

# CSR Report

## 2019



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# Preface

Welcome to Topdanmark's CSR report 2019, in which you can read about the initiatives and results for the year. Our aim with this report is to present an open and transparent description of Topdanmark and our work with social responsibility.

For Topdanmark, social responsibility goes hand in hand with our core business. Our products and services provide the customers with financial and social security – before, during and after damage or an injury has occurred and in relation to securing their pension. We guide the customer all through life, and we help with service and advice when needed.

A central part of our business model is the work on health and well-being of our customers. We have numerous health initiatives, which help the customers back to everyday life. This is e.g. in relation to stress, which is an increasing problem in Denmark. We consider our health initiatives to be important contributions to the Danish society.

As a company, we want to be an active participant in the social developments. Therefore, we relate to climate change and the need for a global CO<sub>2</sub> reduction. As an insurance company, we also feel the consequences in the form of more extreme and unpredictable weather.

We support the Paris Agreement's target of a maximum temperature rise of 1.5 degrees in 2050, and the government's target of a 70% reduction of CO<sub>2</sub> emissions in 2030. Against this background, we want to integrate climate and environmental considerations into our business, including our operations and our investment activities. In 2019, we have formulated an ambition that we will be CO<sub>2</sub> neutral in 2030. On the

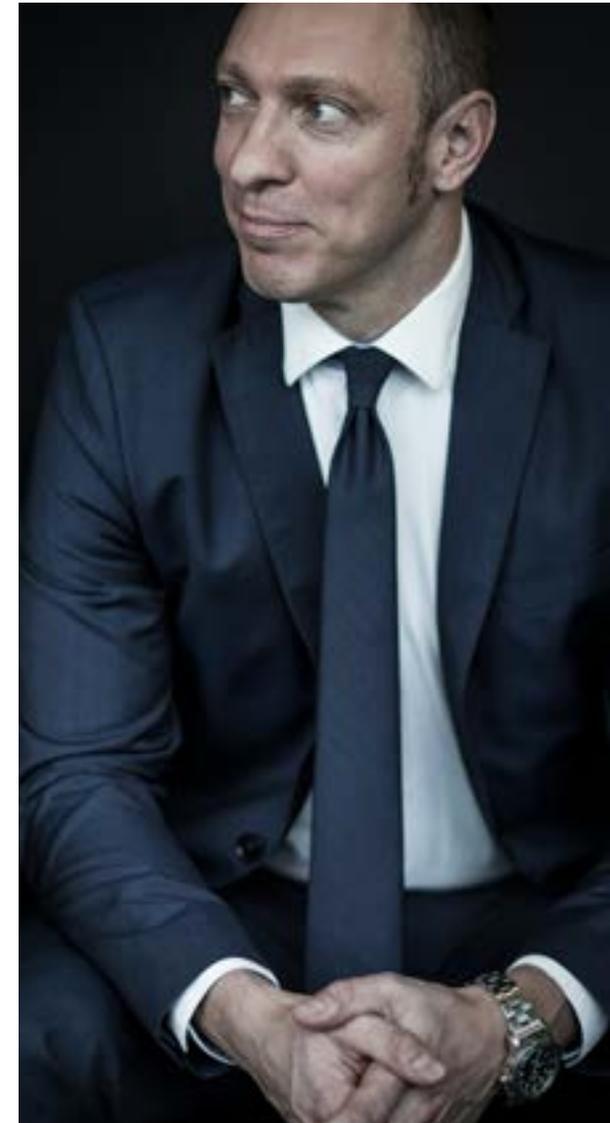
investment side, around 20% of our provisions will go to investments in the green transformation.

To further contribute to a sustainable development of society, Topdanmark has been associated with the UN Global Compact since 2010. We support the 10 principles of the Compact concerning human rights, workers' rights, the environment and fighting corruption. We interpret the principles so that they create value for our business and the world around us. We are also working to contribute towards the UN's sustainable development goals (SDGs).

I hope you enjoy reading the CSR report!

Yours sincerely,

Peter Hermann, CEO





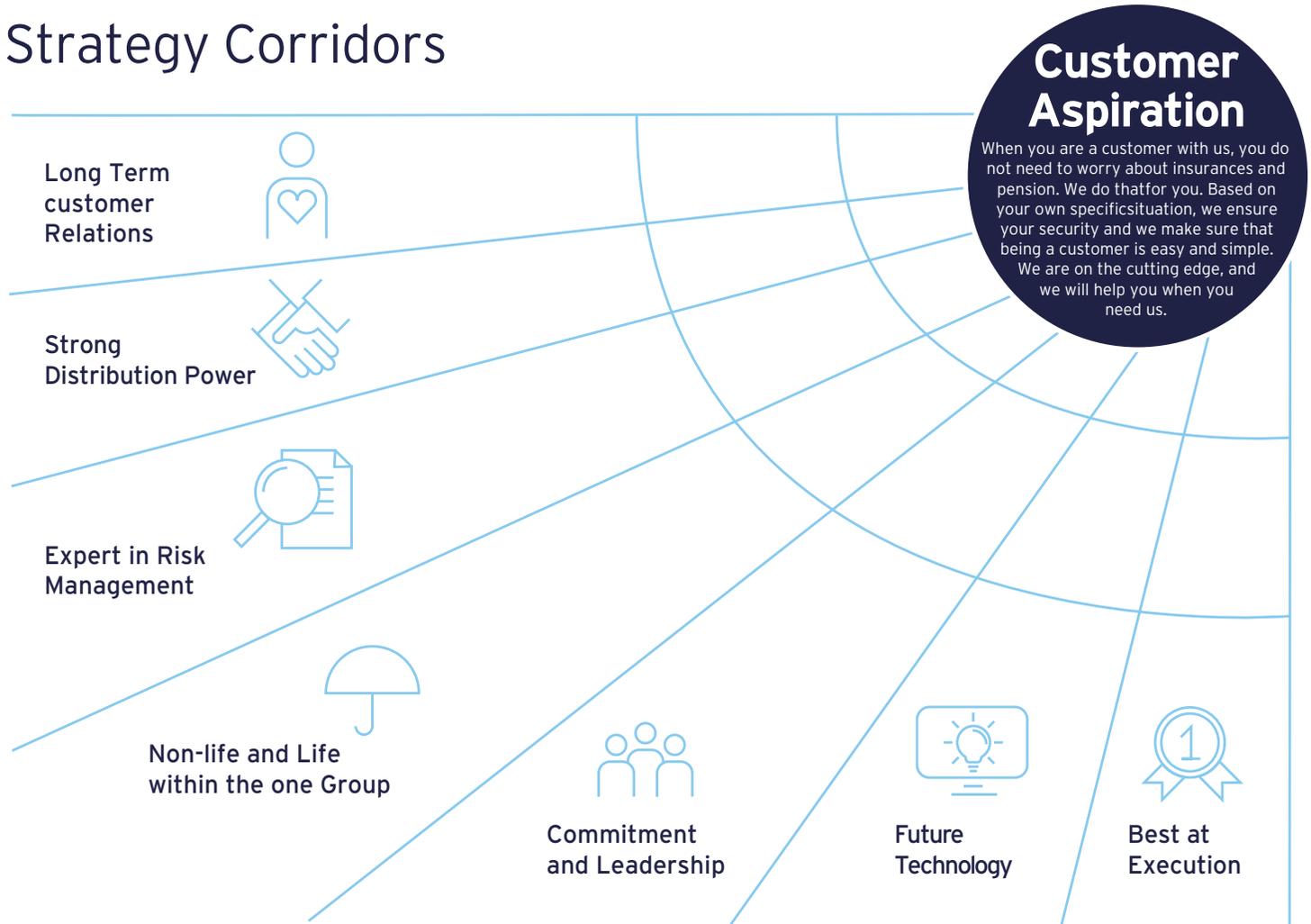
# About Topdanmark

Topdanmark is both a non-life and life insurance company, and we offer a wide range of insurance and pension products to both private, commercial and agricultural customers. The foundation stone of Topdanmark was laid in 1899, and today we are approx. 2,400 employees across the country. The head office is located in Ballerup.

### Topdanmark's business strategy

We have defined customer aspirations and seven strategic corridors aimed at ensuring direction, goals and priorities. Four corridors support Topdanmark's differentiation from its competitors: long-term customer relations; strong distribution power; expert in risk management; non-life insurance and life insurance within the same group. Three corridors support the execution: commitment and leadership; future technology; best at execution.

## Strategy Corridors





## INTRODUCTION

Our products and advice help personal customers when

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

We help businesses and farms – for example, in the following situations

- **Employees have an accident**
- **Storehouses are flooded**
- **IT systems are attacked by hackers**

- **Buildings are damaged by heavy storm**
- **The harvest is destroyed by hail, bad weather or fire.**

Objectives

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

Denmark's second largest insurance company

**16.2** % market share

**507,200** private customers

**105,400** business and agricultural customers

Denmark's fifth largest commercial life insurance company

**10.0** % market share

**98,700** private customers

**59,600** corporate customers

**86,200** persons with group life insurance

Important distribution partners

**Sydbank**

**coop  
forsikringer**  
– fra Topdanmark

**Nordea**

**Ownership**

Topdanmark is a limited company listed on Nasdaq Copenhagen A/S. In December 2019, Topdanmark was included in the C25 index.

**Main stakeholders**

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

2019 key figures

**DKK 20.502** m in premiums earned

**DKK 1.547** m profit

**83,7** in combined ratio

**DKK 93** bn in investment activities

> [READ MORE ABOUT TOPDANMARK, E.G. ORGANISATION, BOARD OF DIRECTORS AND FINANCIAL REPORTS](#)



# How we work with CSR

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

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

Therefore, a business-oriented approach to CSR is quite natural. Our ambition is that our efforts should support our business goals and strategic corridors (page 4) as well as contribute positively to the sustainable development of our society.

### International principles for sustainability

Since 2010, Topdanmark has taken part in the Global Compact, the UN initiative for private businesses and organisations. It is the world's largest initiative for social

responsibility in companies, and it consists of ten principles for the sustainable development of society concerning human rights, workers' rights, the environment and fighting corruption.

We support the 10 principles and continuously work to integrate them into the business. They indicate where we are at risk of negative impact, and where we can positively promote the 10 principles.

### UN's sustainable development goals

We also want to contribute to the UN's 17 sustainability goals based on an assessment of which of the goals we can best influence in a positive direction as a financial company.

It is Topdanmark's assessment that the following sustainable development goals are the most significant:



**Goal 3: Good Health and Well-being**



**Goal 5: Gender Equality**



**Goal 8: Decent Work and Economic Growth**



**Goal 12: Responsible Consumption and Production**



**Goal 13: Climate Action**

### Overview

**On page 58 there is an overview of the connection between our various CSR efforts, the seven strategic corridors, the UN Global Compact principles and sustainable development goals.**

### Climate challenges

Topdanmark has a particular focus on climate changes and supports the Paris Agreement's target of a maximum temperature rise of 1.5 degrees in 2050, in addition to the government's Climate Act on a 70% reduction of CO2 emissions in 2030.

Topdanmark analyses both the financial risks for the business as well as the opportunities to contribute to the reduction of CO2 and a sustainable society.

### Human rights

We respect internationally recognised human rights, and our aim is to integrate the UN's principles for human rights and businesses into the operation of our business.



### Organisation of CSR

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

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

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

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

### Involvement of stakeholders

The demands and expectations of the surrounding world on how companies integrate social, climate and environmental considerations into their business strategies have increased significantly in recent years. Therefore, we are in continuous dialogue with a wide range of stakeholders to assess what challenges, requirements and expectations should be included in our CSR work. This applies, for example, to the following stakeholders:

- **Employees**
- **Customers**
- **Investors**
- **Professional associations**
- **Suppliers**
- **NGO's**
- **Governmental institutions**
- **ESG rating agencies**





## INTRODUCTION

### How to select our CSR efforts

Our CSR work is based on two main elements:

**Risk analyses:** an analysis of our risk of failing to comply with the principles of the UN Global Compact, and the consequences it could potentially have for our business, and an analysis of external CSR risks and their impact on our business. See the overview of the risk analysis to the right.

