

# CORPORATE RESPONSIBILITY IN PFA

## Investing in a sustainable society

- Efforts, results and new focus areas 2016





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## The photos in this report

The photos in this report show organisations and projects that have been elected as the 2016 causes and have received financial support from PFA Brug Livet Fonden.

Photos by photographer Jakob Dall.

**Front page:** Julemærkefonden

One of PFA Brug Livet Fonden's 2016 causes  
[julemaerket.dk](http://julemaerket.dk)

## TRANSLATION:

This is a translation of PFA Holding's Corporate Responsibility report 2016 in Danish. In case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

# PFA IS WELL ON ITS WAY TO CELEBRATING ITS 100 ANNIVERSARY

- SAME PURPOSE AND WITH INCREASED FOCUS ON CORPORATE RESPONSIBILITY

This report provides a status of PFA's work on corporate responsibility in 2016. It has been an eventful year during which we have maintained our focus on responsibility. In particular, we focused on our investments being made in a responsible manner and drew on knowledge about how our actions affect the climate. In 2016, we also worked to make it easier for the customers and society in general to understand the pension area, and retained our focus on health and stress management, which has led to a number of interesting results.



To us, corporate responsibility is about being actively involved in making the world a better place for future generations. We believe that it is important to let our voice be heard in the public debate, and our ambition is to contribute where our effort makes the biggest difference. Responsibility is about assuming responsibility through the way we invest the customers' money, advising the customers the best possible way based on their present life situation and PFA, as a company, taking action.

Our work on corporate responsibility is based on the explicit wish to comply with and implement international UN conventions, including the Ten Principles of the UN Global Compact and the COP21 agreement on reduction of greenhouse gases. We do so because, as part of the international community, we want to back the internationally recognised principles, and because our activities also influence the world outside of Denmark's borders, in particular when we make investments. This is a fact we are aware of.

In 2017, PFA celebrates its 100 anniversary. Such a grand event has motivated us to identify the competencies and focus areas we want to concentrate on in order to contribute to the positive developments in society in future. PFA's strategic corporate responsibility framework was extended in 2016 which implied that we gathered the future initiatives in a new three-year strategy

consisting of 15 specific initiatives. Our new CR strategy is named: Investing in a sustainable society 2017-2020.

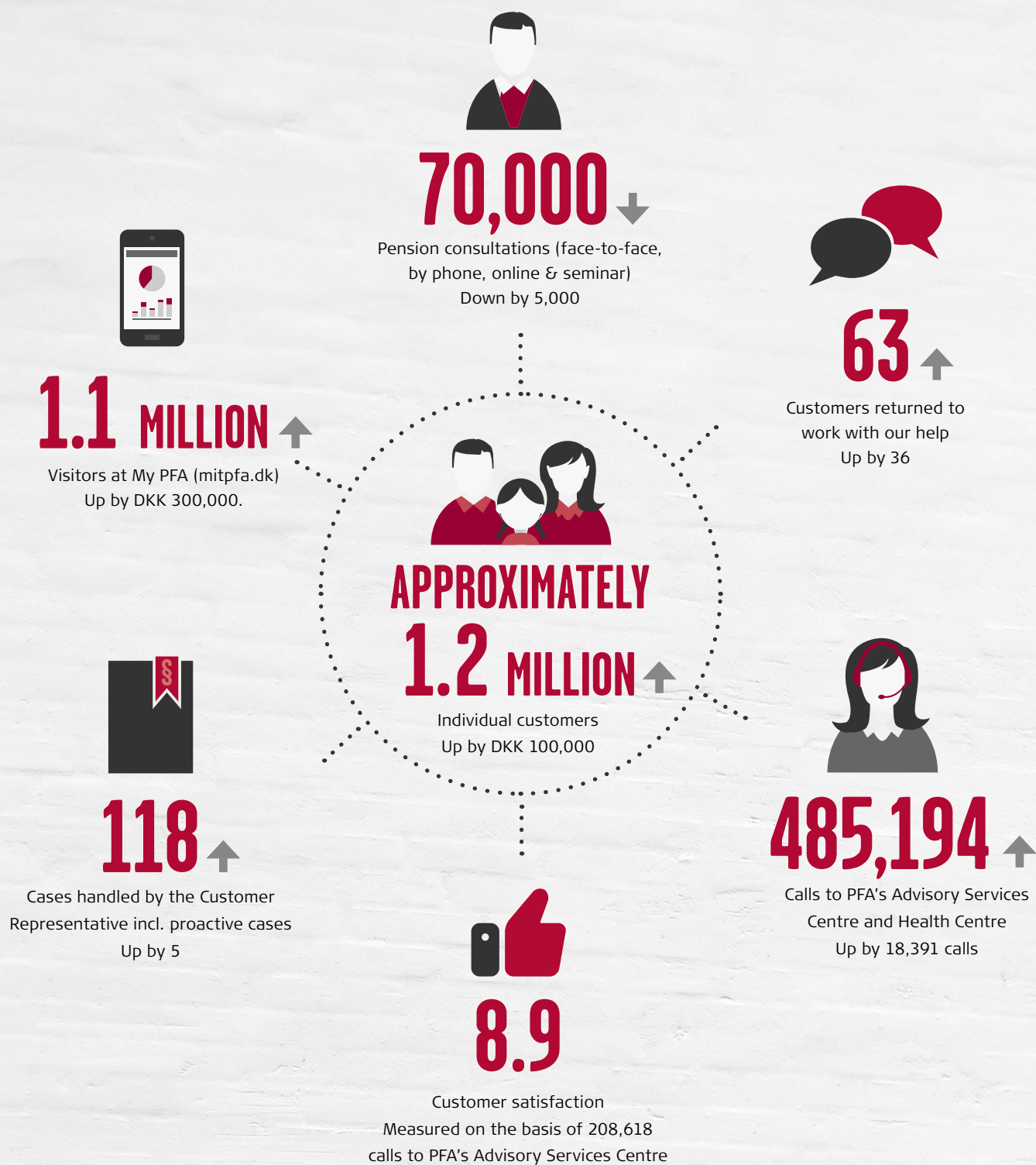
Looking forward to a 100 anniversary is also an occasion for looking back on 1917 when PFA was founded by employers and employees. Then as now, PFA's purpose is to ensure mobility on the Danish labour market and provide the people in Denmark with freedom to live the life that they want. Today, we are facing a future with greater life expectancy than ever before. This makes demands on the flexibility in society - and on PFA. Imagine that you attain 100 years of age. There is actually some probability that you will. This is a fact which PFA as well as all individuals and society need to be prepared for. What should be our next step in this process? And which conditions need to change if we are to stay longer at work? And what about the world's climate and the CO<sub>2</sub> emissions? These questions and many others were the subject of our attention in 2016, and we will, in cooperation with others, continue with this focus in the year to come.

Thank you for reading our 2016 Corporate Responsibility report.

Yours sincerely

**Allan Polack**, Group CEO

# SELECTED KEY FIGURES AND OVERVIEW 2016







**80** ↑

Employee satisfaction  
Up by 4 according to the index



**1,605 TONS** ↓

Reduced by 399 tons



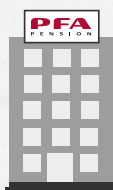
**41 PER CENT** ↑

Women in management  
Up by 3 per cent



**281 TONS** ↑

Total waste increases by 57 tons  
Digitised letters and policies led  
to a reduction of 4 tons of paper



**1,276**

Number of employees  
Down by 23



**DKK 31.8 BILLION** ↑

Contributions  
Up by DKK 3.1 billion



**DKK 172 MILLION** ↓

Total tax payments  
Down by DKK 67 million



**DKK 17.2 BILLION** ↓

Payouts  
Down by DKK 2.9 billion



**DKK 8,408 MILLION** ↓

Total tax collections  
Down by DKK 399 million

# POLICY AND STRATEGY DIRECT PFA'S CORPORATE RESPONSIBILITY

The objective of PFA's new CR strategy 'Investing in a sustainable society 2017-2020' is to unite the focus areas and prioritise the corporate responsibility efforts. It translates the objectives of the new policies into a number of focus areas and initiatives and is thus the framework that PFA bases its future work on. 'Investing in a sustainable society 2017-2020' calls attention to matters, which fit in with PFA's core business, where PFA can contribute to the development in society with maximum effect.



## NEW POLICIES AND A NEW THREE-YEAR STRATEGY GIVE THE DIRECTION AND OBJECTIVE OF PFA'S CONTRIBUTION TO SOCIETY AND UNITE PFA'S CONTRIBUTIONS IN RESPECT TO UN'S GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

### New policy with new focus

In 2016, PFA's Board of Directors adopted a corporate responsibility policy for the PFA Group which lays down the guidelines for the work on corporate responsibility based on PFA's business strategy and the company values: Professional, Fair and Accountable. The policy uses PFA's role as a company, investor and employer as a starting point together with PFA's approach to its work on corporate responsibility. The policy is based on four central elements: Responsible value creation, Society, Customers and the Employees. The society is a new overall focus area. This is to show that PFA wants to take a more active role in contributing to the future developments in society.

### With this policy, PFA commits itself to focus on:

- contributing to the development in society
- systematising its work on respect for human rights and implementing due diligence in the processes
- targeting its efforts to reduce global climate effects by focusing on compliance with the COP21 agreement on reduction of greenhouse gases.

### CR strategy outlines direction, initiatives and benchmark

In 2016, PFA created a three-year strategy for the corporate responsibility work, which builds on PFA's existing work and policy on corporate responsibility. The strategy 'Investing in a sustainable society 2017-2020' gives a clear indication of PFA's work in future, collects new and existing efforts and identifies ambitions and goals for how PFA can contribute to creating a sustainable society.

The strategy is prioritised relative to the areas in which PFA's business activities can have the greatest possible influence and can have a maximum effect on society as well as where we can put our knowledge and competencies into play. The strategy is based on three focus areas which have the corporate responsibility policy and PFA's core business as the underlying basis.

### The three areas are:

- Responsible investments, respect for human rights and sustainable business models
- Health, well-being and the third age
- Partnerships and knowledge sharing.

### PFA replaces CSR with CR

PFA has decided to replace the term Corporate Social Responsibility (CSR) with Corporate Responsibility (CR). The new term reflects a broader definition of the work on responsibility and thus creates a better understanding of PFA's corporate responsibility, which also includes green transition, climate challenges etc.



Based on the three focus areas, 15 specific activities have been defined for 2017. The activities are stated on this page. As part of the strategy work, PFA has also assessed the focus areas relative to UN's 17 global goals for sustainable development. Against this background, we have identified five sustainable development goals, and we have integrated our focus on working on respect for human rights into the investment process. In 2017, we will review the efforts and develop new efforts for 2018 as well as report on the progress of the work on implementing the strategy.

PFA's corporate responsibility policy and CR strategy 'Investing in a sustainable society 2017-2020' are available at [pfa.dk](http://pfa.dk).

**PFA will in 2017 begin the process of benchmarking PFA's initiatives against the five global goals that PFA has given priority:**

- Climate action
- Affordable and clean energy
- Good health and well-being
- Responsible consumption and production
- Partnerships for the goals.

**CR strategy – Investing in a sustainable society 2017-2020, Specific key areas for 2017**

**Responsible value creation**

1. Developing investment processes that focus on ensuring that the CO<sub>2</sub> emission complies with the Paris Agreement. Including preparation of a method to identify companies which work against the Paris Agreement, and initiating a dialogue with selected CO<sub>2</sub> intensive sectors.
2. Publishing a plan of action and method of application of the UN Guiding Principles on Business and Human Rights in the investment process, beginning the implementation in selected sectors and communicating about the progress of the work.
3. Integrating policy and principles of responsible investments in property investments and alternative investments and ensuring that 'responsible tax' is integrated into screening of and active ownership dialogue with companies in our company portfolio.
4. The planning of the renovation of Marina Park will in particular concentrate on ensuring a healthy working environment for the employees and reuse of the existing building stock.

**Society**

5. Creation of a think tank on the third age in order to contribute to the public debate with options to deal with increased life expectancy.
6. Mapping out potential use of properties and material in a more energy and resource efficient way.
7. Benchmarking PFA's efforts against the five global goals that PFA gives priority to.

**Customers**

8. Increasing knowledge about pension, target communication to specific groups and revitalising the Pension Estimator.
9. Mapping out the options of cooperation with external experts and suppliers to ensure better expertise and more options when it comes to helping the individual in a safe and secure manner to return to work after an illness or accident.

