Topdanmark

Sustainability report 2022

52227-2022 CSR

Introduction

Preface 3

Topdanmark in brief

Our programme for a more sustainable Topdanmark 6

Our reporting framework 14

Health and well-being in everyday life

A healthy workplace 18

A healthy life for our customers 21

Health and society 25

Social and financial security 27

Protection of personal data 32

IT and cyber security 35

Green transformation

Journey toward zero emissions 39

Green workplace 43

Customer solutions 45

Circular economy 49

Responsible foundation

Ethical guidelines 55

Anti-corruption 56

Human rights 58

Diversity and inclusion 59

Competence development 62

Sustainability in customer relations 64

Sustainability in the supply chain 66

Responsible investments 68

Appendix

Reporting in accordance with the EU taxonomy 72

ESG risks mapping 73

ESG performance data 74

Accounting principles 78

Climate reporting in accordance with industry recommendations 80

Discontinued operations: General and ESG data 82

Sustainable Development Goals and the UN Global Compact 84

Links to policies, reports and other information 86

Preface

The word 'Climate' has found its way into our vocabulary for good and in many different contexts. Climate crisis. Climate debt. Climate anxiety. Climate refugee. However, in Denmark, the term 'Climate action' is not part of the Danish dictionary just yet.

Action speaks louder than words, also when addressing climate change which affects us all. If ambitions are not turned into action, the action is merely words on a piece of paper, and no one benefits from that, least of all the climate.

We need action, and we need it now. Last year, Denmark was hit by the two storms, Malik and Nora, as well as a number of cloudbursts during summer. In that connection, we at Topdanmark are proud to have helped approx. 20,000 private-, agricultural- and commercial customers with weather-related claims. This is an example of the value we create for the customers and for society. It is also an example of how the weather is becoming more and more extreme. Storms and cloudbursts hit more often and locally.

Even though we are just a small piece of the puzzle, we both can and will be part of the solution to ensure real climate action. Therefore, we have turned up our level of ambition within climate in 2022. As the first insurance company registered in Denmark, we have joined the Science Based Targets initiative (SBTi), which is an official international alliance supported by the UN that helps us ensure that our climate goals live up to the Paris Agreement's goal of CO_2 reduction and a temperature rise of a 1.5 degree maximum. SBTi puts us under the obligation to act, which means full integration of climate awareness into our business and strategy. The fact that we invite external experts to place us under scrutiny is an ambitious step that will create more transparency around our work.

We already have a goal of becoming CO_2 neutral by 2030 in terms of our business operations e.g. electricity, heating, company driving and air travel (scope 1 and 2). In addition, moving forward, we will voluntarily set a target for the reduction of CO_2 emissions in our claims handling and supply chain which is under scope 3.

The big question is where to begin? At Topdanmark, we have decided to put the efforts where we believe that it makes the greatest impact – within areas such as auto and buildings which make up more than 40% of our total claim payments. Of course, we will also assess other central areas such as personal injury and contents.

Furthermore, 2022 saw a number of other milestones and actions. We integrated ESG further into our core business by ESG screenings of our commercial and agricultural customers. We also want to be part of the solution when ensuring a supplement to our welfare system by doing what we do best: helping customers who have been injured. In 2022, we increased our efforts, thus compared to previous years, we saw a 25% increase in customers who returned to normal everyday life following a personal injury. This benefits both the customer and society.

Since 2010, Topdanmark has been affiliated with the UN Global Compact, and we have gone through several stages of development. In 2022, we launched a new ambitious programme. We call it "A more sustainable Topdanmark". All with one goal in mind: To help our customers and the society we are part of.

We hope you enjoy reading our Sustainability Report.

Peter Hermann
CEO, Topdanmark

Lars Kufall Beck
CFO, Topdanmark

Topdanmark in brief

Topdanmark wants to make a difference to our customers, employees and society, and to play an active role in solving the challenges of our society – particularly within the areas of climate, the environment, health and job satisfaction. We do this through our knowledge and expertise and via partnerships throughout our full value chain.

Topdanmark is one of the largest non-life insurance companies in Denmark, and we offer a wide range of products and services to private, commercial, and agricultural customers. We also sell life insurance and health products via distribution agreements with Nordea Pension.

The foundation stone of Topdanmark was laid in 1899, and today we have approximately 2,200 employees working all over the country. The headquarters are located in Ballerup. Topdanmark is a limited company listed on Nasdaq Copenhagen A/S.

The purpose of Topdanmark is to help our customers before, during and after a claim. We are proactive and assist with prevention, so damage and injuries do not occur, and we want to promote well-being and good health. When the damage has occurred or the customer has fallen ill, we help limit the consequences in the best possible way, and we pay out compensation. This also means that we want to deliver more than just insurance products.

We want to be the market leader in terms of the delivery and development of claims solutions and additional services which create value for customers, partners and society. Satisfied customers are our livelihood, and we always endeavour to deliver good customer experiences that make it easy to be a Topdanmark customer.

The essence of our ambitions can be summed up in our promise to our customers: "We are here to help."

General key figures 2022

15.6% market share

2,139 employees (average during the year)

DKK **6,040** paid out to insurance customers

56.4 points in tNPS (transaction Net Promoter Score)

Financial key figures 2022

DKK **9,903**m premiums earned

DKK **2,049**m profit

DKK **19**bn in investment activities

DKK **280**m in corporate tax

81.8 in combined ratio

Denmark's third-largest non-life insurance company

Our historical origins are out of agriculture and reflected in our DNA

Topdanmark insures every 4th Dane.
In total 477,700 private customers

Topdanmark insures every 6th company and every 2nd farm.
In total 119,300 commercial and agricultural customers

Topdanmark's development strategy is built on close collaboration with alliance partners including our primary partners Nordea, COOP and Norlys.

Topdanmark's market share is primarily based on the 1:1 relation and the good, digital customer experience

Organisational changes in 2022

In 2022, Topdanmark signed an agreement with Nordea Life Holding AB on the divestment of Topdanmark Liv Holding A/S. The transaction was completed as at 1 December 2022. Topdanmark Livsforsikring was founded in 1972, and by the time of the divestment it was Denmark's fifth largest commercial pensions company with more than 225,000 customers and around 300 employees. We decided to divest this part of our business as we believe that Nordea is the perfect operator to run and develop Topdanmark Livsforsikring. At the same time, it opens up new possibilities in our non-life insurance company. With this transaction, we also strengthen the close strategic partnership between Nordea and Topdanmark, and we will continue to sell life insurance and pension schemes from Nordea to our customers.

Our programme for a more sustainable Topdanmark

Environmental, social and financial sustainability is part of our core business. Every day, we work to create financial and social security for all our customers, for our employees and for society in general – and we contribute with solutions for climate and environmental challenges through products, advice, in our supply chain, in our investments and through our partnerships.

At Topdanmark, we want sustainability to be a natural part of all our business, our decisions and our actions, for example in relation to our product development and service concepts, procurement, claims handling, intake of new customers and investments. We believe it makes sense from a business perspective, and we also believe that, as a company, we have a responsibility to society to promote a sustainable future.

We have worked with sustainability since 2010, and we have been through several development stages and programmes. In 2022, we launched a new programme for a more sustainable Topdanmark, which runs until 2025. The programme was defined in 2021 and has been approved by the Board of Directors. It drives our work and activities throughout the entire organisation.

Our approach

Topdanmark's core business supports a sustainable society, as our main purpose is to look after our customers and their assets. Topdanmark's promise to our customers, "We are here to help", is therefore a natural anchor point for our ambition regarding sustainability. As the foundation for our overall commitment to a more sustainable organisation and business, we have defined a sustainability aspiration building on our promise:

"We are here to help our customers and the society which we are part of."

We want to make the aspiration our guiding principle for the new programme for a more sustainable Topdanmark and all activities.

Based on a risk and materiality assessment (read more on page 9), we have identified the material topics to be included in our programme. The topics have been further systematised into three strategic themes within the agenda of sustainability, also known as ESG (E for Environment, S for Social and G for Governance):

- Green transformation (E)
- Health and well-being in everyday life (S)
- Responsible foundation (G)

We work holistically with all three themes and in order to be concrete in our work with sustainability, we have defined targets related to the three themes and the material topics identified in the materiality assessment. The targets are divided into two categories:

- Strategic targets which are considered to have the greatest impact on Topdanmark and society
- Secondary targets and activities that support our strategic targets

The baseline for our targets is 2021. The deadline for most of the targets is the end of 2025 with a few target deadlines set for 2030/2050. See an overview of our strategic targets and results in 2022 on page 13.

Enablers to support the programme
To support our programme for a more sustainable Topdanmark and the related targets, we have also set out three fundamental enablers:

- **Culture**
  At Topdanmark, our work is based on shared principles of responsible and sustainable management which guide our employees in how we run our business in trusting collaboration with our stakeholders.

- **Innovation**
  Through innovation and responsible use of technology, we want to help solve the challenges of the future for the benefit of people and nature. We set the framework for doing things differently from the way we do them today.

- **Partnerships**
  We team up with relevant partners and organisations with whom we can make a greater difference together than we can individually.

Key initiatives and commitments

Topdanmark is committed to a number of international principles and guidelines on sustainability, and we also support sector-specific and national initiatives and goals. Listed below are some of the most significant commitments as of 31 December 2022.

- UN Global Compact
- UN Sustainable Development Goals
- Science Based Targets initiative (SBTi)
- Paris Climate Agreement
- The Universal Declaration of Human Rights
- The ILO Declaration on Fundamental Principles of Rights at Work
- Carbon Disclosure Project (CDP)
- Task Force on Climate-Related Financial Disclosures (TCFD)

Industry-specific initiatives (Insurance & Pension Denmark)

- Guidance on climate reporting
- Data ethical principles, Cool or Creepy

Ongoing dialogue with stakeholders
The demands and expectations from our stakeholders and society in general as to how companies should integrate social, climate and environmental considerations into their business strategies have increased significantly in recent years.

We are therefore in continuous dialogue with a wide range of stakeholders to assess what challenges, requirements and expectations should be included in our sustainability programme. This applies, for example, to the following stakeholders: employees, customers, investors, professional associations, suppliers, NGOs and ESG rating agencies. As "partnership" is one our enablers, dialogue with stakeholders also functions as an important element to promote and implement the programme for a more sustainable Topdanmark.

New commitment to Science Based Target initiative (SBTi) in 2022
Back in 2019, Topdanmark defined a target of being carbon neutral in 2030 in terms of scope 1 and scope 2 emissions in addition to selected scope 3 emissions (air travel and company driving in privately owned cars). In June 2022, we decided to aim even higher by joining SBTi and signing up to a target of net zero in 2050.

For financial companies, it is mandatory to include scope 1 and scope 2 emissions as well as scope 3 category 15, which means CO_2e emissions from companies in which they have invested. As described above, we already have targets for scope 1 and scope 2 for 2030, whereas a target for investments is new to us. Furthermore, we want – as a voluntary commitment – to include targets for our supply chain because we have significant indirect CO_2e emissions in this part of our business.

When joining SBTi, it is mandatory to define both short-term goals (not exceeding 10 years) and long-term goals no later than two years after joining the initiative. In 2022, we started establishing a complete overview of emissions from all three scopes based on the Greenhouse Gas (GHG) Protocol, and this will be our starting point when defining our targets that will be submitted to SBTi for external validation no later than June 2024.

Contribution to the UN Sustainable Development Goals
Topdanmark has assessed the United Nations' (UN) Sustainable Development Goals (SDGs) and the underlying sub-targets to identify those SDGs that align with our business and which we can affect through our business activities. The result is the defined goals specified to the right.

We strive to have a positive influence on these goals through our products and services, by improving our business operations, by being active in communities, and by engaging with our value chain. An overview of how we influence these goals and specific sub-targets can be found on page 84 of the appendix. Topdanmark may also have an adverse impact on the SDGs, either directly through our own operations or indirectly through our investments and supply chain. This is monitored and analysed as part of our general ESG risk management process as described on page 12.

GOAL 3:
Ensure healthy lives and promote well-being for all at all ages

3 GOOD HEALTH AND WELL-BEING

GOAL 5
Achieve gender equality and empower all women and girls

5 GENDER EQUALITY

GOAL 8:
Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

8 DECENT WORK AND ECONOMIC GROWTH

GOAL 12:
Ensure Sustainable consumption and production patterns

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

GOAL 13:
Take urgent action to combat climate change and its impacts

13 CLIMATE ACTION

GOAL 17:
Strengthen the means of implementation and revitalise the global partnership for sustainable development

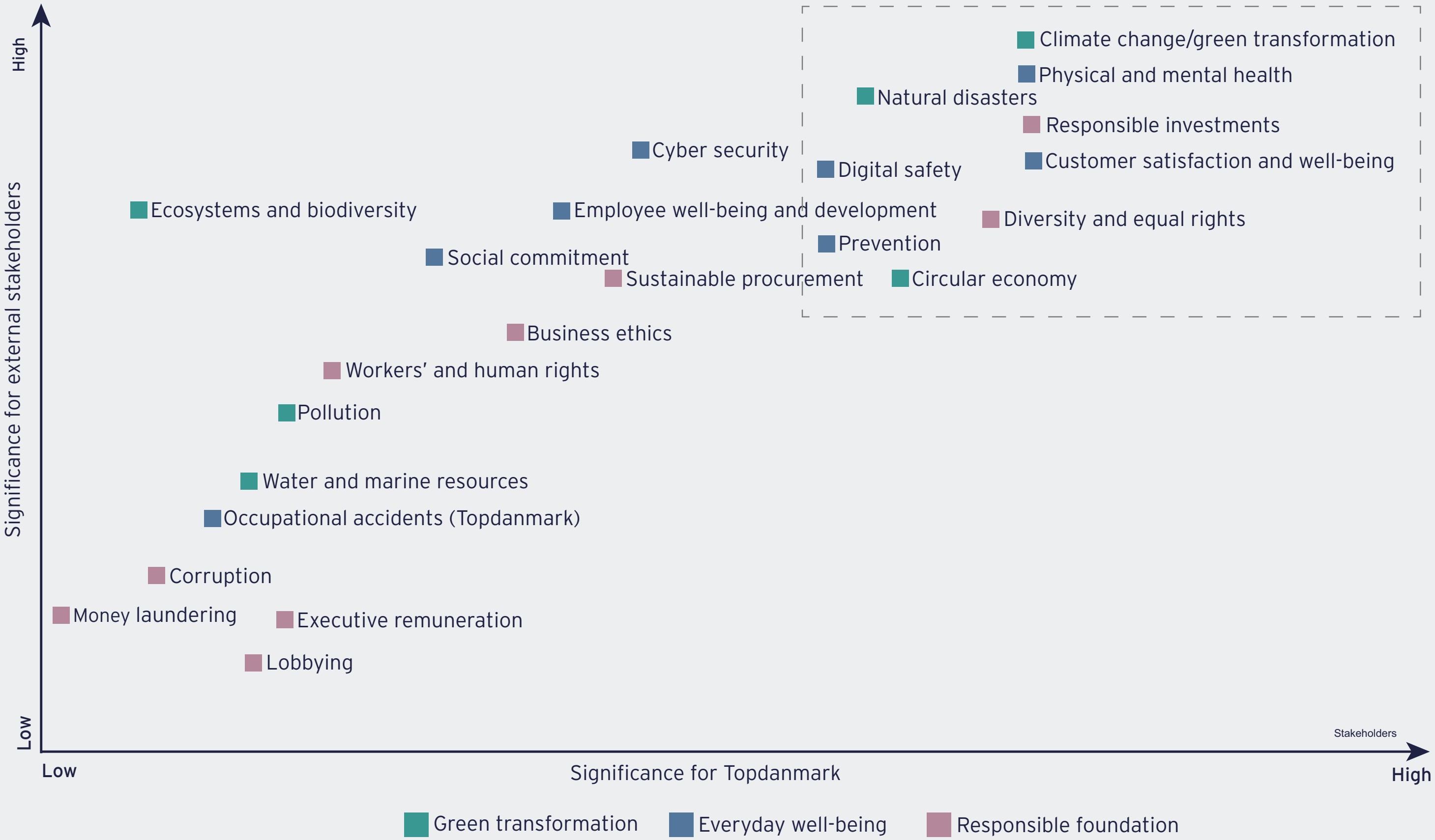
17 PARTNERSHIPS FOR THE GOALS

Our materiality assessment

In 2021, we carried out a comprehensive analysis to define the material topics for us to work with – see the result in the below illustration.

- Screening of and dialogue with stakeholders, e.g. customers, employees, competitors, other industries, NGOs and rating agencies.
- A risk assessment of ESG topics that pose a financial or reputational risk to our business, and an analysis of our own business risks of having a negative impact on climate, environmental and social issues, as well as where we have a responsibility to prevent or mitigate the negative impact.
- An analysis of opportunities, i.e. areas in which we can contribute to the sustainable development of society through our products and services, while also benefiting our business.
- An assessment of all future directives and standards on the sustainability agenda, including regulations related to the EU Action Plan for Financing Sustainable Growth.
- A look into megatrends toward 2030.

The analysis ended up in a materiality assessment (see above) which prioritised the topics to work with and this assessment now forms the foundation for our ongoing work on direction and content for sustainability.



Implementation of double materiality assessment in 2023
The EU Corporate Sustainability Reporting Directive (CSRD) approved in November 2022 includes requirements on implementation and reporting on "double materiality assessments", i.e. the assessment of topics material to the business as well as to society. Our materiality assessment performed in 2021 included these kinds of analyses. However, in 2023 we will revisit the materiality assessment and the underlying analyses and adjust if necessitated by the new directive. We expect to report on the double materiality assessment in the 2023 report.

BACK TO CONTENTS

Changes to the programme due to the divestment of Topdanmark Liv Holding A/S

So far, the divestment of our life insurance company in 2022 as described on page 5 has only given rise to small adjustments in our sustainability programme and the topics defined in the materiality assessment. The approach and themes remain unchanged, whereas there have been adjustments to our targets defined in 2021 for certain areas, including investments and health.

Targets communicated in the Sustainability Report 2021	Status of the target in the new programme
Approximately 20% of pension provisions in Topdanmark Livsforsikring to be invested in green companies by 2030.	No longer applies
30% of all funds managed by Topdanmark Livsforsikring should be placed in Formålspension in 2025.	No longer applies
To launch initiatives that can incite our customers with Topdanmark Ejendom (Topdanmark Property) to conduct that reduces power consumption – and thus reduce CO_2 emissions.	No longer applies
Offer all CVR customers a digital health screening.	**Changed to:** By the end of 2025, we have 150,000 registered users of Sundhedshjælp (Digital Healthcare) and 30,000 consultations on the app per year. The target includes private, commercial and agricultural customers.

BACK TO CONTENTS

Our governance of sustainability

To support our sustainability programme, we have ESG policies approved by the Board of Directors or by the Sustainability Forum – for an overview of policies, see page 12. Each policy outlines our approach, objectives and targets, how we will achieve our targets, governance structure, and how we report on the topic. All ESG policies are available on our website. Certain other policies are mentioned in this report, e.g. a policy regarding health and well-being. These are internal policies not approved by the Board of Directors.

Clear responsibilities
To drive and ensure progress in our sustainability programme and related targets we have structured governance with a clear distribution of roles and responsibilities to support alignment across the business – for an overview of responsibilities, see the table to the right.

As the requirements for analysis, data collection, risk management and non-financial reporting will increase in the future, in 2022 "Sustainability" has been moved from the CEO line of the organisation to the CFO line to take advantage of the synergies that can be achieved by a strengthened approach to analysis, data collection, risk management and non-financial reporting.

Remuneration policy focusing on sustainability
Our remuneration policy for group executive management and other selected employees in senior management ensures the integration of sustainability into our business, so the set objectives support sustainable development of the business. More precisely, this means that the result criteria for our cash- and share-based short-term incentive programme include sustainability initiatives.
The initiatives are assessed based on their level of impact and the extent to which they have been implemented.
In 2022, a total of 34 initiatives were rewarded, among other things, the ESG programme for suppliers and customers, a new business model to increase the percentage of used spare parts, a human rights policy, the results of an employee engagement survey and increased use of Sundhedshjælp (digital healthcare app).
In 2023, we will look into the possibility of an even stronger connection between the short-term incentive programme and our strategic and secondary targets for sustainability.

ESG responsibilities – an overview

Organisational level	Roles and responsibilities.
Board of Directors	• Approves the overall ambition level and sustainability programme • Approves policies and sustainability reports • In 2022, a member of the board was appointed to focus specifically on sustainability
Group Executive Management/CFO	• C-level responsibility for sustainability in Topdanmark
Sustainability forum (Consists of three executives from Group Executive Management, and three general managers from staff functions, chaired by the head of group management support and sustainability.) Four meetings annually.	• Advisory board for the Group Executive Management • Prepares, reviews and evaluates the sustainability programme including targets and results • Responsible for action plans • Reviews policies and reporting
Corporate sustainability team (Organisationally placed in the department for Group Executive Management support and sustainability).	• Initiates and coordinates the implementation of new projects • ESG ratings • Prepares policies • Prepares sustainability reporting and other communication • Analyses and assessments, e.g. of the Sustainability Development Goals
Business divisions Group functions	• Integrate sustainability into division strategies and roadmaps • Integrate sustainability into processes, decision-making, procurement, underwriting, recruitment, etc. • Develop and execute action plans to achieve targets and for compliance with policies

ESG risk management

In our annual report, Topdanmark reports on business risk including a description of risk management processes and risk governance. Sustainability-related risks, including climate change risk, have been part of our overall risk management for several years. However, in 2022 we wanted to both strengthen our understanding of sustainability risks and improve the internal processes. As a pilot project, we started asking specifically about two categories of risk as part of our internal processes across the organisation when collecting information on business risks:

Category 1

Climate and environmental conditions, social conditions and governance which currently or potentially could have an adverse effect on Topdanmark's financial results, either directly or indirectly.

Category 2

Risks of Topdanmark having or potentially having an adverse impact on climate or environmental conditions, or social conditions – both directly and indirectly through business activities and in business operations.

An overview of the major ESG risks identified in the process can be found in the appendix on page 73.
The aims of the project and the due diligence process were, among other things:

- To elaborate on and verify the risk assessment carried out in 2021 when developing the new sustainability programme.
- To increase our knowledge of business-related ESG risks.
- To prepare the organisation for the future requirements of "double materiality assessment" in the EU's CSRD directive.

The overall evaluation of the pilot project is that it is appropriate for ESG risks to be included in the ordinary risk process as this also increases awareness of ESG conditions in the organisation. In 2023, we will further improve the processes and assess whether changes are required to the existing policies and processes to mitigate and handle the risks identified.

ESG policies – an overview

Policies approved by the Board of Directors	Latest version (review annually)	Major changes in content
Code of Conduct – internal	January 2023	Updated sections on human rights, anti-corruption, lobbyism, health & safety and climate & environment
Sustainability policy	January 2023	Updated with targets in the new sustainability programme and governance
Anti-corruption policy	October 2022 (first version)	N/A
Human Rights policy	January 2023	Updated to follow UN Guiding Principles on Business and Human Rights, due diligence process and new governance structure
Diversity policy for executive management	October 2022	No major changes
Diversity policy for the Board of Directors	October 2022	No major changes
Climate and Environment policy	October 2022	Updated with targets in the new sustainability programme and governance
Responsible investment policy	October 2022	No major changes
Policy on active ownership	October 2022	No major changes
Policies approved by Sustainability Forum	**Latest version**	**Changes**
Code of Conduct for suppliers	August 2021 (first version)	N/A

Links to all policies can be found in Appendix on page 86.

Targets and results in 2022

The table below shows our strategic targets and results in 2022. The baseline is 2021 and the timeframe in 2025 unless otherwise stated. In addition to these, we have several secondary, quantitative targets as well as qualitative performance targets. These are described in the report.

Environment: Green Transformation

Target 2025	Unit	Result 2022
Five new products and services that help customers with CO_2 reduction and sustainable choices	Number	One product (developed in 2021)
CO_2e neutral (scopes 1 and 2 and following scope 3: waste, water, flights and company travel in own car)*	Tonnes CO_2e	5,692 equal to a reduction on 14% compared to baseline (2019)

* This target is due in 2030. The target is divided into two sub-targets: 45% CO2e reduction (scopes 1 and 2) in 2025, 70% total CO2e reduction (scope1, scope 2, and the following scope 3: waste, water, flights and business travel in own car). For the remaining 30% emissions we will buy relevant climate compensation. In 2022, we joined SBTi and in 2023/2024 we will evaluate the current targets to assess whether changes are needed.

