

CSR REPORT 2013

PFA AND CORPORATE RESPONSIBILITY

Priorities and results



CONTENTS

Introduction	3
PFA overview and key figures 2013.....	4
Corporate responsibility and ethics at PFA	6

Responsible corporate practice

Policies and guidelines are the cornerstones of responsible corporate practice	8
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Responsible corporate culture

Committed employees create value	10
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Responsible value creation

Responsible products and services	14
Responsible investments.....	16
Green operations and green investments	20

Relationships and dialogue

Openness is the best foundation for learning and insight	22
Dialogue with customers creates real value	24
PFA Brug Livet Fonden (PFA Live Life Foundation)	26
Aid to associations and for voluntary work	28

About this report

Csr – key figures and facts 2013

Employees and working conditions.....	34
Investments and active ownership.....	36
Environment and co ₂ consumption	37
Stakeholders and society	40
Focus areas in corporate responsibility in 2014	42

About the images in this report

PFA's headquarters are located in the Nordhavn district of Copenhagen, an area under development. PFA is contributing to the development of this new district of the city via a series of investments. With the images in this report, we intend to show how Nordhavn looks today.

TRANSLATION: In case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

INTRODUCTION

CORPORATE RESPONSIBILITY IN TIMES OF CHANGE

PFA will soon be celebrating its centenary. We intend to remain abreast of the times. In the past, changes in the world around us have often forced PFA to change, and PFA is therefore a very different company today than in 1917 when it was founded to ensure financial security for people once they were too old to work.

Changes in the pension sector in the past decade have been driven by changes in the public welfare system in combination with new opportunities provided by technological innovations. The result is a new set-up for pension plans and new market conditions. These fresh impulses affect the customers' expectations of PFA as the adviser and administrator of their pension savings.

Globalisation has created a new and different transparent world in which we observe important changes in national and regional economies alike. Financial crises and economic imbalance continue to rear their ugly heads. They are no longer isolated phenomena but have become global issues. At the same time, Politicians resort to radical reforms and large-scale transformations in an attempt to steer the economy back onto a path to growth. Most of us can expect to live longer and we are

expected to work for longer – and we expect that our health will allow us to do so. We have to assume more responsibility for staying healthy and assuring our own financial security while we work and when we retire.

These developments have provoked the corporate sector into examining how it best can handle its corporate responsibilities. At PFA, corporate responsibility is an integral part of how we run our business. We recognise that our corporate responsibility goes hand in hand with earning our customers' confidence. First and foremost, we have to create value for our customers. Then, wherever we can bring our knowledge and experience into play, we are duty-bound to seek to make a difference.

Our CSR Report 2013 describes how we incorporate the ten principles of the UN Global Compact into our work with corporate responsibility and PFA's policies on which our CSR work is based, and presents the results achieved within focus areas in 2013.

Yours sincerely

Henrik Heideby

Group CEO and President

PFA OVERVIEW AND KEY FIGURES 2013



366,000

Health insurance plans



200,000

Enquiries to PFA's Health Centre and
Claims Centre



1,299

Employees (annual average)

7.7 %

Staff turnover

3.1 %

Sickness absence



100,000

Visitors to the Pension Estimator at
pensionstallet.dk



101.5 TONS

CO₂ saved at headquarters and
on operations



DKK 417 BILLION

Assets under management

DKK 25.6 BILLION

Payments

DKK 16.8 BILLION

Disbursements



APPROX. 1 MILLION

Individual customers



53,000

pension consultations



62,000

E-mails to PFA's Advisory Services
Centre



225,000

Calls to PFA's Advisory Services
Centre



CORPORATE RESPONSIBILITY AND ETHICS AT PFA

The objective of PFA's policy for corporate responsibility and ethics is to ensure that its principles are integrated into projects and initiatives at the company.

Progress in creating commitment to the policy for corporate responsibility and ethics at PFA

PFA has striven to create commitment to corporate practice and ethics by means of three parallel tracks, which range from developing new policies to the implementation and performance of established corporate responsibility projects.

The first track focused on implementing initiatives that were introduced in 2012. For example, we have worked on PFA's Code of Conduct, the whistle-blower scheme as well as dialogues and customer consultations based on the Pension Estimator.

The second track focused mainly on new project developments. Examples include a policy and goals for gender distribution on PFA's Supervisory Board and in management generally, and setting up a screening model and analysis framework for assessing investments in government bonds.

Our third track focused on continuing to drive initiatives launched at PFA as part of the Group's CSR efforts and which are intended to help draw public attention to PFA as a committed social

partner. These initiatives included our climate partnership with DONG Energy, communication and aid from the PFA Live Life Foundation, as well as partnerships with and donations to associations.

Human rights at the forefront

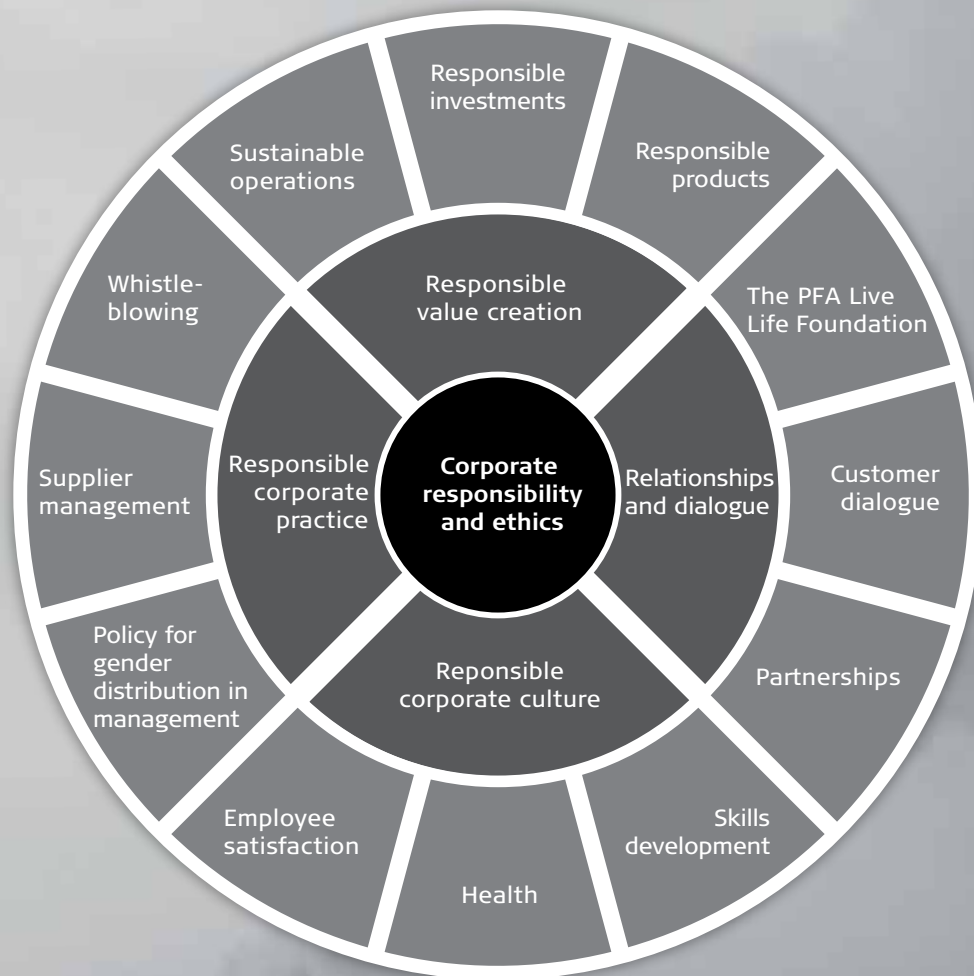
One key element in our policy for corporate responsibility and ethics is that PFA, as a partner, employer, pension fund and investor, is also working to maintain respect for human rights. Our policy is based on the ten principles of the UN Global Compact, of which PFA became a signatory in 2009. As respect for human rights is an integral part of PFA's principles and policy, we have no separate human rights policy.

PFA regularly assesses whether there are spheres of PFA's activities where there is a potential risk that PFA may be linked to human rights infringements. In the last two years, in our purchasing and partnerships with suppliers as well as in our investments, PFA has paid special attention to safeguarding basic respect for human rights.

PFA has also set up a whistle-blower scheme, which provides our employees with an additional opportunity to expose illegal or irresponsible conditions which contravene PFA's set of values or regulations. In 2013, PFA made a special effort to ensure that the due diligence principle was better integrated into the investment process.

PFA's responsibility model

PFA's responsibility model is founded on the four basic principles in PFA's policy for corporate responsibility and ethics. The model illustrates themes and activities, on which PFA has chosen to focus in implementing the policy in 2013. The outer ring of the wheel specifies the areas which this report covers in detail.



