

CSR REPORT 2015

CORPORATE RESPONSIBILITY IN PFA

- efforts and results



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TRANSLATION:

This is a translation of PFA Holding's CSR Report 2015 in Danish. In case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

The photos in this report

The photos in this report show organisations and projects that have been elected as the causes of 2015 and have received financial support from PFA Brug Livet Fonden.

Photos by photographer Jakob Dall.

Front page: Projekt Husvild
One of PFA Brug Livet Fonden's 2015 causes
[Facebook.com/projekthusvild](https://www.facebook.com/projekthusvild)

PFA HEADING FOR 2020

The world around us is changing. It happens every day even though we do not notice it. New opportunities arise, and with very few taps on our smartphones, we can shop, pay bills or get an overview of our pension yield.



We are all part of the global change, and are compelled to adapt our business strategies to meet the needs and expectations entailed by the changes. There are many expectations to a large pension company such as PFA from customers, employees, politicians and the media. For this reason, PFA has initiated Strategy2020 which pinpoints PFA's priorities for the next five years.

The strategy is based on three core values which always have been part of PFA's foundation: Professional, fair and accountable. Our keywords create a framework for the identity that we wish for PFA and for the way that we wish to meet customers, the market and society.

In the future, PFA will work to ensure that the values are key in all our activities, so that we on a continuous basis can deliver accountable advisory services, create a high long-term return with respect for human rights and the environment as well as develop products that take care of our customers if they should fall ill.

It is far from all who think that pension planning is exciting, and it may be difficult to relate to something if it is far off into the future. In PFA, we consider it our responsibility to help our customers and people in Denmark in general to consider pension and to help them understand what pension is in order to provide an insight into what the future looks like.

As a pension company that manages our customers' savings, we have a special responsibility. We are conscious of this responsibility and strive to contribute to the society that we are a part of. For this reason, we back the UN Global Compact and aim at ensuring compliance with the ten international principles for responsible corporate behaviour which create the framework for PFA's work on corporate responsibility. Furthermore, through PFA Brug Livet Fonden, we support a range of causes that help others to live life.

The current report combines the year's activities and results in the many areas in which PFA has integrated accountability in the organisation and strives to make a difference for the customers, the employees and society. The report presents a picture of PFA's comprehensive efforts within corporate responsibility. It describes how we in PFA already work in a professional, fair and accountable manner in a wide range of areas. At the same time, we acknowledge that we with the values of Strategy2020 can increase our efforts and create accountable long-term results for our customers and contribute to the development of the society that we are all part of.

Allan Polack
Group CEO

SELECTED KEY FIGURES AND OVERVIEW 2015



790,000

Visitors at My PFA (mitpfa.dk)



75,000

Pension consultations



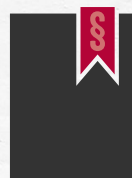
**APPROXIMATELY
1.1 MILLION**

Pension customers



88,000

Joined PFA Customer Programme
in 2015 – in total 130,000



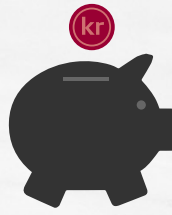
113

Customer Representative
issues incl. proactive issues



1,367

Employees (annual average)



DKK 527 BILLION

Investments under management

11.8 PER CENT

Employee turnover
(excl. Mølholm Forsikring)

DKK 28.7 BILLION

Payments

3.0 PER CENT

Sickness absence

DKK 20.0 BILLION

Payouts

76 OUT OF 100

Employee satisfaction

DKK 239 MILLION

Total tax payments

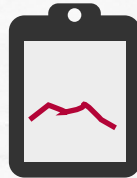
DKK 8,816 MILLION

Total tax collections



38 PER CENT

Women in management



2004 TONS

CO₂ consumption



74

The employees' combined
Health Estimate



224 TONS

Waste

2.5 TONS

Reduction of food waste
in the canteen

ABOUT THIS REPORT

The purpose of this report is to communicate PFA's efforts and results in connection with our work on corporate responsibility during 2015. The initiatives of the year have been characterised by changes in PFA's work with corporate responsibility. The CSR effort is strengthened in many areas and integrated in new ways.

A number of the year's actions were preparations for activities to be initiated in 2016. For this reason, a couple of the focus areas for 2015, which were described in the 2014 CSR report, have only been partially realised in 2015 or postponed until 2016. These are described on the following page.

The report covers the entire 2015 and comprises the PFA Group. PFA Holding's annual report, this 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. The mentioned reports also represent PFA's Communication on Progress report (COP) to the UN regarding PFA's implementation of the Ten Principles of the UN Global Compact.

Priorities of the contents of the report

In 2015, PFA initiated a range of new initiatives which during the preparation involved a broad dialogue with the customers, the employees and other stakeholders. This applies to both the development of products and the preparation of PFA's Strategy2020 as well as to the prioritisation of our work with responsible investments. Overall, this has contributed to an assessment of which areas that are the most valuable for PFA to focus on, and these areas are thus the ones that will be described as the actions and results of the year in the current report.

Structure of the report

The report is structured around the central subjects of PFA's new Strategy2020 and focuses on the subjects that have been prioritised in the dialogue with customers, employees, the Board of Directors and other stakeholders. Learn more about the strategy on page 8.

The last part of the report consists of PFA's CSR-related key figures and data. As a new thing, the numbers are structured in the same manner as in PFA's corporate responsibility model which is based on PFA's policy for corporate responsibility and ethics. In this way, data and key figures provide an overview of how PFA complies with the policies. The 2015 figures are compared with figures for the past two years in order to show how the results have developed. The 2015 figures and the figures for the past years will be included wherever relevant throughout the report. This way, the final part of the report provides a combined overview of figures and data of how PFA complies with its CSR policy and guidelines. The report itself focuses on the results that have been prioritised by customers, the Board of Directors, employees and other stakeholders during the year.

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

One of PFA Brug Livet Fonden's 2015 causes for children receiving treatment in Danish hospitals - smilfonden.dk

The 2014 CSR Report, "PFA and Corporate Responsibility - initiatives and results", described a number of focus areas for PFA's work with corporate responsibility in 2015.

Below, you can read about the scope and position of the focus areas in the report.

PFA will prepare a health strategy for PFA's employees – see page 26.

PFA will map and revise internal guidelines and advance the employees' knowledge of the guidelines through internal communication – see page 26.

PFA will develop a complete CSR strategy – this will be commenced in 2016 in connection with Strategy2020.

PFA will make an effort to communicate a number of the elements involved in the work with active ownership without compromising the confidentiality needed in the dialogue with the companies in which PFA invests – see page 20.

PFA will revitalise the Customer Board and involve the members to an even higher degree than previously. The Customer Board has been involved in the preparation of Strategy2020 – see description page 8.

As a CDP Investor Member, PFA will work more systematically with the data that the companies report to the CDP. This is partially realised and will be completed in 2016. See description page 22.



PFA'S STRATEGY HEADING FOR 2020

In 2015, PFA's Board of Directors agreed on Strategy2020. The purpose of the strategy is to ensure that PFA becomes increasingly customer-oriented and efficient. The preparation of the strategy has involved PFA's management and other employees as well as PFA's customers, Customer Board and external experts.

PFA STRIVES TO INCREASINGLY FOCUS ON THE INDIVIDUAL PENSION CUSTOMER AND THE VARIOUS SITUATIONS AND NEEDS THAT THE CUSTOMER ENCOUNTERS. ALL IN A PROFESSIONAL, FAIR AND ACCOUNTABLE WAY.

Strategy2020

The strategy builds on the same mission as PFA's founding principles which were established almost 100 years ago, namely ensuring financial security, family protection and pension for the customers. The business model has always rested on PFA's principle not to make money on its customers, but solely to make money for the customers.

Involving the Customer Board

During the preparations of Strategy2020, PFA has actively involved the Customer Board in the process of development. The members of the Customer Board have either participated through interviews or workshops to provide feedback on a range of subjects. The feedback from this extensive process is an integral part of Strategy2020's value model to the market.

PFA - Professionalism, Fairness and Accountability

In order to be loyal to the mission, PFA is driven by a set of values based on Professionalism, Fairness and Accountability.

Professionalism: PFA is a highly qualified investor and insurance provider that focuses on maximising the customers' savings in the long term and ensuring financial security for its customers on their way towards retirement and thereby create security both now and in the future.

Fairness: PFA treats all customers with respect based on the same fundamental rules. This means that there is a direct link between what the customer pays and the advice and service provided. In addition, PFA channels back any excess value it generates to its customers.

Accountability: PFA is accountable both to the outside world and the individual customer – be it a company, organisation or private customer. For instance, PFA does not have a higher cost level than what is necessary to deliver its services. Likewise, PFA ensures that customers have the possibility to get relevant advice in an easy-to-understand and accessible way.

