

# CSR Report

## 2020



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# Preface

Welcome to Topdanmark's CSR report 2020, in which you can read about the initiatives and results for the year. With this report, we wish to give an open and transparent depiction of Topdanmark and our work with sustainability.

For Topdanmark, CSR means a close link between business and sustainability. Every day, we work to create financial and social security for our customers, employees and in society – and we want to contribute to solutions for climate changes.

It is our ambition to firmly anchor and integrate CSR fully into our core business and business model. In 2020, we have once again taken steps to ensure further CSR integration into the entire value chain, and we expect to have a joint strategy and action plan ready in 2021.

When looking at 2020, the year for Topdanmark has also been marked by COVID-19, and we have helped a record number of customers with the consequences of the pandemic. Thus, we have very much lived up to the customer promise we launched this year: "We are here to help." A promise which underlines that we take care of our customers all through their lives, and we proactively help with service and advice when needed.

The new top promise helps set the direction for our CSR work and take responsibility and assist our customers. Not only ensuring their financial assets but also their health. Among our health offerings, we have launched a free online medical assistance app in 2020. It is called Sundhedshjælp (Health Support), and so far, it has been offered to 500,000 private insurance customers.

Likewise, 2020 marks a milestone for the integration of sustainability into our pension products. In February, we launched Formålspension (Purpose Pension) in which the customers can choose green transformation as one of four specific investment purposes. Furthermore, all investments are subject to extended ESG requirements and exclusion of e.g. companies producing fossil fuel. Less than a year after the launch, the investments in Formålspension have already rounded DKK 1bn.

We have strengthened our focus on responsible investments by appointing an ESG Asset Manager, and we have set an objective of having approx. 20% of provisions placed in the green transformation by 2020.

In 2020, we have also continued the work on our ambition from last year's CSR Report of becoming CO<sub>2</sub> neutral in 2030. More specifically, we have had a reduction of 15% compared with 2019. Furthermore, we have looked into how we can reduce CO<sub>2</sub> emission in the entire value chain.

We are committed to a serious and ambitious approach to CSR, and since 2010, we have been affiliated to the UN Global Compact. We want to send a clear signal to the surrounding world that we are proud of our many CSR actions, which you can read more about on the following pages.

I hope you enjoy reading the CSR report!


  
Peter Hermann  
CEO



Photo: Stine Bidstrup



# About Topdanmark

Topdanmark is both a non-life and life insurance company, and we offer a wide range of products and services within insurance and pension to both private, commercial and agricultural customers. The foundation stone of Topdanmark was laid in 1899, and today we are 2,450 employees across the country. Topdanmark is a limited company listed on Nasdaq Copenhagen A/S. Our head office is situated in Ballerup.

Topdanmark's primary task is to help our customers. Therefore, we have defined a top promise in 2020: We are here to help. The promise is the foundation of our daily work in which we want to make a difference for our customers. It is also the foundation of our Customer Aspiration:

"As a Topdanmark customer, you need not worry about insurance and pension. We will take care of this for you. Based upon your requirements, we make provisions for your security. Making sure that being a Topdanmark customer is easy and simple. We are proactive and available when you need our assistance."

The customer aspiration reflects that we want to help our customers with our products and services regardless of the situation. Not only do we want to protect our customers' financial assets but also their health.

We want to be proactive and help with prevention, so that damage and injuries do not occur, and we want to promote well-being and health. When the damage is done or the customer has fallen ill, we help limit the consequences in the best possible

way and we pay out compensation. We also help our customers with advice and pension payments when working life ends. We take responsibility for our customers - and we want to be the best at it.

## Key figures 2020

**DKK 12,893 m paid out to insurance customers**

**DKK 20,713 m in premiums earned**

**DKK 1,124 m profit**

**DKK 104 bn in investment activities**

**86.5 in combined ratio**

**Denmark's fourth-largest commercial life insurance company**

**10.9% market share**

**103,826 private customers**

**60,545 corporate customers**

**83,879 people with group life insurance**

**Denmark's second-largest non-life insurance company**

**16.3% market share**

**502,451 private customers**

**113,080 commercial and agricultural customers**





## INTRODUCTION

### The importance of the main stakeholders

Topdanmark has three mutually dependent main stakeholders: customers, employees and shareholders.

Our starting point is that qualified and committed employees in an organisation with a high level of well-being and job satisfaction are a prerequisite for achieving

high customer satisfaction. Customer satisfaction is again crucial for customer retention and recommendations - and thus a prerequisite for creating a good business - which again is key in ensuring satisfied shareholders by achieving a long-term, competitive and stable return.

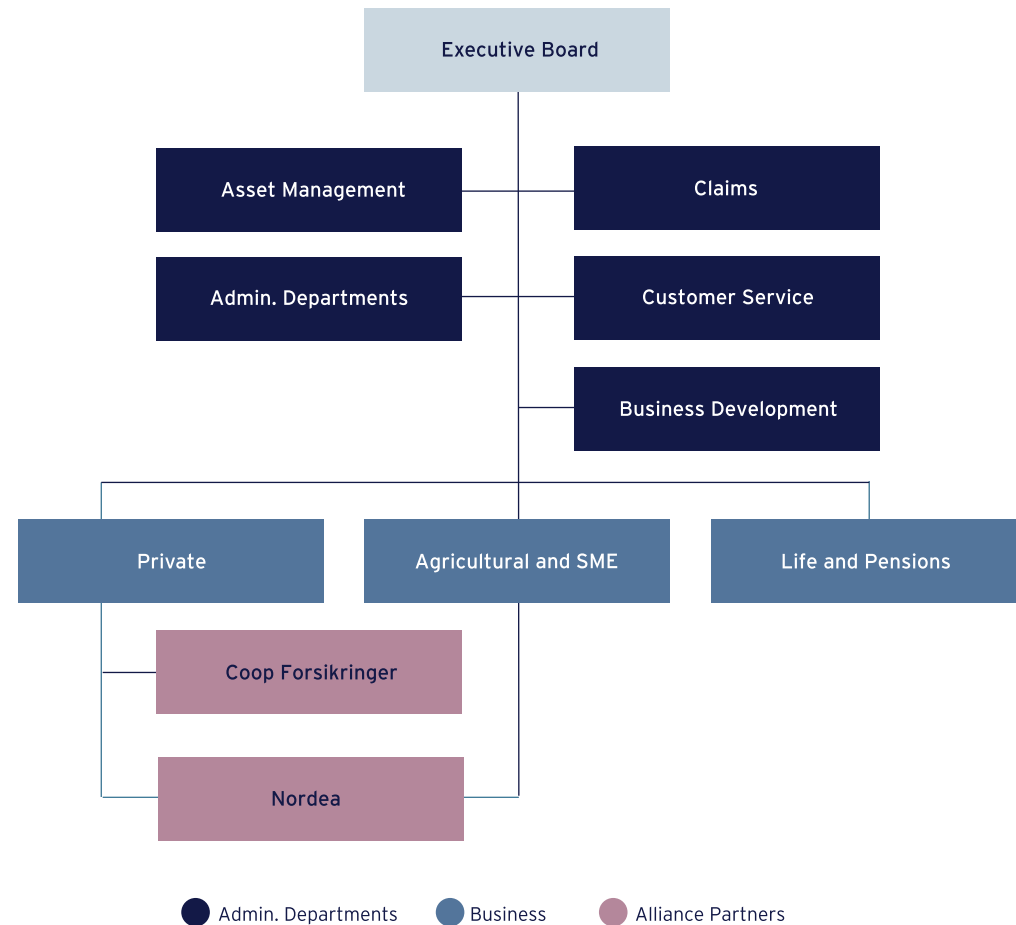
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> READ MORE ABOUT TOPDANMARK E.G. ORGANISATION, BOARD OF DIRECTORS AND FINANCIAL REPORTS

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### Our business structure

Our distribution structure is to combine our own sales channels such as online sales via the website, insurance agents and telephone sales, and sales and referrals through a number of partners.





# How we work with CSR

For Topdanmark, CSR means a link between business and sustainability. Every day, we work to create financial and social security for all our customers, for our employees and for society in general- and we contribute with solutions to the climate challenges.

Topdanmark's promise of helpfulness, the top promise, and Customer Aspiration also form the basis for our approach to CSR and sustainability. Through our products and advice, we help our customers and contribute to financial and social security. However, we also want to contribute to the development of a socially and environmentally sustainable society.

We want to make a difference in the society of which we are part of by playing an active part in the solution of general social problems i.a. within climate, the environment, health and well-being. We want to contribute both through our products and advice by applying our knowledge to relevant partnerships, and by supporting and contributing to selected projects and organisations.

## Part of the UN Global Compact

We are part of the UN Global Compact, and we continuously analyse how we can integrate the ten principles into our CSR and business strategy. This also includes an analysis of where we are at risk of non-compliance with the principles and the potential consequences to our business. Furthermore, we also include the expectations of our stakeholders as well as general CSR risk assessments.

## UN's Sustainable Development Goals

We also want to contribute to the UN's 17 sustainability goals by impacting a positive development and by ensuring that we do not contribute to a negative development. We have chosen to work with a number of specific sustainability goals to focus on as we believe them to be the most relevant in respect to our business and CSR strategy.

In the sections of this report, the sustainability goals in question will be evident as well as how we contribute.

## Organisation of CSR

**The Board of Directors:** Approves CSR policies, policies on active ownership and diversity policies

**Executive management:** Approves annual CSR reporting, selected policies and projects

**CSR steering committee:** Consists of nine general managers with our Head of Secretariat (Strategy and CSR) as Chairman. The steering committee is responsible for the CSR strategy and action plan, CSR and ESG reporting, and evaluation of results. Four meetings are held annually.

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

In 2020, our CSR Officer was moved organisationally to be part of the Management Secretariat. This is to ensure increased focus on CSR across Topdanmark's business units and divisions and a stronger link to our business strategy. Read more about the organisation of responsible investments on page 31.



## INTRODUCTION



### Reporting

We prepare an annual mandatory CSR report, which is also a progress report for the UN Global Compact. It thus constitutes our mandatory report on Corporate Social Responsibility (see sections 132a and 132b of Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds). Our aim with this report is to present an open and transparent description of Topdanmark and our work with social responsibility.

### ESG Report with data

We also publish an annual ESG Report (in English) which primarily contains data, method description and comments on selected key figures, and it also covers the financial year concerned. With the report, we want to meet the need of investors and ESG rating agencies to get a quick overview of ESG objectives and indicators.

### Limitations and evaluation of data

The CSR report as well as the ESG report cover the financial year 2020. The reports apply to all subsidiaries of Topdanmark. In the ESG report for 2020, the method for the calculation of data is thoroughly explained.

### Climate report

Topdanmark reports to the CDP (Carbon Disclosure Project), an international environment reporting initiative, which works for transparency and dialogue around CO<sub>2</sub> emissions and climate strategies in businesses. The purpose is to make this knowledge available to investors and other stakeholders.

A report is awarded a score on the following scale: A, A-, B, B-, C, C-, D, D- with A being the highest possible score. In 2019, Topdanmark's report scored a C.

In 2021, we also expect to report on the recommendations from Task Force on Climate-related Financial Disclosures.

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[> READ THE LATEST THE CDP REPORT](#)

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[> READ THE ESG REPORT 2020](#)

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# Materiality assessment

Our CSR actions are selected based on three overall criteria.

- **Risks:** areas which pose a financial or reputational risk to our business.
- **Opportunities:** areas in which we can contribute to a sustainable development of society through our products and services, and at the same time benefit our business.
- **Responsibility:** areas in which we have a special responsibility to prevent a direct or indirect impact on people, society, climate and the environment, and areas to which we contribute positively through our organisation.

The requirements and expectations from a number of stakeholders are included in the analysis, e.g. employees, customers, investors, professional associations, suppliers, NGOs, governmental institutions and ESG rating agencies.

In the table to the right, the result of the analysis is illustrated and provides the connection to the seven overall themes of our strategy.

Strategy element	Risk	Opportunity	Responsibility
Customer relations	Error in customer handling and claims handling	Social and financial security all through life	
Products service - social sustainability	Increase in mental health issues, including stress	Products that contribute to social sustainability, e.g. health and well-being	
Products - climate and the environment	Climate changes with potential increased expenses for compensation	Products that contribute to climate and environmental sustainability	
Investments	Investments in companies in breach of FN Global Compact	Sustainable investment products	Climate changes and CO <sub>2</sub> reduction
Corporate culture	Stress and dissatisfaction among employees		Employee relations including health and training
Society			Support for humanitarian organisations
			Tax payments
Corporate governance	Personal data and data ethics		Responsible procurement
			Human rights
			Diversity and women in management
			Climate including CO <sub>2</sub> emissions
			Environment
			Anti-corruption
			Money laundering



# Objectives for 2020

Our CSR strategy is built around seven themes with related objectives that are defined based on our materiality analysis - see page 8.

