

# Sustainability Report 2019



# Falck at a glance

Falck is an international market leader in emergency response and healthcare. We help people in urgent need, bringing peace of mind to our customers. Our strongholds are in the Nordics, the US and Colombia. We operate in 30 countries.



We take pride in turning care into action by delivering emergency response and healthcare services **24-7** – whenever urgent help is needed.

We are a reliable partner to the local communities where we operate and we are committed to exploring new ways of working with our customers.

We have been in emergency response since

# 1906

Every year, Falck responders drive 195 million kilometres. That corresponds to

# 250 times

the distance to the moon and back.

We provide emergency response within ambulance, fire services and roadside assistance. Within healthcare services, we provide doctor's consultations, physiological and psychological treatments. And we prevent accidents from happening.



**Ambulance**



**Roadside Assistance**



**Healthcare**



**Portfolio Businesses**

We are more than

# 30,000

professionals working to help people in urgent need.

We love what we do. United in the belief that every life is precious and that we make a difference for people in urgent need, we enjoy careers with real-life impact.

That is why we can always promise that we are:

**There when you need us**

# Contents

<b>1.0 Intro</b>	<b>4</b>	<b>5.0 Environment &amp; climate</b>	<b>17</b>
A word from the CEO	4	Our environmental and climate footprint	17
<b>2.0 Our approach to sustainability</b>	<b>5</b>	<b>6.0 Trust</b>	<b>19</b>
Our commitment	5	A trusted business partner	19
Risk and impact assessment	6	Increasing trust in our whistleblower system	21
Sustainability dashboard	7	Competition case and self-cleaning programme	22
<b>3.0 Health &amp; well-being</b>	<b>8</b>		
Health and well-being is our business	8		
Skilled healthcare professionals	10		
Quality management and patient safety	11		
<b>4.0 People</b>	<b>12</b>		
An engaged workforce	12		
Introducing our Winning Behaviours	14		
Health and safety	15		
A diverse company promoting equal rights and opportunities	16		



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 serves as our first annual Communication on Progress to the UN Global Compact, to which we became a signatory in January 2019.

The reporting covers our social, environmental, ethical and diversity impact and actions and therefore represents our statutory statement on social responsibility and the underrepresented 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 2019.

## A word from the CEO

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

In January 2019, Falck became a signatory to the UN Global Compact. We committed to the Ten Principles and pledged to align our strategies and operations with universal principles on human rights, labour, environment and anti-corruption and to take action to advance societal goals.

Being mindful of how we impact social, environmental and economic developments, we pay particular attention to our impact on 1) the access to health of our customers and the communities in which we operate, 2) the people we employ, 3) climate and the environment around us, and 4) the trust of our employees, customers and other stakeholders.

These four areas constitute the four main chapters of this report.

Health stands at the core of our business. Every day, Falck employees across business units and countries help people in urgent need, bringing peace of mind to local communities where we operate. Adequate healthcare training of our frontline employees and strict quality management procedures are prerequisites for us to deliver high-quality services to

customers and patients. In 2019, we increased our focus on both these areas.

Falck is a people business. Every day, our employees put themselves at risk to save the lives of others. Their health and safety continue to be a key concern to us.

Over the recent year, safety increased in importance as improved data quality uncovered more accurate numbers of the number of fatalities, health and engagement levels in our business. To us, every life is precious, and we want to be a great place to work. Therefore, we work diligently to bring the number of fatalities to zero and to improve health and engagement levels across our workforce.

In 2019, we conducted our second annual global engagement survey which led to numerous local initiatives, and globally to the development of a common approach to how we should act towards our colleagues, patients, customers and society: our three Winning Behaviours. In 2020, we have made safety a global priority and added global expertise and resources to the extensive work that is being carried out locally.

Falck's vehicles drive 195 million kilometres every year, corresponding to 250 times the distance to the moon and back. We wish to mitigate any adverse impact our business activities may have on the climate and the environment, focusing our efforts on fuel consumption. In 2019, we added relevant KPIs within this area to our sustainability dashboard.

Our sustainability efforts are firmly embedded in our Code of Conduct, and in 2019, we accelerated training in this and in our whistleblower system, Falck Alert. After a ruling at the beginning of the year on a competition case dating back to 2014-15, we further increased focus on compliance, transparency and ethics. We also carried out an internal investigation to identify any past or present violations of the Code of Conduct.

It is our ambition over the coming years to define shared value projects together with our business partners and customers. Such projects will enable us to have a positive impact on society beyond our own business and will most likely focus on fleet electrification and the development of new prehospital health-

care services. This will supplement our efforts to ensure and improve responsible business practices within our key focus areas of health, people, environment & climate and trust.



**Jakob Riis**

President and CEO



# Our commitment

**Falck's sustainability efforts are integrated in our daily business decisions and strategy. Our commitment is firmly embedded in our Code of Conduct and in our Winning Behaviours.**

Falck is an international leader in emergency response and healthcare services. We help people in urgent need, bringing peace of mind to local communities where we operate.

Our patients, customers, employees and society in general place trust in us. Falck is committed to acting responsibly as a company and to contributing to socially, environmental-ly and economically sustainable developments.

## COMMITMENT TO THE UN GLOBAL COMPACT

In January 2019, we became a signatory to the UN Global Compact, and this report serves as our first annual Communication on Progress to the UN Global Compact. We commit to its ten principles on human rights, labour, environment and anti-corruption and thereby also to the principles for sustainable development agreed upon internationally and 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.

We integrate our sustainability efforts in our daily business decisions and strategy. Our commitment is firmly embedded in our Code of Conduct and in our Winning Behaviours.

## FOUR MAIN FOCUS AREAS, FOUR SDGS

Being mindful of how we impact social, environmental and economic development, we give particular attention to our impact on 1) the access to health of our customers and the communities in which we operate, 2) the people we employ, 3) climate and the environment around us, and 4) the trust of our employees, customers and other stakeholders. These four areas are described further in the four main chapters of this report.

For each focus area we have identified the UN Sustainable Development Goal (SDG) which best corresponds to our efforts and which we believe we can contribute to most: SDG 3 (Good health and well-being), 8 (Decent work and economic growth), 13 (Climate action) and 16 (Peace, justice, and strong institutions). This way, we ensure that we address the global challenges most closely linked to Falck's usiness.