Accountability is also an integral part of the investment approach in PFA. The goal is to ensure that PFA's investment return is achieved with respect for human rights, environmental issues and internationally recognised standards.

When it comes to PFA's corporate responsibility, PFA needs to be conscious about its role and the way that PFA contributes to the public debate and the development of society. PFA must be professional and systematic regarding its value creation and ensure that this is carried out responsibly with respect for the international principles that PFA has joined and must comply with in a fair and balanced way.

Outlook for 2016

Our values are absolute key for the processes and solutions that PFA will manage in the future. PFA's activities and results in the CSR area comply with the values, but, at the same time, Strategy2020 gives occasion to go through PFA's CSR policy and policy for responsible investments to ensure that they reflect the strategy and have a suitable focus on our values: professionalism, fairness and accountability.

Morgencafé for Hjemløse

One of PFA Brug Livet Fonden's 2015 causes for the homeless and socially vulnerable - morgencafeen.dk



PFA AND SOCIETY

PFA is an essential part of the pension system in Denmark and is aware of that role. Therefore, PFA has made it its business to place pension on the public agenda and create the best possible conditions for pension saving in Denmark. PFA contributes to the society that PFA is part of, and jointly with PFA Brug Livet Fonden, focus is on a number of the dedicated individuals who help others to live life.

 **PFA STRIVES TO CONTRIBUTE TO THE DEVELOPMENT OF SOCIETY BY PASSING ON KNOWLEDGE AND EXPERTISE FROM PFA'S CORE ACTIVITIES AND ENSURE THAT OUR VALUES - PROFESSIONAL FAIR AND ACCOUNTABLE - ARE COMPLIED WITH.**

Pension on the agenda in Denmark

PFA manages a large part of pension savings in Denmark and influences many lives. PFA takes the entrusted responsibility seriously, and in 2015, we have made active contributions to the public debate on subjects such as pension, health, preventive measures and savings. This was achieved through a high level of openness and dialogue with customers, the press and other stakeholders. The purpose was to ensure a better understanding of pension as a central part of society's financial foundation as well as increase the knowledge of PFA and strengthen its reputation. This has resulted in a significant amount of press coverage of PFA. In 2015, PFA was mentioned 5,100 times in the media which is the highest number of mentions in the Danish pension sector. During the first part of 2015, PFA experienced a number of critical articles focusing on PFA's business model and replacements in the management. Thereafter, PFA has experienced a constant increase in positive press coverage. PFA took the position as number 66 in the image survey in Berlingske Business' Gold issue which included 140 companies.

PFA at Folkemødet

In 2015, PFA participated in Folkemødet in Allinge on Bornholm, Denmark. PFA backed Folkemødet as gold sponsor and arranged a number of presentations and debates in its own tent at the meeting. The purpose was to create awareness of the societal meaning of a strong pension system as well as inform about PFA's corporate responsibility and business activities. During the four days that Folkemødet lasts, PFA arranged six debates concerning pension ranging from green investments to how to future-proof the Danish pension system.

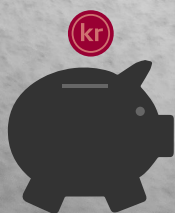
PFA's tax accounts

PFA strives to contribute to increase transparency within the tax area. Therefore, the boards of directors of PFA Holding and the other PFA companies have adopted a tax policy in 2015 that applies to the entire PFA Group. The tax policy covers all tax areas where PFA has activities in its capacity as company, employer and investor. It covers corporation tax, pension yield tax, VAT, payroll tax, income tax applicable to employees as well as retirees, tax on investments made in Denmark and abroad as well as any other taxes that PFA settles in Denmark and abroad. The policy describes principles for compliance with tax legislation, dialogue with customers and advisory services for customers concerning tax matters as well as what PFA expects of its business partners and others in relation to tax matters.

As part of complying with the policy, PFA has in 2015 developed a joint statement of the taxes and fees that PFA annually pays and collects. The statement can be found on page 37. The policy and the tax accounts describe a part of PFA's societal contribution and can be found at pfa.dk.

PROJEKT HJEMLØS

One of PFA Brug Livet Fonden's 2015 causes for the homeless
and socially vulnerable - projekthjemløs.dk



Payments	DKK 28.7 billion
Payouts	DKK 20 billion
Total tax payments	DKK 239 million
Total tax collections	DKK 8,816 million

PFA BRUG LIVET FONDEN

In 2015, PFA Brug Livet Fonden once again elected causes where dedicated individuals could nominate their cause in order to create awareness about them. Moreover, in collaboration with PFA, the foundation has put additional spotlight on seven of the causes by making videos about them.



PFA BRUG LIVET FONDEN SUPPORTS CAUSES AND DEDICATED INDIVIDUALS WHO HELP OTHERS TO LIVE LIFE.

Information videos about causes that the foundation supports

During the year, the foundation collaborated with the recipients of the donations to make seven information videos. The videos were about the causes and provide an insight into what each of them work for. The videos received broad exposure and were displayed on the foundation's website as well as during Folkemødet on Bornholm. The foundation also made a short information video about the foundation's activities and the causes that have been elected previously.

PFA Brug Livet Fonden at Folkemødet

PFA Brug Livet Fonden had the opportunity to use a part of PFA's tent at Folkemødet. In this way, the causes that were supported by the foundation had the opportunity to bring attention to their cause with both information material and speaking time in the foundation's activity program for Folkemødet. 15 out of the 17 cases that the foundation has supported throughout the years accepted the invitation to present their cause. This was a new activity for the foundation.

The 2015 causes

During the nomination period in 2015, 84 causes were nominated at bruglivetfonden.dk against 77 causes in 2014. During the 14 days when it was possible to vote for the nominated causes, 65,458 votes were casted. This is more than a doubling of the amount of votes from 2014. The voting resulted in 17 nominations which were presented for the board. In 2015, the board decided to distribute the sponsorship on to two areas: Activities for children receiving treatment in Danish hospitals and support for the homeless and socially vulnerable in Denmark. The foundation supported five different causes and dedicated individuals that for one thing create joy and happiness for children receiving treatment at hospitals in Denmark and for another thing, arranges food and shelter for homeless and socially vulnerable in Denmark. Each cause received DKK 50,000.

The videos can be viewed at the foundation's website and with the respective organisations. Videos were created for the following causes in 2015:

- Børnelungefonden
- Hjernebarnet
- Søkendekram
- Happy Dogs
- Neonatalstrik
- Danske Hospitalsklavne
- Gigtramte Børns Forældre Forening



Causes in 2015	5
Information videos	7
Causes present at Folkemødet	15
Number of votes for this year's causes	65,458
Followers on the foundation's Facebook page	36,565

PFA Brug Livet Fonden's five causes in 2015:

PROJEKT HJEMLØS

PROJEKT HJEMLØS is open to Copenhagen's homeless people every weekend. Here, homemade food is served at no charge. This organisation of volunteers also offers care for the city's socially vulnerable and tries to motivate as many as possible to get on with their lives. They, among other things, put a lot of effort into helping substance abusers who wish to recover from their abuse.

SMILfonden

SMILfonden is a new voluntary association that has been created to put a smile on the lips of children who receive treatment at Danish hospitals – and make them think about something else than their illness. The purpose is to give the children and their families a shared experience and make them forget the illness that otherwise influences their lives - at least for a while.

Projekt Husvild

Projekt Husvild is a non-profit association from Odense, Denmark that helps and supports the city's homeless with anything from clothes, shoes and food to assistance at medical consultations, in court and with the local authorities. Projekt Husvild collects furniture and other household goods to homeless who get a home of their own, so that they can have a comfortable and safe place to live. They furthermore help if a homeless' pet has an issue.

Foreningen Cancerramte Børn

The main purpose of Foreningen Cancerramte Børn is to support cancer-stricken families, help to create networks in a traumatic period of time and arrange activities for the children and their families. During the year, the association organises 60 different activities all over Denmark.

Morgencafé for Hjemløse

Morgencafé for Hjemløse works to reduce the number of homeless and improve the living conditions for the socially vulnerable. The users of Morgencaféen live a rough life on the streets, where violence and threats often are part of everyday life. Morgencaféen is a fixed point in an otherwise turbulent life, where the homeless can get food, clothes, care and can receive medical treatment, legal counselling etc.

PFA FOR THE CUSTOMERS

With the customer in focus, information must be easily accessible and be adapted to the individual customer. At the same time, intensified advisory services and continued development of digital platforms are initiatives to boost customer satisfaction further. The customers are consulted, and if they are dissatisfied, making a complaint must be easily accessible.

