



Topdanmark A/S

# CSR report 2018



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*Photo on front cover: A team of Topdanmark specialists is awarded "The Audience Prize" at SingularityU Nordic for inventing an innovative model on burglary prevention. The prize was given upon termination of a Talent Programme in 2018.*

# Introduction

## Preface



*Welcome to Topdanmark's CSR report 2018, where you can read about the initiatives and results for the year. Our aim with this report is to present an open and transparent description of Topdanmark and our work with social responsibility.*

For Topdanmark, social responsibility goes hand in hand with our core business. Our products and services provide the customers with financial and social security - before, during and after damage/injury has occurred and in relation to securing their pension. We guide the customer throughout the entire customer process, and we help with service and advice when needed. A central part of our business model is the work on prevention and limitation of damage. It benefits the customers, Topdanmark and our society. Therefore, prevention is also an important part of our CSR initiative.

In 2018, we have formulated a new customer ambition in order to specifically increase the focus on the customer aspect of our business.

To further contribute to a sustainable development of society, Topdanmark has been associated with the UN Global Compact since 2010. We support the 10 principles of the Compact concerning human rights, workers' rights, the environment and fighting corrup-

tion. We interpret the principles so that they create value for our business and the world around us. We are also working to contribute towards the UN's sustainable development goals (SDGs).

The year has seen many activities and good results, including:

- We have commenced a number of customer-oriented initiatives to ensure that it is easy and simple to be a customer with us. For the second year in a row, we have been chosen as "insurance company of the year", and our home contents insurance was named "Best in test" by Forbrugerrådet Tænk (the Danish Consumer Council).
- Within prevention, we have ensured a positive development of our efforts for all customer types, e.g. a digital solution for health work with corporate customers, in particular for customers who have suffered concussions, and prevention of damage to tanks that, for example, are used for storing liquid fertilizer.
- Within the investment area, we have not carried out investments that conflict with the principles of the UN Global Compact.
- We have introduced new dialogue tools for our work with employee well-being.
- Together with the employees and corporate customers, we have participated in the Knæk Cancer (cancer fundraising) campaign.
- We have implemented the EU's General Data Protection Regulation and established a set of ethical principles for the use of artificial intelligence.
- Within the climate area, we have reduced our CO emission by 11%, and we have contributed towards the UN's sustainability goal 12 on responsible consumption.

I hope you enjoy reading the CSR report!

Yours sincerely,

*Peter Hermann*  
Peter Hermann, CEO

## Topdanmark in brief

*When you are a customer with us, you do not need to worry about insurances and pension. We do that for you. Based on your own specific situation, we ensure your security and we make sure that being a customer is easy and simple. We are on the cutting edge, and we will help you when you need us.*



**We are both an insurance and a pension company. 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 - for example, 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 hail, bad weather or fire.

**Important distribution partners**

**coop  
forsikringer**  
- fra Topdanmark

**Sydbank**

### Denmark's fifth largest commercial life insurance company

|                                  |               |
|----------------------------------|---------------|
| Market share                     | <b>9 %</b>    |
| Private customers                | <b>49,000</b> |
| Corporate customers              | <b>94,800</b> |
| People with group life insurance | <b>88,300</b> |



### Denmark's second largest insurance company

|                                     |                |
|-------------------------------------|----------------|
| Market share                        | <b>17 %</b>    |
| Private customers                   | <b>514,000</b> |
| Business and agricultural customers | <b>108,000</b> |

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

## 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 and 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 acquisitions if good opportunities present themselves.

## 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.

## Organisational changes in 2018

In February 2018, Peter Hermann was appointed new CEO of Topdanmark. He previously worked as CEO of Topdanmark Livsforsikring (Topdanmark Life Insurance) and replaced Lars Thykier (CFO), who had temporarily assumed the role when the former CEO, Christian Sagild, stepped down as CEO at the end of 2017.

In February 2018, Marianne Weir resumed the role of Group Managing Director. She was responsible for technology and innovation. In October 2018, she replaced Thomas Erichsen as the new Group Managing Director with responsibility for the same area.

> Read more about Topdanmark, e.g. about management organisation, Board of Directors and financial reports

## 2018 key ratios

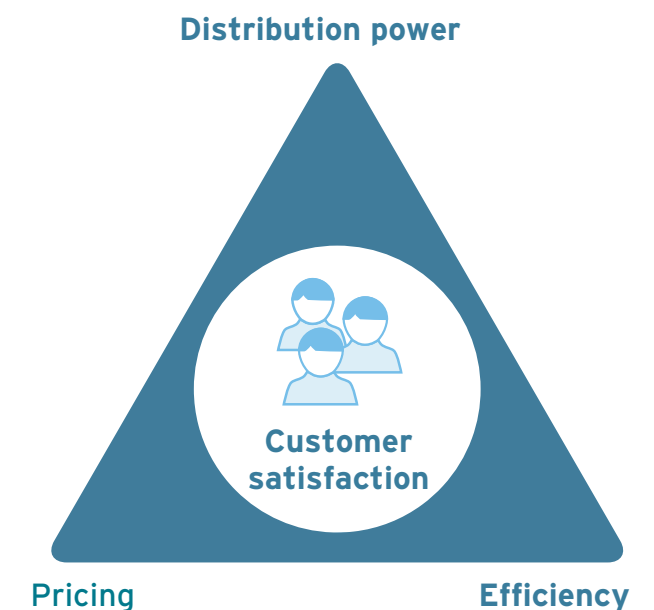
DKK **19,247**  
million in premiums  
earned

DKK **1,331**  
million profit  
earned

**83.6 %** in  
combined ratio

**78** billion in  
investment  
activities

## Value creation model





## How we work with CSR

*For Topdanmark, responsibility is a core value, and social responsibility goes hand in hand with the core business. We assume responsibility for customers, and as an insurance and pension company, our products, services and advice offer customers financial and social security when a damage or injury occurs or when their work life ends.*

For Topdanmark, responsibility is a core value, and social responsibility goes hand in hand with the core business. We assume responsibility for customers, and as an insurance and pension company, our products, services and advice offer customers financial and social security when a damage or injury occurs or when their work life ends.

Topdanmark contributes to loss prevention and limitation of the consequence of injuries and accidents suffered by customers. We run a good and stable business, which benefits our customers, employees, shareholders and society.

Therefore, a business-oriented approach to CSR is quite natural. Our ambition is that our efforts should support our business goals and strategies as well as to contribute positively to the sustainable development of our society.

From a business perspective, CSR can, for example, contribute towards ensuring that customers, employees and shareholders see us as a responsible and trustworthy insurance and pension company, and it can support our business development.

### International principles for sustainability

Since 2010, Topdanmark has taken part in the Global Compact, the UN initiative for private businesses and organisations. It is the world's largest initiative for social responsibility in companies, and it consists of ten principles for the sustainable development of society. We support the ten principles as one of several solutions to the challenges that the world community faces.

By supporting the UN Global Compact, we commit to integrating the ten principles in our business. For example, we do this by analysing the risk of non-compliance with the ten principles, for instance in connection with investments. We also incorporate these into our operations, products and services, so that these efforts generate business value and contribute towards sustainable social development.

As co-signer of the UN Global Compact, we are in compliance with the UN's 17 sustainable development goals. The UN Global Compact and the 17 sustainable development goals act as inspiration for our CSR work and are an integrated part of our focus areas.

### CSR strategy

We have defined six focus areas and a number of KPIs, all of which are critical to our core business. They have been selected based on a number of criteria and analyses, including a risk analysis, inspiration from the UN Global Compact and the sustainable development goals, compliance requirements and dialogue with stakeholders.

- **Customer relations:** We assume responsibility for helping our customers – and this is what we want to best at. We support welfare in Denmark with our products and services.
- **Prevention:** We prevent and limit consequences of the injuries and accidents that happen. This benefits customers as well as society.
- **Investments:** We invest responsibly based on the UN Global Compact and we generate the greatest possible return for our customers.
- **Employee conditions:** We ensure day-to-day health and well-being for employees, with room for diversity.
- **Business management:** We act responsibly and have policies and initiatives associated with the UN Global Compact principles on climate, human rights and anti-corruption, as well as the UN's sustainable development goals.
- **Dialogue and society:** Together with our employees, we want to contribute towards resolving challenges in society.

In this CSR report, you can read about goals, KPIs and the year's efforts and results.

**3 GOOD HEALTH AND WELL-BEING**



**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**



### The UN's sustainable development goals

In 2018, we analysed the UN's 17 sustainable development goals, including the 169 subsidiary goals and 232 indicators formulated by the UN. We looked at how they fit into our core business. Our assessment, as with the assessment from 2017, is that we can contribute in particular in the following areas:

#### Goal 3

**Good health and well-being.** We contribute towards improving our customer's health through a long list of preventive efforts. The same applies to our employees.

#### Goal 12

**Responsible consumption and production.** Here, we can specifically contribute to the subsidiary goal of reducing waste and increasing recycling and reuse, for which we established a number of KPIs in 2018.

**In 2019,** we will continue to work with the 17 sustainable development goals and see how the other goals may inspire other efforts.

## Organisation of CSR

Topdanmark's executive management is ultimately responsible for our CSR work. Executive management has anchored the CSR work in a steering group, consisting of division and service area directors, which reports directly to the executive management. At the end of 2018, the CSR steering group was reorganised and in 2019 the new steering group will assess whether another CSR-strategy is needed

### The Board of Directors

Approves CSR policies, policies for active ownership and diversity policies

### Executive management

Approves annual CSR reporting, selected policies and projects

### CSR steering group

The steering group meets at least three times per year and is responsible for the CSR strategy and evaluation of results. The steering group is responsible for the annual CSR report.

### CSR responsible:

Ensures implementation of the CSR strategy, prepares CSR reporting and other communication. Engages in dialogue with NGOs and other stakeholders.



CSR report: status on the year’s efforts

We prepare an annual mandatory CSR report, which is also a progress report for the UN Global Compact. It thus constitutes our mandatory report on Corporate Social Responsibility (see section 132a and 132b of Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds).

It describes the most important activities and results for the year, including goals and indications under the six focus areas that constitute the CSR strategy. The contents of the individual points are decided by the CSR steering group, based on an assessment of, among other things, statutory requirements, challenges in the industry, expectations from the UN Global Compact and our most important stakeholders.

The individual sections also describe how we work with preventing the CSR and business risks that we have identified - see risk analysis to the right.

Through the report, we would like to present our three most important stakeholders – customers, employees and shareholders – with an open and transparent description of Topdanmark and our work with social responsibility.

Limitations and evaluation of data

The report covers the financial year 2018. The report applies to all subsidiaries of Topdanmark. In appendixes to the report, the method for the calculation of the individual data is thoroughly explained.

> See the method of calculation

ESG data on the Nasdaq portal

Topdanmark is listed on Nasdaq. In 2018, Nasdaq implemented an ESG portal for investors who wanted to include non-financial data in the assessment of a company. The portal collects 33 social, environmental and managerial data and information elements. We have contributed towards the development of the portal, and we have reported data and information for the investors.

