



ClimateWise report 2010

The TrygVesta Group's reporting on actions that have been taken on the 6 ClimateWise Principles



Copenhagen, Denmark
30th of June 2010

Background

The TrygVesta Group entering the ClimateWise collaboration as of July 2009 this is the Group's first report detailing the actions that have been taken on the ClimateWise Principles.

The Groups motivation for entering the ClimateWise collaboration is twofold; first to learn from the major insurance companies with far wider experiences from coping with climate change, and secondly to implement the issue of climate change into every relevant aspect of our business.

Introduction of the TrygVesta Group

TrygVesta wants to be perceived as the leading peace-of-mind provider in the Nordic region and is dedicated to providing peace of mind to our customers on a daily basis. In 2009, our more than 4,300 employees ensured peace of mind for more than 2.7 million private customers and more than 140,000 businesses.

TrygVesta is the second-largest general insurer in the Nordic region. We are the largest player in Denmark and Norway's third largest player. We have operated our rapidly growing activities in Finland and Sweden since 2001 and 2006, respectively. Our position in Sweden was further strengthened through the acquisition of Moderna Försäkringar AB in 2009. The group does not have activities of considerable size outside the Nordic region.

TrygVesta mainly offers insurances through own sales and service channels and through business partners such as Nordea. We strive for high customer and employee satisfaction, and several surveys indicate that TrygVesta is considered to be best at claims handling.

Our insurances cover, among other things, workers' compensation, motor, building, contents, cargo and personal accident. In 2009 the TrygVesta group had a general gross premium earned at DKK 18,3bn.

Climate change governance structure

The climate and environmental initiatives in TrygVesta is organized in connection to the management secretariat within the Group, reporting directly to TrygVesta's CSR board. The board is headed by our CEO, Stine Bosse, with participation from 3 additional members of the Group Executive Management. The board has quarterly meetings.

In addition to the board, one of the participating members of the Group Executive Management has the overall day to day responsibility for the Group's initiatives and the fulfillment of the Climate and Environmental Management targets.

Specification of reporting period

The annual ClimateWise reporting resulting in a *review* document for the ongoing year, last year a 2009 review, it is timely to report not solely on the actions undertaken in 2009, but also actions being undertaken in the spring of 2010.

This to ensure an updated overview of the Groups activities, enhancing the relevance of the review document.

For our next reporting on the principles in 2011, we will report on actions taken since the last reporting, hence reflecting the Groups activities in the year being reviewed.

Activities being commenced before the current reporting period, but central to ensure an understanding of ongoing activities, will be included in this report but referred to by the year of commencing the activity.

TrygVesta will in the following elaborate on actions taken and activities relating to each element of the 6 ClimateWise principles. The report also includes an appendix presenting the Group's Climate & Environmental Management targets for 2010, as well as targets and report on progress for 2009.

We will start this report with a brief summary highlighting key activities and actions.

Summary of the report highlighting key activities/actions

Nr.	ClimateWise principle	Actions taken/main activities
1	Lead in risk analysis	
a	Support and undertake research on climate change to inform our business strategies and help to protect our customers' and other stakeholders' interests.	- Geneva Association - Nordic industry collaboration - The Directorate for Civil Protection and Emergency Pl.
b	Support more accurate national and regional forecasting of future weather and catastrophe patterns affected by changes in the earth's climate.	- The Natural Perils Fund - Water/flood modeling in Denmark - Nordic industry collaboration
c	Use research and improve data quality to inform levels of pricing, capital and reserves to match changing risks.	- Geneva Association
d	Evaluate the risks associated with new technologies for tackling climate change so that new insurance products can be considered in parallel with technological developments.	- Renewable energy - Electrification of the car park
e	Share our research with scientists, society, business, governments and NGOs through an appropriate forum.	- The Danish Council for Sustainable Business - Climate Vow - Industry organizations - Geneva Association - ClimateWise - The Directorate for Civil Protection and Emergency Pl. - World Wildlife Foundation
2	Inform public policy making	
a	Work with policy makers nationally and internationally to help them develop and maintain an economy that is resilient to climate risk.	- The Geneva Association and ClimateWise - Geneva Association COP15 event - Climate Gains 2020 - Business Panel on Climate Change
b	Promote and actively engage in public debate on climate change and the need for action.	- Nordic industry collaboration - Collaboration with "Folketeateret" in Copenhagen - The Directorate for Civil Protection and Emergency Pl.
c	Support work to set and achieve national and global emissions reduction targets.	- Climate Gains 2020 - Copenhagen Communiqué - Geneva Association COP15 event - The Cities of The Future
d	Support Government action, including regulation, that will enhance the resilience and reduce the environmental impact of infrastructure and communities.	- Business Panel on Climate Change - Climate Gains 2020 - Norwegian official study on adaptation to climate ch.
e	Work effectively with emergency services and others in the event of a major climate-related disaster.	- Collaboration with "injury services" in Denmark - Collective industry preparedness in Norway
3	Support climate awareness amongst our customers	
a	Inform our customers of climate risk and provide support and tools so that they can assess their own levels of risk.	- Agenda: Climate change - Online campaign promoting climate friendly living - Risk screening for commercial customers
b	Encourage our customers to adapt to climate change and reduce their greenhouse gas emissions through insurance products and services.	- Electric car insurance - Private property insurance
c	Increase the proportion of repairs that are carried out in a sustainable way through dialogue with suppliers and developers and manage waste material appropriately.	- The "green" claims handling project - The Danish Council for Sustainable Business - Environmental certification
d	Consider how we can use our expertise to assist the developing world to understand and respond to climate change.	- Micro Insurance schemes under advisement
4	Incorporate climate change into our investment strategies	
a	Consider the implications of climate change for company performance and shareholder value, and incorporate this information into our investment decision-making process.	- UNPRI - Climate Portfolio
b	Encourage appropriate disclosure on climate change from the companies in which we invest.	- Carbon Disclosure Project - Voting policy on ESG issues
c	Encourage improvements in the energy-efficiency and climate resilience of our investment property portfolio.	NO DATA
d	Communicate our investment beliefs and strategy on climate change to our customers and shareholders.	- Dialogue with customers and shareholders
e	Share our assessment of the impacts of climate change with our pension fund trustees.	- Dialogue with pension fund
5	Reduce the environmental impact of our business	
a	Encourage our suppliers to improve the sustainability of their products and services.	- Supplier's guidelines
b	Measure and seek to reduce the environmental impact of the internal operations and physical assets under our control.	- Emissions accounts - Carbon Disclosure Project - CO2 reduction target on air travel - The Living House - Energy efficiency measures
c	Disclose our direct emissions of greenhouse gases using a globally recognized standard.	- The Greenhouse Gas Protocol
d	Engage our employees on our commitment to address climate change, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate-informed choices outside work.	- The theme package in 2008 - CO2 reduction target on air travel - Travel policy - The "personal" responsibility
6	Report and be accountable	
A	Recognize at Company Board level that climate risk has significant social and economic impacts and incorporate it into our business strategy and planning.	- Board level commitment from Group Executive Man. - Climate change as part of our overall strategy - Geneva Association report - Geneva Association COP15 event
B	Publish a statement as part of our annual reporting detailing the actions that have been taken on these principles.	- Statement on CSR (Danish Law) - TrygVesta's stakeholder magazine - www.trygvesta.com

