

CSR REPORT 2010

VALUE & RESPONSIBILITY

INVESTMENTS FOR THE FUTURE

Linking returns to social responsibility

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EMPLOYEES ARE OUR BASIS FOR GROWTH

Dedicated employees create the best results

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PFA
P E N S I O N

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ABOUT THE REPORT

For the second consecutive year, PFA is publishing a report describing how we link social value to financial value in our business operations. The report is intended for customers, business associates and employees, and any one else who is interested in PFA's activities.

PFA's CSR Report covers the PFA Group, with the exception of FunktionærPension and two associated companies. For the sake of simplicity, we use the term PFA to refer to the parts of our Group covered by this report.

PFA commenced its reporting on strategic CSR actions in 2009, i.e. the same year PFA submitted its first report to the UN Global Compact concerning the progress being made in PFA's efforts to integrate the UN's ten CSR principles into our business. Like the previous year, the CSR Report 2010 is also PFA's Communication on Progress Report to the UN Global Compact.

The CSR Report always follows the current Annual Report for PFA Holding. As in the past, the CSR Report 2010 will be made available to the public at PFA Holding's Annual General Meeting in April 2011. The report has been approved by the Group Management. The information provided in the report covers the period from 1 January to 31 December 2010, but its contents also reflect ambitions and actions from 2011 to 2015, which is PFA's strategic milestone.

CSR management in PFA is a process which brings new knowledge to the company that contributes to improving our efforts and measurements. The quality of the data collection process is an

ongoing process and we have improved our data collection and calculation methods wherever possible. Consequently, some of our empirical data may have been adjusted in the process.

The reporting areas are determined on the basis of a materiality criterion and illustrate those areas closest to PFA's business and which are most relevant to our stakeholders. In 2009, we made it our aim to comply with the GRI G3 guidelines at level C.

We have used indicators from the GRI G3 Sustainability Guidelines and Financial Service Sector Supplement FSSS (latest version). They cover the relevant areas of the UN Global Compact's ten principles and address the implementation of the six principles in UN PRI. PFA reports independently to UN PRI by responding to a questionnaire survey. An indicator table with page references to the individual indicators is presented at the end of the report. The report is not externally audited, but in PFA's view, the report is at level C in terms of the GRI G3's application levels.

PFA still has development potential in relation to this reporting in terms of data quality and in terms of our stated objective to provide uniform reporting for all areas of the group.

The purpose of our reporting is to give all PFA stakeholders an idea of the actions we have initiated, the challenges and dilemmas confronting us and the goals we intend to pursue.

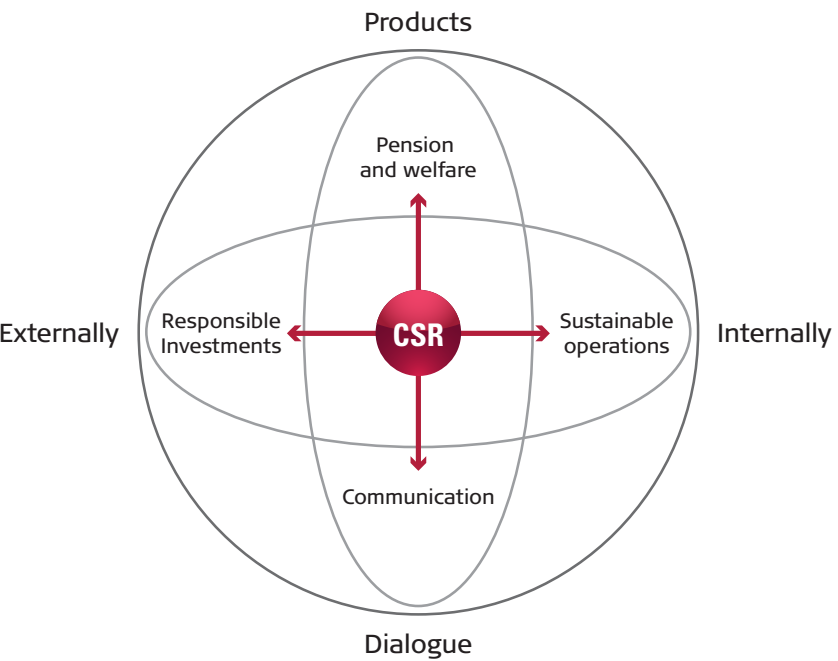
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AREAS OF FOCUS AND RESULTS

The areas of CSR focus are determined on the basis of a materiality criterion in relation to PFA's business and significance to stakeholders and the rest of the world. This requires a strategic CSR effort in relation to PFA's products, investment area, internal matters, and continuing documentation and communication of our work and progress.

The process used for integrating the Global Compact's principles is the same in these four areas, but the challenges, potential and measurability vary from one area to another. Each of the four areas has a number of subcategories with specific actions and objectives to be followed up on an annual basis. In addition to being described in the CSR report, PFA files separate responsible investment reports to UN PRI.

The measurability of these actions varies, but we strive to set goals that clearly indicate the developments taking place within each area year by year. An action plan for implementing this strategy is prepared each year.



HIGH VALUE GENERATION – A BIG RESPONSIBILITY

PFA continues to develop, and 2010 was yet another year in which the PFA Group launched a series of innovations. PFA's value generation model remains unchanged, however, with the objective to create the greatest possible value for customers. Payments came to DKK 18.5 billion – the highest amount ever in PFA's history. This brought PFA's growth to DKK 3.1 billion, or 20 % higher than payments in 2009. Payments to market rate plans more than doubled to DKK 3.9 billion. These large payments made PFA the pension company of choice on the Danish market. Correspondingly, PFA disbursed an unprecedented DKK 12.9 billion to its customers. This amount includes pension disbursements and disbursements related to various insurance plans.

PFA's unique position as a customer-owned company is also the driving force behind our efforts to take responsibility in the business. Our objective is simple: we must create as much value as possible for our customers while taking responsibility for the society in which both they and we live and work.

National economy and social responsibility are closely connected

At PFA we are responsible for and have an interest in a stable national economy. The big picture is that PFA focuses on welfare and each individual's possibilities of staying employed. Financial security in old age, health at work and the possibility of a later retirement age are therefore core priorities for us.

The private business community can contribute to improving the national economy by entering into close collaboration with the public sector and entering into partnerships to take on more assignments involving the creation of an economically sustainable society. Accordingly, PFA has concentrated its efforts in two areas.

First of all, we wish to support companies' efforts to ensure the health and well-being of their employees. This has a positive impact on each company's bottom line in the form of reduced sickness absence and higher motivation, but it is also beneficial to society when employees avoid long-term illness or disability caused by being worn out physically and/or mentally. For this reason, PFA has developed products and services to enable companies to take responsibility for their employees in the area of senior benefits and health products.

Secondly, we wish to contribute to intensifying our collaboration with the Danish public healthcare system. This is in the interests of society – and is not at conflict with PFA's interests. On the contrary. We want a strong public healthcare system, because our customers benefit from the fast and qualified treatment.

For this reason, PFA worked in 2010 to establish additional partnership opportunities with the public sector, such as a public-private partnership with the municipalities and by joining a

voluntary arrangement for linkage of data with the Danish National Board of Health. The last-mentioned initiative means that PFA automatically informs anyone with an illness registered in the National Board of Health's national patient register, if this illness may entitle them to a disbursement from a critical illness insurance plan. This procedure guarantees that the customer does not lose possible insurance cover in a difficult time where the person's focus is often directed elsewhere.

Responsible investments

In 2010, PFA generated sound returns for our customers, thanks to a responsible foresighted investment strategy and sound risk management.

Reducing risks is a key word in our efforts to take responsibility in our investment strategy. PFA is a foresighted investor that wants to create value in consideration of environmental and social factors and good governance – criteria which are also referred to as ESG (environment, social and governance). In our experience, any company that neglects these areas causes operational, financial and reputational risks for their owners.

At PFA, we base our work on a responsible investment strategy where a company's ability to address ESG criteria is included in our considerations whenever we allocate new investments. And we exercise active ownership when any company already found in our portfolios violates international standards.

We maintain an exclusion list of companies in which we do not invest, but we regard exclusion as the last resort. Experience shows that so-called active ownership is more effective than exclusion for improving a company's situation. Active ownership means that we can enter into dialogue with the management of a company, cast our vote at general meetings or, together with other like-minded investors, make demands and thereby contribute to ensuring that these companies improve their practices for the benefit of society and their owners.

