

ALM. BRAND GROUP

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# Sustainability Report

# 2022

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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 2022

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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 2022 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 sixth Communication on Progress under the UN Global Compact.

03



Introduction

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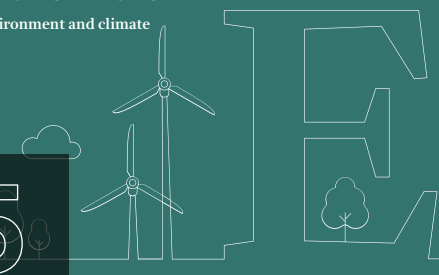


Alm. Brand Group's sustainability efforts

## Environment

Environment and climate

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E | Environment and climate

## Social

Social responsibility and diversity

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S | Social responsibility and employee-related matters

## Governance

Business ethics

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G | Business ethics

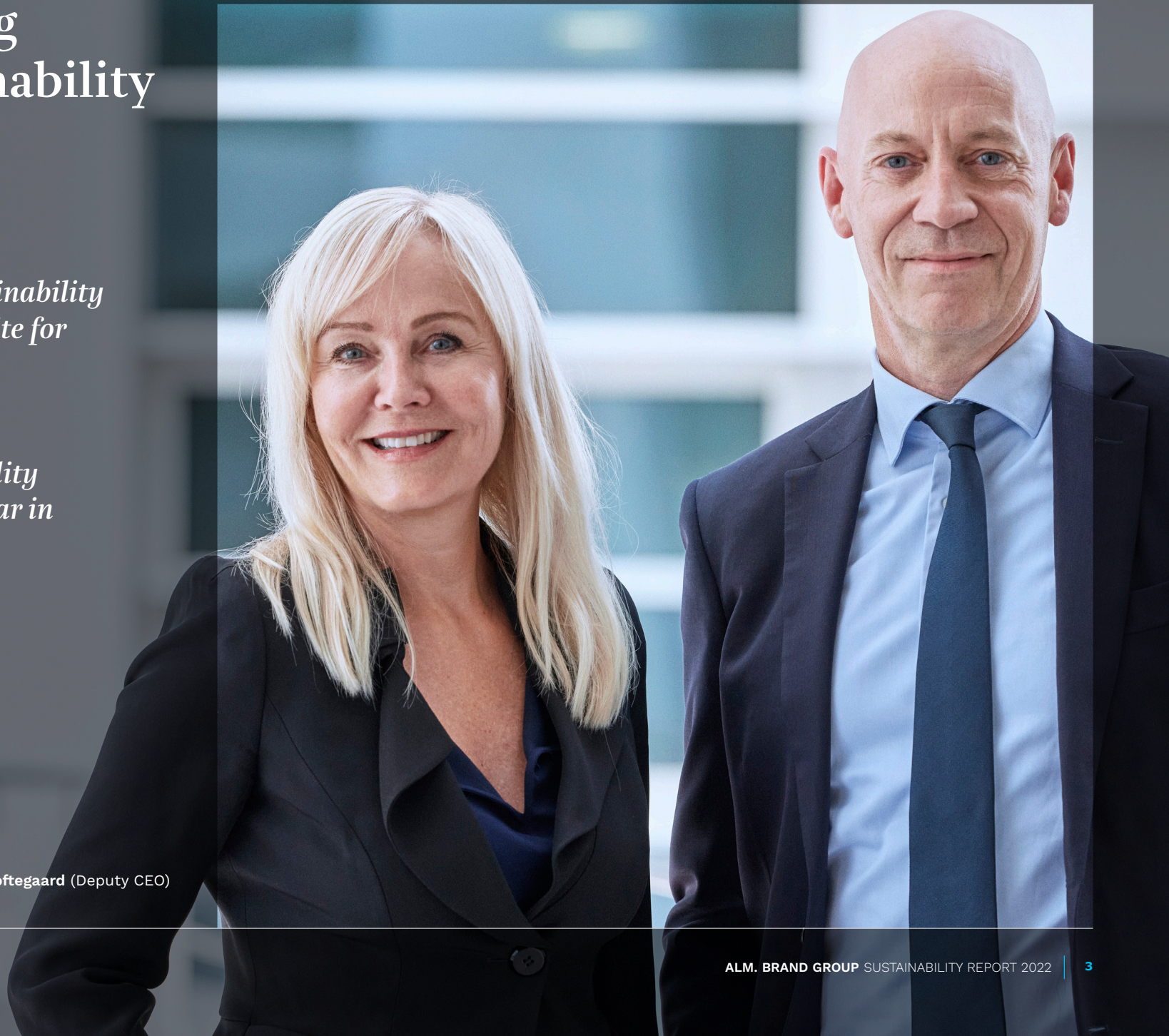


# Future-proofing through sustainability and prevention

*To Alm. Brand Group, sustainability is a fundamental prerequisite for operating our business.*

*We look forward to further intensifying our sustainability efforts in 2023 – in particular in terms of our strategic focus, reporting and our business activities.*

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





We have said goodbye to an extremely eventful year in which we, as a combined, new insurance group, achieved the first important milestones of the combination of Alm. Brand and Codan. We have received a fine welcome from our customers, and the strong, concerted effort delivered by our many talented colleagues has enabled us to create growth, positive results and strong customer solutions.

These days, sustainability is a fundamental prerequisite for operating a business. Claims prevention is also moving to the fore, promoting a changed approach to insurance in recognising that insurance is not just about repairing or replacing property when the damage



***Green energy is a rapidly developing industry, and massive investments are made on a global scale in continued expansion and new technologies that may contribute to the green transition. Green energy is a key commercial focus area for Alm. Brand Group, because through the Codan brand, we gained a leading position in the market for the insurance of wind turbines, etc.***

is done, but increasingly about preventing damage from occurring in the first place.

At our capital markets event in November 2022, we presented our three strategic focus areas going forward: Prevention & Sustainability, Customer Relevance and Strong Partnerships. We strive to be ambitious also in respect of these agendas in order to future-proof our business and share in the responsibility for our society and climate.

These elements are also key to our business strategy and sustainability strategy which we will launch in 2023. In 2022, we carried out a double materiality analysis as an important part of our strategy efforts and our preparations for reporting on the basis of the Corporate Sustainability Reporting Directive, which will enter into force for the 2024 financial statements. In 2022, we also adopted Alm. Brand Group's group-wide targets for reducing CO<sub>2</sub> emissions. We will have reduced our CO<sub>2</sub> emissions by 70% in 2030, and in line with the Paris Agreement, we will be carbon neutral in or before 2050. Already this year, we are pleased to note that our initiatives to reduce our CO<sub>2</sub> emissions have produced significant results, and we have a range of initiatives in the pipeline to ensure further reductions. Moreover, we are proud that, as an insurance company, we share in the responsibility for insuring the green transition. Green energy is a rapidly developing industry and massive investments are made on a global scale in continued expansion and new technologies that may contribute to the green transition. Green energy is a key commercial focus area for us at Alm. Brand Group, and through the Codan brand, we are participating in the continued growth as one of the world's leading insurance companies.

In 2022, we set up a Claims Prevention Forum with the objective of coordinating and developing claims prevention efforts at Alm. Brand Group. The members of the forum, which is chaired by our Deputy CEO, include four executive vice presidents representing our business areas and the group's head of sustainability.

Not surprisingly, the work to combine Codan and Alm. Brand made 2022 an exceptionally busy year for us. Among other things, we have given priority to developing our new common corporate culture and our three common values: 'We are ambitious', 'We show confidence' and 'We exercise proper conduct'. Our corporate values are anchored in the maxims 'Focus on customers' and 'High job satisfaction', which should permeate everything we do at Alm. Brand Group.

2023 also looks to be an eventful year, but with the merger now in place, we are even more strongly positioned to continue and intensify our sustainability efforts across the group. We also look forward to continuing our longstanding support of and commitment to the Ten Principles of the UN Global Compact.

Rasmus Werner Nielsen,  
CEO

Anne Mette Toftegaard,  
Deputy CEO



# Alm. Brand Group in brief

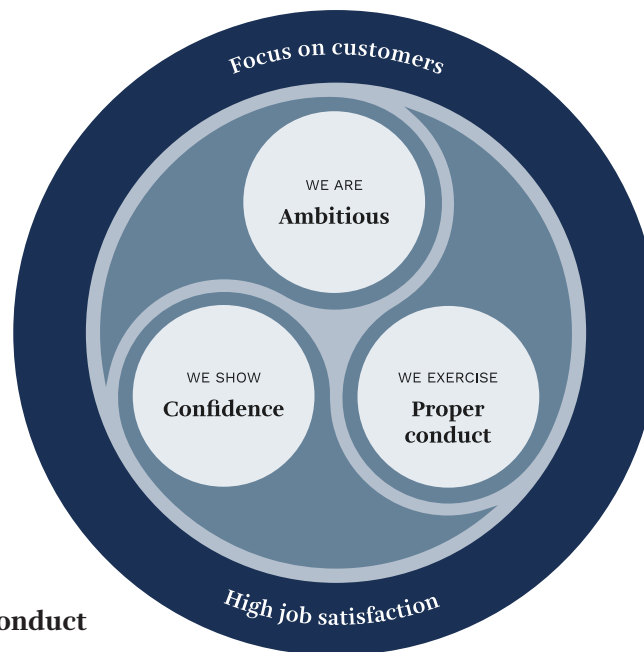
Alm. Brand Group is Denmark's second-largest non-life insurance company with around 700,000 customers and a market share of approximately 17%.

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 totalling 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 by Royal Decree on 29 February 1792 – 230 years ago.

## ALM. BRAND AF 1792 FMBA

# 46.7%

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

## FTEs AT 31 DECEMBER 2022

# 2,294

Alm. Brand Group's employees work at the head office in Copenhagen and at local offices all over Denmark.