PFA AIMS TO BE CUSTOMER-FOCUSED AND TO CONTINUE TO IMPROVE THE CUSTOMER EXPERIENCE BASED ON THE CUSTOMERS' INDIVIDUAL NEEDS.

Digital solutions that focus on the customer

In 2015, digital self-service has become easier for PFA's customers. This is due to the fact that PFA launched the Pension Plan which collects all data on the customer's savings and insurance cover in one facility at the customer portal My PFA (mitpfa.dk). This means that a customer only needs one tool to engage in a dialogue on saving and dissaving with PFA. The purpose of the Pension Plan is to be a supplementary advisory tool in which a customer basically can find the answer to many of the concrete questions that a customer may have – without needing to contact PFA.

During 2015, the customers have embraced PFA Customer Programme. PFA Customer Programme was introduced in 2014 to give customers a good grasp of the content of their plans and get targeted and personalised recommendations by e-mail on a regular basis. Around 90,000 customers have in 2015 agreed to that PFA sends them personal e-mails.

In 2015, My PFA had more than 790,000 log-ins against approximately 590,000 in 2014. The customer satisfaction at My PFA has increased to 7.5 on a scale of 1-10 against 6.6 in 2014.

Consulting the customers on product development

It is important for PFA that the products that are offered support the customers' needs and wishes in the best way. This creates value for the customers. Therefore, PFA focuses on that development is made in collaboration with the customers. In 2015, PFA introduced a new and more flexible portfolio of products for the corporate customers regarding loss of occupational capacity.

When PFA initiated the development of the new product for loss of occupational capacity, several

corporate customers were involved early in the process. The purpose was to gain insight into the companies' concrete needs. Among other things, this process contributed to illustrate that in companies, there may be several employee groups with different needs and requests. PFA can now meet the different needs, as the corporate customers may choose the particular product that suits the company the best way possible – and they do not need to settle with just one product but can target product types concerning loss of occupational capacity to the different employee groups in the company.

Helping customers to get back to work

PFA Active Claims Handling aids the customers to get back to work through early and efficient actions in order to avoid long-term sickness periods, which involve a greater risk of the customer never returning to employment. This creates value for the customer, the company and society. Help is granted individually and through a process where it can be adjusted to match the customer's current needs. Active Claims Handling covers reactivation, prophylactic cases, grants and treatments. PFA Active Claims Handling has been in dialogue with 328 customers in 2015 against 410 in 2014. In 2015, 27 customers were helped so that they once again are able to get back to the labour market, and 51 prophylactic processes have been terminated.

Efficient complaints handling

The Complaints & Customer Satisfaction Department is anchored in PFA's legal entity. Since 2015, the department has increased the efforts to improve customer satisfaction. A range of initiatives have been implemented with a focus on improving the customer experience and ensuring a fair treatment of the individual customer.



Number of customers	1.1 million
Consultations	75,000
E-mails to PFA's Advisory Services Centre	68,000
Calls to PFA's Advisory Services Centre	210,000
Calls to the Health and Claims Centre	256,000
Customers trained in pension insurance	4,000
Customers helped back to the labour market	27
Total number of customer interactions	610,000

PFA's employees in the department Complaints & Customer Satisfaction have established working groups and fora to provide agile and fast handling of customer inquiries with specific topics. The purpose has been to optimise the application of resources in PFA in order for it to have a direct and noticeable effect for the customers. The working groups have strengthened the internal knowledge sharing and increased the possibilities to focus on relevant problems.

PFA has to a larger degree than previously been capable of preventing complaints or customer inquiries of the same type from recurring. This resulted in a significant decrease of 22 per cent in the number of complaints in that PFA received 354 complaints in 2015 against 453 complaints in 2014.

Enquiries to the Customer Representative are effective

The customers' trust is very important to PFA, and for that reason, PFA has a Customer Representative. The purpose of the Customer

Representative is to see the course of events from the customer's perspective and evaluate whether the development of the individual case is meaningful. Most often, the customers initiate contact to ensure that everything is as it is supposed to, or if they need to inform of a matter that they would like PFA to improve in the future. The cases are often terminated by identifying the customer's needs and then fulfilling them.

The Customer Representative also steps into cases proactively. This occurs when PFA's advisers point to potential issues. In 2015, 39 out of 113 cases were proactive which was a decrease compared with the 143 cases in the previous year. From the 113 cases, 57 were solved with a joint solution, 6 were found to be partly or totally in favour of the customer, 30 were found to be in favour of PFA, 7 cases were discontinued, 2 were referred to the Complaints & Customer Satisfaction Department and 11 cases are still under review.



Cases presented to the Danish Insurance Complaints Board

In 2015, 56 complaints about PFA have been presented to the Danish Insurance Complaints Board. This is thus a relatively low number when considering that PFA has 1.1 million customers, and that PFA had more than 600,000 interactions with customers in 2015. The amount must in part be ascribed to the efficiency in complaints handling procedures, and in part to the mentioned efforts to improve customer satisfaction. The Danish Insurance Complaints Board has in 2015 completed 74 complaints. In overall terms, PFA was found in favour in 4 out of 5 completed cases. The large percentage of cases in which PFA has been found to be in favour shows that PFA engages in professional and accountable decision-making.

Subjects and results in Customer Representative issues in 2015

In all essential cases, the customer inquiries are reported to the relevant areas in PFA to serve as inspiration.

Subjects for Customer Representative cases	Customer Representative contributing with knowledge of PFA's processes	What the customers gain from inquiries
Basic interest rate Insecurity whether everything is as it is supposed to regarding the customer's plan.	Communication with customers about pension. Focus on the principles of guaranteed benefits.	Written information with a simpler way of facilitating pension-related subjects.
Products Changes in pension products give rise to doubt and insecurity.	Continuous training of advisers in the areas that the customers find themselves to be insecure.	Focus on presenting examples for the customers and calculation tools at My PFA (mitpfa.dk).
Transfer allowance Scepticism towards PFA's calculation of transfer allowance.	Request for an altered method that provides greater security for the customers.	Altered method: The transfer allowance will be fixed in the future and is thus known when the customer is to make a decision.
Contact with PFA Lacks communication from PFA.	Focus on the customer's angle when working on PFA's future strategy.	Strategy2020 evolves around the customer.

Morgencafé for Hjemløse

One of PFA Brug Livet Fonden's 2015 causes
for the homeless and socially vulnerable - morgencafeen.dk



RESPONSIBLE VALUE CREATION

Responsible value creation is about having processes and know-how that support the choice of responsible solutions for the customers. Responsible solutions cover widely and apply to the choices that are made in the investment process, in the way that the company is run and to the products that are being developed. When the solutions are responsible, they create value for the customer, PFA and for society in particular.



PFA AIMS TO CONTINUE GENERATING RETURNS THAT OFFER MORE VALUE TO THE CUSTOMER IN THE LONG TERM AND AT THE SAME TIME IMPROVE SENSE OF SECURITY IN THAT THE CUSTOMERS' INSURANCE PLANS HELP THEM SHOULD THEY NEED IT.

PFA's healthcare partnerships

It is important for PFA to create awareness about the value of healthy employees and to nurse health in the work place. It is not only the employees' energy and efficiency that prosper by it. The company, society and PFA's business model prosper too. Therefore, evidence-based health and preventive measures are important elements in PFA's responsible value creation. PFA has collaborated with a range of companies to complete evidence-based online health screenings of their employees. The screenings show that healthy employees estimate their own productivity and ability to perform their job to be high.

Based on data about the individual company, PFA develops solutions for advisory services, analyses, health strategy, implementations within physical and mental health as well as diet, sleep and lifestyle. In 2015, PFA performed health screenings with 54 corporate customers and carried out strategic health collaborations with 190 customers with activities that varied from long processes of health strategies with major corporate customers to short sequences of events and actions with small- and medium-sized corporate customers.

Example of health collaboration in 2015:

PFA took part in formulating a health strategy in which the steering committee, the project group and the customer's stakeholders were involved throughout the entire process. PFA assisted with strategic expertise on health and ran the change process that was required for the strategy to become an integrated part of the customer's corporate culture and values. The result is a strategy that is both ambitious and realistic when considering the company's structure. Throughout a three-year period, the goal is to, in collaboration with PFA, accomplish quantifiable results from

the work with evidence-based preventive measures to achieve good health that creates value for the company, its employees and for PFA.

New process for risk management of suppliers

It is important to ensure that the partners that PFA work with also act responsibly. Since 2013, PFA has therefore applied a Code of Conduct in the formation of contracts. In 2014, the work process was divided into two parts relating to critical and less critical suppliers, respectively. In 2015, PFA tightened the process for the application of PFA's Code of Conduct when entering into contracts with business partners. During 2015, the various administrative procedures were therefore looked over to, among other things, secure the process regarding signing and complying with PFA's Code of Conduct.