Principle 1: Lead in risk analysis

a Support and undertake research on climate change to inform our business strategies and help to protect our customers' and other stakeholders' interests.

Geneva Association

TrygVesta participates in the Geneva Associations research project on climate change and the financial consequences for the insurance business.

The objectives of the project are to identify and analyze a) issues that are of specific relevance to the insurance industry, such as the likely range of future claims costs, new business opportunities and scenario testing; b) external challenges to be addressed at the political, educational and social levels, such as the role of government specific provisions concerning e.g. building codes, zoning restrictions, etc.

The project in 2009 developed insurance specific forecasts of future claims cost and premiums within the European market as a basis for more regional breakdown and forecasting.

TrygVesta participates through quarterly meetings at CEO level and by submitting papers to the Geneva Reports.

Link: http://www.genevaassociation.org/PDF/Geneva_Reports/Geneva_report%5B2%5D.pdf

Nordic industry collaboration

In May 2010 the four major players within the Nordic insurance market, one of them being TrygVesta, launched a joint action statement on climate change. The statement outlines six prioritized areas for us as insurers to promote both mitigation and adaptation practices within the Nordic region.

One of these areas consists of a collaborative effort to undertake research on climate change to promote practical adaptation measures. The four companies promise 1 DKK for each private property insurance to be put into research. This constitutes a jointly 4,4 million DKK investment into research in 2010. TrygVesta's share is approximately 1,2 mill DKK.

The Directorate for Civil Protection and Emergency Planning

TrygVesta has initiated a collaboration project with the Norwegian Directorate for Civil Protection and Emergency Planning (DSB). DSB having the overall responsibility to promote adaptation practices on behalf of the Norwegian government the project is motivated by a joint interest in developing and promoting "best practice" adaptation on municipality level.

Together, TrygVesta and DSB, intend to work with 3 municipalities in different parts of the country to identify regional and local climate related risks and to plan and advise concerning adaptation measures. The goal is both to raise awareness on a local and regional level, as well as developing low-cost measures to reduce the vulnerability of the inhabitants in these areas.

If the project is successful both DSB and TrygVesta are prepared to broaden the scope of the project.

The project is well underway in the first of the 3 municipalities, Kristiansand, and on June 18th we conducted a "climate risk" seminar for Kristiansand and 5 collaborating municipalities.

Developing "best practice" measures together with regional and local governments is important to bridge the gap between theoretical research and practical adaptation, and to strengthen the Group's competence and knowledge base.

b Support more accurate national and regional forecasting of future weather and catastrophe patterns affected by changes in the earth's climate.

The Natural Perils Fund

The Norwegian Natural Perils Fund is established to increase the insurance industry's preparedness in case of major natural disasters. The initiative is regulated by law and all companies pay a fixed premium for each and every property insurance.

TrygVesta has a member on the board of the Natural Perils fund and the board is responsible for financing and purchasing the best national and regional weather and catastrophe forecasting to ensure the sustainability of the fund.

This data is also used on a company level to forecast risks not covered by this collective scheme and to inform the Group's strategies to promote adaptation.

Both in Denmark and Norway there are high activity within different governmental bodies to conduct forecasts of future weather and catastrophe patterns, and breaking these down to regional and local scenarios.

The main challenge is to use this data systemically to inform our strategies and to use this knowledge when advising our customers.

The main barrier in this case being that the Nordic region so far has experienced few climate related damages and therefore the demand for this knowledge is scarce.

TrygVesta is therefore focused on *creating* a demand for these competences by informing both private and commercial customers as well as local, regional and national governmental bodies, and the public at large, of the consequences of neglecting the changing risk patterns due to climate change.

Water/flood modeling in Denmark

TrygVesta is at the time being in dialogue with researchers to assess the possibility of financing a nationwide modeling of water related risks in Denmark.

Nordic industry collaboration

As mentioned under 1a the joint Nordic research initiative may very well be directed at projects focused on a more accurate forecasting of future weather and catastrophe patterns.

c Use research and improve data quality to inform levels of pricing, capital and reserves to match changing risks.

All the above initiatives and collaborations are motivated by the ambition to be in front of matching the changing risk landscape with adequate measures to reduce the Group's and our customer's vulnerability.

