



Topdanmark A/S

# CSR REPORT 2016





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# INTRODUCTION

*Marianne Wier, COO, disposes of letters and documents in paper. Topdanmark's focus on digitalisation should result in a reduction in the use of paper.*







## Preface

*It is a pleasure to present Topdanmark's CSR report, which describes our work with CSR (Corporate Social Responsibility) in 2016 and the results we have achieved.*

For Topdanmark, CSR goes hand in hand with the core business. Our products and services ensure financial and social security for our customers when damage has occurred or their working life has ended, and in this way, we make a positive contribution to Danish society as a whole.

In 2016, our focus areas in relation to the core business have been:

- Improvement and automation of our processes in order that the customers see Topdanmark as efficient and customer-oriented
- Development and adaption of insurance cover to meet the customers' requirements
- Focus on prevention and limitation of losses
- Focus on IT security and trustful handling of personal data.

Due to our work on automating and streamlining the business, a number of manual tasks will disappear. This development will continue in the years to come. In cooperation with staff organisations, we offer the employees who we cannot offer other jobs assistance in getting on with their working life.

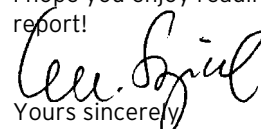
Topdanmark joined the UN Global Compact in 2010. We work on integrating the ten principles

concerning human rights, employee rights, environment and anti-corruption in our business, through policies and special efforts – eg. in 2016, we prepared a new gift policy.

### **Some of this year's achievements:**

- Increase in ambassador customers from 45.6% to 46.2%
- Preparation of information material on insurance for young people in cooperation with industrial organisation
- The number of solar cells at the headquarters in Ballerup has doubled
- This year, Topdanmark got its first female member of the Executive Board and six out of nine of Topdanmark's Board members are women
- Training programmes for refugees
- Topdanmark and our employees have donated DKK 258,161 to the 'Fight Cancer' campaign and DKK 197,350 to Medecins Sans Frontieres.

I hope you enjoy reading the CSR report!

  
Yours sincerely  
Christian Sagild, CEO



## Topdanmark in brief

Topdanmark creates value for its stakeholders by insuring what we all care about and by helping establish pension savings. This provides financial security. We take on responsibility for people and environment, which helps create the confidence from which our business lives.

Topdanmark is the second largest insurance company in Denmark with a market share of just over 17%. We insure both personal, SME and agricultural customers.

- Number of personal customers: 500,000
- Number of SME customers: 100,000.

Topdanmark Livsforsikring (life insurance) is the fifth largest life insurance company in Denmark with a market share just under 8%. We insure both personal and SME customers within life insurance and pensions:

- Number of personal customers: 50,000
- Number of customers covered by company schemes: 90,000.

### How we help our customers

Our products and advice helps personal customers when:

- The house is damaged by fire or the car is stolen
- Accidents occur in the customer's spare time or when travelling
- Health fails
- Work life ends.

We help businesses and farms eg. in the following situations:

- Employees have an accident
- Storehouses are flooded
- IT systems are attacked by hackers
- Agricultural buildings are damaged by heavy storm
- The harvest burns due to machine fires.

### Facts about Topdanmark

- 2,650 employees
- Turnover: around DKK 15bn annually
- Investment activities: around DKK 65bn
- Head office in Ballerup, near Copenhagen
- Listed on the stock exchange since 1985 and part of the OMX C25 share index
- Most important distribution partners: Danske Bank, Danica Pension, Home and Sydbank
- Most important brands:

**Topdanmark**  
Forsikring • Pension



**Danske Forsikring**

- en del af Topdanmark





### Objectives

- Running a nation-wide Danish non-life, life and pension fund business
- Being attractive to customers by being an independent and pre-eminent insurance group
- Securing long-term, competitive and stable return to the shareholders.

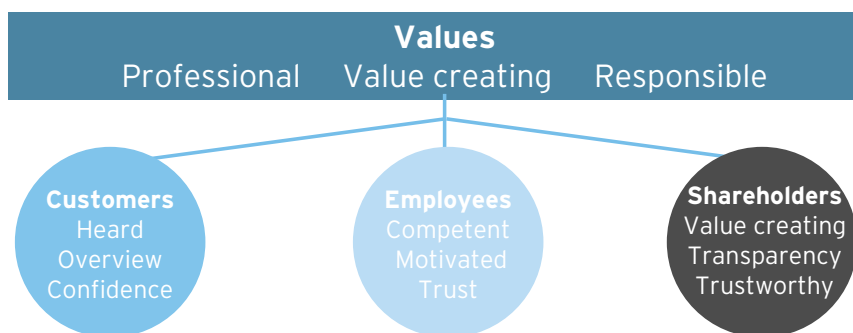
### Abstract of goals and strategy

- Retaining and attracting profitable customers by delivering high-level customer service
- Developing and improving customer service
- Retaining and attracting qualified employees
- Being a dynamic business that promotes personal and professional development
- Topdanmark shares should be attractive and liquid
- The development strategy is primarily based on organic growth and close cooperation with alliance partners and buy-back if possible.

### Main stakeholders

Topdanmark has three mutually dependent main stakeholders: customers, employees and shareholders. Our starting point is that satisfied customers and qualified employees are key to ensuring satisfied shareholders by achieving a long-term, competitive and stable return.

■ Read more about Topdanmark, e.g. our management group, Board of Directors and financial reports  
[www.topdanmark.com/en/about-topdanmark/](http://www.topdanmark.com/en/about-topdanmark/)



### Values

In order that we can live up to the expectations of these three stakeholder groups, Topdanmark has defined three values which are essential in all our work:

- We are professional, i.e. serious, competent and knowledgeable
- We create value by achieving results and placing focus on continuous improvement
- We are responsible, i.e. we behave professionally and we keep our word.

# CSR is business-driven

Topdanmark's work with CSR is business-driven, and its goal is to support our business goals and strategies. We see our CSR work as a discipline which can help to enhance our customers', employees' and shareholders' experiences of Topdanmark as a professional, value-creating and responsible non-life and life insurance company. At the same time, our CSR initiatives help to contribute to a sustainable development of Danish society.

## CSR is also business responsibility

Topdanmark's core business is by nature beneficial to society. The company's products, services and advice ensure financial and social security for customers when damage has occurred or their working life has ended. At the same time, Topdanmark also contributes to loss prevention and limitation of the consequence of injuries and accidents suffered by customers. Therefore, we believe that we show social responsibility by running a good, stable business for the benefit of both customers, employees, shareholders and society.

## International principles for sustainability

Topdanmark has joined Global Compact, the UN's initiative for private businesses and organisations. Global Compact is ten principles concerning environment,

labour rights, human rights and anti-corruption. We work continually to integrate the ten principles in our business by being aware of the risks of violating the principles and the opportunities for promoting them.

## How we work with CSR

The CSR work at Topdanmark includes the preparation and implementation of relevant policies and specific initiatives decided on the basis of the following factors:

- Risks. It is regularly identified in which areas Topdanmark risks not upholding the UN Global Compact principles, thus risking also financial losses and loss of reputation
- Opportunities. It is regularly identified how Topdanmark can increase the financial and social value for customers, employees and/or shareholders while contributing to promoting the ten principles and sustainable development in society.

The table on the next page gives an overview of the most important risks and opportunities in relation to our business model. The CSR report reflects the themes displayed in the overview.

When Global Compact principles 1 and 2 are concerned, the specific human right(s) will be stated in brackets.

## How we communicate CSR to our employee

- All new employees are informed of Topdanmark's CSR activities when joining the company
- Regular communication of CSR on all internal channels
- All sales employees in Topdanmark Livsforsikring do e-learning courses in how to spot laundering and financing of terror through payment to a pension scheme.

## Read also:

- Abstract of CSR goals and results for 2016  
[www.topdanmark.com/en/csr/resume-og-data/2016/](http://www.topdanmark.com/en/csr/resume-og-data/2016/)
- Overall CSR policy which among other things describes how CSR is organised at Topdanmark.  
[www.topdanmark.com/en/csr/csr-policy/](http://www.topdanmark.com/en/csr/csr-policy/)

## The Global Compact principles

A business supporting UN Global Compact should:		
Human rights	1	support and respect the protection of internationally proclaimed human rights
	2	make sure that they are not complicit in human rights abuses
	3	uphold the freedom of association and the effective recognition of the right to collective bargaining
	4	support the elimination of all forms of forced and compulsory labour
	5	support effective abolition of child labour
	6	eliminate the discrimination in respect of employment and occupation
Environment	7	support a precautionary approach to environmental challenges
	8	undertake initiatives to promote greater environmental responsibility
	9	encourage the development and diffusion of environmentally friendly technologies
Anticorruption	10	work against corruption in all its forms, including extortion and bribery



## Business

	Risks	Opportunities
Customer relations	For customers: Incorrect advice and product sale, lack of clarity of insurance conditions, claims handling errors, service, complaint handling and handling of personal data  For Topdanmark: Dissatisfied customers and customers terminating insurance policies	For customers: Financial and social security  For Topdanmark: Satisfied and loyal customers
<i>UN Global Compact</i>	<i>1 &amp; 2 (the right to social security, the right of privacy)</i>	<i>1 &amp; 2 (the right to social security)</i>
Loss prevention and limitation	No significant risks identified	Limit the number and extent of injuries to persons, and damage to buildings and environment  Job retention  Stable business activities - SME customers  Adaptation to climate change
<i>UN Global Compact</i>	–	<i>2 (the right to work and the right for physical and mental health), 7 and 8</i>
Investments	Infringement of UN Global Compact principles	Ensure good and stable returns
<i>UN Global Compact</i>	<i>All principles</i>	<i>1 &amp; 2 (the right to social security)</i>