Social: Health and well-being in everyday life

Target 2025	Unit	Result 2022
Engagement survey of 79 points	Point	81 (2021: 80)
150,000 registered users of Sundhedshjælp (Digital Healthcare). The target includes private, commercial and agricultural customers.	Number	95,928 registered users (2021: 46,507)
30,000 consultations on Sundhedshjælp per year	Number	13,059 consultations (2021: 4,503)

Governance: Responsible foundation

Target 2025	Unit	Result 2022
Max. 60% of one gender at management levels 1 & 2	% w/m	31/69 (2021: 21/79)
All suppliers in the ESG focus group that Topdanmark has a contract with have been screened for ESG risks, compliance and sustainability during tender process	%	100 (2021: no data)

ESG Rating result 2022

Topdanmark is a limited company listed on Nasdaq Copenhagen A/S. As such we are rated on a continuous basis by several international ESG rating agencies. The full scope of ratings as well as historical data can be found in our ESG Fact Book for 2022.

During 2022, Topdanmark has improved all ESG ratings. Carbon Disclosure Project has remained unchanged.

Rating Agency	Current rating
ISS ESG Corporate Rating	As of 31st December, Topdanmark receives a C Prime status with a decile rank of 1, which shows the highest relative performance. In the Quality score, Topdanmark scores as follows: Environment: 4 Social: 4 Governance: 7
Sustainalytics	As of 31st December, Topdanmark scored 17.2 which puts us in the 'Low Risk' category, for the first time in the company's rating history with Sustainalytics.
MSCI	As of 31st December, Topdanmark was rated with A in MSCI's rating This was an improvement from BBB.
CDP	In December 2022, Topdanmark received the grade C from CDP.

Our reporting framework

As sustainability takes on more and more financial importance, the stakeholder's expectations in regard to reporting and transparency are increasing, and so are the regulatory requirements. To meet expectations, and to comply with and prepare for current and future statutory regulations, we publish the following reports:

Annual sustainability report
This report is Topdanmark's annual statutory sustainability report, which is also a progress report for the UN Global Compact. It thus constitutes our statutory report on Corporate Social Responsibility (see sections 132, 132a, 132b and 132d of the Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds). The report covers the financial year 2022 and applies to all subsidiaries of Topdanmark.

The sustainability report 2022 is the first report in our new programme with our new targets and 2021 as the overall baseline. The main reports include only data on 2022 and 2021, where applicable, while historical data can be found in the appendix or in the ESG Fact Book for 2022.

The contents of the report have been determined based on the following criteria:

- Strategic and secondary targets (reporting of results in 2022 and plans moving forward)
- Topics that are assessed to be of importance to one or more stakeholders
- Statutory requirements: business model, policies for human rights, climate and the environment, anti-corruption, and any defined KPIs
- Reporting related to Global Compact requirements

Changes in reporting between 2022 and 2021
Due to the divestment of Topdanmark Liv Holding A/S as described on page 5, the sustainability report for 2022 has the following changes compared with 2021:

- The main report only includes "continued operations", whereas "discontinued operations", Topdanmark Liv Holding A/S, is included only in the appendix with selected data for 2022 – see page 82.
- In practice, this means that we do not report on targets and activities solely related to Topdanmark Liv Holding A/S (see table on page 10). Likewise, we do not report on health initiatives carried out by our previous life insurance business in 2022.
- All data for 2022 solely covers continued operations. However, for some data, it has not been possible to extract Topdanmark Liv Holding A/S, and this will be marked with a note.
- Special provisions apply to investments, as described in the section on page 68.

ESG Fact Book
We also publish an annual ESG Fact Book which primarily contains data on the financial year in question as well as accounting principles. The Fact Book is intended to enable investors and ESG rating agencies to get a quick overview of data which is not included in the sustainability report. All data for 2022 solely covers Topdanmark A/S. However, for some data, it has not been possible to extract Topdanmark Liv Holding A/S, and this is marked with a note.

In addition to the general sustainability reports mentioned above, we also prepare the following climate reports:

CDP
Since 2010, we have reported to the Carbon Disclosure Project (CDP), an international environment reporting initiative that works toward transparency and dialogue on companies' CO_2e emissions, governance and climate strategies. See our latest score on page 13.

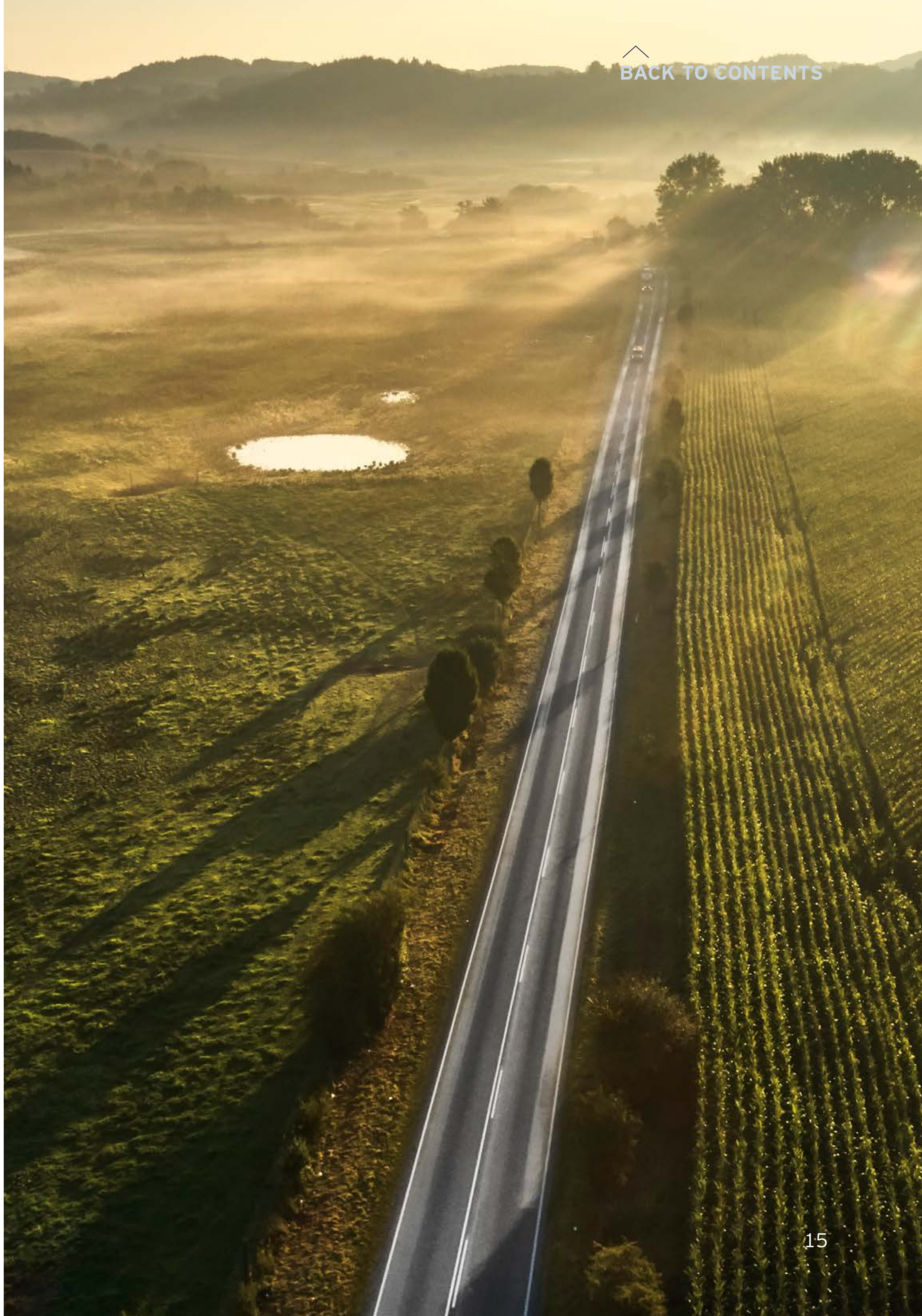
Task Force on Climate-related Financial Disclosure
Since 2021, we have prepared a report according to the international recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD).

Find links to the latest CDP report, TCFD report and ESG Fact Book on page 86

Industry climate reporting
Since 2021, we have reported in accordance with the industry guidance on climate reporting drawn up by Insurance & Pension Denmark in collaboration with representatives from the member companies. Read our climate reporting on page 80.

EU taxonomy
As part of the EU Action plan for financing sustainable growth, the so-called Taxonomy Regulation was adopted in 2021. The regulation sets the framework for a gradual establishment of a classification system for sustainable financial activities. For 2022, we report on eligibility. For 2023, we will report on alignment with the EU taxonomy. In 2023, we will report on alignment with the EU taxonomy.

Read our reporting on page 72.



Health and well-being in everyday life

Our established programme for a more sustainable Topdanmark is based on our materiality assessment. The platform includes three overall themes, each with two sub-themes. These themes are the anchoring points from which we establish our ambition for a more sustainable Topdanmark and form our respective initiatives within E, S and G.

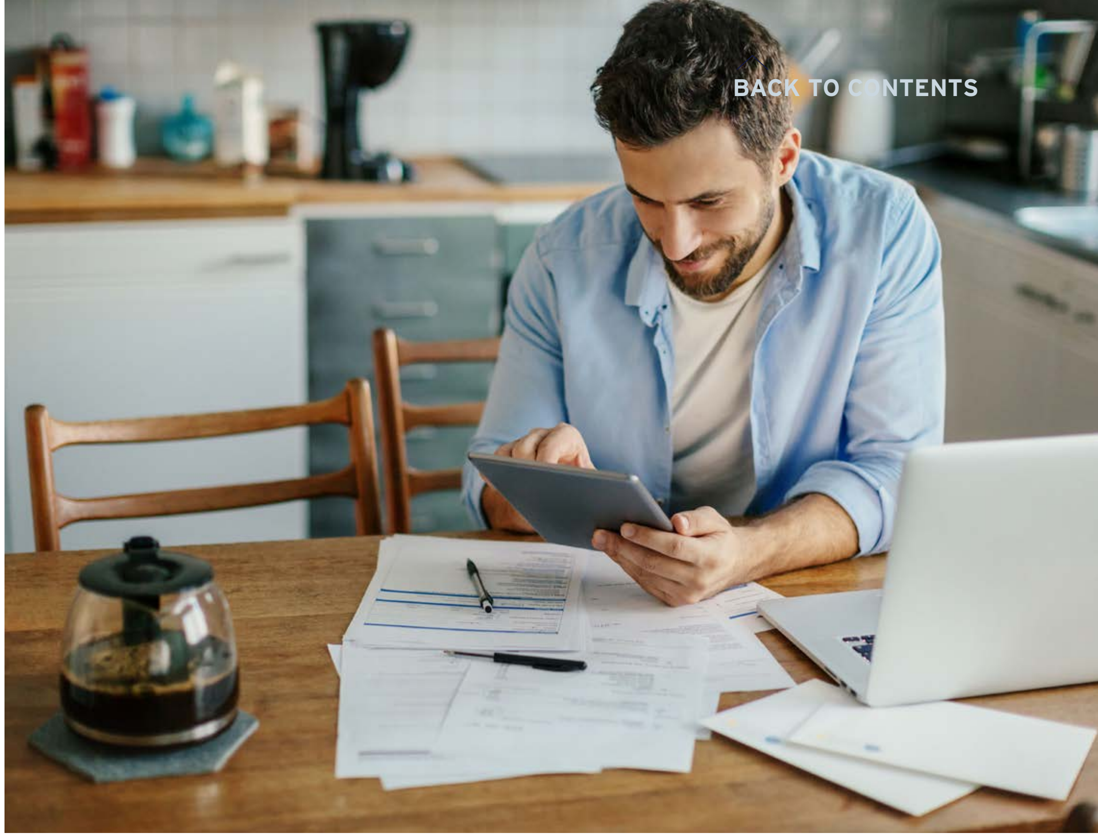
The first theme is "Health and well-being in everyday life". This theme covers the social aspects of sustainability and includes the following sub-themes: "Physical and mental health" and "Financial and social security".

Health and well-being in everyday life is what our core business is all about: contributing to our customers' good health as well as making them feel safe and secure. This also applies to everyone else covered by our insurance policies. It is manifested in our customer promise: we are here to help. However, we have extended it to include our employees and the society to which we belong.

Physical and mental health
We want to contribute to the physical and mental health of our customers and employees, and we constantly work to offer the best possible solutions. The more people avoid getting severely impacted by illness, stress, or depression, the better it is for both the affected person and the company they work for, but also for us as a group and for society in general.

Financial and social security
To ensure the best possible financial and social security for our customers, we focus strongly on responsible customer relations. Among other things, this means providing correct advice and handling claims fairly. We ensure this through education of our employees, quality control and transparent customer communication.

With our work under the heading of Health in everyday life, we contribute to the Sustainable Development Goals – specifically, SDG 3 on good health and well-being and SDG 17 on partnerships for the goals.



A healthy workplace

Dialogues on job satisfaction, the option to work from home, and health screenings are just some of the many initiatives that are part of our ambition to offer our employees a healthy workplace, as well as a workplace where you can be the best version of yourself. We believe that health and well-being are at the core of a good working life.

Targets and results 2022

In order to develop initiatives and track performance on the subject of a healthy workplace, we have set the following targets.

Target 2025	Unit	Result 2022
Engagement survey score of 79 points	points	81 (2021: 80)
Absence due to illness below industry level	%	3.2 (industry level not available) 2021: 2.6. Industry level of 2.8
Employee turnover at industry level	%	13.4 compared to industry level 14.6 (2021: 16.1)

Performance target
Supporting employees with long-term illness, so they are able to return to work earlier

Topdanmark aspires to be a workplace where employees thrive. We therefore focus strongly on creating a workplace that supports the wishes and needs of our employees and accommodates everyone. We believe that this aspiration increases both well-being and commitment, and that it helps us attract and retain highly qualified employees. As such, well-being and health are central parts of our business strategy.

We have an internal well-being policy that sets the framework for our initiatives within this area. The purpose of the policy is to ensure that we continuously address well-being, and that we disseminate the knowledge of the options available to all employees. We also have an internal health policy with the purpose of promoting health, well-being, and job satisfaction for all employees.

Responsibilities

The overall targets and initiatives are set by our Well-being Committee, which is part of the Collaboration Committee. These committees are founded in order to oversee the well-being of the employees and ensure the closest possible cooperation between management and staff regarding work-related subjects, whether these relate to physical or mental health. The Well-being Committee meets four times a year, and the Chief HR Officer (CHRO) is responsible for the implementation of the internal policies and concrete initiatives related to them.

BACK TO CONTENTS

Well-being and job satisfaction
We believe well-being means having a well-functioning and satisfying life both at work and at home.
To ensure ongoing dialogue between employees and managers on well-being and job satisfaction, we conduct an engagement survey every six months and follow up with team talks in all respective teams. The team talk is a tool that provides the manager and team with an opportunity to look at the results of the group engagement survey in depth. Based on the replies, we plan which actions are needed in the immediate future.

Absence due to illness
We closely monitor changes in absence due to illness because we consider it to be an indicator of both the physical and mental well-being of our employees. Based on the anonymised report from the bi-annual digital health screening, we consider where our efforts can best be focused to best support the health of our employees.

The latest health screening was conducted in 2021 and showed us that there were certain areas of concern regarding health, including obesity and pain issues. However, there were also positive aspects of the health screening, notably a reduction in stressful working hours. Among other things, this was due to the flexibility that our hybrid workplace offers as well as a reduction in noise in the offices due to fewer people being in the office at the same time.

Because of our life insurance carve out, we have not had the necessary resources to implement initiatives to deal with the issues regarding pain and obesity. This will instead be a focus as we move toward the next health screening. However, as always, we ran the My Health programme for those employees who applied, and with good results. See more on My Health in the box.

Long-term illness
At Topdanmark, we focus strongly on both mental and physical health. We therefore look into how we can support those of our employees who are on long-term sick leave. We cannot prevent cancer, concussion or the like, but we can help our employees feel safe and assist them during long-term sick leave.

Typically, we help by providing a social care worker to act in the interests of the employee, help with municipality meetings, and create a realistic start-up plan when the employee is ready to return to work.
Our main objective is to keep our employees healthy and happy and have them back with their colleagues in due time.

My Health
Our My Health programme is based on the individual person and their everyday life, and the programme runs twice a year over four months. My Health is a programme designed to address severe health issues such as potential diabetes, stress or high blood pressure. My Health is based on consultations and in-depth conversations with dietitians, physiotherapists, coaches and other trained medical staff. My Health is based on several indicators such as blood tests, anthropometric measurements and well-being scores. All employees can apply for a spot on the My Health programme.

Employee turnover
Alongside the engagement survey and monitoring absence due to illness, we also view the result of the annual employee turnover as an indicator of whether we have succeeded in our well-being efforts. We aim for our employee turnover to be equal to the industry level.

Activities and evaluation 2022

Engagement survey
During 2022, several activities supported our efforts regarding job satisfaction and general well-being for our employees. We conducted our bi-annual engagement survey with positive results. Following up on the engagement survey, all teams that scored below 60 points in the engagement survey were required to conduct Team Talks, in which specific elements of the survey were discussed and areas of concern addressed.

Our engagement survey shows a continued high (and increased) score of 81 points, which tells us that our employees thrive at the workplace both socially and professionally. Notable in 2022 was the all-time high response rate of 94%, which shows us that our employees value and prioritise the engagement survey.

81 **points**

Score in the bi-annual engagement survey.

Moreover, this year we asked employees to assess psychological safety in their respective teams. This was measured by asking whether employees felt safe in expressing their opinion in their own team. The result showed a general high degree of psychological safety among leaders and employees, but also a noticeable difference between female and male staff, meaning that men tend to answer more positively on this question. These insights need to be examined more thoroughly to bring additional knowledge to the table on how to ensure equally high psychological safety among male and female employees.

Team Talk was a new initiative that was run as a pilot in 2022, paying particular attention to areas of concern, improving job satisfaction, and the general well-being of our employees. The results of the Team Talks were promising and as such we will use these for more teams in 2023.

Absence due to illness and employee turnover
In the past year, absence due to illness has increased slightly from 2.6% to 3.2%, but remains on a very low level. The Well-being Committee continuously evaluates our activities and will focus strongly on this year's absence due to illness in 2023.
In 2022, we worked with onboarding and retention of new employees to reduce voluntary employee turnover and we have a decrease in employee turnover. In our engagement survey we ask whether people wish to be employed at Topdanmark in 2 years' time. In the latest engagement survey the total number of employees who responded that they did not expect to be employed at Topdanmark in 2 years reflected the total number of resignations in 2022. We consider this to be a healthy employee rotation.

Topdanmark sport- and social clubs
Topdanmark has several sports and social clubs driven by and for employees, including a riding club, a diving club, a fishing club and an art club as well as weekly sport events at headquarters, such as spinning, yoga and TRX.

Looking forward regarding well-being and job satisfaction

In 2023, we will continue to address the issues from our latest health screening. The results of the health screening give us an opportunity to address the needs of the employees, whether related to physical or mental health or work-related issues such as too much pressure or stressful working hours. In 2023, we will pick up on a healthy diet as a preventive tool for lower blood pressure, better cholesterol, and pain relief. We expect to conduct a new health screening in 2023, and thus hope to gain new insights to help reduce absence due to illness.

In 2023, we will continue with our bi-annual engagement survey and the related team talks, as we have found this tool to be very helpful in addressing overall well-being and job satisfaction in the organisation. In the engagement survey the following year, we will continue to focus on psychological safety and our employees' feeling of being in a safe professional environment, where expressing one's opinion is a natural and safe act. Moreover, we will investigate the difference in psychological well-being for male and female staff.

BACK TO CONTENTS

A healthy life for our customers

Health is an important priority to us, not only for our employees and customers, but also for society in general. Prevention of injuries and illnesses is an important element of our business, and as such, we work proactively with prevention of health problems using innovative solutions and digital means to best help our customers.

Targets and results in 2022

In order to develop initiatives and monitor performance on the subject of good health for our customers, we have set the following targets.

Target in 2025	Unit	Result 2022
150,000 registered users of Sundhedshjælp (Digital Healthcare app) 1)	Number of people	95,928 (2021: 46,507)
30,000 annual consultations in Sundhedshjælp (Digital Healthcare)	Number of consultations	13,059 (2021: 4,503)

1) The target includes private, commercial and agricultural customers.

Performance target

Contribute to stability by prevention and compensation

We have an extensive health programme in which we help our customers to a healthier lifestyle and improved well-being both physically and mentally. When an injury or an illness has occurred, we help to limit the consequences of the injury or illness in the best possible way, thereby ensuring our customers' good health.

Our numerous efforts come into play in relation to loss of earning capacity insurance, workers' compensation, and accident and liability insurance. We continuously assess the different programmes and methods, and our assessments show that these efforts make a significant difference to our customers, and to society in general.

Topdanmark's numerous health efforts have a natural business perspective. Helping our customers by providing safe and beneficial solutions means our customers are loyal. Our efforts also help to reduce claim expenses, which plays a part in keeping prices low. At the same time, we think of our health efforts like a health supplement – not only for private and commercial customers, but also for society in general and for the public healthcare system.

Healthcare through an app

At Topdanmark, we want to help all our customers with health-related issues, regardless of where they are. We therefore offer free access to quick and easy medical assistance for customers who have their insurance policies with us. We call this concept Sundhedshjælp.

Sundhedshjælp includes two services via an app from an external supplier, a global leader in digital healthcare.

Firstly, Sundhedshjælp offers consultations – either online or by telephone, with a doctor who can assist in both mild and more severe cases of illness. Consultations can be booked 7 days a week from 6 a.m. to 9 p.m. (CET) no matter where in the world you are. In 2022, the average waiting time was 17 minutes from booking a consultation to getting in touch with a medical professional.

Secondly, Sundhedshjælp offers the possibility of an extra impartial assessment, also known as a second opinion, from one or more experts, if you have been diagnosed with a severe illness or are in the process of being treated for a severe illness. These experts come from all over the world, and are experts within their respective fields, thus ensuring a thorough assessment of the situation at hand. All members of the family registered to the same address have unlimited use of the service.

Free workplace assessments for commercial customers

Topdanmark services several small and medium-sized commercial customers. To ensure that our commercial customers are well equipped in preventing accidents at the workplace, we provide as much help and guidance as possible. We visit customers regularly and help them assess and prevent risks at their workplace. Moreover, we help them comply with Danish law in terms of health and safety, and we help them to register claims regarding severe accidents.

Many of our small and medium-sized commercial customers do not have an actual HSE department which can launch healthcare initiatives for the employees. Compliance with initiatives such as the statutory workplace assessment can be a burden on small companies, and as such, they are often omitted. This is potentially problematic as it is an important tool for the company in addressing the working environment. We help small and medium sized businesses to conduct workplace assessments free of charge.

82%

The percentage of claimants who were fit to return to work after Topdanmark Recovery and Work Rehabilitation covered by loss of earnings capacity insurance.

BACK TO CONTENTS

Prevention for agricultural customers
Agriculture is one of the most dangerous industries to work in according to the Danish Working Environment Authority. As the leading insurance company in the agricultural sector, we want to help make working life safer for Danish farmers and reduce the high number of accidents at work. In cooperation with SEGES, a professional knowledge and innovation centre under The Danish Agriculture & Food Council, we have developed a service concept called Working Life.

With Working Life, customers with worker's compensation insurance can get free independent advice from a work environment consultant if an accident has occurred, either for the customers themselves or for their employees. This also applies to minor work-related accidents.

The consultation takes place on the site of the accident, and a plan is made for how to avoid similar accidents in the future through relevant efforts. Consultation is an integral part of our business model, as accident prevention for our customers also contributes to fewer insurance cases and happier, healthier customers.

Individualised health programme through Topdanmark Recovery and Work Rehabilitation
To the extent possible, we want to help our customers prevent accidents and injuries. However, we also help when an injury has occurred, so the person in question – whether they are our customer or not – can return to normal everyday life. We apply the concept Topdanmark Recovery and Work Rehabilitation in the event of a severe and long-term injury covered by the loss of earning capacity insurance or liability insurance.

13,059

The number of consultations through Sundhedshjælp in 2022.

Topdanmark Recovery and Work Rehabilitation always focuses on the situation and the needs of the injured party. We know that early efforts are crucial in providing the best possible help and ensuring a lasting effect for the injured party. We know that the risk of ending up on health-related early retirement increases severely if the injured party is on sick leave for more than three months . This is not only expensive for the injured party and for the company missing an employee, but also for society in general.

The Danish trade organisation Insurance & Pension Denmark calculated that the socioeconomic benefits of having someone return to work instead of being on sick leave is DKK 35,500 per month for an unskilled employee, and DKK 50,500 per month for a salaried employee. These calculations were made in 2022. This includes savings on public benefits as well as the financial benefits of being in employment, paying taxes and creating value for society. This means it is extremely important to start the efforts as early as possible to increase the possibility of recovery.

Help where it benefits the most
With Topdanmark Recovery and Work Rehabilitation, we offer help in the areas where we judge that our efforts can help the injured party, and where it is most beneficial. We have the option of offering medical assistance in the private sector, which ensures that the injury can be treated quickly without long waits. In the event of a long-term health issue, the claimant gets affiliated with an external social worker who helps navigate the many parties involved and helps to plan the optimal programme of treatment. The social worker may also assist with dialogue with the workplace and ultimately with a change of profession, if necessary. In the event of long-term health related injuries, we also cooperate with local job centres, thus ensuring a holistic approach to the injured party.