Corporate operations

PFA's internal actions address our own employee-related matters, corporate responsibility and sustainable operations of our headquarters. We have achieved results that benefit the climate, the environment and the financial situation within the framework of our climate partnership with DONG Energy and by intensifying our focus on environmental considerations among our subcontractors. This led to energy efficiency measures that benefit PFA's operations, the climate and the environment and which surpassed our objectives for 2010. Naturally, PFA also wishes to take in-house responsibility for and promote the health and well-being of our employees.

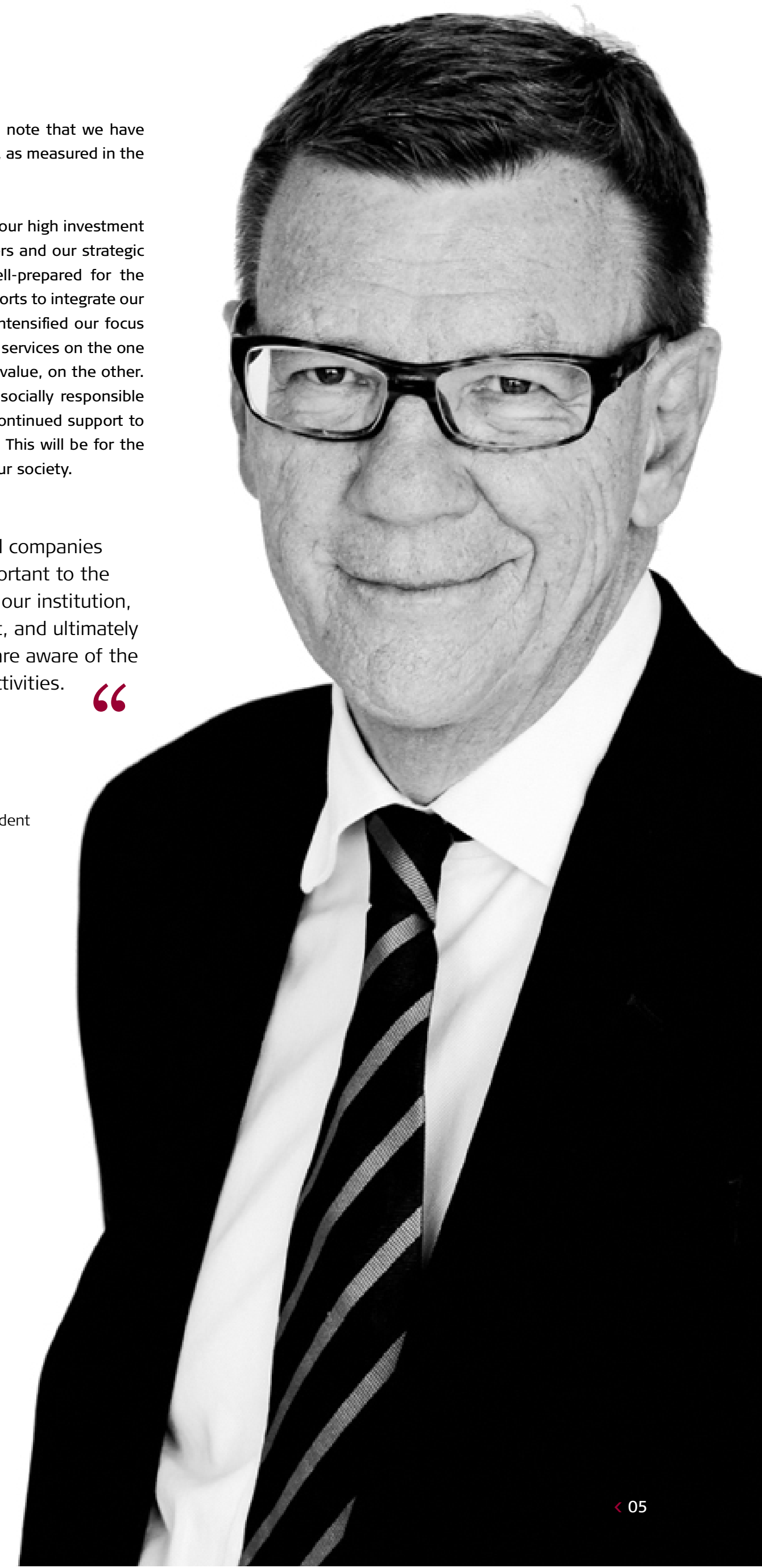
As a result, 2010 saw new health-related activities for our employees and managerial focus on reducing the frequency of

sickness absence. Similarly, it is satisfying to note that we have retained a high level of employee satisfaction, as measured in the annual employee job satisfaction survey.

2010 was a good year for PFA. In addition to our high investment returns, we experienced an influx of customers and our strategic efforts were successful. This makes PFA well-prepared for the demands and challenges of tomorrow. Our efforts to integrate our social responsibility into our business have intensified our focus on the interaction between our products and services on the one hand and the creation of financial and social value, on the other. Therefore, PFA is committed to upholding a socially responsible development of our business and to giving continued support to the ten principles of the UN Global Compact. This will be for the benefit of our customers, our business and our society.

“ PFA is one of the largest financial companies in Denmark. PFA is financially important to the individual customers with savings in our institution, for the companies in which we invest, and ultimately for the society in which we live. We are aware of the social importance of PFA's activities. ”


Henrik Heideby, Group CEO & President



INVESTMENTS LINKING RETURNS TO RESPONSIBILITY

PFA is an institutional investor with investments in more than 3,100 shares and corporate bonds all over the world. PFA's investment strategy is to secure the best returns possible for its customers in consideration of a wider responsibility for generating growth which is based on proper social conditions.

In PFA we use the term "RI" - Responsible Investments - to refer to social responsibility in the investment process. There are several underlying reasons for this effort. First and foremost, PFA does not wish to support any company that violates international conventions and standards. Secondly, our focus on social and environmental considerations and corporate governance helps to increase the possibility of maximising our long-term investment returns.

The PFA Group's total investment returns over the last five



years

PFA's RI policy does not reduce our returns or cause volatility. On the contrary, the policy contributes to balancing our risks and returns. Thus, PFA is the only pension company to produce positive returns every single year since 2001.

In 2009, PFA signed the UN Principles for Responsibility Investment (UN PRI) and the UN Global Compact (UNGC). The obligations stipulated in UNGC originate from documents and standards used by PFA as the basis for its RI guidelines, as well as legally binding conventions from the UN's member states. PFA aims to act responsibly by complying with and promoting the international standards laid down in these conventions.

Active ownership is an important tool in this process. PFA's RI guidelines are part of our general investment analysis tools and processes and are included in the ongoing dialogue conducted by PFA with the management of companies in which PFA invests (see Appendix 1: Allocation of customer funds 2010).

Method - active ownership

At PFA, we are using so-called norm-based screening which focuses on companies' violations of international conventions and norms for environmental and social matters (further details on norm-based screening are found in Appendix 2). Our Investment Department works together with the Swedish screening agency, GES Investment Services, which review our investments in shares and corporate bonds every six months. This agreement means that GES screens our investments for any companies that do not comply with international norms or which are involved in the manufacture of landmines and/or cluster bombs. GES is also engaged in dialogue with problematic companies on behalf of PFA and other investors. In 2010, PFA was in dialogue - via GES - with 195 companies, not to mention the dialogue carried out directly by PFA.

On the basis of GES's screenings, PFA maintains an exclusion list comprising companies in which investments must not be made. As our starting point, this list is updated semi-annually and sent to PFA's external investment managers. At the same time, PFA maintains an "Engagement List" of companies that conflict with our guidelines but which have the potential to improve. The purpose of this process is to ensure the greatest possible useful effect, in terms of both social factors and returns. PFA did not add any new companies to the exclusion list in 2010. A company was re-included in PFA's portfolio for the purpose of exercising active ownership. This occurs in the light of an assessment of the company's potential to change its practice by being sufficiently pressured by its investors.

It is positive to note that many companies never reach the exclusion stage, because they become increasingly responsive to dialogue with investors and choose to change their behaviour. For this reason, PFA will continue to use active ownership. The themes of our dialogue with companies are broken down as follows:

Criterion	2009	2010
Environment	34 %	21 %
Social issues	56 %	74 %
Corporate governance	10 %	5 %

Other themes over the year

Over the course of the year, PFA continued its efforts to integrate ESG into our policies. In 2010, PFA's RI Board addressed themes like oil sand, controversial weapons and casting of votes.

Oil/tar sand

In the spring, PFA took part in an engagement and information trip to Canada to gain deeper insight into the climate and environmental aspects and problems relating to the extraction of oil/tar sand. In this connection, PFA discussed these issues with three companies in the oil/gas sectors and addressed the social and environmental consequences related to the extraction of oil/tar sand. PFA continues to focus on these issues.