## MAKING OUR COMMITMENT OPERATIONAL

In making our commitment operational, we have conducted a compliance risk self-assessment which measures our risk maturity on Code of Conduct and sustainability-related risks. Additionally, we have carried out a global employee engagement survey. The assessment and survey provide input to our ongoing implementation efforts and mitigating actions. In relation to this, we have defined a number of non-financial KPIs in order to measure our outcome and progress which are illustrated in a sustainability dashboard.

This 2019 Report has increased focus on environmental reporting by including fuel data and an expanded Environment & climate chapter. We still, however, face a number of data challenges, making it our priority to conduct concise risk assessments and set specific targets within all focus areas. Such activities will provide more accurate data which will allow us to base specific activities upon that data.

Alongside our efforts to ensure, document and improve sustainable business practices, we intend to define shared value projects to-

## Policy, governance and shareholders

In 2019, Falck's Board of Directors adopted a Corporate Sustainability Policy, laying out the principles for our work within sustainability. The policy is available at [falck.com](http://falck.com)

Responsibility for Falck's sustainability reporting is shared between Global HR, Global Compliance and Global Branding & Communications. These functions report directly to the President and CEO of Falck.

Two of Falck's main shareholders are Danish foundations with clearly defined non-profit purposes: The Lundbeck Foundation (59%) supports biomedical sciences research, primarily in the field of brain research, while TryghedsGruppen (12%) finances the Tryg Foundation's non-profit activities promoting safety, health and well-being. Falck's third main shareholder, KIRKBI (29%), is the private holding and investment company behind the Lego Group.

gether with business partners, raising our level of ambition and making an impact on society beyond our own business. Such projects will be defined within the next few years.

# Risk and impact assessment

**A compliance risk self-assessment enables us to define priorities and mitigating actions.**

Risk and impact assessments are necessary to make our sustainability commitment operational as it allows us to understand the maturity of the organisation and where priorities and mitigating actions are needed.

In 2018, we performed a separate, basic human rights risk assessment, which continues to form the basis of our HR priorities together with our global engagement survey. In 2019, we performed our second annual global compliance risk self-assessment, which included human rights as a risk area.

In 2020/21, we intend to conduct a full human rights risk and impact assessment and to include a climate and environment impact analysis. Together with the annual compliance risk assessment, this will give us a full overview of our sustainability-related risks and adverse impacts, enabling us to define priorities and mitigating actions based on in-depth knowledge and data. The purpose of the compliance risk assessment is to assess the compliance risk profile of our global business and to identify the areas where we have the greatest risk of having an adverse impact.

The 2019 compliance risk assessment was carried out as a self-assessment structured around the 13 areas of Falck's Code of Conduct. Risk scores are determined by selecting pre-defined answers to a number of practical questions related to the operations. The results from the 2019 risk assessment were compared with the results from the first compliance risk assessment carried out in 2018.

Most Falck entities completed the compliance risk self-assessment form in 2019, and the assessment thereby forms a risk profile for Falck overall and for each business unit as well as an overall risk score per country. The compliance risk score is used to determine focus areas by country, business unit and overall for Falck, and it serves as input to the 2020 compliance work plan.

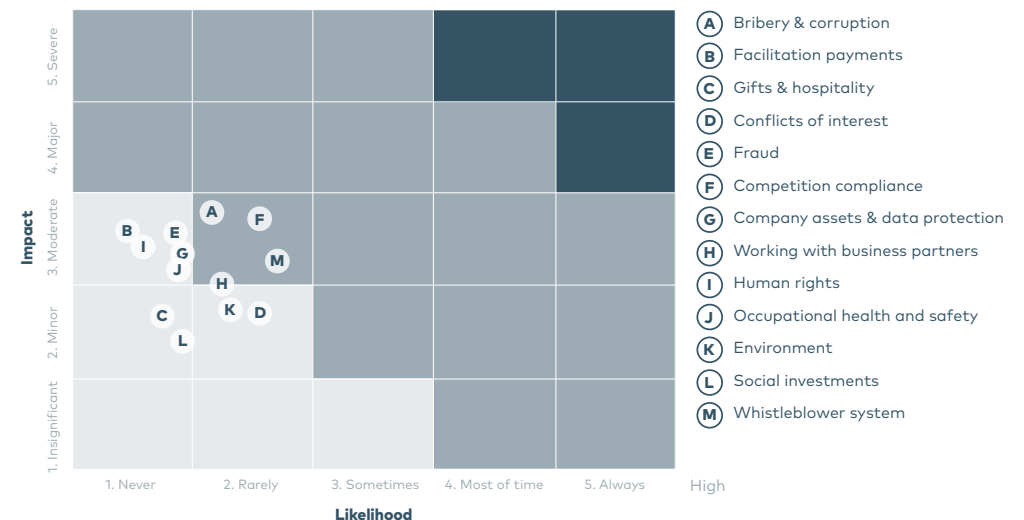
The results of the 2019 assessment identify bribery & corruption, competition compliance and the misconduct reported through the whistleblower system as Falck's top three compliance risks based on the average of all responses to the self-assessment. These were also identified as the top three risks in 2018,

suggesting an inherently high-risk impact for bribery & corruption and competition compliance. Since 2018, we have implemented mitigating actions, including publishing a zero-tolerance statement and conducting face-to-face competition dawn-raid training of relevant employees. For the whistleblower system, reporting entities indicate that there remains a slight lack of trust in and awareness of the system, which has led to a negative assessment of how the system is perceived. In 2019, Falck launched the We Speak Up campaign to increase knowledge of Falck Alert, and this campaign will continue in 2020.

The overall risk score for Falck has decreased since 2018, but separately bribery & corruption, conflicts of interest and competition compliance have increased. The risk increase for conflicts of interest is caused by an adju-

stment in the scoring, which assigns a higher risk where no conflicts of interest have been reported, placing more focus on transparency. In 2019, Falck introduced the registration of personal interests via the One Compliance app, which requires employees to disclose personal interests that could potentially be or become conflicts of interest. The registration system will be integrated further in 2020. The risk increase in competition compliance is likely due to the heightened awareness of the issue, prompted by a competition case in Denmark and the global dawn-raid training which results in the respondents assigning a higher risk impact score for competition compliance. In 2020, Falck will review how to integrate the risk assessment into an online tool, and we expect the results may be used for data analytics.

## COMPLIANCE RISK ASSESSMENT



# Sustainability dashboard

The sustainability dashboard defines a number of KPIs describing Falck’s social, environmental and ethical impact. The KPIs relate to the overall focus areas of our sustainability efforts, within which we measure our outcome and progress as described in this report.