All the above initiatives are part of helping people return to a healthy everyday life and retain their connection to the labour market after an injury.

Activities and evaluation 2022

In 2022, we helped 224 people get back to work full time and 34 people get back to work part time after either an accident or work-related injury. We have been looking more closely at our target of increasing the screenings of injured people to be able to help more people. In this process, we have identified a more precise objective of providing individualised help in those cases where our help can be beneficial. As such, we will be screening smarter not harder, and directing our attention to those cases where we believe that our programme can benefit the injured party the most.

We also looked into the field of exoskeletons as a way of helping people who are returning to work after an injury. Exoskeletons can help in cases of heavy lifting, repeated tasks and physically strenuous work.

57 **agricultural customers**

got free independent advice via a working environment consultant after an accident, in 2022.

BACK TO CONTENTS

Healthcare through an app
During 2022 we saw a great increase in the use of Sundhedshjælp. This was due to an extensive campaign regarding the healthcare app. In 2022, Sundhedshjælp was offered to 477,705 private customers, 57,944 of our agricultural customers, and to all our own employees. Prior to every major holiday season, we send a text message to our customers reminding them of the option of medical assistance during their holiday. This service comes alongside other activities such as email campaigns, TVCs and SoMe campaigns.

The campaign we ran in 2022 helped us achieve our ambitious target of 10,000 consultations, of which 18% of users have had more than one consultation. We also nearly reached our equally ambitious target of 100,000 users. Moreover, the average wait is no more than 17 minutes, which feeds into a satisfaction rate of 96% satisfied or very satisfied customers.

Because of the success of Sundhedshjælp in 2022, we decided to set new and equally ambitious targets for 2025. This means reaching 150,000 users and 30, 000 consultations by the end of 2025.

74%

of people who have been through Topdanmark Recovery and Work Rehabilitation with either an accident or work-related injury were reported as being back to work full time.

Looking forward regarding health services for customers

Moving forward, Topdanmark wants to build on the success we have created thanks to the individual efforts within Topdanmark Recovery and Work Rehabilitation. We will do so by pinpointing our efforts to those cases where we can see that our programme will have a positive effect. In other words, we will be screening our cases smarter. This also means that we will look into the possibility of early actions regarding injured people in cases where we estimate that our programme can help shorten their sick leave.

In connection with this, we will be investigating the possibility of calculating the precise socioeconomic gain for those customers who have returned to work after an injury, either full time or part time.
We will focus more on preventive methods for keeping employees and our commercial customers healthy and safe. We will thus look into the preventive possibilities that exoskeletons can provide for people doing physically strenuous work.

In 2023, we will look further into extending the healthcare app to all customers who are entitled to the app for free. Moreover, we have set a new target for Sundhedshjælp for 2025 concerning registrations and use of the app. A new addition to this target is the inclusion of commercial and agricultural customers alongside all our private customers. Finally, we will look into campaigning for the option of getting a second opinion through Sundhedshjælp.

Health and society

Every year, we help a great number of customers when they fall ill or suffer an injury. However, we want to extend that help to people who are not within our immediate business reach. With our community commitment programme, we collaborate with civil society organisations on the prevention of diseases and health issues, both mentally and physically, around the world.

In 2022, we collaborated with three organisations: the Danish Cancer Society, Médecines sans Frontières, and the Blood Bank. Furthermore, as a one-off effort, we collaborated with the Danish Red Cross on collecting funds for the people of Ukraine.

Activities and evaluation 2022

Burning calories for cancer research
In 2022, we participated in the Danish Cancer Society's annual campaign "Knæk Cancer" for the ninth consecutive year, as it has become a part of our corporate culture. We contribute to the campaign in different ways, both financially and in terms of prevention, by exercising. The employees pay a participation fee, and Topdanmark then pays per calorie burned for all employees. This resulted in a number of different activities run by the employees throughout the campaign week, including dancing, running, yoga, spinning and more. 923 employees participated in the activities in 2022, donating a total of DKK 625,307.

Health without borders
We have worked with Médecines sans Frontières since 1996. We chose Médecines sans Frontières as we trust that our contribution is spent in a responsible manner in the world's hotspots. Furthermore, Médecines sans Frontières works with health and prevention throughout the world and especially in areas where access to medical assistance and healthcare is limited.

On a voluntary basis, employees can contribute to Médecines sans Frontières via their salary and Topdanmark will donate a matching amount, thus doubling the donation. Furthermore, in connection with this year's Christmas present, Médecines sans Frontières received DKK 100 per christmas present given to the employees. Moreover, employees can choose to donate the value of their entire Christmas present to the organisation. All in all, DKK 414,060 was donated to Médecines sans Frontières in 2022.

Blood gives new life
Danish hospitals rely heavily on donor blood to treat patients. Blood donors help ensure the necessary blood supply and thus make a huge difference to many people. At Topdanmark, employees at our headquarters can donate blood during working hours. Donating blood is an activity that is closely related to our efforts on health and prevention, and we are proud to have been part of the donation programme since 1963.

Looking forward regarding health and society

In 2022, we re-evaluated our community engagement programme, focusing on linking our societal responsibility even closer to our business. We see our new community engagement programme as a way to support people who are not within our immediate business reach with good health and prevention. However, we also see this programme as an opportunity to support the non-profit organisations that work with people in need. These organisations are an important part of Danish society and by supporting their work, by extension, we support the people they work with.

The new community engagement programme focuses on health activities – both physical and mental – with a prevention perspective allowing for active employee participation as well as contributing by offering free access to certain healthcare services within our product portfolio. We also contribute financially to non-profit organisations to ensure future development of their specific focus areas. The new community engagement programme will be launched in 2023.

Monetary donations in 2022 – an overview *

Activity	Donations in DKK	Number of employees participating	Expenses for administration in DKK
Médecines sans Frontières	Employees: 84,030 Topdanmark: 330,030	-	0
Knæk Cancer Campaign	Employees: 446,140 Topdanmark: 86,117	923	194,330
Donation to Ukraine via Danish Red Cross	Employees: 638,266	-	0

*All donations to humanitarian or civil society organisations include Topdanmark Livsforsikring

DKK **1,677,633**

Was donated to humanitarian organisations by Topdanmark and employees in 2022 – including employees from the discontinued operations.

BACK TO CONTENTS

Social and financial security

We want to give our customers financial and social security through our products and services, and therefore we have great focus on responsibility in customer relations e.g. correct advice and fair claims handling.

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

Target 2025	Unit	Result 2022
tNPS of 70 points [1]	Point (-100 – +100)	56.4 (2021: 56.4) [2]

1) tNPS is calculated as the net result of the share of "promoters" (who replied 9–10) minus the share of "detractors" (who replied 0–6) on the question: "To what extent would you recommend Topdanmark to others?" It is based on approximately 130,000 customer replies after contact over the telephone or digital self-service. In 2023, we will evaluate the current target of 70 points.

2) Please note that the tNPS in 2021 included our life insurance business, whereas the tNPS for 2022 does not include the life insurance business, which was divested as at 1 December 2022.

Performance target

Draw up principles for dialogue with customers in vulnerable situations following a severe situation, e.g. violence, robbery, life-threatening disease or suicide.

Targets and results in 2022

Topdanmark makes targeted efforts to ensure that all our customers have the best possible experience with us. Our objective is for customers to be so satisfied with our products and services that they want to recommend us to others. We measure this by using the transactional Net Promoter Score (tNPS), which is an indicator that shows whether our customers want to recommend us to others after having been in contact with us.

We view tNPS as an indication of whether we are succeeding in helping our customers in all situations as the score is given in connection with having contact with us. We monitor tNPS on an ongoing basis; the monthly result is reported to Topdanmark's Board of Directors, and it is part of senior management's short-term incentive programme and remuneration.

Activities and evaluation 2022

We work continuously on enhancing the good customer experience, so that customers feel we help them regardless of their situation. Here are some examples of specific efforts in 2022:

Proactive dialogue with customers
From customer analyses, we learned that customers like a more proactive and individual approach. In 2022 we therefore focused significantly more on proactive and relevant communication compared with previous years. For the agricultural and SME segment, we visited all large customers and gave all small customers a call. We took the same proactive approach to our private customers, and called nearly 230,000 customers in 2022 (2021: 75,000). The dialogue is intended to ensure that customers have the right cover for their risk and their requirements. This is especially important in times of high inflation, when the value of the customer's belongings such as stocks of goods and equipment has increased. Underinsurance can have serious consequences, as a company may risk not getting sufficient compensation to restore business operations after an incident such as a fire or flooding.

In the dialogue with our customers, we could also draw attention to the additional services that we provide such as Sundhedshjælp (read more on page 24) and our partnerships with various companies, e.g. regarding the installation of charging stations for electric cars. We informed our commercial customers of the option of monthly payments if their financial situation is under pressure due to inflation.

Support in connection with the war in Ukraine

In connection with the war in Ukraine, we extended our cover and offered crisis counselling to Ukrainians and their relatives who are settled in Denmark and employed with our customers in the agricultural, construction and tradesperson segment. The cover also includes relatives and friends if they come to Denmark as a result of the war, and if they stay with the employees. In addition, we extended our home contents and liability policies to include Ukrainian refugees if they stay with our home contents insurance customers.

Digital solutions make it easy to be a customer

By continuously developing digital solutions, Topdanmark has turned the spotlight on making it as easy as possible to be a customer. We developed several self-service solutions in 2022 – for example, it is now possible to terminate policies via the digital self-service solution. We created a tailor-made insurance package for self-employed people so that they immediately get information on price and cover. Furthermore, we increased the automation of our claims handling so that customers get quicker clarification of their claim and quicker payment of compensation.

Evaluation of the result in 2022 on tNPS

The annual result of the tNPS is equal to the result of 2021, 54.6 points. While the overall result is satisfactory, it does not fully live up to our ambitions to continually improve the tNPS.

It is our assessment that one of the reasons for the lack of increase in points in 2022 is that we do not fulfil customers' expectations in our digital solutions. We will continue to develop and improve these solutions.

72%

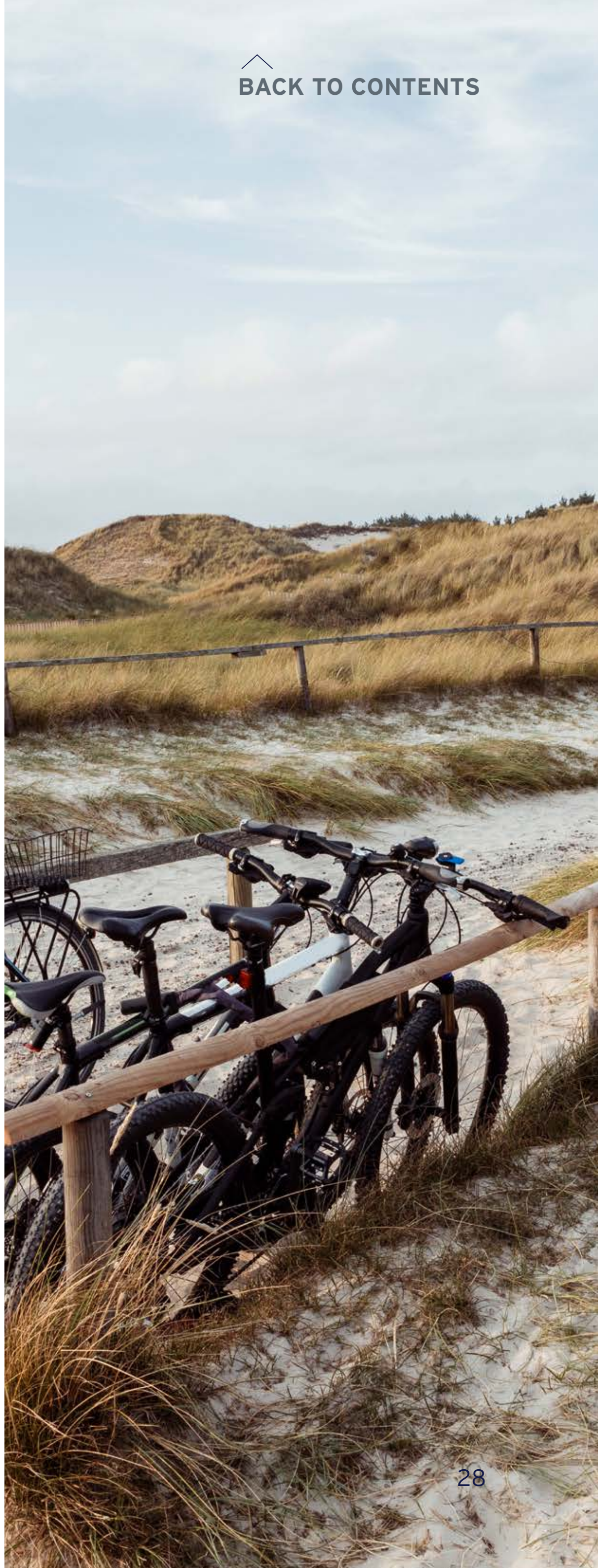
The percentage of customers who gave us top marks when asked how helpful we are in general after telephone contact (2021: 71%). After digital self-service: 60% (2021: 59%)

331,246 **individuals**

The number of individuals we helped with claims in 2022. Of these, 37,161 were personal injuries (2021: 36,156)

Looking forward regarding social and financial security

In 2023 and moving forward, we will continue to strengthen our ongoing efforts to make it as easy as possible to be a customer with us. Hereby, we will also work on creating more time and capacity to take care of customers who are impacted by critical situations in life. We will do so by continuing and intensifying automation of "simple" and straightforward claim inquiries. Not only do we provide quick clarification of the claims and compensation process for those customers, but we are also able to use our resources for more complex claims that require personal attention, such as severe personal injuries, stress, or large fires that cause life-critical situations. That way, we believe that we can provide the best possible help for all our customers in all types of situations.



BACK TO CONTENTS

Responsible sales and marketing practices

Responsibility is also about being attentive to the risks relating to our business in sales and marketing, such as inappropriate customer advice and product sales so the cover does not match the customer's wants and needs, lack of clarity on terms and conditions, prices and fees, and errors in our claims handling process so the customer does not receive the correct compensation. Failure in these situations would also expose Topdanmark to reputational and business risks.

To minimise these risks and increase customer value, we work continuously on improving our customer services, claims processes and sales processes. For example, we always aim at:

- being easy to understand, accessible, precise and balanced in product information
- being transparent regarding price increases
- providing fair claims handling
- giving easy access to a fair complaints process

Approach and governance
We want our customers to have precisely the cover that matches their needs, nothing more and nothing less. That way, they will enjoy the financial and social security that they require. We are aware that this requires customers to receive good, accurate advice from competent employees. Our marketing department is responsible for our customer communication and ensures compliance with rules and regulations.

Through a central compliance function as well as several local compliance units, we monitor the quality of our service. We have a reporting system which means that we evaluate inappropriate situations to improve customer service and avoid mistakes, e.g. in our claims handling.

Easy-to-understand product information
We service and provide advice on subjects and situations that may be complicated for our customers. For example, this applies when purchasing our products – particularly online and without direct contact with an employee. For this reason, we have prepared information on products, prices and cover so it is easy to comprehend and find. What is not covered is also clearly stated. We have also implemented IDD (the Insurance Distribution Directive), a European directive on correct insurance communication.

In relation to sustainability, climate and the environment, we have guidelines on how to communicate in a precise and fact-based manner without exaggerating the environmental advantage or aspect of a product and/or business activity.

We also have guidelines for our language usage ensuring it is gender just, inclusive and free of prejudice and discrimination.

Control procedures on prices
We have strict guidelines and procedures in our Governance for decisions related to pricing in Topdanmark, prepared by the Director of Pricing and approved by the Pricing Forum. This includes control procedures for the calculation of prices which ensure that only actuarial-relevant criteria are used. We do not use the individual customer's marital status, sexual orientation, religion, race or ethnic background as criteria for our pricing. This also applies to gender for individual pricing. Note that for individual contracts entered into before the change in legislation in 2012, gender was used for pricing. This means that gender can still influence price and services for these agreements if the agreements include warranted services.

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

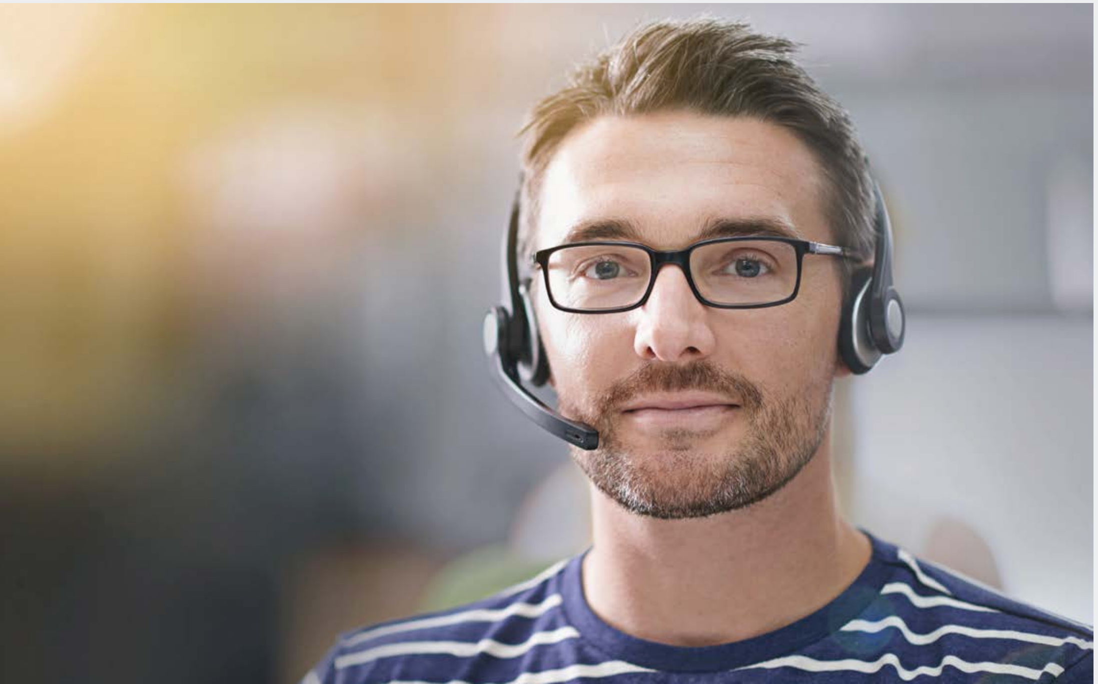
Employee training
We ensure the competences of our employees by providing adequate training. All salespeople are trained at the Forsikringsakademiet (Insurance Academy), and new employees undergo thorough training in our business and sales procedures. In addition, employees continuously receive training in professional and interpersonal skills.

Responsible claims handling and complaints process

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

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

Easy to report a claim
We have developed a digital platform in which the customer is guided through how to report a claim, for example, without a policy number. If the customer is unsure, a chatbot can help find the correct claims notification form. For the customers who do not wish to use digital channels, claims can be reported by telephone.



Attention to errors
We process approximately 310,000 claims a year, and errors cannot be completely avoided in our claims handling – e.g. errors in data entry when creating a claim. 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, we pay the difference and inform the customer accordingly. To minimise the number of errors, our claims handling undergoes continuous quality control through internal controls, dialogue with our employees and feedback from customer surveys.

Easy access to fair complaints process
Insurance products can be difficult to understand, and in some cases the compensation or assistance in the claim situation does not live up to the customer's expectations. This could be due to exclusions in the terms of which the customer has not been aware, or if the customer is unable to document the values to be replaced.

We emphasise the importance of informing customers of their complaint options, as well as ensuring a fair and transparent complaints process. This includes our customers being clearly informed about their avenues for complaints, and fully informed about whether we uphold or change our decision. In private customer insurance cases, if the customer disagrees with Topdanmark's decision on a claim, the customer is entitled to appeal to the Danish Insurance Complaints Board (Ankenævnet for Forsikring). The number of customer complaints that are passed on to the Insurance Complaints Board is less than one per thousand claims received.

Internally, we use customer complaints to assess how we can improve our communication and advice, so the customer gets an even better understanding of the precise cover of our products.

Cases with the Insurance Complaints Board

Cases with the Insurance Complaints Board	Unit	2022
Percentage of decisions in Topdanmark's favour*	%	86 (2021: 85.6)

*In other decisions, the ruling went against or partially against Topdanmark

Error in compensation for pregnant women

Unfortunately, like other insurance and pension companies, Topdanmark had derogations for pregnant women as part of the insurance terms for a number of years.

The reason for this is that we did not pay sufficient attention to the special legislation for equality within insurance, and we thus unjustifiably dismissed some claims from pregnant women in areas such as health insurance, travel insurance and accident insurance.

Practice has been rectified
We became aware of the error in 2020, after which we changed our practices and terms for all relevant policies. We found previous claims and contacted the affected customers, so their claim could be reopened, including receiving compensation for any unjust rejections.

How we handled the error
In short, to rectify the error in compensation to pregnant customers:

- We have contacted all existing and former customers with one or more relevant policies to ensure that the affected customers could have their case reassessed (e.g. customers who received an unjust rejection or who did not report a claim due to pregnancy). By the end of 2022, all cases had been reassessed and the customers had received the appropriate compensation.
- All relevant terms and conditions have been changed to avoid any discrimination
- Two fines of a total of DKK 1,050,000 have been paid

How we prevent similar errors
Both in our own organisation and in the industry association Insurance & Pension Denmark, we work continuously to ensure that similar cases of discrimination can be avoided, e.g. by improving the understanding and interpretation of the legislation, training of our employees and various control processes.

Analyses performed in 2022 on telephone conversations with customers regarding our cover in the event of pregnancy do not show any errors in our advice. This gives us a good indication that the changed terms and how to interpret them have been fully implemented with our employees. When developing new products, legal checklists have been included in the development model to ensure that products comply with legislation in force, including equal rights.

Protection of personal data

Our customers should always have trust in us. When they disclose personal information, we know that it is our responsibility to protect it. We therefore have processes and procedures to ensure that our customers' data is processed and stored safely and securely.

As an insurance company, we process a large amount of personal data, and the insurance sector is a highly regulated industry when it comes to data processing. We take our regulatory responsibilities very seriously and consider privacy and security a fundamental part of our business.

Protection of the customer's right to privacy

Protection of personal data is of utmost importance to us, as we want to ensure the safety of our customers and stakeholders on all levels. Topdanmark's ambition is to protect the fundamental and constitutional rights of our customers and employees, namely their right to protection of personal data. Our goal is to reduce data breaches to a minimum.

We are aware of the consequences that failure to comply with guidelines and regulations could have on our customers, stakeholders, our reputation and our financial performance. Failure to protect our customers' and other stakeholders' data, and breaches of personal data security can have a negative impact on people's fundamental rights and constitutional rights – especially their right to protection of personal data and thus the right to privacy.

We collect and process a large amount of personal data, including sensitive personal data such as health information on our customers and claimants covered by our insurances, etc. Customer data is solely processed for purposes related to the operation of the company, and we do not sell customer data. We also process data in connection with human resource management for our employees. Detailed information on how we process personal data can be found on our product website, www.topdanmark.dk.

Increased focus on data management

Topdanmark has a comprehensive system for managing data and data privacy, including procedures and a policy on how to handle personal data. The Board of Directors and Group Executive Management bear overall responsibility for ensuring that our data privacy policies and procedures are of an adequate standard. Furthermore, Group Executive Management is responsible for ensuring that we continue to focus on the topic and for allocating sufficient resources to handle data privacy in the organisation.

We carry out supplier risk assessments and instruct suppliers on how to handle personal data using data processing agreements. We use these risk assessments to decide the extent and frequency of supervision of data processors. In addition, we work closely with the Danish Data Protection Agency, which is responsible for examining complaints and provides support in identifying risks and creating awareness on the topic.

Our Data Protection Officer (DPO) provides advice and recommendations to ensure continuous improvement of personal data protection and the rights of our data subjects. Regarding security measures, advice is provided in close cooperation with our Chief Information Security Officer (CISO). In addition, the DPO carries out surveys on our personal data protection procedures and reports the findings of these surveys to the Board of Directors and Group Executive Management on a quarterly basis.
To further strengthen the usage and management of data, a Vice President for Data was appointed in 2022.

BACK TO CONTENTS

Training of our employees
At Topdanmark, we know data privacy is a responsibility that lies with all of us, and in all parts of our organisation. To ensure that our employees are always in the best shape to manage the data privacy aspects of their jobs, all employees are subject to continuous and mandatory training.

All new employees undergo a mandatory e-learning programme that focuses on lawful and secure processing of personal data. At regular intervals, existing employees also take courses to ensure ongoing focus on the topic, most recently in late 2021 and early 2022. In 2021, 1,151 employees completed the e-learning, followed by a further 913 employees in January 2022. This number includes both new and existing employees.

