

Sustainability Report 2018



At a glance

Our business in brief

Falck is a market leader in emergency response and healthcare services.

Strongholds are in the Nordics, the US and Colombia. Globally, Falck operates across 31 countries and employs more than 32,000 people working by the promise to be there when you need us.



Assistance

Falck is the market leader in roadside assistance in the Nordics. Major operations are in Denmark followed by Norway and Sweden. Falck is a partner of the European roadside assistance alliance ERA.



Healthcare

Falck leads the market for employee healthcare programmes in Scandinavia. Major operations are in Sweden and Denmark.



Ambulance

Falck is a leading international provider of ambulance and patient transport services. Major operations are in Denmark, Colombia, California, Florida and cities like Barcelona, Hamburg, London and Stockholm.



Global Assistance

Falck holds a significant position in the Nordics within medical and security assistance to travellers. Major operations are in Denmark and Sweden followed by Norway.



Fire Services

Falck is a leader in industrial fire and rescue services at high-risk facilities and critical infrastructure. Major operations are in Spain, the UK, the Netherlands and Germany. In Denmark, Falck provides municipality fire and rescue services as well.



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A word from the CEO

Signing the UN Global Compact is a milestone on our sustainability journey

Global companies have global responsibilities, and Falck is no exception to that rule. That is the reason why we decided to sign and join the UN Global Compact in January 2019.

We see the UN Global Compact as an important framework for our sustainability efforts. By committing to the 10 principles of the UN Global Compact, we pledge to align our strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and to take actions that advance societal goals. That is not new to us, but with the UN Global Compact, we have formalised our commitment.

Health stands at the core of our business. Every day Falck employees across business units and countries work to save and improve people's lives and be there when we are needed. Dedicated employees take initiatives to proactively improve the way we operate and provide more help to the communities we work in. That is why Falck is a people business.

In the course of 2018, we have implemented several improvements to our own people processes, including a new HR system, a

global engagement survey and an updated global Diversity and Inclusion Policy.

Regarding trust and compliance, we made important progress in 2018 by implementing a new Code of Conduct defining how we expect ourselves and our business partners to act in order to earn the trust of each other and of our stakeholders.

2018 was in many ways a turnaround year for Falck. We are radically changing our business by implementing global operating models and an ambitious efficiency programme, thereby strengthening our business and improving our profitability. We are also changing our mindset towards transparency, compliance and reporting.

Each of these steps are reflected in this sustainability report which is intended to explain our policies, our priorities and our actions based on the principles of the UN Global Compact. We recognise that we are still in the humble beginnings of our

sustainability efforts, and once our business platform has become further stabilised and strengthened, it is our clear ambition to take further initiatives to advance societal goals.



Jakob Riis
President and CEO
Falck



Our commitment

Committing to the UN Global Compact

Falck is committed to act responsibly as a company and to contribute to a socially, environmentally and economically sustainable development.

Social and ethical considerations are basic components of our day-to-day operations and of how we cooperate, both internally among Falck employees and externally with our clients and business partners. We are a global company, with a presence in 31 countries around the world, and the impact we may have on society and environment is also global.

It is our intention with this report to take a step towards increased transparency in our sustainability efforts. We still have a way to go, and we may change some of our reporting priorities going forward, depending on the quality of our data and the outcome of future risk and impact assessments. We aim to become more transparent and more resilient, thereby increasing our ability to mitigate adverse impacts and contribute to sustainable development.

Signing the UN Global Compact

In order to ensure that we have a proper framework for our sustainability efforts, we will follow the international guidelines for

corporate sustainability as defined by the UN Global Compact, and for that reason, we became a signatory to the UN Global Compact in January 2019.

We commit to the UN Global Compact and its 10 principles on human rights, labour, environment and anti-corruption. We thereby also commit to the principles agreed upon internationally for sustainable development referenced in the UN Global Compact, i.e. the principles mentioned in The International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on the Environment and Development, and the UN Convention against Corruption.

Making our commitment operational

A first step towards integrating our overall policy commitment into our governance system was the development of our new Falck Code of Conduct in 2018, supplemented by updated and new underlying policies. In addition, in 2018 we conducted a compliance



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

About this report

This report will serve as a baseline for Falck's annual Communication on Progress to the UN Global Compact, which we will commence publishing from January 2020.

As it covers reporting on our social, environmental and ethical impact and actions as well as diversity, it also represents our statutory statement on social responsibility and the under-represented gender in accordance with sections 99a and 99b of the Danish Financial Statements Act.

This Sustainability Report is part of Falck's annual reporting and covers the same period as Falck's Annual Report 2018.

risk self-assessment and a human rights impact assessment which will provide input to our ongoing implementation efforts. Finally, we have defined a number of non-financial KPIs in order to measure our outcome and progress.

The UN Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address global challenges and at Falck, we have assessed and identified three UN Sustainable Development Goals (SDGs) where we can

Governance

Responsibility for Falck's sustainability efforts are shared between Global HR and Global Compliance. Both functions report directly to the President & CEO of Falck. Global HR has the overall responsibility for this sustainability report and the human rights impact assessment, whereas Global Compliance is responsible for ethics and compliance at Falck, which include the Code of Conduct and the annual compliance risk assessment.