The Global Compact principles

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

This is the number of times our CSR report was read

3,086 displays

This is the number of times our CSR report 2017 was opened and read until the completion of this CSR report. On average, 9 minutes were spent reading the report.



Risk analysis

Topdanmark is associated with the UN Global Compact. We therefore have an obligation to integrate the ten principles on human rights, employment rights, environment and anti-corruption in our business. We do this, among other things, by carrying out an ongoing assessment to establish the areas that are at risk of non-compliance with the UN Global Compact principles and the consequences this may have to our business. Below is an overview of the most critical risks.

|                      | What   | For Topdanmark   | The UN Global Compact and society   | How we work with this risk |
|----------------------|--|--|---|----------------------------|
| Customer relations   | Inappropriate customer advice and product sales, lack of clarity on conditions and errors in claims handling                                   | Dissatisfied customers, adverse impact on reputation and thus risk of financial loss   | The customer does not attain the financial - and thus social - security and improvement in health status that our products and advice offer. There is, therefore, also no positive contribution to society. | > Read on page 12-15       |
|                      | Incorrect handling of customer complaints  |  | Negative influence on the customer's right to social security and the right to health   | > Read on page 17          |
|                      | Irresponsible use of IoT, artificial intelligence and big data   |  | Negative effect on the customer's right to data security and privacy  | > Read on page 38          |
|                      | Errors in monitoring customers when fraud is suspected   |  | Negative effect on the customer's right to data security and privacy  | > Read on page 34          |
|                      | Incorrect handling of personal data  | Risk of fines from the Danish Data Protection Agency<br><br>Dissatisfied customers, adverse impact on reputation and thus risk of financial loss             | Negative effect on the customer's right to data security and privacy  | > Read on page 37          |
| Investments          | Investment of pension funds and reserves from the insurance business in companies that are in compliance with the UN Global Compact principles | Adverse impact on reputation and thus risk of financial loss   | Indirect negative influence on all UN Global Compact principles   | > Read on page 28          |
| Business activities  | Operation of buildings, IT, business-related driving   | Expenses   | CO2 emissions and adverse effect on climate change  | > Read on page 30-31       |
|                      | Bribery in connection with sales and procurement   | Adverse impact on reputation and thus risk of financial loss   | Adverse effect on principle 10 on fighting corruption   | > Read on page 39          |
| Employee conditions  | Job dissatisfaction, bullying, discrimination, stress among employees  | High rate of staff turnover and absence due to illness<br><br>Lack of attraction and retention of qualified employees<br><br>Dissatisfactory job performance | Negative influence on the employees' right to physical and mental health  | > Read on page 40-45       |
| Cooperation partners | Violation of the UN Global Compact principles among suppliers  | Adverse impact on reputation and thus risk of financial loss   | Indirect negative influence on all UN Global Compact principles   | > Read on page 47          |



## Key figures

### Customer relations

46.8%

ambassador customers

32,400

people who have had a personal claim have been helped

314,500

people with claims have been helped

### Prevention and work retention

53

people received help after a concussion

70%

of people returned to work after completing an individually tailored programme

92,000

times has our advice on prevention been displayed on the website

1,250

people have been helped with regard to prevention through a TopSund process

### Women in management

40%

women on average - all levels of management

### Employee conditions

2,341

full-time employees

3.0%

absence due to illness

14.0%

employee turnover

377

employees participating in massage schemes

296

employees participated in Vi Cykler til Arbejde (We Bike to Work)

DKK 27.0

million for competence development



### Environment

11%

CO2 reduction

53%

waste for recycling

1,531 MWh

power production from own solar cells

### Society

DKK 10,133

million paid to insurance customers

DKK 371

million in corporation tax

DKK 613,400

total donation to humanitarian organisations



# Customer relations

## We ensure security with a customer focus

*When you are a customer with us, you do not need to worry about insurances and pension. We do that for you. Based on your own specific situation, we ensure your security and we make sure that being a customer is easy and simple. We are on the cutting edge, and we will help you when you need us.*

This is Topdanmark's ambition for how our customers should see us.

With our products and services, we want to help customers regardless of the situation. We want to address our customers' concerns in everyday life and help them along in life. We will do this by offering targeted services when these are relevant to the customer.

In order to back our ambition with actions even further, "customer service" was established in 2018 as a new cross-organisational service unit. This means that we are constantly working on improving our service in all situations, for example by:

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

### Coverage suited to the customer's needs and requests

We want the customer to have coverage that specifically matches their needs and requests. This way, they will enjoy the financial and social security that they need.

We are aware that this requires that customers receive good and accurate customer advice from competent employees. One way we ensure this is by hiring trained employees. All salespersons are trained at Forsikringsakademiet (the Insurance Academy), and new employees are thoroughly trained in Topdanmark's business procedures for what we consider to be an expedient and responsible sales process. We also ensure ongoing improvement of the skills and personal competences of the employees.

### Quality requirements are monitored

We have a central as well as several local compliance departments, which ensure that our salespersons adhere to our business processes and quality requirements. We have a reporting system that means that we evaluate inappropriate situations so as to improve customer service and avoid mistakes.

In 2018, Topdanmark implemented IDD (Insurance Distribution Directive). This is a European directive on correct insurance communication, which has now been applied to Danish national rules.

### Transparency for products and processes

We service and provide advice on subjects and situations that may be complicated for our customers. For example, this applies when purchasing our products – particularly online and without direct contact to an employee. The claims process may also be complex.

Therefore, we continually work on preparing information on products, price and coverage so that it is as easy to comprehend and find as possible. Current and potential customers are thus better able to form an overview.

### Fair and easy claims processing

Digital solutions contribute towards increased information and transparency for the conditions and, in particular, the process concerning a claim.

It is easy and straightforward for customers to report claims directly on our website. The reporting is focused on the customer's perspective. For example, the customer must describe what has happened, rather than try to figure out which insurance policy is relevant - and everything takes place without the policy number.



Photo: Topdanmark

### Overview

Mit Topdanmark (My Topdanmark), the individual customer profile, helps establish an overview of the customer's insurance situation – particularly in case of a claim. The solutions are developed on an ongoing basis, so they contain personalised and relevant information for the individual customer.

### Power of attorney solution makes it easier to be a customer

In 2018, a power of attorney solution was implemented, which means that you can give another person access to your own insurances and to your own digital customer profile.

For a household with several types of insurances, this means that one person in the household can have a far better overview of how the household is covered overall, and if damage does occur, it is far easier to get an overview of the situation. For older customers, being able to get help with their insurance situation can be a big advantage.

The power of attorney solution is set up so that it is in compliance with the EU's General Data Protection Regulation (GDPR).

### Desire to recommend us to others

Our goal is for the customers to be so satisfied with our products and services that they would like to recommend us to others. Consequently, we regularly evaluate our customers' perception of us. For example, this takes place through more than 30,000 phone-based customer replies a year, as well as systematic online surveys.

The EPSI and Aalund surveys are external, independent analyses of customer satisfaction with Topdanmark and Topdanmark Life Insurance, respectively. We monitor the results closely in order to learn from them and improve our service.

**coop**  
**forsikringer**  
– fra Topdanmark

**Topdanmark**  
Forsikring • Pension



### Cooperation agreement with Coop

In 2018, Coop and Topdanmark entered into a cooperation agreement where Coop would offer its 1.7 million members a wide range of insurance products. The insurances are sold under Coop's brand, while the advice, service and claims processing is handled by Topdanmark.

Initially, it was possible to buy car insurance, and in 2019, the insurance package will be expanded to include home contents, travel insurance, etc. Topdanmark's aim is that Coop members find it easy to be a customer with us and that they receive help easily, simply and quickly in case of a claim.



Customer surveys: goals and results

| Goal  | 2015      | 2016      | 2017      | 2018      |
|---|-----------|-----------|-----------|-----------|
| <b>Internal survey</b><br>Increase in number of ambassador customers <sup>1)</sup>                        | 45.6%     | 46.2%     | 48.0%     | 46.8%     |
| <b>EPSI survey for personal customers</b><br>Increase (0-100 points)                                      | 75.9      | 74.5      | 76.8      | 77.5      |
| <b>EPSI survey for SME customers</b><br>Increase (0-100 points) <sup>2)</sup>                             | 72.3      | 73.5      | 73.5      | -         |
| <b>Aalund survey</b><br>Maintain a ranking as the company with the most satisfied customers <sup>3)</sup> | 1st place | 2nd place | 1st place | 1st place |

- 1) Ambassador customers are customers who are so satisfied with Topdanmark that they want to recommend us to others.
- 2) EPSI did not carry out a survey of business customers in 2018.
- 3) From the three parameters included in the survey - satisfaction, image and loyalty - we report on "satisfaction". Note: The data also comes from the Aalund survey, which dealt with companies with 10-49 employees, as this is Topdanmark Liv's primary segment. Note: Data in the CSR report for the years 2015 to 2017 is different than in this report since we reported the general result, i.e. the overall result for all segments (100-499 employees).

Customer score on Trustpilot: overview

|  | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|
| <b>Overall customer score on Trustpilot - Topdanmark (0 to 10)</b> | 9.1  | 8.9  | 8.8  | 8.6  |

“In my opinion, my notification of claim is considered an attempt to make a profit. As if you forget that my house was robbed and I had heavy expenses.

★ ★ ★ ★ ★

“My claims notification was dealt with professionally by Topdanmark. Everything was handled promptly and professionally - I am very pleased.

★ ★ ★ ★ ★

Help with claims

3 14,500 people

The number of people reporting claims that we have helped in 2018.

In 2018, our home contents insurance was named “Best in test” by The Danish Consumer Council.

Forbrugerrådet Tænk

Penge

Bedst i test

AUG. 2018

Comments on the year’s results

“ Our own internal surveys of customer service - primarily over the telephone - revealed a somewhat declining trend in 2018. We have to also acknowledge that we have faced some challenges over the telephone in 2018. Here, customers experienced that it was more difficult to reach us, more so than what we and the customers consider satisfactory.

Therefore, we are working intensively to ensure that customers have an easier time helping themselves via digital solutions. At the same time, we also want to focus on improving our availability over the phone for those customers who prefer this method.

On the other hand, the external customer surveys have been much more positive. We are naturally very happy to have received KPMG’s prize for good customer service.

Jens Green, marketing director

Denmark's best customer experience

In a large survey carried out by KPMG, Topdanmark came in first place in 2018 as the brand in Denmark that provided the best customer experience - ahead of brands like MobilePay and LEGO.

KPMG describes Topdanmark as follows:

“The customers largely indicate that they are listened to and that they are understood when they contact the company and its employees. Topdanmark makes great efforts to ensure that its online and offline channels reflect the company's empathic approach to customer relations.

Topdanmark has recently redesigned its website for the purpose of streamlining the online customer experience. In connection with this, a digital platform was established to allow for easy and seamless communication between employees, customers and third-party partners when working with complex customer needs.

Similarly, Topdanmark has focused extensively on improving the quality of calls to/from customer service, as the company is aware that many customers continue to prefer to talk to an employee in connection with the purchase of an insurance product.”

Awards received in 2018

Denmark's best customer experience in KPMG's survey with 2,500 interviews across 10 different sectors

Insurance company of the year at the conference Årets Finansvirksomhed (Finance Company of the Year) organised by FinansWatch.