Clear process for incident management
At Topdanmark, our goal is to reduce data breaches to a minimum, but we know that mistakes can happen, even if we try our best to prevent them. Should an incident occur, it is handled according to fixed processes, and is assessed and reported to the Data Protection Authority in a timely manner. If the risk to the data subjects is considered to be high, they are notified of the incident. We follow up on every data breach and assess how similar incidents can be avoided in the future, and we introduce measures to support this.

Activities and evaluation 2022

In 2022, we launched a new and improved training programme. We also established a Centre for GDPR in Group Legal, which will ensure central governance and make sure that policies, guidelines and procedures are always up-to-date. The team supports the entire group in maintaining compliance with personal data legislation in all corners of the business.

Looking forward regarding data privacy

Protection of data and ensuring sufficient data privacy is an ongoing focus area for us. That said, we believe there is always room for improvement, so looking forward we will continue to focus strongly on privacy by strengthening our processes and governance.

2,064

Number of persons who completed e-learning on personal data in 2021/2022

Statement on data ethics

As a non-life insurance company, we use data to assess our customers' concrete insurance risk. With digitisation, the possibilities for the application of data are nearly endless. The Board of Directors of Insurance & Pension Denmark (IPD), of which Topdanmark is a member, has established a set of joint data ethical principles on "transparency", "personalisation and prevention" and "data security".

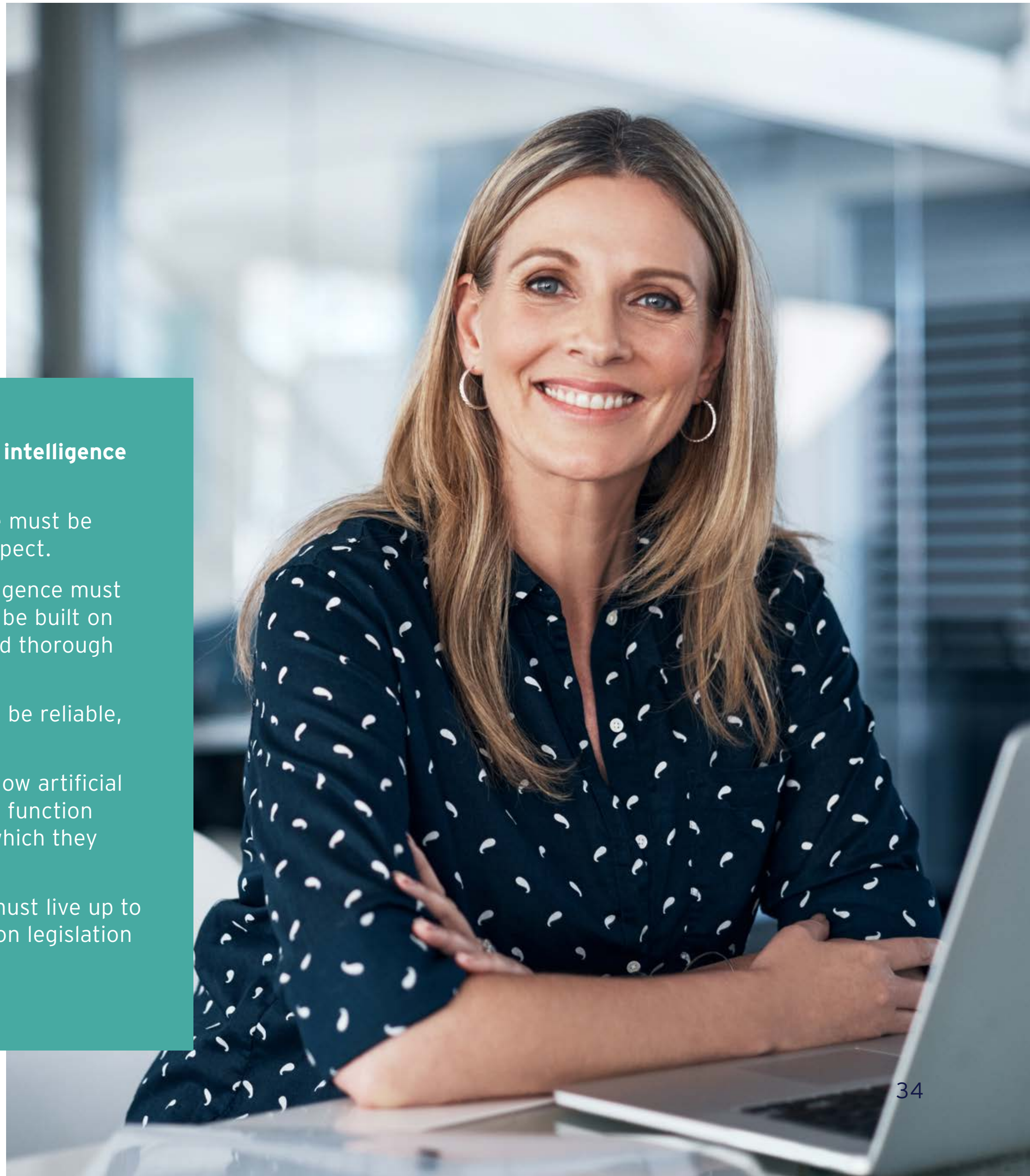
We support these data ethical principles, and to ensure compliance and commitment we have defined our own data ethical principles, approved by the Board of Directors in 2022. These principles also apply to our work and initiatives related to protection of data privacy – see the previous section. The present statement constitutes Topdanmark's reporting on data ethics with reference to section 132d of the Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds.

Artificial intelligence with responsibility

At Topdanmark, we use artificial intelligence (AI) to support day-to-day work, for example to assess risks and to give our customers a good and efficient customer experience. To ensure responsible use of AI, we have also defined five ethical principles that are specific to our work with AI. The principles have been approved by our Group Executive Management, and they are observed by relevant departments when developing customer solutions. Our compliance department is responsible for checking that the principles are observed in practice.

Our ethical principles for use of artificial intelligence

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



IT and cyber security

Topdanmark is exposed to information security and cybersecurity risks due to the large quantity of sensitive data the company handles. It is important to address these risks to ensure that customer and other stakeholder data is always protected and operations can continue without disruption.

It is of paramount importance to us that the standard of information and cybersecurity is adequate to the nature and scope of the business and the general level of technical development, and that it corresponds to the standard generally expected of a financial company.

There is a growing threat from IT and cybercrime which may ultimately lead to breaches of our data security and concrete data breaches. To counteract this risk, we have established a policy and a management system for information security. The goal is to ensure the protection of personal data and secure our business against financial losses due to issues such as lengthy business interruptions and loss of customer trust in the event of a data breach.

Clear responsibilities are in place

To ensure information security and cybersecurity preparedness, we have an Information Security Policy and an Information Security Management System (ISMS), both based on the ISO 27001 standard. The Information Security Policy is part of the overall risk management system, and it applies to both company employees and external business partners.

Each year, the Board of Directors approves the policy and an IT contingency plan based on an updated IT risk assessment. A risk assessment of significant or critical operational IT risks, including cyber risk, is performed regularly, and in addition to the Board of Directors, it is reported to the Group Executive Management, the Risk Committee, and Topdanmark's Compliance department.

The responsibility for group security, covering information security and cybersecurity, lies with the CISO, who reports to the Chief Information Officer in Group Executive Management.

High level of security

We use several layers of security systems to prepare for information security and cybersecurity threats. For example, we have invested in early warning and incident management technologies.

We also perform vulnerability assessments continuously, and test new systems for weaknesses before they are put into production. To counteract business interruption caused by information security or cybercrime, we have a comprehensive contingency plan to ensure that business can be re-established as soon as possible.

We use a 24/7 staffed external Security Operations Centre (SOC) to monitor and analyse our network traffic to provide further protection against cyber threats. Furthermore, we set requirements for external data processors on implementing sufficient security measures. This requirement is also applicable to suppliers.

Our IT systems are reviewed by external IT auditors in connection with the annual financial audits. This ensures that the IT systems provide valid data for the annual report, and that we comply with the information security and IT requirements set by the Danish Financial Supervisory Authority.

BACK TO CONTENTS

Training of our employees in IT security
All new employees are introduced to our Information Security Policy and are obliged to pass a separate e-learning course on information security. Every two years, existing employees are also obliged to pass the e-learning course to ensure continuous focus on the topic – most recently in 2021, when 2,611 employees completed the e-learning. Training was also initiated for staff groups with a particular need for data security. An employee's breach of our information security policy can have employment-related consequences, including, at worst, dismissal. The e-learning course in information security is also mandatory for external consultants.

Activities and evaluation 2022

In 2022, to protect our business against cybercrime, we implemented a new tool to train our employees in detecting phishing emails. Topdanmark considers physical security to be a natural part of information security and defence against cyberattacks, and we therefore focus strongly on strengthening physical security at all locations. In 2021, we initiated a comprehensive project to improve the physical security at our locations as an important element of cyber and data security. Among other things, this includes improved access control as well as shell security and perimeter protection. The project was completed in 2022.

Looking forward regarding IT security

It is paramount for us to protect data and ensure sufficient confidentiality, integrity and availability with a continuous focus on strengthening our processes and management. We will also continue to work proactively on external compliance with regulatory requirements. Additionally, we will continue to leverage tools and processes to mature Group-wide cybersecurity information and awareness.

Green transformation

The second theme in our programme for a more sustainable Topdanmark is "Green transformation". This theme covers the climate and environmental aspects of sustainability and includes the following sub-themes: "Intelligent climate solutions" and "Environmental considerations in the value chain".

At Topdanmark, we want to contribute to solutions that benefit both our customers and society. We support the Paris Agreement's target of a maximum temperature rise of no more than 1.5 degrees by 2050. For us as an insurance company, this means that we integrate climate considerations into the way we do business. At the same time, we want to support the Danish Parliament's Climate Act and the goal of a 70% CO_2 reduction by 2030. In June 2022, we committed to the Science Based Targets initiative with a focus on going net-zero by 2050.

Intelligent climate solutions
In recent years, we have seen more extreme weather as a result of higher temperatures and climate change in general. The extreme weather poses a challenge to everybody in general, and to us as an insurance company. We need solutions for adapting to changing weather conditions as well as long-term solutions to reduce temperature rises.

For an insurance company, climate change poses a business risk, as it can lead to increased claims costs. We mitigate the risk through measures such as a comprehensive reinsurance programme and preventive actions either as a requirement or as an offering.

The rapidly changing climate also requires us to develop new products and services that meet customers' extended needs for safety and stability in life. These products and services will also better enable customers to choose a product or service that supports the green transformation.

Environmental considerations in the value chain
The pressure on the world's resources, partly through our consumption habits, poses a growing challenge to the environment. We desperately need to reduce our footprint in nature, and we have chosen to do so through recycling and the circular economy.

Both in claims handling and in the running of our offices, we focus on a mentality that supports less consumption. As such, we take both a bottom-up and top-down approach to contribute to the circular economy in our own business, in our customer solutions, and with our employees.
With our activities and initiatives under the theme of "Green transformation", we contribute to the Sustainable Development Goals – Specifically, SDG 12 on responsible consumption and production, SDG 13 on climate action, and SDG 17 on partnerships for the goals.

Journey toward zero emissions

Topdanmark supports the Paris Agreement, and we want to help limit the temperature rise to a maximum of 1.5 degrees. We have set ambitious targets, and in 2022 we joined the Science Based Target initiative to have our targets validated.

As a financial company, Topdanmark does not directly cause large amounts of CO_2 emissions compared with manufacturing companies, but we feel the consequences of climate change in the form of more unpredictable and extreme weather, e.g. cloudbursts, drought and more rain than usual. This has an impact on our business as an increased risk and a potential increase in claim costs for claims caused by climate change. It therefore makes sense for us to help limit the temperature rise by reducing our direct and indirect CO_2 emissions, and we also consider it part of our social responsibility.

Targets and results in 2022

We support the Paris Agreement and the general global efforts to reduce temperature rises, and in 2019, we set a target to become CO_2 neutral in 2030. This includes the operations of our locations (scope 1 and scope 2), company driving in privately owned cars, air travel, water and waste (scope 3). We want to reduce as much as possible rather than just buying climate compensation. We believe this is a better solution for us as a company and for the environment.

As stated in the table above, we believe that we can reduce up to 70% CO_2e emissions by 2030. To reach our target of zero CO_2e emissions, we will have to buy relevant climate compensation for the remaining CO_2e emissions.

Reduction target	Unit	Result 2022
45% CO_2e reduction in 2025 (scopes 1 and 2)	Tonnes CO_2e	3,248 compared to 3,475 in 2019 equal to a reduction on 6.5% 1)
70% total CO_2e reduction in 2030 (scope 1, scope 2 and some scope 3)	Tonnes CO_2e	5,692 compared to 6,616 in 2019 equal to a reduction on 14.0% 1)
15% reduction of energy in 2030 (Baseline 2021)	GJ	39,486 compared to 46,202 in 2021 equal to a reduction on 14.5% 2)

1) Note that the baseline data (baseline 2019) has been proportionally adjusted by excluding the CO_2e emissions from our 'discontinued operations' (equal to 7.3% of the total amount of CO_2e emissions) in order to track progress.
2) Note that the baseline data (2021) has been proportionally adjusted by excluding the energy consumption from our 'discontinued operations' (equal to 8.1% of the total amount of energy) in order to track progress.

Scope of the project and climate accounts 2022

Emissions category	2022	Percentage of total
Scope 1		
Natural gas	568	10.0
Company cars	220	3.9
Scope 1 – total	**788**	**13.8**
Scope 2		
District heating	104	1.8
Electricity (market-based)	2,356	41.4
Scope 2 – total	**2,460**	**43.2**
Scope 3		
Company driving in privately owned cars	1,290	22.6
Air travel	285	5.0
Water	4	0.07
Waste	58	1.0
Fuel- and energy-related activities	808	14.2
Scope 3 total	**2,444**	**42.9**
Scopes 1, 2 and 3 – total	**5,692**	**100**

Further information on location-based electricity, additional categories within scope 3 emissions, emissions from 'discontinued operations' and accounting principles can be found in the Appendix on page 82.

Activities and evaluation 2022

At the beginning of the project, we defined a plan for reducing our CO_2e emissions covering various elements. In 2022, we moved on with the different elements of the plan – for an overview, see page 41.
There was a significant reduction of scope 1 (natural gas) in 2022, while we have seen an equal increase in scope 2 due to increase in electricity consumption. Further, there was an increase of 32% in scope 3 emissions, caused by an increase in CO_2e emissions from business travel – mainly flights. The increase was expected as the number of flights had been very low in previous years due to COVID-19. Compared with the baseline (2019), the reduction has been on 14% and we are still far from our targets, as can be seen in in the table on page 39. In 2023, we will analyse how to increase the reduction.

Roadmap to CO2 reductions

Optimisation of building operations
We have carried out several projects to reduce power consumption at our headquarters: changed to LED lighting (ongoing), put up window film on the façade to reduce the need for cooling, reduced the use of ventilation, closed down unnecessary heating and reduced the hours for lighting at the parking lot.

Switched from natural gas to district heating at head office
Implementation of district heating was planned to take place in 2024, but in 2022 it was decided to expedite the project, which is expected to be completed in 2023.

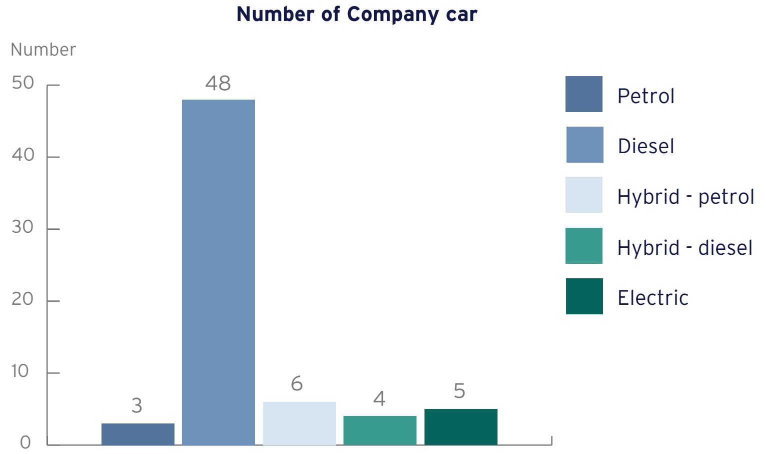
Hybrid workplace to limit driving and air travel
In 2022, it was decided to continue the hybrid workplace, and five focus areas were defined:

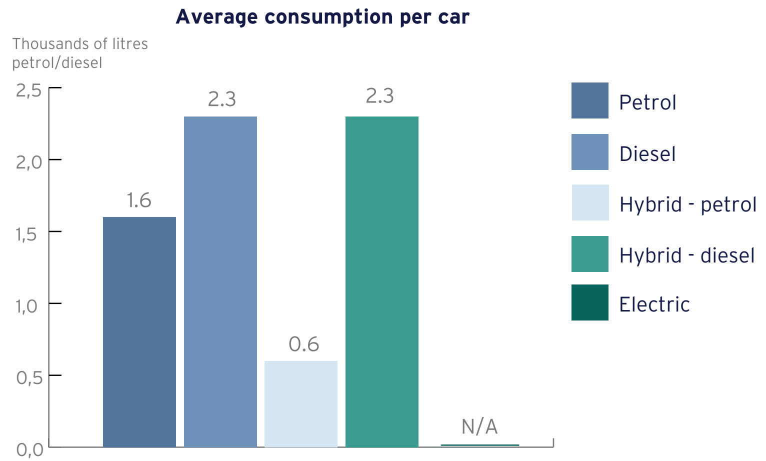
1. hybrid management
2. IT and technology
3. physical surroundings at the office and at the home office
4. working environment
5. digital tools and competences

Furthermore, our travel policy was updated to include a recommendation to consider digital solutions before travelling.

Increase in low emission cars
We had 66 company cars in 2022, including petrol, diesel, hybrid and electric cars (see the distribution in the table to the right). The number of electrical cars has increased from zero in 2021 to five in 2022, equal to 7.6% of the car fleet. At our headquarters, we have made technical preparations for 28 new charging stations to be installed in 2023.

Company cars 2022





BACK TO CONTENTS

Journey toward zero emissions – an overview

2018	It was decided that Topdanmark should become CO_2e neutral in 2030 regarding scope 1, scope 2 and some of scope 3 (waste, water, flights and business travel in own cars).
2019-2021	We started up working with and reporting on the project using 2019 as baseline with 7,137 tonnes of CO_2e emissions. The targets for the project were further defined: • 45% reduction in 2025 (scope 1 and scope 2) • 70% reduction fr scope 1, scope 2 and scope 3 in 2030 and climate compensation for the remaining 30%. In 2021, the reduction was 23% compared to baseline (2019)
2022	Commitment to the Science Based Targets initiative and the Net Zero Campaign The mandatory part of the commitment is: Scope 1 and scope 2 and scope 3 category 15 (investments) Topdanmark has decided to include "claims handling" (scope 3), which is a voluntary commitment In the annual sustainability report, we still report on the "old" project defined in 2018. Due to the divestment of the life insurance part of our business, the baseline has been recalculated to 6,616 tonnes CO_2e emissions.
2023	Based on the commitment to SBT, we will evaluate the "old" project defined in 2018, as we have decided to include CO2e emissions from "claims handling". New baseline and new short term and long-term targets will be defined – including investments. We will still report on our "old" project in the annual sustainability report
2024	Short-term and long-term targets will be submitted to SBT for validation against the Paris Agreement.

Looking forward regarding CO_2e reduction

In 2023, we will continue to work on the optimisation of building operations and start the implementation of district heating at our head office, as described above. We expect the number of electric cars to increase. In 2023, we will analyse and evaluate our current scope 1 and scope 2 reduction targets in relation to requirements from SBTi. Furthermore, we will voluntarily establish a complete overview of scope 3 emissions based on the GHG Protocol and prioritise additional targets. All targets will be prepared and submitted to SBTi for external validation no later than June 2024.

24%

of the total power consumption was produced by our own solar cells (2021: 24%).

Green workplace

The green transformation is important in our approach to running a business, and we want to make sustainability a natural part of our corporate culture. As such, we drive the green transformation using both top-down and bottom-up approaches.

Targets and results in 2022

In order to develop initiatives and track the performance of our efforts to create a green workplace, we have set the following targets with baseline in 2021.

Target 2025	Unit	Result 2022
50% reduction in paper use	Tonnes	9.2 (2021: 12.7)
70% reduction in single-use plastic items	Number of items	77,526 items (2021: 75,188)

Performance target
Create an internal community for a greener workplace

We want to create the framework for a green workplace in which all employees can participate and take responsibility. We want to motivate our employees to live a greener everyday life – in the office and perhaps at home as well.

Less throw-away mentality
Since 2019, all employees have been able to choose an individual coffee cup designed by Danish ceramics artists. Since 2020, the welcoming gift for new employees has been a cup and a reusable water bottle instead of flowers, as was previously the custom. The result was a 67% reduction in single-use cups from 2019 to 2021. To us, the small initiatives matter, and we can see that a simple act of giving a ceramic cup has lowered our use of single-use paper cups immensely. This has prompted us to continue looking into new ways of limiting our consumption.

Internal community for a green workplace
In 2022, we established an internal community for a green workplace. This community consists of nine representatives, one from each organisational area within Topdanmark. Named WorkGreener, the community is responsible for developing new internal initiatives and solutions that support the green transformation targets we have set – targets such as GHG reduction, energy reduction, paper reduction and the reduction of single-use plastic items.

Furthermore, representatives have a responsibility to communicate the work and initiatives from WorkGreener to their respective colleagues and organisational divisions and ensure that the cross-cutting and coherent solutions created in the community take root in the organisation. Perhaps most importantly, the representatives gather ideas from colleagues and bring them back to the community to qualify them and present them to the respective decision makers. As such we take a bottom-up approach to creating a green workplace driven by the commitment of our employees.

Activities and evaluation 2022

Our purchase of single-use plastic has increased in 2022. In 2021, we purchased much less single use plastic items, and mainly focused on using up what was in storage. This has also been the case for 2022. This is part of the strategy to replace single-use plastic with biodegradable alternatives, throughout the organisation. Most day-to-day plastic items such as cutlery and single-use plates have been replaced by items made from biodegradable material.

Certain single-use plastic items cannot be avoided, though, e.g. in our canteen, where food safety regulations make the use of certain plastic items necessary in food handling. Moreover, plastic bags in bathrooms, e.g. for hygiene products, are also something that is hard for us to avoid. Because of a very steep reduction in single-use plastic in 2021, we did not expect to reduce the same amount in 2022, and when looking at the number of items, we are satisfied with the result, despite a small increase compared to 2021.

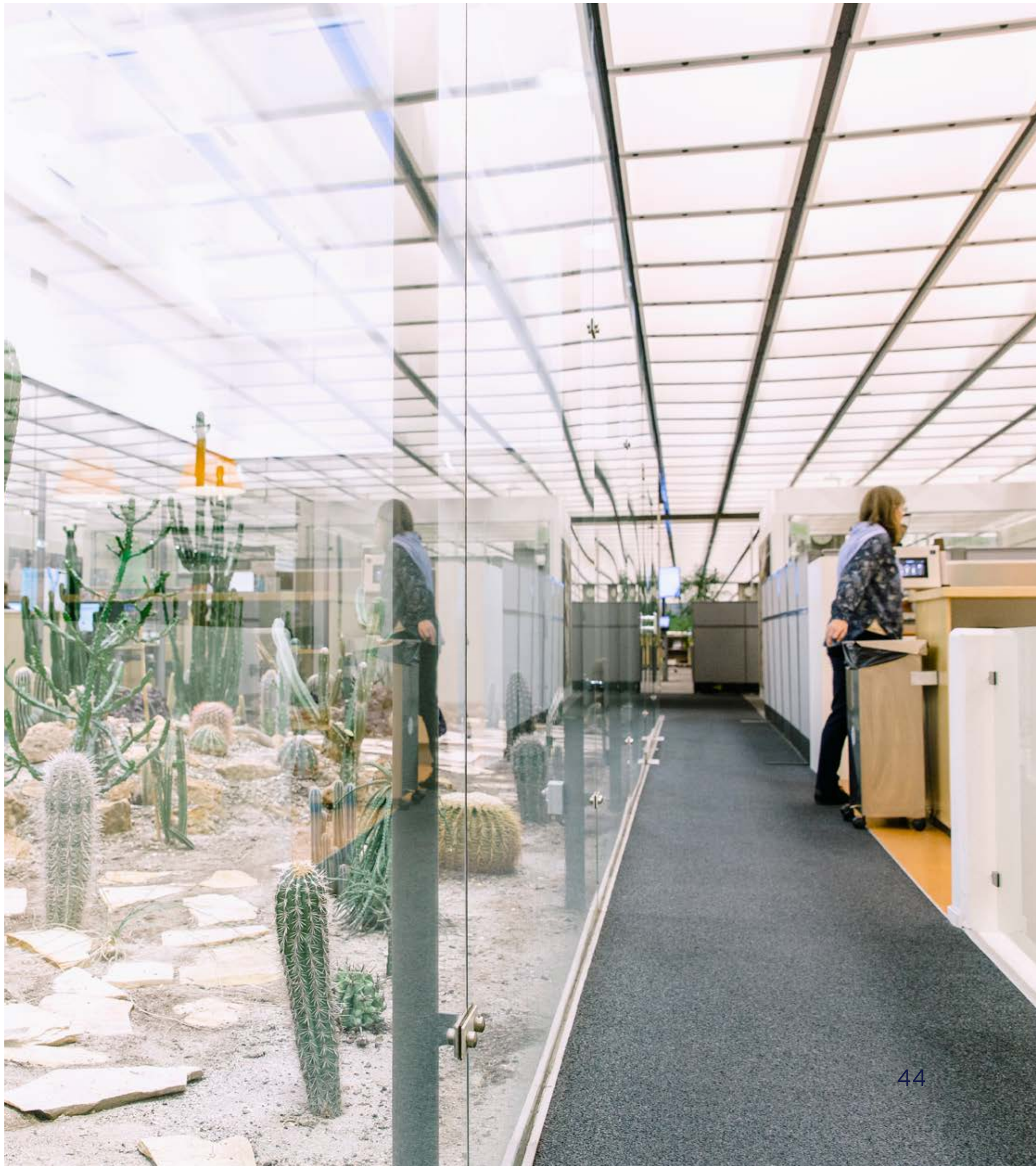
We have reduced paper consumption by 28%. This is primarily because there is less need to send physical mail as well as less printing at the offices. The digital workplace is becoming a natural way of working, and we continue to emphasise digital solutions.