# 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.

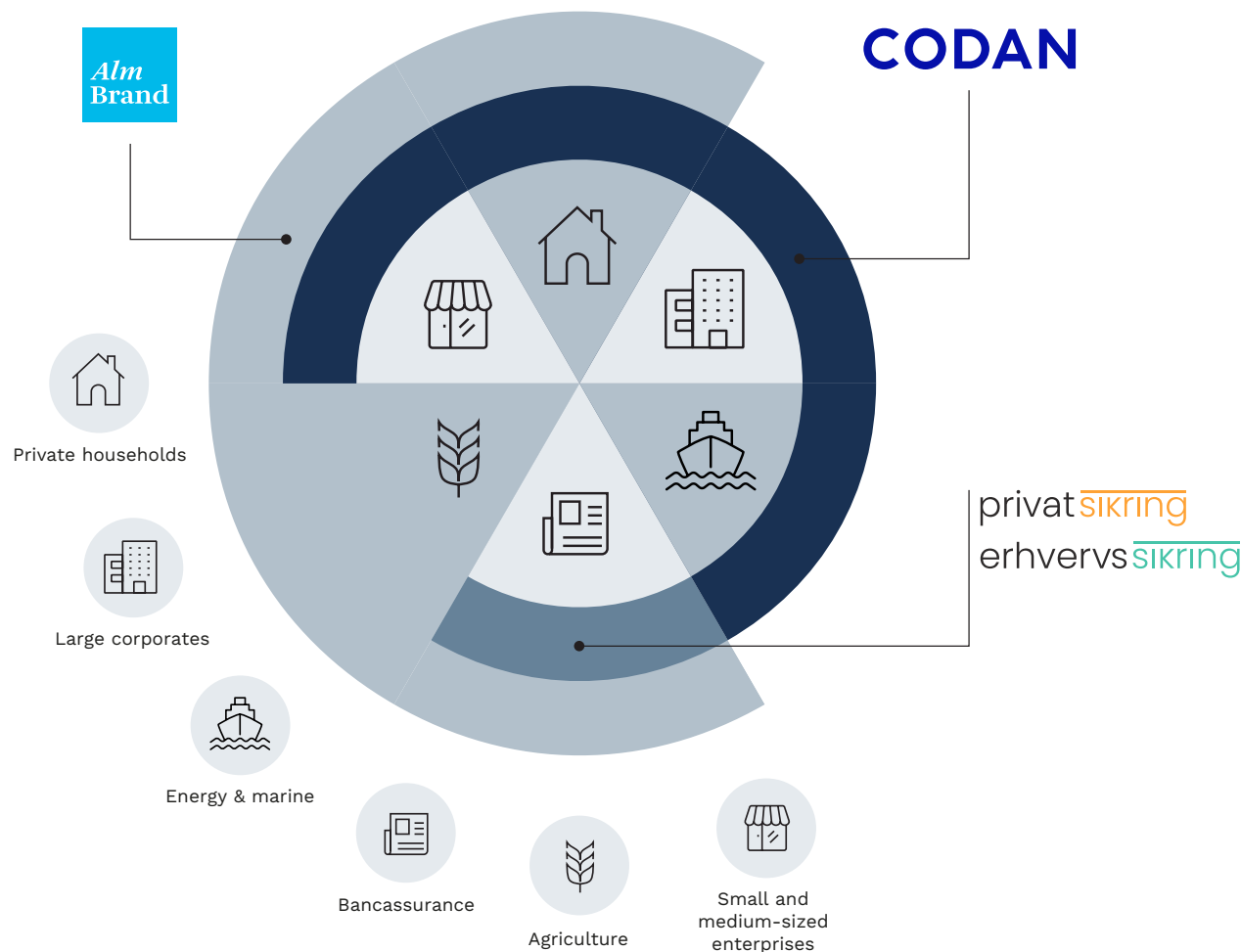
Alm. Brand Group's insurance solutions cover a broad spectrum of the Danish non-life insurance market.

**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 for a wide range of customers under various brands.





# Sustainability in Alm. Brand Group

	Environment and climate	Social responsibility and diversity	Business ethics	Human rights	Responsible investment
UN Global Compact	Principles 7 to 9	Principles 3 to 6	Principle 10	Principles 1 and 2	Principles 1 to 10
<b>Initiatives and results in 2022</b>	<ul style="list-style-type: none"> <li>Increased power consumption due to the merger with Codan, but consumption is expected to fall in the coming years.</li> <li>Total energy consumption was in line with 2021, and due to the continued green transition of Denmark's electricity and district heating production, the group's total CO<sub>2</sub> emissions in 2022 were below the year-earlier level.</li> <li>Sustained focus on monitoring and optimising energy consumption throughout the group.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing efforts to support cultural and association activities and further developing partnerships with businesses on customer benefits and claims prevention as well as various non-profit causes.</li> <li>Special focus on and measures to increase employee well-being and job satisfaction in light of the many changes in connection with the merger of Alm. Brand and Codan.</li> <li>Establishing a new, group-wide occupational health and safety organisation and a new health and safety committee.</li> <li>Corporate culture process to identify common values and establish a new common value basis for the group.</li> <li>New, group-wide policy to increase diversity at the group's management levels.</li> </ul>	<ul style="list-style-type: none"> <li>As a result of the merger, group-wide policies and business procedures have been reviewed and updated to ensure good practice and high ethical standards.</li> <li>Continued efforts to promote claims prevention are producing good results.</li> <li>New initiative to increase sustainability in claims repairs in collaboration with repair service providers.</li> <li>Clearing up insurance fraud representing large amounts of money remained a key priority in 2022.</li> </ul>	<ul style="list-style-type: none"> <li>Continued dedication of resources to prevent human rights violations.</li> <li>No violations reported in 2022.</li> </ul>	<ul style="list-style-type: none"> <li>The group's investments are managed in compliance with the standards of the UN Global Compact, ESG add-ons and active ownership. Moreover, the group has chosen to exclude investments in, for example, weapons and tobacco or in Russia and Qatar.</li> </ul>
<b>Policies and guidelines</b>	<ul style="list-style-type: none"> <li>Sustainability policy</li> <li>Motor vehicle policy</li> <li>Procurement 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 bribery policy</li> <li>Supplier policy</li> <li>Gift policy</li> <li>Data ethics policy</li> </ul>	<ul style="list-style-type: none"> <li>Human rights policy</li> </ul>	<ul style="list-style-type: none"> <li>Responsible investment policy</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>Properties</li> </ul>	<ul style="list-style-type: none"> <li>HR</li> <li>Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Legal</li> </ul>	<ul style="list-style-type: none"> <li>Asset Liability Management</li> </ul>	<ul style="list-style-type: none"> <li>Asset Liability Management</li> </ul>



# Sustainability performance data for 2022

Environmental data		2018	2019	2020	2021	2022
CO <sub>2</sub> e emissions scope 1	Tonnes	3,021	3,274	2,463	2,002	1,349
CO <sub>2</sub> e emissions scope 2 (location-based)*	Tonnes	-	-	-	-	672
CO <sub>2</sub> e emissions scope 2 (market-based)	-	-	-	-	-	1,716
CO <sub>2</sub> e emissions per employee	Tonnes/FTE	1.7	1.8	1.4	1.4	0.9
Electricity consumption	MWh	2,575	3,444	3,159	3,422	3,986
Heating consumption	MWh	3,351	3,353	2,941	3,865	3,316
Fuel consumption	MWh	8,376	8,318	5,884	5,091	5,178
Total energy consumption per employee	KWh/FTE	8,145	8,435	7,049	8,478	5,441
<b>Social data</b>						
FTE workforce	FTE	1,755	1,792	1,690	1,460	2,294
Number of managers	FTE	187	200	186	175	235
Gender diversity at management levels	%	27	25	24	25	31
Absence due to illness	%	3.20	3.27	2.50	2.76	3.5
Job satisfaction score	%	81	78	77	79	79
<b>Governance data</b>						
Number of members of the Board of Directors**	FTE	12	12	11	11	12
Gender diversity on the Board of Directors (men/women)	%	67/33	67/33	64/36	55/45	50/50
Gender diversity on the Board of Directors of Privatsikring (men/women)	%	-	-	-	-	100/0
Gender diversity on the Board of Directors of Codan (men/women)	%	-	-	-	-	80/20
Gender diversity on the Board of Directors of Alm. Brand Forsikring (men/women)	%	-	-	-	-	80/20
<b>Investments***</b>						
CO <sub>2</sub> emissions from investment assets	Tonnes	-	-	-	10,589	115,424
Carbon footprint	Tonnes/DKKm	-	-	-	3.991	5.923

The calculation of performance data is described on page 36.

\*In the years from 2018 to 2021, scope 2 was included in scope 1.

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

\*\*\*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.

# Insuring the green transition

Renewable energy has been a large and growing business area in Denmark for many years, with particular focus on the Danish wind industry. Codan (and now Alm. Brand Group) has been a part of this growth journey from the outset, insuring the world's first offshore wind farm, which was established in Danish waters back in 1991. Having kept up to speed with its customers' continued international expansion over the years, Alm. Brand Group now holds a leading position in the market for insurance of offshore wind farms. Among others, Alm. Brand Group insures the world's largest offshore wind farm, HornSea2, which was commissioned in August 2022. Codan was in on this project from the very beginning, providing insurance during the installation as well as after the completion of the wind farm. HornSea2 is located 89 kilometres off the coast of Yorkshire in the north-eastern part of England and consists of 165 wind turbines, capable of supplying more than 1.4 million British households with inexpensive and reliable green power.

Green energy is a rapidly developing industry and massive investments are made on a global scale in continued expansion

and new technologies that may contribute to the green transition. Green energy is a key commercial focus area for us at Alm. Brand Group, and through the Codan brand, we are participating in the continued growth as one of the world's leading insurance companies in this industry.

Wind energy is a focus area experiencing continuing growth, in which we have special and competitive skills.

The group will commit itself to other well-known renewable energy technologies, such as solar power, but also aims to expand its competencies to include new areas such as Power-to-X, which is the production of sustainable fuels through the excess production of renewable energy and storage thereof.