The research and the improved data quality are therefore continuously used to inform pricing, capital and reserves to ensure a sustainable business practice.

Geneva Association

In the extension of the Geneva Associations forecasting of future claims cost the Group conducted a Nordic breakdown exploring the claims scenarios within the region. Due to the Natural Perils Fund and its joint pooling of natural hazard risks in Norway there are quite different company specific claims scenarios within the Nordic region. This is crucial when dimensioning current and future reserves.

d Evaluate the risks associated with new technologies for tackling climate change so that new insurance products can be considered in parallel with technological developments.

The development of new technologies are both seen as a crucial part of solving the global

climate crises in a longer perspective, while these technologies at the same time have exposed us to new risks patterns we hardly can understand the ramifications of.

The evaluation of both risks and possibilities in connection with new technologies are therefore a integrated part of the Groups risk management structure as well our different product development units.

Renewable energy

Development of renewable energy solutions is crucial to solving the current and future demand for energy. Being a major insurer of renewable energy solutions (water and wind) in the Norwegian market and with an increasing share in the Danish market, the Group is continuously evaluating risks and opportunities associated with new technologies.

This being a specialized field TrygVesta has over the years built a high level of in-house competence, enabling us to be in the forefront developing new insurance products and services to promote renewable solutions.

Electrification of the car park

An increased electrification of the car park is important to reduce transport related emissions. TrygVesta therefore have evaluated the risks concerning electric cars and the emerging technologies being put into these cars, and have released an car insurance with a price incentive for users of electric cars.

The product is based both on the risk profile of new and emerging electric car technologies, but have also taken into consideration the risk profile of an average electric car driver. Both aspects support a lower risk profile and hence a lower premium for electric cars.

The industrialized world's dependence on technology in general constitutes a major risk area when facing a changing climate. Also the operational dependency of energy being transported over long distances constitutes major risks.

Regular emergency training and the drilling of different risk scenarios is crucial to be able to evaluate risks associated with new technologies and to develop products and services to reduce the Group's and our customers vulnerability.

e Share our research with scientists, society, business, governments and NGOs through an appropriate forum.

The Group's climate and environmental policy states a high degree of openness in sharing our knowledge, competences and research concerning climate change. At the same time the Group is dependent on the collaboration of others to increase our own knowledgebase and competences. TrygVesta therefore prioritize close collaboration and knowledge sharing with scientists, society, business, governments and NGOs.

The Danish Council for Sustainable Business

TrygVesta partakes in The Danish Council for Sustainable Business and was in 2009 in charge of a working group on sustainable purchases developing standards and routines for both purchases in general and purchases in connection with claims handling processes.

Climate Vow

TrygVesta was one of the first members in the Norwegian government's climate initiative, the "Climate Vow" learning from and sharing knowledge with a range of different companies and sectors.

Today this initiative is cultivated to share knowledge with and empower the smaller companies as well as developing best in class standards for the companies well under way. The Climate Vow is also developing a knowledge bank where the TrygVesta Group for example is used as a model concerning employee involvement.

Link: <http://www.klimaloftet.no/Klimaloftet/Bedrift/Inspirasjon/TRYG-VESTA--involvering-av-ansatte/>

Industry organizations

Both in Denmark and Norway the TrygVesta Group partakes in climate related working groups within the industry organizations. These are forums focusing on collaborative industry wide initiatives as well as knowledge sharing within the industry.

In 2009 TrygVesta's CEO, Stine Bosse, headed the board of the Danish Insurance Association and so hosted the insurance industries Nordic Climate Change Conference in September 2009.

This was a collaborative Nordic initiative to share our research with scientists, society, business, governments and NGOs.

Geneva Association

As mentioned earlier an important forum for the Group to learn and share knowledge with some of the major companies within the industry.

ClimateWise

As pointed out in the introduction of this report the Groups motivation for entering the ClimateWise collaboration is twofold, with a major motivation being knowledge sharing. TrygVesta believes that by entering into these collaborative initiatives we can enhance our own knowledge and at the same time use the forum to explore alternative approaches and strategies to promote mitigation and adaptation, hence reducing the Group's and our customers vulnerability.

The Directorate for Civil Protection and Emergency Planning

The collaboration with this governmental body is based on sharing knowledge and research with each other and with the municipalities we are working to empower.

World Wildlife Foundation

TrygVesta have worked with and supported a number of NGOs in relation to climate change, but not necessarily with a focus on sharing research and knowledge. WWF this spring approached the Group inviting us to partake in a "think tank" with new and innovative companies (renewable energy, new technologies) to promote knowledge sharing and innovation in relation to Corporate Social Responsibility. We are positive to partake in this innovative forum and are awaiting the implementation of the project by WWF.

Principle 2: Inform public policy making

a Work with policy makers nationally and internationally to help them develop and maintain an economy that is resilient to climate risk.

The Geneva Association and ClimateWise

Both the collaboration with The Geneva Association and ClimateWise has working with policy makers nationally and internationally as an important dimension.

In the run up to the COP 15 in December 2009 both initiatives voiced clear recommendations to the international society on the necessity of an ambitious and binding mitigation agreement as well as the need for an increased focus on adaptation.

TrygVesta believes in the importance of a collective and coordinated industry voice when

addressing the issues of climate change and will also in the time to come support and partake in these collaborative statements.

Geneva Association COP15 event

As a member of the international think tank, the Geneva Association, TrygVesta cohosted a panel discussion on Climate Change and Insurance at the COP15 venue in December 2009. The discussion brought together some 100 participants from international insurance companies, decision makers and organisations and called upon them to explore the potential for partnerships between public and private players with the aim of enhancing the policies as well as practices for climate adaptation and emissions reduction.

Climate Gains 2020

In January 2009 TrygVesta together with 13 of the major Norwegian companies delivered a recommendation to the Norwegian government voicing the different industry perspectives to the governments work on climate change.

