Annual Report 2024

Danica Pension, Livsforsikringsaktieselskab

Danica

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This Annual Report 2024 is a translation of the original report in the Danish language (Årsrapport 2024). In case of discrepancy, the Danish version prevails.

In accordance with the requirements of the ESEF Regulation, the Annual Report for 2024 of Danica Pension, Livsforsikringsaktieselskab consists of a zip file, danicapension-2024-12-31-0-da.zip, which includes an XHTML file. The XHTML file is the official version of the Annual Report. This PDF version of the Annual Report is a copy of the XHTML file. In case of discrepancies, the XHTML file prevails.

SELECTED FINANCIAL HIGHLIGHTS FOR THE DANICA GROUP[1)]

DKK millions	2024	2023	2022	2021	2020
PREMIUMS INCLUDING INVESTMENT CONTRACTS[2)]	43,643	38,647	35,138	36,823	27,878
INCOME STATEMENT					
Insurance service result	261	779	1,572	-	-
Investment result	1,033	615	-1,740	-	-
Other income and expenses	40	28	30	-	-
Profit/loss before tax, goodwill impairment and discontinued operations	1,334	1,422	-138	2,078	1,700
Tax	-108	-225	-18	-424	-275
Goodwill impairment	-	-	-1,627	-	-
Profit after tax from discontinued operations	54	50	412	76	76
Profit/loss for the year	1,280	1,247	-1,371	1,730	1,501
BALANCE SHEET					
Total assets	595,334	541,667	539,554	678,900	669,407
Total provisions for insurance and investment contracts	483,027	438,527	403,255	469,472	458,253
Total shareholders' equity	20,503	20,364	19,117	24,122	22,377
DANICA (PARENT)					
KEY FIGURES AND RATIOS (%)					
Return related to average rate products	3.3	4.6	-14.6	0.0	6.0
Return related to unit-linked products	13.6	10.5	-14.9	13.3	8.3
Risk on return related to unit linked products	5.25	4.75	5.25	4.50	4.50
Net return before tax on pension returns on average-rate products[3)]	2.8	3.6	-4.7	5.2	3.1
Expenses as per cent of provisions	0.31	0.32	0.29	0.27	0.29
Expenses per policyholder (DKK)	1,884	1,742	1,656	1,596	1,584
Return on equity after tax	5.1	5.6	-5.2	7.4	6.9
Return on equity after tax (Group)	6.4	6.3	-6.5		
Solvency coverage ratio[4)]	207	170	188	212	204
RATIOS FOR HEALTH AND ACCIDENT INSURANCE					
Gross claims ratio	150	167	96	142	145
Gross expense ratio	6	10	6	10	8

1) This statement and reported figures for the period 2022-2024 have been prepared and are presented in accordance with IFRS 17, whereas previous financial years have been prepared in accordance with IFRS 4. Where figures and disclosures for the financial years 2021 and 2020 are not comparable with IFRS 17, these have been omitted.
2) Excluding premiums from discontinued operations in Norway (sold in 2022)
3) The ratios include change in accumulated value adjustment
4) At 31 December 2024, Danica's solvency capital requirement (SCR) was DKK 16,005 million and its total capital was DKK 33,081 million.

On 25 June 2021, Danica Pension, Livsforsikringsaktieselskab and Forsikringsselskabet Danica Skadesforsikringsaktieselskab merged, with Danica Pension, Livsforsikringsaktieselskab as the continuing company. Comparative figures for prior periods have been restated.

For the full list of financial ratios pursuant to the Danish FSA's Executive Order on Financial Reports for Insurance Companies and Multi-employer Occupational Pension Funds, see page 118.

Comments on selected financial highlights for the Group
Premiums including investment contracts comprise all regular and single premiums in the life business and health and accident insurance premiums.

Ratios:
Return before tax on pension returns including return related to unit-linked products comprises all products and is calculated in accordance with the Danish FSA's definitions of return ratios. See the significant accounting policies note.

STRATEGY AND HIGHLIGHTS

Danica has introduced a new strategy focusing on enhancing customer satisfaction with the aim of becoming the preferred pension company in Denmark before 2028. Highlighting the great potential of the collaboration with Danske Bank, the strategy aims to optimise the customer experience by offering improved digital solutions, convenient healthcare solutions and quality pension advice. The new strategy was announced within the Group in November and took effect on 1 January 2025.

Continuing growth
Danica has seen strong growth in recent years, and this continued in 2024 as premiums rose 13%. A special focus in the past year on Danica's collaboration with Danske Bank was also reflected in the performance, as sales to new customers through Danske Bank were up 40% relative to 2023. In addition, Danica won many tenders by virtue of a strong combined value proposition. This growth is a clear indication of Danica's strong position in the pension market driven by comprehensive healthcare offerings, strong returns and thorough advice.

Positive financial market trends
The global economy gradually rebounded in 2024, fuelled by strong growth in some sectors, while high inflation and geopolitical tensions detracted from growth.

US equities were driven by strong tech industry results and a general economic recovery. Meanwhile, green enterprises in Europe faced headwinds, hampered by regulatory challenges and financial turbulence. For example, Swedish battery manufacturer Northvolt, to which Danica has granted a loan, filed for reconstruction to avoid bankruptcy.

Investment return
We delivered strong returns on our main pension product, Danica Balance, across all customer profiles in 2024. A typical customer received a return of 15.3%, which ranged at the top of commercial pension providers' returns.

Over a five-year period, the return was 42%, which also ranged at the top among commercial pension providers.
These figures are a clear indication that our investment strategy delivers strong long-term net returns.

New strategy for Danica
Customer satisfaction is highlighted as the primary growth driver in the new strategy, supported by convenient digital solutions, attractive returns and high-quality advice. Another key element of the strategy is to strengthen the collaboration with our owner, Danske Bank, to leverage synergies between banking and pension business. We will also invest in employee development, AI and data solutions and continue to evolve our sustainability strategy.

Customer satisfaction
In Aalund's annual customer satisfaction survey, Danica advanced on all major satisfaction, image and loyalty parameters. Danica now holds a joint first place in the overall customer satisfaction survey, which clearly reflects our continuous focus on our customers. Danica also ranks first in loyalty, indicating that we have formed strong, lasting relations with our customers.

Strong growth in the self-employed segment (PfS)
In the past year, Danica again focused strongly on Pension for Selvstændige (PfS). We recorded historically high premium payments from self-employed customers in the past year, and the number of customers once again grew.

This performance was driven by a close collaboration between Danica's PfS advisers, PfS and our self-employed customers. For more than 30 years, the self-employed segment has been an important focus area for Danica. It is important to us to make a difference for the self-employed. This includes advising them and ensuring that they have the right pension schemes and adequate insurance covers if they suffer long-term illness as well as providing the best healthcare solutions to reduce their sickness absence.

Close collaboration with Danske Bank for the benefit of customers
The aim of Danica's new strategy is to become the preferred pension company in Denmark. This includes offering the best possible advice to our customers, also about their personal finances.

Being part of Danske Bank benefits Danica's customers in many ways, including access to IT solutions that make it easy to be a customer and comprehensive financial advice on everything from car loans to the division of pension savings in the event of divorce.

Danica has identified a potential to synchronise services between Danske Bank and Danica to increase the number of customers engaging in both services, especially among small and medium-sized enterprises. Danica's sales generated via Danske Bank were already higher than normal in the past year, and this trend is expected to grow in the coming years.

New fossil fuel investment restrictions
As part of the Danske Bank Group, Danica has introduced a new policy on investments in companies operating in the fossil fuel sector. The implementation of this policy, initiated on 1 January 2025, involves a phase-out of investments in fossil fuel companies that are deemed not to be in alignment with the new policy. The overarching criterion to determine whether a company can be included in the investment universe is whether the company has a credible transition plan for alignment with the Paris Agreement by 2030.

Significant reduction of investment costs
For a long period of time, Danica's own investment mandates have yielded very high returns, also compared with the external mandates, which typically have higher costs. For this reason, we decided in 2024 to take over a number of the external mandates, which allowed us to lower the overall cost level of our investments. The total cost savings amounted to approximately DKK 400 million, which affects the customers' annual expenses expressed in percent (APR) and in DKK (ÅOK). This cost reduction will place Danica in an even stronger position to deliver competitive customer returns.

Popular new healthcare solutions
More Danica customers are now getting help through early action, as the use of the Health Package increased almost 35% during the year. More customers are using the online access to a doctor, a psychologist and family counselling, for example. Over 40,000 consultations were conducted via the Health Package during the year. Consequently, we have chosen to let the coach and family counselling pilot projects continue in 2025.

The number of customers who recovered and returned to work, also known as reactivations, increased during the year, driven by intensified preventive and therapeutic healthcare efforts.

In the past year, Danica also launched a new healthcare concept focusing on the menopause. The subject has been taboo for many years, but this has major consequences for the individual. Moreover, calculations show that it costs Danish employers billions of kroner every year in absence due to illness. Danica therefore offers advice and treatment to customers suffering from menopause-related symptoms.

Launch of binding targets
Forebyggelsesalliancen, a prevention alliance established by Danica and encompassing 26 organisations, has launched a comprehensive prevention plan to improve the Danish population's health. The plan, which is the most ambitious to date, presents 78 political proposals and 10 concrete targets aimed at increasing the longevity of Danes by up to 4.5 years. This initiative addresses health risks such as smoking, alcohol consumption and physical inactivity and proposes measures such as tobacco bans for certain age groups, tax credits for physical activity and improved health screening in schools. Forebyggelsesalliancen calls for national prevention targets and a strategy towards 2035 to unlock the potential of these proposals, which could save the Danish healthcare system up to DKK 20 billion.

Digital advances improving customer service
Danica introduced a digital process to make it easier for customers to have their claims processed. It means that customers now have their claim processed immediately upon reporting in 3 out of 4 cases. Customer satisfaction has also improved as a result.

Furthermore, Pension Start has been integrated directly into Danica's Mobilpension app, making it easier for new customers to carry out the initial assessment of their pension needs. This advance is an example of Danica's 'mobile first' strategy to meet our customers' expectations of being able to easily solve queries related to their pension schemes and have quick and easy access to consultations with a doctor, for example, on their smartphone. The app was optimised several times during the year, for example making it easier for customers to track their return on their pension savings month by month.

New pricing structure for SMEs
During the year, Danica introduced a new pricing structure for 6-7,000 small and medium-sized enterprises. 70,000 pension customers will benefit from this in the form of cash subsidies and cheaper investment management. In contrast, the price of health and accident insurance was raised to match the real expenses. This change was part of a broader realignment in the industry in response to the Danish FSA's demand for adjustment of insurance prices to cover increasing expenses on health and accident insurance. Broadly speaking, however, the new pricing structure benefits customers.

Increase in health and accident claims
Danica generally helps more and more customers return to work after a period of illness. Data shows that when customers have full access to both the health package and health insurance, fewer suffer long-term illness.

However, this is not enough to offset the general trend in society that many people are reported absent due to illness, receive sickness benefits and attend re-employment or resource programmes. The result of the health and accident business was adversely affected by this trend.

For 2024, Danica reported a loss of DKK 1,194 million on the health and accident business excluding the investment result. Approximately half of the loss was attributable to higher claims expenses, while the other half was attributable to provisions for future losses on insurance contracts already in force and updates of actuarial model assumptions.

The new strategy has a strong focus on achieving a balanced health and accident business by means of improved healthcare solutions and price increases, among other things.

Significant increase in solvency coverage ratio
Danica's solvency coverage ratio rose from 170% at 31 December 2023 to 207% at 31 December 2024, reflecting the very strong financial foundation of the business. The higher solvency coverage ratio primarily resulted from a change to the method of

determining how the loss-absorbing capacity of deferred taxes is to be recognised in the solvency capital requirement.

Analyses in connection with replacement of core insurance systems
Danica has initiated a preliminary market analysis to identify potential suppliers of a new core insurance system. Timely and thorough identification is an important part of the process to ensure an ultimately efficient process. A new core system will ensure Danica's long-term ability to continue developing the best IT solutions in the market and offer high-quality customer service.

Change of name
At 1 January, we changed our name from 'Danica Pension' to 'Danica'. The name change is to signal that Danica's product offering to customers is broader than just pensions, but also includes healthcare solutions and general financial advice, for example. It also reflects the name by which company is typically referred to internally and externally. Danica's principal name (legal name) will remain Danica Pension, Livsforsikringsaktieselskab.

Summary of Sustainability Statement
As from 2024, Danica's sustainability reporting is prepared in accordance with the European Sustainability Reporting Standards (ESRS). The full Statement is contained within this Annual Report, but some of the highlights of Danica's first CSRD Report are set out here:

ESRS 2 (General information) This section presents Danica as a business and as a workplace as well as the process of Danica's double materiality assessment. Data in this section is primarily qualitative, and the most significant qualitative datapoints relate to the composition of the Board of Directors and sustainability KPIs in bonus schemes.

E1 (Climate change): It is Danica's ambition to contribute to the green transition and society's shift to a carbon-neutral[1] society. This approach supports the obligation and ambition to generate the best possible risk-adjusted long-term returns for the customers. The investment portfolio accounts for 99.9% of Danica's negative climate impacts. Emissions from Danica's own operations are also reported. Since 2019, Danica has reduced its own carbon emissions by 67% for scope 1 and 2 and by 27% for scope 1, 2 and 3. Scope 1, 2 and 3 emissions rose from 2023 to 2024, however, primarily driven by an increase in emissions from air travel. Danica's total carbon emissions across the business were down, however. The drop was mainly attributable to reduced data coverage on scope 3 data for the investment portfolio. Total emissions were down because the carbon intensity of the real estate portfolio was reduced by 35% relative to 2019 levels, and the CO2e sector reduction targets have now been achieved for all sectors except the energy, shipping and automotive sectors, for which reductions have seen a slight decline.

E4 (Biodiversity): Biodiversity is under pressure, and the restoration of biodiversity and ecosystems is crucial in terms of aligning with the Paris Agreement and safeguarding the foundation of the companies Danica invests in. This section describes the work related to Danica's properties and Danica's two biodiversity-related targets. The first target relates to active ownership and is that Danica is to have conducted 30 engagements with 30 portfolio companies by the end of 2025. The second target is that Danica is to launch three to five nature-enhancing projects per year. Both targets have been achieved.

S1 (Own workforce) This section presents Danica as a workplace, including: employee engagement, wellbeing and diversity. Significant datapoints relate to gender composition among Management and employees and pay gap. Under the CSRD, the pay gap is calculated as the difference in male and female employees' pay, regardless of position and level. Danica is above target in terms of the underrepresented gender at management level but fails to meet the gender diversity target for the Executive Board and the Board of Directors.

S4 (Consumers and end-users): Danica plays a fundamental role in society by providing financial services and solutions that support persons and businesses. This section focuses on describing Danica's financial security efforts. Danica's target is to help 500,000 persons or businesses become more financially secure by 2025. Another focus is Danica's target of helping at least 400,000 persons and businesses achieve a healthier lifestyle by 2025. Both targets were achieved in 2024. As Danica reports on customers, this is classified as entity-specific information under S4.

G1 (Business conduct): Under G1, Danica reports on corporate culture, as employee engagement surveys indicate a high degree of satisfaction and motivation among employees. Accordingly, Danica's culture is considered to have a positive impact. This section describes Danica's culture. The most significant datapoints relate to the degree of completion of eLearning courses and the employee engagement survey, in which Danica meets the target of an employee score of at least 80 out of 100 on satisfaction and motivation. Danica is also committed to following ethical guidelines and implementing anti-corruption actions. To this end, Danica has adopted policies and guidelines for the prevention of financial crime as well as policies to ensure that customers and employees are treated fairly.

[1] To facilitate comparison of various forms of GHGs such as methane, carbon dioxide (CO_2) and nitrous oxide, these are converted into so-called CO_2 equivalents (CO_2e). This indicates how much CO_2 the emission of a GHG equates to.

SUSTAINABILITY STATEMENT

An overview of the contents of Danica's Sustainability Statement is shown below. On the following pages, the Sustainability Statement is set out. The Statement has been prepared in accordance with the European Sustainability Reporting Standards ('ESRS'), which Danica is required to comply with pursuant to the new EU Corporate Sustainability Reporting Directive ('CSRD').

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SUSTAINABILITY STATEMENT

ESRS 2 – GENERAL INFORMATION

This Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards ('ESRS'), with which Danica is required to comply pursuant to the new EU Corporate Sustainability Reporting Directive ('CSRD').

Danica supports the ambition of the requirements and will over time work on improving the quality of reporting on Danica's sustainability actions, targets and results.

Policies etc. that are not an integral part of the statutory sustainability statement

The Sustainability Statement is compulsory and consists of a number of elements from the ESRS disclosure requirements, including requirements for references to and descriptions of central and essential policies, guidelines, formalised actions, etc.

The statement contains a few references to documents or descriptions that are not included in the statement, as they are not considered central or essential to the area but nonetheless contribute to the readers' understanding of the matter. Such references are not to be considered an integral part of the statutory Sustainability Statement, but merely a supplement to ensure the greatest possible transparency and insight into Danica's business.

Consolidation

In consolidating data, the reporting principles used are the same as those applied in Danica's financial statements. Accordingly, quantitative environmental, social and governance (ESG) data not only represents Danica, but also all its subsidiaries.

The Danica Group encompasses the following companies:

- Danica Pension, Livsforsikringsaktiesel-skab
- Danica Kapitalforvaltning K/S
- Danica Ejendomme P/S
- Real estate companies under the Danica Group

Danica controls data, and any ESG data consolidation happens according to the above principles, except in special circumstances where another approach is deemed more appropriate. Departure from the principles is disclosed where relevant. In addition to Danica's own operations, this Sustainability Statement also covers Danica's upstream and downstream value chains.

Omission of information and use of phase-in options, see ESRS 1 Annex

The following topics have been assessed to be material according to Danica's double materiality assessment:

	Impact	Risks and opportunities	Result
ESRS E1 – Climate change	Material	Not material	Material
ESRS 2 – Pollution	Not material	Not material	Not material
ESRS E3 – Water and marine resources	Not material	Not material	Not material
ESRS E4 – Biodiversity and ecosystems	Material	Not material	Material
ESRS E5 – Circular economy	Not material	Not material	Not material
ESRS S1 – Own workforce	Material	Material	Material
ESRS S2 – Workers in the value chain	Not material	Not material	Not material
ESRS S3 – Affected communities	Not material	Not material	Not material
ESRS S4 – Consumers and end-users	Material	Material	Material
ESRS G1 – Corporate culture	Material	Material	Material

Where possible, Danica uses the phase-in provisions in ESRS 1, Appendix C. Voluntary datapoints have been omitted when Danica assesses that such omission will not alter the quality of reporting in terms of fairly representing material topics.

Use of estimates

Wherever possible, Danica seeks to base the statement on factual data. When working with ESG data, using estimates is a central part of the process, however, particularly where precise, objective measurements cannot be made. In the past few years, Danica has used third-party estimates in its annual report, reporting on the Disclosure Regulation (SFDR), ESG performance data and reporting on Principal Adverse Indicators (PAI). To ensure transparency and comparability with the annual reports and reporting of previous years, Danica applies the same principles with any adjustments required under the CSRD. The quality of available data and the methods used to collect, process and evaluate data are still evolving. This means that, when preparing a sustainability statement in accordance with the new and stricter CSRD requirements, it is often necessary to use estimates and judgements, which implies a degree of uncertainty in the reported information.

As investing is a key part of Danica's business model, the use of third-party carbon data for investments is necessary to ensure comprehensive reporting. In relation to reporting on scope 3 carbon emissions data from the data provider ISS ESG, Danica uses data quality score 1 or 2 (reported data from companies). Reported carbon data from investee companies is subject to significant delays. The reason for this is that data is updated by the provider once a year in January on the basis of data reported in the companies' annual reports for the previous year. Over time, new data sources and improved quality of existing data may therefore also lead to changes in how the underlying data is understood and used.

Sustainability reporting with increasing focus on quantitative data is still a relatively new and fast-growing area. Consequently, there is still limited access to all relevant data. However, as the area is enjoying strong attention from industry players, authorities and the public alike, this is evolving. Danica closely monitors the area and will follow the general trend in the industry.

It is essential to Danica to continue to build and maintain a solid financial reporting foundation to ensure that the estimates and judgements are as precise and reliable as possible.

Changes to the preparation or presentation of sustainability disclosures

While this is Danica's first reporting under the CSRD and the ESRS requirements, Danica previously published sustainability reporting in the Annual Report.

As a result of the ongoing sustainability work and regulatory developments, this statement contains changes to comparative figures and methodologies in some areas, the most essential of which will be footnoted in the statement.

One example of this is Danica's calculation of scope 3 CO_2 emissions from the investment portfolio. Historically, Danica used data reported by the portfolio companies themselves as well as estimates provided by the data provider ISS ESG. That is not the case in this statement, as the Danske Bank Group assesses the uncertainty in the existing estimation methods used in the calculation of scope 3 emissions to be too high. The reason is that it is currently not possible to obtain adequate information about the data providers' estimation methods, which are naturally based on estimates and assumptions. This being the case, the Danske Bank Group is unable to verify the appropriateness and relevance of the information and is thus not able to transparently disclose the information to users of the Sustainability Statement. Therefore, the calculation of Danica's total scope 3 (category 15) emissions (regarding value chain information for the investments), only includes quality score 1 or 2 data, indicating data reported by the company and with limited use of estimates. Consequently, comparative figures have been restated.

The methodology used to calculate scope 3.6 business travel has also been adjusted, as Danica's air travel provider has updated its method of calculating CO_2. Danica's provider now uses emission factors based on mileage data and emission factors based on invoice data. Comparative air travel figures have been restated accordingly.

The methodology used to calculate carbon intensity for Danica Ejendomme has also been changed. For the reporting periods 2019-2023, developed area was measured and reported on the basis of heated floorspace. As from the current reporting period, area is calculated according to the reported BBR area, which is larger than the heated floorspace area. To improve the transparency of comparison between periods, Danica has decided to show historical figures using the same methodology (BBR area) as was used in the 2024 reporting period. Danica's target of reducing the real estate portfolio's carbon intensity by 69% by 2030 is relative to a baseline value from 2019. The baseline value is identical under the two methodologies.

Inclusion of information from other sustainability regulations

Danica has included information from Regulation (EU) 2019/2088 (the 'Disclosure Regulation/SFDR') and Regulation (EU) 2020/852 (the 'Taxonomy Regulation').

<u>Sustainability strategy</u>

Danica has adopted a sustainability strategy with strategic goals for the period to 2025. The sustainability strategy defines three strategic themes that support the UN Sustainable Development Goals: Climate and environment, Financial security and A healthier lifestyle. Danica's goals are to

- help society transition to net-zero carbon emissions by investing DKK 100 billion in the green transition by 2030 or sooner and contribute to increasing biodiversity in nature
- help 500,000 persons and undertakings become more financially secure in the period from 2019 towards 2025
- help 400,000 persons and undertakings to achieve a healthier lifestyle in the period from 2019 towards 2025

See outline of the sustainability strategy at the bottom of the page.

To build a strong foundation, Danica continually strives to integrate responsibility into its core business. The means to achieving this are responsible investments, responsible operations, a responsible workplace and culture and volunteer work. Danica's sustainability strategy is to be revised in 2025. At the same time, the need for adjustments to the strategy is assessed on an ongoing basis if Danske Bank's sustainability strategy is amended or any other adjustments are required.

Danica's Executive Board is responsible for approving and implementing the sustainability strategy. The Executive Board is also responsible for overseeing Danica's implementation of the sustainability strategy and for approving any changes to the strategy, including to the targets. The integration of material sustainability topics in the strategy and business model is disclosed in the reporting on the individual standards.

Business model

Danica is owned by Danske Bank and is one of the largest life insurance and pension providers in Denmark. The Board of Directors holds overall responsibility for decisions about Danica's business model to balance the interests of customers and owners. Danica's business model applies to Danica Livsforsikringsaktieselskab.

Pension savings products

Danica offers pension savings products and various risk products, including life and disability insurance. Danica focuses particularly on investments that reflect environmental, social and governance (ESG) factors.

Risk products

Customers have a choice of various risk products including cover for loss of earning capacity, waiver of contribution, covers on death and spousal covers. The insurance rules are intended to provide a balance between the desired return and the related risk. Danica also offers risk products through Forenede Gruppeliv as well as health insurance and health packages.
Danica has not identified any particular products or services in relation to material impacts, risks or opportunities.

Customer segments and sales channels

Danica writes pension schemes for customers, mainly in Denmark, within these two categories:

1. Personal customers with individual agreements
2. Personal customers with an agreement under a framework agreement with Danica, e.g. PFS (Pension for Selvstændige) *or* employees of an undertaking that has entered into a company pension agreement setting out the terms of the pension schemes and insurance covers of its employees

Sales are made according to a multi-channel distribution strategy via Danica's own sales force, brokers, partners and in collaboration with Danske Bank. Danica has not identified any

Sustainability strategy towards 2025

particular customer groups in relation to material impacts, risks or opportunities.

Investment and financial risk management
Danica focuses on generating competitive investment returns for its customers. Consequently, the objective of its investment strategy is to achieve systematically high net returns. The investment strategy is based on calculated required rates of return and on analyses and simulations to ensure the security, quality, liquidity and profitability of the portfolio.

Investment limits are determined so as to ensure that Danica does not assume concentration and liquidity risks on individual products that jeopardise the customers' interests. In addition to the investment limits, the Board of Directors adopts separate risk management frameworks. The purpose of these limits and frameworks is to accurately reflect Danica's actual risk in a Solvency II scenario as well in a more commonly occurring market scenario.

Follow-up on goals
Danica reports on the sustainability strategy on a quarterly basis via an internal KPI dashboard. The KPI dashboard data describes environmental, governance and social issues that are relevant in order to assess progress on the implementation of the sustainability strategy.

Sustainability information provided to the Board of Directors and the Executive Board
Danica has identified three sustainability topics on which to focus: Climate and environment, Financial security and A healthier lifestyle. These three topics are all material to varying degrees in terms of impact, risk and opportunities. The Executive Board and the Board of Directors are notified of the status of each of the three topics as part of the regular strategy follow up. The Board of Directors and the Executive Board are also informed of the outcome of Danica's double materiality assessment.

The sustainability topics that Danica's Executive Board and Board of Directors considered in 2024 included:

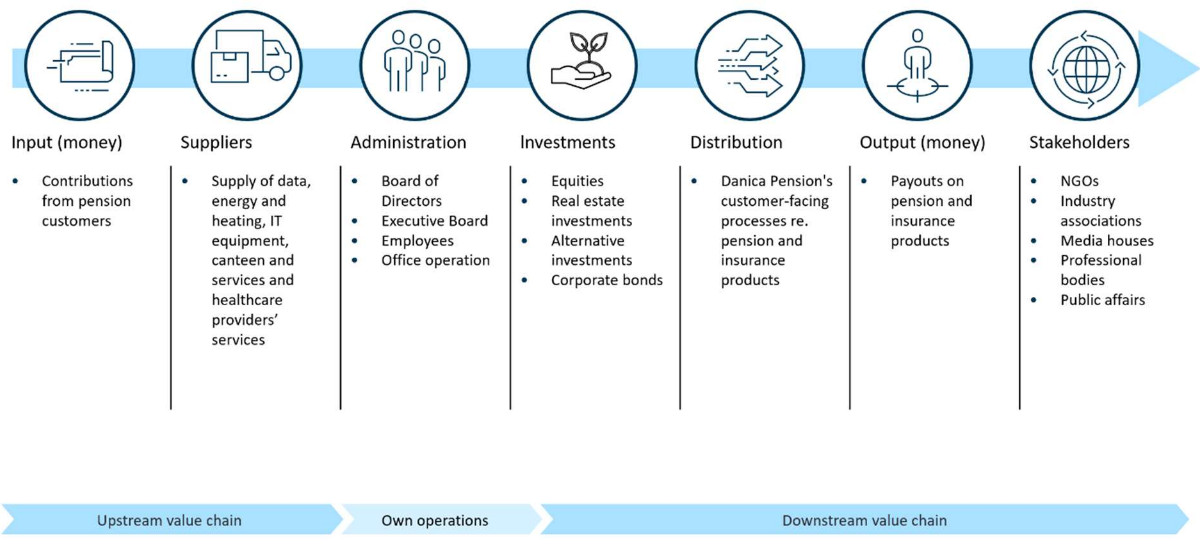
- Status of the sustainability strategy towards 2025
- Review of Danica's material sustainability risks
- Introduction to and presentation of the CSRD project
- Inspection of sustainable investments with the Danish FSA
- Taxonomy reporting
- Responsible Investment Policy, Active Ownership Policy and Sustainability Policy
- Climate target status for investments

__Value chain__
Danica's own operations and value chain activities
Danica has upstream value chain activities involving the use of services from suppliers, own operations comprising administrative activities, and downstream value chain activities in the form of investments and management of products and services for customers.

Danica's own operations are defined as activities related to the Executive Board, the Board of Directors, employees and building operations.

Included under own operations are employees' working terms and conditions, such as working hours, remuneration, diversity and employment

Danica's value chain



security. Another component is the management structure of the business, including corporate culture, degree of political engagement and prevention of corruption and bribery. Included in building operations are Danica's carbon emissions and energy consumption from office buildings, resource consumption and waste management.

Danica's upstream activities mainly comprise services provided by suppliers. Central services include the supply of data, energy and heating, IT equipment, canteen and services and healthcare providers' services.

Danica's downstream activities comprise the management of pension and insurance products (Danica's services and products), investment activities and business relationships with external stakeholders such as NGOs, industry associations, media houses, professional bodies and politicians.

Impact, risk and opportunity management

Double materiality assessment methodology

In 2024, Danica performed a double materiality assessment on the basis of the following steps:

1. Preparation of the materiality assessment
   a. Identification of internal stakeholders
   b. Workshops (scoring of topics)
   c. Establishment of impacts, risks and opportunities (IROs)
   d. Financial materiality assessment
   e. Impact assessment of downstream activities
   f. Preparation of template
2. Review of materiality assessment
   a. Presentation of assessment to Executive Board and others Conclusion and methodology memo
   b. Adjustment of assessment
   c. Interviews with external stakeholders
   d. Documentation of the outcome and preparation of methodology memo

Preparation of the materiality assessment

1.a.: Danica identified employees and top management members from various departments and the Executive Board as significant internal stakeholders because they possess knowledge about Danica's business and organisation that is useful for the assessment.

1.b. & c.: These internal stakeholders participated in workshops where impacts, risks and opportunities (IROs) on own operations and customer-facing processes were identified based on specific information about Danica's business. These IROs were recorded and categorised within the relevant ESRSs, and the internal stakeholders assessed each sub-topic, scored them and argued their relevance (the scoring basis is explained in more detail below). Based on the scores, it was determined which sub-topics were considered material.

1.d.: For the financial materiality analysis of own operations, a materiality level of DKK 100 million was applied to assess whether a topic was material. Whenever possible, financial reporting data was obtained to support the financial impact of the topic in question.

1.e.: Similarly, a downstream impact assessment was conducted to assess the societal impact of Danica's investments. The analysis was prepared by the Sustainability Team and the CFO.

1.f.: Subsequently, a template was prepared for the overall double materiality assessment, in which the IROs were listed at sub-topic level. In the financial materiality assessment, likelihood and a scale of the financial impact were also added.

Review of materiality assessment

2.a.: The results of the scoring and assessment were then collated by the Sustainability Team and reviewed by the Executive Board, the Responsible Investment team at Danske Bank and Danica Ejendomme. Finally, the Board of Directors was presented with the outcomes.

2.b.: On the basis of the review of the assessment with the Executive Board, Responsible Investment at Danske Bank and Danica Ejendomme, the assessment was adjusted to arrive at the final outcome.

2.c.: Interviews with relevant external stakeholders were then conducted to validate the assessment (elaboration below).

2.d.: Finally, Danica prepared a methodology memo describing the double materiality assessment process.

Identification of IROs

The double materiality assessment sets out IROs for environmental, social and governance matters. The IROs were the result of the workshops with internal stakeholders and the material from the preparation of the financial assessment and the downstream assessment. Policies, business procedures, employee satisfaction surveys, job satisfaction survey, reporting on the Disclosure Regulation (SFDR) and own estimates were also employed in the identification of IROs.

To each IRO is attached an evaluation, a rationale and documentation of Danica's material impacts, risks and opportunities.

Impact materiality
Danica's assessment considered both positive and negative impacts, distinguishing between actual and potential impacts. Entity-specific information is shown under S4.

Impact materiality was assessed according to four parameters: Scale, Scope, Irremediable character and Likelihood. Scale is an assessment of the intensity of an impact, Scope is an assessment of how many people or how widespread an area is impacted, Irremediable character is an assessment of how easy/difficult it would be to mitigate an impact, and Likelihood is an assessment of how likely an impact is to occur.

All four parameters were scored on a scale of 0-5. An impact with an overall average score of three or more across all parameters is considered material to Danica.

Financial materiality
Financial materiality was assessed according to two parameters: likelihood of occurrence and scope of financial impact.

The likelihood of occurrence was assessed on the basis of previous occurrences and whether measures have been taken to reduce the likelihood of occurrence. The scope of the financial impact and the likelihood of its occurrence were assessed using a scale of 0-5, zero representing no financial impact and no likelihood and five representing high impact on risks and opportunities and high likelihood. The scores were assessed on the basis of estimates of the scope of financial impact.