Insurance company of the year at the car industry's Auto Awards

VINDER  
ÅRETS  
FOR  
SIKRINGS  
SELSKAB



## What does the insurance of the future look like?

Our society is changing in many ways, and this will affect our business. For example, what will happen to insurance when cars are driverless and many kinds of claims can be prevented with IoT solutions? How can we responsibly combine the use of artificial intelligence/machine learning and the large quantities of data that we have in order to improve our customer service?

We are ready to meet the customer needs of the future, with respect to insurance products, prevention and self-service solutions. We have:

- Innovation Lab, which focuses on establishing an innovation culture in the organisation and collecting knowledge externally.
- Talent programme: In 2018, three teams completed the talent programme. Of these, nine employees completed an education at SingularityU, where among other things, they worked with preventing theft.
- IoT solutions for prevention of things like water damage – read more on page 20
- Machine learning for improving customer service.
- Product development for meeting new types of business models, e.g. sharing economy companies.

In 2018, we established a set of ethical principles for the use of artificial intelligence – read more on page 38.

### Robots contribute towards good customer service

## 49 robots

This is the number of robots we put into production in 2018. They handled 695,339 processes in connection with customer cases, such as retrieving documents and booking meetings. 83% of all cases were completed entirely automatically.

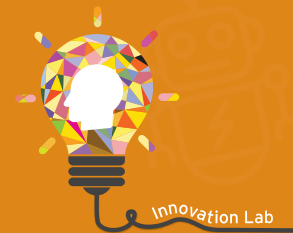
## Think 10 years into the future

What do you want to insure?

Do you even need an insurance?

Which technologies have changed the industry?

What will the insurance industry be like?



## Complaints cases are used constructively

*Topdanmark handles around 300,000 claims annually. It is therefore inevitable that we receive complaints from customers about the compensation or service they have received. We use complaints cases to improve our communication and advice.*

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, for example, restrictions in the terms and 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).

The number of customer complaints that are passed on to the Insurance Complaints Board is under one per thousand claims we receive.

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, then as a general 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 2018, 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.

### Number of decisions at the Insurance Complaints Board

|                              | 2015 | 2016 | 2017 | 2018 |
|------------------------------|------|------|------|------|
| Topdanmark general insurance | 190  | 122  | 131  | 129  |
| Topdanmark life insurance    | 34   | 24   | 11   | 21   |

Source: [www.ankeforsikring.dk](http://www.ankeforsikring.dk). Here, customers and other stakeholders can also compare the number of cases brought before the Insurance Complaints Board by different companies.

### Insurance Complaints Board decisions: activities and results

| Goal  | Unit  | 2015 | 2016 | 2017 | 2018 |
|---|---|------|------|------|------|
| To be successful in as many cases brought before the Insurance Complaints Board | Percentage of decisions in Topdanmark general insurance's favour* | 79   | 78   | 77   | 78   |
|   | Percentage of decisions in Topdanmark Life Insurance's favour*    | 75   | 88   | 82   | 100  |

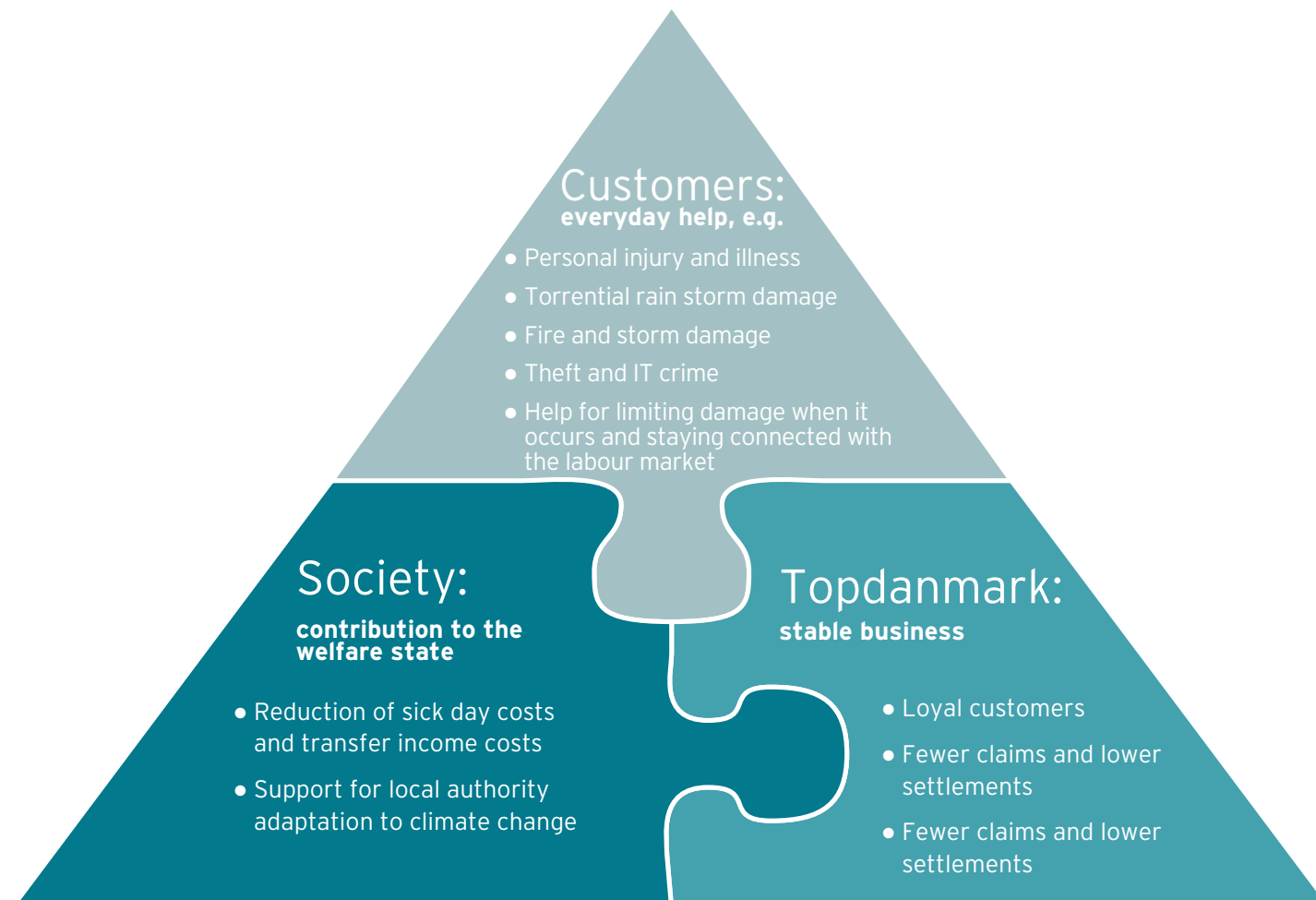
\* In other decisions, it has been ruled against or partially ruled against Topdanmark

# Prevention generates security

*Prevention is part of our CSR and business strategies. We integrate prevention both in our advice and in the specific products, and we want to be on the cutting edge of development, for example, when it comes to the use of digitalisation and IoT- solutions.*

Customers are financially secured in many different situations with Topdanmark's life and non-life products, such as in the event of 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. We use the newest relevant technologies, such as the IoT, to create the best solutions for the customers.

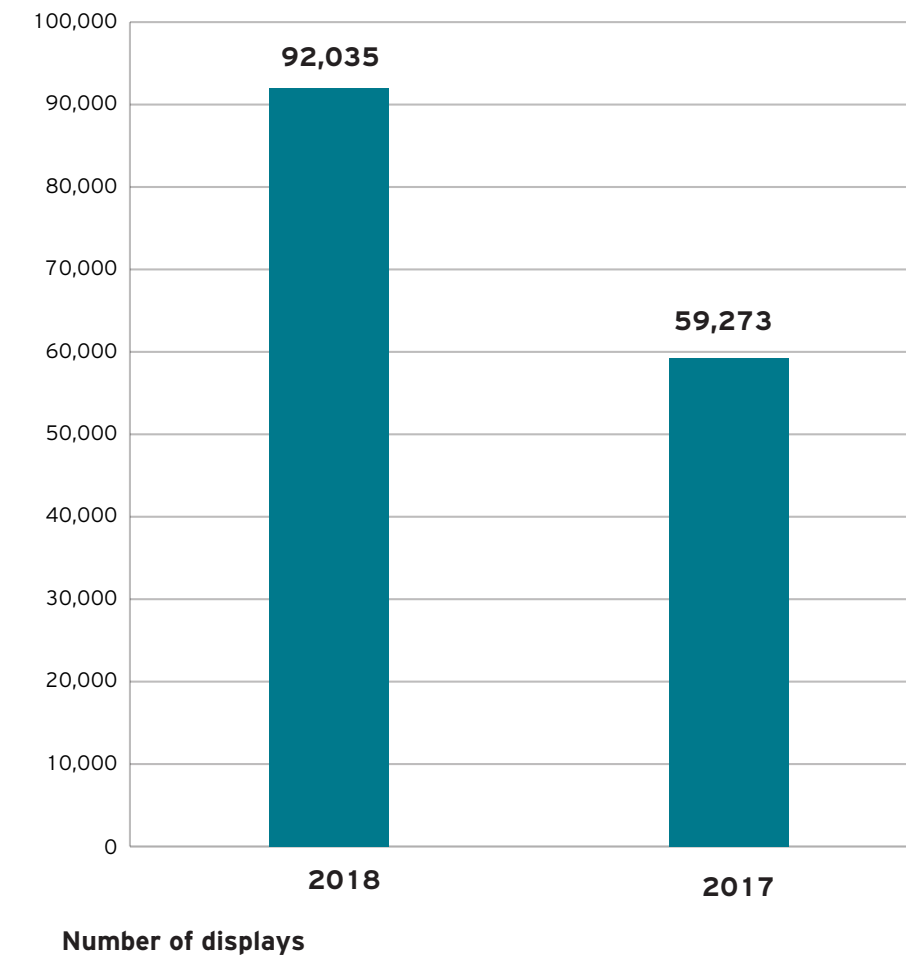


## Everyone can receive good advice on prevention

Customers as well as other stakeholders can receive good advice on how to prevent many kinds of damages/injuries on our website. For example, it could involve prevention of water damage, prevention of personal injury during a skiing holiday and many other

types of damage/injury for private individuals and those working with agriculture and in businesses. The interest in our information increased by 55% between 2017 and 2018.

### 55% increase in comparison to 2017



## The dilemma concerning prevention

Even though no one wants to experience injuries/damage, customers are not always ready to implement preventive solutions. There may be many reasons for this, such as financial ones. This dilemma is taken into consideration when we prepare preventive initiatives.

We also carefully consider when and how we can best communicate the opportunities for prevention so that it makes sense to the customer. For example, we might offer some advice in connection with a visit or through information on our website, which can be accessed as needed. For more information on this, see the next sections.



