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# Corporate social responsibility is business responsibility

This CSR report is Topdanmark's voluntary report which elaborates on the statutory CSR reporting included in our 2010 Annual Report. The purpose of the report is to provide information on the CSR initiatives and issues of significance to our business and how we deal with them.

» At Topdanmark, we translate Corporate Social Responsibility into business responsibility. This is because we generally believe that our responsibility is to operate our insurance business well and efficiently, thereby helping to minimise the adverse effects of damage or injury for customers and injured persons and, accordingly, for society at large.

We aim to create value for the Group's primary stakeholders: our shareholders, customers and employees. And in our value creation we have a responsibility for taking social and environmental opportunities and challenges into consideration. We consider these opportunities and challenges in accordance with internationally recognised corporate social responsibility principles, including the principles of the UN Global Compact.

In 2010, we initiated a number of initiatives aimed at strengthening and structuring our corporate social responsibility efforts, and I invite our stakeholders to read about these initiatives and the results we have achieved.



Christian Sagild, CEO  
Adm. direktør Christian Sagild



Foto: Klaus Holsting



## Highlights of Topdanmark's CSR policy

» In our corporate social responsibility work we aim to act responsibly in our efforts to create value for our customers, employees and shareholders. This implies that we

- operate an efficient and responsible insurance business;
- focus on loss prevention;
- strive to be a workplace that is able to retain and attract competent and qualified employees; and
- incorporate social and environmental considerations in our operations and investments.

# Priority areas

>> In our efforts, we give priority to the areas and issues in which our business has a significant interface with the surrounding community and environment. Following an analysis, we therefore structured our work and priority areas into four categories and areas in 2010.

Topdanmark's corporate social responsibility efforts are structured into these four categories:

| Products and services | Employees                  | Society                 | The environment            |
|-----------------------|----------------------------|-------------------------|----------------------------|
| Customer satisfaction | Physical and mental health | Responsible investments | Carbon emissions reduction |
| Accessibility         | Employee development       | Inclusive workplace     | Carbon emissions accounts  |
|                       | Welfare                    | Loss prevention         | Waste sorting              |
|                       | Women and career           |                         | Paper consumption          |
|                       | Trainees and apprentices   |                         |                            |



# Products and services

» As one of Denmark's largest insurance companies, Topdanmark contributes to performing a necessary task for society, that is, to allocate risk in order that individuals and businesses are not faced with a financially impossible situation in the event of unforeseen accidents or injuries. This means that we offer and develop products that

solve actual needs; that the prices of our products reflect the actual risks associated with the products; that we provide good and correct advice to our customers with respect to purchasing insurance cover; and that we offer first-rate assistance to customers and injured persons in need of help.

# Customer satisfaction

» In order to improve our customer service, we regularly perform customer surveys which may reflect in our business and create positive changes. Customer satisfaction among Topdanmark's personal customers declined slightly in 2010. One reason for this could be that we communicated many changes to our customers

during the period surveyed. First and foremost, we had to implement price increases on a number of products, including house and contents policies, and this type of news is rarely well received. In addition, we changed provider for our roadside assistance and travel insurance products.

## Development in customer satisfaction 2005-2010

| Year         | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|------|------|------|------|------|------|
| Satisfaction | 73.8 | 70.8 | 75.3 | 77.2 | 75.2 | 72.5 |

*The overview is prepared by EPSI - Dansk Kundeindex.*

# Accessibility

» When an insured event occurs, it is important that customers can reach us in order to get competent advice. It is therefore very important for us to maintain a high level of accessibility. Our goal is, in normal circumstances, to answer 95% of calls received within 60 seconds. As shown in the table below, our accessibility declined slightly in

2010. The decline was due to the fact that 2001 was an atypical year with an above-normal number of severe insurance events, including severe snowfall and frost and two cloudbursts in August. The average for the year was thus adversely affected by one-off events producing a very large pressure on our telephone lines.

| Telephone:<br>Answered<br>within 60<br>seconds | 2009 |        | 2010 |        |
|--|------|--------|------|--------|
|  | Goal | Result | Goal | Result |
|  | 95 % | 87 %   | 95 % | 82 %   |



# Employees

» As a major employer, we rely on our ability to retain and attract committed and qualified employees. To achieve this, we need to ensure that our common workplace is characterised by high employee satisfaction, an excellent physical framework and competent managers.

## Employee satisfaction

Every two years, we carry out an employee satisfaction survey of all our employees.