The financial materiality was calculated as the sum of the assessed likelihood of occurrence and the scope of the financial impact, divided by two. An underlying sub-topic is considered material when the average score of IROs within the sub-topic in question equals or exceeds three.

Stakeholder engagement in double materiality assessment
Danica has interviewed several stakeholders to gain a better insight into the stakeholders' view of Danica's sustainability efforts, to validate the double materiality assessment and to exchange experience. The interviewees were an employee, a key customer, an NGO and an industry association.

The stakeholders' feedback confirmed that the outcome of the double materiality assessment largely met the stakeholders' expectations. Moreover, Danica received inputs for its future work on the sustainability strategy, including inspiration for new employee initiatives, the green transition, trends in real estate investment and on maintaining focus on returns and financial security.

The stakeholders' inputs will be taken up at steering committee meetings and in other relevant forums and will also be a natural part of Danica's regular reviews of the sustainability strategy. In addition, inputs will also be included in work on the revised sustainability strategy to be developed during 2025. Danica expects to revisit the double materiality assessment during 2025.

GOVERNANCE

GOV 1 The role of the administrative, management and supervisory bodies

Danica's Board of Directors and Executive Board consider questions on sustainability. Board members complete the statutory board leadership course, and the Rules of Procedure for the Board of Directors stipulate that, based on the Danish FSA's requirements as to the knowledge and experience of board members in life insurance companies, the Board of Directors must once a year discuss and assess whether the relevant skills and expertise are represented on the Board. ESG is included as a parameter in this assessment. In addition, Danica is strengthening its sustainability expertise across the organisation to better integrate sustainability throughout the business.

Danica's top management consists of the Executive Board and the Board of Directors. At 31 December 2024, the Board of Directors had nine members: five elected at the annual general meeting, three elected by the employees and one external member appointed by the Danish Minister for Finance. The board members elected at the annual general meeting are up for election every year, and board members elected by the employees are elected for a period of four years, as prescribed by the applicable legislation. One of the five board members elected at the annual general meeting (20%) is independent, i.e. is not employed by the Danske Bank Group, and 20% of the members of the Board of Directors, i.e. one out of the total of five members elected at the annual general meeting, is a woman.

Danica has established a CSRD working group, which is responsible for Danica's CSRD project and the preparation of the double materiality assessment, which are approved by the CSRD steering committee, headed by the CFO. The CSRD project manager reports to the steering committee on the progress of the CSRD project. On this basis, new initiatives are considered to ensure the project's progress, and it is also discussed whether the necessary skills and expertise are represented in the organisation. Danica's Board of Directors is also involved when needed through presentations to the Audit Committee and the Board of Directors, both on the CSRD project and Danica's overall sustainability efforts.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Danica has prepared a 'Process for revision of and reporting on the sustainability strategy' and a 'Process for reporting on carbon sector targets towards 2025 and temperature targets towards 2030 in Danica'.

The process description for revision of and reporting on the sustainability strategy comprises an internal and an external track. The internal track covers reporting via a quarterly KPI dashboard, which is distributed to internal stakeholders in Danica. The external reporting includes reporting on the sustainability strategy, which is incorporated in Danica's annual report (CSRD) and interim report. It also includes an annual status report on selected areas of Danica's sustainability strategy in Danske Bank's annual report (CSRD). Both are distributed to external financial stakeholders, but a number of internal stakeholders are also involved.

Danica and Danske Bank

Danica wishes to rely as much as possible on Danske Bank's methodology for its sustainability work and CSRD reporting, including its process and methodology choices for the double materiality assessment. To this end, regular status meetings are held between Danske Bank and Danica. In a few instances, Danica chooses a different approach due to differences in the two companies' businesses. Such differences are agreed with Danske Bank on an ongoing basis. In addition, decision-making and knowledge-sharing forums have been established with representation across the organisations of Danica and Danske Bank with a focus on sustainability.

To support corporate governance, responsible investment decisions, including on climate and environmental risks, are anchored in Danske Bank Asset Management's Responsible Investment Committee, on which Danica is represented by two members, the Chief Investment Officer (CIO) and the Head of Sustainability. The Responsible Investment Committee's work is agreed with Danske Bank's Business Integrity Committee and supported by the work of Danske Bank's ESG Integration Council, which includes representatives of Danica's investment and sustainability team. Day-to-day ESG decisions are anchored in Danica's Investment Committee and Product Committee. Moreover, Danica has set up a knowledge-sharing forum in order to ensure a strong approach to compliance with statutory requirements and to facilitate the implementation of the sustainability strategy across the organisation.

Sustainability-related risks

Sustainability risks are environmental, social and governance (ESG) events or circumstances that, if they occur, may have a material negative impact (including financial and/or non-financial), on society, the environment or people or on Danica's assets and performance. Risks arise, for example, through Danica's strategic obligations and activities in investee companies.

Taking a risk-based approach, Danica prioritises its efforts by managing sustainability risks where the adverse impact is deemed to be high on the basis of the double materiality assessment.

The principal financial risks related to sustainability are linked to the investments as they may affect Danica's responsibility to comply with the prudent person principle. This principle implies that the investment strategy and the actual investments must support long-term financial and sustainability objectives, including ensuring the best possible return for the customers.

Danica considers sustainability risk to extend to all aspects of the business, and sustainability risk is thus integrated in all other risk factors via the risk management framework. Danica therefore has access to external data providing insights into material environmental, social and governance (ESG) issues in investee companies. For example, Danica has access to ESG data on investee companies' working conditions, how they handle the green transition, fight corruption, and whether management possesses the right skills.

Danica has company exclusions within coal, tar sand, controversial weapons, norms and tobacco. Countries are also excluded if they appear on sanction lists and on the basis of a number of sustainability criteria. At 31 December 2024, Danica furthermore implemented exclusions in the fossil fuel area.

Most material sustainability risks
Climate risk is the most pressing ESG-related investment risk, and risk analyses are evolving in line with growing requirements from regulators, public authorities and developments in the pension sector in general.

Danica Risk Management does not currently monitor and report on climate-related risks. Today, ongoing risk monitoring is only able to detect indirect effects of climate-related risks through financial markets fluctuations.

Climate risks are described in detail in section E1 Climate and environment in this statement.

GOV-3 Integration of sustainability-related performance in incentive schemes
Sustainability-related KPIs, including climate-related KPIs, are integrated into the Danske Bank Group's, and consequently Danica's, performance management framework to ensure that remuneration programmes reflect the Group's sustainability ambitions. The KPIs for remuneration programmes are approved by the Board of Directors after being reviewed by the Board of Directors' Remuneration Committee. The incentive schemes do not apply to members of the Board, as they do not receive variable remuneration.

For Danica's Executive Board, KPI agreements are prepared by the CEO, and the KPI agreement applying to the CEO is made with the chairman of Danica's Board of Directors. In 2024, ESG aspects made up 10% of the Executive Board's incentive programme.

GOV-4 Statement on due diligence
As part of the Danske Bank Group, Danica supports a number of international sustainability initiatives and standards. These include:
- the 2030 Agenda and the UN Sustainable Development Goals
- the UN Global Compact
- the OECD Guidelines for Multinational Enterprises
- the UN Guiding Principles on Business and Human Rights
- the UN-supported Principles for Responsible Investment
- the UN Environment Programme Finance Initiatives
- the ILO Declaration on Fundamental Principles and Rights at Work
- the Universal Declaration of Human Rights
- the Paris Pledge for Action
- the Poseidon Principles
- the Responsible Ship Recycling Standards
- the UN Principles for Responsible Banking
- the Net-Zero Asset Owner Alliance
- the Finance for Biodiversity Pledge
- FAIRR

Danica regularly performs sustainability due diligence processes, for example in relation to responsible investments, employee engagement, human rights, etc.

The table below describes where in the Sustainability Statement relevant information about due diligence processes is found:

Core due diligence elements	Section of Sustainability Statement
Incorporating due diligence in governance, strategy and business model	Taxonomy S1-1
Engaging with affected stakeholders in all key steps of the due diligence process	E1-2 E1-3 E4-3 E4-4 Taxonomy S1-1 S1-2 S1-3 S1-8 S4-1 S4-2
Identifying and assessing negative impacts	GOV-1 E1-3 E1-5 E4-1 Taxonomy E4-2 E4-3 S4-1 S4-5
Actions to mitigate the negative impacts	E1-5 E4-4 S1-3 S1-5 S4-1 S4-2 S4-3
Tracking the effectiveness of these efforts and communication	E1-2 E4-1 E4-4 Taxonomy S1-2 S1-4 S4-4

GOV-5 Risk management and internal controls over sustainability reporting
As part of Danica's sustainability reporting process, governance structures and processes have been established to ensure that risk management and controls are implemented.

Danica has established a working group and a steering committee to manage day-to-day decisions related to sustainability reporting. Danica's Audit Committee receives regular project status updates, and the project is also closely monitored by the internal and external auditors and Compliance. Danica's Board of Directors is responsible for approving sustainability reporting before its publication.

In relation to quantitative data, an audit tool has been developed that provides an overview of datapoints, data sources, data quality, data use, calculations, documentation, a description of risk and control environments, etc. Mitigating data controls include spot checks and four-eyes controls.

Danica will work continually to improve risk management and controls in order to improve data quality over time. In the coming years, Danica will invest in and improve existing controls, for example by implementing a higher degree of automation.

Disclosure Requirements in ESRS covered by the Sustainability Statement

Danica's Sustainability Statement was prepared on the basis of the double materiality assessment and the material ESRSs and sub-topics mentioned below. Danica has chosen to include material IROs in this Sustainability Statement. A comprehensive list of disclosure requirements complied with are shown in the Appendix. Overview, see ESRS 2 DR 48 a) and c) III

Climate change

Under E1 – Climate change, Danica assessed two sub-topics to be material: climate change mitigation and energy. Danica did not assess climate change adaptation to be material. This is due to the fact that the double materiality assessment primarily focuses on offices and real estate investments, and in this context, the impact of insufficient climate change adaptation is assessed to be low. Most office buildings are new, and in terms of real estate investments, Danica Ejendomme's objective is for all new projects in Denmark to be DGNB Gold-certified. In addition, an assessment is made of the level of climate resilience of all new projects.

Four issues can make Danica change its stance on the materiality of climate change adaptation:

Paris Agreement

If, at some point, Danica finds that the preliminary carbon reduction goals have not been met, the risk of temperature increases of more than two per cent and thus more extreme weather conditions will increase. In such a scenario, even more geographical locations and business activities could potentially be affected by extreme weather conditions, making climate change adaptation a necessity to avoid material damage and financial impairment. This could have a greater impact on Danica's portfolio, which might favour a change in the materiality assessment.

Regulation

Carbon taxes and similar regulation could potentially lead to higher operating and production costs, higher capital investments and lower revenue. If, over time, this includes an increasing number of the sectors, companies and assets Danica is exposed to, it could change our materiality assessment.

Data coverage and methodology

The focus on measuring data related to climate change adaptation risks is increasing. Such increased data coverage could also affect Danica's materiality assessment. This might also apply to governments' approach to climate change adaptation, which would make Danica's government bonds relevant to such an analysis.

Portfolio composition

A different portfolio composition could produce different results. If Danica's exposure to sectors, companies and assets with higher climate change adaptation risks increases in the future, this could change the materiality assessment.

Reporting principles

Definition of Danica's administration, management and supervisory body

Disclosure of the number of senior members of the company's administration, management and supervisory body, i.e. the Board of Directors and the Executive Board.

Board of Directors' gender distribution, stated as a percentage

Gender composition of the Board of Directors and the Executive Board, stated as a percentage.

Gender diversity on the Board of Directors and Executive Board

The number of the underrepresented gender on the Board of Directors divided by the total number of members of the Board of Directors and the Executive Board.

Board members who are independent of the Group. The number of board members elected at the annual general meeting who are not employed by the Danske Bank Group as a percentage of the total number of board members elected at the annual general meeting.

Remuneration

The Executive Board members participate in a bonus programme in which sustainability KPIs have a weighting of 10% of the total bonus programme.

Number of employees

The number of Danica employees is calculated as the number of people employed at the end of the reporting period.

Appendix B. ESRS 2 IRO-2 56

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of Sustainability Statement
ESRS 2						
21 (d)	Gender diversity on the Board of Directors	Indicator no. 13 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 GOV-1
21 (e)	Percentage of independent board members			Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2 GOV-1
30	Statement on due diligence	Indicator no. 10 Table #3 of Annex 1				ESRS 2 GOV-4
40 (d) i	Involvement in activities related to fossil fuel activities	Indicator no. 4 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, table 1: Qualitative information on environmental risk and table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816 Annex II		E1
40 (d) ii	Involvement in activities related to chemical production	Indicator no. 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816 Annex II		Not material
41 (d) iii	Involvement in activities related to controversial weapons	Indicator no. 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816 Annex II		Not material
41 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, article 12(1) Delegated Regulation (EU) 2020/1816 Annex II		Not material

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
E1						
14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	E1-1
16 (g)	Undertakings excluded from Paris-aligned benchmarks		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, article 12(1) (d) to (g), and Article 12(2)		E1-1
34	GHG emissions reduction targets	Indicator no. 4 Table #2 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		E1-4
38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator no. 5 Table #1 and indicator no. 5 Table #2 of Annex 1				E1-5
37	Energy consumption and mix	Indicator no. 5 Table #1 of Annex 1				E1-5
40-43	Energy intensity associated with activities in high climate impact sectors	Indicator no. 6 Table #1 of Annex 1				Not material
44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators no. 1 and no. 2 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)		E1-6

53-55	Gross GHG emissions intensity	Indicator no. 3 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate Change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		E1-6
56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	E1-7
66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816 Annex II		E1-9
66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47: Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Not material
67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 paragraph 34 Template 2: Banking book – Climate Change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Not material
69	Degree of exposure of the portfolio to climate- related opportunities			Delegated Regulation (EU) 2020/1818 Annex II		Not material

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
E2						
28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator no. 8 Table #1 of Annex 1, Indicator no. 2 Table #2 of Annex 1; Indicator no. 1 Table #2 of Annex 1; Indicator no. 3 Table #2 of Annex 1				Not material

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
E3						
9	Water and marine resources	Indicator no. 7 Table #2 of Annex 1				Not material
13	Dedicated policy	Indicator no. 8 Table #2 of Annex 1				Not material
14	Sustainable oceans and seas	Indicator no. 12 Table #2 of Annex 1				Not material
28 (c)	Total water recycled and reused	Indicator no. 6.2 Table #2 of Annex 1				Not material
29	Total water consumption in m3 per EURm net revenue on own operations	Indicator no. 6.1 Table #2 of Annex 1				Not material

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
E4						
16 (a) i	Biodiversity-sensitive areas	Indicator no. 7 Table #1 of Annex 1				E4
16 (b)	Land degradation, desertification or soil sealing	Indicator no. 10 Table #2 of Annex 1				E4
16 (c)	Threatened species	Indicator no. 14 Table #2 of Annex 1				E4
24 (b)	Sustainable land / agriculture practices or policies	Indicator no. 11 Table #2 of Annex 1				E4
24 (c)	Sustainable oceans / seas practices or policies	Indicator no. 12 Table #2 of Annex 1				Not material
24 (d)	Policies to address deforestation	Indicator no. 15 Table #2 of Annex 1				Not material

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
E5						
37 (d)	Non-recycled waste	Indicator no. 13 Table #2 of Annex 1				Not material
39	Hazardous waste and radioactive waste	Indicator no. 9 Table #1 of Annex 1				Not material
14 (f)	Risk of incidents of forced labour	Indicator no. 13 Table #3 of Annex 1				Not material
14 (g)	Risk of incidents of child labour	Indicator no. 12 Table #3 of Annex 1				Not material

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
S1						
20	Human rights policy commitments	Indicator no. 9 Table #3 and indicator no. 11 Table #1 of Annex 1				S1
21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816 Annex II		S1-1
22	Processes and measures for preventing trafficking in human beings	Indicator no. 11 Table #3 of Annex 1				S1-1
23	Workplace accident prevention policy or management system	Indicator no. 1 Table #3 of Annex 1				S1-1
32 (c)	Grievance/complaints handling mechanisms	Indicator no. 5 Table #3 of Annex 1				S1-3
88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator no. 2 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816 Annex II		S1-14
88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator no. 3 Table #3 of Annex 1				S1-14
97 (a)	Unadjusted gender pay gap	Indicator no. 12 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816 Annex II		S1-16
97 (b)	Excessive CEO pay ratio	Indicator no. 8 Table #3 of Annex 1				S1-16
103 (a)	Incidents of discrimination	Indicator no. 7 Table #3 of Annex 1				S1-17

104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator no. 10 Table #1 and indicator no. 14 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		S1-17
11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators no. 12 and no. 13 Table #3 of Annex 1				Not material

Associated datapoint		**Reference to SFDR**	**Reference to Pillar III**	**Reference to Benchmark Regulation**	**EU Reference to Climate Act**	**Section of sustainability statement**
S2						
17	Human rights policy commitments	Indicator no. 9 Table #3 and indicator no. 11 Table #1 of Annex 1				Not material
18	Policies related to value chain workers	Indicators no. 11 and no. 4 Table #3 of Annex 1				Not material
19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator no. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		Not material
19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Not material
36	Human rights issues and incidents connected to the company's upstream and downstream value chain	Indicator no. 14 Table #3 of Annex 1				Not material
16	Human rights policy commitments	Indicator no. 9 Table #3 of Annex 1 and indicator no. 11 Table #1 of Annex 1				Not material

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
S3						
17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Indicator no. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		Not material
36	Human rights issues and incidents	Indicator no. 14 Table #3 of Annex 1				Not material

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
S4						
16	Policies related to consumers and end-users	Indicator no. 9 Table #3 and indicator no. 11 Table #1 of Annex 1				S4-1
17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator no. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		S4-1
35	Human rights issues and incidents	Indicator no. 14 Table #3 of Annex 1				S4-4

Associated datapoint		Reference to SFDR	Reference to Pillar III	Reference to Benchmark Regulation	EU Reference to Climate Act	Section of sustainability statement
G1						
10 (b)	The United Nations Convention against Corruption	Indicator no. 15 Table #3 of Annex 1				Sustainability statement
10 (d)	Protection of whistleblowers	Indicator no. 6 Table #3 of Annex 1				Sustainability statement
24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator no. 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
24 (b)	Standards of anti-corruption and anti-bribery	Indicator no. 16 Table #3 of Annex 1				Not material

E1 – CLIMATE AND ENVIRONMENT

Climate change

It is Danica's ambition to contribute to the green transition and society's shift to a carbon-neutral[1] society. This approach supports the obligation and ambition to generate the best possible risk-adjusted long-term returns for the customers. Danica's negative climate impacts predominantly arise via the investment portfolio. Consequently, Danica has committed to having a net-zero investment portfolio by 2050 in alignment with the goal of the Paris Agreement to limit the global temperature increase to 1.5°C.

Climate change and the transition to a net-zero economy present a number of risks and opportunities for the investment portfolio, which Danica seeks to minimise and benefit from in its efforts to protect and grow customers' pension investments while supporting the transition. This promotes Danica's ambition to minimise the potential negative climate impacts of the investment portfolio.

Danica has either found the following disclosure requirements not material in the double materiality assessment or has opted to omit them in this statement:

- Disclosure Requirement E1-8 on internal carbon pricing
- Disclosure Requirement E1-9 on anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Danica has defined the following IROs as material under E1:

- Danica's scope 1, 2 and 3 emissions from the investment portfolio have a negative environmental impact
- Danica's equity and credit bond investments are associated with temperature rises and thus have an environmental impact
- Danica has investments in the fossil fuel sector, which may have a negative environmental impact
- Danica's energy consumption (emissions from own operations) has a negative environmental impact

Strategy – Climate change

Disclosure Requirement E1-1 Transition plan for climate change mitigation

Danica is part of the Danske Bank Group, and Danica's climate targets form part of the Group's Climate Action Plan, which is a strategy and roadmap for the Group, including Danica, to achieve a net-zero business aligned with the Paris Agreement.

Danica does not yet have a transition plan that fully complies with the ESRS disclosure requirements in relation to transition plans. During 2025, Danica expects to collaborate with the Group on developing a group-wide transition plan that is in compliance with the ESRSs' disclosure requirements in relation to transition plans. The transition plan will include Danica and be based on the climate targets and actions in the Climate Action Plan, which forms part of the overall business strategy.

The Group's Climate Action Plan covers Danica's climate targets and measures for equity and bond investments in relation to decarbonisation targets for five sectors and Science Based Target initiative SBTi temperature targets, green transition investment targets for the entire investment portfolio and decarbonisation targets for the real estate portfolio.

Danica's target of having a net-zero investment portfolio by 2050 or earlier is anchored with and part of the Danske Bank Group's Climate Action Plan, which was launched in 2023 as a transition plan toward Net Zero for the Danske Bank Group in line with the Paris Agreement. The plan describes primary interim targets and actions to deliver on the 2050 target. The plan is in accordance with Danica's business strategy and constitutes the first step toward a transition plan for Danica. Alongside the work of developing a transition plan, Danica focuses on managing potential risks related to the achievement of a net-zero investment portfolio and adjusts actions to address these.

Disclosure Requirement E1-2 Policies related to climate change mitigation

Danica's sustainability strategy consists of a number of climate actions and targets, which are a central element in the overall business strategy, 'Tryghedsrådgiverstrategien' (*'Financial security provider strategy'*), effective until the end of 2024. As from 2025, this strategy will be replaced by the new business strategy, 'Forward '28 – Danica'. In the new strategy, sustainability, including the climate targets, is one of four strategic focus areas, and the current climate targets are maintained.

Danica's subsidiary Danica Ejendomme has adopted its own ESG strategy, which builds on Danica's sustainability strategy and defines climate targets and related actions specifically for the real estate portfolio.

[1] To facilitate comparison of various forms of GHGs such as methane, carbon dioxide (CO_2) and nitrous oxide, these are converted into so-called CO_2 equivalents (CO_2e). This indicates how much CO_2 the emission of a GHG equates to.

In combination with the business strategy, as described under ESRS 2, the sustainability strategy and associated climate targets (described in this section under 'Climate targets') present a roadmap for Danica's climate change mitigation efforts through green transition investments, CO_2e reduction targets and integration of climate-related risks and opportunities in the investment process.

Danica's sustainability strategy, responsible investments and climate targets are operationalised through a number of policies, business procedures and guidelines. These support Danica's systematic efforts to mitigate climate change and manage risks and opportunities in relation to climate aspects, which contributes to Danica's obligation under the prudent person principle to generate the best possible risk-adjusted returns and the ambition to support society's net-zero transition.

At the same time, Danica applies a double materiality perspective in the investment process, taking into account both the potential financial impact of climate-related aspects and the potential negative impact of investments on the sustainability of society and climate change. This is defined, among other things, through the following:

- *Responsible Investment Policy*
  Outlines the overarching principles of responsible investment practices supporting the goal of protecting customers' investment portfolios. It describes processes for managing climate aspects through the inclusion of ESG in selection of investments, active ownership, screening and investment restrictions. This is done from a double materiality perspective of protecting the financial value of investments while also minimising the negative impacts of the investments.
- *Investment Policy*
  Establishes the overall framework for the allocation of customers' pension savings across Danica's investment portfolios. The investment strategy generally considers and integrates climate and ESG factors.
- *Active Ownership Policy*
  Outlines Danica's guidelines and approach to active ownership in portfolio companies in relation to financial and ESG aspects, including climate-related aspects. Active ownership is pursued through direct engagement, voting at general meetings and collaboration with other investors. Active ownership is applied to protect the investment in portfolio companies and contribute to their positive development and management of climate-related risks and opportunities.
- *Risk Management Policy*
  Describes the processes of Danica's general risk management approach, where climate aspects are an element in the overall risk assessment of the investment portfolio's robustness. Danica's risk management practices are organised in line with the principles of the three-lines-of-defence model, under which the potential impact of the risks is identified, monitored and mitigated in the risk management process across all risk types.
- *Non-financial Risk Policy*
  A separate policy setting out the processes and responsibilities for identifying, assessing and mitigating non-financial risks as part of managing and protecting the customers' pension investments. This includes political developments, changes in legislation, technological advances, changes in customer preferences and ESG developments. It includes non-financial risks related to climate change (particularly transition risks).
- *Voting Guidelines*
  Describe how Danica expects portfolio companies to address financial aspects and ESG in general, including climate aspects. This indicates how Danica is expected to vote on proposals at general meetings on specific climate-related aspects.

These policies and guidelines are integrated into the practical business operations by means of business procedures for the internal Danica departments involved. Danica has an annual cycle comprising all policies. Using a risk-based approach, controls are performed to check how the policies function and are implemented in the business, including the preparation of gap analyses to support compliance with legislation. Policies are approved by the Board of Directors annually, and Internal Audit monitors compliance with the policies using a risk-based approach. As a general rule, information on compliance with the policies is also regularly reported to the Board of Directors. The policies were prepared according to the prudent person principle, the purpose of which is to safeguard customers' financial interests. The policies support various international initiatives and standards. See the list in the ESRS 2 section 'Statement on due diligence'.

Governance
Policies and business procedures on responsible investments, climate targets and management of climate-related risks, opportunities and impacts are laid down by Danica's Board of Directors. The Board of Directors regularly monitors these and is involved when significant aspects and possible adjustments are discussed. The Board also

assesses climate-related risks in connection with Danica's annual own risk and solvency assessment (ORSA). Material sustainability risks, including climate risks, are reported annually to the Board of Directors' Risk Committee.

Operational responsibility for the implementation of the climate targets lies with Danica's Executive Board, which is also responsible for monitoring developments in collaboration with relevant departments and adjusting actions in order to deliver on climate targets. The Board of Directors of Danica's subsidiary Danica Ejendomme has a separate responsibility for compliance with the ESG strategy, including climate targets regarding the real estate portfolio, and for its approval.

Targets

Disclosure Requirement E1-4 Targets related to climate change mitigation and adaptation

Danica has set climate targets to meet the climate change mitigation strategy and to address material impacts, risks and opportunities identified through the double materiality assessment. To ensure effective targets that are both scientifically based and operationally feasible, Danica has joined various initiatives under which all targets have been externally verified.

The expectation is that if companies manage their climate-related risks and opportunities, they will have a future-proof business with positive return potentials as a result. Therefore, Danica makes regular reallocations on the basis of climate and ESG analyses and employs active ownership and investment restrictions that support the execution of climate targets.

In 2020, Danica signed up to the international investor initiative the Net-Zero Asset Owner Alliance and thus committed to achieving a net-zero investment portfolio by 2050 in alignment with the Paris Agreement. In 2021, Danica set interim 2025 CO_2e reduction targets for its equity and bond investments in five sectors based on the One Earth Model and the Transition Pathway Initiative, the methodologies of which are aligned with the Paris Agreement.

On the basis of this, Danica's objective is that the CO_2e intensity of its equity and bond investments within the following industries is to be reduced by 2025 relative to 2019 levels as set out below:

- Energy: 15% (covering scope 1, 2 and 3)
- Utilities: 35% (covering scope 1)
- Steel: 20% (covering scope 1 and 2)
- Cement: 20% (covering scope 1)
- Transportation:
    - automotive: 30% (covering scope 1 and 3)
    - shipping: 20% (covering scope 1 and 3)
    - aviation: 15% (covering scope 1 and 3)

The reduction targets for each sector are defined according to various carbon scopes. The scopes for each sector were determined according to what the sector's main carbon emissions are and where sufficient valid carbon data is available.

CO_2e reduction targets have also been set for the Danish real estate portfolio relative to 2019 levels:

- The CO_2e intensity is to be reduced by 37% by the end of 2025 and by 69% by the end of 2030.

Together with the Danske Bank Group, Danica in 2023 committed to the UN-supported Science Based Targets initiative (SBTi). On the basis of the existing standards at the time, Danica submitted temperature rating targets for its equity and credit bond investments and decarbonisation targets for the real estate portfolio to the SBTi, which are validated by independent experts. The targets were set according to SBTi methods and data models and aligned with the Paris Agreement. The submitted targets have yet to be approved by the SBTi.

Presently, Danica has defined and submitted the following targets in accordance with the SBTi standards:

- Equity and corporate bond investments must have a temperature rating of 2.0°C by 2030 (covering scope 1 and 2) relative to a baseline of 2.5°C in 2020.
- Equity and corporate bond investments must have a temperature rating of 2.2°C by 2030 (covering scope 1, 2 and 3) relative to a baseline of 2.8°C in 2020.
- The carbon intensity in the Danish real estate portfolio is to be reduced by 69% by 2030 (scope 1, 2 and 3) relative to 2019 levels.

The SBTi and the ambition of a net-zero investment portfolio complement each other as management tools in relation to the target of investing in alignment with the Paris Agreement. The SBTi is a forward-looking metric showing the portfolio's future temperature rating targets, whereas the net-zero ambition is based on the portfolio's actual emissions. See the description of levers and progress on climate targets in the sections 'Actions and resources' and 'Metrics'.

Climate targets have been set on the basis of scientific methodologies. The setting and execution of climate targets do not incorporate or account for potential changes to political goals or regulatory changes that might accelerate the green transition. Nor do they take into account potential major technological advances in climate solutions or changed consumption patterns of green products or the like. Danica has established an in-house working group that continuously monitors progress on the targets based on data from external data providers such as ISS ESG and TPI.

As Danica is a financial institution and not a production company, transitioning the business will not require capital-intensive CapEx or OpEx investments. Accordingly, disclosure requirements related to CapEx and OpEx investments and exposures to specific activities are not considered material. Also, as Danica and Danica Ejendomme are not publicly traded, disclosure requirements regarding inclusion/exclusion from Paris-aligned benchmarks are not considered material.

Impact, risk and opportunity management

Sustainability and climate-related risks are managed in line with the principles of Danica's three-lines-of-defence model. The potential impact of these risks is identified, monitored and mitigated in the risk management process across all risk types. The Risk Management department has the overall responsibility for overseeing Danica's risk picture, including climate-related risks in relation to the investment portfolio. In addition to this, Danica's Compliance department is responsible for overseeing and monitoring compliance risks related to climate aspects across the company's risk management.

As Danica is part of the Danske Bank Group, the Group's climate-related position statements are also used in risk management, including position statements on climate change, fossil fuels, mining and metals. These are found on the website Publications and policies | Sustainability | Danske Bank. Policies and business procedures related to risk management are supported by a clear anchoring of ownership and responsibility for implementation across Danica's departments.

The annual ORSA reporting to Danica's Board of Directors helps ensure the Board's further involvement in climate-related impacts, risks and opportunities that are deemed particularly relevant to Danica.

Danica strengthens processes on an ongoing basis to systematically monitor and mitigate short, medium and long-term financial risks arising from climate-related risks.

Actions and resources

Disclosure Requirement E1-3 Actions and resources in relation to climate change policies

Climate stress testing of the investment portfolio

In the short and long term, climate change could expose the investment portfolio to a number of risks, which Danica's business and risk management system must gradually adapt to in order to mitigate climate change. The impact of climate change will vary in nature and strength, depending on the geographical region, and will affect global socio-economic and financial development, which will influence the investment portfolio. This will be reflected in economic growth, world trade, employment, inflation, interest rates and equity prices.

In January 2024, Danica performed a climate stress test of equities and credit bonds in the investment portfolio on the basis of scenario values from the end of 2022. The climate stress test indicated that assets in the Danica Balance pension product were to some extent exposed to climate risk. It is estimated that investments in companies with high CO_2e emissions in particular could be financially affected in the future. Quantifying the risk is difficult, however, among other things due to poor data quality. The climate stress test also suggested a number of value reductions on commercial and residential real estate. There is a risk that carbon-intensive companies covered by Danica's sector reduction targets will not transition fast enough and that parts of the targets will therefore not be met.

Climate scenarios from the Central Banks and Supervisors Network for Greening the Financial System (NGFS) have been used to identify the potential financial impact on parts of the investment portfolio based on specific temperature scenarios It must be determined whether the NGFS is to be used in the future, or whether other models are necessary or more relevant to reporting on Danica's climate risks and temperature scenarios.

Investment process

ESG and climate aspects are included in the investment process from a double materiality perspective. This supports Danica in:

- managing and mitigating physical risks and transition risks related to climate aspects that could have a negative impact on the return potential of the investments
- reallocating investments on an ongoing basis to companies and other assets that support the green transition and have a positive return potential

- reducing the negative impact of the investment portfolio on societal sustainability and climate change

Aspects such as renewable energy production, decarbonisation, climate governance and compliance with the EU Taxonomy are taken into account in the investment process. Any material negative impacts of the investment portfolio on societal sustainability and climate change are also taken into account by using Principal Adverse Indicators (PAI). The PAI reporting is found here.

Active ownership

Danica exercises active ownership with the aim of influencing and supporting portfolio companies to continuously improve their climate plans and address business-relevant climate risks and opportunities, including PAI. It does so through direct engagement, voting at general meetings and participation in various climate-focused investor associations.

In 2024, climate aspects such as energy transition, CO_2e emissions and climate neutrality were once again among the topics most often discussed with portfolio companies. In 2024, Danica continued the approach of supporting climate proposals at general meetings that are ambitious and practicable and that promote value creation for the company and the wider society. See the active ownership reports here.