Compared to 2018, we have added KPIs relating to environment & climate, namely KPIs for fuel efficiency and CO<sub>2</sub> emissions by our fleet. These numbers are, however, not available for 2017, as we implemented a new fleet management system in 2018-19. KPIs have not yet been defined for the focus area health, but are expected to be defined in 2020/21.

Targets have not been added to the sustainability dashboard as our strategic direction within sustainability has not yet been defined, and as we continue to experience difficulties with data quality in some areas. We expect to add targets for all KPIs in 2020/21.

The KPIs in the dashboard are elaborated upon in the applicable subsequent chapters.

## HR DATA QUALITY

As referred to in the 2018 Sustainability Report, our HR data quality and validity is

unsatisfactory and therefore subject to a degree of uncertainty. We are in the process of changing our reporting system from a decentralised process to a more global process, and this large-scale change is taking longer than anticipated. However, the quality of our data has improved since 2018, and we do trust the overall trends.

### Notes

- 1) 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.
- 2) 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.
- 3) 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.
- 4) Excluding part-time firefighters
- 5) Managers defined as employees with people responsibility.
- 6) According to the Danish Financial Statements Act §99b, 40% of board members must be of the underrepresented gender. Two out of six members counts as 40%.
- 7) Ambulances, person transport vehicles
- 8) Trucks, vans, support vehicles
- 9) Excluding company cars
- 10) 75% diesel, 25% petrol (estimate)
- 11) Diesel
- 12) Number of reports per 100 employees

## Sustainability dashboard

	2019	2018	2017
<b>People</b>			
Employee turnover <sup>1</sup>	25.2	30.2	27.1
Sickness absence <sup>2</sup>	3.6	3.4	3.0
Work-related accidents			
Lost time injury frequency (LTI) <sup>3</sup>	14.3	11.9	15.6
Diversity - gender			
Employee gender ratio (female/total) (%) <sup>4</sup>	31	37	35
Management gender ratio (female/total) (%) <sup>4,5</sup>	29	37	30
Women on BoD (female/total) (share) <sup>6</sup>	2/6	2/6	2/6
Employee engagement			
Response rate (%)	63	61	-
Overall employee satisfaction score	71	69	-
<b>Environment &amp; climate</b>			
Kilometres driven (1000 km)			
Ambulance <sup>7</sup>	156,590	166,351	-
Roadside assistance <sup>8</sup>	26,101	28,241	-
Total <sup>9</sup>	182,691	194,592	-
Fuel efficiency (litres/100 km)			
Ambulance	15	15	-
Roadside assistance	13	13	-
CO <sub>2</sub> emissions (tonnes)			
Ambulance <sup>10</sup>	61,944	65,565	-
Roadside assistance <sup>11</sup>	9,355	10,144	-
Total	71,299	75,709	-
<b>Trust</b>			
Whistleblower system			
Number of reports	257	53	32
Reporting ratio <sup>12</sup>	0.88	0.20	0.10
Anonymous reports (%)	53	76	95



# Health & well-being

As a provider of emergency response and health-care services, saving lives and promoting health and well-being is at the heart of our business and our business model.



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 to help people in need. We take pride in being there in times of distress and we promote a proactive approach to health.

## Our targets

To provide emergency response and healthcare 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.

# Health and well-being is our business

Falck is in the business of helping people in urgent need. We commit to providing high-quality emergency response and healthcare solutions in the communities where we operate.

Falck's Ambulance business forms an important and integral part of the prehospital health-care systems and value chains which we support. We are there when we are needed, and our highly skilled ambulance staff save lives and care for patients' well-being every day. Similarly, in our Healthcare business unit, our healthcare professionals provide psychological and physiological treatments that improve the lives of employees, enabling them to return to work sooner and continue a healthy work life. Global Assistance transports people safely home when needed, and in Road Assistance

and Industrial Fire Services, our dedicated staff prevent accidents and loss of life every day.

In other words, health is in the heart of our business. It is also a part of our DNA, and our employees are proud to perform life-saving care for people. In our global engagement survey 2019, 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. This is also reflected in the fact that Falck employees globally perform voluntary first aid training, support the work of local communities within bystander resuscitation (CPR), teach accident prevention and much more.

## Falck in numbers

Ambulance services	1,800,000
Patient transport services	4,000,000
Doctor's home visits	1,400,000
Physiological treatments:	1,500,000
Psychological treatments:	230,000

## OPEN SOURCE APPROACH TO INNOVATION

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, relatives and technology providers.





## Our business model

Within the next few years, Falck intends to define shared value projects together with business partners, raising our level of ambition and making an impact on society beyond our own business. Through such projects we wish to explore new ways for prehospital care and exploit new technologies in a scalable way in order to enable more healthcare for less. We want to develop new solutions in collaboration with customers and the local communities in which we operate. And we wish to share our results with others, through an open source approach to innovation.

### Key resources

#### PEOPLE

We rely on our more than 30,000 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

### Business units



#### Ambulance

- Emergency medical services
- Patient transport services
- Special event coverage
- Community healthcare



#### Road Assistance

- Towing
- Car service subscriptions



#### Healthcare

- Occupational healthcare
- Private healthcare subscriptions



#### Portfolio Businesses

- Fire services
- Global assistance

### Value created

#### CARE AND SAFETY

We save lives, treat and transport patients, support healthy workplaces and communities, save valuables 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

We deliver value to shareholders

# Skilled healthcare professionals

Our services are delivered by emergency response and healthcare professionals. We train our people in our own and customers' concepts, we provide proper, high-quality equipment and we aim at keeping our skill sets at high professional standards.

Operating contracts with local requirements, our strategies to ensure high-quality standards are developed entity by entity and often contract by contract. In the recent year, Falck Ambulance Denmark took another important step in developing its expertise to the highest

## NEW MEDICAL STRATEGY AND MEDICAL DIRECTOR

In Denmark, Falck developed a new medical strategy in 2019, supporting the professional development of ambulance personnel and the medical quality of our services. Among other things, we appointed a new medical director and developed a new training programme for ambulance instructors.

standards when developing a new medical strategy and training ambulance instructors how to create a productive learning environment with emphasis on feedback and reflection. Similar initiatives take place across Falck.