External investment managers and controversial weapons

Insofar as externally managed share and bond portfolios are concerned, each portfolio is checked on a monthly basis to identify whether any companies are on PFA's exclusion list. If, contrary to expectation, such companies are identified in mandates where PFA is the sole investor, steps are taken to phase out these investments. In 2010, a dialogue with an asset manager led to this manager phasing out investments in companies which take part in the manufacture of cluster bombs.

Casting of votes at general meetings

PFA will increase its use of voting at general meetings in 2011. In 2010, PFA worked to establish a proxy voting collaboration with GES in selected engagement cases. In PFA's assessment, voting generates the greatest value in those instances where there may be a need for a high profile acknowledgement by investors to influence a company.

Alternative investments

Criteria for climate, environment and social factors are now included as an integral aspect of a decision to make an alternative investment. Thus, a study is made of whether the funds or their portfolio companies have previously had problems complying with human rights, responsible resource handling or corruption, or if they have had business dealings with terrorist organisations. PFA also requires these funds to have a CSR policy.

Promoting UN PRI and sector collaboration

PFA has been actively involved in disseminating the RI agenda to the Danish investment community since 2008, by means of its board membership in Dansif, etc. Dansif is a networking forum for professional investors, consulting firms and other parties involved with SRI in Denmark. In 2010, Dansif held a number of seminars about SRI and increased its membership by 26 %.

WELFARE-CREATING PRODUCTS

PFA has been a supplier of pension plans since 1918, with the purpose of creating financial solutions that make it possible for each individual to finance his or her own welfare in old age.

Economists and politicians have been saying it for years: there are fewer workers to take care of more retirees. More people are retiring while fewer people are working. An increasing number of Danish retirees will need a sound financial platform from which to manage a longer period of old age. At the same time, an increasing number of workers will have to work longer on the labour market and retire at a later age than we have been accustomed to so far.

These developments are imposing new demands on both businesses and society. As a pension supplier, it is only natural for PFA to develop products that make positive contributions to meeting the welfare challenges.

Through our products for seniors, we help to make labour market solutions more flexible for retirement and to provide a financially sensible transition from labour market to pension. We advise businesses about their senior policy and assist them in developing a targeted process for the benefit of the business, their employees and society in general.

At the same time, the healthcare system in Denmark is subjected to a mounting pressure. We adjust our pension and health products accordingly. PFA's efforts continue

to follow the strategy of offering products, services and advice to help our corporate customers take responsibility for their employees.

PFA's approach to health, well-being and measures against loss of occupational capacity

PFA's starting point is that it is in the natural interests of the company to attend to its employees' health and well-being. Therefore, PFA focuses on developing products and services to promote health, healthy workplaces, a safe and healthy working environment and on preventing stress.

This effort is always made in cooperation with our customer's management so that all initiatives are linked to other efforts to reduce sickness absence, increase productivity and the company's social responsibility. This applies to efforts relating to symptoms of problems, handling sickness absence and preventing long-term illness. The effort also involves ensuring fast treatment, rehabilitation and return to work.

In natural continuation of these efforts, PFA has developed a specific approach to reduce loss of occupational capacity caused by a mental disorder, for instance. We call this Active Claims Handling. Active Claims Handling prevents inadequate intervention in connection with an employee with reduced occupational capacity from resulting in his/her permanent withdrawal from the labour market and transfer to public support.

Being ill is a complex situation in many ways. Many parties are involved. They include the municipality, one's workplace or GP, a specialist physician and/or hospital and a pension company, etc. When someone falls ill, he or she is usually unable to cope with the complexity of the situation. This also applies to mental disorders, for instance.

Therefore, at PFA we serve as a coordinator for the employee on sick leave. We motivate and advise the individual employee and work out a plan where we coordinate the various intervention measures. Specifically, we provide targeted treatment offers, and we mediate contact between the various parties involved in the employee's illness situation so everyone is working to achieve the same goal: to return the employee on sick leave to his or her daily life.

In 2010, PFA took a new step in the Active Claims Handling process. We took the initiative to work with municipalities regarding Active Claims Handling so an employee on sick leave experiences a coherent, coordinated effort across the public and private sectors. The aim of this is to unify all of these positive efforts to ensure that fewer employees end up in permanent passive income support.

Good results

As a result of our Active Claims Handling policy, PFA has succeeded in achieving a noticeable increase in the number of employees who return to work (see Appendix 3 for further details on Active

Claims Handling). Over a five-year period, we doubled the number of employees suffering from a mental disorder who ultimately returned to work by planning and coordinating the efforts targeting the individual employee on sick leave.

Active Claims Handling works because:

- we actively intervene on behalf of the employees for whom we believe this will work, which minimises the wasting of time and resources;
- we have clear-cut economic incentives: when Active Claims Handling works, PFA reaps a direct financial gain for the benefit of our customers.

FACTS: TARGETED EFFORTS

PFA's Active Claims Handling has assessed 579 cases in 2010 alone:

- These cases amount to a provision of DKK 769 million
- In 132 of these cases, it is directly assessed that the disability pension can be discontinued by means of Active Claims Handling
- Provisions for these cases amounts to DKK 540 million
- 134 of the claims amount to more than DKK 3 million in provisions.

SUPPORT ACTIVITIES ARE A SOCIAL INVESTMENT

PFA takes part in a number of activities and cooperates with several organisations to contribute to positive social developments. We have gathered our support activities under one strategy named “PFA Social Partner”, which provides the following support:

- Financial contributions and donations
- Support advertising
- The PFA Live Life Foundation.

Besides the human aspect, it makes good socioeconomic sense to invest in the improvement of social conditions. At PFA, we believe that the best way to contribute to this is by entering into strategic partnerships with individually selected organisations, via initiatives like the PFA Live Life Foundation where we work closely with the organisation selected. This is rewarding for both PFA and the selected organisation because we learn from one another, which in turn helps to focus the effort.

The PFA Live Life Foundation aims to support one or more cases that help other people to lead rewarding lives. This can be any initiative that helps to make a difference in the lives of others and contributes to helping the disadvantaged.

In 2010, support was granted to GirlTalk.dk and the Association Servicehundene til Handicappede (STH), as the cases run by private individuals deeply committed to their causes. These organisations received cash support and dedicated assistance from PFA for a period of time to create awareness and support for their causes. Both organisations make an outstanding effort based on the work of many volunteers and a personal willingness to make a difference.

GirlTalk.dk is an organisation based on the efforts of idealists who help and counsel teenage girls and young women. About 43 young women work as voluntary counsellors. GirlTalk.dk is a forum for girls and women aged 12 to 24 who are unhappy and who need someone to talk to and advice. These girls can use GirlTalk.dk’s open forum or enter a closed counselling site (see Appendix 4 for further details about GirlTalk.dk).

In addition PFA primarily supports associations that are associated with PFA’s areas of focus. This includes associations working with preventive measures, health promotion and initiatives related to prevention of illness. For other support activities, we give priority to the existence of a link between PFA’s activities and the cause being supported, such as organisations for the elderly or the disabled or other disadvantaged social groups. Finally, we support initiatives aiming to inform about areas closely related to life and pension.

At PFA, we also give priority to the employees’ social commitment and willingness to act outside the company. For this reason, PFA has a number of offers targeting our employees, such as the possibility of donating blood during working hours via the mobile blood bank.

In 2009, we also established an internal fund that supports our employees’ voluntary charity work. Every year, the fund receives applications and a number of projects receives funding. In 2010, five employees received support for volunteer projects, all of which aim to meet one or more of the UN’s eight 2015 goals (see Appendix 5 for further details about the Children of Nepal case).

WE SUPPORTED THE FOLLOWING ORGANISATIONS IN 2010:

Activities	Results
The Live Life Foundation (Brug Livet Fonden)	Support for two social organisations: strategic partnership with the GirlTalk.dk web portal – youth-to-youth counselling; and support for the Association Servicehundene til Handicappede (STH). Selection of new strategic partnerships under the Live Life Foundation in 2011.
Support advertising	Support advertising for local organisations for the disabled, sports clubs and patient associations.
Sponsorships	No Bullying: Children’s Relay Race with Save the Children Denmark and the Association of Families with Children with Cancer.
Other financial support	World Diabetes Foundation, Child Fund Alliance (Børnefonden), the children of Greenland (Grønlands Børn).
Employee support	Clothing drives for Save the Children Denmark.
Business partnerships	Engineers Without Borders, Danish Red Cross
Employee fund	Five projects have been awarded support.



FOCUSING ON THE CLIMATE GENERATES GOOD RESULTS

Private companies need to take an independent responsibility for tackling climate and environmental challenges. PFA maintains its focus on the climate and the environment because it makes social and economic sense to respect our natural resources.