## Internal factors

	Risks	Opportunities
Employee conditions	For employees: Job dissatisfaction, Stress and uncertainty regarding employment  For Topdanmark: Lack of attraction and retention of qualified employees	For employees: Stable workplace, well-being, health and opportunities for personal development  For Topdanmark: Motivated and competent employees providing high-level customer service and good sales
<i>UN Global Compact</i>	<i>1 &amp; 2 (the right to work, the right to social security, the right for physical and mental health)</i>	<i>1 &amp; 2 (the right to work, the right to social security, the right for physical and mental health)</i>
Management and Board of Directors	Discrimination and lack of Diversity/equal rights	Inclusion and diversity.  Advancing women to management and Board of Director level
<i>UN Global Compact</i>	<i>1, 2 and 6 (the right of non-discrimination)</i>	<i>1, 2 and 6 (the right of non-discrimination)</i>
Operation of buildings and company-related driving	For society: CO2 emissions  For Topdanmark: Expenses	Energy optimization and environmentally friendly technology, digitalisation
<i>UN Global Compact</i>	<i>7, 8 and 9</i>	<i>7, 8 and 9</i>

## External Factors

	Risks	Opportunities
Supplier cooperation	Events occurring within the supplier chain which are incompatible with the UN Global Compact Principles	Cooperation in connection with improvement of customer service
<i>UN Global Compact</i>	<i>All principles</i>	–
Financial sector	No significant risks identified	Contribution to education within the financial sector
<i>UN Global Compact</i>	–	<i>1 &amp; 2 (Retten til uddannelse)</i>
Society	No significant risks identified	Support of humanitarian organisations and campaigns as well as patients associations
	No significant risks identified	Direct and indirect taxes paid to the Danish state
<i>UN Global Compact</i>	–	<i>1 &amp; 2 (ia. the right for physical and mental health)</i>



# CUSTOMER RELATIONS



*Electronic customer file, My Topdanmark, gives overview eg. in connection with a claim.*



# Customer satisfaction is important to us

*The contact with customers is the main focus of Topdanmark's daily work. Topdanmark has high ambitions for customer service, and all customers should feel well helped.*

In 2016, we handled just under 300,000 claims.

Our communication with our customers is primarily digital: emails, text messages, My Topdanmark, online meetings, website and chat function.

Therefore, at all points of contact with our customer, we think "outside-in". This means that our employees focus on the customer's need for information and service, irrespective of the circumstances.

## **Core business contributes to social and financial security**

Topdanmark's focus on customers' experience is key in terms of CSR, because our products and services contribute to the customer's social and financial security. Accordingly, through our business, we also contribute positively to social and financial stability in the Danish welfare society.

## **We have a great responsibility**

The nature of our core business gives us great responsibility - and we take it seriously. At the same time, we are aware of the risks related to the business, for example:

- Incorrect advice on products
- Uncertainty of insurance conditions
- Claims handling errors and handling of personal data.

To minimise these risks and improve customer value, we constantly work to develop and improve customer services, for example by ensuring easily understood product information, ensuring correct cover based on the customer's requirements, needs and risk, ensuring fair and good claims

handling and easy access to a fair complaints process.

## **Clear goals: our customers should be satisfied**

Topdanmark regularly assesses whether there has been a satisfactory development in working with customer satisfaction, via, for example via more than 30,000 telephone customer surveys per year as well as systematic customer surveys by email and text messages. Topdanmark has set explicit goals for customer satisfaction and aims to achieve:

### *Internal customer surveys*

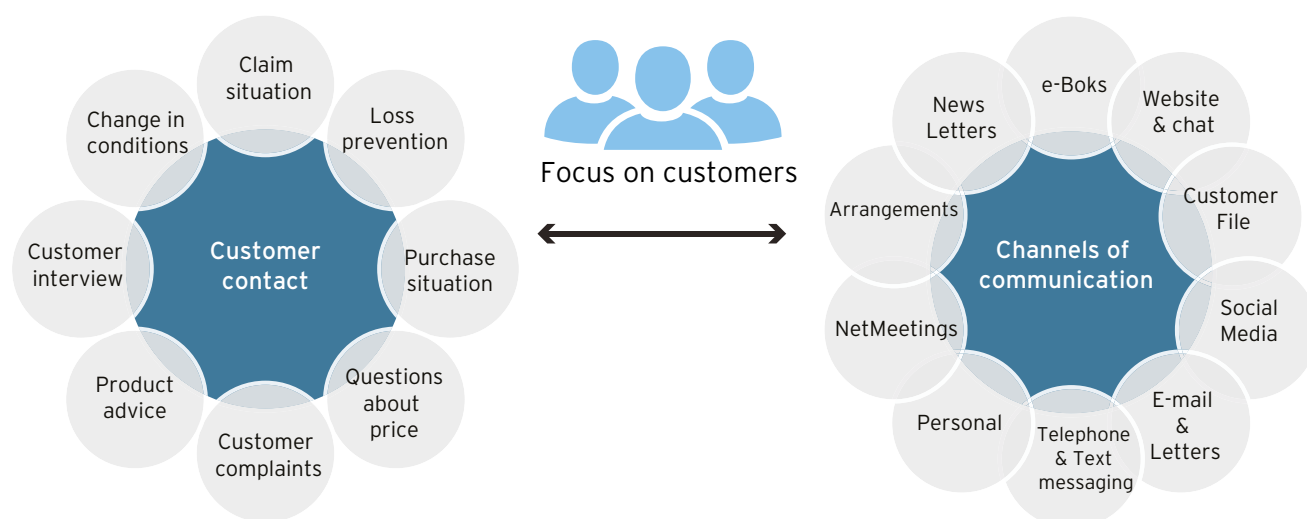
- An increase in the number of "ambassador customers", i.e. customers who are so satisfied with Topdanmark that they would like to recommend us to other people

### *External surveys*

- An increase in the annual EPSI survey\*
- A top-three ranking in the Aalund survey in the 'satisfaction' category.

\* EPSI and Aalund surveys are external, independent analyses of customers' satisfaction with Topdanmark and Topdanmark Livsforsikring (life insurance). We monitor the results closely in order to learn from them and improve our service.





### Customer surveys: activities and results in 2016

Goals	Activities	Results	Assessment
Internal customer surveys: Increase in the number of ambassador customers	Improved websites with easily understood descriptions of products, cover etc.	46.2% (2015: 45.6%)	0.6 percentage point increase which is satisfactory
Increase in EPSI surveys	Improved customer internet file, My Topdanmark giving better overview in case of a claim	Personal customers: 74.5 (2015: 75.9)	Decrease of 1.4 percentage points
	Digital self-service solutions	SME customers 73.5 (2015: 72.3)	Increase of 1.2 percentage points
Aalund survey Top three ranking in 'satisfaction' category	Online sales Online meetings with pension advisers	Shahed number two	Decline from number one ranking in 2015. However, goals still met

### Customer surveys: overview

	2012	2013	2014	2015	2016
Ambassador customers – in percent	39.0	43.3	44.5	45.6	46.2
EPSI-survey: personal customers	75.7	78.7	75.5	75.9	74.5
EPSI-survey: SME customers	–	–	–	72.3	73.5

### Customer score on Trustpilot: overview

	2012	2013	2014	2015	2016
Overall customer score on Trustpilot – Topdanmark (0 to 10)	–	5,6	8,8	9,1	8,9
Overall customer score on Trustpilot – Danske Forsikring (0 to 10)	–	4,5	9,1	9,3	9,2



## Customer-oriented initiatives in 2016

Topdanmark has placed automation and digitalisation on the agenda. This has been done to boost the efficiency of internal processes and to make it easier and simpler to be a Topdanmark customer - both in terms of purchase and a claim.

We develop and improve self-service solution and digital platforms on an ongoing basis, eg. online claims notifications, online purchase of insurance, chat function and an electronic customer internet file giving an overview of the customer's insurance policies, pension and claims. In 2016, the customer internet file, My Topdanmark, was improved to give the customer an even better overview in case of a claim.

### Website gives better overview

In 2016, new websites in responsive design were launched for Topdanmark and Danske Forsikring. The information on our products has been simplified and easier to understand than previously - eg. it is now clearer what the products cover and do not cover, in overall terms. This gives good advice on the products which makes it easier for the customer to make a decision.

### Flexible advising due to online customer meetings

Holding meetings concerning pensions with Topdanmark has become more flexible. In 2016, we launched online meetings enabling

the customers to meet a pension adviser digitally. Not all customers require a face-to-face meeting. Consequently, many customers prefer the flexibility of the online meetings.

### Emphasis on intuitive solutions

We are aware that not all customers are familiar with digital solutions and may have trouble navigating. To accommodate this, we place great emphasis on developing digital solutions which are as intuitive as possible and meet the digital competence level of the users, ie. through a wide range of user surveys.

### Plans for 2017

We will still have a strong focus on digital solutions and constant improved efficiency and optimisation of processes to meet the customers' expectations of good and efficient service. We have already implemented new technology - among other, robots are used for entry of simple tasks when preparing proposals. The process will continue in the years to come to support our activities for achieving high customer satisfaction.