Investment restrictions

Danica applies investment restrictions that contribute to

- minimising the climate-related risks of the investment portfolio and thereby optimising the portfolio's risk-adjusted return potential

Emissions from investments

Carbon footprint of investments			
Equities	**Metric**	**2024**	**2023**
Carbon emissions – Scope 1	Tonnes	483,518	581,108
Carbon emissions – Scope 2	Tonnes	151,766	141,412
Carbon emissions – Scope 3 (PCAF* scores 1&2)	Tonnes	4,720,595	6,298,137
Carbon emissions – Scope 1, 2 and 3	Tonnes	5,355,879	7,020,657
Carbon footprint – Scope 1	Tonnes/DKKm	2	4
Carbon footprint – Scope 2	Tonnes/DKKm	1	1
Carbon footprint – Scope 3 (PCAF score 1&2)	Tonnes/DKKm	41	42
Carbon footprint – Scope 1, 2 and 3	Tonnes/DKKm	45	47
Credit bonds			
Carbon emissions – Scope 1	Tonnes	135,542	184,875
Carbon emissions – Scope 2	Tonnes	32,404	32,961
Carbon emissions – Scope 3 (PCAF score 1&2)	Tonnes	1,245,005	1,688,212
Carbon emissions – Scope 1, 2 and 3	Tonnes	1,412,950	1,906,048
Carbon footprint – Scope 1	Tonnes/DKKm	1	1.47
Carbon footprint – Scope 2	Tonnes/DKKm	0	0
Carbon footprint – Scope 3 (PCAF score 1&2)	Tonnes/DKKm	19	14
Carbon footprint – Scope 1, 2 and 3	Tonnes/DKKm	20	15
Equities and credit bonds			
Carbon emissions – Scope 1	Tonnes	619,060	765,983
Carbon emissions – Scope 2	Tonnes	184,169	174,373
Carbon emissions – Scope 1 and 2	Tonnes	803,230	940,356
Carbon emissions – Scope 3 (PCAF score 1&2)	Tonnes	5,965,600	7,986,349
Carbon emissions – Scope 1, 2 and 3	Tonnes	6,768,829	8,926,705
Carbon footprint – Scope 1	Tonnes/DKKm	2	3
Carbon footprint – Scope 2	Tonnes/DKKm	1	1
Carbon footprint – Scope 1 and 2	Tonnes/DKKm	2	3
Carbon footprint – Scope 3 (PCAF score 1&2)	Tonnes/DKKm	33	29
Carbon footprint – Scope 1, 2 and 3	Tonnes/DKKm	35	33

* The PCAF (Partnership for Carbon Accounting Financials) data quality score is a metric used to assess the confidence and level of accuracy of reported emissions data. See more in the E1 reporting principles.

- minimising the investment portfolio's CO_2e emissions and thus material negative impacts on PAI and societal sustainability

Excluding companies from the investment portfolio if it is assessed that there is no opportunity to use active ownership to influence their climate strategies if they do not show sufficient progress over time or if they are assessed not to manage climate-related risks and opportunities satisfactorily.

Danica currently has the following climate-related restrictions in place for equities and corporate bonds:
- Companies are excluded if 5% or more of their revenue stems from certain thermal coal, peat or tar sand activities. Existing investments related to coal, peat and tar sand will be phased out by 2030 within the EU and the OECD and by 2040 for the rest of the world in line with the Paris Agreement phase-out plan.
-
    - Companies may be exempted from the thermal coal exclusion if they have a credible plan to phase out thermal coal in alignment with the Paris Agreement. Such plans are assessed using the recognised Transition Pathway Initiative climate assessment tool
- Companies are excluded if they are assessed to be involved in activities, services or products that have a material negative climate impact. This may also include companies that are deemed to have insufficient climate actions, policies and processes. Such exclusions are made on the basis of qualitative and quantitative data as well as qualitative judgements.

Additionally, Danica will start implementing the following restriction criteria for the fossil industry in 2025:
- Companies focused on fossil fuels are excluded if they are deemed not to have credible plans in place to support the transition to more sustainable society. This applies to companies that derive 5% or more of their revenue from certain fossil fuel activities such as coal, oil, gas or tar sand. The companies' transition plans are assessed using a proprietary model developed in collaboration with Danske Bank Asset Management, which is primarily based on TPI methods and data.

At 31 December 2024, Danica had excluded 531 companies on the basis of the above climate restrictions. The list of excluded companies is found here: See the list of excluded companies.

Pension solution with a special sustainability focus
In 2020, Danica launched the investment solution Danica Balance Responsible Choice, which has a special focus on promoting sustainability aspects in investments. The investment solution consists of a minimum of 75% sustainable investments (pursuant to Article 2.17 of the EU Disclosure Regulation and its definition of sustainable investments) that aim in various ways to contribute to one or more of the UN Sustainable Development Goals, including the green transition.

For example, Danica invests in Paris-aligned and Climate Transition benchmarks, which have 50% and 30% lower carbon intensities, respectively, than the market in general and for which the intensity is to be reduced by 7% annually in alignment with the Paris Agreement phase-out plan. At 31 December 2024, the solution had total assets under management (AuM) of DKK 6.4 billion.

Metrics

Investment in the green transition
Danica has a target of investing DKK 100 billion in the green transition by 2030. This type of investment includes equities, various types of bonds and alternative investments around the world as well as Danish real estate.

Investments in the green transition are calculated according to the industry association Insurance and Pension Denmark's reporting and definition recommendations. Danica's green transition investments are either classified as environmentally sustainable under the EU Taxonomy or comply with the International Capital Market Association's Green Bond Principles.

At 31 December 2024, Danica's green transition investments amounted to DKK 57.4 billion, which was an increase of DKK 2 billion compared with 2023. In particular, the exposure to green bonds increased significantly in 2024, and meeting the 2030 target is expected to be feasible despite green transition challenges.

Decarbonisation targets for five sectors
Danica uses three main tools to deliver on the decarbonisation targets and ensure a reasonable return and risk profile for the investment portfolio.
- Regular portfolio reallocations to increase the exposure to companies with ambitious transition plans and/or low carbon intensities.
- Through active ownership, Danica aims to support investee companies in transitioning as quickly as possible and to

- influence them to align with the Paris Agreement. This promotes Danica's ambition to contribute to real change for the benefit of the climate and companies' long-term value creation.
- Applying climate-relevant investment restrictions to investee companies (see the section 'Investment restrictions').

At the end of 2024, the decarbonisation targets for utilities, aviation, cement and steel were met with reductions of 50%, 15%, 31% and 40%, respectively. With a 13% reduction at the end of 2024, the carbon intensity reduction in shipping declined slightly compared with 2023. The sector is facing challenges due to the immature green fuels market and infrastructure. The carbon intensity of the automotive industry was reduced by 14% at the end of 2024, a slight improvement compared with a 10% reduction in 2023. With a carbon intensity reduction at the end of 2024 of 4%, the energy sector remains challenged. The transition of these two sectors continues to face challenges and needs to be accelerated further.

Generally, ongoing reallocations and investment restrictions are expected to be the most important tools to contribute to the execution of the sector targets, while also taking into account investment and return aspects.

Reduction targets for the real estate portfolio's carbon intensity
The status at 30 September 2024 was that the portfolio's carbon intensity had been reduced by 35% relative to 2019 levels. The 2024 result is on track for execution of the 2025 and 2030 decarbonisation targets. CO_2e is determined according to the GHG protocol.

Table. Climate reporting on real estate

Climate reporting - Real estate	Metric	2024	2023
Carbon emissions:			
Carbon emissions – Scope 1	Tonnes	0	0
Carbon emissions – Scope 2	Tonnes	6	3
Carbon emissions – Scope 3	Tonnes	5,820	5,622
Carbon emissions – Scope 1, 2 and 3	Tonnes	5,826	5,625
Carbon intensity – Scope 1	$kgCO_2e/m^2$	0	0
Carbon intensity – Scope 2	$kgCO_2e/m^2$	0.01	0.00
Carbon intensity – Scope 3	$kgCO_2e/m^2$	7.14	7.1
Carbon intensity – Scope 1, 2 and 3	$kgCO_2e/m^2$	7.15	7.1
Certified properties*			
- Existing properties	%	37.6	13.5
- New buildings (until commencement of use)	%	77.6	74.8

*The certifications are generally DGNB, LEED and Breeam.

Several different actions are being taken to fulfil the decarbonisation target, including:

- Continual investment in energy monitoring that provides access to real-time data on properties' energy consumption, which optimises energy management and contributes to increased energy efficiency and reduced CO_2e emissions
- Investment in energy renovation of existing properties when it is meaningful from a climate perspective and financially sustainable based on a lifecycle assessment
- Testing new materials and technologies such as on-site carbon capture systems as a measure to minimise the property's carbon footprint throughout its lifecycle
- Entering into a power purchase agreement in Denmark under which Danica Ejendomme helps finance increased renewable energy capacity in the electricity grid and reduces the use of fossil energy in the real estate portfolio
- Development projects are to achieve DGNB certification and qualify as an environmentally sustainable activity pursuant to the EU Taxonomy

The development of the portfolio's electricity consumption and changes in the energy supply mix are important factors for decarbonisation target execution. Efforts are also ongoing to make it possible to measure actual energy consumption rather than calculated consumption, which is generally a challenge for the real estate industry. As a result, fluctuations in the reductions may occur.

Temperature rating targets
At 31 December 2024, the equity and credit bond portfolio had a temperature rating of 2.43°C covering scope 1 and 2. For scope 1, 2 and 3, the portfolio's temperature rating at 31 December 2024 was 2.72, which was in line with 2023. Portfolio companies still need to adopt more ambitious climate plans to ensure progress on temperature targets. In addition, more portfolio companies need to report climate plans, in order that the temperature rating can be calculated more accurately.

Ongoing reallocations and investment restrictions in particular are expected to drive the execution of temperature targets.

Resources
Danica's climate targets and climate-related IRO management processes are anchored across relevant departments of Danica. This includes day-to-day risk management, legal, finance, investment and sustainability departments. In addition, Danica continually

upskills its employees in the ESG and climate area and regularly assesses the need for new hires with ESG and climate expertise.

Danica also collaborates with relevant departments of the Danske Bank Group, for example through an internal collaboration agreement with the Responsible Investments team at Danske Bank Asset Management. This gives Danica access to various ESG resources, tools and data platforms.

Danica has also established an internal cross-functional working group and a knowledge-sharing forum focusing on climate targets and implementation of EU regulations.

Danica expects to have sufficient resources available to implement actions regarding the climate targets. It is regularly assessed whether additional resources are needed, however.

If baseline values are updated due to improved data coverage or data quality, the underlying climate target values will reflect this. Percentage reduction targets will remain unchanged, however, as these are set based on projections of requirements to achieve the goals of the Paris Agreement. Historical values will be updated for external communication on progress on climate targets and will be reflected in annual progress reports on the Danske Bank Group's Climate Progress Report.

Energy consumption

Disclosure Requirement E1-5 Energy consumption and mix

Being a responsible workplace and supporting the green transition, it is Danica's ambition to reduce its own CO_2e emissions, including CO_2e emissions from energy consumption. Although these emissions constitute a minor part of Danica's total CO_2e emissions, it is important to reduce them as they have a negative climate impact. Danica also wishes to report its own emissions to promote greater transparency and to meet the expectations of external stakeholders. Accordingly, Danica assesses its own scope 1, 2 and 3 CO_2e emissions to be material and has defined reduction targets for these.

Table. Own energy consumption[2]

AR 34	2023	2024	Change
(6) Total energy consumption from fossil sources (MWh)	1,408	1,564	156
- Share of fossil sources in total energy consumption (%)	59%	65%	6%
(7) Consumption from nuclear sources (MWh)	0	0	0
- Share of consumption from nuclear sources in total energy consumption (%)	0%	0%	0%
(11) Total renewable energy consumption (MWh)	981	841	-140
- Share of renewable sources in total energy consumption (%)	41%	35%	-6%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	2,390	2,405	15

Impact, risk and opportunity management

Danica collaborates closely with the Danske Bank Group on monitoring and actions to drive progress on targets and manage and mitigate risks and opportunities in this area. The Danske Bank Group's policies, guidelines and business procedures also cover and define Danica's actions and processes in relation to emissions from its own operations.

Governance

As part of this collaboration, several departments of the Danske Bank Group are responsible for managing, monitoring and developing processes, guidelines and policies in the areas of procurement, building operations and other relevant aspects related to the targets.

This also means that the Danske Bank Group's policies, guidelines and business procedures define processes and actions for Danica's own emissions climate targets.
These include:

- *Procurement Policy*
  The policy ensures ESG and climate assessments of sub-suppliers. The intention is to minimise the potential negative climate and sustainability impact on society. Among other things, it is assessed whether suppliers comply with the Supplier Code of Conduct and environmental/climate requirements for selected services and products

[2] Danica does not report on E1-5/10-14 or E1-5/18-21, as Danica does not belong to the NACE 'High climate impact sectors' classification.

- *Supplier Code of Conduct*
  Defines ESG requirements, including climate and environmental aspects, that sub-suppliers are required to comply with. An ESG due diligence of existing and potential suppliers is performed, among other things to verify that the suppliers have policies committing them to address environmental considerations and that they are committed to proactively undertaking initiatives to protect the environment from negative impacts of their operations. Moreover, suppliers must have an environmental management system to record environmental impacts and performances relevant to the type and size of the supplier's operations. The Supplier Code of Conduct also defines specific environmental and climate requirements for specific products and services (e.g. hardware and office supplies) that the supplier must comply with
- *Business travel policy*
  The policy defines employee guidelines on choosing the optimum mode of travel from a climate perspective if it is not possible to avoid travelling from a business perspective
- *Company car policy*

  The policy covers employees who have a company car as part of their remuneration package. It dictates that Danica only offers car models from manufacturers that endeavour to operate in accordance with international human rights, climate and environmental protection and anti-corruption guidelines, among others. The policy also ensures that fossil fuelled company cars in the fleet are replaced by electric cars on an ongoing basis

Disclosure Requirement E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Danica has offset emissions from its own operations since 2019 and continued to do so in 2024 because some emissions cannot be eliminated in the short term. The offsets are made by purchasing green power through (Corporate) Power Purchase Agreements and by purchasing Verified Carbon Standard (VCS) and European Biochar Certificate (EBC)-verified and International Carbon Reduction and Offset Alliance (ICROA)-approved CO_2e credits, which ensures that every tonne of CO_2e emissions is compensated for by one tonne being removed from the atmosphere through biochar and reforestation projects, for example. Through these actions, Danica reduces 100% of its scope 1 and 2 carbon emissions. Two out of the five projects are ICROA certified, and the last three are pending certification. 4% of credits issued are linked to EU projects. The credits have a duration of one year and are adjusted according to consumption. No cancellation of credits was planned in 2024. Further information on climate compensation is found here.

Targets

Disclosure Requirement E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Danica has a target of reducing its own scope 1, 2 (market-based) and 3 CO_2e emissions by at least 50% by 2030 relative to 2019 levels. In addition, Danica has an interim target of reducing its own scope 1 and 2 (market-based) CO_2e emissions by at least 80% by 2030 relative to 2019 levels.

Danica's climate targets for emissions from its own operations are set out in the Danske Bank Group's Climate Action Plan, which forms part of Danica's business strategy, 'Tryghedsrådgiverstrategien', which is effective until the end of 2024. As from 2025, this will be replaced by the new business strategy, 'Forward '28 – Danica', in which these targets are also incorporated.

Initially, the target was to reduce scope 1, 2 and 3 emissions by 60% by 2030. This target was calibrated together with the Danske Bank Group in 2024. The target was defined on the basis of the SBTi and is still considered to fall within the SBTi's projections of alignment with the Paris Agreement.

Table. Emissions from own operations

Danica's own carbon emissions			
	Metric	2024	2023
Carbon emissions – Scope 1	Tonnes	2	1
Carbon emissions – Scope 2 – location-based	Tonnes	112	161
Carbon emissions – Scope 2 – market-based	Tonnes	56	61
Carbon emissions – Scope 3	Tonnes	532	509
Carbon emissions – Scope 1, 2 and 3 – location-based	Tonnes	646	671
Carbon emissions – Scope 1, 2 and 3 – market-based	Tonnes	590	571
Biogenic carbon emissions from combustion or bio-degradation – Scope 1	Tonnes	4.34	6.22
Biogenic carbon emissions from combustion or bio-degradation – Scope 2	Tonnes	0	0

Status of 2030 targets

At 31 December 2024, scope 1 and 2 (market-based) emissions had been reduced by 68% since 2019 to 56 tCO_2e. At 31 December 2024, scope 1 and 2 (market-based) and 3 emissions had been reduced by 27% since 2019 to 590 tCO_2e. Driven by planned actions and the move to a new and more energy-efficient head office, the 2030 target is still expected to be achievable.

Metrics
In 2023, the company car policy was updated to the effect that new company cars must be electric going forward. CO_2e emissions from company cars are consequently expected to be reduced as existing company cars are replaced.

Scope 2 market-based emissions were down from 61 tCO_2e in 2023 to 56 tCO_2e in 2024. The reduction was mainly driven by Danica's move to a new, LEED Gold certified and more energy-efficient, head office in 2024. In the same period, emissions from employees commuting to and from work were down from 31 tCO_2e to 30 tCO_2e.

The renewable energy share was reduced from 41% in 2023 to 35% in 2024, partially driven by a lower renewable energy share in the energy grid.

Air travel activity is a particularly challenging area for Danica. Emissions of this type have risen since the reopening of society after the pandemic, and from 2023 to 2024 they increased from 126 tCO_2e to 163 tCO_2e. To reverse this development, the policy on business air travel was updated in 2024. In 2024, carbon budgets were furthermore developed for air travel across various parts of the organisation to systematise efforts to reduce these emissions. In addition, tools have been developed to help the organisation budget and calculate the carbon footprint of different modes of travel.

Reporting principles

Investments
A number of data sources are used to calculate and estimate CO_2e emissions, sector reduction targets and temperature rating targets for Danica's investment portfolio. To determine CO_2e emissions from the investments, Danica uses data from the external data provider ISS ESG and ISS ESG's online climate analytics tool. CO_2e reductions for the selected sectors are estimated using data from ISS ESG and the Transition Pathway Initiative (TPI). To estimate the investment portfolio's temperature rating, Danica uses data developed collaboratively by CDP and WWF. The data, methodologies and tools follow industry-wide standards and are aligned with various organisations such as TCFD, PCAF, NZAM and SBTi as well as guidance developed by Finance Denmark.

The carbon emissions data and models used to calculate and estimate climate-related KPIs are subject to change due to ongoing review by the data providers in line with general efforts to increase data quality and availability and to accommodate evolving industry practices. We refer to ISS ESG and other data providers for any updates on data and methodologies.

The reported figures on the investments' carbon-related KPIs and reductions include the following of Danica's investment products:
- Danica Balance
- Danica Traditionel
- Danica Link
- Tidspension

The calculations do not include the investment product Danica Select because Danica does not invest on behalf of Select customers who have chosen to manage their own assets.
The following asset classes are included in the calculations:
- Equities
- Corporate bonds
- Mortgage bonds

Comprehensive overview of emissions from own operations and emissions from the investment portfolio

AR 48	Retrospective			
	2023	2024	Reduction target	Change
Scope 1 GHG emissions				
Scope 1 gross GHG emissions + Emissions (tCO_2e)	1	2	1	190%
Scope 2 GHG emissions				
Location-based scope 2 gross GHG emissions (tCO_2e)	161	112	- 48	-30%
Market-based scope 2 gross GHG emissions (tCO_2e)	61	56	- 4	-7%
Significant scope 3 GHG emissions				
Total indirect scope 3 gross GHG emissions (tCO_2e)	7,588,213	6,775,187	- 813,026	-11%
1. Purchased goods and services	1	1	- 0	-22%
6. Business travel	477	501	24	5%
7. Employee commuting	31	30	- 1	-5%
15. Investments	7,587,704	6,774,655	- 813,049	-11%
Total GHG emissions				
Total GHG emissions (location-based) (tCO_2e)	7,588,374	6,775,301	- 813,074	-11%
Total GHG emissions (market-based) (tCO_2e)	7,588,274	6,775,245	- 813,029	-11%

AR 54. GHG intensity per net revenue	2023	2024	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO_2e/monetary unit)	196	232	18%
Total GHG emissions (market-based) per net revenue (tCO_2e/monetary unit)	197	233	18%

AR 55 Net revenue used to calculate GHG intensity	43,643
Net revenue (other)	0
Total net revenue (in financial statements)	43,643

Due to a lack of reliable data, the following asset classes are not included:

- Sovereign debt
- Unlisted companies
- Other alternatives
- Derivatives and cash

Calculation of Co_2e emissions and carbon footprint of investments

CO_2e emissions from Danica's investment portfolio are determined by calculating Danica's share of the underlying companies' scope 1, 2 and 3 emissions. The carbon footprint expresses the total CO_2e footprint of the investment portfolio for every DKK million invested.

The CO_2e data provided by ISS consists of data reported directly by investment companies and data modelled and estimated by ISS. The latter may occur when ISS finds that data from the underlying companies is inadequate. To assess the quality of the data received from ISS, Danica uses the PCAF standard, which indicates whether data is reported by the underlying companies themselves and to what extent the data is estimated. On a scale of 1 to 5, a lower score indicates better data quality. If a company has a PCAF score of 1 or 2, the company has reported its own CO_2e data with a minor degree of estimation. A higher score indicates that the data provided was produced with a higher degree of estimation and often reported by third parties such as ISS. The Danske Bank Group has decided only to report scope 3 data from investments in companies with a PCAF score of 1 or 2. The reason is that the Danske Bank Group has found that scope 3 data shows a relatively high degree of volatility from year to year and that a significant portion of data is estimated using ISS's models (PCAF scores 3-5). Omitting data estimated by ISS reduces the risk of major fluctuations in reported scope 3 emissions based on changed calculation methodologies in third-party models.

Calculation of temperature rating targets

Danica has chosen to use the SBTi temperature rating methodology, developed collaboratively by CDP and WWF, to calculate the investments' temperature rating score. The methodology translates companies' GHG emission reduction targets into a single metric called the temperature rating. This metric enables comparison of the global temperature rise associated with corporate climate targets and actions. The overall temperature rating of Danica's investment portfolio is determined by calculating Danica's ownership share of the underlying companies' temperature ratings. The reported score is thus naturally subject to uncertainty related to the modelling of the companies' carbon data and climate plans against future temperature increases. The reported figures are sensitive to changes in data coverage as the methodology implies that companies without data are assigned the relatively high default score of 3.2. This may blur the picture as to whether an improved temperature rating is due to actual improvements of the underlying companies' score or due to the companies' being covered by data. As no new temperature ratings had been received from CDP at the end of 2024, the calculation is based on 2023 temperature ratings and year-end 2024 position values for Danica's investment portfolio. Generally, temperature ratings are calculated using the most recent available data from the data provider.

Calculation of sector reduction targets

Danica has set sector reduction targets for its investment portfolio that follow the NZAOA Target-Setting Protocol (TSP). TSP encourages members to set sector targets to help link portfolio-level emission reductions to energy-efficiency requirements and real-world outcomes. The Transition Pathway Initiative (TPI) is considered by many to be one of the most advanced approaches in this respect. The TPI uses data on companies' emissions and emission reduction pathways to estimate whether these are in alignment with global temperature reduction agreements such as the Paris Agreement. The TPI also provides estimates of companies' future carbon intensity reductions based on their current levels and decarbonisation pathways. Danica leverages this company carbon intensity data to guide the calculation of baselines for its sectoral targets. Intensity targets for selected sectors:

- Energy: (gCO_2e/MJ)
- Utilities: (tCO_2e/MWh)
- Steel: (tCO_2e/t steel)
- Cement: (tCO_2 /t cement)
- Transportation:
- Aviation (gCO_2e/RTK)
- Shipping (gCO_2e/tKM)
- Automotive: (gCO_2e/km)

The TPI thus calculates individual sectors' CO_2e intensities using sector-specific intensity targets, which means that figures cannot be aggregated across sectors. To calculate the carbon intensity of each sector, Danica first applies ISS ESG's absolute CO_2e figures to identify a sector's 80% highest emitting companies. Danica's share of the underlying companies' carbon intensity is then calculated on the basis of TPI data. The reported figures are thus indirectly affected by the data quality of ISS ESG's absolute CO_2e figures. Also, actual calculated reductions within each sector are subject to a degree of uncertainty due to the forward-looking nature of TPI data.

Calculation of investments in the green transition

The inventory of Danica's investments in the green transition comprises the following asset types: listed assets (equities and credit bonds), real estate, alternative investments and government and mortgage bonds. They are determined according to methodologies aligned with Insurance Denmark's methodology instructions:

Listed assets (equities and credit bonds): Investments that are Taxonomy-aligned within the climate and environment area are included. Unlike in Danica's reporting on the EU Taxonomy, company reporting on the EU Taxonomy on a voluntary basis are included.

Real estate: Investments in Danish real estate that are Taxonomy-aligned within the climate and environment area are included.

Alternative investments: Investments in predominantly alternative investment funds that are Taxonomy-aligned within the climate and environment area are included. As alternative investment funds are not subject to the requirements under the CSRD, Danica cannot include these in its mandatory reporting on the EU Taxonomy. They are, however, included in the context of investments in the green transition.

Green government and mortgage bonds: These asset types are not comprised by the EU Taxonomy. Danica will therefore make a separate inventory of these investments pursuant to article 2(17) of the SFDR. The inventory will comprise green government and mortgage bonds aligned with the ICMA (International Capital Market Association) standard with focus on environmental aspects.

Data coverage for 2024

Calculation of Co_2e emissions and carbon footprint of investments

Using ISS ESG's climate analytics tool, 95% of positions in the included asset classes are covered by CO_2e data in scope 1 and 2, while 56% are covered by CO_2e data in scope 3, corresponding to approximately DKK 323 billion and DKK 181 billion respectively at the end of 2024.

Calculation of temperature rating targets

The overall temperature rating score covers 46% of positions in the asset classes included, corresponding to approximately DKK 155 billion at 31 December 2024. Due to a lack of data, the remaining 54% of portfolio companies have been assigned a default score of 3.2. The data quality has improved significantly relative to the baseline year, and this trend is expected to continue in the coming years.

Calculation of sector reduction targets

The average TPI data coverage across selected sectors corresponds to 75% of carbon emissions of the 80% highest-emitting companies in each sector.

Emissions from own operations

CO_2e-related data comprises energy consumption and other emissions from other consumption, e.g. of paper, in connection with Danica's operations in Denmark at the locations of which Danica has operational control. The 2024 reporting period runs from Q4 2023 to Q3 2024. Data is based on extracts from the internal Credit360 reporting system. Emissions are reported in accordance with the GHG Protocol guidance.

Scope 1 emissions cover CO_2e emissions from the use of company cars. Emissions from transportation in company cars are calculated according to mileage reported by the leasing company Nordania and emission factors from the Department of Environment, Food and Rural Affairs (DEFRA). In accordance with the GHG Protocol guidance, emissions from gas consumption in Denmark have been omitted in scope 1 owing to the purchase of biogas certificates of origin. Biogenic emissions from the use of biogas are reported outside scopes.

Scope 2 emissions cover CO_2e emissions from heating, cooling and electricity supplied by external suppliers. The emissions from heating are calculated on the basis of heating consumption and two specific emission factors. Emissions from district heating in the Copenhagen area are calculated using emission factors developed by district heating companies CTR, VEKS and HOFOR (Miljødata for fjernvarme i Hovedstadsområdet), whereas emissions from district heating outside the Copenhagen area are calculated using emission factors from the Danish Energy Agency. Similarly, emissions from district cooling are calculated on the basis of district cooling consumption and the specific emissions factor for district heating, due to a system problem not allowing Danica to separately calculate emissions from cooling and from heating. Scope 2 emissions are reported in accordance with the market-based and location-based methodology from the GHG Protocol Guidance. For the location-based approach, the emission factors from electricity consumption are calculated using average emission factors for Denmark from the IEA. For the market-based methodology, emissions from electricity consumption were omitted owing to the purchase of guarantees of origin and green certificates to compensate all electricity.

Scope 3 covers CO_2e emissions from:
- Scope 3.1. Purchased goods and services (limited to paper consumption)
- Scope 3.6. business travel (road and air)
- Scope 3.7. Employee commuting (emissions from working from home)

Scope 3.1: The emissions from paper are calculated on the basis of paper consumption provided by suppliers or from the internal webshop and emission factors from DEFRA.

Scope 3.6: For business travel by road, the emissions are calculated on the basis of the mileage and fuel-specific emission factors from DEFRA when fuel type is available. Mileage is provided either from registered distances from our leasing company Nordania or from HR, which has provided information from the travel allowance system. For mileage without known fuel type, the emission factor for unknown fuel from DEFRA is applied.

For business travel by air, the emissions are reported directly by our travel agency, American Express (AMEX), and are calculated on the basis of mileage data multiplied by the emissions factor from DEFRA. American Express has updated its methodology for measuring emissions from air travel. The most significant changes to the model are that:
- the model uses emission factors based on mileage data rather than UK BEIS International factors, as the latter cannot be used outside the UK
- the model adjusts to periodic updates of emission factor libraries. AMEX GBT therefore uses emission factors based on invoice data, which means that air travel is included in the measurement for the year in question.

Due to this change of methodology, emissions from air travel from 2020 onwards have been recalculated and may therefore differ from previously reported air travel emissions.

Scope 3.7: As of 2024, emissions from working from home are calculated on the basis of homeworking hours per quarter per employee and emission factors from DEFRA. Emissions are calculated at Danske Bank Group level based on working hours per quarter per FTE and emission factors from DEFRA. The Danske Bank Group's data is distributed to Danica on the basis of average FTEs. In 2024, the number of homeworking hours per quarter was established using office occupancy data per country multiplied by working hours and FTEs at the end of each quarter. Office occupancy is established using data from on-site speedgates. Only electricity consumption for office equipment is incorporated, using the DEFRA emission factor.

Total CO_2e emissions:
Total emissions consist of the sum of scope 1 emissions, scope 2 emissions (market-based) and scope 3 emissions.

CO_2e emissions per average number of FTEs
CO_2e emissions per employee (tonnes/FTE) are calculated on the basis of total CO_2e emissions (tonnes) and the average number of FTEs.

Renewable energy share
Scope 1 and 2: The renewable energy share within scope 1 and 2 is calculated on the basis of the total energy consumption and the amount of renewable electricity certified by guarantees of origin and renewable energy certificates. Natural gas consumption covered by biogas certificates of origin is not considered renewable energy for the purpose of calculating this KPI. The calculation does not include fuel consumption from company cars, as only one company car is in use. With limited data on the energy mix for heating, it is assumed that the energy mix is made up of a variety of different fossil sources.

Outside scopes
Biogenic emissions from the use of biogas are measured on the basis of gas consumption in Denmark, for which Danica purchases biogas certificates of origin, and an emission factor from DEFRA.

Real estate portfolio

Calculation of carbon emissions
Danica Ejendomme uses the international and recognised Greenhouse House Gas Protocol standard to calculate the carbon emission intensity of the Danish real estate portfolio. The climate report also uses the Real ESG Framework to ensure that the reporting is in accordance with leading sustainability practice in the real estate sector.

In previous years, developed area was measured on the basis of heated floorspace. For the current reporting period, area is calculated according to the reported BBR area, which is generally larger than the heated floorspace area. Consequently, the carbon intensity is comparatively lower than in previous years. To improve the transparency of comparison between periods, Danica has decided to adjust historical figures according to the same methodology (BBR area) as was used in the 2024 reporting period. However, an increasing amount of energy consumption data is measured using digital meters as opposed to previous years, when data was derived from EPC calculations. This increases the carbon intensity.

Calculation of certified properties

Certified properties are properties in operation which are certified and which have a temporary certificate of occupancy or a final certificate of occupancy. Development properties where the project has been pre-certified, and the construction has been finally green-lighted, are also included. The certifications are generally DGNB, LEED and Breeam.

E4 – BIODIVERSITY AND ECOSYSTEMS

Biodiversity is under great pressure, and restoring biodiversity and ecosystems is crucial to aligning with the Paris Agreement, staying within planetary boundaries and safeguarding the foundation of the companies Danica invests in.

Companies are dependent on biodiversity resources, and Danica wants to contribute to companies managing their impacts and dependencies on biodiversity as part of its commitment to protecting customers' pension investments and contributing to the green transition.

Strategy – Biodiversity and ecosystems

Disclosure Requirement E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Danica does not have a transition plan for biodiversity and ecosystems but instead has a biodiversity strategy in place with accompanying actions and targets. The intention of the strategy is to minimise the investment portfolio's negative impacts on biodiversity and ecosystems and to manage risks and opportunities for this area. The purpose of this is to have a robust investment portfolio that generates attractive risk-adjusted returns for customers and to adapt to a greater societal focus on biodiversity.