## Customer relations

- Increase in tNPS (transaction Net Promoter Score)
- Increase in EPSI rating, Private
- Increase in EPSI rating, Agriculture and Commercial
- Increase in Aalund rating
- As many as possible appeal cases in our favour

## Produkter - social bæredygtighed

- Actions to promote health and well-being for our customers

## Produkter - klima og miljø

- Increase in repairs of electronics
- Increase in repairs of windscreens
- Increase in donations of furniture etc.

## Investments

- Investments are made with consideration to UN Global Compact
- Approx. 20% of provisions in Topdanmark Livsforsikring to be invested in green companies by 2030

## Corporate governance

### The right to equality

- Minimum 40% of each gender in management on average at all managerial levels
- One female candidate for posted manage positions
- Minimum 40% of each gender on the succession list
- Minimum three persons of each gender on the Board of Directors.

### Climate and the environment

- CO<sub>2</sub> neutral in 2030 in terms of operation of our buildings, company travel by car and air travel
- Reduction of disposable plastic

## Corporate culture

- Increase of 2 points in the employee well-being survey
- Absence due to illness below industry level
- Employee turnover on par with the industry level

## Society

- Minimum 20 finance trainees annually, in addition to finance interns
- Contribute to humanitarian and health activities both nationally and internationally

● Achieved

● In progress

● Not achieved

## Future plans

It is our ambition to fully embed and integrate CSR into our core business and business model, and at the same time contribute positively to a sustainable development of the society of which we are part. We are well under way - in 2020, we have taken several initiatives for full integration, but we are not quite there yet. In 2021, we expect to have ready a strategy, performance objectives, KPIs and an action plan for 2025. This also includes an assessment of the extent to which it is possible to analyse any negative impact on the sustainable development goals from our business and investments.









# Customer relations

At Topdanmark, we want to build trust and create good customer relations through high-quality service and advice with a focus on transparency and good communication at eye level. 2020 has also been marked by COVID-19.

With our products and services, we want to help our customers regardless of the situation. We want to address our customers' concerns in everyday life and help them along in life. With the sales of our products and services, we have a big responsibility - which we take very seriously.

Responsibility is about i.a. being attentive to the risks relating to our business e.g.

- inappropriate customer advice and product sales so that the cover does not match the customer's wants and needs
- lack of clarity on terms and conditions, prices and fees
- errors in our claims handling so that the customer does not receive the correct compensation.

In order to minimise these risks and to increase the value for the customer, we continuously work on improving our customer services, claims process and sales process. In the customer relation, we always strive to:

- Be easy to understand, accessible, precise and balanced product information
- Be transparent regarding price increases
- Ensure that the customer has easy and fair claims handling
- Give the customer easy access to a fair complaints process

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## 321,665

**The number of person who we have helped with a claim in 2020. Of these 41,613 were personal injuries.**

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# Responsible sales

We want our customers to have the cover that specifically matches their needs and requests. This way, they will enjoy the financial and social security that they need. We are aware that this requires that customers receive good and accurate advice from competent employees.

All our salespersons are trained at Forsikringsakademiet (the Insurance Academy), and new employees are thoroughly trained in Topdanmark's business procedures for what we consider to be an expedient and responsible sales process. We also ensure ongoing improvement of the skills and personal competences of all our employees.

## **Directive on correct communication**

Topdanmark has implemented IDD (Insurance Distribution Directive), a European directive on correct insurance communication, which has now been applied to Danish national rules. The rules have been set up to ensure increased consumer protection. This means, among other things, that our employees are obliged to clearly state what coverage is provided with our insurance, so that the customer can make an informed choice.

## **Quality requirements are monitored**

We have central as well as several local

compliance units, which ensure that our salespersons adhere to our business processes and quality requirements. We have a reporting system which means that we evaluate inappropriate situations to improve customer service and avoid mistakes, e.g. in our claims handling.

## **Easy-to-understand product information**

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

Therefore, we have prepared information on products, prices and coverage so that it is easy to comprehend and find. It is also clearly stated what is not covered.

When Topdanmark prepares new insurance terms, customer feedback is included in addition to general experience.

All information on the insurance is stated in the terms - no information is hidden or 'written in small print'

## **The price reflects the concrete risk**

We use micro tariffing to determine the price on our insurance products. This means that the price is based on a number of criteria to reflect the concrete risk as well as the competitive situation for the given situation.

The criteria that we use are based on actual experiences with our hundred thousand of customers. We use both statistical customer data as well external data and analyses, e.g. national statistical weather data, local theft statistics etc.

## **Control procedures**

We have strict guidelines and procedures, including control procedures, for the calculation of prices which ensure that only actuarial relevant criteria are used. We do not use the individual customer's

marital status, sexual orientation, religion, race or ethnical background as criteria for our pricing. This also applies for gender for the individual pricing. Note that for individual contracts entered before the change in legislation in 2012, gender was used for pricing. Thus, gender can still influence price and services for these agreements if the agreements include warranted services.

## **Prices are transparent**

Our prices are transparent, and thus it is always clear to our customers what they should pay. Fees which are not directly related to the insurance price are stated on our website, e.g. early termination fee. Changes to fees are notified according to legislation.



## Fair and easy claims handling

Topdanmark wants to help customers and ensure that they always receive easy and fair claims handling, so that they feel comfortable with the products they have purchased from us. Our objective is for customers to receive compensation quickly, efficiently, with great service and according to the terms of the policy.

We have implemented solutions that ensure that our customers quickly get an understanding of how they are covered and how the further process will be. We continue to improve these solutions.

### **We pay attention to errors**

We process more than 300,000 claims a year. Therefore, errors cannot be completely avoided in our claims handling – e.g. errors in data entry when creating a claim. We aim for as few errors as possible, as errors are of great inconvenience to our customers.

When we become aware of an error, we fix it immediately. If the error has an impact on the customer's compensation or the future process that the customer has to go through, we pay any difference that may be and inform the customer accordingly.

In order to minimise the number of errors, our claims handling is continuously quality assured through internal controls,

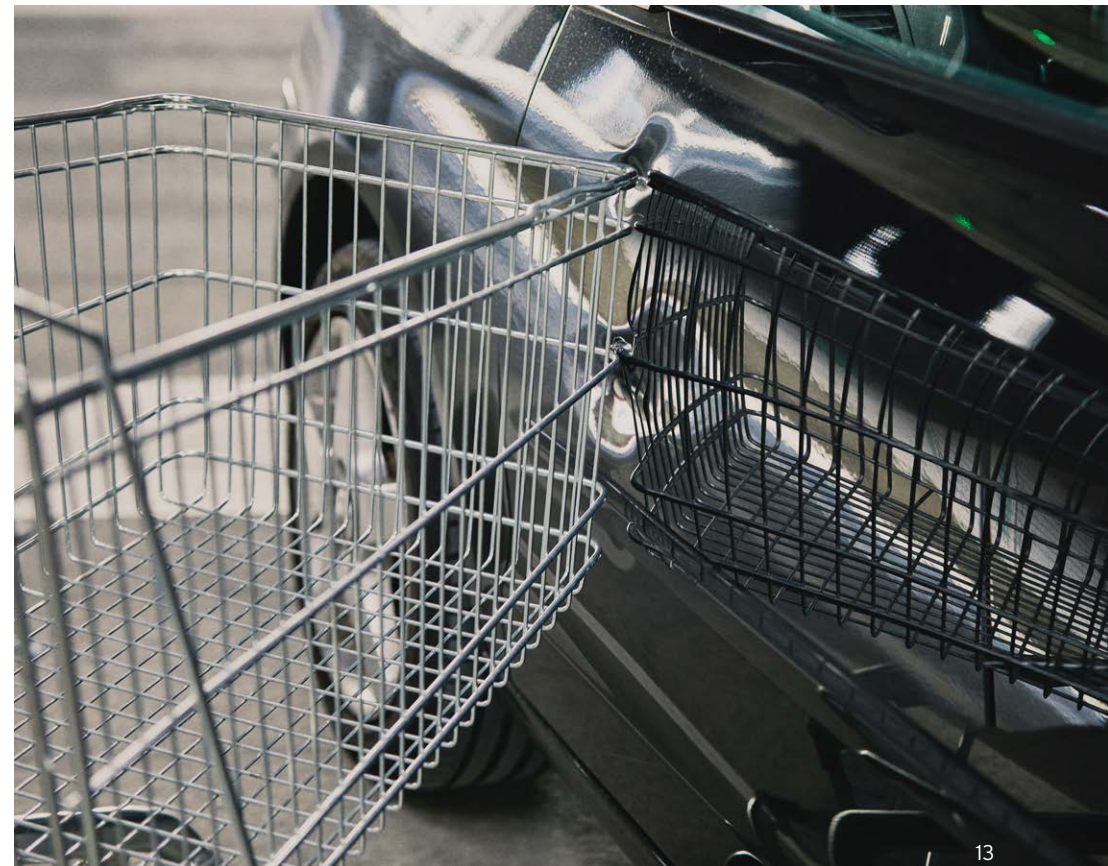
dialogue with employees and feedback from customers. The best sparring for improvement we actually get from the customers who have been through a claims process.

Read more on how we handle customer complaints in the section on page 17.

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**100%**  
**The percentage of claims which can be reported digitally. In 2020, 59% of all claims were reported digitally.**

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417%

**The increase in telephone enquiries regarding travel insurance in March and April 2020 due to COVID-19.**

#### **Error in the compensation for pregnant women was discovered in 2020**

Unfortunately, like other insurance and pension companies, Topdanmark has had, for a number of years, derogations for pregnant women as part of the insurance terms particularly for our health insurances, but also to a lesser extent for other insurances, e.g. travel insurance and accident insurance.

The reason for this is that we have not paid sufficient attention to the special legislation for equality within insurance which means that pregnant women should be treated equally to non-pregnant women.

Therefore, we have unjustified dismissed some pregnant women with pregnant-related injuries/illnesses which typically require physiotherapy and chiropractic treatment. Likewise, there have been errors in the treatment of pregnant women in connection with other insurances.

#### **Practice has been rectified**

We became aware of the problem when it was brought up in the industry association Insurance & Pension Denmark (Forsikring & Pension) in 2020. We have rectified our practice, and we comply with the guidelines from the Gender Equality Board. Subsequently, we have identified as many customers as possible, and initiated the process of contacting them. And we have provided the affected customers with the compensation to which they were entitled to the greatest possible extent. Furthermore, we have asked our external auditors to check the process for the identification of the affected parties.

In 2021, we will continue to investigate how the error could occur. Furthermore, we have initiated a due diligence process to ensure that similar cases of discriminating claims handling can be avoided.

## **Activities in 2020**

### **Assistance to customers during COVID-19**

The year 2020 has to a great extent been marked by COVID-19. We have been very busy helping the customers with travel insurance with us when e.g. they could not travel as planned or were stranded abroad.

In March and April, we had a 141% increase in email enquiries compared with the same period in 2019, and a 417% increase in telephone enquiries. Also, a far greater number of claims for the travel insurance was reported compared with the year before - a 268% increase.

In record-time, we were able to establish an emergency task force to handle the many claims, and this made it possible to handle the extra workload that our travel department faced.

### **Helping Danish businesses**

We also wanted to contribute to the Danish businesses making it through this extraordinary situation - and society in general. Therefore, we came up with solutions to help our different customer, e.g. in terms of liquidity. Here is a number of examples:

- Both business and private customers with Topdanmark Livsforsikring were

able to get a reduction or periodic stop for employers and/or employees' contribution to pension savings.

- Commercial and agricultural customers could change to monthly payments without the normal fee.
- Private customers, who were carrying out emergency services or other voluntary work in connection with COVID-19, kept their premium on their accident and/or personal accident insurance even though their risk profile changed with the voluntary work.
- Free counselling was offered to our mink farming customers
- Businesses that needed to reorganize their operations to help society in the strained situation, e.g. with producing hand sanitizer, we swiftly helped in getting cover.

### **Examples of other activities in 2020**

- Customers were contacted by telephone instead of by post if we had complex messages to convey e.g. in connection with a claim - and thus we want to ensure that the customer concerned is feeling well informed.
- To a greater extent than previously, we have contacted customers by telephone to ensure that they have the relevant insurance cover for their wants and needs.

Read about our health initiatives in 2020 on pages 19-24.





# Objectives for our customer satisfaction

We follow our customers' satisfaction with us as an insurance and pension company. Thus we learn from both positive and negative feedback and ensure that we always deliver the best possible service.

We make targeted efforts to ensure that all our customers have the best possible experience with us. Our objective is that the customers should be so satisfied with our products and services that they want to recommend us to others. Therefore, we collect knowledge on customer experiences through systematic surveys - both internal and external.

## Internal surveys

- **transactional Net Promotor Score (tNPS)**, which tells us whether our customers want to recommend us to others after they have been in contact with us
- **top promise:** We are here to help. Since 1 July 2020, we have on an ongoing basis asked the customers who we are in contact with one question: "Think about Topdanmark in general - How helpful do you think we are?"

On an annual basis, we get about 130,000 customers' replies to our customer surveys.