## COPD PATIENTS TREATED IN THEIR HOMES

In 2019, Falck and the Region of Southern Denmark concluded a pilot project concerning the treatment of patients with COPD (chronic obstructive pulmonary disease) in their homes through increased use of blood tests and ultrasound scanning performed by ambulance personnel. The results of the project are expected to be published in a number of scientific articles in 2020.

A spin-off project is currently being performed concerning increased use of ultrasound scanning of patients with shortness of breath and/or chest pain.



## Training of ambulance instructors in Denmark

In 2019, Falck launched a new training programme for its ambulance instructors in Denmark.

Ambulance instructors are paramedics/emergency medical technicians, who have taken on a role as instructors while continuing their shifts in ambulances. They are dedicated to helping develop the professional skills of their colleagues and play a critical part in ensuring that Falck can deliver prehospital training and healthcare services at a high, professional level. Ambulance instructors are expert teachers and healthcare professional role models, whose primary task is to create a productive learning environment for Falck's ambulance

personnel with emphasis on feedback and reflection.

Therefore, the Quality and Development team at Falck Denmark developed a new, internal training programme for instructors. The training runs over 11 days and consists of four modules. The content was developed based on surveys and focus group interviews with ambulance instructors. It centres around the five topics of scientific research and evidence, teaching methods, presentation skills, psychology and being a healthcare professional role model.

# Quality management and patient safety



Falck is committed to taking care of our patients. Therefore, patient safety and quality in our business is central to us.

To ensure patient safety, we are committed to following strict quality management procedures across our business. We are in the process of implementing a fully operational, integrated Business Quality Management model, supported by our global enterprise management system and driven by the global Business Quality and Risk Management team. This will support Falck's journey towards operating as one company through global models and secure consistency of quality across the business.

Governance, processes, audits and risk management are being centralised and standardised with focus on optimisation and continuous improvements across the Falck organisation. With the Business Quality Management model implemented across Falck, it will be a key business driver and competitive advantage, creating transparency, increasing knowledge-sharing and strengthening Falck's role as a reliable and trustworthy business partner

through quality assurance which goes beyond the legal contract requirements.

The Business Quality Management model also supports innovative medical services and the highest quality standards within medical practices, resulting in increased safety for patients. Falck is currently in the process of defining medical KPIs for parameters such as timeliness, cardiopulmonary resuscitation, medical compliance and serious adverse events. These KPIs will be part of our sustainability reporting going forward.



## ISO certifications

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 a global certification programme and the ownership of certifications has been transferred to Business Quality Management. By working with the standards in an integrated manner, we can achieve higher operating efficiency. We can detect and identify problems in due time, which means that we can quickly take steps to avoid the same mistakes in the future.

Ambulance services are being certified under the ISO certification programme. Sweden, the UK, Spain and Denmark were certified in 2019. Ambulance services in Germany and Colombia are certified locally in ISO 9001 and will be integrated in the global certification programme.

Industrial Fire Services is certified globally in ISO 9001, ISO 14001 and OHSAS 18001.



# People

Falck is a people business and our workforce is our most important asset. We aim to provide them with an inspiring, diverse and safe workplace that provides equal opportunities and where everybody can thrive personally and professionally.



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 a 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 pay, 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

Further improve reporting and data quality.  
Implementation of actions increasing engagement. Global health and safety focus. Continued focus on Falck as a diverse workplace.

# An engaged workforce

We want to be a great place to work for professionals within emergency response and healthcare. To support this goal, we conduct an annual, global engagement survey.

Being a great place to work is an ambition we take pride in. It is also an integral part of our strategy. An engaged workforce is more committed, better performing and delivers services at a higher level. To ensure a continued focus on employee engagement and to measure progress, we conducted our second, global engagement survey in 2019.

Compared to 2018, almost all scores increased, while none decreased. The overall engagement score (eSat) improved by two points to 71 and is now close to the external benchmark of 72, which was our goal.

The scoring on "Purpose" was exceptionally high, proving that Falck provides a purpose-driven and meaningful workplace for people who wish to save and improve lives. Deep-dives into "Leadership" and "Change capacity" confirm that we are working on the right global priorities but that we still have a way to go and that a continued and dedicated focus throughout 2020 is needed. Our am-

bition is to further increase the engagement score as well as the response rate in the years to come.

## LOCAL CHALLENGES REQUIRE LOCAL SOLUTIONS

Engagement scores are local and show large variations from country to country, from unit to unit and from team to team, as engagement to a high degree is related to daily practice, experience and what matters locally. Therefore, the focus of the follow-up activities is to reinforce and support local actions.

Leaders are required to work together with their teams to get results, creating concrete local action plans to tackle the issues. Within two months of the completion of the survey, all leadership teams in business units and countries must upload action plans, and within four months all teams must upload action plans, allowing them to meet the target for 2020 at local level. By enforcing this collective and dedicated effort throughout the organ-



isation, our aim is to go from numbers to action and to make working with engagement an integral part of working for Falck.

One example comes from Spain, where a lack of team-feeling and motivation among dispatch workers was remedied through shared training sessions, giving staff an opportunity to voice own concerns and listen to colleagues. The eSat score increased by four points.

Another example comes from Ambulance Denmark, where the eSat score went up by four points and the response rate went up by 23 points following a dedicated effort that identified three main focus areas and defined action plans at national, regional and local levels.

## Turnover

In 2019, overall employee turnover at Falck decreased by 5 points. While the turnover was still high, it was not unexpected as the company is currently going through a business transformation.

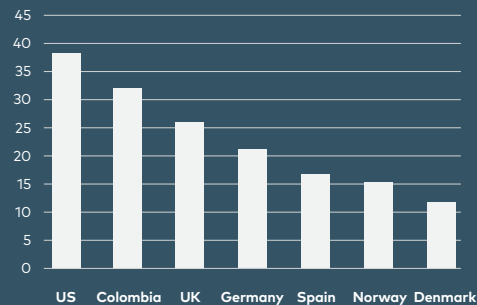
However, the turnover number contains large variations between countries, business units and job types. In the US, for example, turnover among primarily frontline ambulance personnel was as high as 39%, whereas turnover in Denmark was only 12%.

Falck therefore works with turnover at a local level, in line with our engagement initiatives. We see it as business critical that we are able to retain and develop our key people.