The new process will be fully implemented during 2016, and everyone involved in entering into contracts will receive an introduction on how to apply PFA's Code of Conduct in practice both when entering into contracts and when reporting on progress. In practice, the new and stringent process means that PFA will not enter into collaboration with a critical supplier if this supplier will not accept the demands of PFA's Code of Conduct and if the supplier cannot answer in the affirmative the questions in PFA's self-evaluation. This also applies to the less critical suppliers who do not accept a declaration of intent on complying with PFA's Code of Conduct. At the same time, PFA has introduced a new demand for critical suppliers in the form of annual documentation of compliance with PFA's Code of Conduct. The less critical suppliers are still subject to accepting random checks.

PROJEKT HJEMLØS

One of PFA Brug Livet Fonden's 2015 causes
for the homeless and socially vulnerable - projekthjemløs.dk

This new process is implemented in future contracts, and in 2016, PFA will evaluate existing contracts and expects to be able to include Code of Conduct in the process for the existing contracts with critical suppliers.



INVESTMENT PROCESS RESPONSIBILITY

PFA's policy on responsible investments is the pivotal point for PFA's processes to integrate responsibility in the investment process. PFA's Responsible Investment Board handles the ethical investment dilemmas and has in 2015 focused on a wide range of areas that have had an impact on investments and the investment process in PFA.



PFA AIMS TO BE A RESPONSIBLE INVESTOR CREATING A HIGH AND LONG-TERM RETURN ON INVESTMENT WHERE THE CUSTOMERS CAN TRUST THAT THEIR SAVINGS ARE INVESTED WITH RESPECT FOR HUMAN BEINGS, THE ENVIRONMENT AND INTERNATIONALLY RECOGNISED CONVENTIONS.

PFA's work on international principles

PFA's Policy for responsible investments describes how international UN principles and conventions are put into practice and are integrated as a part of the investment process. The policy is based on the Ten Principles of the UN Global Compact. The processes for screening companies and active ownership are based on the six UN-backed principles for responsible investment.

PFA backs the principles and have followed the latest development of the organisation PRI (Principles for Responsible Investment). PRI collects, among other things, a wide variety of players who all work with responsible investments and the six UN-backed principles for responsible investments. PFA withdrew its membership from PRI in 2013 along with five other Danish investors. The reason for the joint withdrawal of membership from PRI was, among other things, due to a lack of governance structures. The six investors-group has in 2015 been in dialogue with PRI, and PFA expects the dialogue to continue in 2016.

PFA has furthermore focused on how the methods of the UN's Guiding Principles on Business and Human Rights can be translated into the different processes for investment, screening and dialogue on active ownership in a better way. It is an ongoing process based on a due diligence approach which is integrated as a part of the risk management, and PFA will continue its work in 2016.

Company screenings in the portfolio of shares

Screening and dialogue are important elements in uncovering whether companies in which PFA invests comply with the international principles in PFA's policy for responsible investments. If it

is found that a company's practices conflict with the policy, PFA's screening and engagement provider GES will initiate an engagement dialogue to change practices. Dialogue is also a part of the process with the company in the instances where it is not clear if the company complies with the international principles. GES screens the companies in PFA's portfolio. In 2015, PFA has experienced an increase in the number of cases where GES has assessed if a company is non-compliant. In 2015, GES has assessed 181 cases against 128 cases in 2014.

Country screenings

PFA screens and analyses the countries in accordance with PFA's guidelines for responsible investments in government bonds and procedure for country screening. We do not enter into engagement dialogues with countries, as this is considered to be a foreign policy issue. In 2015, the guidelines and the screening procedure were updated. The applied indices and the screening procedure are available at pfa.dk. There was a follow-up on the situation in Ukraine and Russia in 2015. Furthermore, the RI Board monitored the situation in Angola and the Ivory Coast which are countries that the RI Board has estimated to be suitable for investment in 2014, but at the same time has under observation. At end-2015, PFA invested in government bonds in 66 countries. The list of countries and the list of excluded countries are available at pfa.dk.

Dialogue with companies

Throughout the year, GES entered into dialogue with 56 companies in PFA's portfolio of shares. The dialogue has been with companies that have either committed an offence against international conventions or where indications showed that a company has committed an offence against international conventions. Three cases were



Investments under management	DKK 527 billion
Investment return	DKK 13.6 billion
Companies on PFA's exclusion list	33
Countries on PFA's exclusion list	3

resolved during 2015 in that the companies have altered their practice to comply with the international conventions.

Breakdown of GES's dialogues with companies in PFA's portfolio of shares:

Human rights	22
Employee rights	21
Environment	12
Corruption	7

PFA has also entered into dialogue with individual companies. Since the end of 2014, PFA has been in dialogue with individual customers and other players on how to manage investments in companies associated with activities in Israel and

in the West Bank. During the same time as this dialogue, PFA has cooperated with GES on analysing the individual companies' activities. Subsequently, PFA has prepared analyses and been in dialogue with companies on how they comply with the principles of due diligence and their non-association with violations of human rights when engaging in activities in an occupied territory. In continuation of this dialogue, PFA has established a log at pfa.dk which is regularly updated with a range of concrete companies that PFA has been asked about previously. This way, a part of the often long dialog with a company is made visible so that customers, media and other stakeholders are able to stay updated on the process. This activity supports PFA's work concerning increased transparency which continues in 2016.

Responsible Investment Board

Group CFO Anders Damgaard is chairman of PFA's Responsible Investment Board (RI Board) which



Example of an ongoing dialogue with a company

In December 2014, PFA was presented with a report and a video showing criticisable conditions in the supply chain with the company Syngenta which PFA has invested in. GES conducted an investigation and an analysis of the report's conclusions. Therein, GES concluded, after a dialogue with Syngenta, that there was no evidence that the company had violated international conventions on this area.

PFA initiated a dialogue with the company, and Syngenta asked Fair Labour Association (FLA) in India to examine practice in their supply chain. FLA's report on Syngenta's supply chain (Procurement price and credit practices in Syngenta hybrid seeds supply chain, India), was published in July 2015. PFA has noted the results of the report and Syngenta's set-up of an internal team, whose job is to proceed with the recommendations outlined in the report. PFA will follow the work of the team on a continuous basis.

additionally comprises the management of PFA Asset Management as well as other managers from the business units dealing with investment and CSR.

The RI Board has throughout the year assessed the progress in the dialogue with cases that both PFA and GES have had with a number of companies. Focus has furthermore been on responsible investments in conflictual areas, and the RI Board has a continuous focus on investments in the energy sector. Previously, in connection with answering questionnaires, PFA has estimated the development of the share of investments that have been exposed against fossil and green energy, respectively, in the portfolio of shares. PFA strives to focus on creating a robust method for estimating such numbers during 2016. Another area that PFA also focuses on in 2016 is the work with mapping CO₂ emission in the companies in PFA's portfolio of shares. PFA is a CDP Investor Member (previously known as Carbon Disclosure Project) and has been in dialogue with CDP about establishing an overview of the CO₂ emission of PFA's portfolio of shares. The purpose of the work is to achieve an overview that can be applied internally in PFA.

Exclusion of companies

PFA's exclusion list comprises companies and countries that do not comply with PFA's policy for responsible investments. This means that we exclude companies that violate the policy and companies that do not respond to dialogue or initiate non-complying actions. In addition, companies that produce certain types of controversial weapons and weapons in contravention of international law are excluded. To PFA, exclusion is by no means an aim in itself. PFA strives to be an active owner that through dialogue attempts to make a company change its practices. In 2015, PFA has excluded three companies that according to GES were involved in the production of nuclear weapon. The companies are AECOM Technology Corp., Huntington Ingalls Industries and Flour Corp. Moreover, towards the end of 2015, PFA excluded HeidelbergCement. The exclusion took place after the RI Board for an extended period had looked into the company's activities in conflictuous regions, and was based on analyses and PFA's interpretation of the usage of international law in the field.

PFA in 'Hall of Fame'

In 2015, PFA entered into the 'Hall of Fame', an acknowledgement that is awarded by the Dutch peace organisation PAX. The organisation has evaluated PFA's policy and practice for exclusion of companies that produce nuclear weapons.

Energy consumption screenings in PFA's property portfolio

The buildings in PFA's property portfolio is an area where PFA can be involved in influencing the energy consumption, which is a focus area of the partnership between Dong Energy and PFA. The partnership covers the period from 2015-2017 and is an extension of the partnership concerning energy optimisation of PFA's headquarters from 2010-2014. The partnership means that PFA's 60 properties will be screened for possible energy efficiency measures.