## External surveys

- **EPSI**, which performs satisfaction surveys on i.a. the insurance industry
- **Aalund**, which performs satisfaction surveys on life insurance companies
- **Trustpilot**

We closely monitor the results of all surveys with the aim of learning and improving our service, and we have set up ambitious objectives regarding tNPS, EPSI and Aalund.

See the top promise surveys and read our evaluation on all the 2020 survey results on page 16.

# 69%

**Is the percentage of the customers, who have given us top-grades in our top promise survey.**

## Customer surveys: objectives and results

Objectives	2017	2018	2019	2020
<b>tNPS for contact by telephone</b> Increase in points (-100-+100) <sup>1)</sup>	49	45	48	59
<b>tNPS for digital self-service</b> Increase in points (-100-+100) <sup>1)</sup>	38	38	44	45
<b>EPSI rating for private customers in Topdanmark non-life insurance</b> Increase in points (0-100 points)	76.8	77.5	75.3	73.7
<b>EPSI rating for commercial customers in Topdanmark non-life insurance</b> Increase in points (0-100 points) <sup>2)</sup>	73.5	-	69.1	70.3
<b>Aalund rating</b> Maintain the position as the life insurance company with the most satisfied customers. <sup>3)</sup>	2nd place	1st place	1st place	3rd place

1) tNPS is calculated as the net result of the share of "promoters" (who replied 9-10) less the share of "detractors" (who replied 0-6) on the question to what extent they would recommend Topdanmark to others.

2) EPSI did not perform a survey on commercial customers in 2018.

3) Among the three parameters in the Aalund rating - satisfaction, image and loyalty - we report on the result for 'satisfaction' for companies with 10-49 employees which is Topdanmark Livsforsikring's primary segment.



## CUSTOMER RELATIONS

### Evaluation of customer satisfaction in 2020

The results of the internal and external surveys point to different directions. The internal surveys show improvement, e.g. we have an increase in tNPS for customers who have called us. It is more than 10 points higher than in 2019, which is a very satisfactory result. We see it as an indicator of us becoming even better at assisting our customers in a satisfactory manner both before, during and after a claim.

### COVID-19 has caused challenges

The results of the external surveys are at the same time satisfactory and giving food for thought. According to the EPSI survey, there is an improvement in the satisfaction level of our commercial customers, which is very satisfactory. However, among private customers, the satisfaction level has decreased for the entire non-life insurance industry. This is also the case for Topdanmark, however, less than for our biggest competitors.

We assess that the decrease in the EPSI rating is mainly due to COVID-19 which has challenged our ability to provide the service that the customer expected and needed. Likewise, Topdanmark Livsforsikring drops in the Aalund rating which we ascribe to a year marked by instability and IT implementations.



### Future plans

Overall, the results from 2020 give rise to an objective of improving our service quality in order for us to meet the expectations of our customers to an even greater extent - both in terms of personal service and digital solutions.

We will focus even more on a proactive approach to our customers and sharpen our advice. We believe that this can contribute significantly to us being true to the Top Promise and customer aspiration - and thus achieve a higher level of customer satisfaction in all surveys.

### Customer satisfaction score on Trustpilot: Overview

	2017	2018	2019 <sup>1)</sup>	2020
Total score on Trustpilot	8.8	8.6	4.4	4.4

1) In 2019, Trustpilot changed the TrustScore to from a ten-point scale to a five-point scale. Converted to the old scale, the result was 8.8 in both 2019 and 2020.

### The top promise: We are here to help.<sup>1)</sup>

Question to the customer	Channel	Unit	2020
In general - how willing to help do the customers find Topdanmark	After contact by telephone	Share of customers that give us top marks i.e. 5 (on a scale of 1-5)	69%
	After digital self-service	Share of customers that give us top marks i.e. 5 (on a scale of 1-5)	58%

1) The result is based on a survey taking place from 1 July 2020 to 31 December 2020.



# Complaints are used to improve matters

Topdanmark processes approx. 300,000 claims a year. Therefore, it cannot be avoided that we receive complaints from customers about the compensation or service they have received. We use the complaints to improve our communication and advice.

Insurance and pension products can be difficult to understand, and in some cases the compensation or assistance in the claims situation does not live up to the customer's expectation. This may for example be due to restrictions in the terms of which the customer has not been aware, or that the customer is unable to document the values to be replaced.

We attach great importance to our customers being clearly informed about their avenues of complaint. For example, the information is available on our website and in our correspondence to the customer if we turn down compensation. We endeavour to ensure an easy and fair complaint process

Internally, we use customer complaints to assess how we can improve our communication and advice.

## Correct decision is the objective

If, in private insurance cases, the customer disagrees with our decision on a claim, the customer is entitled to appeal to the Insurance Complaints Board (Ankenævnet for Forsikring). The number of customer complaints that are passed on to the Insurance Complaints Board is under one per thousand claims we receive.

Our objective is to succeed in as many appeal cases as possible brought before the Insurance Complaints Board as this demonstrates that our decisions are correct. Regardless of the outcome, we always use appeal cases to assess how we can improve our customer communication. In 2020, we met our objectives - see the charts to the right.

**Under 1 %**  
**Is how many of our customer complaints that are presented before the Insurance Complaints Board.**

## Percentage of decisions in Topdanmark's favour <sup>1)</sup>

	2017	2018	2019	2020
Non-life insurance	77	78	85	86
Life insurance	82	100	100	83

1) In other decisions, it has been ruled against or partially ruled against Topdanmark

## Number of decisions before the Insurance Complaints Board

	2017	2018	2019	2020
Non-life insurance	131	129	117	127
Life insurance	11	21	8	12









# Products and services - social sustainability

Not only do we want to protect our customers' financial assets but also their health. Therefore, health and well-being initiatives play a central role in our business.

Illness and injuries often have far greater consequences than just the financial consequence. This applies to both the individual customer, to Topdanmark and to society in general.

Some of the most severe injuries, both physical and mental, involve the risk of losing part or all earnings capacity, and thus contact with the labour market. In the last resort, this can lead to a life on disability pension.

We want to help prevent serious injuries and illnesses, and therefore, health and well-being initiatives are such a central part of our business. When an injury or illness occurs, we also have initiatives that help limit the scope of the injury or illness - and thus help the injured party back to everyday life.

## Our actions make a difference

Many initiatives can come into play in relation to loss of earnings capacity insurance, health insurance, workers' compensation and liability insurance. We continuously evaluate our different processes and methods, and evaluations show that the actions do make a difference to our customers.

Contributes to less absence due to illness According to a report from the Danish Employers' Confederation, absence due to illness sets back the Danish society and companies DKK 46bn on an annual basis, from which 70% are for business. With our large number of actions, we play an active role in preventing and reducing the absence due to illness with our insured business customers. This benefits both society, the businesses and the individual person.



Goal 3: Good health and well-being. With our health actions, we contribute to the primary goal for good health and well-being. The underlying targets and indicators solely address global problems in developing countries which we find difficult to contribute to directly with our chosen market.



Topdanmark services a number of small and medium-sized corporate customers that do not have an actual HR department which can initiate health-care initiatives for the employees. In this connection, our coordination of counselling and actions can be a great help.

On the following pages, we describe four specific initiatives that have made positive contributions to health and well-being in 2020.

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**70** agricultural customers have received free advice on prevention of injuries in 2020.

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# More health to the many

Through our life insurance company, we work actively on creating physical and mental well-being with the employees in the businesses insured with us. Thus, we come into contact with and help many people across society with their health, e.g. by health checks and screenings.

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## 320

**The number of business customers with a health insurance with us which we have helped with health and well-being in 2020.**

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Topdanmark Livsforsikring wants to have the strongest health concept on the market based on evidence and valid research results. Therefore, we have a wide range of health and prevention concepts which can be applied according to the needs and challenges of the individual businesses, so that the actions make the most sense.

### **TopSund is targeted prevention**

One of the specific concepts we offer our business customers is TopSund. The core of the concept is an initial online health screening which includes both physical and mental health. Subsequently, each employee

receives a health score and an individual report with advice and guidance for improving their health. It is also possible to contact the relevant health staff for further guidance. Furthermore, based on the screening, the businesses receive an anonymised report for all employees with clear recommendations and preventive actions.

The purpose of the screening is to uncover the needed actions for both the business and the individual employees. It is also possible to measure the effect of any health initiatives by a fol-

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## 6,948

**The number of employees with our business customers who have made use of the online health screening in the period 2018-2020.**

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low up screening. The health screening can be combined with a physical health check and personal session with a health professional.

### **Activities in 2020**

TopSund shows good results. In 2020, a company underwent a follow-up health screening after they had implemented a number of health initiatives in collaboration with Topdanmark. The result showed a significant improvement on all health parameters, and in the same period, the company reduced their expenses for absence due to illness.

### **Free workplace assessment for small companies**

In 2020, we offered free health screenings and help to carry out workplace assessments for small companies as a pilot project. The statutory workplace assessment can be a burden on the small companies to carry out, and therefore, it is often omitted.

### **Health advice in the light of COVID-19**

Based on the COVID-19 situation, we have paid great attention to advice on physical and mental well-being at the home office. Counselling has been given as virtual presentations as well as by sending out various material on health and well-being targeted at the circumstances during the restrictions in force.

### **Future plans**

Based on the good experience with TopSund, we want to have far more businesses benefit from the concept of preventive actions. Therefore, we broadly offer the concept for free, including workplace assessment, to our customers in 2021.





## Free health support through an app

In 2020, there has been an increased focus on the Danes' health - both physical and mental health. This focus we share in Topdanmark, and therefore, we have launched a new health app "Sundhedshjælp" (Health Support).

Topdanmark wants to help all our customers with their health, regardless of where they are. Therefore, in December 2020, we launched free access to quick and easy medical assistance to the customers with at least two insurance policies with us. We call the concept "Sundhedshjælp" (Health support), and in 2020 it was offered to approx. half a million customers - and to our employees.

Sundhedshjælp includes two services supplied by an external supplier:

### **Talk to a doctor**

Online or telephone consultation with a Danish speaking doctor who can assist in both mild and more severe cases of illness. It is possible to book consultations all days of the week from 06 - 21 no matter where in the world you are.

### **Expert opinion**

The possibility of an extra impartial assessment (also called a second opinion) from one or more international experts if you have been diagnosed or are in a course of an illness.

The support is freely available for all registered customers and employees, and it can be used as a supplement to the regular health care system. With Sundhedshjælp, we want to supplement our focus on ensuring the Danes' assets to also include protecting their health.

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# 500,000

**The number of customers who have free access to Sundhedshjælp.**

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# Improvement of mental health

More and more people get affected by stress and other mental illnesses such as anxiety and depression. In 2020, Topdanmark actively entered a new partnership to relieve the tendency.

According to numbers from the National Research Centre for the Working Environment (NFA), the number of sick notes due to mental illness have increased in recent years in Danish society. Today, mental health issues account for between 26% and 48% of the total absence due to illness and approx. 42% of all early retirements nationally.

## **Increased attention on mental health**

For several years, Topdanmark has made it a priority to take action in regard to mental health, partly in terms of prevention, and partly when the damage is done. This focus was increased in 2020, when as the first commercial pension company we entered into collaboration with Sammen om mental sundhed (Together on mental health) - a multidisciplinary partnership initiated by the Danish Ministry of Health. By doing so,

we engage to work for improvement of mental health in workplaces in Denmark. This will be through actions for both our own employees and for the employees of our business customers.

## **New knowledge for better advice**

As part of the partnership, we expect to have the latest knowledge in the field and the possibility of sparring on new evidence-based initiatives in the workplaces. Thus we can improve our advice and health products, and in that way contribute to improved well-being and less absence due to illness in society.



## **"Sammen om mental sundhed"**

(Together on mental health)

### **Facts about the partnership**

- The aim is to establish binding collaboration with relevant stakeholders on mental health at the workplace.
- The target group is all workplaces in Denmark and all types of employee.
- Sammen om mental sundhed is financed via the Budget.
- So far, the partnership consists of 46 players across the private and public sectors.



# Help after a severe injury or illness

When customers or people covered by our insurances are hit by severe illness or are severely injured, we try to help with individualised efforts, so that they can get back to normal everyday life.



We have many different health programmes which we apply in different situations. We apply the concept TopOmsorg®, in the event of severe and long-term course of disease of injury covered by the loss of earning capacity insurance.

## **Individualised programme through TopOmsorg®**

A programme with TopOmsorg® is individually adjusted with a focus on the situation and needs of the individual. This is intended to help the claimant back to health and back to a normal everyday life. We attach great importance to starting the efforts as early as possible to increase the possibility of recovery.

## **Help where it benefits the most**

With TopOmsorg®, we offer help in the areas where we assess that help is lacking, and where it is most beneficial. The claimant gets affiliated with a social worker who helps navigate between the many parties involved and also helps to plan the optimal programme of treatment. The assistance can also

consist of dialogue with the workplace and ultimately help in finding a new job.

We also cooperate with the local job centres, so that the sick person gets a holistic programme. There may be situations in which the local authorities do not have the opportunity to make the necessary efforts.

