



Sustainability report 2023

Topdanmark A/S
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Topdanmark 

About this report

This Sustainability Report 2023 covers the activities of Topdanmark A/S for the financial year 1 January 2023 to 31 December 2023. The report provides an overview of progress on our ESG programme and 2023 targets as well as related performance data within the areas of environment, social and governance (ESG). The report represents our annual statutory sustainability report and constitutes our statutory report on Corporate Social Responsibility (see sections 132, 132a, 132b and 132d of the Danish Executive Order no. 937 of 27 July 2015 with later amendments on Financial Reports for Insurance Companies and Lateral Pension Funds). The report is part

of Topdanmark's financial reporting 2023, as there is a reference to it in the management report. The report applies to all companies within Topdanmark Group ("Topdanmark"). As of 1 December 2023, Topdanmark has acquired the company Oona Health A/S. Selected ESG data on Oona Health A/S for December 2023 is included in the report in a separate section – thus, the data is not consolidated with Topdanmark's ESG data except for EU Taxonomy reporting on underwriting activities.

As part of KPMG's auditors' report on Topdanmark's annual report for 2023, KPMG has performed a consistency check of the

management review, including Topdanmark's Sustainability report, which represents Topdanmark's statutory statement on corporate social responsibility, gender diversity at management level and data ethics presented in accordance with Sections 132, 132a and 132d of the Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds (Nationwide Occupational Pension Funds) as well as Topdanmark's climate reporting in line with Insurance & Pension Denmark's industry recommendations.



Preface

When talking about sustainability, we tend to focus on climate change which affects us all. It is a logical conclusion to the numerous climate records and weather extremes we see. Maybe that is why we sometimes forget that the term sustainability covers more than just climate.

At Topdanmark, we work holistically with sustainability within three areas: Green transformation (E), Everyday wellbeing (S) and Responsible foundation (G). We do so based on our sustainability aspiration: We are here to help our customers and the society we are part of.

Topdanmark fundamentally wants to contribute to the citizens' physical and mental health by supporting public healthcare offerings in a close and constructive collaboration. Just as we rethought the retirement pension system, which now is one of the best in the world, we should also rethink our healthcare system, thus we can ensure the right opportunities for better healthcare in Denmark in the future. We consider investing in the good health of the citizens a win-win situation, as the more citizens who avoid being affected by severe illness, stress, anxiety or depression, the better for the individual citizen's health and opportunities of living a good life, as well as better for companies and for us as a group, and for society in general.

In December 2023, we could celebrate a major milestone as we completed the acquisition of

Oona Health A/S and subsidiaries, including Dansk Sundhedssikring. Thus, we are now able to realise our ambition of together creating a strong, market leading position within health solutions for the Danes and Danish companies. Topdanmark and Oona Health is a strong strategic match as we see health solutions as a strategic focus area of any insurance company for years to come, not least in terms of customer loyalty and market growth.

As one of the country's leading insurance companies, we at Topdanmark are in dialogue with a great many customers every year, and we offer them a range of products and services within both prevention and health. I.e., we have a specific rehabilitation programme for our commercial customers and in 2023, we were able to report 86% customers with injuries fit to return to work after completing the individualised rehabilitation programme. We constantly try out new methods and tools such as the so-called exoskeletons, a mechanical construction which helps the individual person ease their repetitive physical labour and thus retain their job. Moreover, nearly 140,000 of our customers are already registered users of our digital health care app, Sundhedshjælp, which provides quick and easy access to a doctor online as a supplement to their own medical physician.

Topdanmark is good at what we do, and that is helping our customers, both before, during

and after a claim. But we are not only helping our own customers, in 2023, Topdanmark introduced a new community programme focusing on prevention and public health to strengthen physical and mental health. As part of the community programme, we have entered a collaboration with the national voluntary organisation FitforKids, which helps vulnerable children and young people. And in 2024, we will continue to work to strengthen the health and wellbeing of children and young people.

Social responsibility and sustainability should be part of everything that Topdanmark does. Therefore, social, environmental and financial sustainability is part of our business. We support international conventions and commitments such as the UN Global Compact, the Paris Agreement, and the Science Based Targets initiative (SBTi), and we persist our efforts on progress and our ambitious work on sustainability which you can read more about on the following pages.

We hope you enjoy reading our Sustainability Report.



Peter Hermann
Group CEO



Lars Kufall Beck
CFO, Topdanmark

Introduction



Topdanmark in brief

Topdanmark's purpose is to help our customers. As one of the largest non-life insurance companies in Denmark, we play an important financial and social role for many citizens, companies and farmers – and have done so since the foundation in 1899.

With our products and services, we help before, during and after a claim. We are proactive and assist our customers with prevention, so that damage and injuries do not occur or is mitigated, and we promote wellbeing 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 according to the terms and conditions in the product policy.

Customers

We offer a wide range of non-life products and services to private, commercial, and agricultural customers. We also promote life insurance and health products via distribution agreements with Nordea Pension. In 2024, we will also promote health products via our subsidiary, Dansk Sundhedssikring A/S. We focus on advisory excellence, digital convenience and making sustainable choices easier.

Financial key figures 2023

DKKm 10,197
insurance revenue

DKKm 1,051
net profit

DKKbn 15
in investment assets

85.6
in combined ratio

Through our business model, position in the market and core business activities, Topdanmark aims to facilitate sustainable development and deliver long-term value for our customers, employees, shareholders, and the society we are part of. We do so in close collaboration with competent and innovative alliance partners within all our business areas and customer segments.

Business changes in 2023

As of 1 December 2023, Topdanmark has acquired Oona Health A/S ("Oona Health") with its subsidiaries, Dansk Sundhedssikring A/S, PrimaCare A/S, and the Swedish company DSS Hälsa AB. Oona Health has +250 employees. Oona Health continues as an individual company and brand with Topdanmark as active owner and partner.

Topdanmark insures

every **4th**
insured Dane

every **2nd**
farm

every **6th**
company

Employees

Our employees are the strongest asset we have, and we strongly focus on creating a workplace that supports their wishes and needs, and that accommodates everyone. Creating a workplace with a diverse and inclusive culture in which our employees thrive and experience a sense of belonging is essential to us. As such, we have taken a bottom-up approach to working with diversity, equity, inclusion and belonging (DEI&B), by creating an employee working group which focuses on setting the direction for Topdanmark's future work on this very important agenda.

2,188

employees working in eight different national locations

40/60

gender (women/men) balance in the workforce

8.8%

of employees in management positions

Investors

We deliver value to our investors by increasing profitability in a sustainable way. Our largest investor is Sampo plc, owning 48.9% of the shares. Topdanmark is headquartered in Ballerup, Copenhagen area, and Topdanmark A/S is a limited company listed on Nasdaq Copenhagen A/S.

DKK 1,035

dividend payout ratio

45,102

shareholders

20.6%

return on average shareholders' equity

Society

We operate in a responsible and transparent manner focusing on sustainability in our business strategy. We only operate in Denmark, and through our products and services, we make a positive impact on the society we are part of by contributing to good health, financial and social support before, under and after an incident.

DKK 6,791

paid out to insurance customers

43,269

personal injuries has been handled.

DKK 372

in corporate tax

Sustainability is embedded in our business strategy

At Topdanmark, we want to support a sustainable development of society and create value for our stakeholders in a responsible manner. Our purpose as company is: We are here to help. This includes customers and the society we are part of. Sustainability is embedded in the of our

business strategy and in business processes, like innovation, underwriting, claims handling, sourcing, and investment. Sustainability is also part of our remuneration programme. Our sustainability programme addresses six focus areas that cover topics of importance to

our stakeholders and for our business. We monitor our progress against targets within those focus areas – see an overview on page 10.



Topdanmark’s business strategy consists of three core elements:

- 1) Our purpose, we are here to help our customers before, during and after an incident.
- 2) Our strategy including focus areas and a set of behavioural principles.
- 3) Our strong culture focusing on health, wellbeing and inclusion – a sustainable culture.

To differentiate us from our competitors we have described “how” we will execute on our strategy and thus make a difference. The “how” is described by five behavioural principles BEDST, where the “B” stands for Sustainability (Bæredygtighed in Danish) and which means that sustainability must be integrated into every action and decision we make, thereby equating sustainability. Several policies, internal guidelines and processes support the implementation of these behavioural principles. An overview of our policies, key content and scope can be found on page 24.

Our platform for a more sustainable Topdanmark

Enablers to support our sustainability programme

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 solving 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.

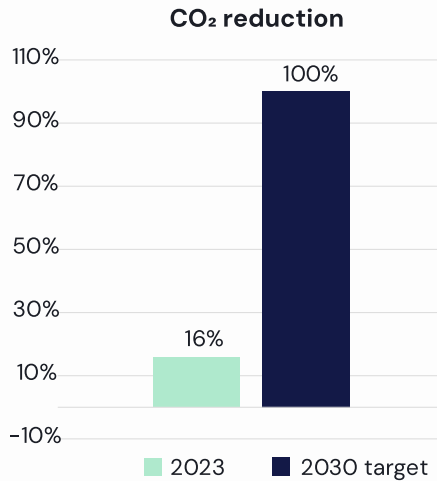
Partnerships

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



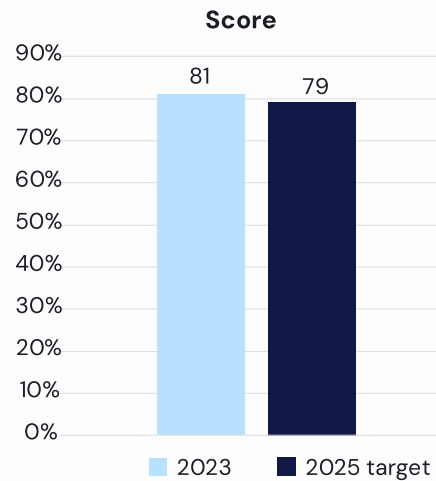
Strategic ESG targets and performance

Green transformation



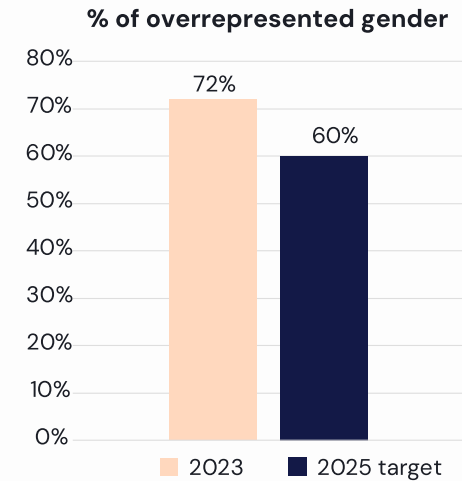
CO₂ neutral (scope 1 & 2 and some scope 3) in 2030

Everyday wellbeing

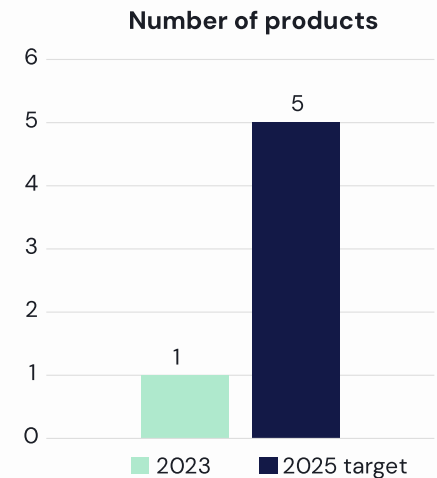


Employee engagement score

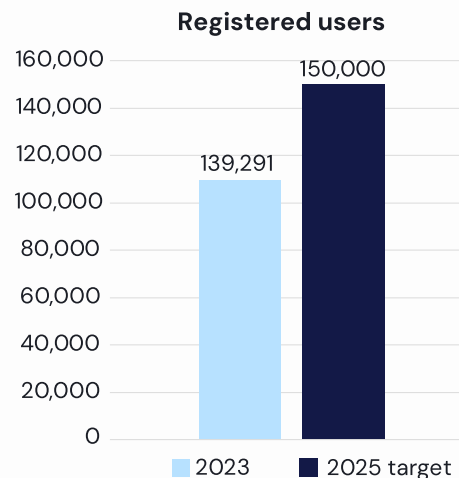
Responsible foundation



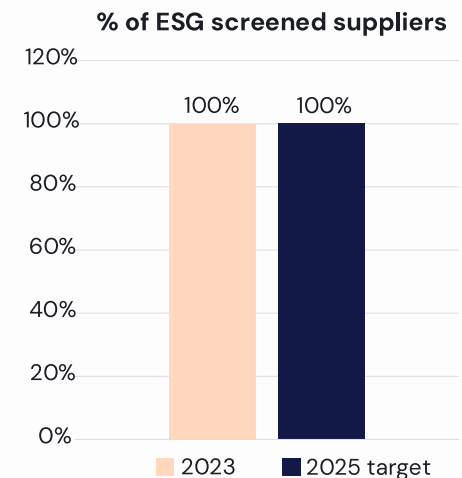
Max 60% of one gender in management level 1 and 2



Five new products and services that help customers with CO₂ reduction and sustainable choices



Number of registered users in Sundhedshjælp



Suppliers in ESG focus group screened for ESG risks, compliance and sustainability in tender process

Materiality assessment



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. For Topdanmark, this is understandable as we play an important part in society in many ways and must support a sustainable development of society.

We engage with a wide range of stakeholders and continuously work on improving our understanding of their requirements and expectations, and thus gain insight into how to improve our products and services, and to foster a persistently more sustainable Topdanmark. The aim is also to mitigate potential risks, including uncertainty and dissatisfaction from our stakeholders. Furthermore, we want to build trust and involvement in our ESG programme for our common benefits.

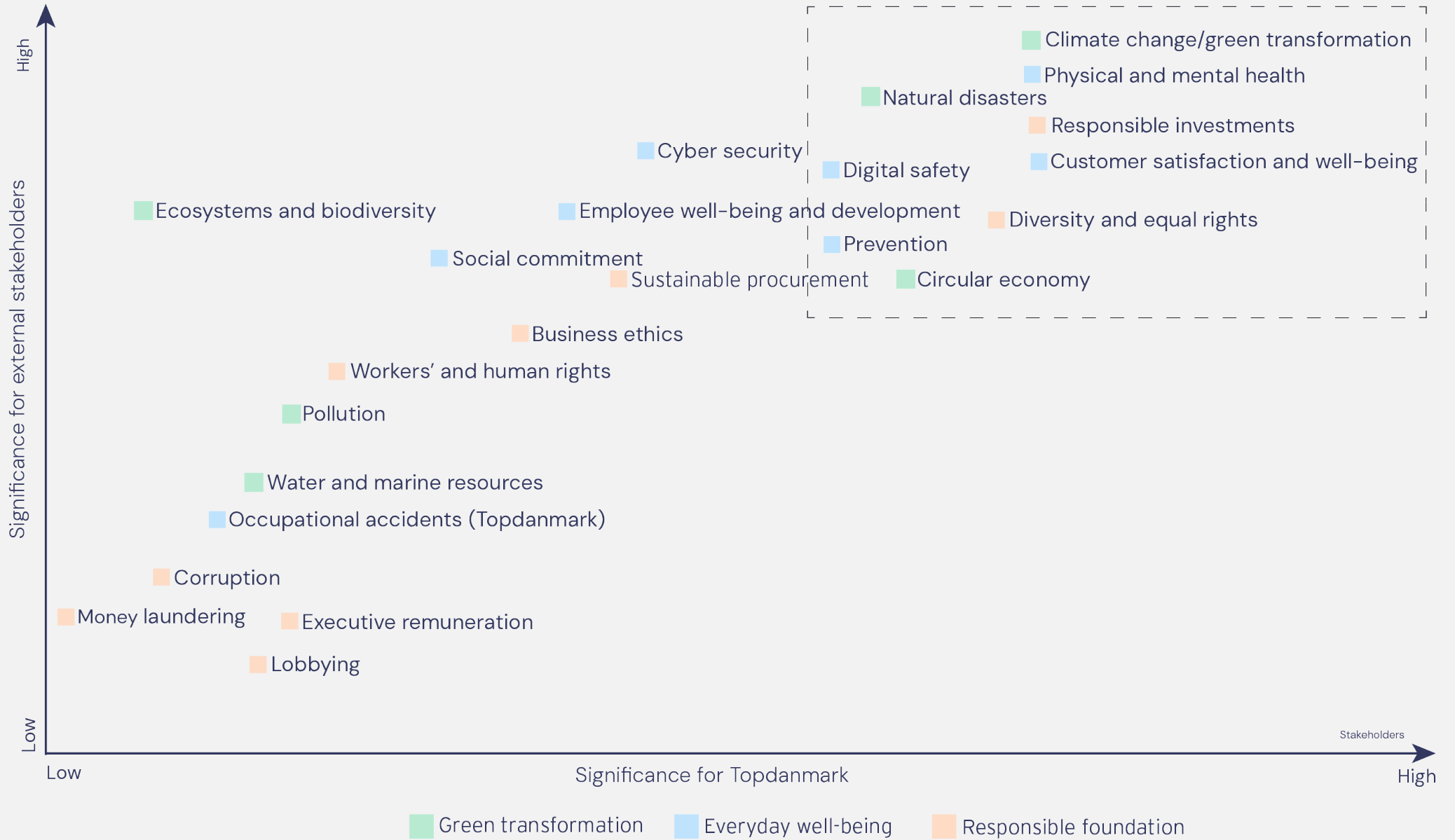
The insights Topdanmark gains from engaging with our stakeholders feed into the materiality assessment, which identifies the sustainability issues that represent risks or opportunities for society and for our business. An overview of main stakeholders, forum for dialogue and approximate frequency and examples of topics discussed in 2023 can be found on page 16.

Materiality assessment conducted in 2021
To define the material topics for us to work with,

we conducted a comprehensive materiality assessment in 2021 to decide which topics were material to us and to guide us to set strategic targets. The assessment included:

- 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.

This analysis ended up in a materiality assessment, which has prioritised the sustainability topics to work with and this assessment from 2021 forms the basis of our current sustainability programme with the current strategic and secondary targets (see page 12.)



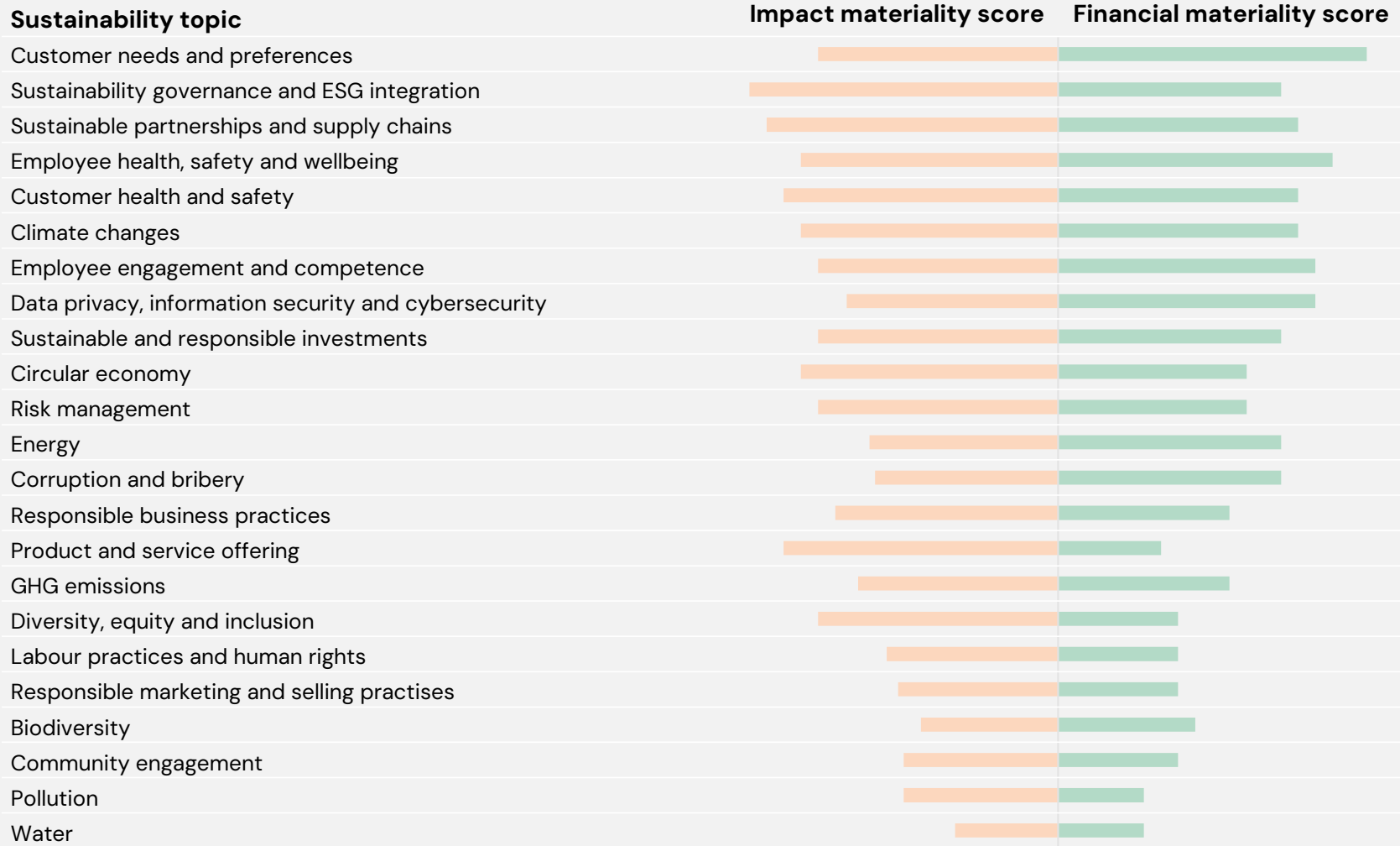
Double materiality assessment conducted in 2023

In 2023, we conducted a comprehensive double materiality assessment (DMA) as required by the EU Corporate Sustainability Reporting Directive (CSRD). The DMA is the starting point for sustainability reporting under the EU Sustainability Reporting Standards (ESRS) as

the DMA determines which sustainability topics Topdanmark must report on from the financial year 2024, when the CSRD is expected to be implemented into Danish law.

We have conducted the DMA in accordance with the requirement in ESRS 1, General Requirements and supported by the draft Implementation

guidance for the materiality assessment published by EFRAG in December 2023. The DMA requires an assessment of short-, medium- and long-term financial effects on Topdanmark from sustainability-related risks and opportunities, i.e. financial materiality. Furthermore, it is also required to assess actual or potential, positive or negative impacts caused



or contributed to by Topdanmark on society, people or the environment, i.e. impact materiality, in short- medium- and long term. The results of the DMA are depicted on page 13.

Material topics based on the DMA

The basis of the DMA is an initial list of potential sustainability topics to be evaluated in terms of financial as well impact materiality. Our initial list of potential topics includes both topics that are mandatory to consider in the DMA process according to the ESRS 1 AR 16 as well as company specific topics. The purpose of the DMA is to define the most material sustainability matters for a company to work with and to report on.

List of most material topics

Based on the financial as well as the impact materiality analysis the sustainability topics with the highest rank are:

Environmental topics: Climate change*, GHG emissions, energy*, product and service offerings, circular economy*

Social topics: Diversity, equity and inclusion**, employee health, safety and wellbeing**, labour practices and human rights**, customer health and safety**, customer needs and preferences**,

data privacy, information security and cybersecurity, responsible marketing and selling practices.

Governance topics: Corruption and bribery*, responsible business practices**, sustainable partnerships and supply chains, risk management, sustainability governance and ESG integration as well as sustainable and responsible investments.