Photo: Claus Boesen/MediaPress

*Bjørn Verwohlt, Marketing Director on this year's result of internal customer surveys and EPSI:*

"It is positive that more and more customers recommend Topdanmark after having been in contact with us. The result was not quite satisfactory at the start of the year though. In Q1, the share of ambassador customers was only 44%. Subsequently, the share of ambassador customers has gradually increased and was 48% in Q4 - the highest level ever. Our focus on providing good service to our customers continues. I am sure that even more customers who are in contact with us will recommend Topdanmark next year. This should result in an improvement in the EPSI-survey."



Photo: Claus Boesen/MediaPress

*Peter Hermann, Managing Director, Topdanmark Livsforsikring on the result of the 2016 Aalund survey:*

"The Aalund survey reviews life insurance companies and pension fund companies on a number of parameters. All parameters are important, but I would like to point out two. Despite the fact that we ranked number one in customer satisfaction in 2015, we are pleased with this year's shared second place because it shows us that we are on the right track. However, we aim to be number one again. On the other hand, we have to work on proactive service and self-service, according to the survey."





## Protection of personal data

SAs an insurance company, we collect large quantities of information on our customers and injured people covered by our insurance.

The personal data are used for servicing our customers and for handling of claims.

We comply with current legislation on use of personal data guarantee that the data are stored and used in a way that the customers' right to privacy is not violated.

### **We have IT systems securing:**

- Updated customer data
- Non-distortion of customer data
- Deletion of customer data, when no longer relevant
- That only the relevant people get access to data.

We have processes telling our employees how to handle customer data and it is checked regularly whether the employees observe these processes.

We only pass on customer data in connection with handling of insurance and only to business partners and other insurance companies. Topdanmark does not sell customer data.

### **Plans for 2017**

Topdanmark has launched a project to ensure that the Group also complies with the new EU General Data Protection Regulation taking effect in May 2018.



# Customer complaints are taken seriously

Topdanmark handles around 300,000 claims annually, and it is inevitable that we receive customer complaints about the compensation or service they have received. Insurance and pension products may be hard to understand and in certain cases, the compensation or the assistance offered in a claim does not meet the customer's expectations. This may be due to limitations in the terms of which the customer has been unaware, or that the customer is unable to document the values we will be replacing.

Customer claims may reflect the fact that Topdanmark has not communicated the insurance terms and conditions well enough. Customer complaints are used constructively to determine how we can improve our guidance, service, communication or the scope of our insurance.

It is important to Topdanmark that its customers are well informed about their complaint options and that they are guaranteed a simple and fair complaint process.

## Opportunity for reassessment of a decision

If a customer disagrees with a decision made by Topdanmark, the customer may have the opportunity to have the decision reassessed by sending a complaint to our customer complaints department or whether the decision will be changed due to the reassessment.

When the matter is fully clarified, Topdanmark will inform the customer of whether we sustain the original decision or whether we will change the decision due to the reassessment.

## Appeal possibilities

If, in private insurance cases, there is still disagreement after a claim has been decided, the customer is entitled to appeal the decision to the Insurance Complaints Board. The number of complaints passed on to the Insurance Appeals Board represent less than one per thousand of the total number of claims notifications.

It is our goal is that the Board should agree with as many passed on claims as possible, because that means that our decisions have been correct.

Irrespective of the result, we decide how to approve communication based on appeals board cases.

## Decisions by the Insurance Complaints Board

If the Board upholds a customer's complaint, as a rule Topdanmark abides by the decision. Only in exceptional cases, where we disagree in principle with the Board's decision, will we assess whether or not to accept the decision. If we do not accept the Board's decision, the customer has the opportunity to carry the matter forward for review by the courts. In 2016, Topdanmark abided with all decisions by the Board except one. The customer decided to carry the matter forward for review by the courts. A decision had not been made when this CSR report was finalised.

■ Read about how Topdanmark uses mediation as alternative to court cases.

[www.topdanmark.com/en/csr/customer-and-consumer-matters/customer-claims/](http://www.topdanmark.com/en/csr/customer-and-consumer-matters/customer-claims/)

## Customer complaints: activities and results in 2016

Goal	Activities	Result	Assessment
Topdanmark's goal: as many cases as possible brought before the Insurance Complaints Board in favour of Topdanmark	General assessment of customer and Insurance Complaints Board cases with a view to improving processes, communication and terms  Special focus on assessment of customer complaints regarding contents insurance	81% of all cases were in favour of Topdanmark	Goal was met

## Statistics for Insurance Complaints Board decisions: overview

	2012	2013	2014	2015	2016
Total number of decisions	232	152	159	190	122
Total number of decisions in favour of Topdanmark**	81	78	81	81	81

\* The figures apply to Topdanmark Forsikring, Topdanmark Livsforsikring and Danske Forsikring.

\*\* Number of decisions not in favour of Topdanmark or partly in favour of Topdanmark. Source: [www.ankeforsikring.dk](http://www.ankeforsikring.dk)



# RESPONSIBLE INVESTMENT





# UN Global Compact provides overall setting

*As part of Topdanmark's business, we invest for example, insurance reserves and pension customers' savings, until the funds are paid in the form of compensation, pension payments or the like.*

Topdanmark wishes to attain the biggest possible return on investments in relation to risk, but we also wish to ensure that value creation is responsible and not in violation of the internationally recognised standards and principles or conventions adopted by Denmark.

## UN Global Compact provides overall setting

As a means to ensuring the above, Topdanmark has joined the UN's Global Compact, which consists of 10 principles concerning human rights, workers' rights, environment and corruption. These principles provide the framework for responsible investment. This means that the principles are, in practice, an integrated part of the investment policy.

The Board of Topdanmark Asset Management has the chief responsibility for this policy, while Topdanmark Asset Management is responsible for implementing the policy and continually monitoring and ensuring that investments fulfil the principles of our SRI (Socially Responsible Investment).

## Guidelines for investment in government bonds

Based on the guidelines for investment in government bonds

drawn up by The Council for Corporate Social Responsibility, a part of The Danish Business Authority, Topdanmark established its own set of guidelines for this area in 2015. They are as follows:

"Topdanmark Asset Management must not deal in securities which are issued directly or indirectly by a state which is not a member of OECD or has not ratified the ICC Statute\* - unless written permission has been given beforehand by Topdanmark's Executive Board."

\* Statute of the International Criminal Court.

## Plans for 2017

Screening and assessment of share portfolio for positions with consideration to the UN Global Compact. Furthermore, Recommendations for active Ownership launched by the Committee on Corporate Governance in 2017, will be reviewed

■ Read about Topdanmark's overall policy for responsible investment. [www.topdanmark.com/en/csr/responsible-business-management/ansvarlig-investering/](http://www.topdanmark.com/en/csr/responsible-business-management/ansvarlig-investering/)

## Responsible investment: activities and results in 2016

Målsætning	Aktiviteter	Resultater
Investment returns must be generated with consideration to the UN Global Compact	Screening and assessment of shares portfolio for positions with consideration to the UN Global Compact  CSR recommendation will be issued to external asset managers as an appendix to the contract, encouraging them to comply with the UN Global Compact principles	No investments which may be seen as being in conflict with the UN Global Compact have been made



# LOSS PREVENTION



# Everybody benefits from prevention

*Customers are financially secured in many different situations through Topdanmark's insurance and pension products, e.g. theft, fire, accident, illness and old age. However, loss and illness often have greater impact and consequences than just financial consequences for the customer, Topdanmark and society as a whole. Therefore, Topdanmark works with loss prevention and limitation.*

## **Customer perspective**

Topdanmark's loss prevention and limitation work can benefit the customer in many different situations, e.g.

- **Adapting to climate change**  
We help to limit rainstorm damage to residential and non-residential properties
- **Personal injury and illness**  
We help to prevent illness, injury and accident occurring in the workplace or in the spare time. Post-event, we contribute to limitation of the consequences, so that the customer is able to remain at work
- **Major fires**  
Major fires are a real threat to operations for companies and in agriculture. We help to prevent fire, keep businesses running and keep people and livestock free from injury
- **Theft and IT crime**  
We help customers feel safe in their own homes and companies avoid down-time due to theft and vandalism, including hacker attacks.

## **Societal perspective**

Topdanmark's work with loss prevention and limitation is meaningful to society because it helps to:

- Meet societal challenges arising from potential consequences of climate change. This is done by, among other things, contributing to local authority adaptation to climate change in cooperation with our trade organisation, Forsikring og Pension (Insurance and Pension)
- Support the welfare state by reducing the number of sick days and people on transfer income through our efforts of maintaining injured persons' attachment to work.

## **Business perspective**

For Topdanmark, loss prevention and limitation also has a positive effect because it contributes to:

- Create good customer experience and, with this, loyal customers
- Reduce claims payments which helps to keep premiums down.





Photo: Claus Boesen

## Prevention in the workplace

Topdanmark makes special efforts to prevent injuries and illness at the workplace for companies where the employees have health insurance schemes with the company.

Topdanmark's Health Manager, who holds a degree in human physiology and a background as a scientist within work physiology and injury frequency, is in charge of these efforts. In other words, she knows what is required to help companies take good care of their employees.

### The company's challenges determine the efforts

Topdanmark has a number of specific prevention concepts. However, our strength is to listen to what challenges each company is facing and plan the efforts that make most sense. We offer efforts concerning well-being, stress and food and exercise – either directed at managers or employees.

We initiate efforts in two situations: If a company reports many claims of a specific kind, or if a company contacts Topdanmark due to challenges regarding health or absence due to illness.

