

ALM. BRAND GROUP

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# Sustainability Report

# 2023

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REPORT ON CORPORATE SOCIAL RESPONSIBILITY, SEE SECTIONS 132A AND 132B OF THE DANISH EXECUTIVE ORDER ON FINANCIAL REPORTING FOR INSURANCE COMPANIES AND MULTI-EMPLOYER OCCUPATIONAL PENSION FUNDS AND UN GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP) FOR THE FINANCIAL YEAR 2023

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COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

This report forms part of the management's review of Alm. Brand Group's annual report for 2023 and is published on the group's website. The report is prepared in compliance with sections 132a and 132b on corporate social responsibility reports of the Danish Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds. The report is also Alm. Brand Group's seventh Communication on Progress under the UN Global Compact.

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Introduction



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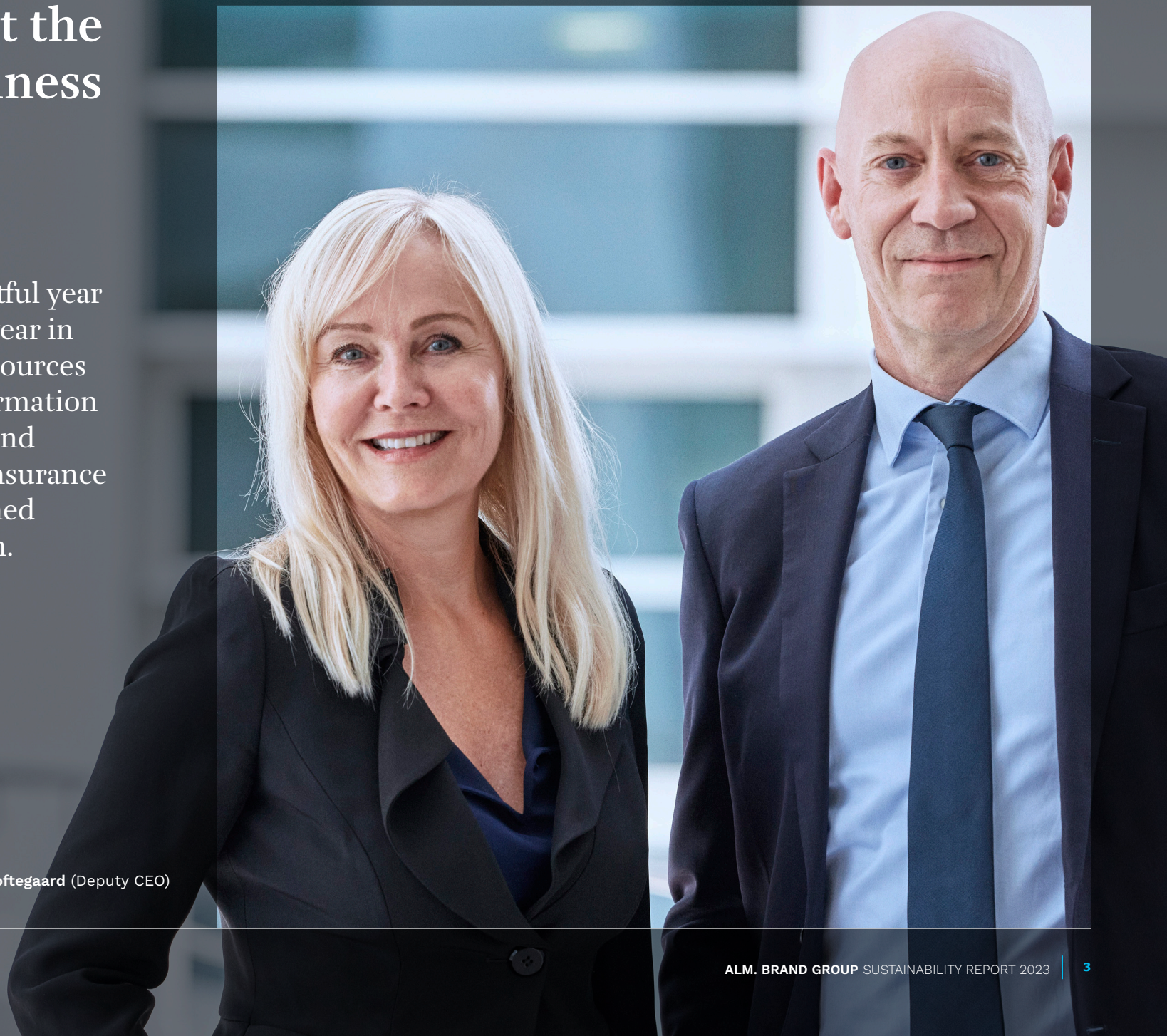
G | Governance and business ethics



# Sustainability at the core of our business

2023 was yet another eventful year for Alm. Brand Group – a year in which we spent a lot of resources on completing the transformation intended to make Alm. Brand Group a leading non-life insurance provider with a strengthened potential for value creation.

Rasmus Werner Nielsen (CEO) & Anne Mette Toftegaard (Deputy CEO)





After the integration of Codan's activities, we have completed a wide range of organisational changes with a view to streamlining and strengthening our business to realise this potential. We have also worked to create the foundation for a new and strong common corporate culture based on our values of 'being ambitious, 'showing confidence' and 'exercising proper conduct'. As part of this transformation, we have defined a new corporate purpose, which describes what we want to achieve with our business: We secure today. So we can create tomorrow. Together.

But words alone will not get us there. If we want our strategy to succeed and fulfil our ambitions for the future, we must make sure that we are constantly relevant to our customers and employees, in the market and in the world around us. This means that we need to offer the right products and services, efficiently and at competitive prices. We must be an attractive workplace to our employees. And we must conduct our business in a responsible and sustainable manner. The latter is increasingly becoming a prerequisite for operating a competitive business, also in relation to our investors, and we will be focusing specifically on this agenda in the years ahead. We are pleased that our MSCI ESG rating for 2023 has increased to an A, proving that we are on the right track.

Our environmental, social and governance responsibility is an integral part of our business model and strategy, and we are very ambitious in translating our strategy and objectives into reality and actual results.

This applies to our environmental responsibility and particularly to the CO<sub>2</sub> emissions that our activities generate. We have defined ambitious reduction targets

for the period until 2030 – and in accordance with the Paris Agreement, we aim to be carbon neutral by 2050. We will be taking this journey in close collaboration with our customers, suppliers and partners, and we have launched initiatives in a wide range of areas in order to achieve our targets.

The prevention and timely processing of claims is a key area in which we can make a difference. Because of the economic, social and environmental implications involved when a claim is made, preventing claims has a great impact. Our claims prevention initiatives include strengthening our information efforts and offering customers help and advice on how to avoid claims – and we can see that our work is making a positive difference. In close collaboration with a wide range of suppliers and business partners, we have also focused on optimising our resource consumption in connection with claims repairs. Our efforts include repairing rather than replacing, using sustainable materials, recycling materials and systematically sorting waste with a view to reducing the environmental footprint and lowering the financial costs involved.

Sustainability is also an integral part of our product development strategy. In the years ahead, we will maintain a clear focus on promoting sustainability considerations in both existing and new products – and in all our product categories.

Over the next twelve months, we will continue our sustainability efforts across the group. A key focal point will be to prepare the group for reporting in accordance with the new EU Corporate Sustainability Reporting Directive (CSRD), and the European Sustainability Reporting Standards which we have to adhere to from 2024.

We are off to a good start, and in this report, we will present our double materiality assessment, which is to form the basis of our future reporting. We are also in the process of establishing the reporting systems and governance structures required to enable us to collect the necessary data and information. We expect that this work will also help to identify new opportunities for us to further strengthen our sustainability efforts.

Our strategic work with sustainability is anchored in a dedicated organisation and closely linked to our other strategic and commercial focus areas. It is our clear ambition that by making a joint effort across the group and working together with our key stakeholders in the coming years, we will further improve sustainability and strengthen value creation – for Alm. Brand Group and for our stakeholders – and we expect to take another important step in the right direction in 2024. ■

Rasmus Werner Nielsen,  
CEO



Anne Mette Toftegaard,  
Deputy CEO



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***We secure today. So we  
can create tomorrow.  
Together.***

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## OUR PURPOSE

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*We secure today. So we  
can create tomorrow.  
Together.*

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# Alm. Brand Group in brief

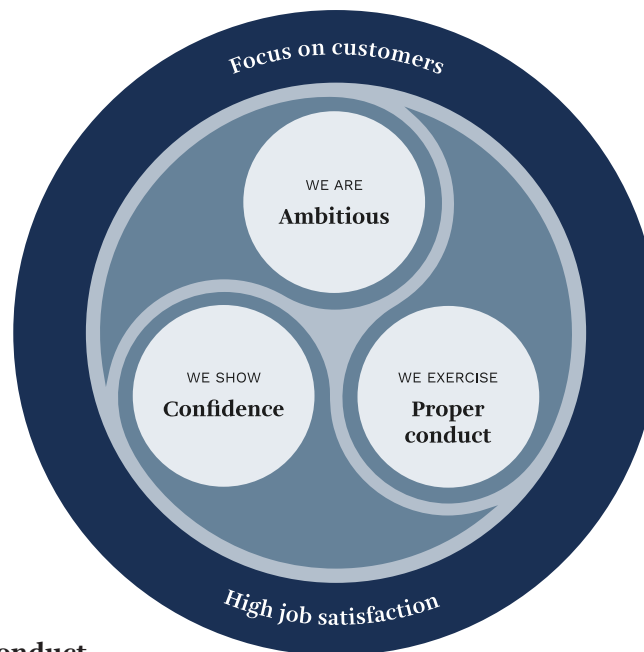
Alm. Brand Group is Denmark's second-largest non-life insurance company with around 700,000 customers and a market share of approximately 17%.

In 2022, Alm. Brand acquired the Danish business of Codan Forsikring, doubling the size of Alm. Brand Group. In the period towards 2025, the group will work to combine the two companies and realise synergies in a total amount of DKK 600 million.

Focus on customers and high job satisfaction are the maxims that define our business and permeate everything we do at Alm. Brand Group.

Our core values are:

We are **ambitious** | We show **confidence** | We exercise **proper conduct**



## FOUNDED

1792

Alm. Brand was founded 232 years ago in 1792, followed by Codan in 1916.

## ALM. BRAND AF 1792 FMBA

46.7%

Our largest shareholder is Alm. Brand af 1792 fmba, which holds 46.7% of the shares in Alm. Brand A/S.

## FTE WORKFORCE AT 31 DECEMBER 2023

2,265

We are close to 2,300 employees working at our head office in Copenhagen and in our local offices.



# Our business model

We offer excellent customer service and high-quality products that cover our customers' insurance needs. All our initiatives and actions begin and end with our customers.

We are committed to remaining relevant and making a positive difference for our customers every single day. Our customers should notice our commitment when they liaise with us and feel that we listen to them and use our data and experience to find the best possible solutions based on their specific needs.

