

*Topdanmark A/S*  
**CSR report 2017**

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# Introduction

## Preface



*Working with CSR and sustainability has taken on greater importance in recent years. We see a growing interest among our SME customers, the media, and NGOs in how we as a company conduct business, and especially the non-financial aspects of our business.*

It is a pleasure, therefore, to present Topdanmark's CSR report for 2017. The report describes how we have integrated CSR and sustainability in the business operations.

For Topdanmark, CSR goes hand in hand with the core business. Our products and services ensure financial and social security for our customers when damage has occurred, or their working life has ended, and we also help to avert damage and accidents through our prevention measures. In this way, we make a positive contribution to Danish society by conducting reliable business.

### Our main areas of focus in 2017

- Improve and automate our processes so that our customers experience Topdanmark as an efficient and customer-friendly company
- Develop and adapt our insurance coverage to our customers' needs
- Prevent and minimise damage and accidents
- Enhance IT security and confidence-inspiring management of personal data

Our work with automation and efficiency means that some manual work is disappearing. This means that we have to let some of our employees go. We give support to these employees in their search for new positions.

Prevention and minimisation of damage, illness and accident is very important for Topdanmark. There is also a societal aspect in this. In this report, we describe a number of initiatives in relation to personal injury and illness to show that our service and advice is not only beneficial to our customers and others who are covered by our insurances, but also that they are a positive contribution to society as a whole. In 2017, we entered into cooperation with the Centre for Prevention at Copenhagen University in connection with stress prevention.

### Topdanmark support UN Global Compact

Since 2010, we have been involved with the United Nation's Global Compact. We support the 10 principles of the Compact concerning human rights, workers' rights, environment and corruption. We interpret the principles so that they create value for us and the world around us. For example, we contribute positively to several of the principles through our work on prevention. Also in 2017, we have initiated cooperation with some of our suppliers with the focus on climate, environment and social conditions. Moreover, 2017 has been a good year for other initiatives and results.

I hope you enjoy reading the CSR report!

Yours sincerely

Lars Thykier, Group Managing Director

## Topdanmark in brief

*Topdanmark is a limited non-life and life insurance company listed on Nasdaq Copenhagen A/S focusing on the Danish market.*

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

### Our products and advice help personal customers when:

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

### We help businesses and farms e.g. in the following situations:

- Employees have an accident
- Storehouses are flooded
- IT systems are attacked by hackers
- Buildings are damaged by heavy storm
- The harvest is destroyed by e.g. hail, bad weather or fire.

## Brands



Danske Forsikring  
- en del af Topdanmark



## Most important distribution partners



Denmark's second largest insurance company

**509,000** personal customers

**100,000** SME and agricultural customers

**17%** market share

Denmark's sixth largest commercial life insurance company

**9%** market share

**50,000** personal customers

**92,000** customers covered by company schemes

**174,000** customers with life group life insurance schemes

## Objectives

- To carry out nation-wide, Danish non-life and life insurance and pension fund business
- To be attractive to customers by being a competitive independent and pre-eminent insurance group
- To ensure that our shareholders achieve a long-term, competitive, stable return

## Abstract of goals and strategy

- To attract and keep profitable customers by delivering a high level of customer service
- To develop and improve the level of customer service
- To be able to attract and keep qualified employees
- To be a dynamic organisation encouraging personal and career development
- To ensure that Topdanmark's shares are both attractive and liquid.
- To achieve primarily organic growth, supplemented by close co-operation with alliance partners, and opportune acquisitions

## Main stakeholders

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

Read more about Topdanmark, e.g. about management organisation, Board of Directors and financial reports [rapporter](#)

> [Click here](#)

## Organisational changes in 2017

Sampo is Topdanmark's main shareholder with a 46.6% equity interest at the 2017 Q3- announcement. In 2016, Sampo had one representative on Topdanmark's Board of Directors and in 2017, the number increased to three, including the chairmanship.

In connection with the 2017 Q3 Report, Topdanmark was consolidated as a part-owned subsidiary in Sampo's Interim Report.

### 2017 key ratios

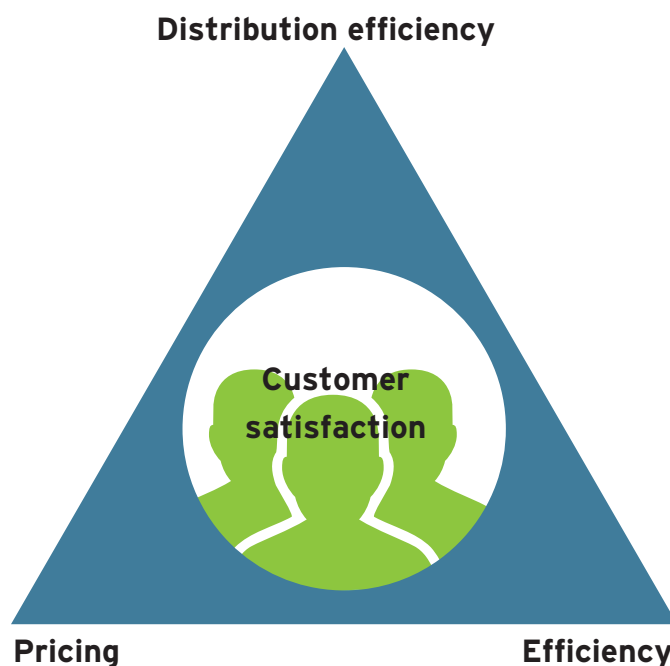
DKK**17,235**  
Premiums earned

DKK**1,733**  
Profit

**82.0%**  
Combined  
ratio

DKK**bn 77**  
investment  
assets

## Value creation model



At Topdanmark's AGM in 2017, a switch to paying dividends to its shareholders instead of share buy-back was adopted. Buy-back had been practice since 1998.

Christian Sagild has resigned as CEO for Topdanmark effective 1 January 2018. Until a new CEO is appointed, Lars Thykier will have the role of acting CEO as well as continuing in the position of CFO.

# CSR – business and society

*Topdanmark's core business is by nature beneficial to society. The company's products, services and advice ensure financial and social security for customers when damage has occurred or their working life has ended.*

At the same time, Topdanmark also contributes to loss prevention and limitation of the consequence of injuries and accidents suffered by customers. Therefore, we believe that we show social responsibility by running a good, stable business for the benefit of both customers, employees, shareholders and society.

## International principles for sustainability

Topdanmark has joined Global Compact, the UN initiative for private businesses and organisations. We work continually to integrate the principles concerning environment, labour rights, human rights and anti-corruption in our business in co-operation with the relevant suppliers.

## Contribution to UN's sustainability goals

As co-signer of the UN Global Compact, it is natural for Topdanmark to relate to the UN's 17 sustainability goals. Through our core business and operation of our organisation, we contribute to three of the goals in various ways:

**Goal 3: Good health and well-being.** Efforts for preventing and limiting damage and illness after occurrence.

### Goal 12: Responsible consumption and production.

Examples: in connection with damage to cars, buildings and objects, we choose repair instead of new purchase when possible; written-off cars are sold for recycling; insurance of environmentally friendly technologies such as solar cells; co-operation with sustainable suppliers. Internally, we use comprehensive waste separation and we have installed solar cell systems.

**Goal 13: Climate action.** Climate proofing measures for homes and businesses – see also goal 12.

### Plans for 2018

In 2018, we will look closer at how we can further integrate the three goals in our business, e.g. through health initiatives or efforts to reduce water consumption.

## How we work with CSR

### Risks

Regular identification is made of which areas Topdanmark risks not upholding the UN Global Compact principles, thus risking negative impact such as financial losses and loss of reputation or loss of customers. See outline of the most serious risks on page 7.

### Opportunities

To the extent possible, Topdanmark integrates the 10 UN Global Compact principles in order to create financial and social value for customers, employees and shareholders while contributing to sustainable development in society. See outline of the most important opportunities on page 7.



## Policies, goals, specific focus areas and business development

The CSR report reflects the risks and opportunities which are described in the table on page 7.

Read abstract of CSR goals and results for 2017.