Topics marked with * are directly predefined topics, sub-topics in the ESRS 1 AR 16. Topics marked with ** are predefined topics but named slightly differently in our list. Example: In ESRS 1 AR 16 is 'Health and safety' a predefined topic, while Topdanmark has defined two topics: 'Employee health, safety' and wellbeing and 'customer health and safety'. The material topics are spread out across six relevant ESRS standards (see schedule on page 19).

Predefined sustainability matters left out

Some sustainability topics from our initial list have been assessed as having 'low materiality' and are therefore left out of our future mandatory CSRD statement: Pollution, Water and Marine resources and Biodiversity and ecosystem and Affected communities. These are all predefined matters from the ESRS 1.

The reason being that for us as a financial company, these topics are not considered material from an impact perspective nor from a financial perspective. However, no later than at the beginning of 2025, we will look into how we can address biodiversity in our core business and in the value chain as this is expected from stakeholders.

Looking forward on our sustainability programme

The results of the DMA do not give rise to any significant changes in material topics compared to materiality assessment defined in 2021. However, the result of the DMA will from 2024 and onwards form the basis for defining our priorities in the sustainability programme and as such the DMA will supersede the materiality assessment defined in 2021.

In 2024, we will evaluate and potentially adjust our current ESG programme, priorities, targets, and timeframe based on several factors:

- New subsidiary, Oona Health, as of 1 December 2023. We want to ensure that their activities are integrated in our sustainability programme with a strengthened focus on health and wellbeing.
- Although the outcome of the double

materiality assessment conducted in 2023 did not result in any significant changes in the material topics identified in 2021, we still want to evaluate whether some adjustments are required in our programme

- The same applies to the outcome of the analysis of our alignment with the fully implemented EU taxonomy related to our underwriting as well as investment activities.
- In 2024, our final target on reduction of GHG emissions related to scope 1, scope 2, scope 3, category 1 (purchased goods and service, and claims handling) and category 15 (investment) will be finalised and uploaded to the Science based Target initiative for external validation. These targets will be integrated in the programme.

The final assessment and potentially updated sustainability programme will be approved by the Board of Directors. In the future, we plan to review the DMA annually to ensure that we identify potential changes in materiality.

Preparing for the first CSRD reporting

In 2023, we have assessed all datapoints, qualitative as well as quantitative, in the six relevant ESRS standards to determine our current readiness in terms of policies, actions, targets and metrics. The overall picture shows that we are well on our way in the sense that we are fully compliant with 27% on the requirements in the relevant standards and partly compliant



with 46%. With the insight in hand, we are progressing with the implementation of identified gaps. This process will be done in cooperation with Sampo plc, our largest investor.

Improved data collection in 2024

For several years, we have reported a high number of ESG data in our reports including the Sustainability Report, the [ESG Fact Book](#), and the [CDP report](#). In 2023, we started preparing for collecting qualitative data according to the ESRS

standards that we have assessed as material in our double materiality assessment. This also means improving the data collection process, and as such, we are building a new digital tool to automate data collection and qualification, as well as minimising risks in the process. This tool will be used in data collection in 2024 and onwards.

Stakeholder engagement

At Topdanmark, we are in continuous dialogue with a wide range of stakeholders to assess, among other things, which 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 of our enablers, dialogue with stakeholders also functions as an important element to promote and implement the programme for a more

sustainable Topdanmark. An overview of our main stakeholder groups, forums for dialogues and example of discussion point in 2023, can be found below.

Stakeholder and DMA

According to ESRS 1 two groups of stakeholders should be engaged as part of the double materiality process: 1) Potential and actual affected stakeholders (i.e. affected by a company’s business activities) and 2) Users of the sustainability statements. In the overview

of our main stakeholder groups our affected stakeholders are marked with 1 and users of our sustainability report are marked with 2.

The views and expectations of our various stakeholders, as we have understood from the ongoing dialogues, has been included in the DMA conducted in 2023.

Topdanmark stakeholder engagement 2023

Key stakeholder groups	Forum for dialogue and approximate frequency	Examples of discussion topics in 2023
Customers (1,2)	<ul style="list-style-type: none"> Regular customer contact points, e.g. website, chat, app, contact centre (24/7 or daily) Customer feedback channels (24/7) Customer satisfaction surveys (24/7 or daily) Virtual and face-to-face meetings (daily) Consumer ombudsman (daily) Events (varying) 	<ul style="list-style-type: none"> Product and service quality Loss prevention and claims handling Ambition in sustainability Market situation in general Responsible investment Personal risk insurance
Employees (1,2)	<ul style="list-style-type: none"> Employee engagement surveys (bi-annual) Performance appraisals and dialogue with superiors (varying) Work environment councils (varying) Meetings with union and employee representatives (varying) Employee representation and consultation forums (varying) Employee roadshows (varying) Social events (varying) 	<ul style="list-style-type: none"> Financial performance Sustainability matters including climate, non-discrimination and diversity and inclusion Change in Group structure Personnel surveys Performance and development plans

Investors (current and potential shareholders and debt investors) (1,2)	<ul style="list-style-type: none"> • Annual General Meeting (AGM) (annual) • Roadshows (continuously) • Virtual and face-to-face meetings (weekly) 	<ul style="list-style-type: none"> • Financial performance • Strategy and Group structure • Regulatory development • Climate targets • Executive remuneration • Sustainability: targets, actions and performance
Suppliers (1,2)	<ul style="list-style-type: none"> • Virtual and face-to-face meetings (daily) • ESG Screening (varying) • Review and auditing (varying) 	<ul style="list-style-type: none"> • Service level • Quality • Price • Dialogue on sustainability and result of ESG-screening in tender process
Distribution partners and partnerships	<ul style="list-style-type: none"> • Virtual and face-to-face meetings (weekly) • Development workshops (varying) 	<ul style="list-style-type: none"> • Customer demands • Development • Cooperation on enforcing sustainability
Rating agencies and analyst (2)	<ul style="list-style-type: none"> • Virtual meetings (varying) 	<ul style="list-style-type: none"> • Policies and governance • Targets, actions & performance progress
NGO (1)	<ul style="list-style-type: none"> • Virtual and face-to-face meetings (varying) • Common events (bi-annual) 	<ul style="list-style-type: none"> • Joint projects and events on improving health and wellbeing • Health and wellbeing for vulnerable families
Local communities (e.g. industry associations, educational institutions and trade organisations) (1,2)	<ul style="list-style-type: none"> • Participation in boards, committees and working groups (weekly) • Events and seminars (weekly) • Network meetings (weekly) 	<ul style="list-style-type: none"> • Innovation & product and services development • Sector specific topics • Prevention • Legislation and standards • Sustainability • Initiatives in the municipality like green transportation, biodiversity
Media (2)	<ul style="list-style-type: none"> • Virtual and face-to-face meetings (daily) • Network meeting (varying) • Participation in events and seminars (varying) 	<ul style="list-style-type: none"> • Financial performance • Customer services • Prevention in general • ESG matters and society • Legislation and insurance

Methodology of the double materiality assessment

1. Preparation – understanding the context

To prepare for the materiality assessment including the identification of the potential material topics to evaluate (see step 2) several analyses and decisions were made.

- a. Analyses of the prior materiality assessment, of our business model, strategy, value chain, stakeholders and engagement strategy
- b. Examination of the internal risk assessments and ESG risks, customer engagement and surveys, investor interactions and interviews, employee feedback and surveys
- c. Interviews with employees representing relevant business activities
- d. External input such as legal and regulatory requirements and frameworks, megatrends in society and in the insurance sector, reporting standards and best practices
- e. Definition of the time horizon to be used in the materiality assessment process. We have decided to use the same time horizon as in the ORSA reporting.



2. Potential sustainability matter

Identification of the list of potential material sustainability matters to be evaluated in terms of related Impact, Risk and Opportunities (IRO). The list includes both material matters that are mandatory to consider in the DMA process according to the ESRS 1 AR 16 as well as company specific topics.



3. Final list

Determination of the final list of material matters based on the assessment of the short-, medium-, and long term materiality of the IROs. This part of the process included workshops with representatives from relevant departments, interviews with internal stakeholders, internal expert validations, dialogue with Sustainability Forum, and approval of the final list of material matters and IRO by the Executive Management. Furthermore, we have grouped the material issues from the DMA according to our six focus areas in our ESG programme. See overview on page 19.



4. Reporting

This part of the process includes determining which standards are material to report on based on the outcome of the DMA. In addition to ESRS 1, we have followed the draft Implementation guidance for the materiality assessment published by EFRAG December 2023. See an overview of the ESRS standards that we expect to report on from 2024 onwards in the schedule on page 19.



Material topics, ESRS and policies – an overview as per 31 December 2023

Focus areas in our ESG programme		Material topics as result of double materiality assessment	ESRS standards	Main policies and guidelines that address the topic ¹⁾
Green transition	Intelligent climate solutions	Climate change & GHG Emissions	ESRS E1 – Climate change	Climate and environmental policy
		Energy	ESRS E1 – Climate change	Climate and environmental policy
	Environmental considerations in the value chain	Circular economy	ESRS E5 – Recourse use & circular economy	Climate and environmental policy
		Products and services offerings	ESRS E1 – Climate change	Climate and environmental policy
Health and wellbeing in everyday life	Physical and mental health	Customer health and safety	ESRS S4 – Consumers & end users	Sustainability policy
		Customer needs and preferences	ESRS S4 – Consumers & end users	Sustainability policy Internal guidelines (to be developed further)
		Employee health, safety and wellbeing	ESRS S1 – Own workforce	Policy for human rights; Internal guidelines on health and wellbeing, transgressive behaviour and substance abuse
	Employee engagement and competences	ESRS S1 – Own workforce	Internal guidelines on competence development	
	Labour and human rights	ESRS S1 – Own workforce ESRS G1 – Business Conduct	Policy for human rights	
	Diversity, equity and inclusion	ESRS S1 – Own workforce	Policy for human rights Diversity policy for executive management Diversity policy for the Board of Directors	
	Financial and social security	Data privacy, information security and cybersecurity	ESRS S4 – Consumers & end users	Data policy Ethical principles for data and artificial intelligence
		Responsible marketing and selling practices	ESRS G1 – Business Conduct	Internal guidelines & procedures inclusive IDD
Responsible Foundation	Responsible governance	Responsible business practices	ESRS 2 – General disclosure ESRS G1 – Business Conduct	Internal guidelines & procedures inclusive IDD
		Sustainable governance and ESG integration	ESRS 2 – General disclosure ESRS G1 – Business Conduct	Code of Conducts and all other policies
	Risk Management	ESRS 2 – General disclosure	Risk management policy	
	Sustainable partnerships and supply chain	ESRS E1 – Own workforce ESRS S2 – Workers in the value chain ESRS G1 – Business Conduct	Code of Conduct for suppliers	
	Corruption and bribery	ESRS G1 – Business Conduct	Anti-corruption policy	
	Responsible investments	Sustainable and responsible investment ²⁾	N/A	Responsible investment policy

¹⁾ Note that Topdanmark's internal Code of Conduct address all the material topics and standards and therefore not stated in the table.

²⁾ Topics that are considered material to our business, but currently with no correlating CSRD standard. The topics will be included in the future CSRD statement as entity specific topics.

ESG risk management

ESG risks are part of Topdanmark's overall risk management. ESG risks can be divided into two categories:

Risk for Topdanmark: 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.

Risk for society: 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.

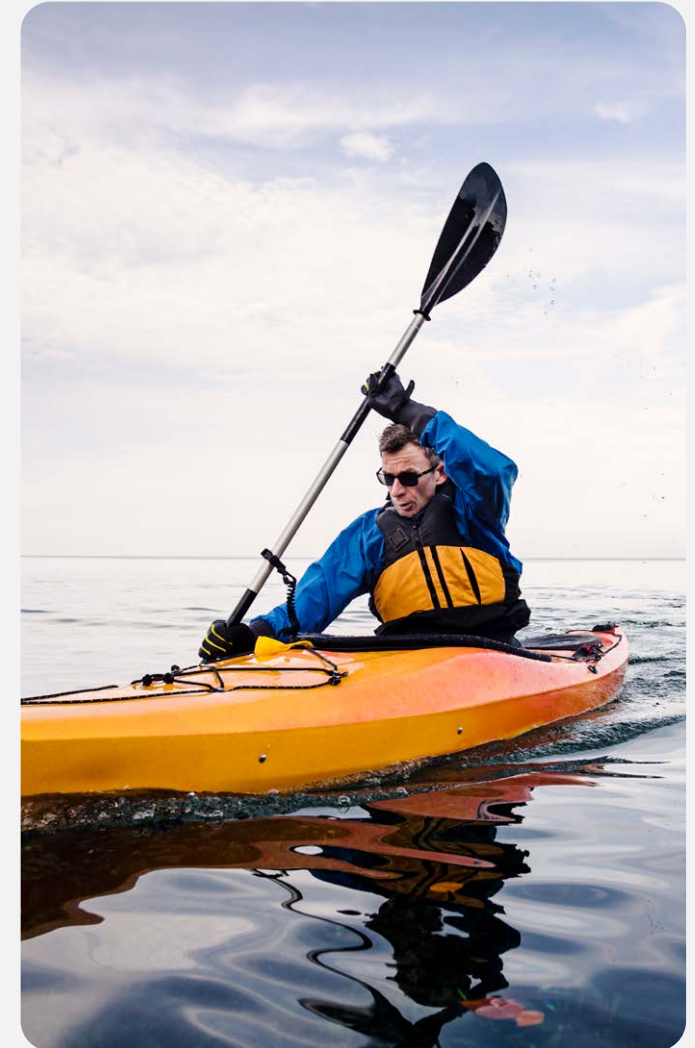
At Topdanmark, we identify, assess, manage and monitor both types of ESG risks. The identification of material risks was part of our annual overall risks assessment in 2023 coordinated by the risk management team. The risk management team gathers risk assessments from all parts of the organisation including assessment of likelihood and severity. Furthermore, in 2023 ESG risk assessment was also part of our double materiality assessment, as described on page 13.

Based on the overall risk identification and assessment process, an ESG risk heat map for both ESG risk types has been prepared to identify the most material risks. An overview of the major ESG risks identified in the process in 2023, and how we mitigate the risks can be found on page 21.

Responsibilities

The Board of Directors has the overall responsibility for business risks including risks linked to ESG. The Board of Directors also approves Topdanmark's risk policies, risk profile and risk management. Topdanmark's Risk Committee is responsible for ensuring that all material risks in Topdanmark across companies and divisions are identified, measured, monitored, managed and reported correctly. The Risk Committee reports to the Board of Directors. The responsibility for mitigating and managing the identified risk is placed in the divisions and service functions. Group Sustainability is responsible for reporting on ESG risks.

Read more on our reporting on all business risks, including a description of the risk management processes and risk governance in the financial report 2023.



ESG risks 2023 – an overview of the most material risks

Risks for Topdanmark

Risk	Mitigation action	Read more on mitigation actions, governance etc
Environment		
Physical risks: Climate change, natural disasters, storms, cloudbursts, tsunamis etc.	Reassurance, risk assessment of customers and prices that match the risk	Topdanmark's CDP report and TCFD Report
Major fires caused by drought/climate change	Prevention of fires and incidents related to extreme weather	
Social		
Data leaks/data breaches (from own systems or from suppliers)	Risk assessments, policies, procedures, training of employees, instructions to suppliers	Page 49 in this report
Lack of qualified manpower	Exit analyses, high level of engagement, competence development, Topdanmark's strong ESG profile	Page 35 in this report
Governance		
Cyber crime	Risk assessments, policies, procedures, strong IT-systems, training of employees	Page 52 in this report
Fraud (customer/employees)	Risk assessments, policies, controlling procedures including quality control, controlling of data input, training of employees	No external information
Lack of diversity in the organisation	Policies and procedures for recruitment, targets on gender, internal network for DEI&B	Page 81 in this report

Risk for society

Risk	Mitigation action	Read more on mitigation actions, governance etc
Environment		
Indirect CO ₂ emissions via investment activities	ESG screening Exclusion of production of oil from tsar sand and thermal coal Target on CO ₂ -reduction	Page 89 in this report and in Policy on responsible investment
Indirect CO ₂ emissions via supply chain	ESG screening Target on CO ₂ -reduction	Page 86 in this report and in Code of Conduct for suppliers
Social		
Adverse impact on Human Rights in investment activities	ESG-screening ESG requirement to external managers	Page 89 in this report
Adverse impact on Human Rights in supply chain and customer relations	ESG-screening Code of Conduct for suppliers Continuing monitoring	Page 86 (supply chain) and 84 (customer relations) in this report
Governance		
Data leaks/data breaches from own systems or from suppliers (negative impact on rights to privacy)	Risk assessments, policies, procedures, strong IT systems, training of employees	Page 49 in this report
Cybercrime and hence risk of data leaks	Risk assessments, policies, procedures, strong IT systems, training of employees	Page 52 in this report

ESG policies and compliance

At Topdanmark, management and employees should know and comply with legislation in force as well as our internal policies, internal rules and procedures. Naturally, this also applies within the field of ESG and sustainability. This is important in relation to our reputation and to ensure the company against losses and expenses in consequence of sanctions, claims, or errors which directly or indirectly can affect our customers and shareholders financially.

To facilitate this, including compliance with legislation in force, the Board of Directors has adopted policies for compliance and internal controls, and we have set up a central compliance function (Group Compliance) which carries out controls and advises the divisions and service areas. Group Compliance also prepares reporting on compliance to the Executive Board as well as the Board of Directors' audit committee and risk committee.

As part of establishing an appropriate internal control environment, Topdanmark has established decentral compliance units in relevant divisions and service areas in extension of Group Compliance. The compliance units refer and report to Group Compliance about compliance.

Decentralised compliance functions monitor compliance with relevant policies in their

respective departments. These departments also function as a 'help desk' for the employees. Group Compliance carries out controls of compliance with policies in connection with general compliance inspections. If Group Compliance identifies any breaches of policies, the normal procedure for non-compliance with policies will be followed, including the preparation of a report on the breach, providing a recommendation to the responsible on necessary measures to rectify the breach as well as following up on whether the recommendation is implemented within the given deadline.

ESG policies

Topdanmark has adopted several policies as a central way to manage our sustainability matters, including the impact, risks and opportunities in relation to environmental, social and governance sustainability matters – both outwards towards the society and inwards towards our business. The policies define the scope, the purpose, and objectives, and the strategy to reach the objectives. The policies also describe how we monitor the policy itself as well as the governance structure.

In addition to ensuring compliance with regulatory requirements for sustainability, Topdanmark has committed to several international and voluntary sustainability principles and guidelines, which are reflected

in our policies and respected through the implementation of the policies. Topdanmark also support sector-specific and national initiatives and goals. Furthermore, the purpose is also to describe how Topdanmark identifies, prevents, mitigates and remediates actual and potential impacts, addresses risks and pursues opportunities as defined in the double materiality assessment – see more on page 13. All ESG policies are subject to Group Compliance's general monitoring of policies.



ESG policies, key content, and scope – an overview ¹⁾

Policies approved by the Board of Directors	Latest version (review annually)	Key content	Scope (target groups and/or business activities)	Major changes in content compared to 2022
Code of Conduct – internal (1, 3, 5, 6 and 7)	January 2024	Overall business principles, business ethics, principles for human rights, work customs and principles regarding climate and environment	Employees in Topdanmark Board of Directors	Clarification on following topics: responsible tax management, anti-corruption, human rights and zero tolerance on discrimination
Sustainability policy (1, 2, 4 and 5)	January 2024	Overall approach towards sustainability and business, materiality assessment, targets, governance and reporting	Topdanmark	Clarification on the purpose, the scope and the monitoring of the policy and addition of exclusion of controversial sectors in investment and underwriting activities
Anti-corruption policy (1 and 9)	January 2024	Describes in more detail than the CoC our approach to corruption, especially related to receiving/ giving gifts and arranging/ participating in events	Employees in Topdanmark The Board of Directors	Clarification on the purpose, the scope and the monitoring of the policy
Human rights policy (1, 6 and 7)	January 2024	Overall approach to managing human rights and especially our expectations to employees and the Board of Directors	Employees in Topdanmark The Board of Directors Human rights are integrated into our investment activities through responsible investment, in our procurement through Code of Conduct for suppliers, and in underwriting activities through ESG screenings.	Clarification on the purpose, the scope and the monitoring of the policy.

Climate and environment policy (1,2,4,5, 10, 11 and 12)	January 2024	Overall approach to climate and the environment, our targets, governance and reporting	Topdanmark Considerations to climate and the environment are integrated into our investment activities through the responsible investment policy; into our procurement via Code of Conduct for suppliers and screenings, and in our underwriting activities via ESG screenings.	Clarification on the purpose, the scope and the monitoring of the policy; clarification of targets
Diversity and the underrepresented gender in executive functions policy (1, 6 and 7)	October 2023	Overall approach to diversity and the underrepresented gender in executive functions with target figures in order to increase the share of the underrepresented gender	Executive Management	No major changes
Diversity policy for the Board of Directors (1, 6 and 7)	October 2023	Overall approach to diversity in the Board of Directors to ensure constant and adequate diversity in terms of skills and competences among the board members.	Board of Directors	No major changes
Responsible investment policy (1, 5, 6,7,8 and 9)	October 2023	Overall approach to responsible investments and describes how we work with integrating responsibility into the entire investment process.	Topdanmark	Addition of the international commitments which Topdanmark follows, detailed description of ESG screenings, exclusion, and monitoring; How we communicate the policy to external asset managers and our expectations to them.
Policy on active ownership (N/A)	N/A	Phased out. The content has been integrated into the Responsible investment policy	N/A	N/A
Policies approved by Sustainability Forum	Latest version	Key content	Scope	Major changes in content compared to 2022
Code of Conduct for suppliers (1, 2, 5 and 6)	August 2021 (first version)	Expectations to suppliers regarding human rights, climate and the environment, and anti-corruptions	Suppliers ²⁾	N/A

¹⁾ The numbers in bracket refer to the initiatives, frameworks and/or commitments listed on page 26, and which are reflected in the policies.

²⁾ The Code of Conduct is applicable for suppliers with a contractual relationship to Topdanmark

Key initiatives and commitments guide our ESG programme and policies

Listed below are the most significant initiatives, standards, and commitments as of 31 December 2023.

1. UN Global Compact. In 2023, our commitment to Global Compact was changed so that we now are committed through Sampo plc.
2. 2030 Agenda and the UN Sustainable Development Goals
3. The OECD Guidelines for Multinational Enterprises
4. Science Based Targets initiative (SBTi)
5. Paris Climate Agreement
6. The Universal Declaration of Human Rights
7. The ILO Declaration on Fundamental Principles of Rights at Work
8. The UN-supported Principles for Responsible Investment
9. UN Convention against Corruption
10. The [Carbon Disclosure Project \(CDP\)](#). Since 2010, we have reported on Climate Change.
11. The Task Force on Climate-related Financial Disclosures (TCFD). Since 2021, we have published a [TCFD report](#).

Industry-specific initiatives (Insurance & Pension Denmark)

12. Guidance on climate reporting
13. Data ethical principles, Cool or Creepy



Governance of sustainability

At Topdanmark, governance of sustainability, including climate-related issues, is anchored at the level of the Board of Directors, the Executive Management, and the Group Executive Management. Additionally, we embed sustainability responsibilities and build our competences throughout the organisation to further advance the integration of sustainability across our business.

We also have committees and councils governing sustainability, with the Sustainability Forum as the overall governing body. The Sustainability Forum consist of COO of Claims, Procurement & Customer Excellence, CCO Private customers, CCO Commercial and agricultural customers, Head of Investment, Head of Communication and Head of Marketing chaired by the Head of group management support and sustainability. The Forum normally meets four times a year. The Sustainability Forum is an advisory body for the Group Executive Management and defines our ESG programme, commitments, programmes and policies, monitors progress and takes corrective action where needed.