RESPONSIBLE CORPORATE PRACTICE

POLICIES AND GUIDELINES ARE THE CORNERSTONES OF RESPONSIBLE CORPORATE PRACTICE

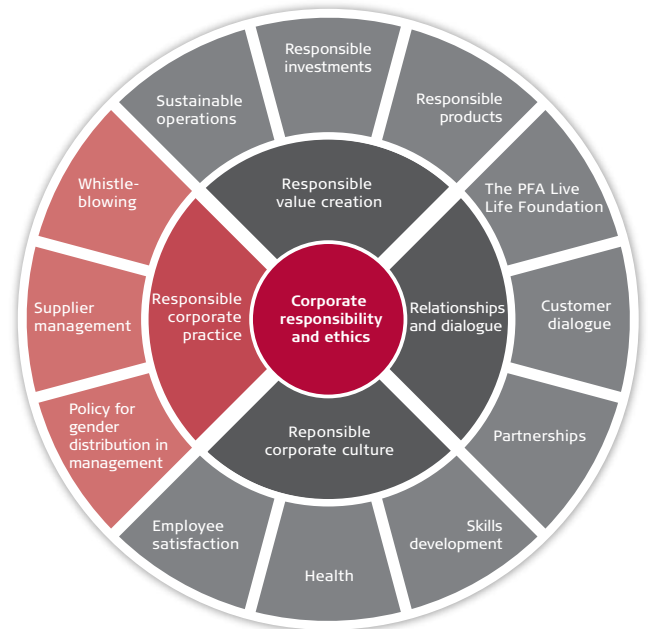
The objective of responsible corporate practice is to ensure that PFA maintains policies and guidelines which uphold fair and responsible corporate behaviour and ensure that PFA retains its reputation as a trustworthy partner.

PFA manages pension savings and insurance plans for about one million customers. PFA policies and guidelines are based on integrity and reliability to ensure that our employees act responsibly. PFA has a clear position on this and we dissociate ourselves from any form of speculation or corruption. These attitudes are listed in PFA's policy for corporate responsibility and ethics, which all our employees are obliged to know and recognise.

Policy for gender distribution in management

In 2013, PFA's Supervisory Board passed a policy and target figures for gender distribution in management. We have set goals for the number of seats to be held by women on PFA corporate boards and in management generally. The policy also describes the initiatives we will take to help ensure that PFA achieves these goals.

When we assemble management teams and corporate boards, PFA wishes to replicate the distribution of men and women in society. Where boards comprising three members are concerned, the goal to achieve one-third female membership has been achieved. For the PFA Holding and PFA Pension boards, the ownership structure and associated procedure for elections to the board mean that it will be difficult to reform conditions in the short term. The goal for PFA Holding's board is to have at least 30 % of the seats held by women by 2017. For PFA Pension's board the goal is for at least one-third of the seats to be held by women by 2016. At the end of 2013, the Supervisory Board of PFA Holding and PFA Pension was identical and the share of seats held by women elected at the general meeting was 10 %.





Lessons learned from whistle-blower scheme

The objective of the whistle-blower scheme is to provide an additional means by which to track down illegal or irresponsible conditions which contravene PFA's value set or regulations, and to give employees a better way to report objectionable conditions.

Cases may be reported in confidence or anonymously to PFA's internal auditor, who investigates the matter and reports to the Audit Committee. The scheme was launched and implemented in 2012. In 2013, one incident was reported. It was related to IT security and employees' handling of sensitive data. This case has been resolved.

Dialogue with suppliers on PFA's Code of Conduct

In 2013, PFA worked to integrate PFA's Code of Conduct into the dialogue with our suppliers. We also focused on the responses on a self-assessment sheet, which our suppliers are asked to complete. PFA has integrated the principles of the UN Global Compact into its dialogue and work with suppliers. We communicate our expectations very clearly. When they complete the self-assessment sheet, suppliers can include a brief report on the efforts they make to promote corporate responsibility.

PFA has prioritised agreements with suppliers reached in 2013, at which time PFA's Code of Conduct was launched and replaced environmental supplier screening. In addition to the central purchasing function, other areas of the company engage in purchasing and enter agreements. A special effort has been made across the board to ensure that both the Code of Conduct and the self-assessment sheet are integral parts of agreements with PFA. Every year, PFA signs agreements with partners, large and small. In future, minor suppliers will be required to complete a self-assessment process using a new and simpler questionnaire.

RESPONSIBLE CORPORATE CULTURE

COMMITTED EMPLOYEES CREATE VALUE


The objective of a responsible corporate culture is to cultivate leadership and skills development as well as to introduce initiatives to improve employees' health.

This year, PFA has yet again increased the number of customers and received higher payments. PFA has also invested in new growth areas. For example, we have set up our own bank, PFA Udbetalingsbank, and acquired Mølholm Forsikring (a health insurance company). Having grown the business, PFA is an extremely busy place to work and we have focused on motivating and creating committed employees and on maintaining high levels of employee satisfaction.

Skills development and highly qualified employees

PFA wishes to have highly qualified employees who can make a professional contribution to the business and thus create value for our customers as well as for PFA. All our pension advisers are certified by the Forsikringsakademiet (the Danish Insurance Academy) in 2013. The objective is to ensure that all advisers have a broad knowledge base and can give our customers uniform, technically competent advice. During the year, the





certification was extended also to include activities relevant for PFA Udbetalingsbank. A total of 30 advisers were MIFID-certified (i.e. to work with markets and financial instruments), which is imperative when advising private customers on investment issues. This certificate is an EU requirement to protect consumers.

In 2013, we focused on organisational and leadership development, including improving how we use target management and KPIs (Key Performance Indicators) in our business. Leaders have undergone a developmental process in the shape of performance interviews and applying a strengths-based approach to day-to-day management. Performance interviews are used to systematise and create a framework, within which the leader conducts individual employee performance interviews. To date, 79 % of managers have undergone training in the new leadership tool. The remainder will take the course in the early months of 2014.

PFA has developed and introduced a performance excellence programme for 20 top performers at PFA. The objective of the programme is to retain the top performing 5 % through a development programme which focuses on PFA's strategy, personal development and to direct senior management's attention to each of the 20 candidates individually. A second intake will be recruited to the programme in 2014-15.

PFA held a total of more than 70 in-house skills development courses for employees and

sent just under 450 employees to train at Forsikringsakademiet (Danish Insurance Academy). In addition, a number of other minor courses, including skills building courses, were held.

A healthy, non-smoking work environment

From 1 January 2013, PFA introduced a non-smoking work environment. The objective was to achieve complete parity between how we behave at PFA and our role as a healthcare provider. Smoking is now prohibited both indoors and outside at every PFA location. We encourage employees not to smoke at all during working hours. Therefore, smoking breaks are no longer permitted. A small number of our employees (less than 30) have accepted an offer to take part in a free course to help them quit smoking.

PFA has also launched an initiative to encourage more employees to cycle to work. For example, we have set up many new bicycle racks and, in partnership with Kræftens Bekæmpelse, (The Danish Cancer Society), we are involved in the "From car to bicycle" project, which, in addition to information material, provides free bicycle maintenance at the workplace for people who cycle to work. PFA also offers employees the chance to buy bicycles at competitive prices. Just over one in five employees regularly cycles to and from work at PFA. We aim to raise this to 25 % of employees during 2013-2014.

PFA has made special efforts to offer pregnant employees advice in connection with pregnancy. The advice given includes work-related issues, and personal, physical and mental welfare. The objective is to avoid uncertainty and to reduce the number of pregnancy-related sick days to a minimum. The immediate superior also has a dialogue tool and has been asked to arrange handing over agreements with pregnant employees at a very early stage in their pregnancy.

The pregnancy coach programme was introduced in mid 2012, and the effect was measured in 2013 for the first time. The figures show that PFA has reduced the proportion of pregnancy-related sick days, which has been stable at about 60 % in the previous four years, to 36 % in 2013. The positive effect can also be tracked in feedback received from the participating women, who expressed their appreciation for the advice because it covered every aspect of their lives, not just their working lives.

Stable level of women in PFA management

PFA wishes to see competent women gaining access to management positions on an equal footing with men, and thus achieve an equal distribution of men and women at management level.

The overall goal is to achieve at least 40 % women in PFA at management level. In 2013, the total share of women managers in PFA was 39 %. This is at the same level as the share in the previous year, which is satisfactory.

Gender distribution at different management levels at PFA in 2013 was as follows: 47 % female team leaders, 35 % women managers, 12 % women directors, 25 % women group directors and 10 % female board members elected at the annual general meeting of PFA Holding and PFA Pension. There is also a 40 % share of women in project management positions.

PFA intends to maintain this relatively high proportion of women leaders and gradually to increase it with more women represented in senior management, including the Supervisory Board. In recruitment, we are especially aware of the need to ensure that recruitment material is gender-neutral. We conduct personality tests at job interviews in order to eliminate indirect discrimination and, in search assignments for managerial positions, we stipulate that there must be at least one qualified woman among the candidates. In our skills development programmes, we strive to achieve a balance between the genders. In 2013, 45 % of the participants in



the performance excellence programme were women, 39 % of the participants in the PFA talent programme for pension advisers were women and 49 % of the participants in the most recent leadership talent programmes in the period 2008-2010 were women.

High employee engagement

PFA regularly measures employee satisfaction and engagement among all its employees and leaders. In 2013, we introduced a new measuring method, which focused on performance. In 2013, 93 % responded to the survey, which is itself an expression of how engaged our employees really are. Job satisfaction scores at 74.2 %, which is slightly lower than 2012 but still a high score. The survey revealed that, for the six dimensions which were repeated from previous surveys, all scored higher than last year for the labour market generally.

