



CSR REPORT 2009

RESPONSIBILITY AND VALUE CREATION





LIVE LIFE!

YOUR PENSION IS JUST LIKE YOUR LIFE.
USE IT THE WAY YOU LIVE YOUR LIFE – TO THE FULLEST.
EVERY MOMENT. UP AND DOWN. NOW AND THEN.

PFA IS OWNED BY CUSTOMERS.

AT PFA, PENSIONS ARE ABOUT MORE THAN PERCENTAGES,
INTEREST RATES OR ACCRUALS AND DEFERRED INCOME.

IT IS ABOUT YOU. LIFE – YOUR LIFE.

FROM START TO FINISH.

PENSIONS ARE ABOUT WHAT LIES AHEAD AND
ABOUT WHAT'S HAPPENING HERE AND NOW.

WHILE YOU ARE BUSY LIVING LIFE AND, LATER,
WHEN LIFE IS SOMETHING YOU HAVE TO KEEP LIVING.

ABOUT ENERGY, JOY, MADNESS. AND CARING.

FOR YOUR HEALTH WHEN IT NEEDS A BOOST.

FOR SAFEGUARDING. FOR ENDURING.

ENJOY LIFE, LIVE LIFE, CHOOSE LIFE. IT IS A CHALLENGE.
TO SEIZE. TO DARE.

LIFE.

TIME IS ON YOUR SIDE WHEN LIFE KNOCKS YOU
ABOUT OR TAKES AN UNEXPECTED TURN. YOUR
PENSION CAN HELP YOU TO MOVE ON. TO LIVE.

LIFE IS NOT OVER UNTIL YOU STOP LIVING IT.

RESPONSIBILITY AND VALUE CREATION

It is my great pleasure to present PFA's first CSR Report. Competitive businesses take the lead when they incorporate CSR into the entire value stream. By taking responsibility, they create new value and new business perspectives. At PFA, our main duty is to create maximum value for customers, generate financial value and promote health and well-being in workplaces. At the same time, we assure customers that their funds are managed responsibly when it comes to the community they share with PFA.

CORRELATION BETWEEN CSR AND BUSINESS STRATEGY

At PFA, CSR is deeply rooted in top management. Our goal is for PFA to be a business with a strong responsibility profile. We want to succeed in integrating corporate social responsibility into our business model and in the value we create for customers. We are convinced that our CSR efforts enhance the quality of PFA's services and benefits. Therefore, CSR is an essential element of the change process PFA has initiated to gain a new market position in 2015. In this connection, CSR efforts play a part in the six established indicators that make up PFA's development activities: growth, life cycle product, supplementary benefits, counselling, efficiency and dynamic organisation.

CHALLENGES AND EFFORTS

PFA is in the process of making the transition from pension supplier to welfare and health supplier. We are experiencing a number of societal challenges that we as a company can help to solve. The work of integrating CSR into the business sharpens our focus on how we can address the societal challenges closest to our market.



We are experiencing an increasing need for investors to influence the companies in which they invest to comply with international standards. When investing funds, PFA focuses on responsibility as a means of achieving its overall goal of generating both financial and social value. We want the companies in which we invest to live up to the minimum standards that the international community has adopted for human rights, employee rights, the environment and climate and anti-corruption. To underpin our attitudes and approaches, we signed the UN Principles for Responsible Investments (UN PRI) and the UN Global Compact in 2009. We use the two international standards as the framework for our CSR efforts.

In Denmark, lifestyle diseases and the demands of an ageing population are increasing the pressure on the national healthcare system. We contribute to the public healthcare debate and create benefits that address society's healthcare challenges. An increasing number of Danish retirees will also need a sound financial platform to manage an extended old age. We design our products accordingly.

The ability to attract and retain employees is key to a company's competitive ability. We know that business success depends on committed employees. That is why we want to create the best possible conditions for PFA employees. Our core message is to Live life!, and that definitely also includes working life. We want to create the framework people need to live their working lives, use their professional and personal potential, feel enthusiastic about their jobs, deliver results and develop personally and professionally.

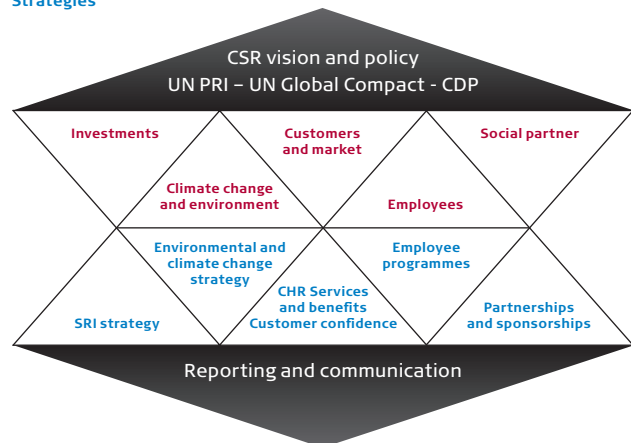
INTERNATIONAL FRAMEWORK AND FOCUS AREAS

The changes in society that affect customers and the market, investment processes, our common environment and climate as well as our ability to attract the best employees are all interlinked with global development. International standards are therefore eminently suitable guidelines for working with CSR. In 2009 we signed both the UN Principles for Responsible Investments and the UN Global Compact, the UN's CSR principles. We have committed ourselves to integrating the principles in the way we do business. PFA is also a member of The Carbon Disclosure Project, and we encourage the companies in which we invest to report on their climate impact to this project. The international principles and partnerships give us a reference framework for our efforts and are reflected in our CSR focus areas.

The focus areas also form the framework for our partnership and sponsor strategy, which we call 'PFA Social Partner'. In 2009 we decided to allocate our support to environment and climate initiatives, improving conditions for the socially marginalised, financial sustainability measures and programmes to promote health. In future, we will produce annual reports about progress in these focus areas, which cover the entire PFA Group.

CSR STRATEGY AND FOCUS AREAS

Focus areas
Strategies



REPORTING

This year's CSR Report is the first report that maps out our current activities and provides information about decisions and initiatives in 2009. It also provides information about the direction of our future efforts.

Open reporting to our partners and stakeholders is a must for our CSR strategy. We want to present the report to our Customer Board and all customers and business partners through our customary communication channels. The report is also forwarded to the international forums that we support and is available on our website.

I hope that this first CSR Report will give our customers, employees, authorities and business partners insight into how we assume responsibility and that it will ultimately create value for the benefit of all parties.

Henrik Heideby, Group CEO and President

PFA, A CUSTOMER-OWNED PENSION COMPANY

PFA Pension A/S was founded in 1917 by the labour market parties. Its objective is the same today: to create maximum value for customers by providing corporate pension plans with insurance cover.