Alm. Brand Group plays a key role as an adviser on investment projects, particularly in determining how to design the new facilities in order to ensure that they may be insured once ready for commissioning. In the years ahead, Alm. Brand Group will further develop its market-leading position and participate actively in the continued development within green energy. ■



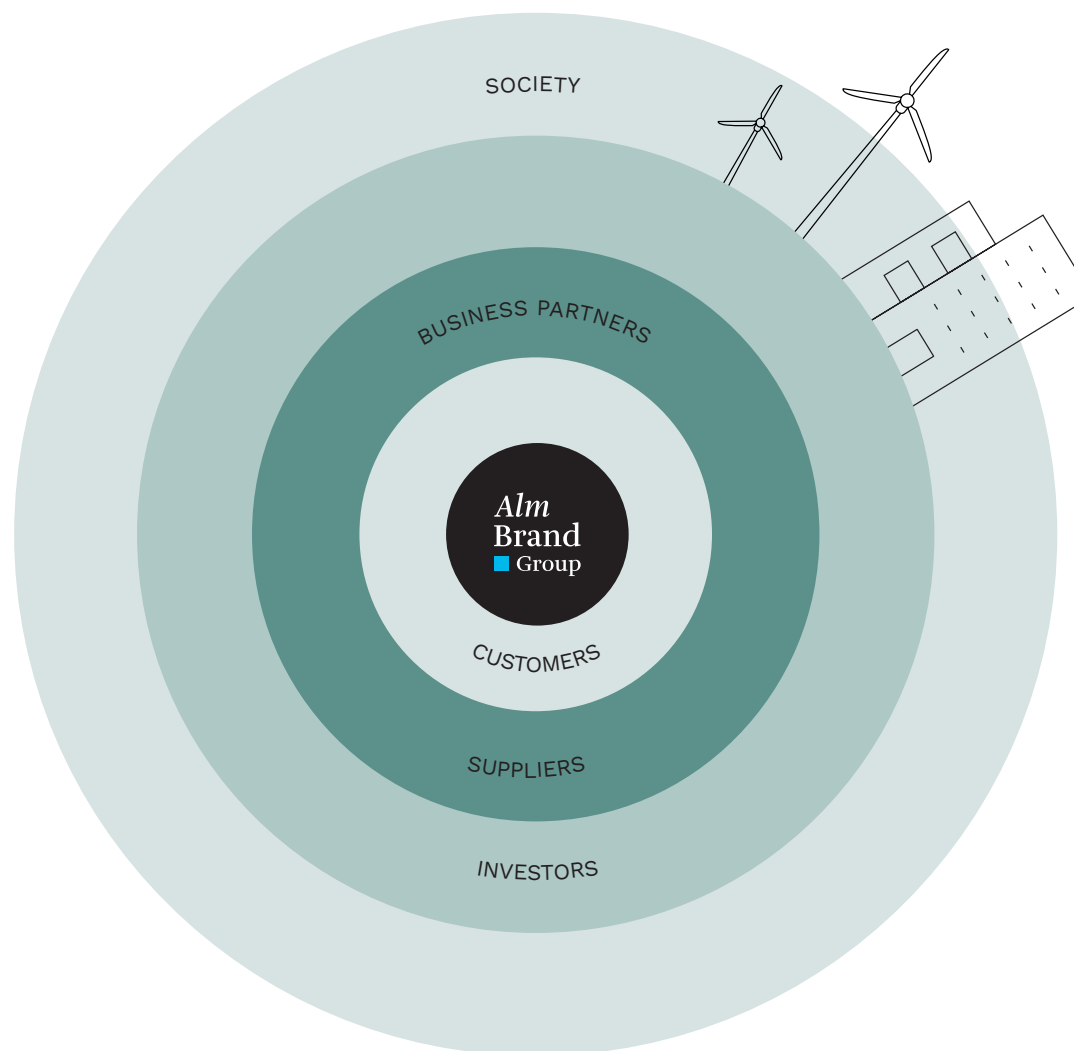
# Alm. Brand Group's sustainability efforts

Alm. Brand Group's sustainability efforts are based on a platform of relevant group-wide policies, compliance with the Ten Principles of the UN Global Compact and close collaboration with relevant partners to ensure a high level of quality and consistency.

## Our approach to sustainability

At Alm. Brand Group, we take a broad approach to sustainability. It is our ambition to take responsibility for the society we are part of. The first leg of this journey is starting with ourselves and our reporting, policies and strategic objectives. At the same time, we will expand our focus to strengthen our position. Over the next couple of years, we will widen our efforts to include strong sustainability initiatives, internally in our group as well as in relation to our customers, business partners, suppliers, investors and the society we are part of.

Moreover, we have a unique opportunity to support a more sustainable future through our position as a market leader in insurance of renewable energy and the green transition, but also in relation to our own investments, as we have defined a target to reduce by 60% the CO<sub>2</sub> emissions from our investments no later than 2030.



## Sustainability policy

Alm. Brand Group has drawn up a sustainability policy which describes the group's approach to corporate social responsibility in five key areas.

The policy was last revised in 2022 and approved by the Board of Directors.

The policy covers these areas:

- Environment and climate
- Social responsibility and diversity
- Anti-corruption and bribery
- Human rights
- Responsible investment

The full wording of the policy is available [here](#).

## UN Global Compact

The UN Global Compact is the world's largest voluntary corporate responsibility initiative with more than 20,000 participating companies from 162 countries.

At the beginning of 2018, Alm. Brand Group signed up to the UN Global Compact, supporting the work to ensure alignment of sustainability and the company's strategy. The UN Global Compact aims to promote human rights, labour rights, environmental concerns and anti-corruption. As part of these efforts, Alm. Brand Group is committed to incorporating the UN Global Compact principles in its business, with a focus on ensuring compliance and strengthening its efforts in respect of the individual principles.

## WE SUPPORT



## UN Global Compact

At Alm. Brand Group, we support the Ten Principles of the UN Global Compact in that we

Human rights	01	support and respect the protection of internationally proclaimed human rights
	02	make sure that we are not complicit in human rights abuses
Labour rights	03	uphold the freedom of association and the effective recognition of the right to collective bargaining
	04	uphold the elimination of all forms of forced and compulsory labour
	05	uphold the effective abolition of child labour
	06	uphold the elimination of discrimination in respect of employment and occupation
Environment	07	support a precautionary approach to environmental challenges
	08	undertake initiatives to promote greater environmental responsibility
Anti-corruption	09	encourage the development and diffusion of environmentally friendly technologies
	10	work against corruption in all its forms, including extortion and bribery



## Industry collaboration

Alm. Brand Group also participates in the joint efforts of the Danish Insurance Association (Forsikring & Pension) to ensure quality and consistency in the climate reports of its member companies. As part of these efforts, the Danish Insurance Association has drawn up industry recommendations, defining a framework for company reports applying the 'comply or explain' principle. This report is prepared in accordance with these recommendations, and a complete overview of the group's compliance with the recommendations is provided at the end of this report.

## UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) comprise a total of 17 specific goals, committing all UN member states to end poverty and hunger everywhere, reduce inequalities and ensure quality education and good health and well-being, decent work for all and sustainable economic growth. The SDGs focus on promoting peace and security and strong institutions, and on revitalising global partnerships.

Adopted at the UN Summit in 2015, the SDGs are intended to set the course for more sustainable development for both people and the planet we live on in the years up to 2030.

Following the merger with Codan and the inclusion of new business areas that have expanded Alm. Brand Group's business scope, we will assess in the coming year how the group may further raise the level of ambition for sustainability in our business activities and continue our work to integrate and consolidate our initiatives. As part of this work, we will reassess our prioritisation of which SDGs we can best promote with due consideration to our business activities. On that basis, we will define specific KPIs in relevant areas. ■



## The 17 UN Sustainable Development Goals



# Light up the dark

More than a hundred early risers among Alm. Brand Group's employees volunteered to hand out reflector tags in connection with the annual reflector tag event (Årets Refleksdag), which was held for the twelfth consecutive year in a partnership with the Child Accident Prevention Foundation (Børneulykkesfonden). The close partnership works towards promoting enhanced road safety for all, not least in times like these when many local authorities and shops have chosen to switch off the street lights and illuminated window displays at night to save energy. On the day of the event, 40,000 reflector tags were handed out at schools and day nurseries all over Denmark, and a fair share in Greenland too.

To support the activities planned for the day, an online campaign with a reflector tag quiz was launched concurrently on social media. To raise awareness about the importance of wearing reflector tags, more than 125,000 existing customers received an e-mail with a quiz about the use of reflector tags. Close to 5,000 of the recipients chose to participate in the quiz and find out more about how they can improve their visibility and enhance road safety. ■





# Double materiality analysis

In 2022, Alm. Brand Group performed a double materiality analysis, in which we identified risks and opportunities in the group and in our value chain with respect to relevant ESG issues and assessed them in terms of financial materiality and environmental and social materiality.

The assessment of materiality involves discussing and assessing the materiality of identified ESG issues to form the basis for deciding whether to include or exclude focus areas for strategy, reporting and benchmarks.

The assessments were performed at workshops attended by Alm. Brand Group representatives from various specialist areas of Alm. Brand Group's business.

The intention is for the actual assessment of the issues to be based on objective considerations and applying the double materiality principle on the relevant ESG issues:

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 assessment of the environmental and social materiality of an ESG issue is based on the degree and scope of impact and the possibility of recovery combined with the probability of the ESG issue having an impact. To determine financial

materiality, an ESG issue is assessed in terms of its impact on market opportunities, business activities, investment and access to capital as well as brand impacts. For each issue, an average score is determined across these criteria, enabling Alm. Brand Group to assess and prioritise its ESG efforts for the group as a whole.

The analysis is intended to help Alm. Brand Group identify the most relevant ESG focus areas for the company, preparing for new statutory requirements on sustainability reporting and supporting a robust reporting framework. The double materiality principle is a reporting requirement of the upcoming EU law, including guidance on the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Efforts have also been made to factor in the updated draft ESRS standards from November 2022, which are scheduled to be finally adopted by the EU in June 2023.

The results of the double materiality analysis will be an important foundation for Alm. Brand Group's efforts to implement its coming ESG strategy. ■

Listed below are the relevant ESG issues identified on the basis of the sector standards MSCI and SASB for the insurance industry and compared with ESG issues 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 commitment, Diversity and inclusion, Human capital development, Privacy and data security.