Falck's Compliance and Sustainability Board meets twice a year to discuss relevant sustainability and compliance issues and processes and decide upon actions. The board consists of Jakob Riis, President & CEO of Falck, Jakob Bomholt, Head of Falck Ambulance, Peter Agergaard, Head of Global HR, Kaspar Bach Habersaat, Head of Global Branding & Communications, Danny Kring Krabbe, Head of Business Assurance and Martin Lønstrup, Head of Global Compliance.

contribute to achieving the global ambitions for each of these SDGs in practice: SDG 3 (Good health and well-being), 8 (Decent work and economic growth) and 16 (Peace, justice, and strong institutions).

This leads to the three main themes of this report: Health, People and Trust.

Sustainability dashboard

Basing our actions on data

In order to measure our outcome and progress, we have defined a number of KPIs, which we will start reporting on in our future annual Communication of Progress in terms of the UN Global Compact, using 2018 as a baseline.

Our sustainability dashboard defines a number of KPIs related to key areas where we have a social and ethical impact. Falck is undergoing a company-wide transformation and the KPIs are carefully defined within our most mature areas. We have not yet defined any environment and climate KPIs as we are currently evaluating our governance setup within this area (see page 19).

Improving data quality

As part of our transformation, we are reviewing our ability to define targets and measure non-financial outcome related to people and organisation. Historically, the KPI structure and reporting processes at Falck have been decentralised, and our current focus is to align definitions, methods and reporting practices, and thereby create a global approach.

The data collection previously used operated from a functional ownership of data, split between Global Finance, Global HR and local business units. In 2018, Global HR started the process of defining a new data model, ensuring aligned and transparent HR data. This will allow for more frequent and

standardised reporting on employee turnover, sickness absence, lost time injuries (LTI), etc.

By the end of 2018, our new people system, Cornerstone, had been rolled out in Denmark, Spain, the UK and Germany. With the roll-out of Cornerstone to more countries during 2019, data validity will improve significantly and reporting on a global scale be enabled. From 2019, Cornerstone will be our HR data repository and reporting source.

Reporting of fatalities

From 2019, we will also standardise the process for reporting fatalities. Many Falck employees work on the roads every day and drive at high speed to get to the scene of an accident as fast as possible, and this puts them at risk. Regrettably, two people lost their lives while working for Falck in 2018, one in Colombia and one in Denmark.

Target setting

Due to the inadequate data quality, we have chosen not to set quantitative targets for 2019. We expect to do so in the future.

Sustainability dashboard

People

KPI	2018	2017	2016
Lost time injuries (LTI) ¹	11.9	15.6	16.2
Turnover ²	30.2	27.1	23.7
Sickness absence ³	3.4	3.0	3.3

- ¹ Number of work-related employee accidents (incl. fatalities) resulting in one or more days of work lost due to the incident. Both permanent and on-call employees are included. The LTI frequency rate is calculated as number of LTIs per one million hours worked.
- ² Number of permanent employees resigned or terminated (due to reasons other than major contract loss or restructuring initiatives) as a percentage of the average number of employees in the year.
- ³ Total number of working hours lost due to sickness (hours paid for plus hours not paid for) as a percentage of total number of paid-for working hours.

Engagement score 2018

Overall employee satisfaction score **eSat 69**

Diversity 2018

Overall Female 37% / Male 63%
 Management Female 37% / Male 63%

2017

Overall Female 35% / Male 65%
 Management Female 30% / Male 70%

2016

Overall Female 35% / Male 65%
 Management Female 29% / Male 71%

Trust

Percentage of anonymous reports out of total number of reports in whistleblower system

2018 **76%**

Risk and impact assessments

Mapping key risks and negative impact

We assess our compliance risk profile and human rights impact through self-assessments, which provide input for priorities and mitigating actions.

In order to assess the compliance risk profile in our global business and to identify the areas where we have the highest risk of having a negative impact, we performed a compliance risk self-assessment in September 2018. This year, it also included our first human rights impact assessment.

We have analysed the two assessments and identified the highest risks, for which we have subsequently defined actions for 2019.

Compliance risk assessment

In 2018, we introduced the annual compliance risk self-assessment, replacing the previous business ethics risk assessment. The compliance risk self-assessment introduces a new and simplified form that follows the structure of our new Code of Conduct and breaks down the compliance areas into single practical questions with pre-defined answer options.

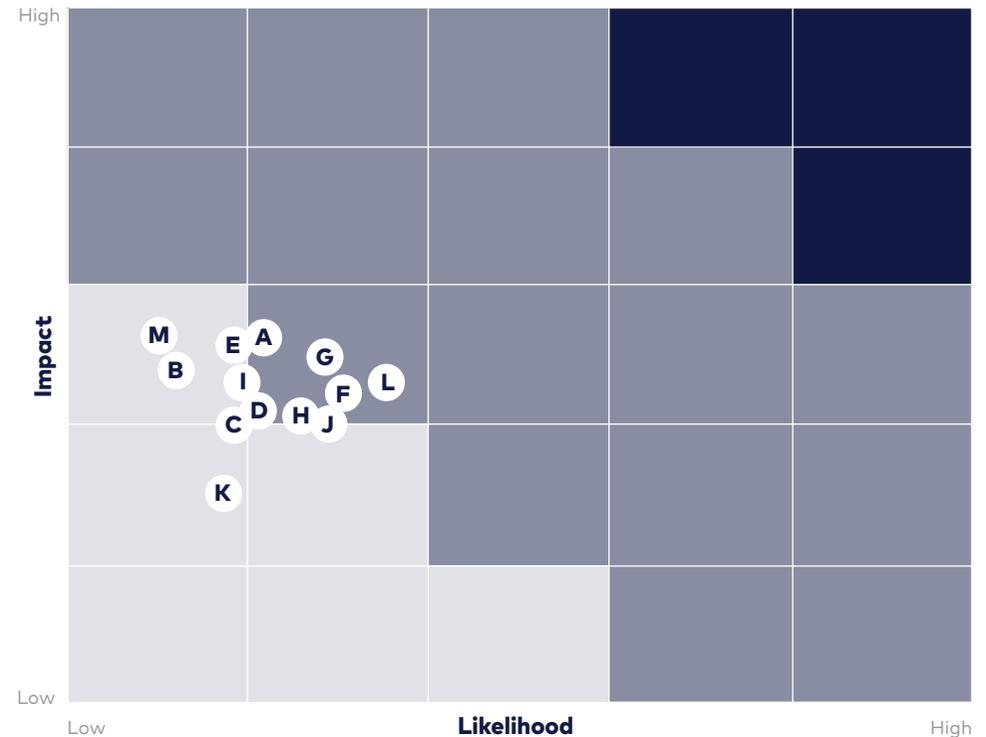
The self-assessment evaluates the overall compliance risk profile for Falck per business