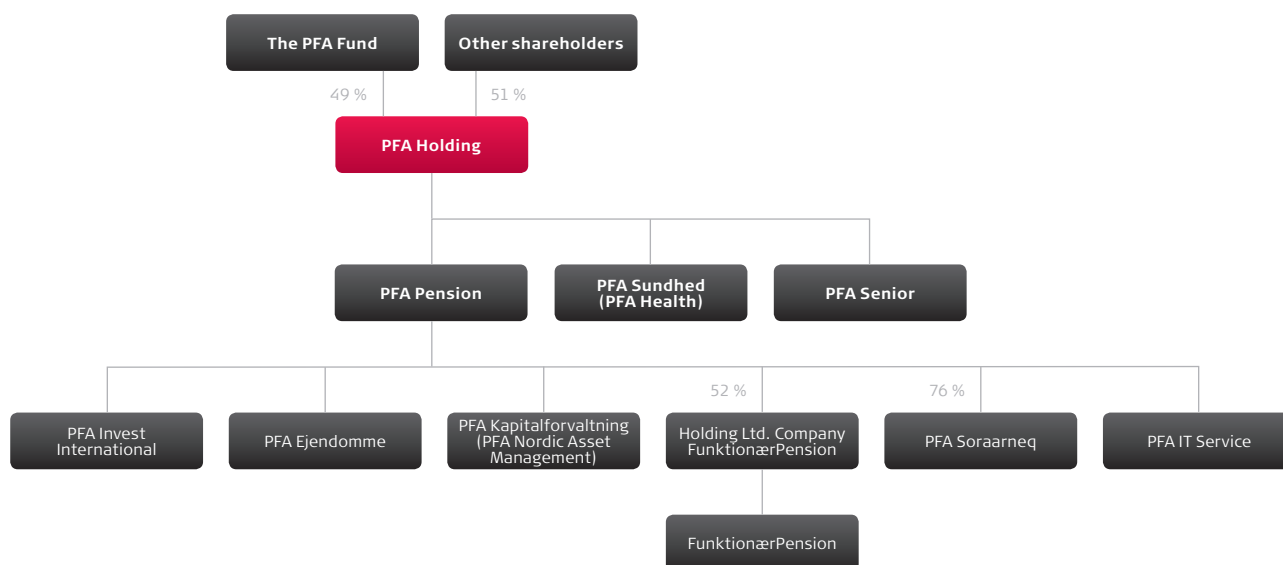
The company has just over 1,100 employees based in five Danish cities, with its head office located in Copenhagen.


PFA is Denmark's second largest pension company. In 2009, customers made pension contributions totalling DKK 15.4 billion to the PFA Group, and total assets amounted to DKK 253 billion. Total customer reserves amounted to

DKK 30 billion at the end of the year. Most of our business is Danish, but we have a small subsidiary that sells company pension plans in Greenland. In 2009, focus in PFA was on innovation, and three new subsidiaries were established – PFA Sundhed (PFA Health), PFA Senior and PFA Kapitalforvaltning (PFA Nordic Asset Management).

In 2009 PFA achieved an investment return of DKK 16.1 billion against DKK 2.6 billion the previous year. PFA is the only commercial pension company that has managed to create a positive investment return every single year for the last eight years.

GROUP STRUCTURE



A photograph of an elderly woman with short, white hair and glasses, wearing a light blue puffer jacket and a matching scarf. She is walking a medium-sized, light brown dog on a black leash along a paved path in a park. The background is filled with lush green trees and foliage, creating a soft, natural setting. The text "OUR CSR EFFORTS ARE EMBEDDED IN OUR CORPORATE DNA." is overlaid on the right side of the image.

OUR CSR EFFORTS
ARE EMBEDDED IN
OUR CORPORATE DNA.



OUR CORE MESSAGE LIVE LIFE!

The traditional idea of pension is very much about life after retirement. At PFA, we want to redefine the concept to make it meaningful and relevant throughout life. We express our core message in two small words and an exclamation mark – Live life! This is what PFA is all about and what we want PFA to be known for. It is the way we approach the world and the promise we make to our customers.

Live life! is both a strategic platform for developing new products, services and the PFA organisation, and a communication platform for internal and external communication.

Live life! was launched at the beginning of 2009 and implemented throughout PFA through employee meetings, workshops and a group of ambassadors who helped to spread the message among the employees.

LIVE LIFE! AS A STARTING POINT FOR ASSUMING RESPONSIBILITY

Live life! also drives our efforts to take responsibility. We want to help build a sustainable society for present and future generations.

We encourage you to Live life! because that is what we want to help our customers to do. We help them to create a good life for themselves – here, now and in the future – by offering them the best possibilities for living life to the full. A pension plan should create reserves of energy for work and for living life, with all that it entails in good and bad times alike. This creates value for individual customers who use their PFA pension plan, and for decision-makers who obtain a visible employee benefit with the pension plan.

Internally, Live life! has become part of our work culture that helps to create sound working conditions. Externally, it is a key element when we develop products and services that benefit society, work for a good cause – either alone or together with business partners – or put important social issues on the agenda.

LISTEN AND INTERACT

OUR APPROACH TO STAKEHOLDER DIALOGUE

Open, close dialogue with stakeholders is a clear objective for PFA. Listening to and interacting with our stakeholders is a matter of principle. Our corporate responsibility means ensuring openness and transparency and exchanging opinions and knowledge with employees, customers, business partners, authorities and organisations.

Furthermore, we want to be part of the public debate and contribute knowledge and professional competences in areas such as finance and economy, Corporate Health Responsibility, disease prevention and preventive measures. We work actively with relevant trade associations and opinion formers. Through the media and direct dialogue with authorities and organisations, we inform the general public about issues relevant to society.

As a customer-owned company, we attach great importance to close customer dialogue, which we believe is essential to our business development. We also regularly carry out internal and external customer satisfaction surveys, and PFA's employees are regularly asked

how satisfied they are with their workplace as well as with their immediate supervisors and top management.

In January 2009, PFA co-founded a professional investors' forum, Dansif, which focuses on responsible investments. In 2009, as chairman of Dansif, PFA took the initiative to arrange a number of business seminars on responsible investments. One topic covered was how businesses can incorporate the UN PRI into their investment activities. Another focus of the forum's work is raising interest among investors in Dansif and creating support for the UN PRI.

REPORTING AND DOCUMENTING CSR WORK ARE KEY ELEMENTS OF OUR FUTURE STAKEHOLDER DIALOGUE. IN 2010, WE WILL REINFORCE CUSTOMER DIALOGUE IN THE CSR AREA THROUGH A QUALITATIVE ANALYSIS AMONG BUSINESS PARTNERS.