Topdanmark has very good experience with individual efforts. The companies see them as positive contributions to the activities concerning health and illness prevention among employees as well as job-dissatisfaction.

### Selected prevention concepts

#### General health initiatives

- Well-being and health presentations
- Health checks and screening
- Medical examinations
- Individual health process
- Intensive four-week activity programme
- Health ambassador training

#### Body

- Presentations on preventive and compensating measures
- Targeted training processes for an entire business or parts of a business
- Exercise elastics with training videos
- Recommendation of exercise apps

#### Mental well-being

- Presentations on mental health and stress
- No stress: counselling by experienced psychologists
- Mindfulness process
- Course in mental first aid
- Recommendation of mental well-being apps

#### Nutrition

- Life style presentations
- Nutrition/dietician
- Joint eight-week course for getting more energy via food
- Recommendation of nutrition apps

#### Sleep

- Presentations by sleep experts
- Sleep diagnosis
- Sleep treatment
- Recommendation of sleep apps

# Case: How Jens managed to return to work

Jens, a self-employed electrician, injured one of his knees in 2015. He contacted Topdanmark and got help via his health insurance scheme, both for getting a diagnosis and for an operation.

After the operation, Jens applies for compensation from his loss of earning capacity insurance with Topdanmark. His policy covered part of his salary coverage in case he were to lose his earning capacity for a short or long period of time.

## Help in keeping track of things

Topdanmark offers Jens a meeting with a social worker in order to discuss Jens' situation, his future working life and how to he can return to work in the best possible way. It turns out, that despite a successful operation, Jens will not be able to work to the same extent as previously.

The social worker helps Jens keep track of the many parties involved. It is crucial that Jens applies for and gets approval of a so-called section 58 agreement, entitling Jens to sickness

benefits from the first day. This will improve his financial situation.

## Support was crucial

Today, Jens is back at work and works 75% of the time at the customers' and 25% at his office. Additional to sickness benefits, Jens received DKK 50,000 from his loss of earnings capacity insurance. Jens says that he would have given up long ago without Topdanmark's support.

# Attachment to the labour market

A serious consequence for people who are taken ill or are seriously injured, could be that they lose labour market attachment or perhaps eventually accept early retirement. Through efficient and individually tailored efforts, Topdanmark improves the customer's opportunities for remaining in the labour market. These efforts benefit the customer, society and Topdanmark.

## Efforts start as soon as possible

The core of the efforts is a flexible and individually planned process based on the individual life situations and challenges. The efforts may eg. be organising and coordinating things

among the involved parties and help plan the optimum treatment. It is important to Topdanmark to start the efforts as soon as possible, since that may help maintain the customer's attachment to the labour market.

## Customer requirements assessed on an individual basis

Customers covered by the below insurance categories are offered an individually planned process:

- Loss of earnings potential insurance
- Workers compensation insurance
- Liability insurance.

Processes are only initiated if Topdanmark thinks it is relevant from an overall perspective.

In 2016, Topdanmark further systematised its efforts concerning liability claims and workers' compensation claims, making it easier to assess whether it will be appropriate to start an individual process. It is expected that the number of individual processes will increase in the years to come.

## Individually planned processes: overview

	Number of closed customer cases, with an individually planned process				Percentage for individually planned processes compared to total number of closed customer cases			
	2013	2014	2015	2016	2013	2014	2015	2016
Loss of earnings potential	117	132	136	160	33 %	34 %	45 %	38 %
Workers' compensation and liability insurance	74	139	157	151	<3 %	<3 %	<3 %	<3 %

*As shown in the table, individually planned processes are used more frequently in connection with loss of earnings capacity cases than in connection the two other categories. The reason is that there are many more cases in this category where extra efforts are relevant.*





Photo: Topdanmark

## Safety in farming

Topdanmark's experience is that loss prevention is of great benefit to farmers. It makes life safer for both people and animals on the farm, and it ensures stable operations. Therefore, we have developed a concept, Safe Farm, comprising a range of relevant initiatives that farmers can utilise to prevent loss from fire, water damage, theft etc - or limit the loss, when it has happened.

### Digital information on prevention

In order to make it even easier for our customers and others with an interest in loss prevention and the efforts we offer through Safe Farm, we have developed interactive sites targeted at various customer groups:

- **topgaarden.dk**  
Launched in 2014 - aimed at professional farmers and their safety requirements
- **topfarm.dk**  
Launched in 2015 - aimed at mink farms and furriers. Fur farmers need special loss prevention advice because of the industry's special building types, and the greater risk of theft of furs and the animal stock, not to mention the risk of vandalism
- **Topdanmark.dk/landliv**  
Launched in 2016 - aimed at rural customers who do not run a farm.

The new topdanmark.dk/landliv gives advice on how to prevent fire and theft etc.

In 18 short films, experts give advice on how to prevent accidents to people, animals and buildings with limited means. Although the advice is aimed at customers in the agricultural sector, all farmers with private residence will benefit from the advice.

Topdanmark's experience with the interactive sites is positive, but we still work on creating even more attention on and use of digital claims prevention - both in connection with sale and when giving advice to our customers.

### New efforts: preventing reoccurrence of accidents

Working at a farm can be dangerous: In 2016, 12 fatal accidents occurred in the agricultural sector, and Topdanmark receives around 250 reports of work-related accidents in the agricultural sector annually. However, the necessary measures are not always made to prevent reoccurrence of accidents. We want to change that.

As of January 2017, Topdanmark's customers with workers' compensation insurance will be offered impartial advice from a working environment consultant, if they report a work-related accident with personal injury, covered by the insurance. The counselling will take place via SEGES - a specialist in information and innovation with Landbrug & Fødevarer (Agriculture & Food).

The advice is free of charge and takes place at the site of the accident. A plan is made on how to prevent similar accidents in future, through relevant action. The customer may also be assisted in handling the formalities in connection with the accident - eg. when being visited by the Danish Working Environment Authority or the police.

### Specific advice for the individual customer

In 2015, we developed and implemented the concept known as Your Farm with a limited number of our customers. The concept is that our sales representatives visit our customer and propose loss prevention initiatives, both minor and major - with the individual farm and the individual farmer's requirements and interests in mind. The concept has been a great success among a small number of our customers, and we will therefore roll it out to other customer segments in 2016.

### Plans for 2017

There is interest in the Safe Farm concept in the business and the customers have generally been satisfied with the advice. However, we have not yet experienced an increase in sales. In 2017, we will continue to work on integration of loss prevention in the agricultural sector through consolidation and increased use of the many initiatives implemented over the last years, and through new initiatives - ie. use of sensor technology.



## Contributions to stable business activities

Traditionally, prevention among our SME customers has concerned theft, fire, storm and rainstorms for which we offer advice and a range of efforts contributing to safe and stable business activities.

Over the last years, new risks have occurred - ie. hacker attacks on IT systems and adverse publicity on the Internet. Both situations may result in downtime and may have serious financial implications. Therefore, Topdanmark has developed two new insurance schemes to help companies handle the current risks and uphold stable operations.

### **Help and advice in case of a hacker attack**

If a hacker gets access to a company's network and data files, at worst, it may lead to bankruptcy. This is a real risk to many small businesses that may not have contingency arrangements for handling IT crimes. Besides, many small businesses think that IT security is sufficient. Therefore, Topdanmark's new Cyber insurance has been established.

The insurance scheme provides scope for expert advice day and night after a hacker attack and may help the business to get back on track after being exposed to virus or a hacker attack - eg. through re-establishment

of IT systems and retrieval of lost data. It is also possible to insure against downtime due to the incident.

### **Adverse publicity may have serious consequences**

Due to the increasing power of the Internet and the social media, adverse publicity have disastrous consequences for businesses, whether or not it is justified. An analysis made by SAFEon NET in cooperation with YouGov indicates that 70% of the people seeking information on a business on the Internet deselect the business if they come across bad reviews or adverse publicity.

In 2016, Topdanmark established an insurance scheme to help SME customers in case they are exposed to a so-called 'shit storm' online. The affected customers get advice on how to handle the adverse publicity, eg. on Facebook, Trustpilot and Google. Advice is given in cooperation with SAFEonNET which is one of the leading companies within handling shit storms.

The insurance is aimed at SME businesses that often do not have a communications employee who can handle a shit storm in a professional manner.

### **Plans for 2017**

Topdanmark extends the efforts concerning specific prevention of theft, damage by water, fire, and storms for SME customers on a continuing basis. In 2016, we also set to work on prevention of work-related injuries with businesses. These efforts will continue in 2017. The customers may be visited by a Topdanmark engineer who can give advice on safety at the workplace, and assess the possibility of getting a discount on the workers' compensation insurance, if safety is already in place.



# BUSINESS MANAGEMENT



# Responsible management is good management

*As a listed company, it is Topdanmark's duty to create financial value for our shareholders. In this value creation, we are responsible for complying with national legislation, meeting the recommendations for Corporate Governance and meeting the expectations of the UN Global Compact.*

In CSR terms, we primarily focus on our work with the UN Global Compact. In practice, it means that a number of policies have been developed and special initiatives have been implemented, where there is a need or where it makes business sense.

The key areas are:

- **Climate and the environment:** Primarily focus on CO2 emissions
- **Human rights and diversity:** Primarily focus on diversity and women in management
- **Corruption and bribery:** Focus on gifts and events.

## Climate and environment

Topdanmark wishes to contribute to a sustainable development of society, and this is why we integrate climate and environment considerations into business. Therefore, we aim to combine our business goals with consideration for the climate and the environment.