[Click here](#)

## Potential risks and potential adverse impact

	What	For Topdanmark	Global Compact and society
<b>Customer relations</b>	Incorrect advice and product sale, lack of clarity of insurance conditions, claims handling errors, complaint handling errors	Adverse impact on reputation and thus risk of financial loss	1 and 2 (the right to social security)*
<b>Investments</b>	Investment in companies that violate the GC principles	Adverse impact on reputation and thus risk of financial loss	Indirect adverse impact on the principles
<b>Business management</b>	Operation of buildings, company-related driving	Expenses	Climate: CO2 emission
	Incorrect handling of personal data, customer complaints and monitoring errors in connection with suspicion of fraud	Dissatisfied customers and adverse impact on reputation and thus risk of financial loss	1 and 2 (the right of privacy)*
	Bribery in connection with sales and procurement	Adverse impact on reputation and thus risk of financial loss	Principle 10
<b>Employee conditions</b>	Job dissatisfaction, bullying, discrimination, stress	High rate of staff turnover and absence due to illness	1 and 2 (the right to work and the right for physical and mental health)*
		Lack of attraction and retention of qualified employees	
		Dissatisfactory job performance	
<b>External factors</b>	Violation of the GC principles among our suppliers	Adverse impact on reputation and thus risk of financial loss	Indirect adverse impact on the principles
	New technology, e.g. Internet of Things (IoT)	Higher level of detail of data and knowledge of customers	1 and 2 (the right of privacy)*

## Most significant options of favourable impact

	What	For Topdanmark	Global Compact and society
<b>Customer relations</b>	Satisfactory customer service	Loyal customers	1 and 2 (the right to social security)*
<b>Prevention</b>	Limit the number of claims and the extent of injury or damage to people, buildings and the environment	Loyal customers. Reduce claims expenses	1 and 2 (the right to work, the right to social security and the right for physical and mental health)* 7,8 and 9
<b>Investments</b>	Ensure competitive and stable return	Return to shareholders	1 and 2 (the right to social security)*
<b>Employee conditions</b>	Job satisfaction, health, professional and personal development	Motivated and competent employees providing good customer service and sales Attract and retain qualified employees	1 and 2 (the right to work, the right to social security and the right for physical and mental health)*
<b>Business management</b>	Environmentally-friendly technologies Video conferences Reduction of paper consumption	Reduction of expenses	7,8 and 9 Reduction of CO2 emission
	Diversity in management	Increased diversity in business decisions	1 and 2 (the right for non-discrimination)
<b>External factors</b>	Co-operation with humanitarian organisations and campaigns	Employee loyalty	1 and 2 (the right to social security and the right for physical and mental health)*
	Contribute with direct and indirect taxes	Compulsory	Contribution to macroeconomics
	New technology, e.g. Internet of Things (IoT)	New, business opportunities, efficiency improvement, better risk assessment	More principles
	Efforts with suppliers and other business partners	Improvement of customer service with focus on prevention, health and minimization of resource consumption	More principles

\*As concerns Global Compact principles 1 and 2, the specific human right will be stated in brackets.

See the 10 Global Compact principles on page 35.



# Key ratios

## Customer relations

**48%** ambassador customers

**376,000** people with claims have been helped

**29,300** people who have had a personal claim and have been helped

## Prevention and work retention

**46%** of customers returned to work after completing an individually tailored programme.

**70** agriculture customers received advice on prevention after an accident

## Investments

**11%** in return for our 'Profilpension' customers who are 30 years away from

## Environment

**6.5%** tonnes CO2 reduction

**1,093** mWh power production from solar cells

**40%** waste for recycling

## Women in management

**42%** women on average - all levels of management

## Employee conditions

**2,214** full-time employees

DKK **28.5m** for competence development

**980** employees had a health check

**3%** absence due to illness

**14.3%** employee turnover

## Society

DKKm **10,557** paid to insurance customers

DKKm **502**, corporation tax

DKK **633,400**, total donation to humanitarian organisations







# Customer relations

## Well served in everyday life

*Insurance and pension are financial and social services closely related to people's everyday lives - not least when damage occurs or at the end of the working life.*

Topdanmark has high ambitions for customer service, and all customers should feel well served in all situations. We want to address our customers' concerns in everyday life and help them along in life.

### We constantly work on improving our service in all situations, e.g. by:

- Securing a coverage suited to the customer's needs and requests
- Providing good service both before, during and after a claim or illness
- Giving access to self service via digital solutions
- Securing easy and fair claims handling
- Giving the customer easy access to a fair complaints process.

We are aware that insurance and pension products are not high-interest products to the consumers and that the products can be difficult to understand. Therefore, we work on preparing information on products, price and coverage as easy to comprehend as possible.

### Wish to recommend us to others

Our goal is for the customers to be so satisfied with our products and service that they wish to recommend Topdanmark to others. Consequently, we regularly evaluate our customers' perception of us. This takes place e.g. through more than 30,000 telephone customer replies a year, as well as systematic online surveys.

### Customer surveys: goals and results

Goal	2014	2015	2016	2017
<b>Internal survey</b> Increase in number of ambassador customers*	44.5%	45.6%	46.2%	48.0%
<b>EPSI survey for personal customers</b> Increase (0-100 points)**	75.5	75.9	74.5	76.8
<b>EPSI survey for SME customers</b> Increase (0-100 point)**	–	72.3	73.5	73.5
<b>Aalund survey</b> Maintain a ranking as the company with the most satisfied customers **	3rd place	1st place	Shared 2nd place	3rd place

\* Customers who are so satisfied with Topdanmark that they recommend us to others

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

### Customer score on Trustpilot: overview

	2014	2015	2016	2017
<b>Overall customer score on Trustpilot - Topdanmark (0 to 10)</b>	8.8	9.1	8.9	8.8
<b>Overall customer score on Trustpilot - Danske Forsikring (0 to 10)</b>	9.1	9.3	9.2	9.1

#### Help with claims

**376,400**  
people

The number of people reporting claims that we have helped in 2017.

#### Satisfaction with digital solutions

**80%**

The figure indicates that out of the customers who have either used our digital customer files 80% are either 'satisfied' or 'very satisfied'



## Improved information and overview

*Topdanmark is in the process of digital transformation. When we develop digital solutions, it is always with the customer as the first priority.*

Digitalisation should make it easier and more straightforward to be a Topdanmark customer – both in terms of purchase, in everyday life and in connection with a claim.

We still attach importance to personal contact with our customers, but via digital solutions we wish to meet many customers' expectations of an online process to be used when it is convenient for the customer. In that way, we can use our resources for the more complicated inquiries.

### Re-thought customer journey

In 2017, we finished re-thinking the websites and the electronic customer files, My Topdanmark and My Danske Forsikring, based on a survey of the customers' specific requirements in different situations.

Consequently, the information on our products has been simplified and easier to understand than previously – e.g. it is now clearer what the products cover and

do not cover, in overall terms. This gives good advice on the products, which makes it easier for potential customers to make a decision.

### Easy to report claims

It is easy and straightforward for customers to report claims directly on our website. The reporting is focused on the customer's perspective. The customer must e.g. describe what has happened, rather than relate to which insurance policy is to be used for reporting, and does not require stating a policy number.

### Overview

My Topdanmark and My Danske Forsikring are aimed at existing customers. The objective is to provide an overview of insurance conditions – not least in case of a claim. The digital customer files have been developed – and will be updated regularly – in order that they contain personalised and relevant information for the individual customer. For some types of insurance, it is also possible to change the insurance policies if this is needed.

## Prize for digital development

The jury at Danish Digital Awards 2017 were impressed with the changes in our websites and electronic customer files. It is an annual event organised by Dansk Annoncørforening (Danish Advertiser's Association) which aims to increase the focus on digital craft and pay tribute to the best businesses.

Topdanmark won the category E-commerce business to consumer, of which we are very proud, but we are even more proud that an analysis indicates that 80% of the customers who have used our electronic customer files are 'satisfied' or 'very satisfied' with our digital solutions.

At the same time, a 44% increase in the use of customer files has occurred, compared to 2016 and there has been a 100% increase in online reporting of claims since 2015. We see that as our greatest victory.

# Looking into the future

## Improvement for the benefit of the visually impaired

In 2017, a process was initiated to improve the accessibility of our websites for visually impaired people and other users with reading disabilities. In dialogue with i.a. a representative of the Dansk Blindesamfund (Danish Association for the Blind), relevant employees have received training in Web Constant Accessibility Guidelines, a specific guideline related to digital accessibility and visually impaired people. We expect that the result of the efforts will be visible in 2018.

## Partnership with SingularityU Denmark

In the autumn of 2017, Topdanmark entered into a partnership with SingularityU Denmark. The partnership will cease at the end of 2018. SingularityU Denmark is a new innovation and training centre established in Copenhagen in 2017 by the American think tank, Singularity University California.