We wish to contribute to sustainable development both as an investor and through our own operations. Last year, the entire PFA organisation reduced its CO₂ emissions by 11 % compared to 2009, as a result of energy efficiency measures and modified behaviour.

In 2009, PFA launched its Environment and Climate Change Strategy, a document for managing the efforts of our organisation. Climate and environmental considerations relating to our own operations are dealt with in our day-to-day work in the relevant business units like IT, Real Estate and Purchase. In addition, we consider climate change and inadequate respect for the environment as genuine financial risks which we must consider whenever we invest our customers’ money.

New initiatives in developing countries

Private investors play an important part in helping to reduce CO₂ emissions and convert from using fossil fuels to sustainable solutions. As only a limited amount of public sector funding is available for climate-related interventions, additional funding must be provided by private investors.

PFA wishes to contribute to solutions and therefore cooperates with the Confederation of Danish Industries’ Business Development and IFU on the development of a climate foundation targeting emerging markets. In 2010, PFA assisted by providing consultancy relating to investment and financing of the foundation’s upcoming projects. In 2011, PFA will actively participate as an investor in the foundation and, thus, in the financing of the foundation’s climate related investments.

Member of the Carbon Disclosure Project

Since 2009, PFA has been a member of the Carbon Disclosure Project (CPD), a worldwide climate network. Our membership means, among other things, that we are working to increase the number of Danish companies that submit climate reports to the CDP.

We also wish to reinforce Danish contributions to the generation of comparable climate data for the benefit of the companies themselves, their stakeholders and investors, to provide a better basis on which to assess the companies’ risks. In 2010, PFA engaged in dialogue with a number of Danish companies and encouraged them either to begin or to continue submitting climate reports to the CDP. This dialogue works, as increasing numbers of companies are submitting climate reports every year.

Environmental and climate management is profitable

PFA’s involvement in climate and environmental issues does not stop with our role as an investor. We also address environmental and climate challenges within PFA, so that both employees and we as a company deliberately and actively respect our common environment and climate. Over the past year, it became clear that environmental and climate management is profitable and also contributes to reducing our costs and the resources we use.

The primary focus of PFA’s strategy has been to reduce our CO₂ emissions and our environmental impact. A strategic climate partnership with DONG Energy defines the framework for implementing this strategy. In late 2009, an energy consultant reviewed the PFA Group’s headquarters and mapped out the areas where energy efficiency was possible. The areas identified were included on a prioritised list of interventions that would be the most beneficial to implement in order to achieve PFA’s goals.

The efforts in 2010 focused on initiating the energy efficiency measures identified to reduce PFA’s CO₂ emissions by 10 %,

compared to the baseline year 2009, equivalent to PFA’s objective for 2010. The energy efficiency measures were implemented in the course of 2010 and are now generating the reductions expected. A year-end calculation showed that PFA had implemented energy efficiency measures corresponding to 11 % of the company’s emissions, compared to 2009, thereby surpassing our target by 1 %.

CDP is a global climate reporting system which annually gathers and benchmarks climate data from the 500 biggest companies in the world and from many other companies as well. In total, more than 3,000 companies from all over the world submit reports to the CDP. The data are published in a number of reports that can be used by institutional investors to compare and benchmark companies, identify climate leaders and use data for investment involvement and integration into investment models.

If reduction in the use of paper is included, PFA achieved even greater savings, approximately 32 %. The 11 % reduction in relation to the baseline year is primarily due to efforts that have improved the energy controls in the building, the application of new technology, a focus on IT equipment and an ongoing focus on changing our behaviour on a daily basis.

Reducing CO₂ emission has not only meant that we could make a positive impact on the environment. Energy optimisation and intervention to save on the use of paper, electricity, heating and transport have also generated significant economic gains,

optimised our use of resources and improved our customer services. We aim to review and edit our list of actions every year and to add new ones. The list considers the aim of PFA to intervene where our emissions are highest and thus have a corresponding potential for reduction.

The challenge for 2011 will be to identify actions that result in even more reductions. This will require initiatives of another dimension and with a longer implementation timeframe. We wish to be equally ambitious, however, and have therefore set the goal of an additional 10 % reduction in 2011, compared to 2010.

Further details are available by downloading our Climate Report from www.pfa.dk/csr

Managing subcontractors

In 2010, we added new business partners who supply climate-friendly and eco-friendly products to PFA’s operations. Since 2009, we have been incorporating our guidelines for responsible purchasing into our supplier contracts. In 2010, this resulted in contracts with five new main suppliers, chosen for their strong environmental profiles. Likewise, six of our regular main suppliers have optimised their products which are now more climate-friendly and eco-friendly (see Appendix 6 for further details about CO₂ neutral taxi driving and fair trade coffee).

PFA’s in-house efforts to respect the climate and environment have reduced costs and optimised important operating processes which today require fewer maintenance resources.

Total CO ₂ emissions – The PFA Group		
	CO ₂ emissions, 2010 (tonnes)	CO ₂ emission reduction (tonnes)
Scope 1 (petrol & diesel)	866	64
Scope 2 (electricity & district heating)	1,198	206
Scope 3 (air travel)	73	-4
Total	2,138	266

PFA relies on the Greenhouse Gas Protocol method and calculates CO₂ reductions in scopes.

EMPLOYEE-BASED GROWTH

We know that it takes dedicated employees to get a company to grow. This happens once a company has provided the conditions which enable employees to prosper and fully use their potential.

PFA aims to be a workplace with a healthy profile and excellent development potential. In practice, this means that PFA gives priority to having good conditions for our employees and providing good opportunities for them to develop their skills and qualifications, regardless of gender, age or ethnic background.

PFA makes sure to develop employee skills by offering development options in their jobs, high mobility within the PFA organisation, as well as courses and supplementary training. Professional and personal development is included in our regular appraisal interviews where each employee discusses the assignments with his or her immediate supervisor. PFA operates with two types of skills development. One involves the development of each employee to manage the job in focus. The other involves making the employee capable of performing other jobs within the organisation.

PFA employees are offered supplementary training in three categories:

- In-house PFA courses, such as the Personal Tax Act, Pension Analysis and Personal Efficiency
- External courses
- Courses at the Danish Insurance Academy (Forsikringsakademiet), such as Personal Insurance Law and Corporate Pensions.

Corporate Health Responsibility

As a supplier of health insurance plans, we know the social and financial costs for each individual, business and society caused by poor working conditions and unhealthy workplaces.

Each PFA employee is covered by PFA's own insurance products, which provide access to health check-ups, preventive treatment, and quick treatment in the event of illness or injury. Naturally, every PFA employee has a good pension plan with savings and insurance cover in the event of disability, severe illness or death.

In 2010, PFA intensified its focus on establishing in-house health initiatives. Physical activity and healthy lifestyles are important factors for preventing illness and promoting well-being. For this reason, PFA offers all its employees the opportunity to exercise at work and after work via a collective membership of a fitness club. PFA wants these health promotion initiatives to improve employee satisfaction and eventually to have a positive impact on employee health profiles.

In 2009 and 2010 we noted a decline in sickness absence, at the same time that the dedication of our employees increased and remained at a very high level.

PFA's goal is to keep sickness absence below 4 %: we have succeeded in doing this the past two years. Moving forward, our goal will be to maintain this low sickness absence level at 3.8 % or lower.

Further details are available by downloading our HR Report from www.pfa.dk/csr

Development in the average number of sick days per employee:

	2010	2009	2008
Number of days	8.02	8.47	9.18
In per cent	3.55	3.80	4.10

Equal opportunities to develop one's potential

PFA focuses on ensuring equal opportunities to all employees so they can develop their potential at work, and we do not accept discrimination based on gender, background or religion, etc. We believe that the best results are achieved by striking a proper balance between masculine and feminine leadership values.

Therefore, PFA wishes to attract women employees and managers, but does not have any special programmes targeting women. On the other hand, in 2010, we developed a programme targeting the management in PFA and a management ideal which helps to pave the way for increasing the number of women managers.

PFA has an increasing number of women managers and a high percentage of women executives – which also applies to representation in the Executive Board and the Supervisory Board, where one-fourth to one-fifth of the members are women. It is conceivable that this increase in the number of women executives (level 1 below the Executive Management) could have the same effect on other levels.

PFA has many women managers in IT and the Financial Department in particular. In the area of IT, women occupy 50 % of the level-two management positions and 16 % of the level-three management positions.