On a daily basis, sustainability is managed in a Group Sustainability Team organisationally placed in the department for Group Executive Management support and sustainability with reference to the CFO.

Looking forward on governance

In 2024, we will investigate if change in our governance structure is needed to ensure that sustainability is integrated even more into our business strategy. Progress on our ESG targets is for the time being communicated internally and externally in the annual Sustainability Report. In 2024, we will look into how to report and communicate quarterly. For a full overview of roles and responsibilities, see page 29.

Sustainability competences

With regard to Topdanmark’s business model, risk exposure, etc. the Board of Directors determines which competencies and qualifications are required of board members in Topdanmark. All board members possess the competency “Strategic Sustainability”. Guidelines for determination of competencies,

experience and diversity are described further in the policy for diversity in the Board of Directors. Furthermore, a representative on the board has a particular focus on sustainability. The Executive Management possesses equally strategic sustainability competencies with the CFO as responsible for the programme.

Remuneration policy focusing on sustainability

To support progress on sustainability in our business, Topdanmark has included sustainability KPIs in the cash and share-based short-term incentive programme (STI-programme) in the remuneration policy, adopted by the annual general meeting, for the Executive Management, Group Executive Management and other selected employees in senior management. More precisely, this means that the result criteria

Information on the administrative and supervisory bodies

	Board of Directors	Executive management	Group Executive management ¹⁾
Number of members in total	9	2	7
Number of employees representatives	3	N/A	N/A
The percentage of independent board members	50%	N/A	N/A

1) The number includes the members of the Executive Management.

for our STI-programme include sustainability initiatives that support either our sustainability aspiration in general and/or our general sustainability programme including, but not limited to our strategic targets (see overview of these targets on page 10).

The sustainability initiatives are assessed based on their level of impact, e.g. on our targets, and the extent to which they have been implemented. The relative weighting of the KPIs for sustainability initiatives constitute 5% of the STI bonus, and the evaluation is performed by

the CEO and CFO, and by the Chairman of the Board of Directors in relation to the CEO's STI bonus. The assessment of goal achievement and calculation of STI bonus as well as the allocation are carried out once a year and approved by the Remuneration Committee.

Activities and result in 2023

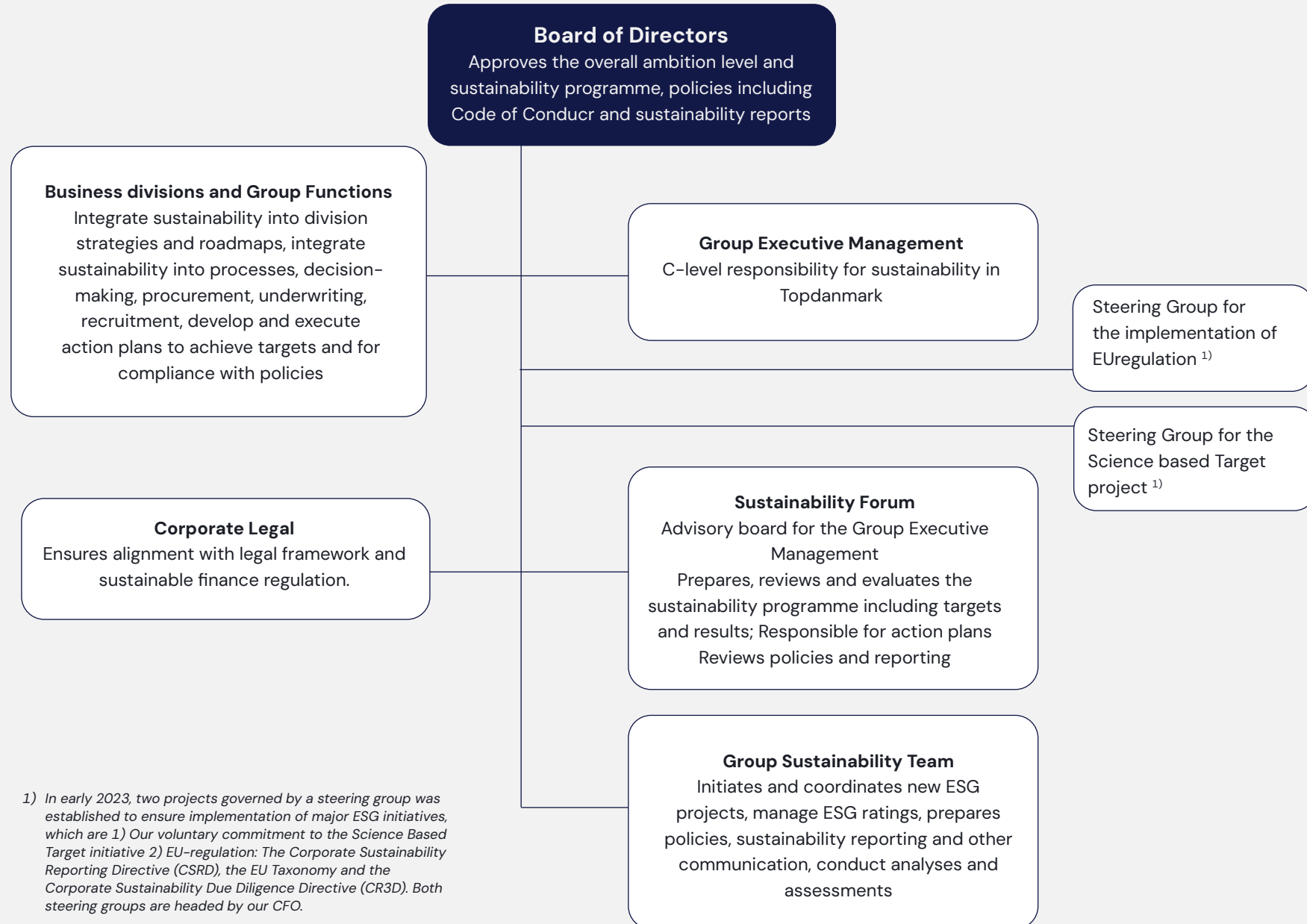
In 2023, a total of 29 unique initiatives were rewarded. Among other things, initiatives related to targets on CO₂-reductions, CO₂ in investments, targets on Sundhedshjælp, prevention initiatives and diversity. In 2024, we

will look into the possibility of an even stronger connection between the short-term incentive programme and our strategic and secondary targets for sustainability.

For more information on KPIs in the STI-programme, targets, allocation of STI bonus for the executive management and a group of material risk takers, see the remuneration report.



Roles and responsibilities



Health and wellbeing in everyday life



Our established programme for a more sustainable Topdanmark is based on our materiality assessment from 2021. 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 wellbeing 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 wellbeing 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 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 wellbeing and SDG 17 on partnerships for the goals.



A healthy workplace

Dialogues on job satisfaction, the hybrid workplace, and health programmes 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 wellbeings at the core of a good working life.

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

We have a set of internal wellbeing guidelines that set the framework for our initiatives within this area. The purpose of the guidelines is to ensure that we continuously address wellbeing, and that we disseminate the knowledge of the options available to all employees. We also have internal guidelines on health with the purpose of promoting health, wellbeing, and job satisfaction for all employees.

Target 2025	Unit	2023	2022	2021
Engagement survey score of 79 points	points	81	81	80
Absence due to illness below industry level	%	3.1	3.2	2.6
Employee turnover at industry level	%	12.8	13.4	16.1
Performance target				
Supporting employees with long-term illness, so they are able to return to work earlier				

Responsibilities

The overall targets and initiatives are set by our Wellbeing Committee, which is part of the Collaboration Committee. These committees are founded in order to oversee the wellbeing of the employees and ensure the closest possible cooperation between management and staff on work-related subjects, whether these relate to physical or mental health. The Wellbeing Committee meets four times a year, and the Chief People Officer is responsible for the implementation of the guidelines and concrete initiatives related to them.

Wellbeing and job satisfaction

At Topdanmark, we want to support general wellbeing for our employees. To ensure ongoing dialogue between employees and managers on wellbeing 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. Moreover, when an engagement score places a team in the lowest third of the total group, they are obliged to conduct team talks with their respective HR business partner ensuring a focused effort on wellbeing in the specific team. Read more on our [corporate website](#).

Employee turnover and 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 wellbeing of our employees. In the past year, absence due to illness has decreased slightly from 3.2% to 3.1% and thus remains at a low level. The Wellbeing

Committee continuously evaluates our activities and will focus on this year's absence due to illness in 2024. Alongside the engagement survey and monitoring of absence due to illness, we also view the result of the annual employee turnover as an indicator of whether we have succeeded in our wellbeing efforts. We aim for our employee turnover to be equal to industry level. In 2023, the employee turnover decreased slightly from 13.4 to 12.8 which is satisfactory, however, the industry level for 2023 also decreased to 12.1, meaning that we do not maintain our goal of being below industry level, however small the difference is. Find our granular data on employee turnover in our [ESG Fact Book 2023](#).

Activities and evaluation on a healthy workplace

In 2023, the Wellbeing Committee had a specific focus on transgressive behaviour both internally and from external partners. This focus resulted in a new set of guidelines on transgressive behaviour that outlines the different aspects of transgressive behaviour such as discrimination, bullying, unwanted sexual attention, and harassment. Furthermore, these guidelines underline Topdanmark's zero tolerance stand on transgressive behaviour, and guides employees in terms of the governance process to be followed in case of a transgressive experience. This also applies when witnessing transgressive behaviour among other employees.



We have developed dialogue cards to support the team talks on transgressive behaviour, and to support the necessary focus on this aspect in our organisation. Moreover, the focus on transgressive behaviour has been incorporated into the e-learning module on the code of conduct – an e-learning module that is mandatory for all employees to pass every second year.

During 2023, we conducted our bi-annual engagement survey with positive results. Our engagement survey shows a continued high score of 81 points, which tells us that our employees thrive at the workplace both socially and professionally. In 2023, we saw a one percent decrease in the response rate, however, we still see a high level of responses at 95%, which shows us that our employees value and prioritise

the engagement survey. Notably in 2023, we saw that the teams with the lowest score in the previous engagement survey have raised their scores by between 7 and 14 points. This shows us that the mandatory team talks with an HR business partner have a positive effect on the wellbeing in the teams.

Topdanmark sports- 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 the head office, such as spinning, yoga and TRX.

Furthermore, we kickstarted our new approach to diversity, equity, inclusion and belonging (DEI&B) by posing two specific questions on the subject in our engagement survey. This was both to set a benchmark on the experience of DEI&B in the workplace, but also to get an idea of what is relevant to our employees in this field. The two questions revolved around equal opportunities and inclusion in the workplace setting and showed a positive response on both.

Moreover, in 2023, we launched our new leadership principles. These principles were created to focus on the results of the engagement survey in 2022, in which psychological wellbeing was highlighted. We saw that in general the psychological wellbeing was high. However, there was a distinct difference between age groups and between genders. To secure high psychological wellbeing for all employees, we developed a new set of leadership principles that build on the ideas behind regenerative management. These principles revolve around “heart and mind” and address management as a holistic approach, where management not only is a top-down approach, but also addresses the sideways and bottom-up movements. These principles are meant to focus on attentive management to support the hybrid workplace, the psychological wellbeing, and the employee turnover.

Looking forward on a healthy workplace

In 2023, we should have conducted our bi-annual health screening, which is used to remediate negative impacts on physical and mental health for our employees. However, due to the acquisition of Oona Health our dedicated HR resources were directed at the closing of this acquisition, and in consequence conducting our health screening has been pushed to the beginning of 2024.

However, by postponing the health screening to the beginning of 2024, we also have a chance to include Oona Health and their employees in the screening. Furthermore, after closing, Oona Health has become our centre of excellence on health, and there are potential advantages and new insights to gain in using Oona Health when conducting the health screening.



Competence development

We highly prioritise employee development to ensure both job satisfaction and having 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.

Performance target

Prepare a plan for training and competence development for all employees

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. Thus, we 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 in. There are mandatory compliance 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 in e.g. leadership development or collaboration, which are aimed broadly at all employees. On an ongoing basis,

our need for different skills in the organisation is evaluated through dialogue with the individual departments, the management teams, 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 continue our hybrid way of working, meaning our employees have the opportunity to work from home several days a week. Topdanmark offers all employees the chance to improve their digital skills via e-learning courses. So far, all courses in digital skills have been voluntary.

Programmes and work experience for 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 within our industry.

Activities and evaluation 2023

In 2023, we have emphasised our focus on the digital workplace. When working with a hybrid workplace model, we must constantly explore the best ways of working digitally, analogously, and hybrid all in one. This means reinforcing the skills and knowledge of our employees on the digital tools available. Especially digital means of cooperation is important to master for our employees, and therefore we have made an e-learning course in Microsoft 365 available for our employees.

Moreover, at the end of 2023, we developed a new learning and competence development strategy. This strategy was developed to ensure a coherent concept for learning across the organisation. Previously, competence development has been handled decentralised and thus differently in the respective divisions. This has been the protocol due to different needs for learning and competence development in the respective departments.

Objectives for the learning and competence development strategy (end of 2025)

- Annual training hours per employee at minimum 40 hours.
- A satisfaction score of 4 out of 5 from attendees on learning sessions.
- Gender learning gap must not exceed 10% (in both hours and DKK spent).
- When a training need is identified, it should not take longer than 30 days until training materials or learning opportunities are available.
- Training should – as far as possible and with respect for the training need in question – be held digitally.

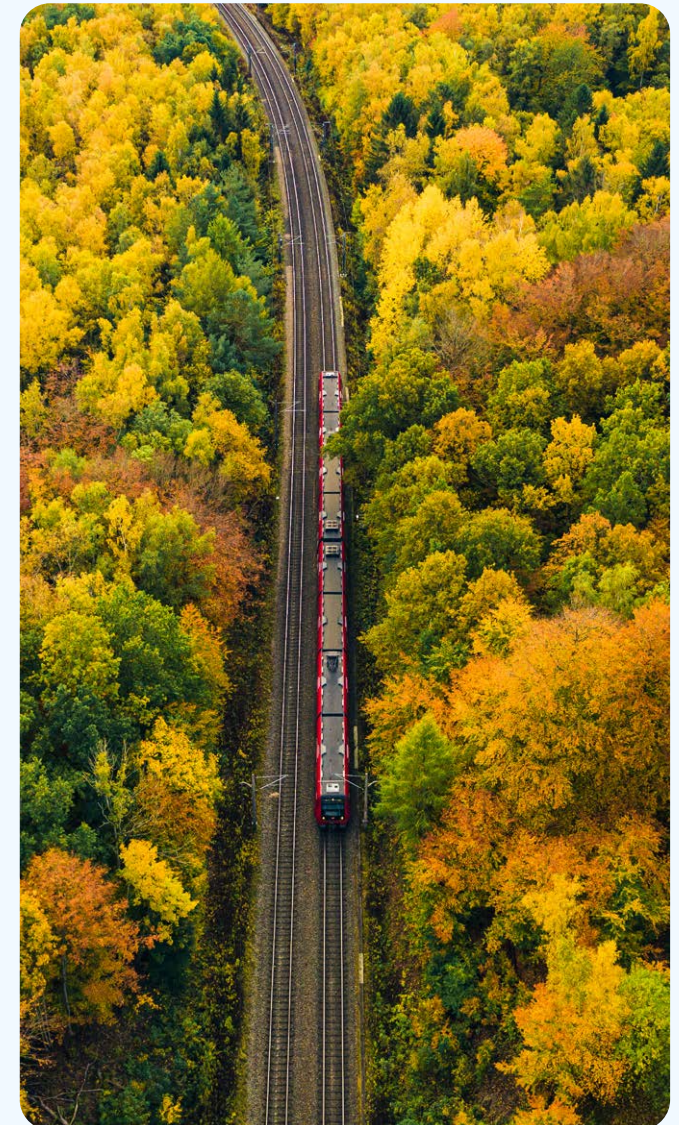
The new learning strategy holistically addresses how we work with learning in regard to people, processes, systems/tools, and structure. Going forward, we will focus on alignment across the matrix, ensuring equal access to learning across the organisation. When we talk about equal access to learning and competence development, we take our point of departure in our approach to DEI&B (read more on page 81). This means focusing on equity, indicating that all employees have access to competence

development depending on their specific needs. This will help support equity for all employees, as this approach will ensure that the employees have the necessary skills related to their specific position and can be assessed equally to their colleagues. Moreover, the new strategy will strive to ensure that all employees receive the competence development they want and need to thrive in their work life.

Looking forward on competence development

In 2024, we will implement the new learning and competence development strategy. This includes implementing new cross-organisational principles for training practices, the new abovementioned targets, and ensuring a coherent adaption of the new strategy across the organisation by launching a new cross-organisational network for training resources.

We will also continue our work on re-establishing our course catalogue, and make sure all employees know the various options for developing their competences. 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. As such we have recruited new employees in both our investment team and our procurement team who work specifically with ESG within their respective field.



A healthy life for our customers

Target for 2025	Unit	2023	2022	2021
150,000 registered users of Sundhedshjælp	No. of people	139,291	95,928	46,507
30,000 annual consultations in Sundhedshjælp	No. of consultations	17,719	13,059	4,503
Performance target: Contribute to stability by prevention and compensation				

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 we work proactively with prevention of health problems using innovative solutions and digital means to best help our customers.

Helping our customers by providing safe and beneficial solutions will benefit the person in need, the employer, us as the insurance provider, and society in general. 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 as a supplement – not only for private and commercial customers, but also for society in general and for the public healthcare system.

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

Moreover, in 2023 we closed the acquisition of the health care company Oona Health. This acquisition has further established our position

in the field of health care and prevention, not solely with new products, services, and customers, but also with new know-how in the field of health care and prevention.

Our numerous products and services on health and prevention 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.



Private customers

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 two or more insurance policies with us. We call this concept Sundhedshjælp, and it includes two services provided through an app from an external supplier.

Firstly, Sundhedshjælp offers consultations – either online or by phone, with a doctor who can assist in both mild and more severe cases of illness. Consultations can be booked 7 days an week from 6 a.m. to 9 p.m. (CET) no matter where in the world you are. In 2023, the average waiting time was 30 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 international experts, in case of diagnoses of a severe illness or are in the process of being treated for a severe illness. These world class experts work globally, and are experts within their respective fields, thus ensuring a thorough assessment of the situation at hand. This specific service ensures a safe and supportive environment when dealing with severe illness, which often raise

many questions, fears, and needs for clarity in an uncertain life-situation. All members of the family registered to the same address have unlimited use of this service.

Activities and evaluation regarding private customers in 2023

In 2023, we pushed the communication effort on the possibility for having a second opinion. We saw that few people used this specific service, and as such we wanted to make sure that all customers knew of the possibility. Thus, we have seen a higher number of cases of second opinions through Sundhedshjælp, to be precise an increase of 29.9% from 2022.

In 2023, Sundhedshjælp was offered to 469,771 private customers, 55,267 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. Moreover, we have seen a rise in new registrations of 45%, as well as an increase of 36% in consultations. This underlines the need for an easy and accessible supplement to the public healthcare system.

Furthermore, in 2023, we have seen an increase in the use of Sundhedshjælp among families with children under the age of 17. When a customer has free access to Sundhedshjælp, so has their entire household. However, each person will have to be registered with their own social security number, and here we have seen that 36% of users of Sundhedshjælp have been between the age of 0 and 17 years. Lastly, our satisfaction rate remains high with 94% of users who assess either 'excellent' or 'good' after an interaction with a medical professional via Sundhedshjælp.



Case story

In June 2023, a local medical centre in the western part of Denmark, Skjern, closed due to bankruptcy. This meant that more than 7,600 citizens were left without a local doctor, until another option was found. As a response to this situation, Topdanmark communicated to all customers living in the areas affected by the missing medical centre and reminded them of their access to Sundhedshjælp, which turned out to be more than 1,100 customers.

In a situation such as this, we see how our services support the Danish healthcare system as intended, and how we are able to support our customers health and wellbeing in time of need.



Commercial customers

Free workplace assessments for commercial customers

Many of our small and medium-sized commercial customers do not have an actual Health, Safety and Environment department which can launch health care 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.

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, based on their type of workplace, industry, number of previous accidents and a general

assessment of their health and safety culture. Moreover, we help them comply with Danish law in terms of health and safety, and we help them to register claims regarding severe accidents.

Topdanmark Recovery and Work Rehabilitation

To the extent possible, we help and support our customers in preventing 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 their 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. Topdanmark Recovery and Work Rehabilitation always focuses on the specific 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. The risk of ending up on health-related early retirement increases considerably if the injured person is on sick leave for more than three months. This is not only expensive for the injured person and for the company missing an employee, but also for society in general. Read more on our [corporate website](#).

Individualised help

With Topdanmark Recovery and Work Rehabilitation, we offer help in the areas where we assess that our efforts can help the injured

86% of customers were fit to return to work after an injury or work related accident

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 among the many parties involved and helps to plan the best programme of treatment. The social worker may also assist with dialogue with the workplace and ultimately with a change of profession, if necessary.

All these initiatives and more, are part of a holistic approach to helping people return to a healthy everyday life on the claimant's terms and retain their connection to the labour market after an injury. From an employer's perspective, ensuring a sustainable return to the workplace and getting a valuable employee back is important because of know-how and the fact that it is costly for companies to recruit new talent.

Therefore, it is valuable for Topdanmark's commercial customers that we ensure they can retain their employees at the company after an injury. Finally, it is a gain for society that we help limit the use of an already strained healthcare system. When our products and services are advantageous for our customers, their employees, and society, it is ultimately also an advantage for Topdanmark as a business.

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 37,300 per month for an unskilled employee, and DKK 52,850 per month for a salaried employee. These calculations were made in 2023. This includes savings on public benefits as well

as the financial benefits of being in employment, paying taxes and creating value for society. This underlines the necessity to start the efforts as early as possible to increase the possibility of recovery.



Exoskeletons as help and prevention

In the past year, we have seen a 10% increase of injuries where employees have experienced permanent damage to their body due to an accident at the workplace. Typically, these injuries affect knees, backs, elbows, and shoulders. And so, many of our customers request specific preventive initiatives that support a safe and stable working environment for their employees and can help prevent these injuries.

During 2023, we have been working with exoskeletons more intensively. Not just as help for those people who have suffered an injury, but also as a means of prevention. Exoskeletons can lessen the physical load on the body, and thus slow down the degeneration of the body for those working in physically demanding jobs. The exoskeletons can therefore help those working with repetitive motions and heavy lifting.

Our experience with exoskeletons shows promising results, not only when an injury has occurred, but to a high extent also in prevention of physical degeneration.

Therefore, we have already included exoskeletons in our guidance of customers, and we will invest even further in this technology in the future.

Activities and evaluation regarding commercial customers

When working with rehabilitation programmes and injured people, we are working with long processes – possibly years. We have seen a decrease in the number of customers that have been reported back to work, which is disappointing. In 2023, we helped 200 people get back to work either full time or part time after an accident or a work-related injury. This is a decrease in number of people compared to 2022, but still a return rate of 86%, which is satisfactory and shows that our efforts work well. The decrease is caused by lack of capacity in the rehabilitation teams, secondary these processes are also affected by the current amount of pressure on the public healthcare system.

Case story

A young man is seriously injured at work while installing a window. He injures his shoulder to such a degree that he needs surgery. He then undergoes surgery and attends a long rehabilitation programme before returning to work. However, it turns out that he cannot lift above shoulder height or do a vertical lift. Here, Topdanmark provided an exoskeleton to our customer – the man’s employer and today he can work as he did before his injury.