## Help for avoiding water mayhem

*In 2018, Topdanmark tested the use of an intelligent water alarm with approx. 1,000 customers. The water alarm keeps track of the customer's water usage and sends a notification when a leak is detected. It can prevent extensive water damage and thus saves the customer a great deal of inconvenience. The water alarm also benefits Topdanmark through fewer and lower settlements.*

No one wants burst water pipes and a ruined home, and that kind of unpleasant experience is something that Topdanmark wants to help customers avoid in the future.

As a test project, in 2018 we offered selected customers small water alarms that indicate if there is a leak in a water pipe. This means that leakage is discovered quickly and that the damage is therefore limited.

### This is how the water alarm works

The water alarm is called LeakBot, and it can easily be installed on a water pipe close to the water meter. From here, it keeps track of all the water pipes in the house. If a leak occurs, it warns the owner via the included app.

The app helps the customer resolve the most common problems - such as a dripping tap or a toilet that runs. For bigger problems, the customer can -

### Facts

In 2017, Danes experienced a total of 72,000 cases of water damage originating from leaks in pipes and branch pipes. The total damage cost nearly DKK 1.6 billion in 2017, according to numbers from Forsikring & Pension. Numbers from 2018 were not available when this report was completed.

also via the app - call an authorised water and sanitation company, which can come and repair the leak.

### The water alarm means fewer worries

The results of our test with LeakBot were promising. In 30% of the homes where the water alarm was already installed, it found leaks that the owner could either repair or where a water and sanitation company checked the pipes and repaired the damage.

*“Fewer extensive cases of water damage would mean less inconvenience and stress for the customers. Experiencing water damage is hard on families - particularly if they have to be rehoused. We would like to help customers avoid such unpleasant situations. At the same time, the solution contributes towards avoiding water waste. This is important in a time when water may become a scarce resource.”*

**Thomas Enna, Business Development Director at Topdanmark**

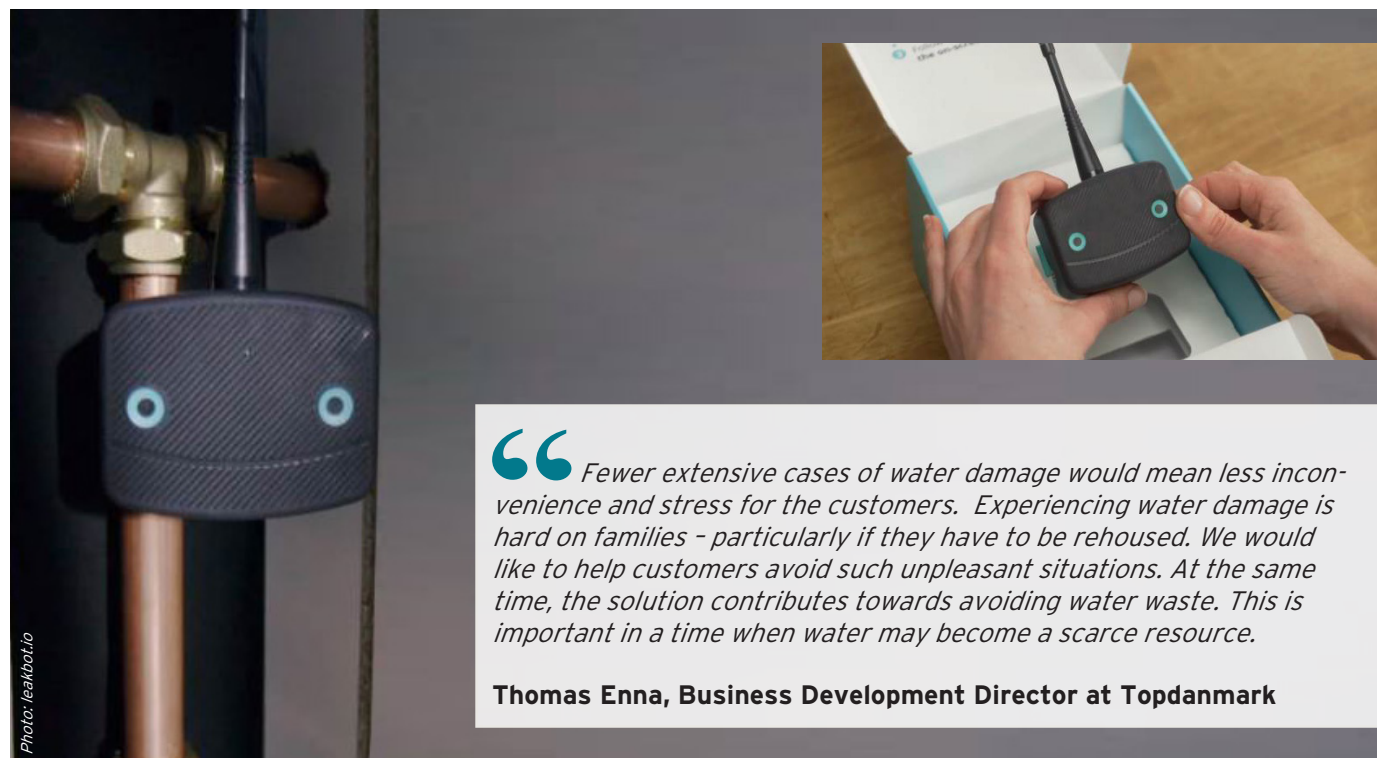


Photo: leakbot.io



Photo: Topdanmark

## Far too many accidents in agriculture

Agriculture is one of the most dangerous sectors to work in. Every second fatal occupational accident in Denmark occurs in the agricultural sector. 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 sector every year.

To reduce the all-too-high number of occupational injuries in Danish agriculture, 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

Topdanmark pays for the advice and provides it at the site of the accident. A plan is formulated for how to implement relevant initiatives to prevent similar accidents in the future. The customer can also get

### Advice on prevention

**175**  
customers in the  
agricultural sector

The number of customers in the agricultural sector who have received advice on prevention after a work-related accident in 2017-2018.

help handling the practical elements in connection with the accident - e.g. when the Danish Working Environment Authority and perhaps the police pay a visit.

Since the launch of Working Life in 2017, 175 customers have taken advantage of the consulting service. On the whole, there is general satisfaction with the concept and the motivation for preventing new accidents is strong.





## Cooperation on prevention for farmers

A lot of farmers use the digital platform Landmand.dk, which is run by SEGES. Here, the farmer has easy access to his cooperation partners. The site also collects relevant data, for example from dairies and suppliers, as well as prognoses and news – all through one login.

In 2018, Topdanmark entered into a collaboration with SEGES concerning Landmand.dk, and in the futu-

re, the users will find useful advice from Topdanmark on the platform concerning prevention. Furthermore, many of Topdanmark's customers are able to find their insurance agent's contact information, a link to claim notification and the digital customer profile and to receive personal notifications via the portal. Below is an example of the preventive initiatives at Landmand.dk.

*“We strive to make it easy for our customers and to offer relevant knowledge and advice on prevention where the customers are located. Therefore, we are happy that our good cooperation with SEGES now also provides us access to Landmand.dk, which many farmers use in their everyday lives.”*

**Anders Vraa, VP at Topdanmark**

slurry in the tank reaches a critically low level. Until now, there has been no focus on monitoring – and thus not on systematic prevention either.

On this basis and in collaboration with SEGES and others, we developed and tested a digital solution in 2018 that monitors the slurry level. The solution is developed as a combination between a sensor on the actual slurry tank, an IoT platform that collects and processes data as well as a display on Landmand.dk. In practice, this means that farmers can monitor the level of the slurry at Landmand.dk. The farmer also receives a text message if the level is critical.

With this monitoring of the remaining capacity of the slurry tank, the farmer has far better options for planning the slurry management

and for optimal utilisation of the fields. The farmer also receives a reliable indication of when to no longer fill more slurry into a specific tank. This prevents damage and slurry leakage. If damage does occur, it will be detected quickly and efforts can be implemented to limit the extent of the damage and the slurry leakage into fields, water courses or lakes.

### Plans for 2019

At the end of 2018, the solution was launched with two customers. In 2019, it is expected that the solution will be implemented with a greater number of customers, whereupon a thorough evaluation will take place.

## Help for returning to work

*The consequence of succumbing to illness or suffering a serious injury can be that you lose touch with the labour market and may even end up on disability pension. With an effective and individually-customised programme, Topdanmark helps the customer stay on the labour market – for the benefit of the customer, society at large, and Topdanmark.*

The core of Topdanmark's efforts is a flexible and individually-customised programme, which is based on the individual customer's life and challenges. The efforts may, for example, consist of collecting and coordinating the threads between the numerous parties involved and helping to plan the optimal course of treatment.

We emphasise that the process should commence as early as possible. This will help maintain the customer's connection to the labour market.

### Individually tailored help

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

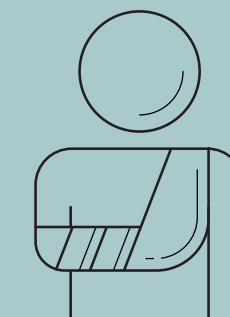
- Loss of earnings capacity
- Workers' compensation
- Third-party liability

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

# 70%

This figure shows the percentage of customers who have returned to work after completing an individually tailored programme on the loss of earnings capacity insurance. This is an average figure for programmes between 2013 and 2016. Numbers for 2017 and 2018 are not yet available.



### Individually tailored programme

|  | Total number of individually tailored programmes (number of completed programmes) |      |      | Percentage of individually tailored customer programmes in relation to total number of customer cases for the mentioned insurances |      |      |
|--|---|------|------|--|------|------|
|  | 2016  | 2017 | 2018 | 2016   | 2017 | 2018 |
| Loss of earnings capacity                      | 196   | 260  | 149  | 35   | 37   | 31   |
| Workers compensation and third-party liability | 151   | 265  | 264  | 1,4  | 2,7  | 2,5  |

*As indicated in the table above, individually tailored programmes are used more often in cases concerning loss of earnings capacity insurance than for the other two insurance types. This is because there are far more cases under this insurance type for which it makes sense to make an extra effort.*



## Leading the way with stress treatment

*Long-term stress has a negative effect on health at all levels, and it has broad consequences for your private and professional life as well as socio-economically. Topdanmark would like to contribute towards preventing and curing stress – and we would like to be at the forefront of treatment.*

At the end of 2017, Topdanmark, as the first private company, entered into a collaboration aimed at remedying stress with the Center for Psykisk Sundhedsfremme (Centre for the Promotion of Mental Health), a part of the University of Copenhagen. The programme, Åben og Rolig (Open and Calm), is a scientifically developed and documented programme for stress reduction.

In 2018, the programme was offered – as a pilot project – to a selection of our customers. About 70 people participated.

### Innovative thinking

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 since 2014, the programme has been implemented by a number of Denmark's largest local authorities. The method has had positive effects on stress and depression levels, sleep quality and mental health in general.

### Positive experience

Experience with the use of Open and Calm for customers suffering from stress has been positive thus far. The participants expressed satisfaction with the programme and with the tools they received. The majority of the 70 participants were back at work as of the completion of this report.

### Plans for 2019

In 2019, two Open and Calm teams will be set up, whereupon the project will be evaluated in cooperation with researchers from the University of Copenhagen. Then, it will be decided whether Topdanmark will continue to use this approach.