area and per country, which provides an overall compliance risk score per country. Globally, all Falck entities have completed the compliance risk self-assessment form. The compliance risk score is used to determine the focus areas per country and business area and overall for the Falck Group and serves as input to the 2019 compliance work plan.

The results show that the top three global compliance risks to focus on in 2019 are Bribery & corruption, Competition compliance and Whistleblower (Falck Alert). The exercise also introduced three additional focus areas, namely Conflict of interest, Gifts & hospitality and Fraud. Several actions have been taken in 2018 related to these risks, including a new Gifts & Hospitality Policy introducing global thresholds and a new Conflict of Interest Policy requiring disclosure of any potential or existing conflict of interest.

Plans for 2019 include further integrating the compliance risk self-assessment into an online form as an easy access for all entities,

Compliance risk assessment



- (A) Bribery & corruption
- (H) Working with business partners
- (B) Facilitation payments
- (I) Occupational health & safety
- (C) Gifts & hospitality
- (J) Environment
- (D) Conflict of interest
- (K) Social investments
- (E) Fraud
- (L) Whistleblower (Falck Alert)
- (F) Competition compliance
- (M) Human rights
- (G) Company assets & data protection

Risk and impact assessments

as well as communication around accountability when reporting on compliance risks. The online form is expected to provide better data analytics, which can be used to further improve the Falck compliance programme.

Human rights impact assessment

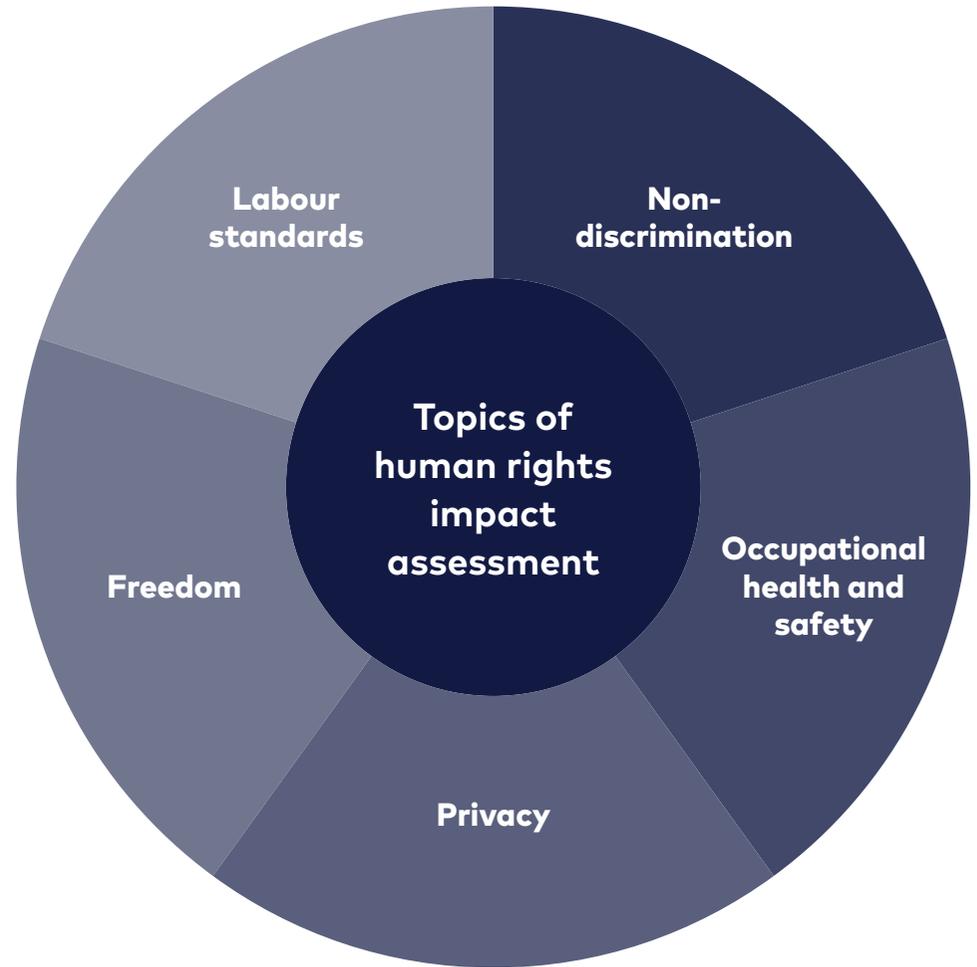
In 2018, we conducted our first human rights impact assessment, covering the areas within human rights where Falck as a global company has the most impact. All Falck entities were asked to answer nine questions related to relevant laws and regulations protecting and promoting human rights globally and at work, such as labour conditions and discrimination. The assessment was conducted simultaneously with the compliance risk self-assessment.