The biodiversity strategy is an integral part of Danica's overall sustainability strategy, which is a central element in the business strategy 'Tryghedsrådgiverstrategien', effective until the end of 2024, and the new business strategy 'Forward '28 - Danica', effective from 2025. Against this background, Danica's business model is considered to be resilient in relation to biodiversity and ecosystems in the long term. Danica's business model is not significantly impacted by issues related to biodiversity and ecosystems, and the fact that Danica's sustainability strategy includes these areas further strengthens this resilience. Danica reports on biodiversity and ecosystems due to the company's indirect impact on the area and not due to the financial impact. Financial impact is thus considered not material. More information on the investment portfolio's potential impacts and dependencies on biodiversity and ecosystems is provided in the section 'The investments' impact and dependency'.

Danica's subsidiary Danica Ejendomme has adopted its own biodiversity strategy as an integral part of Danica's biodiversity strategy and as part of Danica Ejendomme's overall ESG and business strategy.

As the biodiversity area is immature, with data, metrics and international frameworks still evolving, biodiversity-related impacts, risks and opportunities are not yet fully reflected in the business model. Over time, Danica will further develop its biodiversity strategy and associated processes as this area evolves and will thus to a greater extent include biodiversity in the business model, including risk management and the investment strategy. This also means that Danica does not have any concrete plans or actions in place to adapt the overall strategy and business model to integrate the targets and visions of the EU Biodiversity Strategy for 2030 and the EU Birds and Habitats Directives, but the targets and visions set out in the Kunming-Montreal Global Biodiversity Framework have been integrated into the strategy, as described below.

Danica is part of the Danske Bank Group, and Danica's biodiversity strategy forms part of the Group's Climate Action Plan, which defines biodiversity targets for Danica and Danica Ejendomme.

Danica uses data from ISS ESG to assess its exposure to biodiversity-sensitive areas, and location-specific data is not available. Therefore, no material negative impacts related to land degradation, desertification or soil sealing have been identified, and no operations affecting threatened species have been identified.

Targets

Disclosure requirement E4-4 Targets related to biodiversity and ecosystems

The overarching aim of Danica's biodiversity strategy is to contribute to UN Sustainable Development Goal 13 (climate action). The strategy's objectives are as follows:

(1) Targeted active ownership

By 2025, Danica will have conducted targeted engagements with 30 large, global portfolio companies with a significant dependency and impact on biodiversity and ecosystems.

The ambition is to gain greater insight into undertakings' strategies to minimise business-critical biodiversity risks and help them improve their reporting and adopting a structured approach to biodiversity-related risks and opportunities.

Half of the companies are particularly exposed to deforestation risks, while the other half are particularly exposed to ocean-related risks. Therefore, Danica's active ownership is intended to contribute positively to UN SDG 14 (life below water) and UN SDG 15 (life on land).

(2) Nature-positive property areas

Overall, the Danish real estate portfolio's areas must be nature positive by 2030 compared with 2024. This entails restoring and improving the areas' urban nature quality and variation to improve living conditions for flora and fauna and create a foundation for greater biodiversity. Another goal is to contribute to improved health and well-being for tenants and local communities.

An internal working group has been established to monitor progress on the goals. The group meets quarterly. Metrics and monitoring tools are described under 'Active ownership - targeted engagements with 30 companies' and 'Nature-positive property areas.

Danica has not prioritised mitigation of negative biodiversity impacts, as targets and other actions and processes broadly focus on reducing negative biodiversity impacts in relation to each portfolio company and property area. Similarly, no ecological thresholds have been used in the determination of targets, nor has responsibility for compliance with thresholds been allocated to individual parts of Danica's business.

As part of the Danske Bank Group, Danica has joined the investor initiatives Finance for Biodiversity Pledge, Nature Action 100, FAIRR and Investor Policy Dialogue on Deforestation to support the strategy. These initiatives seek to influence companies to improve their reporting in this area and to improve their management of biodiversity-related risks and opportunities.

Via Danske Bank, Danica has also signed up to the Partnership for Biodiversity Accounting Financials, an organisation working to enable financial institutions to assess and report on their impact and dependencies on biodiversity through the development of standards.

Impact, risk and opportunity management

Governance

Policies and business procedures on responsible investments and biodiversity and on management of related risks, opportunities and impacts are determined by Danica's Board of Directors. The Board of Directors regularly monitors the area, and discussions of material aspects and possible adjustments are escalated to the Board.

The internal working group has the operational responsibility for implementing the biodiversity targets and is responsible for monitoring developments and related risks in collaboration with relevant departments and for adjusting actions to execute the strategy. The head of sustainability, who is a member of Danica's general management, participates in the working group.

Danica Ejendomme's Board of Directors oversees and determines the company's biodiversity strategy and is responsible for monitoring developments and related risks in collaboration with relevant departments and adjusting actions to execute the strategy.

Danica collaborates with the Danske Bank Group. To support strong governance, decision-making and knowledge-sharing forums have been established with a focus on sustainability and biodiversity-related topics. Decision-making on responsible investments, including impacts, risks and opportunities related to biodiversity and other ESG topics, is the responsibility of Danske Bank Asset Management's Responsible Investment Committee, on which Danica is represented. This work is coordinated with Danske Bank's Business Integrity Committee and supported by Danske Bank Asset Management's ESG Integration Council, on which Danica is represented. Furthermore, day-to-day decisions regarding biodiversity-related risks, opportunities and impacts are the responsibility of the Investment Committee.

Disclosure requirement E4-2 Policies related to biodiversity and ecosystems

No policy has been adopted on biodiversity and ecosystems to address identified impacts, risks and opportunities, which is largely due to the area being immature and still evolving (lack of valid quantitative data, uniform measurement methodologies and traceability, etc.). There is no timeframe as to when a policy for this area will be adopted.

The investments' impact and dependency
In 2023, Danica published its first mapping of the equity and credit bond portfolio's potential impact and dependency on biodiversity in accordance with the double materiality principle. Such mapping provides a snapshot of the portfolio's potential dependencies and impacts, as no valid tools are yet available to make such assessments within specific timeframes. Based on data from ENCORE, this assessment indicated that about two thirds of investments have a potentially high impact on various ecosystems and biodiversity through their operations. In particular, they contribute to the loss of biodiversity through carbon emissions, pollution and overconsumption of natural resources.

The double materiality assessment also indicated that a third of the investments have a potentially high dependency on natural resources and ecosystem services such as water, trees, plants and animals, and storm and flood protection. Further analysis of the portfolio is required to determine any specific biodiversity risks. See the full mapping here.

No biodiversity stress testing of the investment portfolio has been performed yet. The real estate portfolio's and portfolio companies' risks, opportunities, impacts and dependencies on biodiversity and ecosystems via their underlying value chains have also not been mapped. Mapping of selected building materials for the real estate portfolio is expected to be initiated in 2025.

Danica furthermore reports on a biodiversity indicator in its annual PAI reporting related to exposure to biodiversity-sensitive areas. In 2023, 0.002% of investments had facilities/activities in or close to biodiversity-sensitive areas with a negative impact on biodiversity. This is calculated on the basis of reported data and estimates from ISS ESG. The PAI reporting is found here.

Due to low data coverage and lack of valid data, Danica has not taken a position on the identification, assessment and management of material impacts, risks, dependencies and opportunities for biodiversity and ecosystems for Danica Ejendomme's real estate portfolio.[3]

Danica has assessed whether the real estate portfolio is located in or near biodiversity-sensitive areas and whether they have a negative impact on these. At the end of 2024, via Danica Ejendomme, Danica had financial and/or operational control of 102 properties in the Danish real estate portfolio. A property (Haldor Topsøes Alle 1, Kgs. Lyngby) is located in a biodiversity-sensitive area (Mølleådalen), as defined by legislation. As it is an older office property in operation, it is not considered to have a material negative impact. The remaining 101 properties are not located in or near[4] biodiversity-sensitive areas. It is considered not to have a negative impact on biodiversity-sensitive areas, as it concerns the operation of office and residential properties in large cities and not production facilities where, for example, hazardous chemicals are used or smoke emitted that may have an impact on this type of area.[5]

Actions and resources

Disclosure Requirement E4-3 Actions and resources related to biodiversity and ecosystems
Danica's biodiversity strategy and related processes concerning responsible investment and the management of biodiversity and ecosystems are operationalised through a number of policies, business procedures and guidelines. These do not specifically address biodiversity and ecosystems, but rather the general ESG approach, of which biodiversity and ecosystems are a sub-element.

They include:

- *Responsible Investment Policy*
  Outlines the overarching principles of responsible investment practices supporting the goal of protecting customers' investment portfolios. It describes processes for inclusion of ESG in the selection of investments, active

[3] Thus, Danica has not considered the direct contribution of the business to drivers of biodiversity loss impacts (climate change, land-use change, freshwater -use and sea-use change, direct exploitation, invasive alien species, pollution). Similarly, Danica has not considered impacts related to the state of species, the extent and condition of ecosystems (including soil degradation, desertification and soil sealing), and the impacts and dependencies on ecosystem services.
[4] 'Near' is defined as being 'in' biodiversity-sensitive areas. The reason for this is that it concerns the operation of properties rather than a production facility, which means that the potential negative impact is assessed to be less being located 'near' than 'in' biodiversity sensitive areas.

[5] The assessment of whether a property is located in or near biodiversity-sensitive areas is made using various tools. Addresses of properties are entered into tools such as MiljøGIS or Danmarks Arealinformation in respect of Natura 2000 areas and protected nature. Addresses are also checked against lists of nature sites in Denmark maintained by Key Biodiversity Areas and UNESCO World Heritage Sites. Generally, the measurement is based on the address (often the main entrance), and this location is used to assess whether the property is located in and/or near a biodiversity-sensitive area.

ownership, screening and investment restrictions, including biodiversity-related aspects. A double materiality perspective is applied to protect the financial value of investments as well as minimise the negative impacts of the investments

- *Investment strategy*
  The strategy establishes the overall framework of the investment strategy and the allocation of customers' pension savings across Danica's investment portfolios. The investment strategy generally considers and integrates ESG factors
- *Active Ownership Policy*
  The policy outlines Danica's guidelines and approach to active ownership in portfolio companies on financial and ESG aspects, including biodiversity. Active ownership is pursued through direct engagement, voting at general meetings and collaboration with other investors. Danica engages in active ownership to protect its investments in portfolio companies and contribute to their positive development and management of biodiversity-related risks and opportunities
- *Risk Management Policy*
  The policy describes the processes underlying Danica's general risk management approach, where ESG is an element in the overall risk assessment of the investment portfolio's robustness. Danica's risk management practices are organised in line with the principles of the three-lines-of-defence model, under which the potential impact of the risks is identified, monitored and mitigated in the risk management process across all risk types. The integration of biodiversity-related risks is still at an early stage and will evolve in the coming years
- *Non-financial Risk Policy*
  A separate policy setting out the processes and responsibilities for identifying, assessing and mitigating non-financial risks as part of managing and protecting the customers' pension investments. Such risks for example include political developments, changes in legislation, technological advances, changes in customer preferences and ESG developments. Non-financial risks related to biodiversity are included, although this area requires further strengthening
- *Voting Guidelines*
  These guidelines describe how Danica expects portfolio companies to address financial aspects and ESG in general, including biodiversity aspects. They indicate how Danica will expectedly vote on proposals at general meetings on specific biodiversity and ecosystem-related aspects

These policies and guidelines are integrated into the practical business operations by means of business procedures for the internal Danica departments involved. For further information, see the section under 'Policies related to climate change mitigation'.

Policies, statements and guidelines furthermore define Danica's intention to manage risks and opportunities in relation to biodiversity and ecosystems. This is an integral part of the Investment Policy, which focuses on managing investment risks, including risks caused by biodiversity and other ESG topics.

They also define Danica's adoption of a double materiality perspective in the investment process. This means that Danica seeks to take into account the potential financial impact of biodiversity-related risks and opportunities on the investment portfolio and the investment portfolio's potential negative impact on biodiversity and ecosystems.

Biodiversity-related risks are encompassed by Danica's risk management of all risk types in line with the principles of the three-lines-of-defence model. This includes the investment, risk management and compliance departments. Risk management is defined by the above policies, statements and guidelines as well as by the Compliance Policy, the Code of Conduct and the Danske Bank Group's position statements on forestry and agriculture, among other things. These position statements define how Danica expects portfolio companies to manage environmental, climate, social aspects and animal welfare issues related to forestry and agriculture. No position statements have been adopted on oceans.

As Danica is a financial institution, no policies have been adopted on traceability or management of impacts on biodiversity and social aspects caused by production, sourcing or consumption of ecosystems. To add value to Danica's business model, expectations as to portfolio companies' management of biodiversity and ecosystems are expressed through Position Statements or Voting Guidelines.

The management of biodiversity-related risks is still evolving as data and tools in this area are still immature and have low validity and coverage.

The investment process
Danica seeks to include biodiversity-relevant topics in the investment process from a double materiality perspective.

Danica has access to biodiversity-related datapoints such as the portfolio companies' water consumption, land management, activities in nature-sensitive areas, pollution, waste management and materials sourcing. In addition, PAI indicators related to biodiversity are taken into account in the investment process.

Due to immature data, inclusion of biodiversity in the investment process is in development and is expected to become more systematised in the coming years.

Active ownership – targeted engagements with 30 companies
Danica's ambition is to have conducted targeted engagements with 30 portfolio companies by the end of 2025 on their management of biodiversity-related risks and opportunities and their reporting on this. Companies have been selected on the basis of the biodiversity mapping and applying a prioritised approach according to impact across the overall investment portfolio. The selection focuses particularly on companies associated with marine and deforestation-related risks

The selected companies operate in sectors such as the energy, finance, food, clothing, transport or pharmaceuticals industries. They include global – predominantly Nordic and European – companies, which reflects the investment exposure to these markets.

The number of engagements is measured on a regular basis, and, in collaboration with the Danske Bank Group, Danica has developed a method to assess the companies' ability to improve their biodiversity management. The tool makes it possible to evaluate the companies' improvements through biodiversity strategies and to establish clear expectations for their management of biodiversity aspects and monitor their progress. Companies are evaluated against 19 criteria and ranked on a scale from 0 to 4 based on how many of the criteria they meet, level 4 being the best. This method is based on principles derived from recognised organisations such as the Taskforce on Nature-Related Financial Disclosures, Business for Nature, the Science-based Targets initiative and the Transition Pathway Initiative. These frameworks seek to support the Kunming-Montreal agreement. See the criteria for the various levels here.

The analysis shows that the 30 companies generally improved from 2023 to 2024. In 2023, some 60% were at level 3, whereas in 2024 80% of the companies were at level 3. Over the same period, the proportion of companies at level 0 or 1 dropped from 10% to 3%, and no companies were at level 0.

At 31 December 2024, Danica had engaged with 27 companies.

Danica also focuses on biodiversity when voting at investment portfolio companies' general meetings. The voting guidelines define Danica's expectations for investee companies' management and reporting in this area. These are updated annually and most recently in 2024. The guidelines encourage companies to follow guidelines and targets set out in frameworks such as the Kunming-Montreal Global Biodiversity Framework and the Taskforce on Nature-Related Financial Disclosures.

Metrics

Investment restrictions
Danica enforces investment restrictions against companies that are assessed to have a material negative biodiversity impact and where Danica has failed to change company behaviour through active ownership engagement. This helps minimise investment risks and the negative biodiversity impact of the portfolio.

Companies are excluded from the investment portfolio based on criteria such as those listed below, which are all scientifically and technically well-founded according to internal analyses in the area.

Deforestation – Companies that, directly or indirectly through their value chains, are involved in deforestation or expropriation and thereby contribute to land-use change. This includes deforestation due to cattle ranching, soy production and expansion of vegetable oil plantations.

Threatened animal species – Companies that use body parts or the like from threatened animal species in their products.

Damage to World Heritage sites – Companies that are involved in projects deemed to have a potential material negative impact on UNESCO World Heritage sites.

Mining – Mining companies that dispose of waste products in rivers and marine environments.

At 31 December 2024, 49 companies had been excluded due to negative biodiversity impact.

In addition, climate-related investment restrictions are applied (the section 'Investment restrictions' under E1), which contribute to reducing the portfolio's negative biodiversity impact, as IPBES cites carbon emissions as one of the main causes of biodiversity loss.

Nature-positive property areas
The real estate portfolio strategy was updated in 2024 and supports the 'Nature Positive by 2030' initiative, which aims to contribute to the global Kunming-Montreal Biodiversity Framework.

Every year, nature restoration projects and actions are launched in the areas of three to five existing properties and development projects, while other areas will gradually transition to nature-enhancing operations. These measures are implemented in collaboration with operational staff, biologists, landscape architects and other specialists.

The 'Bynatur.app' approach is used to make baseline measurements of an area's state of nature and to monitor and report on developments. The tool calculates a so-called bioscore based on a number of parameters such as the diversity of flora and fauna, the number of invasive or native species and the quality, type and variety of the area.

$$\text{Bioscore indeks} = \frac{\text{Bioscore i aktuelt år}}{\text{Bioscore af baselinekortlægning}} \cdot 100$$

Moreover, projects and initiatives are developed in dialogue with tenants and local communities to help ensure that the initiatives enhance their health and wellbeing.

In 2024, three nature-enhancing projects were launched and baseline measurements established for the areas' bioscore. As more empirical data on the effect of measures emerges, future bioscore targets will be set for individual property areas. Principles and a handbook on green operations were developed in 2024 and will be implemented for selected property areas on an ongoing basis.

Resources
Danica's biodiversity targets and biodiversity-related IRO management processes are managed across relevant departments of Danica. The biodiversity area is evolving, and work is ongoing to improve workflows, tools and processes across departments.

Danica also collaborates with relevant departments of the Danske Bank Group, for example through an internal collaboration agreement with Danske Bank Asset Management's Responsible Investments team, which gives Danica access to insights and analyses in the biodiversity area.

Reporting principles

Targeted active ownership
Engagements are defined as letters, emails and meetings online or in person with company representatives. Portfolio companies are measured according to indicators defined in LC&i, Asset Management's biodiversity assessment framework.

Nature-positive property areas
The Bynatur.app was designed to map green habitats and nature in human-dominated environments using both quantitative and qualitative measurements. Measurement of the state of urban nature in the Bynatur.app is based on the methodology used in 'Biodiversity Metric 4.0' by Natural England. The quality/state of urban nature of each habitat and the overall quality (score) of the project is calculated automatically as data is entered, resulting in an overall state of urban nature with a specific habitat score, which Danica calls the bioscore. Biodiversity developments and actions on the individual properties are to ensure that the state of nature is improved. The bioscore is used to evaluate this. The bioscore is an indicator of a property's state of nature. The higher the score, the better the state of nature of the property's green areas.

ENCORE
ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool that helps organisations understand their dependencies and impacts on nature. ENCORE thus provides insight into the nature-related risks and opportunities related to their economic activities.

PAI indicator
The PAI indicator is calculated as the share of investments in companies with activities that negatively affect biodiversity-sensitive areas against all investments under Danica's management. The data used for the reported impact is based on companies that have been identified as causing negative impacts on biodiversity-sensitive areas. Data comprises data reported by the portfolio companies themselves as well as estimates made by the data provider ISS ESG. Investments not covered by data are considered as companies without activities with a negative impact on biodiversity-sensitive areas. Consequently, some companies causing negative impacts may not have been identified and reported. The data is thus subject to some uncertainty.

REPORTING ON THE EU TAXONOMY REGULATION 2024

The EU Taxonomy Regulation is a classification system providing companies, investors and policymakers with definitions of the criteria that an economic activity must meet to qualify as environmentally sustainable. The Taxonomy Regulation sets out six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

An economic activity is considered environmentally sustainable if it contributes substantially to one or more of the six environmental objectives. Moreover, the activity must do no significant harm to the other environmental objectives, while complying with a number of minimum safeguards. This assessment is made on the basis of supplementary rules issued as a supplement to the Taxonomy Regulation[6].

Under the EU Taxonomy Regulation, Danica is required to report on how and to what extent its activities are comprised by or associated with economic activities that qualify as environmentally sustainable.[7] It is thus the economic activities of the investments that may be associated with or aligned with one of the Regulation's six environmental objectives, measured according to turnover and capital expenditure (CapEx)-based KPIs, respectively.

At 31 December 2024, the following percentages of Danica's investment activities were eligible for the Taxonomy's six environmental objectives:
1. Climate change mitigation: 9.56%
2. Climate change adaptation: 0.07%
3. Sustainable use and protection of water and marine resources: 0.00%
4. Transition to a circular economy: 0.19%
5. Pollution prevention and control: 0.32%
6. Protection and restoration of biodiversity and ecosystems: 0.03%

The 2024 reporting shows that the proportion of Danica's Taxonomy-aligned investment activities at 31 December 2024 was 4.95% (turnover) and 3.54% (CapEx), respectively. The turnover-based value was distributed with 0.50% in listed assets and 4.45% in real estate. Of the CapEx-based value, 0.70% of the listed assets were Taxonomy-aligned, whereas 2.84% of real estate was Taxonomy-aligned.

In the mandatory inventory of Taxonomy-aligned investments, Danica is only allowed to include the value of positions that are subject to the requirements under the CSRD. This excludes undertakings that report on the Taxonomy on a voluntary basis. The same applies to alternative investment funds which, by definition, are not covered by the CSRD either. When these positions are included in the inventory of Taxonomy-aligned investments, the turnover-based value corresponds to 5.14% of Danica's investment activities. The distribution is 0.51% in listed assets, 4.45% in real estate and 0.18% in alternative investments.

As a life insurance company, Danica is required to report on the Taxonomy Regulation's Annex X – Template for the KPIs of insurance and reinsurance undertakings, Annex XI – Qualitative disclosures for insurance and reinsurance undertakings and Annex XII – Standard template for the disclosure referred to in Article 8(6) and (7). The following sets out Danica's reporting on Annex X and Annex XI, while reporting on Annex XII on nuclear-and fossil-gas-related activities is set out in the appendix to the CSRD statement.

Annex X – Template for the KPIs of insurance and reinsurance undertakings

The proportion of Danica's investments that are directed at funding or associated with Taxonomy-aligned activities, relative to total investments[8].

[6] See Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity does no significant harm to any of the other environmental objectives; and Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

[7] The reporting obligation under the Taxonomy Regulation is further specified in Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

[8] The value of total assets (denominator) is DKK 446,559,507,979 (excluding investments in government securities).

The weighted average value of all the investments that are directed at funding or are associated with Taxonomy-aligned economic activities, **relative to the value of total assets covered by the KPI,** with the following weights for investments in undertakings: Turnover-based: 4.95% CapEx-based: 3.54%	The weighted average value of all the investments of the insurance company that are directed at funding or are associated with Taxonomy-aligned economic activities with the following weights for investments in undertakings: Turnover-based: DKK 22,092 million CapEx-based: DKK 15,795 million
The percentage of assets covered by the KPI relative to total investments of the insurance company (total AuM), excluding investments in sovereign entities: Coverage ratio: 86.36%	The monetary value of assets covered by the KPI, excluding investments in sovereign entities: Coverage ratio: DKK 446,560 million
Additional, complementary disclosures: breakdown of the denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI: -1.87%	The value in monetary amounts of derivatives[9]: DKK -8,343 million
The proportion of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** relative to total assets covered by the KPI: For non-financial undertakings: 35.60% For financial undertakings: 17.27%	The value of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:** For non-financial undertakings: DKK 158,965 million For financial undertakings: DKK 77,115 million

The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** relative to total assets covered by the KPI[10]: For non-financial undertakings: 34.00% For financial undertakings: 7.84%	Value of **exposures to financial and non-financial undertakings in non-EU countries that are not subject to Articles 19a and 29a of Directive 2013/34/EU** For non-financial undertakings: DKK 151,811 million For financial undertakings: DKK 34,997 million
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** relative to total assets covered by the KPI: For non-financial undertakings: 7.31% For financial undertakings: 1.81%	The value of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:** For non-financial undertakings: DKK 32,636 million For financial undertakings: DKK 8,066 million
The proportion of **exposures to other counterparties** relative to total assets covered by the KPI: 53.81%	The value of **exposures to other counterparties and assets**: DKK 240,304 million
The proportion of insurance or reinsurance undertakings' investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policyholders** that are directed at funding or are associated with Taxonomy-aligned economic activities: 6.56%	The value of insurance or reinsurance undertakings' investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policyholders** that are directed at funding or are associated with Taxonomy-aligned economic activities: DKK 29,279 million
The value of all investments that are funding **economic activities that are not Taxonomy-eligible** relative to the value of total assets covered by the KPI: 87.96%	The value of all the investments that are funding **economic activities that are not Taxonomy-eligible**: DKK 392,801 million
The value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned relative to the value** of total assets covered by the KPI: 7.09%	The value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned**: DKK 31,676 million
Additional, complementary disclosures: breakdown of the **numerator** of the KPI	
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** relative to total assets covered by the KPI: For non-financial undertakings: Turnover-based: 0.47% CapEx-based: 0.66%	The value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:** For non-financial undertakings: Turnover-based: DKK 2,092 million CapEx-based: DKK 2,926 million

[9] The value of derivatives is taken from the annual financial reporting at 31 December 2024

[10] Danica reports a combined amount for exposures to financial and non-financial undertakings established in non-EU countries that are not subject to the NFRD. This approach was chosen due to the limited availability of data, which prevents Danica from further breaking down this exposure.

For financial undertakings: Turnover-based: 0.02% CapEx-based: 0.02%	For financial undertakings: Turnover-based: DKK 72 million CapEx-based: DKK 81 million
The proportion of insurance or reinsurance undertakings' investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policyholders** that are directed at funding or are associated with Taxonomy-aligned economic activities: Turnover-based: 0.00% CapEx-based: 0.00%	The value of insurance or reinsurance undertakings' investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policyholders** that are directed at funding or are associated with Taxonomy-aligned economic activities: Turnover-based: DKK 12 million CapEx-based: DKK 21 million
The proportion of **Taxonomy-aligned exposures to other counterparties and assets** relative to total assets covered by the KPI: Turnover-based: 4.45% CapEx-based: 0.06%	The value of **Taxonomy-aligned exposures to other counterparties and assets** relative to total assets covered by the KPI: Turnover-based: DKK 19,865 million CapEx-based: DKK 260 million

Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities – provided 'do-no-significant-harm' (DNSH) and social safeguards positive assessment		
(1) Climate change mitigation	Turnover: 4.94% CapEx: 3.52%	Transitional activities: Turnover-based: 0.05% CapEx-based: 0.08% Enabling activities: Turnover-based 0.32% CapEx-based: 0.42%
(2) Climate change adaptation	Turnover: 0.00% CapEx: 0.01%	Transitional activities: Turnover-based: 0.00% CapEx-based: 0.00% Enabling activities: Turnover-based 0.00 % CapEx-based: 0.00%
(3) Sustainable use and protection of water and marine resources	Turnover: 0.00% CapEx: 0.00%	Transitional activities: Turnover-based: 0.00% CapEx-based: 0.00% Enabling activities: Turnover-based 0.00 % CapEx-based: 0.00%
(4) The transition to a circular economy	Turnover: 0.00% CapEx: 0.00%	Transitional activities: Turnover-based: 0.00% CapEx-based: 0.00% Enabling activities: Turnover-based 0.00 % CapEx-based: 0.00%
(5) Pollution prevention and control	Turnover: 0.00% CapEx: 0.00%	Transitional activities: Turnover-based: 0.00% CapEx-based: 0.00% Enabling activities: Turnover-based 0.00 % CapEx-based: 0.00%
(6) The protection and restoration of biodiversity and ecosystems	Turnover: 0.00% CapEx: 0.00%	Transitional activities: Turnover-based: 0.00% CapEx-based: 0.00% Enabling activities: Turnover-based 0.00 % CapEx-based: 0.00%

Annex XI: Qualitative disclosures for insurance companies

B. Minimum safeguards

As part of the process of assessing whether an economic activity is environmentally sustainable, an analysis must be made to determine whether the economic activities are compliant with the minimum safeguards set out in Article 18 of the Taxonomy Regulation. The minimum safeguards aim to prevent economic activities from being classified as sustainable if, for example, they involve adverse impacts on human rights (including workers' rights), bribery and corruption or violation of tax or competition law.

Danica has committed to complying with a number of international standards setting out to ensure compliance with the Taxonomy Regulation's minimum safeguards, among other things. This supports Danica's commitment to promoting sustainable and socially responsible practices in the financial sector and thereby complying with the minimum safeguards. These standards include:

- The UN Global Compact
- The 2030 Agenda and the UN Sustainable Development Goals
- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights
- The UN-supported Principles for Responsible Investment

- The ILO Declaration on Fundamental Principles and Rights at Work The Universal
- Declaration of Human Rights

To comply with these standards, Danica has adopted policies, business procedures and various guidelines which aim to ensure that human rights and workers' rights, bribery and corruption prevention, taxation and fair competition aspects are actively embedded in our risk management. A few governing policies and processes are anchored at Group level, and in some cases, reference is therefore made to Danske Bank's framework. This includes the following, non-exhaustive list of documents:

- Sustainability Policy
- Responsible Investment Policy
- Active Ownership Policy
- Exclusion instruction
- Statement on principal adverse impacts of investment decisions on sustainability factors
- Sustainability Risk Integration Instruction
- Danske Bank Enhanced Sustainability Standards
- Danske Bank Tax Policy
- Danske Bank Supplier Code of Conduct
- Danske Bank Sustainable Investment Methodology
- Position Statement on Human Rights
- Financial Crime Policy

Danica's policies and business procedures ensure that regular due diligence, screening and monitoring of the above topics is performed for the investment activities. Danica's investment universe is limited by a number of exclusions that ensure that countries, undertakings and properties that do significant harm to sustainability factors or do not comply with minimum social safeguards are excluded as potential investment opportunities. If material negative impacts are identified in relation to the minimum safeguards for existing investments, Danica may exclude the investment outright if it is considered unrealistic to influence the portfolio company to comply with the minimum safeguards or if there is no sign that the company will improve sufficiently. Where additional information or monitoring is needed in a given case, or where it is necessary to apply active ownership, the company in question will be placed under observation. Danica uses this tool to help mitigate the risk of non-compliance with the minimum safeguards. Danica seeks to support portfolio companies in managing social aspects and complying with the minimum safeguards by engaging with them or by voting at their general meetings. Further details on how Danica uses due diligence, screening, exclusion, inclusion or active ownership to monitor, analyse and handle significant adverse impacts in relation to minimum safeguards are available on our website here.

In relation to the minimum safeguards, Danica furthermore performs relevant due diligence of all third parties using the Group's own internal tool for a consistent and fair process of choosing and entering into agreements with third parties. This ensures compliance with relevant competition law. An outline of our process is found on Danske Bank's website here.

Danica also has a formal complaint mechanism on the website here, where complaints of breaches of sustainability pledges and legislation may be filed directly and where complaints are processed by Danica's legal department. If complainants wish their complaints to be processed by an independent party, they may be filed here with the Danish Mediation and Complaints-Handling Institution for Responsible Business Conduct, which is the Danish national contact point for the OECD Guidelines for Multinational Enterprises. In implementing the above, Danica ensures that its investment activities comply with the minimum safeguards.

B. Reporting principles

The 2024 EU Taxonomy Report covers Danica's investment activities, including those of Danica Ejendomme and Danica Kapitalforvaltning, at 31 December 2024. The report includes data on investments within the asset classes of equities, credit bonds and real estate. Unlike in Danica's Taxonomy Report for 2023, the asset class alternative investments is not included in the mandatory reporting as alternative investment funds are not covered by the requirements under the CSRD. [11]. Like in the Taxonomy Report for 2023, the majority of the Taxonomy-aligned investments fall under activity 7.7. 'Acquisition and ownership of buildings' of Annex 2 of the Taxonomy Regulation, which primarily relates to the investment activities in Danica Ejendomme.

Listed equities and credit bonds

Investment in equities and credit bonds

Equities and credit bonds are evaluated using Taxonomy data from Institutional Shareholder Services (ISS), which identifies undertakings with Taxonomy-aligned activities. The data

[11] Government securities, including exposures to central governments, central banks and supranational issuers, which, according to the definition in the Taxonomy Regulation, should be excluded from the calculation of the denominator.

provided by ISS in 2024 was extended to include Taxonomy data for financial undertakings, and it is now also possible to report on the proportion of undertakings with activities related to the four last environmental objectives of the Taxonomy. Reporting on equities and credit bonds only comprises Taxonomy data reported directly by the undertakings themselves. The change in the share of Taxonomy-aligned undertakings since 2023 is minimal, as the overall portfolio composition still has an overweight of companies that are not required to disclose information under the Taxonomy Regulation. This relates particularly to undertakings whose primary operations are located in third countries such as the US and therefore only concerns the denominator of the Taxonomy KPIs. For that reason, the Taxonomy still has limited effect on Danica's strategy work, product development and engagement with customers in relation to its investment activities. As more of the assets that Danica invests in fall within the scope of the CSRD and thus become reportable under the EU Taxonomy Regulation, Danica will be able to incorporate more realistic targets and further integrate the Taxonomy into its strategies and processes.

Investments in real estate

Real estate is evaluated using an industry-specific manual developed by the Danish Council for Sustainable Construction (RFBB) to assess alignment with the Taxonomy criteria. Each individual property is assessed on the basis of the criteria of contributing substantially to one of the environmental objectives, doing no significant harm to other environmental objectives and at the same time complying with the minimum safeguards. Documentation of these assessments was collected and subsequently verified by RFBB. The figures are based on carrying amounts at 31 December 2024 of Danica's Danish real estate portfolio managed by Danica Ejendomme. Unlike in last year's reporting, it was possible in 2024 to assess whether the properties of Danske Shoppingcentre, of which Danica owns 50%, are Taxonomy-aligned. If a property is assessed to be Taxonomy-aligned, 50% of its value is included in Danica's relevant KPIs.