### Leading the way with stress treatment

**70**  
people



This is the number of people with stress who underwent the research-based programme Open and Calm in 2018. The majority of participants returned to work.

“

*A year ago, I switched from a position as a scientific specialist to a management position in a young, dynamic international company. I reached a point where I had practically fallen apart. I was seriously in doubt whether I would ever be able to handle the labour market.*

*Topdanmark offered me the option to participate in an Open and Calm programme, and this meant everything to me. Now, I have fully recovered mentally, and I avoided being away with long-term illness and possibly losing my job. I can handle my job and my life now, I am happy, and I know when and how to say “no”, both at work and in my personal life. I can only thank Topdanmark.*

**Description from a participant in an Open and Calm programme**

## Better health through digitalisation



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

We have a range of prevention concepts which can be tailored to the challenges of the individual company, so that the preventive effort is as relevant as possible. 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 and prevention at work. Topdanmark Life Insurance was the first pension company to offer a new prevention concept to selected customers, based on online health screening and targeted preventive efforts. We call the concept TopSund (TopHelath).

### Evaluation and results

In 2018, 1,250 employees completed a TopSund programme. The employees were all hired in companies with a pension agreement with Topdanmark Life Insurance. The evaluation of the programmes shows that the TopSund concept contributed positively towards prevention and health in the respective companies and with their employees.

The anonymised screening reports have, for example, provided the companies with the opportunity to discover challenges faced by their employees of which they were unaware and which were relatively easy to change.

Our experience with TopSund is so positive that the method now constitutes a fixed element of the preventive programme that we offer customers.

### This is how TopSund works

- The individual employee completes an online health screening. It is the first step in a comprehensive prevention initiative aimed at the employee and the company as a whole.
- Each employee receives a health score and an individual report with advice and guidance for improving their health. It is possible to contact the relevant health staff for further guidance.
- If an employee's test results show signs of a serious health condition, such as long-term stress or depression, a team of health experts will step in and, following agreement with the person in question, will contact him/her to provide further advice.
- The company also receives an overall report of the general health status in the company – based on anonymised data from the screening.
- In cooperation with Topdanmark, it is possible to plan relevant health initiatives so that they reflect the actual health-related challenges faced by the company.
- The company will have the opportunity to measure the effect of the initiative via a follow-up screening.
- The actual digital screening questionnaire is scientific and evidence-based, and it has questions pertaining to well-being, working conditions, social well-being, mental health, sleep and KRAM factors, a Danish acronym that stands for diet, smoking, alcohol and exercise.

## Examples of companies that experienced better health

- A company realised that 65% of its employees took painkillers every day. After a two-hour well-being presentation, which also included exercises, this figure dropped to 5%.
- Another company realised that a large number of employees had trouble sleeping. Following an after-work meeting and a sleep programme, most employees improved their sleeping patterns.



## Better support for customers with concussions

*A significant increase in the number of head and neck injuries, for example caused by traffic accidents, was the starting point of a collaboration with neuro-psychologists from Hans Knudsen Instituttet (the Hans Knudsen Institute). The solution has been fruitful - many customers have benefited greatly from the help.*

If you have suffered a concussion, the list of problems can be long and can often result in physical impairment and absence from work due to illness. Therefore, it is important to get the right help at the right time.

In later years, we have experienced a two-digit percent increase in concussions. Therefore, we saw the need to test new methods to help our customers. This led to a collaboration with Hans Knudsen Instituttet (HKI) concerning the possibility of offering counselling sessions with customers who suffered concussions, e.g. due to traffic accidents; more specifically, customers who are fully or partially absent from work due to illness or are in imminent risk thereof.

### Solution with leading specialists

HKI is a private institution, and it has hired leading specialists within the area. Several of their neuro-psychologists have attended special courses in the US, while others have extensive experience working with head traumas. HKI works according to the mission that all people have resources they can develop or restore, and which can generate value to the labour market and to society.

### Positive experience

The collaboration with HKI was initiated in December 2017, and we have thus far referred 53 customers. The programme consists of five counselling sessions with a neuro-psychologist over a period of ten weeks. Each programme is individually customised and, among other things, is aimed at providing the customer with better insight into their own situation and their own resources.

After about one year, our evaluation shows that a programme with HKI has a positive effect on injuries and the ability to work. The customers have provided very positive feedback, which is indicated in a user survey carried out by HKI. Our own evaluation of the overall programme shows that 47% of customers are back working full time, while 15% are partially back at work.

Based on the positive experience with the collaboration, we would like to continue to offer customers a programme with HKI when relevant.

## Statement from HKI's user survey

### What was good about the programme?

- Serious, skilled and competent guidance. I learned a lot in the programme that I am grateful for. A big thank you from me! I would not have gotten this far without guidance from HKI.
- Everything. Through the programme, I received tools, strategies and advice and knowledge concerning my situation, which were invaluable. I am certain that my sparring with the neuro-psychologist allowed me to return to work faster and with more confidence!
- Extremely involved and skilled neuro-psychologist, who was knowledgeable, professional and based his work on evidence during the entire programme.

### Back in work

# 47%



This is the percentage of customers who returned to full time work after completing a programme at HKI, while 15% returned to work part time.



# Responsible investment

As part of Topdanmark’s business, we invest the 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

## The UN Global Compact provides the overall 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 fighting corruption. These principles form the framework of our policies.

In practice this means that respecting the 10 principles is an integral part of our investment policy. In 2018, we have thus carried out ongoing screening and assessment of existing share portfolios for positions with consideration given to the UN Global Compact. New investments are generally not carried out if the investments are in violation of the ten principles.

### Result for 2018

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

New guidelines from the Danish Business Authority In 2018, the Danish Business Authority published a new guideline for responsible investment. It is our perception that we already employ the policies, processes and reporting that is expected in the new guideline. Therefore, the guideline has not necessitated any changes.

### We do not have exclusion lists

Topdanmark has no so-called exclusion list, meaning a list of companies that we have not invested in nor intend to invest in. There are two reasons for this:

- With active investments in our own asset management, we have no need to instruct external managers where they may not invest resources from

and not in violation of the internationally recognised standards and principles or conventions adopted by Denmark.

Topdanmark has its own asset management which invests actively. That means that we select for ourselves which shares, bonds, property types, etc. to invest in and for how long.

Topdanmark and our pension customers. We carry out investments ourselves, with consideration for our policy for responsible investment.

- An exclusion list shows what a pension company has not invested in. By contrast, it does not show what said company has actually invested in.

Topdanmark Kapitalforvaltning (Asset Management) invests primarily in listed shares.

> See the current list of share investments of pension contributions



## Policy for active ownership

In 2017, a specific policy was prepared for active ownership based upon “Recommendations on Active Ownership” as launched by the Corporate Governance Committee. In this context, active ownership is about how an investor uses the company’s general meeting as a tool to exert influence and how to report voting.

more than 2% of the votes or the share capital and if Topdanmark is not represented on the Board of Directors. We report:

- The extent to which Topdanmark has participated in the company’s general meeting
- The extent to which Topdanmark voted

Topdanmark has determined that we report voting on active ownership in Danish companies if we control

### Activities and results for 2018

|                                 | Ownership share end of 2018 | Participated in GF | Voted on GF                                   | Meeting with management | Investor meeting | Important outstanding accounts |
|---------------------------------|-----------------------------|--------------------|---|-------------------------|------------------|--------------------------------|
| H+H International               | 4.63%                       | No                 | Yes/The board of directors' power of attorney | No                      | Yes              | No                             |
| Scalepoint Technologies Holding | 3.36%                       | No                 | No  | Yes                     | No               | No                             |

### 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 established its own set of guidelines for this area. They are as follows:

*Topdanmark Asset Management must not deal in securities which are issued directly or indirectly by a state, head of state or similar in a state that 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.

### Organisation

The Board of Topdanmark Asset Management has the chief responsibility for the policy on responsible investment, while Topdanmark Asset Management is responsible for implementing the policy and continually monitoring and ensuring that investments continue to fulfil the principles of our policy.

> Read the policy for active ownership

> Read Topdanmark’s overall policy and procedures for responsible investment

# Business management

## Responsible management is good management

*Topdanmark is a listed company. Therefore, our goal is 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. This is good and responsible management.*

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 and sustainability goal no. 12
- **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

### Production of environment friendly energy

# 1,531 MWh

This the amount of energy our 2 solar power systems produced in total in 2018 (2017: 1,093 MWh).



## Climate and environment

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

Topdanmark influences climate and the environment directly through our day-to-day operations and indirectly through our business activities. We prioritise handling climate and environment issues in our own operations, as it is here that we can best define goals and implement initiatives that reduce our expenses and positively affect our climate and environmental footprint.

### Climate

We deem that the greatest risk for negative impact on climate is CO2 emissions from our business operations. Therefore, we have set a goal for the reduction of our CO2 emission – read more on page 33.

### Environment

It is our assessment that, as a financial company, we do not have a significant negative impact on the environment. Despite this, we have set environmental goals intended to contribute towards the UN's sustainability goal no. 12 on responsible consumption and production – read more on page 31.

The work with the climate and environment is rooted in our CSR steering group, which defines goals on an annual basis and evaluates the results for the year.

### CO2 reduction activities in 2018

The most important activity in 2018 for the reduction of CO2 emissions was the operation of two solar power systems. The largest solar power system was set up at the head office in Ballerup - it was expanded to double its size in 2017. The second system was set up in 2017 at our office in Viby.

In 2018, electricity production from these two systems increased significantly in relation to previous years. Furthermore, we continuously implement energy optimisation of our business operations, including how we run our offices and our IT solutions.

### CO2 emissions: goals and results

| Goal   | Unit    | 2017  | 2018  |
|--|---------|-------|-------|
| 5% reduced CO2 emission in 2021. Baseline is 2017. | Ton CO2 | 4,752 | 4,213 |

### Carbon emission accounts 2015-2018

|  | Unit                    | 2015         | 2016         | 2017         | 2018         |
|--|-------------------------|--------------|--------------|--------------|--------------|
| Heating - natural gas  | Thousand m <sup>3</sup> | 353          | 394          | 392          | 378          |
| Use of cars leased by Topdanmark for business purposes <sup>1)</sup> | 1,000 litres petrol     | 29           | 35           | 32           | 35           |
| Use of cars leased by Topdanmark for business purposes <sup>1)</sup> | 1,000 litres petrol     | 223          | 266          | 244          | 228          |
| Heating - district heating   | MWh                     | 481          | 446          | 468          | 458          |
| Electricity consumption <sup>2)</sup>                                | MWh                     | 6,160        | 5,965        | 5,441        | 5,573        |
| Use of non-company cars for business purposes                        | Mill. km                | 10.3         | 10.2         | 9.1          | 8.4          |
| Outsourced activities <sup>3)</sup>                                  | -                       | -            | -            | -            | -            |
| <b>Total absolute CO2 emission</b>                                   | <b>Tonne</b>            | <b>5,492</b> | <b>5,081</b> | <b>4,752</b> | <b>4,213</b> |

- 1) The cars are used by our insurance agents and insurance appraisers, and they are used for both personal and business purposes. The consumption figures include use of the vehicles for personal purposes, as it is not possible to register this separately. 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 power system. In 2018, this came out to 1,531 MWh.
- 3) Topdanmark has outsourced different activities, e.g. our mainframe and claims processing tasks. Outsourced activities are not included in the carbon emission accounts.