### Turnover total

**25.2**  
**(30.2)**

### Turnover by country %



## Engagement survey

23,257 employees invited

24 questions

eSat: 71 (+2)

Response rate: 63% (+2)

Comments: 24,812 (+26%)

17 scores increased, 0 decreased

## eSat

Score = 71\*



Engagement has increased or stabilised across all business units. 1/3 of all countries exceed the target of 72.



Large markets such as the US, the UK and Germany score low.

\* eSat is our measurement on engagement

## Purpose

Score = 83



95% of all respondents answer neutral or favourable to their work being meaningful to them.

## Leadership

3 out of 5 would recommend their manager to others but 1 out of 5 respondents would not.



## Change capacity

Change communication stands out with the lowest score. 1 out of 3 employees is dissatisfied with how communications are handled when changes are made.



30%



34%



36%

Almost 1 out of 5 does not feel supported in their effort to adapt to organisational changes.



31%



52%



17%

## Work-life balance



**87%**

87% of all employees indicate that they can balance their work and personal life successfully.

# Introducing our Winning Behaviours



Falck is a people business and a service company, and the way we behave is fundamental to our success as a company and a workplace. We want to create a culture where our behaviours win hearts and minds, and where there is clarity about what good looks like when it comes to how we interact. Behaviours that unite us across business units and countries.

In 2019, Falck developed three Winning Behaviours describing how we act and interact. The Winning Behaviours not only describe how we act today but also define how we should act to become even stronger in the future. They give us clarity, direction and pride as we work together to save and improve lives. They act as a mental compass, set the direction across business units and countries and are the backbone of our global HR offerings, concepts and tools.

## Our Winning Behaviours



### We are committed to care

People in need are at the heart of every decision we make, and we always strive to improve our competitive edge in offering excellent services to save and improve more lives.

We respond fast and have what it takes to turn care into action.

We care about what we do, who we work for, who we provide our services to and the people we work with.



### We build trust

Quality and ethics take priority in everything we do. We protect our license to operate by being transparent and living by high compliance standards.

We make no compromise when it comes to loyalty and consistency to earn and uphold the trust of our customers and society. We approach competition with a strong ethical compass.

We are open and honest with our managers, our employees and each other. We are never afraid to speak up if Falck's integrity is at stake.



### Together, we create more value

We bring value to society and people in need by being there when they need us.

We never settle to create value for shareholders. In doing so, we honour past investments in our business and allow for future funding in developing emergency response and healthcare services.

We work efficiently together across functions, countries and business units to continuously improve our services and surpass ordinary standards which sets us apart from competition.

# Health and safety



Falck is committed to ensuring decent working conditions and a safe and healthy working environment for our employees.

Every day, Falck people put themselves at risk to save the lives of other people, fighting fires or driving ambulances at high speed. This produces stressful situations and may also influence the mental health of employees if not handled with professionalism and empathy. Defusings and debriefings after serious incidents form an integral part of work processes, and we offer professional psychological assistance whenever needed.

In 2019, one colleague did not make it home from work following a collision, three patients died while under our care and two people died in collisions with ambulances. To us, every life is precious and every single one of these six fatalities is a daily reminder that safety must come first.

Safety increased in importance over the recent year. Initiatives were carried out locally to counter a development like the one we saw. In 2020, we have made safety a global priority and added global expertise and resources. Data on fatalities and other health and safety related issues are being consol-

idated into our global quality management system, and global learnings and strategies are being developed to bring down the number of fatalities to zero and to improve health and safety across Falck.

The Occupational Health and Safety Policy is an integral part of Falck's Code of Conduct.

**3.6 (3.4)**

sickness absence

During the past three years, sickness absence rates have remained stable at a relatively low level. Our focus going forward will be on keeping these levels low.

**14.3 (11.9)**

lost time injuries (LTI)

In 2019, lost time injury frequency at Falck increased by 20% compared to 2018.

## Leadership development programme

The 2018 engagement survey proved that leadership is critical to supporting and building engagement, and that manager relationships are of crucial importance and represent a key lever for change. Strong leadership is a prerequisite for a successful organisation where people thrive. In order to increase engagement and performance in our organisation, we need leaders who communicate openly and transparently about decisions, leaders with a clear understanding of their mandate, and leaders who are aware of their role in shaping the Falck culture on a daily basis.

In 2019, we therefore initiated a global leadership training programme, which will

lay the foundation for future leadership at Falck across business units and countries. The programme strengthens the leadership role, makes room for personal reflection and development while equipping and training our leaders in using concrete leadership tools and practices. The programme is first being rolled out to our frontline managers, who are the closest leaders to a large group of employees meeting our customers every day.

We believe that the new leadership development programme will positively influence employee attraction, retention and engagement levels – and ultimately our financial results and customer experience.



**Leading with care**



**Leading the business**



**Leading through trust**

# A diverse company promoting equal rights and opportunities



Falck is committed to promoting diversity, fair and equal treatment and to avoid any kind of discrimination and harassment. We want to be an inclusive workplace for all employees regardless of age, gender, nationality, sexual orientation, political standpoint, religion or any other facet of personal identity.

We work actively towards a balanced gender composition across the organisation and to increase the share of the underrepresented gender, in particular at management level. According to the Diversity and Inclusion Policy introduced in 2018, candidate pools for managerial positions must always include at least one candidate from the underrepresented gender.

## EQUAL RIGHTS AND FAIR TREATMENT

Equal rights and fair treatment require that all employees are treated and treat others with respect and dignity and can speak freely. A key indicator is the question in the global engagement survey concerning respect. 89% of Falck employees believe they are treated with respect and dignity in their work. That is three percentage points up from 2018 and indicates that we are on the right track. However, working with fundamental trust, compliance and leadership will continue to be a key focus area for us throughout 2020.

## DIVERSITY WITHIN AGE, TENURE AND GENDER

In our monthly reporting, we monitor age, tenure and gender across business units and

countries. In analysing the data, we see a highly diversified picture.

In terms of age, the majority of employees belong to Generation Y (1980-99) or Generation X (1965-79), which also represent the most active work groups in general. The data on tenure shows a balanced distribution with substantial numbers of employees in all work-experience groups.