	31 December 2008		31 December 2009		31 December 2010	
	Women	Men	Women	Men	Women	Men
Level 1	16 %	84 %	14 %	86 %	22 %	78 %
Level 2	31 %	69 %	28 %	72 %	30 %	70 %
Level 3	41 %	59 %	43 %	57 %	38 %	62 %

It is still PFA's goal to have a proper balance of women and men in management and the rest of the organisation.

Governance model for employee conditions

The workplace committee deals with all employee conditions and matters and meets four times a year.

The workplace committee's representatives for employee organisations and the executive management annually review the salary statistics breakdown by gender and job function. In 2010, the workplace committee concluded that no systematic favouring of wages takes place in PFA

Job satisfaction, 2010





DIALOGUE MEANS LEARNING AND GREATER JOB SATISFACTION

PFA coordinates pension savings and insurance cover for many people. This means daily contacts with more than 1,000 customers who need to know that their pension plans and cases are being taken care of quickly, efficiently and, not least, reliably.

At PFA, we do not think that good corporate governance or customer contact can be regulated by laws and rules alone. Thus, PFA has set its own objective in this regard: to have the sector's highest standards of service, reliability and transparency. In 2010, a number of initiatives were initiated to implement our corporate responsibility and dialogue.

Dialogue with stakeholders

Having an open dialogue with customers and public representatives concerning their expectations of PFA is an important aspect of our efforts to take more responsibility. In our experience, customers are interested in knowing our attitudes and efforts and the results we generate. To accommodate this, we carry out a number of customer dialogue activities and continuously measure the level of our customers' satisfaction. PFA's objective is to be rated over 3.8 in terms of general customer satisfaction.

Levels of customer satisfaction



Scale from 1 to 5. Respondents: 2,615. Year: 2010

It is important for me to know that my pension company exercises corporate social responsibility in its investments and other work:

Completely agree:	29 %
Agree:	37 %
Neither agree nor disagree:	21 %
Disagree:	4 %
Completely disagree:	2 %
Do not know:	6 %

Customer dialogue about CSR

In addition to general customer dialogue and customer satisfaction surveys, as well as reputation surveys, PFA was in dialogue with selected stakeholders in 2010 to ask them to assess the significance of our efforts. Their responses helped to qualify

our internal analyses and intensify the focus of our CSR strategy (see Appendix 7 for further details about stakeholder dialogue).

In 2010, PFA asked our individual customers to rate the significance they attribute to their pension company's social responsibility. The responses show that the vast majority of individual customers agree that their pension company should act in a socially responsible manner.

Customer representative

On an average workday, PFA is in direct contact with more than 1,000 customers. Occasionally this leads to errors or the giving of unsatisfactory service to our customers. To deal with this, PFA set up a position in 2009 for an in-house Customer Representative who acts as a claims attendant. Customers can contact this representative if they are dissatisfied with a decision made in connection with a complaint (see Appendix 8 for further details on customer satisfaction in PFA). This allows closed complaint cases to be reopened, and PFA offers special advisory services to customers who question the final decision. The primary purpose of the Customer Representative is to ensure that PFA listens to its customers and learns from its mistakes.

In 2010, enquiries received by the Customer Representative led to learning and changes at PFA in several areas. Typically, the reason for the complaint could be removed by optimising IT and administrative processes, thus shortening and streamlining case processing as a result. At the same time, the Customer Representative increased the incidence of random checks to ensure correct case processing.

In 2010, PFA's Customer Representative received a total of 103 enquiries, of which 83 were complaints. This should be seen in proportion to the fact that PFA has more than 650,000 customers and received about 235,000 direct customer enquiries in 2010. The Customer Representative issues a report each year with the current trends. It is our goal that the lessons learned in processing complaints will reduce the number of complaints in the future and optimise customer contact. At the turn of the year, the Customer Representative had made decisions in 76 of the cases. The decisions were in favour of the customer in about half (42) of the cases. In 23 cases, the customer's complaint was not accepted, whereas the decision was partly in favour of the customer in 11 cases.

The complaints filed in 2010 primarily concern disbursements and claims processing, as well as general case processing. Seeing that PFA manages large sums of money for its customers, control, transparency and quality assurance are decisive to our stakeholders. In 2010, PFA carried out two initiatives to provide even more reliable and transparent control models.

FROM UN PRINCIPLES TO DAILY WORK

In early 2009, PFA Pension signed the UN Principles for Responsible Investment; later that same year, we followed up by signing the ten principles of the UN Global Compact.

These two sets of principles – UN PRI and UNGC – continue to make up the most important frameworks for our CSR efforts. The way in which these two sets of principles interact and form the basis of PFA's efforts to take responsibility through its business became clearer in 2010.

PFA is continually working to integrate the UNGC principles into our own operations and adapts them to social problems and issues in Denmark where PFA has its market. This means that we analyse our business and operations and continually assess ways to improve in relation to the ten principles for human rights, employee rights, environment and climate considerations and anti-corruption. Over the past year, we continued the integration of environmental and social considerations into our day-to-day operations. The day-to-day management of this integration is based on PFA's own guidelines that convert the principles into practice and make them operational in a Danish context.

Our efforts to improve social, environmental and managerial conditions to a global level are primarily carried out via our investments. In keeping with the UN PRI principles, PFA exercises its shareholder rights if any company neglects its social

responsibility and violates conventions dealing with human rights, employee rights, the environment, the climate or anti-corruption.

PFA has joined the UN Global Compact and supports the integration of these 10 principles. The obligations stipulated in UNGC originate from documents and standards used by PFA as the basis for its guidelines, as well as legally binding conventions from UN member states. PFA aims to act responsibly by complying with and promoting the international standards laid down in these conventions.

PFA signed the UN PRI (UN Principles of Responsible Investment) in 2009 and thereby undertakes to incorporate the principles into its business and carry out measures to support the principles. PFA is measured by UN PRI and assessed in terms of PFA's ability to implement the UN PRI principles.

This means that we have chosen to integrate our ESG considerations into our investment strategy by basing our RI guidelines on the conventions and international standards on which the principles of the UN Global Compact are based. Norm-based screening, engagement and a defined methodological and governance model for active ownership ensure that we comply with these guidelines and integrate the UN PRI principles into our daily work at PFA.

Policy and strategy

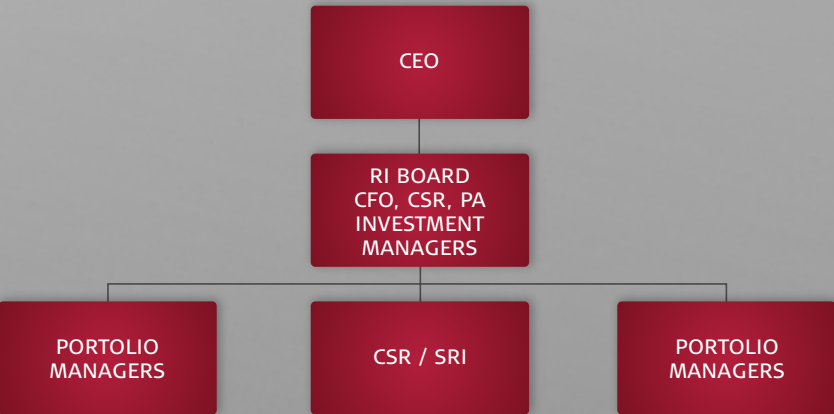
PFA is a commercial enterprise and is run according to commercial principles. Growth and value generation are decisive and vital objectives. The PFA Group's strategy is managed by a scorecard and a transformation card whose purpose is to show key business results.

CSR supports the scorecard's six indicators: growth, lifecycle product, supplementary benefits, advisory services, efficiency and dynamics. Each year, the CSR manager at PFA works out an action plan for integrating corporate social responsibility and the principles adopted to by PFA. The action plan is implemented in collaboration with CSR and relevant business units. The management of each business unit is also responsible for ensuring compliance and implementation of policies and guidelines. Further details are available by downloading our Policy and Action Report from www.pfa.dk/csr

Governance

Policy and guidelines form the basis for PFA's business conduct and for its employees. PFA expects its employees to perform their work conscientiously and otherwise act responsibly whenever they are representing PFA. Policies and guidelines are communicated via the intranet and PFA's own homepage. In addition, all new employees are introduced to CSR when they start working for the company.

The overall CSR responsibility rests with PFA's CEO. Operative CSR responsibility is delegated to Corporate Communications and People Management. Responsibility for enforcing and implementing the RI strategy is delegated to PFA's Board for Responsible Investments. The RI Board is made up of executive employees from PFA Asset Management (PFA Kapitalforvaltning), the CSR Manager, the Public Affairs Director and the CFO. PFA's CFO is Chairman of the RI Board. The board ensures compliance with the RI policy and its associated guidelines. The board meets six times a year and makes PFA's strategic RI decisions.