The consolidated human rights impact assessment shows low to moderate risk impact and risk likelihood in all areas, with a number of differences from country to country. However, favouritism and discrimination based on political opinions, expressions, race, gender, sexual orientation or religion were generally assessed to be the most likely negative human rights impacts. At Falck, we strongly believe that a workforce with diverse backgrounds, thinking and personalities combined with the right capabilities is a key enabler for performance and success, and we are therefore committed to taking action in order to mitigate the identified risk.

At the end of 2018, we published a new global Diversity and Inclusion Policy for the purpose of promoting a diverse workforce with diverse backgrounds. All Falck employees are required to comply with this policy and we expect it to be the foundation of local initiatives to ensure that favouritism and discrimination do not take place.

The impact assessment showed a tendency for the Nordic and EU countries to assess a greater risk impact on human rights than seen in the US and Latin America assessments. On the other hand, the US generally assessed a greater risk probability than e.g. the Nordic countries did. The Industrial Fire Services and Ambulance business units assessed the risk likelihood to be greater than e.g. the Healthcare and Assistance units did.

Another tendency was for some countries and local entities not to have the right procedures in place for understanding and reporting the number of lost time injuries (LTI) correctly. From a global perspective, we commit to help increase the understanding and correct reporting of key HR metrics. Global definitions and standardised reporting processes will be communicated in 2019 and must be implemented locally.



UN Sustainable Development Goals

Three SDGs in focus

Just as the United Nation's Sustainable Development Goals serve as a blueprint for creating a better society, we use them as a blueprint for becoming a more sustainable company.



Over the past few years, we have been working towards seven of the goals. This year, however, in order to focus our efforts, we have decided to reduce our focus to the three SDGs that are closest to Falck's business model and where we can have the most significant positive impact. We have identified goals number 3 (Good health and well-being), 8 (Decent work and economic growth) and 16 (Peace, justice and strong institutions).

These three SDGs interlink with the three main chapters of this report: Health, People and Trust, and the relevant SDG and related targets are commented on at the beginning of each chapter.





Health

As a provider of emergency response and healthcare services, promoting healthy lives and well-being lies at the heart of our business. This is clearly reflected in our business model.

3 GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote well-being for all at all ages

SDG targets: 3.4, 3.8, 3.c

Why this is important to society

Sufficient and high-quality health and emergency care is vital for societies not only to preserve and promote the population's health and quality of life, but also to ensure optimal use of healthcare resources.

Why this is important to Falck

Our core business is helping people in need. Our clear purpose is to be there in times of distress and promote a proactive approach to health.

Our targets

To provide accessible health and emergency care solutions of a high quality in the communities we work in.

Our risks

Inability to attract an adequate number of skilled employees. Unsatisfactory quality of services.

Our actions

Strict quality management procedures. Continuous training of employees.

Saving and improving lives

Health is our business

Through our Ambulance business, we play an important part in national and regional healthcare systems and value chains. We are there when we are needed, and our highly skilled ambulance staff saves lives and cares for patients every single day. Similarly, in our Healthcare business unit, we provide psychological and physiological treatments that improve the lives of employees, enabling them to return to work sooner and continue a healthy worklife. Falck Global Assistance transports people home safely when needed, and our dedicated staff in Assistance and Industrial Fire Services prevent accidents every day.

In other words, Health is our business and part of our DNA, and our employees are proud to provide prevention, protection and emergency response to their local communities. In our first global engagement survey from September 2018, the global score to the question about "purpose" was 83 out of 100. That is six points higher than our external benchmark and shows an exceptional sense of pride in the work we do.

Globally, Falck employees perform voluntary first aid training, support the work of local communities in terms of bystander resuscitation (CPR), carry out accident prevention training, and much more.

As a global provider of ambulance services, Falck wishes to contribute to the development of prehospital care through close partnerships with public healthcare players, local communities, patients and their relatives as well as technology providers. We engage in projects that explore new ways of providing prehospital care and exploit new technologies in a scalable way in order to enable more healthcare for less.

FALCK IN NUMBERS

Ambulance and patient transport services:	7,200,000
Psychological treatments:	230,000
Physiological treatments:	1,500,000

Our business model



Key resources

- People**
We rely on more than 32,000 highly skilled and trained employees
- Equipment**
We use high quality equipment enabling effective diagnostics and resolution
- Partnerships**
We partner with local communities to customise our global services to local needs
- Innovative culture**
We utilise new technology and explore new ways of working
- Brand & reputation**
We benefit from a strong brand and a solid reputation for being effective, reliable and caring in everything we do

Activities

	Contracts	Management systems & trained employees	Services delivered
Ambulance	<ul style="list-style-type: none"> Ambulance and patient transport services on fixed-price or pay-on-use contracts with local and regional authorities, hospitals and insurance companies In Latin America, doctors-on-call as private subscriptions 	<ul style="list-style-type: none"> Dispatch, fleet management and planning processes Quality management 23,000 employees trained to meet customer requirements 	<ul style="list-style-type: none"> 1,800,000 emergency services 4,000,000 patient transport services 1,400,000 doctors' home visits
Assistance	<ul style="list-style-type: none"> Roadside assistance on pay-on-use contracts with insurance and private companies Roadside assistance and family healthcare as private subscriptions 	<ul style="list-style-type: none"> Dispatch, fleet management and planning processes Digital assistance centres and customer relationship management Quality management 5,000 employees trained to meet customer requirements 	<ul style="list-style-type: none"> 800,000 roadside assistances 275,000 private patient transports
Healthcare	<ul style="list-style-type: none"> Employee healthcare programmes on pay-on-use and fixed price basis with insurance and private companies Prevention, examination, treatment and rehabilitation 	<ul style="list-style-type: none"> Resource planning and case management Quality management 2,000 trained employees and a large network of associated professionals 	<ul style="list-style-type: none"> 1,500,000 physiological treatments 230,000 psychological treatments 850,000 hours of occupational health services