The high level of engagement among PFA employees is partly explained by the fact that we have intensified internal communications at PFA. The combination of more than 360 articles and 62 information video films about projects, results and PFA as a workplace on our Intranet,

three dialogue meetings between the group management team and the employees, and four meetings of the group management team with leaders to discuss PFA's strategy and results have indeed borne fruit. The video films are a new type of communication at PFA. They create an understanding and esprit de corps in connection with the tasks we resolve at PFA and boost employees' support for managerial decision-making. A clear result of the new communications effort is, for example, that the employees give group management's ability to communicate a relatively high score (70) in the annual engagement survey, and the statement "I have a clear understanding of PFA's strategy and goals" scores more than 76 points.



RESPONSIBLE VALUE CREATION

RESPONSIBLE PRODUCTS AND SERVICES

The goal for responsible value creation entails that our products, advisory services and investment processes create value for our customers in a responsible way.

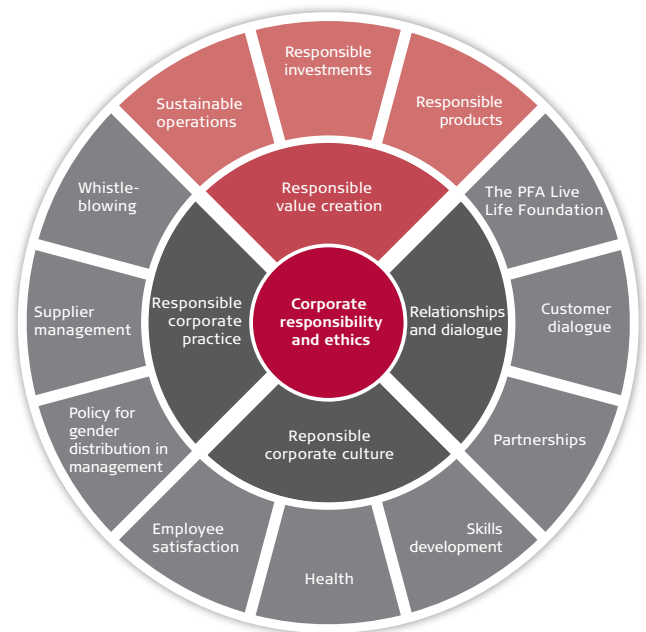
Based on the main principles of the policy for corporate responsibility and ethics, PFA continues to work to create value for our customers in a responsible way. PFA emphasises the importance of providing personal advisory services, in which our customers meet very competent employees. Online tools and the digital universe generally provide excellent tools which customers can elect to use as an easy way to supplement personal service. When making a claim, customers prefer to receive personal service.

Qualified advice

PFA's pension advisers conducted more than 53,000 personal pension consultations in 2013. Almost one in four consultations took place over the telephone and using PFA's online advisory service, in which the adviser and the customer can see the same screen views. This figure is expected to increase in coming years.

All our pension advisers are certified externally. We have drawn up and publicised professional guidelines for providing reliable advice on pensions and investments. PFA puts its customers in a position to make decisions of their own based on qualified advice from PFA. In 2013, PFA updated its advisory code, which is also available at pfa.dk.

In 2013, PFA launched PFA Optimator, a service which allows companies to see what other companies in the same branch and of the same size are offering in the way of pension plans and services. PFA Optimator is available at pfa.dk. The service is based on experience and data from e.g. PFA's corporate customers and Statistics Denmark. PFA Optimator gives companies easy access to relevant data and insight into their own pension plan compared to other opportunities in the market. Since it was launched in November, there have been more than 25,000 visits to the PFA Optimator website.



Renewed focus on prevention

In 2013, PFA relaunched its prevention and health offers. Based on our knowledge and data about the customer, we can develop initiatives which help to improve productivity and job satisfaction at customer companies. The results and effects of such initiatives will be measurable and documented. The goal here is to create lasting changes and positive effects for the customer – to the benefit of both the individual employee and the company.

At the end of 2013, we kicked off the PFA Sundeffekt (Health Effects) project in several companies. The project aims to improve energy levels and productivity and, at the same time, give employees excellent opportunities to prevent the negative consequences of sedentary work. The results were a significant improvement in job satisfaction, more energy and better productivity, as well as fewer neck, shoulder and back problems.

Extra focus on Active Claims Management

During 2013, PFA upgraded initiatives to help sick customers to return to the labour market. The objective is to intervene effectively at an early stage in order to avoid long-term periods of sickness involving a greater risk of the customer never returning to employment. PFA's Active Claims Management scheme has assessed 1,192 cases and engaged in a dialogue with 405 customers. Of these, 195 are currently sparring actively and receiving help from the Active Claims Management service.

Advisory partnerships in cases of illness and death

Every year in Denmark, about 140,000 children and adolescents face either illness or death in their immediate family. In October 2013, PFA signed an agreement with the Danish organisation, Børn, Unge & Sorg, to launch a campaign to draw attention to the organisation, which helps children and adolescents who find themselves in this difficult situation.

Every year, PFA is in contact with 4,500 customers and the dependants, who are entitled to disbursement from life insurance or payouts in connection with critical illness or loss of occupational capacity. Initially, we focus on ensuring that these customers are aware that Børn, Unge & Sorg provides professional advice and help for the children, their parents and their network.

In 2012, PFA entered into a partnership with the Danish Cancer Society, Hjerteforeningen (Danish Heart Foundation), Hjernesagen (Danish Aphasia and Stroke Association) and Scleroseforeningen (Danish Multiple Sclerosis Society). These organisations provide professional expertise and a network in their respective professional fields. In connection with this partnership, PFA offers one year's membership with one of the four organisations to customers who receive a disbursement in the event of critical illness. In 2013, 834 customers were offered membership with one of the four organisations. 34 % accepted the offer. In 2014, PFA will focus on encouraging more customers to accept the offer of membership and the opportunity to get advice and support

An example of Active Claims Management

A customer, aged 41, had psychological issues due to family problems and in connection with redundancy. His condition deteriorated into a severe depression with fulltime sickness absence. The customer applied for disability pension in December 2012.

PFA helped this customer by funding a course of therapy with a psychologist under his health insurance. As the therapy was insufficient, from May 2013 he received more support for psychiatric therapy via Active Claims Management. PFA coordinated the course of therapy. The customer felt he had benefited from seeing the psychiatrist and in October 2013, with support from his psychiatrist, he started a new job.

At the end of November 2013, the customer reported fit for duty. Disability pension was stopped and the customer returned to the labour market.

RESPONSIBLE INVESTMENTS

Our objective is to ensure that the yield on PFA's investments is achieved with respect for human rights and the environment, and in line with internationally recognised standards.

PFA's policy and guidelines for responsible investments ensure that PFA relates to the dilemmas that occur when international environmental standards and social and leadership norms are integrated into the investment process.

Our responsible investment work is based on the UN-backed Principles for Responsible Investments. These six principles describe the general methods that should be applied to ensure that responsibility is an integral part of the investment process.

Supports international principles

In the wake of a prolonged dialogue with PRI, an organisation whose primary objective is to promote the UN-backed Principles for Responsible Investments, PFA decided to withdraw at the end of 2013.

PFA signed up to UN-PRI in 2009. However, over a period of time, PFA observed that PRI's own leadership and governance conditions have developed in a direction which does not entirely meet all the basic conditions that are expected of a responsible company. PFA continues to uphold the six international principles, which PRI promotes, and the same principles continue to provide the framework for PFA's responsible investment work. As a responsible investor, PFA will continue to report on the challenges faced as well as the progress and results achieved from screenings and active ownership. These reports will form part of the CSR report and will be available at pfa.dk.

Responsible Investment Board

PFA's Responsible Investment (RI) Board is responsible for the continued development and implementation of PFA's policy and guidelines for responsible investments. The RI Board is also responsible for creating a resilient screening method for government bonds and for



decision-making processes regarding companies and subjects on PFA's focus list.

In 2013, the RI Board continued to assess positive developments in Burma – Myanmar. Despite huge challenges faced in the country, PFA, along with several international initiatives, has decided to waive exclusion and thus to remove the ban on three oil companies with activities in the country. These are Chevron, China Oilfield Service and Total. PFA continues to follow the situation in the country very closely.

The RI Board has also focused on objects in the energy sector, including development and testing of new technologies and extraction methods.

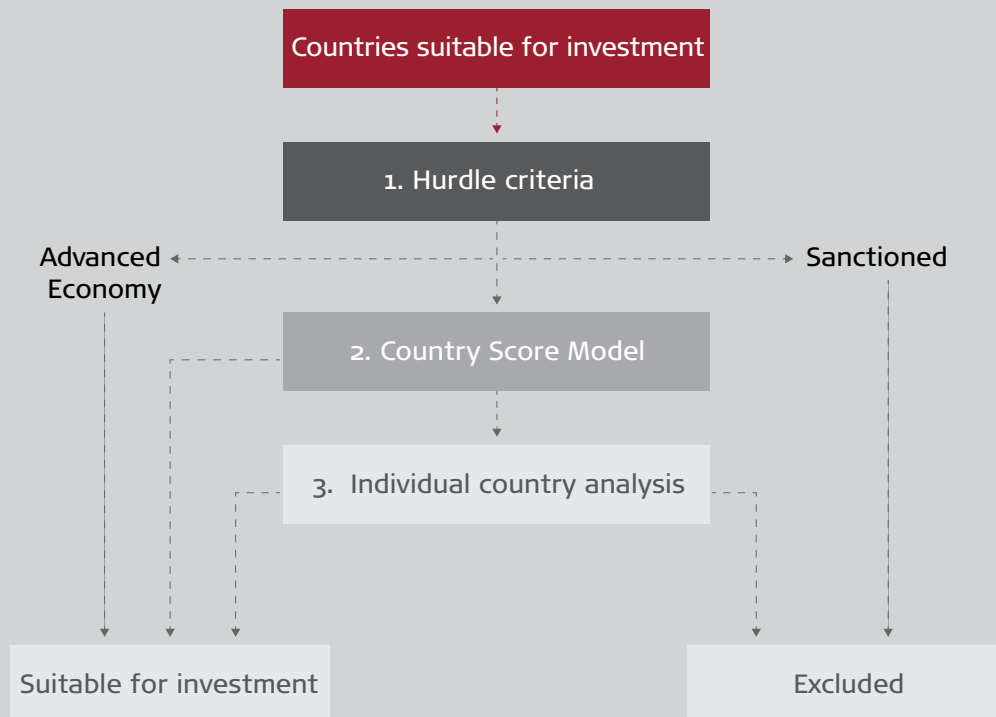
Responsible investment in government bonds

PFA has developed a screening process to be conducted in parallel with half-yearly company screenings.