Topdanmark impacts the climate and the environment directly through our business operations and indirectly through our business activities.

Activities in our own business operations are given priority, as this is where we can have the most influence on initiating measures - eg.

of reducing power consumption and company-related driving - which will both reduce our expenses and impact our environmental footprint favourably. Topdanmark has set goals for CO2 emissions, something we have assessed as the most relevant with which to work.

CO2 emissions: overview of activities and results in 2016

Goals	Activities	Result	Assessment
Maintain 2014 level until and including 2017, i.e. 2.3 tons CO2 emissions per full-time employee (relative emission)	Energy optimisation of IT operations  Solar cell system operation at the head office in Ballerup  Extension of existing solar cell system at the head office	<b>Relative CO2 emissions per full-time employee:</b> 1.9 tons (2015: 2.2 tons)  <b>Absolute CO2 emissions:</b> 5,081 tons (2015: 5,492 tons)	Our goals have been fulfilled, and we have succeeded in reducing both absolute and relative CO2 emissions, see table and comments below

### **More solar cells will generate even more low-carbon power**

In 2012, Topdanmark placed a solar cell system consisting of 3,042 panels into service at the head office

in Ballerup - at that time, the largest system in the Nordic countries. In 2016, the solar cell system was extended to 5,928 panels in total, with a total output just under 1.5

mWh. It is a doubling of the current power production from the solar cell system. The total investment has been DKK 14m.



## Adaptation to climate change

As an insurance company, Topdanmark is prepared for potential consequences of climate change, eg. such as more powerful and more frequent rain storms, storms and flooding:

- Customers get help and advice in preventing climate-related claims
- We make special requirements of specific preventive efforts to customers with a high risk of rain storms to minimise the extent of the damage
- We have a special emergency response preparedness, initiated in difficult situations to help our customers in the best possible way and minimise damage
- We have an extensive reinsurance programme due to which, expenses for compensation in connection with specific weather phenomena are repaid by the reinsurance company.

## 2016 Environment Report describes business risks

Topdanmark's 2016 Environment Report to CDP (Carbon Disclosure Project) describes how we handle business risks and opportunities in relation to potential consequences of climate change. Risks may be an increase in the number of rainstorms and opportunities may be development of specific products.

CDP is an internationally recognized environment reporting initiative, which works to increase openness and dialogue concerning CO<sub>2</sub> emissions and climate strategies in the business community. CDP makes the information it gathers available to investors.

In 2016, Topdanmark's CDP score was C – on the following scale: A, A-, B, B-, C, C-, D and D-. The average overall score of all CDP reports was also C.

### Plans for 2017

A new solar cell system will be installed at our premises in Viby. The system consists of 432 solar cell panels and it will generate around 102,000kWh. Furthermore, energy optimization will take place in connection with construction of new installations, buildings etc. Increased use of video conferences will also contribute to reduced CO<sub>2</sub> emissions.

- Read more about Topdanmark's climate and environment policy, solar cell system and 2016 CDP report.

[www.topdanmark.com/en/csr/responsible-business-management/klima-og-miljoe/](http://www.topdanmark.com/en/csr/responsible-business-management/klima-og-miljoe/)

## Søren Kempf Holm, head of administration:

"I'm pleased that we have discharged less CO<sub>2</sub>, but this was not due to our own efforts in 2016. We have actually consumed more natural gas, petrol and diesel than previously. Furthermore, our 'old' solar cell system has not been in operation the entire year because all the panels have been moved, so that they are now located east/west. In future, this will ensure more optimum power distribution. The decline in our CO<sub>2</sub> emissions is achieved because we have bought more electricity from wind power than previously. In 2017, when the new and the old solar systems function optimally, we expect to be able to reduce CO<sub>2</sub> emissions.

## Carbon emission accounts

		2012	2013	2014	2015	2016
Scope 1	Consumption of natural gas - tons m3	400	408	344	353	394
	Use of company cars - litres of petrol, thousands 1)	47	37	30	29	35
	Use of company cars-litres of diesel, thousands 1)	224	237	219	223	266
Scope 2	District heating consumption – MWh	515	519	468	481	446
	Power consumption – MWh	7,007	6,018	5,808	5,463	5,469
Scope 3	Use of non-company cars for business purposes – m. km	10.1	10.6	10.1	10.3	10.2
	Outsourced activities 2)	–	–	0	0	0
Total, absolute CO <sub>2</sub> emissions, tons		6,196	5,980	5,593	5,492	5,081
Total CO <sub>2</sub> emissions per full-time employee		2.6	2.4	2.3	2.2	1.9

1) The figures include use of company car for private purposes. Figures for business purposes driving are not registered. The split between driving for private purposes and business purposes is assessed to be approximately 50-50. The increase in petrol and diesel is primarily due to an increase in the number of company cars by six.

2) Topdanmark's main frame was outsourced to IBM Danmark, where power supply comes from Bergen Energy. Bergen Energy produces power via waterpower in accordance with the EU Renewables Directive. As a result, there are no CO<sub>2</sub> emissions associated with consumption.



## Human rights

Topdanmark respects internationally recognised human rights, and our aim is never to infringe them.

Topdanmark follows and complies with Danish legislation, which incorporates internationally recognised human rights. In addition, as a rule we do not come across any challenges legally speaking in this area.

Inspired by the UN Guiding Principles on Business and Human Rights, we conducted a "due diligence process" in 2015. In other words, we have looked closely at what human rights Topdanmark may be challenged by in connection with our various business activities – aside from what is expected in purely legal terms.

The process has shown that our policies, initiatives and management systems are in place in relation to the relevant areas where challenges may occur, e.g.

- Investment of insurance reserves and pension customers' savings, where procedures and policies are in place
- Supplier chain, where a CSR programme is established
- Customer relations and the right to privacy, e.g. Topdanmark has clear guidelines for how claims are investigated if insurance fraud is suspected, and for handling personal data

Employee relations, where there is a wide range of HR policies and a management system which meet the challenges of and the problems arising from stress, lack of employee satisfaction and equal rights.

Various policies are followed up continually, and potential challenges in the annual CSR report are communicated. Furthermore, we have specific focus on diversity and job satisfaction.

### **Diversity and job satisfaction**

Topdanmark works on maintaining and developing openness in its business culture preventing any kind of discrimination as regards gender, race, skin colour, nationality, social and ethnic origin, religion, political view, handicaps, age and sexual orientation. We believe that diversity adds value to a business and it is important that all employees have equal access to executive positions at all levels.

Since 2011, we have defined a number of goals and implemented activities with the purpose of advancing women in management. In 2016, we also decided to assess whether special efforts were required in relation to bullying and discrimination. It was decided on the basis of a wish to prevent potential disorderly conduct among the employees. The composition of employees has become more diverse over the last years – however, not from as an ascertained requirement. This will be addressed by Topdanmark's Wellbeing Committee.



### Topdanmark wants more women in management

As an element of encouraging diversity in the company, Topdanmark has focused on women in management since 2011. This was due to only 10% women being at level 1, i.e. the management level which reports to the Board of Directors. We want to change this in order to improve diversity and management development in general.

We have defined two goals in that area (see chart) and have also initiated specific activities to promote the number of women in executive management, eg. after work meetings and mentor programmes.

### Mentor programmes

Since 2013, a mentor programme has been run for women managers. With the experience gained from this mentor programme as our setting, we launched anew mentor programme for six women in the autumn of 2015. This programme will run until January 2017. The objective of the new programme is to help women managers determine their career aspirations, focus on ambitions and at the same time, improve relations across the management hierarchy, in order to attract more women to high executive positions.

The mentor programme was not finished and evaluated when this report was published. Our assessment so far is that the programme has produced dialogue and exchange of experience which are essential for the career of the participants. Thus, the programme has contributed to our goal of more women in executive management.

### Has Topdanmark got enough women in executive management

Overall, there has been a small increase since 2011. It is our goal that both genders should be represented by at least 40% in management (at all levels), and this goal has been met since 2012. A minor increase has also occurred in the percentage of women at level 1, which is satisfactory. In 2016, Topdanmark got its first female member of the Executive Board which is also a positive development. Despite the positive development, it is still Topdanmark's goal to have even more level 1 women managers.

### Plans for 2017

In 2017, Topdanmark's Cooperation Committee will follow up on the project regarding women in executive management. The Cooperation Committee consists of Topdanmark's Executive Board and representatives from three employee organisations.

### Women in management: overview of activities and results in 2016

Goals	Activities	Results	Assessment of 2015
At least one female candidate for job interview for an executive position at all three levels (see below)	Mentor programme for women who aspire to high-level management  6 women managers have participated.	17 vacant management positions, 12 female candidates for interview. This corresponds to 71% of the interviews (2015: 81%)	For five of the vacant management positions, there were no female candidates for interview. This may be due to the fact that there were no female applicants, or that the female applicants did not possess professional competences equal to those of the male applicants.  Percentage wise, there has been a 12.3% decline in the number of female candidates for interview.
Both genders must be represented by at least 40% in management (all levels)		On 31 December 2016 the gender ratio was 41% women and 59% men (2015: 42% women and 58% men)	Goals were met  There has been non-significant decrease in the number of women managers

## Women in management: overview

	2012		2013		2014		2015		2016	
	Total number of managers	Percentage of women managers	Total number of managers	Percentage of women managers	Total number of managers	Percentage of women managers	Total number of managers	Percentage of women managers	Total number of managers	Percentage of women managers
Level 1	20	10 %	20	15 %	20	15 %	20	15 %	21	19 %
Level 2	63	43 %	59	42 %	64	34 %	65	34 %	65	34 %
Level 3	159	45 %	169	46 %	165	45 %	168	48 %	162	46 %
Total	242	41 %	248	42 %	249	40 %	253	42 %	248	41 %

Level 1: Topdanmark's Executive Board (four members) and top management level (17 members).