Value created

- Safe and caring services**
We save lives, treat and transport patients, support healthy workplaces and assist on the roads
- Efficient operations**
We deliver efficient operations and adapt our global models to meet local customer needs
- A great place to work**
We offer challenging and purposeful work with opportunities for personal and professional development
- Societal impact**
We perform life-saving and life-improving care to people around the globe
- Shareholder value**
Falck's business model and strategy are designed with the ultimate objective of creating shareholder value



People

Our most important asset is our workforce, and we aspire to provide an inspiring and performance-oriented work environment in which our people have equal opportunities and thrive both personally and professionally.

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG targets: 8.5, 8.7, 8.8

Why this is important to society

As part of the global society, companies are obliged to promote and ensure an inclusive workplace with decent working conditions for all their employees.

Why this is important to Falck

We are a people business; our workforce is our key asset. Their well-being is vital for a sustainable and profitable business.

Our targets

Fair payment, decent working conditions and equal treatment for all our people.
An engaged, skilled and mentally and physically fit workforce.

Our risks

Data quality issues. Work accidents and sickness. Unfair compensation. Lack of diversity. High employee turnover.

Our actions

New global data platform for non-financial KPIs. Aligning KPI definitions globally. Further implementation of Diversity and Inclusion Policy. Continued engagement survey. Global health and safety focus.

New data model

Increased knowledge about key HR drivers

In 2018, Falck established a global function to drive the global alignment of data related to people and organisation, in order to better understand how employees are paid, who is leaving and what drives engagement. We are in the process of defining a new data model, which will ensure aligned and transparent data, and in the second half of 2019, we will introduce a global data platform, allowing for more comprehensive, frequent and standardised global reporting on e.g. employee turnover and sickness absence.

The controlling of non-financial KPIs will have a clear anchor in Global HR, and the processes will be supported by Finance and local HR departments. We aim to introduce a new data validation process and align definitions on main KPIs. As a result of the new governance and processes, we expect a significant increase in data quality.

Employee turnover and sickness absence

Based on the numbers currently available, we observe that turnover has increased during

the last three years (from 23.7% in 2016 to 30.2% in 2018). Considering the business transformation which Falck is going through, this development is not unexpected. Going forward, we will work on stabilising turnover levels, especially voluntary turnover (resignations) for critical positions.

During the last three years, sickness absence has remained stable at a relatively low level (3.4%). We do not observe a trend in an upwards or downwards direction and will focus on keeping sickness absence at this low level.

By the end of 2019, we expect to gain a higher degree of transparency around KPIs and better knowledge about the drivers behind, enabling us to make better-informed business decisions and to better assess our standing on factors such as equal and fair treatment throughout the organisation. To underpin our efforts to support decent work and economic growth, we are creating a new global rewards framework and policy linked to our efforts to promote equal pay.

Engagement

Global engagement survey

At Falck we believe that an engaged workforce delivers better results. Conducting our first ever global engagement survey in 2018, we took an important step on our journey to become a unified global company.

In close collaboration with external partners, we have created a global engagement programme that enables our people to speak up and share positive and negative feedback. This creates a global baseline which allows us to celebrate where we excel as a company and challenges us to re-think how we conduct business to ensure that we always make the best decisions for our employees, our customers and our business.

The simple 23-question online survey – with the option to give qualitative comments on each question – was delivered in local languages to more than 24,000 employees worldwide. In total, more than 14,000 employees took the survey (a response rate of 61%), and we received more than 19,000 comments, which have been analysed and categorised using a sentiment analysis tool and pattern-recognition artificial intelligence. The survey established an overall global engagement score of 69 for Falck, close to our external benchmark of 72. Given our turnaround situation, we believe that this is a satisfactory score.

The results from the engagement survey show that our people find a strong sense of purpose in Falck, taking pride in helping others when lives and health are at stake. This, however, translates into a concern across the organisation that decisions are not always made with people in mind, referring both to our own employees and to the people we serve. The survey also shows a demand for more and better communication on direction and key decisions.

We have lined up initiatives which we believe will address some of the identified areas for improvement. Among others, we have built a new global intranet, which will give us the infrastructure to share information across our organisation; we are working on revitalising our global brand; and we will continue to listen to our employees – using the engagement survey as one of the tools.

We also believe in strong leadership as a prerequisite for a successful organisation where people thrive. Managers on various levels at Falck are pivotal to attracting and retaining a strong and dedicated employee

base, and in 2019, we will therefore continue to develop the training and support we provide for our managers.

This year's results established a global baseline for 2019 and upcoming years. We plan to conduct the engagement survey on an

annual basis, as we continue the development of our global engagement programme and deepen our understanding of how to engage our workforce, how to mitigate any negative impact we may have as a company, and how to continuously improve working conditions and working environment.

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More than 14,000 employees took the opportunity to provide us with feedback, a response rate of 61%.