## **Individualised programme for work-related injuries and third-party liability**

Topdanmark itself employs a number of social workers and health professionals, who are used for the individual programmes covered by workers' compensation and third-party liability insurance. Furthermore, we employ specialists for specific disease areas. This could e.g. be rehabilitation of people who have been seriously injured - primarily work-related injuries.

An individual programme is planned, which may include e.g. counselling from social workers, physiotherapists, psychologists or pain doctors.





## PRODUCTS AND SERVICES - SOCIAL SUSTAINABILITY

### Help in getting back to normal everyday life

We continuously evaluate the different efforts and concepts, both to assess whether they really do help the claimants in their recovery and returning to a normal everyday life, but also to develop the concepts. Our overall assessment is that the efforts do help the claimants in their recovery - this is illustrated in the charts below.

### Activities in 2020

In 2020, the actions to help injured and ill customers were impacted by COVID-19 restrictions. In 2020, a substantial part of our work has thus been to maintain and develop the efforts which were already initiated before the COVID-19 close-down, and which were in danger of coming to a standstill.



### Notification of fitness to return to work after individualised efforts covered by third-party liability or workers' compensation

	2019	2020 <sup>1)</sup>
The percentage of claimants who were fully fit to return to work	-	56%
The percentage of claimants who were partly fit to return to work	-	10%

1) The percentage has been calculated based on a total of 338 claimants who finished an individualised programmes in 2020 covered by the customer's liability insurance or workers' compensation.

### Notification of fitness to return to work after TopOmsorg® programme covered by loss of earnings capacity insurance

	2019	2020 <sup>1)</sup>
The percentage of claimants who were fully fit to return to work	54%	53%
Percentage of people of the sick list who went back to work, either fulltime or part time	75%	76%

1) The percentage has been calculated based on a total of 242 claimants who finished individualised programmes in 2020 and who were covered by the customer's loss of earnings capacity insurance

# 53%

**This is the percentage of claimants who were fully fit to return to work after a TopOmsorg programme 2020.**

### Future plans

Based on the positive experiences from previous years, we will continue to offer individualised efforts when the damage is done. In 2021, we will in collaboration with the employers increase our focus on preventing injuries to the body and head injuries.







# Products and services - climate and the environment

In recent years, we have experienced more extreme weather as a result of higher temperatures and general climate change. We want to contribute with solutions that benefit both our customers and society.

The more extreme weather poses a challenge to everybody, also to us as an insurance company. We need both quick solutions to how we adapt to changing weather conditions and long-term solutions in which everyone should be involved in partnerships: citizens, public authorities, private players, NGOs - and Topdanmark.

We support the Paris Agreement's target of a maximum temperature rise of 1.5 degrees by 2050, and we want to integrate climate considerations into the way we do business. At the same time, we want to support the government's Climate Act and the goal of a 70% CO<sub>2</sub> reduction in 2030.

## Prevention and risk-based pricing

To an insurance company, climate changes pose a business risk, as it can lead to increased claims costs. We mitigate the risk e.g. through a comprehensive reinsurance programme, preventive actions either as a requirement to the customer or as an offer possibly in combination with a reduction of the premium, and risk-based pricing.

## Climate-friendly solutions

The new weather challenges also call for us to continuously develop new products and services that meet the customers' new needs for security and stability in everyday life. This also applies in situations with more extreme weather.

## Environmental challenges

In addition to climate change, society faces a number of challenges in relation to our environment. For example, in Denmark - and globally - there is a reduction of biodiversity, too much nitrogen emission in



We contribute specifically to:  
12.5: Before 2030, the generation of waste should be reduced significantly through prevention, reduction, recovery and recycling.



We also contribute to:  
13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

maritime areas, and excess consumption of resources. We want to contribute to solutions through our products and services and the way we handle claims.







# Prevention – an innovative approach

Prevention of damage to buildings and machines does not only benefit our customers, but also limits the negative impact on climate and the environment. We want to be front-runners within the field.

Prevention of damage to buildings and machines does not only benefit businesses and farmers as it provides stable operations. It also has a positive impact on both climate and the environment as it e.g. prevents water spillage and prevents CO<sub>2</sub> emissions by limiting the need for repairs and reconstruction.

We want to be front-runners within prevention, and therefore we continuously work on providing new solutions. We see a potential in using new technologies such as IoT solutions.

## New solutions – and challenges

We have an experimenting approach based on analyses of our customers' needs – also in relation to climate and environmental problems. In collaboration with relevant partners and customers, we test the new solutions.

However, we have experienced that we are not always successful in finding new innovative prevention solutions that our customers will adopt. For example, we have offered a sensor solution for slurry tanks which can prevent both damage to the tank and limit slurry spillage, while at the same time provide the farmer with a better overview of the capacity of the tank. The solution was free of charge, however, the interest was low.

## Continued learning

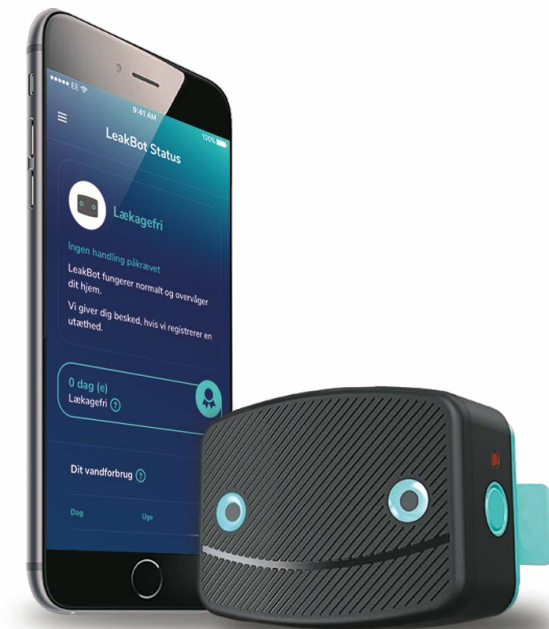
We learn from this and other cases, and we continue to explore and experiment to find just the right solutions that prove to be relevant for our private, commercial and agricultural customers. This also applies in relation to the green transformation which occupies many of our customers.

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# 5,829

**The number of water sensors, called Leakbot, which were installed free of charge in 2020 with homeowners in high risk of burst waterpipes. It has been assessed that this has prevented a total of approx. 8.7 million litres of unnecessary water spillage.**

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# Sustainability in claims handling

As a non-life insurance company, we process much damage to buildings, cars and objects, such as furniture, mobile phones and computers. In this process, we want to focus on recycling, repair and CO<sub>2</sub> reduction.

Topdanmark processes a great deal of claims annually, e.g. cars, buildings, furniture, objects and IT equipment where we either pay out an amount to buy a new item or pay for repair.

We want to integrate climate and environmental considerations into the claims handling process by e.g. promoting recycling and repair and focus on CO<sub>2</sub> reduction when cleaning damaged buildings. We have defined a number of objectives - see the chart on this page.

## Activities in 2020

In 2020, we have initiated a comprehensive analysis of how we can work more systematically with recycling, repair and CO<sub>2</sub> reduction in our claims handling for all types of claim. As one of the concrete initiatives in 2020, we have initiated a process with the objective of reducing CO<sub>2</sub> emissions in connection with dehumidification after rainwater damage. Read more about our new ambitions for climate and environment on page 46.

## A great idea that did not work in practice

Since 2018, we have worked with a concept of donating usable furniture and objects from claims to Actalliance instead of sending it for incineration. The idea seemed promising, however, it turns out that in practice, the quality of the furniture is too low to be sold at the charity shops. Due to a too low amount, the project was terminated.

## Future plans

In order to maintain focus on recycling, we want to initiate a pilot project on the return of units in the cases where the customer has received cash indemnity. The aim is to sell spare parts for recycling.

Read more about how we work with climate and the environment in the operation of our organisation on page 43.

## Furniture for recycling after damage - objective and result

Objective 2021	2017	2018	2019	2020
Increased number of furniture and objects for recycling	-	15 pieces of furniture and objects	20 pieces of furniture and objects in addition to two boxes of clothing	24 pieces of furniture and objects

## After damage to cars: objective and result

Objective 2021	2017	2018	2019	2020
Increase in the percentage of repair of car windows	-	38%	42%	41%

## After damage to electronics: objective and result

Objective 2021	2017	2018	2019	2020
Increase in the percentage of repair of telephones, computers and tablets	57%	66%	70%	69%

The minor decrease in the percentage of repairs in 2020 compared with 2019 is due to an increase in cash indemnity after damage. This is to provide a quicker claims process and thus a better customer experience.





# Help to farmers in climate changes

More extreme weather can cause a lower crop yield for the farmers. With a new insurance, they can cover their losses caused by the weather.

The consequences of climate change with more extreme and unpredictable weather can adversely affect crop yields, and thus hit farmers hard financially. Therefore, as the first Danish company, we have introduced a crop insurance that provides compensation for loss of crop yield caused by extreme weather.

## **Stable operation and income**

The product itself does not directly contribute to solving the climate challenges, but it helps farmers to have a more stable operation during the new weather-related circumstances. The insurance covers up to 80% of the farmer's lost earnings. In the future, this may help to smooth cyclical fluctuations in relation to effects of the climate changes.

## **Farmers expect more unstable weather**

Prior to the development of the new insurance product, we have researched the agricultural sector's needs and concerns in relation to severe weather in the future, and how it will affect the crop yield. Of the responding farmers, 59% responded that they expect more unstable

weather over the next 10 years. Drought, cloudbursts, storms and hail were primarily identified as the major adverse climate impacts for the harvest. The same proportion of farmers expressed interest in an insurance product.

## **Activities in 2020**

After launching the first version of the crop insurance, the cover has now been extended, so we are now able to offer the insurance on the most common agricultural crops as well as several specialised crops.

The product has been well received on the market, but as with all new products, the customers need time to get accustomed to it. Furthermore, as the weather in 2020 provided the farmers with nearly optimum conditions for growth, this has most likely also affected the interest in the product.

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[>READ HOW ANOTHER OF OUR INSURANCE SOLUTIONS CONTRIBUTES TO FEWER CHEMICALS IN THE FIELDS](#)

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# Investments

We want to give our customers the best possible return that can ensure their financial security when work life ends. At the same time, we make sure that the investments are responsible and support the Paris Agreement.



Topdanmark invests both the insurance reserves and pension customers' savings until the funds are paid in the form of compensation, pension payments and the like. Topdanmark wishes to attain the biggest possible return on investments in relation to risk, but we also wish to ensure that value creation is responsible and not in contravention of the internationally recognised standards and principles or conventions adopted by Denmark.

Against this background, we have prepared policies on responsible investments and active ownership which describe the criteria applicable to our investment activities. We have our own asset management which invests actively. That means that we select for ourselves which shares, bonds, property types etc. to invest in and for how long.

In 2020, we have strengthened the area by appointing an ESG Asset Manager.

## Support to the Paris Agreement

In the investment activities undertaken by Topdanmark Livsforsikring, Topdanmark will take into account the transformation of the energy supply in accordance with the UN Climate Convention UNFCCC - which the Paris Agreement is part of. Against this background, the company has set a goal that green investments will constitute approx. 20% of the provisions in Topdanmark Livsforsikring in 2030.

## New policy on responsible investments

Topdanmark's policy on responsible investments was updated in 2020. Based on the UN Global Compact, the policy takes the identification of potential negative impact as a starting point.

We have a process for exclusion of companies in the event of continued and verified breaches of the UN Global Compact, as well as exclusion of companies producing thermal coal and tar sands (the revenue threshold is max. 5%), and exclusion of all companies that produce smoking tobacco.

We do not invest in the production of controversial weapons. Likewise, we have a limit to which government bonds Topdanmark invests in.

The policy is implemented through continuous screening and evaluation of existing and potential investments in order to identify any breaches of the UN Global Compact.

## Integration of ESG factors

In 2020, we started to integrate ESG factors (Environment, Social and Governance) into the investment process with the aim of assessing the return potential based on both conventional financial analysis and from a sustainable perspective.

Likewise, we have started to apply company-specific ESG and CO<sub>2</sub> analyses i.a. to assess the companies' exposure to the green transformation.

See the result of our analyses in the chart on page 33.



Through investments under Formålspension, several goals are supported - of which goal 7 and 13 are the primary.

# New policy on active ownership

In 2020, our policy on active ownership was also updated with a new ambition on active ownership.

As active owners, Topdanmark will support the long-term value creation of the companies in which we invest. Henceforth, we will conduct active ownership to a greater extent by voting at the annual general meetings of both Danish and foreign companies.

Henceforth, we will also to a greater extent than previously enter into dialogue with companies where we assess that there is a verified breach of the UN Global Compact. If the dialogue does not lead to a change in conduct, it can lead to divestment. We will also enter into dialogue with companies if we assess that there is an ESG problem needing attention - also if it is not yet a verified breach. In both situations, dialogue will be through our external screening agency.

Active ownership by voting and dialogue was initiated in Q4 2020.