PFA'S STAKEHOLDER COMMUNICATION

STAKEHOLDERS

EFFORTS AND DIALOGUE

CUSTOMERS

- At PFA, we have a Customer Board consisting of 59 executive employees from our largest corporate customers who make sure we stay in touch with customers' needs and requirements at all times
- PFA's Customer 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
- We have an efficient customer complaints system. To ensure maximum customer trust and confidence, we have 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
- Capacent and Rambøll carry out customer satisfaction surveys and image surveys on a regular basis. The latest survey, Aalund's Corporate Pension Barometer, showed that decision-makers were very satisfied with PFA

EMPLOYEES

- We carry out annual employee satisfaction surveys focusing on such factors as well-being and overall satisfaction with immediate supervisors and top management

TRADE ASSOCIATIONS AND AUTHORITIES

- As a member of the Danish Insurance & Pension Association, PFA participates actively in the work of the board and relevant working groups on the climate and environment, responsible investments, openness and transparency
- Dansif is PFA's vehicle for informing the industry about the UN Principles for Responsible Investments. The establishment of Dansif has created a new platform where NGO's and investors can meet to share knowledge and work together on relevant problems and issues

SOCIETY

- Capacent helps us with opinion surveys that allow us to deliver products and counselling that meet market expectations. We ask employees about their attitudes towards Corporate Health Responsibility, preventive measures and retirement wishes. The surveys also provide us with a platform for setting a public agenda
- We established a foundation to support those who help others. The PFA Live Life Foundation uses PFA's digital platform and social media to promote and market projects that apply for funds

NGO'S

- In addition to its involvement with NGO's through Dansif, PFA attends bilateral meetings with NGO's so we can incorporate their views and form an overall opinion of society's problems and dilemmas. Wherever possible we also answer any questionnaires and analyses we receive

PFA'S STRATEGY FOR CORPORATE SOCIAL RESPONSIBILITY

Our CSR efforts are embedded in our corporate DNA as a customer-owned pension company with a business model that creates maximum value for customers.

Our CSR efforts generate maximum benefit when they are focussed on areas where we have the strongest impact. As a Danish pension supplier with no branch offices abroad, our primary influence lies within societal challenges in Denmark, a fact also reflected by our selected focus areas and initiatives.

However, as an institutional investor we operate in the international community, where we can exert influence and contribute to compliance with and respect for interna-

tional conventions and corporate governance standards. This is another reason why PFA has chosen an active investment policy defined both by regulative guidelines and by our own principles and objectives.

In 2009, PFA established the strategic CSR platform. The work is done by a separate CSR secretariat in the Communications & HR department and which reports to Group management. The CSR work is based on the policy for the area adopted by the Supervisory Board in 2007. The policy areas are published in Danish on www.pfa.dk.

OUR CSR STRATEGY HAS THREE PILLARS

1

PFA is a customer-owned company. Our primary duty is to create maximum value for customers while maintaining our responsibility towards the community as a whole.

2

The CSR efforts have a commercial value because in future, more customers will select a supplier who acts according to principles of sustainability and invests in accordance with international conventions.

3

CSR plays a part in attracting the best employees and suppliers without whom we could not deliver the best products in the market.

Based on the three pillars, our own analysis of social trends and input from stakeholders, we have defined five focus areas.

FOCUS AREA

INITIATIVES

INVESTMENTS

- PFA is an active investor who seeks to influence the companies in which we invest to act more responsibly
- We include non-financial data in the investment analysis and risk assessment
- We screen our portfolio on a regular basis and enter into dialogue with companies who do not act in accordance with our principles for Responsible Investments (RI)
- We contribute to setting high industry standards for RI work in Denmark

ENVIRONMENT AND CLIMATE CHANGE

- We want to reduce our CO₂ emissions and use fewer resources with environmental and climate impact
- We want to leverage our position to influence other companies to act in a more environment- and climate-responsible way
- We want to implement an internal climate change programme

EMPLOYEES

- Employee programmes that improve health and well-being in the workplace
- Healthy working environments and employee conditions
- Employee satisfaction surveys in selected areas
- Increased commitment and motivation
- New professional development programmes

CUSTOMERS AND MARKET

- Solutions that create healthy workplaces
- Increased openness and transparency
- Establishment of Customer Representative position to increase customer satisfaction
- Help to inform as many Danish citizens as possible about the importance of pension and benefit plans and encourage them to take out a pension plan and health coverage

PARTNER TO SOCIETY

- PFA Live Life Foundation – is based on an approach to partnerships
- Sponsorships and partnerships with focus on health promotion and disease prevention, the climate and environment, better conditions for socially marginalised people and financial sustainability

PFA'S CORPORATE SOCIAL RESPONSIBILITY STRATEGY

2009 was a year of development and progress for CSR, where we worked on improving the framework, defining our focus areas and initiatives. We will continue to develop our efforts in 2010 and expect to see greater acceptance of the potential of our initiatives, as well as reach our subsidiary goals. We will follow up on our goals and use analyses and stakeholder dialogue to develop and adjust the areas.

IMPLEMENTATION AND COMMUNICATION

In future, the CSR strategy will serve as a platform to help management decide how PFA will act as a socially responsible business partner, employer and citizen. Our approach is based on value, but as a customer-owned company, we believe it is crucial to carry out future work in close dialogue with our stakeholders, customers in particular.

CSR initiatives will be organised and implemented in cooperation with the management of key departments such as Sales, Real Estate, IT, Purchase and Finance, and Investments as well as our subsidiary PFA Sundhed (PFA Health). CSR is linked to the business strategies of these areas, and we will monitor progress annually. The intention is that in future, all company areas will report more systematically on CSR goals and progress.

In 2009, PFA submitted its first reports to the UN PRI and the UN Global Compact. PFA's accounts department internally reviews and revises data monitoring, and an independent external partner has examined the CSR Report. We provide regular information about our CSR initiatives to our stakeholders via our website, www.pfa.dk, where

the CSR Report is available for download. This report is PFA's first Communication on Progress Report and will be published on the UN Global Compact website. PFA submits a separate report to the UN PRI about our work with responsible investments.

UN GLOBAL COMPACT PRINCIPLES

The UN Global Compact is a widely known and respected international framework for companies' CSR efforts. PFA supports the framework and principles of the Global Compact, and in our work with responsible investments, we focus on central areas within the Global Compact and UN PRI – human rights, employee rights, climate and environmental issues and anti-corruption.

Internally, our responsibility work has focused primarily on two of the four overall areas of the UN's Global Compact. These initiatives relate to creating good working conditions that exceed international standards and addressing environment and climate issues, because we believe that companies that care for the climate and environment will gain the competitive edge in the long term.



RESPONSIBLE INVESTMENTS

PFA IS AN ACTIVE INVESTOR

PFA managed assets worth DKK 253 billion at the end of 2009, and approx. 577,000 Danes have a pension plan with us. Our duty is to create long term value for our customers, and we believe it is crucial to do so in a responsible manner.