In order to contribute substantially to environmental objective 1, a building must either have a grade A energy performance certificate or alternatively be among the top 15% of buildings nationally in terms of energy performance, which is assessed to comprise both grade A and B energy performance certificates. Properties with a grade lower than B thus do not meet the technical screening criteria for EU Taxonomy alignment and are excluded from the 2024 reporting

In 2023, property values were aligned using the turnover and CapEx-based approaches, regardless of whether the property contributed substantially to environmental objectives 1 or 2. A European Commission notice has since suggested that only properties contributing substantially to environmental objective 1 (climate change mitigation) can be aligned using the turnover-based approach. For properties contributing substantially to environmental objective 2 (climate change adaptation), only capital expenditure directly attributable to climate change adaptation measures under the CapEx-based approach may be included. However, as the existing data quality does not support the classification and documentation of capital investments in specific climate change adaptation activities, it is not possible to report on properties that contribute substantially to environmental objective 2.

Definitions

Total Taxonomy-aligned economic activities relative to total covered assets	=	The weighted average value of all the insurance company's investments that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI.
Value of assets covered by the KPI relative to total AuM	=	The percentage of assets covered by the KPI relative to the total investments of the insurance company
Percentage of derivatives relative to total covered assets	=	The proportion of derivatives relative to total assets covered by the KPI.
Non-covered assets relative to total covered assets	=	The value of non-covered assets relative to total covered assets (the value of government securities relative to covered assets).
Total Taxonomy-non-eligible economic activities relative to total covered assets	=	The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI.
Total Taxonomy-eligible, but not Taxonomy-aligned economic activities	=	The value of all the investments that are funding economic activities that are Taxonomy-eligible, but not Taxonomy-aligned, relative to the value of total assets covered by the KPI.
Total covered assets	=	Total assets relevant to the KPI. Including invested equity, but excluding government securities, defined as exposures to central governments, central banks and supranational issuers. In this respect, Danica complies with Article 7(1) of the Delegated Regulation on Taxonomy Reporting (2021/2178).

S1 – OWN WORKFORCE

Strategy – Own workforce

Danica's ambition is to offer an engaging, diverse and responsible workplace with a safe and healthy working environment focusing on diversity and inclusion. The Board of Directors holds overall responsibility for decisions about Danica's business model to balance the interests of customers and owners. To build a strong foundation, Danica continually strives to integrate responsibility into its core business. The means to achieving this are responsible investments, responsible operations, a responsible workplace and culture and volunteer work.

Danica has either found the following disclosure requirements not material in the double materiality assessment or has opted to omit them in this statement:

- Disclosure Requirement S1-7 Characteristics of non-employee workers in own workforce
- Disclosure Requirement S1-11 Social protection
- Disclosure Requirement S1-12 Persons with disabilities
- Disclosure Requirement S1-13 Training and skills development metrics
- Disclosure Requirement S1-15 Work-life balance metrics

Danica has defined the following IROs as material under S1:

- Danica offers a flexible workplace
- Employees' impression of workload
- Good leave opportunities for parents
- Good workplace culture in terms of the employees' overall satisfaction and their satisfaction with their immediate superior
- Annual mandatory eLearning courses for all employees on knowledge about corporate culture, money laundering, sustainable financing, bribery and corruption, etc.
- Targets for women in board and management positions

Material impacts, risks and opportunities and interaction with strategy and business model

Disclosure Requirement related to ESRS 2 SBM-3

Danica is a life insurance and pension company with the ambition to be a responsible workplace for its employees. The Code of Conduct Policy ensures that employees work according to the same values and that all employees are treated equally and with equal opportunities. In the employee satisfaction survey, employees can express their opinion on issues such as workload and the physical and mental working environment. The employee satisfaction survey is discussed with the manager within each department, and if actions are needed to improve employee satisfaction, the manager must initiate such action.

Targets

Disclosure Requirement S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Danica has defined targets for the following topics, which will be discussed individually below:

- Employee satisfaction
- Gender distribution/diversity

Employee satisfaction: 80 out of 100

As part of Danica's business strategy, an employee engagement target has been defined. The target is an overall score based on the employees' replies to questions about satisfaction and motivation, and the target determined by the Executive Board is at least 80 out of 100 by the end of 2028. To achieve this target of an overall employee engagement score of 80 out of 100, managers are required to review the half-yearly report with their employees and receive feedback. Managers also commit to ensuring that the employees feel psychologically secure with the aim of maintaining and enhancing employee well-being at Danica. If employees need to talk to a secondary person, they can contact the union representative, the health and safety representative or HR.

eLearning

Danica has a target of 95% of employees completing the annual mandatory eLearning courses. In 2024, 99.5% of employees had completed their eLearning courses.

Gender distribution among managers

As previously mentioned, Danica furthermore aims to promote diversity in recruitment and succession processes. Danica has defined a target of having 45% female managers by 2028. In 2024, 52% of Danica's managers were female. On the Executive Board, the target is 40% by 2028, whereas in 2024, 25% of members of the Executive Board were female. Finally, the goal is for the Board of Directors to have 40% female members by 2028, whereas 20% of board members elected at the annual general meeting were female in 2024.

Future pay gap targets

Danica does not currently have a specific pay gap target, other than that Danica always strives to remunerate its employees according to experience and skills in order to minimise the pay gap as much as possible. Preparation is underway for the implementation of new guidelines in relation to the EU Pay Transparency Programme 2025/26.

Impact, risk and opportunity management

In this chapter, we describe Danica's material impacts on employees and the risks and opportunities related to the workforce.

Disclosure Requirement S1-1 Policies related to own workforce

This section describes Danica's policies related to its own workforce. Using a risk-based approach, controls are performed to check how the policies function and are implemented in the business, including the preparation of gap analyses to support compliance with legislation. The policies support international initiatives and standards. See the list in the ESRS 2 section 'Statement on due diligence'. Danica has established the following policies, which will be discussed in the following:

- Code of Conduct
- Supplier Code of Conduct
- Collective agreement for Danica employees
- Whistleblowing Policy
- Diversity and Inclusion Policy
- Human Rights Policy
- Collaboration agreement on working environment

Code of Conduct

Danica's Code of Conduct Policy defines a set of principles that serve as a framework for behaviour and business conduct. The Code of Conduct addresses the following:

- Ensuring that the Group's business practices are aligned with a sound corporate culture and responsible behaviour
- Integrating ESG risk considerations into the Group's general business practices and decision-making processes
- Preventing and enforcing zero tolerance to every form of financial crime
- Handling personal data ethically and protecting it according to the law to ensure privacy and security of both customer data and employee data
- Promoting and respecting human and labour rights, including preventing discrimination, harassment and any form of forced labour and/or child labour
- Treating customers fairly
- Promoting respect, diversity and sound performance in the workplace
- Providing appropriate compensation that does not reward unethical behaviour and ensures that no discriminating factors have any bearing on the remuneration structure
- Having strong risk management in place and ensuring that the Group addresses all the different types of risk it faces

Danica supports international human rights initiatives and standards. Failure to comply with the Code of Conduct may have serious consequences for Danica and its employees, including fines, criminal liability, regulatory requirements and/or market investigation and may also have employment law consequences and reputational consequences.

Supplier Code of Conduct

Danica adheres to the Danske Bank Group's Supplier Code of Conduct (rules of ethics for suppliers), which sets out basic environmental, social and ethical standards that Danica expects its suppliers to comply with and that are an integral part of individual supplier contracts. These are minimum requirements that companies must comply with in order to be considered as suppliers to Danica. Suppliers are expected to uphold laws, rules and standards as listed above under Policies related to own workforce.

All suppliers are obliged to demonstrate respect for workers' rights and cultures and ensure compliance with national laws and international labour and human rights standards, including but not limited to international standards established by the International Labour Organization (ILO). We expect suppliers to set standards that protect workers, ensure a healthy and safe working environment and prevent accidents and injuries caused by physical and mental working conditions by offering proper training and preventive measures. Suppliers must treat all employees with dignity and respect and secure a workplace free from harassment, abuse and violence.

The Supplier Code of Conduct is an end-to-end supply chain initiative. Suppliers are responsible for setting the same or comparable standards for sub-suppliers to ensure that the requirements are fulfilled throughout the supply chain. Suppliers must cooperate with Danica on due diligence assessments, performance of risk/impact assessments, inspections, monitoring, reporting, and audits. If, by intention or repeated negligence, suppliers fail to comply with the requirements stated in the Supplier Code of Conduct or if they continually refuse to engage in due diligence activities or lack commitment to make progress on issues identified during an assessment, Danica reserves the right to pursue termination of their contracts.

Collective agreement for Danica employees

Forsikringsforbundet and Danica's Executive Board have negotiated a collective agreement covering rules on pay and working conditions for Danica employees. The collective agreement is typically renegotiated every three years, and once agreement has been reached between Danica and Forsikringsforbundet, the employees vote on the agreement. Forsikringsforbundet negotiates on behalf of the employees' interests. The collective agreement is available at Danica's intranet.

Whistleblowing Policy
Danica has a Whistleblowing Policy, which is described below in sections S4-3 and G1 of this statement.

Diversity and Inclusion Policy
In addition to the Code of Conduct, Danica is committed to ensuring a diverse, fair and inclusive culture, as set out in the Diversity and Inclusion Policy. The policy, which is applicable to all employees, sets out the following principles:

- Improving diversity across all characteristics
- Ensuring equal opportunities for all employees
- Practicing an inclusive culture and mindset by nurturing a sense of belonging in the workplace, so that all employees are comfortable with expressing themselves openly and freely
- Zero tolerance to discrimination, harassment or offensive workplace behaviour

The policy ensures compliance with applicable requirements in the Danish Financial Business Act and the Danish Companies Act relating to motivating sufficient diversity in qualifications and skills. The policy is reviewed and updated annually, involving various internal specialist functions and stakeholders.

As part of Danske Bank, being a workplace with an inclusive corporate culture is a key ambition for Danica, because this supports equal opportunities for employees and creates value for Danica as a workplace and as a business.

The Group wants to drive equality in recruitment, career development, appointments, equal pay, and other areas. Danica recognises that differences in pay levels between genders can affect employee motivation. Danica focuses on creating gender balance in management, in business areas and across geographies. This is expected to help create a more equal distribution of salary levels and thus reduce the pay gap and will be adapted by Danica over the coming years. Also, preparation is underway for the implementation of new guidelines in relation to the EU Pay Transparency Programme 2025/26.

Human Rights Policy
As part of the Danske Bank Group, Danica is committed to respecting international human rights, including labour rights. This includes all human rights as stated in the International Bill of Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Danica does not accept any form of discrimination, disrespectful behaviour, bullying or harassment towards employees, customers, business partners or any other persons connected to the Group. The Group also does not tolerate human trafficking, child labour or any type of forced labour instituted against a person's will or choice. Danica does not accept discrimination or adverse assessment on the basis of, for example, a person's:

- Gender, marital status and sexual orientation
- Age
- Disability or health status
- Race, colour, nationality and social or ethnic origin
- Religion or belief, including political beliefs
- Pregnancy or leave due to the birth/adoption of a child
- Part-time or temporary employment
- Union membership
- Representation of employees
- Whistleblowing

It is mandatory for Danica employees to complete eLearning courses related to the Code of Conduct, which includes human rights. In addition, Danica complies with international human rights standards, see the latest Human Rights Report, which is available here: human-rights-report.pdf (danskebank.com).

Collaboration agreement on working environment
The Danske Bank Group and the trade unions have a collaboration agreement on working environment. The agreement stipulates that Danica's managers are responsible for ensuring a good physical and mental working environment. It states, for example, that employees must have the necessary equipment (at the Group's locations) to be able to perform their tasks without discomfort in order to avoid harm to the employees' health. It also stipulates dialogue on workplace assessments (WPA) and the formulation of action plans to handle any challenges.

Disclosure Requirement S1-2 Processes for engaging with own workers and workers' representatives about impacts
Danica believes that dialogue with its own workforce and employee representatives is essential to supporting a sound corporate culture and a good working environment. A number of processes have therefore been

established to support dialogue between managers, employees and employee representatives. These are listed below and discussed individually in the following:

- Employee satisfaction survey
- Health and safety representative
- Health and safety committees and health and safety group
- Joint consultation committee
- Diversity and inclusion

Danica wants to engage employees in sharing their opinions. To this end, half-yearly employee satisfaction surveys are conducted, giving employees the opportunity to express their views on employment conditions, job satisfaction, leadership, collaboration, diversity and inclusion, among other matters. This is described in more detail below. These surveys are reviewed twice yearly in the individual departments. Managers are supported by HR in conducting the dialogue about the employee satisfaction survey in each department. The effectiveness of the dialogue is discussed in connection with the review of the employee satisfaction survey.

It should also be mentioned that Danica has not identified any consequences for its own workforce arising from reducing carbon emissions and transitioning to greener and net-zero operations, etc.

Employee satisfaction survey
Danica conducts half-yearly employee satisfaction surveys. In the survey, all employees are asked questions about job satisfaction, loyalty, reputation, leadership, collaboration, working conditions, job content and pay and employment conditions, learning and development, sharing of concerns, flexible workplace and diversity and inclusion. This can provide insights into perspectives of specific groups. The employee satisfaction survey is conducted by Ennova on behalf of Danica, and the insights gained are used for follow-up in the respective management teams to implement action plans for improved wellbeing and continual focus on mental security.

Health and safety representatives
Danica has a health and safety organisation with representatives on Danske Bank's Health and Safety Committee. The health and safety organisation is composed of appointed health and safety managers and employee-elected health and safety representatives who support employees and managers in promoting a good mental and physical working environment, including initiatives aimed at workplace design and noise management. This is described in Danica's Code of Conduct under G1.

Health and safety committees and health and safety groups
The health and safety organisation consists of a health and safety committee and health and safety groups, and its purpose is to ensure collaboration on Danica's working environment. The health and safety committee and the health and safety groups generally meet once every quarter. In addition, local health and safety groups assist managers at individual locations. The purpose of these is to strengthen preventive health and safety measures to ensure a healthy, safe and responsible working environment.

Joint consultation committee
Danica has a joint consultation committee composed of members from Danica's top management, HR and employee representatives from the trade unions, including Forsikringsforbundet i Danica, Assurandørforeningen and Danica's network for managers. The joint consultation committee discusses major organisational initiatives and exchanges views to support management decisions and inform employees of matters such as working conditions, wellbeing, stress management, finances, employment situation, outsourcing, new technology and employee skills development. Minutes from these meetings are available to all employees and can be found on the intranet.

Diversity and inclusion
To drive the diversity and inclusion agenda and show ownership among managers and in the business, processes have been developed that contribute to the involvement of everyone across the business. These processes are described in the Diversity and Inclusion Policy. They cover Danica's obligation to improve diversity across characteristics, ensure equal opportunities for employees, practise an inclusive culture and that Danica does not accept discrimination, harassment or offensive workplace behaviour. If an employee feels discriminated against, managers, or alternatively a union representative, a health and safety representative or HR, are responsible for initiating the dialogue.

Disclosure Requirement S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns
To create a responsible workplace, it is important for Danica to have processes in place for dialogue with employees for them to raise any concerns. Employees are familiar with these processes and tools through several annual and repeated eLearning courses, information on the intranet, for example about agreements, collective agreements, remuneration, pension contributions, holiday

and sickness registration, performance, career opportunities etc., as well as via the employee handbook.

Through the half-yearly employee satisfaction surveys, employees are able to voice concerns or dissatisfaction, and the results of the employee satisfaction survey are shared and reviewed by the individual department managers. If there are challenges that need to be addressed, the manager and employee may contact HR, a specialist function or a union representative or health and safety representative. Employees may also reach out to their manager if they want to share a concern.

eLearning courses are mandatory, and employees can access the required eLearning courses via a learning portal on the intranet.

These processes cover the following initiatives:

- Call to action following a breach of the Code of Conduct
- Whistleblowing scheme
- Workplace assessment
- Danish Working Environment Authority
- eLearning

Call to action following a breach of the Code of Conduct

Through eLearning courses, all employees have been familiarised with Danske Bank's and Danica's channels to report unusual activity such as Code of Conduct breaches. Danica's employees can share their concerns and doubts in various ways. First of all, by talking to their manager or colleagues and by contacting specialist functions such as compliance or HR. However, there may be situations where it is not appropriate to use these channels, in which case they can use the whistleblowing scheme.

Whistleblowing scheme

It is important to Danica that its employees share their concerns if they become aware of or suspect breaches of laws or regulations or violations of rules in connection with their work. If this happens, employees may use Danske Bank's Whistleblowing System and report directly to the Whistleblowing Operations Team under Group Compliance or, if the report concerns Group Compliance, directly to Group Internal Audit.

The Whistleblowing System allows employees to report concerns or doubts safely and easily via an independent and external website. This ensures that the reporting is handled properly. Employees have the option of reporting anonymously, so that the employee is protected from all forms of retaliation. If an employee chooses to reveal their identity, this will have no negative repercussions for the employee. The Head of HR is also notified when concerns are reported through the whistleblowing system, naturally without the confidentiality of reporting being compromised.

Joint consultation committee and HR

Twice annually, Danica's joint consultation committee receives statistics on sickness absence, and the committee considers the general and mental workload in specific areas of the organisation without being involved in individual cases. Furthermore, in connection with major organisational changes, Management discusses their potential effects with trade unions before the changes are affected. The parties subsequently discuss any unforeseen impacts on the employees and jointly seek measures to remediate these.

HR engages with the trade unions monthly to discuss individual cases and department-specific challenges. These discussions give HR a clear overview of the situation in Danica's departments. In addition, Danica's HR partners keep in regular dialogue with managers, so that they are aware of any specific staff issues.

Workplace assessment

All companies with employees must carry out workplace assessments (WPA), which is an important tool for assessing the working environment. WPAs are conducted annually at Danica at the same time as one of the half-yearly employee satisfaction surveys. The results of both are compiled in a single report. Employees are also asked questions about the mental working environment. The results are made available to all employees, and the WPA is reviewed by the manager of each department. If there is a need for action, the manager is responsible for initiating this – if necessary, in collaboration with health and safety representatives.

Danish Working Environment Authority

The Danish Working Environment Authority is the Danish authority in the working environment area. Its supervision of Danish companies is to promote a safe and healthy working life for all and ensure working environment improvements. The Danish Working Environment Authority carries out both unannounced and announced inspections of Danish workplaces. In case of an announced inspection, the relevant departments are informed in advance.

eLearning

Every year, Danica employees must complete eLearning courses that provide an insight into the corporate culture. They consist of 9-12 eLearning courses, depending on job profile. As rules and processes change over time, the programmes are updated accordingly once a year. Danske Bank's HR department is responsible for eLearning courses.

Actions and resources

Disclosure Requirement S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Danica has numerous measures in place to reinforce a good corporate culture and a responsible workplace that addresses opportunities and risks related to Danica's employees. For example, Danica employees gave their satisfaction with working at Danica a score of 80 out of 100 in the half-yearly employee satisfaction survey conducted in the second half of 2024. With a score of 79 out of 100, Danica's employees expressed satisfaction with the workload in the same half-yearly employee satisfaction survey. The employees also expressed satisfaction with Danica's flexible workplace, giving it a score of 86 out of 100. The employees expressed dissatisfaction with the working environment at the previous location in Lyngby. As they have now moved to a new location in the Postbyen district in Copenhagen, employee satisfaction with the physical working environment is expected to improve. See the section above for further details on the use of the employee satisfaction survey.

Due to its business model, Danica is highly dependent on its employees. Danica therefore considers it important to offer them good conditions and has taken measures to ensure this. These cover the following areas and will be described individually below:

- Offers for employees with children
- Offer of help with stress management
- Offer of addiction treatment
- Volunteering opportunities
- Offer of addiction treatment
- Offer of a flexible workplace
- Optimisation of physical working environment
- Narrowing of gender pay gap

Offers for employees with children

Employees with children have attractive opportunities to go on leave, including maternity leave for both mothers and co-parents. It is also possible to work reduced hours while maintaining pension contributions. These options more than meet the EU requirements in the area, which reflects Danica's commitment to this.

Offer of help with stress management

Danica employees are offered qualified and impartial help through Danica's Health Package or Danica Health Insurance if the employee needs help to manage stress. Employees also have the opportunity to participate in networks for employees affected by stress. This happens in complete confidentiality and in groups of eight to ten employees. Danica also has guidelines for managers on how best to handle employees who are absent due to stress.

Offer of addiction treatment

As part of Danske Bank, Danica offers its employees treatment for alcohol, drug and/or medicine and gambling addictions. Treatment is confidential, and managers can contact HR Legal's specialists who will guide the process in relation to further treatment. Danica also has guidelines for managers in this area.

Volunteering opportunities

Danica's employees have the opportunity to spend three paid workdays doing volunteer work for the benefit of society. Danica offers this opportunity to its employees as part of its commitment to being a responsible company that contributes to society. Danica employees undertook volunteer work in aid of Pride, Ren Natur, World Cleanup Day and the Child Accident Prevention Foundation, to name a few.

Offer of a flexible workplace

Danica is a flexible workplace, which means that employees work from home and from the office on agreed days. However, Danica encourages employees to be present at the office at least three to four days a week to reinforce the corporate culture.

Optimisation of physical working environment

As part of Danske Bank, Danica has a Working Environment Management System (WEMS) to manage the working environment. WEMS ensures transparency in Danica's working environment and documentation of progress. WEMS provides an overview of action plans on working environment and safety as well as documentation of actions and progress on a healthy working environment.
The health and safety representatives regularly receive overviews to keep track of working environment developments. It is the responsibility of individual managers to ensure an optimal working environment for the employees. If a manager is made aware of an issue, the manager can contact the health and safety group, which may escalate the matter in WEMS if it cannot be readily resolved.

Narrowing of gender pay gap

The Danske Bank Group, including Danica, constantly strives to promote equality within the Group with respect to employment, career development, promotions, equal pay, etc. With a view to closing the gender pay gap, Danske Bank focuses not only on pay but more broadly on diversity and inclusion in order to foster a higher proportion of women, particularly in executive and top-bracket positions. Danske Bank has implemented several initiatives in order to realise its ambitions on diversity and equal pay and regularly carries out internal surveys to ensure that the Group delivers on its strategy and targets. In the recruitment process, the Group thus focuses on having an equal gender distribution among the final candidates for positions.

Metrics

Disclosure Requirement S1-6 Characteristics of the Undertaking's Employees

Danica has a diverse composition and organisation of employees.

Employee satisfaction

Employee engagement is essential to Danica. The vast majority of Danica's employees generally express job satisfaction and motivation with a score of 80 out of 100 and a response rate of 95% in the second half of 2024.

In their assessment of Danica's managers in the second half of 2024, the employees' score in terms of creating a culture based on security and openness was 86 out of 100.

The half-yearly employee satisfaction survey in the second half of 2024 also showed that the employees were very satisfied with Danica as a flexible workplace. The employees scored satisfaction with workplace flexibility 86 out of 100. This indicates that a flexible workplace has a positive effect on employees and their motivation at work.

Datapoints regarding employee characteristics are disclosed by number of employees at the end of the 2024 reporting period.

Number of employees by gender and age

Danica had 984 employees in 2024: 506 women, 478 men and 0 other and not reported.

Gender	Number of employees (headcount)
Men	478
Women	506
Other	0
Not reported	0
Total number of employees	**984**

See note 10 to the Annual Report 2024 for Danica's total number of full-time employees.

Number of employees by country

As Danica only has employees in Denmark, this is the only country included in the table below.

Country	Number of employees (head count)
Denmark	984
Total number of employees	**984**

Number of employees by contract type and gender

Danica's 984 employees in 2024 were distributed as follows: for women there were 489 permanent employees and 17 temporary employees out of 506 employees, while for men there were 466 permanent employees and 12 temporary employees out of 478 employees. For women, there were 417 full-time employees and 89 part-time employees out of 506 positions, while for men there were 437 full-time employees and 41 part-time employees. Accordingly, Danica mainly has full-time employees and has an equal gender distribution.

	Women	Men	Other	Not reported	Total
Number of employees	506	478	0	0	984
Permanent employees	489	466	0	0	955
Temporary employees	17	12	0	0	29
Non-guaranteed hours employees	0	0	0	0	0
Full-time employees	417	437	0	0	854
Part-time employees	89	41	0	0	130

Note: Temporary employees are defined as employees on a fixed-term employment contract.

Employee turnover

Number of employees who left Danica in 2024	36
Employee turnover	3.87%

Disclosure Requirement S1-8 Collective bargaining coverage and social dialogue (union membership)

Number of employees covered by collective agreements and social dialogue

As Danica only has employees in Denmark, it is not considered relevant to break this down by country and region.

81% of Danica's employees are covered by collective agreements and social dialogue.

Coverage rate	Collective agreement coverage	Social dialogue
80-100%	Denmark 81%	Denmark 81%

All employees are generally entitled to a union representative through their membership of a trade union. All members of a professional organisation (Forsikringsforbundet i Danica or Assurandørforeningen i Danica) have direct access to advice and guidance from a union representative.
The percentage regarding social dialogue in the

table above is calculated as the share of employees covered by collective agreements, as Danica does not have access to information about whether employees are members of a trade union, trade union membership information being specially protected data under the GDPR.

Danica is part of Danske Bank's work on the European Working Council. Additional information is available on Danske Bank's website: [Employee well-being and diversity | Danske Bank].

Disclosure Requirement S1-9 Diversity metrics

Number of employees (head count) by age

The age distribution of Danica's employees in 2024 was 128 aged under 30, 487 aged between 30 and 50, and 366 aged over 50. This is set out in the table below:

Age groups	Number of employees
Aged under 30	131
Aged 30-50	487
Aged over 50	366
Total	984

Gender distribution at top management level

Danica's top management is the Executive Board. The top management in 2024 consisted of three male members in the positions of CEO, CFO and COO and one female member in the position of CCO. This is set out in the table below.

Gender distribution at top management level	Number	Percentage
Male	3	75%
Female	1	25%

Disclosure Requirement S1-10 Adequate Wages

Collective agreements and local agreements

Danica has an appropriate pay level through collective agreements covering the majority of the employees. A factor in this respect is that, for most employees, the total remuneration package of salary and pension does not include pension contributions paid by the employees themselves.

The majority of employees are covered by collective agreements. Those not covered are mainly management employees, as they have individual contracts. This is especially true for members of the top management team, which often have additional individual bonus agreements.

At Danica, collective agreements are typically concluded for a period of two to three years for employees with Forsikringsforbundet and for sales staff and insurance agents with Assurandørforeningen.

The collective agreement covers matters such as working hours, pay, employment provisions, special employee groups, holidays, training, skills development and social provisions. Danica thus ensures that employees covered by collective agreements receive adequate pay for the work performed.

Employees who are not covered by a collective agreement (excluding employees on individual contracts), i.e. employees with weekly working hours of less than eight hours or in temporary employment not exceeding one month, are usually paid on an hourly basis according to an industry-specific minimum wage (or higher), by means of which Danica ensures adequate pay for these employees.

Disclosure Requirement S1-14 Health and safety metrics

Employment injuries

All employees are covered by working environment regulations and legislation. As a result of the business model, Danica's employees are not widely exposed to dangerous situations or situations that typically lead to employment injuries. In 2024, Danica recorded one employment injury. Employment injuries are reported in the EASY system at virk.dk. General management together with Danske Bank HR Service are responsible for reporting injuries.

Danica is prohibited from registering work-related ill health pursuant to the GDPR. Accordingly, no statistics are available on this.

Danica has a guide on how to provide insurance assistance in case of employment injuries, and employees can get help and guidance by contacting their local health and safety group, which is listed on the portal.

	2024
Employment injuries (number)	1
Employment injuries (rate)	0.55
Work-related fatalities (number)	0

Disclosure Requirement S1-16 Compensation metrics (pay gap and total compensation)

Danica strives to ensure equal pay. A Danica employee's remuneration is determined on the basis of factors such as the person's role, position, experience, seniority, education, responsibility, job complexity, local market situation, department performance, what business unit the person is employed in, and individual performance. Danica has the following measures in place to ensure equal pay regardless of gender, ethnicity, etc.

Danica has a pay gap, with men being paid 26.2% more than women on average. This is a deterioration compared with a gender pay gap of 25.9% in 2023.

	2022	2023	2024
Pay gap (%)	24.1	25.9	26.2

Data has been collected for all Danica employees broken down by gender. Men are generally employed in higher-paid job functions at Danica compared with the job functions women are employed in. As all Danica employees are employed in Denmark, there are no geographical or collective agreement factors that may affect pay formation.

Remuneration reflects the ratio between the remuneration of the highest-paid individual and the median remuneration for Danica employees. This ratio was 11.1 in 2024.

	2024
Remuneration (ratio)	11.1

Disclosure Requirement S1-17 Incidents, complaints and severe human rights impacts
Bullying and harassment
In the employee satisfaction survey, 99% of employees responded that they have not been bullied or harassed. This means that one per cent of employees have experienced bullying or harassment and stated so in the employee satisfaction survey. Although these are good statistics, Danica seeks to minimise all bullying and harassment, for example through the Code of Conduct. At present, the Danica's formal processes are not designed to capture ESRS-required metrics pertaining to S1-17.

	2024
Number of incidents	9
Discrimination and offensive behaviour	0
Violation of human rights of own employees	0

Danica pursues a management culture where employees who experience bullying can go to their manager. Employees complete mandatory eLearning courses on e.g. the Code of Conduct, which covers how to treat each other properly. The eLearning course describes good behaviour and how to take any issues further.

Reporting principles
Calculation of employee commitment
The employee commitment survey asks questions about employee commitment and motivation. Danica's employees state their level of concurrence with the questions by giving a score of 0-10. It is converted into a total score out of 100.

The undertaking's employees
Under characteristics of the undertaking's employees, the number of employees is stated as the head count at the end of the reporting period (S1-6).

Employee turnover
Employee turnover is calculated as the number of permanent employees leaving the undertaking over the 12-month reporting period, divided by the average number of permanent employees (head count) over the same period (S1-6)

Top management
Danica has defined its top management as the Executive Board (S1-9).

Employment injuries
Employment injuries are calculated as the number of injuries divided by the number of hours worked by Danica's own workforce and multiplied by 1,000,000. Hours worked by Danica's own workforce are stated as the employees' standard hours of work.

Pay gap
The gender pay gap is calculated as the ratio of the average gross hourly pay level of permanent male employees less the average gross hourly pay level of permanent female employees to the average gross hourly pay level of permanent male employees. The gross hourly pay level comprises base pay, bonuses and individual allowances (S1-16).

Remuneration ratio
The annual total remuneration ratio is calculated as the ratio of annual total remuneration of the highest paid person to the median annual total remuneration of all employees (S1-16).

eLearning
eLearning data on the percentage of Danica's employees who have completed their eLearning.

The number of incidents of discrimination
The number of incidents of discrimination include substantiated incidents within the Group's own workforce related to discrimination, bullying, sexual harassment and other types of harassment that can occur at the workplace. Cases are reported to the HR department through leaders, union or employee representatives or through the Whistleblower hotline. At present, the Danica's formal processes are not designed to capture ESRS-required metrics pertaining to S1-17.

S4 – CONSUMERS AND END-USERS

Strategy – Consumers and end-users

Danica plays a fundamental role in society by providing financial services and solutions that support persons and undertakings. As one of Denmark's largest pension companies, Danica's actions and behaviour affect society and can contribute to sustainable development with its products and services.

Until and including 2024, Danica's strategy has been based on the ambition to provide customers with financial security and thereby enhance customer satisfaction. The aim has been to be one step ahead in providing advice to customers about how to achieve financial security in terms of savings, pension and insurance covers that will enable them to provide for themselves and their family in the event of long-term illness. Danica focuses on proactively helping both customers and undertakings to ensure that they have the right pension, insurance and healthcare solutions. A new strategy, "Forward '28", will take effect as from 2025, as described in more detail in the Management Statement.

Danica has defined the following IROs as material under S4:

- It is Danica's ambition to help at least 500,000 persons and undertakings improve their financial security in the period from 2019 to 2025
- If Danica discriminates against certain customers in relation to its services and products, this has a negative impact on the customers' trust in Danica
- Danica wants to contribute towards a healthier society with less absence due to illness and to this end has set a target of helping at least 400,000 persons and undertakings achieve a healthier lifestyle in the period from 2019 to 2025
- Danica Ejendomme offers homes to Danica customers

Targets

Disclosure Requirement S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In connection with the sustainability strategy, Danica's Executive Board has set the following targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. This is information specific to Danica:

- Financial security through advisory services
- Healthier society
- NPS target

Customers may file complaints, and the process for doing so is described earlier in the report.

Financial security through advisory services

Danica wants to make a positive contribution to society by improving the financial security of its customers. This means that Danica contributes to ensuring that customers have sufficient pension savings and insurance covers during their working life.