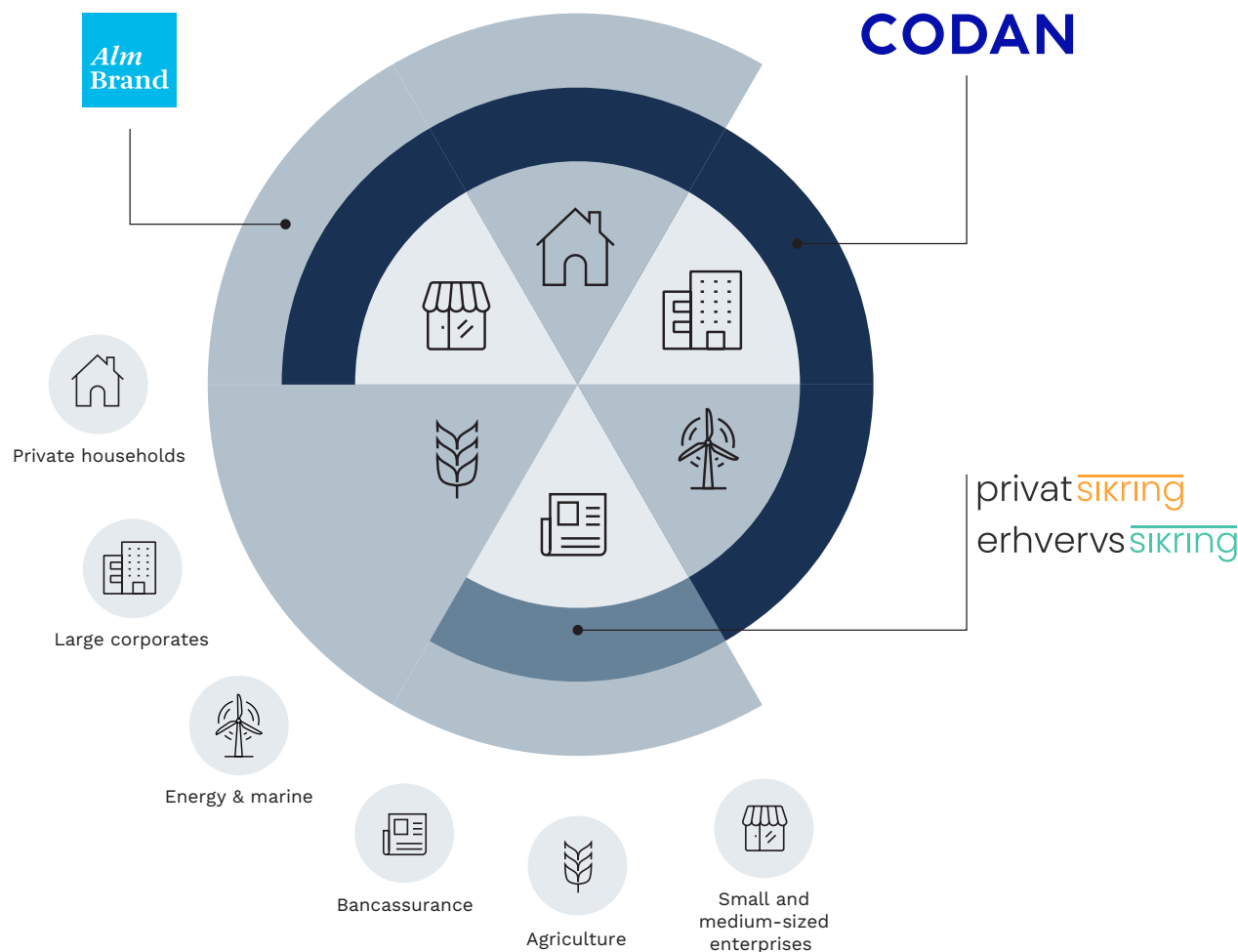
Alm. Brand Group's insurance solutions cover a broad spectrum of the Danish non-life insurance market.

**Alm. Brand** is strongly positioned west of the Great Belt, as well as in small towns and in the countryside.

**Codan** is strongly positioned east of the Great Belt and in Denmark's major cities.

Through the bancassurance partnership, Alm. Brand Group reaches a broad section of the Danish population.

Alm. Brand Group offers insurance solutions, under various brands, which are suitable for a wide range of customers.





# Sustainability in Alm. Brand Group

	Environment and climate	Social responsibility and diversity	Governance and business ethics	Human rights	Responsible investment
<b>UN Global Compact</b>	Principles 7 to 10	Principles 3 to 6	Principle 10	Principles 1 and 2	Principles 1 to 10
<b>Initiatives and results in 2023</b>	<ul style="list-style-type: none"> <li>Optimisation of energy consumption in various leased premises to ensure that they are adjusted to the number of employees, through which we have reduced emissions per employee.</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of special initiatives to increase job satisfaction, including common values and excellent career opportunities.</li> <li>Group support for sports clubs and organisations through new and existing partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment in 2023 of an ethics committee with responsibility for major ethical issues and definition of a joint ethical standard for the group.</li> </ul>	<ul style="list-style-type: none"> <li>Continued dedication of resources to prevent human rights abuse.</li> <li>No violations reported in 2023.</li> </ul>	<ul style="list-style-type: none"> <li>Group investments managed in accordance with the UN Global Compact principles and ESG integration.</li> <li>First combined report to UN PRI for Alm. Brand and Codan.</li> <li>CO<sub>2</sub> emissions reduced.</li> </ul>
<b>Policies and guidelines</b>	<ul style="list-style-type: none"> <li>Sustainability policy</li> <li>Partner Code of Conduct</li> <li>Procurement business procedures</li> <li>Motor vehicle policy</li> </ul>	<ul style="list-style-type: none"> <li>Policy on social and employee-related matters</li> <li>Diversity policy</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption and anti-bribery policy</li> <li>Supplier policy/Partner Code of Conduct</li> <li>Gift policy</li> <li>Data ethics policy</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability policy</li> </ul>	<ul style="list-style-type: none"> <li>Responsible investment policy</li> <li>Policy on active ownership</li> <li>Investment process</li> </ul>
<b>Governance and systems</b>	<ul style="list-style-type: none"> <li>Energy and climate reporting</li> </ul>	<ul style="list-style-type: none"> <li>Employee satisfaction survey</li> <li>Reporting on diversity</li> </ul>	<ul style="list-style-type: none"> <li>Screening and reporting</li> <li>Claims inspection</li> <li>Whistleblower scheme</li> </ul>	<ul style="list-style-type: none"> <li>Screening and reporting through external manager</li> </ul>	<ul style="list-style-type: none"> <li>Screening and reporting through external manager</li> </ul>
<b>Organisation and anchoring</b>	<ul style="list-style-type: none"> <li>New Business &amp; ESG</li> <li>HR and Property</li> </ul>	<ul style="list-style-type: none"> <li>HR</li> <li>Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Group legal</li> <li>Data and information security</li> </ul>	<ul style="list-style-type: none"> <li>HR</li> <li>Procurement</li> </ul>	<ul style="list-style-type: none"> <li>Investment and capital management</li> </ul>



# Sustainability performance data for 2023

Environmental data		2019	2020	2021	2022	2023
CO <sub>2</sub> e emissions – scope 1	Tonnes	3,274	2,463	2,002	1,907	1,773
CO <sub>2</sub> e emissions – scope 2 (location-based)*	Tonnes	-	-	-	672	471
CO <sub>2</sub> e emissions – scope 2 (market-based)	-	-	-	-	1,716	1,683
CO <sub>2</sub> e emissions per employee	Tonnes/FTE	1.8	1.4	1.4	1.1	1.0
Consumption of electricity	MWh	3,444	3,159	3,422	3,986	3,741
Consumption of heating	MWh	3,353	2,941	3,865	3,218	3,531
Consumption of fuel	MWh	8,318	5,884	5,091	7,474	6,926
Total energy consumption per employee	MWh/FTE	8,4	7,1	8,5	6,4	6,3
<b>Social data</b>						
FTE workforce	FTE	1,792	1,690	1,460	2,294	2,265
Number of managers	FTE	200	186	175	235	239
Gender diversity at management levels	%	25	24	25	31	34
Absence due to illness**	%	3.27	2.50	2.76	4.00	3.70
Job satisfaction score	%	78	77	79	79	77
<b>Governance data</b>						
Number of members of the Board of Directors of Alm. Brand A/S***	FTE	12	11	11	12	12
Gender diversity on the Board of Directors of Alm. Brand A/S (men/women)****	%	67/33	64/36	55/45	50/50	58/42
<b>Investments*****</b>						
CO <sub>2</sub> emissions from investment assets	Tonnes	-	-	10,589	115,424	61,661
Carbon footprint	Tonnes/DKKm	-	-	3.991	5.923	2.807

The calculation of performance data is described on [page 39](#).

\*In the years from 2019 to 2021, scope 2 was included in scope 1.

\*\*A change in calculation principle have been made, decreasing the prior year reporting figure with 1.24 percent point.

\*\*\*Information on the board-meeting attendance rate is provided in the annual report.

\*\*\*\*Alm. Brand adheres to the guidelines issued by the Danish Ministry of Industry, Business and Financial Affairs regarding the gender composition of boards of directors, which means that employee-elected board members are not included in the calculation of gender diversity.

\*\*\*\*\*In 2021, only shares were included. In 2022, listed shares (excluding REITs), covered bonds as well as IG and HY credit bonds were included, and illiquid investments and property funds as well as REITs were not included.

# Double materiality assessment

As part of the preparations for the implementation of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards to be complied with from 2024, Alm. Brand Group has prepared a double materiality assessment with a view to assessing the group's risks and opportunities related to how relevant ESG topics impact the value chain. The assessment is based on an evaluation of economic, environmental and social materiality.

In 2023, Alm. Brand Group prepared a double materiality assessment for the group, the main results of which are shown below. The double materiality assessment will form the basis of our future reporting under the CSRD.

The determination of the ESG topics is based on an assessment of risks and opportunities in the group's business model and value chain and in relation to a large number of the group's stakeholders. The ESG topics were assessed based on:

1. the potential impacts (positive or negative) on the environment or social matters (people); and
2. the potential impacts (positive or negative) on the company's future ability to generate financial results.

The double materiality assessment shows the prioritised ESG topics and the materiality of their assessed impact on the group's value chain. A more detailed review of our efforts and results is provided in the individual sections on environmental, social and governance factors in this report. ■

Listed below are the relevant ESG topics identified on the basis of the sector standards MSCI and SASB for the insurance industry and compared with ESG topics in draft ESRS standards.

# E

## **Environmental**

Climate change, Circular economy, Waste management, Biodiversity, Financing environmental impact, Prevention & insurance of the green transition.

# S

## **Social**

Employee health and safety, Employee engagement, Diversity and inclusion, Human capital development, Privacy and data security.

