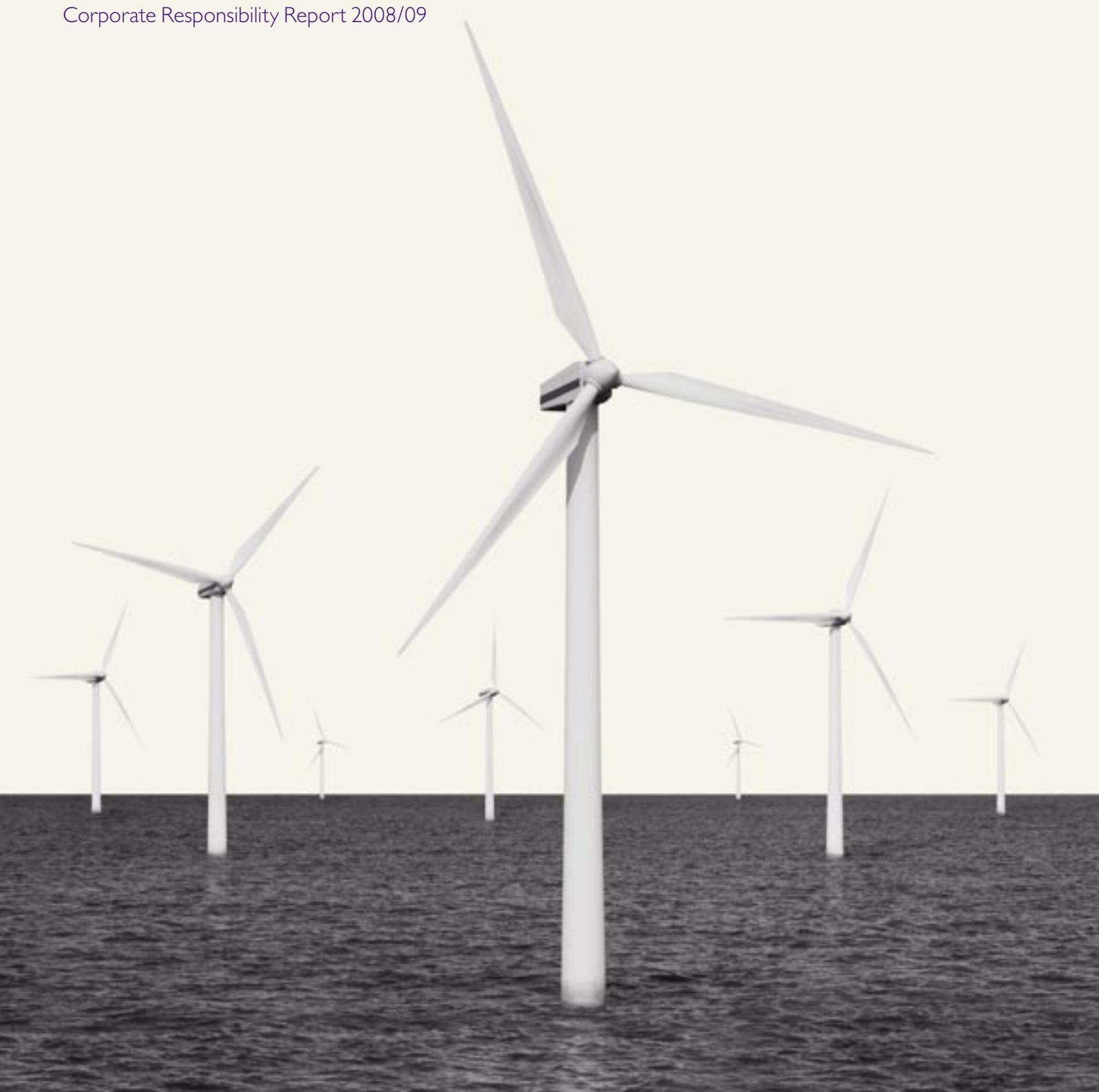


# OUR CONTRIBUTION TO THE SOCIETY

Corporate Responsibility Report 2008/09





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# A RESPONSIBLE CHOICE

Codan and Trygg-Hansa have made considerable progress in our corporate responsibility efforts in 2008 and 2009. We have launched a large number of activities which we would like to share with you in this report. But we will also focus on the areas where there is room for improvement. We know that we can do even better. To us, corporate responsibility is not a static project but a dynamic process where we strive to improve every day.

As an insurer, taking responsibility to ensure the financial security of citizens and businesses has always been natural for us. But we also want to help address other social challenges, such as climate change, increased pressure on the health care system, and we can contribute to the prevention of accidents and injuries.

I believe that we can make a difference by integrating corporate responsibility into our business. It is a responsible choice which benefits our company, our stakeholders and the community we are part of.

## Corporate responsibility efforts

2008 was a good year for us where we achieved our financial targets in a challenging market. We continue to grow and improve profitability. This is obviously very encouraging and shows the strength of our Nordic business. Corporate responsibility efforts are already an important part of our business and we will continue to develop and intensify these strategic efforts in future.

Since 1999, our parent company, RSA, has worked strategically with corporate responsibility and in Scandinavia, we have contributed to this work since 2006. For the first time, we produced a comprehensive corporate responsibility report in 2007.

Our corporate responsibility reporting has two main purposes. Firstly, we want to set clear and ambitious goals for our efforts and then regularly follow up on the results. The goals serve as a guide internally in the company and as a basis for assessing what areas to prioritise and whether we are heading in the right direction. Secondly, we want to communicate openly and honestly about our goals and visions, thereby committing ourselves to achieving them.

In 2007, we set a number of objectives to be achieved by 2010. In this report, we take stock on how far we have come in achieving them, and set new goals within a number of areas.



“The corporate responsibility efforts are already an important part of our business, and we will continue to develop and intensify these strategic efforts in the future.”

Rickard Gustafson,  
Chief Executive Officer

### Nordic strategy

Today, we have a strong commitment from our Senior Leadership Team in Scandinavia who review progress on a quarterly basis to assess whether we are heading in the right direction, or whether we need to dedicate more resources to achieving our objectives. In addition, we introduced our new brand beliefs (see page 10) in 2008, contributing to strengthening our culture.

In Scandinavia, we have identified a number of action areas, focusing on customers, employees, community and environment. We have seen major developments within all action areas. However, we still have a lot of work ahead of us.

### Customers

Generally our customer satisfaction rate has increased over the past few years. Nevertheless, we need to constantly challenge the way we do things. Inspired by our experience from Sweden in 2009, we will conduct an extensive customer contact campaign in Denmark to ensure that our insurance products meet the individual customer's needs.

We will step up our loss prevention efforts and develop new insurance products reducing the extent of accidents, injuries and losses (see pages 12-15).

### Employees

In Scandinavia, we promote diversity within our workforce and we aim to provide a flexible and healthy working environment. Our aim is to have engaged and satisfied employees. The employee satisfaction survey in 2008 showed that our employees have a high degree of engagement, but there is room for improvement in several areas (See pages 16-19).

### Community

In 2008, a common Nordic sponsorship strategy focusing on children, safety and health formed the basis of selection of partnerships and donations to society. The establishment of the Child Accident Prevention Foundation is an example of this. In 2008, we encouraged more staff to get involved in voluntary community work in order to increase our employees' engagement and sense of pride. 330 employees took the opportunity to participate in volunteering activities during working hours (see pages 20-23). We will build on this engagement in the coming years.

### Environmental performance

As a large company, it is important for us to lead the way and make an active effort to reduce CO<sub>2</sub> emissions. In 2008, we prepared a new climate change strategy to ensure that we take the climate into consideration in all aspects of our work – both in relation to our own processes, our suppliers, partners and customers.

We have already achieved good results, e.g. in terms of a reduction of air and car travel, which was part of the reason why we managed to reduce our CO<sub>2</sub> emissions in 2008 by 1.2% compared to 2007.

Furthermore, we have a number of new initiatives in the pipeline. We are in close dialogue with our energy suppliers to develop more energy-saving measures and explore the possibilities of buying green energy (see pages 24-27).

I hope that this report provides an overview of our corporate responsibility programme. I would also like to take the opportunity to thank the employees for their tremendous efforts. Every day, they turn words into action!