The most recent survey indicated that employee satisfaction in Topdanmark was above average in the Danish financial sector.

## Health

At Topdanmark, we provide access to exercise, a healthy diet and advice for our employees, and we offer all employees an annual health check. In 2010, 1,727 employees participated in the health check. All employees have employer-paid health insurance, and we offer access to a fitness centre and a canteen service with food prepared in compliance with the recommendations of the Danish Nutrition Council. Moreover, Topdanmark provides financial support to a wide variety of corporate sports clubs in Topdanmark.

## Women in management

In 2010, Topdanmark set up a working group focused on having more female managers. In 2011, the working group will present specific initiatives to help increase the number of female managers. The working group will define specific goals for the area. In continuation of the intention of having more women in management, Topdanmark has joined Operation Chain Reaction initiated by the Danish Ministry of Gender Equality. The aim is to increase the diversity of boards of directors of businesses in Denmark, including having a greater representation of women on boards of directors and in top management positions.

## Competence building

It is a prerequisite for our success that our customers are met by competent and committed employees when they contact us. We seek to achieve this by ensuring constant competence building for our employees. Competence building creates value by supporting the correlation between the professional know-how, work assignments and fields of development of each individual employee. Topdanmark defines competencies as knowledge, skills and attitudes. This means that we do not focus exclusively on insurance knowledge or IT skills but also on conduct and attitudes, for example the way in which our employees interact with customers and co-workers.

In practice, we have variety of competence building lines, including management development, talent development and development of technical insurance knowledge.

## Work placements

As a company, we want to contribute to corporate social responsibility with respect to education by making our company available as a work placement partner for a number of educations. We have been doing this for a number of years, and in 2010 we also opened our doors for company visits to allow students to gain an insight into Topdanmark and the insurance industry.

In 2010, a new study programme was added to the range of programmes from which Topdanmark receives trainees, as we entered into an agreement with nine finance bachelor students on participation in a work placement programme for a total period of five months. Topdanmark also entered into work placement agreements with finance bachelor students in 2011.

# Society

» In 2010, Topdanmark signed up to the UN Global Compact, the world's largest corporate social responsibility initiative. The UN Global Compact consists of ten internationally recognised principles on human rights, labour standards, the environment and anti-corruption. Our endorsement of the UN Global Compact makes these principles an important part of the guidelines for our corporate social responsibility efforts.

## Responsible investments

In order to include social and environmental considerations in Topdanmark's investment policy, we established a partnership with screening agency Ethix in 2010. We defined the scope of the partnership in 2010, and in January 2011 the practical work to screen our investments was initiated. Topdanmark screens investments in relation to broadly recognised international conventions, including the UN Global Compact principles. If companies in our investment portfolio violate these conventions, Ethix will initiate a dialogue with the company on behalf of Topdanmark.

## Prevention

Rather than focusing exclusively on financial compensation when an insured event occurs, Topdanmark wants to focus even more on preventing injury or damage from occurring and on minimising the consequences when it does. This, to us, is the essence of conducting socially responsible insurance operations, and it contributes to ensuring that the interests of customers, shareholders and society in general go hand in hand with Topdanmark's corporate social responsibility. We have decided that prevention should be a keyword in our corporate social responsibility efforts. In our next CSR report, we will provide a detailed description of our initiatives in relation to prevention. For instance, we launched a new insurance product in 2010 aimed at preventing snow load claims.

## A responsible procurement policy

In continuation of Topdanmark's endorsement of the UN Global Compact, we drafted a procurement

policy in 2010 with the purpose of ensuring that our suppliers and business partners comply with broadly recognised international conventions, including the UN Global Compact. Trust and credibility lie at the heart of the collaboration with Topdanmark's many business partners and suppliers. Significant Topdanmark suppliers are handled in accordance with the procedures and methods defined by the Danish Ministry of Economic and Business Affairs in the CSR Compass, which means:

- that the supplier's CSR statement forms part of the contractual basis with particular emphasis on risk mitigating and risk preventing measures; and
- that compliance with the requirements defined in the CSR statement will be evaluated in relation to the company's risk profile.

With respect to procurement of paper, furniture, IT equipment etc., our procurement officers strive to comply with recognised procurement standards such as FSC, PEFC, EFC, EMU and the Nordic Swan eco-label. Topdanmark's specific demands and expectations will be implemented on an ongoing basis through renewal of contracts with new and existing collaboration partners.