The recommendations were the result of one year of collaboration between the 14 companies and the "think tank" MandagMorgen to voice the private sectors views on how to facilitate a greener economy.

A member of the Group Executive Management represented TrygVesta in this work.

Business Panel on Climate Change

TrygVesta's CEO, Stine Bosse, was in the run-up to COP 15 appointed as a member of the Danish Governments advisory business panel on climate change.

The panels mandate was advising the Government concerning; a) growth opportunities in the field of climate related solutions, including research, training, innovation and Danish exports in the field of climate-solution technology; b) the competitiveness of the business community in relation to a new treaty on climate change; c) the roles and responsibilities of the business community and knowledge institutions in terms of handling the challenges of climate change.

b Promote and actively engage in public debate on climate change and the need for action.

The initiatives mentioned in 2a also reflect our active engagement in public debate voicing the need for both mitigation and adaptation efforts.

As mentioned earlier it is important to inform both the public at large and especially our customers to create a demand for greener insurance products and services.

In addition to the initiatives and partnerships mentioned in 2a our CEO and several of the members of the Group Executive Management are actively engaging in public debate in the Nordic countries voicing the perspective of the insurance industry.

TrygVesta have also held speeches and presentations on different aspects of climate change on a number of occasions in both 2009 and the spring of 2010.

Nordic industry collaboration

In May 2010 the four major insurance companies within the Nordic region issued a joint action statement on climate change.

In addition to, as earlier mentioned, contributing to climate related research the action statement also "raised" the bar on several other issues, promising; a) Climate considerations taken into every decision making process, b) Supply chain demands and a "greener" claims handling; c) Climate considerations into investment decisions; d) Promote practical adaptation and reduce vulnerability; e) Energy declarations for private households, and f) Giving 4,4 millions DKK to climate research

The statement also voiced the insurance sectors concerns for delaying the necessary adaptation measures being put into place and urged for a greater demand for greener products and services. The statement was posted in national media in all four Nordic countries raising the bar on the customer's expectations to us as insurer.

Collaboration together with the theater "Folketeateret" in Copenhagen

In the run up to the COP 15 in 2009 TrygVesta entered into a partnership with a theater located in Copenhagen. The project was based on inviting schools and youths to write plays giving voice to the younger generation's views on climate change. After a competition selecting the best plays the theater together with the youths set up three stage plays presenting different voices in the debate. The plays were running during the COP15 negotiations and facilitated other voices in the public debate.

The Directorate for Civil Protection and Emergency Planning

As mentioned earlier the collaboration with the Directorate for Civil Protection and Emergency Planning is a way of interacting more directly with problem owners at a local level. The municipality both as a governmental body and owner of local infrastructure are important to promote practical adaptation and to reduce the vulnerability of the residents and hence our customers.

Engaging in local debate and discussions about local problems and risks are crucial to inform both the public as well as local public policy makers.

c Support work to set and achieve national and global emissions reduction targets.

There are a close connection between the above mentioned initiatives in 2a and 2b, and the elements in focus in 2c and 2d. As prescribed in the guidance for reporting, disclosing a specific action in more than one area will hence be relevant to fully disclose the actions that have been taken on the elements within each Principle.

Climate Gains 2020

The setting of national emissions reductions targets and a establishing a market mechanism for achieving these targets was part of the recommendations delivered to the Norwegian government in January 2009.

Copenhagen Communiqué

Prior to the Copenhagen climate summit, the Group CEO, Stine Bosse, and a number of leading CEOs signed the international "Copenhagen Communiqué" climate proclamation.

The Copenhagen Communiqué called for an ambitious, binding climate agreement that would provide sustainable economic solutions for reducing greenhouse gas emissions globally, including in the developing countries.

Geneva Association COP15 event

As mentioned earlier the Geneva Association COP 15 event, co hosted by TrygVesta, was meant to give support to the ongoing negotiations and to voice the insurance industries willingness to do its part to ensure mitigation and adaptation strategies being enforced.

The Cities of The Future

In addition to giving support to set and achieve national and global emissions reduction targets TrygVesta is also participating in mitigation and adaptation initiatives on a city level.

Cities being the major contributors to emissions both in connection to transport, use of

energy and industry/production, they also hold the key to implementing measures especially while waiting for internationally binding agreements.

TrygVesta is participating in The Cities of The Future project involving 13 Norwegian cities and a range of European cities. Our participation is through knowledge sharing and by voicing the insurance perspective in a range of projects. Amongst others TrygVesta on May 25th 2010 spoke on a international Cities of The Future conference in Bergen concerning raising sea levels.

d Support Government action, including regulation, that will enhance the resilience and reduce the environmental impact of infrastructure and communities.

Business Panel on Climate Change

TrygVesta's CEO, Stine Bosse, was in the run-up to COP 15 appointed as a member of the Danish Governments advisory business panel on climate change. The panels mandate was advising the Government concerning; a) growth opportunities in the field of climate related solutions, including research, training, innovation and Danish exports in the field of climate-solution technology; b) the competitiveness of the business community in relation to a new treaty on climate change; c) the roles and responsibilities of the business community and knowledge institutions in terms of handling the challenges of climate change.

Climate Gains 2020

In January 2009 TrygVesta together with 13 of the major Norwegian companies delivered a recommendation to the Norwegian government voicing the different industry perspectives to the governments work on climate change.

The recommendations were the result of one year of collaboration between the 14 companies and the "think tank" MandagMorgen to voice the private sectors views on how to facilitate a greener economy.

A member of the Group Executive Management represented TrygVesta in this work.

Norwegian official study on adaptation to climate change

TrygVesta participated in the consultation process for the ongoing official study on adaptation to climate change. During the consultation process TrygVesta voiced the need for a broader collaboration between the government and the insurance sector to enhance the resilience and to reduce the environmental impact caused by climate change. The official study is meant to inform the political discussions in front of a major white paper on climate change.

e Work effectively with emergency services and others in the event of a major climate-related disaster.