**Employees**

10. Involving employees in specific projects through after-work meetings, mentor systems etc.
11. Revitalising PFA's own health strategy.

**Continuation of existing initiatives**

12. Responsible investments: Minimum 10 Responsible Investment Board meetings per year with focus on screening of investments, active ownership dialogue with companies and communication about the progress of the work.
13. Working on Code of Conduct during the closing of contract process as part of responsible procurement.
14. Supporting and cooperating with associations and projects which are elected by PFA Brug Livet Fonden.
15. Organised NGO and customer dialogue about efforts of priority within corporate responsibility.

# RESPONSIBLE VALUE CREATION

Customer assets under management	DKK 439 billion
Return on investments	DKK 26.5 billion
Excluded countries / Excluded companies	3 / 33

## RESPONSIBLE INVESTMENTS

It is key to PFA to act responsibly throughout the value creation process. We do so by creating long-term and robust business processes in order to secure a responsible management of the customers' savings with, among other things, respect for the climate and human rights. The same applies when PFA concludes contracts with business partners, where accountability and corporate responsibility form an integral part of the process.

As a responsible investor, PFA has a considerable responsibility to ensure not just that the customers' savings are invested wisely and with care, which makes their value increase, but also that PFA's investments are carried out in a way which underpins a positive development of society. PFA has revised its policy on responsible investments, strengthened the integration of international principles into PFA's processes and given priority to the dialogue with various stakeholders in this area.

### Policy on responsible investments

PFA completed an update of its policy in 2016, which implies that it now includes a number of new goals for the work with responsible investments. The policy continues to be based on compliance with international UN conventions and principles, including the six UN-backed principles for responsible investments, the PRI, and the Ten

Principles of the UN Global Compact. A novelty is PFA's commitment to refrain from investing in companies which obstruct the COP21 agreement on global reduction of greenhouse gases. In addition, PFA works determinedly towards complying with the methodology of the UN Guiding Principles on Business and Human Rights (UNGPs). The purpose is, among other things, to strengthen the risk assessment during the entire investment process, and when the new goals are implemented, the tools that PFA develops will help focus on the fact that management systems for environment and human rights form an integral part of the entire investment process. The implementation of the policy and the guidelines are concentrated on turning the international conventions into actions in PFA, retrieving the necessary data and integrating them into the investment and screening processes prevailing in the investment area.

### PFA resumed membership of the PRI

Following a dialogue process of three years with the PRI's board of directors on the organisations own governance, PFA decided to resume its membership of the PRI in 2016. The resumption of membership took place along with three other pension companies (Sampension, PKA and ATP), which, like PFA, also withdrew their memberships of the PRI in 2013. The companies have monitored the development and have registered that the PRI's board of directors has responded to the criticism which led to the exit of the companies. It is PFA's interpretation that the PRI has taken important corrective precautions to improve its regulations and management structures. Even though not all concerns regarding the management have been accommodated, it is PFA's assessment that there will be better room for further advancement towards a solid and reliable management in the PRI when re-entering the organisation rather than remaining outside the organisation.

During the period when PFA was not part of the organisation, PFA still supported and complied with the six PRI principles and included reporting on the principles in the annual CSR report and at pfa.dk.

**Julemærkefonden**  
Selected as one of PFA Brug Livet Fonden's  
2016 causes.  
[julemaerket.dk](http://julemaerket.dk)



### Responsible Investment Board

In 2016, PFA updated the terms of reference for PFA's Responsible Investment Board (RI Board). The purpose of the RI Board is to monitor and prioritise the implementation of PFA's responsible investment policy and it meets minimum 10 times a year. In 2016, the RI Board assessed the progress of cases where PFA and the screening and engagement company GES had entered into dialogue with a number of companies. In addition, the board prepared guidelines for exclusion, which describe the process and PFA's focus areas. The purpose was to clarify PFA's process and criteria. The RI Board has continued to give priority to transparency, and PFA has participated in debates and dialogues on the subject to call attention to the importance of increased transparency in matters of exclusion. Towards the end of 2016, the RI Board reviewed the new recommendations of active ownership from the Danish Committee on Corporate Governance. The purpose is to form a general view of whether the new guidelines will prompt any additions to PFA's policy. The recommendations apply from 2017, and the RI Board will finalise a total analysis next year to ensure that PFA complies with the recommendations.

### Country screenings

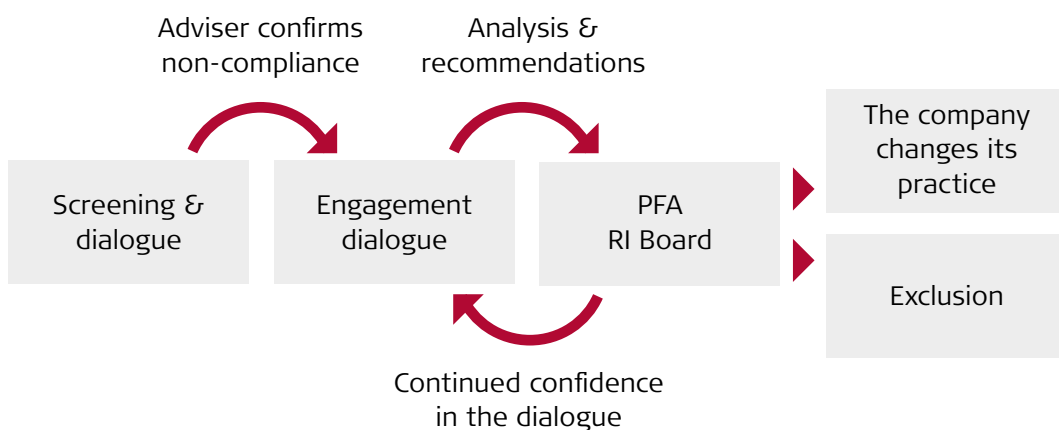
PFA screens and analyses countries in accordance with PFA's guidelines for responsible investments in government bonds and procedure for country screening. PFA does not enter into engagement dialogues with countries as this is considered to be a foreign policy issue. In 2016, the policy

was specified in this area, so that it is clear that Danish sanctions against purchase of national debt will lead to a systematic exclusion of the country in question. In connection with the merger between PFA and Bankpension, PFA took over, for instance, government bonds issued by Rwanda, Belarus and the Republic of the Congo. Therefore, these countries are included in the list of countries in which PFA holds investments by the end of 2016. All three countries are listed on PFA's exclusion list, and the portfolios were sold after the statement was concluded for 2016. In addition to this, PFA has continued to monitor the situation in Ukraine and Russia, in particular with regard to the international sanctions in the area. At the end of 2016, PFA invested in government bonds in 96 countries. The exclusion list and the list of countries are both accessible at [pfa.dk](http://pfa.dk).

### Company screening

The purpose of the screening process that evaluates the equity and bond investments is to identify whether the companies in which PFA makes investments comply with PFA's policy on responsible investments. The screening is carried out by GES, which evaluates the activities of companies on a current basis. As part of the screening process, GES evaluates whether a company's actions and behaviour conflict with the international conventions on which PFA's policy is based. Some cases may require a clarifying dialogue with the company to assess whether it complies with the policy. In 2016, 235 cases from PFA's portfolio were evaluated against 181 cases in 2015.

### PFA's process of screening, analysis and active ownership dialogue with companies





### Active ownership dialogue with companies

As a rule, active ownership dialogue with companies is initiated when a violation of PFA's policy has been identified or in situations when PFA or GES assumes that the company has been acting in conflict with PFA's policy on responsible investments. The purpose is to enter into dialogue in order to find out, together with the company, how the company can change its common practice and introduce policies and actions to prevent a similar situation from recurring. Both GES and PFA enter into dialogue with companies on matters within the company. When PFA gives priority to enter into dialogue with a company, it is a result of the RI Board assessing that it will be relevant to monitor the company closely and thus be able to better understand and assess the company's actions. PFA logs its active ownership dialogue, which is published at pfa.dk and updated as the cases progress. During 2016, GES entered into dialogue with 91 companies in PFA's portfolio. Seven cases were resolved during the year by the companies altering their practice to comply with the international conventions. PFA

## CASE



### The Volkswagen dialogue is documented on PFA's log

PFA has been focusing on Volkswagen in 2016 and has tried to enter into a dialogue with the company about the initiatives it is planning to ensure its compliance with international environmental standards. The company has expressed that it takes no interest in entering into dialogue based on PFA's participation in a group action against Volkswagen. PFA will continue examining the possibilities of entering into a dialogue with the company both directly and in cooperation with other investors. If a dialogue is not opened, PFA will reconsider the situation and update the log at pfa.dk.

has entered into active ownership dialogue with 13 companies. PFA finalised one case in 2016. The case was a dialogue with Cement Roadstone Holding (CRH) about conditions concerning the company's involvement in activities on the occupied West Bank through an owner's share in an Israeli company. PFA finalised the dialogue when CRH divested its owner's share in the Israeli company, and thus the involvement ended. Furthermore, PFA continued its dialogue with external managers in 2016 to ensure that they are also familiar with PFA's work and priorities in this area.

### Summary of the subjects of PFA's engagement dialogue with companies in 2016\*

Human rights	4
Environment	7
Labour rights	3

### Summary of the subjects of engagement dialogue through GES with companies in PFA's portfolio in 2016\*

Environment	12
Human rights	40
Labour rights	31
Corruption	8
Controversial weapons	3

\* Please note that PFA and GES have been in dialogue with a number of companies about a number of different subjects which implies that the number of cases per subject and the total number of cases are inconsistent.

### Exclusion of companies

Exclusion is by no means a target in itself. PFA strives to be an active owner which, through dialogue, attempts to nudge a company to change its practices. The exclusion list is revised minimum every six months in order to consider whether exclusion is still relevant. PFA did not exclude any companies in 2016. PFA revoked its exclusion of Singapore Technologies as the company has informed that it is no longer involved in the production of anti-personnel landmines, and through GES PFA received confirmation hereof.

## FOCUS ON HUMAN RIGHTS AND CLIMATE

In 2016, PFA devoted special attention to the Paris Agreement and the reduction of CO<sub>2</sub> emissions as well as respect for human rights through the classification under UNGP. The work was performed in constant dialogue with stakeholders from a number of organisations, for instance, ActionAid Denmark (Mellemfolkeligt Samvirke) and WWF, both with an extensive knowledge about these areas.

### HUMAN RIGHTS

The work on integrating the UN Guiding Principles on Business and Human Rights is continuing from 2015. In 2016, PFA extended its log on dialogue with companies with seven new companies. At the same time, PFA has focused on how to improve the integration of the guidelines into the investment and screening process. Through dialogue with the companies, PFA, among other things, called attention to the companies' work on due diligence in connection with their possible influence on human rights. The purpose was to collect experience and strengthen PFA's work on integration of due diligence as part of the risk management in relation to investment decisions. It is part of an ongoing process to incorporate the classifications of the guidelines. Action plan preparations have been initiated, and, throughout 2016, PFA has been engaged in dialogue with selected NGOs and other stakeholders. The experience and the feedback PFA gains from this are incorporated into the efforts. PFA is expecting to present the action plan in 2017 together with a methodology of how to prioritise the work on the UN guidelines in future.

### CLIMATE

One of the goals for 2016 was to prepare a solid method for defining and assessing a green and a fossil energy company in PFA's portfolio of companies. The work has commenced, and focus is on identifying the companies that obstruct the obligations laid down in the Paris Agreement to reduce the emission of greenhouse gases. PFA has also cooperated with the Carbon Disclosure Project (CDP) on mapping CO<sub>2</sub> emissions in PFA's share portfolio. The purpose was to create an overview of PFA's carbon footprint and to identify data for the future setting of priorities. Many activities for the year are included in the creation of a general methodology to comply with the objective not to invest in companies that obstruct COP21 and the Paris Agreement.

In 2017, it is expected that PFA will be able to present an overall action plan for how the most greenhouse gas-intensive sectors will be brought into focus and how data from company specific CO<sub>2</sub> analyses can be integrated into the processes.

### CASE



#### Dialogue which illustrates due diligence

During recent years, PFA has cooperated with GES on sustainability and handling of child labour in the cocoa sector and on the sector cooperation that addresses these challenges. Together with GES and other investors, PFA participated in a conference in the Ivory Coast in 2016 and paid visits to cocoa cooperatives to gain insight into the local challenges and initiatives concerning cocoa farming and production.