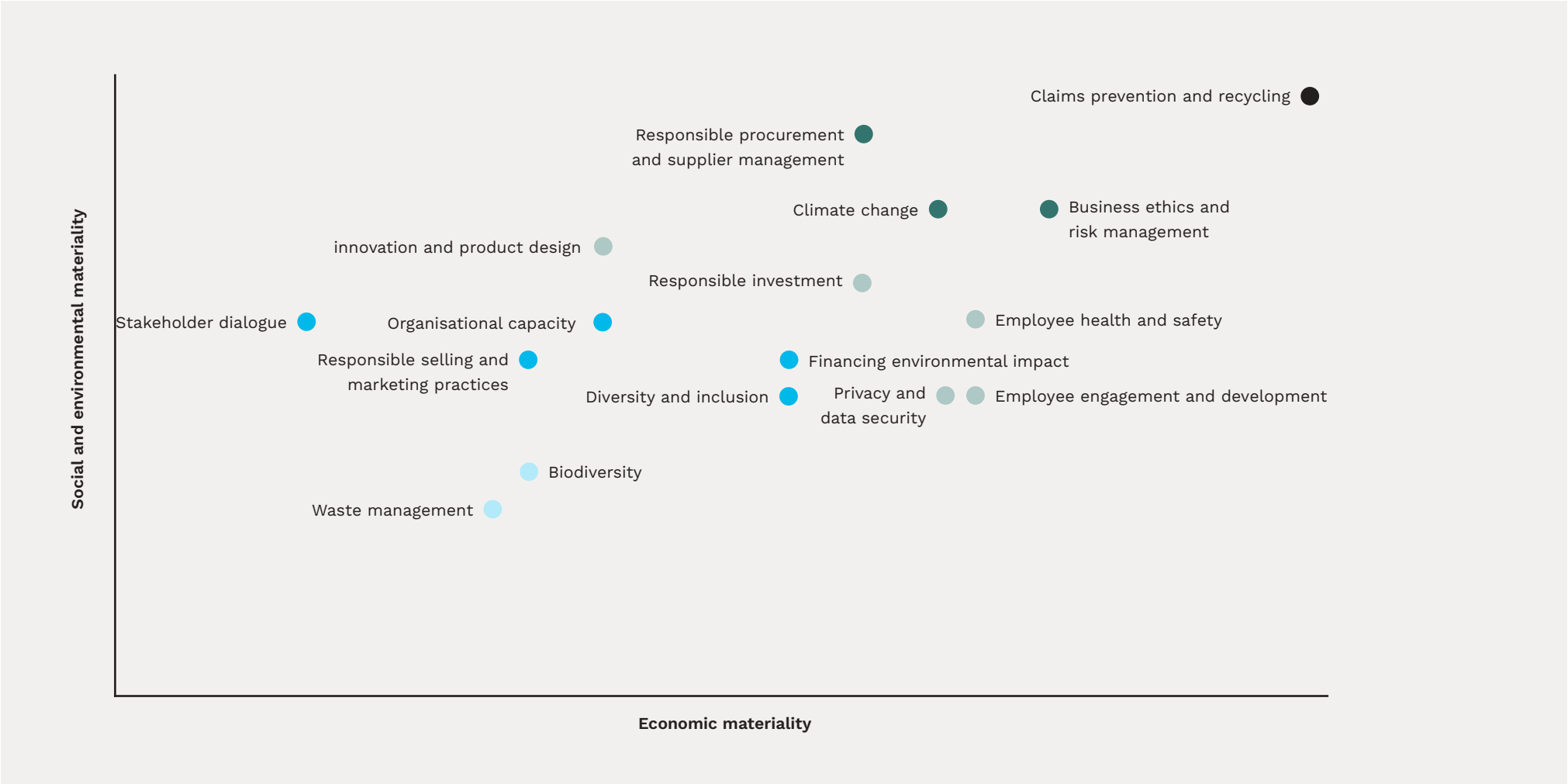
# G

## **Governance**

Business ethics, Responsible investment, Responsible procurement and supplier management, Systemic risk management and governance, Responsible selling and marketing practices, Organisational capacity, Innovation and product design and Stakeholder dialogue.



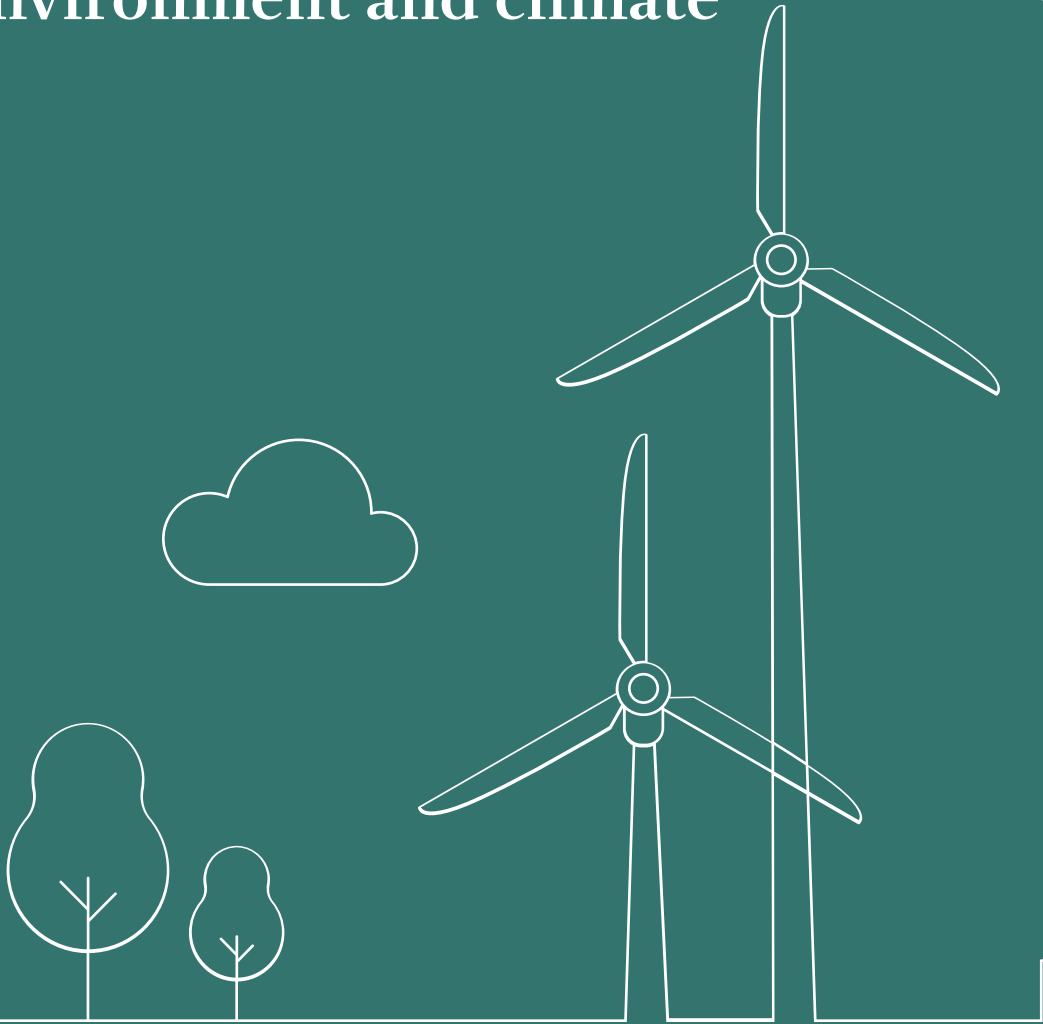
# Double materiality assessment



● Must be addressed    ● Important to address    ● Good to address    ● May be added    ● Less relevant

# Environment

Environment and climate





# Environment and climate

Ensuring a sustainable development of the group's activities is a key element in Alm. Brand Group's strategy, which defines specific targets for the reduction of CO<sub>2</sub> and initiatives to support the green transition.

As part of this work, Alm. Brand Group supports the Paris Agreement and systematically strives to reduce the group's CO<sub>2</sub> emissions. The objective is to reduce the group's CO<sub>2</sub> emissions by 70% in 2030 relative to the 2022 baseline year – and to be carbon neutral in 2050.

Transitioning to renewable energy is one of the elements in achieving our reduction targets, and in 2023, the group explored market opportunities for entering into agreements on the supply of renewable energy. From 2024, the group's company car policy will be aligned to the same ambition.

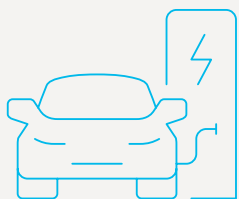
Claims prevention is another key strategic focus area, and our objective is to reach even more of the group's customers with claims prevention initiatives in 2025. Claims prevention covers initiatives to prevent claims through strengthened customer advice and optimisation of resource use, use of sustainable materials and recycling solutions in claims processing with a view to reducing the group's environmental footprint and lowering the financial costs.

Alm. Brand Group is making ongoing efforts to optimise energy consumption in the group's leased premises. Our efforts

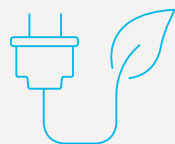
to consolidate the group's locations continued in 2023, and the floor space is now more widely aligned to the number of employees. This has contributed to reducing the energy consumption per employee. Moreover, the group vacated several leased premises in 2023, while focusing on finding new, energy-efficient leased premises. We are generally focusing on phasing out the use of fossil fuels, such as natural gas, and switching to district heating, as about 70% of all district heating is based on renewable energy sources.

In 2023, Alm. Brand Group implemented a new building management system (BMS), which contributes to optimising the group's consumption of water, heating and electricity and to identifying further savings potential.

To mention one of our ongoing initiatives: In connection with the conversion and refurbishment of our advisory centres and other premises, we generally switch to using energy-efficient installations and materials to continually reduce energy consumption from our property operations. In addition, we have generally replaced conventional light sources with LED lighting at Alm. Brand Group's offices, and we remain focused on replacing light sources in properties and areas where such replacement will have an effect.



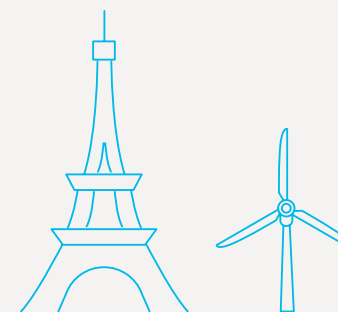
Transition to electric vehicles



Transition to renewable energy

70%

In 2030, we will have reduced our scopes 1 and 2 CO<sub>2</sub>e emissions by 70%.



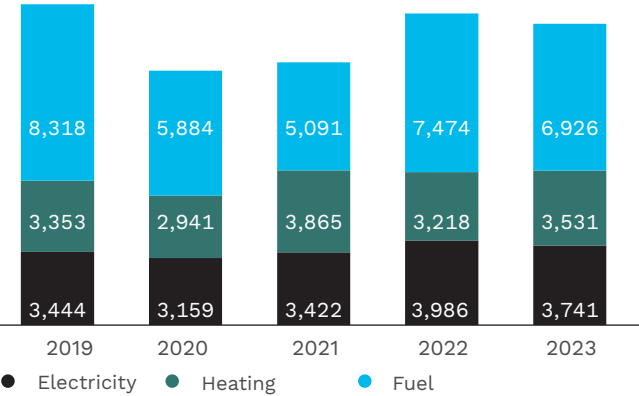
In accordance with the Paris Agreement, we will be CO<sub>2</sub>e neutral by 2050.

Unwanted and environmentally harmful substances (such as CFC) are continually replaced with natural refrigerants in existing cooling systems where technically and financially feasible. Today, most of the cooling effect is achieved without using CFC. The group's servers are cooled using sea water, which has resulted in significant energy savings in recent years. A system of solar panels integrated into the facade of our head office contributes to covering the property's electricity consumption.

Development in energy consumption

The total energy consumption per employee from electricity, heating and transport, respectively, dropped by 2% in 2023 as compared with 2022, primarily due to the development in fuel consumption, which fell by 7.3%.

Development in energy consumption (MWh/year)



The energy consumption calculation is described in detail on [page 39](#).