Throughout 2015, PFA worked on mapping the energy consumption in its property portfolio. The total energy consumption is to form the basis of future calculations and goals for the properties in the portfolio. The time spent on collecting data has been longer than expected. Therefore, a total number is not present by end-2015. Six buildings have been selected to be mapped for energy efficiency measures in the first phase. The selection of the buildings was based on age, size, use and energy label. The mapping phase also involves a dialogue with the buildings' tenants, and when the results are found, PFA will review the possible solutions and options in collaboration with the tenants. The purpose is that the investments are an advantage to both the tenants, the environment and are a profitable investment for PFA's customers.

In 2016, PFA expects to be able to deliver more specific figures and goals regarding the mapping and the energy optimisation of the property portfolio.

SMILfonden

One of PFA Brug Livet Fonden's 2015 causes for children receiving treatment in Danish hospitals - smilfonden.dk



Screening of the first property

The energy advisor has started mapping the buildings that have been chosen in the first phase. The first building has a floor area of approximately 45,000 square metres and is located in Copenhagen. The building is from 2001 and has in particular focus on expenditure for heat, cooling systems and lighting.

The screenings will be based on previous experiences from PFA's properties and focus on four main areas: Ventilation, heating, cooling systems and lighting. The mapping of the first building is almost completed and has been based on the usage of the building, demands of indoor climate and requests for management and operation. The advisor prepares a report with an overview of the identified areas with potential.



SUSTAINABLE OPERATIONS

Sustainable operations are key to the value creation. The operations involve a systematic and persistent effort in the environmental and climate area, where the returns and the benefits must be balanced in consideration of the value for society and the customers.



PFA AIMS TO BRING ATTENTION TO RESPONSIBLE CONDUCT AND TO HOW RESSOURCES ARE APPLIED IN OPERATIONS AND ARE INVOLVED AS AN IMPORTANT ISSUE IN THE PROCUREMENT PROCESS.

Optimisation of resources

PFA has introduced a number of initiatives to reduce the resource consumption and to increase recycling. This development is part of PFA's environmental efforts and runs parallel with the energy optimisation that PFA carried out as part of the climate partnership with Dong Energy. In 2015, 47,420 kg paper and cardboard waste was recycled, which is a decrease compared with 2014, where 58,120 kg was recycled. PFA has continued to digitise its communication and primarily approaches its customers via My PFA (mitpfa.dk) and e-Boks, a secure electronic mail-box solution. The total amount of information through e-Boks and other digitised information has increased. This way, PFA has converted 463,021 kg of paper to electronic communication corresponding to a saving of 450 tons CO₂.

In 2015, PFA continued its efforts to reduce food waste from the canteen. This initiative was introduced in 2014 by request of the employees who wanted PFA to focus on minimising the large amount of leftovers that are thrown in the waste bin every day. This was introduced through an information campaign and by replacing dinner plates with smaller lunch plates. The goal was to reduce food waste by 1 ton per year. In 2014, the goal of 1 ton was realised after the first six months. 2015 is the first full calendar year where PFA daily registers food waste. PFA's employees have in 2015 reduced food waste by 2.5 tons - corresponding to approximately 5000 pizzas.

Web-based advisory services reduce CO₂ consumption

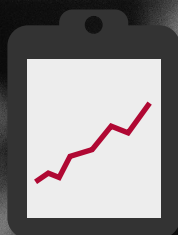
In 2015, 7,769 web-based advisory services were carried out. This type of advisory service is ranked in the same category as the face to face advisory services with the customer. When PFA's advisory service is rendered online instead of the advisers driving to the customer, it is possible to calculate the advisers' reduced CO₂ emission from transport. In 2015, the number of online consultations increased to 7,769, compared with 5,053 the previous year. This means that PFA reduces the factual CO₂ emission by 5.17 tons.

Total CO₂ figures for the PFA Group

The year's total CO₂ consumption includes the buildings with PFA's own offices in Denmark, transportation and the paper consumption in PFA. This has been made up at 2,004 tons CO₂. In 2015, PFA reduced CO₂ consumption by 455.17 tons.

Foreningen Cancerramte Born

One of PFA Brug Livet Fonden's 2015 causes for children receiving treatment in Danish hospitals - cancerbarn.dk



CO ² consumption	2,004 tons
Total amount of waste	224 tons
Reduced amount of food waste from the canteen	2.5 tons
Total CO ² reduction	455 tons

PFA FOR THE EMPLOYEES

PFA's employees are key to achieve the goals that have been set and to follow the strategies that are drawn up. This includes creating responsible long-term returns, providing the customers with good advice and ensuring that PFA always is professional, fair and accountable in a busy everyday life.



PFA SEEKS TO PROVIDE THE FRAMEWORK FOR AN ATTRACTIVE, EFFICIENT AND HEALTHY WORKPLACE, WHERE THE EMPLOYEES CREATE AND RECEIVE ENERGY.

PFA's employee satisfaction survey

In 2015, the overall employee satisfaction was measured to be in line with 2014. In 2015, the score was 76 (out of 100) against last year's result of 77. PFA finds the result very satisfactory, and it is in line with the benchmark. 94 per cent of the employees chose to participate in the study which attests to a large commitment. PFA has experienced a minor decline in the employees' evaluation of PFA's image which has dropped from 83 to 80. However, this means that the level still is high. The work-related energy is at 74, which is a slight increase compared with 2014.

Focus on sickness absence

Throughout 2015, PFA has intensified its focus on sickness absence which has resulted in a decrease from 3.3 per cent in 2014 to 3.0 per cent in 2015. This helps to create increased well-being as well as agile operations. The specific efforts within this area are based on that PFA wants openness about sickness absence. As a part of PFA's sickness absence policy, the manager is encouraged to keep in contact with employees who are absent owing to illness unless an employee explicitly has requested not to be contacted during sickness absence. The purpose of the dialogue is to aid the employee to get back to work and jointly make arrangements for this. This provides the employee with peace of mind regarding his or her situation.

New long-term in-house health strategy

Based on PFA Health Screening, PFA has carried out a health screening of PFA's employees. The screening is the same that PFA offers its customers and is based on analysis, effort and effect. 988 participated in the study, and the results from the screening showed that PFA's employees have a total Health Estimate of 74 out of 100.

This is a good starting point, however, there is room for improvement in selected parameters. The knowledge that has been gathered regarding our employees' habits and activities from the screening has, combined with the work place assessment and sickness absence data, formed the basis for three focus areas in a new health strategy for PFA. The strategy runs until 2018 with the purpose of ensuring that PFA's health solutions match the employees' challenges and at the same time are attractive to the employees.

PFA's health strategy is based on the following health strategic focus areas:

- Increase mental energy and strength
- A physically active (work)life
- Health recovery and regeneration of energy levels

In 2015, PFA concentrated all efforts on the second focus area on how to incorporate physical activity during the workday. Based on good results from an internal pilot project in 2014, PFA offered all departments exercises with resistance bands in 2015. It is scientifically proven that exercises with resistance bands 15 minutes three times per week relieve neck, shoulders and back. The resistance band exercises thus help to prevent the negative effects of sedentary work.

Revision of human resource policies

Throughout 2015, PFA has reviewed the human resource policies to make them suit the organisation's values and culture and to be understood as a part of the set of norms governing the organisation. The policies describe, among other things, how PFA strives to cooperate, and that PFA does not tolerate discrimination based on gender, race, ethnicity or religious belief. The policies describe PFA's employment terms, which exclude close relatives from employment, discloses



PFA's Health Estimate	74
Sickness absence	3 per cent
Number of employees (annual average)	1,302
Employee satisfaction	76 (out of 100)
Women in management	38 per cent

our procedures for receiving gifts, representation, sickness absence etc. This way, the policies ensure that the employees in PFA know what is expected from them including in situations with potential dilemmas that need to be handled.

Women in PFA's management

PFA's targets for the share of women in management is 40 per cent. Throughout the period 2012-2015, the share has been 39, 39, 41 and 38 per cent, respectively. PFA is thus steady around the target and has therefore not initiated specific measures to increase the total share of women in management.

When looking at the distribution of women at manager-level, senior manager-level and director-level, the distribution at end-2015 was 44, 38 and 13 per cent, respectively. The share of women at manager-level and senior manager-level is thus satisfactory, while the share of women at director-level does not live up to the target.

PFA's policy and target figures for gender distribution on the Board of Directors were updated in 2015. The target figures for the share of women

on the Board of Directors of PFA's companies in 2016 and 2017 are stated in the policy.