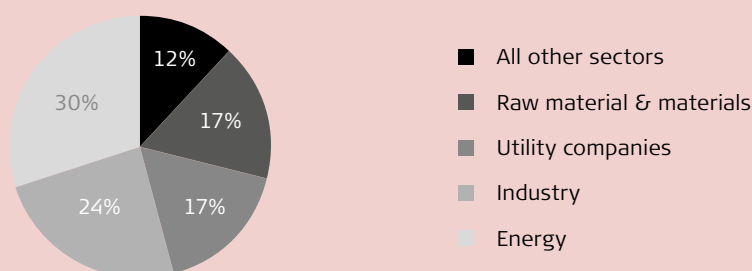
PFA holds heavy investments in Nestlé and has given priority to enter into dialogue with the company directly. As buyer of cocoa, Nestlé has a potential exposure to child labour in their chain of suppliers, and, as part of the work on integrating due diligence, PFA has addressed the issues concerning child labour and drawn attention to how the company works with mapping and preventing risks by introducing a monitoring system that helps identify child labour. PFA has noted that when Nestlé identifies child labour, the company seeks to rectify the situation through various initiatives, such as providing the children with access to schooling. Moreover, PFA focused on the company's initiatives which, in the long term, are to increase the cocoa farmers' earnings. PFA will continue the dialogue with Nestlé in 2017.



### PFA's CO<sub>2</sub> mapping of the equity portfolio at year-end 2015

The purpose of the mapping was to create an overview of total CO<sub>2</sub> emissions (scope 1+2) in the share portfolio at both industry and company levels. This means the exposure which is part of PFA's footprint and forms the basis of PFA's ability to handle its influence on the CO<sub>2</sub> emissions. PFA holds data that cover almost 3/4 of the portfolio, which have provided a useful preliminary overview. Based on the mapping, an analysis was prepared to identify the industries with the largest impact on PFA's total CO<sub>2</sub> emissions. The analysis showed that 88 per cent of the portfolio's carbon footprint is released by four sectors: Raw Material & Materials, Utility Companies, Industry and Energy. At the same time, the analysis showed which companies within the various sectors that stood out in particular compared to the rest of the companies within the same sector.

Carbon footprint



### Mapping of energy consumption in PFA's Danish property portfolio

PFA has decided to map the energy consumption in the Danish property portfolio. This is done in order to later be able to estimate the possibilities of PFA, together with the leaseholders, being able to reduce the energy consumption. In 2016, PFA established an energy management system for the mapping of the total energy consumption in the Danish property portfolio. The consumption of electricity is the first element to be mapped, and in 2016, PFA collected data on the total consumption for the common areas of properties in the entire portfolio. This corresponds to approximately 11 per cent of the expected total consumption of electricity in the property portfolio. PFA will continue the collection of data regarding the total energy consumption in the Danish property portfolio in 2017, including data on electricity, heating and water.

In 2016, PFA continued its climate partnership with DONG Energy, which has primarily been engaged with mapping the energy consumption in PFA's largest group of buildings with a floor space of more than 45,000 m<sup>2</sup>. PFA expects to implement specific initiatives during 2017 for the property together with the leaseholder of the property. PFA decided in 2016 to renovate PFA's domicile, Marina Park. The renovation will be projected during 2017 and consequently, energy-saving initiatives have not been initiated in 2016 in Marina Park. The planning of the renovation will in particular concentrate on ensuring a healthy working environment for the employees and reuse of the existing building stock. Furthermore, PFA will look into the possibilities of establishing sustainable energy sources in owner-occupied properties in the portfolio, primarily by establishing solar panels for production of electricity. The first solar panel installation is expected to be established mid-2017.

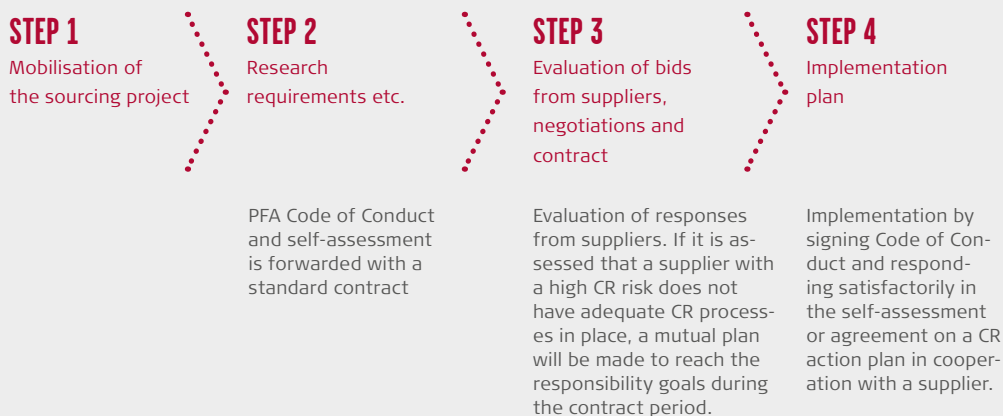
## RESPONSIBLE PROCUREMENT - AN IMPORTANT PART OF THE CONCLUSION OF CONTRACTS

PFA's basic attitude and policy are that any suppliers cooperating with PFA are to act responsibly. Since 2013, PFA has had a Code of Conduct, which is based on the Ten Principles of the UN Global Compact and which comes into play when PFA concludes contracts with external business partners. In 2014 and 2015, a segmentation of external business partners into two categories - critical and less critical suppliers - was put on the agenda, and gradually the procedures were made more stringent so that PFA's Code of Conduct must be signed when agreements are concluded on services and deliveries with business partners.

PFA amended its Code of Conduct in 2016 so that the contents put the supplier's work on responsibility into focus. This includes the management systems and due diligence when it comes to how they have a negative impact on human rights and the environment. Also the self-evaluation form for suppliers was amended. PFA has adopted a new policy on conclusion of contracts and has thus focused on strengthening the procurement process and, at the same time, securing that the efforts on the Code of Conduct were fully integrated. Finally, PFA made an evaluation of which procurement categories represented the highest risk from a CR perspective and which procurement categories had the highest impact should the risk be materialised.

During the year, all vice presidents who are authorised to conclude contracts with external business partners have received an introduction to PFA's policy on conclusion of contracts and process, called Responsible Procurement, which complies with PFA's Code of Conduct. The policy is meant to ensure that the persons authorised to conclude contracts in PFA are familiar with their role in relation to the Code of Conduct and how they stand in the relation to external business partners that fail to comply with the Code of Conduct. PFA expects to continue the implementation of the policy on conclusion of contracts in 2017 to ensure that new contracts comply with PFA's Code of Conduct, and we will assess the CR risks and CR consequences again in 2017 across PFA's procurement categories.

### Illustration of how the Code of Conduct and the CR work is integrated into the procurement process



**Foreningen for Børn med Handicap – og deres Familier**  
Selected as one of PFA Brug Livet Fonden's 2016 causes.  
fbhf.dk



# SOCIETY

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PFA wants to contribute to society in a manner that enables our customers to live life – all their life. We live longer than ever before, and we change jobs more often. This puts a strain on the flexibility in our society, and, at the same time, it provides new opportunities for PFA. Both PFA's present and future role towards our customers and the development of society.

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**AS THE LARGEST COMMERCIAL PENSION COMPANY IN DENMARK, PFA KEEPS PACE WITH THE DEVELOPMENT OF SOCIETY. SIZE MATTERS WHEN IT COMES TO THE POSSIBILITY AND OBLIGATION TO CONTRIBUTE TO SOCIETY AND THE DEVELOPMENT OF SOCIETY – WHICH, FOR PFA, MEANS TO CONTRIBUTE WITH MORE THAN GENERAL KNOWLEDGE ABOUT SAVINGS AND INSURANCE.**

## **Pension is put higher on the agenda**

In 2016, PFA continued its work on ensuring that pension subjects were brought up for discussion in Denmark. Pension helps secure that you will be able to realise the dreams you have when you reach the third age. This is why PFA need to bring the customers' attention to pension and the possibilities of saving for retirement. One of the channels to deal with the subject is through the media, in which PFA had a total media coverage counting 3,885 mentions and articles. This corresponds to 51 per cent of the coverage for the four largest pension companies in Denmark. In addition, PFA has contributed with knowledge and data for revision of the pension legislation and assisted in connection with the EU planning of a new Pan-European pension product as well as communicated about the subject to the surrounding world.

## **Contributions to law-making**

In 2016, PFA took its work to a more systematic level when it came to taking care of the customers', and thus the people in Denmark's, interests in relation to politicians and legislators. We have given priority to offering our professional competence and communicate with politicians and legislators about how new bills may affect the individual pension saver in practice. PFA has proposed changes to the pension reform which the Danish Government presented as part of its 2025 plan. PFA proposed specific changes to the Government's reform with a view to ensuring that the pension reform will become more efficient for Danish pension savers in practice. The reform was, however, not adopted, and therefore PFA will continue the dialogue on the development of a pension system in 2017. Furthermore, PFA has

submitted its view in response to a consultation document in connection with the European Commission's drafted Pan-European pension product; a work which will last for the years to come.

## **The Folkemødet in Bornholm**

PFA participated in the Folkemødet in Bornholm – The Peoples Political Festival, which provides a platform for open debates involving politicians, citizens, NGOs and the corporate sector to meet under informal circumstances. The purpose was to participate in the debate on pension issues and the challenges and possibilities we find exist in the Danish pension system. PFA decided to be gold sponsor in order to contribute to the unique event where politicians meet informally with the people and other participants who have an influence on the development in society. This fits well with PFA's DNA. PFA's own tent at the Folkemødet hosted more than 30 events during the four days of the political festival. Other subjects on PFA's agenda were: The increasing number of customers who suffer from stress, how can we contribute towards meeting the climate change targets of COP21 through responsible investments, how can we future-proof the Danish pension system, etc.

## **Future initiatives**

PFA was founded by labour and management in 1917 in order to ensure mobility on the Danish labour market and create a financial safety net for its customers; and today the portfolio of individual customers counts more than 1.2 million. The longstanding experience and professional expertise will be brought to light by PFA even more in the future. In 2017, PFA will be celebrating its 100 anniversary, and PFA will take the opportunity





**Sølund Musik-Festival**

Selected as one of PFA Brug Livet Fonden's  
2016 causes.  
[solundfestivalen.dk](http://solundfestivalen.dk)

in connection with its 100 anniversary to focus on the changes in living conditions which the increasing life expectancy is likely to entail for the individual insured and for society, all boiled down to the title: PFA is turning 100 years – and so will

you Through a number of initiatives, PFA will contribute to the public debate about how to improve the settings for the transition into the third age, including the transition from being part of the labour market to a life in retirement.

Causes of the year	6
Information videos	3
Causes present at the Folkemødet	13
Number of votes casted for the 2016 causes	61,226
Followers on the foundation's Facebook page	36,565

For PFA Brug Livet Fonden it is about focusing on the many dedicated individuals who make a great effort and offer their voluntary work to help vulnerable or marginalised groups live life. Each year, the foundation elects the causes of the year, and in cooperation with PFA the foundation brings attention to the causes during the year and offers them the opportunity to participate at the Folkemødet in Bornholm.

#### Close cooperation on information videos

In close cooperation with PFA, the foundation drew further attention to the causes when it produced and released information videos featuring three of the five causes that accepted the opportunity to produce a video. The videos were released during spring 2016 and received broad exposure. They were uploaded on the foundation's homepage, on Facebook and on the various platforms belonging to the individual causes. On the foundation's and PFA's Facebook page, the organic views reached a total of 119,354, they received 643 likes and the posts were shared 403 times in total.

In 2016, PFA Pension's Board of Directors appointed a partially new board of directors for the PFA Brug Livet Fonden, which now consists of: **Torben Dalby Larsen (Chairman)**, Chief Editor and Managing Director, Sjællandske Medier A/S

**Lone E. Engberg Thomsen**, President, Teknisk Landsforbund (The Danish Association of Professional Technicians)

**Bjørn Nørgaard**, Professor and sculptor

**Allan Polack**, Group CEO, PFA

#### 13 causes participated in events at the Folkemødet

13 causes chose to participate in the foundation's programme at the Folkemødet. Like previous years, the foundation formed an integral part of PFA's tent at the Folkemødet. The foundation had, together with the causes, prepared a number of thematical debates which, among other things, dealt with the homeless, young adults with real-life problems, and how you, as a dedicated individual, get started when you want to establish a charity.