In the investment process, we define responsibility as the observance of existing laws, relevant rules and international conventions. Responsible investments are a complex area with no right or wrong answers. New issues and problems emerge constantly. We believe that our investment performance should depend on rigorous, systematic investment practice, because the highest possible return is not created by responding to problems as they arise. Therefore, in 2009 we signed the UN Principles for Responsible Investments, and the six fundamental principles form the basis of our RI efforts (Responsible Investments).

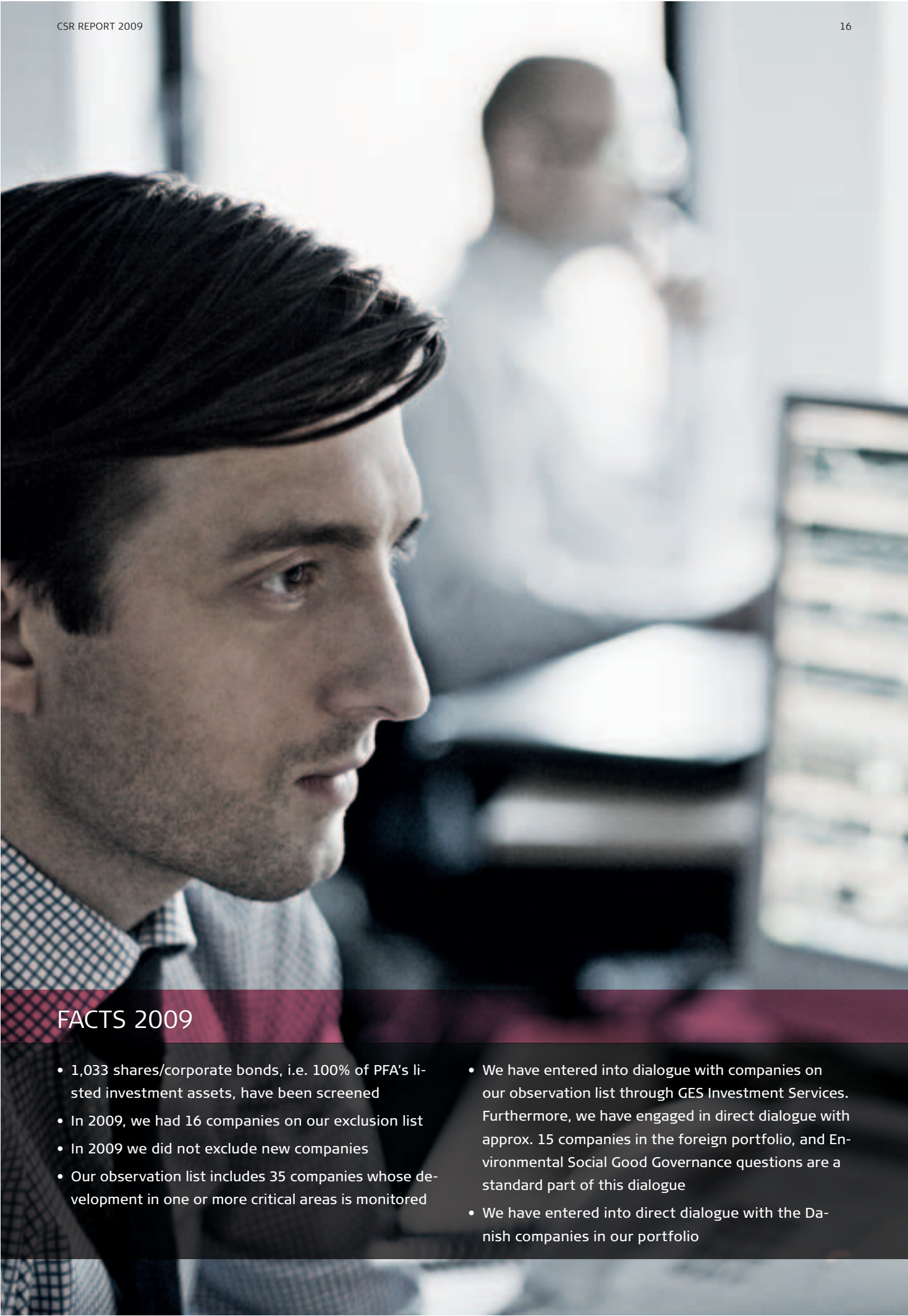
PFA routinely includes non-financial company data on environmental and social issues as well as corporate governance in its investment analysis. Our external managers are familiar with PFA's policy and bound by contract to abide by our exclusion list. Every six months we forward an exclusion list to managers and follow up to make sure our policy is adhered to in practice.

SCREENING

All investment assets are subject to so-called norm screening in accordance with the policy on responsible investments. We screen for breach of international standards for human rights, employee rights, the environment and climate as well as anti-corruption. We cooperate with GES Investment Services (GES), an impartial external adviser in this area.

GES screens PFA's investments twice a year. At semi-annual status meetings, GES presents examples of problematic companies that violate human or employee rights, fail to protect the climate and the environment or exert corruption, and are thus in conflict with both our policy and the principles of the UN Global Compact.

GES draws on more than 9,000 worldwide news sources for its analysis. If a company is associated with the violation of international conventions, or behaves in a way that conflicts with international legislation, the company will offer an explanation of its behaviour. If the company itself is responsible for the violations and fails to initiate changes to remedy the situation, GES will recommend engagement or exclusion. We compare GES data with our own analyses and, on the basis of this information, decide whether to actively engage or exclude the company. Each PFA portfolio manager is aware of the current engagement and exclusion lists.

A man with dark hair, wearing a patterned shirt and a dark tie, is shown in profile, looking intently at a computer monitor. The background is blurred, showing another person in a white shirt standing near a window. The overall tone is professional and focused.

FACTS 2009

- 1,033 shares/corporate bonds, i.e. 100% of PFA's listed investment assets, have been screened
- In 2009, we had 16 companies on our exclusion list
- In 2009 we did not exclude new companies
- Our observation list includes 35 companies whose development in one or more critical areas is monitored
- We have entered into dialogue with companies on our observation list through GES Investment Services. Furthermore, we have engaged in direct dialogue with approx. 15 companies in the foreign portfolio, and Environmental Social Good Governance questions are a standard part of this dialogue
- We have entered into direct dialogue with the Danish companies in our portfolio

RESPONSIBLE INVESTMENTS

ACTIVE INVESTOR

PFA exercises active ownership primarily through dialogue where we seek to influence the company to change its behaviour. Companies who systematically and regularly violate our guidelines are excluded from PFA's investment activities.