**Opportunity analysis:** an analysis of where we believe we have the best opportunities to make a positive contribution to the UN Global Compact principles, the UN's sustainability development goals.

The analyses include requirements and expectations from our stakeholders.

### Risk analysis 2019

Topdanmark annually conducts an analysis of significant CSR risks. It is divided into "internal risks", i.e. risks related to internal processes, and "external risks" which are external and social risks. The analysis is based – partly on an internal assessment – and partly on external risk reports, e.g. Global Risk Report 2019. The analysis is used to assess which topics to work on.

### Future plans

We have planned numerous initiatives intending to improve the integration of sustainability considerations into our business strategy, our investments and the operation of our organisation:

- **CO<sub>2</sub> neutral Topdanmark in 2030**
- **ESG will be integrated in underwriting, i.e. in the preparation of new products, in terms and conditions, and in claims handling**
- **Systematic and more comprehensive risk analysis**
- **New ESG aspiration for investments**
- **Implementation of a code of conduct for employees and suppliers**

Implementation of the new initiatives will be initiated in 2020.

[> READ MORE ABOUT THE BACKGROUND OF THE ANALYSIS](#)

### High risk

#### Internal

Investment of pension funds and reserves from the insurance business in companies that are not in compliance with the UN Global Compact principles

Incorrect handling of personal data  
Inappropriate customer advice and product sales, lack of clarity on conditions and errors in claims handling

Dissatisfaction and stress among employees  
Gender imbalance in management

#### External

Cybercrime  
Climate change  
Increase in mental illnesses, including stress

### Medium risk

#### Internal

Negative impact on the UN Global Compact in connection with supplier cooperation

#### External

### Low risk

#### Internal

Irresponsible use of IoT, artificial intelligence and big data  
Error in video observation of customers in case of any suspicion of fraud  
Bribery/corruption in connection with sales and procurement

#### External

Money laundering and financing of terrorism



## INTRODUCTION

### CSR-strategy

**Customer relations:** We want to ensure the financial, social and health-related security of our customers, and make sure that being a Topdanmark customer is easy.

**Products and services:** We want to offer relevant and sustainable products and services to our customers.

**Investment:** We want to create the highest possible return, while at the same time contribute to sustainable development in society.

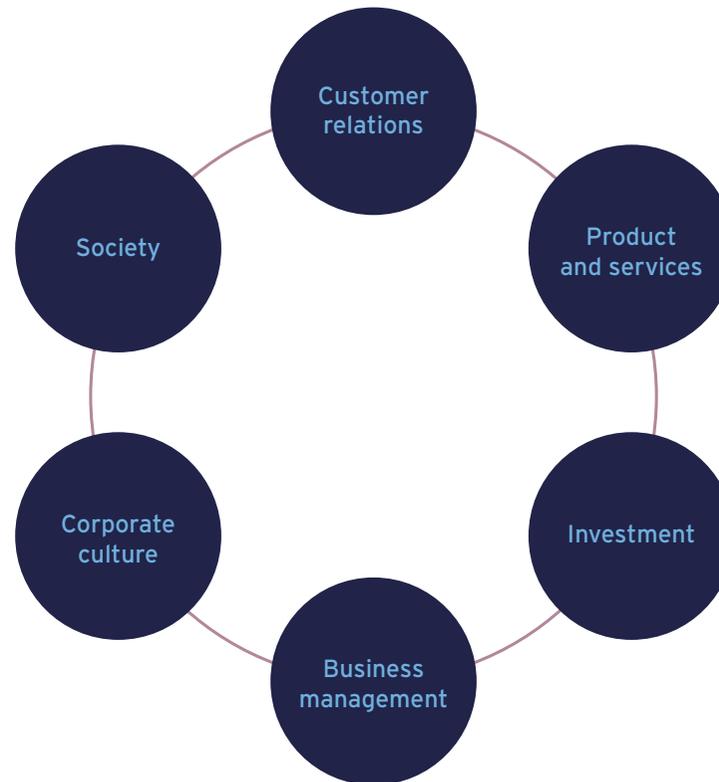
**Corporate culture:** We want to create a fun, bold and healthy working day for our employees for the benefit of both the employees and our business.

**Business management:** We want to act responsibly in terms of legislation, corporate governance and in relation to the UN Global Compact principles on climate, human rights and anti-corruption.

**Society:** We want to contribute to the solution of health-related challenges in society with our products and in collaboration with relevant organisations.

### CSR report: status of the efforts of the year

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.

### Limitations and evaluation of data

The report covers the financial year 2019. The report applies to all subsidiaries of Topdanmark. In the ESG report for 2019 (see below) the method for the calculation of the individual data is thoroughly explained.

### New ESG report for 2019

**We find that investors attach increasingly more importance to the environment, social factors and corporate governance (ESG) as important elements in their assessment of us as a company. We expect this to continue. With the new ESG report, we want to meet the requirements of investors and ESG rating agencies to get a quick overview of ESG indicators. The report primarily contains data, method description and comments on selected key figures, and it also covers the financial year 2019.**

[> READ ESG REPORT 2019](#)



# Highlights 2019

## CSR objectives for 2019

## Status

Increase in tNPS (transaction Net Promoter Score)	✓
Increase in EPSI rating	-
Maintain first place in Aalund rating	✓
Finding in our favour in the majority of cases brought before The Insurance Complaints Board - life insurance	✓
Finding in our favour in the majority of cases brought before The Insurance Complaints Board - non-life insurance	✓
No investments in contravention of UN Global Compact	✓
Increase in repair and recycling in claims handling	✓
Min. 40% of both genders at all levels of management	✓
At least one female candidate at job interviews for advertised managerial positions	-
Reduction of CO <sub>2</sub> emissions	(✓)
Less consumption of disposable plastic	✓
Absence due to illness should be below the figure for the entire insurance industry	✓
Employee turnover at the same level as in 2018	✓

## Customer relation

48 point in tNPS (transaction Net Promoter Score)  
75.3 point in EPSI, private customers  
First place in Aalund rating in all three categories: satisfaction, image and loyalty - in our primary segment of companies with 10-49 employees

## Products and services

42% of damaged car windows were repaired  
70% of damaged electronics were repaired

## Climate and environment

25% of total power consumption covered by own solar cells  
35% reduction in disposable plastic

## Corporate culture

2,318 fulltime employees  
DKK 33m for skills development  
304 employees participated in We Bike to Work  
2.7% in absence due to illness  
13.9 % in employee turnover

## Society

DKK 10,636 m paid to insurance customers  
315,800 people with claims who we have helped  
29,200 persons, who were injured and we have helped  
124 companies which we have entered into dialogue with regarding health and well-being  
DKK 441m in corporate tax  
DKK 892,533 thousand donated to humanitarian organisations by employees and Topdanmark.





# Responsible customer relations

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

This is Topdanmark's ambition for how our customers should see us. With our products and services, we want to help customers regardless of the situation. We want to address our customers' concerns in everyday life and help them along in life.

## We have a big responsibility

Through our products and services, we contribute to the customers' financial and social security. This is a responsibility that 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**
- **lack of clarity on conditions, prices and fees**
- **errors in claims handling so that the customer does not receive the correct compensation**
- **errors in the complaint process.**

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

In the customer relation, we always strive to:

- **Secure a coverage suited to the customer's needs and requests**
- **Easy to understand, precise and balanced product information**
- **Transparency on price increases**
- **Ensure that the customer gets easy and fair claims handling**
- **Give the customer easy access to a fair complaints process**

On the next pages is described how we ensure that we live up to our ambition and minimise risks.





## RESPONSIBLE CUSTOMER RELATIONS

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

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

We are aware that this requires that customers receive good and accurate customer advice from competent employees.

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

### Directive on correct communication

In 2018, Topdanmark implemented IDD (Insurance Distribution Directive). This is a European directive on correct insurance communication, which has now been applied to Danish national rules. 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 a central as well as several local compliance departments, which ensure that our salespersons adhere to our business processes and quality requirements. We

have a reporting system which means that we evaluate inappropriate situations so as to improve customer service and avoid mistakes.

### Transparency for products and processes

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

Therefore, we continually work on preparing information on products, price and coverage so that it is as easy as possible to comprehend and find. Current and potential customers are thus better able to obtain an overview. Based on customer feedback, we continuously work on improving all product information.

When Topdanmark prepares new insurance terms, customer feedback is also included in addition to general experience. Furthermore, the text is always scrutinised by a copywriter to ensure that the content is understandable to the average customer. All information on the insurance is stated in the terms - no information is hidden or 'written in small print'

### Transparency on price

In accordance with good practice, we are obliged to state the full price including all charges and fees. Of course, Topdanmark lives up to this requirement - the information appears in the terms. Fees which are not directly related to the insurance price





## RESPONSIBLE CUSTOMER RELATIONS

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 non-life insurance and pension they have purchased from us. Our goal is for customers to receive compensation quickly, efficiently, with great service and according to the terms of the policy.

Especially after damage or in case of illness, Topdanmark, as an insurance and pension company, must show our value to customers. We want to provide an uncomplicated and efficient claims handling process that gives the customers a personal experience and makes it easy to be a customer with Topdanmark. And that the claims handling is fair.

Topdanmark has implemented solutions that ensure that the customer quickly gets an understanding of how they are covered

and how the further process will take place. In this, personal contact is important to some, while others benefit from the flexibility of digital solutions. It is possible to report almost all claims digitally.

### Overview via a personal customer profile

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

In 2019, for example, it has become possible for

customers with both private and commercial insurances at Topdanmark to see the terms for both types of insurance on the same customer profile without the need of a power of attorney.

### Easy to report a claim online

Our customers can report up to 95% of all claims directly on our website - in an easy and simple way. The claims form focuses on the customers' experience of the situa-

tion, in which they describe what happened rather than having to deal with relevant insurance.

The process can take place without a policy number to make it as easy for the customer as possible. For the same reason, our clients can give others, for example, cohabiters, authority to act on their behalf and have access to view their insurance and pension. In 2019, 64% of claims were reported digitally.

### 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. Our wish is to have 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 will inform you about the error. For example, if we have charged too much in deductible or paid too little in compensation to the customer, we will pay

any difference that may be and inform the customer.

### Quality control of the claims handling process

In order to minimise the number of errors, our claims handling is continuously quality assured through internal controls and dialogue with employees. We are aware that even if we try to have the best processes, we may be wrong. The best sparring for improvement we actually get from the customers who have been through a claims process.

We retrieve knowledge about our customers' experiences through systematic customer surveys. We ask our customers for their opinions - for example, when they contact us by telephone, use our self-service solutions or report a claim. On an annual basis, we get approx. 130,000 customers' responses to the customer surveys we conduct.

We continuously follow up on customer feedback and look at how we can customise our solutions and processes based on customer needs.

**95%**  
**of all types of claims can be reported digitally. In 2019, 64% of all claims were reported digitally.**

**300,000**  
**claims a year**



## Objective for our business

Topdanmark makes targeted efforts to ensure that all our customers have the best possible experience with us. Our goal is for customers to be so satisfied with our products and services that they remain customers with us, and at the same time want to recommend us to others – Topdanmark sees this as an indicator of our good and solid relationship with the customers.

Topdanmark monitors customer satisfaction through a transactional Net Promoter Score (tNPS). It tells us whether our customers want to recommend us to others after they have been in contact with us. In addition, Topdanmark uses EPSI, KPMG and Aalund, which conduct external, independent surveys on customer satisfaction for Topdanmark and Topdanmark Livsforsikring. Fi-

nally, Topdanmark receives direct feedback from our customers reviewing us on the review platform, Trustpilot.

Topdanmark monitors the results to see how customers evaluate us compared with the other insurance and pension companies in the market. Topdanmark also uses the results to improve our efforts.





## RESPONSIBLE CUSTOMER RELATIONS

### Progress to be traced in internal analyses

In 2019, our internal analyses have shown an increase in the customers' inclination to recommend us compared with previous year. This applies to both customers who have called us and customers who have used our self-service solutions at Mit Topdanmark. This is a satisfactory result.