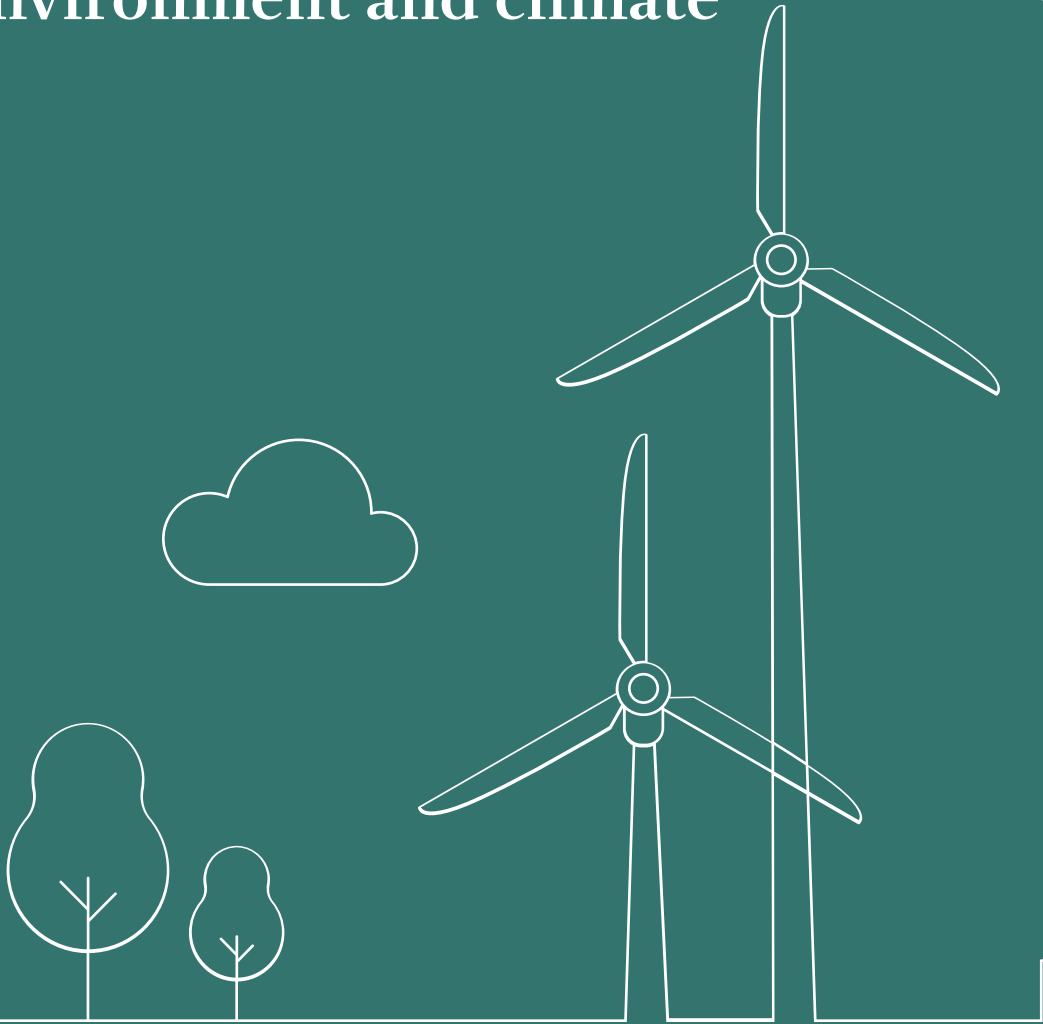
## G

### Governance

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

# Environment

Environment and climate





# Environment and climate

## Alm. Brand Group makes systematic efforts to reduce its energy consumption and the general climate footprint of its business activities.

As part of the group's sustainability policy, efforts are made to reduce the energy consumption in all major properties and leased premises, always incentivising employees to do what they can to contribute. Alm. Brand Group regularly measures and follows up on energy consumption at its premises.

### INITIATIVES IN 2022

In 2022, we defined specific targets for reducing Alm. Brand Group's CO<sub>2</sub> emissions.

- In 2030, we will have reduced our scope 1 and scope 2 CO<sub>2</sub> emissions by 70%.
- In accordance with the Paris Agreement, we will be carbon neutral by 2050.

These targets have been approved by Group Management.

Alm. Brand Group was a reality in May 2022 when Alm. Brand Forsikring, domiciled at Midtermolen in Copenhagen, merged with Codan Forsikring, domiciled at Gammel

Kongevej in Frederiksberg and with an advisory centre in Hinnerup, Jutland. Not surprisingly, this increase in building space resulted in an increase in Alm. Brand Group's energy consumption.

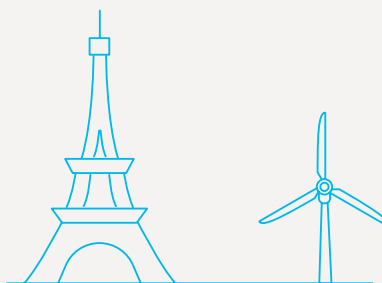
We continued recent years' trend of consolidating our locations in 2022. Accordingly, a number of properties were divested and vacated in connection with the restructuring of the group's activities, with the group also relocating to leased premises in new and smaller-sized properties aligned to the number of employees. This move is expected to contribute to reducing the group's energy consumption going forward.

In connection with the conversion and refurbishment of advisory centres and similar, we usually transition 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. In 2020, Alm. Brand implemented an energy management system for automatic registration of electricity consumption with a view to achieving further efficiency enhancements and identifying further savings potential. In 2022, we remained focused on setting up and enrolling existing and new properties in the energy management system. Moreover, our three large data centres had separate electricity meters installed in 2022.

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. Since 2012, the group's servers have been cooled using sea water, resulting in significant energy savings. A system of solar panels integrated into the facade of our head office contributes to covering the property's electricity consumption.

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

70%



In accordance with the Paris Agreement, we will be carbon neutral by 2050.

## Development in energy consumption

The total energy consumption per employee from electricity, heating and transport, respectively, dropped by 35% in 2022 as compared with 2021 when energy consumption was very low due to the COVID-19 pandemic. The energy consumption in 2022 was still significantly below the level recorded in 2019 and previous years due to the continued extensive use of remote working and less transport as well as a reduction in the group's headcount during the year as a consequence of the divestment of activities.

About 40% of the group's energy consumption is transport-related, and the lower fuel consumption thus affects the overall energy consumption significantly. Fuel consumption was at the same level as in 2021. The group has now

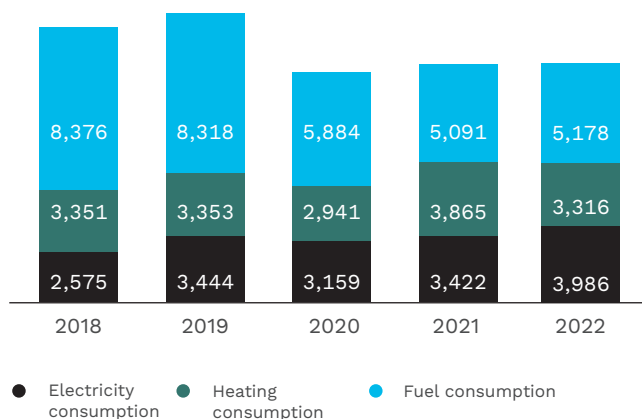
seen two years of stable, relatively low fuel consumption, which may indicate that the increased use of online meetings has become a more firmly established practice. We will continue to leverage the positive experience from using electronic communication in a variety of contexts, and we expect this new practice to result in a lasting reduction in the overall transport impact.

Electricity consumption increased by about 15% in 2022 due to the merger of Alm. Brand and Codan Forsikring, but the consumption is expected to drop as the group's divestment of activities and relocation from properties take full effect over the course of 2023. Heating consumption also decreased by some 15%. However, the heating consumption accounts include a timing difference in that they also comprise consumption for 2021. Due to the timing difference

in the heating consumption accounts, the consumption of heating has been calculated for 2021, while electricity consumption and fuel consumption have been calculated for 2022.

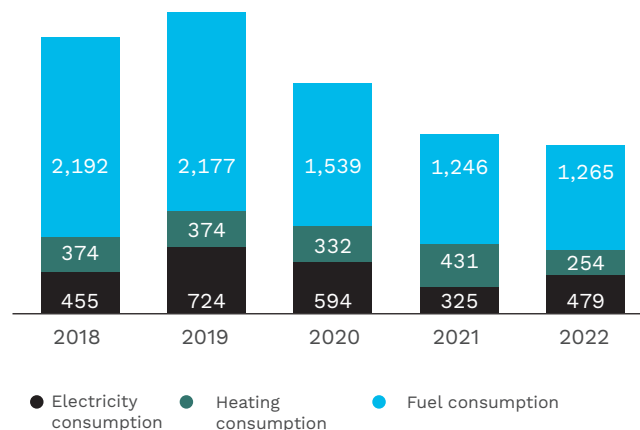
A number of energy-saving initiatives were implemented in late summer. Room temperature at all office premises at Midtermolen was lowered to 19–20 °C. Heating and air conditioning systems were turned off on weekends, and hallway ceiling lights in all offices were switched off completely every day of the week. Lighting above and near office desks remained switched on. Only every third lamp in the gallery facing the Atrium at Midtermolen was switched on. The large illuminated Alm. Brand Group sign outside the main entrance was also switched off. Last, but not least, all employees were encouraged to help reduce energy consumption, for example by switching off IT equipment.

## Development in energy consumption (MWh/year)



The energy consumption calculation is described in detail on page 36.

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



The CO<sub>2</sub> emissions calculation is described in detail on page 36.