Level 2: managers referring to level 1.

Level 3: other managers.

### Policy and target figures for diversity on the Board of Directors

Topdanmark wants a Board of Directors consisting of the best-qualified candidates. The Board comprises six AGM-elected members and three employee-elected members.

In 2013, Topdanmark adopted a policy and set goals for diversity on the Board of Directors. In 2016, target figures were changed from a minimum of two female and two male AGM-elected board members to a minimum of three female and three male board members.

This goal has been reached, since as of 31 December 2016, there were three AGM-elected and three employee-elected women on the Board. Furthermore, Topdanmark has observed the legislative definition of equal distribution by gender in the Board of Directors.

### Women on the Board of Directors: 2013-2016

	2013	2014	2015	2016
AGM-elected	2	2	2	3
Employee-elected	3	1	3	3

## Anti-corruption and bribery

Topdanmark wants to be part of a professional, proper and trustworthy business environment and does not tolerate corruption and bribery.

In 2016, we have looked into Topdanmark's risks as regards corruption and bribery. It is still the assessment that the greatest risk is related to gifts and events with customers, suppliers and other business partners.

Topdanmark trusts that its employees use common sense and judgement, in relation to gifts and events when dealing with customers, suppliers and other business partners. In order to support that, we have prepared

guidelines for, how and when employees are allowed to give and receive presents and attend and host events.

The objectives of the policy are ia. to prevent and avoid that business decisions may be impacted by individual and/or non-business considerations and interests. The new policy will be presented to the relevant employees by their immediate superiors. The policy will also be available on Topdanmark's Intranet.

### Read more about Topdanmark's:

- Guidelines for investigation if insurance fraud is suspected (in Danish)

[www2.topdanmark.dk/saadan-arbejder-vi/saadan-undersoeget-vi-mistanke/](http://www2.topdanmark.dk/saadan-arbejder-vi/saadan-undersoeget-vi-mistanke/)

- Corporate Governance

[www.topdanmark.com/en/corporate-governance/](http://www.topdanmark.com/en/corporate-governance/)

- Whistle blower scheme

[www.topdanmark.com/en/csr/whistleblower/](http://www.topdanmark.com/en/csr/whistleblower/)



# EMPLOYEES CONDITIONS



# Competent and motivated employees are crucial

*Topdanmark's employees are the most important resource for ensuring that our customers get the best service in every situation. Therefore, our goal is that our employees have the competences to do their work, are motivated to do their best and feel that cooperation with management is characterised by mutual trust.*

Our goals for Topdanmark as a working place are:

- Being a dynamic business with room and opportunity for personal and professional development
- Creating business development through targeted focus on the competence development of our employees, through a business culture demonstrating confidence in our employees
- Being able to retain and attract competent employees

## How we work to achieve our goals

Topdanmark believes that close dialogue between the Executive Board and the employees is achieved by, among other things, a Cooperation Committee with representatives from all three employee organisations and Topdanmark's Executive Board. The committee's task is to take on and discuss organisational problems and finding solutions to these problems.

In addition, we have HR policies and specific activities ia. concerning:

- Employee development
- Employee commitment and job satisfaction in the working day
- Health in the working day

## Employee development

Topdanmark attaches importance to talent and career development to ensure that all employees are competent to do their job, to ensure personal and professional development and to retain and attract qualified employees.

Topdanmark wants to support optimum performance of business tasks in the short and in the long term. Therefore, we have a comprehensive training and development programme consisting of internal and external processes within the many

occupational groups represented in the organisation. In 2016, DKK 32.4m were spent on competence development.



# Commitment and job satisfaction

Wellbeing and job satisfaction in the working day are of central importance to Topdanmark. We believe, for example that employees should have a good work-life balance. In different phases of life, our needs in relation to the work-life balance can vary, and Topdanmark strives to support the individual employee's needs in the form of, e.g. flexitime, part-time work, time off for the care of sick children, and a number of senior schemes and leave options.

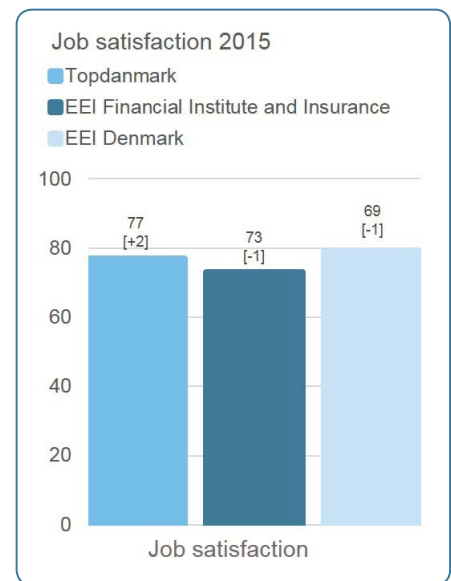
In addition, a Wellbeing Committee has been set up, with representatives from Topdanmark's HR and the three employee organisations. The committee regularly assesses the physical and psychological wellbeing of the employees, and decides on what activities are needed to promote the wellbeing.

## Latest job satisfaction survey indicated high job satisfaction

One important element in our work with employee wellbeing is a job satisfaction survey, which is conducted every two years with the participation of all employees. The

survey, which is anonymous, is used as a tool for ensuring wellbeing and a good work environment at both Group level and department level. The goal at Group level is to achieve "high job satisfaction", i.e. between 70 and 80 out of 100 points in the survey.

The latest job satisfaction survey was conducted in February 2015, with 95% employee participation. The result shows that our goal was achieved - 77 points for job satisfaction that is a 2-point increase compared to the previous survey. The survey also indicated that Topdanmark is well placed in relation to the average for the Danish labour market and the financial sector.



## New methods tested in 2016

In 2016, it was decided to examine more closely other methods for determining employee satisfaction and commitment - as a supplement or alternative to a major, Group-based survey, since we want a method reflecting the requirements of new generations in the local environment - near the working situation.

# Everyday health

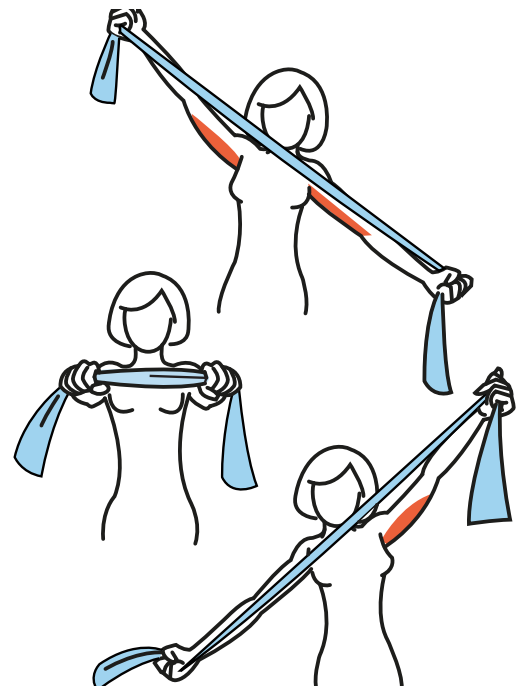
Topdanmark wants to give its full support to our employees' good health. We believe that it creates wellbeing and job satisfaction, and this in turn provides a strong platform from which we can deliver the best service to our customers.

In practice, the employees are offered a range of health-related initiatives, which can be made use of when required. For example, cycling or other forms of exercise, healthy canteen food and a health check.

## Individually planned health profiles

Since 2011, it has been possible to have a health check including determination of cholesterol, blood sugar, blood pressure, body fat percentage and level of fitness. In 2015, we introduced a programme of different types of health checks in order to meet the requirements of the employees.

This new flexibility has increased the interest in health checks, which can only be seen as positive. In future, it will also be possible to have an individual health profile prepared. The next health checks will take place in 2017.



### Body in motion in 2016

Experience in sedentary work indicates that this type of work may cause pain in muscles and joints, typically neck, shoulders and back. Therefore, a campaign was launched in 2016 focusing on the body in motion. All employees received an exercise band which together with a wide range of videos and information material should inspire the employees to do exercises during the working day.

### Stress prevention

In Denmark, generally speaking, the number of people who take sick leave because stress is increasing, and Topdanmark Life Insurance experiences an increase in requests from customers for help in preventing this illness. Topdanmark is also actively involved in stress prevention for its own employees.

All our employees have the option of anonymous stress counselling, provided by experienced psychologists. This service can be used as a first step for employees who experience the symptoms of

stress. In this way, employees can get help quickly without having to get a referral from a family doctor first.

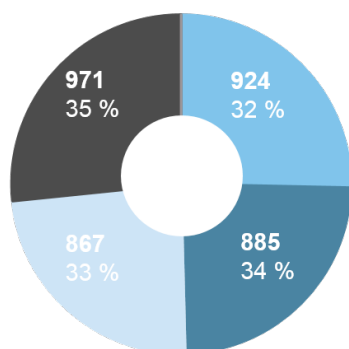
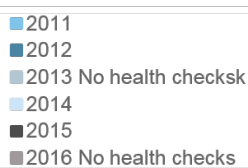
In cases of serious and long-term stress-related illness, a programme tailor-made for the individual is available as part of the employee health insurance scheme.