We see it as a result of having increased our availability on the telephone compared with 2018, as well as the improvements we have made to our digital self-service solutions.

### External analyses show mixed results

Among the external analyses, we have both satisfactory results, and results that provide food for thought.

In 2019, for the second year in a row, we were rated as the best insurance company in KPMG's annual customer experience survey in 10 different sectors. Topdanmark is in fact the only insurance company on the list of 50 companies.

We also maintained first place in Aalund's rating of our life insurance company in the 'satisfaction' category, and also got first place in the other two categories, 'loyalty' and 'image'. We are very pleased with this, as the year has been marked by changes with a new administration system. The survey shows that our customers acknowledge a customer service at a stable high level

and with a focus on making it easy and simple to be a customer.

At Trustpilot, we have passed 25,000 customer reviews in 2019, of which 90% have given us a score above average. It also shows that we are on the right track with good service to our customers.

In contrast, the EPSI rating, which was made in the autumn, shows a decline in the private market. We believe that part of the explanation lies in the fact that we have not done enough to proactively contact our customers, which they prefer – we will do more of this in the future. Furthermore, we know that our shift in banking partnership from Danske Bank to Nordea has caused some confusion for many of our customers. We are still working to do better.

### Customer surveys: objectives and results

Objectives	2016	2017	2018	2019
<b>tNPS for contact by telephone</b> Increase in points (-100-+100) 1)	-	49	45	48
<b>tNPS for digital self-service</b> Increase in points (-100-+100) 1)	-	38	38	44
<b>EPSI rating for private customers in Topdanmark non-life insurance</b> Increase in points (0-100 points)	74.5	76.8	77.5	75.3
<b>EPSI rating for commercial customers in Topdanmark non-life insurance</b> Increase in points (0-100 points) 2)	73.5	73.5	-	69.1
<b>Aalund rating</b> Maintain the position as the life insurance company with the most satisfied customers. 3)	2nd place	1st place	1st place	1st place

1) tNPS is calculated as 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 satisfaction score on Trustpilot: Overview

	2016	2017	2018	2019
Total score on Trustpilot <b>Topdanmark</b> (1-10 og 1-5)	8.9	8.8	8.6	4.4 *

\* Note: In 2019, Trustpilot changed the TrustScore to a five-point scale. Converted to the old scale, the result was 8.8 in 2019.



# Customer complaints are used constructively

Topdanmark process 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 be due, for example, to restrictions in the terms of which the customer has not been aware of, 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, and that they are ensured an easy and fair complaint process.

**Customer complaints make us improve**  
Customer complaints can also be an expression of our inability to communicate the terms and conditions of our policies or our decisions. We therefore use customer complaints to assess how we can improve our communication and advice.

## Correct decisions are the goal

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

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

Our goal is to succeed in as many appeal cases as possible brought before the Insurance Complaints Board so as to demonstrate that our decisions are correct. In 2019, we succeeded in 84.6% of the cases for non-life insurance, and in 100% of cases in life insurance, which is very satisfactory.

Regardless of the outcome of appeal cases, we always analyse how we can improve communication with our customers.

## Decisions by the Insurance Complaints Board

If the customer's complaint is upheld, then as a general rule, Topdanmark complies with the decision. Only in exceptional cases where we disagree in principle with the Board's decision will we assess whether or

not to accept the decision. In 2019, we had one decision, which Topdanmark non-life insurance chose not to observe as we disagree in principle with the Board's decision. If we do not accept the Board's decision, the customer can bring the case before a court of law.

## Percentage of decisions in Topdanmark's favour\*

	2016	2017	2018	2019
Non-life insurance	78	77	78	85
Life insurance	88	82	100	100

## Number of decisions at the Insurance Complaints Board

	2016	2017	2018	2019
Non-life insurance	122	131	129	117
Life insurance	24	11	21	8





# Responsible products and services

Global cloudbursts with intense flooding. Large wooded areas with trees felled by severe storms. Drought and severe water shortages. In recent years, we have experienced more extreme weather as a result of higher temperatures and general climate change. As an insurance company, the situation is also a challenge. We want to contribute to solutions with responsible products and services.

The more extreme weather is a challenge for everyone, including us as an insurance company. We face the consequences of our customers.

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.

Our priority is to help our customers, both in preventing damage that can occur as a result of extreme weather, and to help them when the damage has occurred. In the future, we would also like to help customers become more climate friendly, for example through energy optimisation.

The new weather challenges 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.

As an insurance company, climate change poses a business risk, as it can lead to increased claims costs. The risk is mitigated in various ways, for example through a comprehensive reinsurance programme and risk based pricing.

## Environmental challenges

In addition to climate change, society also 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 sea areas, and over consumption of resources.

As always, our priority is to help customers prevent damage, and provide compensation and advice when the damage has occurred. But we also want to integrate environmental considerations into our products, claims handling and when advising our customers.

How we integrate climate and environment Topdanmark works with climate and environmental conditions in the business in various ways, for example in product development, claims handling and contingency planning. On the next pages is a description of a number of products and services in which climate and environment are integrated:

- **Sustainability in claims handling**
- **Increased contingency arrangements in case of extreme weather**
- **Helping farmers in the wake of climate change**
- **Prevention of slurry spillage**
- **Fewer chemicals in the field**

## Plans for 2020

In 2020, we will look into how we can integrate climate and environment into our business more strategically and systematically. We will also take a closer look at whether our products and services have a negative impact on the climate and the environment.

› [READ HOW WE INTEGRATE CLIMATE AND ENVIRONMENTAL CONSIDERATIONS INTO THE OPERATIONS OF OUR BUSINESS ON PAGE 38](#)

› [READ HOW WE INTEGRATE CLIMATE AND ENVIRONMENTAL CONSIDERATIONS INTO OUR INVESTMENTS ON PAGE 27](#)



# Sustainability in claims handling

As a non-life insurance company, we process many damage claims to buildings, cars and objects, such as furniture, mobile phones and computers. In this process, we can focus on recycling and repair.

Topdanmark processes a great deal of claims annually – damage to cars, buildings, furniture, objects and IT equipment. It's our whole business – helping customers in difficult and hard situations. In case of a claim, we either pay an amount to buy a new item or pay for repair.

We want to integrate climate and environmental considerations into the claims handling when possible. We do this by promoting recycling and repair, and we have set a number of objectives in this area.

## Plans for 2020

In 2020, we will analyse how we can work with repair and recycling in our claims handling processes in a more systematic manner.

After damage to buildings

- **Repair of buildings rather than replacement, whenever possible**
- **Sales of building materials for recycling**
- **Donation of furniture and objects for recycling**

After damage- to cars

- **Repair of car windows rather than replacement whenever technically possible**
- **Used parts whenever possible**
- **Sales of written-off cars whenever possible**

After damage to electronics

- **Repair rather than replacement, whenever possible**

### Goal

2021	2017	2018	2019	Evaluering
Increased number of furniture and objects for recycling	-	15 pieces of furniture and objects donated to Actalliance in Copenhagen	22 pieces of furniture and objects in addition to two boxes of clothing donated to Actalliance in Copenhagen	The concept has not achieved the expected result and will be evaluated in 2020

### Goal

2021	2017	2018	2019	Evaluering
Increase in the percentage of repair of car windows	-	38 %	42 %	A new set-up has made it possible to increase the share of repairs, which is satisfactory

### Goal

2021	2017	2018	2019	Evaluering
Increase in the percentage of repair of telephones, computers and tablets	57 %	66 %	70 %	The biggest increase took place in 2017/2018 due to change of supplier



# Prevention of damage caused by cloudbursts

In recent years, our corporate customers have experienced an increase in damage as a result of climate change. We want to help prevent the damage, so that our customers can run a stable operation.

Topdanmark's core competencies are to work with risk assessment, safety and security. On a daily basis, we help our corporate customers prevent damage caused by extreme weather – especially in the prevention of damage caused by cloudbursts.

Customers are part of the solution  
If we assess that a corporate customer has a particularly high risk of cloudburst damage, we require prevention efforts be made. The selection of the concrete initiatives is always in close dialogue with the customer. Our engineering team advises the customer on possible solutions, such as the installation of a groundwater pump, and based on the advice, the customer makes the final decision on solutions.

We have good experience with this process, in which customers are actively involved in the selection of the specific solution. It is far more motivating than just being required to implement a standard solution.

Preventing cloudburst damage gives the customers greater assurance of stable operation, and for us, this means a lower risk of claims and claims payments.





# Contingency arrangements in case of extreme weather

As an insurance company, we feel the consequences of climate change and the more extreme weather by more weather-related claims than previously. Therefore, we have a special contingency plan, thus we can help our customers when it rains cats and dogs, or the storm is raging.

The weather has become more extreme all over the world, and we also see it in Denmark. In 2019, for example, the rainy season lasted all the way through autumn and winter, compared with previously when it ended in early September. We also had the most rainy season for many years. In 2019, we had almost 80% more rain and cloudburst claims compared with 2018.

All in all, the more extreme and changing weather conditions mean an increase in our customers' use of insurance. This means that we need to be especially prepared to help customers in difficult situations. Therefore, we have a contingency plan which ensures that we can help the customers as quickly as possible and in the best possible manner, and at the same time limit the extent of their damage.

## Contingency plan ensures quick assistance

Our contingency plan consists of four levels, to the effect that efforts can be scaled as needed. It includes contingency arrangements of about 120 emergency responders, i.e. employees who can be summoned to answer phone calls, register and handle claims, so that customers can get help quickly. The number of emergency responders depend on the level set.

Everyone who has a role in the contingency arrangements is prepared and knows their plan of operation. Emergency responders are trained twice a year, and small exercises are performed on a regular basis to ensure that we are always ready to help.

## Robot helps out in busy situations

When the weather is raging and many claims occur, our telephones may become busy due to customers wanting to report a claim. To have as many employees on the telephone as possible, we have developed a robot that regis-

## Plans for 2020

The contingency plan is adjusted and updated on an ongoing basis based on experience from at least one annual exercise and previous weather situations.

Based on the climate changes and the increase in the number of claims in 2019, we have decided that from 2020, we will initiate the emergency plan earlier than we have done before, i.e. also in the event smaller events. This is done to help our customers in the best possible way.

ters and handles the claims in our systems – it releases resources in a busy situation.

**120**  
is the number of extra employees that can be summoned to assist customers in case of extreme weather





# Helping farmers in the wake of climate change

As an insurance company, our most important job is to ensure our agricultural customers a safe and stable business by helping with prevention and compensation when the damage has occurred. With our services and products, we also want to help with climate and environmental challenges.

The consequences of climate change with more extreme and unpredictable weather can adversely affect crop yields, and thus hit farmers hard financially. Therefore, in 2019, as the first Danish company, we have introduced crop insurance that provides compensation for loss of crop yield caused by extreme weather. The insurance covers up to 80% of the farmer's lost earnings.

## **Helping farmers in the wake of climate change**

The product itself does not directly contribute to solving the climate challenges, but it helps farmers, so that they can continue their business without loss. In the future, this may help to smooth cyclical fluctuations in relation to effects of the climate changes.

## **Many 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.



© jakub pavlinec 2008



# Prevention of slurry spillage

Damage to the slurry tank is of great inconvenience to the farmer and a high-cost business for Topdanmark. Furthermore, it has severe negative consequences if slurry seeps out into the ground. Therefore, we are testing a solution to prevent damage from occurring.



Together with SEGES, a professional knowledge and innovation centre under the Danish Agriculture & Food Council, we have tested a digital solution which helps the farmers prevent damage to slurry tanks. The solution will make life easier for the farmer – and it also contributes to prevent slurry spillage in fields and water streams.

Damage to slurry tanks often happen when the slurry level is critically low. With the digital solution, the farmer can keep an eye on the slurry level and thus prevent damage and slurry spillage.

## **Sensor solution provides an overview**

The solution is a combination of a sensor on the slurry tank and an IoT platform that collect and process the data. Subsequently, the results are available to the farmer at the website Landmand.dk. This means that the farmer can monitor the slurry level and receive a text message if the level of slurry in the tank drops drastically.