Health & safety of our employees

A proactive approach to health & safety

Falck is in the business of saving and improving lives, and consequently, it is extremely important to us that we do not have a negative impact on the health and safety of our own employees.

In 2018, we updated our Occupational Health and Safety Policy, which is an integrated part of our Code of Conduct.

We are currently in the process of mapping our global health and safety processes, aligning definitions and validating available data, as there is significant variation across business entities and countries. This is essential in order to ensure alignment and sharing of best practices across the organisation. We have started the process within one of our core business units, Ambulance, as the first step towards establishing a global Health & Safety network at Falck.

Understanding root causes of accidents

We are also taking steps to understand the root causes of accidents in order to move from a reactive to a proactive approach. We are developing new training programmes for our employees, focusing on reducing the injuries that are most likely to occur or where it is easiest to change the behaviour that

causes the injuries. In our line of business, we cannot eliminate risk entirely, but this proactive approach to health and safety will allow us to minimise injuries and promote employee safety.

The frequency rate of lost time injuries (LTI) decreased from 16.2 in 2016 to 11.9 in 2018, and we aim to continue this positive development through our proactive approach.

Promoting employee well-being

We also wish to promote the mental and physical well-being of our own employees, recognising that this has significant impact on their ability to perform, their likelihood of being injured and their overall quality of life.

We are currently exploring how we can best support our employees to improve their fitness level. We are looking at pilot studies in Denmark, and best practices globally. In the US, Falck has already implemented

the Fit Responder training programme that teaches proper lifting techniques for moving patients as part of the onboarding process. In the UK, we are performing individual risk assessments to help and support colleagues with existing health problems and prevent future injuries for others.

In the future, Falck aims to create a comprehensive global programme to launch across the organisation.

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We are taking steps to understand the root causes of accidents.



Diversity

Towards a balanced gender composition

A workforce with diverse backgrounds, thinking and personalities combined with the right capabilities enables better performance on a company level and ensures that we deliver excellent service to our customers.

Falck considers it essential to attract a diverse group of talents possessing the right competencies and attitude and the commitment to contribute to Falck's strategy.

To set the tone about diversity at Falck and promote an inclusive workforce with different backgrounds, we introduced an updated global Diversity and Inclusion Policy in 2018. We have reinforced communication around the policy, ensuring that all entities are aligned and that the global HR community act as gatekeepers and enforce diversity standards together with country management.

Gender composition

Falck is committed to working actively towards a balanced gender composition across the organisation and to increase the share of the underrepresented gender, specifically at management level. According to the Diversity and Inclusion Policy, candidate pools for managerial positions must always

include at least one candidate from the underrepresented gender.

In 2018, the percentage of female managers was 37%, equalling the ratio of women in Falck overall, and a marked increase compared to 2017 (30%). We are satisfied with the substantial increase in the proportion of female managers across Falck, which, however, is mainly a consequence of structural changes at management levels in our business units. As an example, the percentage of female managers in Sweden has increased by more than 50%, resulting in a ratio of more than 60% female managers.

Going forward, we will cascade the current policy throughout the organisation and include frontline workers through pilot projects in 2019. We aim to ensure that Falck continues to support gender equality and that this composition is maintained regardless of personnel changes.

Falck currently meets the criteria of the Danish Financial Statements Act concerning a balanced gender composition among members of the Board of Directors. Out of the six shareholder-elected board members, two are women and four are men.

Graduate Programme

The Falck Graduate Programme is a two-year programme, during which the graduates work in different entities in the organisation, including a post outside

of Denmark. We see our graduates as important ambassadors of cross-organisational cooperation, cultural understanding and diversity. In 2018, five graduates were recruited, representing several nationalities and both genders.

Gender diversity is only the first step towards an inclusive workforce in Falck. In the future, we also wish to focus on other areas such as nationality composition, age or seniority.



“
Gender diversity is only the first step towards an inclusive workforce in Falck.”



Trust

Trust is vital to our license to operate, and it is essential that we always conduct our business in a way that we never fail the trust of our partners, our customers or the communities in which we operate.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

SDG targets: 16.5, 16.6

Why this is important to society

Corruption harms society and results in increasing costs, disregard of laws, unfair competition and erosion of trust in government.

Why this is important to Falck

Each day we make decisions when assisting people in need, and the communities we operate in rely on us to be a trusted business partner. Therefore Falck takes a zero-tolerance approach against corruption.

Our targets

We are committed to maintaining this trust throughout all our operations, conducting business with integrity and high ethical standards with respect for applicable laws, regulations and internal policies.

Our risks

Breach of Code of Conduct.
Mistrust in whistleblower system and culture.

Our actions

Further implementation of Code of Conduct.
Implementation of new whistleblower system and focus on creating a trusting environment.
Follow-up on global compliance risk assessment.

Being a trusted business partner

Leading Global Compliance 2020

Linked to the overall Falck transformation, the Global Compliance function was established in November 2017 and charged with setting the direction and structure of the Falck Compliance Programme for the purpose of developing a culture of integrity and highest ethical standards. The Global Compliance function reports directly to the President & CEO of Falck.

The global compliance strategy "Leading Global Compliance 2020" was approved in April 2018. It supports Falck's global presence, aids the increasing pace of regulatory changes and introduces an innovative and data driven approach to compliance, which will contribute to making Falck a trusted business partner.

The compliance strategy transforms the approach to compliance and is integral to the commercial model. It focuses on the use of technology to provide easy-to-use compliance tools, instant access to information and simplified training programmes that limit manual processes.