However, excluding companies that conflict with our guidelines is not a goal in itself – ignoring the problems does not amount to true responsibility. Instead we use dialogue to try to influence the company to change its behaviour.

Excluding an investment will usually result in other investors with less strict requirements taking over the investment. This rarely leads to the desired improvement in company conditions. Instead our policy includes engagement where we enter into direct dialogue with the management about the unacceptable conditions.

The exclusion of a company following a dialogue is not definitive: the company is reconsidered if it can demonstrate that routines have been improved and if it remains an attractive investment.

SYSTEMATIC EXCLUSION

Certain companies are exempt from the principle of active ownership and engagement. These companies produce products that conflict with international conventions, for instance, cluster bombs and other controversial weapons. We systematically exclude these companies from all of our own investment assets. In 2009, we published our guidelines within this area, which we had previously addressed internally within the company.

PricewaterhouseCoopers and GES Investment Services have assessed PFA's investment procedure and whether PFA is ready to sign the UN Principles for Responsible Investments (UN PRI).

Read more about our work as an active investor and our engagement process in Danish at www.pfa.dk.



PFA HELPS TO STRIKE A HEALTHY BALANCE
BETWEEN WORK AND LEISURE.



CUSTOMERS AND MARKET

TRANSPARENCY INCREASES INNOVATION

At PFA, we constantly work to tailor information to customers' expectations so that they perceive the pension plan as understandable, relevant and, in particular, transparent. Lack of transparency leads to lack of confidence, poor dialogue and ultimately lack of openness towards innovation. In 2009, we launched a number of initiatives to create greater transparency and understanding.

PFA is a role model in the work of creating greater openness and transparency regarding expenses. We had already established an expense meter back in 2008 on www.pfa.dk, where customers could get an idea of how much they paid to be a customer with PFA expressed as annual expenses as a percentage or in DKK. That same year, we were the first company to introduce expenses calculated as a percentage or in DKK as part of the annual pension survey.

In 2009, we expanded the calculation of expenses as a percentage or in DKK to contain all direct and indirect expenses. Following dialogue with company and organisational decision-makers, we digitalised the annual survey. Only approx. 15% of our customers opted to receive the annual survey as a letter. The rest download it from www.pfa.dk or receive it electronically via the Danish e-boks system. This initiative saves PFA – and customers – the expense of sending out annual surveys totalling 3.5 million sheets of paper and 0.5 million envelopes.

COMPREHENSIBILITY

We have a programme to improve our communication and tailor it to customers' expectations so that they perceive their pension plan as comprehensible and relevant. This has resulted in a number of new pension concepts that are easy to understand and have been incorporated into PFA's new pension product, PFA Plus.

The programme also has an impact on PFA's other products where focus is on reducing printing and improving accessibility.

CONFIDENCE

As a customer-owned company, PFA has a special responsibility when it comes to creating customer trust and satisfaction. Although we do our best to offer fair treatment every day, we occasionally hear from dissatisfied customers. In 2009, PFA therefore decided to improve customer satisfaction, and we now have a Customer Representative to listen to customers' and handle their complaints.

Customers can contact the Customer Representative if they are dissatisfied with a decision made in connection with a complaint. Closed cases can now be reopened, and we offer special counselling to customers with questions regarding the final decision.

CORPORATE HEALTH RESPONSIBILITY

PFA works to improve Corporate Health Responsibility for the benefit of employees, companies and society.

We view the entire health area at PFA as business-driven Corporate Social Responsibility. Companies assume social responsibility when they introduce our preventive measures and health offers for their employees.

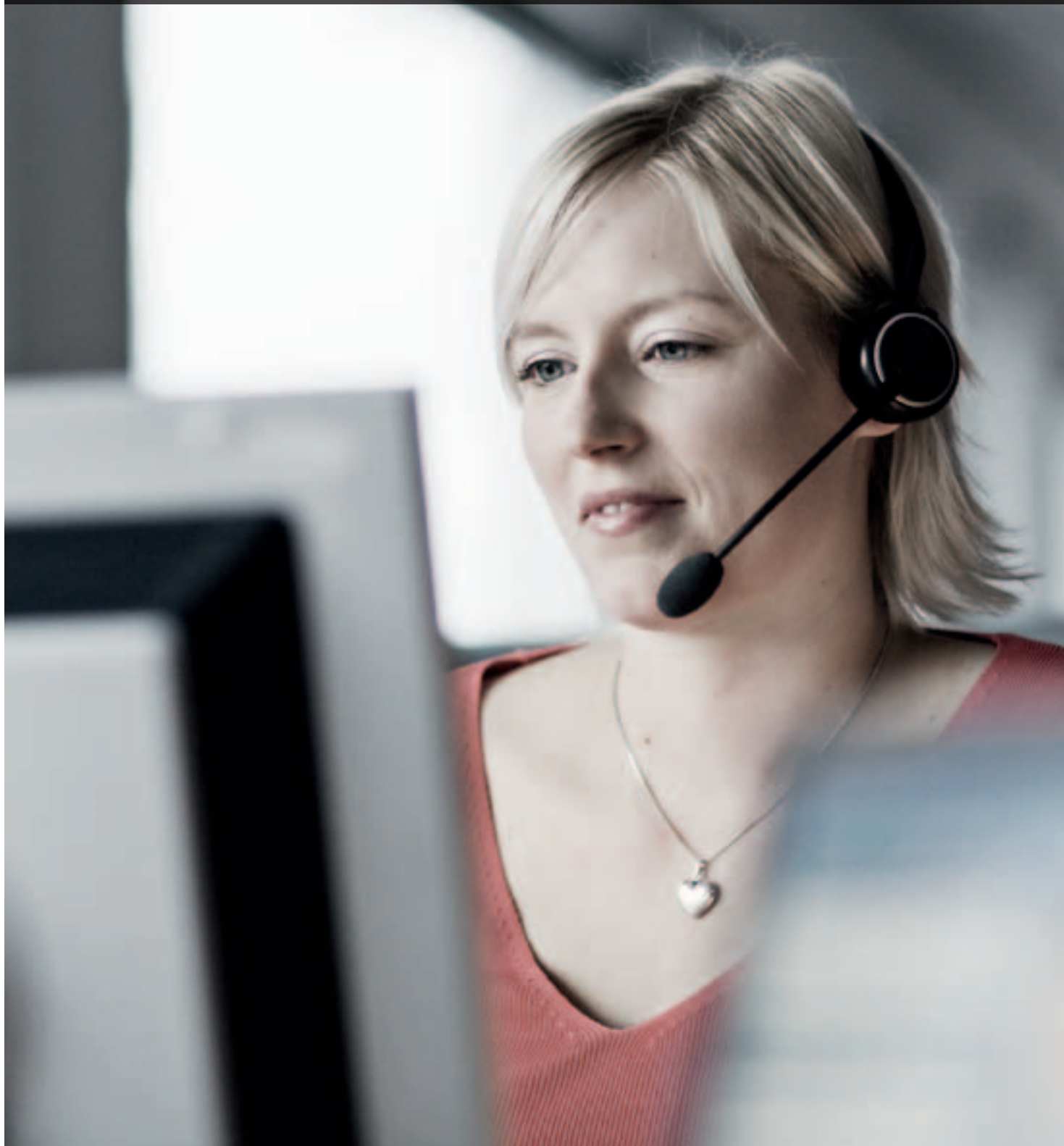
Employees, companies and society benefit socially and financially when companies make an effort to improve the health of their employees. We have set a strategic goal to help improve the overall health state of Danish citizens. We call this Corporate Health Responsibility. At PFA we focus internally on the health of our own employees as well as externally at our customers.