The internal community for a green workplace, WorkGreener, is currently looking specifically at how to reach our goal of 15% energy reduction, GHG emission reduction within our transportation habits, and the possibility of further engaging colleagues through different activities.

Looking forward regarding a green workplace

In 2023, we will investigate the possibility of reducing single-use items of any kind at our offices. We already have initiatives in place to nudge our employees to use their personal ceramic cups and water bottles. However, from 2023 onward we will test the possibility of removing paper cups from the offices, thus forcing employees to use their own cups.

Among other future ideas, WorkGreener is working on a green week for the entire organisation, where all employees engage in reducing GHG emissions, reduce their use of energy, and eat vegetarian in the canteen. The purpose of the green week will be to underline the possibilities of choosing more climate-friendly alternatives to transportation, food, waste, and other small everyday life choices for our colleagues.



Customer solutions

Targets and results in 2022

To support the green transformation in society in general and among our customers in particular, we have defined two targets.

Target 2025	Unit	Result 2022
Five new products or services that support customers in CO_2 reduction, climate mitigation and other sustainable choices	Number	One new product was developed in 2021 (see description on page 46). No new products were developed in 2022.
Increase in "saved" CO_2 emissions from handling of small car repairs	Tonnes CO_2	33.4 (2021: 0.48) *

*The data for 2021 only covers a few months as the concept was launched late that year.

Performance target
Contribute to stability through prevention of damage

In recent years, we have experienced more extreme weather as a consequence of higher temperatures and climate change in general. We want to contribute with solutions that both benefit our customers and reduce climate change, e.g. via new products, services and prevention of damage. We have set several ambitious targets.

The weather-related challenges call for us to continuously develop new products and services that meet our customers' evolving needs for safety and stability while living with climate change. These are also products and services that can contribute to the reduction of CO_2 emissions, and to the green transformation in general.

We also work with the prevention of damage, such as fire, water and cloudburst damage. This makes sense for a number of reasons: it provides commercial customers with stable operations, it reduces our compensation expenses, and it benefits the climate, as reconstruction following damage is related to consumption of resources and CO_2 emissions. The climate advantages are particularly clear in regard to the prevention and limitation of cloudburst damage and large fires – areas on which we are focusing in particular.

In future, sustainability will form a natural part of the product we develop. In general, we take an experimental approach when it comes to innovation of new product and services – an approach that is also based on analyses of our customers' needs. This also applies to climate and environmental problems. In collaboration with relevant partners and customers, we want to test new solutions.

BACK TO CONTENTS

Strategic target regarding new products

Topdanmark's promise is that we are here to help our customers. This also means we want to help our customers in the green transformation that society needs. Our strategic target is therefore to have five new products, covers or services by 2025 which support customers in regard to CO_2 reduction, climate mitigation and other sustainable choices. This applies to both our private and our commercial customers.

Criteria for new sustainable products
We have defined a number of minimum requirements for a product, cover or service to be considered a sustainable product. These requirements and criteria are based on the Danish Consumer Ombudsman's guidelines as to what it takes to market a product as a green product:

- The product, cover or service cannot only have a marginal impact on climate and the environment – it should make a significant positive difference to the climate and/or the environment.
- The positive impact on climate or the environment must be documented, and the documentation must be verified by independent agencies with recognised professional knowledge.
- The positive impact on climate and/or the environment should not be significantly reduced by other aspects of the product/service.
- The product or service cannot be typical of similar products on the market when launched.

Going forward, we will aim to develop products, cover and services in compliance with the EU taxonomy's criteria for sustainability.

Approval process
Topdanmark's sustainability team carries out a professional assessment of whether the product meets the minimum requirements, while the competence group for the implementation of the EU taxonomy carries out an assessment of whether the product meets the requirements of the EU taxonomy. The final approval of whether a product, cover or service can be regarded as "sustainable" lies with Product & Services CoE. So far, one insurance cover has been approved as sustainable.

Activities and evaluation 2022

The process of developing new products and services relating to our target on new green products was paused in 2022, as we are changing core systems and have prioritised time to prepare and develop existing products and services for the new system. We expect that it will be possible to focus further on our target in the coming years.

First product in target: Incentive to choose more climate-friendly rebuilding

In 2021, we launched the option of purchasing additional cover providing reimbursement if the customer chooses repairs that are more climate and environmentally friendly solutions than ordinary damage repairs. The additional cover was also made available to our agricultural customers.

The aim was to create an incentive for choosing a more climate and environmentally friendly solution after something is damaged. Perhaps the customer chooses an energy-efficient window pane instead of an ordinary pane if a window is broken. This will imply less energy consumption for heating, and thus lower CO_2 emissions. Another example could be using recycled or recyclable building materials.

The customer must document the climate and environmental benefit, which should be verified by a third party if necessary. We cover up to 20% of the expenses of a more climate and environmentally friendly solution, and we also cover the fee related to third-party assessment.

Approval of the cover as "sustainable"
In our assessment, the cover meets our criteria (described to the left).

The extra reimbursement is only granted if the environmental benefit is significant and is documented.
The cover is part of property insurance for agricultural customers and the product does not have any negative impact in itself. Finally, when the cover was launched in 2021, no similar covers were available in the market.

BACK TO CONTENTS

Saved CO_2 emissions from car repairs

Each year, Topdanmark handles many types of car damage that require the car to be spray-painted – an energy-consuming process that entails CO_2 emissions. Based on two of our "enablers", innovation and partnerships (as described on page 7), in 2021 we began working on a brand-new concept for spray-painting cars that produces far fewer CO_2 emissions than conventional painting.

The painting takes place in specially built cabins with a more efficient repair process and at a lower temperature for drying than in conventional methods. The result is 94% lower CO_2 emissions. The CO_2 emission calculation data for the two methods has been verified by a third party, Dansk Energirådgivning (now known as Nordic Green Solutions).

Our customers have the option of choosing the new solution rather than a conventional car repair shop, and the car will be ready again after two hours, whereas the same procedure can take up to several days in other repair shops. So far, one car repair shop has been built on our own parking lot at our headquarters in Ballerup.

Activities and evaluation 2022

In 2022, we primarily worked on consolidating the concept and establishing an online solution for booking repairs. Furthermore, one new repair shop was established in December 2022. The cooperation on the new concept has been working satisfactorily, and the customers who have used the repair shop were also very satisfied with the solution. The amount of CO_2 emissions saved was 33.4 tonnes in 2022, compared with 0.48 tonnes in 2021.

33.4 tonnes

CO_2 emissions saved in small car repairs in 2022 (2021: 0.48)

Prevention and climate measures

Topdanmark is in daily contact with many customers who have their general insurance policies with us. This includes private, agricultural and commercial customers. We provide advice within our core competencies, which are risk assessment, security and protection. We also focus on giving advice on the prevention of damage and on limiting the scope of the damage once it occurs – which is particularly important to our commercial customers.

How we work on prevention
We work continuously on integrating advice on damage prevention in all processes and contact with our commercial customers; this may be in the form of blog posts on our website or through visits to customers. Our advice should always target the actual needs of the various customer groups.

If a commercial customer faces a particularly high risk of cloudburst damage or a large fire, we set requirements for preventive actions. The actual actions are decided in dialogue with the customer. Our team of engineers advises the customer on potential solutions, such as installation of a groundwater pump or fire sectioning. The experience with this procedure is positive. It is far more motivating and gives the customer a better experience than just being provided with a standard solution.

The climate and environmental advantages of fire prevention
There are several good reasons to prevent fires. Large fires do not only have negative consequences for the people directly impacted by them; they also have negative consequences for the climate and the environment. Fires emit large amounts of CO_2, and lead to vast water consumption when putting out the fire, as well as large amounts of waste. Furthermore, new materials are required for rebuilding which also cause CO_2 emissions during production. For Topdanmark, large fires also mean big expenses for paying out indemnities.

10,311 smart water alarms

The number of LeakBots, i.e. smart water alarms, that have been installed in houses with a high risk of hidden leakages. The alarms detect leakages at a much earlier point than would be possible without a smart water alarm, thus preventing or reducing the size of the subsequent water damage and helping our customers to reduce or avoid the discomfort of dealing with damage. The water alarms also prevent water waste by detecting thousands of running toilets, dripping taps and other unnecessary spillage. It is estimated that 2022 saw "savings" of about 5 million litres of water (2018–2021: approx. 22 million litres. The numbers are not validated by a third party). We plan to add a further 20,000 LeakBot alarms in 2023–2024.

Activities and evaluation 2022

In 2022, we focused particularly on the prevention of fires in buildings as well as in electric cars. Fires in electric cars often start in the battery and may develop into a big fire as fire in a lithium battery can prove very difficult to extinguish. The risk is especially noticeable in connection with charging the car, when heat is generated. The consequences are especially significant if the electric car is parked and charged in a garage or a multi-storey car park.In 2022, we therefore defined new requirements regarding the method of charging the cars for repair shops and car dealers who are customers with us. Charging must always be carried out outdoors. We also prepared fire prevention advice for owners of electric cars when charging in underground car parks.

Fire prevention in large buildings
In 2022, we inspected the 100 largest residential properties insured by us. The initiative was prompted by a large fire in the Copenhagen area at the start of 2022 in which more than 10,000 m^2 of residential properties were ruined. The objective of our efforts was to assess the fire safety preparedness and require improvements in case of any weak points, thus preventing similar fire damage.

The result of the inspection was positive as no major weak points were found in the fire safety preparedness of these properties. At the same time, the visit provided us with a good opportunity to advise homeowners and caretakers on general fire prevention.

Looking forward on customer solutions

We will continue to focus on achieving our strategic target of having five new products, covers or services that support customers in CO_2 reduction, climate mitigation and other sustainable choices by 2025. So far, one cover has been developed – see description on page 46.

As Topdanmark has the largest number of agricultural customers in Denmark, we see it as our responsibility to help with new products and services within this area. We will follow the agricultural sector's need for transforming production and production methods by 2050. Since commercial and agricultural customers also deal with requirements for ESG reporting, we will look into the possibility of the customers applying their own insurance data to the reporting. For our private customers, we will investigate the use of IoT solutions that could help promote CO_2 reduction and other sustainable behaviour.

In continuation of our work on the EU taxonomy (read more on page 72), we will analyse our existing products' compliance with the criteria. Likewise, when developing new products, covers and services, we will strive to have them in compliance with the EU criteria.

Regarding the increase in "saved" CO_2 emissions in car repairs, in 2023, we will increase the number of drive-in car repair shops by establishing them in central locations, such as parking lots at shopping centres in Denmark's major cities. We thus expect a greater increase in "saved" CO_2 emissions in 2023 compared with 2022.

Circular economy

As an insurance company, we handle a lot of claims about matters such as buildings, electronics and cars. In that process, we want to focus on the circular economy through repair, reuse and less waste. We do this in close collaboration with selected partners. In 2022, we applied a new business model to increase the use of used spare parts for cars.

The pressure on the world's resources, partly through our consumption of consumer goods, poses a challenge to the environment. We desperately need to reduce our footprint in nature – through measures such as recycling and less waste. We want to contribute to that.

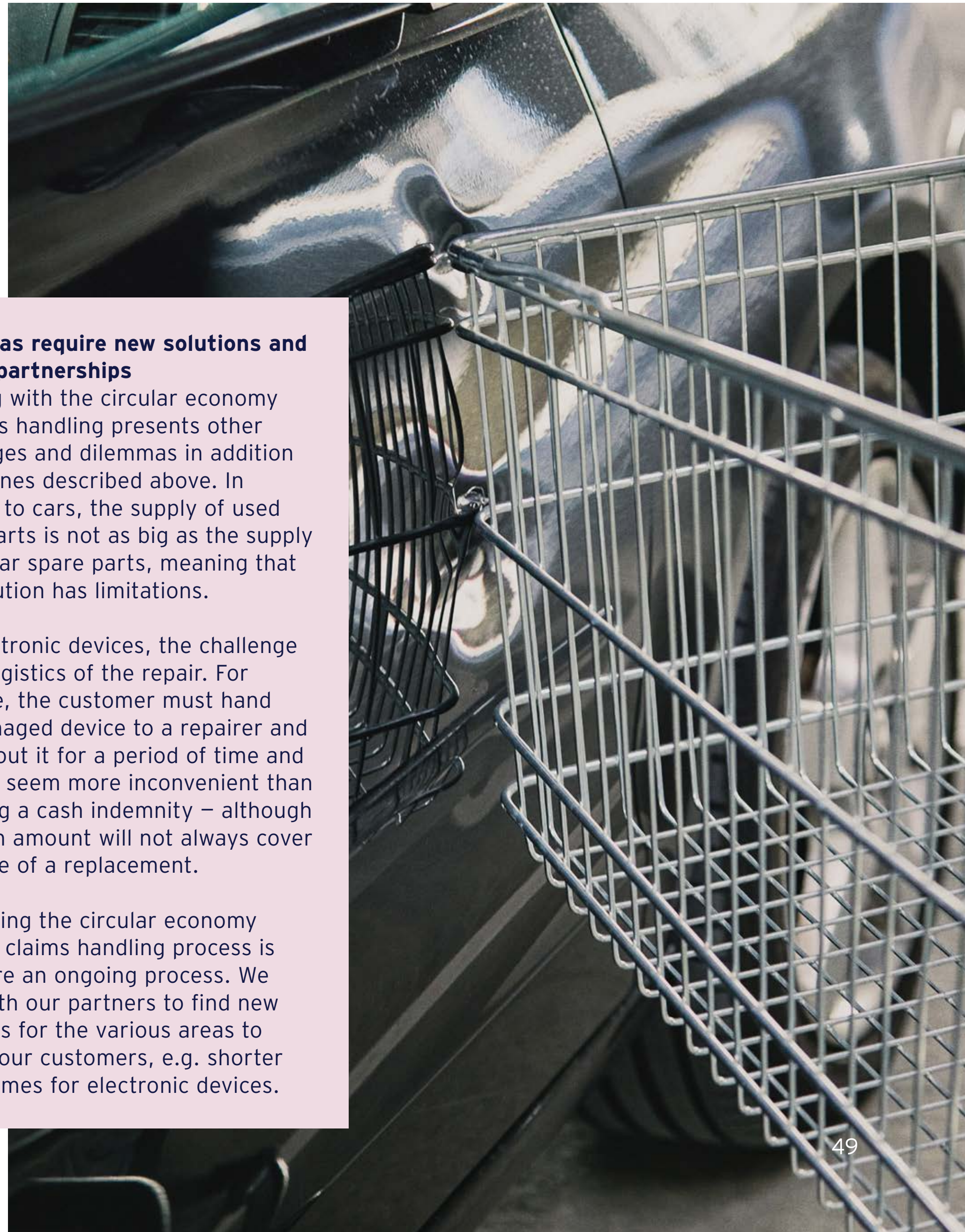
Every year, we handle a lot of claims about cars, buildings, furniture, various objects and IT equipment, for which we pay out an amount to purchase a new item or we pay for repair. We want to integrate climate and environmental considerations into the claims handling process by promoting recycling and repair. It also makes sense from a business perspective as it is cheaper to repair and reuse items rather than replacing them with new ones.

Our claims are always handled in accordance with the terms and conditions for our insurance products, which clearly state when repair and reused items can be used. However, even when repair and reuse is part of our terms and conditions, we are aware that some customers prefer new items. Therefore, we continue to promote the benefits of the circular economy both for the customer and the environment. The benefit for the customers is, among other things, a less time-consuming claims handling process.

Dilemmas require new solutions and strong partnerships
Working with the circular economy in claims handling presents other challenges and dilemmas in addition to the ones described above. In relation to cars, the supply of used spare parts is not as big as the supply of regular spare parts, meaning that this solution has limitations.

For electronic devices, the challenge is the logistics of the repair. For example, the customer must hand the damaged device to a repairer and do without it for a period of time and this can seem more inconvenient than choosing a cash indemnity – although the cash amount will not always cover the price of a replacement.

Integrating the circular economy into the claims handling process is therefore an ongoing process. We work with our partners to find new solutions for the various areas to benefit our customers, e.g. shorter repair times for electronic devices.



BACK TO CONTENTS

Targets and results for 2022

Integrating the circular economy into our claims handling will be an ongoing process that develops over time. However, to ensure progress we have defined a number of targets related to the claims handling categories most pertinent to our business: cars, electronics and buildings.

Cars

Target 2025	Unit	Result 2022
Increase the percentage of repair of bumpers	%	31.9 (2021: 28.0)
Increase the percentage of repair of windscreens to 45%	%	39.9 (2021: 40.9)
Increase the percentage of used spare parts to 4%	%	2.53 (2021: 2.05)

*The current percentage of used spare parts after car damage is quite low, limited by the fact that the supply of used spare parts is not as big as the supply of regular spare parts. We hope that the market for used spare parts will develop in the future.

Electronics

Target 2025	Unit	Result 2022
Maintain the percentage of repair of phones, computers, and tablets at 72% [1) 2)]	%	66 (2021: 72)

1) The target covers the percentage of damaged units sent to our main partner.
2) Regarding the repair of electronics target: in recent years, we have achieved a significant increase in the repair of electronics, from 57% in 2017 to 72% in 2021 (see data in the appendix on page 75). Based on a professional assessment, we do not consider it possible to further increase the percentage of repair in the coming years.

Buildings

Performance target 2025
Look into the possibility of selling building materials for reuse following damage to buildings.

Activities and evaluation 2022

Cars

Repair of bumpers

The percentage of bumper repairs has increased by 13.9 percentage, which is a significant and satisfactory increase in one year. There are two reasons for this: firstly, we have changed our internal procedures to focus even more on repairs instead of replacement of bumpers in dialogue with the repair shops. Secondly, there has been a general move toward repair rather than replacement of bumpers, which we consider a positive development.

Repair of auto glass

In 2022, the percentage of repairs of auto glass decreased by 2.4 percentage. There are a number of reasons for this. In general, it has become more difficult to repair auto glass; windscreens in new cars, including electric cars, have more electronics installed, and are therefore less likely to be repaired. In general, windscreens have become thinner, which also makes repair difficult. Furthermore, the extraordinarily warm summer of 2022 led to greater surface tension, which made it more difficult to repair damage to glass panes. It is still uncertain whether this trend will continue in the years to come, or if it only applied to 2022. The decrease in the repair of auto glass does not only apply to Topdanmark but is regarded as an overall trend.

Used spare parts

The proportion of used spare parts for repair after a car damage has increased by 23.4 percentage compared with 2021, which is very satisfactory in a difficult market for used spare parts. The increase is mainly the result of a pilot project carried out in a limited geographical area with one supplier of used spare parts and 15 car repair shops. Here, the number of used spare parts increased by 137.4 percentage compared with 2021.

The reason for the good result is a good partnership with the supplier, who has sufficient parts in stock, and a well-established supply chain of high-quality used spare parts. Furthermore, we created a financial incentive for the 15 repair shops by increasing the payment for used spare parts.

All in all, this business model has been financially neutral for Topdanmark, i.e. it has resulted in neither an increase nor a decrease in expenses. The motivation was to promote the use of used spare parts, and the project has been successful. Likewise, the initiative has been well-received by our customers. In our opinion, this is because customers generally support the green transformation and the circular economy, and because the spare parts have been of high quality.

Electronics

Repair of electronics

The proportion of repairs of electronics has decreased by 8.3 percentage, partly because it has been necessary to discontinue several repair processes as the waiting time for spare parts was too long for some customers. Instead, the customers received a cash compensation. Furthermore, in the statistical statement, the criteria for something being categorised as "repair" has become more rigid which has also contributed to the decrease in the share of repairs.

Other electronics initiatives

In 2022, we increased the use of refurbished electronic units as an alternative to new units in cases where repair was not possible.

Where the customer receives cash compensation after damage to purchase a new unit instead of having the damaged unit repaired, we ask the customer to send us the damaged unit, which is then resold for upcycling (i.e. repair of the unit) or recycling (i.e. reuse of constituent parts). The project was initiated in 2021. In 2022, we included more customer groups in the project, thus significantly increasing the number of products sold for upcycling or recycling.

Buildings

Building material for reuse

Regarding our overall target for 2025 on focusing more on the possibility of selling building material for reuse, there have been no specific activities.

Improved method for drying

Our primary effort regarding reuse was increased use of a particularly gentle method for the drying of buildings with water damage in order to limit the extent of the damage. The method is applied as early as possible in the process, and making it possible to preserve the structures rather than tearing them down and replacing them with new ones. The method is especially suitable for structures of very absorbent materials such as concrete, whereas it is not applied to wood structures that will warp during drying.

In 2022, the use of this drying method had increased by approximately 260 percentage points compared with 2019, when we used the "old" method of drying. The new drying method has contributed to increased reuse, less building waste and reduced use of new materials. The effort also means a reduction of claim expenses for Topdanmark, while the reconstruction process is also easier for customers.

Looking forward on the circular economy

In general, we will continue to focus on the circular economy in our processes for claims handling and look into new methods and partnerships to promote repair and reuse. Regarding the three specific areas, our plans are described below.

Cars

In relation to damaged bumpers, we will continue to focus on repairing bumpers instead of replacement, but we do not expect the same increase as in 2022.

Regarding damage to auto glass, we will actively strive to increase the proportion of repairs in collaboration with our suppliers – our aim is still 45% repair in 2025. We will also focus on proactive communication with our customers on the importance of quickly sending the car for repair after a rock hits the windshield, as this improves the chances of repair.

In 2023, we will continue our collaboration with the 15 repair shops regarding increased use of used spare parts as described on page 51. Furthermore, we will upscale the project and enter into a similar agreement with another supplier and a group of new repair shops. Consequently, we expect to further increase the use of used spare parts.

Electronics

We will continue to monitor and analyse the processes for handling damaged electronic devices, and together with our partners we are looking for ways to make improvements and increase the percentage of repairs.

Buildings

Regarding building damage, we will continue to work toward our target of looking into the possibility of selling building material for reuse, as described on page 51. Furthermore, we will also focus on further improving correct and gentle cleaning and drying in order to tear down as little as possible. This will limit the amount of waste as well as the use of new materials, thereby contributing to reuse and preservation. This process will take place in close dialogue with our customers.

109

The number of bicycles donated for repair and reuse with social enterprises (2021: 133)

2,566 units of electronics sold for upcycling or recycling

We also integrate the circular economy when it comes to electronics from our operations. In 2022, 74.7% of our electronics, primarily laptops, were sold and reused directly (after repair) and 15.5% were used for parts (recycling). Regarding laptops, we buy high-quality products with a longer lifecycle and less need for repair compared with cheaper products. Laptops are replaced after 36 months so they can run the latest software. When the devices are no longer used by Topdanmark, they are sold for different kinds of reuse.

Responsible foundation

The third and last of our three themes in our programme for a more sustainable Topdanmark is "Responsible foundation". This theme covers the governance aspects of sustainability and includes the following sub-themes: "Responsible business management" and "Responsible investments".

By Responsible foundation, we underline the importance of making sure our business rests on a financially stable foundation, where acting responsibly in relation to operations will benefit our three main stakeholders: customers, employees and investors. This also includes a responsibility in relation to national and international society, and internationally acknowledged standards and frameworks.