We are proud and very satisfied with the result in this case. Reporting a person back to work is not just an advantage for the customer who gets an employee back, it is also an advantage for the person in question who can maintain his affiliation to the labour market, and it is an advantage for society in general. When our programme benefits our customer, and their employees – it benefits Topdanmark.



Agricultural customers

Preventing work related accidents

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 with the purpose of avoiding similar accidents in the future through implementation of the necessary efforts. Prevention is an integral part of our business

model as accident prevention for our customers also contributes to fewer insurance cases and happier, healthier customers.

Activities and evaluation regarding agricultural customers

In 2023, we have seen a decrease in the use of Work Life for agricultural customers. The wish to have a free visit from a work environment consultant is high, but when it comes to arranging a visit, the numbers decrease. This

is most likely due to time management for the customer in question.

Thermal imaging also prevents personal injuries, read more about our initiative to prevent fire hazards on buildings by using thermal imaging on page 67.

Looking forward on health services for all customers

In 2024, we will keep our high level of engagement and activities in order to reach our goal for 2025 of 150,000 registered users on Sundhedshjælp and 30,000 consultations. Moreover, we are looking into new digital health-related services as we see a great potential in this line of service and prevention.

In other aspects, we paused our future developments during 2023, awaiting the closing of the acquisition of Oona Health. The acquisition closed as at 1 December, and therefore we will spend 2024 investigating the strategic areas of the two companies and the future focus on all health-related products and services for both companies.

In 2024, we will further strengthen our efforts to help injured people back to work with special focus on the use of exoskeletons. Exoskeletons can take over much of the load in heavy lifting and thus lessen the physical burden on the body. This means less erosion of the body, less pain,



and improved wellbeing after an injury. Moreover, we will continue to support our commercial and agricultural customers that have worker's compensation insurance with us. We have a special support offer with point of departure in the specific customer's needs. Based on the customer's situation, line of trade, and size of the company, we can tailor a prevention offer of help, sparring, and counselling on the customer's premises. This offer can, as an example, entail help to the statutory workplace assessment and how to use it in the day-to-day activities.

Moving forward, we will look into creating a stronger cooperation with the municipalities in terms of helping people back to work after an injury. There are positive synergies in cooperation with the public healthcare system that will benefit injured people in their rehabilitation process. In consequence, we will look into how we, as an insurance provider, can act as a supplement to the public system even further. This will undoubtedly require a stronger cooperation.

Health and society

DKK 989,503

Combined amount of donations made from Topdanmark and employees during 2023.

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 engagement programme, we collaborate with civil society organisations on prevention of physical and mental health issues.

In 2023, we launched a new partnership in connection with the community engagement programme from 2022. This partnership was decided on by a set of different aspects. Firstly, after seeing an increase in mental health issues – especially among children and young people in our claims handling and in society in general, it was decided to connect Topdanmark's financial donations closer to the business. This meant focusing on organisations that operate in Denmark with prevention of physical and mental health issues for children and young people. Secondly, we felt a need to support smaller organisations which need to establish a responsible foundation and financial stability,

and for whom our donations would have a major impact. Thirdly, it was important to choose a partner organisation where our employees could take an active part through e.g. volunteering.

A new strategic partnership

Therefore, we entered a three-year strategic partnership with the NGO FitforKids focusing on two aspects: financial donations and professional support. All employees can donate through their salary, and Topdanmark will match these donations by the end of the year.

Furthermore, we have made a working group with employees from both organisations focusing on professional assistance and sharing know-how, which is meant as a support to the NGO in developing a sustainable organisational foundation that hence will support their work in society and with children and young people in need. To begin with, the professional assistance will be in the form of communication and marketing support to help increase brand value and market reach.

Read more on the partnership on our [corporate website](#).

Activities and evaluation 2023

In addition to our new partnership, we maintain two of our current partners, namely The Danish Cancer Society and The Danish Blood Bank.

Burning calories for cancer research

In 2023, we participated in the Danish Cancer Society's annual campaign Knæk Cancer for the tenth 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 simply physically exercising. The employees pay a participation fee, and Topdanmark then donates per calories burned for all employees. This resulted in a number of different activities run by the employees throughout the campaign week, including dancing, running, yoga, and a 10-hour spinning marathon. 841 employees participated in the activities in 2023, donating a total of DKK 571,673.

Humanitarian relief

In 2023, Topdanmark established a one-time donation to Danish Red Cross in connection with the earthquake in Turkey and Syria in the beginning of the year. Here, Topdanmark managed to raise DKK 101,260 for humanitarian relief carried out by the Red Cross.

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 – thus being able to celebrate our 60th

anniversary for our cooperation with the Danish Blood Bank.

Looking forward regarding health and society
In 2023, we will expand the cooperation with FitforKids. In cooperation, we will look more

into the state of the nation on the physical and mental health of children and young people in Denmark. Moreover, we will investigate the possibility of offering free access to specific healthcare products for the families that are connected to the FitforKids programme.

Activity	Donations 2023	Donations 2022	Donations 2021
Médecins sans Frontières ¹⁾	DKK 77,120	DKK 414,060	DKK 402,810
FitforKids	DKK 239,450	-	-
Danish Cancer Society	DKK 571,673	DKK 625,307	DKK 486,225
Danish Blood Bank	Litres 100.8	Litres 107.5	Litres 71.5
Danish Red Cross	DKK 101,260	-	-

1) Topdanmark donated annually to Médecins sans Frontiers before implementing the community engagement programme and the partnership with FitforKids. The partnership med MSF ended in mid-2023, where the partnership with FitforKids began.

Social and financial security

Target for 2025	Unit	2023	2022	2021
tNPS ¹⁾ of 70 points	Points (-100 - +100)	57.4	56.4	56.4
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.				

¹⁾ 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?

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 with their situation, whatever it may be. With the sales of our products and services comes a big responsibility – which we take very seriously.

Targets and results in 2023

Topdanmark makes targeted efforts to ensure that all our customers have the best possible experience with us. Our objective is for customers to be satisfied with our products and services to the degree of wanting to recommend us to others. We measure this by using the transactional Net Promoter Score (tNPS), 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 2023

From customer analyses, we learned that customers prefer a more proactive and individual approach. Therefore, we focus significantly more on proactive and relevant communication compared with previous years. In 2023, we made more than 293,000 outbound calls to customers on proactive insurance check-ups. This is an increase of 27.4% since 2022. We know that we provide the best service in complex cases when talking to the customer personally. When handling the simpler cases – such as a dent in a parked car – the best service lies in the digital correspondence, where there is no phone queue.

We continuously aim to improve the quality of our services both through digital and analogous channels. When handling simpler cases through digital channels, it can free up time to handle more complex cases personally and hence providing a human touch to a stressful situation for the claimant. In 2023, we have also experimented with new digital technologies such as voice bots to increase efficiency and improve the self-service ratio on the simpler cases. Moreover, we have soft launched a new app for customers.

73.7%

The percentage of customers who gave us top marks when asked how helpful we are in general after telephone contact (2022: 72%).

350,000

claims

The approximate number of claims we handled in 2023.

Even though we did not reach our 2023 tNPS target of 58 points, the annual tNPS has increased in 2023 and is now at 57.4 points, which we consider satisfactory, taken the increase in weather claims into consideration. Our CES score, however, is above target. CES is



short for ‘customer effort score’ and ranks the effort the customers need to provide to find their answer. In 2023 alone, we reached 80 points in total CES score, against a target of 75. When breaking it down, we see that our digital CES is 78, but our phone score is 81. We know that we have had longer phone queues due to abnormally many weather-related incidents during 2023. This was the case even though we have been well prepared with extended opening hours and more staff available on the phone lines. The many weather incidents still meant more claims and thus longer waits for our customers.

Due to the positive results on our CES score, we have intensified our focus on improving the tNPS score. We still strive for a tNPS of 70 points, however, with a deadline in 2027. To increase short-term motivation and engagement in management and among employees, we have introduced a model of graduated steps year over year with corresponding initiatives, to sustainably break down the overall NPS-target, and build towards 70 points in 2027. We monitor and follow the progress on our NPS and on the corresponding initiatives at the quarterly meetings in our Customer Forum, the participants here, are C-level managers.

Looking forward on social and financial security

In 2024, we continue our focus on improving the digital customer experience. The new app was soft launched in 2023, and throughout 2024, it will be improved on an ongoing basis. Furthermore, we will build more features into the app, so that it can handle more complex claims and needs. The reason for introducing an app is that more and more customers prefer to engage with us on mobile devices, and this will make contact easier.

We continuously work to improve the customer experience and navigation on our website. We do this to secure our customers a smoother and more streamlined experience when visiting Topdanmark.dk and Mit Topdanmark. Read more on our [corporate website](#).

In order to increase personalisation in proactive customer communication – phone and digital – Topdanmark is investigating and experimenting with the possibilities in new data-driven technologies such as AI (read more on our ethical principles for use of data and artificial intelligence on page 51)

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.

Protection of the customer's right to privacy

As a Danish insurance company Topdanmark is subject to the European legislation on privacy (GDPR), and as such we must comply with the principles of legality, necessity, security, and transparency for data subjects. We take our regulatory responsibilities very seriously and recognise privacy as a fundamental human right as well as part of our business model. The 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. We are aware that failure to comply with regulations and guidelines could have adverse consequences on our customers' and stakeholders' right to privacy. Furthermore, our reputation and financial performance could be impacted as well.

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. Customer data is solely processed for purposes related to

the operation of Topdanmark as an insurance 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 for customers can be found on our website. Information on ethical principles can be found in this report on page 51.

Training of our employees

At Topdanmark, data privacy is a responsibility that lies in all parts of our organisation. To ensure that our employees are always fully equipped to manage the data privacy aspects of their jobs, all employees are subject to mandatory training in GDPR. All new employees undergo the e-learning programme that focuses on lawful and secure processing of personal data. Hereafter, this e-learning course is mandatory to be passed every second year. All employees who work specifically with personal data is subject to mandatory training depending on the level of personal data and thus the risk they work with. Furthermore, external consultants who work with personal data are subject to the same training.

Governance 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 the 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.

To strengthen our efforts on this area, we have established a Centre for GDPR in Group Legal, which ensures central governance and makes sure that policies, guidelines, and procedures are always up to date. The Centre of GDPR supports the entire group in maintaining compliance with personal data legislation in all corners of the business. To further strengthen the usage and management of data, a Vice President for Data has been appointed.

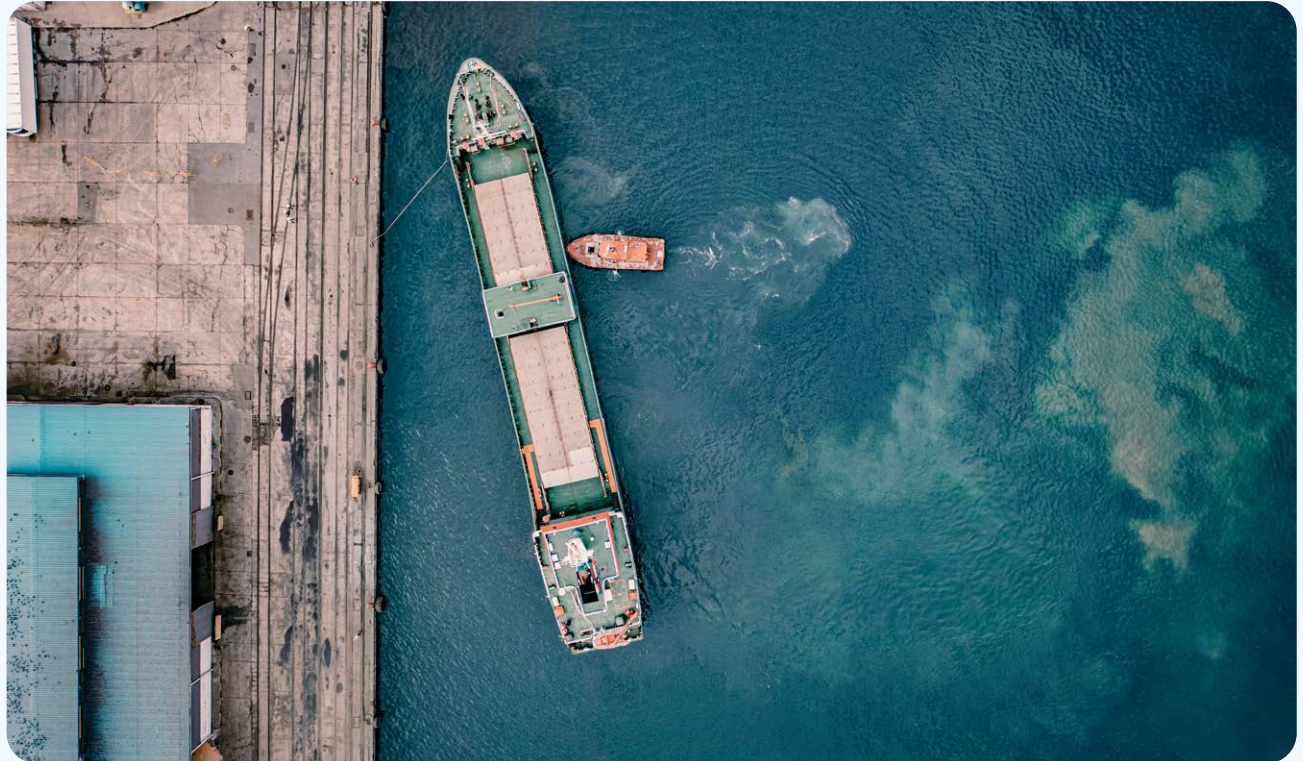
We carry out supplier risk assessments and instruct suppliers on how to handle personal data using data processing agreements. We use these risk assessments to determine the extent and frequency of supervision of data processors. We continuously follow up on the risks regarding data handling with our data processors, i.e., we receive audit reports on the cases with the highest risk and most comprehensive handling processes. 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.

Clear process for incident management

At Topdanmark, our goal is to reduce data breaches to a minimum and try our best to prevent it. However, should an incident occur, it is handled according to standard processes, and is assessed and reported to the Data Protection Authority in a timely manner. If the risk to the data subjects is considered high, the specific subject is notified of the incident. We follow up on every data breach and assess how similar incidents can be avoided in the future. Read more on our [corporate website](#).



Looking forward on data privacy

Protection of data and ensuring sufficient data privacy is a constant focus area for us. That said, there is always room for improvement, so looking forward we continue to focus on privacy by strengthening our processes and governance for employees working with personal data.

Statement on data ethics

As a non-life insurance company, we use data to assess our customers' concrete insurance risks. With digitalisation, 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 more refined data ethical principles approved by the Board of Directors

in 2023. These principles also apply to our work and initiatives related to protection of data privacy, since data privacy and use of AI inevitably are connected. This report 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.

Our ethical principles for use of data and artificial intelligence

At Topdanmark, we collect a vast amount of general information and personal data, including sensitive personal data.

- Topdanmark solely processes data for specific and legitimate purposes which are part of the operations of the insurance company.
- Topdanmark does not sell customer data to third parties.
- Topdanmark has a responsibility to ensure that everyone has access to insurance on fair and reasonable terms, including those who opt out of insurances with advanced data use.
- When data is applied to individual user interface adaptation, it is always in the customer's interest.
- We do not apply digital solutions that lure the customer to do something which is solely in the interest of the company.
- It will be clearly stated when Topdanmark uses data to influence behaviour to avoid or minimise claims.
- Topdanmark supports that the customers take ownership of their data and create value for themselves by the use of data, and we will support this for the best interest of the customers and Topdanmark.
- Topdanmark makes use of automated work processes and decisions as well as Machine Learning when it can give the customers good and easy service, and at the same time keep our expenses at a level that allows us to remain competitive.
- Topdanmark develops and uses artificial intelligence with care and respect.
- Artificial intelligence is applied in a set framework and is built on the latest technological knowledge and thorough tests.
- Machine Learning Algorithms are trained on a basis that is representative of our customers.
- Topdanmark ensures that artificial intelligence is reliable, based on facts, and represents a diverse group of customers. We understand and can explain how artificial intelligence works, so the models act safely and only as intended.

Information and cyber security

As a financial company, Topdanmark is exposed to both information security risks and cyber security risks due to the large quantity of sensitive data we handle. It is important to address these risks to ensure that customers' and stakeholders' data is protected in the best way possible, and operations can run smoothly.

It is paramount to us that the standard of information and cyber security is upheld to fit the nature and scope of our business, and that it corresponds to the high standards that are expected of a financial company. However, the ever-growing threat of IT and cybercrime may ultimately lead to a breach of data security and concretely result in data breaches at our end. To counteract this risk, we have established a policy and a management system for information security to ensure the protection of systems and data. This also means securing our business against cybercrime and ultimately securing our customers' data.

Clear responsibilities

To ensure information security and cyber security preparedness, we have an Information Security Policy and an Information Security

Management System (ISMS), both based on international standards. The Information Security Policy is implemented in 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 cyber security, lies with the CISO, who reports to the Chief Information Officer in Group Executive Management.

High level of information security

We use several layers of security systems to manage information security and cyber security threats. For example, we have invested in early warning and incident management technologies. We also perform vulnerability assessments continuously. To counteract business interruptions caused by information security breaches 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 to implement sufficient security measures. These requirements are 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.

Training of our employees in information security

All new employees are introduced to our Information Security Policy and are obliged to pass a mandatory e-learning course on information security within the first three months of employment. Hereafter, all employees must pass the mandatory e-learning course annually

In 2023, Topdanmark's employees were better at detecting phishing emails than the average financial industry.

to ensure continuous focus and renewed knowledge on the topic. 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, and the same procedures applies to them.

Activities and evaluation 2023

In 2023, we began to prepare the implementation of new EU legislation, DORA, Digital Operational Resilience Act, which we must comply with by January 2025. Among other things we started to identify areas of action and initiated the work on these areas where needed, to implement DORA. In October 2023, we ran our first ever cyber security month at Topdanmark. This month included games and quizzes for all employees to underline the need to be aware of cybercrime towards Topdanmark. Furthermore, we have incorporated a security awareness programme, which helps train our employees in detecting phishing mails and other malware. In 2023, Topdanmark's employees were better at detecting phishing emails than the average financial industry. This became clear to us through the data provided from our training partner, Hoxhunt, who provides the training services used to educate and detect phishing emails. This is something that we are especially proud of.

Looking forward on information security

It is crucial 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. In this context, we will continue to prepare and

implement DORA to heighten our cyber security resilience. Additionally, we will continue to leverage tools and processes to mature cyber security information and awareness across the Group. Read more on our [corporate website](#).



Responsible claims handling and complaints process

Topdanmark wants to ensure that our customers' claims are always handled fairly, so that they feel comfortable with the products they have purchased from us. Our objective is for customers to receive compensation quickly, efficiently, with great service and according to the terms of the policy. We have implemented solutions 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 on how to report a claim, for example, without a policy number. If the customer is unsure, a chatbot can help find the correct claim notification form. For the customers who do not wish to use digital channels, claims can be reported by phone.

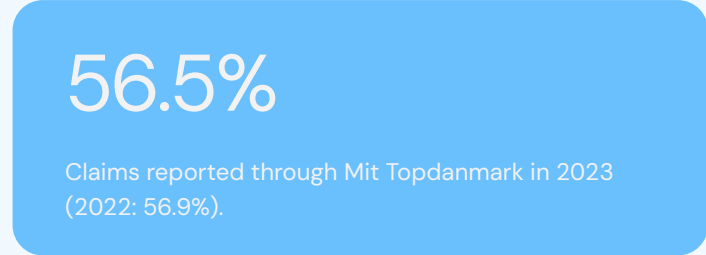
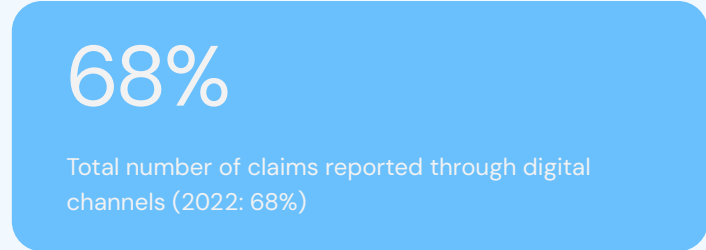
Attention to errors

We process approximately 350,000 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 attend to it immediately, and fix it as fast as possible. 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 a 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 possibilities for complaining 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). See specific data on cases in our [ESG Fact Book](#). 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 services, so the customers get an even better understanding of the exact cover of our products.

	Unit	2023	2022	2021
Cases with the insurance complaints board	number	104	108	111
Percent of cases that Topdanmark has won	%	82.7	86.1	85.6

Responsible sales and marketing practices

Responsibility is also about being attentive to the risks relating to our business in sales and marketing. Risks such as inappropriate customer advice and sales resulting in the cover not matching the customer’s wishes and needs, lack of clarity on terms and conditions as well as 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. Read more on our [corporate website](#).

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 to:

- be easy to understand, accessible, precise, and balanced in product information
- be transparent regarding price increases
- provide fair claims handling
- give easy access to a fair complaint process

Approach and governance

We want our customers to have precisely the cover that matches their needs. 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 services. We carry out quality checks both centrally and decentralised on all employees and sales agents. If rules or processes are not upheld or if incorrect advice is provided, this will have contractual consequences depending on the severity of the specific case. In addition, we monitor all incoming calls with a quality score, which ensures good advice. Furthermore, 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 provide advice and services on subjects and situations that may be complicated for our customers to understand. For example, when purchasing our products online and without direct contact with an employee. In these situations, we have prepared information on products, prices and cover, and made them easy to find and comprehend. 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 ensuring that our communication is just, inclusive, and free of prejudice and discrimination.

Control procedures on prices

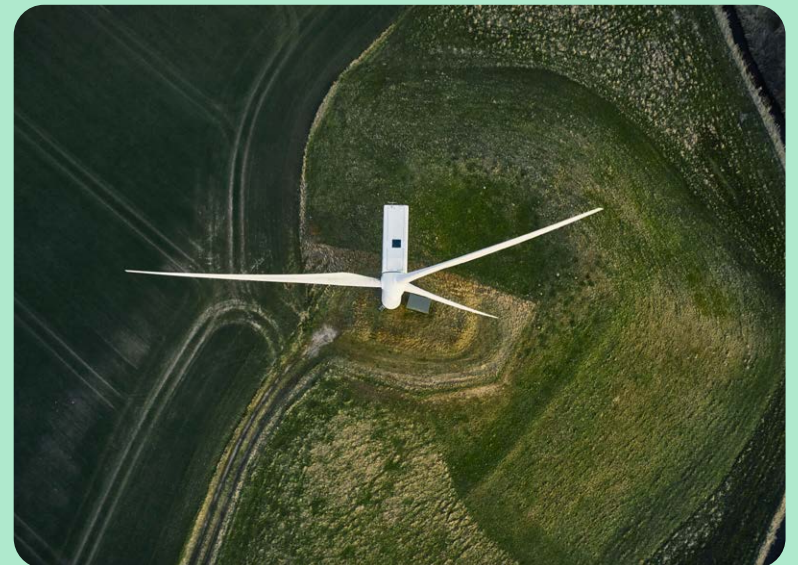
We have strict guidelines and procedures in our governance for decisions related to pricing in Topdanmark, prepared by the Director of Pricing and approved by the Pricing Forum. This includes control procedures for the calculation of prices which ensure that only actuarial-relevant criteria are used. 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. However, for individual contracts signed before the change in legislation in 2012, gender was used in 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 Forsikringsakademiet (The 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.

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% CO₂e 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 all of society, and to us as an insurance company, as well. 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 different 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. In general, there is a need to reduce our footprint on nature,

and at Topdanmark we have chosen to do so through recycling and circular economy. Both in claims handling and in the running of our offices, we focus on a mentality that supports less consumption. 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.