I am looking forward to continuing the dialogue on [www.codan.dk/csr](http://www.codan.dk/csr)

Rickard Gustafson, *Chief Executive Officer*



# ABOUT CODAN AND TRYGG-HANSA

**Codan and Trygg-Hansa form the third largest insurance group in Scandinavia, offering general insurance products to both personal and commercial customers in Denmark, Sweden and Norway. We also operate in Finland in the marine insurance market.**

The insurance products are primarily marketed under national brands, such as Codan in Denmark and Trygg-Hansa in Sweden, but operations are undertaken by a Nordic organisation which is firmly embedded in global insurance group RSA.

In 2007, after more than 40 years as a listed company, Codan (and Trygg-Hansa) was delisted from the Copenhagen Stock Exchange, and at the beginning of 2008, RSA became the sole owner of the Group. Today, Codan is an important cornerstone in an international insurance group with over 20 million customers in more than 130 countries. RSA employs more than 22,000 employees in 33 countries around the world.

**Our primary products are:**

- **Commercial insurance**  
(e.g. property, cargo, marine and wind turbine insurance)
- **Personal insurance**  
(e.g. home, family, motor, accident and travel insurance)
- **Health insurance**  
(to private individuals and businesses)

**New brand**

In 2008, Codan relaunched its brand in Denmark and Norway. The new visual identity clearly shows that in several ways, Codan has entered a new era. We have launched a number of specific initiatives designed to strengthen our position in the market as a Nordic company with strong international ties. With the new brand, we put extra focus on the culture we want to establish internally in the company in order to meet our customers' expectations.

- Codan and Trygg-Hansa employ a total of 3,200 staff in the Nordic countries
- In 2008, 656,000 claims were reported to Codan and Trygg-Hansa in the Nordic countries - equal to 1,797 claims per day
- In 2008, Codan and Trygg-Hansa paid out DKK 9.2bn in claims



Figure 1: Financial key figures – RSA Scandinavia\*.

<sup>\*)</sup> The 2007 figures have been translated at 2008 exchange rates.

<sup>1)</sup> The underwriting result consists of net earned premiums less claims and expenses.

<sup>2)</sup> The combined ratio is the sum of the net claims ratio (relative to earned premiums) and the net expense ratio (relative to written premiums).

# NORDIC CORPORATE RESPONSIBILITY STRATEGY

**We believe corporate responsibility is a prerequisite for attracting the best employees, customers, suppliers and business partners – and thus for building a profitable and sustainable business.**

The strategy was defined in 2007 and builds on input from stakeholders in the form of employee and customer satisfaction surveys, image surveys, workshops and our day-to-day contact with customers.

The strategy contains a vision, action areas and specific objectives for Denmark, Sweden and Norway. Our vision:

**We will act responsibly as individuals and as a company. This applies to the management of our business, our approach to corporate risk and our interaction with stakeholders.**

**Our role is to proactively contribute to prevention by sharing our knowledge and creating innovative products that benefit our customers, the community and the environment.**

**We are committed to being a socially responsible employer with a holistic approach to our employees. Our ambition is to create an engaging, healthy and international workplace.**

In order to realise this vision, we have defined a number of action areas and objectives to be achieved by 2010.

For more information, please see [codan.dk/csr](http://codan.dk/csr) or [trygghansa.se/csr](http://trygghansa.se/csr)

## Focus and action areas 2007-2010

### Customers

#### Action areas

- Protect our customers from accidents, injuries and losses
- Offer new, responsible insurance products
- Dialogue on corporate responsibility with our largest suppliers/ business partners
- New customer complaints procedure

### Employees

#### Action areas

- More flexible work life or working conditions
- Promote employees' physical and mental health
- Increase engagement
- Promote employee diversity

### Community

#### Action areas

- Sponsorships focusing on children, safety and health
- Financial support for prevention, research and consultancy services through various foundations
- Participate in community volunteering activities
- Intensify knowledge sharing on prevention of accidents, injuries and losses in the community

### Environment

#### Action areas

- Offer new insurance products with an environmentally friendly profile
- Implement a climate change programme
- Set environmental targets to minimise the environmental impact.
- Dialogue with our suppliers/business partners on solutions that benefit the environment

# OUR APPROACH TO CORPORATE RESPONSIBILITY

**Our approach to corporate responsibility is practical, and an integral part of our day-to-day business. As part of the RSA Group, we have a number of business principles to ensure that we as a company practice good business ethics in relation to our stakeholders: employees, customers, business partners, regulators, shareholders, the community and the environment. Our corporate responsibility efforts are also supported by a number of policies.**

## Governance

Corporate responsibility is embedded in RSA's top management where the overall responsibility lies with the Group CEO. RSA's Corporate Responsibility Report can be downloaded on [www.rsagroup.com](http://www.rsagroup.com). In the report you can read more about governance in relation to corporate responsibility.

In Scandinavia, the overall responsibility also lies with the regional CEO, while the day-to-day responsibility lies with the Corporate Communications department. Implementation takes place in

cooperation with departments such as HR, Product Development, Facility Management, Procurement, etc. Furthermore, it is the intention that the Group Management will discuss and follow up on action areas four times a year.

Together with RSA, we implemented a new web-based reporting tool in 2008 to improve the collection and monitoring of data across the Group. This enables us to monitor progress against our targets much more accurately. Internal reports are prepared for all environmental targets four times a year. All other data are reported once a year in connection with the external corporate responsibility report. We have also decided to follow the Global Reporting Initiative (GRI) guidelines. Data are audited by an independent external supplier.

In 2007, our parent company RSA became a signatory of the UN Global Compact. Together with the Group's business principles, the ten principles of the UN Global Compact are to strengthen the corporate responsibility work in the entire Group.

## Our business principles

| Business principles |  |
|---------------------|--|
| Performance         | We will act with openness, fairness, integrity and diligence. We will always adhere to the applicable laws, regulations and standards in the places where we do business.  |
| Integrity           | We will promote a positive and challenging high performance culture. We will do this by encouraging personal accountability and personal development and measuring, rewarding and recognising success.             |
| Responsiveness      | We will act responsibly as individuals and as a company. This applies to the management of our business, our approach to corporate risk and our interaction with external key persons and important target groups. |

Table 2

### Responsible risk assessment

Corporate responsibility is integrated in our daily risk assessment procedures. Today, the insurance industry faces environmental challenges never seen before. Climate change, in particular, is on the agenda, and researchers believe that a consequence of climate change will be more extreme weather events, resulting in more frequent flooding claims from Scandinavian homeowners.

Climate change not only poses an increased risk for insurers, it also presents an opportunity for us to develop our business, and help protect customers.

We will meet the changes by proactively:

- pricing products in accordance with the risk level;
- developing new products which promote responsible behaviour;
- informing our stakeholders about how they can contribute to reducing the risk level.

### Responsible procurement principles

We aim to cooperate with our suppliers on responsibility. Through our procurement, we want to make a positive contribution to social and environmental causes. We follow the “Responsible Procurement Principles”, which set the social and environmental standards we expect suppliers to meet. As an example, we will work closely with motor vehicle repairers and construction companies to build environmentally friendly solutions into our claims management process.

### Ethical investment policy

Our investment policy is based on regulative as well as ethical principles from our parent company RSA. Investments in Scandinavia are primarily made in government bonds and local mortgage bonds.

2% of investments are held in equity funds, all of which are managed according to ethical principles. The selection process is to ensure that investments are made in equity funds or companies that are generally ethically responsible.

### Recognised work

RSA participates in several voluntary initiatives for businesses aiming to set the highest standards in terms of corporate responsibility. Our Group participates in the following initiatives: United Nations Global Compact, ClimateWise and United Nations Environment Programme Insurance Working Group.

RSA has won much recognition for its efforts. Among other things in 2008, the Group received the award for best communication of corporate responsibility (given by the Investor Relations Society), was included in the Dow Jones Sustainability Index (winner of “Sector Mover”) and was “Platinum” rated in the newspaper Times Top 100 Companies that Count.

“We want to make a difference by integrating corporate responsibility into our business. It is a responsible choice which benefits our company, our stakeholders and the community we are part of.”