Furthermore, in the future, we will have increased focus on transparency as we want it to be easier for our customers to see what their funds are invested in. This includes information on

- Our active ownership
- The ESG quality of our investments
- The CO<sub>2</sub> emissions from our investments

See the results of the year on page 33.

## New insurance product with extended ESG requirements

In 2020, we have launched a new insurance product Formålspension (Purpose pension). Formålspension is a life-cycle product in which customers can choose between four specific purposes in which the customer's pension funds must be invested: Green Transformation, Technology, Danish Investments, and Global Investments.

Regardless of the investment choices made in Formålspension, the investments are subject to increased ESG (Environmental, Social & Governance) considerations, and producers within the following industries are excluded: fossil fuels, extraction of raw materials outside the industrialised countries, tobacco, adult entertainment, online betting and weapons.

Formålspension is off to a good start and has been well received by the customers. By the end of 2020, DKK 1bn was invested in the new pension scheme. Among the four possible purposes, "Green Transformation" was the largest with 40%.





Through active ownership, we focus on promoting multiple Sustainable Development Goals including goals 3, 12 and 13.

# Objectives and results for 2020

## Responsible investments: objectives and results for 2020

Objectives	Activities	Results
The investment return is created in consideration of the UN Global Compact	Screening and evaluation of the equity portfolio for positions in breach of the UN Global Compact	By the end of 2020, 94.8% of our equity investments was in compliance with the UN Global Compact, while 4.1% was on the watch list, and 1.1% has a verified breach. Read more under "Active ownership through dialogue."
Analysis of CO <sub>2</sub> emissions from investment activities	Calculation of CO <sub>2</sub> emissions from the total equity portfolio	125.8 tonnes CO <sub>2</sub> /USD million revenue compared with a benchmark of 162.5. Read more in the section on 2 degrees scenario analyses below.
Investment and tax	Update the policy on responsible investments to include a description of responsible tax practice	Compliance with the policy did not give rise to any changes in investments
Implementation of theme-based exclusions	Exclusion of tar sands, smoking tobacco and thermal coal	At year-end, there were no investments in companies in breach of the theme-based exclusions

## Evaluation of 2020 results

### Active ownership through dialogue

In 2020, we have been in dialogue with two companies in which there were breaches of the UN Global Compact:

- Danske Bank: principle 10
- Volkswagen: principles 7-9

At year end, after along positive dialogue, Volkswagen was no longer considered being in breach of the UN Global Compact. The company has been moved to our watch list. We continue to have a positive

dialogue with Danske Bank. In 2020, we have also increased focus on three companies in risk of breaches to the UN Global Compact: BHP Group, Dupont and Sanofi.

### Active ownership through voting

In 2020, we have voted at the AGMs of Chr. Hansen, Tryg, Coloplast and Scalepoint Technologies.

### ESG risk

Topdanmark's total ESG risk for the equity portfolio landed on 21.7 against our benchmark score of 22.8. Our result

was mainly driven by good ESG risks with, among others, Vesta and Pandora, whereas our investments in Demant, Volkswagen, Steris, Danaher and Dupont de Nemours impacted our ESG risk negatively. The result indicates that our ESG risk is better than benchmark.

### Climate and 2 degrees scenario analyses

Based on a 2 degrees scenario analysis, it can be concluded that our equity portfolio is significantly less exposed to coal and oil production compared with benchmark, and at the same time investing more in

sustainable energy. Also, our investments are 23% below the CO<sub>2</sub> intensity of our benchmark indicating that the companies in which we invest emit less CO<sub>2</sub> than if we were investing passively.

Looking forward, the portfolio will continue to be exposed to more sustainable energy in accordance with a temperature rise less than 1.75 degrees. All in all, the analysis has not given rise to a change in our investment strategy in relation to achieving our objective of 20% investments in the green transformation in 2030.

> READ THE POLICIES ON RESPONSIBLE INVESTMENTS AND ACTIVE OWNERSHIP

## Future plans

In 2021, we will continue to implement the updated policies on responsible investments and active ownership with the initiatives described above. Read the policies on responsible investments and active ownership.









# Responsible business management

Trust is an important issue in every situation in life, also in the relationship between company and society. We strengthen the fiduciary relationship between Topdanmark and society by acting in compliance with legislation and international standards.

Topdanmark considers responsible corporate governance a prerequisite for maintaining and developing long-term relationships with all stakeholders that contribute to our business and the society we are part of.

To us, responsible corporate governance means that we comply with legal requirements, recommendations for good corporate governance as well as rules and recommendations from the Danish trade association for insurance companies and pension funds Forsikring & Pension (Insurance & Pension Denmark), and that all is fully integrated into the operation of our business. It also means that we live up to the expectations of the UN Global Compact on the integration of the 10 principles in how we conduct our business.

## Continuous assessment of risks and actions

We continuously assess which risks we have for negatively affecting the principles and what consequences this will have for our business. Based on this

assessment, we decide how to deal with the challenges we find. We divide it into the following areas:

- Human Rights
- Climate
- The environment
- Anti-corruption

On the pages 37-47, you will find descriptions of each area including accounts for policy, risk assessment, objectives, annual activities and results. On page 36, there is a description of two of the actions that cover all principles.

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➤ [READ MORE ABOUT OUR WORK WITH THE COMMITTEE ON CORPORATE GOVERNANCE AND THE RECOMMENDATIONS ON GOOD CORPORATE GOVERNANCE](#)

➤ [READ MORE ABOUT TOPDANMARK'S WHISTLE-BLOWER SCHEME](#)

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# Two new initiatives in 2020

As a part of our continued work with responsibility, we have started two initiatives in 2020: a new CSR-programme for suppliers and an internal code of conduct.

## CSR programme for suppliers

Topdanmark wants to help our customers in the best possible way, both before, during and after damage. We do so through a number of suppliers e.g. after damage to buildings or an accident. We also purchase for the operation of our business, e.g. office supplies and IT. Furthermore, we have outsourced a number of tasks to external consulting firms. The vast majority of this being procurement of deliveries for our customer support, and this procurement is business critical.

Regardless of the type of procurement, we want to establish a trusting and professional collaboration with the supplier with a focus on quality, responsibility and sustainability.

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

## Activities in 2020

In 2020, we have initiated a process which will result in more systematic integration of CSR into our purchasing processes than previously. The new programme will i.a. mean that moving forward a code of conduct will be part of the contract in addition to specific requirements for selected suppliers, e.g. actions on CO<sub>2</sub> emissions and for products. CSR will also be part of a set of parameters in tender rounds.

The following concrete activities in 2020 can be mentioned:

- CSR was a parameter in connection with two tender rounds
- A 3-year collaboration agreement was entered into with a taxi company, and from now on Topdanmark's taxi rides will be primarily by electric taxis.

## Code of conduct

To support responsible corporate governance, in 2020, we have prepared an internal code of conduct, which is a set of overall, ethical guidelines for us as a company, for our employees and for our partners. It is based on i.a. a number of existing policies and all the principles under the UN Global Compact.

The code of conduct has been approved by Topdanmark's board of directors, and will be implemented in 2021, partly through mandatory e-learning. Likewise, we will implement an external code of conduct addressing i.a. suppliers.

## Future plans

In 2021, we will complete the final design of a new CSR programme including setting concrete objectives and KPIs.





# Human rights

As a company, we have a significant responsibility to ensure that human rights are respected in our entire value chain. We take our responsibility seriously and comply with legislation and international guidelines.

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

We only do business in Denmark. Topdanmark follows and complies with Danish legislation, which incorporates internationally recognised human rights. This means that e.g. equality, inclusion, workers' rights, health and safety are integrated into our values and policies. Against this background, we do not come across any challenges from a legal perspective in this area.

However, in 2020, it became known that we unfortunately - like other companies in the industry - have not complied with a section in the Sex Discrimination Act and thus have discriminated against pregnant women e.g. in terms of health insurance for a number of years. Read more on page 14.

## **Responsible value chain**

Externally, we practice human rights by investment screenings for our customers. The screenings are based on the UN Global Compact principles. We also do this within our supplier management, in which compliance with human rights is a central benchmark.

## **We monitor development closely**

Inspired by the United Nations Guiding Principles on Business and Human Rights, we continuously monitor what human rights Topdanmark may find challenging both in relation to the operation of our business and our products and advice - in addition to what is legally expected of us.



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[> READ OUR POLICY ON HUMAN RIGHTS](#)

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# Diversity in management

Topdanmark wants to be a diverse workplace, i.e. a workplace where diversity is accepted and used as a strength. Therefore, as a company we work to maintain and develop openness in our company culture to counter any form of discrimination, and for all to have equal opportunities in Topdanmark.

To Topdanmark, diversity means that there is no difference in the conditions of employment based on age, ethnic background, gender, sexual orientation, disability, health and race. This also means that Topdanmark does not discriminate based on this. We want to demonstrate and encourage tolerance allowing room for exchange of views and differences. Tolerance should be based on respect for each employee and ensure a good working environment for all employees.

## Equal pay for equal work

Topdanmark's position on diversity and equal opportunities for all also applies in relation to remuneration. It is our policy that remuneration depends solely on objective criteria such as experience, competence, effort, results and the content of the position.

## Balanced gender distribution in management

A particular focus area of the diversity policy is women in management. We want the executive team to be represented by the best-qualified candidates, but we also want a fair gender distribution. We have set up a number of objectives that we work to achieve – see the chart on page 39.

Topdanmark's Board of Directors annually approves our policy on diversity and its objectives. Likewise, the Board of Directors is annually informed about the development in Topdanmark's gender distribution for executives.

## Activities in 2020

In order for us to live up to our policy on equal pay, we have implemented a structure to ensure that people in the same positions are employed on the same terms. That way, we achieve both

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**21% women in executive management**  
**Our executive management includes the Executive Board (four people) and the top management team (20 persons). (2019: 21%).**

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**41% women in management**  
**Our objective: Both genders should be represented by at least 40% at all management levels - on average. (2019: 41%).**

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consistency and ensure that terms are not about the person or the gender.

We have strengthened our focus on recruitment processes supporting policies on diversity and the related objectives. This has been done e.g. by formulating job

postings in a way that is appealing to all regardless of gender.

See our objectives and 2020 results for diversity in management on the following page.





## BUSINESS MANAGEMENT

### Women in management: objective and results for 2020

Objective	Result	Evaluation
On average, minimum 40% of each gender at all management levels	41% (2019: 41%)	The objective has been achieved
Minimum 40% of both genders in relation to the succession planning of top management <sup>1)</sup>	29% (2019: 54% women)	From year to year, there will always be fluctuations in the gender distribution on the succession list, and thus also in 2020. However, the result for this year is far from the objective, and therefore we will increase our focus in 2021 and get more women on the list.
Percentage of employment interviews for posted managerial positions with at least one female candidate <sup>2)</sup>	52% (2019: 46%)	The objective has not been achieved which is primarily due to either no female applicants or female applicants who were not professionally on par with the male applicants.

1) Succession planning is, among other things, to ensure a food chain of qualified and potential employees for level 1 (the executive board) and level 2 (managers reporting to the executive board).

2) The figure shows the percentage of the total number of interviews for vacant management positions in which a female candidate was called for an interview.

### Future plans

For a number of years, we have set a minimum of 40% women on average for all management levels, which is satisfactory. On the other hand, there is a low gender diversity at the two highest management levels. As we want gender diversity and a balance between male and female values at all managerial levels, we will sharpen our focus on increasing the number of female managers in our executive management in 2021 and in the future. More specifically, we will look into how we can motivate more women to apply for positions in executive management, and how we can work with differentiated terms or the like.

### Diversity on the Board of Directors

Topdanmark's Board of Directors comprises six AGM-elected members and three employee-elected members. We want a Board of Directors consisting of the best-qualified candidates, and we have an objective of the Board of Directors having at least three of each gender (both

AGM-elected and employee-elected). See the result of year below. Since 2014, Topdanmark has complied with the legislative definition of an even gender distribution on its Board of Directors.

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

2017	2018	2019	2020
56%	44%	44%	44%

### Percentage of women in management

2017	2018	2019	2020
42%	40%	41%	41 %

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

Objective	Unit	2017	2018	2019	2020
A minimum of three of each gender on the Board of Directors	Number of women (AGM-elected)	2	2	2	2
(both AGM-elected and employee-elected)	Number of women (employee-elected)	3	2	2	2
	Total number of women	5	4	4	4

> READ TOPDANMARK'S POLICY ON DIVERSITY AT BOARD LEVEL



# Protection of personal data

Customers and other persons covered by our insurances should trust that we handle their personal data in a responsible manner. Therefore, we have great focus on data and IT security.

As an insurance and pension company, we collect and process a large volume of customer information, including personal data such as health information on our customers, claimants etc.

## **Personal data collection with a purpose**

Topdanmark processes personal data with the purpose of facilitating and administrating insurance and pension schemes. We also process data in connection with human resource management for our employees. We do not sell personal data, and on our website we state how we process personal data.

## **The right to the protection of personal data**

In Topdanmark, it is our responsibility to ensure that personal data is processed in a way so that we always protect the fundamental rights and civil rights of people, namely their right to the protection of personal data - and thus the right to privacy.

