skandia.se">www.skandia.se</a>
<b>MATERIAL ASPECTS: GOVERNANCE AND INDICATORS</b>		
DMA a-c	Sustainability governance of material aspects	SR: 2-3, 12-13, 47-48
<b>DMA-FS Sustainability governance – financial sector</b>		
DMA-FS1	Policies with specific environmental and social components applied to business lines	SR: 14, 44-45, 47-48
DMA-FS2	Routines for assessing and reviewing environmental or social risks in the business lines	SR: 18-19, 26-27, 29-30, 44-46
DMA-FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	SR: 22, 24-29, 33-34, 37, 44-46
DMA-FS15	Guidelines and policies for sound design and advice surrounding financial services	SR: 44-46; AR: 12

- Fully reported
- ◐ Partly reported

	Reporting level	Page references to SR 2015 and AR 2015
<b>ECONOMIC INDICATORS</b>		
<b>Economic performance</b>		
G4-EC1	●	SR: 6
<b>Indirect economic impacts</b>		
G4-EC8	●	SR: 1, 7, 16–17, 31, 33–34
<b>ENVIRONMENTAL INDICATORS</b>		
<b>Energy</b>		
G4-EN3	●	SR: 35–37
<b>Emissions</b>		
G4-EN16	●	SR: 35–37
G4-EN17	●	SR: 35–37
<b>Supplier environmental assessment</b>		
G4-EN32	◐	SR: 35, 46
<b>SOCIAL INDICATORS</b>		
<b>Labour practices and decent work</b>		
<b>Working environment, health and safety</b>		
G4-LA5	◐	SR: 39–40
G4-LA6		36; what is relevant for Skandia is to report absenteeism per country
<b>Training and development</b>		
G4-LA11	●	SR: 39
<b>Diversity and equal opportunity</b>		
G4-LA12	●	SR: 42
<b>Equal remuneration for women and men</b>		
G4-LA13	●	SR: 42
<b>Supplier assessment for labour practices</b>		
G4-LA14	●	SR: 35, 46
<b>Labour practices grievance mechanisms</b>		
G4-LA16		No grievances filed in 2015

	Reporting level	Page references to SR 2015 and AR 2015
<b>Human rights</b>		
<b>Human rights grievance mechanisms</b>		
G4-HR12		No grievances filed in 2015
<b>Society</b>		
<b>Corruption</b>		
G4-SO3	●	SR: 15, 44–46
G4-SO4	●	SR: 44, 46
G4-SO5		No reported cases of corruption in 2015
G4-SO9	●	SR: 35, 46
<b>Local communities</b>		
FS13	●	SR: 8–9, 18–20, 30–34
FS16	●	SR: 22, 31, 33–34
<b>Product responsibility</b>		
<b>Product and service labelling</b>		
G4-PR5		SR: Inside flap, 18–19, 23, 45
<b>Marketing communications</b>		
G4-PR7	●	SR: 45
<b>Customer privacy</b>		
G4-PR8		SR: 45; No complaints were filed in 2015
<b>Product portfolio</b>		
FS6	●	SR: 28–29
FS7	●	SR: 7, 16–17, 25, 34
<b>Active ownership</b>		
FS11	●	SR: 24–29