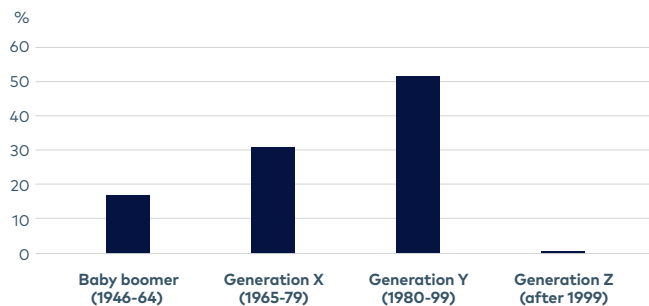
In terms of gender, there are very clear variations across business units, reflecting business professions. For example, 91% of industrial firefighters are men, whereas 71% of jobs with in Healthcare are held by women. In the global support functions (IT, Finance, HR, Communi-

cations etc.), the distribution is balanced at a 46/54 female/male ratio.

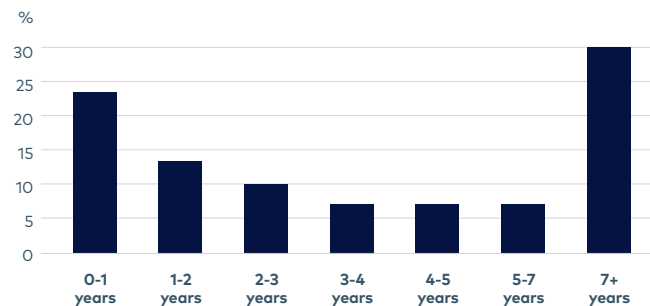
The female/male ratio is almost the same among people managers (29/71) as within the entire workforce (31/69), and on the Executive Management team, the ratio is 3/5 after three women joined the team in 2019, namely Michala Fischer-Hansen, EVP Assistance, Annette Damgaard, SVP Healthcare and Elisabeth Milton, SVP Global HR.

Falck meets the criteria of the Danish Financial Statements Act concerning a balanced gender composition among members of the Board of Directors as two of the six shareholder-elected board members are women.

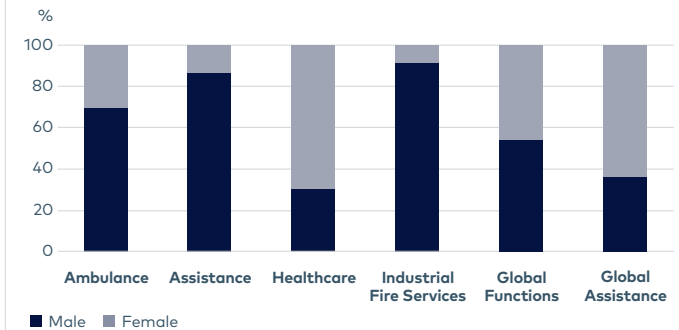
Age distribution of Falck employees



Tenure with Falck



Gender distribution per business unit







# Environment & climate

We wish to mitigate any negative impact our business activities may have on the environment and climate, focusing our efforts on the fuel consumption of our vehicles.



Take urgent action to combat climate change and its impacts.

SDG targets: 13.2

## Why this is important to society

Climate change is the result of human emissions of greenhouse gases, which in turn causes extreme weather events, disrupting ecosystems and human livelihoods.

## Why this is important to Falck

Action on climate change is both urgent and required by all companies. With saving and improving lives being at the core of Falck's ambition, we wish to mitigate the adverse impact our activities may have on communities.

## Our targets

Falck supports environmental innovation and awareness so that we can find new ways to reduce our adverse impact, which among other things includes the fuel consumption of our fleet.

## Our risks

Limited knowledge of environmental and climate impact.  
Low fuel efficiency and a high level of CO<sub>2</sub> emissions.  
Low environmental and climate awareness among employees.

## Our actions

Environmental impact assessment. Reporting on fuel consumption and CO<sub>2</sub> emissions. Efficient route planning, modernisation of fleet, local green driving initiatives. Definition of shared value projects with strategic partners.

# Our environmental and climate footprint

Falck strives to reduce its environmental and climate impact. We commit to identifying and mitigating risks, promoting sustainable processes and products and increasing energy efficiency with a special focus on fuel consumption.

Falck commits to proactively seeking to identify and mitigate risks in all activities at all levels of the organisation which might have an adverse impact on the environment or the climate.

It is our assessment that our greatest adverse impact derives from the fuel consumption of our vehicles. Therefore, in 2019 we started reporting on fuel consumption and corresponding CO<sub>2</sub> emissions, and this is where we intend to focus our sustainability efforts and mitigating actions in the coming years.

However, we realise that we also impact climate and the environment in other ways, e.g. through the energy consumption of our buildings, the production of our suppliers and the travels of our employees, cf. the scope 1-3 guidelines of the Greenhouse Gas Protocol Accounting and Reporting Standard. We will take this into account in a future analysis.

In 2018-19, we implemented a global fleet management system enabling us to operate and follow up on vehicle and fuel data and considerably increasing the reliability of our data. Also, we have introduced the following initiatives:

- Efficient route planning
- Modern vehicles
- Alternative fuel types
- Driving skills

These initiatives are, however, only the humble beginnings of our mitigating actions and development projects within fuel consumption. Over the next few years, Falck intends to define shared value projects together with business partners, raising our level of ambition and making an impact on society beyond our own business. We expect one such project will concern electrifying our fleet or implementing any other alternative fuel that might prove most energy-efficient at the time.



## Increasing fuel efficiency and driving fewer kilometres

**1**

In 2019, Falck's vehicles drove 195 million kilometres, corresponding to 250 times the distance to the moon and back. We take action at several levels to reduce the adverse impact of this activity; efficient route planning can shorten the distance driven by our ambulances and patient transport vehicles. In 2019-20, Falck is implementing a global dispatch system which will optimise our route planning, improve patient services and reduce fuel consumption by choosing the shortest journey when other requirements are met.

**2**

Modern vehicles consume less fuel. In 2019, Falck selected strategic suppliers for ambulance and road assistance vehicles, and in 2019-20, 130 new roadside assistance trucks will be in operation with multiple mileage-saving features.

**3**

Alternative fuels emit less CO<sub>2</sub> than fossil fuels. In 2019, Falck developed a first responder prototype (doctor's car) Tesla X electric car with a fuel cell system for extra battery power supply, and ten Nissan NV-200 electric cars were added to the operation of patient transport services in Copenhagen. In Sweden, Falck drives hybrid gas/petrol ambulances for lower emission, supporting the national goal of an emissions-free Sweden by 2023. Hybrid gas/petrol cars are also used for patient transport in Copenhagen.

**4**

Driving skills and behaviour also influence fuel consumption, and Falck regularly runs local green driving campaigns in selected countries, including the use of telematics for improved driver behaviour and fuel savings.