## **Correct handling of data**

To ensure that the customers can trust that we protect their data, we have implemented a comprehensive management system for data protection, including procedures and a policy on how to handle personal data.

Furthermore, we focus on compliance with the legislation in force on processing of personal data, i.a. the general data protection regulation (the GDPR). Thus we process all personal data of all stakeholders in a legitimate, fair and transparent manner. This is ensured i.a. by continuous training of our employees and pointing out how they can contribute to protecting privacy.

## **Responsibility**

Topdanmark's management is generally responsible for compliance with the GDPR rules. In 2020, Topdanmark has appointed a DPO (Data Protection Officer) who advises management and

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**473** employees  
have completed mandatory  
e-learning on GDPR in 2020.

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employees on legislation as well as ensuring compliance.

## **How we prevent data breaches**

We want as few data breaches as possible. But even though we have great focus on data security and a comprehensive management system, errors leading to data breaches cannot be avoided.

We endeavour to have an open and learning approach to handling data breaches in order for us to prevent them from happening again. We report breaches to the Danish Data Protection

Agency if we cannot exclude that there is a risk for the aggrieved parties. We also notify the aggrieved parties if there is a high risk that their rights or civil rights may be infringed.

We implement corrective action where necessary, and employees and managers are continuously informed about the importance of protecting the privacy of the data subjects.





## BUSINESS MANAGEMENT

### IT security against cybercrime

Topdanmark has strict requirements as regards data security. The requirements should ensure that information is stored and processed in a way that the right to privacy is not challenged by e.g. IT and cybercrime, which is a real threat to our business.

This is done through our IT systems which ensures that personal data

- Is up-to-date
- Is not distorted
- Is deleted when no longer relevant
- Is not accessed by unauthorised persons

In 2020, it was mandatory for 1,664 employees to complete e-learning on data security.

### The right to access and to be forgotten

We continuously work on improving our procedures, so that it gets easier for the data subjects to make use of their right to access, to be forgotten, to object etc. and ensure that it is done in due time.



### Activities in 2020

We have updated our mapping of where, how and why processing of personal data is carried out. This has been done through interviews with employees which has given increased awareness on the need for protecting personal data broadly in the organisation.

To strengthen the meaning of the area, we have supplied further resources to the areas which in particular provide advice on the protection of personal data, including the DPO function.

**1,664** employees  
have completed mandatory  
e-learning on data security  
in 2020.

### Future plans

We continuously work to improve our processes and IT security, and this will also be the case in 2021.

> [READ MORE ABOUT HOW WE PREVENT IT AND CYBERCRIME](#)

> [READ MORE ABOUT HOW WE PROCESS PERSONAL DATA](#)



# Data ethics

As a non-life and life insurance company, we use data to assess the concrete insurance risk of the customers. With digitalisation, the possibilities for the application of data is nearly endless. We comply with the ethical principles of the industry.

In January 2020, the Board of Directors of Forsikring & Pension, of which Topdanmark is a member, adopted a set of joint data ethical principles. They are on transparency, personalisation and prevention, and data security. We have chosen to make the joint data ethics of the industry our own, and since the launch of the principles we have worked to implement the principles into our business. As from the financial year 2021, we will report thereof in the annual report.

Artificial intelligence with responsibility  
At Topdanmark, we use artificial intelligence to support the daily work, for example, to assess risks and to give our customers a good and efficient customer experience. To ensure responsible use of artificial intelligence, we have defined five ethical principles. The principles have been approved by our Executive Board, and our Compliance department is responsible for the principles being observed in practice.

## Our ethical principles for use of artificial intelligence

1. Thoughtfulness. Artificial intelligence must be developed and used with care and respect.
2. Professional security. Artificial intelligence must be used within a fixed framework and be built on the latest technological knowledge and thorough tests.
3. Reliability. Artificial intelligence must be reliable, based on facts and free of biases.
4. Transparency. We must understand how artificial intelligence works, so that the models function safely and only for the purposes for which they were created.
5. Data security. Artificial intelligence must live up to the requirements of the data protection legislation and be protected against cybercrime.

[> READ MORE ABOUT THE PRINCIPLES](#)



[> READ THE DATA ETHIC PRINCIPLES OF  
FORSIKRING & PENSION \(IN DANISH\)](#)





# CO<sub>2</sub> neutral in 2030

We support society's goal of limiting climate changes. The more unpredictable and extreme weather also has an impact on our own business. Therefore, we have defined an ambitious objective of becoming CO<sub>2</sub> neutral in 2030.

As an insurance company, we feel the consequences of climate changes in the form of more unpredictable and extreme weather, e.g. cloudbursts, drought and more rain than usual. This has an impact on our business, both in terms of increased risk but also as business opportunities, described in the section on responsible products on page 26.

In 2019, we made a decision to become CO<sub>2</sub> neutral in 2030 in terms of buildings, company driving and air travel. This decision has also been the beginning of a process in which we have analysed the possible CO<sub>2</sub> reductions in our entire value chain- read more on page 46.

## Scope of the project

Our objective of becoming CO<sub>2</sub> neutral in 2030 has 2019 as the baseline with 7,082 tonnes CO<sub>2</sub> emission. It includes three areas

## Operation of buildings

- CO<sub>2</sub> emission from consumption of natural gas (scope 1)
- CO<sub>2</sub> emission from district heating and power consumption (scope 2)

## Company driving

- CO<sub>2</sub> emission from company driving in Topdanmark cars (scope 1)
- CO<sub>2</sub> emission from company driving in privately owned cars (scope 3)

## Air travel

- CO<sub>2</sub> emission from air travel (scope 3)

The objective has been approved by Topdanmark's Board of Directors, but the responsibility for the actual implementation is with the CSR Steering Committee.

## Activities in 2020

### How we will reach our goal

In 2020, we have continued the work on finding concrete solutions to how we can become CO<sub>2</sub> neutral in 2030:

### Operation of buildings

A step-by-step plan for 2021 to 2025 has been made, and it includes i.a. phasing out natural gas, concrete optimisation actions and a shift to CO<sub>2</sub> neutral power. Furthermore, all light bulbs will be changed to LED bulbs on an ongoing basis towards 2029.

### Business travel in Topdanmark cars

Approx. 100 cars are leased by Topdanmark. We are working on the following plan:

- **Reduction of driving:** Based on the positive experiences from COVID-19, a decision has been made to continue using digital collaboration tools.
- **Change to low emission cars:** A gradual transition to hybrid or electric cars is expected to be initiated and completed before 2030.

### Business travel in privately owned cars

This is primarily company driving in privately owned cars by our salespeople and claims adjusters. This is the majority of our indirect CO<sub>2</sub> emissions, but is unfortunately also the most difficult part

to change since we have little influence on the choice of cars.

- **Reduction of driving:** We will continue to use digital customer meetings. When it comes to inspection of property and buildings in connection with preparing an insurance contract or after a claim, we will also introduce digitalisation to reduce driving.
- **Change to low emission cars:** We are yet to find a model for the transition to low emission cars for privately owned cars, but the work continues in the years to come.

### Air travel

The majority of air travel is by external IT developers employed by Topdanmark in connection with different projects. Furthermore, air travel is connected to investor meetings and other business meetings as well as participation in conferences etc.

- **Reduction of air travel:** Continued use of digital platforms.

### In general

For the CO<sub>2</sub> emissions that remain after the implementation of all actions, we will look into procurement of CO<sub>2</sub> compensation.



## BUSINESS MANAGEMENT

### Carbon footprint report 2017-2020: tonnes CO<sub>2</sub>e emission

	2018	2019	2020
Scope 1	1,449	1,426	1,352
Scope 2	2,391	2,322	2,123
Scope 3	3,325	3,388	2,549
Total	7,165	7,136 <sup>1)</sup>	6,024

1) In the CSR Report 2019, the number was stated as 7,082 tonnes which was an error.

**15%**  
CO<sub>2</sub>-reduction compared to 2019.

**26%**  
of Topdanmark's total power consumption was produced by our own solar cells in 2020.

### CO<sub>2</sub>e-reduction: objective and result

Objective	2020	Evaluation
CO <sub>2</sub> neutral in 2030 (baseline 2019)	6,024 tonnes CO <sub>2</sub> emission, which is a reduction of 15% compared with 2019	The reduction is primarily achieved by a reduction in driving and air travel caused by COVID-19 restrictions.

➤ FIND MORE DETAILS ON OUR CO<sub>2</sub>E EMISSION, POWER CONSUMPTION AND DATA METHOD IN OUR ESG REPORT 2020



### Future plans

In 2021, we will continue with the plans described on page 43. In terms of the internal operations of buildings, we will implement optimisation of our cooling system which is expected to give a CO<sub>2</sub> reduction of about 110 tonnes. In contrast, emissions from company driving and air travel are expected to increase slightly compared with the level of 2020 which was very low due to COVID-19 restrictions. Therefore, the total CO emissions of 2021 are expected to increase to approx. 6,500 tonnes.





With our actions we contribute to Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

# Environment is also less plastic

Topdanmark wants to contribute to a better environment through responsible and sustainable operations of our offices and canteens. A special focus area is the reduction of disposable materials.

Topdanmark focuses on climate and the environment in connection with procurement for the operation of the business. For example, we aim to buy office supplies which are labelled with the Nordic Ecolabel (cleaning agents, paper and printed matter), FSC (paper and wood), EU Ecolabel (paper and toner) or are organic. Furthermore, we have a goal of reducing the use of disposable plastic towards 2021 - see the chart on this page.

## Activities in 2020

We have launched a number of initiatives, among other things:

- **Reduction of disposable cups:** In 2020, all employees could choose an individual cup designed by Danish ceramists. All employees were also given a water bottle. Moving forward, all new employees will receive a cup and a water bottle instead of flowers which has been custom up to now.

- **Two-page print in black and white:** New printers with a default set up for two-page print in black and white have been put up.

## Evaluation

Since 2018, there has been a 52% reduction in disposable plastic materials. This is i.a. due to phasing out disposable plastic cups and partly phasing out

disposable plastic buckets and cutlery. In 2020, there was a 24% reduction which is partly due to the increased level in working from home.

**64%**  
**The reduction in the number of disposable cups in 2020.**

**45%**  
**We have reduced purchased paper and paper products with this much compared with 2019.**

**48%**  
**of all waste was recycled.**

## Disposable plastic: Objective og resultat

Objective 2021	unit	2018	2019	2020
Reduction in disposable plastic materials <sup>1)</sup>	Number of purchased disposable plastic units	Office operations: 794,350 Canteen: 21,469	Office operations: 507,365 Canteen: 12,200	Office operations: 292,161 Canteen: 103,000 <sup>2)</sup>
		<b>Total: 815,819</b>	<b>Total: 519,565</b>	<b>Total: 395,161</b>

1) It has been reported that both office operations and the canteen at Topdanmark's head office have purchased cups, bottles, gloves, various buckets, bags and pens made of plastic.

2) The increase is due to increase in procurement of plastic gloves in connection with COVID-19.



# New level of ambition for climate and the environment

In 2020, a task force has been looking into how we can integrate climate and the environment into the entire value chain. Here is an overview of the plans so far.

## **Build knowledge internally**

We consider building knowledge across the organisation as being essential for implementing our ambitions for the area. Therefore, we want to look into the

possibilities of a training programme on climate and the environment for selected employees, and let sustainability be an active element in the recruitment for relevant positions.

## **Reduction of customers' climate and environmental footprint**

We want to integrate climate and the environment into our product development with the aim of developing products and services that help the customers reduce their climate and environmental footprint.

## **Reduction of employees' climate and environmental footprint**

We want to look into the possibility of establishing an internal community with the aim of finding initiatives that can promote further climate and environmentally friendly solutions and behaviour at our workplace and provide inspiration outside working hours.

## **Reduction of partners' climate and environmental footprint**

We want to introduce a new CSR programme for the procurement policy and the supply chain with a focus on climate, the environment and CO reduction - read more on page 36.