Information in Danish about Corporate Health Responsibility is available at www.pfa.dk.

CUSTOMER REPRESENTATIVE

The Customer Representative's duties include:

- Handling cases in which customers are dissatisfied with a decision made by PFA, or with the way PFA dealt with them
- Creating a simple point of contact for dissatisfied customers in connection with a complaint
- Being PFA's public image in connection with the complaint options offered by PFA
- Representing customers who are dissatisfied with a decision
- Ensuring that PFA learns from its mistakes
- Creating openness and satisfaction in connection with decisions made by PFA by publicising them on www.pfa.dk and in the annual claims report



CUSTOMERS AND THE MARKET

PFA's objective is to help create healthy Danish workplaces. Therefore, our initiatives include preventive measures and measures to promote well-being, as well as efficient, rapid action when it comes to disease prevention, health promotion and targeted rehabilitation efforts. Our focus has added a number of new supplementary solutions to our range of health products.

Companies take on a social responsibility when they offer preventive efforts and treatment through various health benefits. An example is PFA's health insurance product, which helps to prevent and reduce obesity and other health problems.

At least 15% of the Danish population have a BMI of 30 or more and are therefore characterised as obese. If you have health insurance with PFA through a pension plan with your employer, you have access to a clinical dietician who can help you return to a normal weight.

A total of approx. 150,000 Danish employees have insurance cover at PFA to help them overcome obesity. In addition to tangible results such as weight loss, which helps improve overall quality of life, the objective is to counter obesity-related illnesses such as diabetes and cardiovascular diseases.

In 2009, 185 people used this insurance cover and 142 in the previous year. However, as the average weight of the population increases, we believe that far more people will make use of the health insurance cover in future.

In our Annual Report 2009, we describe how PFA has given priority during the year to working with health and preventive measures as part of the pension plan.

INITIATIVES IN 2009 INCLUDE:

1	2	3	4	5
A concept for health management: preparing a long-term strategy and a specific plan of action with recommended activities. This could be for all employees, selected groups or individual employees of the company.	A pilot project to prevent long-term sickness absence caused by stress has proved so successful that PFA is now working to use the experience on a larger scale to enable even more people return faster to the labour market.	Two new counselling hotlines: a HR hotline and a well-being hotline to provide guidance and support for people facing serious problems. Many well-being problems can be resolved if they can be talked through, especially before they turn into a personal crisis.	A web-based tool giving management an overall picture of the anchoring of health initiatives in the company.	Seminars offering employees the necessary motivation and tools for a healthier existence and a better working life.

DYNAMIC, COMMITTED EMPLOYEES

COMMITTED EMPLOYEES CREATE THE BEST PRODUCT

We are actively involved in creating a workplace that will be able to maintain, develop and attract the highest qualified employees. We cannot deliver the market's best product without their commitment, qualifications and motivation.

We want our employees to demonstrate drive, presence and commitment, and we work actively to create the proper development environment. We do so by focusing on developing the individual's qualifications and skills. This fosters motivated and skilled employees who also have a high market value if they ever decide to leave PFA.

EMPLOYEE SATISFACTION AND DIALOGUE

At PFA, we examine employee commitment on a regular basis using the analysis tool Danish Employee Index (DMI). The employees' opinion of the company forms the basis of important HR decisions and plays a part in PFA's ongoing commitment to become a better workplace.

The employee satisfaction survey is carried out internally at PFA, but it includes standardised questions to enable the responses to be benchmarked against the general level of job satisfaction in the private sector. Results show that, scoring 74 points on a 0-100 scale, PFA ranks slightly above average in the private sector.

In 2009, we carried out a partial survey, but in 2010 we will again conduct a Danish Employee Index satisfaction survey throughout the company.

EQUAL OPPORTUNITIES

At PFA, we work to provide equal opportunities and conditions for everyone. We also want a healthy balance of male and female managers and executive employees. As at 31 December 2009, the gender distribution of permanent staff at PFA Pension was 55% women and 45% men. At managerial level, the distribution of managers and executive employees was 61% men and 39% women. These figures put PFA above average in the financial sector, where 73% of managers and executive employees are men and 27% women.

We strongly believe that everyone should enjoy equal opportunities irrespective of gender, age and background. This includes equal career opportunities and equal conditions. By way of example, this means all employees are entitled to two allowed days off for sick child, full salary during parental leave, which is 28 weeks for the mother and 14 weeks for the father. Many employees also have the possibility of working from home, which affords them a high degree of flexibility in their daily lives.

EQUAL SALARY

In 2009, new studies revealed salary differences between men and women doing the same jobs in various areas of PFA. For specialists, the salary difference was in the women's favour, whereas in the team manager group, the difference was in the men's favour.

PFA is conducting salary equality discussions with the works committee and, in the run-up to the 2010 salary and bonus negotiations, has informed all managers that an average gender-based difference in salary for the same work is unacceptable and must be rectified. We will conduct new salary equality surveys in 2010 to follow up on the results.

SKILLS DEVELOPMENT

At PFA, we focus on skills and talent. Our efforts focus on the individual's skills and qualifications based on the premise that we can generate better results and increase job satisfaction if we consciously work with knowledge, skills and motivation.

In 2009, we supplemented our internal skills development programme – management talent – with another talent programme and a mentor plan aimed at employees with potential to become pension advisers. Likewise, we updated our existing management talent programme to support the development of management potential.

WE ENCOURAGE OUR EMPLOYEES
TO KEEP FIT AND ACTIVE



DYNAMIC, COMMITTED EMPLOYEES

PFA's HR strategy for 2010 includes initiatives to increase the number of employees with management potential, so that all talented staff, regardless of gender, can develop the right qualifications and feel motivated to work as managers.