### At the cutting edge of development

We want an even better understanding of how Topdanmark, as an insurance company should navigate in a society experiencing an increasing, and in some areas, exponential development. Through partnership we gain access to high-profile global knowledge, education and inspiration within this exponential digital thinking.

We expect that it will contribute to our future development so that, in future, we will be able to meet the customers' expectations to digital solutions.

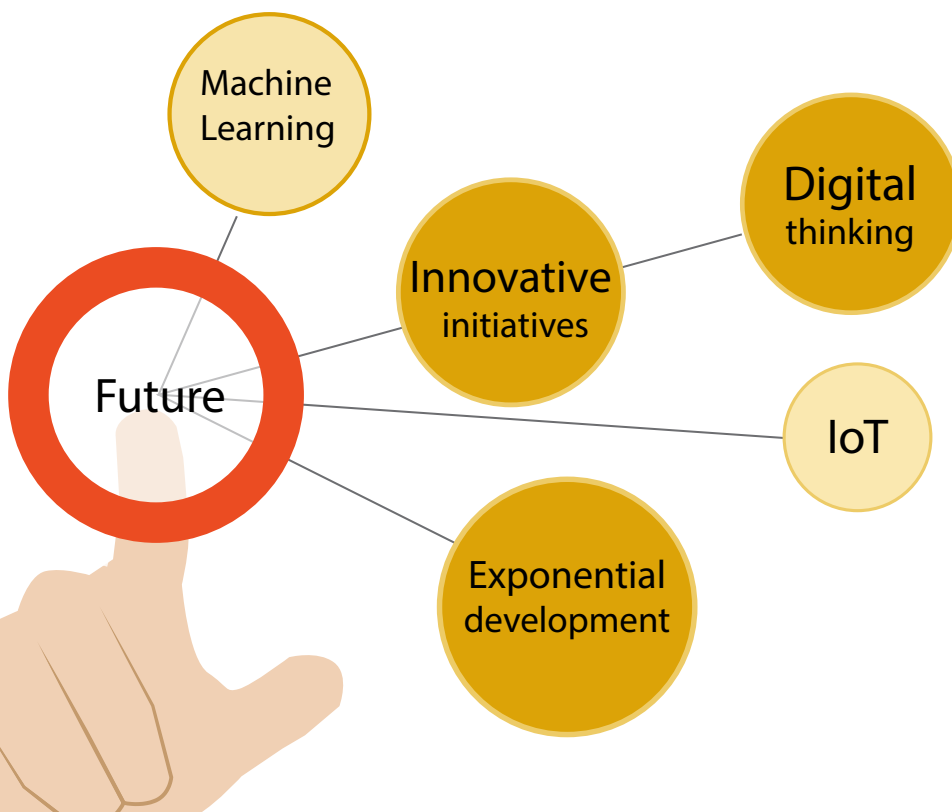
The partnership i.a. entails that, in 2018, selected Topdanmark managers will attend a talent and management programme focusing on an innovative mind-set and cultural change.

Furthermore, Topdanmark has a room at SingularityU Denmark shared with start-up businesses and other businesses, including Danske Bank, our close business partner. We will use the room for development of innovative initiatives e.g. within health, IoT and Machine Learning and also solidify relations with the other businesses as regards learning and innovation.

### Social perspective

SingularityU Denmark considers the use of exponential technologies to be a force not only for businesses but also as a means for handling social challenges. Topdanmark supports this approach, and we want to find out how the partnership can interact with our efforts within CSR, prevention and health in a wider perspective.

Implementation of new technologies and use of IoT and Machine Learning, e.g. collection and use of customer health data may give cause for ethical considerations. We will be able to use the partnership for discussing this.





# Transparent complaint process

*Topdanmark handles around 300,000 claims annually, and it is inevitable that we receive complaints from customers about the compensation or service they have received.*

Insurance and pension products can be difficult to understand, and in certain cases the compensation or the help offered in a claim do not meet the customer's expectations. This can be due to, e.g. restrictions in conditions which the customer has been unaware of, or the customer's inability to document the loss which we should compensate.

We emphasise the importance of clearly informing customers of their complaint options as well as ensuring a fair and transparent complaint process.

## Customer complaints are used constructively

Customer complaints can also be an expression of our inability to communicate the terms and conditions of our policies or

our decisions. We therefore use customer complaints to assess how we can improve our communication and advice.

## Correct decisions are the goal

If, in private insurance cases, the customer disagrees with our decision on a claim, the customer is entitled to appeal to the Insurance Complaints Board (Ankenævnet for Forsikring).

Our goal is to succeed in as many appeal cases as possible brought before the Insurance Complaints Board so as to demonstrate that our decisions are correct. Regardless of the outcome of appeal cases, we always analyse how we can improve communication with our customers.

## Decisions by the Insurance Complaints Board

If the customer's complaint is upheld, as a rule Topdanmark abides by the decision.

Only in exceptional cases, where we disagree in principle with the Board's decision, will we assess whether or not to accept the decision. In 2017, we have abided by every decision made by the Board. If we do not accept the Board's decision, the customer can bring the case before a court of law.

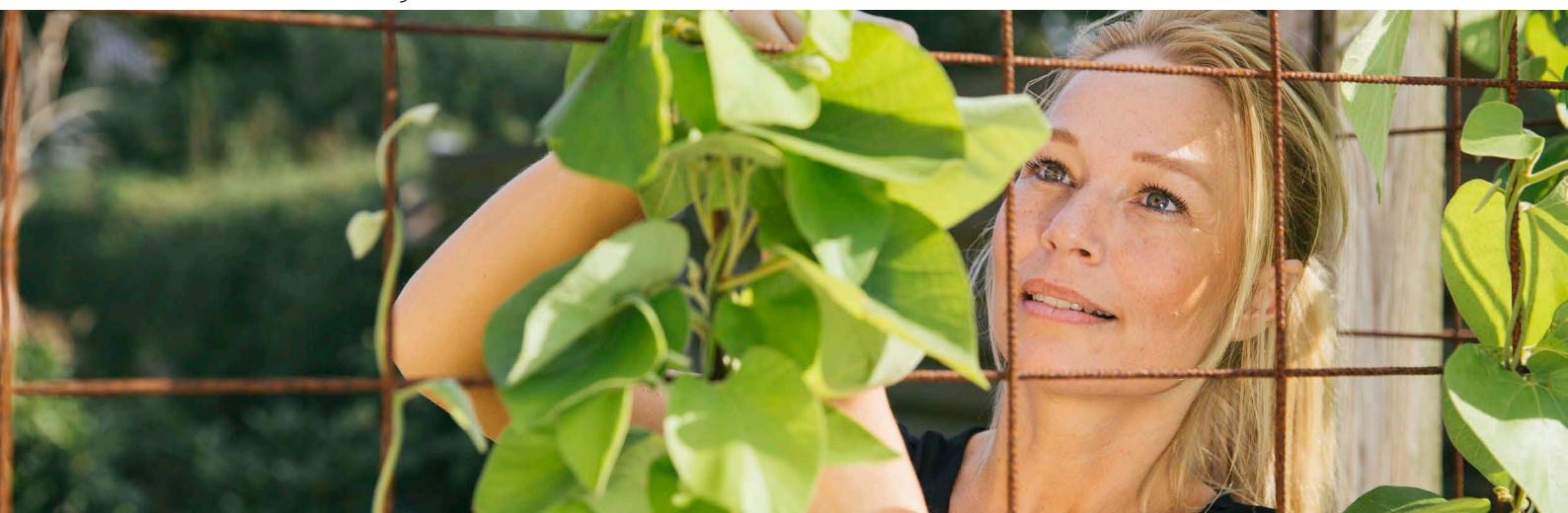


## Insurance Complaints Board decisions: activities and results

Goal	Unit	2015	2016	2017
To be successful in as many cases brought before the Insurance Complaints Board	Percentage of decisions in Topdanmark Forsikring and Danske Forsikring's favour*	79	78	77
	Percentage of decisions in Topdanmark Livforsikring's favour*	75	88	82

\* In other decisions, it has been ruled against or partially ruled against Topdanmark