Our journey toward zero emissions in own operations

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 have joined the Science Based Target initiative to have our targets validated.

As a financial company, Topdanmark does not directly cause large amounts of CO₂e 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 CO₂e emissions, and we also consider it part of our social responsibility.

Responsibility and policy

Sustainability Forum is responsible for our Climate and Environmental policy including our programme and targets for CO₂e-reduction. The HR manager for facility management is responsible for initiatives related to buildings, while the Chief People Office is responsible for business travel in general. Progress on targets is monitored by Sustainability Forum annually.

Targets and results in 2023

We support the Paris Agreement and the general global efforts to reduce rises of temperature, and in 2019, we set a target to become CO₂e 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. Our CO₂e reduction targets and results for 2023 are:

Reduction target	Unit	Result 2023	Reduction %
45% CO₂e reduction in 2025 (scopes 1 and 2)	Tonnes CO ₂ e	3,050 compared to 3,475 in 2019 (baseline)	12.2% ¹⁾
70% CO₂e reduction in 2030 (scope 1, scope 2 and some scope 3 categories)	Tonnes CO ₂ e	5,539 compared to 6,616 in 2019 (baseline)	16.3% ¹⁾
15% absolute reduction of energy in 2030	GJ	37,850 compared to 46,202 in 2021 (baseline)	18.1% ²⁾

1) Note that the baseline data (i.e. data for 2019) was proportionally adjusted for the first time in the 2022 report by excluding the CO₂e emissions from our 'discontinued operations' (equal to 7.3% of the total amount of CO₂e emissions) in order to track progress.

2) Note that the baseline data (i.e. data for 2021) was proportionally adjusted for the first time in the 2022 report by excluding the energy consumption from our 'discontinued operations' (equal to 8.1% of the total amount of energy) in order to track progress.

As stated in the table page 58, we believe that we can reduce up to 70% CO₂e emissions by 2030. To reach our target of zero CO₂e emissions, we will have to buy relevant climate compensation for the remaining CO₂e emissions.

Activities and evaluation 2023

To reduce our scope 1, scope 2 and selected scope 3 emissions in target, we have carried out the following activities:

Optimisation of building operations (scope 1 and scope 2)

A few minor projects have been carried out to reduce consumption of natural gas (scope 1) as well as electricity (scope 2) at our headquarters such as, among other things, closing of unnecessary colling and implementation of an IT setup to ensure that computers turn off/ go to sleep mode when not in use. Based on initiatives from 2022, in 2023 we have fine-tuned functional parameters for ventilation and lighting (outside as well as inside) so that they are only switched on when there is a real need for either ventilation and/or lightning.

The result for 2023 is a reduction of CO₂e-emission CO₂ emissions on 3.7% in the consumption of natural gas, and a reduction in electricity of 2.7% compared to 2022. This is a lower reduction than expected which is due to postponement of swich to district heating. In the Sustainability Report 2022, it was stated that a switch from natural gas to district heating at the head office – to reduce scope 1 emissions – was planned be completed in 2023. However, due to an unexpected increase in the implementation cost, the project has been postponed to 2024.

Optimisation of business travel (scope 1 and scope 3)

To reduce CO₂e-emission caused by business travel either in a company car (scope 1) or privately owned car (scope 3), we have following initiatives:

Hybrid workplace contributes to less driving

In 2022, it was decided to continue the hybrid workplace initiated under the COVID19 pandemic. This means that we have a 60/40 work week with 40% work from home. In 2023, we launched several initiatives to enhance Topdanmark as a hybrid workplace in five focus areas: hybrid management, IT and technology, physical surroundings at the office and at the home office, working environment, and digital tools and competences.

In addition to giving increased flexibility and work/live balance for our employees, a hybrid workplace makes it possible to conduct digital meetings and can thereby contribute to less driving either in company cars (scope 1) or in privately owned cars (scope 3) as well as less air travel. To strengthen the hybrid workplace and digital meetings, our travel policy asks our employees to consider digital meeting solutions as the first choice to limit car or air travel.

Low emissions cars

We not only strive to limit the concrete driving in company cars, as described above, we also strive to reduce the CO₂-emisison when driving by replacing conventional company cars with low emissions cars (scope 1 emissions) in coming years. Since late 2022, it has only been possible to choose an electrical car – unless the actual company driving need require a conventional car (only petrol).

At the end of 2023, we had 62 company cars in total – see overview see an overview below. The number of electrical cars has increased from zero in 2021 to 18 in 2023, equal to 29% of the car fleet. From 2022 to 2023, the increase in electrical cars was on 21%.

The result in 2023 was a minor reduction of CO₂e-emission on 6.4% for company cars – compared to 2022. We expect the reduction to increase in the coming years when more electrical cars in the car fleet. When it comes to company travel in private cars, we have seen a minor increase on 1.9%. In 2024, we will investigate the reasons behind the increase.

Company cars 2023 & 2022

Unit	Petrol	Diesel	Hybrid – petrol	Hybrid – diesel	Electric	Total
Number 2022	3	48	6	4	5	66
Number 2023	2	30	8	4	18	62

Overall evaluation of progress on the CO₂e reduction target

The reduction of our scope 1 and scope 2 has been 12.2% since baseline line year, while our target is 45% in 2025. The reduction of our scope 1, scope 2 and scope 3 is 16.6% since baseline year (2019), while our reduction target is 75% reduction in 2023. The reduction in 2022 as well as in 2023 has been minimal which is unsatisfactory. In 2024, we will evaluate the results further and establish a more precise roadmap to reach both our targets.

Further information on location-based electricity and additional categories within scope 3 emissions can be found in the Appendix on ESG performance data.

Energy consumption

In 2023, the total consumption of energy was 37,850 tonnes GJ compared to 39,486 tonnes GJ in 2022 equal to a reduction on 4.1%. This is due to a minor decrease in consumption of almost all types of fossil fuels used in 2023 (i.e., natural gas, diesel, electricity, and district heating) except petrol, where we have seen an increase in consumption. In all, the annual result is satisfactory and since baseline year (2019), the reduction has been 18.1% superseding our target on 15% reduction.

Energy consumption 2021 – 2023 (GJ)

2023	2022	2021	Changes 2023/2022 %
37,850	39,486	46,202	4.1

CO₂-emissions 2021 – 2023 (tonnes CO₂e)

Emissions category	2023	2022	2021	Change 2023/2022 %
Scope 1	752.8	788.2	1,351.8	-4.5
Scope 2 ¹⁾	2,297.5	2,360.6	1,872.4	-2.7
Scope 3 ²⁾	2,488.9	2,444.0	1,847.9	+1.8
Scopes 1, 2 and 3 GHG emissions, total	5,539.2	5,592.8	5,072.1	-1.0

1) Electricity is calculated as market-based.

2) Scope 3 categories included: Business travel in privately owned cars, air travel, water, waste fuel and energy related activities.

GHG breakdown 2023

Emissions category	2023	Percentage of total
Scope 1		
Natural gas	546.3	9.9
Company cars	206.5	3.7
Scope 1 – total	752.8	13.6
Scope 2		
District heating	4.2	0.1
Electricity (market-based)	2,293.3	41.4
Scope 2 – total	2,297.5	41.5
Scope 3		
Business travel in privately owned cars	1,313.9	23.7
Air travel	346.3	6.3
Water	4.5	0.1
Waste	43.5	0.8
Fuel- and energy-related activities	781	14.1
Scope 3 total	2,488.9	44.9
Scopes 1, 2 and 3 GHG emissions, total	5,539.2	100

1) The increase in numbers of hybrid cars in 2023 compared to 2022 are hybrid cars ordered before the new car policy was implemented.

Looking forward on CO₂e reduction

On a general level, in 2024 we will analyse and evaluate our current scope 1 and scope 2 CO₂e reduction targets in relation to requirements from SBTi, and targets will be submitted no later than end of May 2024. This includes that we establish a precise roadmap for reaching the target.

More specifically, we plan to continue the optimisation of building operations to reduce scope 1 and scope 2 emissions. More specifically, we plan to continue the optimisation

of building operations, to switch from natural gas to district heating to reduce scope 1. In 2023, we initiated the planning of a major remodelling of the head office to be implemented in 2024 and onwards. In this connection, we will replace many of the existing lighting fixtures with LED. In 2024, the maintenance of most of our servers will be outsourced which will decrease the consumption of electricity in house. However, the consumption from the maintenance of our servers will be reported as scope 3 emissions. Regarding CO₂e emissions from business travel: We expect the number of electric cars to further

24%

of the total power consumption was produced by our own solar cells (2022: 24%).

increase in 2024. In addition, a number of initiatives in our claims handling process will be implemented – initiatives that also will reduce driving.



Green workplace

Target 2025	Unit	2023	2022	2021
50% reduction in paper use	tonnes	11.7	9.2	12.7
70% reduction in single-use plastic items	items	133,395	77,526	75,188
Performance target				
Create an internal community for a greener 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. Therefore, we drive the green transformation using both top-down and bottom-up approaches.

Targets and results in 2023

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. 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 have a greener lifestyle – in the office and perhaps at home as well.

Change of throwaway mentality

In recent years, we have focused on changing the throwaway mentality in our work and day-to-day activities. This focus was set to support our work with sustainable development goal no. 12

on responsible consumption (read more on the sustainable development goals on page 116).

To change the throwaway mentality, we began by focusing on the reduction of single-use plastic items which then evolved into a wish to reduce all single-use items regardless of the material. The small initiatives we launch at the office may not change the course of the global climate crisis, but it will help shape the mindset of our employees on the need to reduce consumption in our day-to-day activities. As an example, all employees can 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 in the period from 2019 to 2021. Lastly, instead of flowers for anniversaries, we now give potted plants that bind CO₂ and which our employees can enjoy much longer than a bouquet of flowers.

To us, the small initiatives matter, and we can see that the 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

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

WorkGreener's representatives have a responsibility to communicate the work and initiatives from WorkGreener to their respective colleagues and organisational divisions and to 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 a result, we take a bottom-

up approach to creating a green workplace driven by the commitment of our employees.

Activities and evaluation 2023

The amount of single-use plastic in 2023 were more than 133,000 items. This means that we have not been able to reduce our plastic consumption in 2023. The reason being that from 2018–2021, which was the period in which we first set focus on single-use plastic consumption, we reduced our consumption

with more than 90%. In 2021, we set a new baseline based on the 2021–result, however, this baseline has proven hard to beat. Certain single-use plastic

items cannot be avoided 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. Furthermore, new waste-sorting regulation means more bins, and thus more plastic bags.

Regarding paper consumption, we have not reduced that either, in 2023, instead it increased by 27% from 2022. However, compared to the baseline set in 2021, we have reduced our paper consumption by 7%. The digital workplace is becoming a natural way of working, and we continue to emphasise digital solutions, however,

there is still a need for posting physical mail, and we can see that the primary cause for the increase in paper consumption in 2023 is the use of envelopes and standard printing paper.

As an add-on, we have removed all paper coffee cups at all our offices. Since all employees have their own ceramic coffee cup, and all guests are offered a cup when working at or visiting one of our offices, we no longer have a need for purchasing single use coffee cups, and consequently we have eliminated them completely in all our offices.

WorkGreener focuses on nudging, behavioural aspects of changing habits, and communication of scientific information. WorkGreener conducts an annual survey to understand to which degree the employees support the green workplace and whether they understand how WorkGreener’s initiatives support the overall business strategy and sustainability programme.

In 2022, we saw that 91% of employees thought it important that Topdanmark works to support a better climate and the environment, however only 45% felt capable of making climate- or environmentally-friendly choices at work. This spun a line of activities during 2023, most important of which was the first ever Green Week at Topdanmark where life hacks and small steps to improve climate and the environment

were in focus. Through quizzes, games, and nudging of habits, all employees were introduced to vegetarian food, the correct way of sorting waste in ten fractions, car-pooling to and from work, and 25 other life hacks for a greener life.

Read more on our [corporate website](#).

Looking forward on a green workplace

The annual survey in 2023, show that 61% of the employees now feel equipped to take climate or environmentally friendly choices at work. This is an increase of 16pp from 2022, which tells us that our efforts on creating a green workplace works. Even though there is an increase in the number of employees who feel equipped to take climate friendly choices at work, there is still a rather high number of employees who want to act but do not know how. This means that we will look more at communication and education of all employees on taking actions for a better climate and environment.

Moreover, in 2024, we will focus on getting inspiration from other companies on the people change processes and employee habits that can be affected and changed to support a greener workplace. Furthermore, we will look into the possibility of starting a cross-company network for a greener workplace, thus being able to share inspiration and challenges in the people change aspects of creating a greener workplace.

Topdanmark held their first ever Green Week in 2023

Customer solutions

Target 2025	Unit	2023	2022	2021
Five new products or services that support customers in CO ₂ reduction, climate adaption and other sustainable choices	Number	0 ¹⁾	0	1
Performance target				
Contribute to stability through prevention of damage				

1) No new products that completely fulfil the requirement 'green product' was developed in 2023.

In recent years, we have experienced more extreme weather often as a consequence of climate change in general. We want to contribute with solutions that both benefit our customers and reduce climate change, e.g. via products and services. We also want to promote solutions that prevent damages.

The weather-related challenges call for us both to develop new products and services and to adjust our existing products to 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 CO₂ emissions and to the green transformation in general.

We also work with the prevention of damages, such as fire, water and cloudburst damage. This makes sense for several reasons: it provides

commercial customers with stable operations, it reduces our claims expenses, and it benefits the climate as reconstruction following damage is related to consumption of resources and CO₂e emissions. The climate advantages are particularly clear in regard to the prevention and limitation of cloudburst damage, damages due to water leakage, and large fires – areas in which we have a particular focus.

Moving forward, sustainability will form a natural part of the product development process. In general, we take an experimental approach when it comes to innovation of new products 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.

Targets and results in 2023

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

Strategic target regarding new products

Topdanmark's customer promise is that we are here to help. 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 CO₂ reduction, climate mitigation and other sustainable choices. This applies to both our private, our agricultural and 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 built directly 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.

Responsibilities and approval process

Topdanmark’s sustainability team carries out a professional assessment of whether the product meets the minimum requirements. The final

approval of whether a product, cover or service can be regarded as “sustainable” lies with Product & Services, Center of Excellence.

Activities and evaluation 2023

The process of developing green products and services that fulfil the criteria mentioned above for ‘green product’ has been a challenge in both 2022 and 2023 as we have been changing our core systems and thus giving priority to preparing and improving existing products and services for the new system. This process also includes simplifying the products and the conditions which will make it easier for the customers to use and understand the content of our insurance products.

Even though no new products and services have been fully developed in 2023, we have still worked with the green transition and customers solutions i.a. by exploring ideas and by looking into the possibility of cooperation on the green agenda with our business partners.

Looking forward on customer solutions

As described in the Introduction on page 14, in 2024, we will review our current ESG programme due to major changes in 2023; A double materially assessment was conducted, full implementation of the EU taxonomy, and finally the acquisition of a new business unit.

The review of the programme will include an evaluation of our current target on the development of five new products based on internally defined criteria. However, we have realised that the criteria do not provide transparency as comparison with other insurance companies is not possible. Therefore, looking forward, we will instead apply the EU taxonomy for climate adaption and the related technical criteria launched in 2023 to support the green transition in our customer relations. We think that this is a more trustworthy and transparent way to promote the green transition. As described on page 95, our ambition is to have one to two products aligned with the EU taxonomy, in 2024.

In 2024 we will focus on adjusting existing products to support the green transition and spread the use of existing products already supporting the green transition. We have the following products and services that support the green transition: Climate-friendly construction, lodged corn, recycling and repair instead of replacement, prevention activities etc.

Read more on our [corporate website](#).

Prevention and climate measures

Every day, Topdanmark is in contact with 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 damages and on limiting the scope of the damage once it occurs – which is particularly important to our agricultural and commercial customers.

How we work on prevention

We work continuously on integrating advice on damage prevention in the processes and contact with our agricultural and 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, e.g. 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 CO₂, 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 CO₂ emissions during production. For Topdanmark, large fires also mean significant expenses for paying out indemnities.

Activities and evaluation 2023

In 2022, we focused on prevention of fires in electric cars which often starts in the battery

and may develop into a big fire as fires in a lithium battery can prove very difficult to extinguish. In 2023, we have expanded the focus area to include prevention of fires in all kinds of electrical tools or machines that is driven by lithium batteries. This includes trucks, scooters, bicycles and handheld craft tools. When it comes to electric cars, 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 2023, we had dialogues with suppliers of lithium batteries to get knowledge about how to prevent overheating, and with suppliers of charging stands and of other kinds of charging tools to learn about the best and most firesafe products on the market. The work will continue in 2024, where we will finalise prevention requirements for our customers, e.g. installation of certified charging tools, training in fire prevention etc.

**Fire prevention in large buildings and farms**

In 2022, we inspected the 100 largest residential properties insured by us. The objective of our efforts was to assess the fire safety preparedness and require improvements in case of any weak points, thus preventing fire damage. The result of the inspections was positive as no major weak points were found in the fire safety preparedness of these properties. At the same time, the visits provided us with a good opportunity to advise homeowners and caretakers on general fire prevention. In 2023,

we followed up on these efforts, i.e. by having dialogues with the customers on the most important elements of fire prevention such as fire protection of vaulted ceilings, fire sectioning, parapet walls, orderliness and tidiness.

Furthermore, in 2023 our focus has been on non-residential properties insured and in total we inspected 4,676 of our largest customers either through site visits or administrative inspections. The purpose with the inspections was the same as described above. Through dialogue, we have

not only helped our customers prevent fire damages but also water damages which, for example, can arise from damaged water pipes.

Use of thermal imaging to prevent fire

Short circuit in electric panels or installations is one of the most frequent causes of fires, and thermal imaging has therefore been an integrated part of our overall damage prevention concept "Sikkert Landbrug" (Safe Farming) for a long time.

Thermal imaging means taking photos with a heat sensitive camera, thus revealing loose connections and other errors due to higher temperatures. It is a simple and safe way to discover faulty connections, overloads and defect components in electrical panels and installations before causing downtime, breakdowns or, at worst, fire.

As part of our service to agricultural customers, we offer thermal imaging performed by a certified thermographer with whom Topdanmark has entered a collaboration agreement. This includes a report on errors and omissions including any illegal installations.

In Q4 2022 and all of 2023, we intensified our efforts to prevent fire. In total, we planned to conduct thermal imaging at 1,483 farms. In 2023, a total of 961 thermal imaging sessions were completed – the remaining 522 will be completed in 2024. Subsequently, as something new, we have performed systematic follow-

up on all the errors and omissions found on the thermal imaging and ensured that these were rectified. If any mitigating actions are needed after an inspection, the customer can receive a reduced premium when providing documentation of the implementation of the proper steps to mitigate the risks found during the inspection. We expect that these efforts will not only improve Topdanmark's business risk, but also prevent fires to the benefit of the customers.

Apart from the environmental aspect of preventing fire, as described on page 66, we have seen that by using thermal imaging, it is also possible to detect other potentially dangerous situations that can have severe consequences for people and farm animal as well. Often, we see problems with loose wires or lack of shielding of electrical panels, which can cause severe electrical injuries to people. Furthermore, even a small fire can cause smoke inhalation for animals and thus result in the destruction

of the entire livestock. By identifying these issues, we can prevent dangerous situations both for people, livestock, and materials, which in turn is beneficial for both the customer and Topdanmark.

Looking forward on prevention

In 2024, we will, among other things, continue our focus on prevention of fires in lithium batteries as described above. Furthermore, we will look into how to improve the safety in multi-storey car parks which pose a challenge due to the high risk of fire, not only from electric cars but from all kinds of cars. In case of fire, the consequences are big due to the high number of parked cars. Likewise, the systematic follow-up on errors and omissions found by thermal imaging at agricultural customers will continue in 2024.

The dilemma of insuring sustainable building materials

As an insurance company, Topdanmark pays out indemnities for a significant number of building claims each year, and thus we are indirectly involved in the use of many building materials and rebuilding methods which emit a significant amount of CO₂ such as, for example, the use of concrete. Topdanmark wants to support the sustainable transformation in the construction sector in which new materials and methods are developed as alternatives to the conventional materials and methods. This is, for example, ground screws and wooden structures.

However, from an insurance perspective, the use of new materials and methods is not without

problems, since we are not able to identify a building's full risk profile as we still do not have sufficient knowledge on the new materials and methods, and how they react e.g. in the event of cloudburst. For this reason, we cannot set a correct price.

We believe that the best way forward is to gain knowledge across sectors and companies, and that the best way to do this is through Insurance & Pension Denmark, the Danish trade association for insurance companies and pension funds. Therefore, we have been involved in this work with the trade association in 2023 – and the first steps towards a collaboration across the insurance sector and the construction sector have been made. In 2024, we will continue to

be active in the work to find the right insurance solution for new and more sustainable building materials and methods.

In [Forsikringsbranchens Bæredygtighedsrapport 2023](#) (Sustainability report 2023 of the insurance industry in Danish) published by Insurance & Pension Denmark is a description of how the industry approach the dilemma of insuring sustainable building materials and seek to find the best solution.



13,524

smart water alarms

The number of active LeakBots, i.e., smart water alarms, by the end of 2023, 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. In 2023, 3,668 new water alarms were installed. In 2024, we plan to add further 17,000 LeakBot alarms.

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.

The pressure on the world's resources, partly through our consumption of consumer goods, poses a challenge to the environment. We 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 on 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 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 its limitations.

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

Integrating the circular economy into the claims handling process is thus an ongoing process. We work with our partners to find new solutions to the various areas to benefit our customers, e.g. shorter repair times for electronic devices. Furthermore, we also offer to replace the damaged electronic device with an equivalent device to shorten the period for the customer.



Cars

Target 2025	Unit	2023	2022	2021
Increase the percentage of repair of bumpers	%	33.3	31.9	28.0
Increase the percentage of repair of windscreens to 45%	%	38.6	39.9	40.9
Increase the percentage of used spare parts to 4% ¹⁾	%	2.92	2.53	2.05

1) 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 in 2023	2022	2021
Maintain the percentage of repair of phones, computers, and tablets at 72% ^{1) 2)}	%	63.3	66.6	72.0

1) The target covers the percentage of damaged units sent to our main partner.

2) Regarding the target for repair of electronics: 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 105). Based on a professional assessment, we do not consider it possible to further increase the percentage of repair in coming years.

Buildings

Performance target 2025

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

Targets and results for 2023

Integrating 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.

The target covers the percentage of damaged units sent to our main partner.

Regarding the target for repair of electronics: In recent years, we have achieved a significant increase in the repair of electronics, from 57% in 2017 to 72% in 2021. Based on a professional assessment, we do not consider it possible to further increase the percentage of repair in coming years.

Activities and evaluation 2023

Cars

Repair of bumpers

The percentage of bumper repairs has increased by 4.8% from 2022 to 2023, and in total 18.9% compared to baseline in 2021. This result is satisfactory. However, the initiative is an ongoing process, and we expect to see further increase in coming years. The reason being that a heightened focus on repairs in general within the industry is pushing a common agenda, which leads to growing expertise from repair shops making repairs a more viable and accepted solution. We consider this a positive development.

Repair of windscreen

In 2023, the percentage of repairs of windscreens has decreased slightly, from 39.9% in 2022 to 38.6% in 2023. There are several 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, we experienced a series of weather-related claims in the summer of 2023 for which repairs were not possible. The challenge with the low level of repair of windscreens 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 15.4% compared with 2022 and by 42.4% in total compared with baseline in 2021. This is a very satisfactory result in a difficult market for used spare parts. The positive result can be attributed to two primary factors. Firstly, a reduction in the availability of certain new parts has played a role. Secondly, the implementation of new processes in the systemic claims handling procedure has nudged repair shops to opt for used spare parts in more cases.