The collaboration with emergency services is organized differently within the Nordic region. In Norway there is a broad insurance industry collaboration concerning preparedness for a major climate related disaster, while in Denmark this is left more to the individual companies.

Therefore, in Denmark TrygVesta collaborates with a range of private "injury service" firms to ensure sufficient capacity in the case of a major disaster. TrygVesta also collaborates directly with the national and regional emergency services in Denmark to learn from earlier incidents and to establish procedures in case of major events. This is a continuously dialogue and collaboration.

In Norway the preparedness in case of a major climate related disaster is organized in connection to the Natural Perils Fund, and is to be described as a collective preparedness drawing on resources from the industry collectively. This ensures a high capacity in case of a major climate related disaster.

In February 2009 TrygVesta participated in a major disaster exercise in Norway testing the internal capacities in case of a weather related catastrophe. This was a collaboration between the government, the emergency services and the insurance industry at large.

Principle 3: Support climate awareness amongst our customers

a Inform our customers of climate risk and provide support and tools so that they can assess their own levels of risk.

Agenda: Climate change

In the autumn of 2009 TrygVesta's commercial customers in Denmark and Norway all received a custom made material informing them on the nature of climate related risks and the need for active climate risk assessments. The material also presented TrygVesta's ongoing initiatives and informed about how TrygVesta can work with them to identify, assess and ensure adaptation measures being reviewed.

The material was custom made to raise the awareness amongst our commercial customers and to contribute to a demand for climate related services and products.

Online campaign promoting climate friendly living

In the autumn of 2009 TrygVesta launched a climate campaign on our customer sites in Denmark and Norway. The campaign targeted private customers and informed on how you in your day to day activities can reduce your own emissions.

The campaign focused primarily on measures concerning transport and energy.

The campaign was based on a calculation tool measuring both the amount of CO₂ as well as money to be saved. The campaign was connected to Facebook facilitating you to invite your friends to take part in your own climate campaign.

In addition to informing our customers on their own emissions the campaign informed about measures being taken by TrygVesta to reduce the Group's emissions, on partnerships and collaborations we're part of, and on "green" products.

Link to the campaign: <http://klima.trygvesta.no/#/activities/2/5>

Environmental and climate related risk screening for commercial customers

TrygVesta has developed a tool to identify and assess climate related risks for our commercial customers. The tool is meant to inform the customer about their climate related risk profile, assess the individual and collective risks, and hence to develop measures to reduce the customer's vulnerability.

In 2010 the tool is being revised to ensure the use of new climate related data concerning risks on a regional and local level, and to integrate new climate related risk parameters.

b Encourage our customers to adapt to climate change and reduce their greenhouse gas emissions through insurance products and services.

The measures described in 3a are all meant to inform our customers on climate risk, encourage them to adapt to the changing climate and encourage them to reduce their own emissions. At the same time the screening tool for commercial customers are meant to facilitate adaptation and to supply the customer with good advice on how to handle specific climate related risks.

Electric car insurance

In 2009 TrygVesta launched an Electric Car Insurance in Denmark and Norway. The insurance is approximately 40% cheaper than ordinary car insurance, hence making price an incentive for purchasing an electric car.

In addition to sending a clear signal to the customers about their influence over their own emissions, the insurance product is also priced based to the advantageous risk profile of an electric car driver.

Private property insurance

TrygVesta is also using the pricing mechanism to encourage our customers to adapt to climate change. In Denmark houses with cellars in areas threaten by flooding is priced differently than housing without cellars, hence establishing a price incentive for new buildings to take precautions and to adapt to the risks at hand.

In Norway TrygVesta's ExtraPlus property insurance rewards customers that rebuild their houses after a fire including energy efficient measures.

The ExtraPlus insurance contributes with 50 000 NOK in addition to the ordinary claim settlement as an incentive for a "greener" rebuild.

c Increase the proportion of repairs that are carried out in a sustainable way through dialogue with suppliers and developers and manage waste material appropriately.

In addition to the incentives included in the ExtraPlus property insurance, TrygVesta has the ambition to provide a more sustainable claims process for our customers. The Group has therefore initiated a range of initiatives and partnerships to facilitate this.

The "green" claims handling project

In 2009 TrygVesta established a project concerning a greener claims handling process throughout the Group. The project involve our major suppliers and different industry associations to set goals and define means to secure more sustainable claims handling and repairs.

The project is focusing on guiding our suppliers in documenting their services in relation to environmental and climate related issues, and to establish routines for reporting and monitoring. During the spring of 2010 TrygVesta has explored practical means to facilitate the suppliers in accomplishing a more sustainable deliverance concerning both repairs and rebuilds.

The Danish Council for Sustainable Business

As mentioned earlier TrygVesta partakes in The Danish Council for Sustainable Business and was in 2009 in charge of a working group on sustainable purchases, developing standards and routines for both purchases in general and purchases in connection with claims handling processes. The sharing and working with other sectors have been especially fruitful for guiding our internal work to ensure a more sustainable claims handling. Link: <http://www.rbenet.dk/index.dsp?area=9>

Environmental certification

TrygVesta is in process of achieving a Nordic environmental certification for the entire Group. The certification specifies demands for sustainable purchases throughout the Group. TrygVesta has integrated specific environmental and climate related conditions in our supplier's guidelines (TrygVestas Common Purchasing Conditions as of November 2008) and are now strengthening the practical monitoring of whether these are being followed. The certification is estimated to be achieved by the end of 2010.

d Consider how we can use our expertise to assist the developing world to understand and respond to climate change.

The TrygVesta Group does not have any business or operations of significant size outside the Nordic region. Still, in connection to our CSR initiatives we are looking into ways of sharing our knowledge to assist communities in the developing world.