BUSINESS AND MANAGEMENT

The PFA Group is a Danish company with its headquarters in Copenhagen and two small sales offices in Aarhus and Vejle. PFA's history dates back to 1917.

The company has retained its original maximum dividend limit of 5 % of the DKK 1 million share capital, or DKK 50,000. PFA's position as a customer-owned company is partially based on this dividend limit which aims to help create the greatest possible value for customers (see Appendices 9 and 10 for group structure and organisational model).

Customers and products

In 2010, total payments to the PFA Group amounted to DKK 18.5 billion, which is DKK 3.1 billion more than in 2009 (see key ratios for the PFA Group in Appendix 11). This significant increase in customer payments to PFA was the highest to date. The growth in payments occurred at a time when the market is under severe pressure and several market players are experiencing stagnation or negative growth. This shows the strength of PFA's ability to create value for its customers in the form of high investment returns and low costs.

Regular payments to pension plans are more or less unchanged compared to 2009. The DKK 3.1-billion increase in single payments is primarily attributable to the transfer of members from two large pension funds to PFA. Payments for market rate plans amounted to DKK 3.9 billion – more than a doubling compared to 2009. We expect an even greater increase in market rate payments, as customers are offered the new pension product PFA Plus.

GRI Index

Our goal is to continually improve and develop our CSR reporting. Accordingly, this year we are complying with several of the guidelines of the Global Reporting Initiative (GRI). PFA has not formally joined GRI but uses the guidelines as a starting point and a source of inspiration for this reporting. The table refers to the GRI indicators that we have chosen to cover in this report. In accordance with our assessment, the report complies with level C, in relation to the GRI G3 Guidelines.

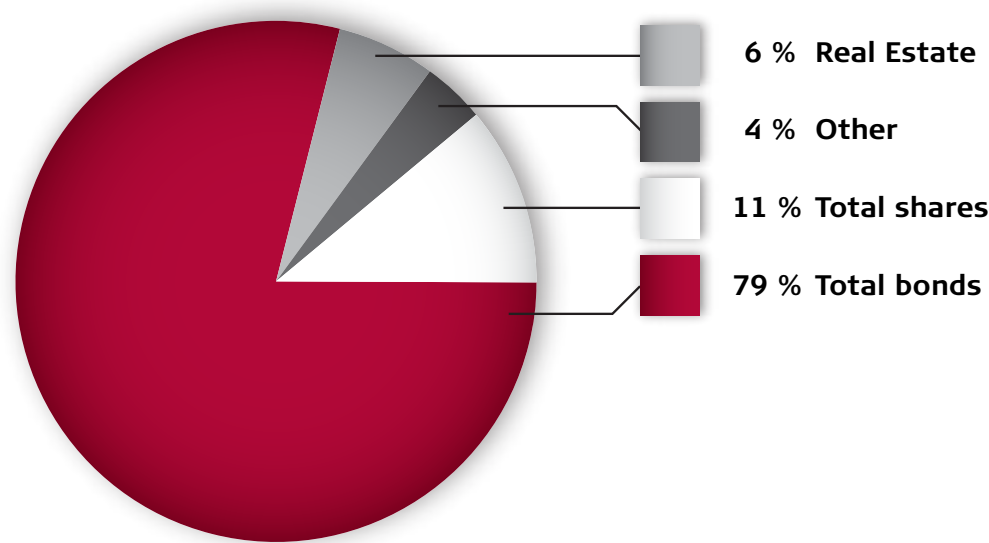
Further details are available by downloading the GRI table from www.pfa.dk/csr

Further details about the guidelines and indicators we have chosen to cover in the 2010 report are available on www.globalreporting.org

APPENDIX 1

ALLOCATION OF CUSTOMER FUNDS, 2010

- 100 % of PFA's listed shares and corporate bonds are norm-screened.
- At the end of 2010, 15 companies were on PFA's exclusion list.
- Together with other investors, PFA has been engaged in an engagement dialogue with 195 companies that risk violating international standards.
- 45 companies are in an evaluation phase where their cases are being checked up on.



APPENDIX 2

NORM-BASED SCREENING

PFA uses the screening agency, GES Investment Services, which provides thorough analyses through GES Global Ethical Standard®, including engagement activities and risk analysis.

The method is based on systemically screening international companies concerning their compliance with international conventions and guidelines relating to the environment, human rights, employee rights and corruption. GES Investment Services currently screens approximately 5,500 listed companies.

The collection of information about incidents and companies is managed through search engines that collect information from media and news reports and from NGO homepages and databases worldwide.

In 2010, the screening generated an observation list of about 120 companies and a focus list of about 50 companies which are linked to accidents or activities violating international standards and which, as a result of this, are recommended for exclusion or for being subjected to an increased engagement pressure.

An independent engagement strategy with a clear process, audit criteria, objectives and an action plan is developed for each company. The engagement strategy elaborates upon the critical dialogue already taking place between owners and company. In addition to the above-mentioned lists, some 15 manufacturers of cluster bombs or landmines are systematically excluded. These are not subject to engagement.

APPENDIX 3

ACTIVE CLAIMS HANDLING: SPECIFIC EXAMPLES AND FINANCIAL POTENTIAL

PFA had 132 cases with potential in 2010 alone. If half of them are realised, they represent a financial potential of more than DKK 0.5 billion, distributed between PFA and the public sector.

This does not include the tax effect, the significance to the labour market and, not least, the human aspects for people who get an active life back. Read about Peter's case.

A 35-year-old man on sick leave with a mental disorder could cost more than DKK 10 million if he ends up on public disability benefits, whereas an active effort and a plan could reduce this cost to less than DKK 1 million. Every time someone is moved from passive permanent income support to active employment, the potential savings amount to almost DKK 10 million, plus the tax effect.

Example 1: Peter

Peter is a 35-year-old technical designer. In late 2008, he is reported sick, suffering from depression. He is given medicine by his own GP, but the effects fail to materialise. He is dismissed. After contacting PFA, he enters into a psychiatric treatment process in mid-2009. After his condition improves, he contacts PFA for additional initiatives because in his opinion, the municipal offers do not correspond with what he needed.

PFA then offers him a process targeted more towards the labour market, and he accepts this. During this process he takes part in several traineeships and at the same time he is given individual interviews with a counsellor. His occupational capacity gradually improves, and in late 2010 he is reported completely fit for work. Peter's case cost PFA DKK 390,000 and cost the public sector DKK 423,000.

Alternative outcome: Peter ends up in a flex job

Peter ends up in a flex job due to a lack of active effort. Peter's mental condition becomes chronic and after two years of sick leave, his occupational capacity is still reduced.

He is awarded a flex job and, after six months on unemployment allowance, he is employed in a flex job. He likes the job, but his health worsens four years later and he reduces his number of working hours. The municipal reimbursement is increased from one-half to two-thirds. Peter stops working in the flex job when he turns 65.

Peter's case costs PFA DKK 6.1 million and costs the public sector DKK 621,000. This does not include the loss of tax revenues from ordinary employment for 30 years.

Alternative outcome: Peter ends up receiving public disability benefits

Peter ends up receiving public disability benefits due to a lack of active effort. Peter's mental condition becomes chronic and after two years of sick leave, his occupational capacity is still reduced.

He is awarded a flex job and, after six months of unemployment allowance, he is employed in a flex job, two-thirds of which is reimbursed by the public sector. His mental health worsens and after working in a flex job for four years, he is granted a public disability pension.

Peter's case costs PFA DKK 8.6 million and costs the public sector DKK 2.8 million. This does not include the loss of tax revenues from ordinary employment for 30 years.

APPENDIX 4

IT IS BETTER TO DO SOMETHING TO THE BEST OF MY ABILITY THAN NOT DOING ANYTHING AT ALL



Seven years ago, idealist Anna Lynge started the web portal GirlTalk.dk, where girls aged 12 to 24 can get help with their problems and issues. Today, about 50 girls a day receive counselling and are in contact with other girls to discuss their worries.

"I can't look at a teenager without wanting to talk to her. When I look her in the eyes, I have a thousand things I want to say to her – support her in everything she is capable of. I have so much confidence in these girls and it breaks my heart to watch them destroy themselves. They could do so much more than just sitting alone in a room," says Anna Lynge, the idealist and entrepreneur who started the GirlTalk.dk web portal where girls aged 12 to 24 can chat and seek advice from other girls.

She has invested much of her energy in this web portal over the past seven years, in addition to having given birth to three children and completing a study programme to be a psychologist and coach.