PFA's screening is a three-step process, which includes a number of indicators and country-specific information which are relevant to the assessment of a country, the population's needs and the overall situation in the country. The screening model is based on international

standards and recognised indices. It provides a simple and factual basis on which the PFA RI Board can reach a decision as to whether a country is suitable for investment. For example, when assessing human rights issues in these countries, PFA applies a process which includes the due diligence principle in the UN Guiding Principles on Business and Human Rights.

PFA's screening model



Step 1 – Hurdle criteria

The first step defines, through hurdle criteria, the country's economy according to the IMF categorisation of 'Advanced Economy' and whether any financial or trade sanctions exist against the country. Countries that are not categorised by the IMF and which are not subject to any sanctions move on to the next step.

Step 2 – Country Score Model

The second step is a Country Score Model which is based on a number of internationally recognised indicators and indices, which covers human rights, employee rights, the environment and anti-corruption. If a country's total score is assessed to be unsatisfactory, the country must be analysed further.

Step 3 – Individual country analysis

The third step consists of a country analysis which is based on a range of descriptive indicators from internationally recognised sources, which contributes to identifying the country's and the population's situation and development in a number of areas. After the analysis, it is decided whether the country is suitable for investment or not.

At all steps in the screening process, current events, which have not yet been included in the recognised sources, may be considered to be of such importance that PFA decides either to exclude the country based on the events or proceed with further steps in the screening process.

In 2013, all the countries included in PFA's investment portfolio were screened at half-yearly intervals in accordance with the internal process and model (see page 17). The RI Board has decided to exclude a total of eight countries. During 2013, three countries were reinstated. Based on their country analyses, the RI Board found that they were suitable for investment.

The three countries reinstated in PFA's investment portfolio are Angola, Nigeria and Ukraine.

PFA's guidelines for responsible investments in government bonds and a more detailed description of the screening model are available at pfa.dk/csr.

At the end of 2013, PFA had investments in 61 countries:

- 
- Albania
 - Argentina
 - Armenia
 - Austria
 - Belgium
 - Belize
 - Bolivia
 - Brazil
 - Chile
 - Colombia
 - Costa Rica
 - Croatia
 - Denmark
 - Dominican Republic
 - Ecuador
 - Eire
 - El Salvador
 - Finland
 - France
 - Gabon
 - Germany
 - Ghana
 - Guatemala
 - Hungary
 - Iceland
 - Indonesia
 - Iraq
 - Italy
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 - Mexico
 - Morocco
 - Netherlands
 - New Zealand
 - Norway
 - Panama
 - Paraguay
 - Peru
 - Philippines
 - Poland
 - Romania
 - Russia
 - Senegal
 - Serbia
 - Slovak Republic
 - Slovenia
 - South Africa
 - Spain
 - Sri Lanka
 - Sweden
 - Trinidad & Tobago
 - Turkey
 - UK
 - Ukraine
 - Uruguay
 - USA
 - Venezuela
 - Vietnam
 - Zambia

Extract from conclusion of the Angola assessment

In PFA's assessment of Angola, we considered that the country is a new democracy and a relatively homogeneous state but that it has an unsteady state system and is therefore prone to major challenges related to corruption. On many parameters, Angola scores lower than neighbouring countries in the region but is moving in the right direction. Angola has, for example, made remarkable progress on most human rights indices. Despite facing challenges, living conditions in the country have improved significantly in the last ten years (measured on World Bank millennium development goals).

Active ownership

The active ownership principle is the cornerstone of PFA's work with responsible investments. PFA sets store by its dialogue with other companies. We seek to persuade them to create value responsibly and thus to ensure highest possible long-term returns on their investments.

Active ownership is based on screening the PFA's holding of corporate shares and bonds at six-month intervals, and on a strategy for handling companies in which either non-compliance with international norms is observed or when there is reason to suspect that non-compliance has taken place. The PFA investment portfolio is screened in line with international conventions, included in the ten principles of the UN Global Compact regarding respect for human rights, labour rights, climate, environment and anti-corruption.

The PFA RI Board determines whether a company is to be excluded or whether to pursue the dialogue. PFA does not regard engaging in active ownership over foreign states as an opportunity for investors as this is a foreign policy issue.

In 2013, PFA continued its collaboration with the screening agency GES. GES has integrated the due diligence principle from the UN Guiding Principles on Business and Human Rights in its dealings with companies and their supply chain.

GES screened PFA's portfolio of about 2,000 corporate shares and bonds throughout 2013. The norm-based screening process meant that GES entered into an engagement dialogue on PFA's behalf with 43 companies in PFA's portfolio that have violated or have shown indications of violating PFA's guidelines. Three of these cases were resolved during the year. These were the ExxonMobil case in Russia, Dollar General Corporation in China, and Vedanta (via subsidiary company Bharat Aluminium Company Ltd.) in India.

GES has assessed a further 106 cases involving companies in the PFA portfolio and in which, through a dialogue with the company concerned and other parties, it has been ascertained whether there was a breach of the PFA guidelines or not. At the end of 2013, there were 13 companies on the PFA focus list. Non-compliance with PFA's standards has been observed at each of these companies

Engagement dialogue completed – Non-compliance with UN Global Compact principle 7: Environment

An ExxonMobil subsidiary, Exxon Neftegas Limited (ENL), extracts oil in the Sakhalin area, which is the natural habitat of an endangered species, the Western Gray Whale. In March 2011, the International Union for Conservation of Nature (IUCN) reported that ENL's lack of data regarding whale activity in the area may be directly connected with the dwindling population of endangered whales in the area. The IUCN also claimed that preserving the whale population was difficult because not all of the oil companies working in the area were actively involved in whale preservation initiatives. In an engagement dialogue with ENL, GES emphasised, among other things, that ENL should participate in the IUCN dialogue with the other oil companies and should publish up-to-date data regarding the impact of oil extraction activities on the local ecosystem. Following a prolonged dialogue, GES found in 2013 that ENL has significantly improved its stakeholder dialogue and regularly publishes scientific data for the area. On this basis, ENL complies with PFA's engagement criteria.

and goals for the dialogue with these companies have been set. There were a further 18 cases in progress, i.e. it is not yet established whether non-compliance has taken place or not.

Externally managed funds

In 2013, PFA pursued its ongoing dialogue with externally managed funds to discuss PFA's policy and guidelines for responsible investment. Special attention was paid to companies which manufacture weapons in contravention of

international law. PFA systematically excludes such manufacturers. Weapons of these types include cluster weapons and anti-personnel land mines.

PFA has listed index funds, which are offered the 'You Invest' platform with a view to preventing customer exposure to investments in illegal arms manufacturers, when they invest in index funds placed at their disposal by PFA. The dialogue with funds managers is expected to be fully elucidated during 2014.

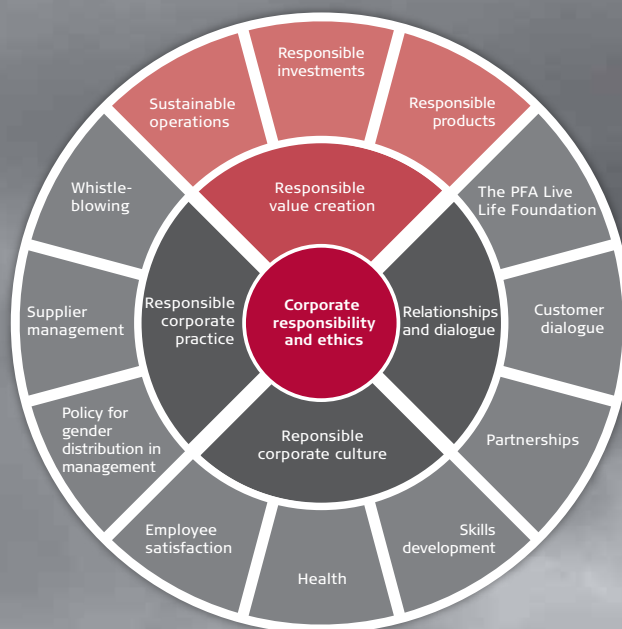
GREEN OPERATIONS AND GREEN INVESTMENTS

The objective of responsible value creation also entails a certain degree of environmentally sustainable value creation. These initiatives are based on PFA's environmental and climate policy.

PFA's environmental and climate policy is founded on broadly integrating environmental initiatives into our business, including how PFA makes purchases and investments, runs its headquarters and involves employees.