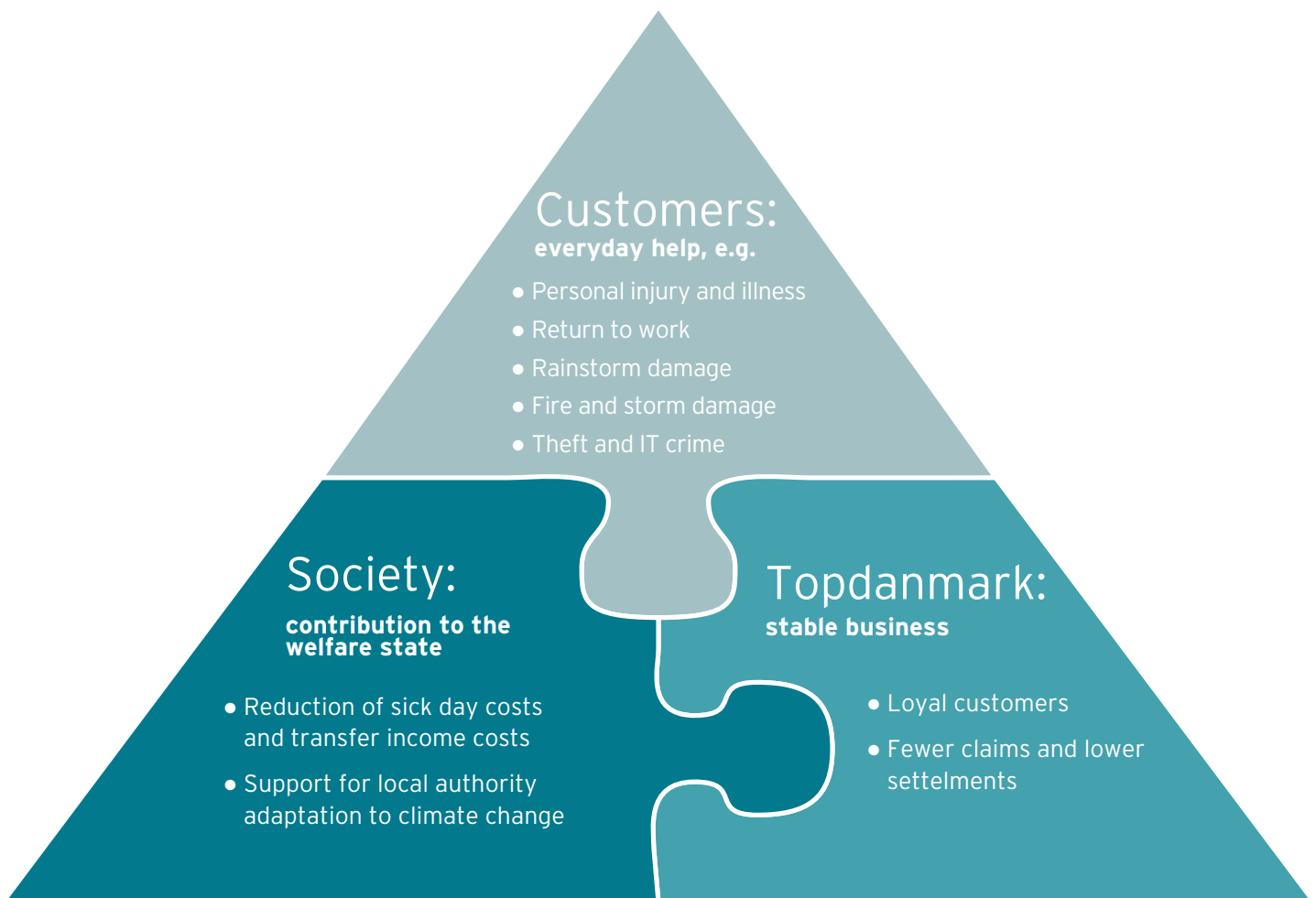
Source: [www.ankeforsikring.dk](http://www.ankeforsikring.dk)



# Prevention

## Everyone benefits from prevention

*Customers are financially secured in many different situations with Topdanmark's life and non-life products, e.g. fire, theft, accident, illness and old age. However, loss often has greater impact and consequences than just financial, for the customer, Topdanmark and society as a whole. For this reason, Topdanmark works with loss prevention and limitation.*



### Prevention part of our strategy

Prevention is a part of our CSR and business strategy. We integrate it in advice to customers and specific products, and we want to be in the forefront of developments in, i.a. digitalisation, IoT solutions and smart data application. delse.

### Prevention and people

In our 2017 report, we have chosen to focus on people. How we help to prevent personal injury, illness and stress via customer advice and concrete initiatives. How we contribute to the limitation of the consequences of accident and illness post-event – for the individual and for the employer.

# Help to return to work

*For those who are affected by a serious illness or injury, one consequence can be loss of contact with the job market and even the worst-case scenario of having to take early retirement due to disability.*

With an effective and individual-specific response in connection with claims handling, Topdanmark gives customers a better opportunity to get back to work. This benefits the customers, society and Topdanmark.

## Quick response

The key element in our response is a flexible and individually tailored programme based on the individual customer's current situation and challenges. Our response can be, for example, to gather and coordinate links between all involved parties, and to plan a specific program of treatment.

We make a priority of responding as quickly as possible, as this gives the customer a better chance to stay in the job market.

## Individually tailored help

Individually tailored help is available to customers who are covered by the following insurance policies:

- Loss of earnings capacity
- Workers' compensation
- Liability

An individually tailored programme is only implemented if Topdanmark assesses that it is relevant from all perspectives. The individually tailored programme is primarily for people with serious or long-term illnesses.

## Back in work

# 46%

This figure shows the percentage of customers who have returned to work after completing an individually tailored programme.

## Statistic: Individually tailored programme

	Total number of individually tailored customer programmes				Percentage of individually tailored customer programmes in relation to total number of cases			
	2014	2015	2016	2017	2014	2015	2016	2017
Loss of earnings capacity insurance*	179	167	196	260	35%	40%	35%	37%
Workers Compensation and Liability Insurance	139	157	151	265	<3%	<3%	<3%	<3%

*\*Figures for 2014, 2015 and 2016 are different than in previous CSR reports. This is due to the fact that the figures now include a larger group of cases where an individually tailored programme has been implemented.*



# At the cutting edge of digital prevention

*Topdanmark makes an active contribution to the prevention of illness and work-related injuries affecting companies which have taken out health insurance with us for their employees.*

We have a range of prevention concepts which can be tailored to best tackle the challenges of the individual company. We can offer, for example, health checks and health screenings via personal consultations with a medical professional.

## New possibilities with digital solutions

In 2017, we implemented new digital initiatives in connection with health screening. Topdanmark Livsforsikring, as the first pension company to do so, offered a pilot project to 12 companies with a total of 4,000 employees a new prevention concept based on online health screening.

## Online screening alone is not enough

Online screening is the first step in a comprehensive prevention initiative aimed at the employee and the company as a whole.

Based on the health screening, each employee gets a score and an individual report with advice and guidance on improving his or her health. Employees also have the opportunity to contact a medical professional associated with the project if there is a particular need for advice in regard to health-related initiatives and activities.

## Overall status report for the company

The company receives an overall report on the general health status in the company - based on the anonymous screening data. From this the company, in cooperation with Topdanmark, can better plan initiatives which closely align themselves with the specific challenges of the company's health profile. In this way, the company gets a whole new perspective on its work on prevention.



## Leading health researcher has formulated the questionnaire

The actual digital screening questionnaire has been produced by Just Bendix Justesen, a researcher in physical activity and health at Syddansk Universitet. The questionnaire is scientifically and empirically based, and it includes questions about welfare, working conditions, mental health, sleep and “KRAM” factors, i.e. diet, smoking, alcohol and exercise.



# An alternative to traditional stress treatment

*At the end of 2017, Topdanmark joined a programme for handling stress in cooperation with the Center for Psykisk Sundhedsfremme (Centre for the Promotion of Mental Health), a part of Copenhagen University.*

The programme, Åben og Rolig (Open and Calm), is scientifically developed and documented, and will be offered to a selected group of our customers. In addition, the anonymous data collected will contribute to further research and roll-out of the Open and Calm programme.

## Stress has far-reaching consequences

In Denmark, the number of people who suffer from stress has increased year by year for 20 years. Long-term stress damages health on all levels, and it has far-reaching consequences in both personal life and working life. Furthermore, the burden of stress and mental health problems has considerable financial consequences for society.