The direct access to data on the capacity of a given slurry tank makes it easier to plan the handling of the slurry and the usage on the fields. The farmers also get a certain indication on when not to add more slurry

to the tank, and if the level is becoming critically low. This way, we can avoid damage and slurry spillage.

According to our plan, the solution should be implemented at a large number of farms during 2020. Afterwards, a thorough evaluation will be carried out.

## **Activities in 2019 and plans for 2020**

The solution was tested with a number of customers in 2018, and the response has been positive. In 2019, we have improved the solution and made it ready for implementation at a large number of farms during 2020. Afterwards, a thorough evaluation will be carried out.



# Fewer chemicals in the field

Lodged corn poses a financial risk to farmers. For many years the problem has been solved by using chemicals to regulate crop growth. In the future there will be another and more environmentally friendly option.

Lodged corn is a major problem for farmers, as the crops cannot be harvested. It causes a financial loss. To reduce this risk, many farmers choose to regulate growth of their crops. This means that the straw is shortened and strengthened so that the crop does not break easily.

## **Insurance solution replaces chemicals**

However, growth regulation is not an optimal solution, as the chemicals risk damaging the crop itself – and thus cause less crop yield.

Against this backdrop, in 2019, we have researched and tested an insurance solution, enabling farmers to completely avoid growth-regulating chemistry in the fields. And for now, it looks promising.

In short, the solution is that farmers are paid compensation if they avoid growth regulation, and the corn breaks. The test was carried out in collaboration with 11 farmers, SEGES and the Danish Environmental Protection Agency in relation to winter wheat.

With this initiative, we also hope that we can help the Danish agricultural sector in their efforts to reduce, among other things, chemicals consumption and thus pay even more attention to the environment.



## **Plans for 2020**

Based on the experiences from the test in 2019, we will continue the collaboration with SEGES and continue to test different opportunities.





# Responsible investments

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



Foto: Kalinovsky Dmitry

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

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

### The UN Global Compact provides the overall framework

As a means to ensuring the above, Topdanmark has joined the UN’s Global Compact,

which consists of 10 principles concerning human rights, workers’ rights, environment and fighting corruption. These principles form the framework of our policies.

In practice this means that respecting the 10 principles is an integral part of our investment policy. In 2019, we have thus carried out ongoing screening and assessment of existing share portfolios for positions with consideration given to the UN Global Compact. New investments are generally not carried out if the investments are in contravention of the ten principles. Furthermore, we follow the Danish Business Authority’s guidelines on responsible investments.

### Responsible investment: activities and results for 2019

Objectives	Activities	Results
The investment return is created with consideration to the UN Global Compact	Screening and evaluation of shareholdings for positions in compliance with the UN Global Compact	No investments in shares have been made which may be seen as in conflict with the UN Global Compact.



# Policy for active ownership

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

Topdanmark has determined that we report voting on active ownership in Danish companies if we control more than 2% of the votes or the share capital and if Topdanmark is not represented on the Board of Directors. We report:

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

## Activities and results for 2019

	Ownership share end of 2019	Participated in AGM	Voted on AGM	Meeting with management	Investor meeting	Important outstanding accounts
H+H International	4.63	no	no	no	yes	no
Scalepoint Technologies Holding	3.36	no	no	yes	no	no



# New level of ambition for 2020

In 2020, Topdanmark will launch a new, individualised pension product in 2020 – 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.

One of the four purposes is ‘Green transformation’. When choosing this purpose, up to 20% of pension savings are invested according to the main themes of a green energy transformation. Investments are made in companies that are considered to have particularly favourable opportunities to benefit from the changes in the way energy is produced and used – companies which focus on more efficient use of resources and on emission reductions (e.g. CO2) within the business sectors of supply, technology, cleantech, industry, transport, special chemistry and waste.

Regardless of the investment choices made in Formålspension, the investments are subject to increased ESG (Environmental, Social & Governance) considerations. Manufacturers of fossil fuels, extraction of raw materials outside industrialised countries,

tobacco, adult entertainment, online betting and weapons are rejected.

### Supporting 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.

### Analysis of indirect CO<sub>2</sub> emission

In 2020, we will extend our measurements and reporting on ESG factors, including the indirect CO<sub>2</sub> emissions from our investments.

### Investments and tax

As far as responsibility on tax is concerned, Topdanmark does not enter into transactions in which avoiding or reducing ordinary tax payments is a prime mover for our investment motive or for any co-investors with whom we coordinate the transactions.

### Exclusion

Before investing, we ensure that the companies comply with the 10 principles of the UN Global Compact. As a consequence, in 2020, we will introduce a theme-based exclusion list, as we do not invest in producers of:

- Smoking tobacco
- Fossil fuels based on tar sands
- Thermal coal

Furthermore, Topdanmark does not invest in companies that produce illegal weapons, i.e. weapons covered by conventions that Denmark has acceded to. This applies to:

- UN Convention on Certain Conventional Weapons (CCW including Protocols I-V)
- UN Convention on Biological Weapons (BWC)
- UN Convention on Chemical Weapons (CWC)
- UN Convention on Anti-Personnel Mines (Ottawa Convention)
- UN Convention on Cluster Munitions (Oslo Convention)

The exclusion list applies to both investments of the insurance reserves and the savings of pension customers.

### Organisation

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

> [READ MORE ABOUT FORMÅLSPENSION \(IN DANISH ONLY\)](#)

> [READ THE POLICY FOR ACTIVE OWNERSHIP](#)

\*Statute of the International Criminal Court





# Responsible business management

Topdanmark considers responsible corporate governance a prerequisite for maintaining and developing long-term relationships with all stakeholders – and this is important to our image. Responsible business management 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 Insurance & Pension Denmark (Forsikring & Pension), and that all is fully integrated into the operation of our business.



For Topdanmark, responsible corporate governance 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.

We continuously assess which risks we have for negatively affecting the principles and what consequences this will have to 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
- Environment
- Anti-corruption

On the next pages is described each area of the policy, risk assessment, objectives, activities and results of the year.

> [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](#)

## Topdanmark's position on

# lobbyism

**Topdanmark does not conduct independent lobbyism. Topdanmark tries to influence political processes, legislation and the like, which relate to insurance and pensions, through the insurance association Forsikring & Pension, in which Topdanmark's CEO sits on the board. There is no financial or other form of support for political parties.**

## Plans for 2020

Topdanmark already has numerous policies and management systems in place to ensure that we live up to the goal of being a company with responsible management. In 2020, we will focus even further on responsibility, as we expect to prepare a code of conduct that will be a set of overall, ethical guidelines for us as a company, for our employees and for our partners.



# Human rights

International human rights are integrated into the Danish labour market model and as such a natural part of our foundation and corporate governance. As a company, it is our responsibility to pay attention to whether through our activities we have a negative impact on human rights. We take this responsibility seriously.

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

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.

However, 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 FOR HUMAN RIGHTS](#)

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# Diversity and women 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.

For Topdanmark, diversity means that there is no difference in the conditions in employment based on age, ethnic background, gender, sexual orientation, disability, health and race. This also means that Topdanmark does not discriminate on this basis.

Topdanmark wants to demonstrate and encourage internal tolerance allowing room for exchange of views and differences. Tolerance should be based on respect for each employee, whether a colleague or superior. Tolerance and respect are basic values ensuring a good working environment for all employees.

**41% women in management.**

**Our goal: Both genders should be represented by at least 40% at all management levels – on average.**

### 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 job content. Therefore, Topdanmark is actively working to secure equal pay for equal work.

### Goal for women in management

A particular focus area of the diversity policy is women in management.

At Topdanmark, the executive team must be represented by the best-qualified candidates, but we also want a fair gender distribution. Typically, women will be underrepresented which is not considered to be desirable. At the same time, Topdanmark wants to motivate women to apply for the executive positions in which the imbalance is the greatest.

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

### Diversity on the Board of Directors

Topdanmark wants a Board of Directors consisting of the best-qualified candidates. The Board comprises six AGM-elected members and three employee-elected members. We have a goal of the Board of Directors having at least three of each gender (both AGM-elected and employee-elected). In 2019, this goal was achieved.

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

**21% women in executive management.**

**Our executive management includes the Executive Board of 4 persons, and the top management team of 20 persons.**

### Plans for 2020

In 2020, we will focus even further on our recruitment processes supporting our diversity policy and related objectives. For example, we want to ensure that vacancies are formulated to appeal to everyone, regardless of gender.

In 2020, we will also investigate the possibility of reporting on gender equality in remuneration, i.e. define an indicator that shows a true picture of remuneration distributed between men and women.



### Women in management: goals, activities and results 2019

Goal	Activities	Results	Evaluation
Both genders should be represented by at least 40% at all management levels – on average.	Ongoing dialogue with the Divisional and Service Area Directors on how we retain and develop female leadership talents	41 % (2018: 40 %)	The goal has been met
Minimum 40% of both genders in the succession planning of top management*	Continued high attention to a balanced gender distribution in the food chain for positions in top management.	54 % women	The goal has been met
Minimum one female candidate for employment interviews for posted managerial positions**	Continued high attention to ensure that both genders are represented for employment interviews	46% (2018: 53 %)	The goal has not been achieved, which is primarily due to no female applicants, or that the female applicants have not been professionally qualified on the same level as the male applicants.

\* 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).

\*\* 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.

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

Goal	Unit	2016	2017	2018	2019
At least three of each gender in the Board of Directors (both AGM-elected and employee-elected)	Number of women (AGM-elected)	3	2	2	2
	Number of women (employee-elected)	3	3	2	2
	Total number of women	6	5	4	4

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

	2016	2017	2018	2019
	67 %	56 %	44 %	44 %

> READ TOPDANMARK'S POLICY ON DIVERSITY AT BOARD



# We protect our customers' personal data

At Topdanmark, we want our customers to trust us, always. It is our responsibility to protect their personal data. It is our data security that generates customer trust. Therefore, we have processes and systems that ensure the highest level of data security.

As an insurance company, we collect a large volume of customer information. This is also the case in regard to customers who have a claim on file. We use the information exclusively for services and claims handling. Customers can always obtain access to the information we have about them.

## **We are aware of the risks**

Processing personal data implies various risks which can be negative for the customers' right to privacy such as the risk of data breach. A data breach can happen e.g. if Topdanmark sends information to the wrong customer or by other means, accidental leak of personal data.

Topdanmark takes this risk very seriously, and therefore Topdanmark has implemented a comprehensive management system

for data protection in addition to a policy on how to handle personal data. Furthermore, Topdanmark has strict requirements to its data security.

## **Data breaches**

Topdanmark continuously evaluates the processes for our data processing. Thus we have a high level of protection of personal data. Topdanmark's Compliance department continuously controls that the processes are complied with, and that the employees know how data breaches are detected.

Data breaches are reported to our Data Protection Adviser as well as reported to the Danish Data Protection Agency in accordance with the rules on reporting of data breaches.



Foto: Kalinovsky Dmitry



## RESPONSIBLE BUSINESS MANAGEMENT

### Objectives and results for 2019

It is Topdanmark's objective to reduce the number of data breaches to as close to zero as possible, and to avoid data breaches so severe that they must be reported to the Danish Data Protection Agency. In 2019, Topdanmark has reported 15 data breaches to the Danish Data Protection Agency.

### This is how Topdanmark acts in the event of a data breach

In the event of a serious data breach, Topdanmark notifies the aggrieved parties. When relevant, Topdanmark offers the aggrieved parties its assistance in limiting the implications of any misuse of the informa-

tion. Data breaches are evaluated continuously to update our processes and IT systems to ensure that it will not happen again.

### How Topdanmark secures the customers' personal data

Topdanmark complies with the legislation in force on processing of personal data, and Topdanmark has implemented the general data protection regulation (the GDPR). Topdanmark ensures that the data is stored and processed in a manner that does not challenge the customers' right to privacy. Topdanmark has IT systems that ensure:

- That the personal data is up-to-date
- That the personal data is not distorted

- That the personal data is erased when no longer relevant
- That the personal data is not accessed by unauthorised persons

Topdanmark only discloses customer information related to management of insurances, primarily to collaboration partners and other insurance companies. Topdanmark does not sell customer information.