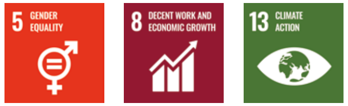
Responsible business management
To us, responsible business management implies that we have policies and processes which ensure that we comply with legal requirements and recommendations for corporate governance in addition to rules and recommendations from the industry organisation Insurance & Pension Denmark.

Responsible business management also means integrating the UN Guiding Principles on business and human rights, the 10 principles of the UN Global Compact, as well as the sustainable development goals into the way we operate our business. We consider responsible business management to be an opportunity for developing long-term and value-creating relations with all our stakeholders. This also applies to the society we are part of, and to which we want to contribute positively.

Responsible investments
We invest the insurance reserves and shareholders' equity. We ensure that investments are made responsibly and that they comply with the UN Global Compact principles and support the Paris Agreement.

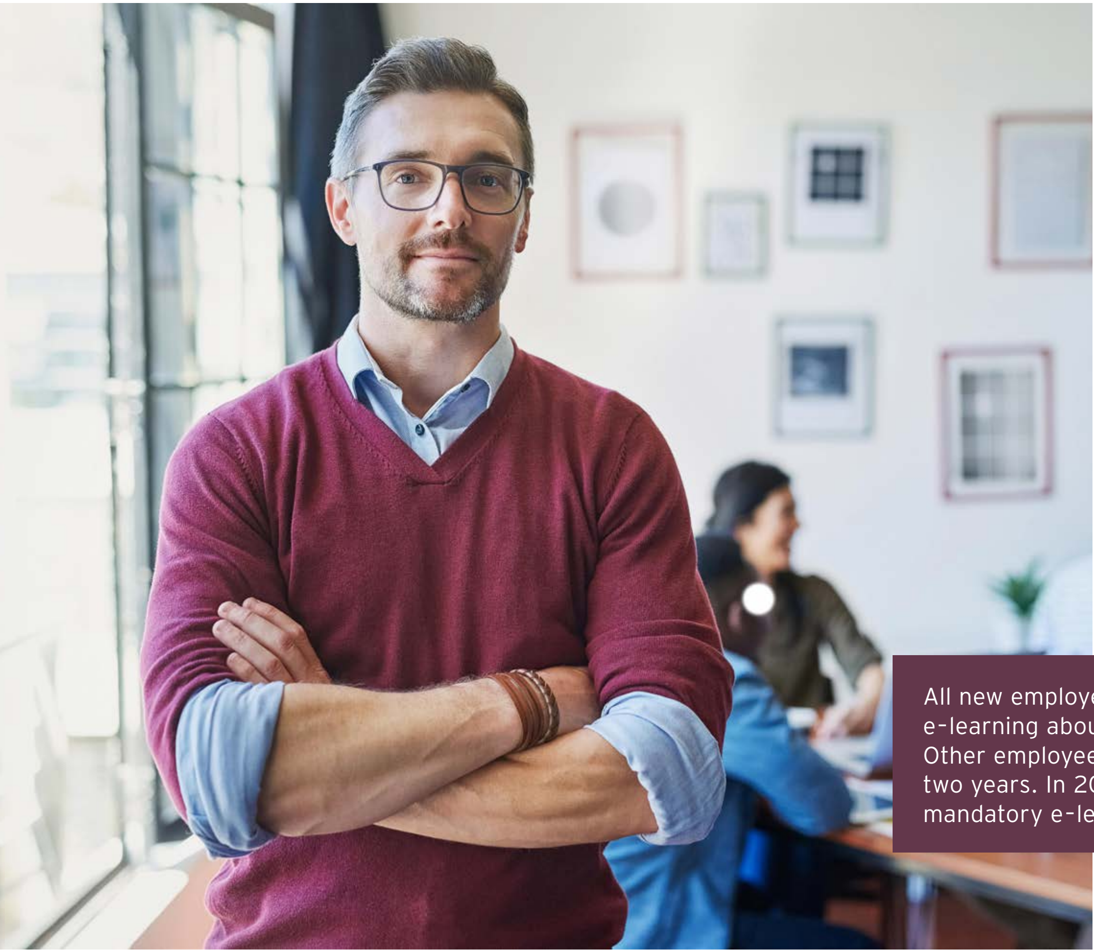
As a listed company, we also want to obtain the biggest possible return on investment relative to the risk we take. As such, both risks and opportunities related to the environment and climate, social conditions and governance – also known as ESG factors – are integrated into our day-to-day investment activities.

With our activities and initiatives under the Responsible foundation theme, we contribute to a number of the sustainable development goals, including SDG 5 on gender equality, SDG 8 on decent work and economic growth, and SDG 13 on climate action.



Ethical guidelines

For Topdanmark, going to work is not only about what and how much you do, but also about how you act and treat each other and the surrounding world. Our ethical guidelines support responsible conduct and sustainability both in and outside our place of work.



Topdanmark wants to be a responsible and trustworthy business – for our customers, shareholders, employees, suppliers, partners and the society in which we operate. We want to build confidence with all of our stakeholders, and we strive to operate our business in a responsible, ethical and lawful way.

To support this, we have implemented a Code of Conduct (CoC), which consists of a number of principles that reflect the conduct we want to promote in Topdanmark and with our employees.

The principles are about how we treat each other, serve our customers and interact with other stakeholders such as investors, suppliers, business partners, tax authorities and supervisory authorities. The principles also reflect the way in which we want to exercise corporate governance and generally work with social and environmental sustainability.

Based on the UN Global Compact

The principles are based on our current policies and our employee aspiration, which describe how Topdanmark should be as a workplace. They also build on the principles under the UN Global Compact. CoC is thus also a key part of our vision for a more sustainable Topdanmark.

All new employees are obliged to complete and pass e-learning about CoC in connection with their employment. Other employees are obliged to complete e-learning every two years. In 2022, 95% of all employees completed the mandatory e-learning module.

BACK TO CONTENTS

Anti-corruption

We work proactively to protect our customers, our business and society in general from corruption, money-laundering, financing of terrorism and other illegal activities. We address the risk of corruption and bribery through policies and guidelines, and by educating employees through mandatory training.

Topdanmark wants to do business in a transparent, responsible and trustworthy manner in which we – in addition to compliance with legislation, as in all respects – neither directly nor indirectly contribute to corruption in the world. We have joined the UN Global Compact and actively work with the ten principles for sustainable development, including the principle to work against corruption.

Corruption, or the abuse of power for private or corporate gain, can take on many different forms such as bribery, excessive business entertainment, facilitation payments (i.e. payments made for the purpose of expediting an administrative process), kickbacks, extortion, fraud and embezzlement.

Corruption and potential risks
Topdanmark can be exposed to corruption and bribery through our investments, customers and supply chains, and internally among our employees.

As a company, we can face reputational risks, legal risks, business risks and potential costs if we fail to effectively fight corruption in all its forms. It is our assessment that the main risk of corruption and bribery relates to gifts and entertainment in relation to customers, suppliers and other business partners, and situations where an employee's personal interests may conflict with Topdanmark's interest, including handling insurance matters pertaining to the employee or their relatives, friends or colleagues.
The risks are mitigated, for example by screening investments, customers and suppliers against international norms and standards, and by implementing policies and guidelines.

Policy statement
In 2022, we prepared a formal and detailed policy on anti-corruption which was approved by the Board of Directors in October. The policy states that Topdanmark does not accept any form of behaviour that may give the impression of improper influence as described above, and employees, customers, suppliers and other business partners are expected to behave in the same way. Topdanmark's overall position and our zero tolerance on corruption in all its forms is stated in our Code of Conduct.

Furthermore, we have drawn up guidelines on giving and receiving gifts, as well as organising and participating in events. We also have clear guidelines prohibiting employees from handling insurance matters pertaining to their own policies and insurance matters pertaining to relatives, friends or close colleagues.

If any breaches of the policy are identified, our normal procedure for non-compliance with policies will be followed, including the preparation of a report on the breach, a recommendation to the responsible person on measures necessary to rectify the breach, and follow-up on whether the recommendation has been implemented within the given deadline. The HR department will also be involved in order to assess whether the breach should lead to employment consequences.

Any suspicions of corruption or bribery can be reported anonymously through Topdanmark's whistleblower scheme.

this area as described above. The policy describes in more detail our objectives and targets, how we seek to achieve our targets, expectations for our employees, and roles and responsibilities.

During the year, 95% of our employees completed the mandatory e-learning module on our Code of Conduct, which includes a section on anti-corruption and our rules and regulations on gifts and entertainment. In our assessment, there have been no breaches of our guidelines in 2022.

Looking forward on anti-corruption

In 2023, we will continue the implementation of the new anti-corruption policy. Among other things, this means communicating internally about the policy; control procedures will mainly be established through Group Compliance's general monitoring of policies. We will also look at whether any changes are needed in the section on anti-corruption in the Code of Conduct e-learning module.

Anti-money laundering and counter-terrorist financing

Topdanmark always endeavours to comply with laws and regulations on anti-money laundering and terrorist financing, including the UN and EU regulations on increased risk and financial sanctions (the Danish Anti-Money Laundering Act, or AML). Following the divestment of Topdanmark Liv Holding as at 1 December 2022, Topdanmark promotes insurance services for Nordea Pension, Livsforsikringsselskab A/S, via a distribution agreement subject to the AML Act.

In connection with this, we comply with the authorities' regulations and the required maintenance and control of the processes to prevent money laundering and terrorist financing. The organisation of this work means that the risk of Topdanmark being misused for the purpose of money laundering and/or terrorist financing is assessed as low. Sales of our own insurance products and services are not subject to the AML Act.

Human rights

As a business, we are responsible for ensuring that human rights are looked after throughout our value chain. We take that seriously, and have implemented relevant policies and procedures in the areas where we face potential and existing challenges.

Topdanmark respects internationally recognised human rights, and it is our goal not to violate them. We adhere to and comply with Danish legislation which incorporates internationally recognised human rights. Among other things, this means that equal rights, inclusion, employee rights, health and safety, and non-discrimination are integrated into our values and policies.

Relevant policies and procedures
Inspired by the UN Guiding Principles on Business and Human Rights, we currently monitor which human rights Topdanmark may face challenges with, both in relation to the operation of our business, such as in sourcing and procurement, and in our actual products and advice. In addition, we comply with what is expected from us in terms of the law. This monitoring shows us that we have policies, initiatives and management systems in place in relation to potential challenges and negative impact on human rights:

- Investment of insurance reserves, where procedures and policies are in place – read more on page 68.
- Supply chain, where a programme and ESG-screening is established – read more on page 66.
- Underwriting activities where ESG screening of agricultural and business customers is established – read more on page 64.
- Customer relations and the right to privacy, where there are clear guidelines for how claims are investigated if insurance fraud is suspected.
- Policy for the protection of personal data – read more on page 32.
- Employee relations, where a wide range of HR policies and a management system have been established which meet the challenges of stress, lack of employee satisfaction, equality, etc. – read more on page 18.
- Non-discrimination, focusing on equal access to management positions – read more on page 59.

Due diligence process
We have a due diligence process in which we are able to identify potential negative impacts on human rights, either by us directly or by our suppliers or partners. This enables us to act immediately and reduce the damage. If the potential negative impact lies with us directly, we offer the people involved suitable remedy depending on the nature of the breach. If the negative impact is identified with our partners or suppliers, we start a reactive dialogue with the partner in question. If this dialogue does not lead to a change of ways and a remedy for the persons affected, we can end the cooperation with the relevant partner immediately.

This due diligence process takes place to some extent through general processes for monitoring risks under the auspices of our Risk Committee. The process also includes monitoring potential and actual ESG risks, including the risks of negative impact on human rights. Other elements in the process are handled through policies, internal guidelines and management systems across the entire organisation.

Organisation
On an ongoing basis, we follow up on the various policies and report on any challenges in the annual sustainability report. Moreover, our employees have a responsibility to comply with our human rights policy, and it is mandatory for all employees to take and pass the Code of Conduct e-learning module, through which the human rights policy is implemented.

Activities and evaluation 2022

In 2022 we prepared a new policy on human rights to be presented for the Board of Directors in January 2023. The policy considers both Topdanmark as an organisation, our suppliers and our other business partners. It is crucial that we are able to detect and prevent potential negative impacts on human rights. The new extended policy will be implemented, among other things, in the mandatory e-learning on Code of Conduct, which includes a section on human rights.

Looking forward on human rights

In 2023, we will improve our processes for due diligence and risk management on human rights as part of our overall ESG risk assessment (read more on page 12). We will also look at extending the e-learning module on human rights to include a more comprehensive understanding of fundamental human rights as well as the severity of breaching human rights.

BACK TO CONTENTS

Diversity and inclusion

We strive to be a workplace where diversity is seen as a strength. We continuously work to maintain and develop an open and embracing culture and to counter any form of discrimination. To us, diversity means no difference in the conditions of employment based on age, ethnic background, gender, sexual orientation, disability (visible or invisible), health, educational background, living situation, geographical affiliation, religion or race.

Targets and results in 2022

In order to develop initiatives and track performance on the subject of diversity and inclusion, we have set following targets.

Target 2025	Unit	Result 2022
Maximum 60% of one gender at management levels 1 & 2	% w/m	31/69 (2021: 21/79)
Maximum 60% of one gender on average at all management levels	% w/m	36/64 (2021: 40/60)
Maximum 60% of one gender on the succession list	% w/m	50/50 (2021: 47/53)
Minimum two people of each gender elected to the Board of Directors at the AGM	Number of w/m elected at AGM	2/4 (2021: 2/4)

Performance target

Performance target
A recruitment process that supports our Policy for Diversity

From our perspective, there are several reasons why it is important to ensure a diverse and non-discriminating culture. Firstly, we want to ensure that our employees thrive and are not exposed to any form of abusive or unacceptable behaviour. Secondly, numerous national and international research papers show that companies with a diverse workforce create more growth and are more innovative. Thirdly, we want our workforce to reflect the national demographic, and our customers and potential customers. The HR department is responsible for the diversity policy, human rights policy and Code of Conduct. These policies are approved annually by the Board of Directors.

Equal pay for equal work

Our ambition regarding equal pay for equal work applies in relation to remuneration. At Topdanmark, remuneration depends solely on criteria such as experience, competences, effort, results and the content of the position. To comply with our equal pay policy, we have implemented a job title and job position structure that ensures that employees in the same position are employed under the same conditions. This ensures that pay and additional benefits are not about the person, gender or any other non-professional aspects.

Diversity in management and in the Board of Directors

Topdanmark's Board of Directors consists of six members elected at the AGM and three employee-elected members. We want a Board of Directors that consists of the best qualified candidates, and so we have a target of at least two people of each gender elected to the Board of Directors at the AGM. In 2022, four board members were female (two of whom were elected at the AGM), and five board members were male (four of whom were elected at the AGM). This means that our Board of Directors meets both the legislative requirements for gender diversity and our own target.

59%

of our employees on parental leave in 2022 were male (2021: 58%)

One focus area in our diversity policy is women in management positions. We want the executive team to be represented by the best qualified candidates, but we also want a balanced gender distribution to facilitate the positive effects of diversity. We have two targets for diversity in management levels 1 & 2. Our original target is based on a non-binary approach to gender and is: "maximum 60% of one gender in management levels 1 & 2". However, to comply with Danish law (which is based on a binary understanding of gender) we have to set a target for the underrepresented gender in management levels 1 & 2. This target is: "minimum 40% of the underrepresented gender (either male or female) at management levels 1 & 2 in 2025".

For 2022, the number was 31% female and 69% male at management levels 1 & 2, which means an increase of 10 percentage points since 2021. This is acceptable, although still not in line with either target.

Succession

Our target of maximum 60% of one gender on the succession list requires a further look at our leadership pipeline, where we can work with even gender distribution for all talents and at all management levels. Since the leadership pipeline feeds into the succession list, our activities must be reflected in the leadership pipeline.

The work on diversity in the leadership pipeline is an ongoing process. Back in 2021, we introduced the People Review concept in our succession planning. People Review is a method of working, where we assess leadership potential among our employees. As such, the initiatives in the leadership pipeline and in succession planning in general, are an integral part of People Review.

Diversity in recruitment

In 2022, we set a new target for supporting our recruitment process to underline the policy on diversity. Our recruitment processes support

BACK TO CONTENTS

our Employee Value Proposition (EVP) statement, "More you", including by having job advertisements that appeal to everybody regardless of gender, age or any other personal characteristics. In our job advertisements, we use real employees representing different demographics and backgrounds. On top of that, our tagline #sjovere #sundere #modigere (#morefun, #betterhealth, #braver) emphasises the kind of mindset that matches our culture, rather than just focusing on professional skills.

Activities and evaluation in 2022

To be compliant with Danish law, we have removed any information about gender in our applicant tracking system (ATS) as of 1 July, but based on data for Q1 and Q2, we witnessed a fair gender balance in the number of men and women we hired, which was 43% men to 41% women. The remaining 16% of people hired chose not to answer the gender-specific question in the recruitment process.

The percentage of women in all management positions decreased in 2022, which is obviously unsatisfactory. However, in 2022 we decided to focus on gender equality in the leadership pipeline and thus on the succession list, to ultimately take a bottom-up approach to supporting gender equality in management positions.

31%

of management positions at levels 1 & 2 were female (2021: 21%)

In 2022, we implemented a new job system to support our job architecture programme. This means that all positions in Topdanmark will be placed in a system where they will be scored in terms of pay range and job benefits relating to the responsibilities and job functions, starting with top management.
It is our ambition that eventually all job positions in Topdanmark will be described in this job architecture programme. However, due to collective bargaining and collective agreements that apply to the majority of employees, this will be an ongoing process in the coming years.

Moreover, we have decided to create a new diversity group in Topdanmark. This group will consist of employees from different areas of the organisation, and the group will focus on a bottom-up approach to diversity and inclusion aspects in the organisation.

In 2022, we continued the People Review process, with lessons learned and corrections made, as well as our work with gender distribution on the succession list and in the leadership pipeline. We also introduced a new digital tool in our work with succession planning.

50%

of employees on the succession list were female in 2022 (2021: 47%)

This year, we have seen an increase in female employees on the succession list, which is satisfactory. Our work on gender equality in the leadership pipeline and on the succession list is bearing positive results, and we can see that these results are reflected in a higher number of female managers at management levels 1 & 2, which is also satisfactory. However, we will need to focus more on how to obtain gender equality in all management positions as well as management levels 1 & 2 in future, in order to achieve our ambitious goal of maximum 60% of one gender.

Looking forward on diversity and inclusion

In 2023, we will direct our attention to the diversity and inclusion work which the newly established diversity and inclusion project group is working on. This group will be headed by our CHRO.

In 2023, we will continue and expand our work on diversity in succession planning. We will be looking more closely at the management level below executive management and introduce the new digital solution to the People Review system, thus creating a structured approach to diversity in succession planning and further developing this area.

Competence development

We prioritise employee development highly, to ensure both job satisfaction and that we have the right skills in the organisation. The future workplace is digital, and we will continue to work from home as this has proven to be very successful.

Targeted competence development is vital for our employees to thrive in their positions, manage many types of tasks, and ultimately assist our customers in the best way possible. We therefore have an extensive training and development programme focusing on change management and digital skills, among other aspects.

We have many different training programmes depending on which part of the organisation a person is employed. There are mandatory courses that all employees must complete, such as courses on data protection, IT security and Code of Conduct. In addition, we continuously offer several internal courses, and courses in collaboration with our external course suppliers, both of which are aimed broadly at all employees.

On an ongoing basis, our need for skills in the organisation is evaluated through dialogue with the individual departments, the management and the Group Executive Management.

The digital mindset of tomorrow
Topdanmark pays special attention to building digital skills for all employees. This is to support the future workplace where we will continue our 60/40 work week with 40% work from home. It will also support our ambition for Topdanmark as a digital place of work as defined in 2021. Topdanmark offers all employees the chance to improve their digital skills via e-learning courses. So far, all courses have been voluntary.

Programmes for trainees and work experience trainees
Each year, Topdanmark hires several finance trainees for a two-year educational programme and offers workplace experience for financial economists and finance students. As one of Denmark's largest insurance companies and co-owner of Forsikringsakademiet – the insurance industry's own educational institution – we consider it a societal responsibility to help educate young people in our industry.

Performance target

Prepare a plan for training and competence development for all employees

Number of financial trainees in 2022

17 finance trainees (2021: 16)
20 financial economists (2021: 28)
3 finance students (2021: 11)

Out of all finance trainees who completed their education with Topdanmark in 2022, 14 were permanently employed after finishing their education.

Number of employees who have passed management courses

Course	Unit	Result
General Management for Personnel Managers	Number of people	21
Introduction to Management	Number of people	38
Organisational Introduction Course	Number of people	349

Activities and evaluation 2022

In 2022, we implemented our new learning management system and used a lot of resources on establishing the new system and ensuring our employees know the many different internal and external courses we offer.
Moreover, in 2022 we offered different courses in management, including General Management for Personnel Managers, Introduction to Management (a course offered to newly hired managers to understand the management principles we work with at Topdanmark), and lastly our Organisational Introduction Course, which is mandatory for all new employees.

DKK 21 million

has been spent on competence development in 2022. That is DKK 9,817 per employee (2021: DKK 8,170)

Looking forward on competence development

In 2023, we will continue our work on re-establishing our course catalogue, and make sure all employees know the various options for developing their competences.

During 2023, the courses on building digital skills will become mandatory, making them a cornerstone in the development of our employees' digital adaptability.

At Topdanmark, sustainability is a way of working, and not simply a topic we work with. This specific approach to sustainability calls for specific competences within ESG in many different areas of the organisation.
In recruitment, we will therefore be looking for competences within ESG in many different job functions, including product development, investment and underwriting, to better incorporate sustainability into daily work in all areas of the organisation.

BACK TO CONTENTS

Sustainability in customer relations

We want to integrate sustainability into all aspects of our business. This also means integrating sustainability into our core business, which is insuring our customers. In 2022, we started screening our portfolio of agricultural and SME customers for compliance with the UN Global Compact principles on labour and human rights, the environment, and corruption.

Topdanmark has around 61,500 commercial customers, mainly in the SME segment in Denmark, and 58,000 agricultural customers. We are a market leader within agricultural insurance with a significant market share, as well as having a strong market position with small and medium-sized enterprises. Through close and attentive relations, we work to create safety and security and deliver more than just insurance. We also want to integrate sustainability directly into our relationship with our customers.

Approach

As an insurance company, our core activity is to insure our customers and their belongings. In doing so, we have funds to invest long term, and we want to integrate responsibility and sustainability into both our core activity and our investments. The principles and the approach are the same, and are based on the UN Global Compact principles.

With our sustainability programme for customers, we want to prevent Topdanmark from being associated with business activities that do not comply with our sustainability policy as this would expose us to reputational and business risks. We also want to look into how we can help and promote a positive impact on climate and environmental issues and social conditions in dialogue with our customers.

As the first step in our sustainability programme, we have integrated the UN Global Compact principles as an element of the due diligence process for commercial customers. This means that our existing customers are screened for compliance with the principles by an external service provider based on publicly available information.

In case of a verified violation of one or more of the principles, we will first enter into dialogue with the customer for the purpose of improvements. If the requested improvement is not implemented, we will consider further steps, including termination of the customer's engagement with Topdanmark.

Responsibilities

The Chief Commercial Officer of our commercial and agricultural division is responsible for the programme, and the head of underwriting is responsible for the dialogue with the customer as well as determining whether to terminate a customer relationship. Based on information supplied by service provider, the sustainability team is responsible for the assessment of whether a case can be classified as a violation of one or more principles under the UN Global Compact.

Target and result in 2022

In the underwriting business with commercial and agricultural customers, we strive to carry this out without deliberate violations of the UN Global Compact principles.
Furthermore, similar to our investment activities, we have exclusions for certain industries, meaning the production of coal, tar sands, controversial weapons and tobacco. This means that we do not insure companies in these industries.