Jeanette Fangel Løgstrup,  
Director Corporate Communications and Responsibility



# BRAND BELIEFS FOCUSING ON RESPONSIBILITY

In connection with the relaunch of the Codan brand in 2008, we held workshops and dialogue meetings, where we introduced a number of new brand beliefs developed to involve both employees and customers.

The five brand beliefs are:

- **Brilliant service** – requires us to be flexible and work together to meet the needs of individual customers, to go the extra mile and to concentrate our efforts on exceeding customers' expectations.
- **Getting the job done** – requires us to set bold, clear goals and take personal responsibility for their delivery, to keep a fast pace and to be open to change and find solutions rather than problems.
- **Doing the right thing** – requires us to consider the impact of our decisions on customers, employees and shareholders, to make a positive difference to the communities in which we operate and to consider short-term and long-term implications.

- **Bright ideas** – requires us to challenge the status quo and look for new ways to exceed customer expectations, to look in all parts of the organisation for good ideas and practices and apply them to other areas and to inspire and support each other to develop ourselves and the way we do things.

- **Positive people** – requires us to actively listen to what other people have to say, to encourage other people's thoughts and views and to be open to new possibilities.

Our brand beliefs are to form the basis of our culture and way of working and will be an integral part of all employee appraisals in future. Our brand beliefs play an important role in our corporate responsibility efforts. In particular "Doing the right thing", where we focus on making the right choices every day – for the benefit of ourselves and not least our stakeholders.



# DIALOGUE WITH OUR STAKEHOLDERS

It is our clear objective to establish a transparent and close dialogue with our stakeholders. Furthermore, we want to participate in the public debate on issues relevant to our business if we can contribute with actual knowledge and valuable insight.

We do not support political parties but participate actively in the work of relevant industry bodies. Below are some examples of dialogue with our most important stakeholders.

## Initiatives in relation to our stakeholders

| Stakeholders           | Initiatives   |
|------------------------|---|
| Employees              | <ul style="list-style-type: none"> <li>• We facilitate dialogue meetings and conduct employee satisfaction surveys to become an even more attractive employer</li> <li>• We educate business PhDs and have relations to relevant educational institutions</li> <li>• We participated in the “Innovation Camp” at the Copenhagen Business School in 2008</li> </ul>  |
| Customers              | <ul style="list-style-type: none"> <li>• We conduct customer satisfaction surveys to understand how we can improve our service and products</li> <li>• We conduct customer contact campaigns to enable us to tailor our insurance products to the individual customers' needs</li> <li>• We have a customer complaints system which allows us to effectively gather and respond to complaints from customers</li> <li>• We conduct tracking surveys with our existing and potential customers to understand how we are perceived as an insurance company</li> </ul> |
| Community              | <ul style="list-style-type: none"> <li>• We have established child accident prevention foundations in Denmark and Sweden for the purpose of preventing accidents and injuries to children especially through national campaigns</li> <li>• We encourage our employees to participate in community volunteering activities</li> <li>• We have developed a clear sponsorship strategy where we together with our partners focus on children, safety and health</li> </ul>   |
| Industry bodies        | <ul style="list-style-type: none"> <li>• We contribute actively to our industry bodies, the Danish Insurance Association and the Swedish Insurance Association, e.g. by focusing on climate change and other issues relevant for the development of the industry</li> </ul>   |
| NGOs                   | <ul style="list-style-type: none"> <li>• We cooperate with NGOs in relation to the development of new products, new staff initiatives, etc. – e.g. the DaneAge Association, the Danish Heart Foundation and the WWF</li> </ul>  |
| Investors/shareholders | <ul style="list-style-type: none"> <li>• We are part of RSA's financial reporting to investors and shareholders, and in 2008, we contributed to RSA's capital market day which focused on the Scandinavian market</li> <li>• We are continuously in dialogue with our investment funds about ethical investments</li> </ul>   |

Table 3

# BUILDING CUSTOMER RELATIONSHIPS

Through dialogue, we wish to ensure that we develop insurance products that meet customer needs

**Our everyday lives change all the time. New home, new car, new job or expecting a baby? Different factors influence our customers' insurance needs.**

We believe that insurers need to constantly challenge the way we do things in order to:

- Make it even simpler and easier to be our customer so that they can concentrate on the important things in life.
- Develop new products which meet the needs of our customers.
- Share our knowledge to prevent accidents, injuries and losses and develop products which support community activities or benefit the environment.

## Dialogue with customers

In 2008, 656,000 claims were reported to the Codan Group in the Nordic countries – equal to 1,797 per day. Our customers are generally satisfied and we make a dedicated effort to constantly improve customer satisfaction and loyalty.

In 2008, we included worldwide travel cover as standard for all our personal customers holding a family insurance policy in Denmark. We have introduced a new loyalty scheme for our Danish and Swedish customers which checks that every customer is correctly insured.

We have also introduced a programme that aims at simplifying all our internal processes based on our customers' needs.

In 2008, we introduced a new customer complaints system which will provide us with a better understanding of the problems our customers may face.

At the beginning of 2009, we initiated an extensive customer contact campaign in Denmark contacting all our customers to ensure that their insurances meet their needs.

## Product innovation

We constantly aim to develop new commercial and personal insurance products. Changing needs of our customers, climate change and other

social issues require us to constantly consider the possibilities of developing new products and adapt and adjust our existing products. Not only does this enable us to tailor the products to our customers' needs, it also allows us to develop new products which benefit the community or environment.

Product innovation takes place in several functions of the company, primarily in our product development departments but also in our internal training programmes, such as the "Technical Academy", where we share knowledge across departments and countries. We encourage all employees to explore and develop new ideas which may result in the launch of a new product. As an example, our internal climate change week in 2008 resulted in several ideas for the development of environmentally friendly products.

We also have a department for innovation where a number of business PhDs do research on future trends and product solutions.

## Focus on prevention

An important focus area is to contribute to the prevention of accidents and injuries by sharing our knowledge, and we have a solid foundation to build on. For several years, we have worked systematically with risk assessment, loss prevention and claims handling in the commercial market. Within the transport industry, we have a very successful accident prevention concept called "Skadestop" ("stop accidents"). In Sweden, we have worked with the concept for 25 years, making a dedicated effort to reduce the number of accidents and promote environmentally friendly driving. According to Swedish statistical data, haulage firms can save up to 30% on damage and fuel costs. "Skadestop" was launched in Denmark in 2007, and here the trends are as positive as in Sweden.

We have launched a number of initiatives to prevent children's accidents (for example [www.tryggabarn.nu](http://www.tryggabarn.nu)). We have established child accident prevention foundations in both Denmark and Sweden and we donate life buoys to harbours in both Denmark and Sweden.

## Future initiatives

Before the end of 2010, we will, as part of our corporate responsibility strategy, offer at least three new Nordic insurance products which will contribute to reducing the number of accidents, injuries and losses or support social activities. In addition, our corporate responsibility efforts

Changing needs of our customers, climate change and other community issues require us to constantly consider the possibilities of developing new products and adapt and adjust our existing products.

will be extended to our suppliers and business partners. As part of this, we will tighten our procurement policy to ensure that it follows RSA's guidelines described in "Responsible Procurement Principles".

Those guidelines set the social and environmental standards we work towards and expect our business partners to share.

#### Strategy 2007-2010 for customers

| Action areas  | Targets  | Status  | Adjustment of targets   |
|---|--|---|---|
| Protect our customers from accidents, injuries and losses | In 2008, we will launch an internal project to attract attention to and prioritise current and future prevention activities.   | Initiated. <ul style="list-style-type: none"> <li>• Our accident prevention concept for the transport industry "Skadestop", Smartdriving and the establishment of our child accident prevention foundations in DK and SE.</li> <li>• We have provided regular information about prevention in our newsletters and on our websites.</li> </ul> | Together with our partners, we will further increase awareness of our prevention work among our customers.  |
| Offer new insurance products focusing on responsibility   | Before the end of 2010 we will develop and launch at least three new Nordic insurance products which will support community activities or contribute to reducing the number of accidents, injuries and losses. | Initiated.  | Unchanged.  |
| Dialogue with our largest suppliers/business partners     | Before the end of 2010, we will enter into dialogue on corporate responsibility with at least five of our largest suppliers/business partners in the Nordic countries.   | Initiated <ul style="list-style-type: none"> <li>• Our framework agreement on environmentally friendly taxis with Taxi Stockholm.</li> </ul>  | <ul style="list-style-type: none"> <li>• Before the end of 2010, the target will be increased and we will enter into dialogue on corporate responsibility with all of our largest suppliers/business partners in the Nordic countries.</li> <li>• We will implement a new procurement process based on RSA's "Responsible Procurement Principles".</li> </ul> |
| New customer complaints procedure                         | In 2007-2008 we will appoint a Customer Complaints Manager and implement a new customer complaints system.   | Achieved.   | We will monitor the procedure and recording system to see whether it can be further improved.   |

Table 4

# CUSTOMER INITIATIVES

## On the road again

Both in Codan and Trygg-Hansa, the “Skadestop” concept has shown good results. With tailored solutions, our experts have successfully contributed to reducing the number of accidents in the transport industry.