In 2019, Danica developed a sustainability strategy towards 2025. In this strategy, Danica defined a target of improving the financial security of at least 500,000 persons or undertakings in the period from 2019 to 2025. The same person or undertaking may appear multiple times in the figures over the period. The status at the end of 2024 was that Danica had increased the financial security of 509,196 persons and undertakings since 2019, for example via online Pension Check, Pension Start or advisory meetings. The target was set based on Danica's contact with customers through various advisory channels. The status of the target is reported quarterly to Danica's Management as described under ESRS 2. Danica is aware that this target does not measure the effect of such meetings or online checks. This will be taken into consideration going forward.

A healthier lifestyle

Danica wants to contribute towards a healthier society with less absence due to illness. When developing the sustainability strategy in 2019, a target was set for a healthier lifestyle for persons and undertakings. The upgraded target is to help at least 400,000 persons and undertakings achieve a healthier lifestyle by the end of 2025 and to focus more on prevention. The same person or undertaking may appear multiple times in the figures over the period. The status at the end of 2024 was that Danica had helped 400,081 persons and undertakings with treatment or financial compensation. This included health insurance, cover for loss of earning capacity, cover for critical illness and the health package. Danica is aware that this target does not measure the effect of customers' use of Danica's products. This will be taken into consideration going forward.

Net Promoter Score

Danica has set a customer satisfaction target for employees of business customers measured by the Net Promoter Score (NPS). The target for 2024 was a score of 45 or above, and for 2024 the average score was 78.

Impact, risk and opportunity management

Disclosure requirement S4-1 Policies related to consumers and end-users

Danica focuses on social inclusion by being particularly mindful of avoiding discrimination and thus treating all customers equally. This is reflected in the way Danica conducts its business through advisory and other services, as Danica makes digital solutions available to customers to make it easier for them to get an overview of their pension scheme. In addition, Danica promotes a healthier society by focusing on prevention and healthcare solutions. Customers also have the opportunity to live in properties let by Danica. The policies below apply to all customers. Danica complies with minimum disclosure requirements for policies (MDR-P) by reviewing all policies and, using a risk-based approach, controlling the effectiveness of the policies and their implementation in the business, including preparing gap analyses to support compliance with legislation. The policies support various international initiatives and standards. See the list in the ESRS 2 section 'Statement on due diligence'.

Danica has implemented the following policies to address material impacts, risks and opportunities of products and services:

- Code of Conduct
- Treating Customers Fairly
- The IDD and conduct of business
- Risk management and the prudent person principle
- Development of new products and monitoring of existing ones
- Policy on Insurance

Code of Conduct

Danica strives to do its best for its customers and meet their needs.

The Code of Conduct Policy states that Danica is committed to respecting human rights. It is mandatory for Danica employees to complete eLearning courses related to the Code of Conduct, which includes human rights. Human rights are respected by ensuring equal opportunities and equal treatment for all customers. Danica does not accept any form of discrimination, disrespectful behaviour, bullying or harassment of customers, business partners or other persons associated with Danica. Furthermore, Danica does not accept human trafficking, child labour or any form of forced labour. The Code of Conduct states that Danica must treat customers fairly and that Danica must safeguard customers' interests, which is also further described in the Treating Customers Fairly Policy.

Particularly vulnerable customers

A vulnerable customer may be a customer whose personal situation, for instance due to illness, implies a heightened risk of having a negative impact due to the way Danica develops and distributes its products. Danica therefore strives to sell products and services that meet its customers' needs and are suitable to the customers' requirements and characteristics.

Advisory services and contact with customers

Danica is in regular contact with customers through various channels: for example in connection with the establishment or regular adjustment of a pension scheme. The dialogue may take place at in-person or online customer meetings with customer advisers, via self-service solutions or by telephone. Danica provides clear recommendations for customers on their pension schemes, and customers may adjust their pension schemes if changes happen in their lives that affect their pension savings and insurance covers. Also, Danica contacts customers proactively whenever Danica can see that changes in a customer's life may affect their pension scheme or insurance covers. The degree of contact may thus vary, depending on changes in the customers' lives. The CCO business unit has the operational responsibility in the form of the overall responsibility for organising the customer-facing advisory services. If customers are uncertain or dissatisfied with their advice, they can contact Danica or make a complaint via the website. Customers may also give feedback after a customer consultation and give it a score, known as a Net Promoter Score (NPS). A target has been set for the score, and the sales managers follow up on the progress.

Complaints

Customer may express any dissatisfaction by contacting Danica by phone, by filing a complaint via Danica's website or by using the whistleblowing system. This is described in further detail in the section on Processes and channels to remediate negative impacts.

Treating Customers Fairly

The objective of the Treating Customers Fairly Policy is to support Danica in complying with applicable laws and regulations while providing appropriate consumer and investor protection.

The Treating Customers Fairly Policy also addresses the importance of ensuring non-discriminatory practices in the Group's engagements with customers. It is also important to promote equality and non-discriminatory behaviour. This is part of the Group's focus on respecting people and workforce. Rights as stated in the Group's Code of Conduct above. Failure to comply with this policy may result in disciplinary action.

Conduct of business
The conduct of business rules are intended to ensure that individual customers are provided with sufficient advice and information to enable them to make their own personal choices when entering into an agreement with Danica. Accordingly, it is Danica's obligation to identify the customer's requirements and needs before entering into an agreement. And the products offered to customers must always match their specific requirements and needs.

Risk management and the prudent person principle
The objective of the Risk Management Policy is to establish risk management principles and guidelines. Danica wants to ensure a healthy risk culture and a robust risk management system that ensures business growth and protection of customers, shareholders, employees, assets and reputation through proactive risk management. This means that Danica:

- assumes well-diversified risks that contribute to creating value for customers and provide an expected return for Danica that exceeds the cost of capital
- only enters into agreements with customers about whom Danica has sufficient knowledge, where there is a good understanding of the risks associated with the products and services offered and where there is capacity to manage and follow up on the risks
- identifies and manages risk as an integral part of its business operations, with individual managers being responsible for controlling risk within their area of responsibility
- uses past experience and considers possible stressed scenarios in its risk taking

Development of new products and monitoring of existing ones
Danica's wish to offer products and services that deliver high quality and value to Danica's customers is supported by the Product Management Policy. Focusing on customer needs, characteristics and goals, Danica has established processes for both the development of new products and services and regular reviews of existing ones. The purpose is to ensure that value is created for customers throughout the product lifecycle, while ensuring compliance with statutory requirements and internal standards that support Danica's overall business strategy.

This is also achieved through:

- assistance from risk specialists to make a structured assessment of all relevant risks to ensure compliance with human rights, for example
- appropriate control and monitoring processes to identify and manage risks for both customers and Danica
- dissemination of product information to Danica's distributors and brokers
- approval processes for the involvement of Danica's Product Committee and decision makers

Policy on Insurance
The Policy on Insurance defines a framework for the insurance risks assumed by Danica and specifies what types of business may be underwritten and who are authorised to underwrite the business. This ensures an appropriate balance between the desired business and the associated risk to ensure, as far as possible, that Danica is competitive in the area in consideration of prevailing market conditions.

At the same time, Danica must maintain sustainable business models for both the life insurance business and the health and accident business. This requires Danica to manage the life insurance business and the health and accident business separately and in such a way that the respective interests of life and non-life policyholders are not jeopardised.

Disclosure Requirement S4-2 Processes for engaging with consumers and end-users about impacts
Danica has established the following processes for dialogue with customers to address potential impacts:

- Treating Customers Fairly process
- Process for advisory services and recommendations
- Process for company pension schemes
- Healthcare offering
- Danica Pension Check
- Particularly vulnerable customers

Treating Customers Fairly process
Danica actively seeks to create good customer experiences and ensure that customers feel understood and taken care of. Danica's Treating Customers Fairly Policy outlines internal business procedures to ensure that all customers are treated correctly and fairly in all interactions, including that Danica is mindful of particularly vulnerable customers.

Process for advisory services and recommendations
Danica is in regular contact with customers through various channels: in-person or telephone advisory meetings and online tools. Danica provides clear recommendations on its

customers' pension schemes, and the website describes how Danica engages with customers in connection with advisory services. More information about this is available here.

Process for company pension schemes
Most people have a pension scheme through their employer. This is also true for a large proportion of Danica's customers. Customers receive individual advice on their personal financial situation. At the same time, Danica engages with the employer that has chosen Danica as its pension provider on behalf of its employees. Through this, the decision makers can make certain choices for the company's employees. A corporate agreement typically runs for three to five years, after which it goes out to tender and may be renegotiated at that time.

Healthcare offering
Danica helps companies and their employees with treatment and financial compensation in connection with illness through its insurance products, which comprise health insurance, cover for loss of earning capacity, cover for critical illness and health package.

Danica's customers can report claims online and get quick help with the Danica Health Package, which provides online access to a doctor, a psychologist, a dietician, a coach and a family counsellor at the customers' convenience. This contributes to getting help quickly, thus minimising any further adverse effects arising from having to wait for treatment. With Danica Health Insurance, customers can also report claims online and get help if they, their children or partner fall ill.

Danica Pension Check
With clear recommendations in Danica's Pension Check, customers can ensure that they are saving up enough and are adequately insured to maintain their standard of living in retirement and in case of long-term illness. This enables Danica to advise customers based on their needs, and Danica is continually developing tools to identify customer needs.

Particularly vulnerable customers
Danica's approach to vulnerable customers is described in section S4-1 above.

Disclosure Requirement S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
Danica has implemented the following processes to remediate negative impacts and channels for customers to raise concerns:

- DoRight process
    - DoRight portal
    - DoRight committee
- Whistleblowing process
- Complaint process
- Process for industry collaboration under Insurance and Pension Denmark

DoRight portal
Danica wants to conduct its business with integrity and do right by its customers, employees and society. Danica encourages employees to raise any concerns about breaches or potential breaches of laws or regulations applying to Danica, or of Danica's internal policies and standards. Danica's DoRight portal collects information about processes for addressing and escalating internal and external concerns. The first step is to take the matter up with one's immediate superior or contact a person in charge or other relevant specialist, such as the legal department. If further action is required, the matter should be reported via the whistleblowing system, where employees may report anonymously and are protected from all forms of retaliation, see below.

DoRight Committee
To help ensure that Danica's products and services are broad in scope and that they comply with applicable legislation, Danica has established a DoRight Committee with the objective of identifying and addressing issues related to Danica's products and service concepts, for example where past practices may be in conflict with applicable legislation or where issues are considered to have been inadequately disclosed to customers. The Committee, on which the Executive Board is represented, liaises with Danica's various risk functions and oversees the handling of matters referred to the Committee. In 2023, Danica discovered an error regarding its gradual reduction of risk on the pension schemes of 6,000 customers. This matter was discussed and managed by the DoRight Committee.

Whistleblowing scheme – employees and customers
It is important to Danica that its employees share their concerns if they become aware of or suspect breaches of laws or regulations or violations of rules in connection with their work. If this happens, employees may use Danske Bank's Whistleblowing System and report directly to the Whistleblowing Operations Team under Group Compliance or, if the report concerns Group Compliance, directly to Group Internal Audit.

Customers who have concerns related to Danica may also use Danica's whistleblowing programme, which they can access through Danica's website, and customers can choose to report anonymously.

Customer complaint process
Danica takes its customers' needs, preferences and circumstances into consideration in its advisory services, products and services, and Danica seeks to avoid and prevent any disputes with customers.

As part of Danica's regular case processing, customers are proactively informed about complaint options, both internally within Danica and externally. If disputes arise, there are processes in place to ensure that customers are dealt with fairly, properly and as quickly as possible. Customers may contact Danica by phone if they have questions, need advice, are dissatisfied with Danica's case processing, or the like. Via the website, customers may also raise questions and complaints directly with the complaints officer, who is responsible for processing complaints across Danica. The head of Legal at Danica is responsible for handling such cases. Every month, the complaints officer receives an overview of complaints received, listed by type. Danica monitors whether there is a trend in the complaints that warrants a relevant process to be improved. Danica has also set up an internal complaints board that handles relevant customer cases. The complaints board includes representatives from across the organisation, including Danica's CEO. As mentioned above, customers may use the whistleblowing system and may remain anonymous. In 2024, Danica received 411 complaints.

Process for industry collaboration under Insurance and Pension Denmark
Danica is part of the pension industry's collaboration focusing on simplifying workflows and administration for the benefit of pension companies, and ultimately their customers. The industry collaboration sets out guiding conditions, recommendations and common principles, for example particularly favourable rules applying to all pension companies in relation to job changes and transfers of pension schemes.

<u>Actions and resources</u>
Disclosure Requirement S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
Danica has taken a number of actions to address material potential impacts on customers, manage material risks and pursue material opportunities and ensure the effectiveness of these measures. The following policies have been implemented to ensure that all customers are treated equally and with equal opportunities.

Danica has initiated the following actions to address material impacts, risks and opportunities for its customers: Danica's values and missions:
- Complaints
- Advisory services and improved self-service options
- Marketing/Treating Customers Fairly/Data security guidelines
- Data security guidelines
- Changed health requirements without 30-day rule
- Exclusion clause regarding mental conditions
- Focus on prevention
- Forebyggelsesalliancen

Complaints
Danica designs customer-centric products and services in an endeavour to understand the customers' specific needs. The aim is to make things easy for customers by providing innovative digital solutions. Danica measures customer satisfaction on a monthly basis to keep getting better and takes responsibility for investigating and resolving complaints thoroughly, fairly and quickly. This is ensured through a complaints processing setup that makes it easy for customers to complain about products and/or services and processing of their case.

Advisory services and improved self-service options
When Danica can see that changes have occurred in a customer's life that may affect the covers on the customer's pension scheme, Danica will contact the customer, encouraging them to take a Pension Check and receive advice. In this way, Danica seeks to ensure that customers are adequately covered in terms of their pension savings and insurance covers, regardless of their current life situation.

Danica has extended and improved its customers' self-service and digitally supported advisory services options, e.g. by making it easier to switch products and change investment profiles. Also, Danica's products and offerings have been incorporated in Danske Bank's platforms to give Danske Bank customers an even more comprehensive overview of their pension scheme, insurance and healthcare covers.

Danica follows up on customer satisfaction on a monthly basis through a Net Promotor Score, as described in more detail under reporting principles. The score is also presented to the Executive Board on a monthly basis.

Marketing/Treating Customers Fairly
Marketing communication, including financial promotions, must be clearly identifiable and must comply with applicable laws and regulations. Accordingly, Danica must make necessary and appropriate information available to customers. Such information may be necessary to adapt to the customer's circumstances and the type of information being communicated.

Data security guidelines
Danica adheres to the data security guidelines of Insurance and Pension Denmark (F&P), which is based on the three guidelines: Transparency, Personalisation and Prevention. Danica also takes a proactive approach to data ethics and actively collaborates with F&P in the efforts to systematise data ethics across F&P.

Changed health requirements without 30-day rule
Danica has relaxed its health requirements so that customers are no longer asked if they have been ill for 30 days within the past year and, if so, have their health assessed on this basis. Danica has implemented this change to ensure that more customers have insurance covers.

Exclusion clause regarding mental conditions
Danica has implemented an exclusion clause regarding mental conditions. This means that customers may get an exclusion clause regarding mental conditions but be fully covered for other illnesses and conditions such as cancers and musculoskeletal disorders. Before this provision was implemented, customers suffering from mental conditions were turned down and thus left without any cover. This solution benefits customers and Danica, as customers get improved cover, and Danica is able to offer more customers insurance covers.

When Danica launches new prevention initiatives or measures to improve insurance covers for customers, for example, the number of claims and the monthly performance of the health and accident business are monitored on a monthly basis. The health and accident result is reported to the Executive Board monthly. For further information on the health and accident business, see Danica's Annual Report 2024.

Focus on prevention
As part of the increased focus on prevention in 2024, Danica added online family counselling and coaching to its offering and launched a new prevention concept, 'Balance and Mental Wellbeing' for business customers. Danica offers mental health tools and workshops giving managers and employees the opportunity to focus on promoting wellbeing in a high-performance working environment. Danica also focuses on family wellbeing, offering tips and advice to parents on how to spot signs of poor mental wellbeing in their children and how best to support them. Danica reports on this several times a year to the provider of these services, including on customers' use and assessment of the service.

Forebyggelsesalliancen
Danica and 25 other organisations have together launched a prevention alliance – Forebyggelsesalliancen – which in 2024 focused on setting a number of specific targets aiming to strengthen prevention towards 2035. The alliance has also compiled a full catalogue of ideas for delivering on the binding targets.

Reporting principles
Net Promoter Score (NPS)
The Net Promoter Score (NPS) calculates customer feedback and generates a score indicating customer satisfaction and loyalty based on an index ranging from 0 to 10. Customers are asked to rate Danica on a scale of 0 to 10. Customers must respond with a score of between 0 and 10 (0 being the lowest, and 10 the highest). Based on their score, customers are classified as detractors, passives or promoters.
- 0-6 – detractors (least likelihood that customer will recommend Danica or likelihood that customer will spread negative word-of-mouth)
- 7-8 – passives (may not recommend Danica, may even accept competitors' offers)
- 9-10 – promoters (loyal customers who are certain to recommend Danica to others)

The NPS is subsequently calculated based on the following formula:
(percentage of promoters minus percentage of detractors = NPS).

Financial security
Danica measures how many persons and undertakings have either received personal help from an adviser or received guidance via an online Pension Check or PensionsStart.

A healthier lifestyle
Claims figures describe the number of people who have received treatment or financial compensation in connection with their non-life insurance with Danica.

G1 – BUSINESS CONDUCT

In the double materiality assessment, Danica has found the following not material:
- Disclosure Requirement G1-2 – Management of relationships with suppliers

- Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery
- Metrics and targets
- Disclosure Requirement G1-4 – Incidents of corruption or bribery
- Disclosure Requirement G1-5 – Political influence and lobbying activities
- Disclosure Requirement G1-6 – Payment practices

Danica has defined the following IROs as material under G1:

- Danica's corporate culture is characterised by the freedom to be yourself, an informal atmosphere among colleagues, meaningful assignments and high professional standards.

Corporate culture

It is essential to Danica that its corporate culture follows ethical guidelines and supports measures against corruption, for example. Danica has adopted policies and guidelines for the prevention of financial crime as well as policies to ensure that customers and employees are treated fairly. The policies are presented annually to the Board of Directors, and it is also the Board of Directors that approves the individual policies.

Employees are included in the culture through Management, employee satisfaction surveys and annual eLearning modules. Danica's target is for at least 95% of its employees to complete the annual mandatory eLearning courses, see the section on targets. The half-yearly employee satisfaction survey is also an opportunity to identify any material impacts of Danica's culture on its employees.

Danica has defined the following IROs as material under G1:

- A culture survey among Danica's employees shows that the employees find its corporate culture to be characterised by the freedom to be yourself, make independent decisions, be kind and helpful, have an informal atmosphere among colleagues, have meaningful assignments and high professional standards.

Targets

Danica employees must give their overall commitment a score of at least 80 out of 100 in 2024 and towards 2028.

Danica employees are required to complete 9-12 eLearning courses annually, depending on their job profile. Danica has a target that the ratio of employees who have completed the risk and compliance training must be more than 95%, and in 2024 it was 99.5%.

Impact, risk and opportunity management

Disclosure requirement G1-1 Business conduct and corporate culture policies

Code of Conduct

As previously described in this statement, the Code of Conduct outlines principles defining Danica's behaviour and business conduct. Accordingly, Danica upholds ethical standards, acts with integrity and ensures that its business practices are consistent with a healthy corporate culture and responsible behaviour.

DoRight

Danica is engaged in conducting its business with integrity and doing right by its customers, employees and society. Danica encourages all employees to voice any concerns they have about breaches or potential breaches of laws or regulations applying to Danica, or of Danica's internal policies and standards. DoRight outlines processes for addressing and escalating both internal and external concerns. The first step is to take the matter up with the immediate superior, contact a person in charge or other relevant specialist, such as the legal department. If further action is required, the matter should be reported via the whistleblowing system, as described below.

Whistleblowing system

Danica has a Whistleblowing Policy that complies with the EU data protection requirements and the requirements of all relevant financial supervisory authorities. Through the whistleblower system, reports may be made via an independent and external website, and reports may be made anonymously. You can always have a confidential conversation with the Whistleblowing Operations Team before deciding whether to report.

Whistleblowers have rights ensuring protection from all forms of retaliation under the law and in accordance with internal rules and standards. Failure to comply with this policy may result in disciplinary action.

Danica employees are required to complete annual eLearning courses on Danica's Code of Conduct Policy and on how to share any concerns, which includes the whistleblowing system. As mentioned above, reports are made via a whistleblowing system that is owned by a third party. When a report is made, it is initially processed by Group Compliance at Danske Bank, whose employees are subject to special requirements. Cases involving Danica are processed by Danica Compliance, which is also required to have the skills to handle such cases.

eLearning
As part of Danske Bank, Danica has access to an HR platform which comprises a universe of learning modules relevant to individual employees and individual job functions. The relevant learnings are mandatory and must be completed annually, as Danica is required to train employees in compliance-related and other topics.

Actions and resources
Employee satisfaction survey
Danica is committed to promoting a culture of inclusion, diversity and equality. Managers are at the forefront of this work, and all new managers at Danica are introduced to the culture in their onboarding process, including the work and actions related to mental security, to ensure that the desired culture is maintained and expanded. In the employee satisfaction survey, the employees are asked questions about topics such as diversity, inclusion, job satisfaction and culture in order to gain insight into the employees' perception of Danica's business conduct. The results of the employee satisfaction survey are reviewed in the individual departments, enabling them to identify any material impacts on the employees.

Danica believes that the corporate culture has a positive impact on its ability to attract new employees. This is reflected in the responses to the half-yearly employee satisfaction survey, in which employees gave their satisfaction with the corporate culture a score of 76 out of 100 in 2024. In terms of recommending others to apply for a job with Danica, the employees' score in 2024 was 85 out of 100. The target is that Danica employees are to give their overall engagement in 2024 a score of at least 80 out of 100.

eLearning
As mentioned under S1 Own workforce, Danica has a target of 95% of employees completing the annual mandatory eLearning courses. At 31 December 2024, 99.5% of employees had completed their eLearning courses.

Appendix. Overview, see ESRS 2 DR 48 a) and c) III

ESRS E1		Value chain location			Investment horizon		
Climate change mitigation		Upstream	Own operations	Downstream	Short (1 year)	Medium (1-5 years)	Long (+5 years)
Actual negative impact	In 2022, the absolute carbon footprint of Danica's investments was 8,321,934 tCO_2 for scope 1, 2 and 3 and 745,099 tCO_2 for scope 1 and 2. At 31 December 2022, Danica's equity and credit bond investments had a temperature rating of 2.4°C (covering scope 1 and 2) and 2.8°C (covering scope 1, 2 and 3). This has a negative impact on the environment. **(1) ESG performance data for 2023 (for CO_2 of investments) + Climate Actions Progress report 2023 (for temperature score)** **2) Investment restrictions**			X			X
Energy							
Actual negative impact	Energy consumption and energy efficiency were among the five main environmental topics in company engagements in 2022. 3% of Danica's investments are in companies in the fossil fuel sector, which may have a major negative environmental impact. **(1) Active Ownership Report 2022** **(2) PAI Declaration 2022**			X			X

ESRS E4		Value chain location			Investment horizon		
Direct drivers of impact on biodiversity loss		Upstream	Own operations	Downstream	Short (1 year)	Medium (1-5 years)	Long (+5 years)
Potential negative impact	Approx. 66% of Danica's AuM in equities and fixed income are in sectors that have a potentially high or very high impact on one or more main drivers of biodiversity loss through their direct operations. These impacts may affect climate change. Approx. 40% of Danica's equity and credit bond investments have a potentially high impact on climate change according to a nature-related impact and dependency assessment made in 2023. **(1) Danica Nature-related impact and dependency assessment** **(3) Danica Ejendomme – ESG Strategy** **(4) Danica Our plan for nature**		X				X

ESRS S1		Value chain location			Investment horizon		
Working conditions		Upstream	Own operations	Downstream	Short (1 year)	Medium (1-5 years)	Long (+5 years)
Actual positive impact	Danica's half-yearly employee satisfaction survey shows that employees are very satisfied with their flexible workplace (score 85 out of 100). This has a positive impact on employees and their motivation. **Culture and engagement survey Q4 2023**		X		X		
Equal treatment and opportunities for all, including							
Actual positive impact	Danica conducts mandatory annual eLearning courses for all employees, which increases the employee's knowledge of subjects such as corporate culture, anti-money-laundering, sustainable financing, bribery and corruption and thus has a positive impact on these areas. **Mail from HR about how many Danica employees have completed eLearning**		X		X		

ESRS S4		Value chain location			Investment horizon		
Information-related impacts on consumers and end-users		**Upstream**	**Own operations**	**Downstream**	**Short (1 year)**	**Medium (1-5 years)**	**Long (+5 years)**
Actual positive impact	It is Danica's ambition to help 500,000 persons and undertakings become more financially secure in the period from 2019 to 2025, which has a positive impact on these persons and customers. **Management report 2023 (Annual Report)**			X	X		
Social inclusion of consumers and/or end-users							
Potential negative impact	If Danica discriminates against certain customers in relation to its services and products, this has a negative effect on the customers' confidence. **Treating Customers Fairly Policy**			X	X		

ESRS G1		Value chain location			Investment horizon		
Corporate culture		**Upstream**	**Own operations**	**Downstream**	**Short (1 year)**	**Medium (1-5 years)**	**Long (+5 years)**
Actual positive impact	The culture survey shows that the employees find that Danica's corporate culture is characterised by the freedom to be yourself, make independent decisions, be kind and helpful, have an informal atmosphere among colleagues, meaningful assignments and a high professional standard. It shows that Danica's corporate culture is healthy and motivates the employees. **Culture and Engagement Survey**		X			X	

Appendix. Climate objectives

Danica's climate targets							
Assets	**Target**	**Metric**	**Baseline year**	**Target year**	**Baseline status**	**2024 status**	**Reduction target**
Temperature rating targets							
Equities and credit	Reduce portfolio temperature score from 2.5°C to 2°C (Scope 1, 2)	°C	2020	2030	2.5	2.4	-2.8%
Equities and credit	Reduce portfolio temperature score from 2.8°C to 2.2°C (Scope 1, 2 and 3)	°C	2020	2030	2.8	2.7	-2.9%
Sector reduction targets							
Energy	Reduce carbon intensity by 15% (Scope 1, 2 and 3)	gCO_2e/MJ	2019	2025	72.6	69.7	-4.1%
Utilities	Reduce carbon intensity by 35% (Scope 1)	tCO_2e/MWh	2019	2025	0.4	0.2	-49.6%
Transportation	Reduce carbon intensity by 20% for shipping, by 30% for automotive and by 15% for aviation (Shipping/Aviation: Scope 1 Automotive: Scope 3)	Shipping: gCO_2e/tKM Automotive: gCO_2e/km Aviation: gCO_2e/RTK	2019	2025	Shipping: 7.0 Automotive: 144.6 Aviation: 885.6	Shipping: 6.1 Automotive: 124.8 Aviation: 749.5	Shipping: -13.4% Automotive: -13.7% Aviation: -15.4%
Steel	Reduce carbon intensity by 20% (Scope 1, 2)	tCO_2e/t crude steel	2019	2025	2.0	1.2	-39.9%
Cement	Reduce carbon intensity by 20% (Scope 1)	tCO_2e/t cement	2019	2025	0.8	0.5	-31.1%
Real estate portfolio targets							
Real estate portfolio	Reduce carbon intensity by 69% (Scope 1, 2 and 3)	$kgCO_2e/m^2$	2019	2030	11.0	7.1	-35.1%
Emission targets for Danica's own operations							
Emissions from own operations	Reduce carbon emissions by 50% (Scope 1, 2 and 3)	Tonnes	2019	2030	622	590	-5.2%
Targets for investments in the green transition							
Entire portfolio	Investments in the green transition (DKK 100 billion)	DKKbn	2019	2030	10.3	57.4	457%

Climate reporting

Environment						
Carbon footprint of investments	**Metric**	**2024**	**2023**	**2022**	**2021**	**2020**
Equities						
Carbon emissions – Scope 1	Tonnes	483,518	581,108	469,538	543,753	690,465
Carbon emissions – Scope 2	Tonnes	151,766	141,412	94,932	111,987	152,894
Carbon emissions – Scope 3 (PCAF score 1&2)	Tonnes	4,720,595	6,298,137	3,760,427	0	0
Carbon emissions – Scope 1, 2 and 3	Tonnes	5,355,879	7,020,657	4,324,897	655,740	843,359
Carbon footprint – Scope 1	Tonnes/DKK m	2	4	4	4	7
Carbon footprint – Scope 2	Tonnes/DKK m	1	1	1	1	1
Carbon emissions – Scope 3 (PCAF score 1&2)	Tonnes/DKK m	41	42	35	0	0
Carbon footprint – Scope 1, 2 and 3	Tonnes/DKK m	45	47	40	5	8
Credit bonds			0			
Carbon emissions – Scope 1	Tonnes	135,542	184,875	148,034	329,976	162,809
Carbon emissions – Scope 2	Tonnes	32,404	32,961	32,595	56,879	45,834
Carbon emissions – Scope 3	Tonnes	1,245,005	1,688,212	748,111	0	0
Carbon emissions – Scope 1, 2 and 3	Tonnes	1,412,950	1,906,048	928,740	386,855	208,643
Carbon footprint – Scope 1	Tonnes/DKK m	1	1	8	14	7
Carbon footprint – Scope 2	Tonnes/DKK m	0	0	2	2	2
Carbon emissions – Scope 3 (PCAF score 1&2)	Tonnes/DKK m	19	14	41	0	0
Carbon footprint – Scope 1, 2 and 3	Tonnes/DKK m	20	15	51	16	8
Equities and credit bonds			0			
Carbon emissions – Scope 1	Tonnes	619,060	765,983	617,572	873,730	853,274
Carbon emissions – Scope 2	Tonnes	184,169	174,373	127,527	168,866	198,728
Carbon emissions – Scope 1 and 2	Tonnes	803,229	940,356	745,099	1,042,596	1,052,002
Carbon emissions – Scope 3 (PCAF score 1&2)	Tonnes	5,965,600	7,986,349	4,508,538	0	0
Carbon emissions – Scope 1, 2 and 3	Tonnes	6,768,829	8,926,705	5,253,637	1,042,596	1,052,002
Carbon footprint – Scope 1	Tonnes/DKK m	2	3	5	6	7
Carbon footprint – Scope 2	Tonnes/DKK m	1	1	1	1	2
Carbon footprint – Scope 1 and 2	Tonnes/DKK m	2	3	6	7	8
Carbon emissions – Scope 3 (PCAF score 1&2)	Tonnes/DKK m	33	29	36	0	0
Carbon footprint – Scope 1, 2 and 3	Tonnes/DKK m	35	33	42	7	8
Carbon footprint of real estate portfolio	**Metric**	**2024**	**2023**	**2022**	**2021**	**2020**
Carbon emissions – Scope 1	Tonnes	0	0	N/A	N/A	N/A
Carbon emissions – Scope 2	Tonnes	6	3	N/A	N/A	N/A
Carbon emissions – Scope 3	Tonnes	5,820	5,622	N/A	N/A	N/A
Carbon emissions – Scope 1, 2 and 3	Tonnes	5,826	5,625	4,927	4,595	5,443
Carbon intensity – Scope 1	$kgCO_2e/m^2$	0	0	N/A	N/A	N/A
Carbon intensity – Scope 2	$kgCO_2e/m^2$	0.007	0.004	N/A	N/A	N/A
Carbon intensity – Scope 3	$kgCO_2e/m^2$	7.14	7.1	N/A	N/A	N/A
Carbon intensity – Scope 1, 2 and 3	$kgCO_2e/m^2$	7.15	7.1	7.22	6.71	8.37

Climate reporting (continued)

Active commitment to climate improvements	**Metric**	**2024**	**2023**	**2022**	**2021**	**2020**
Active ownership	See the most recent active ownership report at www.danicapension.dk					
Sustainability of real estate investments	See 'Decarbonisation targets for the real estate portfolio' in section E1.					
Certified sustainable properties						
- Existing properties	%	37.6	13.5	11.5	8.3	N/A
- New buildings (until commencement of use)	%	77.6	74.8	84.2	84.2	N/A
Sustainability of business model	**Metric**	**2024**	**2023**	**2022**	**2021**	**2020**
Commitment to the Paris Agreement	See section E1 Strategy – Climate change					
Danica's own carbon emissions***						
Carbon emissions – Scope 1	Tonnes	2	1	3	7	0
Carbon emissions – Scope 2 – market-based	Tonnes	56	61	60	92	127
Carbon emissions – Scope 3	Tonnes	532	509	397	285	432
Carbon emissions – Scope 1, 2 and 3	Tonnes	590	571	460	385	559
Renewable energy share – purchased	%	35	41	36	36	39
Energy consumption	GJ	8,658	8,603	9,330	10,292	11,293
Paper	Tonnes	1	1	5	1	6
Social aspects	**Metric**	**2024**	**2023**	**2022**	**2021**	**2020**
Number of employees****		984	958	934	909	799
Gender distribution (ratio of women/men in %)****	%	51/49	50/50	50/50	50/50	51/49
Gender diversity on Executive Board (ratio of women in %)	%	25%	25%	25%	0%	0%
Gender pay gap	%	26.2	25.9	24.1		
Employee turnover	%	3.9	11.3	8.8	6.7	14.0
Number of employees covered by a collective agreement	%	81%				
Gender diversity on Board of Directors (ratio of women in %)	%	20%	0%	20%	20%	40%

*The target is to reduce carbon emissions from the energy, utilities, transport, cement and steel sectors by between 15% and 35% relative to the 2019 level.