Optimising consumption of energy and resources in operations and properties

In 2013, PFA reduced CO₂ consumption at our headquarters. As part of our efforts to maintain focus on permanent energy savings, PFA has been a DONG Energy climate partner since 2010. As a climate partner, PFA continues to compensate for CO₂ emissions from electricity consumption at PFA headquarters by purchasing certificates from the Horns Rev 2 offshore wind farm. PFA expects to reach its goal to reduce CO₂ emissions by up to 30 % within five years. In 2014, we and DONG Energy will review the results of our climate partnership.



A number of the initiatives PFA introduced in 2013 are not included in the climate partnership but are nevertheless included in the calculation of PFA's total CO₂ reduction. As part of general maintenance of IT equipment, PFA replaced 700 PC monitors with new and more energy-efficient monitors in 2013. Replacing the 700 monitors represents an annual electricity saving of 53,589 kWh. This in turn represents an 18.6 ton reduction in CO₂, which is about the same as the annual consumption of 15 households.

At the end of 2012, PFA introduced a new waste management system. 2013 is therefore the first year, in which it is possible to measure the effects of the new system. The objective of the system is to improve security in handling confidential paper waste, encourage employees to change the way they behave and increase the quantity of recyclable waste paper produced at PFA. In 2013, PFA sent 38.5 tons of paper and 10.8 tons of cardboard for recycling. This was mainly achieved via the introduction of a sorting system for confidential and recyclable paper. If we express the quantity of recyclable paper and cardboard as CO₂ savings, we have reduced consumption by 72.9 tons of

CO₂ (compared to a situation in which the same quantity of paper and cardboard was incinerated).

PFA also focuses on energy consumption in our property portfolio and regularly makes adjustments to optimise the energy required to power lighting and technical installations in our properties. We do this so that our properties can achieve a better energy rating and so that our tenants' electricity bills are lower. Both are important factors in leasing and in retaining a good tenant when we renegotiate the leasing agreement.

Online advisory services reduce CO₂ emissions

Since 2011, PFA has offered its customers online advisory services. These make it easier for the customer to choose precisely when he or she wants to receive advice. The online advisory service is a web-based tool, which helps us to advise the customer over the telephone. Both adviser and customer can see the illustrations and calculations made by the adviser on their computers. The number of online consultations increased in 2013. As part of the climate partnership, PFA and its partners, DONG Energy and Green Mobility, have calculated that the fact that PFA carried out

PFA's total CO₂ reduction in 2013

Online advisory services, 3,900 consultations	10.0 t
Paper and cardboard for recycling	72.9 t
Switch to new, more energy efficient pc monitors	18.6 t
TOTAL	101.5 t

3,900 consultations online in 2013 instead of at the customer's address means that PFA reduced actual CO₂ emissions by at least 10 tons.

Long-term investments in renewable energy

PFA strives continually to review the opportunities to invest in renewable energy or in companies which contribute to green development.

In 2013, PFA's partnership with the energy company Syden Energi (SE) continued and the parties invested DKK 760 million in a large portfolio of onshore wind turbines. This purchase was the first in a new joint venture named SE Blue Renewables,

the aim of which is to become market leader in onshore wind turbines in Denmark and a selection of neighbouring countries. Furthermore, via EKF, Denmark's official export credit agency, PFA has released DKK 240 million to invest in an offshore wind farm project which is managed by the state-owned Irish energy company. Finally, PFA has offered to invest DKK 800 million in DONG Energy as part of DONG Energy's total capital increase, which will ensure that DONG Energy continues to grow and converts to more green energy.

RELATIONSHIPS AND DIALOGUE

OPENNESS IS THE BEST FOUNDATION FOR LEARNING AND INSIGHT

The objective of PFA's dialogue with stakeholders is to create long-term and mutually beneficial partnerships which are built on trust and openness.

We launched the Pension Estimator at the end of 2012. This is an important tool which provides a single figure in order to communicate a message about pensions.

Pensions on the agenda – customers, corporations and consumers


The Pension Estimator is an online open source service. Anyone who wants to know if they are saving enough for their retirement can use it. In 2013, the Pension Estimator has become an integral part of PFA's advisory services, in which we help customers calculate and fix goals for their savings in relation to their own specific pension estimate. Since November 2012, the Pension Estimator has had more than 200,000 visitors.

In 2013, PFA launched PFA Optimator, which, like the Pension Estimator, is a tool which creates transparency in the pensions field. It deals with conditions for business customers, not for individual pension savers. Common to both these tools is that PFA has made them publicly available and that they therefore focus on pensions as a topic and create data and documentation that consumers and companies can use in the future.

Communicating ethics and dilemmas

During 2013, PFA engaged in a dialogue with different groups of stakeholders on investment and pension-related topics. PFA has also held dialogue meetings with NGOs with a view to creating a better understanding of how PFA acts in the role of investor and to discuss specific challenges, which PFA has encountered in developing a screening method for responsible investments in government bonds.





In 2013, PFA's Group CEO and President Henrik Heideby made, as a member of the Danish Council for Corporate Responsibility, two presentations about ethical challenges and dilemmas in the investment process in connection with the council's work on responsible investments.

Openness and better reputation

PFA's openness and the company's dialogue with customers and other players are not only significant for understanding pensions. They are also important for PFA's reputation and create a visible presence in the public sphere. In 2013, PFA was mentioned 3,635 times in the media, which is almost 34 % more

often than in 2012. At the same time, PFA has made strong progress in image surveys. PFA moved up 15 places in the image survey in Berlingske Business' Gold number, which investigated 140 companies. PFA has now improved its position for the fourth consecutive year. In 2013, PFA achieved 26th place. We have the third best image among financial companies and the best image in the pension sector.

PFA Morgenbrief (morning briefing) is a forum for the Danish business community, in which PFA encourages debate with ministers and senior managers. In 2013, a new initiative was introduced to strengthen the network of female leaders and decision-makers, PFA Kvindebrief (Women's briefing), which is for women and features female speakers. In 2013, PFA Morgenbrief held nine meetings, while PFA Kvindebrief held two. With more than 200 subscribers to each of these meetings, there is no doubt that the target groups are very interested in playing an active role in debates and networking opportunities. In partnership with Dansk Erhverv (The Danish Chamber of Commerce), PFA also held Eftermiddagsbrief (afternoon briefings) in Jutland and on Funen, which included visits to local enterprises.

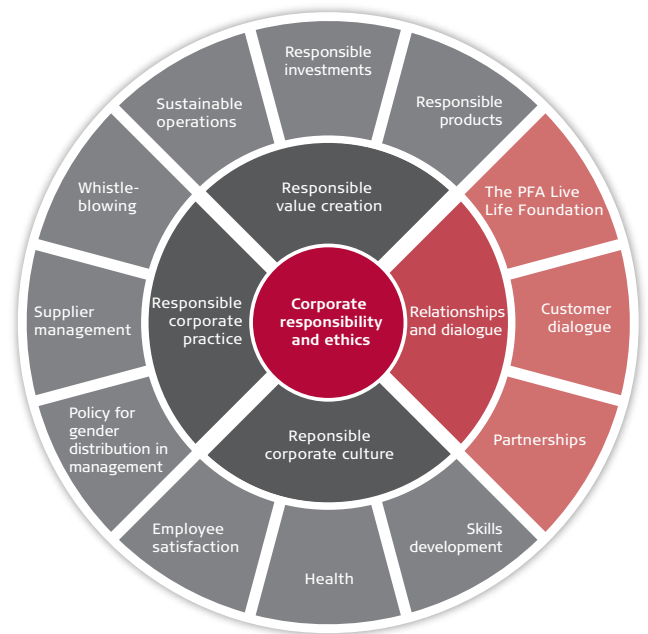
DIALOGUE WITH CUSTOMERS CREATES REAL VALUE

The objective of PFA's dialogue with customers is to increase dialogue and use these relations to pinpoint areas in which we can make things simpler and better.

When we meet our customers, PFA has an opportunity to relate more closely with them, which in turn makes it easier to explain the complexities of pensions and policies in a simpler way and to ensure that the customer is given an optimum solution to match his or her needs. Customer feedback also helps us to develop and improve PFA and PFA's products. When things go wrong, our customer can lodge a complaint or contact PFA's management in order to express their dissatisfaction. Complaints and adverse criticism are registered and handled to ensure that we at PFA learn from our mistakes.

Customer dialogue continues to increase

In 2013, PFA continued to use the online tools, including Pension Estimator, which is fully integrated into our pension consultations. Online tools make it easier for customers to maintain an overview and insight into their pension plans. Meanwhile, legislative changes,



such as the abolition of the endowment pension, which has been replaced by an old-age pension, and public debate on handling the transition to market rate, have attracted public attention to the pension sector. Customers show more interest and make more enquiries compared to last year.

We received a total of about 15,000 more enquiries in 2013 than in 2012. The increase is primarily explained by an increase in the number of emails sent to the Advisory Services Centre and enquiries made to the Health and Claims Centre whereas 2013 saw a drop in personal pension consultations and telephone enquiries to the Advisory Services Centre. The Health and Claims Centre received 200,000 enquiries, responded to 97 % of these with an average response time of less than 50 seconds and achieved a customer satisfaction score of 9 (out of a possible 10). The Advisory Services Centre received 225,000 calls, responded to 94 % of these with an average response time of 1 minute and 29 seconds (an improvement on the previous year) and customer satisfaction rating of 8.7 (out of a possible 10).