In the last 10 years, Topdanmark has also experienced an increase

*“At the Centre for the Promotion of Mental Health, our goal is for everyone to have access to scientifically developed and documented stress treatment. We hope that Topdanmark will be able to contribute to a research-based development of knowledge about stress and mental health in general.”*

*Christian Gaden Jensen, Centre Leader, Ph.D, Post doc.*

in customer enquiries concerning stress, but since 2014 the numbers have levelled off. We want to contribute to a solution to the stress problem so as to benefit our customers and society in general.

## Innovation and positive results

Open and Calm is an evidence-based alternative to traditional stress treatments involving individual talk therapy with a psychologist. Open and Calm is group therapy which takes in physical, mental and social parameters, based on the most well-validated model for promotion of health.

The development of Open and Calm began in 2009, and the programme has been implemented by a number of Denmark's local authorities. The method

used is examined and assessed continuously and has had positive effects on stress and depression levels, sleep quality and mental health in general. Also, a study from 2017 has shown that the programme has positively contributed to the participants' attachment to the labour market and also has a preventive effect in the long term.

## At the forefront of stress treatment

Topdanmark is the first private company in Denmark to have entered into a cooperation with the Centre for the Promotion of Mental Health. We want to be at the forefront of stress treatment, and we will strive to integrate the science with the more practical work with customers suffering from stress. The cooperation is scheduled to continue until November 2018. During this time, we will refer our customers suffering with stress to six Open and Calm groups.

Topdanmark receives a complete assessment report compiled from data from effect analyses, and the Centre for the Promotion of Mental Health can use the anonymous data in their research.

## At the forefront of stress treatment

**90** people

The number of people suffering from stress who will be offered the opportunity to participate in the science-based Open and Calm programme in 2018.

## Security in the workday for small business owners

Our experience shows that the greatest worry for small business owners is that they or a key co-worker is taken ill. An extended period of sick leave can threaten the survival of the company due to the financial losses such circumstances will entail.

This is why Topdanmark has developed an insurance product which covers a company's business for up to a year, if the owner or key co-worker is sick for an extended period. This insurance scheme not only provides safety but can even prevent a company from having to close down.

### Customer involvement in the development of the insurance scheme

In the development of the loss of profits due to sickness cover, we have paid close attention to what companies require when they are hit by sickness or

accident. The result is a product containing three options for covering loss of profits, which provide a relevant solution for all:

- **Loss of profit cover:** Covers loss of profit during a period of sick leave
- **Temp cover:** Gives a company the possibility to hire a temporary worker so that business can continue, and loss of profit can be minimised
- **Cash coverage:** A cash payment to the business owner who works extra hours to cover for the insured co-worker who is on sick leave, in order to keep the business running.

The new product has been well received by our customers, and it has successfully covered a real need for small business owners.

## Far too many accidents in agriculture

Far too many accidents in agriculture

Farming is one of the most dangerous industries to work in. 50% of all fatal occupational accidents in Denmark occur in farming. On top of this, hundreds of other serious accidents happen which result in month-long periods of sick leave. Topdanmark receives as many as 250 occupational injury claims from the agricultural industry every year.

To reduce the all-too-high number of occupational injuries in Danish farming, in 2017 Topdanmark together with SEGES, a professional knowledge and innovation centre under Landbrug & Fødevarer (Danish Agriculture & Food Council), produced a service concept known as Arbejdsliv (Working Life).

This new service gives customers with occupational injury insurance the opportunity to receive impartial advice from a working environment consultant if the customer or a co-worker has suffered an injury at work. Consulting is provided by SEGES.

### Satisfied with the concept

The advice is free and takes place where the accident has happened. Here a plan is made, with the help

of relevant initiatives, for the prevention of similar accidents in the future. The customer can also receive help with practical matters in connection with the accident, e.g. when The Working Environment Authority and the police visit the customer.

Since the launch of Working Life, 70 customers have taken advantage of the consulting service. On the whole, customers are very satisfied with the concept and the motivation for better prevention is great.

### Advice on prevention

**70** agriculture customers

The number of customers who have received advice on prevention after an accident.



# Responsible investment

## Global Compact provides the framework

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

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

### Global Compact provides the framework

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

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

#### Plans for 2018

Screening and assessment of our shares portfolio for positions in accordance with the UN Global Compact will continue. Furthermore, we will look closely at the Guidelines for Responsible Investment to be launched by Erhvervsstyrelsen (The Danish Business Authority) in 2018.

### Guidelines for investment in government bonds

Based on the guidelines for investment in government bonds drawn up by The Council for Corporate Social Responsibility, a part of The Danish Business Authority, Topdanmark has in 2015 established its own set of guidelines for this area.

### Activities and results in 2017

#### Goal

Investment returns must be generated with consideration given to the Global Compact

#### Activity

Screening and assessment of shares portfolio for positions with consideration given to the Global Compact

Preparation of policy for active ownership based upon Recommendations on Corporate Governance as launched by the Corporate Governance Committee.

#### Results

No investments which may be seen as in conflict with the UN Global Compact have been made.

Read Topdanmark's overall policy and procedures for responsible investment:

[> Click here](#)

Read the policy for active ownership

[> Click here](#)



They are as follows:

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

*\*Statute of the International Criminal Court.*

# Business Management

## Responsible management is good management

*Topdanmark is a listed company and is therefore dutybound to create financial value for our shareholders.*

In this value creation, we are responsible for complying with national legislation, meeting the recommendations for corporate governance and meeting the expectations of the UN Global Compact.

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

### The key areas are:

- **Climate and the environment:** Primary focus on CO2 emissions
- **Human rights:** Primary focus on diversity and women in management, and protection of privacy in relation to personal data and surveillance
- **Corruption and bribery:** Primary focus on gifts and hospitality

## Climate and environment

*Topdanmark wishes to contribute to a sustainable development of society in a way that contributes to the business. This is why we integrate climate and environment considerations into business.*

Topdanmark influences climate and the environment directly through its business activities. Activities in our own business operations are given priority in relation to climate and environment as this is where we can have the biggest influence on defining goals and implementing initiatives which both reduce our costs and manage our environmental footprint in a positive way.

In concrete terms, Topdanmark has set goals with regard to CO2 emissions because we assess that this is the most relevant area for us to work on. We are also focussed on waste sorting.

### CO2 reduction activities

We continuously implement energy optimisation of our business operations, including IT. We have a solar cell system at our head office in Ballerup which provides approximately 20% of our required energy every year. Also, in 2017 a solar cell system was installed at our Viby office, and it will help reduce our CO2 emissions in the future.

Production of  
environment  
friendly energy

**1093** MWH



This the amount of energy our 2 solar cell systems produced in total in 2017.

Absolute CO2 emissions

**6.5%**

In comparison to 2016, we reduced absolute CO2 emissions by 6.5%. This reduction is primarily due to production of CO2-neutral power from our own solar cell system.



## CO2 emissions: goals and results

Goal	Units	2014	2015	2016	2017
<b>Maintain 2014 level up to and including 2017</b>	Tons CO2 emissions per full-time employee	2.3	2.2	1.9	2.1*

\* The increase is due to a fall in the number of full-time employees. The absolute CO2 emission has been reduced by 6.5%.

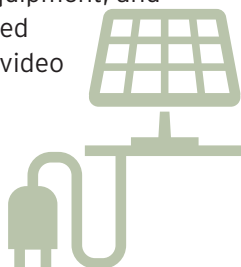
## Carbon emission accounts 2014-2017

	Units	2014	2015	2016	2017
<b>Heating - natural gas</b>	Thousand m3	344	353	394	392
<b>Use of company cars 1)</b>	0,000 litres petrol	30	29	35	32
<b>Use of company cars 1)</b>	0,000 litres diesel	219	223	266	244
<b>Heating - district heating</b>	MWH	468	481	446	468
<b>Electricity consumption 2)</b>	MWH	6,515	6,160	5,965	5,441
<b>Use of non-company cars for business purposes</b>	Mill. km.	10.1	10.3	10.2	9.1
<b>Outsourced activities</b>	-	0	0	0	0
<b>Total absolute CO2 emissions</b>	<b>Tons</b>	<b>5,593</b>	<b>5,492</b>	<b>5,081</b>	<b>4,752</b>

- 1) The figures include use of company car for private purposes. Figures for business purposes driving are not registered. The split between driving for private purposes and business purposes is assessed to be approximately 50-50.
- 2) The figure includes electricity produced by our own solar cell system. In 2017, the amount of electricity produced was 1093 MWH. In 2016, our solar cell system was partly out of service due to reconstruction work.
- 3) Topdanmark's main frame is outsourced to IBM Danmark, where power supply comes from Bergen Energy. Bergen Energy produces electricity with water power in accordance with the EU Renewables Directive. As a result, there are no CO2 emissions associated with consumption.