## Code of Conduct and ISO certifications

Environment is one of the 13 areas of Falck's Code of Conduct, which states that 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.

In 2020/21, we will develop a separate policy for Environment, underlying the Code of Conduct.

In addition to the Code of Conduct, Falck holds a number of ISO certifications related to environmental sustainability, notably ISO 14001 (Environmental Management). These certifications apply to the Ambulance and Industrial Fire Services businesses.



14001



# Trust

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



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, non-compliance, unfair competition and erosion of trust in governments.

### Why this is important to Falck

Every day, we are expected to be there when we are needed, which requires us to be a trusted business partner to the local authorities and communities which we serve. Falck therefore has a zero-tolerance approach towards breaches of the Code of Conduct.

### Our targets

Falck is committed to ensuring trust throughout all operations where business is conducted with integrity and high ethical standards in compliance with applicable laws, regulations and internal policies.

### Our risks

Breach of the Code of Conduct. Mistrust in Falck's whistleblower system. Mistrust in the tone from management.

### Our actions

Further implementation of the Code of Conduct. Implementation of new One Compliance app. Follow up on global compliance risk assessment.

# A trusted business partner

Falck's compliance strategy contributes to our ability to build trust and develop a culture of integrity embedded in the highest ethical standards.

The global compliance strategy, Leading Compliance 2020, ensures that compliance at Falck is simple, innovative and accessible to all employees, business partners and our communities. Compliance at Falck is driven by the overall aspiration of one global compliance platform, easily accessible, understandable and fitted to how employees today seek and

access information, from management and deskworkers to frontliners.

In 2019, Falck introduced the One Compliance app, which consolidated the existing Code of Conduct app solution with the Falck Alert whistleblower system and will be the go-to resource for all Code of Conduct matters. The app introduces forms where employees must register all given or received gifts and hospitality along with the appropriate approval process. Employees must also use the app to register any personal interests that could potentially be perceived as or are a conflict of interest. With the app, Falck now has a centralised overview of all activities under the Code of Conduct and a framework within which all compliance activities can be integrated, providing for useful data analytics.

Falck has published a zero-tolerance statement which applies to all employees at Falck. The statement reiterates Falck's ambition to be at the forefront of ethical business practices, sets management's tone in identifying ethical conduct as a non-negotiable priority

### 10 POLICIES UNDERLYING THE FALCK CODE OF CONDUCT

1. Bribery & corruption
2. Gifts & hospitality
3. Conflicts of interest
4. Fraud
5. Competition compliance
6. Company assets & data protection
7. Human rights
8. Occupational health & safety
9. Social investments
10. Whistleblower system



and defines strict compliance through ten principles. Any violation of the Code of Conduct or its underlying policies will undergo a structured and independent investigation process followed by appropriate remedial actions.

In 2019, Falck also initiated an analysis to prepare a third-party screening process, which will be implemented in 2020. With a focus on automating a due diligence process, the programme will ensure that Falck only conducts business with third parties that live up to our ethical standards and applicable laws and regulations.

The global compliance risk self-assessment conducted in 2019 indicated that the top three compliance risks continue to be bribery & corruption, competition compliance and misconduct reported through the whistleblower system. These areas will continue to be a central part of Falck's compliance activities in 2020.

The foundation of Falck's compliance programme is now in place. In 2020, Falck will focus on further communicating our whistleblower reporting and no-retaliation policy, ensuring that the zero-tolerance statement becomes an integral part of our organisation globally, and on adequate implementation of all policies and procedures globally, with local support where needed.

### WE BUILD TRUST

An important part of Falck's compliance approach is to ensure that compliance is easily understood by and accessible to all employees globally. While the One Compliance app provides the platform, Falck needs to ensure we have reached all employees appropriately.

In 2019, Falck therefore initiated the We Build Trust campaign. The campaign focused on training all employees globally on the Code of Conduct and building trust within Falck as part of the cultural turnaround. Part of building this trust is to raise awareness and understanding around of the Code of Conduct, ensuring that everyone plays by the rules.

2019 marks the first year of the global Code of Conduct training programme, which will now continue to run annually for all desk workers and biennially for frontline employees. The training was carried out through either e-learning, a pdf document accessible in our global enterprise management system or face-to-face training. By end of 2019, 100% of desk workers in Falck's core markets and 85% of frontline employees had completed the training. In 2020, Falck will push for the remaining employees to complete the training.

### MODERN SLAVERY ACT TRANSPARENCY STATEMENT

In April 2019, Falck released its annual Modern Slavery Act Transparency Statement in which we highlight our review of existing policies as well as our expectations for the new Code of Conduct to better assess our human rights impact.

Both statements are available at [www.falck.com](http://www.falck.com)

### ZERO-TOLERANCE STATEMENT

1. At Falck, all employees are expected to behave ethically and to refer to the Code of Conduct for guidance on best ethical practice.
2. Falck does not tolerate unethical behaviour or violations of the Code of Conduct by any employee.
3. All employees are responsible for completing the Code of Conduct training and to comply with it at all times.
4. All employees are required to report any actual and/or suspected violations of the Code of Conduct to their manager or through Falck Alert.
5. Employees reporting on violations will be protected from retaliation.
6. Suspicions of violations will be investigated, and implicated employees must be treated in a fair and objective manner.
7. All employees involved in investigations must be treated equally, regardless of job title or level at Falck.
8. Violations of the Code of Conduct will result in disciplinary actions, such as re-training, reprimands, suspension or dismissal.
9. Intentional violations of the Code of Conduct will result in immediate dismissal.
10. Two written reprimands will result in dismissal.



# Increasing trust in our whistleblower system

Falck's whistleblower system was introduced in late 2018, and in 2019 it was integrated in the One Compliance app. The way in which users report incidents has not changed. All Falck employees, business partners and third parties can still use Falck Alert to report concerns about irregularities or improper actions that fail to comply with applicable laws and regulations, the Falck Code of Conduct or internal policies. The app is available for all smartphones and as a desktop version.

Falck continued encouraging employees to raise concerns through the We Speak Up

campaign, through which Falck promoted a culture of full transparency to create more trust in the whistleblower system. Statistics on Falck Alert reports were published along with anonymised outcomes of cases and a video showing the process of reporting.