Managing claims and adverse criticism

PFA received fewer claims at the Ankenævnet for Forsikring (Insurance Complaints Board). In 2013, 52 complaints cases were finally settled, of which PFA won 41. The number of complaints settled fell by 40 % compared to 2012.

In 2013 PFA's internal Complaints Department registered more complaints. Lessons learned in the

Complaints Department by means of their work with individual complaints are communicated to the areas involved. The Complaints Department seeks to ensure that other customers do not risk experiencing similar dissatisfaction in the future. There are two types of complaints which account for the vast majority of the total: communication and consultation on the one hand, and delivery and registration on the other. The number of customers whose complaints were settled wholly or partly in their favour has remained stable, 23 % this year compared to 25 % in 2012.

In 2013, PFA received 463 complaints, of which 45 % were resolved by giving supplementary information and advice.

Enquiries to the Customer Representative

PFA's Customer Representative provides a supplementary claims handling service. In 2013, the Customer Representative received 63 queries, of which 57 were complaints. This was two fewer than the previous year. Of the 57 complaints, 31 were referred to the Complaints Department. Of the cases finalised, 22 % were resolved by means of additional consultation or by sending more material. 17 % of complaints were rejected and 61 % were settled wholly or partly in the customer's favour. Many of the enquiries received in 2013 were related to communication and dissemination of information and have resulted in measures which have improved communication of information both in letters to individual customers and at pfa.dk.



PFA BRUG LIVET FONDEN (PFA LIVE LIFE FOUNDATION)

The objective of the PFA Live Life Foundation is to draw attention to and support voluntary workers who help others to live life to the full.

For the past four years, the PFA Live Life Foundation has provided support and information to voluntary workers who can apply for aid to fund good causes and to create awareness of them. The foundation's supervisory board selects the winners and grants financial aid to the most popular cases. In 2013, the foundation launched its own website, which presented 94 applicants and conducted online voting to select the "winning" causes. The campaign and communication with the voluntary workers and their network takes place on Facebook. The website received up to 27,000 unique visits per week in the two weeks, in which voting took place.



In 2013, the below four organisations were selected as our good causes and received donations

- Walking Future received a donation of DKK 50,000. The organisation is working to set up a prosthetics centre in Kabul, Afghanistan so that the Afghans can produce their own prosthetic limbs for civilian casualties of the war.
- The organisation 'Street Children in India' received a donation of DKK 50,000. The organisation is working to set up a home for street girls in India. The goal is to accommodate 100 girls who have fled their homes due to e.g. sexual harassment and domestic violence.
- Spor (Tracks – The Danish National Association for adults with long term consequences from sexual abuse in childhood) received a donation of DKK 35,000. Tracks is a voluntary association which hopes to establish a framework for members to network with each other.
- The Danish Hydrocephalus Association received DKK 15,000. This is a small patients association which creates a network and promotes awareness of hydrocephalus, a chronic condition caused by abnormal accumulation of cerebrospinal fluid (CSF) within cavities of the brain called ventricles.

Facts about the PFA Live Life Foundation

- The PFA Live Life Foundation supports dedicated individuals who help others live life.
- The foundation was set up in 2009 with initial capital of DKK 3 million which was a gift from PFA's shareholders' equity.. The first donations went to Girtalk.dk, Servicehundene for Handicappede, Danske Hospitalsklovne and TUBA (a chat line for girls aged 12-24, an association which provides service dogs for handicapped people, a voluntary organisation which entertains children in hospitals and an association which helps children affected by parental alcoholism, respectively).
- In 2013, the foundation distributed DKK 150,000.
- The good causes are nominated on www.bruglivetfonden.dk and visitors to the website can vote to establish which good causes PFA should support. The foundation and good causes are also advertised on Facebook. The causes with the most support are presented to the Supervisory Board which distributes grants to one or more causes.
- The Supervisory Board is chaired by Svend Askær (Chairman of Lederne (Danish managers' trade union)). Its members are: Professor Bjørn Nørgaard, Gita Grüning (Chairman of Teknisk Landsforbund (The Danish Association of Professional Technicians)) and Henrik Heideby (Group CEO and President of PFA Pension).

Read more about PFA Live Life Foundation and the causes PFA supports at

www.facebook.com/pfabruglivetfonden

www.bruglivetfonden.dk



AID TO ASSOCIATIONS AND FOR VOLUNTARY WORK

PFA wishes to provide aid for activities in the public sphere. We can provide financial aid or support in the shape of advertising or de facto cooperation with the association concerned.

PFA provides support for non-profit-making associations and projects which serve a good cause. The support is primarily given to organisations or partners who focus on an individual issue. PFA receives many requests for support and we prioritise activities which are in some way associated with our core business. PFA has also set aside funding internally. We distribute funding for voluntary work among PFA employees.

Cooperation with associations

In 2013, PFA worked with two of the good causes which received support from the PFA Live Life Foundation in 2012. PFA worked with TUBA (an association which helps children affected by parental alcoholism) on an event at Folkemødet (a political event) on Bornholm and with Landsforeningen Autisme (the Danish autism association), where, for example, we produced a questionnaire for members of the association in connection with preparations for Projekt Madglad (a project to help autistic children tackle their eating disorders).

PFA is also taking part in Landsforeningen Autisme's project "Det rette Tilbud" (the right kind of job), which focuses on helping adult sufferers of autism spectrum disorders to find work at relevant companies. PFA has hired a person who suffers from autism who will start work in 2014.

Support in 2013

In 2013, PFA supported a number of different associations and activities:

Business partnerships

- Red Cross Denmark
- Engineers Without Borders Denmark
- WWF
- DR Koncerthuset (concert venue in Copenhagen)
- CSR Forum

Individual support activities

- Red Cross Denmark clothing collection
- The Proof of life run
- Foreningen Hovedstadens Forskønnelse (a society dedicated to the beautification of the Danish capital city, Copenhagen)
- Award for best thesis by a Higher Diploma in Corporate Organisation student of Copenhagen Business School
- Børn, Unge & Sorg (Danish organisation which helps children and adolescents who have lost a parent)
- TUBA (an association which provides therapy and advice for children living with alcoholic parents)

- Senhjerneskaforeningen Vejle (A local association of people with long-term brain damage)

PFA also provided support by means of ads in the following associations' members' magazines:

- Førtidspensionisten (for disability pensioners)
- Politiets Blå Baretter (the Danish Police Force's blue beret association)
- Dansk Handicap Idræt (handicapped sports association)
- Gigtforeningen (Danish arthritis and rheumatism association)
- Hjerneskaforeningen (the Danish Brain Injury Association)
- Rygforeningen (Danish spinal injuries association)
- LEV - Udvikling for udviklingshæmmede (for the mentally challenged)
- LFA - Landsforeningen For Arbejdsskade (association for people with industrial injuries)
- Spastikeren (for spastics)
- Familier med Kræftramte Børn (families with children suffering from cancer)

PFA's employee fund

PFA's employee fund is intended to help fund the work of PFA employees who make a social difference through voluntary work.

Through the fund, PFA supports a number of good causes, in which employees are engaged in their free time for the benefit of children, adolescents and vulnerable groups. Support from

PFA's employee fund can either be financial or in the shape of the employee being permitted time off work with pay to concentrate on their voluntary work for a few days.

In 2013, we received seven applications from employees. PFA provided support for a total of four activities in which social engagement was a priority.

The four employee projects which received support in 2013

- Support for a merger project for young girls in the IF Midtdjurs/Kolind IF football club.
- Support which made it possible for all the boys on a football team at KBK Hillerød to afford to take part in a tournament.
- Paid holidays to take part in a Mjølner Group (Værløse) scout camp.
- Support for a school lunch project for Nepalese schoolchildren.

ABOUT THIS REPORT

This report describes PFA's work with corporate responsibility and reports on the most important initiatives and results achieved in 2013. The general framework is our policy for corporate responsibility and ethics, which describes PFA's goals and visions for the work we do with responsibility as a company, employer, business partner and investor.

The report applies to the whole of 2013 and covers the PFA Group with the exception of two associated companies. PFA Holding's annual report, the CSR report with appendices and the CSR pages at pfa.dk all comply with the Danish Financial Statements Act regarding the reporting of the company's corporate responsibility. These also represent PFA's Communication on Progress report (COP) to the UN regarding PFA's implementation of UN Global Compact's 10 principles.

Assessment of the importance of the report content

During 2013, PFA engaged in dialogue with a number of stakeholders concerning corporate responsibility. Common to these dialogues was

that all the stakeholders expressed an interest in PFA's work on responsible investments and the examples we can provide of how responsible investment processes are achieved in practice.

PFA played an active role in Rådet for Samfundsansvar (the Danish Council for Corporate Responsibility's) work with responsible investments. The debates within the council and an interest in drawing up guidelines in a variety of fields indicate that there is widespread willingness to learn how institutional investors work and think. In addition to describing actions and results of PFA's work with corporate responsibility, this report also focuses on our work with responsible investments and active ownership in slightly more detail than the remaining topics in the report.

Report structure

The report's structure is based on the four basic principles on which our policy for corporate responsibility and ethics is built. Each principle comprises several key areas and specific actions. The report mirrors the structure of the policy and the topics described illustrate how PFA's work with CSR has progressed. The four basic principles of the PFA responsibility model are identical to the four basic principles in the policy. See page 7.