**Until 2022, Danica did not report on the distribution between scope 1, 2 and 3 emissions and intensity. The target is to reduce carbon emissions from the Da estate portfolio by 69% by 2030 relative to 2019 (11 $KgCO_2e/m^2$).

***The target is to reduce Danica's own carbon emissions by 50% by 2030.

****Number of employees is based on head count, and historical figures comprise employees in Denmark only.

*****Includes board members elected at the annual general meeting.

Annex XII

Under Annex XII of the Taxonomy, Danica is required to report on its nuclear- and fossil gas-related activities. The disclosures are presented in five templates, the last four of which are duplicated for turnover-based and CapEx-based KPIs.

- Template 1: Shows whether Danica has investments in three nuclear-related activities and three fossil gas-related activities defined in the Taxonomy.
- Template 2: Shows the proportion of investments in the six nuclear- and fossil gas-related activities and other economic activities that are Taxonomy-aligned with respect to environmental objective 1, 'Climate change mitigation' and environmental objective 2, 'Climate change adaptation'. The value is presented in absolute amounts and as percentages of Danica's total AuM less government bonds, which is also used as denominator in Annex X of the Taxonomy.
- Template 3: The only difference between templates 2 and 3 is that the percentage is not calculated on the basis of total AuM less government bonds, but on the basis of the total value of Danica's investments aligned with the Taxonomy's environmental objectives 1 and 2. Accordingly, row 8 will add up to 100%.
- Template 4: Shows the proportion of investments in the six nuclear- and fossil gas-related activities and other economic activities that are Taxonomy-eligible but not Taxonomy-aligned with respect to environmental objectives 1 and 2. The value is presented in absolute amounts and as percentages of Danica's total AuM less government bonds.
- Template 5: Shows the proportion of investments in the six nuclear- and fossil gas-related activities and other economic activities that are Taxonomy-non-eligible. The value is presented in absolute amounts and as percentages of Danica's total AuM less government bonds.

Template 1: Nuclear- and fossil gas-related activities:

Row	**Nuclear-related activities**	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	YES
	Fossil gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of power generation facilities that produce electricity using fossil gaseous fuels	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	YES

Template 2: Taxonomy-aligned economic activities (denominator) – turnover-based

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amoun t	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 4 million	0.00%	DKK 4 million	0.00%	DKK 0 million	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
7.	Amount and proportion of other Taxonomy-aligned economic activities not mentioned in rows 1-6 above in the denominator of the applicable KPI	DKK 22,067 million	4.94%	DKK 22,056 million	4.94%	DKK 12 million	0.00%
8.	Total applicable KPI (denominator)	DKK 22,071 million	4.94%	DKK 22,060 million	4.94%	DKK 12 million	0.00%

Template 2: Taxonomy-aligned economic activities (denominator) – CapEx-based

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amoun t	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 1 million	0.00%	DKK 1 million	0.00%	DKK 0 million	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
7.	Amount and proportion of other Taxonomy-aligned economic activities not mentioned in rows 1-6 above in the denominator of the applicable KPI	DKK 15,751 million	3.53%	DKK 15,722 million	3.52%	DKK 30 million	0.01%
8.	Total applicable KPI (denominator)	DKK 15,753 million	3.53%	DKK 15,723 million	3.52%	DKK 30 million	0.01%

Template 3: Taxonomy-aligned economic activities (numerator) – turnover-based

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 4 million	0.02%	DKK 4 million	0.02%	DKK 0 million	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
7.	Amount and proportion of other Taxonomy-aligned economic activities not mentioned in rows 1-6 above in the numerator of the applicable KPI	DKK 22,067 million	99.98%	DKK 22,056 million	98.98%	DKK 12 million	100.00%
8.	Amount and proportion of Taxonomy-aligned economic activity in the numerator of the applicable KPI	DKK 22,071 million	100.00%	DKK 22,060 million	100.00%	DKK 12 million	100.00%

Template 3: Taxonomy-aligned economic activities (numerator) – CapEx-based

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 1 million	0.01%	DKK 1 million	0.01%	DKK 0 million	0.00%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
7.	Amount and proportion of other Taxonomy-aligned economic activities not mentioned in rows 1-6 above in the numerator of the applicable KPI	DKK 15,751 million	99.99%	DKK 15,722 million	99.99%	DKK 30 million	100.00%
8.	Amount and proportion of Taxonomy-aligned economic activity in the numerator of the applicable KPI	DKK 15,753 million	100.00%	DKK 15,723 million	100.00%	DKK 30 million	100.00%

Template 4: Taxonomy-eligible but not Taxonomy-aligned economic activities – turnover-based

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amoun t	%	Amoun t	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 7 million	0.00%	DKK 7 million	0.00%	DKK 0 million	0.00%
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 155 million	0.04%	DKK 155 million	0.04%	DKK 0 million	0.00%
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 21 million	0.01%	DKK 21 million	0.01%	DKK 0 million	0.00%
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 2 million	0.00%	DKK 2 million	0.00%	DKK 0 million	0.00%
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not mentioned in rows 1-6 above in the denominator of the applicable KPI	DKK 20,741 million	4.63%	DKK 20,434 million	4.57%	DKK 307 million	0.07%
8.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities in the numerator of the applicable KPI	DKK 20,925 million	4.69%	DKK 20,619 million	4.62%	DKK 307 million	0.07%

Template 4: Taxonomy-eligible, but not Taxonomy-aligned economic activities – Cap-Ex-based

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%	DKK 0 million	0.00%	DKK 0 million	0.00%
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 5 million	0.00%	DKK 5 million	0.00%	DKK 0 million	0.00%
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 129 million	0.04%	DKK 129 million	0.04%	DKK 0 million	0.00%
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 18 million	0.00%	DKK 18 million	0.00%	DKK 0 million	0.00%
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 4 million	0.00%	DKK 4 million	0.00%	DKK 0 million	0.00%
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not mentioned in rows 1-6 above in the denominator of the applicable KPI	DKK 29,255 million	6.72%	DKK 28,643 million	6.41%	DKK 612 million	0.31%
8.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities in the numerator of the applicable KPI	DKK 29,411 million	6.76%	DKK 28,799 million	6.45%	DKK 612 million	0.31%

Template 5: Taxonomy-non-eligible economic activities – turnover-based

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 2 million	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not mentioned in rows 1-6 above in the denominator of the applicable KPI	DKK 392,798 million	87.96%
8.	Amount and proportion of Taxonomy-non-eligible economic activity in the denominator of the applicable KPI	DKK 392,801 million	87.96%

Template 5: Taxonomy-non-eligible economic activities – CapEx-based

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	DKK 0 million	0.00%
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not mentioned in rows 1-6 above in the denominator of the applicable KPI	DKK 392,948 million	87.99%
8.	Amount and proportion of Taxonomy-non-eligible economic activity in the denominator of the applicable KPI	DKK 392,948 million	87.99%

FINANCIAL REVIEW – DANICA GROUP

Profit for the year, etc.

Profit for the year

For 2024, the Danica Group realised a profit before tax and special items of DKK 1,334 million, against a profit of DKK 1,422 million for 2023. After tax and special items, the profit for 2024 amounted to DKK 1,280 million, against a profit of DKK 1,247 million in 2023.

DANICA GROUP, INCOME STATEMENT		
(DKK millions)	2024	2023
Insurance service result	261	779
Investment result	1,033	615
Other income and expenses	40	28
Profit before tax and special items	1,334	1,422
Tax	-108	-225
Discontinued operations	54	50
Profit for the year	1,280	1,247

The overall profit for 2024 is satisfactory but below the profit guidance in the annual report for 2023. The insurance service result was affected by a larger-than-expected increase in reported health and accident claims. Due to the positive financial market performance in 2024, the investment result was better than expected.

INSURANCE SERVICE RESULT PER PRODUCT		
(DKK millions)	2024	2023
Average rate products	880	773
Unit-linked products	581	843
Health and accident insurance	-1,194	-902
Other[1]	-6	65
Total insurance service result	261	779

[1] Primarily portfolio of life insurance products in run-off where Danica has the risk

The insurance service result for average-rate products (conventional policies) was affected by the positive financial market performance, resulting in an increase in underlying assets and, consequently, higher earnings. It was possible to recognise the full risk allowance in all interest rate groups.

The insurance service result for unit-linked products was affected by increased customer discounts, which reduced earnings for the year, as expected.

As mentioned above, the insurance service result for the health and accident business was significantly affected by increased provisions and by an increase in reported claims in 2024. The result of ordinary activities in the health and accident business was a loss of approximately DKK 657 million in 2024, which was primarily due to more, and increasingly expensive, loss of earning capacity claims and to increasing critical illness and health insurance claims. The result was reduced by approximately DKK 537 million relating to the effects of an update of actuarial assumptions, which includes provisions for future losses on existing insurance contracts.

The insurance service result for other insurance products included a strengthening of the provisions with an effect on consolidated earnings of DKK 50 million.

The investment result amounted to DKK 1,033 million in 2024, against DKK 615 million in 2023.

INVESTMENT RESULT, SPECIFICATION[2]		
(DKK millions)	2024	2023
Income from asset management	777	752
Expenses for capital management	-180	-161
Investment result, life insurance[1]	132	-429
Investment result, health and accident insurance	-223	-23
Investment result attributed to shareholders' equity	527	476
Total investment result	1,033	615

[1] Primarily portfolio of life insurance products where Danica has the risk

[2] The table presentation and data have changed compared with the annual report for 2023

The investment result primarily consists of income and expenses from the management of investment assets relating to life insurance products and shareholders' equity and the investment result of health and accident insurance and life insurance products where Danica has the risk.

The investment result of life insurance products and shareholders' equity was affected by the positive financial market trends in 2024. The investment result of life insurance products in 2023 was affected by a provision of DKK 250 million covering customer compensation. Asset management income and investment management expenses were in line with the guidance and with the previous year.

The 2024 investment result of health and accident insurance was affected by higher expenses for pension returns tax on negative risk and cost results in the health and accident business, while the result for 2023 was affected by a positive hedging result.

Income tax amounted to an expense of DKK 108 million in 2024, against an expense of DKK 225 million in 2023. Income tax for 2024 was positively affected by an adjustment of prior-year tax charges.

For both years, profit after tax from discontinued operations consisted of a correction of the proceeds from the sale of Danica Norway in 2022.

Special allotments to former customers of Statsanstalten for Livsforsikring for 2024 were recognised in the financial statements at DKK 0 million.

Comments on the balance sheet
The Group's total assets grew from DKK 541.7 billion at 31 December 2023 to DKK 595.3 billion at 31 December 2024.

The increase in investment assets was due to the positive financial market performance in 2024.

DANICA GROUP, BALANCE SHEET (DKK millions)	31/12/2024	31/12/2023
ASSETS:		
Cash and cash equivalents	1,379	2,632
Investment assets	547,240	497,176
Receivables[1)]	2,504	1,470
Investments in associates	11,967	11,709
Investment property	25,365	22,789
Intangible assets	492	615
Other assets[2)]	6,387	5,276
TOTAL ASSETS	595,334	541,667
LIABILITIES AND EQUITY:		
Due to credit institutions	12,852	14,091
Derivatives with negative fair values	62,479	57,220
Provisions for investment contracts	26,800	23,113
Provisions for insurance contracts	456,227	415,414
Other debtors[2)]	12,785	7,865
Subordinated debt	3,688	3,600
Shareholders' equity	20,503	20,364
TOTAL LIABILITIES AND EQUITY	595,334	541,667

1. Including current tax assets and receivables in connection with reinsurance
2. Including any deferred tax assets or liabilities and payables in connection with reinsurance

In 2024, intangible assets comprised the value of customer relationships taken over in the amount of DKK 455 million and capitalised IT development costs amounting to DKK 37 million. No evidence of impairment of customer relationships was identified in 2024, The intangible asset relating to customer relationships is amortised over a period of ten years, corresponding to the run-off of the customer relationships.

Derivatives with negative values rose from DKK 57.2 billion at 31 December 2023 to DKK 62.5 billion at 31 December 2024. Derivatives are primarily used to hedge risks on technical provisions.

Provisions for investment contracts totalled DKK 26.8 billion at 31 December 2024, against DKK 23.1 billion at 31 December 2023. The increase was mainly driven by the positive financial market trends, which caused an increase in the value of customers' pension savings.

The increase in provisions for insurance contracts was mainly attributable to an increase in provisions for unit-linked products as a result of the positive financial market trends in 2024. Provisions for average-rate products were reduced during the year, primarily because the number of such policies was reduced, as expected.

The contractual service margin (CSM), which is a component of provisions for insurance contracts, amounted to DKK 16.5 billion at 31 December 2024, against DKK 16.7 billion at 31 December 2023. Expected future earnings from insurance contracts entered into were thus on a par with the previous year.

Shareholders' equity stood at DKK 20.5 billion at 31 December 2024, against DKK 20.4 billion at 31 December 2023.

Based on the profit for the year, the Board of Directors recommends a capital distribution in the amount of DKK 1.1 billion for 2024.

Special matters

Additional pension returns tax on health and accident business
As previously mentioned, the Danish tax authorities have made claims against Danica for additional pension returns tax on the health and accident business. The claims cover the period from 2012, during which period the tax authorities are of the opinion that negative risk and cost results in the health and accident business are subject to pension returns tax. In Danica's opinion, negative results in the health and accident business are not subject to pension returns tax.
Danica has recognised a total provision of DKK 1,118 million, including interest, for potential additional pension returns tax for the period 2017-2024.

The Danish tax authorities have made a further claim against Danica for DKK 440 million, including interest, in additional pension returns tax for the period 2012-2016. We have not recognised this as a provision, but as a receivable, as – apart from disputing the tax authorities' decision that negative results in the health and accident business are subject to pension returns tax – Danica believes the claims for the period 2012 to 2016 to be time-barred.

Danica has appealed the tax authorities' individual decisions to the National Tax Tribunal. We expect the appeal to be reviewed by the National Tax Tribunal in the first quarter of 2025.

Other financial information

Gross premiums

PREMIUMS (INCLUDING INVESTMENT CONTRACTS) (DKK billions)	2024	2023	2022	2021	2020
Life insurance	41.6	36.9	33.6	35.3	26.4
Health and accident insurance	2.0	1.7	1.5	1.5	1.4
Total premiums	43.6	38.6	35.1	36.8	27.8

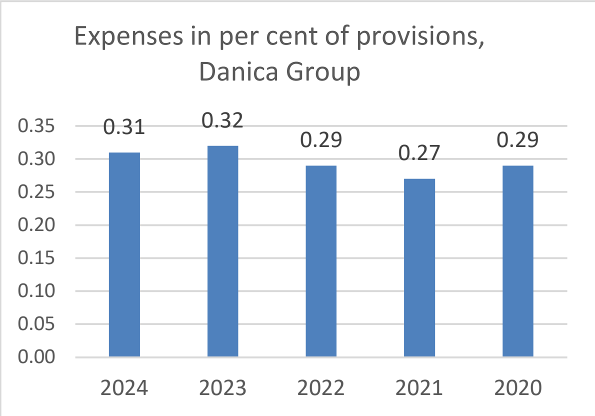
Gross premiums were up 12.9% from DKK 38.6 billion in 2023 to DKK 43.6 billion in 2024. The increase was attributable to growth in both regular and single premiums.

Insurance benefits

Claims and benefits amounted to DKK 37.2 billion in 2024 against DKK 33.3 billion in 2023. Surrenders including investment contracts amounted to DKK 23.3 billion in 2024, against DKK 19.8 billion in 2023.

Expenses

In the life business, insurance-related operating expenses amounted to DKK 1,396 million in 2024, against DKK 1,305 million in 2023.



Expenses in per cent of provisions were reduced by 0.01 of a percentage point compared with 2023. The reduction was due to increased technical provisions in 2024 compared with 2023. The increase in insurance operating expenses was due to the hiring of more employees in customer-facing functions.

The average number of full-time employees in 2024 was 917, against 902 in 2023. At 31 December 2024, the Danica Group had 940 employees.

Danica paid DKK 536 million to the Danske Bank for investment management, IT operations and development and other administrative services. In addition, Danica paid DKK 210 million to the Danske Bank Group for its sale of life insurance policies (see note 22 to the financial statements).

Financial markets

The financial markets generally performed well in 2024 on the back of continued fair-sized growth and lower inflation, which caused central bank to cut rates several times.

With returns of around 19%, equities were once again the main driver of returns, primarily due to US equities, which outperformed European and Danish equity markets, which generated modest growth. A general decline in bond rates produced bond yields of around 5%, whereas credit bonds generated yields of around 10%. Less liquid assets such as real estate and alternative investments produced moderately positive returns. The USD exchange rate rose about 6% for the year.

Return on Danica Balance products

The table below shows the returns on the unit-linked products Danica Balance and Danica Balance Responsible Choice, broken down by risk profile and number of years to retirement.

2024 return before tax (%) Risk	30 years to retirement	20 years to retirement	5 years to retirement
Danica Balance			
High risk profile	18.8	18.8	13.4
Medium risk profile	17.8	15.3	10.8
Low risk profile	16.1	11.9	8.5
Danica Balance Responsible Choice			
High risk profile	11.4	11.4	7.7
Medium risk profile	10.5	8.6	6.4
Low risk profile	9.2	6.7	5.2

The financial market performance in 2024 produced positive returns across risk profiles.

Return on customer funds (conventional policies)

The return on investment of customer funds amounted to 2.7% for 2024, against 4.6% for 2023. Adjusted for changes in provisions, the return was 2.8% for 2024, against 3.6% for 2023.

DISTRIBUTION BY INTEREST RATE GROUP AT 31/12/2024 (%)	Interest on policyholders' savings before pension returns tax (p.a.)	Investment return before pension returns tax
Interest rate group D1	0.0	2.9
Interest rate group D2	2.0	3.4
Interest rate group D3	4.0	3.2
Interest rate group D4	6.0	3.2
Interest rate group 1	2.0	3.9
Interest rate group 2	2.0	3.4
Interest rate group 3	3.5	3.7
Interest rate group 4	8.0	3.4

At 1 January 2025, the interest rates on policyholders' savings in interest rate groups 1, 2, 3 and 4 were raised to 3.0%, 4.0%, 5.0% and 10.0%, respectively.
In other interest rate groups, the interest rate on policyholders' savings remained unchanged.

Solvency statement and capital requirements

At 31 December 2024, the Danica Group's solvency coverage ratio was 207%, against 170% at 31 December 2023. The Danica Group still maintains robust excess solvency.

DANICA, SOLVENCY (DKK millions)	2024	2023
Total capital	33,081	31,852
Solvency capital requirement (SCR)	16,005	18,738
Excess capital base	17,076	13,114

The higher solvency coverage ratio in 2024 was primarily due to a change to the method of determining how the loss-absorbing capacity of deferred taxes is to be recognised in the solvency capital requirement.

Danica publishes an annual solvency and financial condition report as a supplement to the annual report. The report, which is mandatory under Solvency II, gives a detailed account of Danica's solvency and financial condition. The report is available on Danica's website (Årsrapporter (danicapension.dk) .

As part of the ongoing capital management and optimisation, the Danica Group regularly reassesses capital structure and funding in consultation with our parent company, Danske Bank.

Return on investment
Unit-linked products generated an aggregate return of DKK 43.3 billion in 2024, equivalent to 13.6% before tax on pension returns. The positive returns were driven by the positive financial market trends, in particular rising value adjustments of equity investments and bonds.

Assets attributed to shareholders' equity are mainly invested in property and relatively short-term bonds. The return on assets attributed to shareholders' equity was 3.7%.

Events after the balance sheet date
No events have occurred between 31 December 2024 and the date of the signing of the annual report that, in the opinion of the management, will materially affect Danica's financial position.

Outlook for 2025
For the full-year 2025, Danica expects an increase in the insurance service result compared with 2024, as the insurance service result of health and accident insurance is expected to improve. The investment result will be affected by financial market trends but is expected to contribute favourably to the full-year profit for 2025.

FINANCIAL REVIEW – DANICA (Parent)

Accounting policy differences between the Danica Group and Danica (Parent)
The Danica Group presents its financial statements in accordance with the International Financial Reporting Standards (IFRS), while Danica (Parent) presents its financial statements in accordance with the Danish executive order on financial reports for insurance companies and multi-employer occupational pension funds.

Because of the differences between the consolidated financial statements and the parent company financial statements, a financial review for the parent company has been added to the management report. Significant accounting matters and the profit/loss for the period and balance sheet developments for Danica (Parent) are described in this section. The financial review for Danica (Parent) should be read in conjunction with the financial review for the Danica Group.

Profit for the year for Danica (Parent)
For 2024, Danica reported a profit before tax of DKK 1,079 million, against DKK 1,328 million in 2023. The profit after tax for 2024 amounted to DKK 1,051 million, against DKK 1,140 million for 2023.

DANICA (PARENT), PROFIT (DKK millions)	2024	2023
Insurance service result, life insurance	1,278	1,108
Insurance service result, health and accident insurance	-1,417	-924
Result of insurance business	-139	184
Return on investment allocated to shareholders' equity, etc.[1]	1,218	1,144
Profit before tax	1,079	1,328
Tax	-28	-188
Profit for the period	1,051	1,140

1) Including other income

The insurance service result for life insurance for 2024 amounted to DKK 1,278 million, against DKK 1,108 million in 2023. The result was affected by the financial market performance in 2024, which led to higher income from the administration and management of life insurance products and an improved investment result for life insurance products where Danica has the risk.

The insurance service result for life insurance for 2024 was also affected by a DKK 300 million strengthening of technical provisions relating to insurance products in run-off where Danica has the risk. The insurance service result for 2023 was affected by a DKK 250 million expense for compensation to certain customers.

It was possible to recognise the full risk allowance in all interest rate groups.

The insurance service result for health and accident insurance for 2024 was a loss of DKK 1,417 million, against a loss of DKK 924 million in 2023. The risk and cost results relating to health and accident insurance amounted to a loss of DKK 1,194 million for 2024, against a loss of DKK 901 million in 2023. The result of ordinary activities in the health and accident business was a loss of approximately DKK 657 million in 2024, which was primarily due to more, and increasingly expensive, loss of earning capacity claims and to increasing critical illness and health insurance claims. The result was reduced by approximately DKK 537 million relating to the effects of an update of actuarial assumptions, which includes provisions for future losses on existing insurance contracts.

The return on investment allocated to shareholders' equity, etc. was affected by the positive financial market performance in 2024 and by the proceeds from the sale of Danica Norway.

Comments on the balance sheet, Danica (Parent)
Total assets in Danica (Parent) rose from DKK 543.0 billion at 31 December 2023 to DKK 597.0 billion at 31 December 2024.

DANICA (PARENT), BALANCE SHEET (DKK millions)	2024	2023
ASSETS:		
Intangible assets	492	615
Investment assets[1]	585,823	533,440
Debtors	2,221	1,552
Other assets	2,083	2,092
Prepayments and accrued income	6,387	5,276
TOTAL ASSETS	597,006	542,975
LIABILITIES AND EQUITY:		
Technical provisions	483,786	438,912
Other liabilities[2]	92,785	83,538
Shareholders' equity	20,435	20,525
TOTAL LIABILITIES AND EQUITY	597,006	542,975

1) Including investment assets related to unit-linked products

2) Other liabilities than technical provisions

Investment assets, including investment assets related to unit-linked products, rose from DKK 533.4 billion at 31 December 2023 to DKK 585.8 billion at 31 December 2024. The value of derivatives with positive fair values fell from DKK 64.0 billion at 31 December 2023 to DKK 54.1 billion at 31 December 2024. The net fair value of derivatives was negative at DKK 8.3 billion at 31 December 2024, against a positive value of DKK 6.8 billion at 31 December 2023.

Provisions for insurance and investment contracts totalled DKK 483.8 billion, against DKK 438.9 billion at 31 December 2023. The development covers a fall in provisions regarding average-rate products and an increase regarding unit-linked products.

Life insurance provisions regarding average-rate products were down DKK 8.0 billion to DKK 119.8 billion. This development was driven primarily by the expected reduction in the number of average-rate products.

Life insurance provisions related to unit-linked products rose from DKK 277.8 billion at 31 December 2023 to DKK 330.4 billion at 31 December 2024. The increase was primarily due to the positive financial market trends in 2024.

Other liabilities include derivative financial instruments with negative fair values. Derivative financial instruments with negative fair values amounted to DKK 62.5 billion at 31 December 2024, against DKK 57.2 billion at 31 December 2023.

ORGANISATION AND MANAGEMENT

Danica is a wholly-owned subsidiary of Danske Bank A/S and handles the Danske Bank Group's activities within pension savings and life insurance for companies, organisations and private individuals.

Board of Directors, Audit Committee, Risk Committee and Executive Board
At 31 December 2024, Danica's Board of Directors consisted of nine members: five elected by the general meeting, three elected by the employees and one appointed by the Danish Minister for Finance. The board members elected by the general meeting are up for election every year, and board members elected by the employees are elected for a period of four years, as prescribed by the applicable legislation. The Board of Directors is in charge of Danica's overall management and held six ordinary meetings and three extraordinary meetings in 2024.

The Board of Directors has set up an Audit Committee to prepare the work of the Board of Directors on financial reporting and auditing matters which either the Board of Directors, the Committee itself, the external auditors or the head of Internal Audit intends to review further. The Committee works on the basis of clearly defined terms of reference. The Committee has no independent decision-making powers but reports to the Board of Directors as a whole. In 2024, the Audit Committee held five meetings and reported regularly to the Board of Directors.

The Board of Directors has also set up a Risk Committee. The general objective of the Risk Committee is to advise the Board of Directors on Danica's risks and internal control system and to oversee the adequacy and effectiveness of Danica's risk structure. In 2024, the Risk Committee held seven meetings and reported regularly to the Board of Directors.

On 22 March 2024, Claus Harder resigned from the Board of Directors, and Linda Olsen joined the Board.

The directorships of the members of the Board of Directors and the Executive Board are listed on page 150. For additional information on the organisation, see page 149.

Remuneration policy and incentive schemes
Danica's remuneration policy fits in with that of the Danske Bank Group and encompasses all employees of the Danica Group. The policy was adopted at the Danica Group's annual general meetings and is available at www.danicapension.dk.

The Danica Group's remuneration reflects our goals of having of a well-regulated governance process and of creating value for Danica's shareholders and customers both in the short and the long term.

The Executive Board and senior managers are covered by the incentive scheme offered by the Danske Bank Group, comprising a cash bonus and conditional shares. Incentive payments reflect the employees' performance/individual targets and also depend on the financial results of Danica and the business areas and other measures of value creation in a given financial year.

The remuneration structure is subject to a number of rules on remuneration of the Board of Directors, the Executive Board and other employees whose professional activities could have a material impact on the Group's risk profile (risk takers). Danica follows Danske Bank's guidelines in this area.

The amount of performance-based remuneration is capped, and payment of part of such remuneration is deferred until a later date. Employees may lose part or all of their deferred remuneration, depending on future results.

Management and wellbeing
Competent leadership and strong employee commitment are key to the performance of the business. Danica gives focused attention to management development and requires all managers to motivate, inspire and develop their employees.

Management and employee development is an important part of Danica's strategy and an area that Danica will focus on in the coming four years.
In preparation for the new strategy, Danica carried out a culture survey. 76% of the employees responded to the survey. The results of the survey formed part of the basis of the strategy, as we want to continue to develop Danica's culture and maintain a high level of employee wellbeing and mental security.

Skill building and employee satisfaction are key to Danica's value proposition and our ability to attract and retain talented, skilled employees. The two employee surveys conducted during the year showed a very high level of wellbeing and employee satisfaction among our employees. The surveys indicated that many employees enjoy having the option of working from home one to two days a week in the new flexible workplace. The very impressive response rate of 95 to both of the year's surveys gives management a strong basis for the continued work on local initiatives.

Follow-up on FSA orders etc.
Order regarding sustainable investments
In connection with a themed review, the Danish FSA issued an order to Danica concerning Danica Balance Responsible Choice. Danica was ordered to ensure that methods and processes are in place to enable us to calculate and report our contributions to the objectives of the individual sustainable investments and document their effect, rather than making a combined calculation. Overall, the Danish FSA noted that we generally have good processes in place to ensure legal compliance. Danica has announced that the order has been duly taken note of.

Order regarding communication about Forenede Gruppeliv
Danica co-owns Administrationsaktieselskabet Forenede Gruppeliv with other life insurance companies. In 2024, the Danish FSA ordered Danica to clarify its communication with customers before and after entering into an agreement. Danica complied with this order in 2024.

Financial statements - contents

Financial highlights - Danica Group

DKKm	2024	2023	2022	2021*	2020*
PREMIUMS INCLUDING INVESTMENT CONTRACTS	43,643	38,647	35,138	36,823	27,878
INCOME STATEMENT					
Insurance service result	261	779	1,572		
Investment result	1,033	615	-1,740		
Other income and expenses	40	28	30		
Profit/loss before tacx	1,334	1,422	-138	2,078	1,700
Tax	-108	-225	-18	-424	-275
Goodwill impairment	-	-	-1,627	-	-
Profit after tax from discontinued operations	54	50	412	76	76
Net profit for the year	1,280	1,247	-1,371	1,730	1,501
BALANCE SHEET					
Total assets	595,334	541,667	539,554	678,900	669,407
Total provisions for insurance and investment contracts	483,027	438,527	403,255	469,472	458,253
Total shareholders' equity	20,503	20,364	19,117	24,122	22,377
RATIOS (%)					
Return on equity after tax	6.4	6.3	-6.5	7.4	6.9

*Comparative figures for 2020-2021 are messured in accordance with IFRS 4

Income statement & Other comprehensive income - Danica Group

Note	DKKm	2024	2023
3	Insurance revenue	5,869	5,735
4	Insurance service expenses	-5,592	-5,094
	Net result from reinsurance contracts	-16	138
	Insurance service result	261	779
5	Return on investment	44,001	35,228
	Net finance expenses from insurance contracts	-39,884	-32,444
	Net change in investment contracts liabilities	-3,084	-2,169
6	Investment result	1,033	615
7	Other income and expenses	40	28
	PROFIT BEFORE TAX	1,334	1,422
8	Tax	-108	-225
	NET PROFIT FOR THE YEAR, BEFORE DISCONTINUED OPERATIONS	1,226	1,197
9	Profit after tax from discontinued operations	54	50
	NET PROFIT FOR THE YEAR	1,280	1,247

Net profit for the year	1,280	1,247
Total other comprehensive income	-	-
NET COMPREHENSIVE INCOME FOR THE YEAR	1,280	1,247

Balance sheet - Danica Group

Assets

Note	DKKm	2024	2023
	Cash and cash equivalents	1,379	2,632
11	Investment assets	547,240	497,176
	Receivables	1,039	1,257
	Current tax assets	1,261	-
	Reinsurance contract assets	204	213
12	Holdings in associates and joint ventures	11,967	11,709
13	Investment property	25,365	22,789
14	Intangible assets	492	615
15	Other assets	6,387	5,276
	TOTAL ASSETS	595,334	541,667

Liabilities and equity

Note	DKKm	2024	2023
	LIABILITIES		
16	Amounts owed to credit institutions	12,852	14,091
	Derivative liabilities	62,479	57,220
	Current tax liabilities	0	768
17	Investment contract liabilities	26,800	23,113
18	Insurance contract liabilities	456,227	415,414
	Reinsurance contract liabilities	2	28
	Deferred tax	526	277
19	Other provisions	12,257	6,792
20	Subordinated debt	3,688	3,600
	TOTAL CREDITORS	574,831	521,303
	SHAREHOLDERS' EQUITY		
	Share capital	1,101	1,101
	Revaluation reserve	1	1
	Contingency fund	1,882	1,882
	Retained earnings	16,468	16,239
	Proposed dividend	1,051	1,141
	TOTAL SHAREHOLDERS' EQUITY	20,503	20,364
	TOTAL LIABILITIES AND EQUITY	595,334	541,667

Statement of capital - Danica Group

DKKm

Changes in shareholders' equity	Share capital	Revalu-ation reserve	Other reserves	Retained earnings	Proposed dividend	Total
Shareholders' equity at 31 December 2023	1,101	1	1,882	16,239	1,141	20,364
Profit for the year	-	-	-	1,280	-	1,280
Total other comprehensive income	-	-	-	-	-	
Comprehensive income for the year	-	-	-	1,280	-	1,280
Dividend paid	-	-	-	-	-1,141	-1,141
Proposed dividend	-	-	-	-1,051	1,051	0
Shareholders' equity at 31 December 2024	1,101	1	1,882	16,468	1,051	20,503
Shareholders' equity at 31 December 2022	1,101	1	1,882	16,133	0	19,117
Profit for the year	-	-	-	1,247	-	1,247
Total other comprehensive income	-	-	-	-	-	
Comprehensive income for the year	-	-	-	1,247	-	1,247
Proposed dividend	-	-		-1,141	1,141	0
Shareholders' equity at 31 December 2023	1,101	1	1,882	16,239	1,141	20,364

Danica has an obligation to allocate part of the excess equity to certain policyholders of the former Statsanstalten for Livsforsikring (now a part of Danica) if the percentage by which the equity exceeds the calculated capital requirement is higher than the percentage that had been maintained by Statsanstalten for Livsforsikring prior to the privatisation of this company in 1990. This comprises any excess either added to shareholders' equity or distributed as dividend, but it does not comprise shareholders' equity paid in after the privatisation.