The 2018 work plan included several building blocks to the foundation of the new Falck Compliance Programme. A new Code of Conduct, new risk self-assessment and new whistleblower system were all introduced in 2018, including training and awareness.

With the foundation in place, in 2019, we will focus on strengthening our ethical standards, our culture of integrity and the trust in our whistleblower system. Therefore, we have decided to move the planned implementation of business partner due diligence from the end of 2018 to our 2019 workplan, which will also include other activities such as a whistleblower newsletter.

New Code of Conduct

High expectations of our partners and ourselves

Falck is committed to maintaining trust throughout our operations and to conducting business with integrity and high ethical standards and with respect for all applicable laws, including anti-corruption laws, regulations and internal policies.

Falck's new Code of Conduct marks how we conduct business at Falck, working smarter with compliance by setting best practice standards.

From 2018, Falck's updated Code of Conduct stands as the single document applicable globally to all employees of the Falck Group as well as our business partners (defined as any party with whom Falck has any form of allegiance through an agreement). It aligns our activities, promotes uniform procedures and policies and enables us to live up to our promise of being a trusted business partner. The Code instructs employees on their rights and responsibilities and on how to make the best decisions. The format was carefully considered to give clear guidance and instructions in all areas, putting responsibilities into context by providing real life scenarios, so the Code becomes second nature and part of our general mindset and culture.

The new Code of Conduct covers 13 areas, including anti-bribery, competition compliance and a number of areas new to Falck such as facilitation payments, gifts & hospitality and conflict of interest.

In connection with the review of the Code of Conduct, Falck updated and clarified its underlying policies. These now include thresholds for gifts and hospitality, required declaration of conflict of interest, a new Fraud Policy as well as a new Human Rights Policy with new requirements regarding discrimination, harassment, forced labour, child labour, fair wages, etc. With the revised policies in place, the Business Ethics Policy became void as its content was converted into stand-alone policies.

Communicating the Code of Conduct

In line with the compliance strategy's focus on easy-to-use compliance tools, the Code of Conduct is available in an app solution,

providing easy access for all employees and with quizzes testing compliance knowledge. The new Code of Conduct was sent out digitally to more than 25,000 employees in eight languages and supplemented by campaign material and global communication. The Code of Conduct app provides basic data analytics on what areas are read and by whom, giving valuable insight into how the Code is applied across our global organisation and enabling Global Compliance to target entities and countries if use decreases.

The Code of Conduct has become part of all new employment contracts in Falck and all policies and codes previously applicable have been revised or removed. In addition, specific classroom trainings have been conducted of key global functions such as Procurement, Legal, HR, Bid & Tendering and Finance, so that these employees can serve as ambassadors of the new Code of Conduct.

With this Code of Conduct, we are setting a best practice standard. We intend to develop it further in 2019, introducing intelligent data analytics in order to assess which areas are read and not read, pushing messaging to employees, introducing function-specific compliance quizzes and providing online training.

Prior to the Code of Conduct and policy review, Falck conducted a business ethics e-learning programme with approximately 3,500 employees, which saw a 90% completion rate after four weeks.

Modern Slavery Act Transparency Statement

Following up on the business ethics e-learning in Q1 2018, Falck released its annual Modern Slavery Act Transparency Statement in which we highlighted our review of existing policies as well as our expectations for the new Code of Conduct to better assess our human rights impact.

Global Anti-Corruption Statement

The nature of Falck's activities means that we play an important role in the communities we operate in. These communities rely on us to be a trusted business partner and therefore Falck takes a zero-tolerance approach towards any form of direct or indirect, passive or active bribery. Falck therefore released its first global Anti-Corruption Statement on 9 December 2018 on the UN International Anti-Corruption Day, giving our commitment to the fight against corruption.

Falck Alert

Creating a trusted whistleblower system

We are committed to building a culture across our global company that encourages speaking up, asking questions and raising concerns whenever needed and without being uncomfortable doing so.

In 2018, Falck increased focus on the development of our whistleblower system, Falck Alert, and applicable laws within this area, working towards a completely aligned approach.

Falck Alert was relaunched in 2017 through a global awareness campaign, resulting in a slight increase in incident reports. The intake method of a report has changed drastically in the past two years as only 9% of all reports in 2018 were made via the hotline whereas online reporting rose to 91%. An assessment was therefore carried out to compare the current setup with Falck's future needs.

Based on that, we decided to change the current Falck Alert system to a more user-friendly solution, and in December 2018, we introduced a new Falck Alert solution that employees, business partners and third parties can use to raise their concerns about irregularities or improper actions that fail to comply with applicable laws and regulations, the Falck Code of Conduct or internal policies. Reports can be made through a

webpage or an app, where a reporter is able to easily, securely and anonymously report an incident, add pictures, videos or make voice recordings.