EMPLOYEE BENEFITS, WELL-BEING AND HEALTH

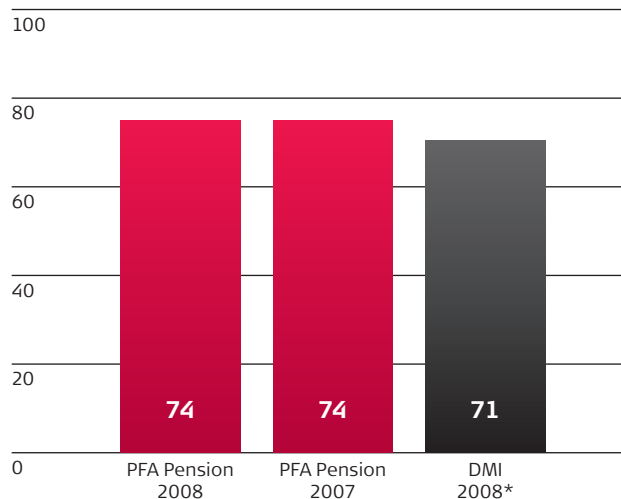
We provide a number of attractive employee benefits and offers that help to create a healthy work-life balance.

We also encourage our employees to keep active and fit and offer them the necessary tools to do so. Our analyses show that keeping fit has a positive effect on well-being and sickness absence. Over the past two years, PFA has reduced sickness absence from approx. 6% to just under 4%. Increased management focus was one of the factors contributing to the good results.

Every other year, employees are offered a preventive health examination through their health insurance.

At www.pfa.dk we provide information about employee conditions.

JOB SATISFACTION



*Danish Employee Index, labour market in general

ENVIRONMENTAL AND CLIMATE CHALLENGES

AN ACCELERATED CLIMATE CHANGE EFFORT

Climate and environmental issues are important to PFA, and during the spring of 2009, a number of independent company initiatives were incorporated into a single environmental and climate change strategy to boost efforts. The strategy was published on www.pfa.dk and addresses our initiatives in the investment area, purchase procedures and efforts to reduce energy consumption at PFA's head office.

SUSTAINABLE OPERATIONS AND OWN REDUCTIONS

PFA carried on the efforts in connection with optimising company operations at the head office to reduce waste of resources, for instance by reducing consumption of paper, electricity and heating. Reductions are obtained by way of optimising operations by purchasing electrical power from renewable energy sources and good employee behaviour in line with appropriate use of resources. Efforts play a part in obtaining PFA's partial goal in 2010 to reduce CO₂ emissions by 10 per cent and to become a CO₂ neutral company in the long run.

TOTAL CO₂ EMISSIONS FOR THE PFA GROUP

	2007	2008	2009
Total CO ₂ emission (tonnes)	2,211	2,155	2,287
CO ₂ emission per employee (tonnes)	1.80	1.75	1.90
Adjusted total CO ₂ emission (tonnes)	2,211	2,155	2,219
Adjusted CO ₂ emission per employee (tonnes)	1.80	1.75	1.84

*Adjusted figures are exclusive CO₂ emissions from air travel in 2009



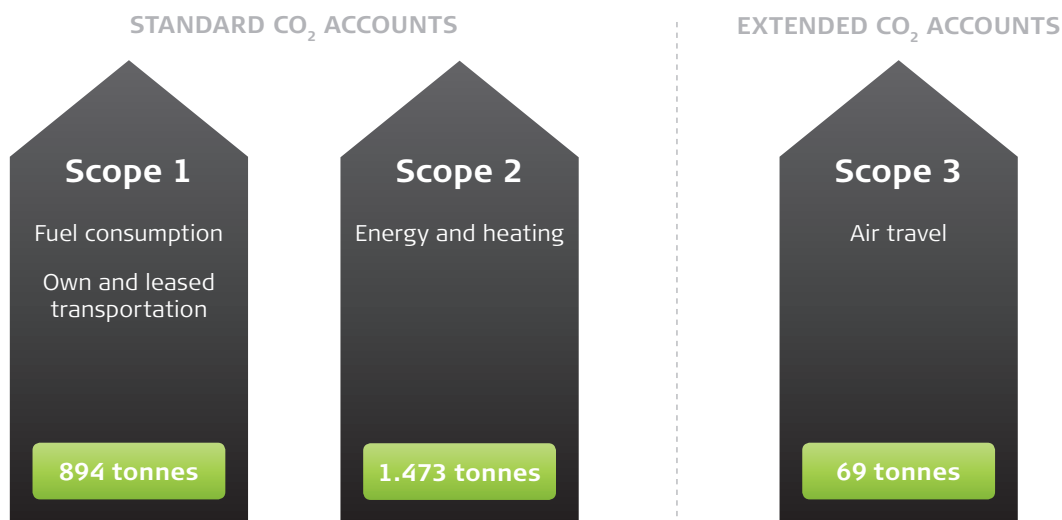
IN 2009, PFA SUPPORTED THE PHOTOJOURNALISTIC
PROJECT 'CLIMATE CHANGE DOCUMENTARY'

A close-up photograph of a wind turbine's internal components, specifically the hub and the base of the blades. The metal surfaces are light grey and show signs of wear and rivets. The background is a clear blue sky.

IMPLEMENTED REDUCTION INITIATIVES

- Movement sensors set up in approx. 1,000 m² landscaped offices, approx. 500 m² cubic offices and approx. 200 m² other office space = 18,500 kWh savings
- Electric heating disconnected on all walkways = 28,050 kWh
- Server virtualisation - 354 servers have been virtualised/consolidated to the present 30 servers = 1,208,394 kWh

CONSUMPTION 2009



ENVIRONMENTAL AND CLIMATE CHALLENGES

CARBON FOOTPRINT 2009

At the end of the year, PFA signed a climate partnership agreement with DONG Energy to help PFA reach its reduction goals. An essential part of the agreement is that PFA buys environmentally friendly power from the Danish windmill farm, Horns Rev 2, the world's largest offshore windmill farm.

At the end of 2009, PFA emitted 2,287 tonnes of CO₂, slightly more than in the two previous years. If CO₂ emissions from air travel are omitted, the figure drops to 2,219 tonnes CO₂, which corresponds to 1.84 tonnes per employee per year.

PFA's consumption for the financial year 2009 constitutes our baseline for the future work of reducing emissions by optimising operations, primarily in scope 1+2, i.e., reducing emissions from our own transportation, fuel consumption, energy and heating. In scope 3 we have limited ourselves to measuring emissions from air travel. We will not measure emissions from waste, outsourcing, purchase, product application and other product transportation in scope 3.

A number of reduction initiatives implemented in the second half of 2009 have already resulted in reductions. We expect to see the full impact of reduction potential in 2010.

The climate report is available in Danish on www.pfa.dk.

INVOLVING EMPLOYEES

Involving employees in the environmental and climate change strategy was an important objective. A corps of 40 climate ambassadors used workshops to train their colleagues in addressing environmental and climate concerns, thus successfully increasing internal awareness of this issue at PFA.