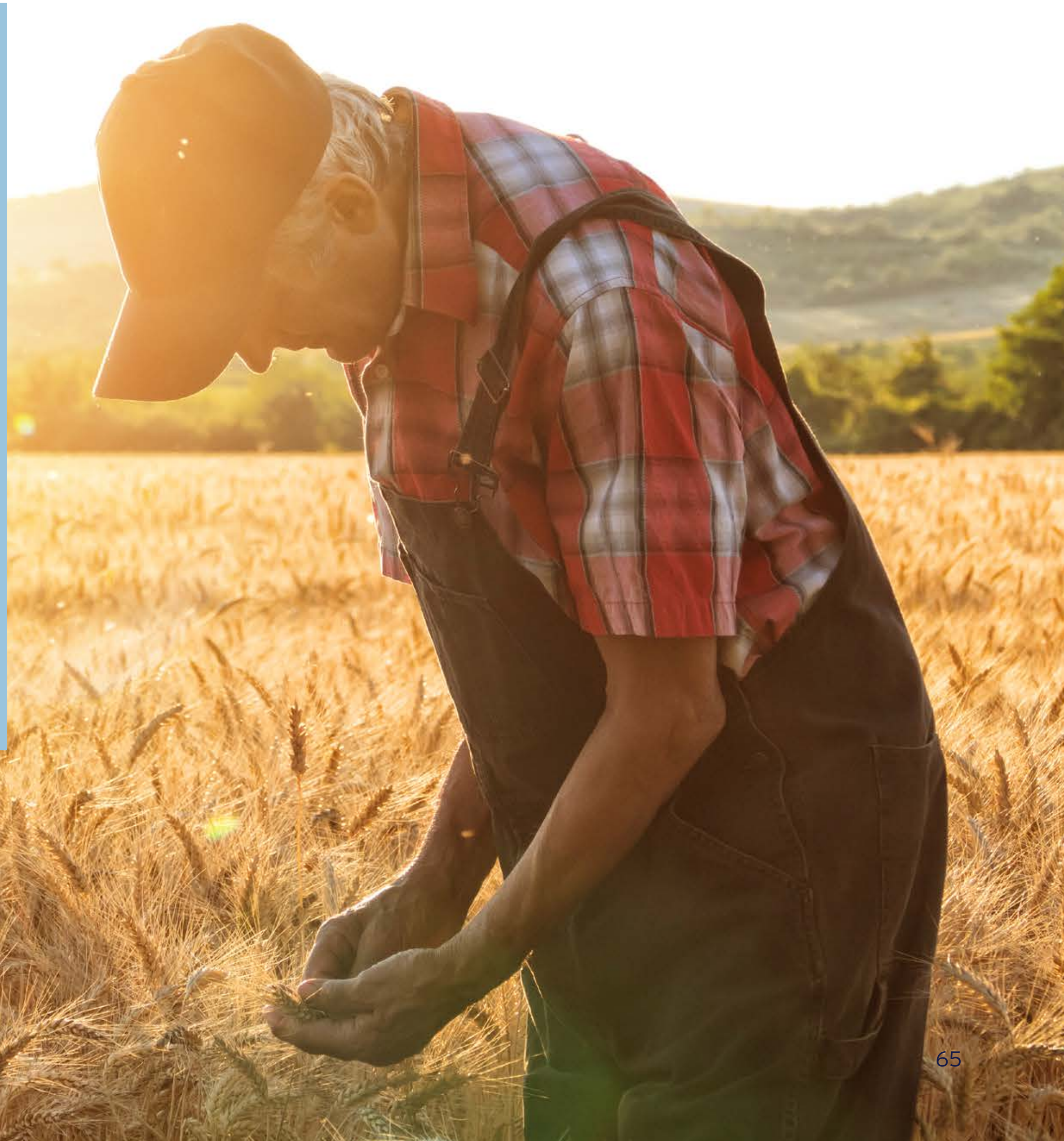
For 2022, it is our assessment that there have been no violations of the UN Global Compact in relation to our underwriting activities, and there have been no underwriting activities related to the excluded industries.

Activities and evaluation 2022

In 2022, we set up an internal procedure and started screening our current commercial and agricultural customers for, among other things, compliance with the UN Global Compact principles. Customers with at least two employees were screened by an external service provider in December 2022 for ESG incidents. Based on the screening, approximately 200 companies with minor ESG incidents in the past two years were identified. None of the incidents represent an actual violation of the UN Global Compact principles. At the start of 2023, we will analyse the incidents in detail to consider whether we need to place some of the incidents and companies on an internal watch list. In all, we have seen good progress in the implementation of our ESG programme for customers.

Looking forward customer relations

In future, we will look into how we can include screening proactively in connection with sale and renewal of insurance policies. We will also look into how we can help our customers in the green transition – see the section on page 46 about our target of five green products and services. As described above, our customers are primarily companies in the SME segment. We therefore need to continuously consider whether we can set the same ESG requirements for these type of companies as we do for larger companies. This ongoing work entails subtleties and dilemmas.



BACK TO CONTENTS

Sustainability in the supply chain

Social, climate and environmental conditions in the supply chain are important elements in our joint efforts for a more sustainable Topdanmark. We therefore take the UN Global Compact principles into consideration when selecting and evaluating suppliers. We want a relationship built on collaboration for sustainable solutions and products that will benefit our customers.

Targets and results in 2022

Integration of sustainability in the supply chain will be an ongoing process that develops over time. To ensure progress in the implementation of the programme, we have defined a number of targets:

Target 2025	Unit	Result 2022
All suppliers in the ESG focus group that Topdanmark signs a contract with have been screened for ESG risks, compliance and sustainability during the tender process	%	100 (2021: no data) [1)]
Code of Conduct (CoC) is integrated into all new supplier contracts, either in the form of Topdanmark's CoC for suppliers or in the form of the supplier's own CoC [2)]	%	66 (2021: <5)
70% of all stock goods are labelled with a recognised eco-label [3)]	%	53.3 (2021: no data)

1) No reliable data for 2021 as the screening was initiated in late 2021.
2) The figure covers contracts made by our procurement department. Our estimate is that it applies to 70% of Topdanmark's expenditure.
3) Stock goods include, among other things, pens, paper, and computer bags. Some categories are omitted, including subscriptions, books, and technical equipment such as moisture meters. Recognised eco-labels include the EU Ecolabel, Rainforest Alliance, Cradle to Cradle, TCO certified and OCS 100. The calculation is based on spend.

Topdanmark wants to help our customers in the best possible way before, during and after a claim. We do this through a solid network of suppliers that handles claims relating to buildings, motor vehicles, travel and accidents. We also make purchases for our business operations, e.g. external consultancy, office supplies, business systems and IT equipment.

Regardless of the type of purchase we make, we want to build a trustful and professional collaboration with the supplier in question, focusing on quality, responsibility and sustainability. We focus on close dialogue with our suppliers, thereby identifying sustainable solutions both in our claims handling and in our own business operations.

Irresponsible conduct in the supply chain, for example non-compliance with the principles of the UN Global Compact, is not only incompatible with our sustainability policy, but it could also damage our reputation and consequently our revenue.

Activities and evaluation 2022

In 2022, we continued to focus strongly on integrating ESG into our sourcing processes and supply chain. We carried out ESG screenings in seven tender processes with suppliers in our ESG focus group. This is equal to 100% of all tender processes in scope. The results of the ESG screenings for the chosen suppliers were all satisfactory.

Topdanmark's Code of Conduct for suppliers or the supplier's own Code of Conduct have been integrated into 66% of our new contracts in 2022. The contracts for which we have not succeeded in integrating a CoC are typically major global IT and software partners as well as independent consultants.

In 2022, we began a systematic process of changing stock goods to products with recognised eco-labels. This includes pens, clothes, and computer bags. In practice, it means that new purchases will be eco-labelled where possible, but all existing products will still be in circulation until a replacement is needed. Some categories are omitted in the target of 70% since they are not goods that are in stock, but merely goods that are purchased on rare occasions. At the end of 2022, 53.3% of stock goods in scope were eco-label alternatives.

The overall evaluation of activities and results in 2022 shows that we achieved good progress toward our targets as described in the table on page 66.

Looking forward on sustainability in the supply chain

In 2023, we will continue our dialogues with suppliers on how to make progress in relation to sustainability. We will introduce our programme for auditing selected suppliers and work on improving the internal processes for ESG screening and integration of the Code of Conduct into new contracts. In 2023, we will also look more specifically into the possibility of short-term as well as long-term reduction of our indirect CO_2 emissions in the supply chain. This will be in continuation of our accession to the Science Based Targets initiative. Regarding the target on stock goods, we will define the specific omitted categories more precisely in 2023, and also continue the process of substituting stock goods with a recognised eco-label version.

Our ESG programme for suppliers

In 2021, we established a systematic programme to support our wish to integrate sustainability into the supply chain and thus reduce potential risks. The programme is made up of a number of elements:

- A code of conduct for suppliers is our minimum requirement for suppliers that deliver goods and services to us via a contractual relationship. The code of conduct is integrated into new contracts and when renegotiating the existing contracts.
- We have defined a ESG focus group of suppliers. The ESG focus group consists of several supplier categories selected based on criteria such as sector-specific ESG risks, geography (OECD vs. non-OECD), supply chain, market dynamics, expenditure and size.
- For the suppliers in the ESG focus group, we perform an ESG screening consisting of a questionnaire with seven questions on ESG as part of the procurement process for tenders. The questionnaire screens for environmental and human rights performance and labour practices. The ESG screening result is integrated with the supplier selection process.
- Contractual requirements related to matters such as CO_2 reduction and the circular economy for selected suppliers, when deemed relevant based on an overall analysis. We currently have additional ESG requirements in contracts with three suppliers.
- Audit of selected suppliers with specific contractual ESG requirements.
- At product level, we want to focus more on sustainability by increasingly transforming procurement of office supplies, materials for fairs, events, etc. to more sustainable options.

BACK TO CONTENTS

Responsible investments

The UN Global Compact principles on labour and human rights, the environment and anti-corruption are the foundation for our responsible investment policy. In 2022 we also joined the Science Based Targets initiative and the Net Zero Campaign, which means our investments will become CO_2 neutral no later than 2050.

Topdanmark invests insurance reserves until the funds are paid in the form of compensation and shareholders' equity. Topdanmark wants to obtain the best possible return on investments relative to the risk we take on. Both risks and opportunities related to the environment and climate, social conditions and management, also known as ESG factors (environment, social, and governance), are therefore integrated into our daily investment activities.

At the same time, we want to ensure that value creation is responsible and not in contravention of the internationally recognised UN Global Compact, which we have signed, and principles or conventions adopted by Denmark. Against this background, we have prepared policies on responsible investments and active ownership which describe the criteria applicable to our investment activities.

Our responsible investment framework applies to all assets – see the overview on page 69. However, the proportional benefit of analysing different asset classes is to ensure that attention is directed to the areas where the perceived ESG risk is greatest. All asset classes are assessed according to their eligibility in the EU taxonomy, with assets not covered assumed to have no eligibility. Where possible, ESG risk scores are assessed for equity portfolios while looking through exchange traded funds (ETFs). The CO_2 analysis covers equity, covered bonds and property investments with some limitations in coverage.

BACK TO CONTENTS

Changes in 2022 based on the divestment of Topdanmark Liv Holding A/S

As described on page 5, Topdanmark Liv Holding A/S was divested in 2022. Within the field of investment, it has caused a change in the portfolio which entered into force in mid-November 2022.

The overall policy and approach to responsible investments remain unchanged. However, the general investment approach will focus more on a top-down approach by, among other things, using Exchange Traded Funds (ETFs). We have selected ETFs with ESG screening and exclusion of sectors that follow our own policy. This includes also exclusion of companies with breaches of the principles under the UN Global Compacts, which is the framework of our policy.

In previous years' reporting of quantitative data, all data has been calculated at the end of the current year. In this report for 2022, we follow the same method of accounting, which means that we report solely on the new portfolio and as of 31 December 2022.

Portfolio – an overview
The portfolio analysed in this report includes all investments in the asset classes shown in the table below.

Investment allocation by asset class, Topdanmark, 31 December 2022 (%)

Asset class (CIC definitions)	Weight
Collateralised securities	1.3
Corporate and covered bonds	85.8
Equity	0.0
Government bonds	0.0
Investment funds Collective Investment Undertakings	7.9
Mortgages and loans	0.03
Property	5.0

Responsibility and organisation
Topdanmark's Board of Directors bears ultimate responsibility for the policy on responsible investments and the policy on active ownership. Topdanmark's investment team (front office) is responsible for the implementation of the policies in the investment strategies, and the supporting middle office is responsible for ensuring that the investments continue to meet the principles of our policies.

Thematic exclusions
Certain sectors are controversial by nature and are associated with excessive costs to society as a whole. This applies to the sectors stated in the table below. Topdanmark only invests in companies in which the majority of value creation is based on other activities. However, we do not exclude companies which only have a minimum of activities within the controversial area.

Activity	Threshold for percentage of investee company revenue (maximum)
Production of fuel based on tar sands	5%
Production of thermal coal	5%
Production of smoking tobacco	1%
Production of controversial weapons	1%

As at 31 December 2022, Topdanmark's proprietary investments did not violate any of the above-mentioned thresholds.

BACK TO CONTENTS

Active ownership

As active owners, Topdanmark will support the long-term value creation of the companies in which we invest. We exercise active ownership via our external partner by voting at the annual general meetings of both Danish and foreign companies, and by entering into dialogue with the companies. Dialogues take place if there is a verified breach of the UN Global Compact or in the event of a potential breach. If the dialogue does not lead to a change in conduct, it could lead to divestment.

Activities and evaluation 2022

In 2022, Topdanmark's active ownership was conducted on the new portfolio and more precisely on the Exchange Traded Funds (equal to approximately 77% our free portfolio) invested by an external partner. The external partner voted in 1,219 AGMs out of a possible 1,281 AGMs, equating to 95%.

Climate change and investments

We support the Paris Agreement and the target of limiting temperature rises to a maximum of 1.5 degrees. In 2022, Topdanmark joined the Science Based Target initiatives (SBTi) and the Net Zero Campaign. This means that we will plan for our investments to become CO_2 neutral no later than 2050. In 2023, we will define short-term and long-term targets that will be submitted to the SBTi no later than June 2024 for external validation against the Paris Agreement. After defining these targets, we will begin monitoring them and analyse the CO_2 emissions against a scenario that limits temperature rises to 1.5 degrees.

Regarding our share portfolio, we have conducted an analysis of CO_2 emissions for both individual companies and for our total portfolio. The analysis shows that 13.9 tonnes CO_2 per DKK million in revenue were emitted from the companies we invested in, which is 39%below a market-neutral benchmark (MSCI World). This indicates that the companies we have invested in are emitting less CO_2 than the general share market. See also the overview of CO_2 emissions from investments and the exposure to the oil and gas sector as well as our exposure to renewable energy in the table below.

Looking forward on investments

In 2023, our commitment to SBTi means that we will work on defining both short-term goals (not exceeding 10 years) and long-term goals to reduce CO_2 emissions from our investments. The first step is to establish a baseline of the CO_2 emissions from our investments and then define our targets, which will be submitted to SBTi for external validation no later than June 2024. Furthermore, we will consider whether any changes in our policies are needed, look at ESG from a broader perspective, and analyse our level of ambition.

ESG risks
Topdanmark's total ESG risk for the share portfolio is 20.5 against our benchmark of 21.5 (MSCI ACWI). The result indicates that our ESG risk is better than the benchmark.

Investments by sector, 31 December 2022 (%)

Fixed income	0.2
Money market	20.6
Covered bonds	68.0
Equities	4.2
Private equity	0.6
Property	3.9
Other	2.6
Total, mDKK	19,958

CO_2 emissions and exposure – overview 2022

	Unit	2022
CO_2 footprint	Tonnes CO_2/million DKK invested	1.7 (2021: 1.5) *
CO_2 emissions from investment assets	Tonnes CO_2	24.596 (2021: 22,101) *
Exposure to the oil and gas sector	% of shares	1.7 (2021: 1.6)
Exposure to renewable energy	% of shares	2.2 (2021: 4.9)

*Coverage in 2022 was 95% compared with 90% in 2021.

BACK TO CONTENTS

Appendix

Reporting in accordance with the EU taxonomy

Insurance business

In 2022, we continued our work on interpreting the EU taxonomy regulation and assessing the taxonomy *eligibility*.

Processes to analyse taxonomy eligibility
The first step is to assess how much of Topdanmark's total gross premiums (GPW) at a group level relate to our insurance activities listed in the taxonomy regulation. The lines of business (LoB) included in the taxonomy are the ones considered to have an impact on the overall goal of climate change adaptation.

Our conclusion is that 92.5% of our total premiums for 2022 for Topdanmark Forsikring A/S (2021: 92.4%) relate to activities listed in the regulation. The non-eligibility proportions of the total premiums for 2022 is 7,5% (2021: 7.6%). Premiums relating to "general liability insurance", "Change of ownership insurance" and "Income protection insurance", are not listed in the taxonomy and have therefore been deducted.

The second step is to assess whether the premiums related to activities listed in the taxonomy include cover against climate-related hazards listed in appendix A, Classification of climate-related hazards.

This assessment has been performed in each business area by product owners or persons with knowledge of the terms and conditions for the various products/contracts. Our interpretation of the taxonomy regulation is that as long as there is a climate-related factor for an activity (this could be products, at portfolio level, or in some cases large industrial contracts) total premiums must be assessed as eligible even though we have identified the following:
Property: We do not cover flooding from sea, fjords, lakes or streams.

Private property: In case of cloudbursts there will be a mandatory deductible (as noted only applicable for private property).

The following items are not exemptions, but it should be noted:

A.
In non-life insurance, we have a general exemption for claims caused by natural disasters including earthquakes in Denmark, the Faroe Islands and Greenland. But please note that natural disasters are defined as not caused by human activity.

B.
For property, flooding is covered by state funds.

C.
For commercial property, storms defined as storm damage are covered by state funds. The fund provides grants to replant forest after a storm. A state authority defines whether it is storm damage.

D.
There is no cover for damage caused by drought, but as at 1 July 2022, a new state fund cover was introduced regarding property.
The result from this assessment is that all the premiums relating to activities listed in the taxonomy have some climate-related cover and must therefore be reported as taxonomy-eligible.

The figures reported have been reconciled against Topdanmark's Solvency II reporting for 2022 as well as the 2022 Annual Report on an overall level.

EU taxonomy alignment
For the first time, in 2024 for the 2023 financial year we will report on the proportion of our insurance portfolio that is taxonomy-aligned. In 2022, we established a competence group that initiated the process of assessing whether any of our insurance products meet the technical criteria stated in the regulation. Our preliminary assessment, based on reading the criteria and internal discussions, is that we will most likely end up with no, or very few, existing products that will be considered to be taxonomy-aligned. The level of integration of the EU taxonomy regulation in Topdanmark's business strategy and future product development will be observed as part of our strategic sustainability work.

Investment

For the 2022 financial year, we must report For the 2022 financial year, we must report on the percentage of investments covered by the EU taxonomy based on revenue from Topdanmark's investment activities. The result is:

- 4.3% of market value of our investment assets is categorized as eligible and 95.7% is categorized as non-eligible.

Most of our investment assets is categorized as non-eligible. This includes bonds as well as cash-like assets. Topdanmark has no government bonds.

Method of analysing "eligibility"
We have followed the method from 16b of the Final Report on Draft Regulatory Technical Standards, published on 22 October 2021. We received data for the calculation of the percentage from our ESG collaboration partner.

We received data on the companies we have invested in. This is data on how large a proportion of the companies' revenue is regarded as being covered by the EU taxonomy.

The investments for which we do not have any data are entered in the statement as being 0% covered by the taxonomy.

We then weighted our investments in reference to the proportion considered to be covered by the taxonomy, and thus reached the total amount for investment activities covered by the taxonomy.

Our property investments are included in the statement as being 100% covered by the taxonomy.

EU taxonomy alignment
In 2024, we will report on our investment alignment with the EU taxonomy based on the technical criteria.

ESG risks mapping

Below is an overview of the major ESG risks identified in the pilot project described on page 12. The process of integrating the ESG risk assessment in our ordinary ORSA (Own Risk and Solvency Assessment) process will continue in 2023. Therefore, the result in 2022 is not considered final.

Note that risks related to investments are not included due to the divestment of Topdanmark Liv Holding A/S and a new investment portfolio (primary Exchange Traded Funds) per mid November 2022. However, note that the selected Exchange Traded Funds are ESG screened and excluding investments in controversial weapons, nuclear weapons, tobacco, thermal coal, tar sands, violations to the UN Global Impact initiative, and civilian firearms. Please refer to Topdanmark's CDP Report 2022 for information regarding climate risks as the report includes a detailed description of climate risks (link).

Category 1

Climate and environmental conditions, social conditions and governance which currently or potentially could have an adverse effect on Topdanmark's financial results, either directly or indirectly. Internally, the risks are assessed based on probability and impact on bottom line.

Environment	Social	Governance
Physical risks Climate change Natural disasters, storms, cloudbursts tsunamis etc. Major fires caused by drought/climate change Transition risks Disruption/ Increase in sharing economy Legal requirements	Internally Lack of qualified manpower Increased/high turnover of staff Case of occupational injury at Topdanmark Customers Inadequate training results in misjudgements in claims handling Incorrect payments Non-compliance with GDPR Data leaks/data breaches (from own systems or from suppliers) System failure Cybercrime	Fraud Non-compliance Low ESG rating Lack of diversity

Category 2

Risks of Topdanmark having or potentially having an adverse impact on climate or environmental conditions, social conditions – both directly and indirectly through business activities and in business operations. Internally, the risks are assessed based on probability.

Envrironment		Social		Governance	
Indirectly through suppliers and customers	Negative impact on climate and the environment	Lack of compliance with GDPR Data leaks/data breaches System failure/cybercrime	Negative impact on the customers' right to data security and right to privacy	Lack of diversity	Negative impact on the right to non-discrimination
		Incorrect payments	Negative impact for the customer/the right to social security		
		Case of occupational injury at Topdanmark Food poisoning in the canteen	Negative impact for the right to a healthy and safe place to work		

ESG performance data

As part of our annual reporting, we include an overview of performance data related to our sustainability programme. The overview also includes the ESG key data recommended by FSR Danske Revisorer (Danish Auditors). All data is prepared in accordance with our reporting principles described on page 78.

Further, ESG data and information can be found in our ESG Fact Book for 2022. Data marked with dusty rose colour includes both 'continued and discontinued operations'. Therefore, some historical data are not comparable with 2022 data.

Environment – Green transformation	Unit	2022	2021	2020	2019	Target (timeframe)
Journey towards zero emissions						
CO_2e emissions scope 1	Tonnes	887	1,458	1,352	1,427	
		788	1.342	1.244	1.312	
CO_2e emissions scope 2 – location-based	Tonnes	2,357	-	-	-	
		2,195	-	-	-	
CO_2e emissions scope 2 – market-based	Tonnes	2,638	2,020	2,123	2,322	CO_2-neutral in 2030 (70% reduction of CO_2-emissions compared to 2019 and climate compensation for the remaining part)
		2,460	1.858	1.953	2.147	
CO_2e emissions scope 3 within target (water, waste, business travel, i.e. flights and business travel in own cars - location based)	Tonnes	2,616	1,993	2,549	3,388	
		2,444	1.834	2.345	3.117	
CO_2e emissions scope 1, 2 and 3 within target (market-based) – total	Tonnes	**6,140**	**5,472**	**6,023**	**7,137**	
		5,692	**5.034**	**5.541**	**6.566**	
CO_2e emissions scope 3 – out of target (taxis, accommodation, paper, cloud service, IT equipment, employee commuting, resold IT devices)	Tonnes	1,572	-	-	-	
		1,363				
CO_2e emissions total – location-based	Tonnes	**7,431**	-	-	-	
		6,791				
CO_2e emissions total – market-based	Tonnes	**7,712**	-	-	-	
		7,056	-	-	-	
CO_2e emissions total per employee (marked based)	Tonnes/Headcount	3.11	2.3	2.45	3.0	

Energy consumption (electricity and heating)	GJ	42,952	50,274	47,741	47,198	Reduction of 15% in 2030 compared with 2019
		39,486	46,202	43,874	43,375	
Renewable energy share	%	12.7	10.3	11.4	11.3	
Green workplace						
Paper consumption	Tonnes	9.2	12.7	14.5	26.6	50% reduction (2025 compared with 2021)
Single-use plastic items	No. of items	75,526	75,188	395,161	519,565	70% reduction (2025 compared with baseline 2021)
Water consumption	m3	8.352	7.262	10.651	15.235	
Customer solutions						
New products or services that benefit the climate or environment	Number	0	1	-	-	Five new products or services (2025)
Circular economy						
Repair of car bumpers	%	31.9	28.0	-	-	Increase the percentage (2025 compared with baseline 2021)
Repair of windows	%	30.9	40.9	41.3	41.7	Percentage of 45% (2025)
Used spare parts in repair	%	2.53	2.05	1.90	1.80	Percentage of 4% (2025)
Repair of phones, computers and tablets	%	66	72	69	70	Percentage of 72% (2025)
Social – Health and well-being in everyday life	**Unit**	**2022**	**2021**	**2020**	**2019**	**Target (timeframe)**
A healthy workplace						
Full-time employee (end of year)	Number	2,143	2,374	2,456	2,358	
Part-time employees	%	7.1	7.8	8.2	8.5	
Engagement survey 1)	Points	81	80	78	76	79 points (2025)
Absence due to illness	%	3.2	2.6	2.4	2.7	Below industry level (ongoing))
Absence due to illness - industry level	%	-	2.8	2.6	3.1	
Employee turnover	%	13.4	16.1	11.1	13.9	At industry level (ongoing))
Employee turnover - industry level	%	14.6	15.5	14.4	12.4	
FTEs on collective agreement	%	97	97	97	97	

A healthy life for our costumers						
Registered users of Sundhedshjælp(digital health care app)	Number	95,928	46,507	-	-	150,000 registered users (2025)
Consultations on Sundhedshjælp	Number	13,059	4,503	-	-	30,000 consultations (2025)
Social and financial security						
Transactional Net Promoter Score 1)	Points	56.4	56.4	55.4	-	70 points (2025)
Employee training in Information Security	%	N/A	100	67	-	
Governance – Responsible foundation	**Unit**	**2022**	**2021**	**2020**	**2019**	**Target (timeframe)**
Ethical guidelines						
Employee training in Code of Conduct	%	95	-	-	-	
Diversity and inclusion						
Gender distribution in Board of Directors	Number of w/m elected at AGM	2/4	2/4	2/4	2/4	Minimum two people of each gender elected to the Board of Directors at AGM (2025)
Gender distribution in Board of Directors - total	% women including employee representative	44	44	44	44	
Gender distribution in the Group Executive Management (level 1)	% w/m	29/71	33/67	-	-	
Gender distribution in management levels 1 & 2	% w/m	31/69	21/79	21/79	21/79	Max. 60% of one gender (2025) [2)]
Gender distribution at all management levels	% w/m	36/64	40/60	41/59	41/59	Max. 60% of one gender (2025)
Gender distribution in succession planning	% w/m	50/50	47/53	29/71	54/46	Max. 60% of one gender (2025)
Gender distribution in workforce	% w/m	41/59	42/58	42/58	43/57	
Gender pay gap	Number of times male median salary covers female median salary	1.3	1.3	1.3	1.4	
Attendance at board meetings	%	97.6	98.9	98.9	91.6	
Pay gap between CEO and employee	Number of times the CEO salary covers the median employee salary	20.2	17.7	13.5	13.8	

Sustainability in supply chain						
ESG screening of suppliers during tender process	%	100	-	-	-	All suppliers in the ESG focus group that Topdanmark signs a contract with have been screened for ESG risks, compliance and sustainability in the tender process (2025)
Code of conduct in new contracts	%	66	-	-	-	Code of Conduct is integrated into all new supplier contracts, either in the form of Topdanmark's CoC for suppliers or in the form of the supplier's own CoC (2025)
Stock goods labelled with an internationally recognised eco-label	%	53.3	-	-	-	70% of all stock goods are labelled with a recognised eco-label (2025)
Tax payment						
Direct corporate tax	mDKK	252	604	329	441	
Direct income tax	mDKK	900	936	921	882	
Indirect payroll taxes	mDKK	284	290	274	256	
VAT	mDKK	36	39	19	20	
Insurance premium taxes	mDKK	94	94	90	159	
Other indirect taxes and equivalents	mDKK	467	2,488 [3)]	1,684 [3)]	-	
Withholding tax	mDKK	361	202	85	-	

1) Data covers the second engagement survey — out of two - conducted in 2022.
2) Topdanmark's target is based on a non-binary approach to gender. To comply with Danish law (based on a binary understanding of gender, i.e.female and male) we have to set a target for the underrepresented gender management level 1 and 2. This target is: Minimum 40% of the underrepresented gender (either male or female) at management levels 1 and 2 in 2025. For 2022, the number was 31 % female and 79% male.
3) These figures have been corrected compared to the figure in the Sustainability Report 2021 due to error.