For boards of directors with three members, the objective is a distribution of 33/67 per cent between the genders in 2016 at the latest. This target was met by end-2014 and was similarly met at end-2015. For boards of directors with more than three members - that is PFA Asset Management and PFA Soraarnek - the target is that the share of the underrepresented gender gradually is to be increased to a minimum of 33 per cent by end-2017 at the latest. By end-2015, the distribution in PFA Asset Management was 20/80 per cent, and throughout most of 2015, PFA Soraarnek had 25 per cent women in the Board of Directors which consists of four members. The Board of Director's female member retired from the board in November 2015, and the position is still vacant. For the Board of Directors in PFA Holding and PFA Pension, the target is to reach a minimum of 25 per cent women in 2017. At end-2015, the board comprised 11 per cent female board members excluding board members elected by employees.



About PFA's Health Estimate

PFA's Health Estimate provides an overview of the individual's state of health by creating a combined figure based on factors such as diet, smoking, alcohol, exercise as well as physical and psychological well-being. The Health Estimate is divided into three categories: "Healthy", "less healthy" and "unhealthy". A person is considered healthy if the Health Estimate is above 70. Each health factor in the Health Estimate is measured and followed annually, and the intention is to improve the number in the areas where the organisation is challenged the most and where the efforts will be most effective.

Foreningen Cancerramte Børn

One of PFA Brug Livet Fonden's 2015 causes for children
receiving treatment in Danish hospitals - cancerbarn.dk





CSR KEY FACTS AND FIGURES

This part of the report comprises PFA's key figures and results on CSR. The figures are presented in accordance with the structure of PFA's policy for corporate responsibility and ethics and with the figures from previous years. This is to ensure a quick overview of how PFA complies with the policy as well as the context in which the results for the year is to be considered. The purpose of this approach is to provide the reader with an opportunity to read the appendix as an independent part without having to consult the report for a description of specific activities. To the extent that the figures have changed considerably compared with previous years, a short description is provided below the individual diagram.

Behind the figures in the report

The figures in this report are based on the figures that are calculated and applied to the activities in PFA. All figures are generally figures that have been recognised and calculated in PFA. This both includes the calculations of the total amount of customers and customer inquiries as well as the application of various products. The same applies to the figures concerning employee relations. Regarding the figures on CO₂ consumption, a wide range of suppliers of electricity, heating, paper and transportation are involved. In 2015, PFA applied another method of calculation for the CO₂ consumption and expanded it at the same time to comprise all PFA's offices in Denmark. The calculations of CO₂ reductions have been prepared externally and are based on figures provided by PFA. The figures are primarily realised by means of digitisation of letters and publications as well as waste disposal in which paper and cardboard are recycled. The amount of company screenings and active ownership dialogues are based on figures from the screening and engagement company that PFA collaborates with.

PFA and its business model

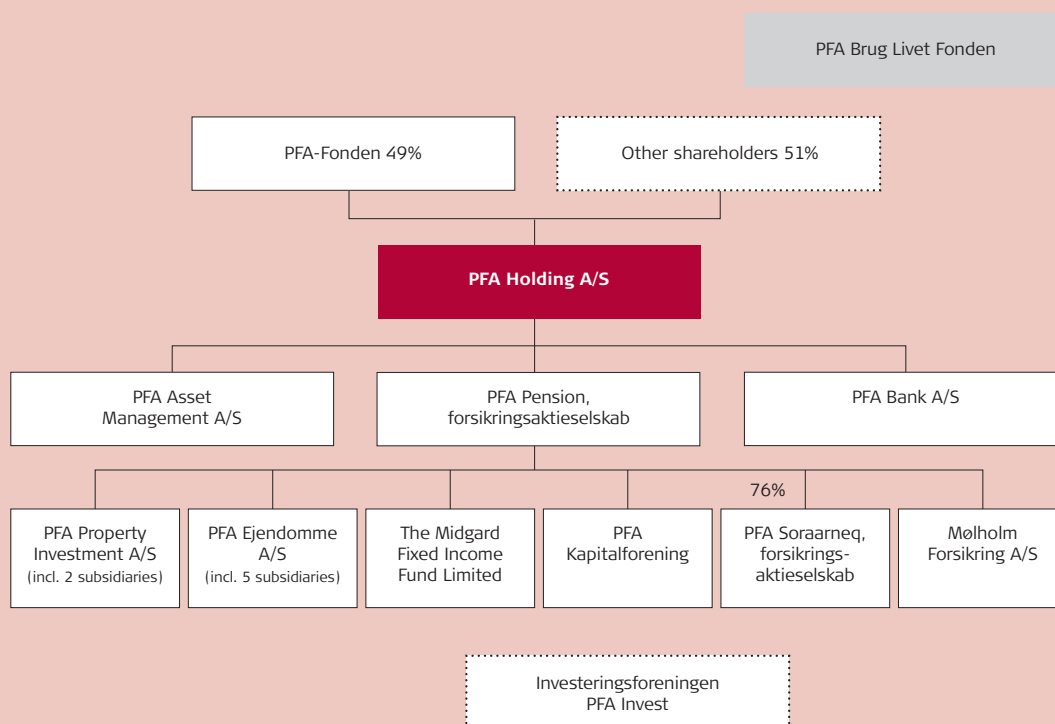
PFA's history dates back to 1917. The share capital of the parent company PFA Holding amounts to DKK 1 million, and the dividend distributable by the company is maximised to 5 per cent of the share capital, corresponding to DKK 50,000. In this way, the ownership structure supports PFA's objective to create the highest possible value for its customers.

Shareholders of PFA Holding are the PFA Foundation and other shareholders which primarily comprise the founding organisations from 1917, whose members and employees for the main part are customers with PFA.

In 2015, the PFA Group was adjusted as follows: The group structure of PFA Invest International was changed to the effect that the previous parent company, PFA Invest International A/S, merged with the subsidiary, 125 Wood Street London A/S. After the merger was completed, the parent company was discontinued, whereas 125 Wood Street London A/S continued under a new name: PFA Property Investment A/S. Two of PFA Property Investment A/S' subsidiaries - 31-47 Victoria Street London A/S and Great Minster East London A/S - then merged into PFA Property Investment A/S.

This CSR Report concerns the PFA Group and comprises the following companies:

- PFA Holding A/S (parent company)
- PFA Pension, forsikringsaktieselskab
- PFA Asset Management A/S
- PFA Bank A/S
- PFA Property Investment A/S and subsidiaries
- PFA Ejendomme A/S (properties) and subsidiaries
- The Midgard Fixed Income Fund Limited
- PFA Kapitalforening
- PFA Soraarneq, forsikringsaktieselskab
- Mølholm Forsikring A/S



PFA Pension is not the sole investor in PFA Kapitalforening

Embedding CSR efforts in PFA

The framework for PFA's work with responsibility is Strategy2020 as well as PFA's policies and guidelines on corporate responsibility. The policy for corporate responsibility and ethics as well as the policy for responsible investments are based on the principles from the UN Global Compact and the underlying UN conventions that define respect for human rights, employment rights, the environment and anti-corruption. Policies and guidelines can be found at pfa.dk.

The overall responsibility for CSR at PFA lies with PFA's executive management. The CSR department performs the daily work with CSR as well as coordination of activities and efforts in collaboration with other departments and companies within the PFA Group. The CSR department is a part of Corporate Affairs & Compliance. Responsibility for complying with the policy for responsible investments and the work with active ownership lies with PFA's Responsible Investment Board (RI Board). The RI Board meets on a monthly basis, and its members are employees in the management of PFA Asset Management, the vice president of Corporate Affairs & Compliance and the CSR manager. PFA's Group CFO is Chairman of the RI Board.

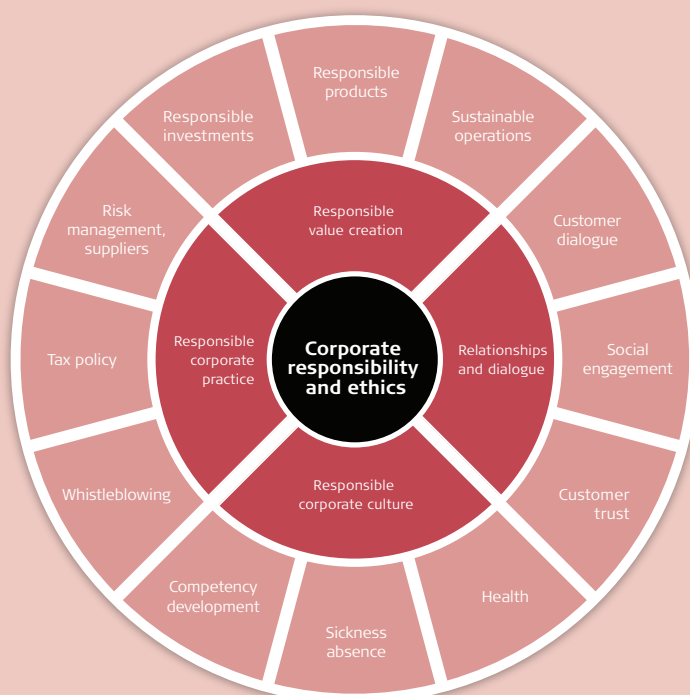
Implementing the Ten Principles of the UN Global Compact – an overview

PFA's scope of the work with corporate responsibility is based on the Ten Principles of the UN Global Compact, and therefore, the activities and results in this CSR report also concern these ten principles. The illustration below provides an overview of where the various principles are dealt with in the report.