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

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

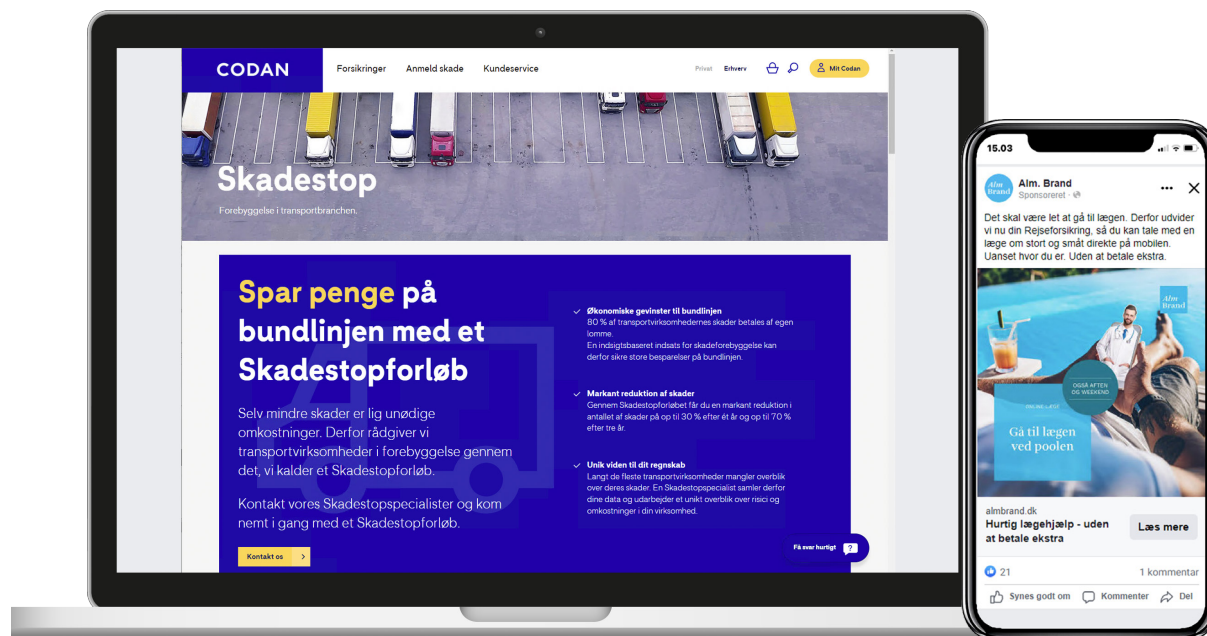
Although the total energy consumption in 2022 was roughly unchanged from 2021, the group's total CO<sub>2</sub> emissions in 2022 were below the 2021 level due to the continued green transition of Denmark's electricity and district heating production. CO<sub>2</sub> emissions will gradually reduce in 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 divestment of activities and properties contributes to reducing overall CO<sub>2</sub> emissions. The group's motor vehicle policy also includes an incentive for employees to choose more environmentally compatible cars when replacing their company cars.

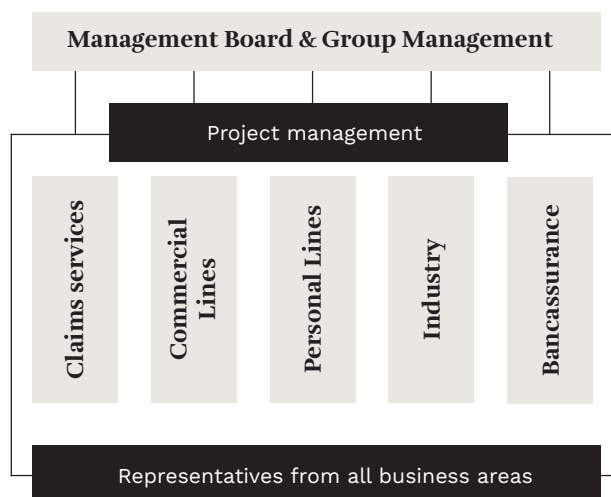
## Claims prevention

In several respects, Alm. Brand Group sees great value potential in helping customers prevent claims. In 2022, we set up a Claims Prevention Forum with the objective of coordinating and developing claims prevention efforts at Alm. Brand Group. The members of the forum, which is chaired by our Deputy CEO, include four executive vice presidents representing our business areas and the group's head of sustainability. The Claims Prevention Forum makes strategic decisions on sustainable claims repair and mitigation of claims risks, and it charts the course for our claims prevention measures and initiatives.

Already now, a number of claims prevention initiatives have been rolled out, 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



## Structure of the Claims Prevention Forum



and are deemed to have a positive effect on the claims frequency.

In 2022, we also launched the 'Hej Doktor' (Hello Doctor) initiative for all customers, providing quick online access to general practitioners, regardless of time and place. Under the Codan brand, we have launched the 'Skadestop' (Stop Theft) initiative, which is intended as an aid for skilled trades businesses in particular, offering unique advice and claims prevention tools, such as tracking technologies, DNA marking and other theft protection 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. Last, but not least, all personal customers who have contents insurance with Codan

and Alm. Brand have been offered free access to one of the strongest cyber insurance products on the market. In times when our digital data are becoming increasingly valuable and are under constant threat, it makes good sense that we, as an insurance company, stay up to date on the latest developments and align our insurance products to the lives our customers lead. Cyber insurance comprises for example a cyber alarm which searches for data recorded about you on the open internet as well as on the so-called Deep Web and Dark Web and alerts you if your data is found. Also, a 24/7 hotline provides prevention advice and takes over and helps you with all the practical aspects, such as if you need to have compromising image material removed from social media. The insurance also covers psychological counselling and consolation payouts in the event of identity theft or identity fraud.



Our claims prevention efforts in 2022 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 2022, Alm. Brand Group therefore intensified its collaboration with claims repair providers on increased sustainability.

There are many ways in which sustainability can be incorporated in claims repairs with good results, for example when it comes to motor vehicle repairs. 99.5% of claims assessments are carried out using photos and by changing

batteries on site. Approved repair shops use repair rather than replacement in one third of all bumper claims, and slightly more than half of all windshields are repaired rather than replaced. When it comes to addressing building claims, builders also aim to repair rather than replace, and damaged mobile phones may be replaced with a refurbished one or be repaired.

In collaboration with the Danish Insurance Association, Alm. Brand Group also 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 2023

Alm. Brand Group will present its group-wide sustainability strategy in 2023 with new targets for CO<sub>2</sub> emissions, claims prevention and recycling.

In 2023, 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. ■

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%

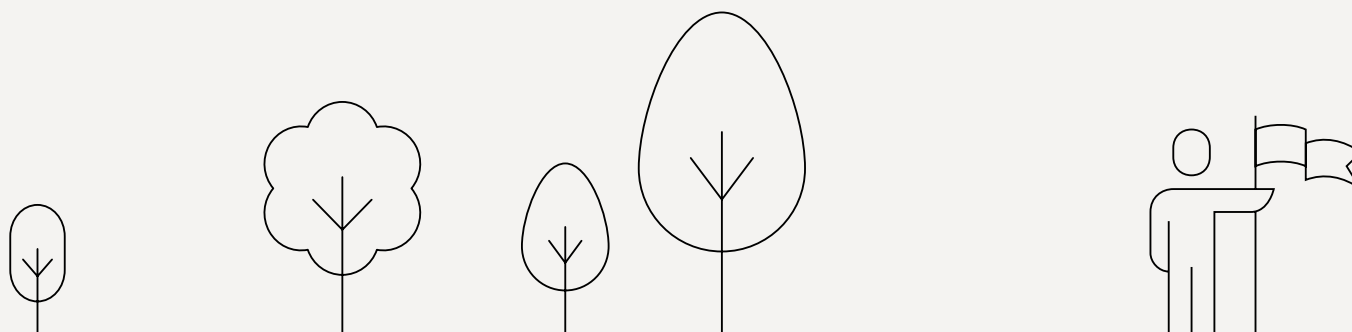
of all demolition materials must be recycled.

80%

of all timber used must be FSC certified.

10%

of the workforce must be apprentices (in businesses with more than 50 employees).



# Social

Social responsibility and diversity



# Social responsibility and diversity

We want to be an attractive workplace and play an active role in the society we are part of.

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

Alm. Brand Group also strives to provide a good social and physical environment for its employees by making a wide variety of activities available to them. In terms of employee-related matters, Alm. Brand Group was affected by the merger of Codan Forsikring and Alm. Brand Forsikring in 2022. Although it brought many changes, it also offered an appropriate moment to revise existing processes and concepts as well as an opportunity to launch new initiatives that contribute to high employee well-being.

## Employment terms based on collective agreements

About 90% of Alm. Brand Group's managers and employees are employed under prevailing collective agreements made between the Danish Employers' Association for the Financial Sector (Finanssektorens Arbejdsgiverforening) 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 furthermore 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 providing group life, dental, travel and health insurance.

In Alm. Brand Group, 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. Alm. Brand Group has set up a consultation committee, which currently consists of eleven employee representatives and representatives from management. The committee holds four ordinary meetings annually and ad-hoc meetings as and when required.

## INITIATIVES IN 2022

### Remote working

Both Codan Forsikring and Alm. Brand Forsikring have gained valuable experience with remote working in recent years. After the merger to forge Alm. Brand Group, the remote working concept was re-evaluated in 2022 with a view to establishing an optimised and group-wide concept, catering to the modern workplace and meeting employee requests for flexibility. The concept, which was introduced right after the summer holidays, allows for the group's employees to work remotely for up to five days a week. The concept is 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 were key priorities in 2022 due to the merger and the many changes it set in motion.

As a result, monthly anonymous PULS surveys were carried out in the second half of 2022 with a view to monitoring employee well-being and inspiring a fruitful dialogue on department collaboration. Overall, the PULS surveys were well received, both in terms of response rate and well-being score, and they gave rise to local dialogues.

This priority is supported by continued efforts to ensure a good physical and psychological working environment, a high level of information in-house and regular professional and social activities for the employees.

In addition, unwanted incidents or challenges relating to the psychological working environment may be reported through a designated channel on the intranet or directly to the HR department. The matter will be addressed by contacting the employee for a detailed explanation and description of the incident to make arrangements for the further process. 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.

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.



In 2022, the group's working environment efforts were focused on establishing a new, group-wide occupational health and safety organisation that reflects the new combined group. In addition to the chair and the group's working environment manager, the new health and safety organisation consists of twelve health and safety groups (24 members in total). Moreover, a new health and safety committee has been established, which meets four times a year.

In 2022, the rate of absence due to illness was 3.5%, which is more or less unchanged from the levels recorded in 2018 and 2019. However, it marked an increase relative to 2020 and 2021, but these two years had a lower rate of absence due to illness due to the COVID-19 pandemic, which triggered a high degree of remote working, use of face masks, social distancing, restrictions and use of hand sanitiser.

### Common corporate culture and values

In continuation of the merger in 2022, a corporate culture process was set in motion to map out the values of both companies and create the basis for a new set of common values for the group.

The process comprised two culture surveys carried out in Alm. Brand and Codan. In these surveys, more than 1,200 employees identified the existing corporate values and the values they wanted to be emphasised in future. In a group of culture bearers among managers and employees and together with Group Management and the Management Board, these values were subsequently discussed in depth at workshops and in various group contexts, resulting in the selection of three fundamental values that will make up the new common corporate values for the group.

The new values are: 'We are ambitious', 'We show confidence' and 'We exercise proper conduct'.