### Reduction of absolute CO2 emission

# 11%

In comparison to 2017, we reduced absolute CO2 emissions by 11%. This is due to increased production of CO2-neutral energy from our own solar power system.

### Plans for 2019

Reduction of CO2 emissions will take place in conjunction with the acquisition of new IT equipment and other equipment with reduced power consumption than the current equipment. Furthermore, we will focus more on the use of online meetings for customer interviews. We expect that this will reduce the CO2 emission from car usage.

> Read Topdanmark's overall climate and environmental policy





## Advice on climate adaptation

As an insurance company, we are prepared for the potential consequences of climate change, for example, more frequent and more powerful torrential rain storms, 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, for example, torrential rain, are required to implement specific 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 for the most part refunded

In Topdanmark's CDP report 2017 (see below), we describe in detail how we handle the business risks and opportunities in relation to any consequences related to climate change. Risks could, for example, include an increase in the number of torrential rain storms and the opportunities could be in developing special products and services.

## 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. The purpose is to make this knowledge available to investors and other stakeholders.

A report is awarded a score on the following scale: A, A-, B, B-, C, C-, D, D-.

In 2018, we were awarded a C. The average for all savings for CDP was also a C.

[> Read our latest CDP report](#)

|                    | 2016 | 2017 | 2018 |
|--------------------|------|------|------|
| Topdanmark's score | C    | C    | C    |



## Increased recycling and less waste

As co-signer of the UN Global Compact, we strive to contribute towards the UN's 17 sustainable development goals. We have analysed the 17 goals and determined that, among other things, we can contribute towards goal 12 on responsible consumption and production.

Among other things, the goal is about promoting recycling and reducing the amount of waste. This is an area that is related in many ways with our business. On this basis, we have defined the ambition to contribute towards this specific goal with initiatives that also support our business.

**Subsidiary goal 12.5:** Before 2030, the amount of waste generated must be significantly reduced through prevention, reduction, recycling and reuse.

### Following damage to buildings

- Repair buildings instead of opting for new acquisitions when possible
- Sale of building materials for recycling
- Donation of furniture and items for recycling

### KPI for 2021

Increase in the quantity of furniture and items for recycling.  
(Baseline 2018: 15 items of furniture and items were donated to DanChurchAid).

### Following damage to cars

- Repair car windows rather than purchasing new ones
- Use second hand parts when possible
- Wrecked cars sold for recycling when possible

### KPI for 2021

Increase in the percentage of car windows that are repaired.  
(Baseline 2018: 38%).

### Following damage to electronics

- Repair instead of making a new purchase when possible

### KPI for 2021

Increase in the percentage of telephones, computers and tablets that are repaired.  
(Baseline 2017: 57%. Result for 2018: 66 %).

### Operations at Topdanmark

- Comprehensive waste sorting, including sorting food waste at the main office in Ballerup
- Minimisation of food waste in the canteen
- Reduction of single-use plastic materials
- Reduction in paper usage through digitalisation
- Sale or donation of used office furniture for recycling
- Sale of used IT equipment for recycling

### KPI for 2021

Drop in the use of single-use plastic materials, e.g. plastic plates.  
(Baseline 2018: 404.000 units).

Waste for recycling

53%

Clothes donated to the 'Smid Tøjet' campaign ('Leave your clothes')

1.4 tonnes

### Plans for 2019

In 2019, campaigns will be initiated to promote recycling and reduce waste among the employees, for example, by using water bottles instead of single-use glasses.



## 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, we generally do not come across any challenges from a legal perspective in this area in terms of Group operations.

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 of us in purely legal terms.

The process has shown that we have policies, initiatives and management systems in place in relation to the human rights which may be at risk of being undermined. For example:

- Investment of insurance reserves and pension customers’ savings, where procedures and policies are in place – read more on page 28-29
- Supplier chain, where a CSR programme is established – read more on page 47

- Customer relations and the right to privacy, where there are clear guidelines for how claims are investigated if insurance fraud is suspected
- Policy for the protection of personal data – read more on page 37
- Ethical guidelines for the use of artificial intelligence – read more on page 38
- Employee relations, where a wide range of HR policies and a management system have been established which meet the challenges of stress, lack of employee satisfaction, equality, etc. – read more on page 40-45
- Non-discrimination with special focus on equal access to management positions – read more below

In the following sections, we further describe the year’s activities and results for the respective areas.

> In 2018, we established a formal policy for human rights

## 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.

### Goal for women in management

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% on average in management (at all levels). We also have the ambition that there should always be at least one female candidate for executive positions.

### Focus on gender distribution

Over the years, we have had a long list of initiatives, e.g. mentor schemes for women and inspiration groups. Our experience is, however, that women managers do not want special programmes just for women. On this basis, we have, for now, decided not to initiate any gender-specific programmes. In 2018, there were thus no specific activities for female managers.

However, we are still conscious of gender distribution in the general development activities that we carry out. Here, we would like an equal distribution between men and women. We also want to motivate women to apply for positions at a higher management level, where the inequality is greatest.

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

| Goal   | Unit | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|
| Min. 40% of both genders at all levels of management                                 | %    | 42   | 41   | 42   | 40   |
| At least one female candidate at job interviews for advertised managerial positions* | %    | 81   | 71   | 76   | xx   |

*\*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.*

### Data on participation in development activities in 2018

| Training                                  | Unit                               | 2018 |
|---|------------------------------------|------|
| Basic management training of new managers | Percentage of female participation | 44   |
| Course for experienced managers           | Percentage of female participation | 50   |
| Talent programme for specialists          | Percentage of female participation | 17   |

### Have we reached our goals?

Since 2012, Topdanmark has had between 40% and 42% female managers at all levels – on average. The result for 2018 is 40%. Consequently, our goal of 40% women managers has been met – and it has been so for many years. This is positive and satisfactory, and we expect the number to remain stable.

In 2018, there was also a small increase in the percentage share of women in management level 1, from 19% to 23%, and similarly an increase in management level 2, from 33% to 38%, which is positive.

Concerning participation in development activities, the numbers for 2018 show that within general managerial development we are well on the way with an equal gender distribution among participants, while our talent programme for specialists had a significant male majority among participants. Participants in the programme in 2018 were selected on the basis of candidates recommended by managers – and here there were just 17% female candidates. When the talent programme is carried out again, we will therefore focus on ensuring that there are more female participants.

### Women in executive management

23%

Level 1 includes our Executive Board (4 people) and top management team (18 persons). (Share of women in 2017: 19%).

The number of women at level 2 and 3 was 38% and 44%, respectively. (2017: 33% and 48%).



### Women in management

40%

It is our goal that both genders should be represented by at least 40% at all management levels – on average. (2017: 42%).



# 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.

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

| Goal  | Unit                               | 2015 | 2016 | 2017 | 2018 |
|---|------------------------------------|------|------|------|------|
| At least three of each gender in the Board of Directors (both AGM-elected and employee-elected) | Number of women (AGM-elected)      | 2    | 3    | 2    | 2    |
|   | Number of women (employee-elected) | 3    | 3    | 3    | 2    |

## The percentage share of women in Topdanmark's Board of Directors

| 2015 | 2016 | 2017 | 2018 |
|------|------|------|------|
| 56%  | 67%  | 56%  | 44%  |

Since 2014, Topdanmark has complied with the legislative definition of an even gender distribution on its Board of Directors. In 2018, Topdanmark's Board of Directors had the highest percentage of women

among Denmark's 100 largest companies, according to a study carried out by Økonomisk Ugebrev (a Danish financial news weekly paper).



Topdanmark AGM 2018

Photo: Topdanmark

# We protect our customers' personal data

At Topdanmark, we want our customers to trust us, always. It is our responsibility to protect their personal data. It is our data security that generates customer trust. Therefore, we have processes and systems that comply with the General Data Protection Regulation and the Danish Data Protection Act.

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 services and claims handling. Customers can always be informed of the information we have about them.

## Secure storage and processing of information

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 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.

## Organisation and responsibility

| Who   | Responsibility   |
|---|--|
| The Board of Directors and Executive Management | General responsibility to ensure that Topdanmark's personal data protection is on a satisfactory level and that adequate resources have been allocated.  |
| Group compliance                                | Responsible for Topdanmark's data protection strategy, business procedures, guidelines, monitoring and reporting, including reporting of personal data security breaches.  |
| Data protection officer                         | Ensures focus on the ongoing development and surveys of personal data protection. Topdanmark's IT security committee is responsible for information security in close cooperation with the business and with group compliance. |

## The General Data Protection Regulation requires new processes

In 2018, we implemented the General Data Protection Regulation (GDPR) Among other things, this involved e-learning courses about correct handling of personal data for all of our employees. New employees must also undergo e-learning, and all employees must take a brief e-learning programme at regular intervals.

To comply with the GDPR requirements, we have also evaluated and updated a number of processes concerning our data processing. Group compliance regularly checks compliance with the processes and that the employees know how to detect data breaches. An example of a data breach is when we send information to the wrong customer.

Data breaches are reported to the data protection officer. We are also in compliance with the rules on