Global Compact Principle	PFA activity	Page number in CSR report
1-10	- Implementing policy for responsible investments and policy for corporate responsibility and ethics	20
	- Screening of PFA's portfolio	20-21
	- Engagement dialogue with companies that violate international standards	21
	- RI Board meetings, assessments and decisions	22
	- Code of Conduct	18
	- Dialogue with customers, the media and other stakeholders	10
1-6 & 10	- Whistleblower scheme	36
1 & 6	- Employee satisfaction, health initiatives and competency development	26-27
7, 8 & 9	- Climate and environmental activities	23-24
8	- Energy efficient initiatives and resource optimisation at headquarters	24
1	- Customer dialogue, customer satisfaction and online tools	14

PFA's responsibility model

PFA's responsibility model is based on the four basic principles that form the basis of the policy for corporate responsibility and ethics. The basic principles illustrate the areas that PFA has decided to focus on in 2015 in order to embed the policy. The outer wheel in the model is composed of the themes that are described in the report and form the basis of how PFA presents key facts and figures on CSR.



PROJEKT HJEMLØS

One of PFA Brug Livet Fonden's 2015 causes for the homeless
and socially vulnerable - projekthjemløs.dk



RESPONSIBLE CORPORATE CULTURE



Number of employees

	2015	2014	2013
Number of employees (annual average of employees in the PFA Group)	1,367	1,351	1,359
Staff turnover in per cent (excl. Mølholm Forsikring)	11.6	11.8	7.7

Employees in flex jobs

	2015	2014	2013
Number of employees in flex jobs	10	10	10

PFA's employee satisfaction survey

	PFA's employee satisfaction survey 2015	PFA's employee satisfaction survey 2014	PFA's employee satisfaction survey 2013
Satisfaction	76	77	74
Image	80	83	83
Would recommend others to apply for a job with PFA	75	77	75

Competency development

In 2015, PFA held around 90 in-house courses where the employees could develop their competences. Furthermore, the employees were offered e-learning in various areas. In 2014, around 150 in-house courses were held.

Sickness absence

	2015	2014	2013
Sickness absence (in per cent)	3	3.3	3.1

Sickness absence has decreased as a result of a targeted effort.

Pregnancy coaching

PFA's pilot scheme of coaching pregnant employees continued in 2015. Out of 30 pregnant women, 17 received coaching, while 13 chose not to participate. The purpose of the pilot scheme is to focus on the women's specific needs and organise their workday in way so that pregnancy-related absence is at a minimum. The participants have been satisfied with the offer, but data from 2014 and 2015 shows that the participants in the pilot scheme only have slightly less sickness absence compared with women who do not participate.

	2015*	2014	2013
Participate in coaching	17**	22	13
Number of pregnant women	30	30	28
Share of pregnant women with sickness absence (in per cent)	40	47	36
Share of pregnant women with no sickness absence (in per cent)	60	53	64

*In mid-March 2015, PFA changed its practice so that the employees are invited to a meeting with the pregnancy coach once the employee discloses pregnancy. Previously, the employees were to request a meeting themselves if they wanted to use the coach.

** The employees who did not want any further coaching after the first meeting have not been included in the number.

Occupational injuries

	2015	2014	2013
Number of occupational injuries	3	1	3

PFA has a working environment organisation, the purpose of which is to create a safe and healthy working environment at PFA. The figures are based on PFA's reports to the Danish Working Environment Authority.

Women in management, on boards and on PFA's Customer Board

	31 Dec 2015			31 Dec 2014			31 Dec 2013		
	Men	Women	Percent- age of women	Men	Women	Percent- age of women	Men	Women	Percent- age of women
Level 1 Vice President	13	2	13	12	2	14	14	2	12
Level 2 Senior manager	24	14	38	26	16	38	26	14	35
Level 3 Manager	40	31	44	35	33	49	40	36	47
Total	77	47	38	73	51	41	80	52	39

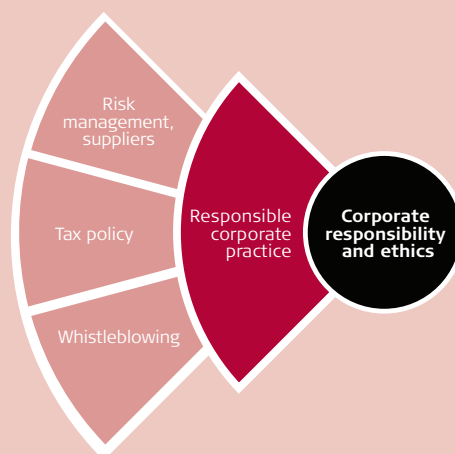
By end-2015, PFA's Executive Board consists of three men.

PFA's Executive Board consists of nine members elected at the annual general meeting, of which one is a woman, corresponding to 11 per cent.

PFA's Customer Board consists of 70 members (six seats were vacant at end-2015) of which 17 were women, corresponding to 24 per cent.

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

RESPONSIBLE CORPORATE PRACTICE



Whistleblowing portal

PFA's whistleblowing portal makes it easier for employees to report serious cases and at the same time remain anonymous. No reports were received through the portal in 2015.

Control of and compliance with PFA's guidelines to avoid money laundering

The PFA Group has internal guidelines to prevent that its companies are used for money laundering or terrorist financing. In 2015, one matter was looked further into, but no cause for suspicion was found. There were no reports to the Danish authorities on any suspicions of money laundering.

New process for risk management of suppliers

In 2015, PFA tightened the process for the application of PFA's Code of Conduct when entering into contracts with business partners. The new process will be implemented during 2016, and everyone involved in closing contracts will receive an introduction on how to apply PFA's Code of Conduct in practice both when entering into contracts and when reporting on progress. The process is described on page 18 in this report.

A large part of PFA's critical suppliers are IT suppliers. PFA has outsourced the majority of its IT infrastructure and essential parts of operations and development to external suppliers. Therefore, PFA mapped the existing contracts to gain an overview of how many of these had incorporated Code of Conduct, and thus a process for risk management for the collaboration, since 2013. This was the beginning of a new simplified process, in which a duty to annually report the work with responsible corporate practice has been introduced for the critical suppliers.

Tax accounts for the PFA Group

In 2015, PFA developed a joint statement of the taxes and fees that PFA pays and collects each year.

Taxes and fees (DKK million)

	2015*	2014	2013
Paid by PFA			
Corporation tax	23	11	0
Payroll tax	110	99	90
Property tax	89	81	64
Non-life insurance tax	9	6	9
Other	8	4	9
Total	239	201	172

PFA has collected

Pension yield tax	2,453	5,333	1,551
Taxes according to the Danish Pension Taxation Act	2,045	5,595	1,471
A-tax and labour market contribution (pensions)	3,898	3,649	3,428
A-tax and labour market contribution (employees)	352	336	319
VAT	68	31	49
Total	8,816	14,944	6,818

* The figures are calculated as at 31 December 2015. Changes to the figures will occur in connection with the final statement prior to the final report in June 2016.

RESPONSIBLE VALUE CREATION



Company screenings

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

In 2015, GES has evaluated 181 cases against 128 cases in 2014, and GES has entered into dialogue with 56 companies that have either committed an offence against international conventions or where there have been indications that a company has committed an offence against conventions. This is an increase of ten cases compared with the previous year.

Engagement dialogue with companies in which non-compliance with PFA's RI policy has been established	21 (2014:19)
Engagement dialogue with companies in which there has been signs of non-compliance with PFA's RI policy	35 (2014:27)
Total number of GES engagement dialogues with companies	56

Three engagement cases have been closed involving BP, Anadarko and China Mobile, which have all met the criteria.

By the end of 2015, 22 companies were on PFA's focus list. Non-compliance with PFA's standards had been observed for each of these companies, and goals for the engagement dialogue with these companies have been set. There were a further 31 cases pending where it was not yet established whether non-compliance has taken place or not.

Country screenings

In 2015, there was a follow-up on the situation in Ukraine and Russia. Furthermore, the RI Board has monitored the situation in Angola and the Ivory Coast which are countries that the RI Board has estimated to be suitable for investment in 2014, but at the same time are under observation. By the end of 2015, PFA invested in government bonds in 66 countries.