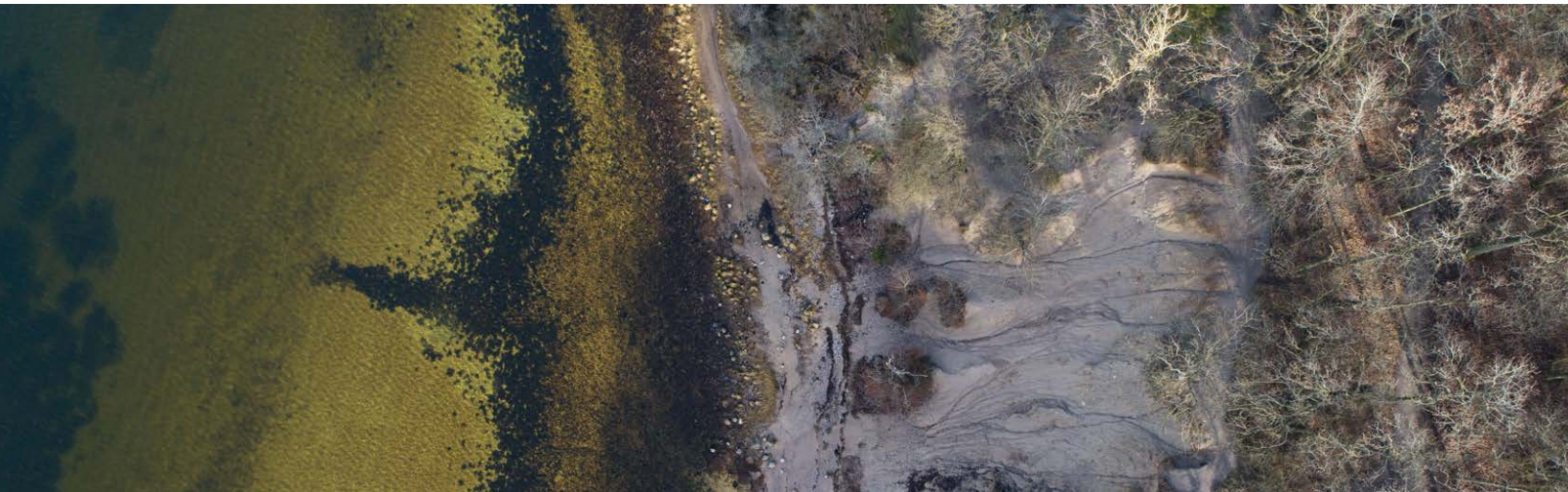
We want to integrate climate and the environment into our partnership strategy. This means that climate and the environment will be permanent elements in the dialogue with all strategic partners with the aim of collaboration.

## **Reduction of climate and environmental footprint from investments**

In 2030, green investments will make up approx. 20% of our investments. As from 2020, we conduct analysis of the CO<sub>2</sub> emissions from the equity portfolio, and we have excluded thermal coal and tar sands. Read more on page 31.

## **Future plans**

In the first half of 2021, we expect to prepare an action plan with concrete objectives and KPIs for 2025.







# Anti-corruption and anti-bribery

We do not tolerate any form of corruption and bribery. We have clear guidelines for presents and entertainment which we consider the area to pose the biggest risk

Topdanmark wants to be part of a professional, orderly and trustworthy business environment. We therefore do not tolerate corruption and bribery neither from our employees, suppliers nor from other partners.

It is our assessment that the biggest risk of corruption and bribery is related to presents and entertainment in relation to customers, suppliers and other business partners. However, we also assess the risk to be generally low.

## Internal guidelines

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

To support this, we have drawn up guidelines which state when Topdanmark's employees may give and

receive gifts and when they are allowed to hold or participate in events and arrangements. The purpose of the policy is, among other things, to prevent and avoid business decisions being influenced by personal or non-business-related considerations and interests.

## Activities in 2020

In 2020, we continued the work on preventing and avoiding business decisions being influenced by personal or non-business-related considerations and interests. We do this by i.a. communicating our guidelines to all new employees. It is our assessment that there have been no situations that have been in conflict with our guidelines.

Furthermore, we have started to draw up a formal anti-corruption policy as we consider it relevant with a further clarification of our position and expected

## Money laundering and financing of terrorism

The risk of money laundering and financing of terrorism is more significant in Topdanmark Livsforsikring than in the Topdanmark non-life insurance business. However, generally the risk is low. We meet the requirements of the Danish Anti-Money Laundering Act, which means, for example, that e-learning is obligatory.

behaviour in this area. In that connection, we have revised our internal guidelines for presents and entertainment.

## Future plans

The policy on anti-corruption will be completed and implemented in 2021.











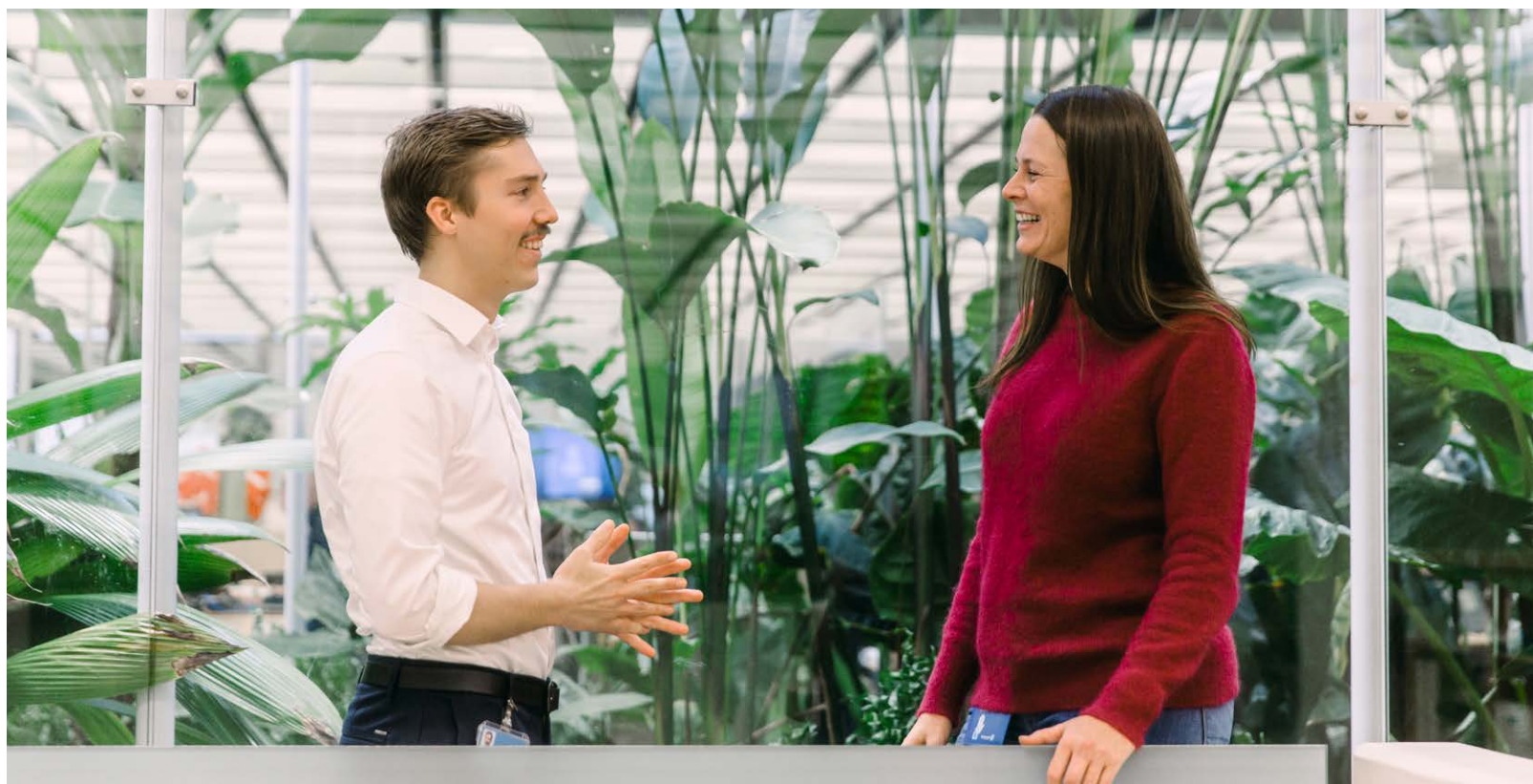
# Corporate culture

We want to provide the best customer service in all situations. Competent and motivated employees are a critical factor in this respect, and therefore, we strive to have a high level of employee job satisfaction and well-being and a workplace where you can be yourself.

We have formulated an ambition that we want to have a bolder workplace, a healthier working life and a fun working day. We want to provide a working community which is accommodating for all types of person. A workplace at which you can be yourself. We believe that it increases both well-being and commitment as well as contributes to attracting and retaining the highly skilled manpower we need. Therefore, well-being and commitment are central elements of Topdanmark's business strategy.

## Close dialogue is the foundation

A close dialogue between the Executive Board and the employees is important to us, among other things through a Cooperation Committee with employee representatives. The committee's task is to take on and discuss work related and organisational issues and find solutions to these problems. Furthermore, we have a competence committee that specifically considers training and development, as well as a job satisfaction committee discussing job satisfaction, well-being and health.



# Well-being and commitment

Focus this year has been on ensuring employee well-being in a completely new situation with working from home being prevalent without any physical contact with managers and colleagues. It also points towards what we call The Future Workplace.

To ensure a continuous dialogue between employees and managers on any challenges, we i.a. make use of locally embedded well-being dialogues which should support the continuous work on well-being, commitment and motivation. Based on the replies, we plan the required actions for the coming year.

We also conduct an annual group survey on well-being and commitment at Group level. We use the result as an indication of the general level of well-being in Topdanmark.

## Activities in 2020

### Comprehensive well-being assessment

At the beginning of 2020, we conducted a comprehensive assessment of the employees' well-being based on both the result of the annual survey on well-being as well as the workplace assessment in addition to anonymized data from health checks in 2019.

The assessment gave rise to a number of observations, i.a. a widespread opinion of having too great a workload at too high a pace with the risk of stress.

However, the continued work on defining relevant solutions to the challenges was put on hold when COVID-19 hit the country at the end of February. After this, all focus was targeted at managing the completely extraordinary situation to avoid dissemination among our employees.

### Management of COVID-19

Topdanmark has complied with all official recommendations set for private businesses e.g. working from home to limit infection. Thus, in March 2020, more than 2,000 remote workstations were established in 14 days.

- All year, we have worked to ensure the health security and general well-being of our employees. For example, we established a hotline responsible for advising our employees. We have introduced the use of face masks in the canteen, and all employees have received fabric face masks.
- We have focused on establishing digital tools for collaboration and distance management to ensure continued close contact to our employees - professionally and socially.
- It was - and still is - possible to borrow an ergonomic seat pad or office chair and to get advice on ergonomics when working from home. We have also made a number of short training videos to get our employees moving when working from home.
- We have organised social online events for the Group, e.g. a digital Christmas event to gather and get the feeling of being together.

## Well-being assessment: objective and result

Objective	Result in 2020	Evaluation
A 2 point increase in the annual well-being assessment at Group level	78 point compared with 76 points in 2019 <sup>1)</sup>	The result is satisfactory and is an indicator that our employees, in general, are well and thrive.

1) The scale is 0 - 100 points. The figure is an index figure calculated as an average of points for a total of three questions. The objective for 2021 is to maintain the same result as in 2020, i.e. 78 points.





## Survey on sexism in the wake of the MeToo campaign

The year 2020 has been marked by an increased attention to sexism at the workplace and in society in general. We have chosen to address the issue and conducted a survey among all our employees in order for us to learn the scope in our own organisation. From the survey, it is evident that we have isolated cases with abusive, insulting and sexist behaviour, which is completely unacceptable.

Therefore, in 2021, different activities will be launched to ensure understanding of our different boundaries. We will also emphasize in our internal communication that employees can trust that cases will be handled consistently and professionally. Among other things, we will use dialogue questions to support an open dialogue on the tone and culture in the individual departments.

## Employee turnover

We monitor our employee turnover, and we have an objective of being at industry level.

Read more about employee turnover for the period 2017-2020 in the chart on page 53.

Objective	Result in 2020	Evaluation
Employee turnover at industry level <sup>1)</sup>	Topdanmark: 11,1% (2019: 13.9%) <sup>2)</sup>	There has been a reduction in employee turnover since 2019, and it is also below industry level which is satisfactory. We see it as a result of our increased attention to employee well-being and commitment and that we have succeeded in our efforts.
	The insurance industry: 12.4% <sup>3)</sup>	

1) Finanssektorens Arbejdsgiverforening's (the Danish Employers' Association for the Financial Sector) calculation for the entire insurance industry

2) Of which 4.7% was involuntary

3) The figure is from 2019 as the industry figure for 2020 was not published on the completion of this report.

The future workplace will give less driving. Thus it can contribute to our goal of reducing CO<sub>2</sub> emissions in our entire value chain.

## Future plans

### The Future Workplace

The experiences with working from home during COVID-19 have overall been positive. Among other things, we have seen that tasks are solved satisfactorily, sometimes even more efficiently when working from home and attending online meetings instead of physical meetings. At the same time, we also see that working from home gives our employees more flexibility in their everyday lives. This has given inspiration to how we organise our workplace and working life in the best possible way in the future.

In 2020, we have launched a pilot project in which a maximum of 75% employees are physically present at the workplace – also after the COVID-19 restrictions are lifted. We call it The Future Workplace.

### The balance is crucial

We are aware that increased work from home also poses dilemmas, e.g. in relation to social and professional cohesion. But we believe that the right balance between working from home

and working from our locations can contribute to an increase in employee well-being, reduce stress and absence due to illness as well as increase flexibility for certain types of task.

The individual employee's need for physical meetings and contact with colleagues and the tasks of the individual will be the point of departure. At the same time, we will look into how our employees can maintain a close connection with their team, their manager and with Topdanmark as a company when there is an alternation between working from home and working from the locations.