This means major cost savings for the individual haulage firm. But most importantly, it means fewer personal tragedies for the drivers and their families.

### Prevention is first priority

We will always prioritise the prevention of accidents and injuries. Reducing the risk of accidents for our customers is therefore an important element in our daily work. However, accidents may still occur, making it important to act quickly and care for the injured parties.

Together with FDM (the Federation of Danish Motorists), Codan developed an initiative in 2008 aiming to get the injured drivers safely back behind the wheel. Assisted by special instructors, the driver will do test drives at a driver training facility and later in traffic. Both before and after the test drives, the instructors are in close dialogue with the driver to make sure that they are prepared for the reactions that may occur when driving for the first time since the accident.

### A personal account from a customer

In 2007, Raymonn Holm Sørensen was involved in a serious road traffic accident with his truck. When he decided that he wanted to drive again, he was offered to take a driver training programme.

“Before I went out on the driver training facility, I was somewhat anxious about getting behind the steering wheel again. Mostly because of my family. I could not have them worry – every time I had to go out on the road - whether I would make it home alive and well.”

“At the same time, I feared that I would have an unexpected reaction when I was sitting up in my truck for the first time since the accident. But it went much better than I expected. So now we have arranged for me to do the last test drive – this time in the traffic of Jutland.



“Before I went out on the driver training facility, I was somewhat anxious about getting behind the steering wheel again. Mostly because of my family. I could not have them worry – every time I had to go out on the road - whether I would make it home alive and well.”

Raymonn Holm Sørensen

### Other initiatives in 2008:

#### Environmentally friendly driving

Trygg-Hansa and Statoil work together on getting haulage contractors to drive smarter to reduce fuel consumption. This generates cost savings and reduces CO<sub>2</sub> emissions.

In 2008, the haulage firm ICM Kungsholms AB in Sweden reduced its fuel consumption by approx. 100,000 litres of diesel, and 5% of the reduction can be ascribed to Trygg-Hansa's and Statoil's training programme.



For more information, see [www.smartdriving.dk](http://www.smartdriving.dk)

#### Environmental testing of cars

Towards the end of 2008, Codan entered into cooperation with Applus, which conducts vehicle inspections in more than 20 countries. Applus specialises in optimising cars to make them as environmentally friendly as possible. The new cooperation means that all customers with a motor insurance policy can have their car environmentally tested.

#### Focus on the elderly

Codan is an insurance company which serves all age groups, and we have therefore had close cooperation with the DaneAge Association, a national membership organisation serving the 50+ population of Denmark, for the last 20 years. The DaneAge Association has thorough knowledge of the needs of the elderly and can therefore help us develop the right insurance products for its members. Most recently, we have developed an assault insurance which provides cash compensation of DKK 5,000 for pain and suffering and the possibility of crisis counselling in the event of an assault. The insurance is free of charge for the members of the DaneAge Association.

#### Volunteer insurance

Together with the employers' association IDEA, we have developed an accident insurance for volunteer workers. Many member organisations need this type of insurance, which is an important tool for promoting the social work of the organisations.

For more information, please see [trygghansa.se/csr](http://trygghansa.se/csr)

“Focusing on the customer, we aim to develop new and innovative products tailored to the individual customer's needs. Smartdriving is just one example, leading to lower costs and less CO<sub>2</sub>-discharge for the haulage business.”

Lars Nilsson,  
Skadestop



# ENGAGED EMPLOYEES

Employee engagement is a key business driver

**We want to be able to attract and retain the best employees. Our vision is therefore to create an attractive workplace, taking into account our employees' individual needs for development and flexible working conditions.**

As an insurer, we are committed to:

- Ensuring that our employees are engaged and proud of their work;
- Encouraging personal and professional development;
- Creating a safe and inspiring international working environment.

## Employee engagement

We want employees to be fully engaged with our company. Motivated employees are excellent advocates for our products and services and actively share ideas and opinions to help solve business issues. Our continued success depends on employees enjoying their work and supporting our culture and our goals.

We measure employee perceptions of the company through the annual Employee Survey and the Performance Management Survey, providing an opportunity for employees to express their views on management performance. Both surveys form the basis for valuable discussions in the company and help us develop our future employee strategy.

In 2008, we used Gallup's Survey to effectively measure employee engagement. The results of the survey showed that employees feel that their work is acknowledged and they believe that their colleagues perform high quality work. However, results also showed that there is room for improvement, e.g. when it comes to working together across divisions.

We encourage all employees to submit ideas for improving engagement. World Cafés are an informal way of bringing our people together to discuss how to improve our workplace based on the employee survey results. During 2008, we organised a number of brand activation workshops following the launch of our new Brand Beliefs to discuss how they impact our business.

## Local and global opportunities

In 2008, we continued to develop our performance culture, which focuses on the individual employee when it comes to rewarding and development opportunities. Our performance culture is underpinned by a bonus scheme for both employees and leaders. The bonus is based on performance and achievement by the individual employee.

Through RSA, we have access to:

- Global career development programmes, e.g. Technical Academy
- Executive Development Programme (senior leaders)
- Fast Track (tomorrow's leaders) and Global Graduate (high calibre talent).

The career development programmes enable our employees to develop both personally and professionally. These programmes provide valuable knowledge sharing throughout the company, with employees being inspired by other employees in the RSA Group.

## Ethics

We adhere to all applicable laws, regulations and standards in the places where we do business. Our business principles ensure that we act as a responsible business within the limits of the law. Our business principles are backed up by specific policies that set out the standards we expect employees to meet in their jobs. We encourage employees to report breaches of our policy.

Every employee has received a booklet containing our new Brand Beliefs, which set out what we stand for, how we should behave towards each other, and the actions we need to take to deliver on our customers' needs.

## Future initiatives

To attract the best employees, it is important to promote employee diversity. To begin with, we have focused on more women in leadership positions. Our goal is to increase the number of woman in leadership positions on all levels before the end of 2010.

The results of the survey showed that employees feel that their work is acknowledged and they believe that their colleagues perform high quality work. However, results also showed that there is room for improvement, e.g. when it comes to working together across divisions.

We will strive to create a workplace which encourages all employees to focus on mental and physical health. We launched an annual health week and offer employees various benefits (see page 19).

In addition, we will continue to focus on community volunteering, enabling all employees to support good causes during work hours. For more information, see the next page. All these activities are intended to increase employee satisfaction and engagement by 10% by the end of 2010 compared with our 2008 survey.