The final part of the report is a collection of CSR key figures and facts, which are compared to previous years' results. Where relevant, specific figures or comparisons are quoted in the report. For an overview, please refer to the final section of the report. The data has been systematised and improved in some areas. PFA will continue to work to improve on this.

PFA continues to base its reporting on indicators from GRI G3 Sustainability Guidelines and Financial Service Sector Supplement (FSSS), which cover the relevant areas in UN Global Compact's 10 principles. It is PFA's assessment that the report is at level C according to the GRI G3 assessment scheme.

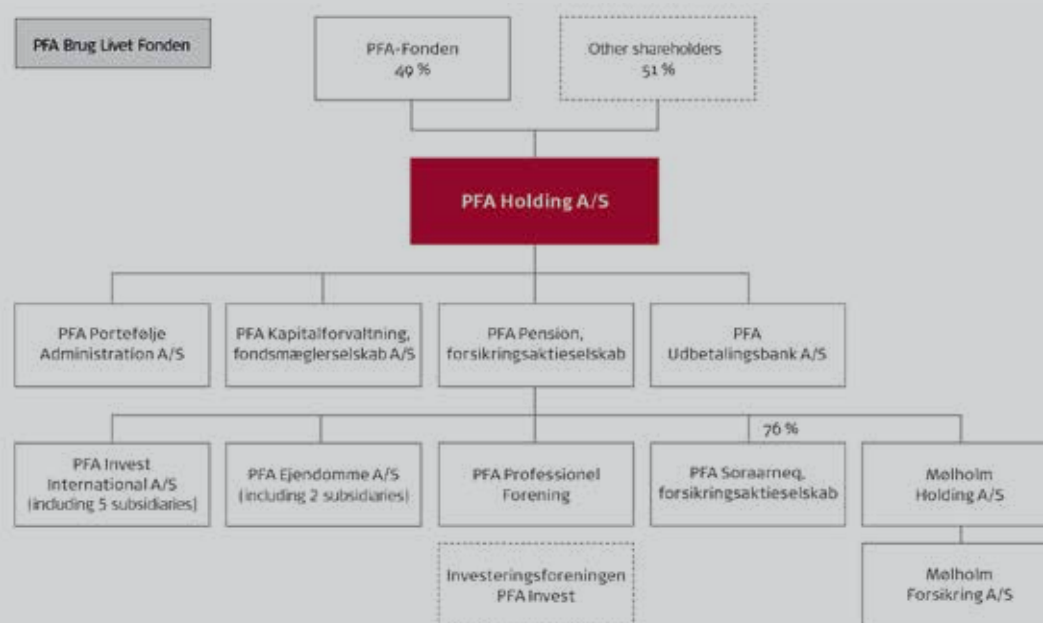
PFA has participated in a pilot project regarding peer review of the CSR report within the Global Compact Nordic Network and has taken into consideration the comments and reflections in this report.

Contact for the CSR report and PFA's work with corporate responsibility is:

CSR Manager Mette Vadstrup, mev@pfa.dk,
Corporate Communications & People
Management.



CSR – KEY FIGURES AND FACTS 2013



The PFA Group

The PFA Group structure was reformed with effect from 31 December 2013. Ownership in three companies – PFA Kapitalforvaltning, PFA Portefølje Administration and PFA Udbetalingsbank – was transferred from PFA Pension to PFA Holding. The objective was to strengthen the overarching corporate governance of the group. The change creates more openness and transparency in the individual business areas. PFA Holding now has direct ownership and insight into these business areas.

Shareholders in PFA Holding include the PFA Foundation and other shareholders, primarily consisting of the organisations that co-founded PFA in 1917 and whose members and employees, for the main part, are customers in PFA.

The CSR Report covers the PFA Group which comprises the following companies:

- PFA Holding A/S (parent company)
- PFA Pension, insurance, forsikringsaktieselskab
- PFA Soraarneq, insurance, forsikringsaktieselskab
- Mølholm Holding A/S and Mølholm Forsikring A/S
- PFA Ejendomme A/S with subsidiaries
- PFA Invest International A/S with subsidiaries
- PFA Professionel Forening (the Professional Association)
- PFA Kapitalforvaltning, fondsmæglersekskab A/S (PFA Asset Management)
- PFA Portefølje Administration A/S (PFA Portfolio Administration)
- PFA Udbetalingsbank A/S

CSR MANAGEMENT AND STRUCTURE AT PFA

The framework for PFA's work with responsibility is PFA's CSR policies and guidelines. They have been formulated based on UN Global Compact's 10 principles and the UN-backed principles for responsible investments, PRI. The policy for corporate responsibility and ethics for the PFA Group, PFA's policy for corporate responsibility and ethics and associated guidelines are available at pfa.dk.

The overall responsibility for CSR at PFA lies with the Group CEO and President. The daily work with CSR and coordination of activities, areas of focus and implementation of the policy is carried out by the CSR department, which is a part of Corporate Communications & People Management. Responsibility for enforcement of the policy for responsible investment and the work with active ownership lies with PFA's Board for Responsible Investments. The RI Board meets four times a year and its members are leading employees from PFA Kapitalforvaltning, the director of our Corporate Communications & People Management department, the CFO and the CSR manager. PFA's CFO is Chairman of the RI Board.

INTEGRATING THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT — AN OVERVIEW

UN Global Compact principle	PFA activity	Page in CSR report
1-10	Progress in creating commitment to corporate responsibility and ethics at PFA	6-7
	Screening the PFA portfolio	16-17
	Engagement dialogue with companies which do not meet PFA's standards	19
	RI Board meetings, assessments and decisions	16
	Code of Conduct	9
	Dialogue with customers, the media and other stakeholders	22-25
1-6 & 10	Whistle-blower scheme	9
1 & 6	Employee satisfaction, health initiatives and skills development	14-15
7,8 & 9	Creating commitment to the Environmental and Climate Change strategy	20
8	Energy efficiency initiatives and resource optimisation at head-quarters	21
1	Customer dialogue, customer satisfaction and online tools	24-25

EMPLOYEES AND WORKING CONDITIONS

Number of employees

	2013	2012	2011
Number of employees (annual average)	1,299	1,247	1,202
Staff turnover (%)	7.7	11.6	10.6

Employees in flex jobs

	2013	2012	2011
No. in flex jobs	10	10	10

PFA engagement surveys

	PFA engagement survey 2013	Labour market 2012	PFA employee satisfaction 2012
Satisfaction	74	73	77
Image	83	74	85
Would recommend others to apply for work at PFA	75	69	82

In 2013, PFA carried out its own engagement survey. The survey was conducted in order to assess PFA's strategic goal to become a performance organisation. There are therefore no specific benchmarks to compare with for all elements of the survey. The three questions above also appeared in previous surveys.

Sickness absence

	2013	2012	2011
Sickness absence (%)	3.1	2.9	3.3

Following five consecutive years of falling sickness absence, there was a small increase in 2013. The increase was due especially to short-term sickness absence.

Work-related injuries

	2013	2012	2011
No. of work-related injuries	3	2	7

PFA has an occupational health and safety organisation, the purpose of which is to create a safe and healthy work environment at PFA. The figures are based on PFA's reports to Arbejdstilsynet (the Danish Working Environment Authority).

Women in managerial positions, on the Supervisory Board and PFA's Customer Board - No.

	31.12.2013			31.12.2012			31.12.2011		
	Men	Women	Share of women (%)	Men	Women	Share of women (%)	Men	Women	Share of women (%)
Level 1 Director	14	2	12	11	4	26	11	3	21
Level 2 Manager	26	14	35	26	16	38	27	15	36
Level 3 Leader	40	36	47	45	32	42	49	25	34
Total	80	52	39	82	52	39	87	43	33

- PFA's Executive Board has four members, one of whom is a woman, i.e. 25 %.
- PFA's Supervisory Board has 10 members elected at the annual general meeting, one of whom is a woman, corresponding to 10 %.
- PFA's Customer Board has 67 members, of whom 15 are women, corresponding to 22 %.

Learn more about PFA's key figures and initiatives to increase the proportion of the under-represented gender on supervisory boards and in managerial positions at PFA on pfa.dk.

Coaching project for pregnant employees

Since spring 2012, PFA has offered pregnant employees and their leaders advice from a pregnancy coach to help them organise their work as best they can during pregnancy. We observe a significant reduction in the number of pregnant employees who report sick, and therefore a significant fall in sickness absence.

	2013	2012	2011
Participate in coaching process	13	15	-
No. of pregnant women	28	36*	33
No. of pregnant women with sickness absence (%)	36	58	61
No. of pregnant women with no sickness absence (%)	64	42	39
No. of pregnancy-related sick days	272	593	549

* The offer of coaching started in April 2012, so the actual number taking part was 15 out of a possible 23 in 2012.

INVESTMENTS AND ACTIVE OWNERSHIP

Company screenings

The screening of investments is undertaken on behalf of PFA by GES, which has screened and evaluated PFA's investments in equities and corporate bonds. PFA itself undertakes engagement dialogue with a number of companies and is involved in ongoing dialogue with external managers regarding CSR-related issues.

In 2013, the PFA RI Board reinstated companies with activities in Burma - Myanmar. This meant that the following companies were removed from PFA's exclusion list: Chevron, China Oilfield Service and Total. Elbit Systems has been added to the exclusion list as this company, despite an engagement dialogue, continues to disregard fundamental human rights.