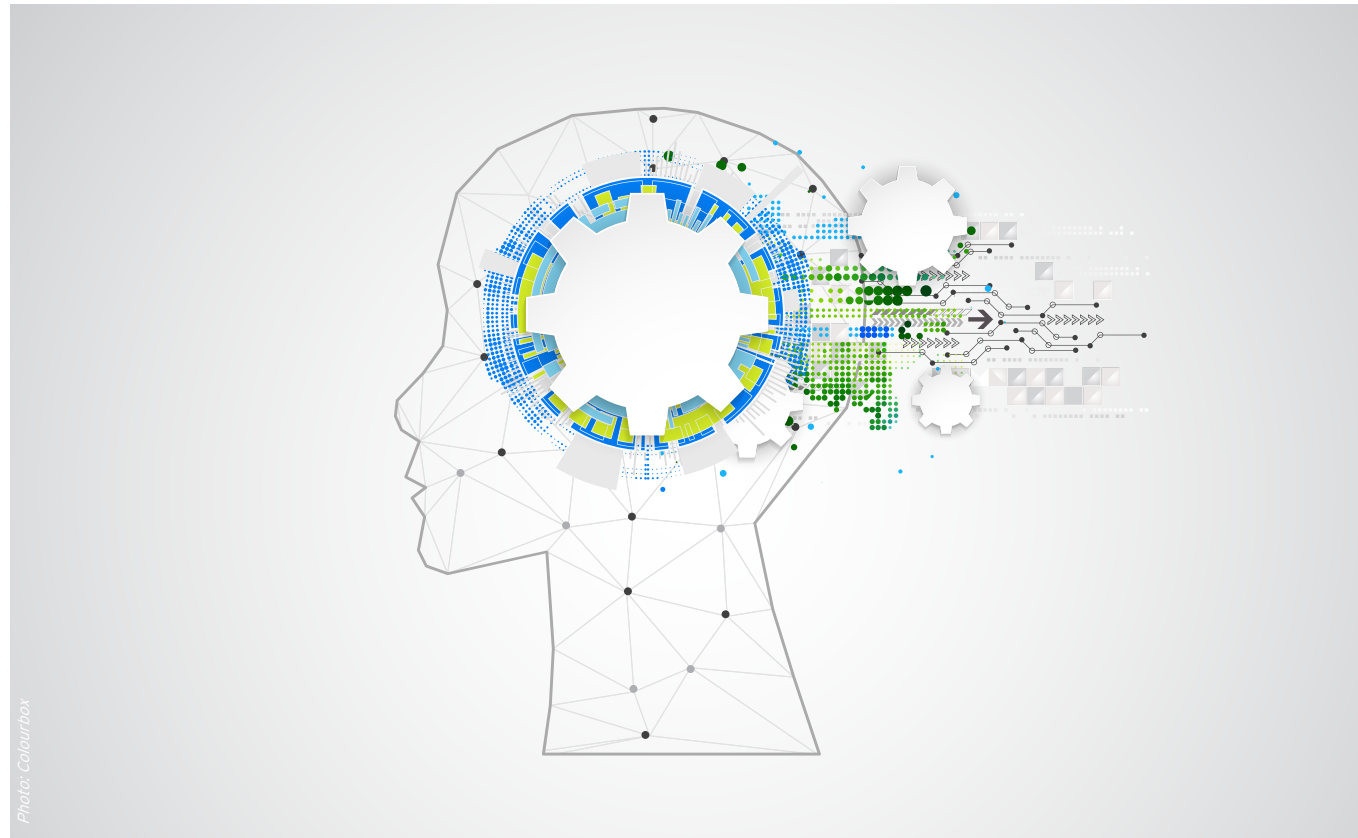
reporting data breaches set out by the Danish Data Protection Agency. Data breaches are evaluated for other processes and IT systems so that we can make sure they do not recur.

> Read more how we process personal data in our personal data policy (In Danish)

## Plans for 2019

In 2019, we will continue to ensure compliance with applicable legislation on the processing of personal data. A particular focus area will be the relationship between digital development and personal data legislation, including that personal data security is incorporated into the development phase. Read also our principles on the use of artificial intelligence below.





## Artificial intelligence with responsibility

In Topdanmark, we want to make certain that we always give customers the best customer experience. That requires us to keep up with the digital development. Therefore, we use artificial intelligence to support the work performed by our employees in their day-to-day duties.

### What is artificial intelligence?

Artificial intelligence refers to special IT programmes that can be trained to understand and recognize patterns in data. This way, we can help people to do things more effectively and intelligently.

For example, if you use the automatic parking assistant in your car or unlock your smartphone via face recognition, there are no people behind it. Artificial intelligence is doing it.

Models with artificial intelligence are based on statistics and computer science and are programmed for special purposes. At Topdanmark, we use artificial intelligence, for example, to assess risks in connection with effecting home warranty insurance. We also use it to assess if a damaged car is a total loss.

### Topdanmark's five ethical principles

Artificial intelligence renders the possibility of using data in new ways and can be developed for many purposes. There is no doubt that it will have a large impact on our daily lives in the future. Therefore, we believe it is important to consider ethical issues when we develop and use artificial intelligence.

On this basis, at the end of 2018, we defined five ethical principles on the use of artificial intelligence and how we can use it responsibly.

#### Plans for 2019

In 2019, we will ensure implementation of the principles in the relevant departments. The principles will be revised in line with development in the area, and the intention is to extend these principles to all our data use.

## Topdanmark's five principles for artificial intelligence

### Thoughtfulness

Artificial intelligence must be developed and used with care and respect.

### Professional security

Artificial intelligence must be used within a fixed framework and be built on the latest technological knowledge and thorough tests.

### Reliability

Artificial intelligence must be reliable, based on facts and free of biases.

### Transparency

We must understand how artificial intelligence works, so that the models function safely and only for the purposes for which they were created.

### Data security

Artificial intelligence must live up to the requirements of the data protection legislation and be protected against cybercrime.

> Read the specifics of how we understand and work with the five principles

## Anti-corruption and Bribery

Topdanmark wishes to be a part of a professional, orderly 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 in 2018, that we are most at risk in connection with gifts and hospitality involving customers, 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.

### Activities and results in 2018

In 2018, we continued to work with preventing and avoiding making business decisions that were influenced by individual interests. In 2018, there have been no situations that have been in conflict with our anti-corruption policy.



# Employee conditions



## Competent and motivated employees are a critical factor

*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.

### The foundation is close dialogue

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. Furthermore, we have a competence committee that specifically considers training and development.

We also have a range of HR policies and specific activities concerning issues such as:

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

### Plans for 2019

In 2019, a new people-strategy will be launched with the aim of establishing a clear direction for how our organisation should best develop to support Topdanmark's business strategy.

## Comprehensive programme for employee development

Targeted competence development for the individual employee is important so that everyone can contribute towards carrying out the tasks in the organisation in the short and 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

We consider management development to be very important, as good management is crucial for attracting and retaining qualified employees. Our management programme comprises both newly appointed and experienced managers - regardless of whether they are recruited internally or externally.

Managers recruited externally will get a special introduction to management at Topdanmark. Employees who are newly appointed managers will be offered a 6-month programme with a specific focus on the new role as manager, including new relationships 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 itself, and all managers can get regular support in handling managerial tasks from experienced, internal HR consultants.

### Talent programme with SingularityU Nordic

We want an even better understanding of how Topdanmark, as an insurance and pension company, should navigate in a society experiencing an increasing, and in some areas, exponential technological development.

In 2018, nine selected Topdanmark managers and specialists completed a talent programme in cooperation with SingularityU Nordic, which focused on an

innovative mindset and culture change. The purpose was to introduce new competences into the organisation and to resolve some strategically important tasks.

*“The entire course has been mind blowing. It has opened some doors in our minds. Doors that we did not know existed. We have gained knowledge dealing with technology, methods and tools for how to tackle the future and be on the cutting edge. And it has also helped all of us with our personal development and pushed a lot of boundaries.*

**Maria Bøttcher Hindsgaul, project manager and participant in the talent programme**

For example, a group of four specialists prepared an innovative model for limiting break-ins using new technology. The project won “publikumsprisen” (the public's award), which represents the best project as chosen by all the attending companies and managers.

### Important learning for the organisation

In 2019, we will conclude and evaluate the talent programme, which has thus far been a success. Through the work of the talents with business-critical projects, important learning has taken place in the organisation, which provides a stronger basis for working with innovation, design for behaviour change and new solutions for our customers.

### Plans for 2019-2020

In 2019, Topdanmark will launch a new people strategy, which also includes a new management development programme. We will focus even more on management development to support the realisation of our ambitious goals and to make it easy, simple and competitive to be a Topdanmark customer.

We have formulated a set of competences according to which all our managers should be trained and evaluated. Apart from setting a direction and focusing on results, our managers must provide employees with the freedom to act, and they must establish good relationships with both employees and partners. And they must focus on strengthening competences - both of the employees and their own.

Competence development in 2018

**DKK 27.0 million**



## Involvement and motivation

*Topdanmark would like to promote a motivating and inspiring work culture, both at the group and department level.*

2018 was the year when we took an important step in the development of new tools for surveying well-being and, more generally, for the work related to well-being, motivation and involvement. We shifted our focus from figures and statistics to dialogue in employee teams.

### New method: well-being as dialogue

Until 2016, we used a traditional method for measuring well-being, where the employees would answer 75 questions every second year. Our new tool for our work with well-being consists of just 15 questions, which all departments must discuss twice a year. The questions concern the individual's motivation and involvement as well as the cooperation in the department or team.



We implemented the new well-being dialogues in May 2018, and by the end of the year, around 80% of all employees and managers had completed the first round of dialogue. It is our assessment that the new method for working with well-being and motivation has been received well, among other things because employees are far more involved during the dialogue about the results and because the discussion concerns the elements that are currently most important for well-being.

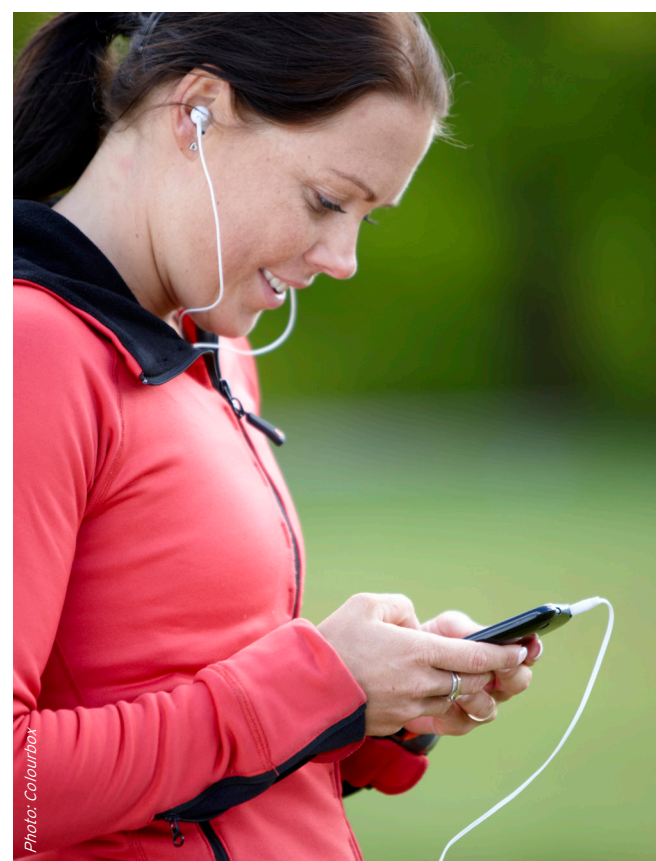
## Health in everyday life

*Topdanmark wants to give its full support to our employees' good health. We believe that this will contribute towards generating well-being and job satisfaction for the individual employee. 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 used when wanted or required – including offers for cycling activities, healthy food in the canteen and a health check.

### My Health - individual health programme

In 2018, employees who were at risk of getting lifestyle diseases were offered an individual health programme, My Health. A programme was made available to 30 employees against a small payment – each programme lasted 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.

In 2019, 30 employees will once again be offered a My Health programme.

### New in 2018: massage scheme

This year, we established a massage scheme for all employees, in cooperation with Vicuras. We were thus able to focus even more on prevention of disabilities, such as pains in the neck and arms, and on promoting mental well-being.

The scheme is financed as a gross salary agreement. The employee thus saves 45% of the price. The massage can be taken as needed during the course of one year. It can take place during work hours at most of our locations or at Vicuras' partner clinics.

In 2018, 377 employees joined the scheme. The same opportunity will be offered in 2019.

### Stress prevention

In Denmark, generally speaking, the number of people who take sick leave because of stress is increasing. We can also notice this tendency among our own employees. Therefore, we have initiated efforts to prevent incipient stress and take care of employees suffering from stress.