### Strategy 2007-2010 for employees

| Action areas                                    | Targets  | Status   | Adjustment of targets   |
|---|--|--|---|
| More flexible working conditions                | Before the end of 2010, we will raise employees' awareness of our staff benefits, implement at least two new measures to increase flexibility and give more freedom to design benefit packages.                                | Initiated. <ul style="list-style-type: none"> <li>• Today the majority of our employees benefit from a flexible working environment, e.g. home office and planning your own working hours.</li> </ul>  | Unchanged.  |
| Improve physical and mental health of employees | In 2008, we will develop a new policy for the physical and psychological working environment in Denmark and hold a health week internally in the company.<br>In Sweden, we will prepare a new health action plan during 2008.  | Initiated.   | We will organise an annual health week for all our employees in the Nordic countries. |
| Improve employee engagement                     | Before the end of 2010, we will improve the satisfaction and engagement ratings of the annual employee survey by 10%.<br><br>Starting in the summer 2008, we will take part in RSA's global campaign on community volunteering | Initiated. <ul style="list-style-type: none"> <li>• In 2008, we introduced a new and improved employee satisfaction survey from Gallup, which can be used to improve employee satisfaction.</li> <li>• In 2008, 330 employees took part in volunteering activities.</li> </ul> | Unchanged.  |
| Promote employee diversity                      | From 2007 to 2010, we will increase the share of female leaders on all levels and implement a new action plan in 2008.   | Initiated. <ul style="list-style-type: none"> <li>• In 2008, we have prepared a new action plan</li> </ul>   | Unchanged.  |

Table 5

# EMPLOYEE INITIATIVES

## Voluntary work makes a difference

As a global employer, we pride ourselves in giving our employees the opportunity to get involved in great initiatives. These allows us to make a difference while at work, actually participating rather than just hearing about things. As part of our community strategy, each year we give our employees the chance to volunteer with charities as part of our volunteer work strategy (See page 20-23 for more details).

Internally you will also have the chance to get involved in both health weeks and climate weeks where exciting activities put the important issues on top of the agenda (See next page for more details).

### Children learn through play

Employees in Denmark volunteered their time, assisting at a children's race organised by Save the Children Denmark to raise awareness

against bullying. In addition to guiding the children safely through Fælledparken, the large park in central Copenhagen hosting the event, the employees had created a play area with a bouncy castle and fun competitions.

At the end of 2008, our employees further organised a day of activities for 300 children in cooperation with the Danish Gymnastics and Sports Associations (DGI). The topic of the day was "Cool, Healthy and Visible" and the children were guided through several activities focusing on health and safety.

### Safe traffic

On a November day in 2008, our employees in Norway, Denmark and Sweden handed out reflectors to cyclists and pedestrians, and in Stockholm alone, a total of 20,000 reflectors were handed out in less than an hour.



Cool, Healthy and Visible, November 2008 – 65 volunteers and 300 children focused on health and road safety



Handing out of reflectors in Stockholm, November 2008.

### Other initiatives in 2008:

#### Climate change on the agenda

In 2008, we held the first climate change week in Codan / Trygg-Hansa focusing on the various initiatives we have introduced in the company. During the week, we also discussed what employees can do to reduce CO<sub>2</sub> emissions both at work and at home. Furthermore, the week included a competition for employees to submit ideas for future products with an environmentally friendly profile.

#### Extra focus on health

In 2008, we launched an annual health week as a part of a wider initiative intended to make Codan / Trygg-Hansa a healthy company. In a fun and inspiring way, the health week contributes to improving the physical and mental health of all our employees.

A range of health offers for Codan / Trygg-Hansa employees:

- Opportunity to play sport and work out at Codan / Trygg-Hansa at a low price and outside Codan / Trygg-Hansa at a subsidised price;
- Massage, physiotherapy, chiropractic and psychologist treatment free of charge;
- Free fresh fruit twice a day;
- All employees are offered a free influenza vaccine once a year;
- Health insurance for all employees;
- Stop smoking: Financial aid for stop smoking course.

#### Cooperation with the Danish Heart Foundation

Since 2006, we have cooperated closely with the Danish Heart Association, which is engaged in research and prevention of heart disease. It is a major focus area that our employees remain healthy, and we would like to share the responsibility for their health. Together with the Danish Heart Foundation, we therefore offer all 50+ employees an annual health check enabling us to address any problems in time and offer the individual employees the right treatment.

For more information, please see [codan.dk/csr](http://codan.dk/csr) or [trygghansa.se/csr](http://trygghansa.se/csr)



Health week, April 2009

“Besides helping to keep people safe on the roads by handing out reflectors, I enjoyed the morning together with my colleagues. It is a good way to meet colleagues from other departments and at the same time contributing to a good cause.”

Lotta Gillgren,  
Project Manager



# COMMUNITY ENGAGEMENT

We want to contribute to and engage with the community in which we operate

**As a large Scandinavian company, we have a responsibility to contribute to the community and make a difference.**

As an insurer, we are committed to:

- help prevent accidents and injuries;
- develop innovative products for the benefit of our customers and the community;
- support community activities relevant to our business;
- support and encourage our employees to engage in the community.

## Children, safety and health

Two years ago we developed a new Nordic sponsorship strategy focusing on children, safety and health.

In 2008, the strategy resulted in sponsorships for organisations such as the Danish Gymnastics and Sports Associations (DGI), the DaneAge Association, Kolmården (a zoo near Stockholm) and Skistar (a company operating many alpine destinations in Sweden) and donations through our foundations. 2008 was also the year in which we established a new Child Accident Prevention Foundation in cooperation with the H.C. Andersen Children's Hospital – a counterpart to the Swedish foundation launched in 2007 by Trygg-Hansa together with the Astrid Lindgren Children's Hospital.

Furthermore, we have donated life buoys in Sweden and to Danish harbours for many years.

## Important knowledge

As an insurer, we have extensive knowledge about the prevention of accidents and injuries. We feel compelled to share this knowledge to minimise the number of accidents and injuries. In addition to providing general information through newsletters, website and public debates, we are also committed to creating a framework ensuring that our employees can participate in community volunteering activities.

In addition, we want to maintain active relations with educational institutions because we want to contribute to the education of the future workforce.

## Future initiatives

There is a strong link between our voluntary activities and our Nordic sponsorship strategy and we are committed to engaging even more actively with the local community. By the end of 2010, our aim is that 1,000 will have participated in community volunteering activities.

We will – together with our business partners – continue to share knowledge on the prevention of injuries and accidents. Among other activities, we intend – together with our child accident prevention foundations - to increase focus on what parents can do to prevent injuries and accidents to children.



Stop bullying, June 2008 – 28 employees volunteered at the children's race organised by Save the Children Denmark

By the end of 2010, our aim is that 1,000 employees will have participated in community volunteering activities.

### Strategy 2007-2010 community

| Action areas  | Targets   | Status   | Adjustment of targets  |
|---|---|--|--|
| Sponsorships focusing on children, safety and health  | From 2007 to 2010, we will streamline our Nordic sponsorships to focus on children, safety and health.  | Initiated. <ul style="list-style-type: none"> <li>We have sponsorship agreements with DGI, Brøndby Kids and the Football School of the Danish Football Association. We also contribute actively to our child accident prevention foundations.</li> </ul>                         | We intend to further activate our sponsorships with a link to volunteering activities and accident prevention.   |
| Financial support for prevention, research and consultancy services through various foundations | As from 2008, all of our donations through the Codan Foundation, the Research Foundation of Trygg-Hansa and the Child Accident Prevention Foundation will be in alignment with our CR and sponsorship strategies. | Achieved. <ul style="list-style-type: none"> <li>We established the Child Accident Prevention Foundation in Denmark in 2008 – a counterpart to the Swedish foundation launched in 2007.</li> </ul>   | Unchanged.   |
| Participate in community volunteering activities  | Starting in 2008, we will take part in RSA's global campaign on community volunteering.   | Achieved. <ul style="list-style-type: none"> <li>In 2008, 330 Scandinavian employees volunteered their time.</li> </ul>  | By the end of 2010, 1,000 Scandinavian employees will have volunteered their time.   |
| Intensify knowledge sharing on prevention of accidents and injuries in the community            | In 2008, we will launch a new internal project to attract attention to and prioritise current and future prevention activities.   | Initiated. <ul style="list-style-type: none"> <li>We have worked systematically with prevention through our concept "Skadestop" and our child accident prevention foundations.</li> <li>In addition we have shared our knowledge through newsletters and our website.</li> </ul> | By 2010, we will together with our partners have increased awareness of our prevention work and provide information about what customers and other stakeholders can do to minimise risk. |

Table 6

# COMMUNITY INITIATIVES

## Visible safety

One of the most important things for us is to help prevent injuries and accidents – especially fatalities.

### Life buoys save lives

For many years, the red and white life buoy has contributed to saving lives, making it much more than a strong symbol for Trygg-Hansa.

Since 1954, we have donated life buoys to all Swedish local authorities, sailing clubs and harbours. So far, we have donated over 500,000, and every year they save on average 11 people in Sweden. This has made a difference for 500 people and their families since we started donating them.