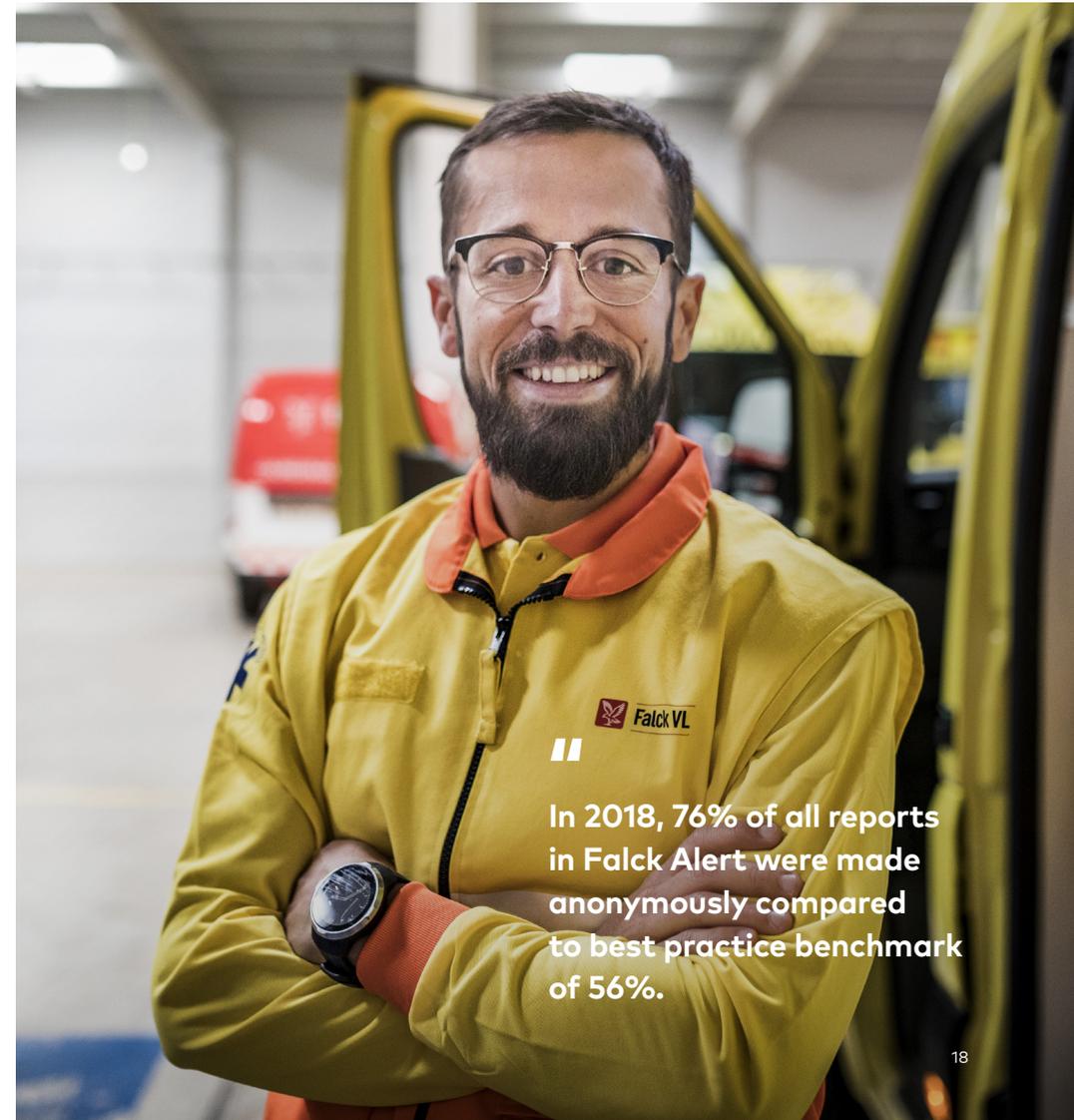
Falck encourages employees to raise their concerns about irregularities or improper actions and will continue communicating this globally to create a culture of full transparency so that we can keep our promise of being a trusted business partner.

In 2018, 76% of all reports in Falck Alert were made anonymously compared to best practice benchmark of 56%. With the new Falck Alert solution, future speak-up activities and the Code of Conduct becoming more and more integrated in the business, we aim at reducing the number of anonymous reports.

We wish to build a culture of trust in the Falck organisation in which people can speak up without fear of reprisals and with enough trust in the Falck Alert platform to report their concerns. Reporting a concern or even

concrete unethical behavior can be difficult for anyone regardless of cultural background or position in the organisation, and it is our overall responsibility to make sure that these difficulties are overcome.

We will not add a target for the number of reports, as our focus for the coming period is to create a trusting environment across our global organisation. However, such a target might be considered in the future.



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Environment and climate

We acknowledge our environmental impact

As a global emergency response and healthcare services company, we wish to mitigate any negative environmental impact our business activities may cause.

As a people business we believe that the best way to reduce our environmental footprint is through the behaviours of our employees.

As stated in our new Code of Conduct, all employees are expected to consider the environmental impact of their actions and the actions of our business partners. We expect our employees and business partners to support a precautionary approach to the environment and take steps to work in a sustainable manner. We encourage our employees to use resources sustainably and create a climate-conscious working environment.

We are currently evaluating our governance setup regarding environment and climate. We wish to embrace existing initiatives, develop new policies and means of measurement and define new actions, in accordance with the Sustainable Development Goal #7 (Affordable and clean energy). Since we are in the process of evaluating and adjusting our efforts in this field, we are not able to report specific results from 2018.

ISO certifications

In addition to the Code of Conduct, Falck holds a number of ISO certifications related to environmental sustainability. These certifications apply to the Ambulance and Industrial Fire Services businesses.

Falck's ISO landscape is complex and varies from country to country and from business unit to business unit. In order to streamline the certification process and create a better overview of global processes, we have introduced the Global Certification Programme and the ownership of certifications is being transferred to Business Quality Management. Relevant head office employees are certified and country organisations and business units are certified as units of the global programme. Where relevant, ISO 14001 (Environmental Management) forms part of this process. Over the next two years, we plan to develop a comprehensive overview of all ongoing local projects with a view to elevating the more effective ones into global policies.

Falck is developing an electric emergency vehicle with a separate power system for medical equipment and sirens.



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