The work resulted in a catalogue of ideas on how employees can take personal responsibility, use resources appropriately and avoid waste. Another outcome was increased focus on unnecessary waste in connection with printing and the power consumption of work stations.

The work of involving employees using motivational behavioural programmes, which provide the proper tools for addressing environmental concerns at work and at home, continues in 2010.

PURCHASE AND SUPPLIER DEMANDS

In 2009, the environmental and climate change strategy included revising the demands we make on suppliers. We asked all suppliers to the purchase department and the real estate company PFA Ejendomme to complete a questionnaire on environmental considerations and climate performance. Based on our environmental screening, we entered into dialogue with the suppliers to increase focus on this area. In future, we will use environmental supplier screening prior to tender rounds, and the feedback will form part of the comparison of quotations. PFA wants the products purchased to be environmentally friendly and to play a part in further reducing PFA's CO₂ emissions.

PFA AS A PARTNER TO SOCIETY

At PFA, we want to be an active partner in the society to which we belong. Over time, PFA has given priority to supporting many different activities and organisations.

At the beginning of 2009, we took the initiative to combine all our sponsorships and support activities in one strategy. At the heart of the strategy is our focus on specific topics and issues that are close to our business. Wherever possible, we actively participate in the causes we support by contributing knowledge and commitment as well as financial support.

PFA LIVE LIFE FOUNDATION

An important initiative that will profile PFA in future is the establishment of the PFA Live Life Foundation. The foundation is an expression of our long-term commitment to supporting those who spend their lives supporting and helping others. We have nothing but respect for the energy and commitment of these people.

Through the foundation we want to celebrate and encourage personal commitment. As well as providing support from the foundation, PFA wants to become involved in specific projects. This means working with support recipients in various ways such as fundraising and electronic marketing, which reaches a broad audience, and by allowing our employees to lend a helping hand.

The fund assets amount to DKK 3 million, and the return on these funds – estimated to be as much as DKK 125,000 annually – will be distributed in support. The idea was to create a fundamentally different foundation that provides resources and commitment as well as financial support. PFA therefore wants to become an active partner of the selected project(s).

EMPLOYEE POOL

Alongside the PFA Live Life Foundation, we have also established an independent internal employee pool. Employees who work for specific charitable projects may file an application for financial support from PFA's employee pool on behalf of these projects. In 2009, seven employees were granted support, which was awarded directly to specific charitable projects in which these employees are involved.

Information about the PFA Live Life Foundation and the projects that PFA supports is available in Danish at www.pfa.dk.



THE PFA LIVE LIFE FOUNDATION WAS FOUNDED IN 2009 TO
SUPPORT PEOPLE WHO WORK PASSIONATELY FOR DANISH SOCIETY.

ACCOUNTING POLICIES FOR THE CSR REPORT 2009

With the CSR Report 2009, PFA established a starting point for the future reporting of CSR data. The CSR Report is the first of its kind in PFA and also serves as the Communication on Progress Report to UN Global Compact.

In future, PFA will report once a year about the development of our CSR efforts in connection with the publication of the Annual Report. It is PFA's objective to report in accordance with the GRI G3 guidelines for the financial year 2010. The CSR Report 2009 serves as a baseline for future reports. The CSR Report is applicable for the same financial year as the current Annual Report.

The below quality criteria and accounting policies have been applied on presentation of the report.

RESPONSIBLE INVESTMENTS

Article 1

Screened assets and corporate bonds have been determined as the number of the screened companies which form part of the asset and corporate bond portfolio in the financial year 2009.

Article 2

Companies on the engagement, exclusion and observation lists are the number of companies determined as at 31 December 2009.

DYNAMIC AND INVOLVED EMPLOYEES

Article 3

Employee satisfaction is determined once a year through the completion of an employee satisfaction survey. The exception was 2009, when only a partial survey was conducted. The Danish Employee Index (DMI) survey for 2008 was completed with an employee response rate of 95%. The job satisfaction and loyalty of employees in PFA Pension is measured using the overall model for the European Employee Index. The model provides an overall description of employees' job satisfaction.

Article 4

The number of employees has been determined as the number of permanent employees as at 31 December 2009.

Article 5

The gender distribution of employees has been determined as the number of permanent employees as at 31 December 2009.

Article 6

Management-level staff are defined as managers included in our system in the following categories: FD (Team Leader), IF (Individual Team Leader), IO (Area Manager) or IP (Director of Business Unit).

The distribution of male and female employees at management level is determined as at 31 December 2009.

ENVIRONMENT AND CLIMATE CHANGE

Article 7

The calculation of energy consumption and CO₂ emissions only covers the head office at Sundkrogsgade 4, Copenhagen O, Denmark. Energy consumption covers both power and district heating consumption. PFA's power supplier is DONG Energy and the district heating supplier is Copenhagen Energy, Københavns Energi A/S.

The conversion factor applied for the conversion of energy consumption to CO₂ emissions is "g CO₂ / kWh". DONG Energy has provided the applied conversion factor for power consumption and Copenhagen Energy has provided the applied conversion factor for district heating consumption. The conversion factors are shown on an annual basis.

Power consumption includes power purchased for heating and electricity. The statement is based on meter readings carried out externally on a monthly basis. DONG Energy handles meter readings for power and Copenhagen Energy handles meter readings for district heating.

Article 8

The statement of power consumption, and thus the calculation of CO₂ emissions from car use, only includes fuel for company cars provided for the use of PFA Pension management and selected PFA employees. The consumption is determined on the basis of invoices stating the volume of purchased fuel.

The conversion factor applied for the conversion of fuel consumption to CO₂ emissions is "g CO₂ / litre". This conversion factor has been provided by The Greenhouse Gas Protocol Initiative.

Article 9

Air trips, along with the related air kilometres and CO₂ emissions, have been calculated using PFA's travel agent's calculations, i.e. emissions per air trip.

Article 10

The number of employees included in the calculation of CO₂ emissions per employee is based on a number of salaried employees in the entire group. The number of employees has been determined as an average for the financial year.

The square metres included in the calculation of CO₂ emissions per square metre are based on the total office space at the head office at Sundkrogsgade 4, Copenhagen O, Denmark.

Article 11

The applied method of determination for the implemented reduction initiatives and savings are realised data. The calculations have been made by PFA's internal accounts department on the basis of supplier information.

PFA Pension A/S
Sundkrogsgade 4
2100 Copenhagen, Denmark

Telefon (+45) 39 17 50 00
Telefax (+45) 39 17 59 50
www.pfa.dk
pension@pfa.dk
CVR no. 13 59 43 76

Text: PFA Pension
Design: Umwelt
Production: Umwelt