### Reflectors can change the statistics

According to the Danish Road Safety Council, 7 out of 10 pedestrians could avoid being hit by a car if they wore a reflector. Yet only 27% of the Danish population use them. This appears from our own survey from 2009, and the problem does not only exist in Denmark.

We have therefore actively tried to make more people use reflectors, not only in Denmark but also in the neighbouring countries. Our employees have been handing out reflectors in the Danish, Swedish and Norwegian morning traffic, telling people about the effect of the reflectors.

### High visibility vests for children

In 2008, we also distributed high visibility vests to Danish and Swedish children in day-care centres through our child accident prevention foundations in the two countries.

Trygg-Hansa in Sweden has so far distributed 500,000 vests and our long-term aim is to distribute vests to all Swedish and Danish children in day-care centres and schools to make the children more visible in traffic.

For 50 years, we have trained Swedish school children in road safety so that they can act as road safety instructors.



“Since 1954, we have donated life buoys to all Swedish local authorities, sailing clubs and harbours. So far, we have donated over 500,000, and every year they save on average 11 lives in Sweden.”

### Other initiatives in 2008:

#### Child accident prevention foundations

Codan and Trygg-Hansa have extensive knowledge about children's accidents and their prevention, and we have turned this knowledge into practical action. In 2007, we established the Child Accident Prevention Foundation in Sweden in cooperation with the Astrid Lindgren Children's Hospital and in 2008, we established the Child Accident Prevention Foundation in Denmark in cooperation with the H.C. Andersen Children's Hospital.

Codan and Trygg-Hansa contribute special knowledge about accident prevention while the two hospitals have extensive experience in the treatment of children's accidents. This way, we can join forces to bring down the number of accidents, and our goal is for the foundations to become the leading organisations for the prevention of children's accidents.



For more information, please see [borneulykkesfonden.dk](http://borneulykkesfonden.dk) or [www.barnulycksfallsfonden.se](http://www.barnulycksfallsfonden.se)

#### Stop bullying

In 2008, 28 of Codan's employees volunteered to help at an anti-bullying event organized by Save the Children Denmark where a number of fun activities put focus on this important topic.

#### Christmas in Codanhus

Every year on 24 December, Codan opens the door to a true Christmas party arranged in cooperation with the Danish Red Cross. Each year around 200 people attend the party, either because they cannot afford to celebrate Christmas themselves or because they have no one to celebrate Christmas with.

#### Cool, Healthy and Visible

Together with the Danish Gymnastics and Sports Associations (DGI), we organised the event Cool, Healthy and Visible in 2008 to focus on health and road safety. 65 voluntary employees from Codan and DGI

took part in the event together with 300 children and their parents. The event consisted in a wide range of fun activities, e.g. football, gymnastics and a reflector game, and while the children were playing, the parents could get good advice about healthy lunch and participate in Codan's reflector campaign.

#### Bicycles are donated to Africa

Every year, the police find many of the bicycles which are stolen from our customers, and since compensation has already been paid, the bicycles are handed over to us. Since April 2007, Codan has donated 800 of those bicycles to the Danish business European Baisikeli, which sends them to Africa. In Africa, the bicycles are repaired in small local shops which sell the bicycles locally. The profit from the sale goes to education and establishment of new bicycle shops.

#### Safe Animals

Since 2007, Trygg-Hansa has offered a concept called Safe Animals, a club giving Swedish children advice about road safety. For more information, please see [www.tryggadjuren.se](http://www.tryggadjuren.se)

#### Skistar

Since 2007, Trygg-Hansa has been Skistar's safety partner in the Swedish mountains, e.g. Åre and Sälen. Through the concept Safe Animals, we give advice on how to prevent accidents and general information to families with children on the skiing slopes.

For more information, please see [codan.dk/csr](http://codan.dk/csr)

“To me, responsibility means proactive action. We should contribute where we can and aim to make a difference in society.”

Ana Walter Rasmussen,  
Project Manager



# ENVIRONMENTAL CHALLENGES

We all need to get involved

**As a large company, it is important for us to lead the way and make an active effort to reduce emissions and our impact on climate change. Businesses can make a positive difference if they prioritise coming up with the right solutions and actions.**

As an insurer, we are committed to:

- Reducing emissions and our environmental impact through targeted efforts for example by reducing our car travel, air flights and energy consumption.
- Providing environmentally friendly products and services to our customers to benefit the environment;
- Raising customer, employee and business partner awareness of what they can do to reduce emissions and environmental impacts.

## New climate change strategy

In 2008, we launched a new climate change strategy, addressing the climate change issues in all aspects of our work. We want to make a difference in our own business but also with our suppliers, business partners and customers – by reducing emissions.

Our strategy for reducing our environmental impact is to:

- Measure and report on a quarterly basis our impacts and CO<sub>2</sub> emissions in accordance with the Carbon Disclosure Project and Greenhouse Gas Protocol guidelines;
- Set targets for environmental impact reduction;
- Improve energy efficiency, waste disposal, travel practices and resource use in our buildings and work practices through a number of defined actions.

Through RSA, we participate in several voluntary initiatives for businesses aiming to set the highest standards in terms of environmental targets and reporting. Our Group participates in the following initiatives: United Nations Global Compact, ClimateWise and the United Nations Environment Programme Insurance Working Group.

## Environmental targets

Our overall objective is to reduce our CO<sub>2</sub> emissions by 5 % by the end of 2010. We are on our way to meeting this objective and have succeeded in reducing our CO<sub>2</sub> footprint by 1.2% during the first year. In 2008, we reduced air and car travel while increasing train travel. This is in line with our travel and meeting policy, encouraging staff to use public transport or video conferencing facilities where possible. In 2009, we aim to further reduce air travel, one of the major sources of CO<sub>2</sub> emissions. As a result, we have increased our video conferencing facilities by 22%, enabling even more employees to hold virtual meetings.

In 2008, we entered into an agreement with Sweden's largest taxi company, allowing our employees to use environmentally friendly taxis in the Swedish capital. We have also optimised IT performance at our offices, improving energy efficiency, and a Swedish pilot project introducing paperless insurance policies is showing very promising results. Finally, we have laid the cornerstones for more green products, encouraging our customers to adopt a more environmentally friendly behaviour.

However, in 2008 we increased our overall energy and heat consumption. Consequently, we have now entered into close dialogue with our energy suppliers to develop more energy-saving measures. Finally, we have launched an annual 'climate change week', engaging our employees in the climate change issues and raising awareness of what they can do to reduce their CO<sub>2</sub> footprint.

## New challenges and opportunities

As an insurer, climate change has a considerable impact on our business. The greatest environmental challenge for the insurance industry is to prevent the consequences of extreme weather events. As an insurer, we can help our customers rectify the damage by offering them financial and operational assistance. We also gather knowledge about the consequences of unstable weather and give advice on how society as a whole and our customers can prevent such damage. We do this through our participation in committees in Nordic trade associations and through our own business activities.

In 2008, Codan Marine held a number of seminars to share knowledge and experience with customers on how to reduce the emission of sulphur, sulphur dioxide, nitric oxide and carbon dioxide from ships.

“We continually strive to improve environmental performance, contributing to a climate change solution. In 2008, we achieved a lot in the environmental area but there is still much to do.”

Elvin Linnemann, Facility Management Director

Since the early 1980s, we have been active in the wind energy insurance market and our engagement has increased as global investments in renewable energy have grown. Today, wind energy insurance is a unique business for us. You can read more about our wind energy commitment on the next page.

#### Future initiatives

We continually strive to improve environmental performance, contributing to a climate change solution. First and foremost, we intend to continue the implementation of our climate change strategy

and the numerous activities outlined within. The strategy is intended to guide the way in which we are to approach the climate change issue in our daily work.

In the coming year, we will focus on establishing a closer dialogue with our largest suppliers and business partners to discuss what we can do together to lessen the impact of climate change. As an example, we have adopted a new procurement strategy based on RSA's “Responsible Procurement Principles”.