## Inclusive workplace

We aim to structure our workplace so as to ensure that physical disabilities are not a hindrance to employment. For instance, we have a sign language interpreter assigned to an employee. Moreover, we established a partnership with a company called Specialisterne (The Specialists) in 2010. This company facilitates employment of people with mild autism, based on the notion that people with autism have special abilities to concentrate on complex tasks which they are therefore able to solve quickly and with very few errors. In 2010, Topdanmark employed "specialists" for claims handling, and during 2011 we will investigate the possibility of using specialists in other areas of our business as well.

You can read more about the CSR Compass at [www.csrcompass.com](http://www.csrcompass.com)



# The environment

» We aim to reduce our environmental footprint. This includes considering the environmental consequences of our daily operations and the indirect effects through procurement and investments. We therefore focus on our consumption of resources and make demands on our suppliers and business partners.

## Carbon emissions accounts

The table below shows Topdanmark's carbon emissions accounts from 2007 to 2010. We use the Climate Compass, an application developed by the Danish Commerce and Companies Agency to calculate the Group's carbon emissions. In 2009, the Danish Commerce and Companies Agency changed the calculations that translate energy consumption into carbon emissions. We have therefore calculated our carbon emissions in accordance with the new principles for the entire period from 2007 to 2010. The results are set forth below. We aim to keep the Group's carbon emissions below the level prevailing in 2008. In spite of hot summers and cold winters in 2009 and 2010, which required additional energy for heating and cooling, our carbon emissions have been steady. The steady level of emissions was primarily achieved due to a range of energy reducing measures in the IT area. Based on a number of initiatives scheduled for completion in 2011, we expect to achieve our goal of keeping our carbon emissions below the 2008 level in 2011.

## Refurbishment of our head offices

One specific initiative that is intended to reduce our carbon emissions in the next few years is an investment in lighting and ventilation at our head offices. We expect this investment to reduce our annual carbon emissions by 500 tonnes.

## Energy optimisation of our IT function

In 2010, we reviewed all our IT equipment in collaboration with external consultants with a view to promoting green IT solutions that can reduce our energy consumption and lower our carbon emissions. This caused us to complete the following initiatives in 2010:

- Servers and storage infrastructure - consolidation & virtualisation
- Data centre/server room - cooling savings
- Substitution by energy-efficient units

These initiatives are assessed to have reduced our carbon emissions by around 200 tonnes in 2010.

## Resource consumption

Since 2009, we have reported our carbon emissions to the Carbon Disclosure Project. The Carbon Disclosure Project rates the reports submitted. In 2009, Topdanmark scored 56 points, improving to 62 points in 2010.

You can read more about the Carbon Disclosure Project at [www.cdproject.net](http://www.cdproject.net)



|      | Heating - tonnes Carbon dioxide | Electricity - tonnes Carbon dioxide | Driving - tonnes Carbon dioxide | Air travel - tonnes Carbon dioxide | Total - tonnes Carbon dioxide |
|------|---------------------------------|-------------------------------------|---------------------------------|------------------------------------|-------------------------------|
| 2007 | 1,204                           | 3,623                               | 2,718                           | 260                                | 7,805                         |
| 2008 | 1,328                           | 3,673                               | 2,706                           | 266                                | 7,973                         |
| 2009 | 1,173                           | 3,934                               | 2,790                           | 241                                | 8,138                         |
| 2010 | 1,367                           | 3,954                               | 2,699                           | 195                                | 8,199                         |



## Waste

In 2010, we completed an in-house campaign at our head offices to improve waste sorting. The aim was to increase the proportion of recycled waste and reduce the volume of waste for incineration. The campaign produced an improvement on the road to achieving a recycling rate of 60%, and our next sub-target is to achieve a recycling rate of 35% in 2011. The development in the recycling rate is shown below.

| Year                       | 2008    | 2009    | 2010    |
|----------------------------|---------|---------|---------|
| Waste recycled in per cent | 22.83 % | 28.13 % | 28.27 % |

## Paper consumption

In 2010, Topdanmark used 151 tonnes of paper. We intend to reduce this volume by increasing electronic communications with our customers. In August 2010, we started, as the first insurance company in Denmark, to send insurance terms and policies to our customers via e-box. In 2010, the number of customers receiving electronic mail from Topdanmark increased from just over 100,000 to around 250,000. As shown in the table below, this development had an effect on our paper consumption.

| Year              | 2008       | 2009       | 2010       |
|-------------------|------------|------------|------------|
| Paper consumption | 172 tonnes | 163 tonnes | 151 tonnes |