### Plans for 2018

We have defined a new goal for the reduction of CO2 emissions for 2021: 5% in absolute reduction in relation to the 2017 emissions, 4,750 tons of CO2. Energy optimisation and CO2 reduction will, in the future, take place primarily in connection with new acquisitions of IT equipment and other equipment with lower power consumption than existing equipment, and with an increased preference for video meetings.



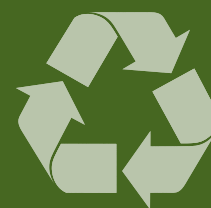
### Waste sorting and recycling

We have an extensive waste sorting system at our head office in Ballerup, and it is being increased all the time. In 2017, sorting of metal cans and plastic was introduced in our canteen. However, due to a major rebuilding of the canteen, we were forced to use plastic tableware for some months, with no possibility of sorting.

Electronic equipment such as PCs and mobile phones are sold for recycling. We also sort paper for recycling, but the volume of paper for recycling is falling in step with increasing digitalisation.

### Waste for recycling

# 40%



### Plans for 2018

In 2018, we will meet Ballerup local authority's demand for the sorting of food waste in our canteen at our head office.

## Advice on climate adaptation

As an insurance company, we are prepared for the potential consequences of climate change, e.g. more frequent rainstorms, storms and flooding:

- Our customers receive help and guidance for the prevention of climate-related damage
- Customers who are especially exposed to the risk of, e.g. rainstorm, are required to implement concrete preventive measures to minimise the extent of damage

- We have special emergency measures, which we put into place in critical situations in order to give our customers optimal assistance and to minimise damage
- We have an extensive reinsurance programme, which means that costs incurred in connection with major weather phenomena are in the most part refunded.

## Climate report

Topdanmark reports to the CDP (Carbon Disclosure Project), an international environment reporting initiative, which works for transparency and dialogue around CO<sub>2</sub> emissions and climate strategies in businesses, with the purpose of making such information available to investors.

In 2017, the average for all responses to the CDP was also C-.

Read our latest CDP report (2016)

[> Click here](#)

2014	2015	2016	2017
82C	90C	C	C

## Human rights

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

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

Inspired by the UN Guiding Principles on Business and Human Rights, we keep a close eye on what human rights Topdanmark may be challenged by in connection with our various business activities – aside from what is expected in purely legal terms.

The process has shown that our policies, initiatives and management systems are in place in relation to the human rights which potentially can be undermined. For example:

- Investment of insurance reserves and pension customers' savings, where procedures and policies are in place
- Supplier chain, where a CSR programme is established
- Customer relations and the right to privacy, for which Topdanmark has clear guidelines for how claims are investigated if insurance fraud is suspected, and for the management of personal data
- Employee relations, where there is a wide range of HR policies and a management system which meet the challenges of and the problems arising from stress, lack of employee satisfaction and equality
- Non-discrimination with special focus on equal access to management positions.

Various policies are followed up continually, and potential challenges in the annual CSR report are communicated.





*In 2017, Group Managing Director Marianne Wier invited a group of female leaders to a meeting to discuss future efforts regarding women in leadership.*

## Diversity and women in management

Topdanmark works on maintaining and developing openness in its business culture, preventing any kind of discrimination as regards gender, skin colour, nationality, social and ethnic origin, religion, political view, handicaps, age and sexual orientation.

Since 2011, we have defined a number of goals and implemented activities with the purpose of advancing women in management. It is our goal that both genders should be represented by at least 40% in management (at all levels), and that there should always be at least one female candidate for executive positions.

### Inspiration group

We have established an inspiration group to bring up the issue for discussion in Topdanmark's executive management. Over the years, various initiatives to increase the number of women

in Topdanmark's executive management have been initiated.

### Successful mentor programme

Since 2013, a mentor programme has been run for women managers - the latest programme ended in 2017. The objective of the programme has been to help women managers determine their career aspirations, focus on ambitions and at the same time improve relations across the management hierarchy.

Our assessment is that the latest programme was successful. It has produced dialogue and exchange of experience, which are essential for the career of the participants. Several participants have also pointed out that in co-operation with their mentor, they have worked on their mental barriers against applying for an executive position at a higher level - this

process has encouraged them to apply for a position with even more responsibility.

### Have our efforts been successful?

Does Topdanmark meet its goals? And have our efforts been effective? The specific numbers do not answer those questions.

Since 2012, Topdanmark has had between 40% to 42% female managers at all levels - on average. The result for 2017 is 42%. Consequently, our goal of 40% women managers has been met - and it has been so for many years. It is positive and satisfactory, and we expect the number to remain stable.

However, we cannot say whether the positive result is due to our specific efforts, the general trend in society or other conditions.

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

Goal	Unit	2014	2015	2016	2017
Min. 40% of both genders at all levels of management	%	40	42	41	42
Min. one female candidate at job interviews for advertised managerial positions*	%	79	81	71	76

*\*The number indicates the percentage of the total number of interviews for vacant positions where female candidates have been interviewed. When the goal has not been met, the reason was either that there were no female applicants or that the female applicants have not matched the competences of the male applicants.*

### Plans for 2018

We will still have an inspiration group to promote women in management, but our experience indicates that our female managers and employees do not want specific programmes for women.

Therefore, we will only have general development activities in future, including management development and talent development aimed at men and women. The goal is to motivate them to apply for positions at a higher level of management.

However, we will still be informed of the gender distribution of the development

activities we implement, and we are still aware that there is a skewed distribution at the higher levels of management.

Topdanmark encourages its male managers to take paternity leave - and there has been an increase in the number doing so in our organisation. We hope that this development may promote a culture where it is natural for both genders to have a career and also take care of their children.

In 2018, we will assess whether we will need new goals for gender distribution at upper management level.

## Women in executive management

# 19%

Level 1 includes our Executive Board (4 people) and top level of management (17 people). In 2016, we got our first female member of the Executive Board. The number of women at level 2 and 3 was 33% and 48% respectively.



## Diversity on the Board of Directors

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

Since 2014, Topdanmark has complied with the legislative definition of even gender distribution on its Board of Directors.

## Women in management

# 42%

Our goal is 40% of both genders - on average - at all levels of management.

### Women on the Board of Directors: goals and results

Goal		2014	2015	2016	2017
At least three of each gender among the AGM-elected members	Number of women (AGM-elected)	2	2	3	2
	Number of women (employee-elected)	1	3	3	3

## Personal data are protected

As an insurance company, we gather a large volume of customer information.

This is also the case in regard to customers who have a claim on file. We use the information exclusively for service and claims handling.

We comply with current personal data legislation and ensure that all information is stored and handled in a way that the customers' private life is never compromised.

### **We have IT systems which ensure that:**

- Customer information is updated
- Customer information is never misrepresented
- Customer information is deleted when it is no longer relevant
- Unauthorised persons never gain access to the information

We have processes which make sure that our employees know how to handle customer information. We continuously check that these processes are complied with. We only pass on information in connection

with the handling of insurances, and this primarily involves our partners and other insurance companies. Topdanmark does not sell customer information.

In 2017, we have placed focus on organizational and system-related changes in order to be in line with the EUs personal data regulation.

### **Plans for 2018**

Implementation of the EU's new personal data regulation scheduled to enter into force at the end of May 2018. This will involve e-learning courses about the correct handling of personal data for all of our employees.

## Anti-corruption and Bribery

*Topdanmark wishes to be a part of a professional, correct and trustworthy business environment. We therefore do not tolerate corruption and bribery.*

In 2016, we looked closely at our risk exposure to corruption and bribery. Our assessment was, and still is, that we are most at risk in connection with gifts and hospitality involving suppliers and other partners.

We are confident that our employees use their common sense and good judgment when it comes to gifts and hospitality in relation to customers, suppliers

and other partners. To support this, we have drawn up a policy which states when Topdanmark's employees may give and receive gifts and when they are allowed to hold or participate in events and arrangements.

The purpose of the policy is, among other things, to prevent and avoid business decisions being influenced by personal or non-business-related considerations and interests.

In 2017, there have been no situations that have been in conflict with our anti-corruption policy.