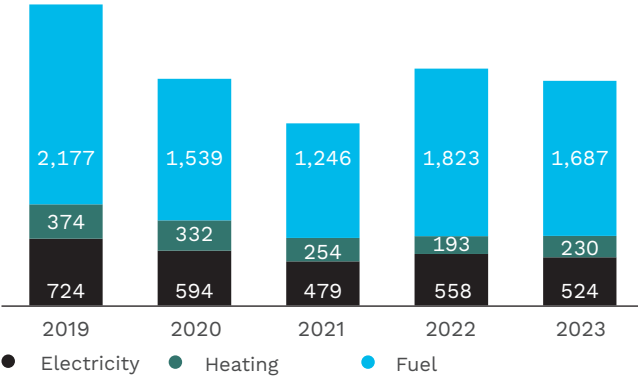
Note: Geothermal energy is included with the electricity consumption and not with the heating consumption.

About 40% of the group's energy consumption is transport-related, and the lower fuel consumption thus affects the overall energy consumption significantly. Recent years' positive experience from using electronic communication in a variety of contexts is one of the reasons for the reduced fuel consumption, and we expect the continued leveraging of these opportunities to contribute to further reducing our overall transport impact and fuel consumption.

Electricity consumption declined by 6.1% in 2023, for example as a result of the group's continued consolidation of premises.

Heating consumption increased by 9.7% in 2023, among other things due to the fact that the consumption in the year of comparison was affected by a number of energy-saving

CO<sub>2</sub> emissions (tonnes/year)



The CO<sub>2</sub> emissions calculation is described in detail on [page 39](#).

initiatives which involved lowering the room temperature in office premises and turning off heating and air conditioning systems at weekends. We maintain our focus on energy savings, but the special initiatives taken due to the energy crisis in 2022 have been rolled back. As opposed to the figure for 2023, the 2022 comparator was also affected by the fact that it does include consumption in properties vacated during the year.

Development in CO<sub>2</sub> emissions

At Alm. Brand Group, we remain focused on reducing CO<sub>2</sub> emissions.

Total CO<sub>2</sub> emissions fell by 5.2% in 2023, driven by both the overall decline in energy consumption and the continued green transition of Denmark's production of electricity and district heating, which is contributing positively to the group's total CO<sub>2</sub> emissions. CO<sub>2</sub> emissions are therefore also expected to gradually reduce in the years ahead relative to the actual energy consumption.

The decreasing fuel consumption has also a positive effect on CO<sub>2</sub> emissions, just as vacation of properties contributes to reducing overall CO<sub>2</sub> emissions. In addition, the group's vehicle policy contains guidelines for selecting more environmentally friendly cars on replacement.

Claims prevention and recycling in claims processing

Claims prevention is an integral part of Alm. Brand Group's business model and contributed to creating value for us as a group as well as for our customers. Our activities are anchored in a dedicated sustainability organisation which reports to the Executive Management. The organisation is responsible for ensuring centralised coordination of sustainability initiatives across the group.



We are gradually implementing a number of claims prevention initiatives, including proactive communication with early warning of weather hazards and recommendations for precautionary measures to prevent burglary. The measures have been well received by our customers and are deemed to have a positive effect on the claims frequency.

In 2023, we continued the 'Hej Doktor' (Hello Doctor) initiative for all customers. This initiative provides quick online access to general practitioners, regardless of time and place. The initiative has been a success because it provides a quicker way to get help for our customers and in many cases saves them having to contact their own doctor or the claims

department. This is also reflected in the number of cases referred to a psychologist, which declined by about 25% in 2023.

We also continued the 'Skadestop' (Stop Theft) initiative, which is intended for skilled trades businesses in particular, offering unique advice and claims prevention tools, such as tracking technologies, DNA marking and other theft prevention methods. The 'Skadestop' initiative comprises tools to help businesses get an overview of losses and consequences and help them prepare action plans to improve their claims prevention setup. We have experienced a growing interest for the initiative from our business customers.

Our claims prevention efforts in 2023 also included focusing on sustainability in the advice we gave our customers. As claims will generally have an impact on the climate, claims prevention plays a major role in our climate efforts. When a claim nonetheless occurs, it is important to be focused on redressing the claim. In 2023, Alm. Brand Group therefore continued its collaboration with claims repair providers on increased sustainability.

For example, we are continuously working to optimise waste management and increase recycling of building materials and electronics in connection with our claims processing. Together with our building and trades suppliers, we have

Privatsikring and Codan have joined forces with their building and trades suppliers to define a number of specific targets for sustainability which the suppliers have to comply with.

80%

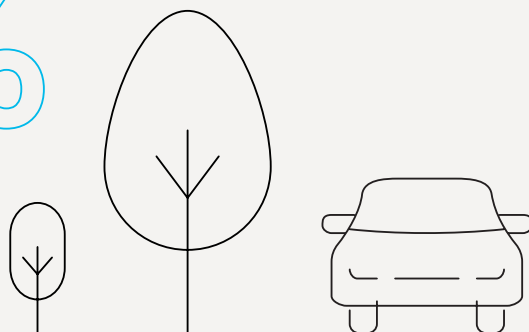
of all timber used must be FSC certified.

10%

of the workforce must be apprentices (in businesses with more than 25 employees).

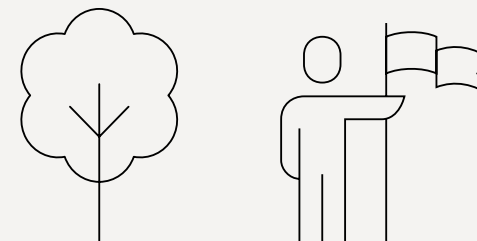
80%

of all demolition materials must be reused.



5%

reduction in motor vehicle transport per year over the contract term.



furthermore defined a number of specific targets for sustainability which our suppliers have to comply with. 80% of all demolition materials must be recycled. 80% of all timber used must be FSC certified, and 10% of the workforce in companies with more than 25 employees must be apprentices, against 50 employees last year. At the same time, claims repair providers must commit to reducing motor vehicle transport by 5% per year over the contract term, which is typically three or four years.

Alm. Brand Group also collaborates with Carglass on repairing damaged windshields. This partnership ensures that Alm. Brand Group's customers can have their windshields repaired quickly and efficiently, and repairing the windshield instead of replacing it saves both time and resources in terms of materials and transport.

At the end of 2023, Alm. Brand Group furthermore entered into a partnership agreement with GladTeknik, a company specialising in computer repairs. The agreement is an example of our commitment to social responsibility, as this is a specific focus area for GladTeknik. About 80% of the company's employees have one or more diagnoses, for example Asperger's syndrome or ADHD, giving them special strengths and perspectives which are leveraged by GladTeknik in its services. The agreement is also a part of our focus on increasingly providing repairs instead of automatically replacing a damaged product with a new one. The partnership helps us save resources and improves our environmental footprint, while providing good and fast solutions for our customers.

Moreover, in collaboration with the Danish Insurance Association, Alm. Brand Group contributes to general claims prevention initiatives in the insurance industry. These activities are directed at preventing burglary, fire, building damage, workplace-induced stress and other issues.

### INITIATIVES IN 2024

At 1 January 2024, Alm. Brand Group entered into additional agreements with suppliers with a view to increasing the use of repairs and recycling of materials in the group's claims processing. At the turn of the year, Alm. Brand welcomed Greenmind, a new preferred supplier for smartphone repairs. Greenmind has set a target of carbon neutrality in 2024, and the collaboration will add great value for Alm. Brand and its customers.

In 2024, Alm. Brand Group will continue its efforts to monitor and optimise energy consumption throughout the group and stay committed to using more energy-efficient solutions and materials with a view to achieving its climate objectives.

In 2024, we will focus on extended collection and quality assurance of data in connection with implementing the new reporting requirements under the CSRD. ■



# Insuring new green technology

Insuring projects that support the green transition has been a large and growing business area for Alm. Brand Group for many years, with particular focus on the Danish wind industry and international projects.

In 2023, Alm. Brand Group continued this growth journey, signing an agreement to insure a completely new project involving carbon capture at Avedøreværket in a partnership with Ørsted. The project is the first of its kind in Denmark, and Alm. Brand Group participated in the establishment process with a view to ensuring determination of risks and planning, so insurance may be taken out for the project on commissioning. The project was initiated at the end of 2023, and Alm. Brand Group provides insurance for most of the project as lead insurer.

The plant captures up to 90% of the CO<sub>2</sub> emitted from Avedøreværket. The captured

carbon is then transported to vessels going to Norway where it will be injected into the subsoil. The long-term plan is to instal a pipeline from Avedøreværket to Asnæsværket, which will be able to pump the carbon captured directly onto the vessels in future, ensuring further CO<sub>2</sub> savings.

We have a clear ambition to contribute further to the green transition, for example by acting as insurer in connection with future investment projects. In the years ahead, Alm. Brand Group will further develop its market-leading position and competencies with a view to participating actively in the continued development within renewable energy. ■



# Social

Social and governance responsibility





# Social and governance responsibility

Being an attractive workplace and taking responsibility beyond the group are integral objectives of Alm. Brand Group's strategy that charts the course for a wide range of initiatives to implement the group's social and governance responsibility.

Alm. Brand Group wants to make a positive contribution to businesses, culture and association activities through local commitment where we can make relevant knowledge available to customers and communities – and by offering sponsorships and partnerships that support social activities, sports, culture and other relevant initiatives making a positive contribution to society.

In addition, the group has defined targets and a wide range of initiatives intended to provide the framework for an attractive workplace with good conditions and personal development and career options. At the same time, the group emphasises promoting a strong common culture in which employees and managers take joint responsibility for values, conduct and targets. These efforts must be reflected in the employee satisfaction rating, which must be above 80%.

## Employment terms based on collective agreements

Most of Alm. Brand Group's managers and employees are employed under prevailing collective agreements made between the Danish Employers' Association for the Financial Sector (now Forsikring og Pension (Insurance and Pension Denmark)) and relevant trade unions as well as between Alm. Brand Group and the local staff associations of employee representatives. Employees employed under a collective agreement are covered by an employer-paid

pension plan, ensuring that savings are made for the employee's retirement and for various insurance schemes. Moreover, insurance schemes have been established for the employees in addition to the statutory schemes, including group life, dental and health insurance.

In Alm. Brand Group's management, we continuously collaborate with the elected employee representatives to support good solutions and create value for the employees as well as for Alm. Brand Group as a whole. Alm. Brand Group has set up a consultation committee, which currently consists of seven employee representatives and representatives from management. The committee holds four ordinary meetings annually and ad-hoc meetings as and when required.

## INITIATIVES IN 2023

### Remote working

Over the past year, Alm. Brand Group has gained valuable experience in remote working, and the remote working concept has been developed so as to cater to the modern workplace and meet employee requests for flexibility. The concept gives the group's employees the option of remote working based on individual arrangements made between the manager and the employee – with due consideration to the employee's requests, collaboration in the workplace and the group's operations in general.

## Employee well-being, working environment and job satisfaction

Employee well-being and job satisfaction remained key priorities in 2023 due to continued organisational adjustments and the many changes it set in motion. As part of our strategy that Alm. Brand Group should be – and should be perceived as – an attractive workplace, we developed and launched an 'employer value proposition', which is to support the cohesion of the organisation, while strengthening the group's ability to attract new talented employees.