Our corporate values are anchored in the maxims 'Focus on customers' and 'High job satisfaction', which should permeate everything we do at Alm. Brand Group. The values were subsequently rolled out in the organisation through continuous communication and active involvement of managers and employees in how the values are translated into actual conduct and routines, in terms of day-to-day management, collaboration with colleagues and interaction with customers and business partners.

### Diversity

The Committee on Corporate Governance recommends that companies discuss activities annually to ensure relevant diversity at all management levels of the group.

The Board of Directors is focused on promoting diversity, and back in 2013, Alm. Brand adopted a gender equality policy in accordance with applicable law. The policy is focused on increasing the proportion of the under-represented gender and encompasses an annual follow-up on the development in the gender distribution in management positions.

In connection with the combination of Codan and Alm. Brand, a new group-wide policy to increase the proportion of the under-represented gender at the group's management levels has been adopted in pursuance of section 79a of the Danish Financial Business Act. According to the Act, a gender is under-represented if it represents less than 40%, which is the case in Alm. Brand Group. Among managers in the group, 31% are women and 69% are men, while the overall gender distribution for all employees (employees and managers) is 37% women and 63% men. The Board of Directors has adopted a target, specifying that 40% of the members of the Management Board, Group Management and executive officers must be female by 2027.

The policy lists the 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 group's current female employees and external female 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, the HR department will emphasise to hiring managers the importance of building a diversified management team in connection with recruitment, the importance of ensuring that managers ask both men and women if they have any interest in management in connection with status and appraisal interviews and the importance of supporting the creation of a balanced image of female and male managers in connection with any in-house and external mention of managers in the group.

In 2022, the group also adopted a diversity policy in accordance with sections 64, 64a, 64b and 70 of the Danish Financial Business Act, the objective of which is to ensure that the managements of the group companies possess a wide range of skills, qualifications and experience and preferably have different profiles. Moreover, due consideration must be given to the different geographical locations in which the group conducts business. The group aims to have different age groups represented at management level.

The members of the Board of Directors of Alm. Brand A/S represent many years of insurance experience, and several board members have completed 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 restructuring processes, as most recently exemplified by the successful acquisition of Codan's Danish business and the procurement of funding for that acquisition.

In autumn 2022, an extraordinary self-evaluation of the Board of Directors was carried out with external assistance. In addition, a nomination committee has been set up in Alm. Brand A/S and Alm. Brand af 1792 fmba to strengthen the work of the Board of Directors to secure the right competencies for the new Alm. Brand Group.

The Board of Directors of Alm. Brand A/S consists of twelve members, four of whom are elected by and among the employees of the group. At 31 December 2022, the members of the Board of Directors elected by the shareholders in general meeting consisted of four women and four men, corresponding to a 50/50 gender distribution ratio. The target of having equal gender distribution was thus met. There is also equal gender distribution among the employee representatives on the Board of Directors, with two men and two women. The management of Alm. Brand A/S consists of one man and one woman corresponding to a distribution of 50/50, with which the target figure for gender distribution has been achieved.

The Board of Directors of Alm. Brand Forsikring consists of four men and one woman. Calculated in terms of FTEs, the remaining management of Alm. Brand Forsikring, composed of persons with human resources responsibility, consists of one man. The Board of Directors of Codan Forsikring consists of four men and one woman. Calculated in terms of FTEs, the remaining management of Codan Forsikring, composed of persons with human resources responsibility, consists of one man. The Board of Directors of Privatsikring consists of four men. Calculated in terms of FTEs, the remaining management of Privatsikring, composed of persons with human resources responsibility, consists of one man.

The gender distribution targets for the Boards of Directors of Alm. Brand Forsikring, Codan Forsikring and Privatsikring were thus not met. Members were appointed to the Boards of Directors of the subsidiaries in connection with the merger of Codan and Alm. Brand effective from May 2022. The criterion for appointment is to have a chairmanship consisting of the CEO and Group CFO accompanied by four members from the Board of Directors of Alm. Brand A/S. This will ensure insight across the group as well as transparency vertically to the Board of Directors

of Alm. Brand A/S. Based on the above model, the gender composition of the Board of Directors will be determined by the gender composition of the management levels delivering board members to the Boards of Directors of the individual insurance companies. In step with the implementation of the group's gender composition policy, it is expected that the composition of the Boards of Directors of the group's subsidiaries will change as well.

The full statutory report on the gender composition of management as per section 132a of the Danish Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds as well as additional information and policies on the gender composition of management are available [here](#).

### 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 2022, 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.

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 Greater Copenhagen Red Cross (Røde Kors Hovedstaden).

## INITIATIVES IN 2023

Alm. Brand Group plans to continue its activities aimed at promoting general responsible conduct in relation to customers and society at large in 2023. 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.

The concept with regular PULS surveys will continue in 2023 in a better setup, which has been adapted to the organisation's development based on input from colleagues and the new common corporate values. In addition, a job satisfaction survey will be performed every two years across the whole group with a view to ensuring continuous focus on employee well-being and job satisfaction in the group.

At the same time, a new interview concept will be implemented at the beginning of the year to be used in annual or semi-annual manager/employee interviews with a focus on feedback, well-being and development.

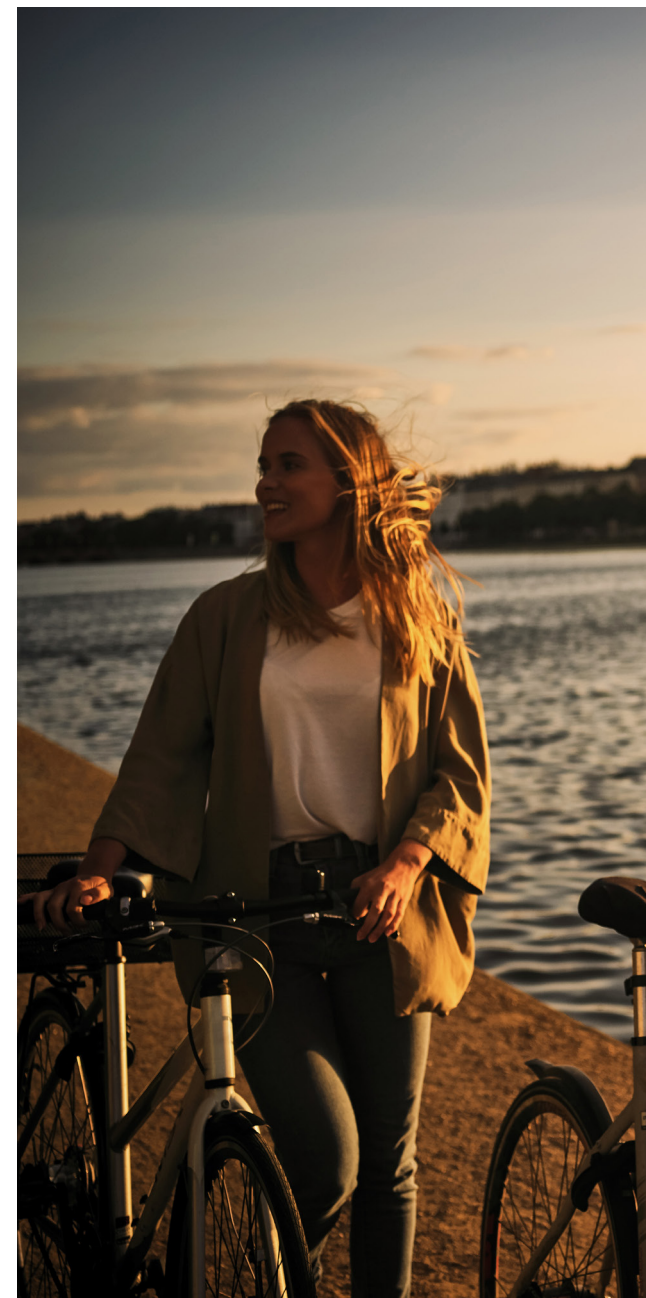
In relation to management, work will be based on a common management model for balanced management, and management surveys will be completed in this connection to ensure and develop the quality of management in the group.

In terms of social events, some of the former Codan initiatives will contribute to defining the group's social footprint, including the annual reflector tag day, which is

held in a partnership with the Child Accident Prevention Foundation (Børneulykkesfonden), and an event organised in collaboration with Greater Copenhagen Red Cross (Røde Kors Hovedstaden) for people who would otherwise spend Christmas Eve alone and who would welcome company.

In 2023, we will also focus on various health and safety assignments now that the foundation is in place. A plan has been drawn up for conducting workplace assessments of the physical working environment. Work already began in January at Midtermolen, with the working environment manager and the local health and safety representatives mapping out how employees perceive the working environment, using the dialogue method. Workplace assessments at the group's other locations will follow.

Moreover, effective from 1 January 2023, the group has entered into an agreement with Falck Healthcare on preventive treatments, such as massage therapy, physiotherapy, osteopathy, psychotherapy, etc. At the group's largest locations, in-house clinics will be 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 part of Alm. Brand Group's strategy of attracting and retaining employees with the right abilities and skills. The scheme is focused on prevention of injuries, which is also a key theme in the group's advice to customers. The health and safety organisation will work to support the scheme for the benefit of employees and the working environment. ■





# Christmas at Codanhus

On 24 December 2022, Codanhus once again opened its doors to 'Christmas at Codanhus' in collaboration with Greater Copenhagen Red Cross, welcoming 200 children and adults. For the past two years, the Christmas event had to be cancelled due to COVID-19, but in 2022, it was held again for vulnerable and financially deprived families with children as well as for people who would otherwise spend Christmas Eve alone and who would welcome company. Many of the guests have a limited social network and find it hard to make ends meet due to unemployment, health issues, family crises, etc.

The event included a sing-along led by actor Peter Mygind and a reading from the Gospel for Christmas Day by actress Sofie Gråbøl. These features were followed by a traditional Christmas dinner, entertainment

for children and adults and the traditional singing and dancing around the Christmas tree. Finally, Father Christmas handed out Christmas presents.

The event is funded by the Codan Foundation, a non-profit foundation distributing funds to established organisations and individuals committed to making a difference for others. 'Christmas at Codanhus' is organised with the assistance of about sixty volunteers from Greater Copenhagen Red Cross and employees and Group Management of Alm. Brand Group, who all do their utmost to host a wonderful Christmas party for the guests. ■



# 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 and good practice. 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 a professional and informed 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 other business partners observe human rights.