### New rest room contributes to good health and well-being

In 2016, Topdanmark established rest rooms at the head office in Ballerup and at the Viby branch. These are intended for use by employees with special needs for rest and relief during the working day, eg. employees who have returned to work after a longer period of illness, or when having a headache or back pain, in connection with stress or pregnancy. Employees who need a quiet place for religious prayer may also use the room.

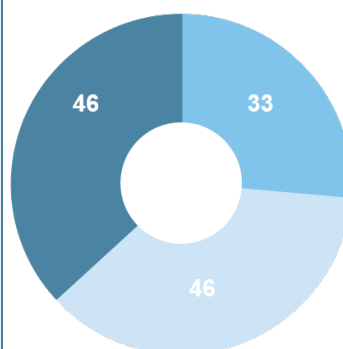
The new rest room is another means to promoting the well-being and good health of our employees.

Number of employees choosing a health check



Use of anonymous stress counselling

Number of employees who availed themselves of anonymous stress counselling



### Nutrition profile



### Exercise profile



### Senior profile



### Sleep profile



### Health profile







Photo: Claus Boesen/MediaPress

## Challenges in 2016-2017

In order to be able to offer competitive products and services, Topdanmark has gradually made its business operations more efficient, i.e. by automating and making the administrative processes more efficient in order to make processes simpler, easier to use and more efficient for the customers. As a result, some of the employees currently doing a number of manual tasks will no longer be needed.

Consequently, the number of employees was reduced by 74 in 2016, compared to 2015. Topdanmark intends to continue the above efforts in 2017. This will further impact the number of employees. The employees who are not offered other jobs in the organisation are offered support in getting on with the working life. Managers of departments impacted by dismissals will get support in how to handle the situation.

### Efforts for recruiting competent employees

At the same time as Topdanmark focuses on making its business more efficient, in the years to come, it will be necessary to attract competent employees who can contribute to the digitalisation and automation process - particularly competences contributing to make the existing

IT systems and IT infrastructure interface with new, modern technology. It is a transition process that is essential for Topdanmark's business development.

Therefore, Topdanmark has been actively involved in a number of educational institutions over the last years. At the end of 2016, Topdanmark participated in the Finance IT Day at the IT University where we engage in a good dialogue with the students concerning future job opportunities at Topdanmark.

### Plans for 2017

Additional to the many ongoing efforts concerning good health, well-being and handling of organisational changes, in 2017, we will continue doing employee surveys. We will also test a new method for stress prevention, actively involving employees who risk being affected by stress.

- Read more about Topdanmark as a workplace, HR policies, employment conditions etc. (in Danish)  
[www.topdanmark.com/en/jobs-and-career/](http://www.topdanmark.com/en/jobs-and-career/)



### Classification of employees at Topdanmark

	2012	2013	2014	2015	2016
Full-time employees	2,388	2,476	2,417	2,477	2,405
Part-time employees	254	245	236	243	241
Total number of employees	2,642	2,721	2,653	2,720	2,646
Employees on temporary contracts 1)	15	60	24	42	21
Employees covered by collective agreement	2,577	2,653	2,582	2,649	2,569

The employee numbers do not include hourly-paid employees, e.g. student assistants.

1) The numbers cover employees who are bound by a specific resignation date (excl. trainees and maternity cover).

### Other HR key ratios

	Unit	2012	2013	2014	2015	2016
Absence due to illness 1)	%	3.0	2.9	3.1	3.0	2.9
Employee turnover 2)	%	8.7	8.9	10.2	12.5	13.1
Employee turnover - industry 3)	%	10	10	13	13	–
Cases of discrimination 4)	Total	1	0	0	0	0
Employees in flexible-jobs 5)	total	14	11	11	10	14
Competence development of employees 6)	DKKm	45	38.6	36.2	36.7	32.4

- 1) This figure indicates that, on average, every employee was sick 2.9% of the total number of working hours in 2016. The figure covers all employees. In comparison, the percentage of sick days in the insurance sector is 2.9% (2015).
- 2) Definition: employees who have left the organisation voluntarily, have been dismissed, have resigned or have left for other reasons. The number also includes terminated temps.
- 3) The numbers excluding terminated temps indicate that for a number of years, Topdanmark has been below industry level, but since 2015, Topdanmark has been on par with the industry level. It is expected that Topdanmark will be above industry level in 2017, cf. page xx.
- 4) Cases of discrimination refers to cases which have been reported to HR or brought to an employee organisation.
- 5) Flexible-jobs are offered primarily to internal employees who need other duties than those they have had previously. In 2016, all employees in flexible-jobs are internal employees.
- 6) The amount does not include payroll costs, but solely payment of external training activities. Since 2013, we have focused on internal training which has caused a fall in expenses.



# DIALOGUE AND SOCIETY



*Topdanmark and its employees support various humanitarian organisations and campaigns. In 2016 money was collected for the 'Fight Cancer' campaign through walking, running and spinning activities.*



# Enhancement of business and society through cooperation

*Topdanmark has many stakeholders, both internal and external, who play an important role in our business.*

Furthermore, we have many other business partners and stakeholders who play a role in our business and who we want to engage in constructive dialogue with - eg. industrial organisations, suppliers, the media and NGOs.

The dialogue with these business partners and stakeholders is one of the factors which ensure the operation, strengthening and growth of our business. At the same time, we wish to be in dialogue with and contribute to the society we are part of - for example, by using our particular knowledge of and various competences arising from the insurance and pension industry, when relevant.

## In 2016, we focused on:

- CSR programme for suppliers
- Assistance to customers of Husejernes Forsikring after bankruptcy
- Contributions to a well-trained workforce in the insurance sector
- Integration of refugees
- Cooperation on young people and insurance
- Support for humanitarian efforts

## CSR programme for suppliers

Topdanmark works with suppliers and business partners in various situations, e.g. in connection with claims handling, loss prevention, delivery of IT and office equipment and articles. Quality, trust and credibility are key in our cooperation with our suppliers, who deliver vital services to our customers in critical situations.

Topdanmark wants to be perceived as a professional and responsible business by customers and shareholders. Irresponsible behaviour in the supply chain, for example non-compliance with the principles of the UN Global Compact, are incompatible with our CSR policy, and it can damage the reputation we have

with our customers as a responsible organization and may affect our earnings. To respond to this risk, we have established a CSR programme for suppliers.

### CSR programme implementation:

- CSR recommendation
- Via appendices attached to contracts, we inform all suppliers that Topdanmark has joined the UN Global Compact and we encourage suppliers to integrate the Global Compact principles in their business.

### Risk analysis

In 2015, Topdanmark performed a risk analysis of 50 of our key suppliers with the intention of identifying the risks of infringing the Global Compact principles in the first link of the supplier chain. The analysis indicated that Topdanmark has no concrete challenges in regard to current suppliers, but that there are areas of potential risk, e.g. waste management in connection with clearing up after damage and also working conditions in connection with waste management. We monitor these areas.

### Plans for 2017

The implementation of the CSR programme will continue in 2017, with focus on dialogue with suppliers where relevant.

### CSR programme for suppliers: activities and results in 2016

Goal	Activities	Results	Assessment
Minimise infringement of the UN Global Compact principles among the suppliers	It was decided to include more suppliers in the CSR programme than originally planned. Subsequently, the CSR recommendation was sent to a wide range of suppliers as appendix to the contract.	CSR recommendation integrated as appendix in 95% of all relevant contracts.	Satisfactory Progress in the implementation of the CSR programme.



# Assistance to customers of Husejernes Forsikring after the bankruptcy

Husejernes Forsikring (House owner's Insurance) went into bankruptcy in the autumn of 2016. Among other things, the company sold change-of-ownership insurance in Denmark for Gable Insurance, domiciled in Liechtenstein. Gable Insurance also went into bankruptcy.

None of the companies were members of the Danish Guarantee Fund for non-life insurance companies that covers claims for compensation in case of bankruptcies. Because the bankruptcy would have serious consequences for customers with

current claims, it was attempted to find a solution. An agreement was concluded with the industry organisation Forsikring & Pension (Insurance & Pension) and a majority in the Folketing (Danish Parliament), that the Guarantee Fund will cover the expenses for current claims of Danish customers of Husejernes Forsikring. However, customers will be liable for an excess of DKK 20,000 for the first claim.

Subsequently, Topdanmark agreed to help the affected customers on behalf of the Guarantee Fund. Topdanmark

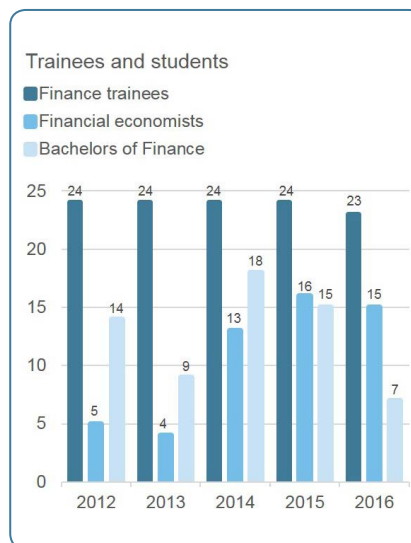
will attend to claims handling and administration of payments from the Guarantee Fund.