Exclusion

PFA has systematically excluded three companies which according to GES were involved in the production of nuclear weapons. The companies are AECOM Technology Corp., Huntington Ingalls Industries and Flour Corp. Moreover, towards the end of 2015, PFA excluded HeidelbergCement. The exclusion was a result of the fact that the RI board through a long period of time had looked into the companies' activities in conflictual areas. The exclusion was based on analyses and PFA's interpretation of the companies' employment of public international law in the area.

At pfa.dk, PFA publishes both investment lists of the companies and countries in which it invests and an exclusion list.

Projekt Husvild

One of PFA Brug Livet Fonden's 2015 causes for the homeless and socially vulnerable - [Facebook.com/projekthusvild](https://www.facebook.com/projekthusvild)

Voting at companies' annual general meeting

In compliance with PFA's guidelines for voting at companies' annual general meetings, PFA prioritises to participate and vote at Danish companies' annual general meetings. PFA cooperates with an external supplier, Manifest, that delivers analyses and recommendations on votes regarding annual general meetings in foreign companies. It is PFA's RI Board that decides whether PFA votes at the annual general meeting in a foreign company. This happens as a part of the dialogue that PFA has with the company on potential or current non-compliance. Manifest and PFA assess the agenda and the material from the companies on PFA's focus list. In 2015, this resulted in PFA voting at two annual general meetings.



RESOURCE AND CO₂ CONSUMPTION

CO₂ emissions in PFA

	2015	2014	2013
Total CO ₂ emissions (t)	2,004	1,971	2,294
CO ₂ emissions (t) per employee	1.47	1.46	1.69

CO₂ emissions from electricity

	2015	2014	2013
Electricity consumption kWh	1,939,603	1,958,322	1,887,854
CO ₂ consumption from electricity	552	558	667

CO₂ emissions from district heating

	2015	2014	2013
District heating consumption kWh	2,556,990	2,193,130	2,254,570
CO ₂ consumption from district heating	339	290	336

CO₂ emissions from cars

	Number of cars	Consumption in litres
Petrol-driven cars		
2015	4	7,687
2014	4	7,590
2013	4	7,802
Diesel-driven cars		
2015	138	260,506
2014	143	276,229
2013	163	310,918
Year	Cars in total	CO₂ (t)
2015	142	710
2014*	147	752
2013	167	844

*The considerable reduction of CO₂ from 2013 to 2014 can in part be ascribed to a decrease in the total amount of cars in the same period.

Waste (t)

	2015	2014	2013
Total waste*	224	252	225

* Waste includes the following types of waste: Waste deemed suitable for incineration, cardboard, paper, confidential paper, plastic wrap, iron and metal, food waste, glass, waste electronic equipment and mixed waste to be sorted.

Paper consumption

	Paper (t)
2015	85
2014	80
2013*	92

*The figures for 2013 include 7.8 tons old envelopes/paper that were discarded.

Reduction of paper consumption*

	2015	2014
Reduction of letters, now sent through e-Boks, in kilos paper	10,257	16,057
Reduction of letters, now available at the portal, in kilos paper	425,764	401,980
Total reduction in kilos paper	436,021	418,037
Converted into tons CO ₂ **	450	432

*Only valid data is available for 2014 and 2015, and therefore, the concept of describing the development for three years has been dispensed with.

** The calculation of CO₂ is based on a model developed by the Danish Energy Agency for the Climate Compass' Carbon Calculator. If the calculation is based on Stena's calculation model, which is developed in collaboration with the Ministry of Environment and Food of Denmark, the figures for 2014 and 2015 would be 624 and 657 tons CO₂, respectively.

CO₂ consumption (t)*

	2015	2014	2013
Electricity	552	558	667
District heating	339	290	336
Air travel	70	59	82
Petrol-driven cars	18	18	18
Diesel-driven cars	692	734	826
Paper and other	330	311	366
Total	2,004	1,970	2,294

* The figures have been calculated with the Climate Compass' CO₂ calculator.

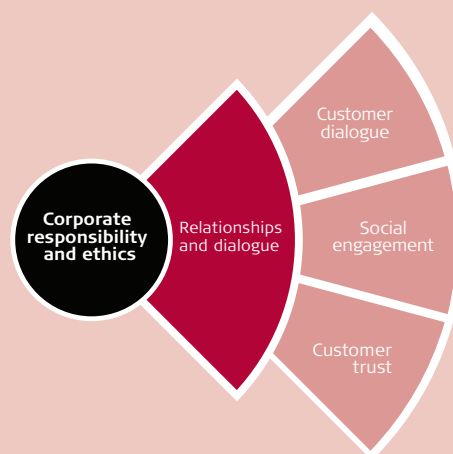
CO₂ reduction in scope overview (t)

	2015
Scope 1	710
Scope 2	891
Scope 3	403
Total	2,004

PFA leans against Greenhouse Gass Protocol's method in which CO₂ reductions are made up in scopes.

Scope 1 = petrol and diesel consumption, Scope 2 = electricity and district heating consumption, Scope 3 = air travels, waste disposal and values deriving from Scope 1 and 2.

RELATIONSHIPS AND DIALOGUE



Customer enquiries and contact

	Consultations*	Advisory Services Centre calls	Advisory Services Centre e-mails	Health Centre and Claims Centre calls**	Total***
2015	74,817	210,469	68,209	256,334	609,829
2014	68,600	249,731	71,074	208,000	597,405
2013	53,642	224,271	61,508	200,000	539,421

*The figures include customers who have received advisory services at a seminar, by phone, web and face-to-face pension consultations.

** The figures include calls to PFA Health Centre and Claims Centre and inquiries through Falck HealthCare from PFA's customers. The figure from 2014 has been adjusted on the basis of this definition.

*** The figure for 2014 has been adjusted so that e-mail inquiries to PFA Health Centre and Claims Centre are not a part of the figure, as these cannot be estimated.

Settled complaints in the Complaints & Customer Satisfaction Department broken down by outcome

Outcome	Partially in favour (per cent)	Rejected (per cent)	Accommodated (per cent)	Found in favour (per cent)
2015	10	43	28	19
2014	6	31	37	26
2013	6	28	45	21

Inquiries and proactive Customer Representative issues

Number of complaints	Total	Accommodated	Found in favour	Partially in favour	Rejected	Pending	Referred to Complaints Dept.	Lapsed**
2015	113*	57	4	2	30	11	2	7
2014	143*	77	12	6	38	1	7	2
2013	57	4	6	5	3	8	31	

* These specifications also include that the Customer Representative from 2014 initiated to proactively handle issues. To provide an overview of the total amount of issues, these have been included in the specification.

** The category is not registered until 2014. It comprises issues where the problem is solved during the normal process, and the customer therefore informs that no further action should be taken.

Councils and network to promote corporate responsibility

- Member of the UN Global Compact
- Member of the UN Global Compact Nordic Network
- Member of the Advisory Board in Big Future 2025 on development of realistic and sustainable business scenarios for the Danish business sector
- Member of Dansif and Dansif's working group for events

Support for associations and voluntary work

PFA has supported various initiatives with financial contributions or with cooperation on specific projects.

Business partnerships

- Red Cross Denmark
- Ingeniører Uden Grænser
- Foreningen til Hovedstadens Forskønnelse

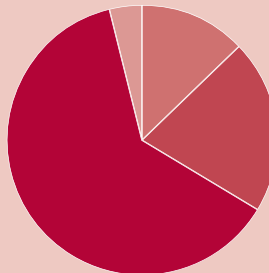
Partnerships:

PFA cooperates with the Danish organisation Børn, Unge & Sorg to make PFA's customers aware of the possibility of getting help for children and young adults who face a serious illness or death in their family. The partnership with Børn, Unge & Sorg began at the end of 2013, was extended in 2015 and runs until September 2016.

PFA cooperates with the Danish Cancer Society, the Danish heart foundation (Hjerteforeningen), the Danish stroke association (Hjernesagen), and the Danish Multiple Sclerosis Society. The partnerships consist in PFA offering a one-year free membership with one of the four organisations to customers who receive payouts from their critical illness insurance within one of the areas covered by the organisations. In 2015, 1,406 customers were offered a membership with one of the four organisations. 39 per cent chose to accept the offer of a membership. This is an increase compared with last year where 38 per cent out of 1,269 customers accepted the offer.

Breakdown of memberships offered

Hjernesagen	183
Hjerteforeningen	293
The Danish Cancer Society	877
The Danish Multiple Sclerosis Society	53
Total	1,406



Reputation

PFA's reputation is affected by a number of factors such as reliability and visibility, and PFA's mentions in the press have made a positive contribution to the development of PFA's image.

	2015	2014	2013
Number of mentions in the press	5,100	6,166	3,635

Awards

PFA has been awarded the international IPE Award for best pension fund in Denmark. The prize is awarded by IPE, Investment and Pensions Europe, which is a magazine for institutional investors in Europe.

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