Money  
laundering and  
financing of  
terrorism

**600**

e-learning courses

This is the number of Topdanmark employees who, in 2017, have completed e-learning courses which have instructed them in how to discover money laundering and terror financing via pension contributions.



# Employee conditions

## Competent and motivated employees are crucial

*Topdanmark's employees are the most important resource for ensuring that our customers get the best service in every situation.*

As employees, we must know what the good customer experience involves, and we must feel motivated to constantly deliver it.

We focus our efforts on being a progressive workplace for our employees and managers where it is meaningful to work. Our employees and the labour market should in general experience Topdanmark as an attractive workplace characterized by a high level of competences, a high level of motivation and trustful co-operation.

A close dialogue between the Executive Board and the employees is important to us, among other things through a Cooperation Committee with employee representatives. The committee's task is to take on and discuss organisational problems and find solutions to these problems.

We also have a range of HR policies and specific activities i.a. concerning:

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

Competence development

**28.5m**  
kroner

### Plans for 2018

For many years, Topdanmark has also focused on talent development and has had different programmes for encouraging talented employees to use their competences to contribute to Topdanmark's continued growth and delivery of results.

On the basis of newly established co-operation with SingularityU Denmark, we will give a group of our talents a unique opportunity to acquire competences within digitalisation and exponential technological development in an innovative environment in 2018.

### Digital mind-set

Topdanmark is in the middle of a transformation with special focus on efficiency improvement and digitalisation. Consequently, we will need managers with a digital mind-set. In order to support that process, we have planned a range of special development activities in 2018 for which our co-operation with SingularityU Denmark will be a source of inspiration.







# Comprehensive programme for employee development

*Topdanmark wants to support optimum performance of business tasks in the short and in long term.*

Therefore, we have a comprehensive training and development programme consisting of internal and external processes within the many occupational groups represented in the organisation.

## Management and talent development

Topdanmark attaches importance to management development as good management is crucial for attracting and retaining qualified employees. Our management programme both comprises newly appointed and experienced managers – regardless of whether they are recruited internally or externally.

Managers recruited externally will get special introduction to management at Topdanmark. Employees who are newly appointed managers will be

offered a 6-month programme with specific focus on the new role as manager, including new relations and networks.

We offer experienced managers a development programme in co-operation with CBS Executive comprising customer orientation and personal development.

In addition to courses and training, we focus on development in the job, and all managers can get regular support in handling managerial tasks from experienced, internal HR consultants.

# Commitment and job satisfaction

*Topdanmark wants to promote a motivating and inspiring working environment at Group level as well as in the departments.*

For many years, Topdanmark has conducted a Group job satisfaction survey as an element of our efforts to promote job satisfaction and the commitment of our employees. The survey has been conducted every two years – the latest in February 2015.

## New methods have been tested

In 2016 and in 2017, we tested other methods for evaluating employee satisfaction and commitment, involving approximately 900 employees. On the basis of that, at the end of 2017 we decided on a new direction on and model for how we want to use job satisfaction and commitment surveys in future – with the support of our staff association.

### The objectives of the new job satisfaction survey will be:

- Supporting employee commitment and motivation for performance
- Contributing to and ensuring an ongoing, meaningful and current dialogue about motivation and commitment
- Enhancing the trust between managers and employees and between colleagues
- Giving the executive management an indicator of the job employee satisfaction in the organization

### The method will be characterized by the following:

- Higher frequency than previously – up to twice a year
- Execution when most suitable for the individual department
- More involvement of the employees during the preparation of the dialogue and during the dialogue about the results
- Fewer questions – approximately 15 per survey
- Quicker reporting than previously

## Plans for 2018

The new method for evaluating employee satisfaction and commitment will be implemented in 2018.

# Everyday health

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

In practice, the employees are offered a range of health-related initiatives, which can be made use of when required. For example, cycling activities such as the 'Cycle to work' campaign, healthy canteen food and a health check.

## Stress prevention

In Denmark, generally speaking, the number of people who take sick leave because of stress is increasing, and at Topdanmark, we experience an increase among our employees. Therefore, we have initiated efforts to prevent incipient stress and take care of employees suffering from stress.

All our employees have the option of anonymous stress counselling, provided by experienced psychologists. This service can be used as a first step for employees or their colleagues who experience symptoms of stress. In this way, employees can get help quickly without having to get a referral from a family doctor first.

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

## My Health - offer to the employees

In 2017, employees who were at risk of getting lifestyle diseases were offered an individual health programme, My Health. 30 programmes were made available to the employees for a minor self-payment - each programme lasted for 3-4 months.

We have previously tested similar programmes among our employees, and they have provided unique results within long-term and sustainable lifestyle changes.

### Plans for 2018

Another 30 My Health programmes will be offered.

## Absence due to illness below industry level

As regards absence due to illness, Topdanmark's goal is that it should be below the outline for the insurance business. During the period, 2011-2015, Topdanmark was on par with the business, while in 2016 from which the latest statistics are provided, we were marginally below the industry level. This is very satisfactory.

In 2017, the percentage for absence due to illness at Topdanmark was 3.0% - at the finalisation of this report, the result for the insurance business is not yet published.

See the statistics for absence due to illness from the last five years on page 35.

## Use of anonymous stress counselling: overview

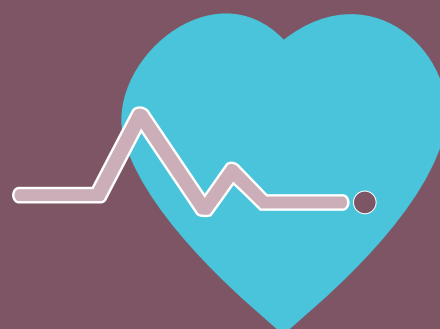
### Number of employees who availed themselves of anonymous stress counselling

2014	2015	2016	2017
33	46	46	48

## Health check

**980**  
employees

All Topdanmark employees are offered a health check during working hours. In 2017, 40% of our employees accepted the offer.





## Automation and employee conditions

*In order to be able to offer competitive products and services, over the years, Topdanmark has gradually made its business operations more efficient, i.a. by automating and making the administrative processes more efficient in order to make processes simpler, easier to use and more efficient for the customers.*

In 2017, we also tested and outsourced some jobs.

As a result, some of the employees currently doing a number of manual tasks will no longer be needed. Consequently, the number of employees was reduced by 74 in 2016, compared to 2015 and 200 employees in 2017. Of this number, 40% can be attributed to collective bargaining rounds, while 60% is due to normal staff movements, a limited number of appointments being the most significant factor.

In connection with collective bargaining rounds, we strive to offer the affected employees alternative work in the organisation. In 2016, 37% of affected employees were helped in this way.

Total number of  
full-time  
employees

**2,214**

In 2017, the total number  
of employees fell by 9%.

All other terminated employees are offered support in moving on with the working life in co-operation with our staff association. Managers of departments impacted by dismissals will get support in how to handle the situation.

In 2018 and future years, we will focus on efficiency improvement and outsourcing which will further reduce the number of employees.

### Employee turnover

As a consequence of Topdanmark's focus on improved efficiency, and outsourcing, staff turnover has been a little higher in recent years. Turnover has also been affected by greater mobility in the Danish labour market. In 2018, we expect the same turnover as in 2017.

Read more about Topdanmark as a workplace, HR policies, employment conditions:

[> Click here](#)



# Dialogue and society

## Business and society strengthened through cooperation

Customers, shareholders and employees are Topdanmark's most important stakeholders. In addition, there are many other stakeholders who play an important role in our business and with whom we want constructive dialogue – e.g. industry associations, educational institutions, suppliers, the media, and NGOs.

Topdanmark's business operates, grows and develops because of, among other things, the dialogue we have with these stakeholders. At the same time, we wish to be in dialogue with and contribute to the society we are a part of.

## CSR programme for suppliers

*Topdanmark works with suppliers and alliance partners in various situations, e.g. in connection with claims, loss prevention products, delivery of IT and office equipment and supplies.*

Quality, trust and credibility are key in our cooperation with our suppliers, who deliver vital services to our customers in critical situations.

We want to be known by our customers and shareholders as a professional and responsible company. Irresponsible behaviour in the supply chain, for example non-compliance with the principles of the UN Global Compact, is not only incompatible with our CSR policy, but it can also damage the reputation and consequently our revenue. In order to counter this risk, we have established a CSR programme for suppliers.