Micro Insurance

TrygVesta has in 2010 started a collaboration with BI Norwegian School of Management looking into Micro Insurance projects in the developing world (India and Africa). These projects are important to establish a financial and practical framework for growth, and for empowering smaller communities. Both vital conditions for a sustainable development, and for putting climate change and adaptive practices on the agenda.

TrygVesta is looking to partake in a Micro Insurance scheme based on empowering local communities to initiate sustainable activities that also enable them to enhance the community's resilience to climate change.

Principle 4: Incorporate climate change into our investment strategies

a Consider the implications of climate change for company performance and shareholder value, and incorporate this information into our investment decision-making process.

TrygVesta has since 1997 had a SRI policy including environmental, social and climate related issues. TrygVesta mainly using an external fund manager, Nordea, the Group's SRI policy is thoroughly and explicitly communicated and discussed with our fund managers on a regular basis.

UNPRI

In 2009 TrygVesta joined the UNPRI, further incorporating ESG issues into investment analysis and decision-making processes within the Group. In 2010 TrygVesta is strengthening the regular reporting on SRI from our external asset managers, and hence the reporting on the asset manager's ongoing progress in implementing ESG in the investment process.

Our external fund manager, Nordea, is also a member of UNPRI.

Climate portfolio

In 2009 a specific portfolio of 100 mio DKK was dedicated to investments in climate sustainable activities, 50 % of which will be invested through a fund with a focus on activities in developing countries.

b Encourage appropriate disclosure on climate change from the companies in which we invest.

Carbon Disclosure Project

In 2007 TrygVesta as one of the first Danish companies signed up to the Carbon Disclosure Project, hence disclosing our views and strategies concerning climate change and documenting the Groups own emissions.

TrygVesta is also actively encouraging other companies to enter CDP and are ourselves using CDP data to inform investment decisions.

Voting policy on ESG issues

TrygVesta have no voting policy ourselves since we've outsourced the portfolio

management of listed equities but prefer external managers who have a voting policy.

TrygVesta are also voicing its active ownership dialogue through Hermes Equity Ownership Services to influence the companies we invest in, in a more climate-friendly direction. This through a collective ownership dialogue in collaboration with other investors.

c Encourage improvements in the energy-efficiency and climate resilience of our investment property portfolio.

No data

d Communicate our investment beliefs and strategy on climate change to our customers and shareholders.

TrygVesta participates in an open dialogue with both customers and the Group's shareholders about the Group's investment strategy exposing the assumptions behind the strategy. TrygVesta consider our efforts on this element of the principle to be "moderate".

Link: <http://www.trygvesta.com/uk/Menu/CSR/Commitments%2c+principles+and+policies>

e Share our assessment of the impacts of climate change with our pension fund trustees.

TrygVesta's pension fund is Nordea Life, and hence subject to the same investment regime as our external fund manager, Nordea. We consider the sharing of our assessments relating to climate change as part of the continuous steering dialogue with the Group's external fund managers.

Principle 5: Reduce the environmental impact of our business

a Encourage our suppliers to improve the sustainability of their products and services.

TrygVesta has integrated specific environmental and climate related conditions in our supplier's guidelines (TrygVestas Common Purchasing Conditions as of November 2008) and are now strengthening the practical monitoring of whether these are being followed.

TrygVesta's general procurement criteria's are in compliance with the UN Global Compact guidelines.

b Measure and seek to reduce the environmental impact of the internal operations and physical assets under our control.

After a GHG screening in 2007, the TrygVesta Group have decided on reducing the Groups total emissions with 10% over the three-year period 2008-2010 (2007 is baseline year). The main sources of emissions being energy, heating, car- and air transport these are the focus areas for the reductions plans, as reflected in the setting of Climate & Environmental Management targets for the Group. (Appendix A and B).

Emissions accounts

TrygVesta have since 2007 produced yearly emissions accounts outlining the Group's GHG emissions.

The accounts are made available at our corporate site, www.trygvesta.com.

After the initial reduction period, 2008-2010, TrygVesta will broaden the scope of the

accounts and introduce a new version of the yearly accounts in 2011.
The emissions accounts will from 2011 be verified by our external accountants, Deloitte.

Carbon Disclosure Project

TrygVesta have since 2008 reported yearly to the Carbon Disclosure Project and was one of the first Danish companies to start reporting to CDP.

CO2 reduction target on air travel

In 2009 TrygVesta renewed its travel policy outlining guidelines for car and air transport within the Group, introducing a 5% reduction target (for 2009) on CO2 emissions by air transport. The target was hence introduced into the Balanced Scorecard reporting and all business units are reporting quarterly on their emissions.

The reduction goal for 2009 was not met and the TrygVesta Group therefore chose to connect the reduction target directly to TrygVesta's bonus program, hence creating an incentive for complying with the set reduction target.

To compensate for the results in 2009 the TrygVesta Group has set a 10% reduction target for 2010 (2008 are baseline year for the emissions reductions).

The Living House

TrygVesta will over a two-year period (2009-2010) renovate company head offices in Ballerup and Bergen creating a more dynamic, innovative and climate friendly workspace.

To reduce the Group's emissions and ensure a more sustainable workplace the project is focusing on:

- a) introducing new electronic collaboration tools for employees
- b) improving in-house waste management
- c) increase the video conference capacity within the Group.
- d) establishing automatic lighting control in our conference facilities
- e) eliminating the use of paper cups
- f) establishing sun screening in the company head office in Denmark
- g) reducing the amount of paper waste by:
 - reducing the number of printers
 - introducing "double screens"
 - promoting paperless case handling, within the Group.

Energy efficiency measures

As part of the rebuild TrygVesta has introduced energy efficiency measures to ensure a "greener" and more cost efficient heating of the company headquarters.