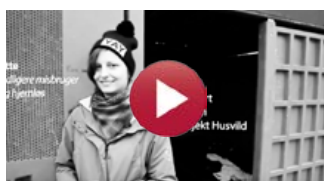
#### Increased visibility and employee engagement

At the Folkemødet, PFA Brug Livet Fonden attracted attention to its causes through PFA's employees who, together with representatives from the various causes, handed out heart-shaped flyers among the participants at the political festival. Each heart-shaped flyer which found its way back to PFA's tent, PFA converted into a DKK 200 donation to the foundation. A lot of visitors at the Folkemødet backed the initiative, and PFA counted 740 returned heart-shaped flyers at an event

**The videos can be viewed at the foundation's website and at the websites of the respective associations. Please note that the videos are in Danish only. Videos were created for the following causes in 2016:**



Morgencafé for Hjemløse



Projekt Husvild



SMILfonden





on Saturday evening. This resulted in a donation to the foundation amounting to DKK 148,000. Later in 2016, PFA's employees participated in the DHL race with 62 teams who were either walking or running. This event resulted in an employee donation of DKK 31,000 to the foundation.

### **Causes of the year**

In 2016, six new cases were selected out of 80 cases that were nominated at the foundation's homepage [pfabruglivetfonden.dk](http://pfabruglivetfonden.dk), which, during the two voting weeks, could count a total of 51,547 unique users. Votes totalled 61,226, and the 16 cases that received most votes were recommended to the Board of Directors of the foundation. When selecting the causes of the year, the Board of Directors took into account their wish to support dedicated individuals who go the extra mile to give children and young people with different challenges a better and more secure childhood. The support was distributed to a range of causes and will both benefit children who live with a disability or an illness and children who are fighting against, among other things, bullying, loneliness and low self-esteem, so that they hopefully can look forward to a brighter future.

### **Meet the six causes here:**

#### **Julemærkefonden received DKK 50,000**

The Julemærkefonden helps vulnerable children to get a new start. At four temporary homes, the children get lots of exercise and healthy food, and they receive training and tools to combat bullying.

#### **Sølund Musik-Festival received DKK 50,000**

Sølund Musik-Festival is the world's largest music festival for people with mental deficiencies and their personal assistants. Each year, 20,000 people visit the festival which is known for its vision: music and love for all.

#### **Danish Cystic Fibrosis Association received DKK 25,000**

Danish Cystic Fibrosis Association offers activities, support and advice to children and adults who suffer from disease and their relatives. The association provides information about the disease and supports research so that those who have been diagnosed with the disease can have the same life expectancy and quality of life as others.

#### **Børns Voksenvenner received DKK 25,000**

Børns Voksenvenner is based on local ambassadors and voluntary adults who are dedicated to a friendship with a child. Friendships between lonely, vulnerable or grieving children and voluntary adults make a positive lifelong difference in the lives of these children.

#### **Foreningen for Børn med Handicap – og deres Familier received DKK 25,000**

The association Børn med Handicap - og deres Familier is a patients' association which not just focuses on the child or the young adult with a disability but on the family as a whole. The association organises events and activities which put children and young adults with disabilities and their families in focus.

#### **Immun Defekt Foreningen received help for setting up a new website**

The association Immun Defekt Foreningen focuses on providing a gathering point for all patients with immunodeficiency and their relatives in order to accommodate the patients' interests and ensure exchange of knowledge. Every year, a number of events take place, for instance, family days and weekends for young adults.

# CUSTOMERS

Pension should be easy to understand for the customers and be seen in relation to individual customer's life situation considering the customer's age and needs. Information must be simple, easily accessible and underpin the selections made by the customer. The customer experience is a priority, and PFA works on dealing with feedback and complaints in a constructive and professional manner so that unfortunate experiences are avoided in future.



**FOR PFA IT IS ABOUT FOCUSING ON THE INDIVIDUAL CUSTOMER'S NEEDS. THIS APPLIES IN ALL RESPECTS AND FORMS A SUBSTANTIAL PART OF PFA'S CULTURE - THAT IS, WHETHER THE CUSTOMER MEETS WITH ADVISERS, CONTACTS THE HEALTH & ADVISORY SERVICES CENTRE OR ENTERS INTO DIALOGUE WITH THE CUSTOMER REPRESENTATIVE.**

## More customers return to work

PFA Active Claims Handling has helped more employees return to work in 2016. This was achieved through a preventive and solid effort with the objective of avoiding long-term and fatiguing illness during which the person risks leaving the labour market completely. This possibility and the specific process create a genuine value for the employee, the company and society. The help is individualised and depends on the situation of the individual person. Thus, PFA grants a course of treatment which is adjusted to the customer's needs. Active Claims Handling covers both customers who are already receiving payouts from PFA Occupational Capacity and employees for whom it is estimated that extra efforts can have a preventive effect. In 2016, PFA Active Claims Handling finalised 202 cases, of which 63 employees were helped return to work. In 2017, PFA will draw further attention to the close cooperation with corporate customers regarding the importance of early intervention.

## Increased efforts in connection with stress handling

To many people and companies, stress has become an object of intensive focus. According to PFA, stress should never develop into a situation where the employees drop out of the labour market. Therefore, PFA decided in 2016 to step up its stress prevention efforts through a cross-professional project which ensures that employees who contact PFA about stress will be referred to Active Claims Handling at the same time as their case is being considered. This action is taken to assess whether the individual employee needs additional help. This way, 30 employees have received assistance that was tailor-made to their individual needs.

PFA cooperated with the Municipality of Holstebro and Quickcare, among others, to draw attention to a preventive and coordinated effort targeted citizens with the Municipality of

## CASE



### Example from a participant in the Holstebro project

A 52-year old woman, who participated in the project in the Municipality of Holstebro, began training with focus on back problems. The primary problem was, however, stress, and she needed treatment by a psychologist specialising in work issues. In this case, it was a question of working with the proper approach to work/the workplace and introducing coping strategies. She participated in work-related training, mindfulness training and sessions with a psychologist who is connected with the project. PFA supplemented the help from the project with mindfulness training and additional sessions by a psychologist.

The woman stayed connected to the labour market throughout the duration of the programme and recovered sufficiently to apply for a job elsewhere, which she then got.



Corporate customers	5,200
Customers	1.2 million
Advisory services face-to-face, online, by phone & seminars	69,737
E-mails to PFA's Advisory Services Centre	68,121
Calls to PFA's Advisory Services Centre	208,616
Calls to PFA's Health Centre	276,576
Customers who were helped return to work	63
Number of complaints	297
Cases handled by the Customer Representative	118

Holstebro who suffered from stress. This is a two-year project which reinforces the interface between the municipality, the doctor, the employer and the citizen and which ensures that the citizens of the Municipality of Holstebro get the relevant help in connection with stress disorders. The programme is a voluntary offer available in the municipality and it is tailor-made to the individual citizen.

#### **New focus areas resulting from PFA's health screenings**

In 2016, PFA continued offering health screenings which focused on the individual employee with a company and his or her lifestyle (diet, sleep, exercise habits) and work-life balance. As part of the screenings, which are made online, the employees estimate their own level of productivity and ability to perform their job. The extent of completed health screenings during the last three years has provided PFA with unique and relevant data and an insight into the challenges that our customers have when it comes to the various health parameters and the areas in which an additional effort will have the greatest impact on the individual employee and the company. During the year, more than 150 initiatives were completed, which together provide documentation of an average energy level improvement of 38 per cent, a productivity increase of 22 per cent and an increase in engagement of 36 per cent.

In 2016, PFA joined efforts with its corporate and organisational customers in handling challenges within new areas of healthcare. Based on data made available through the health screenings, the challenges that the customers are facing and

a generally increased interest in organisational stress preventive measures, PFA has primarily focused on developing organisational solutions within mental health, stress and sleep.

#### **New digital solutions create overview**

To PFA it is a matter of letting the customer experience a pension company which is dedicated to the private customer's present life situation. In order to provide competent, trustworthy and relevant advice, it requires that we have access to information about other savings, other pension plans, home equity etc. Therefore, PFA expanded My PFA in 2016 to make it easy for the customers to transfer information from SKAT on available funds, property, debt etc. to ensure a true and fair view – and thus relevant recommendations through the holistic advisory services. Holistic advisory services are based on the entire financial situation of the private customer as well as his/her wishes and dreams in order to be in the best position to help make the right choices for the pension plan.

Based on feedback from the customers, PFA has made it easier to navigate and get a complete overview at My PFA. It has also become possible to make online adjustments of one's insurance cover and collect and approve all changes in one process (shopping cart). In connection with online consultations, the adviser reviews the private customer's pension matters at My PFA while the customer follows the review on his or her own computer screen. The adviser then adds all selections to the cart, which the individual customer can then approve from home in one process by using NemID.

The customers have adopted the new solutions. In 2016, My PFA experienced more than 1.1 million logins against approximately 790,000 the year before, and customer satisfaction increased to 7.6 on a 1-10 scale against 7.5 in 2015. Throughout 2017, PFA will strive to improve when it comes to bringing into play our knowledge about the customers, following the development and ensuring that the customer experience with PFA will create financial security and value for the customer.

### Greater value during your senior life

PFA has decided to focus on ensuring that the dialogue and financial security which the customers have with PFA while they are an active part of the labour market will continue when the individual customer retires. For this purpose, PFA established the department Senior Services in 2016. The new department in particular deals with the group of customers who are approaching retirement or who have already left the labour market. As a result of the demographic development, the senior employees will constitute an increasing part of the Danish society – and thus of PFA's portfolio. At the same time, the life as a senior has undergone

considerable changes throughout the almost 100 years of PFA's history. The life as a senior is not a question of getting through and getting older but, to large extent, also of progress, possibilities and freedom to enjoy new experiences. In future, PFA will contribute by assuming an even larger responsibility for supporting an easy transition to life in retirement by focusing on the needs of the third age through research and public debate as well as customer dialogue, by developing measures that contribute to a secure senior life - on the customers' own terms.

### The Customer Representative sees case administration through the eyes of the customer

The customers' trust in PFA is paramount. If a customer is not completely comfortable with his or her situation, it is important that PFA can offer him/her a place to turn to. The Customer Representative is the customer's representative in PFA, whose purpose is to review the case based on the material and information which the customer has received from PFA.



#### Reduction of stress by 20 per cent

In cooperation with our major corporate and organisational customers, we have developed a business-oriented method for preparation and implementation of an efficient health strategy, which is based on PFA's experience, involving initiation of evidence-based measures that work with the health behaviour of the individual.

#### Example of one of the strategic partnerships on health & preventive measures that PFA has had with a customer during the period 2015-2016:

- Together with PFA, the customer has prepared a long-term health strategy which is embedded in the company's overall strategy.
- PFA has assisted with strategic expertise on health and run the change process that was required in order for the strategy to become an integral part of the customer's corporate culture and values.
- The company has implemented mental health and resilience as an element in its management training.
- The company has optimised its internal processes in connection with coping with stress.
- In 2015, the company had a strong focus on sleep, among other things, through workshops/presentations. Approximately 10 per cent of their employees participated in a sleep study and all employees had access to a sleep app.
- The improvement during year 1 on the basis of a focused effort regarding mental health resulted, among other things, in a reduction of stress of 20 per cent in 2016.



#### **Børns Voksenvenner**

Selected as one of PFA Brug Livet Fonden's 2016 causes.  
[voksenven.dk](http://voksenven.dk)

The Customer Representative hears the customer's experience and helps navigate the pension environment, while guiding the customer throughout the complaint process. The Customer Representative cannot reverse cases or complaints from the Complaints & Customer Satisfaction Department, but may contribute to the reopening of a case, or a transfer to have the case treated under the Complaints & Customer Satisfaction Department. The Customer Representative conveys the customers' experience to PFA, so that processes and products will become increasingly customer-oriented on an ongoing basis.

In 2016, the Customer Representative reviewed 118 cases. This is the same level as the year before when 113 cases were reviewed. Of this, 21 were proactive, where the Customer

Representative, on his own initiative, investigated a case or an issue, for example due to a request from an adviser.