Electronics

The proportion of repairs of electronics in 2023 has decreased slightly from 2022 to 2023 with 4.2%. The decrease can be explained due to IT system change with the supplier conducting the repairs, leading to longer handling

times. To mitigate the increased handling times and meet customer expectations, it was agreed that we would accept an increase in cash settlements. This tendency impacted the second half of 2023.

Buildings

Building material for reuse

Regarding our overall target for 2025 of focusing more on the possibility of selling building material for reuse following damage to buildings. In 2023, we initiated a dialogue with our selected material suppliers about potentially reselling materials on specific cases. It will be a case-by-case evaluation of whether this is possible.

Choosing environmentally- friendly materials

When we do purchase materials to be used in the rebuilding of damaged buildings, we want to look into the possibility of moving towards more environmentally-friendly, and sustainable materials. This will be conducted in close collaboration with our material suppliers and the network of craftsmen using the said materials.

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The number of bicycles donated for repair and reuse with social enterprises (2022: 109)
 Read more on our [corporate website](#).

Looking forward on the circular economy

In general, we will continue to focus on 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. We expect the market will continue to develop due to a general market trend towards these kinds of repairs. However, for our own part, we expect the increase to slow down compared to previous years.

Regarding damage to windscreens, we will actively strive to increase the proportion of repairs in collaboration with our suppliers – our aim is still 45% repairs 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 windscreen as this improves the chances of repair.

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. Furthermore, we will explore the possibility of introducing internal key performance indicators (KPIs) to reinforce the implemented policies and enhance our ongoing initiatives.

Buildings

Regarding building damage, we will continue to work toward our target of exploring the

possibility of selling building material for reuse, as described on page 72.

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. When we do buy new materials, we want to consider the possibility of pushing towards choosing more environmentally-friendly materials, still taking cost and security into consideration.



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. 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 adhere to the principles of the UN Global

Compact. The code of conduct is thus also a key part of our vision for a more sustainable Topdanmark.

Content of the code of conduct

Our code of conduct is our policy on how to conduct ourselves both internally toward our colleagues and externally toward business partners and other stakeholders. The code of conduct is comprised of five overall topics with

a wide range of subtopics that we assess to be material to Topdanmark.

All new employees must complete and pass the e-learning course on code of conduct in connection with their employment. Hereafter, the employees must take and pass the mandatory e-learning every second year. In 2023, 96.4% of employees obliged to take the e-learning course had passed. Read our [Code of Conduct](#).

Business Principles	Business ethics	Human rights	Environment	Whistleblowing
Compliance with legislation	Conflicts of interests	Respect for human rights	Climate change	Reporting illegalities
UN Global Compact	Prevention of money laundering and financing of terrorism	Zero tolerance on discrimination	Environmental considerations	Reporting for business partners
Products and services focusing on the customer	Anti-corruption and bribery	Health and safety		
Pricing	Guidelines for gifts and events	Freedom of association		
Communication to the customers	Fair competition	Forced labour and child labour		
ESG in investments	Lobbyism	Fair remuneration		
Data privacy		Remuneration for managers		
Responsible use of AI				
Cyber security				
Securities trading				
Responsible taxes				

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 principle 10 on working against corruption in all its forms including extortion and bribery.

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. All aspects are included in our work with anti-corruption.

Corruption and potential risks

Topdanmark can be exposed to corruption and bribery through our investments, customers, and supply chains, and internally through 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.

Mitigation

The risks we see are mitigated through screening processes, internal control setups and training of our employees. We actively screen investments, customers, and suppliers against international norms and standards, using the UN Global Compact principles as an off set and leaning on the Danish Criminal Code's rules on corruption and bribery.

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. To specifically address this risk, we have several hypothetical training cases in our mandatory e-learning on code of conduct. In these cases, employees are confronted with situations related to receiving gifts in a tender process, claims handling for relatives, and invitations to expensive dinners from business partners.

It is the responsibility of the employees to comply with the rules of the Danish Criminal Code regarding corruption, bribery, as well as stay updated on all internal guidelines and external policies, including our anti-corruption policy. If the employee is not sure how to interpret the anti-corruption policy or our guidelines in a specific situation, the employee must contact their manager or the HR department.

Policy statement

Our anti-corruption 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 as well as in the anti-corruption policy.

If any breaches of our anti-corruption 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 to assess whether the breach should lead to employment consequences. Any suspicion of corruption or bribery can be reported anonymously through Topdanmark’s whistleblower scheme, which is also available to all external stakeholders. Read more on our [corporate website](#).

Anti-money laundering and counter-terrorist financing

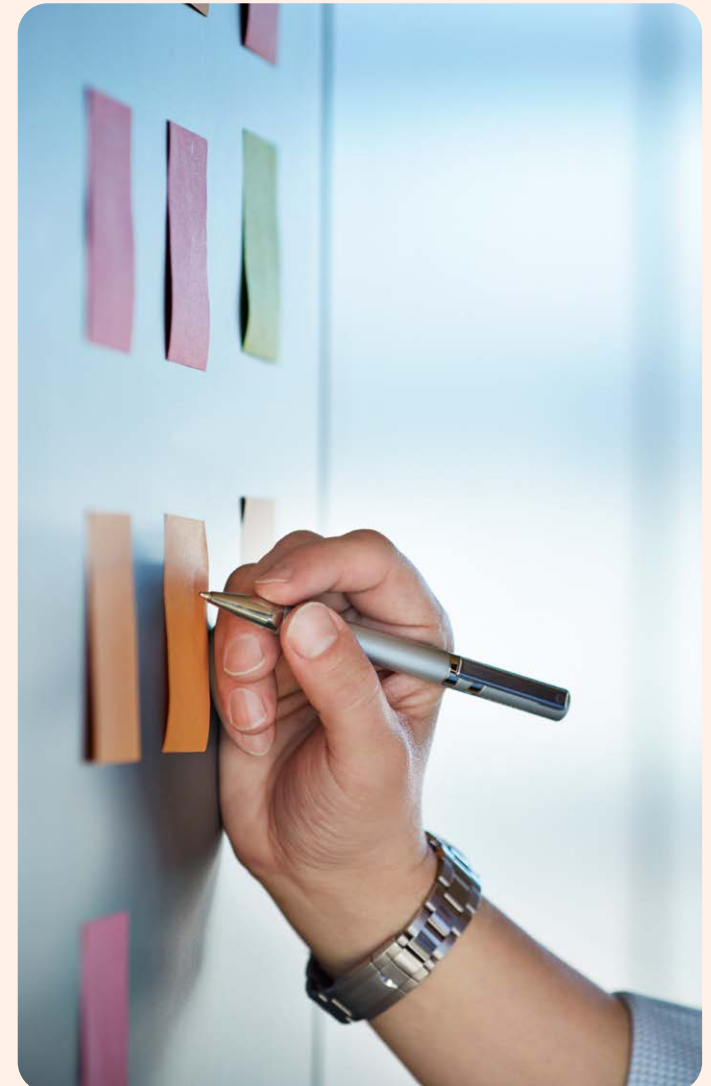
Topdanmark always endeavours to comply with

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 in 2022, Topdanmark promotes insurance services for Nordea Pension via a distribution agreement and is thus subject to the AML Act.

In that connection, 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 limited. Sales of our own insurance products and services are not subject to the AML Act.

Looking forward on anti-corruption

In 2024, we will focus on communicating internally about the anti-corruption policy. Furthermore, we will evaluate whether the current control procedures will stay with the divisional compliance departments or should be moved to a centralised department. We will also look at whether any changes are needed in the section on anti-corruption in the code of conduct e-learning module.



Human rights

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

Topdanmark respects internationally recognised human rights, and we are committed to not violate these rights. We adhere to and comply with Danish legislation which incorporates internationally recognised human rights. As an example, 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 OECD and 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 all relevant legislation. This monitoring shows us that we have policies, guidelines, and initiatives in place in relation to potential challenges and negative impact on human rights:

- Investment of insurance reserves with procedures and policies in place.
- Supply chain, where a programme on ESG-screening is established.
- Underwriting activities where ESG screening of agricultural and business customers is established
- Customer relations and the right to privacy with clear guidelines on how claims are investigated if insurance fraud is suspected.
- Policy for the protection of personal data
- Employee relations with a wide range of HR policies and guidelines as well as management principles which address the challenges of stress, lack of employee satisfaction, equality, non-discrimination, equal access to management positions, etc.

Due diligence process

We have a due diligence process in place which enables us to identify potential negative impacts on human rights, either by us directly or by our suppliers in the first tier. This enables us to act 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 suppliers, we start a reactive dialogue with the supplier in question. If this dialogue does not lead to a change of ways and a



remedy for the persons affected, at the worst, we can terminate the cooperation with the relevant supplier.

To some extent, the due diligence process is carried out through general processes for monitoring risks under the auspices of our Risk Committee. Other elements in the process are handled through policies, internal guidelines, and management systems across the entire organisation. Read more on our [corporate website](#).

Organisation

On an ongoing basis, we revisit the various policies and report on any challenges in the annual sustainability report and the [ESG Fact Book](#). Moreover, our employees have a responsibility to comply with our human rights policy, and it is mandatory for all employees to complete and pass the Code of Conduct e-learning module in which the human rights policy is implemented.

Activities and evaluation 2023

In 2023, we made a new set of guidelines for transgressive behaviour, as described on page 33. These guidelines address the problems with transgressive behaviour of any kind such as discrimination, unwanted sexual attention, or harassment. These guidelines are meant to

mitigate risks of breaches to the right to non-discrimination. The guidelines on transgressive behaviour are followed up by a module in the mandatory e-learning on code of conduct that all employees must pass every second year. New employees must complete and pass the e-learning course on code of conduct within the first three months of employment.

Looking forward on human rights

We have started preparing for compliance with the CSDDD (Corporate Sustainability Due Diligence Directive) expected to be implemented in 2027, as required by the EU. The directive is still being processed, and there are still questions to whether and how financial institutions will be included.



Diversity, equity, inclusion and belonging

Target 2025	Unit	2023	2022	2021
Maximum 60% of one gender at management levels 1 & 2 ¹⁾	% w/m	28/72	31/69	21/79
Maximum 60% of one gender on average at all management levels	% w/m	39/61	36/64	41/59
Maximum 60% of one gender on the succession list	% w/m	30/70	50/50	47/53
Minimum two people of each gender elected to the Board of Directors at the AGM ²⁾	No. of w/m elected at AGM	2/4	2/4	2/4
Performance target				
A recruitment process that supports our policy for diversity.				

1) Data covers Topdanmark Forsikring A/S. Topdanmark A/S is not included here as there are less than 50 employees.

2) Data covers both Topdanmark Forsikring A/S and Topdanmark A/S as the Board of Directors is the same and the target is the same for the two companies. See aggregated data for Board of Directors in the table "ESG Performance Data" on page 105.

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.

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 demography, and our customers and potential customers. The HR department is responsible for the policy on

diversity and the underrepresented gender and code of conduct. These policies are approved annually by the Board of Directors.

Employee resource group on diversity, equity, inclusion, and belonging

In 2022, we launched a new employee community for diversity, equity, and inclusion (DE&I). The group consists of 15 employees from different parts of the organisation and with different approaches to working with DE&I. During 2023, the employee group focused on setting the direction for the DE&I agenda at Topdanmark and aligning it with who we are as a business and a workplace. This resulted in having an additional focus added to the term namely 'belonging'. Belonging is a focus area that resonates well with our way of working in Topdanmark. When we talk about belonging, we talk about having a workplace where all employees feel that they belong, are accepted, and are valued for who they are and what they bring. Thus, we now work with DEI&B.

The group takes a bottom-up approach to working with DEI&B in Topdanmark. They are the eyes and ears of the employees, and they, gather, qualify, and recommend steps forward on the DEI&B agenda to the Group Executive Management. Read more on our [corporate website](#).

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 statement, 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 aspect. We call this Job Architecture. Job Architecture applies to all positions at Topdanmark and assesses each position in the organisation. This applies to responsibilities, content, and remuneration for each position. When the position has been assessed, it is secondary which person fills it, personal attributes such as gender, age, ethnicity and so on is not important, what is important is that each corresponding position is remunerated according to the job architecture assessment.

Still, we have a gender pay gap of 1.3 across all employee categories. This suggests that there are differences when negotiating pay on an individual level. However, we believe that the structure we have in place, e.g. job architecture, works well, nevertheless, we need to assess

where the pay gap emanates from and consider how we mitigate the risk of it growing bigger. In 2024, we will look further into minimising the gender pay gap by specific and comparable job functions, and thus be able to evaluate the pay gap for the specific job positions. Read more on our granular data on gender pay gap in our [ESG Fact Book](#).

Diversity in management and in the Board of Directors

The Board of Directors of Topdanmark A/S and the Board of Directors of Topdanmark Forsikring A/S consists of the same members, which are six members elected at the AGM and three employee-elected members. We want a Board of Directors in the two companies that consists of the best qualified candidates, and we have a target in both companies of at least two people of each gender elected to the Board of Directors at the AGM. In 2023, 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 as well as our own target.

One focus area in our diversity policies in Topdanmark A/S respectively Topdanmark Forsikring A/S is women in management positions. We want the Executive Management to be represented by the best qualified candidates, and we want a balanced gender distribution

D – Diversity
E – Equity
I – Inclusion
B – Belonging

to facilitate the positive effects of diversity. We have two targets for diversity in management levels 1 & 2 in Topdanmark Forsikring A/S (Topdanmark A/S is excepted as there are less than 50 employees). 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 must 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 2023, the result was 28% female and 72% male at management level 1 & 2 at Topdanmark Forsikring A/S, which means a decrease of 3pp compared to 2022.

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. As the leadership pipeline feeds into the succession list, our activities on gender distribution must be reflected in the leadership pipeline. The work on diversity in

In 2023, Topdanmark had 28% female managers and 72% male managers at management level 1 & 2.

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, in which we assess leadership potential among our

employees. Moreover, the people review process is also a matter of risk management, making sure that we have the best qualified candidates to step into a leader-position at all times, should this be necessary. The initiatives in the leadership pipeline and in succession planning in general are an integral part of people review.

Activities and evaluation in 2023

The percentage of women on management level 1 and 2 decreased in 2023 by 3pp, which means

that our efforts in terms of using the succession planning and leadership pipeline, have not yet accumulated into a better result regarding gender diversity in top level management. Our work on gender equality on the succession list is unfortunately not showing positive results, either. With a decrease of 20pp we now see a gender diversity of 30/70 in favour of men. This result is not satisfactory. However, when looking at gender diversity across all management positions we see a small increase and the number of female managers, and we are now closer to reaching our target in 2025. During 2023, we have digitalised the people review process, making it more efficient. Moreover, we have expanded the process to include all management levels, meaning that all managers are now in the people review system. It also means that we have reviewed even more leaders than last year, as all four management levels are now included in the people review process. When assessing managers in the people review process, we consider both management skills as well as professional skills, and assess whether the person in question could assume a larger responsibility within the organisation. This also feeds into the leadership pipeline and the succession list.

Looking forward on diversity and inclusion

First and foremost, we will focus a great deal more on DEI&B in the organisation in 2024. The employee work group will focus on establishing a foundation for DEI&B that resonates with Topdanmark as a business and a workplace. In terms of the work with DEI&B, we will assess the survey questions on diversity in both engagement surveys in 2024 so we are able to track the responses and development among our employees.

Moreover, a module on transgressive behaviour has been incorporated into the mandatory e-learning in code of conduct, and all employees will have to pass the new module on transgressive behaviour alongside the rest of the code of conduct. Furthermore, the HR department has developed dialogue cards to help facilitate the necessary talks on transgressive behaviour and the consequences it has for people.

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 commercial customers for compliance with the UN Global Compact principles on labour and human rights, the environment, and corruption.

Topdanmark has around 55,500 agricultural customers and around 64,000 commercial customers, mainly in the SME segment in Denmark. The SME segment makes up more than 90% of the total commercial market in Denmark. We have a strong market position with small and medium-sized enterprises insuring every fourth company. We are market leading within agricultural insurance insuring every second farm. Through close and attentive relations, we work to create safety and security, and to deliver more than just insurances. We want to integrate

Topdanmark found zero breaches to the UN Guiding Principles with customers in 2023.

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 explore how we can help and promote a positive impact on climate and environmental issues and social conditions in dialogue with our customers. As an example, relating to the social aspect, we engage with our customers assisting them with advice on work environment and prevention of work-related

injuries. This is conducted by our dedicated work environment risk engineer and our claims organisation.

We have integrated the UN Global Compact principles as an element of the due diligence process for commercial and agricultural customers. This means that our existing customers are screened for compliance with the principles by an external service provider based on publicly available information as media articles, NGO reports etc.

In case of a verified violation of one or more of the principles or other kinds of incidents, we will usually enter into dialogue with the customer to encourage improvements. If the requested improvements are not implemented, we will consider further steps, including termination of the customer's contract with Topdanmark. Read more on our [corporate website](#).

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 dialogues with the customers as well as determining whether to terminate a customer relationship. Based on information supplied by an external 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 2023

We always strive to carry out our underwriting activities for commercial and agricultural customers in compliance with the principles of the UN Global Compact. Similar to our

investment activities, we have exclusions for certain industries, i.e., the production of thermal coal, fossil fuel based on tar sands, controversial weapons, and tobacco meaning that we do not insure companies in these industries.

For 2023, we assess that there have not been any violations of the UN Global Compact in relation to our underwriting activities, and no underwriting activities related to the excluded industries.

Activities and evaluation 2023

Twice during 2023, an external service provider conducted ESG screenings of existing commercial and agricultural customers with a minimum of two employees, approx. 40,000 in total. The screenings include, among other

things, compliance with the UN Global Compact principles. The screenings have resulted in various actions – see overview on page 85.

Looking forward on customer relations

In future, we will look into how we proactively can include screenings in connection with the sale and renewal of insurance policies. The proactive approach will be on selected and relevant customers or sectors in significant risk of negative impact on e.g. the UN Global Compact principles or other incidents.

Results in 2023

Topic	Unit	As at 31 December 2023
Customers on internal watchlist ¹⁾	Number	9
Customers that we currently are or has been in dialogue with	Number	1
Customers with verified breaches of the UN Global Compact principles	Number	0
Customers with terminated contracts based on ESG issues ²⁾	Number	3

1) Issues that we observe: Potential negative impact on work environment, sexual harassment, and potential illegal marketing.

2) In 2023, the termination of customer contracts was not limited to verified violations of UN Global Compact principles. The contracts have been terminated due to verified cases of animal abuse, illegal marketing practice and non-compliance with safety standards.

Sustainability in supply chain

Target 2025	Unit	Result 2023	Result 2022	Result 2021
All suppliers in the ESG focus group with whom Topdanmark signs a contract have been screened for ESG risks, compliance, and sustainability during the tender process	%	100	100	- ¹⁾
	Number of contracts	27/27	21/21	-
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⁾	%	76.4	65.5	<5
70% of all stock goods are labelled with a recognised eco-label ³⁾	%	61.6	53.3	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, computer bags, clothing, coffee and tea. 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.

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.

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 related 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

Responsibilities

Topdanmark's Sustainability Forum is responsible for the overall ESG programme in Topdanmark, and the Chief Operating Officer is responsible for implementing the specific ESG programme for the supply chain. In 2023, we increased our commitment to sustainable procurement by hiring a new ESG manager in our Group Procurement department. The new addition enables us to further strengthen our ESG foundation and drive strategic ESG initiatives within three key tracks:

- The development of ESG principles within the procurement department, including review of procedures, defining initiatives in collaboration with business divisions and procurement, and heightening awareness on ESG principles in relation to tender processes etc.
- Decarbonisation as part of the Science Based target initiative process, as described in further detail below.
- Creating a knowledge centre in the division with a strengthened focus on knowledge sharing between internal units – e.g. Group Sustainability and claims departments – and externally by obtaining information on key sectors, sharing information, and creating the foundation of further engagement with the suppliers in said sectors.

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.

Targets and results in 2023

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:

Activities and evaluation 2023

In 2023, we continued our strong focus on integration of ESG into our sourcing processes and supply chain. We carried out ESG screenings in all tender processes in scope, i.e., in tender process with supplier categories that are in our ESG focus group. This equals 100% of all suppliers in scope for ESG screening. The results of the 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 76.4% of our new contracts

Looking forward on sustainability in the supply chain

In 2024, we are ready to build on the foundation laid in 2023, and we continue our journey towards a more sustainable supply chain. Our sustainable procurement programme includes strategic focus areas such as:

- **Sustainable procurement enhancement:** With more employees dedicated to sustainable procurement, we will expand our efforts to embed ESG principles throughout our procurement processes. This will involve refining review procedures, fostering collaborative initiatives with our business divisions and procurement teams and making progress towards reaching targets set in previous years, e.g. stock goods, where we will continue our efforts to replace stock goods with items with a recognised eco-label.
- **Decarbonisation and Science-Based Targets:** We remain committed to the Science Based Target initiative, and we will actively pursue ambitious emission reduction targets within key categories of our supply chain. Our efforts in 2024 will focus on further aligning this initiative and work closely with stakeholders to establish a roadmap and raise awareness both internally and externally.
- **Knowledge sharing and collaboration:** We will continue to strengthen our ESG knowledge centre within the division, facilitating greater knowledge sharing among internal units, including Group Sustainability and business divisions.
- **Supplier engagement:** In the coming year, we will intensify our dialogue with suppliers, emphasising sustainability progress and practices.
- **Data driven ESG monitoring:** As datapoints on ESG progress becomes more crucial in the coming years, we will investigate the possibility of acquiring key data from selected suppliers as part of review processes etc. As a first step, we will conduct this data collection with readily available tools within our organisation.
- **Code of Conduct integration:** We will continue to integrate our Code of Conduct into new contracts, ensuring that ethical and sustainability standards remain an integral part of our supplier relationships.

in 2023. 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.

We have a systematic process for changing stock goods to products with recognised eco-labels. This includes pens, paper, computer bags, coffee, and tea among others. 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. The result in 2023 is an increase on 15.4% in spend in stock goods with eco-label compared to 2022.

The overall evaluation of activities and results in 2023 shows that we achieved good progress toward our targets as described in the table on page 86.

Science based target initiative

We continued the work we started in 2022 to set emission reduction targets within Topdanmark's supply chain. We conducted a comprehensive spend based analysis of emissions associated with our overall expenditure in different spend categories. Based on the analysis, we identified key categories within our supply chain with the highest CO₂-emissions according to our assessment. In 2023, we have worked towards setting ambitious emission reduction targets. The targets are part of our overall commitment to the Science based Target initiative, and they will be uploaded for external validation no later than end of May 2024.

As we move into 2024, these strategic focus areas will guide our efforts to advance sustainability within our supply chain. We remain dedicated to drive positive change and create a more responsible and resilient procurement ecosystem. Read more on our [corporate website](#).

Our ESG programme for suppliers

We have 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 an 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 ESG screenings 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 in the supplier selection process. This could be as contractual requirements related to matters such as CO₂ reduction and circular economy for selected suppliers, when deemed relevant based on an overall analysis.
- Review of selected suppliers with specific contractual ESG requirements.
- At product level, we want to increase focus on sustainability by progressively transforming procurement of office supplies, materials for fairs, events, etc. to more sustainable options.

Responsible investment

At Topdanmark, we are committed to responsible investment practices, which involve considering environmental, social, and governance (ESG) issues when making investment decisions. We strive to generate good returns from our investments while also contributing to a better and more sustainable world.

Topdanmark invests insurance reserves until the funds are paid in the form of compensation and shareholders' equity. The investments should follow Topdanmark's policy for responsible investment and applies for all assets – see overview of asset classes on page 90. However, we have a proportional approach to analysing different asset classes to ensure that attention is directed to the areas where the perceived ESG risk is most significant.