In Bergen TrygVesta in 2009 installed a "heating pump" while we in Ballerup was connected to a "distant heating" project providing us with a renewable clean energy source.

For a more detailed overview of TrygVesta's Climate & Environmental Management targets for 2009 and 2010, see Appendix A and B.

c Disclose our direct emissions of greenhouse gases using a globally recognised standard.

TrygVesta's emissions accounts are based on and in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

TrygVesta' emissions accounts will from 2011 onwards be validated by an independent third party.

Our emissions accounts are published on our company website www.trygvesta.com and we are also reporting openly to the Carbon Disclosure Project on our GHG emissions, methodology and emission factors used in the accounts.
The CDP report for 2010 is available from TrygVesta upon request.

d Engage our employees on our commitment to address climate change, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate-informed choices outside work.

The theme package in 2008

In the autumn of 2008 all 4300 employees in the TrygVesta Group participated in a theme package on climate change. The theme package consisted of three modules; a climate school (produced by WWF) communicating basic knowledge on climate change and related consequences; departmental sessions and discussions on the relevance of climate change for you as an employee; and departmental discussions on which measures TrygVesta should take to reduce the Group's GHG footprint. The last sessions resulted in over 250 suggestions from all parts of the organization voicing ideas and input to TrygVesta's Group Executive Management.

All suggestions were processed and a lot of them were included in the yearly Climate & Management Targets and in the major rebuild of the company headquarters in Ballerup and Bergen.

The theme package was the start of a broader employee involvement process making sure all parts of the organization is involved in the discussions and the decision-making concerning internal measures and initiatives. Employees are informed and invited to discuss different aspects concerning the work on climate change. Both emissions accounts and The Living House is frequently debated on our internal web pages.

CO2 reduction target on air travel

The reduction target on air travel and the quarterly reporting involves the whole organization and all employees in the effort to reduce emissions. Targets are being set and reported on department level.

Travel policy

In addition to our reduction target concerning air travel TrygVesta has renewed its travel policy to ensure a greener and more fuel efficient company carpark. TrygVesta has also decided to introduce electric cars into the company car park, and from 2011 and onwards 25% of all renewals of company cars will be electric cars.

The "personal" responsibility

In 2010 TrygVesta is working on establishing in-house guidelines to promote a more climate friendly work behavior within the Group and to encourage employees to make more climate-informed choices outside work.

Principle 6: Report and be accountable

a Recognise at Company Board level that climate risk has significant social and economic impacts and incorporate it into our business strategy and planning.

Board level commitment from members of the Group Executive Management

The climate and environmental initiatives in TrygVesta is organized in connection to the management secretariat within the Group, reporting directly to TrygVesta's CSR board. The board is headed by our CEO with participation from 3 additional members of the Group Executive Management. The board has quarterly meetings.

In addition to the board, one of the participating members of the Group Executive Management has the overall day to day responsibility for the Group's initiatives and the fulfillment of the Climate and Environmental Management targets.

Climate change as part of our overall strategy

To facilitate the integration of climate change issues into every relevant aspect of our business the Group Executive Management was in 2009 presented with a brief integrating 11 strategic climate issues into the Group's strategy plan. The 11 issues were organized according to our four strategic themes; Profitable growth; Peace-of-mind delivery; Self-service and Human competencies. The brief was approved by the Group Executive Management, hence distributing responsibility for each of the strategic issues amongst the members of the Group Executive Management.

This was an important step to ensure climate change being incorporated in all strategic decisions within the Group. The inclusion of these strategic issues is being followed up and reported on to the Group Executive Management annually and reported on quarterly to the CSR board.

Geneva Association report on the consequences of climate change

In July 2009, TrygVesta's CEO, Stine Bosse, as a member of the Geneva Association, participated at the launch of a major publication analyzing the consequences for the insurance industry. Shortly after TrygVesta's CEO went public with an analysis of the consequences in Denmark concerning raising premiums if not efforts to promote adaptation was enforced.

TrygVesta also contributed to the report contributing a paper concerning "The landscape of climate cooperation between governments and the insurance industry".

Link: http://www.genevaassociation.org/PDF/Geneva_Reports/Geneva_report%5B2%5D.pdf

Geneva Association COP15 event

As mentioned earlier, TrygVesta as a member of the Geneva Association, cohosted a panel discussion on Climate Change and Insurance at the COP15 venue in December 2009. The discussion brought together some 100 participants from international insurance companies, decision makers and organizations and called upon them to explore the potential for partnerships between public and private players with the aim of enhancing the policies as well as practices for climate adaptation and emissions reduction.

b Publish a statement as part of our annual reporting detailing the actions that have been taken on these principles.

The TrygVesta Group participates in a number of climate related initiatives committing the Group to a rather extensive reporting on climate change issues, the ClimateWise report being one of them.

Participating in the ClimateWise collaboration since July 2009 we have yet to find the optimal reporting format to fulfill all reporting commitments within one and the same format, hence we are producing a number of different reports to fulfill our obligations.

As of 2009 TrygVesta is also bound by Danish law to report on our CSR engagement including climate change issues as part of the annual reporting.

TrygVesta's reporting and communication on climate change issues are primarily:

- TrygVesta's own emissions accounts
- Carbon Disclosure Project report
- Statement on CSR (Danish Law)

- ClimateWise report
- TrygVesta's stakeholder magazine

Link: <http://www.trygvesta.com/uk/Materiale/Files/2009/Full+year+2009/Stakeholder+Magazine+2009>

- Communication on new activities/actions and progress reports on our corporate website, www.trygvesta.com

Our corporate website being the most flexible reporting platform, we are working on making this a more functional channel to communicate on our different commitments. We are also publishing our emissions accounts and our annually Climate and Environmental Management Targets as well as reports on progress. This ClimateWise report being the annually statement that systematically details actions taken against each principle, will also be made accessible in a practical fashion on the website.