Of the 118 cases, 62 were finalised with a, considering the circumstances, satisfactory result for the customer. Typically, the customer received more information about his or her pension plan, the customer's pending case was settled or the customer got the opportunity to provide PFA with a description of his or her customer experience. In 15 cases, PFA changed the settlement so that the customer was accommodated completely or partially. 27 cases were closed, in which the customer wanted to be accommodated, but was not. And 14 cases are still pending or have lapsed unaided.

## Overview of the subjects of Customer Representative cases in 2016

Subjects of Customer Representative cases	Customer Representative contributing knowledge to PFA	The benefits for the customers
<b>Processing time</b> Expectation of faster processing time	Customers expect more communication, more transparent communication and more digital self-service solutions	Help with navigating the pension environment
<b>Changing jobs</b> Missed deadline in connection with change of jobs results in loss of insurance cover	Try to accommodate that some customers miss that they actively need to make a decision	A proper process in connection with job changes that creates security
<b>Contact with PFA</b> Lack of contact	Customers need more frequent dialogue with PFA, including advice on whether their pension plan is still "on track"	PFA focuses on increased regular contact with the individual customers
<b>Basis for calculation of benefits</b> Insecurity regarding the underlying basis of guaranteed benefits	Transparency on guaranteed pension is important as this is a very complex matter	Insight into how guaranteed benefits operate and that everything is done exactly right

### Efficient complaints handling

The Complaints & Customer Satisfaction Department handles and settles complaints in PFA. The department is also engaged in increasing customer satisfaction in general, and the objective is to identify, and, through a proactive effort, change the conditions that are a source of discontent.

The department registers, analyses and handles the complaints that PFA receive, and it deals with the customer inquiries that concerns issues affecting not just one customer but a number of customers. This gives a much more accurate picture of which trends and general possibilities of improvement that exist when it comes to PFA's services, customer approach and products.

PFA's efforts to increase customer satisfaction have resulted in a continuous decline in the number of complaints. This resulted in a decrease of 16 per cent in the number of complaints as PFA received 297 complaints in 2016 against 354 complaints in 2015. One of the reasons is PFA's ongoing and targeted effort towards expand-

ing the digital options for the customers, which among other things has resulted in an increasing number of customers' gaining access to their pension plans at My PFA. At this portal, the customers can quickly retrieve information about their plans at any time.

### Fewer cases presented to the Danish Insurance Complaints Board

In 2016, 44 complaints about PFA were presented to the Danish Insurance Complaints Board. This is 12 cases fewer than in 2015. This is a relatively low number considering PFA's 1.2 million customers, and that PFA had more than 600,000 interactions with customers during 2016. The decline in number of complaints is among other factors due to efficient case administration.

In 2016, the Danish Insurance Complaints Board heard and completed 42 complaints about PFA. Overall, the board found in favour of PFA in approximately 3/4 completed cases. PFA always makes considerable effort to be professional and accountable when making decisions.



**Foreningen for Børn med Handicap – og deres Familier**  
Selected as one of PFA Brug Livet Fonden's 2016 causes.  
fbhf.dk



# EMPLOYEES

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PFA seeks to provide the framework for management as a driver for PFA's identity and coherence. PFA emphasises creating changes, a high level of engagement and an attractive, healthy workplace. Therefore, all initiatives in 2016 have had Strategy2020 as their focal point and will continue to have in all employee and management activities in 2017.

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## **PFA'S EMPLOYEES ARE KEY TO PFA SUCCEEDING WITH THE AMBITIOUS STRATEGY2020. EMPLOYEE AND MANAGEMENT ACTIVITIES FORM THE BASIS OF THE SUPPORT FOR IMPLEMENTATION OF THE STRATEGY.**

### **Increasing employee engagement**

In 2016, PFA developed a new question frame for the employee satisfaction survey. The purpose was to illustrate and measure the linkage between employee satisfaction and job satisfaction, engagement, performance and results, which are all preconditions for PFA having success with achieving its ambitious strategic goals. 93 per cent of the employees chose to respond, which in itself shows that the employees engage in the workplace and their work. PFA's target for employee satisfaction and engagement was fixed at 78.5 in 2016 and was split up into three questions: How high do you score the engagement in your team, the ability of your manager to give you regular constructive feedback regarding performance, and the ability to achieve your team's work targets. This goal was achieved with the index score 80.3 as an overall average of the responses to the three questions. The calculation of the employee satisfaction, pride in work and to which extent colleagues and teams are appreciated obtained a score between 6.0 and 6.4. The lowest scores concerned the cooperation across PFA which rated 5.2 out of 7. As the lowest score, this is still considered relatively high.

### **Communication and involvement of employees in the implementation of Strategy2020**

Throughout 2016, PFA focused on implementation of the strategy in the organisation. This was done through management communication, involvement of managers and employees in meetings, workshops and dialogue meetings, as well as through mass communication at PFA's intranet. The purpose was to ensure a common understanding of PFA's future direction and to have the strategy translated into a local context so that all PFA's business areas can relate their work to the strategic goals. In the annual

employee satisfaction survey, the employees rated the question about how they see their tasks contribute to PFA's overall goals at 6.0 of 7.0. The implementation of Strategy2020 proceeded according to plan, and across the organisation, PFA achieved the intermediate milestones that had been set for 2016.

In the communication to managers as well as employees, special focus was on communicating about targets, progressing on the implementation of the strategy and on unfolding central projects in the organisation. Management communication was organised with the purpose of informing and facilitating a local dialogue between managers and employees in the individual departments. The management meetings were completed in the same way. At these meetings the managers were urged to and had the opportunity to comment and give input on how PFA is to succeed with the strategy. PFA has 130 employees at management level, and altogether they made 199 comments. Overall, more than 600 PFA employees have passed on their input to the executive management. The input was processed and summed up in categories and recommendations to future activities.

### **Management**

PFA has developed a management model which is based on PFA's identity and values. The management model provides PFA's management level with a common frame of reference when it comes to PFA's expectations of its managers. PFA is making a targeted effort to strengthen management even further through relevant management development programmes.

Change has constituted a key element in the management role in PFA through recent years,



Number of employees (average number of full-time employees)	1,276
Employee engagement (converted into index score)	80.3
Sickness absence	3 %
Women in management	41 %

and will continue to do so in future. Therefore, PFA has decided to work actively with change management as an essential skill for all managers irrespective of management level.

### A healthy PFA

In 2016, PFA continued its efforts towards a healthy PFA. The idea behind the concept is to support the individual employee's health, well-being and energy level. Health in PFA is about creating a framework for each individual employee's engagement at work, with a high energy level and still with a reserve of energy when it is closing time and the family is waiting at home; and friends and recreation takes energy as well. Exercise during the working day was put on the agenda as it stimulates the engagement and affects the physical as well as the mental immune defence system.

PFA also experimented with activity trackers, which measure the employee's pulse and activity level as well as the quality of the employee's sleep. The conclusion of this experiment and a new health screening across PFA will be reached at the beginning of 2017. The screening is the same that PFA offers its customers and is based on analysis, effort and effect. The experiment and the result of the health screening will form the basis of PFA's two-year health strategy and related activities.

### 41 per cent women in PFA's management

PFA's target for the female representation among managers is 40 per cent, and at year-end 2016, PFA is just above the target with 41 per cent female managers. The female gender representation has been stable throughout the last few years and was 41 per cent in 2014, 38 per cent in 2015 and reached 41 per cent in 2016. Therefore, no special initiatives have been commenced to increase the total female representation among managers.

When looking at the distribution of women at manager level, senior manager level and director/vice president level, the distribution at year-end

2016 was 48, 37 and 22 per cent, respectively. It is in particular the number of managers and directors/vice presidents that has increased significantly. However, despite the increase, the representation of female directors/vice presidents still does not live up to the target.

In 2016, PFA updated the target figures for the Board of Directors and the policy regarding the gender distribution in management. This is in line with new guidelines from the Danish Business Authority so that the gender distribution for board of directors with three members is 33.33/66.67 per cent, for four board members the target distribution is 25/75 per cent, and boards with more members must have a share of the underrepresented gender which is to be increased gradually from 30 to minimum 40 per cent. All targets must be realised in 2017. The target figure for PFA Holding and PFA Pension's board of directors was retained at the previously fixed 25 per cent, in that the increase of the target to an equal distribution (40/60 per cent cf. the Danish Business Authority's guidance) is anticipated to be discussed by the Board of Director's structure committee during 2017.

The figure for board of directors with three members was on target at the end of 2016 when the gender distribution for the Group property companies reached 33.33/66.67 per cent in these companies, whereas the target figure was not met for PFA Soraarnek, in which the gender distribution was 0/100 per cent. For board of directors with four members, applicable to the Board of Directors of PFA Bank, the target figure was met at year-end 2016, when the gender distribution was 25/75 per cent. For board of directors with more members, applicable to the Board of Directors of PFA Asset Management, the target figure was not met at year-end 2016, as the gender distribution was 20/80 per cent. The target figure for the Boards of Directors of PFA Holding and PFA Pension was met at year-end 2016, as 27 per cent of the Board of Directors was represented by female board members, including board members elected by the employees.

# ABOUT THIS REPORT

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This report describes the PFA Group's policy, goals and results in its work with Corporate Responsibility (CR) and social responsibility in 2016. The activities of the year cover adoption of new policies, a three-year CR strategy, specific activities and planning of a number of major initiatives which are to be launched in 2017. This way, the report follows up on the overall goals described in the 2015 report on revision of policies and preparation of a strategy for this area. In its work with a new strategy, PFA also decided to apply the term Corporate Responsibility (CR) instead of Corporate Social Responsibility (CSR). The background for the decision is elaborated on page 8.

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The report covers the PFA Group. PFA Holding's annual report, this CR report with appendices and the CR 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. Page 38 provides an overview which explains how PFA has been working during the year to comply with the various human rights, labour rights, climate, environment and anti-corruption principles.

## **Materiality assessment and prioritisation of the CR efforts**

During the year, PFA has given priority to the dialogue with a number of stakeholders and has in this way received input and feedback, in particular regarding responsible investments. The relevant topics and points have been integrated into PFA's new corporate responsibility policy and the policy on responsible investments.

One of the 2016 goals were to collect PFA's CR efforts into a strategy. The purpose was to show the way to how PFA can contribute to the development in society in relation to the areas in which PFA's business may have the greatest possible impact and can contribute with knowledge and competencies. The employees were involved in the work with the CR strategy through a questionnaire and individual interviews. Approximately 10 per cent of the employees contributed and were engaged in the entire process. The overall feedback from the employees was that PFA, by virtue of its size, should contribute with initiatives in society, turn the spotlight on challenges and contribute

with solutions. With regard to specific ideas to PFA efforts, in particular five topics were deemed highly important by the employees.

## **Top 5 topics deemed important by PFA's employees for the priority of the CR efforts:**

- Prevent and contribute to sickness-absent employees' returning to work
- Increase the understanding of private finances and pension matters – various initiatives in public schools, for women, for the elderly also outside PFA's general customer segments
- Contribute with knowledge in the public debate
- Invest in the green transition
- Improve the health of the population in Denmark.

In total, 14 topics were assessed in relation to importance and influence. Some of the 14 topics already formed part of existing initiatives, which were in this way reviewed. The materiality assessment has been turned into a strategy including three focus areas and 15 specific key action areas for 2017 which are described in detail on page 9.

## **Risk assessment of special initiatives**

In addition to the work on materiality assessment of the CR efforts, PFA has initiated its work on risk assessment of the CR efforts. This is made as part of the work on ensuring that the processes applied are solid, and on hedging the risks that may exist in the different areas. PFA is in its preparatory phase of this work, which is going to be expanded through 2017 concurrently with the work on due diligence being integrated even better in PFA. The number of subjects, which are identified for risk assessment, is 10.

In 2016, the assessment was prepared as an internal document in cooperation with the persons responsible for their specific business areas as part of the work on the priority of the strategy.

### **Report structure**

Firstly, the report describes the new framework for CR in PFA. Secondly, the report is structured around the four core elements in the new corporate responsibility policy: Responsible value creation, Customer, Society and the Employees. In the final part of the report, the CR key figures and data are outlined. It is described how the figures in the section have been collected and calculated and how the figures are representing data which describe PFA's work with corporate responsibility, status of the year and momentum compared to previous years. PFA's responsibility model

was updated in accordance with the new corporate responsibility policy. The model is described on page 36 and helps ensure that the reader can easily navigate in the data division of the report. PFA's green accounts form part of this section in which waste, paper and CO<sub>2</sub> consumption are accounted for. The figures stated in the data division of the report are 2016 figures which are compared with figures from the two preceding years. The text part of the report primarily includes figures from 2016 which are compared to the previous year. The figures will be included wherever relevant in the report.