After the roll out of the We Build Trust and We Speak Up campaigns, Falck Alert saw an overall increase in cases reported and a decrease in the number of cases made anonymously. The number of reports received via Falck Alert in 2019 had increased sevenfold since it was reintroduced in 2017. In 2019,

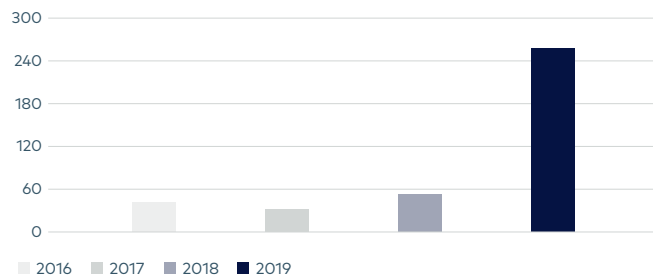
Falck received 257 reports, compared to 32 reports in 2017. Falck continues to encourage employees to use the system so that concerns can be investigated appropriately and objectively.

In 2019, 53% of all reports in Falck Alert were made anonymously compared with 77% in 2018. With a global best practice benchmark at 56%, we have managed to reach the best practice target in two years, focusing on building trust among our employees, customers and society. The reduction in anonymous cases is an indication that employees trust

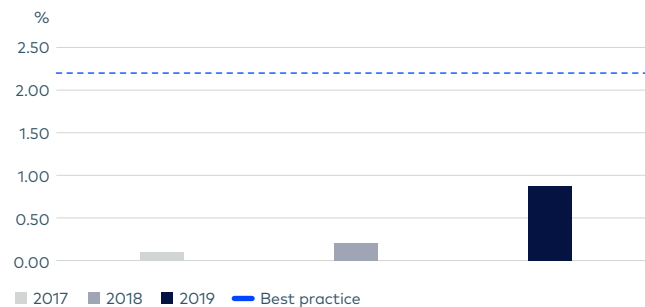
the system and know they can use it without fear of retaliation.

Despite the decrease in anonymous cases, Falck still aims to further build on the culture of trust within the organisation. In 2020, Falck will continue to regularly publish the Falck Alert statistics, containing number of reports, anonymous vs. named, types of cases and reporting countries and focus on telling the stories in order to demystify the perception of whistleblower reports. Increasing transparency will build more trust in the system.

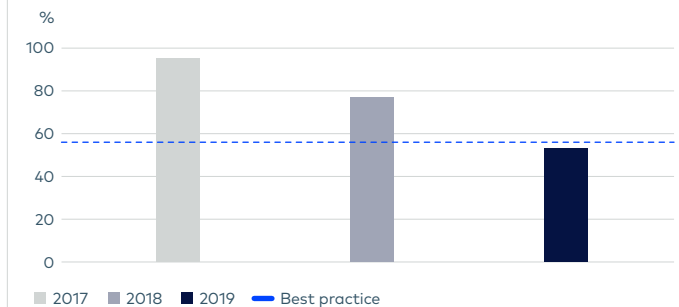
Number of reports received



Number of reports per 100 employees



Share of anonymous reports



# Competition case and self-cleaning programme



## Ruling from the Danish Competition Authorities

On 30 January 2019, Falck received a ruling from the Danish Competition Council for having violated the Danish competition rules in 2014-15 in connection with the award and transfer of the ambulance operation contract in the Region of Southern Denmark to a new provider (BIOS). Falck decided to accept the ruling.

### SELF-CLEANING PROGRAMME

Following the ruling, Falck initiated a comprehensive "self-cleaning programme" to ensure transparency and a zero-tolerance and speak-up culture on ethics. The self-cleaning programme aimed to:

1. Compensate parties that had suffered losses resulting from the conduct of Falck that led to the ruling of the Competition Council.
2. Carry out an internal review to identify and deal with past or present violations of Falck's Code of Conduct.

3. Apply a zero-tolerance approach to ensure that quality and ethics always take priority at Falck.

The self-cleaning programme was built on initiatives taken from 2016 onwards and aimed at building a stronger, transparent and compliant Falck. Initiatives included establishing a new executive management team and a top 30 executives group as well as a global compliance function, reintroducing the Code of Conduct and whistleblower system, an integrated operating model supported by global functions and clearer processes as well taking full ownership of entities in Latin America, Slovakia and Australia and making a number of divestments.

### 1. SETTLEMENT AGREEMENT WITH ALL PARTIES

On 24 June 2019, Falck reached a settlement agreement regarding the payment of compensation for losses resulting from the acts which had led to the ruling of the Danish Competition Council. The settlement was made between Falck, the Region of Southern Denmark, the Dutch owners of BIOS and the bankruptcy estate of BIOS in Denmark. Falck agreed to compensate the parties with a total amount of DKK 152.5 million. With the

settlement agreement, the parties waived any further claims, and all litigations between the parties were withdrawn.

In December 2019, Falck received a fine from SØIK (the State Prosecutor for Serious Economic and International Crime) of DKK 30 million. When setting the size of the fine, SØIK emphasised that Falck has collaborated with the authorities in the investigation and that Falck has compensated for losses related to the case. The fine was paid in early January 2020.

### 2. INTERNAL REVIEW CONCLUDED

In the spring and summer of 2019, Falck carried out an internal review of its business together with external experts. The review covered the years 2004-19 and aimed at identifying any past and present violations of Falck's Code of Conduct that Falck's management was not aware of.

Based on reporting from Falck's whistleblower system, business assurance visits, risk reporting, ethics and compliance reporting as well as input from Falck's new management and other stakeholders, potential topics of concern were identified. This led to a fact-finding exercise that included 3.8 million

documents from e-mail accounts and network drives of current and former employees as well as interviews with employees and other stakeholders.

The review uncovered issues related to partnerships, conflicts of interest and instances of local management not acting in the best interest of the company, giving Falck a finite list of issues to address and actions to be completed. Most issues had already been dealt with, while others were dealt with after the review. Actions taken included re-training, reprimands and dismissal of employees as well as changes in the ownership structure and governance of entities.

### 3. ZERO-TOLERANCE APPROACH ADOPTED

In the spring of 2019, Falck launched the We Build Trust campaign with increased focus on and global online training in the Code of Conduct, increased awareness about the whistleblower system and the adoption of a zero-tolerance approach towards breaches of the Code of Conduct. A zero-tolerance statement was published, reiterating that violations of the Code of Conduct would not be tolerated and that all reports or suspicions of violations would be swiftly and objectively investigated.

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