#### Strategy 2007-2010 environment

| Action areas  | Targets   | Status   | Adjustment of targets  |
|---|---|--|--|
| Offer a new insurance product with an environmentally friendly profile                  | Before the end of 2010, we will develop and offer at least one new insurance product with an environmentally friendly profile.  | Initiated.   | We have increased our target and will launch minimum 3 products with an environmentally friendly profile by the end of 2010.                         |
| Define a climate change programme   | In 2008, we will prepare a climate change programme, defining how we will work with the issue of climate change during the next three years.                                  | Achieved.<br>• New climate change strategy developed.  | By the end of 2010, we will implement the climate change strategy, which will help us reducing our CO <sub>2</sub> emissions by 5% from 2007 levels. |
| Set environmental targets to minimise the environmental impact                          | From 2008 to 2010, we will continue our work with environmental targets. During 2008, we will launch an internal environmental campaign to minimise our environmental impact. | Initiated.   | Unchanged.   |
| Dialogue with our suppliers/business partners on solutions that benefit the environment | In 2008, we will enter into dialogue on corporate responsibility and the environment with at least five of our largest suppliers/business partners in the Nordic countries.   | Achieved.<br>• E.g. our framework agreement on environmentally friendly taxis with Taxi Stockholm. | Number of suppliers/business partners to be extended. Dialogue with energy suppliers to develop more energy-saving measures.                         |

Table 7

# ENVIRONMENTAL INITIATIVES

## Centre of Excellence for renewable energy

Denmark is one of the world's leading wind energy producers, and Codan has been active in the wind energy insurance market since the beginning of the eighties. As a result, Codan has developed unique competencies which are in high demand both inside and outside our global RSA network. In 2007, RSA appointed Codan Centre of Excellence for the RSA Group's activities within the field of wind energy.

Codan's core competencies within this field can be found in the Engineering Department, which specialises in claims handling and risk assessment, including advisory services on specific loss prevention measures.

"Being the world's leading provider of advisory services within technical insurance and wind turbines in particular is an enormous responsibility. Accidents often result in huge financial losses which could put suppliers and manufacturers out of business," says Niels Kragelund, General Manager for RSA's Global Wind Energy Division.

In Codan, we apply our complex technical expertise on wind turbines to support the global community's development efforts within renewable energy. In addition, we further strengthen the future production of wind turbines by translating our accident statistics into concrete product improvements.



Niels Kragelund, General Manager for RSA's Global Wind Energy Division. We insure 80% of the offshore wind turbine projects in the world.

**Other initiatives in 2008:****Green IT**

In 2008, Codan and Trygg-Hansa launched a new concept called Green IT, optimising IT performance at the offices to ensure that energy is not being wasted. We have implemented new multi-printers which can be used as photocopier, printer, fax and scanner, and we are already seeing good results. The multi-printers use 50% less energy than the old printers and at the same time, paper usage is reduced significantly. 82 companies participate in the green IT project and with our results, we top the list of reducing most energy.

**Electronic policies**

In 2008, Trygg-Hansa offered all new and existing customers the opportunity to receive insurance documents electronically. This way, the customers can choose to solely communicate with Trygg-Hansa electronically through e-mails and the personal site on Trygg-Hansa's website. The aim is to reduce paper usage by 5% annually, and with approx. 2m customers, we are confident that we will succeed.

The first feedback from a pilot project shows that we can reduce paper usage by approx. 85%, corresponding to a reduction in CO<sub>2</sub> emissions from 8 tonnes to 1 tonne a year.

**Environmentally friendly taxis**

Codan and Trygg-Hansa want to do more for the environment, e.g. by using the most environmentally friendly means of transport. Trygg-Hansa has therefore already entered into a cooperation agreement with Taxi Stockholm, which sends an environmentally friendly vehicle to our head office whenever we need a taxi. We have made similar agreements with smaller taxi companies when we need taxis for our other Swedish offices. In Denmark, we try to influence politicians and taxi companies to hopefully get the opportunity to use environmentally friendly taxis.

**Green products**

Codan and Trygg-Hansa want to focus more on innovative, environmentally friendly and responsible insurance products. Consequently, in 2007, we set the goal to develop and offer at least one new insurance product with an environmentally friendly profile by the end of 2010. We have laid the cornerstones for three new environmentally friendly products with expected launch in 2009.

Together with Applus in Denmark, we provide environmental testing services in 2009 of new customers' cars. We have entered into cooperation with EnergiMidt which is to provide home owners with the opportunity of controlling their water consumption more easily. We have launched a Swedish concept to make haulage contractors drive smarter in order to avoid accidents and reduce fuel consumption.

For more information, please see [codan.dk/csr](http://codan.dk/csr)

“As a large company, it is our responsibility to lead the way in the battle to reduce CO<sub>2</sub> emissions – both in terms of our own energy consumption and transport habits but also in relation to the development of environmentally friendly products for our customers”.

Anders Wickman,  
Travel Manager  
Scandinavia.



# ASSURANCE STATEMENT

## To the Board of Management of Codan A/S

We have reviewed Codan's Corporate Responsibility Report 2008/09 ("the Report") for the purpose of giving our opinion on the data included in the Report on customers, employees, community and environment on pages 29 and 30. The Management of the Company is responsible for the Report. Our responsibility is to provide a conclusion based on our review of the Report.

## The conducted review

We conducted the review in accordance with the Danish Auditing Standard on assurance engagements ("RS 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information"). It has been our purpose to obtain limited assurance that the data included in the Report on customers, employees, community and environment at Group level are in accordance with the reporting practice described and information reported by the business units.

Our review is based on an assessment of risk of major errors. We have evaluated the accounting policies and analysed correlations with the Company's audited Annual Report, and we have performed spot check comparisons with documentation. The review is limited to include enquiries to management and employees as well as an analysis of the numerical correlations, and a limited level of assurance is thus lower than the assurance which would have been obtained if we had performed an audit.

## Conclusion

During the course of our review, nothing came to our attention that caused us to believe that data on customers, employees, community and environment at Group level are not in accordance with the reporting practice described and information reported by business units.

**Copenhagen, 30 June 2009**

## Deloitte

Statsautoriseret Revisionsaktieselskab

### Henrik Priskorn

State Authorised  
Public Accountant

### Preben J. Sørensen

State Authorised  
Public Accountant

Please see "Codan about the report" on [www.codan.dk/csr](http://www.codan.dk/csr) if you want to know more about the data assessment (only available in Danish).

For more information on the global activities of the RSA Group, you can view the Corporate Responsibility Report on [www.rsagroup.com](http://www.rsagroup.com).

# REPORTING 2008

## Reporting 2008 – customers

| Customers                               |                      | Denmark |                         | Sweden |                         |
|---|----------------------|---------|-------------------------|--------|-------------------------|
|   |                      | 2007    | 2008                    | 2007   | 2008                    |
| Customer satisfaction                   | Personal customers   | 76      | 83 %                    | 66     | 73 %                    |
|   | Commercial customers | 73      | 76 % (small business)   | 68     | 63 % (small business)   |
|   |                      |         | 81 % (midsize business) |        | 74 % (midsize business) |
| 80 % (large business)                   |                      |         | 80 % (large business)   |        |                         |
| Customer loyalty                        | Personal customers   | 73      | 42 %                    | 67     | 34 %                    |
|   | Commercial customers | 71      | 36 % (small business)   | 68     | 23 % (small business)   |
|   |                      |         | 40 % (midsize business) |        | 34 % (midsize business) |
| 33 % (large business)                   |                      |         | 36 % (large business)   |        |                         |
| Customer satisfaction - claims handling | Personal customers   | 84      | 78 %                    | 77     | 66 %                    |
|   | Commercial customers | 76      | 77 % (small business)   | 69     | 67 % (small business)   |
|   |                      |         | 71 % (midsize business) |        | 55 % (midsize business) |
| 82 % (large business)                   |                      |         | 71 % (large business)   |        |                         |

Table 8: The customer satisfaction surveys from 2007 and 2008 are not comparable as they are based on different surveys with different question frames. In 2007, the results were based on the Danish Customer Index and the Swedish Quality Index whereas the 2008 figures are based on Gallup's Brand Tracking. Going forward, Codan & Trygg-Hansa will use Gallup's Brand Tracking.