### Policy and processes

Topdanmark's Board of Directors has adopted a policy on the overall requirements on Topdanmark's use of personal data. These requirements are integrated in all the pro-

cesses for data processing to ensure that the employees know how to handle customer information.

Topdanmark has processes for mapping and risk assessment of data processing. In addition, Topdanmark carries out risk assessments on external data processors which are e.g. used in relation to claims handling. The Compliance department continuously control that the data processors comply with Topdanmark's security requirements.

### Training of employees

All new employees must undergo e-learning that ensures knowledge and focus on the correct processing of personal data and GDPR. At regular intervals, current employees undergo a short e-learning course to ensure the continued focus on data protection. In 2019, 280 employees participated in the e-learning training.

### Activities in 2019

In 2019, Topdanmark optimised the GDPR processes. This is i.a. to ensure improved risk assessment and control of data processors, and to ensure that data security for new digital initiatives is assessed early in the project phase.

### Plans for 2020

To achieve the goal of a reduction in the number of data breaches, Topdanmark will, in 2020, implement a technology which automatically ensures that emails are always sent with the best possible encryption. In addition, more digital communication will be transferred to special secure communication channels.

> [READ MORE ABOUT TOPDANMARK'S POLICY ON INFORMATION SECURITY](#)



Foto: Kalimovsky Dmitry



# Artificial intelligence with responsibility

The use of artificial intelligence is so advanced in our society, however, it also presents ethical challenges that need to be addressed on an ongoing basis. To ensure responsible use of artificial intelligence, we have defined a set of principles.

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

At Topdanmark, we use artificial intelligence, for example, to assess risks in con-

nection with effecting home warranty insurance. We also use it to assess if a damaged car is to be written off.

## Topdanmark's five ethical principles

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

is important to consider ethical issues when we develop and use artificial intelligence.

On this basis, at the end of 2018, we defined five ethical principles on the use of artificial intelligence and how we can use it responsibly. The principles have been approved by our Executive Board, and our Compliance department is responsible for the principles being observed in practice.

## Initiatives in 2019 and plans for 2020

In 2019, a framework was set up with a number of operational issues documenting that the relevant people have adhered to the principles in the development and use of artificial intelligence.

## Initiatives in 2019 and plans for 2020

In 2019, a framework was set up with a number of operational issues documenting that the relevant people have adhered to the principles in the development and use of artificial intelligence.

The principles will be revised in line with development in the area, and the intention is to extend these principles to all our data use.





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

Topdanmark wants to support society's efforts in limiting climate change. We support the Paris Agreement and thus support the Danish government's target of a 70% CO<sub>2</sub> reduction in 2030. Therefore, we have set the ambitious goal of becoming CO<sub>2</sub> neutral in 2030.

As an insurance company, Topdanmark feels the consequences of climate change in the form of more unpredictable and extreme weather, such as cloudbursts, drought and more rain than usual. This has an impact on our business, both as an increased risk and as a business opportunity, which is described on page 19.

### The goal is set

When it comes to the operation of our business activities, including transport, we cause an annual CO<sub>2</sub> emission of 7,082 tonnes of CO<sub>2</sub> (2019). We see it as our social responsibility to actively work towards reducing CO<sub>2</sub> emissions. Therefore, we have defined a new and ambitious goal of becoming CO<sub>2</sub> neutral in 2030.

It is not necessarily going to be easy. The goal is set, but the road to achieving it has not yet been completely identified. However, we believe that it can be done. The project has four elements:

### Scope 1 and 2:

- CO<sub>2</sub> emissions from operation of buildings
- CO<sub>2</sub> emissions from company driving in Topdanmark cars

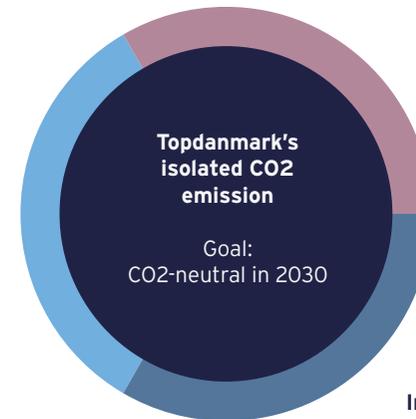
### Scope 3:

- CO<sub>2</sub> emissions from company driving in privately owned cars
- CO<sub>2</sub> emissions from air travel

## Topdanmarks impact on CO<sub>2</sub>-emission

### Indirect impact through purchased goods and services

- Increase reuse and repair after damage
- Dialogue with suppliers on CO<sub>2</sub>-reduction



### Indirect impact through investments assets

Towards 2030 20 % of investment in 'green' companies

### Indirect impact through customers

- Advice on climate friendly initiatives
- Loss prevention



## RESPONSIBLE BUSINESS MANAGEMENT

### How to reach our goals

**Buildings:** Initially, we will look into energy optimisation and behavioural changes, and finally we will look at the possibility of buying CO<sub>2</sub> neutral electricity.

**Business travel in Topdanmark cars:** To begin with, we will change the car policy and investigate how we can reduce company driving. Furthermore, we will look into the possibilities of creating an incentive to make it attractive to choose cars with low/no CO<sub>2</sub> emission.

### Business travel in privately owned cars:

This concerns business travel for 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. We will optimise the use of video conferencing, the use of drones for valuation, and other initiatives to limit driving. Furthermore, we will establish a financial incentive that makes it attractive to buy cars with low/no CO<sub>2</sub> emission.

**Air travel:** We will take a closer look at how we can change our transport policy and, for example, increase the use of trains, video conferences, and in the last resort CO<sub>2</sub> compensation.

### Other sources to CO<sub>2</sub> emissions

We know that we contribute indirectly to CO<sub>2</sub> emissions through several other activities, such as conduct, taxi rides, cloud services, suppliers and office procurement. In the coming years, we will also include these areas based on an analysis of the activities that cause the highest CO<sub>2</sub> emissions. See our goal for investments on page 29.



With this initiative of becoming CO<sub>2</sub> neutral, we want to show all our partners that we are taking global climate challenges seriously. We support the Paris Agreement and the Government's Climate Act. We are confident that the initiative will also serve as an inspiration for ourselves and in the development of our business when we are to meet the customer needs of the future."

**Peter Hermann, CEO**





## RESPONSIBLE BUSINESS MANAGEMENT

### Significant reduction of CO<sub>2</sub> since 2012

In the period 2012 to 2017, Topdanmark has already worked actively with energy optimisation and CO<sub>2</sub> reduction, primarily by setting up solar cells at our head office and the office in Viby. This has resulted in a reduction of CO<sub>2</sub> emissions of approx. 30%.

### New and extended carbon footprint report

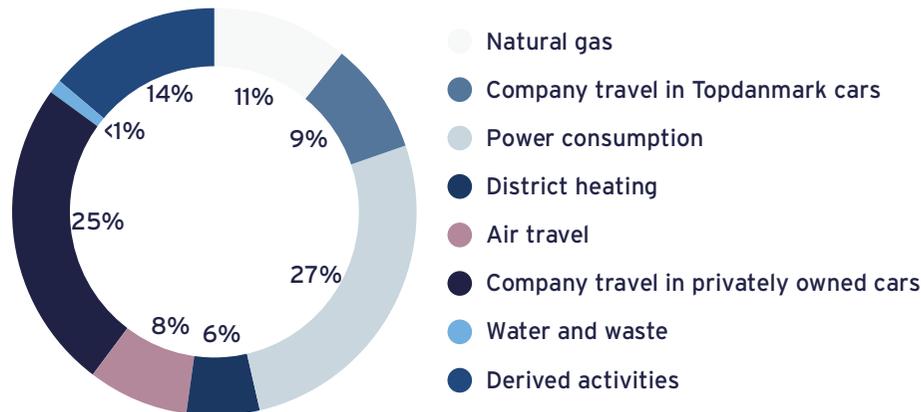
For 2019, a carbon footprint report has been prepared which includes air travel and consumption of heat and electricity at our smaller locations, which were not included before. Therefore, our emissions have increased significantly compared with previous years.

Furthermore, a new report has been prepared for 2018, which also includes air travel and consumption from the small locations. However, data for air travel is not complete compared with 2019 data. Therefore, 2018 and 2019 figures are not fully comparable. However, it can be concluded that there was only a slight reduction in CO<sub>2</sub> emissions, which is primarily due to a reduction in fuel consumption for company driving.

### Carbon footprint report 2016 - 2019

	2016	2017	2018	2019
Scope 1	1,741	1,669	1,449	1,383
Scope 2	1,355	1,317	2,391	2,322
Scope 3	1,985	1,767	3,325	3,377
<b>Total</b>	<b>5,081</b>	<b>4,753</b>	<b>7,165</b>	<b>7,082</b>

### Percentage of total CO<sub>2</sub> emission



\* The consumption figures include use of the vehicles for personal purposes, as it is not possible to register this separately. The split between driving for private purposes and business purposes is assessed to be approximately 50-50.

> FURTHER DETAILS ON OUR CO<sub>2</sub> EMISSIONS AND DATA METHOD CAN BE FOUND IN OUR ESG REPORT 2019

### Climate report

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

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

In 2019, the average for all entries for CDP was a C.

	2016	2017	2018	2019
Topdanmarks score	C	C	C	C

> READ THE LATEST CDP REPORT



# Environment is also less plastic

Topdanmark wants to contribute to a better environment through a responsible and sustainable operation of our business. We see it as our task to organise offices and canteens etc., so that it promotes both sustainable conduct among employees as well as sustainability in processes, systems, etc.

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. We prefer to enter into agreements with suppliers that prioritise climate and environmental considerations.

We have set a goal of reducing the use of disposable plastic – see the chart.

### The goal is less plastic

Since 2018, it has been our goal to reduce the use of plastic disposable materials. This also applies to our staff canteen, which is operated by Eurest. In 2019, we have removed all plastic mugs and plastic buckets. However, plastic mugs were used for our



## Environmental efforts: overview of activities and results

Goal 2021	Result 2018	Result 2019	Review of 2019
Reduction of disposable plastic	806,000 purchased units*	520,000 purchased units	A reduction of 35% which is very satisfactory

\*The number is higher than indicated in the CSR report 2018 as more units are included in the calculation.

Christmas party. We have had a campaign for use of water bottles rather than disposable cardboard cups. And we have started examining how to reduce the use of plastic disposable materials, such as plastic bags, when we attend trade fairs.

### Office furniture

104 pieces of office furniture was donated to recycling.

### IT equipment

2,747 kg were sold for recycling or responsible scrap.

### Other environmental efforts

In addition, Topdanmark has numerous initiatives that it measures and continuously evaluates. This includes waste separation, reduction in food waste and paper consumption, and recycling of office furniture and IT equipment. Below are the results for 2019:

### Waste

44% of all waste were recycled  
47% of all waste from the head office in Ballerup were recycled

### Paper consumption

16.6% reduction of purchased paper and paper products compared with 2018  
77% reduction of purchased paper and paper products compared with 2015

# Dilemma

**When Topdanmark replaces office furniture, we want to donate the usable furniture to schools or organisations, so that the furniture does not go to waste. But often we find it difficult to find takers for the furniture, or it is so time consuming that we refrain from doing it.**



# Anti-corruption and anti-bribery

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

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.

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 a policy which states when Topdanmark's employees

may give and receive gifts and when they are allowed to hold or participate in events and arrangements.

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

### Results for 2019

In 2019, we continued to work with preventing and avoiding making business decisions that were influenced by individual interests. In 2019, there have been no situations that have been in conflict with our anti-corruption policy.

### Money laundering and financing of terrorism

The world economy is affected by money that is illegally acquired and used for illegitimate purposes. Large amounts of money are laundered every year, posing a threat to the global economy and its security. The financial service companies as life and

non-life insurance companies tend to be favoured channels through which illicit money is laundered.

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.

Topdanmark works proactively to protect both our customers, our company and

society in general from money laundering and financing of terrorism. We meet the requirements of the Danish Anti-Money Laundering Act, which means, for example, that e-learning is compulsory.