For example, all our employees have the option of anonymous stress counselling, provided by experienced psychologists. This service can be used as a first

### Use of anonymous stress counselling: overview

|  | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|
| Number of employees who availed themselves of anonymous stress counselling | 46   | 46   | 48   | *    |

\* Numbers from 2018 were not available upon the conclusion of this report.

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 their 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.

### Absence due to illness among employees

As regards absence due to illness, Topdanmark's goal is that it should be below the figure for the entire insurance industry as calculated by Finanssektorens Arbejdsgiverforening (the Danish Employers' Association for the Financial Sector).

In 2018, the percentage for absence due to illness was 3.0% (2017: 3.0%). The industry figure for 2018 was not available at the time when this report was completed – the industry figure for 2017 was 2.9%.

During the period from 2014 to 2017, the absence due to illness percentage was either just over or just under the industry level. Generally, this is satisfactory, but we are keeping an eye on the absence due to illness percentage. We would like to bring it below the industry average.

See the statistics for absence due to illness from the last five years on page 45.

## Health check

# 980 employees

Every second year, all Topdanmark employees are offered a health check during working hours. The last one took place in 2017, and 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. Among other things, this was done 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 and 2018, we also outsourced some jobs.

As a result, some of the employees currently doing a number of manual tasks will no longer be needed, and the number of employees will be lowered.

In connection with collective bargaining rounds, we strive to offer the affected employees alternative work in the organisation. All terminated employees are offered support in moving on with their 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 2019 and future years, we will also focus on streamlining and outsourcing, which may further reduce the number of employees.

## Employee turnover

As a consequence of Topdanmark's focus on streamlining and outsourcing, staff turnover has been above the industry average for a number of years. This is also due to a generally higher mobility on the Danish labour market.

In 2019, we expect the same level as in 2018.

|                                   | Unit | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------|------|------|------|------|------|
| Employee turnover                 | %    | 12.5 | 13.1 | 14.3 | 14.0 |
| Employee turnover in the industry | %    | 13   | 12   | 12   | *    |

\* Numbers from 2018 were not available upon the conclusion of this report.

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



## HR key ratios

|  | Unit    | 2015  | 2016  | 2017  | 2018  |
|--|---------|-------|-------|-------|-------|
| Full-time employees  | Number  | 2,668 | 2,650 | 2,473 | 2,341 |
| Employees in flexible jobs <sup>1)</sup>                     | Number  | 10    | 14    | 13    | 11    |
| Employees on temporary contracts <sup>2)</sup>               | %       | -     | -     | 1.7   | 2.3   |
| Employees covered by collective agreement                    | %       | -     | -     | 96.9  | 97.2  |
| Absence due to illness <sup>3)</sup>                         | %       | 3.0   | 2.9   | 3.0   | 3.0   |
| Absence due to illness in the finance industry <sup>4)</sup> | %       | 2.9   | 3.0   | 2.9   | -     |
| Employee turnover <sup>5)</sup>                              | %       | 12.5  | 13.1  | 14.3  | 14.0  |
| Employee turnover in the finance industry <sup>4)</sup>      | %       | 13.0  | 12.0  | 12.0  | -     |
| Cases of discrimination <sup>6)</sup>                        | Number  | 0     | 0     | 0     | 0     |
| Competence development of employees <sup>7)</sup>            | Million | 36.7  | 32.4  | 28.5  | 27.0  |

The employee numbers do not include hourly-paid employees, such as student assistants.

1) Flexible jobs are offered primarily to internal employees who need other duties than those they have had previously. In 2018, all employees in flexible jobs are internal employees.

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

3) This figure indicates that, on average, every employee was sick 3.0% of the total number of working hours in 2018. The figure covers all employees.

4) The industry figure for 2018 was not available when this report was completed.

5) The figure covers employees who left the company voluntarily, were fired, retired or left the company for another reason. The number also includes terminated temps.

6) Cases of discrimination refers to cases which have been reported to HR or brought to an employee organisation.

7) The amount does not include payroll costs, but solely payment of external training activities.



# Dialogue and society

## Business and society are strengthened through cooperation

*Every day, Topdanmark is in close dialogue with a long list of other partners and stakeholders, which play an important role in our business.*

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.

Examples of stakeholders we cooperate with:

- **Suppliers:** We work with suppliers in various situations, such as in connection with claims, loss prevention products, delivery of IT and office equipment and supplies.
- **Industry associations:** We share knowledge and receive inspiration for production development and prevention
- **Educational institutions:** We cooperate in connection with recruitment through our programme for students and trainees, as well as in connection with carrying out educational tasks, where we provide data and insight - and receive inspiration for the development of our business.
- **NGOs:** We offer financial contributions to selected organisations with humanitarian aims or cooperation with NGOs in other ways

Quality, trust and trustworthiness form the core of the cooperation with our suppliers as well as the co-operation with all our other stakeholders.



## CSR programme for suppliers

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

### Due diligence

On an ongoing basis, Topdanmark assesses the suppliers we use in relation to CSR. We primarily use Danish suppliers, and the general assessment is that they have a business model and conduct that are not in conflict with the UN Global Compact principles.

On this basis, we have implemented a programme that involves that all suppliers receive a CSR reference as an annex to the contract. This specifies that Topdanmark is affiliated with the UN Global Compact. We encourage the respective company to integrate the principles in their own business, but this is not a legally-binding condition.

### Areas that are monitored more closely

However, there are areas that may potentially be problematic, such as the handling of waste and working conditions in conjunction with clearing up after damage has occurred. We are monitoring these areas. Topdanmark has outsourced some of these tasks to non-Danish suppliers. This is also an area we are monitoring more closely - see the following section.

### Outsourcing

In 2017, we outsourced a number of tasks to Cognizant in Lithuania, and in 2018, we also transferred tasks to the same supplier in India.

In connection with this, a risk analysis was performed, and we held a dialogue with the respective supplier concerning working conditions and human rights. The CSR recommendation concerning the UN Global Compact principles has also been written in as a legally-binding part of the contract, which is not the case for our other suppliers.

In Lithuania, no conditions were identified that were in breach of our CSR policy and the UN Global Compact principles. In India, we are aware of matters concerning human rights, for example the right to a collective agreement, and we are in dialogue with Cognizant on this subject.

### Plans for 2019

Implementation of the CSR programme will continue, and we will have dialogues with suppliers when there is a risk of a violation or an actual violation of the UN Global Compact principles.



## Co-operation with humanitarian organisations

One of Topdanmark's values is "responsibility". Our social responsibility is expressed when, for example, together with our employees, we contribute to organisations and campaigns with humanitarian and other purposes beneficial to society. We value employee involvement greatly, and we enter into long-term cooperation that benefits all parties.

### Relief aid across borders

Through our preventive and health products, Topdanmark helps many people in Denmark every year. However, we also want to contribute towards saving lives and improving health in areas where relief aid is needed.

We have therefore been cooperating with Doctors Without Borders since 1996. Employees pay a voluntary contribution, and Topdanmark pays a corresponding amount. We have selected Doctors Without Borders because we trust that our contribution will be used responsibly.

**2018: DKK 213,560**

**2017: DKK 221,540**

In connection with a Christmas present for the employees in 2018, DKK 270,620 were donated to Doctors Without Borders in cooperation with the online shop GoGift.



### Exercise for the Knæk Cancer (cancer fundraising) campaign

For the fifth year in a row, Topdanmark participated in the nation-wide Knæk Cancer campaign organised by the Danish Cancer Society in cooperation with TV2. This was organised as a large physical activity event, which involved both our employees and pension customers.

All of week 43 was buzzing with involvement in relation to the campaign, under the slogan "Kræften gi'r op, når vi motionerer i Top" (cancer gives up when we exercise at Top).

The campaign allows us to focus on subjects and relationships that are critical to us as a company: employee health, prevention and customer relations - while at the same time we contribute towards a project that benefits society.

**2018**

787 employees

153 employees with corporate customers

**Total amount: DKK 289,118**

**2017**

753 employees

117 employees from corporate customers

**Total amount: DKK 285,778**



### Danmarks Indsamling

We took part in Danmarks Indsamling 2018, an annual fundraising event held on national TV, which also contributes towards our cooperation partners, Doctors Without Borders. Employees pay a voluntary contribution, and Topdanmark pays a corresponding amount.

**2018: DKK 110,800**

**2017: DKK 126,090**

**DANMARKS INDSAMLING**

### Blood gives new life

Since 2005, the employees at Topdanmark's main office have been able to donate blood to the blood bank during work hours. Topdanmark is among the companies that has donated more blood per number of visits by the blood bank. It is an activity that our employees are very involved in, and they are happy that their workplace is offering this option.

**2018: 390 batches of blood**

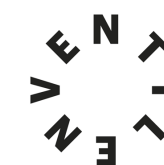
**2017: 439 batches of blood**



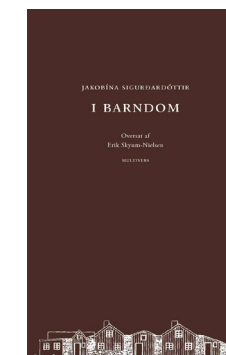
### Topdanmark Fonden (Topdanmark Fund)

Topdanmark Fonden was established when Topdanmark became a limited company in 1985. The fund supports selected projects.

In 2018, the fund gave a total of DKK 125,000 to hostels for the homeless under Hellig Kors Kirke, Ventilen Danmark and Forlaget Multivers ApS for the book "I Barndom" (In Childhood).



Gør ungdommen mindre ensom





# 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.

Basically, Topdanmark only does business in Denmark. As a consequence, the corporation tax paid by Topdanmark is primarily to the Danish state.

In 2017, Topdanmark was the 17th biggest contributor in terms of paid corporation tax in Denmark (2016: 15th largest). Among insurance companies, we were the company that contributed the most corporation tax. Numbers from 2018 were not available when this report was completed.

## Statistic: Topdanmark's payment of direct tax

|                             | 2015 | 2016 | 2017 | 2018 |
|-----------------------------|------|------|------|------|
| Corporation tax (DKK mill.) | 349  | 407  | 502  | 371  |
| Income tax (DKK mill.)      | 882  | 904  | 897  | 995  |

### Topdanmark Group - taxes and duties 2018 (DKK m)

| Topdanmark pays       |            | Topdanmark as tax collector     |              |
|-----------------------|------------|---------------------------------|--------------|
| <b>Direct taxes:</b>  |            | Income tax                      | 995          |
| Corporation tax       | 371        | Labour-market contribution      | 353          |
|                       |            |                                 | 1,348        |
| <b>Indirect taxes</b> |            | <b>Selected indirect taxes:</b> |              |
| Payroll tax           | 250        | Pension return                  | -28          |
|                       |            | Liability duty                  | 319          |
|                       |            | Property tax                    | 32           |
|                       |            | Flood                           | 45           |
|                       |            | Government tax                  | 158          |
|                       |            | VAT                             | 25           |
|                       |            | Non-life insurance duty         | 80           |
|                       |            |                                 | 631          |
| <b>Total DKK m</b>    | <b>621</b> | <b>Total DKK m</b>              | <b>1,979</b> |

## Contact

If you have any questions or comments concerning 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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Photo: Wiering