Monthly anonymous 'PULS' surveys were carried out in the second half of 2023 with a view to monitoring employee well-being. Overall, the 'PULS' surveys were well received, both in terms of the response rate, which was 84%, and the well-being score, which was 77%. This has given rise to follow-up dialogues in the individual departments, and we will launch a number of activities over the next twelve months with a view to lifting the job satisfaction score to a stable high level. We also conducted an employee engagement survey in 2023, which comprised a psychological workplace assessment (WPA).

The continued efforts to ensure a good physical and psychological working environment are supported by a high level of information in-house and by regular professional development initiatives and social activities for the employees. Workplace assessments were conducted for most of the group's locations.

All employees of Alm. Brand have been given the opportunity to do volunteer work during working hours one day annually and thereby contribute to making a difference in their local communities. Alm. Brand organises a number of events where the employees can participate, but they may also do other voluntary work – it is up to the individual employee.



# Where dedicated people collaborate

Alm. Brand Group wants to be an attractive workplace, and we want to be known for just that. For creating employee engagement and being able to attract new employees.

Therefore, in 2023, we drafted a common employer value proposition and identified three special strengths characterising us as a workplace. In doing that, we are describing in words why Alm. Brand Group is an attractive place to work. Our pledge and special strengths have been defined based on input from employees and managers in the organisation, describing how they experience working for Alm. Brand Group, what we stand for as an organisation and what we as individuals are passionate about in our jobs.

Under the headline 'Where dedicated people collaborate', we have established a common foundation for our employees, which will form the basis for continued engagement and development and act as a forum for meeting on an equal footing for an informal chat about our common workplace.

The sense of community lies at the heart of insurance and has done so since we started as an insurance company more than 200 years ago. All of our 700,000 customers are co-owners of the group through their membership of the association Alm. Brand af 1792 fmba. Collaborating with our customers and partners, we want to create the solutions of tomorrow. And we do that better by collaborating, being the dedicated people that we are. ■



As part of our efforts to ensure a good working environment and employee welfare, we have entered into an agreement with Falck Healthcare on preventive treatments, such as massage therapy. At the group's largest locations, in-house clinics have been established for the employees' convenience. There is an extensive network of clinics across Denmark, enabling all employees to take advantage of this offer no matter where they work or live. The scheme is supported by the health and safety organisation and focuses on prevention of injuries, which aligns well with the group's overall business model.

Alm. Brand Group has established a dedicated channel on the group intranet where unwanted incidents and other challenges related to the psychological working environment may be reported to the HR department. Incidents reported will be addressed by engaging in a dialogue with the employee to get a detailed explanation and description of the incident with a view to ensuring a safe further process. All incidents reported and the actual reports will be treated confidentially, unless otherwise agreed.

The group's health policy is intended to promote a healthy working environment and generally to promote employee health and well-being on and off the job. The group offers financial support for a number of sports activities, counselling, canteen and fruit services, etc. In 2023, we launched a health week in collaboration with Falck Healthcare focusing on health and well-being by offering employees to have their blood pressure and body fat percentage checked, get a general fitness rating, etc. as well as inspiration for a healthier lifestyle. The employees are covered by a health insurance scheme paid by the group.

Alm. Brand Group has a pre-retirement policy ensuring that employees have the opportunity to plan their senior working life with the group well in advance. In addition to extra holidays, employees may choose to work fewer hours and adapt their working hours to their individual needs.

An attractive working environment is a high priority at Alm. Brand Group, driven by a broadly based health and safety organisation consisting of a chairman, the group's working environment manager and twelve health and safety groups (24 members in total). Moreover, a health and safety committee has been established, which meets four times a year.

In 2023, the organisation identified a number of special initiatives, including continued focus on ensuring well-arranged hybrid meetings, an attractive in-office working environment with flexible seating and an attractive remote working environment.

Absence due to illness was 3.7% in 2023, down by 0.3 of a percentage point on last year.

In 2023, Alm. Brand Group became a member of LGBT+ Denmark as part of the group's continued focus to promote diversity and inclusion. Through this membership, we support an increased focus on LGBT+ issues and get access to guidance on how best to be a diverse and inclusive workplace. In 2023, we updated our group policies on diversity, equal treatment and inclusion.

### Common corporate culture and values

Following a culture building process initiated in 2022, a common corporate culture is taking shape at Alm. Brand Group, and the values 'we are ambitious', 'we show confidence' and 'we exercise proper conduct' have now become an established part of our corporate identity. This is supported by Alm. Brand Group's new purpose, which was launched in the summer of 2023: "We secure today. So we can create tomorrow. Together." Alm. Brand Group's purpose is based on the group's core function and the importance this has for the individual, the company and society in general. Our purpose marks a common anchorage and explains the group's activity and positions.





# A week focused on health and well-being

In a collaboration with Falck Healthcare, Alm. Brand Group launched a health week for the group's employees in 2023, offering new, special health themes every day and a range of events focused on lifestyle and habits, sleep, diet, exercise and mindfulness – all serving as inspiration for a healthier lifestyle.

All employees were offered a mini health check, including having their blood

pressure, weight, body fat percentage and BMI checked and getting their waists measured together with a general fitness rating. Subsequently, they were offered advice and guidance on how to improve their health and change their habits or lifestyle for better health and well-being.

Finally, all employees were given the opportunity to participate in first-aid courses. ■





In continuation of these efforts, we focused on communicating a unifying narrative about opportunities, purpose and values in 2023. This narrative promotes Alm. Brand Group as an attractive workplace and expresses a pledge to our employees that Alm. Brand Group is the right place for people dedicated to creating great things. It is the place where dedicated people achieve even greater results by working together, regardless of whether they do it for the benefit of the group's customers, its partners or their fellow employees. Alm. Brand Group's employer value proposition and narrative are intended to contribute to strengthening the cohesion of the organisation, retaining great colleagues and recruiting new, talented employees.

### Diversity

Alm. Brand Group considers it important to ensure diversity among the group's managers and employees.

The Board of Directors has defined a diversity policy to ensure that Alm. Brand Group has a wide range of competencies and qualifications, experience and profiles. Moreover, the group aims to have different age groups represented in the organisation generally and at management level.

Alm. Brand Group aims for the Board of Directors to be composed of the best qualified candidates. A policy and targets for diversity on the boards of directors of Alm. Brand Group have therefore been adopted.

We strive for diversity among board members with respect to educational background, gender, age and business experience, nationally as well as internationally.

The members of the Board of Directors of Alm. Brand A/S together represent many years of insurance experience, and several board members have participated in a large number of corporate acquisitions. Moreover, over the past couple of years, the Board of Directors has been behind and steered the group securely through complex restruc-

turing processes, including the acquisition of Codan's Danish business.

The Board of Directors conducts self-evaluations to ensure a good collaborative environment and that the right competencies are available on the Board. A nomination committee has been established in Alm. Brand A/S, the purpose of which is to strengthen the work of the Board of Directors to ensure that the right management competencies are available in the group.

### Policy and targets for the gender composition of management

In accordance with applicable legislation, Alm. Brand Group has adopted a policy and defined targets for the gender composition of its management. The policy is focused on increasing the proportion of the under-represented gender on boards of directors and at other management levels and encompasses an annual follow-up on the development in the gender distribution in management positions.

According to legislation, a gender is under-represented if it represents less than 40%.

For Alm. Brand Group overall, the gender distribution among employees is 37% women and 63% men. For all managers of the group, the gender distribution is 34% women (2022: 31%) and 66% men (2022: 69%).

The Board of Directors has adopted a target, specifying that 40% of the members of the Executive Management, group management and executive officers must be women by 2027.

The policy lists a range of initiatives to be implemented by the group to increase the proportion of the under-represented gender among managers. In Alm. Brand Group, the successful candidate will be the candidate who, from an

overall perspective, is deemed to possess the best qualifications for the job, without regard to gender, age or ethnic origin. This also applies when filling managerial positions. However, management also wants the employees of the group's current under-represented gender and potential candidates to feel that they have the same opportunities for career development and appointment to managerial positions as male employees. The group's management aims to have an open and tolerant culture where individual employees are free to apply their expertise in the best way possible, regardless of gender.

In order to support the implementation of the policy, managers who appoint new members of staff are urged to build a diversified management team. The same applies during status and appraisal interviews where managers should ensure that both male and female employees are asked about their interest in taking on a managerial role in career development contexts. The initiative also applies to communication where efforts should be made to support the creation of a balanced image of female and male managers in connection with any in-house and external mention of managers in Alm. Brand Group.

The Board of Directors of Alm. Brand A/S consists of twelve members, four of whom are elected by the employees of the group. At 31 December 2023, the members of the Board of Directors elected by the shareholders in general meeting consisted of three women and five men, corresponding to an equal gender distribution. The target of having equal gender distribution was thus met. The Executive Management of Alm. Brand A/S consists of one man and one woman for a 50/50 gender distribution ratio. The targets for diversity in the boards for Alm. Brand Forsikring A/S, Codan Forsikring A/S and Forsikringsselskabet Privatsikring A/S have not yet been achieved in 2023 due to a lack of candidates from the under-represented gender, but the group will work to increase diversity towards 2027.

## Gender distribution

Gender composition in % men/women	Total number of members	Under-represented genders, %	Target in %	Year of target achievement
<b>Alm. Brand Group</b> Gender distribution, other management levels	49	27		
<b>Alm. Brand Group</b> Gender distribution on the Board of Directors (excluding employee representatives)	8	38	40	2027
<b>Alm. Brand Forsikring A/S</b> Gender distribution, other management levels	1	0		
<b>Alm. Brand Forsikring A/S</b> Gender distribution on the Board of Directors (excluding employee representatives)	5	20	40	2027
<b>Codan Forsikring A/S</b> Gender distribution, other management levels	1	0		
<b>Codan Forsikring A/S</b> Gender distribution on the Board of Directors (excluding employee representatives)	6	17	40	2027
<b>Forsikringsselskabet Privatsikring A/S</b> Gender distribution, other management levels	1	0		
<b>Forsikringsselskabet Privatsikring A/S</b> Gender distribution on the Board of Directors (excluding employee representatives)	3	0	40	2027

## Sponsorships and partnerships

Alm. Brand Group is locally anchored through its regional offices, sales centres and tied agents across Denmark, and the group wants to play an active role in local business communities and local culture and association activities.

In 2023, Alm. Brand Group thus remained committed to supporting a wide range of local sports associations and clubs, festivals, business networks, retail trade associations, cultural institutions, etc. In 2023, Codan became sponsor of the FC Copenhagen youth team, thus supporting opportunities for young people.

Concurrently with these activities, the group has teamed up with a number of companies and associations where the partnership and profiling may contribute to achieving mutual customer benefits and claims prevention – but also partnerships that support a range of non-profit causes, such as the group's partnerships with the Child Accident Prevention Foundation (Børneulykkesfonden) and a business partnership with Junkfood, which delivers food to homeless people based in part on surplus foods.

## INITIATIVES IN 2024

Alm. Brand Group plans to continue its activities aimed at promoting general responsible conduct in relation to customers and society at large in 2024. Local commitments, partnerships and sponsorships will also be continued based on the group's aim of playing a positive and an active role in society centred around the group's activities. Of course, this also applies to the two new partnerships with the FCK youth team and Junkfood. We will also continue previous Codan initiatives, such as the annual reflector tag day, which is organised together with the Child Accident Prevention Foundation.