However, based on its activities and compliance with relevant policies, the group is assessed to have only very limited exposure to significant risks related to human rights violations. No cases of human rights violations were reported in 2022.

## INITIATIVES IN 2022

### Supplier policy

In 2022 as well, Alm. Brand Group was focused on raising the awareness of and compliance with the group's supplier policy (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, including occupational health and safety, human rights compliance, business ethics, anti-corruption and protection of climate and the environment.

### 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.

## Reporting on data ethics

Protecting our customers' personal data is a key priority for Alm. Brand Group, and we support the industry's principles of data ethics. The group has in place a data ethics policy which comprises a number of data ethics principles. The policy is available on the group's website [here](#).

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.

We will only request consent to obtain and disclose such information as is needed for the specific solutions and products we or our business partners offer our customers.

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.

The overall responsibility for our data ethics principles lies with the Executive Vice President of Business Development & Technology in his capacity as chair of the Information Security and Data Protection Committee. The day-to-day responsibility for our efforts regarding data ethics principles lies with the head of sustainability in close collaboration with members of the Information Security and Data Protection Committee.

The Board of Directors revises this policy at least once a year based on the Management Board's review and recommendations. In the event of changes to the group's business model, risk exposure, legislation or similar requiring amendment of the guidelines, the Management Board will make a recommendation that the guidelines be discussed at the next meeting of the Board of Directors.

### 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 anonymously or in person, 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 2022, Alm. Brand Forsikring A/S received no reports through the whistleblower scheme. The same applies to Privatsikring and Codan Forsikring in the period after the merger.

### Insurance fraud

Insurance fraud is a serious problem which is damaging to all honest customers. Clearing up insurance fraud is therefore a key priority, and we have set up a dedicated team investigating potential cases of insurance fraud.

When general economic conditions deteriorate, the risk of insurance fraud increases. For example, during the financial crisis in 2008, insurance fraud increased by about 24% on a global scale. No precise data on the scope of insurance fraud are available, but according to international surveys up to 10% of claim payouts may be due to insurance fraud. In 2022, we intensified our efforts to prevent underwriting of individuals or businesses assessed to expose the group to a significant risk of insurance fraud. The objective is to avoid fraud as far as possible and focus on serving good customers reporting actual claims instead.

In addition, continuously improving the group's fraud detection systems is a key priority, as these systems are intended to identify and investigate any claims assessed to be suspicious in order that they can be selected for further scrutiny by the investigation team dedicated to fighting insurance fraud.

In 2022, Alm. Brand Forsikring detected fraud in the amount of DKK 100.6 million, and Codan and Privatsikring detected fraud amounting to DKK 89.7 million.

### INITIATIVES IN 2023

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. ■

# Broadly based assistance when help is needed

Helping when help is needed is part of Alm. Brand Group's DNA, and 2022 was indeed a year of many crises and challenges requiring extra help.

The war in Ukraine affected us all at Alm. Brand Group – and the war also came to affect many average individuals in Denmark who either offered to house Ukrainians fleeing the war or offered jobs to Ukrainian refugees as some Danish farmers did. From the outset, Alm. Brand Group wanted to support the relief efforts and therefore expanded coverage on its insurance products to ensure that Ukrainians would also be covered by the contents insurance of the family housing them and that Ukrainian employees of agricultural customers also had insurance cover.

Denmark was hit by a horrendous crime in the summer of 2022 when shots rang out in the Fields shopping centre, killing and wounding innocent people and affecting everybody who was there when it happened. The authorities quickly offered emergency crisis therapy to those affected, and Alm. Brand Group also immediately offered extended emergency crisis therapy

to all group customers affected by the incident.

Alm. Brand Group regularly supports charitable causes and fundraising events dedicated to important humanitarian and benevolent causes. Consequently, Alm. Brand Group was among the contributors in the national relief fundraising event 'Danmarks Indsamling' in 2022, which was dedicated to helping all children who were severely affected by the pandemic in the world's poorest countries. Moreover, a donation was made to UNICEF in connection with Alm. Brand Forsikring's 230th anniversary in February 2022. The sense of community and joint responsibility on which Alm. Brand was founded in 1792 remains acutely topical, and we wanted to show our support by making this donation. UNICEF is on site in Ukraine, providing emergency relief to children and their parents on both sides of the line of contact. Focus is on ensuring the supply of clean water, medicines and other critical emergency supplies. UNICEF also has mobile teams providing medical aid and trauma treatment near the line of contact. ■



# 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.

The Board of Directors and management strive to maintain a high degree of responsibility in the composition of investments, so assets are distributed widely on individual securities, asset classes, counterparties and regions with due consideration to solvency needs, ensuring that an environmental, social or governance event or condition, if it occurs, will have a minimal impact on the value of the investments. The Board of Directors aims to have a low sustainability risk.

Alm. Brand Group's approach to responsible investment is based on two principles:

1. the group's investments must ensure the highest possible long-term return with due consideration to the risk involved; and
2. environmental, social and governance factors must be included as key parameters in the investment policy.

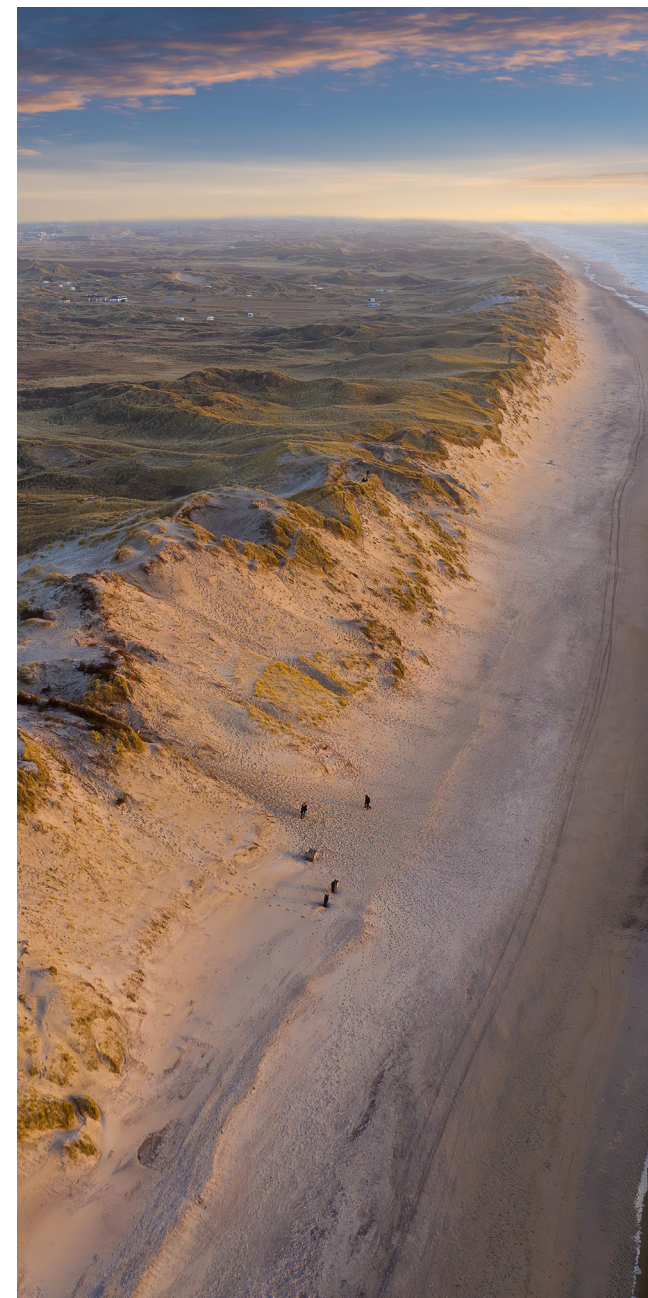
Alm. Brand Group's policy on active ownership builds on a fundamental principle of not investing in businesses that contravene the group's responsible investment policy.

The investments are managed in accordance with management agreements ensuring compliance with the standards of the Global Compact, to which Alm. Brand Group is

also a signatory. The agreement also comprises a specific choice not to make controversial investments in businesses involved in weapons, tobacco, alcohol, gambling or pornography, or businesses breaching international norms or being complicit in human rights violations. The agreement also includes a number of choices with respect to ESG and active ownership, with analyses of a company's ESG performance data taken into account during the selection process and/or risk monitoring. Active ownership also forms part of the actual management, including by voting at general meetings.

Following Alm. Brand Group's commitment to the UN Global Compact, Alm. Brand Group also supports the Paris Agreement. Climate considerations are therefore incorporated in the investment process through investment portfolio screening. Alm. Brand Group also excludes from its investments companies which derive more than 30% of their revenues from thermal coal or oil from tar sands, which are particularly polluting, and for which less environmentally harmful alternatives are available.

Alm. Brand Group's investment limits for asset managers take into account the group's responsible investment policy. In connection with the establishment of new investment agreements, the asset manager is required to comply with the group's policies for the area. The asset





managers must have a documented investment process, ensuring that the group's investments are made in accordance with the responsible investment policy.

At present, it is an advantage if the asset manager is a signatory to the UN Principles for Responsible Investment (UN PRI), but it is not a requirement.

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 2022.

The responsible investment policy and the active ownership policy should be viewed in the context of Alm. Brand Group's overall sustainability policy and guidelines.

INITIATIVES IN 2022

In 2022, the key focus in terms of investments was the integration of Codan Forsikring and Privatsikring into the group's investment portfolios. The liquid investments are structured in investment associations, which now also include the investment assets of Codan Forsikring and Privatsikring. This ensures the same high standards of responsible investment in all companies of Alm. Brand Group.

In connection with the merger of Codan and Alm. Brand, a group-wide responsible investment policy was rolled out, resulting in a tightening of the responsible investment policy for Codan Forsikring and Privatsikring, with Codan Forsikring investing in sustainable global shares (both actively and passively managed mandates) and sustainable high yield corporate bonds.

Alm. Brand Forsikring's emerging markets government bond positions were divested at end-2022, partly because the investment department assessed that there was a

mismatch between the political risk and the return potential. This means that Alm. Brand Group has no investments in bonds issued by the government or other public authorities in Qatar, for example. We would also mention in this connection that we have excluded investments in Russian bonds since Russia's invasion of Crimea in 2014.