Materiality assessment

As a responsible investor, we incorporate ESG factors into our investment operation as ESG risks are material for financial performance and long-term value creation.

We know that Topdanmark as an investor plays an important role in allocating capital to a more sustainable economy. In order for Topdanmark to invest in companies that focus on long-term ESG value creation, we want to understand the companies' risk exposure and management as

these ESG risks can affect future earnings and risk profile of the investment.

At Topdanmark, investments are deselected if the invested companies' ESG value creation does not align with the principles of UN Global Compact, understanding that this decision introduces a financial risk should the deselected companies yield favorable returns. However, the risk is deemed acceptable given the conviction that robust ESG values will contribute to a favorable long-term return on investment. Moreover, there is a potential risk that our stakeholder's ESG values are not completely in line with the ESG values of Topdanmark. To mitigate this issue, we ensure to keep up with the latest ESG research and regulation on the matter.

Governance and responsibility

Topdanmark's policy for responsible investment is updated and approved annually. Topdanmark's Board of Directors bears the ultimate responsibility for the policy, while the Investment department of Topdanmark Forsikring A/S is responsible for ensuring compliance and implementation of the policy.

The investment department of Topdanmark Forsikring A/S is monitoring the investments through analyses from the external ESG research provider and screening agency, Sustanalytics, that conduct the norm-based screening and

Topdanmark's investments commitment

- All investments are based on the 10 principles of the UN Global Compact, which promote the work with human rights, labour rights, the environment, and anti-corruption. These principles ensure that value creation is responsible and is enshrined in Topdanmark's policy on responsible investments which describes the criteria applicable to our investment activities.
- We have joined the Science Based Target initiative which means that we have committed our investment portfolio to become CO₂ neutral no later than 2050.

Read more on our [corporate website](#).

the sector-based screening for Topdanmark – see more below. These analyses provide comprehensive knowledge of the investment portfolio at Topdanmark, ensuring that the investments continue to meet international principles.

For Topdanmark’s investment in government bonds, we are not trading securities that are issued directly or indirectly by a state, head of state, or the like in a state that is not a member of OECD or has not ratified the ICC Statute (Statute of the International Criminal Court).

Norm-based screening

To ensure that our investments does not violate the UN Global Compact, the policy for responsible investments include a detailed overview of how the external ESG screening should be carried out prior to the investment decisions and continuously for our different investment assets. For all investment assets, the screening is based on international rules and principles with an objective of identifying companies which violate the UN Global Compact.

Approach in case of non-compliance

Topdanmark only enters into agreements with external investment managers who have set appropriate guidelines that promote responsible investments. Further information regarding the selection of external investment managers and criteria are available at our corporate website. If, based on the screening, we believe that the external investment managers do not meet our expectations, Topdanmark will take immediate action, either through dialogue with the managers, or consequently divestment of the position.

Sector-based screening

Certain sectors are controversial by nature and are associated with excessive costs to society and/or negative impact on the climate and environment. According to Topdanmark’s corporate sustainability principles, this applies to the production of tar sands, thermal coal, smoking tobacco, and controversial weapons. Regarding our investment activities, this means that we screen our portfolio annually for these specific four sensitive sectors. We do not exclude companies that are exposed to these sectors, but we have set a threshold for the share of investee companies’ revenue on a maximum of 5% arising from the controversial business activities.

From the sector-based screening conducted at Topdanmark in December 2023, a company in one of the funds we invest in, had a 0.97% revenue coming from controversial weapons. Even though this is well below threshold,

As of 31 December 2023

Sector	Number of companies with a revenue above the threshold on 5%
Production of fuel based on tar sands	0
Production of thermal coal	0
Production of smoking tobacco	0
Production of controversial weapons	0

Portfolio – an overview

In 2023, the investment portfolio of Topdanmark A/S was DKK 16.1bn. The portfolio analysed in this report includes all investments in the asset classes shown in the table below.

Investment allocation by asset class as per 31 December 2023 (%)

Asset classes	Investment allocation
Fixed income	1
Money market	0
Covered bonds	81
Equities	4
Private equity	1
Property	4
Other	7
Total DKKbn	16.1 ¹⁾

For all equity funds, private equity funds and debt funds, all investments are carried out via external investment managers.

1) The total investment assets of DKK 16.1bn does not include subordinated debt, which makes up DKK -1.1bn.

Topdanmark has reached out to the external investment partner to have the company removed from the fund at the next rebalancing and will follow up with the external investment partner later in 2024.

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 partners by voting at invested companies’ annual general meetings and by entering into dialogue with them. 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. As the initiative on active ownership of Topdanmark is executed through external managers, it is essential to monitor that they apply active

ownership and the content of the ownership. Monitoring our external managers means that Topdanmark receives investor engagement and voting reports once every six months to make sure that the external managers engagement is focused on ESG-related topics and continues to be in line with Topdanmark’s policy and values for responsible investments. Topdanmark believes that collaboration with external investment managers is a great advantage as these external managers, in the capacity of their size, can put pressure on the underlying companies to a greater extent, thus promoting Topdanmark’s interests and principles set out in the policy of responsible investments.

Activities and evaluation 2023

In 2023, the active ownership of Topdanmark was conducted on our global Exchange Traded Funds (ETFs) (equal to approximately 67% of

our free portfolio) invested through an external partner. The external partner voted in 826 AGMs out of a possible 835 AGMs, equating to 99%. Moreover, the external partner of Topdanmark has been involved in direct engagement with 399 individual companies out of the 1,350 companies represented in the ETF’s. Notably, 20% of these engagements have been dedicated to addressing crucial environmental issues, such as climate risk management and biodiversity conservation. By proactively participating in discussions on e.g. climate and biodiversity, we aim not only to mitigate potential risks but also to encourage positive environmental practices within the companies we invest in.

Climate change and investments

To mitigate the indirect CO₂ emissions caused by investments, Topdanmark monitors the carbon footprint associated with investments in our

CO₂ emissions and exposure – overview 2023

	Unit	2023	2022
CO₂ intensity ¹⁾	Tonnes CO ₂ / DKKm in revenue	10.7	13.9
CO₂ emissions from investment assets ¹⁾	Tonnes CO ₂	7,008	6,999 ³⁾
CO₂ footprint ¹⁾	Tonnes CO ₂ /DKKm invested	8.0	6.5 ³⁾
Exposure to the oil and gas sector	% of shares	1.2	1.7
Exposure to renewable energy	% of shares	N/A ²⁾	2.2

1) The coverage in 2023 was 73% compared to 70% in 2022. For reporting year 2022 the reported coverage was inaccurately calculated – and thus corrected in this report – as it was derived from the ESG Risk coverage and not that CO₂ emission coverage.
 2) Our reported exposure to renewable energy for the current reporting period is not available as the information sourced from last year is no longer accessible.
 3) In the sustainability report 2022, the numbers included the exposure to mortgage bond, while we have excluded mortgage bond in this report. Therefore, the numbers for 2022 in this report have been changed compared to the 2022 report. See explanation for the change in method on page 92 under ‘Climate change and investment’.

Topdanmark supports the Paris Agreement adopted under COP21 and the target of limiting temperature rises to a maximum of 1.5 degrees.

free portfolio. For our investments in all equity- and corporate bonds ETF's, equating to 77% of the free portfolio, Topdanmark has conducted an analysis of CO₂ emissions for individual companies. The analysis shows that 10.7 tonnes CO₂ per DKK million in revenue were emitted from the companies we invested in, which is 35.2% below a market-neutral benchmark (MSCI World). This indicates that the companies we have invested in are emitting less CO₂ emissions than the general equity market. Also see the overview of CO₂ emissions from investments and the exposure to the oil and gas sector in the below table.

For 2023, we acknowledge the challenge in calculating emissions from investments in mortgage bonds due to lack of validation for the manual approach used in the previous year. In 2024, PCAF and the Net Zero Asset Owner Alliance will develop a methodology for calculating emissions associated with mortgage bonds. Anticipating the completion of this work, we plan to implement the validated methodology in Topdanmarks sustainability report for the year 2024.

Evaluation of the results

In 2023, corporate bonds have gained a larger share of the free portfolio compared to 2022 as the equity exposure has been reduced during the year. Corporate bonds contribute to a higher carbon footprint per invested million which is why an increase is seen for tonnes CO₂ per million DKK invested. In a positive stride towards aligning our investment strategy towards an environmental practice, Topdanmark can report a reduction in our exposure to the oil and gas sector. The decrease in exposure to this carbon-intensive sector also aligns with Topdanmark's overall goal of fostering a more sustainable investment portfolio.

Looking forward on responsible investment and climate change

Topdanmark supports the Paris Agreement adopted under COP21 and the target of limiting temperature rises to a maximum of 1.5 degrees. Taking a proactive stance towards limiting temperature rises and achieving the targets of the agreement, involves monitoring of our carbon footprint, alongside establishing ambitious and science-based net-zero targets for our investment portfolio. We have therefore joined the Science Based Target initiative (SBTi). This year, we have begun the process of defining

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 submitting these targets, we will begin monitoring them and analyse the CO₂ emissions against a scenario that limits temperature rises to 1.5 degrees.

ESG risks

On December 31st 2023 the total ESG risk rating of the investment portfolio of Topdanmark, including covered bonds, fixed income, and equities were 16.9 against a benchmark (MSCI ACWI) rating of 21.3. The rating score goes from 0 to 40+, where 0 to 10 is considered as 'negligible risk', 11 to 20 as 'low risk', 21 to 30 as 'medium risk', 31 to 40 as 'high risk' and above 40 as 'severe risk'. The result indicates that the investments of Topdanmark had a lower ESG risk than the benchmark.

EU Taxonomy

The EU Taxonomy is a green classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. The Taxonomy is part of the EU's efforts to achieve ambitious development goals in line with Agenda 2030 and the Paris Climate Agreement. The aim is to provide a common language to help investors and companies navigate the transition to a low-carbon, resilient, and resource-efficient economy.

The basic principle of the EU Taxonomy is that for an economic activity to be recognised as environmentally sustainable ("Taxonomy-aligned"), it must make a substantial contribution to at least one of the EU's climate and environmental objectives, which are climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems.

In addition, the economic activity cannot significantly harm any of these objectives and must meet minimum safeguards criteria. The Taxonomy Delegated Acts establish and maintain criteria (i.e. technical screening criteria for "substantial contribution") for activities, which

either has a substantial positive environmental impact or substantially reduces negative impacts on the environment, e.g. substantially reduced levels of greenhouse gas emissions.

The EU Taxonomy is implemented gradually. For the financial years 2021 and 2022, insurance companies were required to report on Taxonomy eligibility (i.e. reporting on whether the economic activity is included in the Taxonomy Climate Delegated Act). Reporting on Taxonomy alignment (i.e. reporting on whether the economic activity meets the technical criteria for i) substantial contribution, ii) do no significant harm, and iii) comply with minimum social safeguards) is required for reporting from the financial year 2023 onwards. Therefore, Topdanmark reports on the EU Taxonomy alignment of its insurance activities and investment portfolio for the first time in the Sustainability Report 2023 and with a summary in the Annual Report 2023 as part of the Management's review.

Insurance companies are required to report key performance indicators (KPIs) on sustainable underwriting activities (the proportion of the non-life gross written premiums (GWP) – in relation to total non-life GWP – corresponding to insurance activities identified as environmentally sustainable in accordance with the EU

Taxonomy) and sustainable investments (the proportion of the insurer's or reinsurer's investments that are directed at or associated with funding economic activities that qualify as environmentally sustainable).

Reporting on Oona Health 2023

Oona Health is consolidated (for December 2023) into the numbers for Topdanmark's underwriting activities. Topdanmark has assessed that the numbers from Oona Health for the investment activities are insignificant compared to the overall reporting. Therefore, Oona Health is not a part of the reporting according to the EU Taxonomy on investment but will be considered for 2024-reporting.

Sustainable underwriting activities

Non-life insurance and reinsurance are recognised as enabling economic activities that can make substantial contribution to the environmental objective of climate change adaptation. At the time of writing this report, the EU Taxonomy does not require reporting on other environmental objectives for underwriting activities.

Methodology to analyse taxonomy eligibility 2021 and 2022

In 2021 and 2022 Topdanmark used the methodology that was applicable at that time as described below:

As a first step, Topdanmark has assessed the proportion of total GWP that relates to the non-life insurance activities listed in the delegated acts to the Taxonomy Regulation: (a) medical expense insurance; (b) income protection insurance; (c) workers’ compensation insurance; (d) motor vehicle liability insurance; (e) other motor insurance; (f) marine, aviation, and transport insurance; (g) fire and other damage to property insurance; (h) assistance.

As a second step, these coverages must actually provide coverage against climate-related perils in order to be eligible. As long as an insurance policy does not explicitly exempt climate-related events from coverage, Topdanmark concludes that the insurance product encompasses coverage against climate-related perils. It is our interpretation that if there is some cover against

climate-related perils for an insurance activity, total premiums shall be assessed as eligible even though there might be some climate-related exceptions in the terms and conditions¹⁾. Premiums related to life insurance, miscellaneous financial loss and general liability insurance are not listed in the Taxonomy and are therefore not eligible.

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 assessment was completed by underwriters and product owners with in-depth knowledge of the terms and conditions of the different products and contracts, with support from, for example, the Legal, Accounting, Control, and Sustainability units.

The result of the analysis showed that 92.4% of Topdanmark’s total non-life GWP were Taxonomy-eligible in 2021 and 92.5% were eligible in 2022.

Methodology to analyse taxonomy eligibility 2023

For the financial year 2023 the methodology changed as The Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets was published on the 21st of December 2023. The notice states that only the share of an insurance premium that pertain to the coverage of climate-related perils can be used in the calculations of eligibility.

Result in 2023

For 2023, Topdanmark has been unable to calculate the eligible GWP according to the Draft Commission because eligible coverages are part of multi-risk insurance contracts. Thus, it has not been possible to make the break-down of information on the needed detail level, on such short notice. Therefore, we must report that 0% of Topdanmark’s total non-life GWP were Taxonomy-eligible in 2023. However, it would be

1) The following items are not exemptions, but it should be noted: 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; For property, flooding is covered by state funds; 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; There is no cover for damage caused by drought, but as at 1 July 2022, a new state fund cover was introduced regarding property

proper to mention that the actual percentage of Topdanmark's eligible premium is greater than zero. Topdanmark will work on systems to ensure a true and fair eligibility assessment for 2024 which will be in line with the Draft Commission Notice cited above.

As stated on page 94, the eligibility score in 2021 and 2022 was 92.4% and 92.5% respectively. To compare 2023 with these two years, the eligibility score has also been calculated according to the previous methodology not taking into consideration the Draft Commission Notice, thus giving an eligibility score of 92.3%.

Methodology to analyse taxonomy alignment

For an eligible insurance activity to be classified as environmentally sustainable (Taxonomy-aligned), it must fulfil the Technical Screening Criteria of

- **Substantial contribution to climate change adaptation:**
 - Leadership in modelling and pricing of climate risks
 - Product design
 - Innovative insurance coverage solutions
 - Data sharing
 - High level of service in post-disaster situation

- **Do No Significant Harm ('DNSH') climate change mitigation criteria:**

- The activity does not include insurance of the extraction, storage, transport or manufacture of fossil fuels or insurance of vehicles, property or other assets dedicated to such purposes.

Topdanmark first screened the fulfilment of the criteria of substantial contribution on a line of business level. The assessment was completed by underwriters and product owners with in-depth knowledge of the terms and conditions of the different products and contracts, with support from, for example, the Legal, Accounting, Control, and Sustainability units. For assessing the DNSH-criteria we used NACE codes to extract contracts that could be related to extraction, storage, transport, or manufacture of fossil fuels.

For an activity to be considered as Taxonomy-aligned, a company carrying the activity must also meet the minimum safeguards for which due diligence and remedy procedures are implemented to ensure alignment with the OECD Guidelines for multinational Enterprises and the UN Guiding Principles for Business and Human Rights. As at 31. December 2023, Topdanmark does not comply with the minimum social safeguard requirement as a few elements regarding human rights are still in process to be

implemented. This will be completed at the latest by the end of Q1 2024.

Result in 2023

Based on the methodology to analyse alignment described above, we conclude that 0% of the total GWP were Taxonomy-aligned in 2023.

Sustainable investment activities

The Taxonomy Regulation requires insurance companies to report the proportion of their investments which are environmentally sustainable in accordance with the regulation. To facilitate this type of reporting at portfolio level, all holdings have been screened and analysed in relation to the economic activities of the Taxonomy.

Methodology to analyse taxonomy eligibility and alignment

The EU Taxonomy analysis of Topdanmark's investments was performed with the use of data from an external data provider, ISS ESG (ISS), to assist in the analysis of our investments against eligible taxonomy activities, that substantially contribute to one of the taxonomy objectives and do no significant harm to any of the other taxonomy objectives. ISS have identified companies' engagement in economic activities covered by the Taxonomy and have produced all the Taxonomy indicators directly based on respective investee companies' own reporting of Taxonomy eligibility and alignment.

All underlying investments were analysed, except for sovereign exposures that are to be excluded from the Taxonomy analysis according to the Taxonomy reporting requirements. When analysing Taxonomy eligibility and alignment, derivatives and undertakings not falling under the scope for publishing non-financial information under Directive 2013/34/EU, referred to as non-NFRD companies, are excluded from the numerator, in line with the reporting requirements set in the Taxonomy Disclosures Delegated Act. Non-NFRD companies are companies that themselves are not covered by reporting requirements under the Taxonomy Regulation.

The investment assets analysed in the EU Taxonomy calculations were investments in properties, financial and intangible assets, cash and cash equivalents and investments in associated companies.

As mentioned under the heading "Methodology to analyse taxonomy eligibility 2023" the EU Commission published a Commission Notice (draft) on 21 December 2023, which includes investment activities as well. Topdanmark has acknowledged the reporting requirements laid down by the Delegated Regulation (EU)

2022/1214, related to fossil gas and nuclear energy sectors. However, due to late publication date of the Notice, Topdanmark has not been able to gather reliable data for declaring the information as part of this report. In addition, the varying reporting practices and data quality of non-financial companies impacted Topdanmark's capabilities of producing high quality reporting for the financial year 2023. During 2024, Topdanmark will focus on enhancing its data collection in accordance with the European Commission guidance.

Result of analysis of eligibility and alignment 2023

According to the taxonomy analysis, the Taxonomy eligibility of Topdanmark covered assets was 5.1%, and the turnover-based and capital expenditures-based Taxonomy alignment of Topdanmark covered assets was 0.17% and 0.20%, respectively, on December 31st 2023, see the investments data chart for further information in appendix. As expected, the reported numbers are low, as most of the underlying companies are not subject to mandatory taxonomy reporting and reported taxonomy eligibility and alignment are low in general.

In addition, Topdanmark's underlying investments in derivatives were DKK 127,263,312. As required by the Taxonomy Regulation, sovereign exposures, such as exposures to central governments, central banks, or supranational issuers, are excluded from the calculation. Sovereign exposures made up 0.5% of Topdanmark's assets on 31 December 2023.

Looking forward on alignment with the EU-taxonomy

Topdanmark continues the work on the integration of sustainability and Taxonomy Regulation into its business strategy and product development processes and closely monitors the market and customer needs in the product development. We will also continue to assess whether and to what extent the underwriting and investment activities fulfill the technical criteria and develops our assessment processes based on the market practices.

Regarding our underwriting activities. Our ambition is to make sure that one to two products are aligned with the EU taxonomy technical criteria in 2024. Furthermore, in 2024 we will analyse the most relevant products in our existing product portfolio as well as the current gaps in relation to compliance with the criteria. Based on the analysis we will assess and determine a potential ambition level for 2025 and beyond. In addition, in 2024 we will implement

processes to ensure that EU taxonomy criteria are an integrated part when developing new products. This will be implemented by updating both our product development model and the corresponding internal guiding principle to include reference to the EU Taxonomy.

Regarding our investment activities. For Topdanmark's Danish and Global equity investments, we will receive reports via the SFRD

Periodic Reports in 2024 EU Taxonomy alignment from our external investment managers, making sure that our funds offer full disclosure and transparency. Going forward, Topdanmark will closely follow the development of the Taxonomy regulation as we are committed to developing its assessment and reporting processes accordingly.



Appendix



EU Taxonomy – data charts

Taxonomy-eligible and Taxonomy-aligned non-life insurance and re-insurance activities
Topdanmark, 2023

	Substantial contribution to climate change adaptation	DNSH (Do No Significant Harm)							
		Proportion of premiums, 2023	Proportion of premiums, 2022	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
Economic activities	Absolute premiums, 2023	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
	(Currency)								
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	-	0.0%	N/A	Y	N/A	N/A	N/A	N/A	N
A.1.1 Of which reinsured	-	0.0%	N/A	-	N/A	N/A	N/A	N/A	N
A.1.2 Of which stemming from reinsurance activity	-	0.0%	N/A	-	N/A	N/A	N/A	N/A	N
A.1.2.1 Of which reinsured (retrocession)	-	0.0%	N/A	-	N/A	N/A	N/A	N/A	N
A.2 Non-life insurance and reinsurance underwriting Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	-	0.0%	N/A						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	9,980,148,733.8	100%	N/A						
Total (A.1 + A.2 + B)	9,980,148,733.8	100%	N/A						

Taxonomy-eligible and Taxonomy-aligned investment activities Topdanmark, 31 December 2023

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	0.17%	Turnover-based:	30,013,848.54
Capital expenditures-based:	0.20%	Capital expenditures-based:	36,237,831.44
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio:	99.46%	Coverage:	17,697,664,791.80

Additional, complementary disclosures: breakdown of denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI: 0.72%	The value in monetary amounts of derivatives. 127,263,312.33
The proportion of exposures to financial and nonfinancial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	Value of exposures to financial and nonfinancial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU :
For non financial undertakings: 2.82%	For non financial undertakings: 499,920,709.37
For financial undertakings: 79.75%	For financial undertakings: 14,114,122,199.32
The proportion of exposures to financial and non financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	Value of exposures to financial and nonfinancial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU :
For non financial undertakings: 0.00%	For non financial undertakings: 0.00
For financial undertakings: 1.86%	For financial undertakings: 328,514,280.37
The proportion of exposures to financial and non financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	Value of exposures to financial and nonfinancial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU :
For non financial undertakings: 1.78%	For non financial undertakings: 314,996,116.15
For financial undertakings: 0.40%	For financial undertakings: 71,496,338.43
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: 14.52%	Value of exposures to other counterparties and assets : 2,570,242,991.24
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned economic activities: 100.00% ¹⁾	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned economic activities: 17,697,664,791.80 ¹⁾
The value of all the investments that are funding economic activities that are not Taxonomy eligible relative to the value of total assets covered by the KPI: 94.70%	Value of all the investments that are funding economic activities that are not Taxonomy eligible : 16,759,883,422.12
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: 5.13%	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned : 907,767,521.14

Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non financial undertakings:		For non financial undertakings:	
Turnover-based:	0.17%	Turnover-based:	29,986,132.33
Capital expenditures-based:	0.20%	Capital expenditures-based:	36,052,659.54
For financial undertakings:		For financial undertakings:	
Turnover-based:	0.0002%	Turnover-based:	27,716.20
Capital expenditures-based:	0.001%	Capital expenditures-based:	185,171.90
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based:	0.17%	Turnover-based:	30,013,848.54
Capital expenditures-based:	0.20%	Capital expenditures-based:	36,237,831.44
The proportion of Taxonomy-aligned exposures to other counterparties and assets in over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Turnover-based:	0.00%	Turnover-based:	-
Capital expenditures-based:	0.00%	Capital expenditures-based:	-

Breakdown of the numerator of the KPI per environmental objective			
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:			
(1) Climate change mitigation	Turnover: 0.17	%	Transitional activities: A% (0.003; 0.005) ²⁾
	CapEx: 0.20	%	Enabling activities: B% (0.123; 0.132) ²⁾
(2) Climate change adaptation	Turnover: 0.0002	%	Enabling activities: B% (0.0002; 0.0003) ³⁾
	CapEx: 0.0005	%	

1) The figure on the table equals the total amount of Topdanmark's investments covered by the KPI other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders. The turnover-based and capital expenditures-based alignment for these investments is 0.17% and 0.20%, respectively.