The concept with regular 'PULS' surveys will continue in 2024, and we will complete the major annual employee engagement survey in the second half of the year. The purpose is to ensure a continuous focus on employee well-being and job satisfaction in the group.

In relation to management, we will follow up on our work with a common management model for a balanced management. Follow-up management surveys will be completed to ensure and develop the quality of management in the group. These efforts will be supported by management development initiatives to develop the skills in the management model.

We will also focus on maintaining an attractive working environment.

In 2024, we will follow up on the previously conducted workplace assessment of the physical working environment, providing assistance and guidance for management on the further work to ensure a healthy psychological working environment.

In the HR area, we will furthermore focus on structuring data and data collection with a view to accommodating the upcoming CSRD reporting requirements. ■





# Partnership and voluntary initiatives support a good cause

In 2023, Alm. Brand Group entered into a partnership with the charity organisation Junkfood, which prepares 300 meals every day for homeless people, drug addicts and people living on the streets. The meals are partly prepared from surplus food products donated to the organisation by shops and companies.

Through this partnership, we participate in initiatives in areas such as financial support, clothes collection, insurance, Christmas presents and voluntary labour, which all Alm. Brand employees can contribute to during working hours one day a year.

Since we started the partnership, employees of Alm. Brand Group have every week helped prepare meals together with a team of skilled chefs and homeless young people and drug addicts, who also receive counselling and support with a view to improving their situations in life.

In connection with the Christmas holidays, employees of Alm. Brand Group also helped by organising clothes collections at the offices across Denmark. We collected more than 500 kg of clothing. Warm clothes, sleeping bags, sleeping mats, hats, ski wear and boots were donated to the users of the charity organisation. ■

# Governance

Business ethics



# Business ethics

It is of the utmost importance to us that we conduct our business in accordance with applicable legislation and high ethical standards. Doing so inspires confidence and makes a positive impact on the world around us.

At Alm. Brand Group, we want to conduct our business in accordance with applicable legislation, good practice and high ethical standards. This also applies to our suppliers, who must comply fully with the group's supplier policy. It is equally important that the decisions of every individual employee are made on an informed and professional basis. The group's principal risks in relation to corruption are situations in which Alm. Brand Group could be accused of obtaining benefits from customers or other business partners by inappropriate generosity and, likewise, to protect employees from groundless suspicion. Alm. Brand Group has adopted a gift policy to govern this area. Clearing up insurance fraud is also a key priority, and Group Management continuously considers the group's risk profile and activities in this area.

## Human rights

Alm. Brand Group respects the UN's Universal Declaration of Human Rights in all its activities, while seeking to make demands and raise awareness of human rights through relevant areas of influence. The group supports human rights by incorporating the Global Compact principles in its policies, including by demanding that the group, suppliers and the companies and countries in which the group invests observe human rights. No cases of human rights violations were reported in 2023.

## INITIATIVES IN 2023

### Ethics committee and ethical standards

In 2023, Alm. Brand Group drafted a set of group-wide ethical standards based on the most recent legislation, group policies and internal rules of the group. Our ethical standards should be viewed in the context of the group's core values: We exercise proper conduct, we show confidence and we are ambitious. These values express the group's focus on exercising proper conduct in all interactions, whether internally in Alm. Brand Group or externally in customer relations.

The standards include guidelines in a range of different areas, including employee satisfaction and development, diversity, freedom of association, corporate social responsibility, data security and data ethics as well as anti-corruption and anti-bribery and guidelines for the group's whistleblower scheme.

The group's ethical standards are anchored in an ethics committee established in 2023. The committee is tasked with ensuring that ethical issues and matters with potential reputational consequences are handled with due care and attention and that the necessary guidelines and frameworks are in place.

## Supplier policy

In 2023 as well, Alm. Brand Group focused on raising the awareness of and compliance with the group's supplier policy and implemented an updated Partner Code of Conduct for suppliers of goods and services to Alm. Brand Group.

Alm. Brand Group wants to act responsibly in its use of suppliers, and the purpose of the policy is to ensure that all suppliers comply with national legislation and internationally recognised standards and conventions, relating to, for example, occupational health and safety, human rights, business ethics, anti-corruption and protection of the environment and climate.

In 2023, Alm. Brand Group strengthened the organisation with a view to further promoting sustainability in the supply chain.

## Conflicts of interest

Alm. Brand Group has implemented a policy for the receipt of gifts, participation at functions and similar events which applies to all group employees. This policy is intended to prevent suspicion of a conflict of interests. Accordingly, all employees have an obligation to report gifts and functions in excess of a certain pre-defined amount.

Designated managers and employees are regularly informed of the existing rules in this area. The current version of the policy is also included in the staff manual and the group's business procedures.



In 2023, Alm. Brand Group drafted general instructions on identifying and managing conflicts of interest, describing how potential conflicts of interest are identified and providing guidance on how to correctly manage such conflicts. The instructions have been communicated to all group employees, and the group legal team is ready to provide advice should a specific situation arise.

### GDPR, DATA AND DATA ETHICS

Responsible management of all types of data processed and stored by the group in its day-to-day operations is given high priority at Alm. Brand Group. Data comprise personal data on customers, claimants, employees and suppliers, etc. The group has implemented a range of policies, business procedures and standards that provide the framework for the group's responsibility and day-to-day data management, including an information security policy, a data ethics policy and several targeted privacy policies which set guidelines for the processing and storage of personal data and the assignment of rights of access to data.

### Protection of personal data

As an insurance company, the group stores and processes personal data for making quotations, writing insurance, processing claims and managing employment relationships, employee system access, etc.

Alm. Brand Group has appointed a Data Protection Officer (DPO) for the group, who is in charge of monitoring and providing guidance on compliance with the rules of data protection law on a daily basis. The DPO conducts regular, autonomous and independent assessments of the compliance level and reports the results to the Executive Management and the Board of Directors. The DPO is also the group's contact person in relation to the Danish Data Protection Agency.

Furthermore, Alm. Brand Group has a dedicated GDPR and Customer Ambassador team and a network of internally appointed GDPR coordinators, supporting decentralised regulatory compliance in the group.

The group has privacy policies in place for all group companies. The day-to-day activities to ensure responsible and documented processing of personal data in accordance with applicable rules are described in various business procedures.

A cross-organisational business procedure has been established for the processing of requests from data subjects. This business procedure is supported by an IT system that ensures an overview of requests and assignment of rights. All requests are registered in order to facilitate reporting on the number and type of rights assigned.

A cross-organisational business procedure and an IT system have also been established for employees to use in connection with the discovery and management of potential personal data breaches.

The system support ensures an efficient and uniform approach to the management of potential personal data breaches. The GDPR and Customer Ambassador team manages any personal data breaches in accordance with the requirements of the GDPR, and the team also provides assistance with the mandatory notification of the party(ies) affected.

When the group enters into agreements with external suppliers, business partners, etc., a risk assessment of the security level is conducted with due consideration to the risks involved in the processing, the relevant types of personal data to be processed, etc. On this basis, mitigating measures are planned and implemented if required.

All employees are required to complete GDPR training on an annual basis to maintain and expand their knowledge about the GDPR rules. In 2023, we developed a new method of training which will be rolled out in 2024.

Our training and awareness activities are supported by further targeted training where the DPO, the GDPR and Customer Ambassador team or the individual teams themselves have identified a special need. In addition to our training and awareness activities and business procedures, the group's employees have access to a dedicated environment on Alm. Brand Group's intranet, providing information on the processing of personal data and relevant contact details.

### Data security

Data security is fundamental to Alm. Brand Group in all its business activities, and being able to protect personal data and internal, business-critical data is an essential element of the group's business model. To ensure this, Alm. Brand Group relies on relevant ISO frameworks and standards. Employees complete training programmes to ensure that they are well-informed about their responsibilities in connection with the management of data. In addition, all employees are informed about data protection as part of our onboarding programme for new employees.

The group implements new and maintains existing measures to ensure information assets, and an updated information security risk assessment is regularly reported to the group's Information Security and Data Protection Committee.

The risk of falling victim to cybercrime is generally increasing in society and is therefore a special focus area in the group's risk assessment. The group continuously monitors the threat level in society and, in consultation with external experts, ensures preventive measures and active scanning and defence optimisation. The continued development of technical measures is supplemented by regular training to ensure a high degree of awareness among the group's employees, enabling them to identify and respond to current risks, such as phishing.

### Policy and reporting on data ethics

Alm. Brand Group supports the principles of data ethics of the Danish Insurance Association (Forsikring & Pension) and has adopted a data ethics policy based on the following principles:

- We want our customers to be informed of our use of their personal data, and we will ensure regular updating of our privacy policy, which contains updated information about how we process our customers' personal data.
- We want to make relevant solutions available to our customers, and it is our ambition to use relevant digital options on a responsible basis in the best interest of our customers.
- When the specific solutions and products we or our business partners offer our customers require advance consent from the customer, we will always make sure to obtain such consent.
- Protection of personal data is a key priority for Alm. Brand Group, and we encourage customers to contact us, if they have any questions related to the processing of their personal data. We have therefore appointed a Data Protection Officer and a GDPR and Customer Ambassador, who will be available to answer queries from customers and contribute to enabling the group's employees to observe our data ethics principles and provide our customers with a sense of security.

### Whistleblowing

Alm. Brand Group has established a whistleblower scheme to be used for reporting serious concerns, including violation of legislation or suspicion or knowledge of illegal or unethical conduct or conduct contrary to regulations. The scheme may be used by Alm. Brand Group's employees as well as by Alm. Brand Group's shareholders, board members, suppliers, business partners and others. The whistleblower scheme may be used to report serious concerns completely anonymously or on a confidential basis, for example suspicion or knowledge of violations or potential violations which have occurred or are likely to occur and attempts to conceal such violations, including matters related to bribery and corruption, abuse of financial resources, theft, deceit, embezzlement, fraud and financial crime in general as well as personal data breaches, serious damage to the environment, conflicts of interest, cases of sexual harassment or other gross harassment and gross or repeated violations of legislation in general.

Alm. Brand Group has entered into an agreement with Plesner law firm regarding support in handling reported concerns. Plesner screens all reports made through the whistleblower scheme.

In 2023, Alm. Brand Group received no reports through the whistleblower scheme.

### Insurance fraud

No precise data on the scope of insurance fraud are available, but the group experiences that insurance fraud is a persistent problem in society. It is important to note that insurance fraud is committed not only by individuals, but also potentially by businesses and organised criminal networks. To address this trend, insurance companies and authorities have increased their focus on preventing and discovering insurance fraud. This is also the case for Alm. Brand Group. In 2023, we focused on further upgrading

the skills of our employees and improving our systems in place to combat insurance fraud. As part of these efforts, the group is using AI models to screen for potential fraud.

Through continued prevention and investigation of insurance fraud, the group will be able to serve better and more quickly those of its customers needing to report real claims and actually requiring help and compensation.

### INITIATIVES IN 2024

Alm. Brand Group will continue to regularly communicate on and monitor business ethics risks associated with the group's activities, including to ensure that the group and the group's suppliers comply with the Global Compact principles.