From the very outset, our asset managers naturally implemented EU sanctions against Russia, in fact even over-complying with them. For a number of years, our exposure to Russia has thus been very low and made through an indexed equity fund together with other investors. Immediately after the Russian invasion of Ukraine at the beginning of 2022, we took action on the remaining investments in Russian investment activities, and the shares were sold, regardless of the fact that they were in accordance with EU sanctions and Danish foreign policy throughout the entire period.

INITIATIVES IN 2023

In 2023, Alm. Brand Group will continue its investment activities in accordance with the investment policy, the

responsible investment policy and the active ownership policy.

The investment department is planning to heighten its focus on responsible investment, including in terms of regular monitoring and reporting. We will make it a requirement that asset managers are signatories to the UN Principles for Responsible Investment. Likewise, Alm. Brand Group will strive to become a signatory to UN PRI again in 2023.

Climate targets have been adopted for Alm. Brand Group as well as for Alm. Brand Group's investments. At the beginning of 2023, these targets will be incorporated in our responsible investment policy. We have adopted the following targets:

- In 2030, we will have reduced CO<sub>2</sub> emissions from our investments by 60%.
- In 2050, we will be carbon neutral in accordance with the Paris Agreement.■

CO<sub>2</sub> emissions in 2022

2022 (scope 1 + scope 2)	CO <sub>2</sub> emissions, total	CO <sub>2</sub> emissions, tonnes/DKKm	Coverage
Listed shares	4,174	3,744	99.99%
Corporate bonds	10,840	8,691	76.67%
Covered bonds incl. mortgage bonds	100,411	5,160	91.70%
Total	115,424	5,923	90.96%

It has been important for us to include as large a part of the portfolio as possible in our CO<sub>2</sub> calculations in order to have the best possible baseline for our further efforts to reduce our CO<sub>2</sub> emissions and achieve our target of carbon neutrality by 2050. It is therefore also our ambition that we will include unlisted investments by the end of 2023.

# Risks

Alm. Brand Group is exposed to a number of risks related to the group's sustainability efforts. Anchored in the group's overall risk management system, 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

The principal risks related to environment and climate are associated with the group's energy consumption and use of materials. Alm. Brand Group is committed to continuously implement energy-optimised initiatives and materials and follow up on selected priority areas. In addition, the group is aware that climate change may gradually increase the number and scope of weather-related claims, and the group is working proactively to advise customers on precautionary measures and claims prevention.

## Social responsibility and diversity

The principal risks related to social responsibility and diversity are employees experiencing workplace-induced physical or mental strain – or not being offered equal development and career opportunities. This may affect employee satisfaction and the quality of their work and also affect the group's ability to attract and retain talented employees. The group is

committed to ensuring the best possible working conditions through continuous initiatives, and the group's HR strategy and commitment to diversity contribute to continuously ensuring the best possible working conditions and development opportunities for its employees.

The group is also exposed to the risk of employees acting in contravention of the group's corporate values and policies, which may adversely impact the group's reputation. Preventive efforts include giving strong priority to providing relevant information on values in internal communications and through regular training activities for employees.

## 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, which applies group-wide.

## 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.

## Responsible investment

The risk of Alm. Brand Group investing in businesses or countries that act contrary to Alm. Brand Group's corporate values and accountability requirements may have serious consequences for the group's image and business operations. To address this, Alm. Brand Group has implemented a responsible investment policy, which has been approved by the Board of Directors and is overseen by the group's Asset Liability Management. The group's investments are managed by an external asset manager who is responsible for continuous screening of and reporting on the group's investments and for exercising active ownership. No breaches of the group's responsible investment policy were reported in 2022. ■



# Article 8 of the Taxonomy Regulation

In accordance with the reporting requirements under article 10 of the Delegated Act on article 8 of the EU Taxonomy, Alm. Brand Group has calculated the share of economic activities covered and not covered, respectively, by 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

Each non-life insurance product has been tested to determine whether the product meets a number of technical screening criteria making the product eligible to be covered by the taxonomy. Alm. Brand Group assesses that 92.2% of its non-life insurance activities calculated as gross premium income are covered by the Taxonomy Regulation. The share of non-life insurance activities not covered is thus assessed to be 7.8%. Premium income related to commercial liability insurance and health and personal accident insurance is not covered by the taxonomy and has therefore been deducted. As we only offer non-life insurance, life insurance is consequently not included in the above-mentioned shares.

## Investments

To assess whether an investment asset falls within the scope of the definition of taxonomy eligibility, we have carried out a screening process based on the method described in the Climate Delegated Act and the Delegated Act issued in accordance with article 8 of 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 investments covered by the Taxonomy Regulation is 6.86% of the total value of the investment portfolio at 31 December 2022, consisting of listed shares (excluding REITs), corporate bonds and covered bonds including mortgage bonds. 93.14% of Alm. Brand Group's investments are not covered by the taxonomy, comprising REITs (Real Estate Investment Trusts), 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 1.00% at 31 December 2022.

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 10.72% of the total portfolio. Due to the fact that it has not been possible to obtain data for REITs, non-financial information is not included for 11.48% of the total portfolio. However, we expect that REITs will be included going forward. ■

92.2%

of Alm. Brand Group's gross premium income is covered by the Taxonomy Regulation

6.86%

of Alm. Brand Group's investments are covered by the Taxonomy Regulation

# Compliance overview

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

Comply or explain according to the industry collaboration	Alm. Brand Group reporting
Targets for 2030	<ul style="list-style-type: none"> <li>We aim to reduce CO<sub>2</sub> emissions from our activities by 60% in 2030 from the 2020 level.</li> <li>In 2030, we will have reduced our scope 1 and scope 2 CO<sub>2</sub> emissions by 70% from the 2022 level.</li> </ul>
Comparative figures for three years	Where possible and relevant, we have provided comparative figures for five years for all 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 6</a> .
Description of accounting policies	See the description of accounting policies on <a href="#">page 36</a> .
Quality assurance by auditors	The sustainability report has been reviewed by the group's auditors in connection with the audit of the annual report for 2022.
Presentation of performance data	See the performance data overview on <a href="#">page 8</a> .

### Climate reporting – Part 1

<b>Active commitment to climate action</b> Discussing energy improvements etc. when interacting with customers	No aggregated overview of the number of energy improvement dialogues has been provided for 2022.
<b>Sustainability of business models</b> Payouts for claims prevention	No aggregated overview of claims prevention expenses as a percentage of total claims expenses has been provided for 2022 due to the merger of Alm. Brand and Codan in May 2022.
<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 scope 1 and scope 2 are provided in the performance data overview on <a href="#">page 8</a> .



# Compliance overview

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

Section 132a	Alm. Brand Group reporting
Targets for the under-represented gender	The Board of Directors has adopted a target specifying that 40% of the members of the Management Board, Group Management and executive officers must be of the under-represented gender by 2027.
Diversity policy	The group has a diversity policy, which is 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> .

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 8</a> in 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 covered and not covered, respectively, by the taxonomy and other data in accordance with the Taxonomy Regulation	Reporting in accordance with the Taxonomy Regulation is provided on <a href="#">page 33</a> of this report.

# Preparation of data and calculation of performance data

## CALCULATION OF PERFORMANCE DATA

Sustainability performance data are calculated for the combined group of Alm. Brand and Codan in 2022. Comparative figures for the preceding four years are for Alm. Brand only.

## ENVIRONMENTAL DATA

The preparation of environmental data includes 24 locations occupied by Alm. Brand Group at 31 December 2022. Three of these were brought into use in 2022 in connection with the merger with Codan.

Heating consumption data are for 2021, as heating accounts for 2022 are not available until after the release of the annual report. Electricity consumption and fuel consumption data are for 2022. In 2021 and 2022, Alm. Brand Group vacated and commissioned premises, terminated leases and divested properties. The energy consumption statement for properties has been drawn up so that energy consumption and heating consumption data have only been collected, if Alm. Brand had full or partial possession of the property (leased/owned) at 31 December 2022.

### Electricity consumption

Electricity consumption data have been collected from the group's energy management system, which comprises 14 of the group's locations. In addition, consumption data have been calculated on the basis of the landlord's annual meter readings and estimated consumption for a few small leased premises.

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 2021, as the environmental declaration for 2021 is not available until after the release of the annual report.

### Heating consumption

Alm. Brand Group had a total of 19 locations with heating consumption in 2022, five locations had no or negligible heating consumption as they were server rooms with no heating requirements. The calculation of heating consumption is based on heating accounts/annual statements.

Heating consumption data have been collected from annual statements/annual meter readings of heating consumption (MWh), annual statements for heating consumption (DKK) or assessed on the basis of area for locations where the rent includes heating consumption.

Data have been collected by the group's property managers for leased properties and from Alm. Brand Group's accounts for owned properties.

Most of the heating consumption originates from district heating, with approximately 85% of the district heating consumption being supplied by HOFOR or Frederiksberg Forsyning. The calculation of CO<sub>2</sub> is based on a weighted average of CO<sub>2</sub> emission factors from these two utility

companies. This calculation has been assessed to be sufficiently reliable. Two properties are heated by natural gas. The calculation of CO<sub>2</sub> is based on standard CO<sub>2</sub> emission factors for natural gas.

### Transport and fuel

Data on purchased fuel are collected from the group's lease providers and are based on fuel purchased for company cars, split between petrol and diesel.

Data on reimbursed mileage in privately-owned vehicles are registered in Alm. Brand's HR system and Codan's HR system, and the calculation of fuel is based on Statistics Denmark's data on the proportion of petrol-fuelled vehicles and diesel-fuelled vehicles. In addition, the calculation of energy efficiency (km/litre) is based on Statistics Denmark's data on the efficiency of new cars registered within the past ten years, which are assumed to cover the employees' cars.

The calculation of CO<sub>2</sub> is based on standard CO<sub>2</sub> emission factors for petrol and diesel, respectively.

Data have not been collected for electricity consumption for company-owned electric vehicles, as the group's fleet of company-owned electric vehicles is limited. In future, electricity consumption will be included in the calculation, as Alm. Brand Group is in the process of upgrading the group's fleet of vehicles to reduce CO<sub>2</sub> emissions.

## SOCIAL DATA

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

- How satisfied are you generally with working at Alm. Brand?
- 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?

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 is 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.

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

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