[> READ MORE ABOUT MONEY LAUNDERING PREVENTION](#)

**Plans for 2020**  
 In 2020, we will evaluate whether the risk picture has changed and whether an update of our current policy and the management system associated with the policy is needed.



Foto: Kalinovsky Dmitry



# CSR programme for suppliers

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

## Due diligence

On an ongoing basis, Topdanmark assesses the suppliers we use in relation to CSR. We primarily use Danish suppliers, and the general assessment is that they have a busi-

ness model and conduct that are not in conflict with the UN Global Compact principles.

On this basis, we have implemented a programme that involves that all suppliers

receive a CSR reference as an annex to the contract. This specifies that Topdanmark is affiliated with the UN Global Compact. We encourage the respective companies to integrate the principles in their own business, but this is not a legally binding condition.

Areas that are monitored more closely However, there are areas that may potentially be problematic, such as the handling of waste and working conditions in conjunction with clearing up after damage has occurred. We are monitoring these areas.

In connection with this, a risk analysis was

performed, and we entered into dialogue with the respective supplier concerning working conditions and human rights. The CSR recommendation concerning the UN Global Compact principles has also been written in as a legally binding part of the contract.

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



Foto: Kalinovsky Dmitry

## Results for 2019 and plans for 2020

It is our assessment that in 2019 there were no conditions that were contrary to our policy with the exception of conditions in India, as described above.

In 2020, implementation of the CSR programme will continue. Furthermore, we will look at how, in procurement, we can work with our suppliers to reduce CO<sub>2</sub> emissions.





# Responsible corporate culture

Topdanmark wants to provide 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.

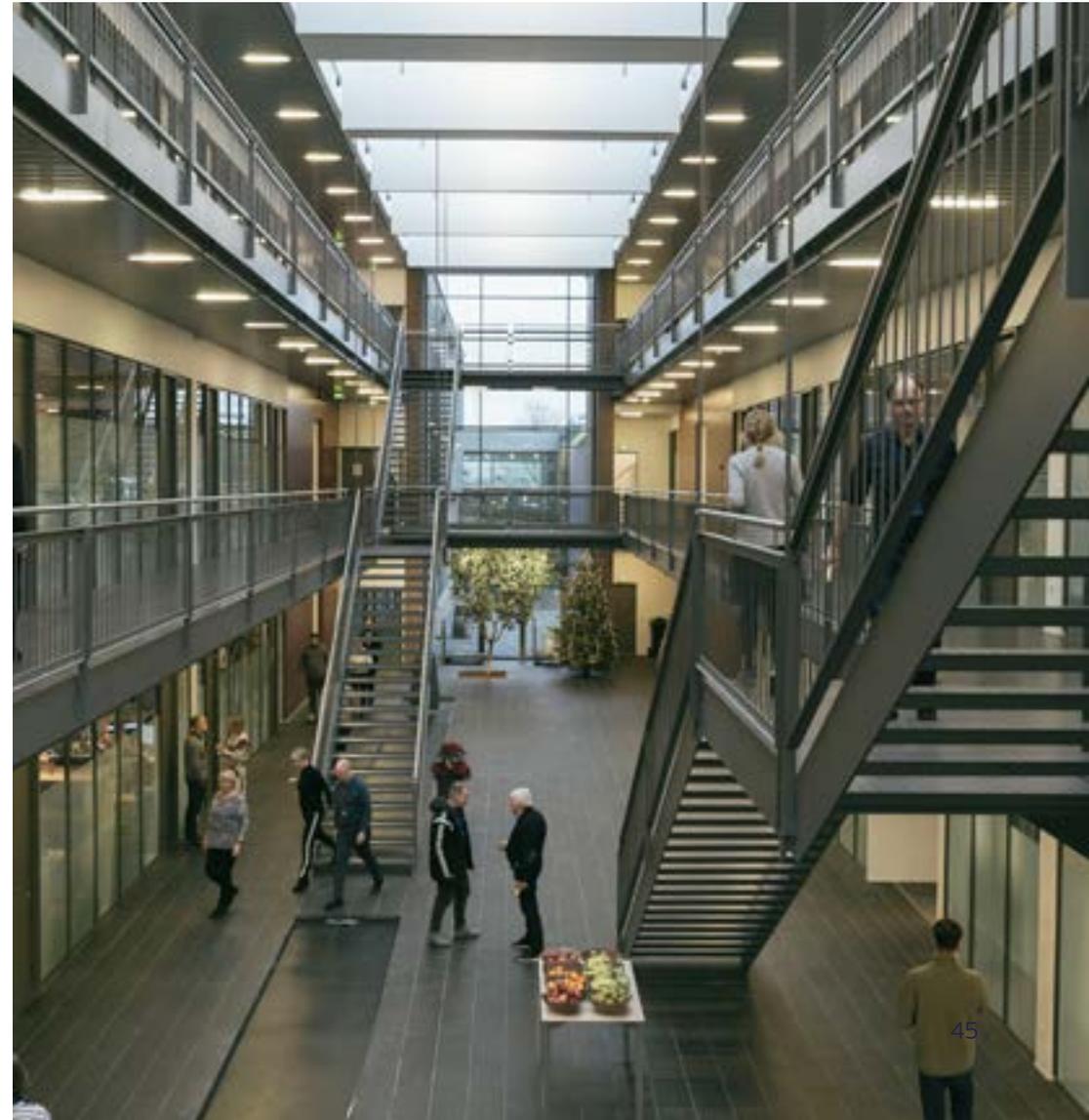
It is Topdanmark's ambition to provide the best customer service in all situations. Competent and motivated employees are a critical factor in this respect. Therefore, it is crucial to attract and retain competent manpower as lack of skilled manpower poses a real business risk for Topdanmark.

Topdanmark has formulated an ambition that it will provide 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.

Well-being and commitment are central elements of Topdanmark's business strategy, and in the seven strategy corridors in the corridor named Commitment and Leadership see page 44.

## **The foundation is close dialogue**

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

To reach our goal of high customer satisfaction and to attract and retain manpower, Topdanmark considers it crucial to have an organisation of employees and managers who thrive and are highly motivated and committed.

Topdanmark, like most workplaces these days, is characterised by changes, new processes and IT systems and at times in a quicken pace. However, attention is given to the fact that it can cause stress, decreased job-satisfaction and well-being, as well as lack of motivation among the employees. Topdanmark wants to take care of this and a large number of initiatives have been initiated, among other things.

## Well-being dialogues

Topdanmark wants managers and employees to continuously have a good dialogue on the problems that may occur. Therefore, we have locally implemented well-being dialogues which should support the continuous work on well-being, commitment and motivation. The well-being dialogue is a survey sent out by the individual manager twice a year followed by dialogues and follow-up meetings in the individual departments.

Based on the yearly well-being dialogue, the directors for each division and service area must prepare a report for the executive board on the well-being and the required activities to be initiated in the coming year.

## Measuring Group well-being

Topdanmark also conducts an annual group survey with two to three questions on well-being and commitment, which are only measured at a general level in the organisation. It was first conducted in 2019. The result was 76 points out of 100, which is very satisfactory. The goal for 2020 is an increase of 2pp.

The objective of the analysis is to identify which activities are critical in increasing well-being and in preventing stress.

Topdanmark wants to ensure that all employees thrive and are not subject to bullying and/or offensive situations. In 2020/2021, Topdanmark will implement a code of conduct which will include principles on diversity, tolerance, and mutual respect as central elements in Topdanmark's company culture.



## Plans for 2020

In 2020, there will be an increased focus on well-being and commitment. A comprehensive analysis will be prepared of all data available on well-being, including results from the well-being surveys, anonymised data from health checks and results from workplace assessments. Furthermore, focus groups will be included to evaluate the physical workstations.



## Health in everyday life

Topdanmark wants to give its full support to our employees' good health. We believe that this will contribute towards generating well-being and job satisfaction for the individual employee. This in turn provides a strong platform from which we can deliver the best service to our customers.

With a health policy, Topdanmark wants to create a healthy framework for the workplace. In practice, the employees are offered a range of health-related initiatives, which can be used when wanted or required - including offers for cycling activities, healthy food in the staff canteen and a health check.

Topdanmark has a sports association which offers facilities and committed instructors for a number of activities that the employees can join before or after work.

### **Stress prevention**

The number of people on sick leave due to stress in Danish society is generally increasing. We also see this tendency among our own employees. Therefore, we have a number of initiatives to both prevent incipient stress and to take care of the employees affected by stress.

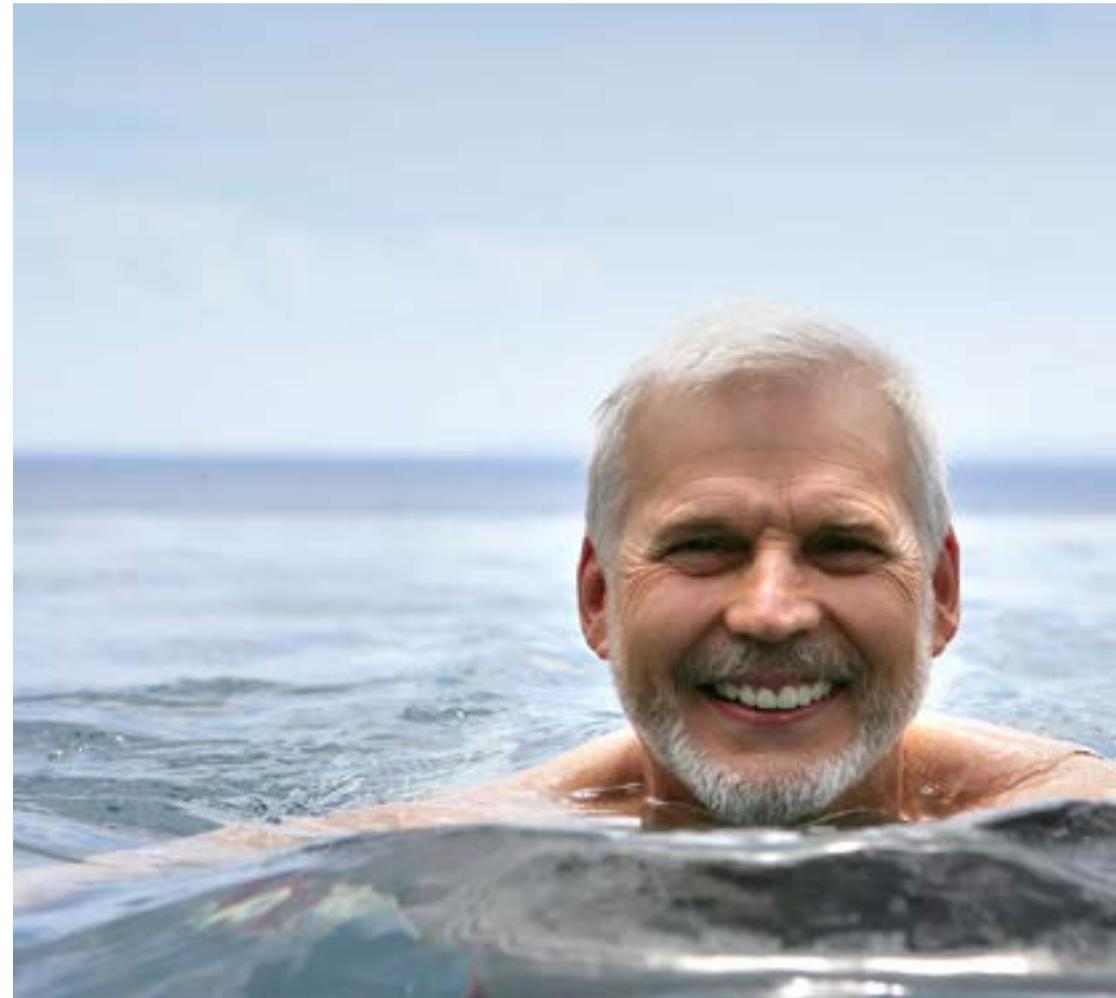
As part of the prevention of stress and other illnesses, all Topdanmark employees are offered a health check during working

hours every second year. It focuses on mental, social and physical health, both at and outside the workplace. Furthermore, all employees can receive anonymous stress counselling from experienced psychologists.