In 2024, we will focus on, for example, updating our procurement, data collection and data monitoring processes with a view to ensuring that sustainability considerations form an integral part of our processes, both when we enter into and renegotiate agreements and during the term of existing agreements. ■

# Responsible investment

The objective of Alm. Brand Group's responsible investment policy is to ensure that investment assets are placed in accordance with the group's corporate values.

At Alm. Brand Group, we strive to maintain a high degree of responsibility in our investments. It is essential to us that, in addition to generating a sound risk and solvency-adjusted return, we also contribute to supporting healthy developments in society at large.

Alm. Brand Group's responsible investment policy therefore includes a number of guidelines for the investment area which frame our efforts to integrate responsibility in our investment processes. The responsible investment policy and the active ownership policy should be viewed in the context of Alm. Brand Group's overall policy and guidelines for sustainability and are based on generally accepted international standards and principles. In making investments, the investment department strives to ensure compliance with the following (and other) principles:

- the Ten Principles of the UN Global Compact on human rights, labour rights, environment and climate and anti-corruption;
- the UN Principles for Responsible Investment (UN PRI);
- the Paris Agreement and the greenhouse gas reduction targets.

In addition, ESG factors form an integral part of the investment process and investment decisions. All companies in our portfolios are screened before we invest in them, and we regularly follow up to ensure that they meet the criteria for activities, including whether they are involved in breaching international norms or are complicit in human rights violations, activities associated with controversial weapons\*, or whether they generate a significant part of their revenues from thermal coal production or extraction of oil from tar sand. Any failure to meet the group's exclusion criteria will result in the company's shares being eliminated from all portfolios without any further dialogue with the company.

In addition, we apply a number of additional requirements with respect to ESG and active ownership, in that assessments of a company's ESG performance may form part of our process for selecting eligible investments, funds or managers.

In connection with the establishment of new investment agreements, we also demand that the external manager complies with Alm. Brand Group's policies and guidelines and has a documented investment process to ensure this.

The investment department is responsible for ensuring compliance with Alm. Brand Group's policy for the area.

No breaches of the group's responsible investment policy were reported in 2023.

## INITIATIVES IN 2023

The responsible investment area is moving rapidly to the fore on a global scale, with data security requirements and new and better standards undergoing constant development. Alm. Brand Group very much welcomes this trend.

Alm. Brand Group fundamentally believes that the group's investments may contribute to nudging developments in a more positive direction. It is therefore important to define solid and transparent guidelines and reporting methods to support us and other investors in making investment decisions.

In 2023, as in previous years, the group increased transparency and strengthened the general focus on responsibility and sustainability in its investments through specific initiatives.

To take one example: In 2023, Alm. Brand Group converted all Investment Grade investments and High Yield bonds to a benchmark aligned to the Paris Agreement. The new benchmark supports a lower carbon footprint for those parts of the portfolio and ensures a clear correlation between the group's policy and commitment to reducing the overall carbon footprint from our investments.

In addition, we increased the share of investments in global equities focusing on sustainability by investing in a global equity fund that gives priority to selecting

\* Alm. Brand Group, through its investments, does not want to be contributory to activities associated with controversial weapons, including anti-personnel landmines, cluster munitions and biological, chemical and nuclear weapons. Please refer to Alm. Brand Group's investment policies at [investorrelations.almbrand.dk](https://investorrelations.almbrand.dk).



companies at the forefront of sustainability developments in their sectors and with high standards for the sustainability area. The fund has the highest possible ESG rating from MSCI (AAA) and is our first investment in an Article 9 fund.

In 2023, Alm. Brand Group increased transparency with respect to its investment processes by making descriptions available on the group’s website with more detailed information for investors and other stakeholders.

Finally, Alm. Brand Group submitted its first ever combined report under the UN PRI (UN Principles for Responsible Investment).

These and more initiatives should be seen as an expression of our efforts to gradually increase transparency and focus on sustainability and responsibility in our investment decisions.

INITIATIVES IN 2024

In 2024, our efforts to strengthen sustainability follow-up and reporting on group investments will continue, including as a result of the CSRD. This includes our internal processes and the approach to our external managers. The processes are intended to ensure a high level of transparency with respect to Alm. Brand Group’s work on all relevant ESG factors.

It is important for us to include as large a part of the portfolio as possible in our CO<sub>2</sub> calculations and targets in order to have the best possible baseline for reducing our CO<sub>2</sub> emissions and achieving our target of carbon neutrality by 2050. However, we are still experiencing challenges in a few asset classes, including properties, but we are working to include more as and when possible.

Most important changes relative to last year:

- CO<sub>2</sub> emissions in tonnes per DKK million were reduced by more than 50% relative to 2022, and a similar trend is seen for the total CO<sub>2</sub> emissions attributable to our investments;
- For mortgage bonds, the borrower’s CO<sub>2</sub> emissions are not included (as they are included under scope 3);
- Commercial bonds are now benchmarked relative to benchmarks that are aligned to the Paris Agreement, and this has positively impacted the CO<sub>2</sub> emissions of the portfolio composition;
- Information was included with respect to the infrastructure debt investments and illiquid credit funds for which we were able to obtain such information. These contributed to increasing CO<sub>2</sub> emissions, but overall the group ‘Illiquid credit, infrastructure debt, properties and mortgage deeds’ represented a significantly lower coverage than the other investment groups;
- The relative and absolute share of high sustainability equities increased relative to 2022. ■

CO<sub>2</sub> emissions in 2023

2023 (scopes 1 and 2)	CO <sub>2</sub> emissions, total	CO <sub>2</sub> emissions, tonnes/DKKm	Coverage
Listed shares	3,387	3.714	94.58%
Corporate bonds	5,862	6.819	79.78%
Covered bonds incl. mortgage bonds	78	0.004	92.56%
Illiquid credit, infrastructure debt, properties and mortgage deeds	52,334	27.496	39.87%
Total 2023	61,661	2.807	87.57%
Total 2022	115,424	5,923	90.96%

# Risks

Alm. Brand Group is exposed to a number of risks related to the group's sustainability efforts. The group works proactively to identify and manage these risks in the best possible way.

The group's efforts to identify and manage sustainability risks are anchored in its overall risk management system, with the group's head of sustainability having day-to-day oversight responsibility. The principal sustainability risks are related to environment and climate, social responsibility and diversity, anti-corruption and bribery, human rights and responsible investment.

## Environment and climate

In order to support the group's focus on environment and climate, including energy consumption and the reuse and recycling of materials, Alm. Brand Group regularly implements energy-optimising initiatives in selected areas. The group also works continuously with scenario analyses to identify and measure the impact of climate change on physical climate risks and transition risks (risks associated with the green transition). The results of these analyses are included in the group's assessment of insurance-related portfolio strategies, product development processes and financial resilience. The group is working proactively to advise customers on precautionary measures and claims prevention as well as recycling of materials in connection with claims repairs.

## Social and governance responsibility

Alm. Brand Group is committed to ensuring the best possible working environment through continuous initiatives, and by focusing on the individual employee's well-being, job satisfaction and development and career opportunities, we create the basis for optimum working conditions and development opportunities for our employees. Through these initiatives, we also seek to retain our employees and prevent them from leaving our company, taking critical knowledge with them.

For employees who are assessed to possess critical knowledge, we enter into agreements on an extended notice of termination.

The group consistently follows up on incidents where employees have potentially acted in contravention of the group's values and policies, jeopardising our customer relationships or the group's reputation. We generally seek to prevent such situations by training managers and employees and by providing information on good business practice and values in our internal communications.

## Anti-corruption and bribery

The principal risk with respect to anti-corruption is related to the potential use of suppliers that do not comply with national legislation and internationally recognised standards and conventions. Alm. Brand Group is therefore dedicated to ensuring compliance with the group's formal supplier policy, our Partner Code of Conduct.

## Human rights

Alm. Brand Group assesses that, based on its activities and compliance with its responsible investment policy, the group has only very limited exposure to significant risks related to human rights violations.

However, the group supports human rights by incorporating the Global Compact principles in its policies, including by demanding that the group, suppliers and other business partners observe human rights.

In 2023, Alm. Brand Group strengthened the organisation with a view to further promoting sustainability in its supply chain, including to ensure an increased focus on the protection of human rights.

## Responsible investment

There is an inherent risk that companies or countries in which Alm. Brand Group has invested act in contravention of Alm. Brand Group's values and requirements of responsibility. Alm. Brand Group's responsible investment policy reflects how the group stands on sustainability and responsibility in terms of investments. For example, the responsible investment policy sets out a number of requirements for the companies etc. in which the group invests. The investment portfolio is continuously screened for potential policy breaches, and sustainability may be included in our considerations when we select new investments. No breaches of the group's responsible investment policy were reported in 2023. ■

# Article 8 of the Taxonomy Regulation

In accordance with the reporting requirements under Article 10 of the Delegated Act issued in accordance with Article 8 of the EU Taxonomy, Alm. Brand Group has calculated the share of economic activities which are eligible and not eligible, respectively, under the Taxonomy Regulation.

The economic activities are calculated as gross premium income from non-life insurance products and investment assets related to the hedging portfolio as well as to the investment portfolio not allocated to the hedging of provisions.

## Economic activities

In December 2023, the EU Commission published new guidance on how to determine when economic activities are eligible under the Taxonomy criteria for climate change adaptation. On the basis of this guidance, Alm. Brand Group has recalculated the economic activities based on the insurance products that make it possible to derive

data from insurance policies supporting that the premium income is eligible under the Taxonomy. This means that the calculation for 2023 has been changed relative to 2022 and that a significantly lower share of the activities is eligible. According to Alm. Brand Group's calculations for 2023, 6.2%\* of the total premium income is eligible under the Taxonomy.

\*The eligibility score is calculated on the basis of the weather-related claims ratio relative to the total gross claims ratio less claims processing costs.  
The weather-related claims ratio is calculated on the basis of the expected gross weather-related claims on the various insurance products relative to gross earned premiums.

## KPI related to underwriting activities (non-life insurance and reinsurance undertakings)

DKK '000 Economic activities (1)	Significant contribution to climate change adaptation			DNSH (the 'do no significant harm' principle)					
	2023	2022		Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
	Absolute premiums, year 2023	Share of premiums, year 2023	Share of premiums, year 2022						
	Currency	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A.1.1. Non-life insurance and reinsurance undertakings — Taxonomy-aligned economic activities (environmentally sustainable)		0							
A.1.2. Of which reinsured		0							
A.1.2.1. Of which attributable to reinsurance activities		0							
A.2. Non-life insurance and reinsurance undertakings — Taxonomy-eligible economic activities which are not environmentally sustainable (activities which are not Taxonomy-aligned)	731	6.2							
B. Non-life insurance and reinsurance undertakings — Economic activities which are not Taxonomy-eligible	11,053	93.8							
Total (A.1 + A.2 + B)	11,784	100							



However, the Taxonomy criteria for climate change adaptation have already been incorporated in the group's business model and form part of our continuous product development, claims prevention and risk management efforts.

In 2023, Alm. Brand Group was for the first time required to disclose the share of Taxonomy-alignment for its economic activities. The group assessed that no insurance benefits are Taxonomy-aligned.

Investments

To assess whether an investment asset falls within the scope of the definition of Taxonomy eligibility, a screening process has been carried out based on the method described in the Climate Delegated Act and the Delegated Act issued in accordance with Article 8 of the EU Taxonomy.