Anna Lynge started the portal after several years of working with teenagers in youth clubs and giving lectures to teenagers and teachers about the problems of bullying, eating disorders and just being young.

"Whenever I gave my lectures, I would always tell these young women that they were welcome to contact me if they had any questions. Then the e-mails would start pouring in, and it was

very hard for me to keep up. It slowly dawned on me that it was important to do something that was more lasting," she says.

For this reason, at the age of 24 in 2004, Anna sat down in her kitchen together with some of her friends and built up a web portal where she and her friends served as counsellors for these young women. The portal also gave users the option of entering a chat forum to talk with other girls their age. And these are actually the same services available at GirlTalk.dk today. The only difference being that many other features have been added, like a parent advice section. "Organisationally, huge developments have taken place, but my heart and the values I want to pass on to the young women are still the same. Back then, all I knew was that I had to do something to help them."

"My basic philosophy was that it is better to do something to the best of my ability than not doing anything at all. I was very idealistic and uninformed and was just taking one step at a time. Today we have a huge professional support group that helps us to do the right thing for these young women if necessary," Anna Lynge says.

Attentiveness, concern and acceptance

Today, about 50 young women a day contact the youth counsellors, whereas the homepage has about 400,000 users a year (up from 200,000 visitors in 2009).

APPENDIX 4, CONTINUED

"The youth counsellors have gradually been trained by professionals to handle the problems they're confronted with. For instance, we've been trained in how to deal with eating disorders, abuse and other violation of personal integrity, and legal guidelines. This has gradually increased the skills of the youth counsellors and, concurrent with the growth of our organisation, more and more volunteers have joined us.

We're now a team of 60 youth counsellors. But it's important to emphasise that their job is not to be experts. We're sort of like big sisters or bridge-builders who can listen, give advice about where to look for more help, tell these young women how to tell their parents and teachers what's worrying them, and most importantly: be attentive, show concern and accept them for who they are," Anna Lynge says.

Many of the girls, who contact the portal, return. Anna Lynge frequently receives e-mails from girls telling her that they wouldn't have made it to where they are today if they hadn't contacted GirlTalk.dk.

"That makes it ALL worthwhile. We want to instil some self-confidence in these girls. We're living in a country where we're very quick to put each other down. We're told on the one hand that we have to be skilled at all sorts of things, but on the other if we believe too much in ourselves, that's wrong, too. I think it's great whenever young women are allowed to try just being themselves. We must believe in who we are and in each other and discover the joy of living in the now," Anna Lynge says.

Future value

It was also difficult for Anna Lynge to believe in herself when she was younger. And it is her own experiences in life that laid the groundwork for her ability to initially go out and give lectures about being young and then subsequently start GirlTalk.dk.

"I went to an ordinary primary and lower secondary school where I experienced from the very first day of school how hard it was for me to fit in. I was one of the unfortunate ones who felt left out and was bullied. This developed into an eating disorder which my doctor spotted when I was ten. But it was never dealt with properly. The doctor wanted my mother to take responsibility for it, and I tried eating, but when I was at school I didn't manage to. I didn't receive professional counselling until I turned 20, when, with the help of my friends, I realised how serious my condition really was. Then I truly wanted to get rid of my eating disorder because they helped me to realise how much it was destroying my life," she remembers. This explains why it is uncommonly important for Anna Lynge to communicate to these young women that there is hope and that it is possible for them to lead a more rewarding life.

"A girl's past is one thing, but she also has a future, too. I know fully well how difficult it can be to get to a place where you can see the light. That's also why it is important that the people who are in contact with a young person having problems discover that this is happening, deal with it and believe that their efforts can succeed. And that is one area where we, as bridge-builders, can help by supporting and encouraging these girls to communicate their problems to those around them," she says.

Strength of anonymity

One of advantages of GirlTalk.dk is that the girls can remain anonymous when they contact the site. Even if parents, teachers at the youth club or schoolteachers would like to help, a young person doesn't always feel they can trust them. At GirlTalk.dk, the information is kept in strictest confidence, so the girls never feel at risk by contacting the site.

"We're not emotionally involved if they tell us something, and besides, the girls can just log off if they feel things are getting too difficult. That way, they're never worried about the consequences," she says.

That said, however, GirlTalk.dk does everything in its power to keep the girls in a forward-looking process and if they have conversations with girls where the counsellors feel that their own expertise fall short, there are psychologists, lawyers and case officers affiliated with the portal whose expertise they can draw on, if the girls have the courage to wait a minute.

In light of her own past, it was also a huge personal achievement for Anna Lynge to get to where she is today with her own web portal, which, among other achievements, has won the European Youth Award in the "Active Citizenship" category in 2005 and the Fun Fearless Female award, in Cosmopolitan in 2007. Also, in 2009, GirlTalk.dk was selected for Reklame For Alvor ('Advertising, seriously'), which triggered an advertising campaign in 2010. In 2011, Anna Lynge and GirlTalk.dk were selected as "Heroes of the Year".

"I had to suppress all my anxieties. This required me to transcend my limits in terms of getting the courage to face the media. Time after time, I've done things I usually wouldn't do – like daring to disclose my whole life story and personal thoughts, which have now been passed on to others. In addition, I've spent lots of sleepless nights writing funding applications, worrying about financial matters, about how to manage 60 youth counsellors, and I've learned how to organise the services of all the professionals and people behind GirlTalk.dk – in short how to start something from scratch," the now 31-year-old Anna Lynge concludes.

Further details are available by visiting www.girltalk.dk

APPENDIX 5

PFA SUPPORTS EMPLOYEE'S CHARITY WORK



The first time Birgitte Sørensen travelled to Nepal was in 2009. Since then, she has been working to improve the daily lives of Nepal's children.

"PFA's support was crucial for us. Specifically, we wouldn't have been able to make a homepage this year without PFA's assistance, because every penny is prioritised for our projects."

In 2010, she and a girlfriend founded Nepal's Children, an independent organisation working to give disadvantaged children a better life. Birgitte's day job is working at PFA as a VIP adviser, but she spends her spare time fundraising and granting support

to children at risk, to ensure that they can get a basic education and healthier living conditions.

Birgitte is currently working to obtain funding for two projects. One targets widows with children who are especially vulnerable. The widows receive assistance to get a sewing machine so they can support themselves and are capable of ensuring that their children are properly fed every day.

Another project targets schoolchildren who, with the help of the organisation, have been given a school lunch programme. The lunch programme enables the children to maintain their level of concentration, stay in school and get the knowledge they need to move on in their lives. In so doing, Nepal's Children helps to develop and promote the level of education in Nepal.

In 2010, Birgitte applied for support from PFA's internal funds and received a financial contribution to set up the organisation's homepage and run specific projects.

"The fact that my workplace backs me up is very fulfilling and gives me lots of energy."

Further details: www.nepalsboern.dk

APPENDIX 6

CO₂-NEUTRAL TAXI DRIVING AND FAIRTRADE ARE PART OF DAILY LIFE AT PFA



CO₂ neutral taxi driving and fair trade are a part of daily life at PFA. In 2010, PFA changed two important suppliers.

As a service enterprise and office workplace, both taxi transport and coffee are two important employee expenditures, and at the same time they are two areas where PFA could make huge financially and socially beneficial savings. Besides, both taxis and coffee are tangible initiatives where employees experience how the CSR strategy is being put into practice.

PFA switched over to fairtrade coffee and other fairtrade products because we wanted to support the trading of products

produced under proper social and sustainable conditions. The results have been noticeable because we get a product we can vouch for, and which is also high quality and means something to our employees.

PFA's employees took part in selecting the suppliers by holding coffee-tasting sessions and through polling. After the switch, we have actually seen an increase in our coffee consumption, which we attribute to the fact that the coffee is both organic and fair trade, so it is also better quality. PFA's employees drink 3,940 kilos of coffee a year.

In 2010, PFA employees drove 8,035 kilometres, equivalent to a carbon footprint of 6,035 tonnes. As the taxi rides are not always equally efficient, 10 % is added to this figure when taxi companies buy quotas, which is why PFA has neutralised 6.63 tonnes of CO₂ in 2010. The number of kilometres is taken from the bottom of the energy class, so the individual taxicab is calculated on the basis of the "poorest" performance in its category.

From now on, PFA's taxicab service provider will use Golden Standard quotas, where the quota funds will be used for CO₂ reducing development projects in Africa.