### CSR recommendation

A CSR recommendation is attached as an appendix to existing and new contracts. The CSR recommendation encourages suppliers to integrate the Global Compact principles in their business.

### Risk analysis

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

In 2017. We have outsourced a number of tasks to Cognizant in Lithuania. In connection with this, we have conducted a risk analysis, and we have been in dialogue with the relevant supplier about working conditions and human rights. We have not found anything which is in conflict with our CSR policy or the Global Compact principles.

### Plans for 2018

Implementation of the CSR programme will continue in 2018 with the focus on dialogue with suppliers where there is a risk of a violation or an actual violation of the Global Compact principles.

## New cooperation with sustainable brands

Topdanmark is the first insurance company to enter into cooperation with the following six sustainable brands.

The cooperation gives customers the opportunity to spend their compensation in the form of a gift card at one of these retailers with a discount included. The same discount is also available to our employees.

The new arrangement with these sustainable suppliers has been brought about through cooperation between our

purchasing department and our CSR department.

### Plans for 2018

This arrangement will be assessed, and we will then decide if we want to broaden the cooperation with sustainable brands.



## Integration of refugees – limited success?

Topdanmark wishes to contribute to the integration of refugees in the Danish labour market. For this reason, in 2015 we established a structured refugee on-the-job-training programme of 13-weeks with a personal mentor and the possibility to extend.

In the period since 2015, we have run 5 of these training programmes, one of which was implemented in cooperation with our canteen supplier, Eurest. In 2015, the first two refugees came to us via Dansk Flygtningehjælp, while in 2016 the other three refugees came through Ballerup local authority.

### On-the-job-training a limited success

In spite of full internal support from our employees, the refugees programme has been a difficult task – for various reasons. Our efforts have brought only limited success.

As an insurance company, our duties are very specialised and require training.

We have very few duties which can be carried out by unskilled workers or people who do not master the Danish language. Therefore, it has been hard for us to find work for the refugees.

At the same time, it has not been possible to find refugees with the qualifications required to carry out the above-mentioned complex and specialised duties. For this reason, we have only had five refugees with us even though we originally intended to take a larger number.

The language barrier has also been a challenge in the working day. All but one of the refugees could speak very limited Danish or English.

One of the programmes resulted in a full-time appointment with

another company. The other four programmes ended before time or were not extended.

### No on-the-job-training in 2017 in spite of our original goal

We wanted to continue the refugee training programme in 2017, but for several reasons this has not been possible. For example, organisational changes have made it impossible to take on the responsibility of running the refugee training programme.

### Plans for 2018

We are in touch with Ballerup local authority, which contacts us when suitable candidates are found. If it becomes relevant to implement a new training programme, we will use the experiences of the previous programme to improve the process.

# Support for humanitarian efforts

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

## Plans for 2018

Topdanmark will continue to contribute to Doctors without Borders, Danmarks Indsamling, Fight Cancer Campaign, Red Cross Give us your Clothes campaign, and the Blood Bank, and will donate bicycles to Buddha Bikes.

## Contributions in 2017

**Danmarks Indsamling**  
(nationwide TV fundraising):  
Topdanmark and its  
employees together  
contributed

**126,090 kroner**



**Doctors without Borders:**  
Topdanmark and its  
employees together  
contributed

**221,540 kroner**



**Red Cross Smid Tøjet**  
(Give us your clothes  
campaign): Employees  
donated

**2.1 tons of  
clothes**



**Blodbanken (Blood Bank):**  
Employees gave

**439  
portions**

of blood at work to  
Blodbanken, which  
Topdanmark has supported  
since 2005.



**Knæk Cancer (Fight Cancer  
campaign):** 753 employees,  
115 corporate customers and  
Topdanmark contributed

**285,788 kroner**  
via a major sports event.



**Buddha Bikes:**  
Topdanmark donated

**150 bikes**

to Buddha Bikes, a  
socio-economic organisation  
which gives marginalised  
young people apprenticeship  
and on-the-job training  
opportunities. In 2017,  
Buddha Bikes workshop  
had 12 young people in this  
programme.



**Topdanmark Fonden** donated a total of

**110,000 kroner**

to Ungdommens Røde Cross (Red Cross Youth)  
after-school homework clubs, ULF Holidays, holidays for  
the developmentally challenged, and Plus Picture, film and  
confirmation preparation.

# Tax contributions are also social contributions

By operating a profitable business, Topdanmark contributes significant, annual amounts to the Danish state through direct corporation taxes and indirect taxes.

The bulk of our corporation tax remains in Denmark which, taking the organisation's size into account, is unusual since other big Danish companies pay a large part of their corporation tax abroad due to the activities in the international market. In this way, Topdanmark, relatively speaking, pays more to the Danish state than other big companies.

## Tax policy and investment returns

Topdanmark does not participate in activities whose purpose is to evade or avoid taxation on our pension customers' investment returns or deposits. Neither do we accept that others exploit the Topdanmark Group's investments in shares, bonds, property etc. in order to minimise tax owed to the Danish state.

Pension returns are subject to 15.3% pension returns tax (PAL tax), regardless of whether the returns are generated from investments in shares, bonds, or property etc., and regardless of where in the world investments are made.

When pensions are paid out to our customers, these disbursements are taxed as income.

**Statistic: Topdanmark's payment of direct tax**



## Topdanmark Group - taxes and duties 2017 (DKKm)

Topdanmark pays		Topdanmark as tax collector	
<b>Direct taxes:</b>		Income tax	890
Corporation tax	502	Labour-market contribution	330
			<b>1,227</b>
<b>Indirect taxes</b>		<b>Selected indirect taxes:</b>	
Payroll tax	246	Pension return	522
		Liability duty	323
		Property tax	30
		Flood	44
		Government tax	147
		VAT	12
		Non-life insurance duty	81
			<b>1,159</b>
<b>Total DKKm</b>	<b>748</b>	<b>Total DKKm</b>	<b>2,386</b>

# About the report

## Transparency on our business operations

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

The report covers the financial year of 2017. The report applies to all subsidiaries of Topdanmark.

### Objectives and target group

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

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

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

### Indicators

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

### Carbon emission accounts

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

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

Heating consumption and power consumption is only that of our head office in Ballerup and our office in Viby. It does not include consumption in our sales centres, because this comprises only 5% of total consumption.

### Data collection and data quality for carbon emission accounts

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

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

See carbon emission accounts on page 21.

### Contact

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

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E-mail: pfi@topdanmark



Fotograf: Werin

## Other HR key ratios

	Enhed	2013	2014	2015	2016	2017
<b>Absence due to illness 1)</b>	%	2,9	3,1	3,0	2,9	3,0
<b>Employee turnover 2)</b>	%	8,9	10,2	12,5	13,1	14,3
<b>Employee turnover - industry 3)</b>	%	10	13	13	12	-
<b>Cases of discrimination 4)</b>	Antal	0	0	0	0	0
<b>Employees in flexible-jobs 5)</b>	Antal	11	11	10	14	13
<b>Competence development of employees 6)</b>	Mio	38,6	36,2	36,7	32,4	28,5

- 1) This figure indicates that, on average, every employee was sick 3.0% of the total number of working hours in 2017. The figure covers all employees. In comparison, the percentage of sick days in the insurance business is 3.0% (2016).
- 2) Definition: employees who have left the organisation voluntarily, have been dismissed, have resigned or have left for other reasons. The number also includes terminated temps.
- 3) Figures for 2017 were not available when this report was finished. However, we expect that we will be above industry level, cf. page 29.
- 4) Cases of discrimination refers to cases which have been reported to HR or brought to an employee organisation.
- 5) Flexible-jobs are offered primarily to internal employees who need other duties than those they have had previously. In 2017, all employees in flexible-jobs are internal employees.
- 6) The amount does not include payroll costs, but solely payment of external training activities. Since 2013, we have focused on internal training which has caused a fall in expenses.

## Classification of employees at Topdanmark

	2013	2014	2015	2016	2017
<b>Full-time employees</b>	2,476	2,417	2,477	2,405	2,214
<b>Part-time employees</b>	245	236	243	241	230
<b>Total number of employees</b>	2,721	2,653	2,720	2,646	2,444
<b>Employees on temporary contracts 1)</b>	60	24	42	21	19
<b>Employees covered by collective agreement</b>	2,653	2,582	2,649	2,569	2,371

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

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

## The Global Compact principles

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