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

Mette Vadstrup, CR Manager, Corporate Communications & External Relations, mev@pfa.dk



**Cystisk Fibrose Foreningen**  
Selected as one of PFA Brug Livet Fonden's 2016 causes.  
cff.dk



**Immun Defekt Foreningen**  
Selected as one of PFA Brug Livet Fonden's 2016 causes.  
[idf.dk](http://idf.dk)







# CR KEY FIGURES AND FACTS

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This part of the report comprises PFA's key figures and results on CR. The figures are presented in accordance with the structure of PFA's policy on corporate responsibility with the figures from previous years. The purpose is to provide an overview of how the policy is complied with and place the results of the year in a context. The objective is to provide the reader with an opportunity to read this 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 to previous years, or where a new calculation method has been introduced, a short description is provided below the individual diagram.

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## Behind the figures in the report

The figures in this report and the appendices are based on the figures that are collected, calculated and applied for the activities in the PFA Group. The selection of data has been prioritised in order to provide a general picture and to quantify, wherever possible, the activities and goals that have been set for the CR area in PFA.

## Figures collected and registered with PFA

The figures which are collected and registered in PFA concern the total number of customers, customer inquiries and complaints as well as the application of products in PFA. The calculation of the various categories is based on the method applied within the individual areas for calculating figures when it comes to number of consultations, e-mails, calls and cases attended to. In addition to this, data regarding employees and employee conditions are also collected and calculated internally in PFA. All figures are collected after the statement of the year and apply to the year 2016.

## CO<sub>2</sub> and resource consumption in PFA

Regarding the figures on CO<sub>2</sub> and resource consumption in PFA, a wide range of suppliers of electricity, heating, paper and transportation, who have all supplied figures after the statement of 2016, are involved. The calculation method used for determining CO<sub>2</sub> consumption is still the Climate Compass' Carbon Calculator, which PFA implemented in 2015. This means that the figures are still comparable. The total figure has been stated at the beginning of the report, whereas the other figures are only stated in PFA's green accounts in the data section below.

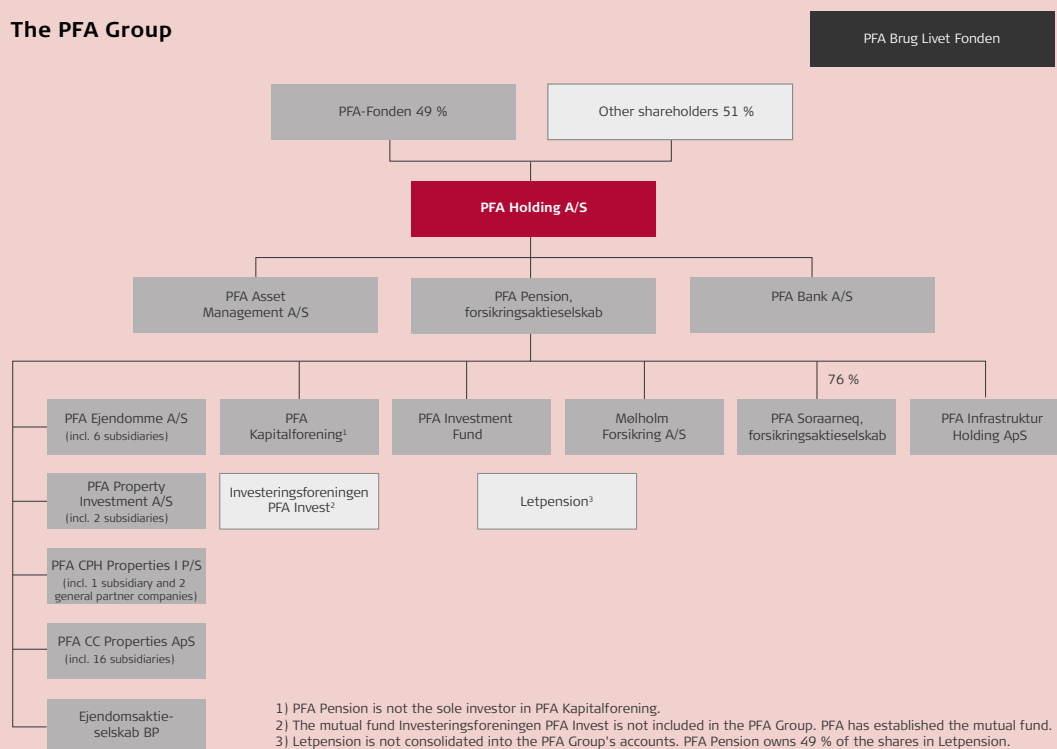
## CO<sub>2</sub> mapping of the equity and property portfolio

PFA has been working with mapping the CO<sub>2</sub> consumption in the equity portfolio based on figures from suppliers providing an overview of the companies' CO<sub>2</sub> emissions. The figures published by PFA are only stated in a section in the report on page 15, which is due to the amount exclusively covering a limited part of the portfolio and that no comparable figures exist from previous years. The same applies to the work on mapping the CO<sub>2</sub> consumption for the property portfolio. It applies to both areas that robust data, comparable from one year to the other, are not yet available. It was not possible to collect data for 2016 either. This is the reason why these areas are not included in PFA's overall green accounts.

## The work with responsible investments

The figures on company screenings and dialogues with companies are based on cooperation with an external supplier and log of the companies that PFA entered into dialogue with during the year. The voting data is based on PFA's own log, and the number of companies about which PFA's business partners have provided analyses and evaluations.

## The PFA Group



## 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 a maximum of 5 per cent of the share capital, corresponding to DKK 50,000. This way, the ownership structure supports PFA's objective to create the greatest possible value for its customers.

The shareholders of PFA Holding are PFA-Fonden and other shareholders, which primarily comprise the founding organisations from 1917, whose members and employees for the most part are customers in PFA.

In 2016, the PFA Group was adjusted as follows: PFA Pension established a new subsidiary, PFA Infrastruktur Holding ApS, in connection with investments in infrastructure. The Midgard Fixed Income Fund Limited changed its name to PFA Investment Fund and is managed by PFA Asset Management A/S. The number of property companies in the PFA Group was increased by 24 companies and now comprises 32 companies at the end of the year, including 4 general partner companies. The significant increase is a result of a continued increase in the number of property investments by way of corporate transactions. On 30 September 2016, Bankpension Pensionskasse for Finansansatte, a pension fund for employees in the financial sector, was merged with PFA Pension, with PFA Pension as the continuing company. In connection with the merger, PFA Pension took over the subsidiary Ejendomselskabet BP.

## This CR Report concerns the PFA Group and comprises the following companies/legal entities:

- PFA Holding A/S (parent company)
- PFA Pension, forsikringsaktieselskab
- PFA Asset Management A/S
- PFA Bank A/S
- PFA Ejendomme A/S (properties) and subsidiaries
- PFA Property Investment A/S and subsidiaries
- PFA CPH Properties I P/S with subsidiaries and associated general partner companies
- PFA CC Properties ApS and subsidiaries
- Ejendomsaktieselskabet BP (properties)
- PFA Kapitalforening
- PFA Investment Fund
- Mølholm Forsikring A/S
- PFA Soraarneq, forsikringsaktieselskab
- PFA Infrastruktur Holding ApS

### Embedding CR efforts in PFA

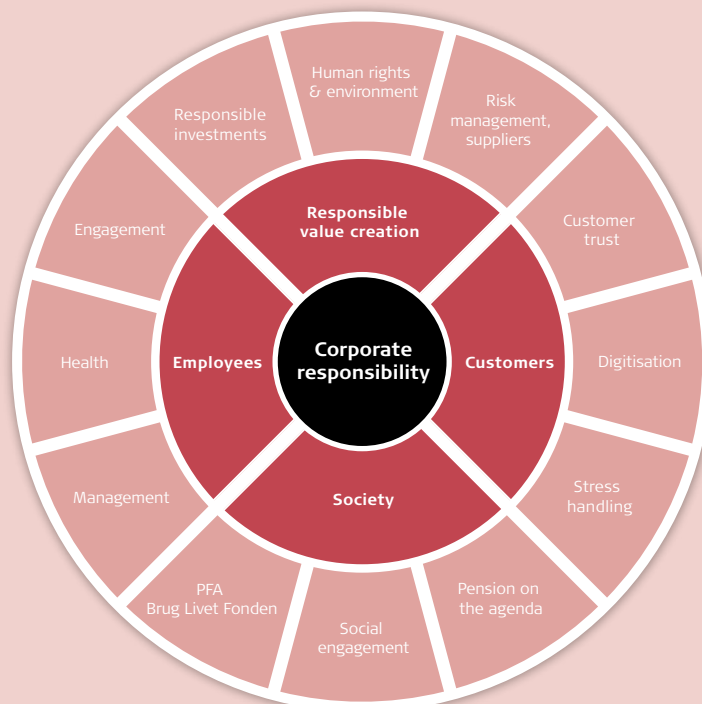
The framework of PFA's work with responsibility is the CR strategy 'Investing in a sustainable society 2017-2020' which points the direction of and indicates the priorities of PFA's contribution to society. Add to this, the compliance with PFA's CR policies. The strategy, policies and guidelines can be found at [pfa.dk](http://pfa.dk).

The overall responsibility for CR at PFA lies with PFA's Executive Management. The CR Department performs the daily work with CR as well as coordination of activities and efforts in collaboration with other departments and companies within the PFA Group. The CR Department is a part of Corporate Affairs & Compliance. Responsibility for complying with the policy on responsible investments and the work with active ownership lies with PFA's Responsible Investment Board (RI Board). As a minimum, the RI Board meets 10 times a year, and its members are management and employees of PFA Asset Management, the Vice President of Corporate Affairs & Compliance, the Vice President of Corporate Communications and the CR Manager. PFA's Group CFO is chairman of the RI Board. The terms of reference for the RI Board can be found at [pfa.dk](http://pfa.dk).

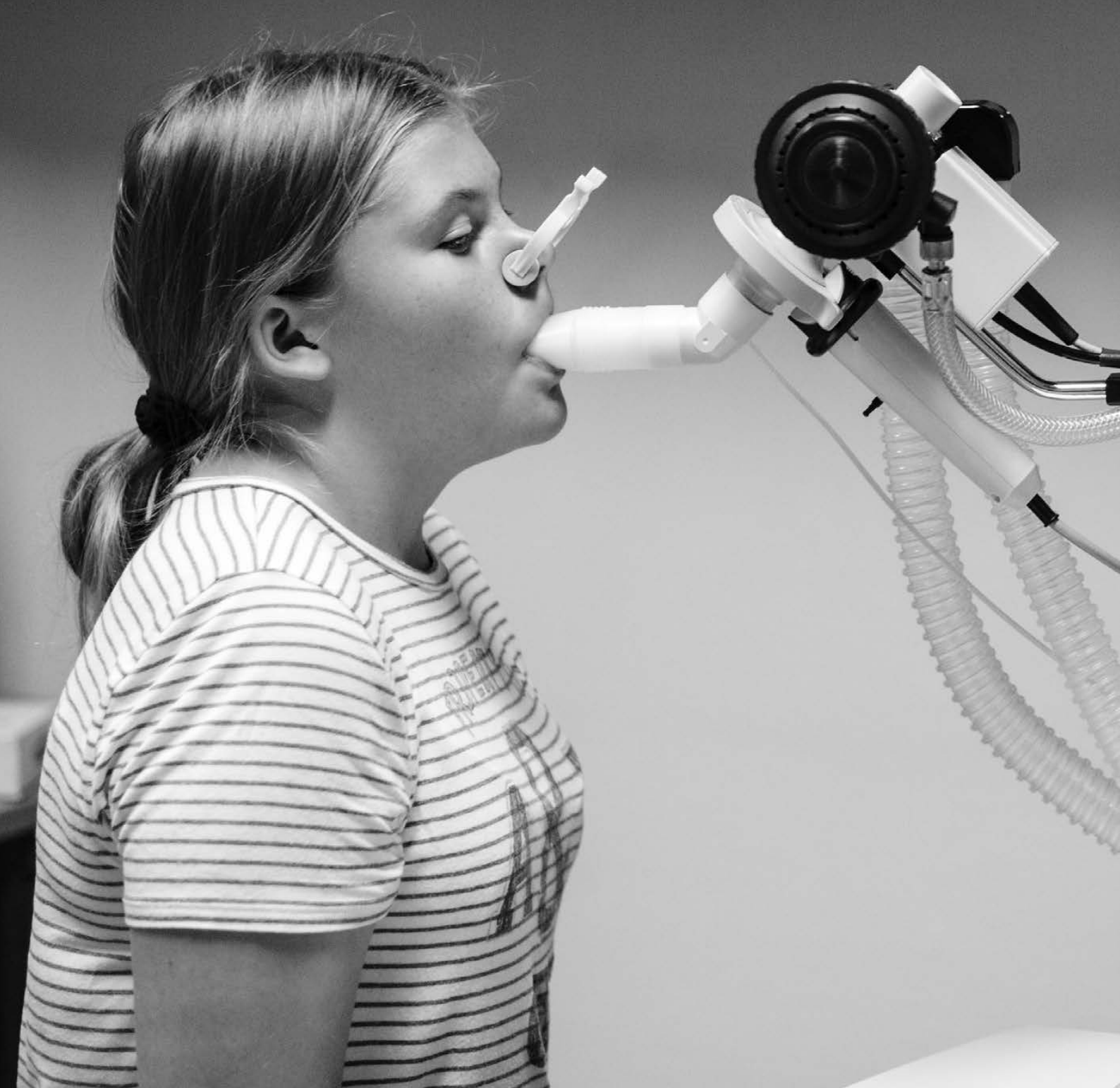
### PFA's responsibility model

PFA's responsibility model has been updated to the effect that it is based on the four key elements that constitute PFA's new policy on corporate responsibility: Responsible value creation, Society, Customers and Employees. The themes stated in the outer part of the wheel in the below figure are the themes of 2016 and this report.