## Reporting 2008 – employees

| Employees   | Denmark |       | Sweden |       |
|---|---------|-------|--------|-------|
|   | 2007    | 2008  | 2007   | 2008  |
| No. of permanent employees (31 Dec. 2008)         | 1,384   | 1,397 | 1,723  | 1,674 |
| Joiners (%)                                       | 20 %    | 21 %  | 30 %   | 25 %  |
| Leavers (%)                                       | 25 %    | 19 %  | 22 %   | 29 %  |
| General satisfaction and engagement <sup>1)</sup> | 61 %    | 3.74  | 61 %   | 3.48  |
| Average no. of sick days per employee             | 8.9     | 8.8   | 9      | 9.9   |
| Industrial injuries                               | 3       | 7     | 1      | 5     |

Table 9: Image survey among potential employees was not chosen in 2008.

From 2009, we will measure our reputation using the reputation survey conducted by the Reputation Institute.

<sup>1)</sup> Together with the rest of the RSA, Codan changed to Gallup's employee satisfaction survey in 2008. The survey rates companies on a scale from 0 to 5 where 5 is the highest possible employee satisfaction and engagement. The result from Sweden covers only Trygg-Hansa. White Label Insurance scored 3.76.

## Reporting 2008 - society

| Community   | Denmark   |           | Sweden  |         |
|---|-----------|-----------|---------|---------|
|   | 2007      | 2008      | 2007    | 2008    |
| Donations to charity <sup>1)</sup>  | DKK 3.9 m | DKK 4.2 m | DKK 7 m | DKK 6 m |
| Number of employees who have participated in community volunteering activities during working hours | 32        | 88        | -       | 212     |

Table 10: In 2008, Codan introduced the concept "volunteering during working hours." No Swedish volunteers were registered in 2007. Image survey among personal and commercial customers was not chosen in 2008. From 2009, we will measure our reputation using the reputation survey conducted by Reputation Institute.

<sup>1)</sup> The figure does not include sponsorships intended for marketing purposes, e.g. the Brøndby sponsorship.

## Reporting 2008 - environment

| Environment                         | Denmark   |           |             | Sweden    |           |             |
|-------------------------------------|-----------|-----------|-------------|-----------|-----------|-------------|
|                                     | 2007      | 2008      | Target 2010 | 2007      | 2008      | Target 2010 |
| Electricity consumption (MWh)       | 4,500     | 4,730     | -3%         | 7,416     | 7,700     | -3%         |
| Heating (MWh) <sup>1)</sup>         | 2,100     | 2,217     | Unchanged   | 5,094     | 4,930     | Unchanged   |
| Air travel (km)                     | 6,300,000 | 6,519,630 | -3%         | 7,700,000 | 7,226,625 | -3%         |
| Train travel (Litre)                | 456,000   | 502,014   | Unchanged   | 1,780,000 | 3,079,885 | Unchanged   |
| Car travel (km)                     | 724,000   | 620,701   | -10%        | 338,600   | 344,144   | -10%        |
| CO <sub>2</sub> emissions (tonnes)  | 4,950     | 4,848     | -5%         | 3,180     | 3,186     | -5%         |
| Waste (tonnes)                      | 247       | 154       | -10%        | 155       | 137       | -10%        |
| Water consumption (m <sup>3</sup> ) | 9,200     | 7,741     | Unchanged   | 11,000    | 10,387    | Unchanged   |
| Paper consumption (million sheets)  | 25,6      | 27,4      | -28%        | 44,7      | 41,5      | -28%        |

Table 11: Compared to 2007, Codan has improved the data collection process. In this connection, Codan became aware of some changes relating to the 2007 figures. Those figures are updated in this report, thus making it possible to compare data for the two years. This means that a few 2007 figures will differ from those reported by Codan in the Corporate Responsibility Report for 2007. Please see "Codan about the report" on [www.codan.dk/csr](http://www.codan.dk/csr) if you want to know more about the data assessment (only available in Danish). The targets for 2010 are set against the baseline data of 2007.

<sup>1)</sup> The figures only cover Codanhus in Denmark and Trygg-Hansa's head office in Sweden.

The Codan Group's Norwegian companies (Trygg-Hansa, White Label Insurance, Duborgh, Marine Services) are not included in the report. The intention is to include the Norwegian companies once the data collection has been improved and systematised.

## Summary of environmental figures:

Over the past few years, we have initiated a number of measures to protect the environment and climate. Overall, air travel has been reduced which is primarily a result of our new meeting and travel policy, focusing on increased use of video conferences. We have increased the use of train travel whereas car travel remains at the

same level. Water consumption and waste have been reduced, heating consumption is status quo while electricity consumption has increased. In Sweden much less paper has been used while in Denmark, paper consumption has increased a little. CO<sub>2</sub> emissions were reduced by 1.2% in 2008.

# GRI INDEX

We constantly aim to improve and develop our corporate responsibility report. Consequently, we have decided to follow the Global Reporting Initiative (GRI) guidelines.

This table covers the Global Reporting Initiative indicators found in this report. According to our assessment, the report corresponds to level C+ of the GRI G3 guidelines.

| GRI INDEX                | Page no.                       | GRI G3 guideline |
|--------------------------|--------------------------------|------------------|
| Strategy & analysis      | 4-5                            | 1.1              |
| Profile                  | Front cover                    | 2.1              |
|                          | 6                              | 2.2              |
|                          | 6                              | 2.3              |
|                          | 6                              | 2.4              |
|                          | 6                              | 2.5              |
|                          | 6                              | 2.6              |
|                          | 6, 11                          | 2.7              |
|                          | 6                              | 2.8              |
|                          | 6                              | 2.9              |
|                          | 8                              | 2.10             |
| Parameters               | About the report <sup>1)</sup> | 3.1              |
|                          | About the report <sup>1)</sup> | 3.2              |
|                          | About the report <sup>1)</sup> | 3.3              |
|                          | Back page                      | 3.4              |
|                          | 7                              | 3.5              |
|                          | About the report <sup>1)</sup> | 3.6              |
|                          | About the report <sup>1)</sup> | 3.7              |
|                          | About the report <sup>1)</sup> | 3.8              |
|                          | About the report <sup>1)</sup> | 3.9              |
|                          | About the report <sup>1)</sup> | 3.10             |
| GRI content index        | 31                             | 3.11             |
|                          | 28                             | 3.12             |
| Governance <sup>2)</sup> | 4-5, 8-9                       | 3.13             |
|                          | 4-5, 8-9                       | 4.1              |
|                          | Not relevant                   | 4.2              |
|                          | 11                             | 4.3              |
| Stakeholder engagement   | 11                             | 4.4              |
|                          | 7, 11                          | 4.14             |
| Finances                 | 6, 29                          | 4.15             |
|                          | 12-13, 24-25                   | EC1              |
|                          | 20-23                          | EC2              |
| Environment              | 30                             | EC8              |
|                          | 30                             | EN1              |
|                          | 30                             | EN3              |
|                          | 30                             | EN8              |
|                          | 30                             | EN16             |
|                          | 24-27                          | ENI8             |
| Labour practices         | 30                             | EN29             |
|                          | 29                             | LA1              |
|                          | 29                             | LA2              |
|                          | 16-19                          | LA7              |
|                          |                                | LA8              |

Table 12: GRI INDEX. We have decided to only refer to the guidelines which must be followed in order for us to meet the level C+ requirements of GRI. We follow more guidelines than those described, e.g. in relation to the assurance statement (page 28).

<sup>1)</sup> Please see [www.codan.dk/csr](http://www.codan.dk/csr) and [www.trygghansa.se/csr](http://www.trygghansa.se/csr)

<sup>2)</sup> Read more about governance on [www.rsagroup.com](http://www.rsagroup.com)

We have chosen to work strategically with corporate responsibility.  
Our vision is as follows:

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**We will act responsibly as individuals and as a company.**  
This applies to the management of our business, our approach  
to corporate risk and our interaction with stakeholders.

**Our role is to proactively contribute to prevention by sharing  
our knowledge and creating innovative products that benefit our  
customers, the community and the environment.**

**We are committed to being a socially responsible employer with  
a holistic approach to our employees. Our ambition is to create  
an engaging, healthy and international workplace.**

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We are looking forward to continuing the dialogue on [www.codan.dk/csr](http://www.codan.dk/csr)

We welcome comments on our corporate responsibility work and on  
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