This applies to approximately 2,000 customers who have reported claims to the bankrupt insurance company. A special unit set up specifically for this task consisting of employees handling claims, claims assessors, building experts and lawyers will be in charge.

# Contributions to a well-trained workforce in the insurance sector

As a large non-life and life insurance company in Denmark and co-owner of the Danish Insurance Academy, the insurance industry's own educational institution, we wish to ensure continuous availability of a highly skilled and qualified workforce. This benefits Topdanmark as well as the insurance sector in general. Therefore, we take on a number of finance trainees and finance students every year.

In 2016, 23 finance trainees completed their training at Topdanmark of which 20 were permanently employed afterwards. We also employed 15 financial economists and 7 finance bachelors.



## Plans for 2017

In 2017, Topdanmark will also offer young people traineeships and internships. We will take on 15 finance trainees, 22 financial economists and around 12 finance bachelors. The number of finance trainees is reduced in order to adapt it to the development in the total number of employees.

# Integration of refugees

Topdanmark wants to contribute to integration of refugees in the Danish labour market. Therefore, we offered two Syrian refugees 13-week internships in 2015 and in November 2016, we welcomed another three refugees from Syria and Eritrea at our head office in Ballerup. One of the internships has been organised in cooperation with Eurest, our canteen supplier.

Each refugee has a mentor who is responsible for training in the relevant tasks and giving the refugees insight into the Danish working culture.

## Plans for 2017

We will look into whether it will be possible to offer internships for other refugees in 2017.

# Cooperation on young people and insurance

Since 2016, Topdanmark has cooperated with LOS, a professional organisation for privately owned homes for children and young people. The objective is to extend the knowledge of insurance with the young people who are in the process of establishing their adult lives. LOS is a customer with Topdanmark and among other things, has a framework agreement for non-life insurance.

By means of input from LOS, Topdanmark has prepared an overall information package including:

- A brief video on insurance explained informally and simply
- A website with more detailed information on insurance in a language adapted to the target group
- A text message service with a link to the website, enabling the young people to find more information.

The material is used at so-called after-care courses which are courses better preparing the young people for managing on their own and in personal dialogue with the young people.

- Watch the video 'Insurance is really boring'. (in Danish)

*Michael Christensen,  
LOS Project Manager:*

"The informal language in the video is spot on for young people and the website with more detailed information has been well received by the educationalists because, along with the video, it gives good input to the dialogue with the young people concerning insurance. We have not had that before."

## Support for humanitarian efforts

One of Topdanmark's values is "responsibility". Our social responsibility finds its voice in, among other things, our contributions to organisations and campaigns with humanitarian and other purposes beneficial to society. Every year, Topdanmark decides on which initiatives we wish to support.

### Plans for 2017

In 2017, we will continue to contribute to Medecins Sans Frontieres, the 'Denmark Collection', the Fight Cancer campaign and the National Blood Bank, and donate bicycles to Buddha Bikes.

### Contributions 2016

- Topdanmark and its employees contributed with DKK 101,758 together
- Danmarks Indsamling (Collection Denmark). Topdanmark and its employees contributed with DKK 197,350 together
- Red Cross 'Donate Clothes' campaign. Topdanmark's employees donated 2.1 tons of clothes
- 'Fight Cancer' campaign. Topdanmark, its employees and customers contributed with DKK 258,161, through a major fitness event
- Blood bank. 437 portions of blood were collected from Topdanmark's employees during the working hours. We have supported this since 2005
- Buddha Bikes. Topdanmark donated 135 bicycles to Buddha Bikes which is a socioeconomic bike repair shop offering traineeships and apprenticeships for young people on the edge of society
- Mentorbarn (Mentor child). The Topdanmark Fund donated DKK 75,000 to Mentorbarn that works for making the future better for Danish orphans.



### 20 years' contribution to Medecins Sans Frontieres

In 2016, it was 20 years ago since Topdanmark started supporting Medecins Sans Frontieres. Topdanmark's employees have the opportunity to make a fixed donation to the organisation via their salaries. Topdanmark doubles the amount. The anniversary gave reason to take a closer look at how we can invigorate the cooperation for the benefit of both parties.

Among other things, Topdanmark has helped Medecins Sans Frontieres with its first national collection. Jesper Brix, the Danish president has given four presentations to our managers on the organisation's experience with stress handling. The presentations have been very inspirational although the situation in the field is very different from a Danish company.



### Record-high contribution to the 'Fight Cancer' campaign

In 2016, Topdanmark participated in the national 'Fight Cancer' campaign for the third consecutive time. Topdanmark's employees and business customers from Livsforsikring (Life insurance) donated money through spinning, running and walking activities in week 43.

A record was set, both in terms of the amount collected and in terms of the number of participants. 646 Topdanmark employees from all over the country participated along with 115 business customers. The total amount collected in 2016 was DKK 258,161. In 2015, the total amount collected was DKK 176,445.





# Social accounting

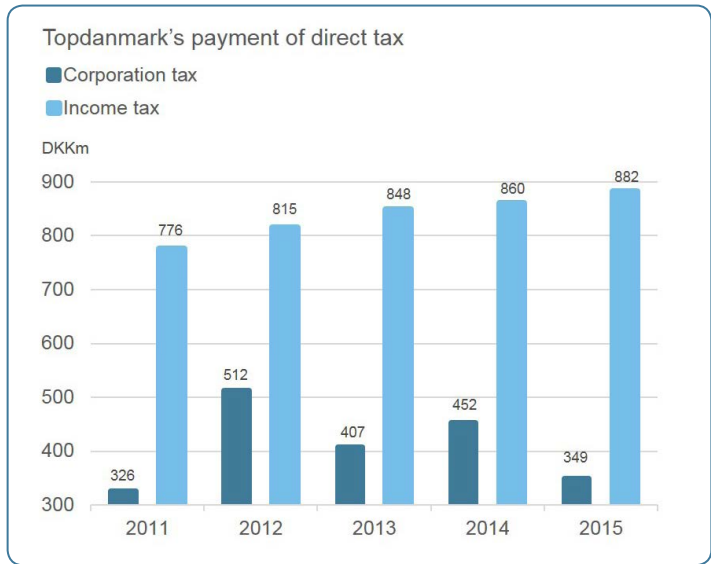
By operating a profitable business, Topdanmark contributes significant, annual amounts to the Danish state through direct corporation taxes and indirect taxes. With this in mind, Topdanmark prepares annual “social accounts”, a report on our tax payments.

The bulk of our corporation tax remains in Denmark which, taking the organisation’s size into account, is unusual since other big Danish companies pay a large part of their corporation tax abroad, due to the activities in the international market.

In this way, Topdanmark, relatively speaking, pays more to the Danish state than other large companies do.

Since the CSR report is published before Topdanmark’s Annual Report, the “social accounts” for 2016 will not be published in this CSR report for 2015, but will instead be posted on our website in March 2017.

■ Read more about Topdanmark’s “social accounts” for 2015.  
[www.topdanmark.com/en/csr/resume-og-data/2015/social-accounting/](http://www.topdanmark.com/en/csr/resume-og-data/2015/social-accounting/)



# ABOUT THE REPORT

*This is Topdanmark's annual CSR Report. It is also our Progress Report for the UN Global Compact, and thereby it constitutes our mandatory report on Corporate Social Responsibility (see section 132 of Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds).*



Photo: Wering

## Contact

If you have any questions to or comments on the report, please contact Pernille Fogh Christensen, who is responsible for CSR. If you want to enter into a dialogue with us about our CSR efforts, you are also welcome to contact us.

Tel: +45 4474 4089 (direct)  
E-mail: pfi@topdanmark

It covers the financial year 2016. The report applies to all subsidiaries of Topdanmark.

## Objectives and target group

The CSR report has been prepared to create transparency on our business and its impact on climate and environment, people and finance.

It is relevant to a wide group of stakeholders: existing and potential employees, customers, shareholders, business partners, suppliers and media, NGOs and civil society.

The report is published on Topdanmark's website and the Danske Forsikring website in Danish and English. It is also forwarded to a large number of our business partners and corporate customers, and is used in sales material, when relevant.

## Indicators

The indicators for working conditions at Topdanmark have been based on the internationally recognised reporting system, Global Reporting Initiative. Data have primarily been collected from our central HR payroll system and data dependability is considered to be high.

See table of indicators on page 35.

## Carbon emission accounts

Topdanmark prepares annual carbon emission accounts in accordance with the guidelines of the Climate Compass, an application developed by the Danish Business Authority to calculate carbon emissions. We have chosen to include the following elements in the carbon emission accounts which we consider to be the principal sources of our carbon emissions:

- Heating consumption
- Power consumption
- Use of company cars
- Use of own car for business purposes

The consumption of heating and power has been restricted to the head office in Ballerup and the branch in Viby, and does not include other sales centres. This is due to two factors: we have no reliable data on the heating and power consumption in our sales centres, and this consumption represents only about 5% of the overall consumption. We are looking into whether the data can be improved in 2017.

## Data collection and data quality for carbon emission accounts

The head office consumption data for heating and power were collected from consumption reports made available by suppliers while the Viby office consumption was read manually. Power produced by our solar cell system is registered by our energy management system. Data dependability is considered high for all data.

Data on driving in company cars (leased cars) are collected from the registration of fuel consumption (litres of petrol or diesel). Data dependability is considered to be good. Data on use of own car for business purposes are collected from the HR department's registration of mileage allowance. The number of kilometres driven is calculated on the basis of the mileage allowances paid. Data dependability is considered low.

See carbon emission accounts on page 26.