Should there be any questions or need for additional information concerning the TrygVesta Group's reporting on actions that have been taken on the 6 ClimateWise Principles, please contact us.

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Appendix A: Climate & Environmental Management targets and reporting 2009

Climate & Environmental Management targets		
TrygVesta has defined 8 climate and environmental targets for 2009:		
1	TrygVesta intends to renew its travel policy outlining guidelines for car and air transport within the Group. <i>(A 5% cut in) CO2 emissions by air transport is being introduced into the Balanced Scorecard reporting, and a more climate friendly company car park is underway.</i>	<ul style="list-style-type: none"> - Balance Scorecard reporting on CO2 emissions established - New booking system pr. 01. 01.2010 will facilitate more reliable reporting - Introducing electric cars into the company car park (25% of all renewals from 2011 onward)
	5% cut in CO2 emissions by air transport	<ul style="list-style-type: none"> - An increase in emissions by air transport in 2009
2	TrygVesta intends to establish in-house guidelines to promote a more climate friendly work behaviour within the Group.	<ul style="list-style-type: none"> - Not part of the initial "Check in" process of the rebuild/DLH - Planned as part of the "DLH status and development dialogue" (step 2)
3	TrygVesta intends to increase the video conference capacity within the Group.	<ul style="list-style-type: none"> - Video conference facilities established as the renovation progresses
4	TrygVesta will over a two-year period renovate company head office in Ballerup and Bergen creating a more dynamic, innovative and climate friendly workspace. We intend to:	
	- introduce new electronic collaboration tools for employees	<ul style="list-style-type: none"> - Smart board facilities established as the renovation progresses
	- improve in-house waste management	<ul style="list-style-type: none"> - Private waste bins eliminated - Central recycling stations established throughout DLH
	- establish automatic lighting control in our conference facilities	<ul style="list-style-type: none"> - Automatic lighting control established as the renovation progresses
	- eliminate the use of paper cups	<ul style="list-style-type: none"> - Paper cups substituted by private (porcelain) cups throughout DLH
	- facilitate cordless network access	<ul style="list-style-type: none"> - Cordless network established as the renovation progresses
	- establish sun screening in the company head office in Denmark	<ul style="list-style-type: none"> - Progressing as scheduled
5	TrygVesta intends to reduce the amount of paper waste by:	
	- reducing the number of printers	<ul style="list-style-type: none"> - Private printers eliminated - Central print stations established throughout DLH - Secure print as standard - Black and white + double sided print
	- introducing "double screens"	<ul style="list-style-type: none"> - Double screens established throughout DLH
	- promoting paperless case handling, within the Group.	<ul style="list-style-type: none"> - Progressing as scheduled
6	TrygVesta is committed to the Norwegian government's initiative "Klimaløftet" and intends to continue playing an active role in promoting the initiative	<ul style="list-style-type: none"> - TrygVesta participated on network meetings and shared both experience and best practice with other participants in the initiative
7	TrygVesta intends to define and introduce a range of sustainability criteria in regard to the Group's suppliers	<ul style="list-style-type: none"> - Pilot project conducted in the claims department - Project organization established from 2010 onward - Continuous work on sustainability criteria's in regard to our suppliers
8	TrygVesta intends to release a new "green" insurance product	<ul style="list-style-type: none"> - TrygVesta launched a new electric car insurance in 2009 - TrygVesta promoted/relaunched the Environmental screening tool for the industry sector (Agenda DK + NO)



Target reached



Target partially reached



Target not reached

Appendix B: Climate & Environmental Management targets 2010

Climate & Environmental Management targets*			
TrygVesta has defined 10 climate and environmental targets for 2010:			
1	TrygVesta intends to establish environmental management standards in accordance with the Miljøfyrtårn certificate and certify its company headquarters in Denmark and Norway (Report and be accountable)		
2	TrygVesta intends to establish in-house guidelines to promote a more climate friendly work behavior within the Group (transferred from 2009) and encourage employees to make climate-informed choices outside work (Reduce the environmental impact of our business)		
3	TrygVesta intends to include CO2 reduction targets on division level in the Balanced Scorecard reporting and connect this to TrygVestas bonus program (Reduce the environmental impact of our business)		
4	TrygVesta will over a two-year period renovate company head office in Ballerup and Bergen creating a more dynamic, innovative and climate friendly workspace. We intend to (continuing from 2009): (Reduce the environmental impact of our business)		
	- introduce new electronic collaboration tools for employees		
	- improve in-house waste management		
	- establish automatic lighting control in our conference facilities		
	- eliminate the use of paper cups		
	- facilitate cordless network access		
	- establish sun screening in the company head office in Denmark		
5	TrygVesta intends to develop a upgraded version of its yearly emissions accounts for the reduction period starting from 2011, including a broader scope of the Groups emissions (Report and be accountable)		
6	TrygVesta intends to partake in an industry collaboration with the four leading insurers in the Nordic region to promote mitigation and adaptation efforts within the insurance industry (Inform public policy making)		
7	TrygVesta intends to define and introduce a range of sustainability criteria in regard to the Group's suppliers (continuing from 2009) (Support climate awareness amongst our customers)		
8	TrygVesta intends to further develop its environmental risks screening tool for commercial costumers to reduce vulnerability posed by climate change (Lead in risk analysis)		
9	TrygVesta intends to partake in a pilot collaboration with central and local authorities (Direktoratet for Samfunnssikkerhet og Beredskap) to share and enhance risk knowledge, and promote adaptation measures in local communities (Support climate awareness amongst our customers)(Inform public policy making)		
10	TrygVesta (also this year) intends to develop a new "green" insurance product (Support climate awareness amongst our customers)		

* Corresponding ClimateWise principles marked in red