The model can also be used to navigate throughout the entire report.



**Cystisk Fibrose Foreningen**  
Selected as one of PFA Brug Livet Fonden's 2016 causes.  
cff.dk





# IMPLEMENTATION OF THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT – AN OVERVIEW

PFA's framework for the work on corporate responsibility is based on the Ten Principles of the UN Global Compact, including the UN Guiding Principles on Business and Human Rights. Consequently, the activities and results described in the report also include the 10 principles. The table below describes on which pages in the report the various principles are dealt with and to which extent PFA has been engaged in the subjects under each principle.

UN Global Compact Principle	PFA activity	Page in the CR report
1 -10	<ul style="list-style-type: none"> <li>- Corporate responsibility policy, Policy for responsible investments and CR strategy 2017-2020</li> <li>- Screening of PFA's portfolio</li> <li>- Engagement dialogue with companies that violate international standards</li> <li>- RI Board meetings, assessments and decisions</li> <li>- Code of Conduct and risk assessment of suppliers</li> </ul>	6-8 10 11 10-11 14
Principle 1-2 Human rights	PFA has given priority to concentrating its efforts with translating the methods of the UNGP on the investment area and the procurement process. Hereafter follows other business areas in PFA.	6,7,12,28
Principle 3-6 Labour rights	<ul style="list-style-type: none"> <li>- Employee satisfaction, health initiatives and competency development</li> </ul>	26-27
Principle 7- 9 Climate and environment	<ul style="list-style-type: none"> <li>- PFA has focused on mapping the CO<sub>2</sub> consumption in the equity and property portfolio. Moreover, PFA has continued to account for the company's own environment and energy impact on the company's office premises.</li> </ul>	12-13
Principle 10 Anti-corruption	<ul style="list-style-type: none"> <li>- One of PFA's focus areas in connection with screening and dialogue with companies which PFA is going to devote particular attention to in 2017.</li> </ul>	11,39



**WE SUPPORT**

**Solund Musik-Festival**

Selected as one of PFA Brug Livet Fonden's 2016 causes.  
solundfestivalen



# RESPONSIBLE VALUE CREATION



## Company screenings

The screening of investments and engagement dialogues are undertaken on behalf of PFA by GES, which screens and evaluates PFA's portfolio of corporate shares and bonds. PFA itself also undertakes engagement dialogues with a number of companies and is involved in ongoing dialogues with external managers on PFA's policy on responsible investments.

In 2016, 235 cases from PFA's portfolio were evaluated against 181 cases in 2015. Dialogue has been engaged with 91 companies which have either committed an offence against international conventions or which showed indications that a company had committed an offence against international conventions. This is 35 cases more than in 2015.

### 2016 overview of engagement dialogues through GES with companies in PFA's portfolio

Engagement dialogue with companies in which non-compliance with PFA's RI policy has been established	31 (2015:21)
Engagement dialogue with companies in which indications show non-compliance with PFA's RI policy	60 (2015:35)
<b>Total number of GES engagement dialogues with companies</b>	<b>91 (2015:56)</b>

GES has closed seven engagement cases with companies that fulfilled the audit criteria. However, in some cases GES is still in dialogue with the company on another case.

### 2016 overview of PFA's direct dialogue with companies

Engagement dialogue with companies in which non-compliance with PFA's RI policy has been established	5 (2015 NA)
Engagement dialogue with companies in which indications show non-compliance with PFA's RI policy	8 (2015 NA)
<b>Total number of PFA's direct engagement dialogues with companies</b>	<b>13 (2015 NA)</b>

PFA in particular focused on Syngenta, Chevron, Freeport-McMoRan, GlencoreXstrata, Rio Tinto, Volkswagen, ExxonMobil, Mærsk, Nestlé, Barry Callebaut and Cement Roadstone Holding. Moreover, PFA contacted Siemens and Allegion and consequently assessed that the need for initiating a dialogue was unnecessary. PFA closed the dialogue with the company Cement Roadstone Holding. The status of the dialogue with companies is accessible at PFA's log under active ownership at [pfa.dk](http://pfa.dk)

Together with a number of other investors, PFA has summoned the management of OW Bunker and Altor regarding prospectus responsibility and non-compliance with stock exchange legislative information liabilities. It is important to PFA that the case becomes fully illuminated and that the customers' losses are recovered best possible.

## Country screenings

The number of countries in which PFA has made investments has increased after PFA took over some reserves as a result of the merger with Bankpension. The number of countries with investment opportunities has also increased during the year, which means that countries which did not previously issue government bonds in accordance with PFA's criteria have been included. There was a clarifying follow-up on the situation in Ukraine and Russia in 2016. At the end of 2016, PFA invested in government

bonds in 96 countries. Three of the investments were disposed of immediately after the annual statement in order to comply with PFA's exclusion list.

### **Exclusion**

PFA did not exclude any new companies during 2016. PFA revoked its exclusion of Singapore Technologies. The company has informed that it is no longer involved in production of anti-personnel landmines, and through GES, PFA received a confirmation about this.

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

### **Voting at companies' annual general meetings**

In compliance with PFA's guidelines for voting at companies' general meetings, PFA gives priority to vote at Danish companies' general meetings. PFA cooperates with an external supplier, Manifest, that delivers analyses and recommendations on votes regarding annual general meetings in foreign companies. In 2016, PFA voted at 57 Danish companies' annual general meetings at which PFA voted by proxy to support the executive management's recommendations at the annual general meeting.

It is always PFA's decision what to vote for at a foreign company's general meeting. This should primarily be seen as a part of the active ownership dialogue which PFA is engaged in with the company and in particular concerning the cases that violate PFA's policy on responsible investments. Manifest and PFA will assess the agenda and in cases where decisions have to be made that concern the particular case, which PFA is in dialogue with the company about, PFA will decide whether to support the motion in question. In 2016, this occasioned PFA to assess the agendas and material related to the agendas with 34 foreign companies and to vote at three general meetings.

### **Dialogue and transparency on the work with responsible investments**

In 2016, PFA gave priority to the stakeholder dialogue within the work on responsible investments. This contributed considerably to ensuring feedback and contributions regarding the improvement of the processes and the focus areas of responsible investments.

#### **PFA participated in constructive dialogue on the following activities in 2016:**

- 8 bilateral meetings with NGO representatives
- 4 debates on responsible investments at the Folkemødet
- 1 industry dialogue meeting between pension companies and Danish NGOs.

## **RESPONSIBLE CORPORATE PRACTICE**

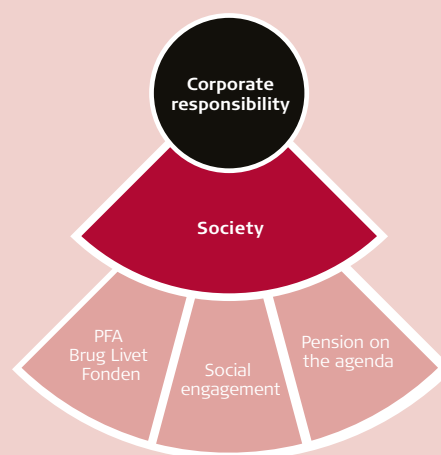
### **Whistle-blower scheme in PFA**

In 2016, PFA made it easier to report illegal or irresponsible actions using the whistle-blower portal. This was made as part of the work with transparency, to ensure responsible business practices and to ensure that value creation is conducted in a proper manner. In 2016, the whistle-blowing policy was subject to revision in PFA and a new procedure was introduced which describes how cases are to be reported and which types of cases that are eligible for reporting. Furthermore, PFA has made it possible for business partners and suppliers to report cases on PFA's whistle-blower portal through pfa.dk. No reports were filed through the portal in 2016.

### **Money laundering and prevention of corruption**

In 2016, PFA continued its focus on preventing that the PFA Group companies are used for money laundering or terrorist financing. There were no reports to the Danish authorities on any suspicions of money laundering. Another key issue is the work on preventing corruption. This is an area on which PFA has been focusing, in particular regarding the companies in which investments are made; please read more about this subject on page 13. In 2017, PFA will assess whether it will make sense to introduce further measures in connection with the anti-corruption efforts.

# SOCIETY



## Councils and network to promote corporate responsibility

- PFA gives priority to participating in councils and network for the purpose of exchanging knowledge and step up the work on corporate responsibility. Besides an informal dialogue with a number of different players and stakeholders in 2016, PFA is a:
- Member of the UN Global Compact
- Member of Dansif and Dansif's working group for events
- Member of the UN Global Compact Nordic Network
- Re-entered member of the organisation PRI at the end of the year
- Member of the SRI task force under the Danish Insurance Association (Forsikring & Pension)
- Member of the CSR network under the Confederation of Danish Enterprise (Dansk Erhverv)
- Member of BlackRock Retirement Institute Advisory Council

## Tax accounts for the PFA Group

PFA contributes towards increased transparency in the tax area and has developed a total statement of the taxes that PFA pays and collects each year. The statement forms part of the compliance with the PFA Group's tax policy and describes a part of PFA's contribution to society.

<b>Paid by PFA</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Corporation tax	0	0	18
Payroll tax	126	110	99
Property tax	27	89	81
Non-life insurance tax	10	9	6
Other	9	8	4
<b>Total</b>	<b>172</b>	<b>216</b>	<b>208</b>



<b>PFA has collected</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Pension yield tax	3,359	2,444	5,326
Taxes according to the Danish Pension Taxation Act	607	2,045	5,595
A-tax and labour market contribution (pensions)	4,052	3,898	3,649
A-tax and labour market contribution (employees)	360	352	336
VAT	30	68	31
<b>Total</b>	<b>8,408</b>	<b>8,807</b>	<b>14,937</b>

The figures are calculated as at 31 December 2016. Changes to the figures will occur in connection with the final statement prior to the final report in June 2017. Consequently, the 2014 and 2015 figures have later been corrected in accordance with previous announcement.

### **Support for associations and voluntary work**

Throughout the year, PFA has cooperated with PFA Brug Livet Fonden's causes to create visibility for the causes and their activities. Furthermore, PFA had engaged the employees who contributed by raising money to the foundation and increasing transparency about the foundation.

### **PFA enters into mentorship for veterans**

In 2016, PFA entered into the mentorship programme "Velkommen Hjem" (Welcome Home) as a result of PFA's corporate wish to contribute to society by paving the way for war veterans when they are to enter the civilian trade and industry. PFA's support consists in providing access to four vice presidents or senior managers as mentors for selected veterans. Besides supporting the individual veteran with identification of competences and networking options, this opportunity will also provide the mentors with the possibility of self-development as managers by meeting someone with a different work profile than the traditional PFA employee. At the same time, the cooperation with "Velkommen Hjem" may attract some competencies to PFA which PFA would not have found elsewhere, and thus lead to a corporate skills upgrade in PFA. The first mentorships will be initiated at the beginning of 2017.