Via GES, PFA was in dialogue with 43 companies in 2013. GES has also started to evaluate 106 companies in PFA's portfolios to investigate whether a potential infringement of standards can be confirmed or not.

Engagement dialogue with companies in which non-compliance with PFA's RI policy was established	19
Engagement dialogue with companies in which there were signs of non-compliance with PFA's RI policy	22
Cases closed	3
GES engagement dialogue total by companies	43*

*There were two engagement cases at Vedanta, so the 44 cases were distributed between 43 companies.

We have finalised three engagement cases in which the implicated companies met all the audit criteria.

At the end of 2013, there were 13 companies on the PFA focus list. Non-compliance with PFA's standards has been observed at each of these companies and goals for the dialogue with these companies have been set. There were a further 18 cases in progress. At these, it is not yet established whether non-compliance has taken place or not.

Country screenings

During 2013, the PFA RI Board decided to reinstate three countries in the investment portfolio based on country screenings. At the end of 2013, PFA invested in government bonds in 61 countries.

Countries are excluded or reinstated based on PFA's screening method, which includes an in-depth analysis, which outlines the country's development on a number of parameters, including the human rights situation, level of democracy and corruption. Where reinstatement is concerned, PFA emphasises the importance that significant improvement of critical conditions is documented.

PFA's exclusion list with companies and investment list with countries are published at pfa.dk.

ENVIRONMENT AND CO₂ CONSUMPTION

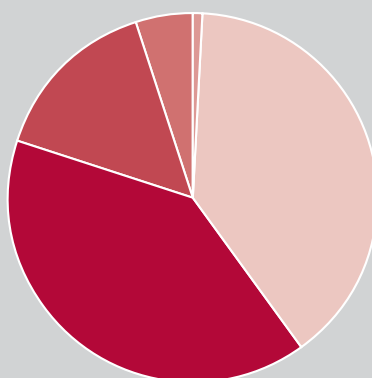
CO₂ emissions at PFA

	2013	2012	2011
Total CO ₂ emissions (t)	2,114	2,081	2,097
CO ₂ emissions (t) per employee	1.77	1.67	1.74

*During Q1 2013, there were significantly more degree days than in 2012, which led, among other things, to an increase in heating consumption. Moreover, it is not possible to see all CO₂ reducing initiatives reflected in the figures for 2013. These will be reflected in later figures.

CO₂ emissions

- Electricity
- District heating
- Air travel
- Petrol-driven cars
- Diesel-driven cars



CO₂ emissions derived from electricity consumption

	kWh	g CO ₂ /kWh*	CO ₂ (t)	CO ₂ emission/employee
2013	1,887,854	448	846	0.68
2012	1,860,663	448	834	0.67
2011	1,984,876	448	889	0.74

*The figure "g CO₂/kWh" is calculated by DONG Energy.

CO₂ emissions derived from district heating consumption

	kWh	g CO ₂ /kWh*	CO ₂ (t)	CO ₂ emission/m ²
2013	2,444,643	132	323	13,958
2012	2,136,315	132	282	12,197
2011	1,976,711	132	261	11,286

*The figure "g CO₂/kWh" is calculated by DONG Energy (kWh is degree-day corrected cf. the Danish Meteorological Institute (DMI)).

CO₂ emissions derived from air travel

	No. of flights	Kilometres flown	CO ₂ (t)	CO ₂ emissions (t) per trip
2013	789	744,629	96	0.12
2012	573	748,670	97	0.17
2011	676	603,891	78	0.12

CO₂ emissions derived from cars

	Number of cars	Consumption in litres	g CO ₂ /l	CO ₂ (t)
Petrol-driven cars				
2013	4	7,802	2,272	18
2012	10	20,222	2,272	46
2011	14	65,800	2,272	149
Diesel-driven cars				
2013	163	310,918	2,676	832
2012	154	307,236	2,676	822
2011	141	268,823	2,676	719
Total cars				
	Number of cars	CO ₂ t per car	CO ₂ (t)	CO ₂ (t)
2013	167	5.09	850	-18
2012	164	5.30	868	-1
2011	175	4.97	869	3

CO₂ offset taxi transport

Taxi transport	CO ₂ consumption offset by taxi company	Share offset for transport with other companies
2013	1,020 kg	64.4 %
2012	1,247 kg	60.7 %
2011	1,035 kg	61.8 %

CO₂ emissions derived from paper consumption

	Paper (t)	t CO ₂ /t paper	CO ₂ (t)
2013**	81 (92)	0.78	63 (72)
2012	74	0.78	58
2011*	59	0.78	46

*Increased consumption due to change of supplier from 01.07.2011, where PFA discarded a large stock of paper delivered by the previous supplier.

**The figures for 2013 include 10.4 t discarding of old envelopes/paper.

() The figures in brackets include paper from external sources which supply printed reports and other printed material.

CO₂ reduction (t)

	2013	2012	2011	CO ₂ reduction
Electricity	846	834	889	12
District heating	323	282	261	41*
Air travel	96	97	78	-1
Petrol-driven cars	18	46	149	-18
Diesel-driven cars	832	822	719	10
Total	2,114	2,081	2,097	33**

*During Q1 2013, there were significantly more degree days than in 2012, which led, among other things, to an increase in heating consumption.

**Not all CO₂ reducing initiatives are reflected in the figures for 2013. These will be reflected in later figures.

CO₂ reduction overview (t)

	2013	CO ₂ reduction
Consumption of petrol and diesel oil	850	-18
Consumption of electricity and district heating	1,168	53
Consumption of air travel	9	-1
Total	2,114	17

PFA applies the Greenhouse Gas Protocol method to calculate CO₂ reductions.

Waste (t)

	2013	2012	2011
Total waste	194	239	260

STAKEHOLDERS AND SOCIETY

Customer enquiries and contact

	Pension consultations	Advisory Services Centre Telephone calls	Advisory Services Centre Email enquiries	Health Centre and Claims Centre	Total
2013	53,642	224,271	61,508	200,000	539,421
2012	58,333	227,965	49,823	180,000	516,121
2011	47,187	199,557	42,500	140,000	429,244

Complaints Department and Customer Representative

In 2010, PFA set up a central Complaints Department and appointed a Customer Representative. The aim was to ensure high quality and that all complaints were handled in the same way.

No. of complaints to Complaints Department by subject

No. of complaints	Communication and advice	Products and solutions	Technology and IT architecture	Payouts and decisions	Deliveries and registrations	Total
2013	168	31	28	81	155	463
2012	129	27	19	68	110	353
2011	93	6	14	74	28	215

No. of complaints to Customer Representative

	Total	Accepted	In favour	Partially in favour	Not in favour	In process	Referred to Complaints Dept.
2013	57	4	6	5	3	8	31
2012	59	10	7	5	8	4	25
2011	67	N/A*	29	9	9	5	15

* The method used to register the results of complaints cases was changed in 2012. This means that the 2012 figures are not fully comparable with the figures for 2011. The complaint result "accepted" is a new category, which is used when the complaint can be settled by supplementary consultation or by sending extra material.

Councils and networks to promote corporate responsibility

- Member of the UN Global Compact and Global Compact Nordic Network.
- Member of Rådet for Samfundsansvar (the Danish Council for Corporate Responsibility), which advises the Danish government on CSR. PFA is also a member of a working group which is mapping investments in the manufacture of weapons which contravene international law (cluster weapons and anti-personnel land mines).
- Member of Dansif's working group for events.
- Participated in pilot project during Global Compact Nordic Network peer review with a view to being inspired and improving future CSR reports.

Reputation

PFA's reputation is affected by a range of factors, including trustworthiness, significance and visibility. PFA's coverage in the press has made a positive contribution to the development of PFA's reputation.

	2013	2012	2011
Coverage/no. of mentions	3,635	2,713	2,335

Image measurements in the financial sector – brand position/score*

	Q4 2013	Q4 2012	Q4 2011
Decision-makers' assessment of the brand	No. 3/score 11.9	No. 3/score 11.5	No. 5/score 13.3

*Source: Infomedia/You Gov.

Awards

PFA won the following awards:

- DIA Award (Danish Internet Award) in the "Financial Services" category for the Pension Estimator.
- True Award, a Danish advertising film award for the Best Interactive Film Online – awarded to the Pension Estimator.
- The Advertising Effectiveness Award, AEA 2013, for Denmark's most effective advertising campaign – awarded to the Pension Estimator.
- PFA Ejendomme A/S won the Best Core Investment Award at IP Real Estate Awards.

FOCUS AREAS IN CORPORATE RESPONSIBILITY IN 2014

PFA will review its policy for corporate responsibility and ethics, and other policies and guidelines which form the framework for PFA's CSR work.

By means of internal communication, PFA will broaden awareness of the PFA whistle-blower scheme.

PFA will resolve the challenges involved in small suppliers' self-assessment.

PFA focuses on health initiatives in daily life and is running a three-month trial with an exercise programme using rubber bands to reduce the number of employees with minor problems with their back, neck and arm. These health initiatives are intended to improve job satisfaction and reduce sickness absence.

PFA will assess the partnership with Børn, Unge & Sorg (a Danish organisation which helps children and adolescents who have lost a parent).

PFA will evaluate the success of its five-year climate partnership compared to the goal which was to reduce CO₂ emissions by up to 30 %.





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