Accounting principles

Overall approach
We have established a formal process for data collection for non-financial reports. This is to ensure consistency in the data collection and validation process. To ensure data consistency, data has been defined and described in business procedures. Internal control procedures have been established to ensure that the data is reported according to the definitions.

Environment: Green transformation

Environmental data covers the actual consumption from Topdanmark HQ, and Viby office and estimated consumption from remaining operations without recorded data. The reporting period for the year 2022 runs from 1 January 2022 to 31 December 2022. Data is retrieved from various internal systems and external accounting. We report our CO_2e emissions based on the Greenhouse Gas Protocol.

CO_2e emissions scope 1
Scope 1 comprises CO_2e emissions using gas for heating and from the usage of company cars. The emissions from heating are calculated on the basis of gas consumption. For transport by company car, emissions are calculated based on the consumption of petrol and diesel, converted to the number of kilometres travelled. Data includes both private and business travel.

CO_2e emissions scope 2
Scope 2 comprises CO_2e emissions from district heating and electricity supplied by external suppliers. The emissions from district heating (also used for cooling) are calculated on the basis of district heating consumption. Scope 2 emissions from electricity are reported in accordance with the market-based and location-based methodology from the Greenhouse Gas Protocol Guidance.

CO_2e emissions scope 3
Scope 3 comprises CO_2e emissions from Waste, Purchased goods and services (water, paper, cloud services), Capital goods (IT equipment), Business travel (taxis, accommodation and business travel in own cars and flights) and Employee commuting.

Waste: Emissions are calculated based on the actual amount of waste at HQ and the office in Viby, while waste from more minor sites is based on data from HQ. **Water:** Emissions are calculated based on actual consumption of water at HQ and the office in Viby, while water consumption at more minor sites is based on data from HQ. **Paper:** Emissions are calculated based on paper purchased in the financial year in review. **Cloud service:** Emissions are calculated based on users. **IT equipment:** Emissions are calculated based both on the number of units purchased in the year of review. Resold IT: the number of units sold for upcycling, recycling and scrap. **Taxis** (fossil fuel based as well as electric taxi): Emissions are calculated using the total number of kilometres travelled by taxi by the end of the year. **Accommodation** (national and international): Emissions are calculated using the number of guests multiplied by the number of nights equal to guest nights. **Business travel in own cars**: Emissions are calculated based on combined number of kilometres for all cars. This number is calculated based on the amount repaid per mileage. The amount per mile is set by the government. **Flights:** Emissions are calculated based on data on three types of flights (<463 km flight one-way, 463-3700 km flight one-way and >3700 km flight one-way) – both from data collected internally and from external operators. **Employee commuting:** Emissions are calculated based on information on commuting habits regarding frequency and mode of transportation collected by a survey. Exceptions are: insurance agents, appraisers and employees driving company cars.

CO_2e emissions per employee
CO_2e emissions per employee (tonnes/headcount are calculated based on the total amount of CO_2e emissions (tonnes) and the number of head counts on the locations as per 31 December of the reporting year.

Energy consumption: Calculation of energy consumption is based on consumption of natural gas, petrol and gasoline, electricity (including own produced electricity) and district heating. Energy consumption = sum (used fuel type (t) * energy factor per fuel type) for each fuel type + (used) electricity (including sustainable energy) (MWh) * 3.6) + (used district heating including sustainable sources (GJ)).

Renewable energy share scopes 1 and 2: The percentage of renewable energy within scopes 1 and 2 is calculated as the amount of electricity that is produced by Topdanmark's own solar panels divided by the total amount of consumption of electricity multiplied by 100.

Paper use: Internal calculation of paper and paper articles purchased in the financial year in review.

Single-use plastic items: Internal calculation based on purchase of plastic disposables for all locations and the staff canteen at the head office. This includes cups, glasses, buckets, cutlery, plates, disposable gloves, bags and plastic bags of various kinds.

Water consumption: Calculated based on the actual consumption of water at HQ and the office in Viby, while water consumption at the more minor sites is based on average data from HQ.

Emissions factors

Activity	Emission factor reference
Fuel	ADEME, 2022; BC V.8.8; Drivmedel, 2021; Swedish EPA, 2022
Electricity	ADEME, 2022; BC V.8.8; Ecoinvent v.3.91; EI, 2022
District heating	BEIS; Euroheat & Power, 2017; IEA; Swedish EPA
Business travel	BEIS, 2022; CHSB, 2021; Naturvårdsverket, 2021; Trafikverket, 2019
Purchased goods and services	BEIS, 2021 & 2022; Google, 2012 & 2021; IPCC, 2014
Capital goods	Apple, 2016–2022; Dell, 2014 & 2021; Konica Minolta, 2018; Seagate, 2013–2020; South Pole's database, 2023
Employee commuting	BEIS, 2022; Mobitool, 2020; Naturvårdsverket, 2021 & 2022; South Pole's database, 2023
Fuel and energy-related activities	ADEME, 2022; BC V.8.8; BEIS; Ecoinvent v.3.9.1; EI, 2022; Euroheat & Power, 2017; IEA; Swedish EPA; Värmeforsk, 2011
Waste	BEIS, 2021; Ecoinvent v.3.9
End-of-life of sold products	BEIS, 2021

See further information on the calculation of the CO_2e emissions in the full Accounting Report in appendix.

New products or services that benefit climate or the environment: The number of products or services that comply with our criteria for "green products" (see page 46).

Repair of car bumpers: The percentage is calculated as the number of car bumpers that have been repaired as opposed to discarded and replaced by a new product divided by the total number of damaged car bumpers multiplied by 100.

Repair of windows: Internal calculation. The percentage is calculated as the number of car windows repaired divided by the total number of damaged car windows multiplied by 100. These are exclusively car windows which are covered by Topdanmark's glass cover under motor insurance. This does not apply to glass damage in connection with dent/combination damage.

Used spare parts in repair: Internal calculation. The percentage is calculated as the number of used spare parts purchased for repair of private and commercial vehicles divided by the total number of spare parts multiplied by 100.

Repair of phones, computers and tablets: Internal calculation of the percentage of repair of telephones, computers and tablets sent to our main collaboration partner, compared with the total number of damaged items.

Social: Health and well-being in everyday life

Number of full-time employees: Internal calculation covering the total number of employees converted to full-time employees (FTE), i.e. including part-time positions as at 31 December in the financial year in review. The figure does not include personnel indirectly employed by Topdanmark in outsourced activities.

Part-time employees: The number of employees not working full time as a percentage of the total number of FTEs (average).

Engagement survey: Based on the replies to questionnaires, the replies are converted to index numbers on a scale of 0 to 100. As of 2022, the survey is conducted twice per year. The number here is the result from the second survey.

Absence due to illness: The percentage is calculated based on the number of sick hours compared to the number of standard hours. Hourly-paid employees are not included. Absence due to illness – industry level: Data is obtained from a statement by Finansforbundet (Financial Services Union Denmark) of absence due to illness within the industry. Data is for 2021, as data for 2022 was not available before concluding this report.

Employee turnover: The percentage of employees who left the company voluntarily, were discharged, retired or left the company for other reasons. The number also includes terminated temps, but not hourly-paid employees. Employee turnover – industry level: Data is obtained from a statement by Finansforbundet (Financial Services Union Denmark) on staff turnover within the industry.

Registered users of Sundhedshjælp: Number of people with a registered user profile in Sundhedshjælp. Data is obtained from our external partner, Teladoc.

Consultations on Sundhedshjælp: Number of people who have had one or more consultations via Sundhedshjælp. Data is obtained from our external partner, Teladoc.

Transactional Net Promoter Score (tNPS): The percentage of customers who were contacted after having either a telephone call with Topdanmark or after log-in to Mit Topdanmark. The tNPS is calculated as share of "promoters who replied 9–10" minus the "detractors who replied 0–6" multiplied by 100. The question being: To what extent would you recommend Topdanmark to others?

Employee training in Information Security: The number of FTEs (average) who have completed and passed the e-learning module on Information Security divided by the total number of FTEs (average) multiplied by 100.

Governance: Responsible foundation

Employee training in Code of Conduct: The number of FTEs (average) who have completed and passed the e-learning module on the Code of Conduct divided by the total number of FTEs (average) multiplied by 100.

Gender distribution in Board of Directors: Number of w/m elected at the AGM.

Gender distribution in Board of Directors: The percentage is calculated as the number of women, both those elected at the AGM and employee representatives, divided by the total number of members of the Board of Directors multiplied by 100.

Gender distribution in Group Executive Management: Group Executive Management consists of two members of the Executive Board and five additional C-level managers. The percentage of women and men in Group Executive Management (GEM) is calculated as the number of women/men in the GEM divided by the total number of members of the GEM multiplied by 100.

Gender distribution in management levels 1 & 2: Level 2: Directors who report to Group Executive Management (level 1). The percentage of women and men at management levels 1 & 2 (ML 1 & 2) is calculated as the number of women/men in ML 1 & 2 divided by the total number of members of ML 1 & 2 multiplied by 100.

Gender distribution at all management levels: The percentage of women and men in management levels 1 & 2 (ML 1 & 2) is calculated as the number of women/men in ML 1 & 2 divided by the total number of members of ML 1 & 2 multiplied by 100.

Gender distribution in succession: The percentage is calculated as the number of women/men (levels 1 & 2) on the succession list divided by the total number of people on the list multiplied by 100.

Gender distribution in workforce: The percentage is calculated as the number of women/men in the workforce divided by the total number of employees multiplied by 100.

Gender pay gap: Calculated as the number of times a male median salary can cover a female median salary. Male median salary divided by female median salary.

Pay gap between CEO and employee: Calculated as the number of times the CEO's salary can cover the median salary: CEO remuneration divided by the median employee salary. Median is used to compensate for extremes.

Attendance at board meetings: Total sum of meetings attended by each board member divided by the number of meetings in total for each member multiplied by 100.

ESG screening of suppliers during tender process: The percentage is calculated as the number of new contracts entered by our Procurement department in 2022 for which an ESG screening has been performed during the tender process, divided by the total number of new contracts in 2022 among suppliers in our ESG focus group multiplied by 100.

Code of conduct in new contracts: The percentage is calculated as the number of new contracts entered into by our Procurement department in 2022 for which Topdanmark's Code of Conduct or the supplier's own Code of Conduct is included, divided by the total number of new contracts as per 31.12 multiplied by 100.

Stock goods labelled with an internationally recognised eco-label: The percentage is calculated as spend on purchased stock goods with an internationally recognised eco-label divided by the total spent on purchased stock goods.

Climate reporting in accordance with industry recommendations

The industry recommendations on climate reporting from Insurance & Pension Denmark (IPD – Forsikring & Pension) consist of two parts:

Part 1: "The comply or explain principle". This means that the company must present the full reporting template. For the elements in the report for which the company wants to disclose information, the relevant information is shown. For the elements in the report for which the company does not want to disclose information, the company will write a short explanation as to why the information is not disclosed.

"O" indicates that it is obligatory to disclose a target figure for 2030, and "V" indicates that it is voluntary to disclose a target figure.

Part 2: Voluntary, for which reason "the comply or explain principle" is not applied.

Note. Data marked with dusty rose colour includes both 'continued and discontinued operations' and therefore, not comparable with 2022 data.

Part 1: The comply or explain principle

	Unit	Target	2022	2021	2020	2019	Reference
Dialogues on energy improvements, etc. in connection with customer contact (V)	(Reference)	-	-	-	-	-	See page 47
Payments for damage prevention (V)	%	-	0.2	0.4	-	-	
Topdanmark's own emissions	**Unit**	**Target**		**2021**	**2020**	**2019**	**Reference**
CO_2e– Scopes 1 + 2 (O)	Tonnes	CO_2e neutral in 2030	3,248	3,478	3,475	3,705	See page 78
Percentage of renewable energy – purchased (V)	%	-	0	0	0	0	
Percentage of renewable energy – produced (V)	%	-	12.7	10.3	11.4	11.3	
Energy consumption (V)	GJ	15% reduction in 2030	39,486	50,274	47,741	47,198	

Part 2: Voluntary reporting

	Unit	Target	2022	2021	2020	2019
CO_2 emissions from investment assets	Tonnes CO_2	-	24.596	22,101	-	-
CO_2 footprint	Tonnes CO_2/mDKK invested	-	1.7	1.5	-	-
Sales of policies that meet the EU's sustainability criteria	%	-	92.5	92.4	-	
Topdanmark's own emissions						
CO_2 – Scope 3 1)	Tonnes CO_2	CO_2e neutral in 2030	2,444	1,953	2,549	3,378
CO_2 – Scope 3 2)	Tonnes CO_2	-	1,363	-	-	-
Paper consumption	Tonnes	70% reduction in 2025	9.2	12.7	14.5	26.5

1) The data includes scope 3 categories that are part of our target for zero emissions, i.e. flights, business travel in own cars, water and waste.
2) The data includes additional scope 3 categories such as employee commuting, that is not part of our target.

Accounting principles

Part 1: The comply or explain principle

Payments for damage prevention: Calculated in accordance with the change executive order no. 1592 of 9/11 2020 and section 37(1) of the Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds on the percentage of expenses of the total indemnity costs.

CO_2 scope 1 and scope 2: Calculated in accordance with the GHG Protocol. It includes the consumption of natural gas, driving in company cars (scope 1) and consumption of district heating (scope 2). See further information on page 78.

Percentage of renewable energy – produced: Calculated in accordance with the GHG Protocol. The energy has been produced by two solar panels.

Energy consumption: Calculated in accordance with the GHG Protocol. See further information on page 78.

Part 2: Voluntary reporting

CO_2 emissions from investment activities: Calculated in accordance with "The CO2 model for the financial sector" prepared by Finance Denmark and Insurance & Pension Denmark. 99.4% of investment activities are included in the statement.

CO_2 footprint: Calculated in accordance with "The CO2 model for the financial sector" prepared by Finance Denmark and Insurance & Pension Denmark. 99.4% of investment activities are included in the statement.

Sales of policies that meet the EU's sustainability criteria: See page 72.

CO_2 scope 3: See information on page 78.

Paper consumption: Calculated as the total amount of paper purchased for business operations, customer communication, etc. See further information on page 78.

Discontinued operations: General and ESG data

The following overview includes relevant general and ESG data on our "discontinued operations", Topdanmark Liv Holding A/S, which was sold as at 1 December 2022. The data covers the period from 1 January to 30 November 2022 unless otherwise noted.

General data	Unit	2022	Accounting principles
Market share [1)]	%	8.2	Market share of commercial life insurance companies based on data from 2020. Internal calculation based on the annual reports of competitors and Topdanmark. The calculation is based on premiums and deposits including investment contracts.
Private customers	Number	180,589	N/A
Commercial customers	Number	29,331	N/A
People with group life insurance	Number	73,628	N/A
tNPS	Point	56.4	Data includes both discontinued and continuing operations and is as at 31 December 2022.
Rulings by the Insurance Complaints Board	Number	13	Closed cases on life insurance brought before the Insurance Complaints Board.
Proportion of decisions in Topdanmark Livsforsikring's favour	%	92.3	The percentage of rulings in which Topdanmark was successful in relation to all closed cases.
Environment	**Unit**	**2022**	**Accounting principles**
CO_2e emissions scope 1	Tonnes	98	See page 78. Data covers the whole of 2022.
CO_2e emissions scope 2 – location-based	Tonnes	162	See page 78. Data covers the whole of 2022.
CO_2e emissions scope 2 – market-based	Tonnes	177	See page 78. Data covers the whole of 2022.
CO_2e emissions scope 3	Tonnes	381	See page 78. Data covers the whole of 2022.
CO_2e emissions – total – location-based	Tonnes	641	N/A
CO_2e emissions – total – market-based	Tonnes	657	N/A
CO_2e emissions per employee	Tonnes/headcount	2.13	N/A
Energy consumption (electricity and heat)	GJ	3,466	See page 78. Data covers the whole of 2022
Renewable energy share	%	12.1	See page 78. Data covers the whole of 2022.

Social	Unit	2022	Accounting principles
Full-time employees (end of year)	Number	304	Internal calculation covering the total number of employees converted to full-time employees, i.e. including part-time positions as at 31 December in the financial year in review.
Part-time employees	%	5.2	The number of employees not working full time as a percentage of the total number of FTE (average).
Absence due to illness	%	2.4	The percentage is calculated based on the number of sick hours compared with the number of standard hours. Hourly-paid employees are not included. Absence due to illness – industry level: Data is obtained from a statement by Finansforbundet (Financial Services Union Denmark) on absence due to illness within the industry.
Employee turnover	%	11.0	The percentage of employees who left the company voluntarily, were discharged, retired or left the company for other reasons. The number also includes terminated temps, but not hourly-paid employees.
Customer			
Claimants who were fully fit to return to work after an incident	%	51	The percentage is calculated as the number of claimants who finished individualised programmes in 2022, and who were fully fit to return to work compared with the total number of claimants who finished individualised programmes.
Claimants (fully fit to return to work) who actually returned to work, either full time or part time	%	82	The percentage is calculated as the number of people who were fully fit to return to work after individualised programmes and actually returned to work compared with the total number of people who were fully fit to return to work.

Governance	Unit	2022	Accounting principles
Gender distribution in Board of Directors	Number of w/m elected by the AGM	2/1	The percentage is calculated as the number of women/men in the Board of Directors divided by the total number of members of the Board multiplied by 100.
Gender distribution in Board of Directors in total	% women including employee representatives	60	The percentage is calculated as the number of women elected both at the AGM and as employee representatives, divided by the total number of members of the Board of Directors multiplied by 100.
Gender distribution in management levels 1 & 2	% w/m	50/50	The percentage of women and men in management levels 1 & 2 (ML 1 & 2) is calculated as the number of women/men in ML 1 & 2 divided by the total number of members of ML 1 & 2 multiplied by 100.
Gender distribution at all management levels	% w/m	43/57	The percentage of women and men in management levels 1 & 2 (ML 1 & 2) is calculated as the number of women/men in ML 1 & 2 divided by the total number of members of ML 1 & 2 multiplied by 100.
Gender distribution in workforce	% w/m	54/46	The percentage is calculated as the number of women/men in the workforce divided by the total number of employees multiplied by 100.
Attendance at board meetings	%	100	Total sum of meetings attended by each board member divided by the number of meetings in total for each member multiplied by 100.

Sustainable Development Goals and the UN Global Compact

Themes in the report	Sustainable development goals	UN Global Compact Principles
Health and welfare in everyday life		
A healthy workplace: Health, well-being, and prevention for employees	SDG 3: Good health and well-being. Specifically, target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	Principle 1 (specifically the human right named "The right to health")
A healthy life for customers: Customer solutions	SDG 3: Good health and well-being. Specifically, , target 3.4: See above. SDG 17: Partnerships for goals. Specifically, target 17.17: Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships, data, monitoring, and accountability.	Principle 1 (specifically the human right named "The right to health")
Health and society: Knæk Cancer, the Danish Blood Bank and Doctors Without Borders	SDG 3: Good health and well-being. Through our partnerships, we indirectly contribute to: target 3.1: By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births; Target 3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases; Target 3.4: See above. SDG 17: Partnerships for goals. Specifically, target 17.17: See above.	Principle 1 (specifically the human right named "The right to health")
Social and financial security	N/A	Principle 1 (Specifically "The right to social security" and "The right to a fair complaints process")
Data security: Protection of personal data	N/A	Principle 1 (specifically the human right named "The right to privacy")
Green Transformation		
Green workplace: CO_2 neutral by 2030 and reduction of paper and single-use plastic items	SDG 12: Responsible consumption and production. Specifically, target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse. SDG 13: Climate action. Specifically, target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Principles 7, 8 and 9
Customer solutions: Prevention, CO_2 reduction, and climate-friendly buildings	SDG 12: Responsible consumption and production. Specifically, target 12.5: See above. SDG 13: Climate action. Specifically, target 13.1: See above. SDG 17: Partnerships for goals. Specifically, target 17.17: See above.	Principles 7, 8 and 9

Circular economy: Reuse and repair in claims handling	SDG 12: Responsible consumption and production. Specifically, target 12.5: see above.	Principles 7, 8 and 9
Responsible foundation		
Diversity and equality: Women in management	SDG 5: Gender equality. Specifically, target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	Principle 6 (Specifically the human right named "The right to non-discrimination") Principle 2
Skills of the future: Education, competence development, and trainees	SDG 8: Decent work and economic growth. Specifically, target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education, or training. *NB: The deadline for this target has passed, however, we continue to work with education of youth within the financial sector.*	Principle 3 Principle 6
Sustainability and customers: Screening of business customers	N/A	All principles
Sustainability in the supply chain: ESG screening, sustainable procurement	SDG 12: Responsible consumption and production SDG 13: Climate action	All principles
Anti-corruption and anti-bribery	N/A	Principle 10

The ten principles of the UN Global Compact

Human Rights
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour Rights
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment
Principle 7: Businesses should support a precautionary approach to environmental challenges.
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Read more about the sustainable development goals here
Read more about the Global Compact principles here

Links to policies, reports and other information

A more sustainable Topdanmark
ESG Fact Book for 2022
CDP Report – latest version (2021)
TCFD Report 2022
Topdanmark as an organisation, management, board of directors and financial reports

Health and well-being in everyday life
Conditions of employment
Responsible sales
Fair claims handling
How we process personal data
Digital security
Ethical Principles for AI

Green transformation
Climate and environment policy
Bicycles for reuse
Fewer chemicals in farming
A helping hand to farmers during climate change

Responsible foundation
Corporate governance
Whistleblower scheme
Policy on responsible investment
Policy for active ownership
Code of conduct – internal
Code of conduct for suppliers
Topdanmark as a workplace and career opportunities
Anti-corruption and anti-money laundering
Lobbyism and political support
Data ethical principles
Policy on diversity and the underrepresented gender in management
Remuneration policy
Human Rights policy
Sustainability Policy
Anti-corruption policy

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