### **Partnerships regarding Critical Illness**

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 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. The purpose is to ensure that the customers are offered support and guidance from experts and patients' associations. In 2016, 1,294 customers were offered a membership with one of the four organisations, and almost 20 per cent accepted. This is a drop compared to the previous year, when about 40 per cent accepted. The decline may be due to PFA's new procedure which implies that letters regarding rulings and settlements are now forwarded to e-Boks rather than by ordinary mail as was the previous custom.

### **Gold sponsor at the Folkemødet**

PFA participated in the Folkemødet in Bornholm – The Peoples Political Festival, which provides a platform for open debates involving politicians, citizens, NGOs and the corporate sector to meet under informal circumstances. The purpose was to participate in the debate on pension issues and the challenges and possibilities that PFA finds exist in the Danish pension system. PFA decided to be gold sponsor in order to contribute to the unique event, at which politicians meet informally with the people and other participants who have an influence on the development in society. PFA's own tent at the Folkemødet hosted more than 30 arrangements during the four days of the political festival.

## Reputation

PFA's publicity counted for a large amount of the total publicity among the major Danish pension companies. PFA's media coverage corresponds to 51 per cent of the coverage for the four largest pension companies in Denmark. Infomedia had registered a publicity score of 34 with a majority of positive articles. PFA's reputation among the people in Denmark was also stable. In 2016, PFA Pension had the best reputation among the commercial pension companies say figures from Infomedia. This is the second best reputation among all pension companies in Denmark.

	2016	2015	2014
Number of mentions in the press	3,885 <sup>1</sup>	5,100	6,166

1) Of this PFA had 125 CR mentions in 2016, among other matters regarding PFA's general work when it comes to responsible investments and companies from which PFA has withdrawn investments because they were in non-compliance with PFA's policy.

## Prizes and awards

PFA was rewarded by the Danish newspaper Berlingske Business for being the pension company with the best image. This happened in the study 'Berlingske Guld Image' under the institute for opinion analyses IFO (Institutet for Opinionsanalyse).

In 2016, My PFA received an award for best digital pension company of the year. The price is awarded by the Danish news media Finanswatch and the consultancy and analytics firm Wilke.

PFA Advisory Services Centre was voted best customer service in the pension and insurance industry, a prize which is awarded by DI Service (Dansk Industri Service) and the consultancy and analytics firm Wilke.

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

## PFA'S GREEN ACCOUNTS FOR PFA'S OFFICE PREMISES IN DENMARK

### CO<sub>2</sub> emissions in PFA

	2016	2015	2014
Total CO <sub>2</sub> emissions (t)	1,605	2,004	1,971
CO <sub>2</sub> emissions (t) per employee	1.26	1.54	1.53

### CO<sub>2</sub> emissions from electricity

	2016	2015	2014
Electricity consumption kWh	2,040,301	1,939,603	1,958,322
CO <sub>2</sub> consumption from electricity (t)	386 <sup>1</sup>	552	558

1) CO<sub>2</sub> emissions decline in spite of a minor increase in the electricity consumption. This is due to a positive development in the fuel combination for one produced kWh of average electricity in Denmark. The number is published by Energinet and is included in the Carbon Calculator which can be accessed on the Climate Compass' homepage klimakompasset.dk.

### CO<sub>2</sub> emissions from district heating

	2016	2015	2014
District heating consumption kWh	2,756,570	2,556,990	2,193,130
CO <sub>2</sub> consumption from district heating	374	339	290

## Diesel and petrol consumption

	Number of cars	Consumption in litres
<b>Petrol-driven cars</b>		
2016	1	4,452
2015	4	7,687
2014	4	7,590
<b>Diesel-driven cars</b>		
2016	130	179,803
2015	138	260,506
2014	143	276,229
<b>Year</b>	<b>Cars in total</b>	<b>CO<sub>2</sub> (t)</b>
2016	131	487
2015	142	710
2014*	147	752

## Air travel

Year	Air travel	Kilometres flown
2016	993	567,293
2015	833	637,637
2014	501	545,043

## Paper consumption

	Paper (t)
2016	64
2015	85
2014	80

## CO<sub>2</sub> consumption (t)<sup>1</sup>

	2016	2015	2014
Electricity	386	552	558
District heating	374	339	290
Air travel	62	70	59

	2016	2015	2014
Taxi rides <sup>2</sup>	1	NA	NA
Petrol-driven cars	10	18	18
Diesel-driven cars	477	692	734
Paper and derivative effects	295	330	311
<b>Total</b>	<b>1,605</b>	<b>2,004</b>	<b>1,970</b>

1) The figures have been calculated using the Climate Compass' Carbon Calculator.

2) The total number of taxi rides in kilometres for 2014 and 2015 is not available.

### CO<sub>2</sub> reduction in scope overview (t)

	2016
Scope 1	223
Scope 2	131
Scope 3	45
<b>Total</b>	<b>399</b>

PFA leans against Greenhouse Gas Protocol's method in which CO<sub>2</sub> reductions are calculated in scopes.

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

### Reduction in paper consumption (in kilos paper)\*

	2016	2015	2014
Reduction of letters sent through e-Boks	8,810	10,257	16,057
Reduction of letters available at the portal	403,980	425,764	401,980
Total reduction in kilos paper	412,790	436,021	418,037
Converted into CO <sub>2</sub> <sup>1</sup>	426	450	432

1) The calculation of CO<sub>2</sub> is based on a model developed by the Danish Energy Agency for the Climate Compass' Carbon Calculator.

### Online advisory services reduce CO<sub>2</sub> consumption

In 2016, 8,839 online pension consultations 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 CO<sub>2</sub> emissions from transport. In 2016, the number of online consultations increased by 1,070, compared to the year before. This indicates that PFA reduced its CO<sub>2</sub> emissions by 1.9 tons in 2016, and by 7.1 tons in total for the years 2015 and 2016.

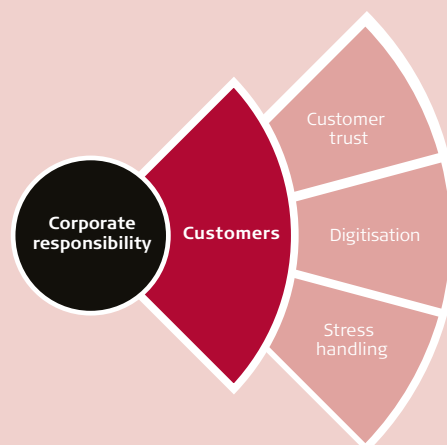
### Waste (t)

	2016	2015	2014
Total waste <sup>1</sup>	281 <sup>2</sup>	224	252

1) 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.

2) The increase is primarily due to an increase in the amount of building waste from major renovations.

# CUSTOMERS



PFA's employees engage in daily dialogue with many different customers within a large variety of subjects. The listing below is based on the dialogue and contact on specific subjects that are recorded by PFA.

## Customer enquiries and contact

	Advisory services <sup>1</sup>	Advisory Services Centre Calls	Advisory Services Centre E-mails	Health Centre Calls <sup>2</sup>	Total <sup>3</sup>
2016	69,737 <sup>4</sup>	208,618	68,121	276,576	623,052
2015	74,817	210,469	68,209	256,334	609,829
2014	68,600	249,731	71,074	208,000	597,405

- 1) The figures include customers who have received advisory services at a seminar, by phone, online and face-to-face consultations.  
 2) The figures include all calls from PFA's customers to PFA Health Centre and through Falck HealthCare. The 2014 figure has been adjusted according to this definition.  
 3) The figure for 2014 has been adjusted so that e-mail inquiries to PFA Health Centre are omitted due to incalculability.  
 4) The number of advisory activities is somewhat below the budgeted level, which is primarily due to a staff shortage of 6 FTE compared to the staffing.

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

	Partially in favour (per cent)	Rejected (per cent)	Accommodated (per cent)	Found in favour (per cent)
2016	3	60	12	25
2015	10	43	28	19
2014	6	31	37	26

## Inquiries and proactive Customer Representative issues

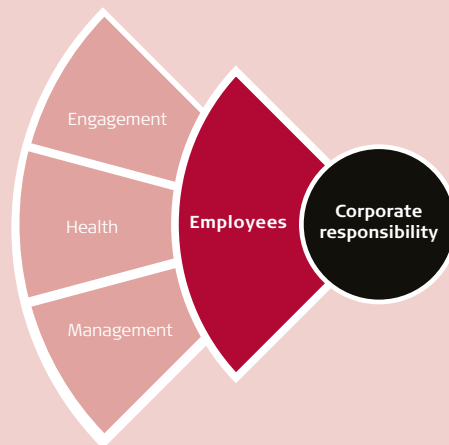
	Total number of complaints	Accommodated	Found in favour	Partially in favour	Rejected	Pending	Referred to Complaints Dept.	Lapsed <sup>2</sup>
2016	118 <sup>1</sup>	62	14	1	27	4	3	7
2015	113 <sup>1</sup>	57	4	2	30	11	2	7
2014	143 <sup>1</sup>	77	12	6	38	1	7	2

- 1) 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.  
 2) 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.



# EMPLOYEES

## - AND WORKING CONDITIONS



### Number of employees

	2016	2015	2014
Number of employees (average number of full-time employees)	1,276	1,299	1,277
Staff turnover in per cent	14.6	11.6	11.8

### Seniority and age 2016

	Seniority	Age
Men	7.9	44.6
Women	9.3	43.4
Employees (m/f)	8.6	44.5

### Employees in flex jobs

	2016	2015	2014
Number of employees in flex jobs	9	10	10

### PFA satisfaction survey

	2016 <sup>1</sup>	2015	2014
Satisfaction	80 <sup>2</sup>	76	77
Image	NA	80	83
Would recommend others to apply for a job with PFA	NA	75	77

1) The 2016 employee satisfaction survey differs considerably from the survey of previous years and is therefore not comparable with the surveys of the previous years. In 2016, we decided to build up a new question frame based on research-validated questions regarding employee engagement and to include questions which can be benchmarked against the Danish financial and insurance sector.

2) PFA's total score for the employee satisfaction survey was 5.8 on a scale of 1 to 7. Translated into an index score (Index score = ("7-stage score"-1)\*(100/(7-1))) the result is 80.

The employee satisfaction survey of the year shows that the engagement in PFA is very high and generally significantly above benchmark in the sector. The parameters that are particularly high are engagement, pride in work as well as how much colleagues and teams are valued. Here, all results are between 6.0 and 6.4 out of a maximum score of 7.

## Sickness absence

	2016	2015	2014
Sickness absence (in per cent)	3.0	3.0	3.3

The short-term sickness absence declined during 2014. The increase in 2014 was due to an increased number of employees absent due to long-term illness.

## Occupational injuries

	2016	2015	2014
Number of occupational injuries	6	3	1

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.

## Number of women in management, on boards and on PFA's Customer Board

	31 Dec 2016			31 Dec 2015			31 Dec 2014		
	Men	Women	Percentage share of women	Men	Women	Percentage share of women	Men	Women	Percentage share of women
Level 1 Vice President	14	4	22	13	2	13	12	2	14
Level 2 Senior Manager	31	18	37	24	14	38	26	16	38
Level 3 Manager	37	34	48	40	31	44	35	33	49
<b>Total</b>	<b>82</b>	<b>56</b>	<b>41</b>	<b>77</b>	<b>47</b>	<b>38</b>	<b>73</b>	<b>51</b>	<b>41</b>

Level 1 consists of the directors/vice presidents, level 2 comprises the senior managers and level 3 covers the managers at PFA.

- By the year-end 2016, PFA's Executive Management consists of four men.
- PFA's Board of Directors consists of 15 ordinary members, of which 4 are women, corresponding to 27 %.
- At year-end 2016, PFA's Customer Board comprised 69 members, of which 4 seats were vacant and 21 were occupied by women, corresponding to 32 %.

Learn more about PFA's key figures and initiatives to increase the proportion of the under-represented gender on boards and in managerial positions in PFA at [pfa.dk](http://pfa.dk).

**Børns Voksenvenner**  
Selected as one of PFA Brug Livet  
Fonden's 2016 causes.  
[voksenven.dk](http://voksenven.dk)





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