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 scheme.

### **Health screening**

All Topdanmark employees are offered a health check during working hours every second year. In 2019, the offer was expanded to also include the option of an online health screening - either as stand-alone or





## RESPONSIBLE CORPORATE CULTURE

in combination with an overall health check. The health screening is done by answering numerous questions based on lifestyle factors (diet, smoking, alcohol, exercise), after which you get an individual health report that indicates which areas to pay attention to.

In total, 368 employees took the health screening, and 820 employees took both the initial health screening and the following health check.

**READ MORE ABOUT THE DIGITAL HEALTH SCREENING UNDER THE CONCEPT, TOPSUND ON PAGE 50.**

### **My Health - individual health programme**

Since 2016, employees who are at risk of getting lifestyle diseases have been offered an individual health programme, My Health. A programme was made available to 30 employees against a small fee - each programme had a duration of 3-4 months. The programmes have provided unique results within long-term and sustainable lifestyle changes. In 2019, 27 employees participated in a My Health programme.

**27**  
**employees participated in a My Health programme**

### **Massage scheme**

In 2018, Topdanmark established a massage scheme for all employees to focus even more on prevention of disabilities, such as pains in the neck and arms, and on promoting mental well-being. The scheme is financed as a gross salary agreement. The employee thus saves 45% of the price. In 2019, 399 employees joined the scheme (2017: 377 employees).

tal well-being. The scheme is financed as a gross salary agreement. The employee thus saves 45% of the price. In 2019, 399 employees joined the scheme (2017: 377 employees).

### **Work-life balance**

Topdanmark attaches great importance to its employees having a good work-life balance. In different phases of life, the needs may vary, and Topdanmark aims to support the need of flexibility of the individual employee in the form of flexible working hours, pregnancy leave/parental leave/maternity leave, part-time work, freedom when the child is ill, and leave to care for a critically ill child, a terminally ill person at home or to care for a next of kin with a handicap or critical illness.

### **Focus on absence due to illness among employees**

We keep an eye on our employees' ab-

**399**  
**employees joined the massage scheme**



sence due to illness, because we consider it to be an indicator of both the physical and mental well-being of our employees.

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

In 2019, the percentage for absence due to illness was 2.7% (2018: 3.0%). The industry figure for 2019 was

not available at the time when this report was completed - the industry figure for 2018 was 3.1%.

During the period from 2015 to 2019, the absence due to illness percentage was either just over or just under the industry level. In 2019, the percentage was significantly under the industry level of 2018 which is very satisfactory. Topdanmark sees this as an indication that its focus on health and prevention contributes to the physical well-being of the employees.

**SEE THE STATISTICS FOR ABSENCE DUE TO ILLNESS THE LAST FOUR YEARS ON PAGE 49.**



# 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 consisting of internal and external processes within the many occupational groups represented in the organisation.

In 2019, Topdanmark entered into a collaboration with the Copenhagen Institute for Future Studies which should help us clarify future needs and continuously ensure development and dialogue with the employees regarding these. At the same time, Topdanmark wants to use large development projects to ensure that employees with great potential are challenged and at the same time developed so to obtain the competencies of the future.

## Employee turnover

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

In 2019, employee turnover was 13.9%, of which 6.2% was involuntary. The industry figures for 2019 had not been calculated at the end of this report, but the industry figures for 2018 were 13.3%.

Topdanmark does not consider an employee turnover at that level to pose a business challenge. Any termination of a contract, whether it is termination or dismissal, is used as an opportunity to review competence requirements and profile, so that the position matches Topdanmark's current needs.

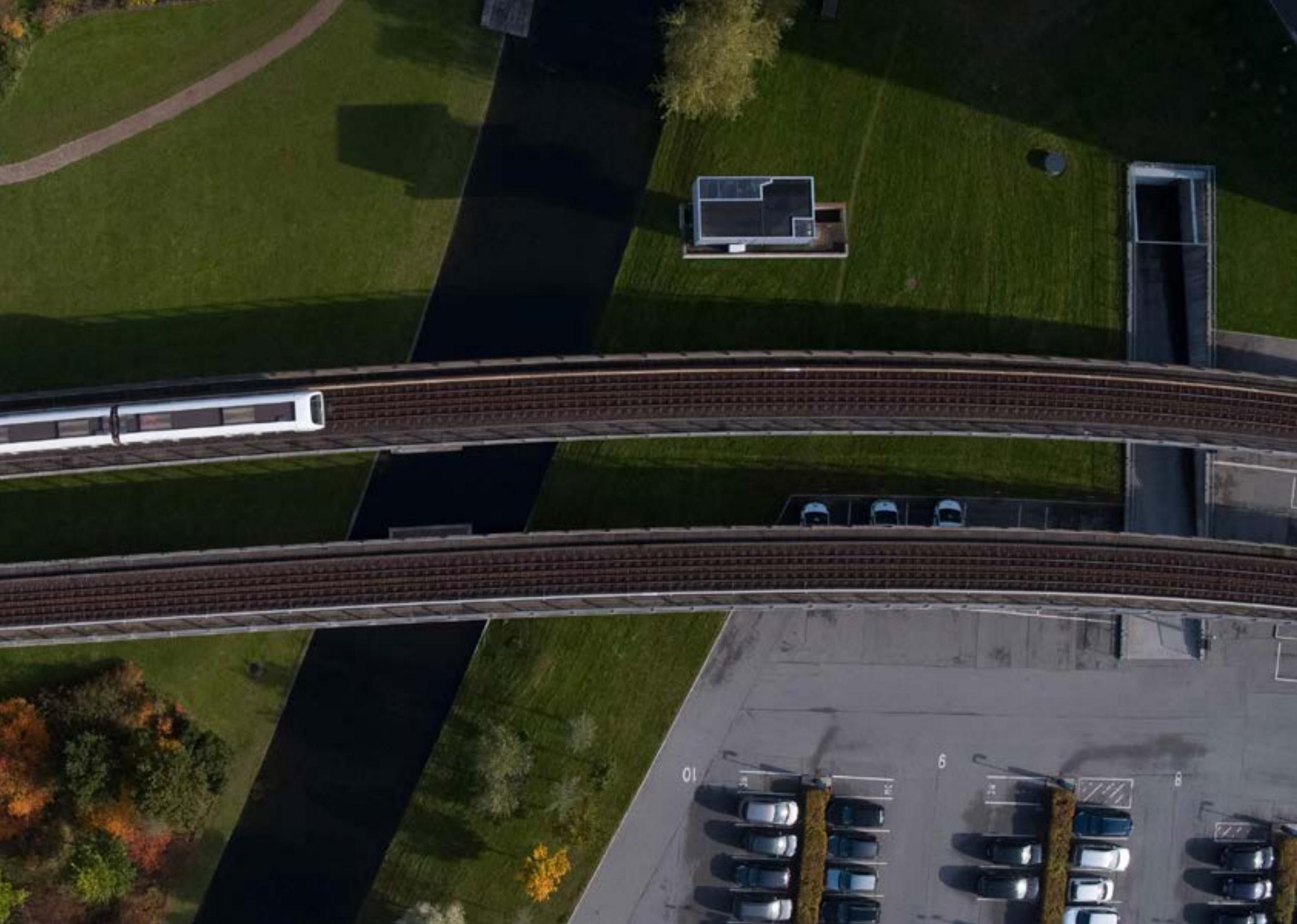
In 2020, we expect an employee turnover at the same level as in 2019.

## HR key ratios

	Unit	2016	2017	2018	2019
Full-time employees	Number	2,650	2,473	2,343	2,318
Employees in flexible jobs <sup>1</sup>	Number	14	13	11	10
Employees on temporary contracts <sup>2</sup>	%	-	1.7	2.3	1.9
Employees covered by collective agreement	%	-	96.9	97.2	96.5
Absence due to illness <sup>3</sup>	%	2.9	3.0	3.0	2.7
Absence due to illness in the finance industry <sup>4</sup>	%	3.0	2.9	3.1	-
Employee turnover <sup>5</sup>	%	13.1	14.3	14.0	13.9
Employee turnover in the finance industry <sup>4</sup>	%	12.0	12.0	13.3	-
Cases of discrimination <sup>6</sup>	Number	0	0	0	0
Competence development of employees <sup>7</sup>	Million	32.4	28.5	27.0	33.1

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 2019, all employees in flexible jobs are internal employees.
- 2) The numbers cover employees who are bound by a specific resignation date (excl. trainees and maternity cover)
- 3) This figure indicates that, on average, every employee was sick 2.7% of the total number of working hours in 2019. The figure covers all employees.
- 4) The industry figure for 2019 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 another reason. The number also includes terminated temps.
- 6) Cases of discrimination refers to cases which have been reported to HR or brought to an employee organisation.
- 7) The amount does not include payroll costs, but solely payment of external training activities.





# Responsibility and society

Topdanmark contributes to the overall welfare and financial security of both our customers and society by running a stable business with high quality insurance products. Especially, our health and prevention efforts are making a positive contribution to society. We extend our health efforts by working with a number of humanitarian organisations. In addition, we believe that we contribute to society as a responsible employer and through tax payments.

## Prevention contributes to society

Topdanmark proactively works with health and prevention of illnesses and injuries of our customers. After an injury, we help the injured party return to daily life and working life. Topdanmark is leading within this field among life insurance companies, and the efforts make a positive contribution to society.

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

Some of the most severe injuries 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. Therefore, prevention and promotion of physical and mental health is a central part of Topdanmark's business. We also have initiatives to help customers back to a normal day and working life after an injury.

## Our efforts make a difference

Topdanmark continuously evaluates our different processes and methods - both the ones targeted at prevention, and those aiming at limiting the impact of an illness or injury. The evaluations show that the efforts do make a difference.

Many efforts can come into play in relation to loss of earnings capacity insurance, health insurance, workers' compensation and liability insurance.

## Social perspective

On account of the many businesses that have insurance with Topdanmark, the company helps to prevent and promote healthy living for many people across different business and age groups. Topdanmark also helps many people return to working life after an injury or serious illness. In 2018 and 2019, we helped approx. 1,050 customers each year with stress-related conditions.

It is the company's opinion that the many efforts contribute positively to society, partly because we contribute to reducing healthcare costs, and partly because we contribute to creating health and well-being. The efforts also contribute to lowering the sickness absence in the businesses, which gives stability and is beneficial for society and the individual employees.

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

## Examples

On the following pages, we describe three specific initiatives that have made a positive contribution each in its own way:

- **More health for the many**
- **Help after a serious injury**
- **Initiatives against increasing stress**



# More health to the many

Topdanmark wants to help our customers get or maintain a healthy life - mentally as well as physically. Therefore, we make active contributions to prevent illnesses and work-related injuries at companies that have secured their employees with, for example, health insurance with us. In doing so, we come into contact with and help many people.

Through our life insurance company, we work actively to create physical and mental well-being for employees in companies that have taken out insurance with us.

We have a range of prevention concepts which can be tailored to the challenges of the individual company, so that the preventive effort is as relevant as possible.

We can offer, for example, health checks and health screenings via personal consultations with a medical professional.

## Health Counselling in 2019

In 2019, we have been in dialogue with a total of 124 companies on how to promote the health and well-being of their employees.

With many of these companies, we have also initiated specific health initiatives such as e.g. TopSund programmes (read more below), exercise at the workplace, stress

courses and diet programmes. We have generally received positive feedback from the companies on the counselling and initiatives we have provided.

## TopSund is targeted prevention

One of the specific initiatives we are working on is TopSund. With TopSund, the individual employee completes an online health screening. It is the first step in a comprehensive prevention initiative aimed at the employee and the company as a whole. Each employee receives a health score and

an individual report with advice and guidance for improving their health. It is possible to contact the relevant health staff for further guidance.

In cooperation with Topdanmark, it is possible to plan relevant health initiatives so that they reflect the actual health-related challenges faced by the company.