2) (Turnover; CapEx)

3) For climate change adaptation, there are no transitional turnover activities nor transitional CapEx activities.

Oona Health ESG performance data

In December, Topdanmark closed the acquisition of Oona Health – read more on page 6. The acquisition was announced in the beginning of 2023. However, due to regulation, we were not allowed to exchange information on confidential data until after closing date – this included ESG data.

Oona Health focuses their ESG efforts in many of the same areas as Topdanmark including DE&I, employee wellbeing, supplier management, and data protection. Furthermore, Oona Health complies with the UN Global Compact, and leans on the UN Sustainable Development Goals, just as we do. [Read more on Oona Health's work with ESG here.](#)

Due to the late closing date – relative to the financial year – we decided not to consolidate the ESG reporting in 2023, as we would solely have ownership from December onwards. Thus, this section of the report solely covers Oona Health's ESG data in 2023. Since Topdanmark has had ownership only for one twelfth of the year, we refrain from evaluating Oona Health's ESG data. In 2024, we will fully consolidate Oona Health in our sustainability programme and thus in our reporting.

Accounting principles are defined in the table alongside the specific datapoints.

Data point	Unit	2023	Accounting principle
E- Environment			
Company driving in own car	Km	171,702	Combined number of kilometres for all cars. This number is calculated based on the amount repaid per milage. The amount per mile is set by the government.
District heating – all offices	MWh	168	Combined annual consumption of district heating from Oona Health's two locations.
Electrical power – all offices	KWh	73,212	Combined annual consumption of electricity from Oona Health's two locations.
Water – all offices	m3	1,206	Combined annual consumption of water from Oona Health's two locations.
Paper consumption – all offices	Kg	294.4	Combined annual consumption of paper from Oona Health's two locations. Data does not include sanitation products.
S – Social			
Full time employees (FTE)	No.	249.9	Data covers the total number of employees converted to full-time employees i.e. including part-time positions as at 31 December. The figure does not include personnel indirectly employed by Oona Health in outsourced activities.
Part time employees	%	22.2	The number of employees not working full time in percentage to total number of FTE on average.
FTE on temporary contract	%	1.1	Contracts with an effective date of termination (excl. trainees and maternity covers). All foreign contracts are omitted.
Employees on collective agreement	%	61.1	Alle employees covered by collective agreement. All foreign employees are omitted.
Average seniority – total	years	2.35	Average of seniority from FTE
Average seniority – Female	years	2.36	Average of seniority from FTE

Average seniority – Male	years	2.31	Average of seniority from FTE
Average age – total	years	38.71	Total age of all employees divided by the number of FTEs.
Average age – female	years	38.57	Total age of all female employees divided by the number of FTEs.
Average age – male	years	39.05	Total age of all male employees divided by the number of FTEs.
Absence due to illness	%	4.6	Calculation based on the number of sick hours compared to the number of standard hours. Hourly-paid employees are omitted.
Absence due to illness	Days/FTE	15.44	Total number of days ill divided by the number of days for an FTE in reporting year. Hourly-paid employees are excluded
Employee turnover – total	%	21.9	The percentage of employees who left the company voluntarily, were discharged, retired, or left the company for another reason. The number also includes terminated temps, but not hourly-paid employees.
Employee turnover – involuntary	%	25.9	The percentage of employees who involuntarily left Topdanmark. This includes employee terminations, retirements, or other departures. Calculated from total number of FTEs.
Employee turnover – Female	%	74.1	The percentage of female employees who left the company voluntarily, were discharged, retired or left the company for another reason. The number also includes terminated temps, but not hourly-paid employees.
Employee turnover – Male	%	25.9	The percentage of male employees who left the company voluntarily, were discharged, retired, or left the company for another reason. The number also includes terminated temps, but not hourly-paid employees.
Competence development – total	DKK/ headcount	3,564	Calculated as expenses for external courses and training including transport. Expenses for working hours are not included.
Competence development – managers	hours	1,694	Internal registration based on FTE.
Competence development – employees	hours	12,800	Internal registration based on FTE.
Employees on maternity leave	%	52.2	The percentage of women on maternity leave in relation to the total number of employees on parental leave.
Employees on paternity leave	%	47.8	The percentage of people on co-parent parental leave in relation to the total number of employees on parental leave.
Engagement survey	points	68	WHO wellbeing index scale 0 – 100 points.
Engagement survey participation	%	97	Percentage of employees who participated in the engagement survey.
G – Governance			
Female workforce (FTE)	%	75	The Percentage of female employees compared with male employees as of 31 December.
Female managers in Group Executive Management	%	0	Percentage of female managers in Group Executive Management (C-level).
Female managers on division- and function level	%	48.6	All managers, who manage employees, but not other managers.
Average pay – total	DKK	556,290	
Average pay – Female	DKK	486,889	Average pay on annual level. Only fulltime female employees.
Average pay – Male	DKK	729,793	Average pay on annual level. Only fulltime male employees.
Gender pay gap	times	1.5	Calculated as how many times a male median salary can cover a female median salary.

CEO-employee pay gap	times	4.43	Is calculated as how many times the CEO salary can cover the median salary. Median is used to compensate for extremes.
tNPS – total	points	37	tNPS is calculated as share of “promoters who replied 9-10” subtracted by the “detractors who replied 0-6” times 100. The questions being: To what extent would you recommend Oona Health to others?
Trustpilot	Points	3.8	Score as of December 31 is included in the financial year.
Cases with the Insurance Complaints Board	No.	1	Number of closed cases at the Insurance Complaints Board.
Cases ruled in favour of Oona Health	%	100	The percentage of complaints in which Oona Health has been successful in relation to all closed cases.

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 109. Furthermore, all ESG data and information can be found in our [ESG Fact Book](#).

Environment – Green transformation	Unit	2023	2022	2021	2020	2019	Target (timeframe)
Journey towards zero emissions							
CO ₂ e emissions scope 1 ¹⁾	Tonnes	753	788	1,352	1,253	1,322	CO ₂ -neutral in 2030 (70% reduction of CO ₂ emissions compared to 2019 and climate compensation for the remaining part)
CO ₂ e emissions scope 2 – location based	Tonnes	2,034	2,096 ²⁾	-	-	-	
CO ₂ e emissions scope 2 – market-based	Tonnes	2,298	2,361 ³⁾	1,872	1,968	2,153	
CO ₂ e emissions scope 3 ⁴⁾	Tonnes	2,489	2,444	1,848	2,363	3,141	
CO ₂ e emissions scope 1, 2 and 3, total within target (market-based)	Tonnes	5,539	5,593	5,072	5,583	6,616	
CO ₂ e emissions scope 3 – out of target ⁵⁾	Tonnes	2,269 ⁶⁾	1,363	-	-	-	
CO ₂ e emissions total – location-based	Tonnes	7,545	6,691	-	-	-	
CO ₂ e emissions total – market-based	Tonnes	7,808	6,956	5,072	5,583	6,616	
CO ₂ e emissions total per employee (market-based)	Tonnes/Headcount	3.6	3.2 ⁷⁾	2.3	2.5	3.0	
Energy consumption (electricity and heating)	GJ	37,850	39,486	46,202	43,444	42,951	
Energy consumption per employee	GJ/Headcount	17.3	18.2	21.7	20.2	20.7	
Renewable energy share	%	12.8	12.7	10.3	11.4	11.3	

1) Note that the numbers for 2019, 2020 and 2021 has been proportionally adjusted by excluding the CO₂e emissions from the 'discontinued operations' (i.e. Topdanmark Liv and Pension that was sold out as at 1. December 2022) equal to 7.3% of the total amount of the total amount of CO₂e emissions) to track progress. However, in the 2022 report the number was by mistake adjusted by 8%. The numbers have been corrected in this report.

2) The number has been corrected for an error in the 2022 report. The number in 2022 was 2,196 but it was based on a wrong conversion factor used to calculation from MWh to CO₂e.

3) The number has been corrected for an error in the 2022 report. The number in 2022 was 2,460, but it was based on a wrong conversion factor used to calculation from MWh to CO₂e.

4) Scope 3 categories within our reduction target are: Waste, water, flights, and business travel in private cars.

5) CO₂e emissions from travel with taxis, train, rental car and ferry, accommodation, paper, cloud service, IT equipment, employee commuting, teleworking, and downstream leased assets.

6) The increase in CO₂e emissions in 2023 compared to 2022 is mainly because additional scope 3 categories (teleworking, rental car, ferry and downstream leased assets) have been included in the GHG calculation.

7) Error in 2022 calculations. The data has been corrected here.

Green workplace							
Paper consumption	Tonnes	11.7	9.2	12.7	14.5	26.6	50% reduction by end 2025 from baseline in 2021
Single-use plastic items	No. of items	133,395	75,526	75,188	395,161	519,565	70% reduction by end 2025 from baseline in 2021
Water consumption	m3	10,681	8,450	7,262	10,651	15,235	
Customer solutions							
New products or services that benefit the climate or environment	Number	0	0	1	-	-	Five new products or services (2025)
Circular economy							
Repair of car bumpers	%	33.3	31.9	28.0	-	-	Increase the percentage (2025 compared with baseline 2021)
Repair of windows	%	38.6	39.9	40.9	41.3	41.7	Percentage of 45% (2025)
Used spare parts in repair	%	2.92	2.53	2.05	1.90	1.80	Percentage of 4% (2025)
Repair of phones, computers and tablets	%	63	66	72	69	70	Percentage of 72% (2025)
Social – Health and wellbeing in everyday life	Unit	2023	2022	2021	2020	2019	Target (timeframe)
A healthy workplace							
Full-time employee (end of year)	Number	2,161	2,143	2,374	2,456	2,358	
Headcount (end of year)	Number	2,188	2,173	2,133	2,146	2,072	
Part-time employees	%	6.3	7.1	7.8	8.2	8.5	
Engagement survey	Points	81	81	80	78	76	79 points (2025)
Absence due to illness	%	3.1	3.2	2.6	2.4	2.7	Below industry level (ongoing)
Absence due to illness – industry level	%	-	3.2	2.8	2.6	3.1	
Employee turnover	%	12.8	13.4	16.1	11.1	13.9	At industry level (ongoing)
Employee turnover – industry level	%	12.1	14.6	15.5	14.4	12.4	
FTEs on collective agreement	%	98	97	97	97	97	

A healthy life for our costumers							
Registered users of Sundhedshjælp (digital health care app)	Number	139,291	95,298	46,507	-	-	150,000 registered users (2025)
Consultations on Sundhedshjælp	Number	17,719	13,059	4,503	-	-	30,000 consultations (2025)
Social and financial security							
Transactional Net Promoter Score ¹⁾	Points	57.4	56.4	56.4	55.4	-	70 points (2025)
Employee training in Information Security	%	90	-	100	67	-	
Governance – Responsible foundation	Unit	2023	2022	2021	2020	2019	Target (timeframe)
Ethical guidelines							
Employee training in Code of Conduct	%	96	95	-	-	-	
Gender diversity							
Gender distribution in Board of Directors ³⁾	Number of w/m elected at AGM	2/4	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 ³⁾	% women including employee representatives	44	44	44	44	44	
Gender distribution in the Group Executive Management (level 1) ⁴⁾	% w/m	29/71	29/71	33/67	-	-	
Gender distribution in management levels 1 & 2 ⁴⁾	% w/m	28/72	31/69	21/79	21/79	21/79	Max. 60% of one gender (2025)
Gender distribution at all management levels	% w/m	39/61	36/64	40/60	41/59	41/59	Max. 60% of one gender (2025)
Gender distribution in succession planning	% w/m	30/70	50/50	47/53	29/71	54/46	Max. 60% of one gender (2025)
Gender distribution in workforce	% w/m	40/60	41/59	42/58	42/58	43/57	
Gender pay gap – total	times	1.29	1.3	1.3	1.3	1.4	
Gender pay gap – managers	times	1.15	-	-	-	-	
Gender pay gap – employees	times	1.25	-	-	-	-	
Attendance at board meetings	%	100	97.6	98.9	98.9	91.6	
Pay gap between CEO ²⁾ and employee	Times	14.7	20.2	17.7	13.5	13.8	

1) The Engagement survey is conducted twice a year. Data that are compared here, covers second half of the year.

2) CEO is Topdanmark's highest paid employee.

3) Data covers both Topdanmark Forsikring A/S and Topdanmark A/S as the Board of Directors is the same and the target is the same for the two companies.

4) Data covers Topdanmark Forsikring A/S. Topdanmark A/S is not included here as there are less than 50 employees.

Sustainability in supply chain							
ESG screening of suppliers during tender process	%	100	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	%	76	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	%	61.6	53.3	-	-	-	70% of all stock goods are labelled with a recognised eco-label (2025)
Tax payment							
Direct corporate tax	DKKm	372	252	604	329	441	
Direct income tax	DKKm	594	900	936	921	882	
Indirect payroll taxes	DKKm	263	284	290	274	256	
VAT	DKKm	14	36	39	19	20	
Insurance premium taxes	DKKm	94	94	94	90	159	
Other indirect taxes and equivalents	DKKm	407	467	2,488	1,684	-	
Withholding tax	DKKm	329	361	202	85	-	

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 and is handled correct.

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 CO₂e emissions based on the Greenhouse Gas Protocol.

CO₂e emissions scope 1

Scope 1 comprises CO₂e 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. Emission factor reference: Drivmedel, 2021; Swedish EPA, 2022; BEIS 2022.

CO₂e emissions scope 2

Scope 2 comprises CO₂e 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. Emission factor reference: Electricity (market-based): EI 2022; Ecoinvent v.3.9.1.; ADEME 2022; BC V8.8; Electricity (location-based): EI 2022; Ecoinvent v.3.9.1.; District heating: Euroheat & Power, 2017; BEIS 2022; Swedish EPA 2022; IPCC 2014.

CO₂e emissions scope 3

Scope 3 comprises CO₂e emissions from Waste, Purchased goods and services (water, paper, cloud services), Capital goods (IT equipment), Business travel (taxis, train, ferry, flights, rental cars, business travel in own cars and accommodation), Employee commuting, Teleworking, and downstream leased assets. Emission factor reference – see below.

Waste: Emissions are calculated based on the actual amount of waste at HQ, the office in Viby and six out of eight of the minor sites. This is slightly different from the calculation in previous years where waste from all the minor sites was estimated data. Emission factor reference: World Bank waste statistics 2019; BEIS 2022; Ecoinvent v.3.9.

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 calculated based on data from HQ and Viby (average per headcount). Emission factor reference: BEIS 2022.

Paper: Emissions are calculated based on amount of paper and paper articles (kg) purchased in the financial year in review. Emission factor reference: BEIS 2022.

Cloud service: Emissions are calculated based both on number of users and on CO₂ emission reports from supplier. Emission factor reference: Google, 2012; Google, 2021; IPCC, 2014; Microsoft, 2021; IPCC, 2014; Salesforce, 2021; IPCC, 2014.

IT equipment: Emissions are calculated based on the number of units purchased in the year of review. Emission factor reference: Apple 2020/2021; Dell 2018–2021; Dell 2014 (LCA conducted in 2008), Konica Minolta 2018; Apple 2021–2022 calc average; Microsoft 2019; Samsung 2020 calc average; South Pole database.

Business travel. Emission factor reference: Trafikverket 2019; Naturvårdsverket 2021; CEDA 2023; BEIS 2022; EI 2022; Ecoinvent v.3.9.1.

Taxis (fossil fuel based as well as electric taxi): Emissions are calculated using the total number of 'passenger kilometres' travelled by taxi by the end of the year.

Train: Emissions are calculated using the total number of 'passenger kilometres' travelled by train by the end of the year.

Ferry: Emissions are calculated using the total number of 'passenger kilometres' travelled by ferry by the end of the year.

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. Distances are calculated using airport coordinates.

Rental cars: Emissions are calculated using the total number of 'passenger kilometres' travelled by rental cars by the end of the year.

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 kilometre is set by the government.

Accommodation (national and international): Emissions are calculated using the number of guests multiplied by the number of nights equal to guest nights. Emission factor reference: Hotel Sustainability Benchmarking Index 2021.

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. Emission factor reference: BEIS 2022; EI 2022; Ecoinvent v.3.9.1.; Mobitool 2020; Naturvårdsverket 2021; Swedish Transport Administration.2022; EU e-bike assessment.

Teleworking: Emissions are calculated based on working days at home. The total number of home working days (WD) is calculated based on the hybrid working model (60/40). Calculated as: (250 WD per year – 30 vacation days) * 0.4 = WD at home. The total number of WD from home is based on headcount (excluding insurance agents) and forms the basis for the emissions. Emission factor reference: Anthesis, 2020; BEIS 2022; IEA 2022; South Pole 2022.

Downstream leased assets (rental of office space at HQ): Emissions are calculated based on consumption of natural gas and electricity. Emission factor reference: BEIS 2022; Ecoinvent v3.9.1; EI 2022; IEA 202; IPCC, 2014.

CO₂e emissions per employee

CO₂e emissions per employee (tonnes/headcount are calculated based on the total amount of CO₂e 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.

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.

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 65).

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 wellbeing in everyday life

Number of full-time employees: Internal calculation covering the total number of employees converted to full-time employees i.e. including part-time positions as of 31 December, the 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 for the industry, is based on the previous year.

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?

Customer Effort Score (CES): Tracks the needed effort for the customers to find what they are looking for. Calculated as: the share of “effort”-experiences (answers 4-5) subtracted from the “no-effort” experiences (answers 1-2).

Employee training in Information Security: Internal registration in HR system. Courses are mandatory for all employees every second year, and during onboarding for new employees. Calculated based on number of employees obliged to pass the course.

Governance: Responsible foundation

Employee training in Code of Conduct: The number of FTE (average) that has completed and passed the e-learning in Code of Conduct divided by the total number of FTE (average) times 100. Note: This e-learning course is

mandatory for all employees biannually, and a mandatory part in the onboarding programme for alle new employees. Note: In 2022, this data includes discontinued operations.

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 is calculated as the number of women/men in the Group Executive Management divided by the total number of members of the Group Executive Management multiplied by 100.

Gender distribution in management levels 1 & 2: The percentage of female managers on level 1 & 2 compared with male managers level 1 & 2 as of December 31. New definition was applied in 2021 (see accounting principle for level 2).

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: gender pay gap is calculated thus: (Average gross hourly pay level of male employees – average gross hourly pay level of female employees) / (Average gross hourly pay level of male employees) * 100.

Pay gap between CEO and employee: The CEO wage gap is calculated as: Annual total remuneration for the undertaking's highest paid individual / Median employee annual total remuneration (excluding the highest – paid individual). Note CEO is the highest paid individual.

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 for which an ESG screening has been performed during the tender process, divided by the total number of new contracts 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 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 at 31 December 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.

Accounting principles for Climate reporting in accordance with industry recommendations

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.

CO₂ 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).

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.

Part 2: The voluntary reporting

CO₂ emissions from investment activities: Calculated in accordance with “The CO₂ model for the financial sector” prepared by Finance Denmark and Insurance & Pension Denmark. In the sustainability report 2022 and 2021, the numbers included the exposure to mortgage bond, while we have excluded mortgage bond in this report. Therefore, the numbers for 2021 and

2022 in this report have been changed compared to the previous reports. See explanation for the change in method on page 92 under “Climate change and investment”. The coverage in 2023 was 73% compared to 70% in 2022. The coverage in 2022 has been corrected as it was inaccurately calculated in the 2022 report.

CO₂ footprint: Calculated in accordance with “The CO₂ model for the financial sector” prepared by Finance Denmark and Insurance & Pension Denmark. Same corrections as described under CO₂ emissions from investment activities.

Sales of policies that meet the EU’s sustainability criteria: See page 95.

CO₂e scope 3: See information on page 109.

Paper consumption: Calculated as the total amount of paper purchased for business operations, customer communication, etc. See further information on page 109.

Part 1: The comply or explain principle

	Unit	Target	2023	2022	2021	2020	2019	Reference
Dialogues on energy improvements, etc. in connection with customer contact (V)	(Reference)		-	-	-	-	-	See page 66
Payments for damage prevention (V)	%		0.3	0.2	0.4	-	-	
Topdanmark's own emissions	Unit	Target	2023	2022	2021	2020	2019	Reference
CO ₂ – Scopes 1 + 2 (O)	Tonnes	CO ₂ e neutral in 2030	753	788	1,352	1,253	1,322	Page 58
CO ₂ – Scopes 2 (O)	Tonnes	CO ₂ e neutral in 2030	2,298	2,361	1,872	1,968	2,153	
Percentage of renewable energy – purchased (V)	%	-	0	0	0	0	0	Page 58
Percentage of renewable energy – produced (V)	%	-	12.8	12.7	10.3	11.4	11.3	Page 58
Energy consumption (V)	GJ	15% reduction in 2030	37,850	39,486	46,202	43,874	43,375	Page 58

Part 2: Voluntary reporting

	Unit	Target	2023	2022	2021	2020	2019	Reference
CO ₂ emissions from investment assets	Tonnes CO ₂	-	7,008	6,999	5,982	-	-	Page 92
CO ₂ footprint	Tonnes CO ₂ /mDKK invested	-	8.0	6.5	5.6	-	-	Page 92
Sales of policies that meet the EU's sustainability criterial ¹⁾	%	-	0	92.5	92.4	-	-	Page 95
Topdanmark's own emissions	Unit	Target	2023	2022	2021	2020	2019	Reference
CO ₂ e – Scope 3 ²⁾	Tonnes	CO ₂ e neutral in 2030	2,490	2,444	1,848	2,363	3,141	Page 58
CO ₂ e – Scope 3 ³⁾	Tonnes	-	2,267	1,363	-	-	-	Page 58
Paper consumption	Tonnes	70% reduction in 2025	11.7	9.2	12.7	14.5	26.5	Page 63

1) The numbers in 2021 and 2022 are the eligibility score, while the number in 2023 is the alignment score – see more in section on the EU taxonomy on page 93.

2) The data includes scope 3 categories that are part of our target for zero emissions, i.e., flights, business travel in private cars, water and waste.

3) The data includes additional scope 3 categories such as employee commuting, that is not part of our reduction target.

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, wellbeing, and prevention for employees	SDG 3: Good health and wellbeing. 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 wellbeing.	Principle 1 (specifically the right to health)
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. <i>NB: The deadline for this target has passed, however, we continue to work with education of youth within the financial sector.</i>	Principle 6
A healthy life for customers: Customer solutions	SDG 3: Good health and wellbeing. 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 right to health)
Health and society: Knæk Cancer, the Danish Blood Bank and FitforKids	SDG 3: Good health and wellbeing. 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 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 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 right to non-discrimination) Principle 2
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 2023](#)
- [CDP Report – latest version \(2022\)](#)
- [TCFD Report 2023](#)
- [Topdanmark as an organisation, management, board of directors and financial reports](#)

Health and wellbeing 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](#)
- [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](#)
- [Policy on diversity and the underrepresented gender in management](#)
- [Policy for diversity in the Board of Directors](#)
- [Remuneration policy](#)
- [Human Rights policy](#)