Not all assets qualify for Taxonomy-eligibility, and the Taxonomy is continuously developed. Alm. Brand Group will therefore continue to develop its screening method in line with the EU's development of guidelines and criteria for the assessment of environmentally sustainable economic activities with a view to reporting more accurate data in future.

The share of Alm. Brand Group's Taxonomy-eligible investments was 92.03% of the value of the total investment portfolio at 31 December 2023, while the share of Alm. Brand Group's Taxonomy-aligned investments was 17.21% of the value of the investment portfolio at 31 December 2023.

These consist of listed shares (excluding REITs), corporate bonds and covered bonds including mortgage bonds. 7.97% of Alm. Brand Group's investments are not

Taxonomy-eligible, comprising funds with direct property investments, illiquid credit funds, infrastructure loans and mortgage deeds.

The share of investments covered by the Taxonomy is calculated on the basis of data from MSCI and Sustainalytics. The only exception is mortgage bonds, for which data has been collected on the basis of reports from the issuers of the mortgage bonds.

The share of total investments with governments or central banks as counterparties and derivatives was 0% at 31 December 2023.

The share of investments where the counterparty is not required to disclose non-financial information consists of funds with direct property investments, illiquid credit funds, infrastructure loans and mortgage deeds. These investments make up 8.66% of the total portfolio. ■

ESG data

	Percentage
Share of total investments which are Taxonomy-eligible	92.03%
Share of total investments which are not Taxonomy-eligible	7.97%
Share of total investments which are Taxonomy-aligned	17.21%
Share of total investments which are not Taxonomy-aligned	82.79%
Share of total investments where the counterparty is not required to disclose non-financial information under Articles 19a and 29a of Directive 2013/314/EU	8.66%

# Compliance overview

## Climate reporting in accordance with the industry recommendations of the Danish Insurance Association

Comply and explain according to the industry collaboration*	Alm. Brand Group's targets
Targets for 2030	<ul style="list-style-type: none"><li>• The target is to have reduced the group's CO<sub>2</sub>e emissions by 70% (scopes 1 and 2) in 2030 relative to 2022.</li><li>• The target is to have reduced the group's CO<sub>2</sub>e emissions from investment activities by 60% in 2030 relative to 2020.</li></ul>
Comparative figures for three years	Where possible and relevant, we have provided comparative figures for five years for performance data. CO <sub>2</sub> scope 2 data have not been calculated or included until 2022, which is the year of implementation of climate reporting. The performance data are provided in the performance data overview on <a href="#">page 9</a> .
Description of accounting policies	Please refer to the description of accounting policies on <a href="#">page 39</a> .
Quality assurance by auditors	The sustainability report has been reviewed by the group's auditors

### Climate reporting – Part 1

<b>The company's own emissions</b> CO <sub>2</sub> scope 1 CO <sub>2</sub> scope 2  Renewable energy percentage <ul style="list-style-type: none"><li>• Sourced</li><li>• Self-produced</li></ul> Energy consumption	Alm. Brand Group's CO <sub>2</sub> emissions for scopes 1 and 2 are provided in the performance data overview on <a href="#">page 9</a> .
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\* Alm. Brand Group has used 2022 as the baseline year for CO<sub>2</sub> emissions instead of 2019. This is due to the fact that the group completed major divestments and acquisitions in 2020 and 2021, and a comparison with 2019 would therefore not be meaningful.

# Compliance overview

## Sections 132a and 132b of the Danish Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds for insurance companies and multi-employer occupational pension funds

Sections 132a	Alm. Brand Group reporting
Diversity policy, targets and expectations as to realising targets for diversity and implementation and results of the diversity policy	<p>The Board of Directors has adopted a target specifying that 40% of the members of the Board of Directors and other management levels must be of the under-represented gender by 2027. The distribution of the under-represented gender in the supreme governing body and at other management levels in 2023 as well as targets for gender diversity and expected year of achievement of the target are described in the section on social and governance responsibility in this report.</p> <p>The group has a diversity policy, and measures and results in continuation thereof in 2023 are described in detail in the section on social responsibility and diversity in this report. The policy is available on the group's website <a href="#">here</a>.</p>
Section 132b	
Description of business model	Alm. Brand Group's business model is described on <a href="#">page 6</a> of this report.
CSR policies	Alm. Brand Group has a sustainability policy, which is described on <a href="#">page 11</a> , and which is also available on the group's website <a href="#">here</a> .
Implementation of policies and processes	The group's implementation of its sustainability policy for the individual focus areas is described in the relevant sections of this report.
Description of risks	The group's principal corporate social responsibility risks are described in detail in the section on risks in this report.
Description of non-financial performance data	Non-financial performance data for climate, social and employee-related matters are provided in the performance data overview on <a href="#">page 9</a> of this report.
Results of efforts	The results of the group's CSR efforts are described in detail under the individual focus areas of the relevant sections in this report.

## Reporting in accordance with Article 8 of the Taxonomy Regulation

Reporting requirements	Alm. Brand Group reporting
Share of economic activities and investments which are eligible and not eligible, respectively, under the Taxonomy and other disclosures under the Taxonomy Regulation	Reporting in accordance with the Taxonomy Regulation is provided on <a href="#">page 3</a> of this report.



# Compliance overview

## Reporting in accordance with Article 8 of the Taxonomy Regulation

Reporting requirements	Alm. Brand Group reporting
Share of economic activities and investments which are eligible and not eligible, respectively, under the Taxonomy and other disclosures under the Taxonomy Regulation	Reporting in accordance with the Taxonomy Regulation is provided on <a href="#">page 33</a> of this report.
Share of economic activities which are aligned and not aligned, respectively, under the Taxonomy Share of investments which are eligible and not eligible, respectively, under the Taxonomy Share of investments which are aligned and not aligned, respectively, under the Taxonomy	The share of investments which are eligible and aligned under the Taxonomy is stated in the table on <a href="#">page 35</a> .
Other disclosures under the Taxonomy Regulation	Other disclosures under the Taxonomy are provided on <a href="#">page 34</a> .

# Preparation of data and calculation of performance data

## CALCULATION OF PERFORMANCE DATA

Sustainability performance data are calculated for the combined Alm. Brand Group in 2023 and 2022. Comparative figures for the preceding three years are for Alm. Brand only.

## ENVIRONMENTAL DATA

The preparation of environmental data includes thirty locations which were owned by Alm. Brand Group, or which wholly or partly represented a contractual lease obligation for Alm. Brand Group, at 31 December 2022

A general adjustment has been made to the preparation of environmental data. For 2022, properties were only included in the calculation if they represented a contractual obligation for Alm. Brand Group at 31 December 2022. For the 2023 financial year, this practice was changed to the effect that group locations were included if they represented a contractual obligation for Alm. Brand Group during all or part of 2023.

Attention should also be paid to the scope 1 fuel consumption, as the 2022 comparator was adjusted due to the identification of a calculation error in connection with the preparation of the report for 2023.

The adjustment affected the MWh presentation of fuel consumption, where fuel types for 2022 increased by 2,296 MWh in total. Likewise, the adjustment affected table relating to CO<sub>2</sub> emissions (tCO<sub>2</sub>) on [page 14](#), where fuel consumption increased by 559 tCO<sub>2</sub>.

## Scope 1

Scope 1 includes emissions from the consumption of gas in properties that have natural gas as their primary heating source and the consumption of fuel in connection with company car transport.

### Consumption of gas

The calculation of emissions from the consumption of gas is based on direct readings. Where such readings are not possible, and where utility accounts from leased premises could not be obtained, the calculation is based on expected consumption or estimated based on historical consumption. Emissions are calculated using CO<sub>2</sub> equivalents from associated utility companies.

### Consumption of fuel

Emissions from company cars are calculated on the basis of petrol and diesel purchased or mileage. Emissions are calculated using an average for the vehicle fleet and related energy efficiency from Statistics Denmark, including CO<sub>2</sub>e from DEFRA for diesel and petrol, respectively.

No separate calculation has been performed for the consumption of electricity for electric cars, as the fleet is limited and consumption is assessed to be capable of being reliably measured. Alm. Brand Group is exploring the possibilities of incorporating this (further) in future reporting. In this year's report, the consumption of electricity for charging electric cars is therefore included in scope 2.

## Scope 2

Emissions under scope 2 comprise the consumption of heating from the use of district heating and electricity supplied by external suppliers.

### Consumption of heating

The calculation of emissions from the consumption of heating is based on direct readings. Where such readings are not possible, and where utility accounts had not been prepared at the time of preparation of the annual report, the calculation is based on expected consumption or estimated based on historical consumption. Emissions are calculated using CO<sub>2</sub> equivalents from utility companies. The consumption of heating does not include geothermal energy, which is included in the consumption of electricity instead.

### Consumption of electricity

Registered consumption of electricity included in the calculation has been obtained by way of remote readings and annual meter readings by landlords. Where such readings are not possible, the calculation is based on estimated consumption.

The calculation of CO<sub>2</sub> is based on the Danish Energy Agency's current electricity declaration for electricity consumption including transmission loss for 2022, as the environmental declaration for 2023 is not available until after the release of the annual report. Consumption of electricity includes leased premises heated by geothermal energy.

## SOCIAL DATA

### FTE workforce

Calculated as total FTE for all employees excluding dismissed employees at December.

### Number of managers

For the purposes of this report, a manager is a person with HR responsibility for at least one employee.

### Gender diversity at (all) management levels

Calculated as the percentage share of men and women, respectively, relative to the total number of managers.

### Absence due to illness

Absence due to illness is defined as average absence due to 'own illness', both short-term and long-term illness, calculated as a percentage of standard working hours. 2022 absence due to illness was calculated for the whole year for Alm. Brand Forsikring and for the period May to December for Codan Forsikring, which is the period after the merger of the two businesses.

### Job satisfaction

The job satisfaction score is calculated as an average of the scores for the following four questions:

- How satisfied are you generally with working at Alm. Brand Group?
- Imagine the perfect place to work. How close to this ideal is your workplace?
- Do I feel motivated in my job?
- Do I nearly always look forward to going to work?

## CO<sub>2</sub> EMISSIONS FROM INVESTMENT ASSETS

The calculation covers CO<sub>2</sub> emissions (scopes 1 and 2) from the group's investments in listed shares, covered bonds as well as IG and HY credit bonds, not including illiquid credit funds, infrastructure, mortgage deeds and property funds.

## Taxonomy, economic activities

In December 2023, the EU Commission published new guidance on how to determine when economic activities are eligible under the Taxonomy criteria for climate change adaptation. This means that the calculation for 2023 has been changed relative to 2022 and that a significantly lower share of the activities is eligible. In 2023, the eligibility score is calculated on the basis of the weather-related claims ratio relative to the total gross claims ratio less claims processing costs.

In addition, the weather-related claims ratio is calculated on the basis of the expected gross weather-related claims on the various insurance products relative to gross earned premiums.

## Taxonomy, investment assets

To assess whether an investment asset falls within the scope of the definition of Taxonomy eligibility, a screening process has been carried out based on the method described in the Climate Delegated Act and the Delegated Act issued in accordance with Article 8 of the EU Taxonomy.

Not all assets qualify for Taxonomy-eligibility, and the Taxonomy is continuously developed. Alm. Brand Group will therefore continue to develop its screening method in line with the EU's development of guidelines and criteria for the assessment of environmentally sustainable economic activities with a view to reporting more accurate data in future. ■