APPENDIX 7

STAKEHOLDER DIALOGUE OVERVIEW

Customer dialogue
At PFA, we have a Customer Board consisting of 60 executive employees from our largest corporate customers help us to make sure we stay in touch with customer needs and requirements at all times.
PFA's Advisory Services Centre carries out satisfaction surveys on a regular basis. Every other customer who comes in contact with the centre is asked to participate in a satisfaction survey.
To ensure maximum customer trust and confidence, PFA has set up a position for an in-house Customer Representative who acts as a claims attendant. As a PFA customer you can contact the Customer Representative if you have any questions or are dissatisfied with a decision made in connection with a complaint.
Each year PFA takes part in the Aalund Corporate Pension Barometer: The latest survey showed that decision makers were very satisfied with PFA.
PFA wishes to maintain a presence on the communication platforms where its customers are, which means that PFA has increased its use of social media.
All of the dialogues and surveys pointed towards the increasing significance of CSR in the years to come, as well as the importance linking these activities to or integrating them into the business.
Quantitative opinion poll on CSR among individual customers.
Qualitative interviews with corporate customers and organisational customers.
Employees
We carry out annual employee satisfaction surveys focusing on such factors as employee satisfaction and commitment, overall satisfaction with immediate supervisors and the executive management.
Sector associations
As a member of the Danish Insurance Association, DIA, PFA participates actively in the work of the board and relevant task groups, including in the investment area.
PFA is an active board member of Dansif, which PFA uses as a vehicle for spreading the word in the industry about the UN Principles for Responsible Investments. PFA also engages in direct dialogue with UN PRI through Dansif.
Society
Capacent carries out opinion polls on a regular basis for PFA relating to pensions and health related issues.
PFA responds wherever possible to all incoming questionnaires and analyses from organisations, the academic community and the media.
NGOs
PFA also meets with NGOs to include their viewpoints and to help PFA form an overall, multifaceted picture of societal problems. In 2010, PFA took part together with other investors in an information trip with Greenpeace.

APPENDIX 8

CUSTOMER SATISFACTION

	Total	Ruling in favour	Ruling partly in favour	Ruling against	Pending
Number of complaints submitted to the Customer Representative	83	43	11	23	7
Sales	6	3	0	1	2
Customer Services	16	11	1	3	1
Claims Centre	25	3	6	13	3
Pension Centre	17	13	1	3	0
Health Centre	8	3	2	2	1
Miscellaneous	11	9	1	1	0
Other incidents	20				

APPENDIX 9

GROUP STRUCTURE

The PFA Foundation donates money to activities that benefit both existing and retired PFA employees. Other shareholders primarily consist of organisations that co-founded PFA in 1917.

PFA Portefølje Administration A/S (PFA Portfolio Administration) and PFA Professionel Forening (the Professional Association) were established in 2010. PFA IT merged with PFA Pension. The Supervisory Board of PFA Holding and the Supervisory Board at PFA Pension are identical. The PFA Group comprises the following:

PFA Holding A/S (parent company)
PFA Pension, forsikringsaktieselskab
PFA Soraarnej, forsikringsaktieselskab
PFA Ejendomme A/S (PFA Real Estate)
PFA Invest International A/S
PFA Senior A/S
PFA Sundhed A/S (PFA Health)
PFA Kapitalforvaltning, Fondsmæglerselskab A/S (PFA Asset Management)
PFA Portefølje Administration A/S (PFA Portfolio Administration)
FunktionærPension, pensionsforsikringsaktieselskab

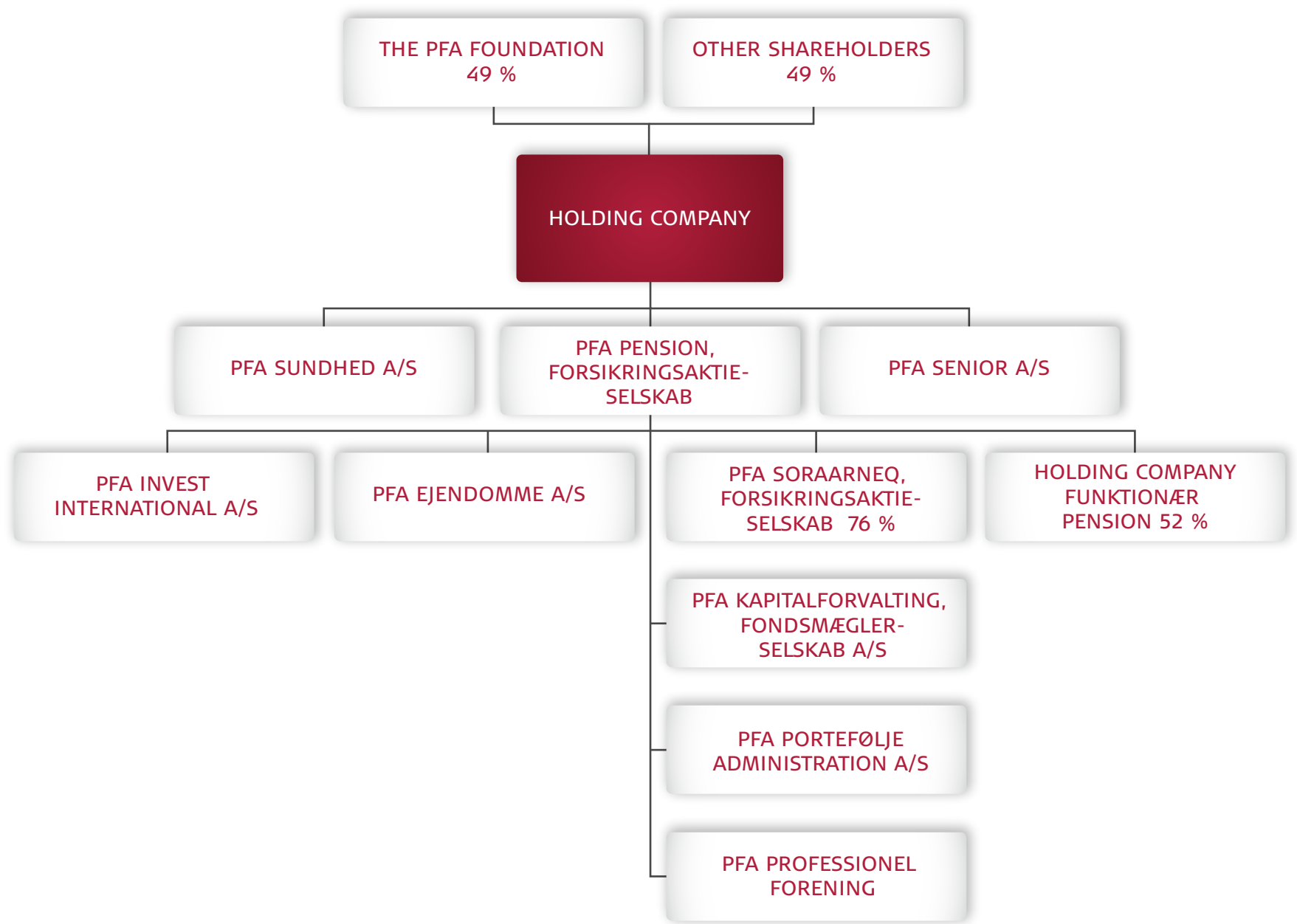
In addition there are two associates:

ATPFA K/S
Irish Foresty Investments Holding A/S

APPENDIX 10:

ORGANISATIONAL MODEL

PFA's core business is providing pensions and health products to private companies and through trade unions. PFA Pension manages the daily business of pension schemes for more than 650,000 Danes. By virtue of its pension and health services, PFA helps to make some 4,500 workplaces attractive places to work.



Further details about the organisation's management structure are found on pp. 100–107 of the Annual Report 2010, providing information about the Supervisory Board make-up, the Executive Board and executive staff and control committees.

APPENDIX 11

PERFORMANCE INDICATORS

Payments: the PFA Group (DKK million)	2009	2010
Total payments	15,375	18,479
Key figures (DKK million)	2009	2010
Income statement		
Premiums	15,375	18,479
Insurance benefits	-12,012	-13,114
Total insurance operating expenses	-1,003	-595
Net profit for the year	349	448
Balance sheet (DKK million)	2009	2010
Total provisions for insurance and investment contracts	236,475	258,209
Total equity	4,596	5,222
CustomerCapital	12,079	13,726
Capital base	15,082	17,364
Total assets	252,908	299,168
Customers' cost and profit/loss ratios	2009	2010
Expense ratio on premiums	4.5 %	3.1 %
Expense ratio on provisions	0.34 %	0.27 %
Expenses per insured	DKK 893	DKK 743
Number of insured	2009	2010
Insurance taken out by individuals	53,387	52,567
Insurance taken out through employers	673,136	663,063
Group term life insurance	499,149	489,357

PFA's 2010 Annual Report contains further details about PFA's organisation and business.

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