The future workplace will also influence how we approach the development of managers – read more on page 53.

### Collaboration with Future Work Lab

The pilot project is carried out in collaboration with Future Work Lab, which is a research and development project that over the next two years will look into how you get the digital working partnerships of the future to function in a way that creates increased well-being.



# Health in everyday life

We want to give our employees the opportunity of a healthier working life by offering a number of initiatives, from the near to the broad which can give energy both during the working day and at leisure.

With our health policy, we want to inspire the employees to healthy habits that can prevent lifestyle diseases and stress as well as provide a working day and leisure time with more energy. We provide a number of health activities just as we offer help in preventing pain and minor ailments of the body through a massage scheme. We also offer help on larger lifestyle changes.

## Anonymous stress counselling

We offer anonymous stress counselling from experienced psychologists. The service can be used as the first step if you - or a colleague - experience stress symptoms. In doing so, you get swift aid without the need of a referral from your doctor. In the event of severe and long-term stress, we can offer a personalised course of treatment as part of the employee's health insurance.

## Better health

All Topdanmark employees are offered a health screening during working hours every second year - most recently in 2019. A health screening can simply be a digital health screening, or it can be expanded to include a physical health check.

## My Health - individual health programme

Since 2016, annually, approx. 30 employees who are at risk of getting lifestyle diseases have been offered an individual health programme, My Health, against a minor charge. Each programme has a duration of 3-4 months and they have provided unique results within long-term and sustainable lifestyle changes. In 2020, 28 employees successfully participated in a My Health programme despite COVID-19 restrictions.

## We bike during working hours

Research show that long periods of sedentary behaviour can impact the risk of developing lifestyle diseases. Therefore, in 2020, we have introduced the possibility of even more exercise by setting up 23 office bikes which can be used instead of office chairs.

Also read about free online medical advice on page 21 - which is also available to our employees.

## Absence due to illness

We keep an eye on our employees' absence due to illness, because we consider it to be an indicator of both the physical and mental well-being of our employees.

## Evaluation of health initiatives

We continuously evaluate the many initiatives, i.a. in a job satisfaction committee in which it is discussed whether the initiatives positively contribute to a healthier working day and a high level of well-being. The total evaluation of 2020 has been special due to COVID-19. The initiatives have been well received by our employees, and they have contributed to increased health and well-being, and also in making Topdanmark an attractive workplace.

## Absence due to illness: objective and result

Objective	Result in 2020	Evaluation
Level of absence due to illness below industry level <sup>1)</sup>	Topdanmark: 2,4% (2019: 2.7%) <sup>2)</sup>  Insurance industry: 3.1% <sup>3)</sup>	The year has been marked by COVID-10. We have seen periods of illness longer than normal, but at the same time, we have also seen a decrease in the number of sick employees. All in all, there has been a decline in absence due to illness compared with 2019, and also below industry level. The objective has been met.

1) Finanssektorens Arbejdsgiverforening's (the Danish Employers' Association for the Financial Sector) calculation for the entire insurance industry

2) This figure indicates that, on average, every employee was sick 2.4% of the total number of working hours in 2020. The figure covers all employees.

3) The figure is from 2019 as the industry figure for 2020 was not published on the completion of this report





# The competencies of the future

Targeted competence development for the individual employee is important so that everyone can contribute towards carrying out the tasks in the organisation in the short and long term. Therefore, we have a comprehensive training and development programme.

Our need for competencies in the organisation is continuously evaluated through dialogue with the individual departments, management and the executive board. Against this background, a strategy for training and development is prepared for the individual employee.

We have several training programmes depending on which part of the organisation you are working in. There is a number of mandatory courses that all employees must complete, e.g. data protection, IT security and money laundering. Furthermore, we continuously offer internal training courses appealing to all employees.

## Leadership training

We have a target of completing a comprehensive managerial training programme for a total of approx. 250 managers on four levels. The programme is carried out over 2-3 years in which all managers are trained in a number of subjects e.g. strategy development, understanding transformation and management skills. Furthermore, the

programme includes tactical toolbox courses such as conflict management, situational leadership, distance management etc. customised training courses may also be included if needed.

## Activities in 2020

Impacted by COVID-19 and the widespread use of working from home, there has been an increased focus on developing the digital competences of the employees and managers in 2020. For the managers, there has been an increased focus on distance management.

## Future plans

In order to equip managers and employees to continue using digital tools, we will initiate a project in 2021 to ensure that we strengthen our total digital competences, so that they match the Future Workplace.

[»READ MORE ABOUT TOPDANMARK AS A WORKPLACE AND OUR CAREER OPPORTUNITIES](#)

## HR key figures

	Unit	2017	2018	2019	2020
Fulltime employees (FTE)	Number	2,473	2,343	2,318	2,460
Employees in flexible jobs <sup>1)</sup>	Number	13	11	10	8
Employees on temporary contracts <sup>2)</sup>	%	1.7	2.3	1.9	2.0
Employees covered by collective agreements	%	96.9	97.2	96.5	96.6
Absence due to illness <sup>3)</sup>	%	3.0	3.0	2.7	2.4
Absence due to illness in the finance industry <sup>4)</sup>	%	2.9	3.1	3.1	-
Employee turnover <sup>5)</sup>	%	14.3	14.0	13.9	11.1
Employee turnover in the finance industry <sup>4)</sup>	%	12.0	13.3	12.4	-
Cases of discrimination <sup>6)</sup>	Number	0	0	0	0
Competence development of employees <sup>7)</sup>	Million	28.5	27.0	33.1	24.7 <sup>8)</sup>

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

1) Flexible jobs are offered primarily to internal employees who need other duties than those they have had previously. In 2020, all employees in flexible jobs are internal employees.

2) The number of employees who are bound by a specific resignation date (exclusive of trainees and maternity cover)

3) This figure indicates that, on average, every employee was sick 2.4% of the total number of working hours in 2020. The figure covers all employees.

4) The industry figure for 2020 was not available when this report was completed.

5) The figure covers employees who left the company voluntarily, were dismissed, retired or left the company for other reasons. The number also includes terminated temps.

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

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

8) The lesser amount spent on competence development in 2020 compared with 2019 is caused by limitations in education options due to COVID-19 restrictions.







# Responsibility in society

As a non-life and life insurance company, we help many customers every year when they become ill or suffer an injury. We also want to help more broadly and globally when people are in difficult situations. That is why we collaborate with humanitarian organisations.

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**DKK 770.884**  
**was donated to humanitarian organisations by Topdanmark and employees in 2020.**

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Topdanmark's programme for charity is based on initiatives that contribute to humanitarian relief and humanitarian assistance both in Denmark and internationally, and which are related to our core business. This could e.g. be health and exercise activities with a preventive perspective which also provide the possibility of employee participation, either in the form of financial contributions and/or participation in events.

More specifically, we have chosen to collaborate with three humanitarian organisations: Kræftens Bekæmpelse (the Danish Cancer Society), Doctors Without Borders and the Blood Bank.

## Activities in 2020

### Exercise for the Knæk Cancer

Through participation in the Knæk Cancer Campaign (cancer fundraising) under the Danish Cancer Society, we are given the opportunity to focus on several issues that are central to our business: health, exercise and prevention. Furthermore, we can contribute to an important healthcare project, and at the same time create great internal togetherness.

### Money for calories

We collect contributions to the campaign in different ways. The employees pay a participation fee, and Topdanmark pays for the calories burned through cycling, dancing, running, and other activities. There is also a raffle with prizes donated by our collaboration partners.

### COVID-19-friendly event

In 2020, we participated in the Knæk Cancer campaign for the seventh time. The campaign has become part of our

corporate culture, but in 2020, it was a new edition adapted to the COVID-19 situation and with many restrictions. New ideas saw the light of day, and e.g. exercise from the home office was also an option. All in all, it was a really nice campaign with great and positive commitment from the employees, and it created joy and togetherness.

### Humanitarian relief across borders

We have been cooperating with Doctors Without Borders since 1996. We have chosen Doctors Without Borders as we trust that our contribution is spent in a responsible manner in the World's hotspots.

On a voluntary basis, employees can contribute to Doctors Without Borders via their salary, and Topdanmark will contribute an equivalent amount. Furthermore, in connection with the Christmas present for the employees in 2020, the organisation received DKK 100

per Christmas present, and the employees could also donate their Christmas present amount to the organisation.

### Blood gives new life

Every day, the Danish hospitals rely heavily on donor blood to treat patients. As a blood donor, you help ensure the necessary blood supply and thus make a huge difference to many people. We would like to contribute to this effort. Therefore, since 2005, the employees at Topdanmark's head office have been able to donate blood to the blood bank during working hours. Topdanmark is among the companies that donate the most blood per number of visits by the blood bank.

## Future plans

Topdanmark's programme for charity is reviewed annually. In 2020, it was found that a more thorough evaluation of the programme is needed – a process that will be initiated in 2021.



## RESPONSIBILITY IN SOCIETY



Goal 3: good health and well-being. We contribute directly to the main goal, and with our support to Doctors Without Borders we contribute indirectly to several targets, i.a. target 3.1 on reducing the global maternal mortality ratio and target 3.3 on ending the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases.

### Humanitarian assistance: overview 2020

Activity	Donations in DKK <sup>1)</sup>	Number of employees participating	Expenses for administration in DKK
Doctors Without Borders	Employees: 93,705 Topdanmark: 337.305 <sup>2)</sup>	72 (2019 : 84)	0
Knæk Cancer Campaign	Employees: 261,900 Topdanmark: 78,000	690 (2019 : 815)	100,000 <sup>3)</sup>
Blood Bank <sup>4)</sup>		No available data	0

1) Topdanmark has not made donations in the form of gifts

2) Of which DKK 251,100 was a donation in connection with the Christmas present for the employees

3) Procurement costs of campaign T-shirts for the participants

4) 159 batches of blood were collected (2019: 388). The decrease is due to COVID-19.







## Education in the industry

We see it as part of our social responsibility to contribute to education in the insurance industry. Therefore, we employ a number of finance trainees as well as offer internships every year. We attach great importance to well-being and personal development.

As one of Denmark's largest insurance and pension companies and as co-owner of Forsikringsakademiet (the Insurance Academy) – the insurance industry's own educational institution – we see it as a social responsibility to contribute to the education of the young people in our industry. Therefore, we annually employ finance trainees in a 2-year education, and we also offer internships for financial economists and finance bachelors.

### **Trainees get well equipped for the industry**

We have a long tradition of trainee education, and many of our current employees and managers have been trainees. According to legislation, we

are obliged to employ finance trainees, but as a company we want to contribute more than just what legislation requires us to do. Therefore, we strive to employ a minimum of 20 trainees annually.

It is important to us to ensure that all trainees complete the education with good results, so that they are well equipped for the requirements in the industry. Therefore, they receive a structured education programme with interplay between theory and practice. We organise special events focusing on the well-being and personal development of the trainees in order to support them in their education.



### **Education in the insurance industry: objective and result**

Objective	Result for 2020	Evaluation of 2020
Contribute to the education in the insurance industry employing a minimum of 20 finance trainees annually - in addition to finance internships	Finance trainees: 23 (2019: 15) Financial economists: 29 (2019: 21) Finance bachelors in internships: 8 (2019: 7)	The number of finance trainees and internships is satisfactory, and we have had some good educational programmes.
Out of the 14 finance trainees that completed their education with Topdanmark in 2020, 13 were permanently employed on completion of their education.		



# Tax contributions are also social contributions

Topdanmark contributes to Danish society through both direct corporate taxes and indirect taxes. More than 99% of our income is taxed in Denmark. In our opinion, we contribute to society as a responsible employer and through tax payments.

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

More than 99% of our income is taxed in Denmark which, taking the organisation's size into account, is unusual since other big Danish companies pay a large part of their corporate tax abroad due to the activities in the international market. In

this way, Topdanmark, relatively speaking, pays more to the Danish state than many other big companies.

In the most recent public statement on tax payments from 2018, Topdanmark was the 17th largest contributor of corporate tax in Denmark. Among insurance companies, we were the largest contributor of corporate tax.

## Topdanmark's payment of direct tax: an overview

	2017	2018	2019	2020
Corporate tax (DKKkm)	502	371	441	329
Income tax (DKKkm)	897	995	882	921

## Topdanmark Group - taxes and duties 2020 (DKKkm)

Topdanmark cost		Topdanmark as tax collector	
<b>Direct taxes:</b>		Income tax	921
Payroll tax	329	Labour-market contribution	406
			1,327
<b>Selected indirect taxes</b>			
		Pension return	617
		Liability duty	258
<b>Indirect taxes:</b>		Property tax	36
Payroll tax	274	Flood	50
		Government tax	303
		VAT	19
		Non-life insurance duty	90
			1,373
<b>Total DKKkm</b>	<b>603</b>	<b>Total DKKkm</b>	<b>2,700</b>





# Contact

If you have questions or comments to the report, you are always welcome to contact CSR Manager Pernille Fogh Christensen.

Likewise, please feel free to contact us for a dialogue on our CSR actions.

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