## Based on lifestyle factors (Diet, smoking, alcohol and exercise)

The actual digital screening questionnaire is scientific and evidence-based, and it has questions pertaining to well-being, working conditions, social well-being, mental health, sleep and lifestyle factors such as diet, smoking, alcohol and exercise.

In cooperation with Topdanmark, it is possible to plan relevant health initiatives so that they reflect the actual health-related challenges faced by the company. The company will have the opportunity to measure the effect of the initiative via a follow-up screening.

## TopSund programmes in 2018 and 2019

The TopSund concept was launched in 2018, and 1,250 employees completed a TopSund

programme. In 2019, 4,400 employees from 12 companies have completed a programme with different initiatives depending on the company's need.

## The concept ensures better health

The evaluation of the programmes shows that the TopSund concept contributed positively towards prevention and health in the respective companies and with their employees.

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

# Case

**For example, a company with a large number of overweight employees found that they were all under the age of 30 and felt socially isolated. With this knowledge, a joint team was established under the themes of exercise, healthy cooking and communal dining.**



# Help after a severe injury

When customers are affected by serious illness or are seriously injured, we use the concept TopOmsorg®, which is an individually designed programme focusing on the individual's situation and needs. Since 2012, we have helped many seriously injured customers, about half of whom have returned to full-time employment.

With TopOmsorg®, the injured person 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 offer help where we find that help is lacking.

## Contributes to municipal efforts

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

We emphasise the importance of starting the efforts as early as possible as this helps to maintain the connection to the labour market.

## Positive results

TopOmsorg® is especially used for serious and long-term illnesses, which are covered by the loss of earnings capacity insurance. Our experience with the programme is very positive. In 2019, we have used Joblinjen to take care of the individual processes. The results from this are satisfactory:

- **Of the referred persons, 54% were off the sick list immediately after the programme was completed**
- **Of these, 75% returned to work - 83% full time**

## Collaboration with leading specialists

Topdanmark itself has employed a number of social workers and health professionals, who are used for the individual programmes. Furthermore, we employ specialists for specific disease areas.

Since 2014, we have successfully worked with KiaPro on the rehabilitation of people who have been seriously injured - primarily work-related accidents covered by workers' compensation insurance or liability insurance. An individual programme is planned, which may include e.g. counselling from social workers, physiotherapists, psychologists or pain doctors. The programme is always approved by the injured party's counsellor, e.g. lawyer or trade union.

In 2019, 45% of those injured in rehabilitation returned to full-time employment.

## Collaboration on concussions

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

The programme consists of five counselling sessions with a neuro-psychologist over a period of ten weeks. Each programme is individually customised and, among other things, is aimed at providing the customer with better insight into their own situation and their own resources.

## Positive experience

In 2018, 53 customers were referred to HKI, and 47% of them were back working full time immediately after the programme. In 2019, 48 customers were referred and 46% were back working full time.



# Initiatives against stress

Approx. 4-5% of Danes each year suffer from severe stress requiring treatment. In addition, tens of thousands of sick people are reported to have difficulties returning to work. It has far-reaching consequences, both in private life, in working life and socio-economically. Therefore, Topdanmark would like to contribute to both preventing and curing stress.

Stress seems to be an increasing phenomenon. The latest figures from the National Board of Health show that the proportion of Danes with a high level of stress has increased from 20.8% in 2010 to 25.1% in 2017 - an increase of 20.6%.

On the other hand, among our customers, we have seen an opposite trend. There has been a decrease in the number of stress-related notifications for our health insurance from 5.1% in 2010 to 3.8% in 2017 - a decrease of 26.7%.

We attribute the decline in reported stress claims to our proactive efforts in the companies that are our customers, which is described on page 53. Customers get a telephone line they can contact at the first symptoms of stress. It is a satisfactory development.

## Initiatives when the damage is done

Although our preventive efforts appear to have a positive effect, some of our customers are still affected by severe stress and at the risk of losing their ability to work. In these situations, we want to help customers get back on their feet.

We offer both TopOmsorg®, i.e. individually planned programmes as described on page 51, and an Open and Calm (Åben og Rolig) course, which is classroom training - read more on the next pages. Both have proved to produce good results for the benefit of our customers, the community and Topdanmark





**From stress and back to work**

A survey we have conducted in 2019 shows that the individual initiatives in collaboration with a social worker who, for example, helps coordinate the meetings, seem to help the severely stressed.

Out of just under 1,000 people suffering from stress, 33% returned to full-time employment after three months, while 80% returned to full-time employment after two years. In comparison, only 20% of those who had not been through a TopOmsorg® programme returned to full-time employment after three months, and only 68% after two years.

**Open and Calm courses bring back quality of life**

At the end of 2017, Topdanmark, as the first private company, entered into a collabo-

ration aimed at remedying stress with the Center for Psykisk Sundhedsfremme (Centre for the Promotion of Mental Health), a part of the University of Copenhagen. The programme Open and Calm, is a scientifically developed and documented programme for stress reduction.

In the period 2017 to 2019, a total of 62 people aged 22-64 participated in a nine-week course, and subsequently researchers from the University of Copenhagen were able to document significant results:

- **After the course, 51% of the participants were back in full-time employment, while only 37% were in full-time employment before the start of the course**
- **The proportion of participants who were on sick leave from work, more than halved from 20% to 8% after the course**

- **The proportion of participants who were on sick leave from unemployment (i.e. unemployed and unable to look for work) dropped significantly - from 13% to 0%. All of them had either found employment or were unemployed, but had started searching for a job.**

**Improved quality of life**

Participants also expressed that they have improved physical and mental work ability and that their quality of life has improved. It is especially important that the number of people with significant signs of depression have dropped dramatically.

Before the Open and Calm course, almost half (43%) showed signs of severe or moderate depression, but after the course no participants showed this at all. A full 91% of participants showed no symptoms of de-

pression after the course.

**We hope the industry will use the method**

Insurance companies play an increasing role in Danes' access to help when things go wrong - for example, stress. Therefore, it is important that companies' expenses for mental health claims are spent in the best way possible.

We are pleased that Open and Calm courses have proven to provide good results. It is important that all parties involved, including employers, public authorities and pension companies, take good care of the person suffering from stress early in the process so that the person can return to normal life.

**Facts about Open and Calm**

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

The development of Open and Calm began in 2009, and since 2014 the programme has been implemented by a number of Denmark's largest local authorities. The method has had positive effects on stress and depression levels, sleep quality and mental health in general.





# Co-operation with humanitarian organisations

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 in society when people are in difficult situations. That is why we collaborate with three organisations, Knæk Cancer, Doctors Without Borders and the Blood Bank, each of which in their own way contributes to people in need or seriously ill persons. And we do this in partnership with our employees.

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

Every day we talk to customers who are affected by serious illness, including cancer. We want to contribute to research on how cancer can both be prevented and cured. That is why we, in 2019, participated for the sixth time in the Knæk Cancer Campaign for the Danish Cancer Society. This was done through a week-long exercise event, which engaged both our employees and pension customers through, among other things, cycling, dancing, running, walking and yoga.

Through the campaign, we were given the opportunity to focus on several issues that are central to our business: health, exercise and prevention. And at the same time, we could contribute to an important healthcare project



**815** employees  
Participated in this year's  
Knæk Cancer campaign

**DKK 357,400**  
Was donated for the  
Knæk Cancer campaign

## Money for calories

The amount collected is primarily due to the participation fee paid by the employees

themselves, while Topdanmark pays for the calories burned through cycling, dancing, running, etc.

Our pension customers were also invited to participate in the event, and here we paid both the participation fee and the calories burned. 138 pension customers attended in 2019, some of which donated funds to the campaign.

## Relief aid across borders

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

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

DKK 251,200 thousand was donated to Doctors Without Borders in connection with a Christmas present for the employees in 2019.



**DKK 439,600**  
Was donated to  
Doctors Without Borders

## 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

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

In 2019, 388 batches of blood were collected from Topdanmark employees.



# Tax contributions are also social contributions

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.

## Statistic: Topdanmark's payment of direct tax

	2016	2017	2018	2019
Corporate tax (DKKkm)	407	502	371	441
Income tax (DKKkm)	904	897	995	882

## Topdanmark Group - taxes and duties 2018 (DKKkm)

Topdanmark cost		Topdanmark as tax collector	
<b>Direct taxes</b>		Income tax	882
Corporation tax	441	Labour-market contribution	389
			1,271
<b>Indirect taxes</b>		<b>Selected indirect taxes:</b>	
		Pension return	1,094
		Liability duty	313
		Property tax	31
		Flood	50
		Government tax	159
		VAT	20
		Non-life insurance duty	82
			1,749
<b>Total DKKkm</b>	<b>697</b>	<b>Total DKKkm</b>	<b>3,020</b>

## ^ CSR initiatives: strategic corridors, UN Global Compact and UN Sustainable Development Goals

Section in the report	Strategic corridor	UN Global Compact	UN Sustainable Development Goals	Page
<b>Customer relations</b>				
We have a big responsibility	Long-term customer relations	The right to social security; The right to healthcare	-	12
Customer complaints are used constructively	Long-term customer relations	The right to a fair complaint process	-	17
<b>Products and Services</b>				
Sustainability in claims handling	Long-term customer relations	-	Goal 12: responsible consumption and production	20
Prevention of damage caused by cloudbursts	Long-term customer relations	-	Goal 13: Climate action	21
Increased contingency arrangements in case of extreme weather	Long-term customer relations	-	-	22
Helping farmers in the wake of climate change	Long-term customer relations; Expert in risk management	-	Goal 13: Climate action	23
Prevention of slurry spillage	Long-term customer relations; Expert in risk management	-	Goal 14: Life below water	24
Fewer chemicals in the field	Long-term customer relations; Expert in risk management	-	Goal 14: Life below water	25
<b>Investments</b>	Long-term customer relations; Expert in risk management	All principles	Will be defined in 2020	27
<b>Business management</b>				
Diversity and women in management	Commitment and leadership	The right to non-discrimination	Goal 5: Gender equality	33
We protect personal data	Long-term customer relations	The right to data security and privacy	-	35
Artificial intelligence with responsibility	Long-term customer relations ; future technology, the best in terms of execution	The right to data security and privacy	-	37

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## ^ CSR initiatives: strategic corridors, UN Global Compact and UN Sustainable Development Goals

Section in the report	Strategic corridor	UN Global Compact	UN Sustainable Development Goals	Page
<b>Business management</b>				
Climate - CO2 neutral Topdanmark	-	Principles 7, 8 and 9	Goal 13: Climate action	38
Environment is also less plastic	-	Principles 7, 8 and 9	Goal 12: responsible consumption and production	41
Anti-corruption and anti-bribery	-	Principle 10	Goal 8: decent work and economic growth	42
<b>Corporate culture</b>				
Well-being and commitment	Commitment and leadership	The right to physical and mental health	Goal 3: good health and well-being Goal 8: decent work and economic growth	46
Health in everyday life	Commitment and leadership	The right to physical and mental health	Goal 3: good health and well-being Goal 8: decent work and economic growth	47
The competencies of the future	Commitment and leadership	-	Goal 8: decent work and economic growth	49
<b>Society</b>				
More health to the many	Long-term customer relations; Expert in risk management	The right to physical and mental health	Goal 3: good health and well-being	52
Help after a severe injury	Long-term customer relations; Expert in risk management	The right to physical and mental health	Goal 3: good health and well-being	53
Initiatives against stress	Long-term customer relations; Expert in risk management	The right to physical and mental health	Goal 3: good health and well-being	54
Co-operation with humanitarian organisations	Commitment and leadership	The right to physical and mental health	Goal 3: good health and well-being	56
Tax contributions are also social contributions	-	-	Goal 8: decent work and economic growth	57



# Contact

If you have any questions or comments concerning the report, please contact Pernille Fogh Christensen, who is responsible for CSR.

If you want to enter into dialogue with us about our CSR efforts, you are also welcome to contact us.

Tel: +45 4474 4089 (direct)  
E-mail: [pfi@topdanmark.dk](mailto:pfi@topdanmark.dk)



**Topdanmark A/S**  
Borupvang 4  
2750 Ballerup

Tel. +45 44 68 33 11  
CVR-no. 78416114