The share capital is made up of 11,010,000 shares of a nominal value of DKK 100 each. All shares carry the same rights; there is thus only one class of shares.

Cash flow statement - Danica Group

DKKm	2024	2023
Cash flow from operations		
Profit before tax	1,334	1,422
Adjustment for non-cash operating items		
Non-cash items	4,686	6,126
Tax paid	-1,887	-293
Cash flow from operations	4,133	7,255
Cash flow from investing activities		
Acquisition of bonds	-11,725	-10,544
Sale of bonds	15,677	10,680
Cash flow from investing activities	3,952	136
Cash flow from financing activities		
Dividend	-1,141	-
Amount owed to credit institutions	-1,239	-8,816
Cash flow from financing activities	-2,380	-8,816
Cash and cash equivalents, beginning of year	9,885	11,310
Change in cash and cash equivalents	5,705	-1,425
Cash and cash equivalents, end of year	15,590	9,885
Cash and cash equivalents, end of year		
Deposits with credit institutions	14,211	7,253
Cash in hand and demand deposits	1,379	2,632
Total	15,590	9,885

Notes – Danica Group

Note

1 MATERIAL ACCOUNTING POLICY INFORMATION

The Danica Group presents its consolidated financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) which have been adopted by the EU and with relevant interpretations issued by the IFRS Interpretations Committee. Furthermore, the consolidated financial statements comply with the Danish FSA's disclosure requirements for annual reports of issuers of listed bonds presenting their consolidated financial statements in accordance with IFRS.

CHANGES IN ACCOUNTING POLICIES
Danica Group has implemented the changes to IAS 1 (classification of liabilities as current or non-current and non-current liabilities with covenants), IAS 7 and IFRS 7 (Disclosures: Supplier Finance Arrangements) as well as IFRS 16 (Lease Liability in a Sale and Leaseback).

The implementation of the amendments had no material impact on the Danica Group's financial statements and apart from these changes to accounting policies, accounting policies have not changed from last year.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS
Management's estimates and judgments of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the consolidated financial statements.

The estimates and judgments that are deemed to be most critical to the consolidated financial statements are:
• the measurement of liabilities under insurance contracts
• the fair value measurement of financial instruments
• the fair value measurement of unlisted investments
• the fair value measurement of real property
• Intangible assets/Goodwill/Customer relationships

The estimates and judgements for the areas above are further described in the following sections for the areas in question.

IN GENERAL
Consolidation
The consolidated financial statements are prepared by consolidating items of the same nature and eliminating intragroup transactions and balances.

Undertakings acquired are included in the financial statements at the time of acquisition. If the cost of acquisition exceeds the fair value of the net assets acquired, the excess amount is recognised as goodwill.

Divested undertakings are included in the financial statements until the transfer date.

Intra-group mergers are carried out in accordance with the aggregation method.

For an overview of the companies in the Group, see page 82. The Group is not subject to any restrictions on its ability to access or use the assets or settle the liabilities of the Group.

Materiality
For the purpose of clarity, the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other financial statement items.

Jointly controlled assets and operations
The Group is involved in joint operations with other pension companies. These joint operations are administrated by Forenede Gruppeliv. Income, expenses, assets and insurance liabilities, etc. are distributed between and recognised by the venturers according to their individual quota, which is determined based on the premiums written by the individual venturer during the year. With respect to jointly controlled assets and operations, a proportionate share (corresponding to pro rata consolidation) is recognised in the income statement and balance sheet.

Intragroup transactions
Transactions between companies in the Danske Bank Group are settled on an arm's-length basis and according to contractual agreement between the entities, unless the transactions are insignificant.

Translation of transactions in foreign currency
The presentation currency of the consolidated financial statements is Danish kroner, which is the functional currency of the Company. The functional currency of each of the Group's units is the currency of the country in which the unit is domiciled, as most income and expenses are settled in the local currency.

Note

Transactions in foreign currency are translated at the exchange rate of the unit's functional currency at the transaction date. Gains and losses on exchange rate differences arising between the transaction date and the settlement date are recognised in the income statement.

Monetary assets and liabilities in foreign currency are translated at the exchange rates at the balance sheet date. Exchange rate adjustments of monetary assets and liabilities arising as a result of differences in the exchange rates at the transaction date and at the balance sheet date are recognised in the income statement.

Hedge accounting
The Group uses derivatives to hedge the interest rate risk on fixed-rate liabilities measured at amortised cost. Hedged risks that meet the criteria for fair value hedge accounting are treated accordingly. The interest rate risk on the hedged liabilities is measured at fair value as a value adjustment of the hedged items through profit or loss.

INTANGIBLE ASSETS

Customer relationships
Customer relationships acquired in connection with business combinations are recognised as a separate identifiable intangible asset. The fair value of the customer relationships at the acquisition date represents the net present value of expected future earnings related to the existing customer base in the former SEB Pension and is calculated based on the estimated future profit margin in the acquired companies at the acquisition date. Customer relationships/contracts will be amortised over 10 years, which represents management's expectations of the period over which the majority of the future earnings on existing customer relationships/contracts will be earned. On objective evidence of impairment, the customer relationship is tested for impairment and, if impaired, written down to the estimated value of the future earnings. No evidence of impairment was identified in 2023.

Software
Acquired software is recognised at cost, including costs to prepare the asset for use. Acquired software is amortised on a straight-line basis over the expected useful life, usually three years.

Software developed in-house is capitalised if the development costs can be reliably measured and analyses indicate that the future income from the asset exceeds the development costs. These include preparation costs incurred. When the development of the software is completed, the software is amortised on a straight-line basis over the expected useful life, usually three years. Development costs primarily comprise directly attributable payroll costs and other directly attributable development costs. Costs incurred during the planning stage are expensed as incurred.

Software is tested for impairment if there is an indication of impairment.

FINANCIAL INSTRUMENTS

In general
At initial recognition, financial instruments are classified as financial assets or liabilities at fair value through profit or loss, as these are managed on a fair value basis, among other things due to their relation to the insurance obligations.

Purchases and sales of financial instruments are measured at fair value at the settlement date, which usually equals cost. Fair value adjustments of unsettled financial instruments are recognised from the trading date to the settlement date.

For portfolios of assets and liabilities with offsetting market risks, managed on a fair value basis, the fair value measurement is based on mid-market prices.

Financial instruments denominated in the same currency that meet the criteria for offsetting and are cleared via the same clearing broker are presented net in the balance sheet as either an asset or a liability.

Fair value of financial instruments
The fair value is measured on the basis of quoted market prices of financial instruments traded in active markets. The fair value of such instruments is therefore based on the most recently observed market price at the balance sheet date.

If a financial instrument is quoted in a market that is not active, the measurement is based on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. If no active market exists for standard and simple financial instruments such as interest rate and currency swaps and unlisted bonds, fair value is calculated on the basis of generally accepted valuation techniques and market-based parameters.

The fair value of more complex financial instruments, such as swaptions and other OTC products, is measured on the basis of valuation models which are typically based on valuation techniques generally accepted within the industry. The results of the calculations made on the basis of valuation techniques are often estimates, because exact values cannot be determined from market observations. Consequently, additional parameters, such as liquidity and counterparty risk, are sometimes used to measure fair value.

Unlisted shareholdings are measured on the basis of the most recent reporting, financial statements and other information received from the individual companies. Unlisted funds are measured on the basis of reports from the fund using IPEV Valuation Guidelines as a basis, after which the underlying investments are measured at fair value on the balance sheet date. A valuation model is used to adjust valuations relative to the most recent reporting in the event of major fluctuations in the financial markets.

HOLDINGS IN ASSOCIATES AND JOINT VENTURES
Associates are entities, other than group undertakings, in which the Group has holdings and significant but not controlling influence. The Group generally classifies entities as associates if the Company, directly or indirectly, holds 20-50% of the voting rights and has power to control management decisions. If the company, together with one or more external investors, has joint control over a company, it is a joint operation.

Holdings in associates are recognised at cost at the date of acquisition and are subsequently measured according to the equity method. The proportionate shares of the shareholders' equity of the entity with the addition of goodwill on consolidation are recognised in the item Holdings in associates and the proportionate share of the net profit or loss of the individual entity is recognised in Income from associates. The proportionate share is calculated on the basis of data from financial statements with balance sheet dates no earlier than three months before the Group's balance sheet date and calculated in accordance with the Group's significant accounting policies.

INVESTMENT PROPERTY
Investment property is real property, including real property let under operating leases, which the Group owns for the purpose of receiving rent and/or obtaining capital gains. Investment property is real property that the Group does not use for its own administrative purposes etc., as such property is classified as domicile property. Real property with both domicile and investment property elements is allocated proportionally to the two categories if the elements are separately sellable. If that is not the case, such real property is classified as investment property, unless the Group occupies at least 10% of the total floorage.

On acquisition, investment property is measured at cost, including transaction costs, and subsequently it is measured at fair value.

Investment property under construction is measured at fair value. Where the fair value cannot be measured reliably, fair value is based on cost. If indications of impairment exist, the property is tested for impairment and written down to its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The fair value of investment property is measured based on a discounted cash-flow model on the basis of a systematic assessment based on the present value of the expected cash flows from the property. The present value is calculated based on discounting by a required rate of return determined for each property individually. The rate of return of a property is determined on the basis of its location, type, possible uses, layout and condition as well as of the terms of lease agreements, rent adjustment and the credit quality of the lessees. External assessments of market rent and return percentages, among other things, are collected for the purpose of input for the determination of return percentages, but the company's own assessment is the basis for calculating fair value.

INSURANCE CONTRACTS
In general
Insurance contracts are contracts that contains significant insurance risks.

Danica has divided all insurance products into portfolios and groups and determined the measurement methods for the individual portfolios. Danica has four portfolios of insurance contracts: three portfolios that contain life insurance products and one that contain the health and accident insurance contracts. The three life insurance portfolios are: an average-rate portfolio, a unit-linked portfolio and a portfolio of legacy life insurance product in run-off. The classification of insurance contracts into four portfolios is based on an assessment of similar risks and whether they are managed together.

Danica uses all three measurement methods under IFRS 17, with the VFA measurement method being applied to the majority of insurance contracts, since they meet the definition of insurance contracts with direct participation features, while the BAA measurement method is used on legacy life insurance products in run-off. The PAA measurement method being applied to health and accident insurance contracts which includes only one-year insurance contract, although these contracts can have a price guarantee beyond one-year.

Danica uses the annual cohort exemption from the EU on the average-rate portfolio. Danica has decided not to recognise acquisition costs because the accounting effect of any recognition is considered immaterial.

Insurance revenue consists of run-off of the contractual service margin (CSM) and the risk adjustment, as well as the expected run-off on risks and expenses, that were recognized in the insurance contract liabilities at the beginning of the year. For insurance contracts measured in accordance with the PAA measurement method the insurance revenue consists of premiums for the period.

Insurance service expenses consist of incurred claims and expenses as well as change in provisions for claims and the change in loss components.

Insurance contracts measured in accordance with the VFA or GMM measurement methods (life insurance)
The calculation of liabilities under life insurance contracts is based on several actuarial computations.

Note

Insurance liabilities are calculated by discounting the expected future benefits to their present values. For life insurance, the expected future benefits are based on expected future mortality rates and frequency of early release of pensions and conversions into paid-up policies. Estimates of future mortality rates are based on the Danish FSA's benchmark, while other estimates are based on empirical data from the Group's own portfolio of insurance contracts. Estimates are updated regularly.

The calculation of life insurance provisions is based on an assumed increase in life expectancy over today's observed lifetime of 1.9 years (2023: 2.1 years) for a sixty five-year-old male and 1.8 years (2023: 1.9 years) for a sixty five-year-old female. A sixty five-year-old male is thus expected to live for approximately 22 more years (2023: 22 years) and a sixty five-year-old female for approximately 24 more years (2023: 24 years).

The probabilities used for surrenders and conversions into paid-up policies are dependent on duration, as a declining relationship has been observed between intensities and number of years since a policy was taken out. Separate intensities are used for the individual interest rate groups and the unit-linked portfolio. The probabilities of early releases of pensions and conversions into paid-up policies are estimated based on observations for the preceding five years.

The disability probability is the same for all portfolios. The probabilities used are age- and gender-dependent. The determination of disability probabilities includes probability of reactivation.

Risk adjustment
For life insurance contracts the method used to calculate risk margin involves applying a safety margin to intensities.

For mortality, the risk adjustment consists of a margin on observed current mortality rates and longevity improvements.

For intensities of early release of pensions and conversion into paid-up policies, the risk margin applied constitutes a 10% increase in all intensities for unit-linked and interest rate group 1-3 and rate group D1 and a 10% decrease in all intensities for interest rate groups D2-D4 and rate group 4.

For disability, a 10% risk margin is also applied, which is calculated on both the disability probability and the reactivation probability.

Contractual service margin (CSM)
For life insurance contracts measured according to the VFA method, the contractual service charge (CSM) is calculated on the basis of stochastic models, whereas for life insurance contracts measured according to the GMM method, a deterministic model is used.

The contractual service margin (CSM) is recognised as income on the basis of the expected run-off for the individual groups of insurance contracts.

Insurance contracts measured in accordance with the PAA measurement method (health and accident insurance)
The calculation of liabilities under insurance contracts is based on several actuarial computations.

The liabilities are calculated as an estimate of expected benefits and benefits payable but not yet disbursed. The provisions are settled as regular payments, and the liability is calculated as the present value of the expected future payments based on expected mortality rates, reactivation, resumption of payments and claims incurred but not yet reported, including costs for the repayment of the claims obligations and future adjustments of benefits. Assumptions are based on experience from the existing portfolio of insurance policies and are updated regularly.

In connection with the updating of actuarial assumptions for health and accident insurance in 2023 the assumptions related to the level of reactivation and expected retirement age were updated, which, seen in isolation, reduced the liabilities and contributed positively to the run-off result for the year.

Loss component
The loss component represents the net present value of expected future payments based on expectations for future mortality, reactivations, resumption and surrenders in relations to insurance events occurring after the balance sheet date on existing agreements, plus expected administrative expenses and claims handling costs and less premiums due to be received during the risk coverage period. The loss component includes a risk adjustment. The risk coverage period after the balance sheet date is 6 months for personal schemes and 12 months for company schemes. For company pension agreements with price guarantees, the risk coverage period is the longer of 12 months and the period of the price guarantee.

Risk adjustment
For health and accident insurance contracts the method used to calculate risk margin involves applying a safety margin to intensities.

The risk adjustment is calculated as the effect of a 10% drop in expectations of reactivation, mortality and surrenders, and a 10% increase in expectations of resumption, costs and a 5% increase the number of new claims.

Note

Discount rate
The discount rate is fixed on the basis of a zero-coupon yield curve. The zero-coupon yield curve is estimated on the basis of the euro swap market. The curve is adjusted by a currency and a credit risk deduction as well as a volatility adjustment. For maturities of more than 20 years, the rate is extrapolated based on the forward rate in year 20 and with a constant forward rate at the 60-year mark of 3.30% (Ultimate Forward Rate). Danica uses a yield curve calculated according to principles and based on data resulting in a curve as close as possible to the EIOPA yield curve, cf. note 18.

Confidence level for risk adjustments
The confidence level for risk adjustments is at least 85% (2023: at least 85%)

Transition to IFRS 17
Danica has applied the fair value method for measuring insurance contracts at the transition to IFRS 17 because Danica has not found it possible to apply the full retrospective method as this would require either an unnecessarily high resource consumption or because relevant data has not been available. The fair value method was applied on 1 January 2022 and is to a greater extent based on the accounting values on 31 December 2021.

INVESTMENT CONTRACTS
Investment contracts are contracts that contains an insignificant insurance risk. Investment contracts are recognized as a liability and are measured at the fair value of the underlying investment assets. Investment assets under investment contracts are recognized and measured at fair value on the balance sheet together with other investment assets.

Premiums and benefits on investment contracts are recognised directly in the balance sheet.

TAX ON PENSION RETURNS
Tax on pension returns consists of individual tax on pension returns, calculated on the interest accrued on policyholders' savings, and non-allocated tax on pension returns, calculated on amounts allocated to the collective bonus potential, and the like. Tax on pension returns is charged at a rate of 15.3%. Deferred pension returns tax is recognised as a part of provisions for investment contracts and insurance contracts, respectively.

TAX AND DEFERRED TAX
Calculated current and deferred tax on the profit for the year before tax and adjustments of tax charges for previous years are recognised in the income statement. Income tax for the year is recognised in the income statement in accordance with the tax laws in force in the countries in which Danica operates. Tax on items recognised in other comprehensive income is also recognised in other comprehensive income.

Deferred tax is calculated in accordance with the balance sheet liability method on all temporary differences between the tax base of the assets and liabilities and their carrying amounts. Tax assets arising from unused tax losses and unused tax credits are recognised as deferred tax assets to the extent that it is probable that the unused tax losses and unused tax credits can be utilised.

SUBORDINATED DEBT
Subordinated debt is subordinated loan capital in the form of issued bonds which, in the event of the company's voluntary or compulsory winding-up, will not be repaid until after the claims of its ordinary creditors have been met. Subordinated debt forms part of the Group's total capital.

Subordinated debt is measured at amortised cost plus the fair value of the hedged interest rate risk, see the section Hedge accounting.

SHAREHOLDERS' EQUITY

Contingency fund
Danica's contingency fund amount to DKK 1,882 million. In accordance with the articles of association, the contingency fund may be used to strengthen technical provisions or to otherwise benefit policyholders.

Revaluation reserve
The revaluation reserve comprises fair value adjustments of domicile property less accumulated depreciation. The portion of the revaluation attributable to insurance and investment contracts with bonus entitlement is transferred to collective bonus potential.

Proposed dividends
The Board of Directors' proposal for dividends for the year submitted to the general meeting is included as a separate reserve in shareholders' equity. The dividends are recognised as a liability after the general meeting has adopted the proposal.

CASH FLOW STATEMENT
The Group prepares its cash flow statement according to the indirect method. The statement is based on profit for the year before tax and shows the consolidated cash flows from operating, investing and financing activities and the increase or decrease in cash and cash equivalents during the year. Cash and cash equivalents consist of the items Cash and Deposits with credit institutions.

Notes – Danica Group

Note

KEY RATIOS
The key ratios of the Group are prepared in accordance with the provisions of the executive order on financial reports for insurance companies and multi-employer occupational pension funds.

STANDARDS AND INTERPRETATIONS NOT YET IN FORCE
The International Accounting Standards Board (IASB) has issued amendments to existing international accounting standards in Annual improvements volume 11 (IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10) and has made changes to IAS 21, IFRS 7 and 9, IFRS 18 and IFRS 19, that have not yet come into force. Only IFRS 18 is expected to potentially have significant influence on the presentation of the financial statements of Danica. IFRS 18, which has not yet been approved by the EU, will take effect on 1 January 2027.

EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)
Reporting on the ESEF Regulation
The Commission's Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) requires a special digital reporting format for annual report for publicly listed entities. The ESEF Regulation includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements and notes.

Danica Pension, Livsforsikringsaktieselskabs iXBRL tagging is prepared in accordance with the ESEF taxonomy, which is included in the appendices of the ESEF Regulation and is developed based on the IFRS taxonomy that is published by IFRS Foundation. For the annual report for 2023, the ESEF Taxonomy 2022-0324 has been applied.

The account balances in the consolidated financial statement is XBRL tagged to the elements in the ESEF Regulation that is assessed to correspond to the content of the account balances. For account balances that are assessed not to be covered by the account balances defined in the ESEF taxonomy, the Group has incorporated entity specific extensions to the taxonomy. These extensions are – except subtotals – embedded in the elements in the ESEF Taxonomy.

The Annual Report 2024 comprises – in accordance with the requirements of the ESEF Regulation – of a zip-file danicapension-2024-12-31-0-da.zip that includes an XHTML-file. The XHTML-file is the official version of the Annual Report 2024. This PDF version of the Annual Report 2024 is a copy of the XHTML-file. In case of discrepancies, the XHTML-file prevails.

ESEF data	
Domicile of entity	Denmark
Description of nature of entity's principal activities	Insurance
Country of incorporation	Denmark
Principal place of business	Denmark
Legal form of entity	A/S (public limited company)
Name of reporting entity	Danica Pension Livsforsikringsaktieselskab
Name of parent	Danske Bank A/S
Name of ultimate parent of the Danica group	Danske Bank A/S
Address of entity's registered office	Bernstorffsgade 40, 1577 København V

Notes - Danica Group

Note	DKKm	2024	2023
2	BUSINESS SEGMENTS		
	The Group consists of one business segment as shown below		
	Insurance revenue	5,869	5,735
	Insurance service expenses	-5,592	-5,094
	Net expenses from reinsurance contracts	-16	138
	Insurance service result	261	779
	Investment return	44,001	35,228
	Net finance expenses from insurance contracts	-39,884	-32,444
	Net change in investment contracts liabilities	-3,084	-2,169
	Investment result	1,033	615
	Other income and expenses	40	28
	Profit before tax	1,334	1,422
	Other segment information:		
	Interest income	20,488	77,906
	Interest expenses	-15,630	-74,171
	Income from associated undertakings at book value	719	-609
	Impairment, depreciation and amorisation charges	-148	-152

Danica has not divided the business into separate segments due to the uniform nature of the business products.
The Danica Group has no single customers generating 10% or more of the combined revenue. All premiums from external sales originates from Denmark.

	GROSS PREMIUMS, incl. payments received under investment contracts	2024	2023
	Life insurance (incl. Investment contracts):		
	Regular premiums	19,045	18,555
	Single premiums	22,595	18,340
	Total life insurance	41,640	36,895
	Health and accident insurance premiums	2,003	1,752
	Total gross premiums	43,643	38,647
3	INSURANCE REVENUE		
	Amount relating to changes in liabilities for remaining coverage:		
	Contractual service margin released in the year	1,542	1,591
	Change in risk adjustment for risk expired	28	28
	Expected incurred claims and expenses	2,297	2,366
	Insurance revenue - contracts not measured under premium allocation approach	3,867	3,985
	Insurance revenue from premium allocation approach	2,002	1,750
	Total insurance revenue	5,869	5,735
4	INSURANCE SERVICE EXPENSES		
	Amount relating to changes in liabilities for remaining coverage:		
	Incurred claims and other insurance service expenses	-2,394	-2,319
	Insurance service expenses - contracts not measured under premium allocation approach	-2,394	-2,319
	Insurance service expenses from premium allocation approach	-3,198	-2,775
	Total insurance service expenses	-5,592	-5,094

Notes - Danica Group

Note	DKKm	2024	2023
5	INVESTMENT RETURN		
	Income from investment property	848	766
	Interest income and dividends, etc.*	24,977	83,066
	Value adjustments	39,006	27,606
	Income from associates	719	-609
	Interest expenses*	-15,630	-74,171
	Administrative expenses related to investment activities	-755	-701
	Tax on pension returns	-5,164	-729
	Total	44,001	35,228
	Specifications:		
	Income from investment property:		
	Rent	1,114	1,070
	Operating expenses	-266	-304
	Total	848	766
	Investment property leases are accounted for as operating leases. Some of the leases are non-terminable by the lessee for a number of years.		
	Breakdown of minimum lease payments on non-terminable leases by lease term:		
	Within 1 year	920	644
	1 - 5 years	2,156	1,006
	After 5 years	2,987	586
	Total	6,063	2,236
	Intrest income and dividends:		
	Interest income from assets at fair value*	19,947	76,363
	Interest income from assets at amortised cost	541	1,543
	Dividends	4,142	3,762
	Indexation	347	1,398
	Total	24,977	83,066
	Value adjustments:		
	Investment property	488	-1,302
	Holdings	13,564	9,983
	Unit trust certificates	29,170	12,948
	Bonds	3,993	4,546
	Other loans	-1,379	-91
	Deposits with credit institutions	254	-157
	Derivatives	-7,079	1,684
	Other	-5	-5
	Total value adjustments	39,006	27,606
	Interest expenses:		
	Interest expenses on assets at fair value*	-15,355	-73,820
	Interest expenses on assets at amortised cost	-275	-351
	Total	-15,630	-74,171

*Danica has offset interest income and expenses related to financial instruments in the same currency and settled through the same clearing broker, totalling DKK 39,014 million in 2024.

Notes - Danica Group

Note	DKKm	Life Insurance	Health and accident insurance	Other	2024	2023
6	INVESTMENT RESULT					
	2024					
	Total investment return	40,833	-246	3,414	44,001	
	Net finance expenses from insurance contracts	-39,906	22		-39,884	
	Net change in investment contracts liabilities			-3,084	-3,084	
	Investment result	927	-224	330	1,033	
	2023					
	Total investment return	32,027	459	2,742		35,228
	Net finance expenses from insurance contracts	-31,963	-481			-32,444
	Net change in investment contracts liabilities			-2,169		-2,169
	Investment result	64	-22	573		615

Note	DKKm	2024	2023
7	OTHER INCOME AND EXPENSES		
	Other income	40	28
	Total other income	40	28
8	TAX		
	Tax for the year can be broken down as follows:		
	Tax on the profit for the year	-108	-225
	Tax on changes in shareholders' equity	0	301
	Total	-108	76
	Tax on the profit for the year is calculated as follows:		
	Current tax	78	-1,416
	Adjustment of prior-year current tax	63	-168
	Adjustment of prior-year deferred tax	140	211
	Change in deferred tax due to change in tax rate	0	35
	Other changes in deferred tax	-389	1,113
	Total	-108	-225
	Effective tax rate:		
	Danish tax rate	26.0	25.2
	Adjustment of prior-year tax charge	-15.2	-3.0
	Effect of change in tax rate	0.0	-2.5
	Non-taxable income and non-deductible expenses	-2.6	-3.8
	Effective tax rate	8.2	15.9
	Deferred tax:		
	Deferred tax is recognised as follows in the balance sheet:		
	Deferred tax liabilities	526	277
	Deferred tax, net	526	277
	Deferred tax broken down on main items:		
	Intangible assets	118	153
	Tangible assets	-13	-18
	Investment property	344	188
	Provision for obligations	108	-37
	Other	-31	-9
	Total	526	277

Other than the deferred tax provided for, the Group has no contingent tax liability relating to shares in group undertakings.

Notes - Danica Group

Note	DKKm	2024	2023
9	PROFIT AFTER TAX FROM DISCONTINUING OPERATIONS		
	Adjustment of previous gain on sale	54	50
	Net profit for the year after profit related to sale	54	50
10	STAFF COST AND AUDIT FEES		
	Fees to the audit firm appointed by the general meeting:		
	Fees to Deloitte:		
	Statutory audit of financial statements	-7.0	-4.9
	Other assurance engagements	-2.7	-1.4
	Tax advisory services	0.0	0.0
	Other services	-5.8	-0.2
	Total	-15.6	-6.5

Fees for non-audit services provided to the Group by Deloitte Statsautoriseret Revisionspartnerselskab mainly consist of advisory services related to the new strategy in Danica, as well as objective tax and accounting advice as well as submitting statements.

	2024	2023
Average number of full-time-equivalent employees during the year	917	902
Number of full-time-equivalent employees, end of year	940	912
Staff costs:		
Salaries	-801	-754
Share-based payment	-7	-3
Pensions	-132	-127
Other social security and tax	-115	-135
Other	-89	-90
Total staff costs earned	-1,144	-1,109

For a more detailed description of the Group's remuneration policy and remuneration paid, see "Aflønningsrapport 2024", available at the website: www.danicapension.dk. The remuneration report 2024 is not covered by the statutory audit.

All the Group's pension plans are defined contribution plans, under which the Group makes contributions to insurance companies, principally Danica. Such payments are expensed as incurred.

Board of Directors' remuneration (DKK'000)	2024	2023
Total remuneration	-1,225	-1,225
Including fees for board committee membership	-250	-250

Danica's directors receive a fixed fee. In addition, directors receive a fixed fee for board committee membership.

Board of Directors' remuneration is paid only to directors in the Danske Bank Group elected by the employees.

Remuneration of other material risk takers
For 2024, 13 persons outside the Executive Board were designated as material risk takers and combined they received DKK 38.2 million (2023 DKK 30.0 million to 12 material risk takers), with fixed remuneration amounting to DKK 28.0 million (2023 DKK 24.4 million) and variable remuneration amounting to DKK 10.2 million (2023 DKK 5.6 million).

The Group has no pension obligations towards other material risk takers. as their pensions are funded by means of defined

Notes - Danica Group

Note	DKKm	2024	2023

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(cont'd)

Remuneration of the Executive Board 2024

	Contractual remuneration	Pensions	Variable cash remuneration	Variable share-based payment		
Total	-14.3	-2.7	-2.3	-2.3	-21.6	

The service contracts comply with the statutory requirements that came into force at 1 January 2011 for agreements on variable remuneration in financial enterprises.

Remuneration of the Executive Board 2023

	Contractual remuneration	Pensions	Variable cash remuneration	Variable share-based payment		
Total	-13.0	-2.4	-3.8	-3.7		-22.9

Executive termination terms for 2024:

Mads Nicolai Kaagaard can resign with six months' notice.
Danica can terminate Mads Nicolai Kaagaard with twelve months' notice. No separate severance payment is provided.

Thomas Dyhrberg Nielsen can resign with three months' notice.
Danica can terminate Thomas Dyhrberg Nielsen with six months' notice. The severance payment upon termination would amount to three months' salary according to his employment contract, provided the termination is not due to the employee's conduct.

Jesper Grundvad Bjerre can resign with three months' notice.
Danica can terminate Jesper Grundvad Bjerre with six months' notice. The severance payment upon termination would amount to five months' salary according to his employment contract, provided the termination is not due to the employee's conduct.

Dorte Bilsgaard can resign with three months' notice.
Danica can terminate Dorte Bilsgaard with eight months' notice. The severance payment upon termination would amount to two months' salary according to her employment contract, provided the termination is not due to the employee's conduct.

Share based payment

Part of the variable remuneration of the Executive Board and selected senior staff and specialists was granted by way of conditional shares.

Rights to Danske Bank shares under the conditional share programme vest after up to five years provided that the employee, with the exeception of retirement, has not resigned from the Group. In addition to this requirement, rights to shares earned in 2012-2024 vest only if the Group as a whole and the employee's department meet certain performance targets within the next four years.

The fair value of the conditional shares is calculated as the share price less the payment made by the employee, if any.

The intrinsic value is expensed in the year in which the rights to conditional shares vest, while the time value is accrued over the remaining service period, which is the vesting period up to four years.

Danica has hedged the share price risk.

The exact number of shares granted for 2024 will be determined at the end of February 2025.

Executive Board members' holdings and fair value thereof, end of 2024

Year of grant	2019-2024	
	Number	FV
Mads Nicolai Kaagaard	416	0.1
Dorte Bilsgaard	2,029	0.4
Jesper Grundvad Bjerre	2,272	0.5
Thomas Dyhrberg Nielsen	3,286	0.7

Average market price at the vesting date for conditional shares in 2024 was 203.4.

Executive Board members' holdings and fair value thereof, end of 2023

Year of grant	2019-2023	
	Number	FV
Søren Lockwood	7,874	1.4
Dorte Bilsgaard	865	0.2
Jesper Grundvad Bjerre	1,267	0.2
Thomas Dyhrberg Nielsen	2,612	0.5

Average market price at the vesting date for conditional shares in 2023 was 180.4

Notes - Danica Group

Note DKKm

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(cont'd)

Share-based payment

Conditional shares	Number				Fair value (FV)	
Conditional shares	Executive Board	Other employees	Total	Own contribution price (DKK)	Issue date	End of year
Granted in 2020						
1 Jan. 2023	1,734	38,554	40,288	0.0	3.9	5.5
Vested 2023	-1,039	-36,001	-37,040			
Forfeited 2023		-	0			
Other changes 2023	1,039	-1,039	0			
31 Dec. 2023	1,734	1,514	3,248	0.0	0.3	0.6
Other changes 2024	-1,734	-1,514	-3,248			
31 Dec. 2024	0	0	0	0.0	0.0	0.0
Granted in 2021						
1 Jan. 2023	4,405	22,112	26,517	0.0	3.1	3.6
Forfeited 2023	-657	-	-657			
31 Dec. 2023	3,748	22,112	25,860	0.0	3.0	4.7
Vested 2024		-2,809	-2,809			
Forfeited 2024		-	0		-	-
Other changes 2024	-3,424	2,110	-1,314			
31 Dec. 2024	324	21,413	21,737	0.0	2.6	4.4
Granted in 2022						
1 Jan. 2023	6,535	21,871	28,406	0.0	3.3	3.9
Vested 2023	-1,099	-6,365	-7,464	0.0	-	-
31 Dec. 2023	5,436	15,506	20,942	0.0	2.4	3.8
Vested 2024	-512	-6,953	-7,465			
Other changes 2024	-3,110	3,110	0			
31 Dec. 2024	1,814	11,663	13,477	0.0	1.5	2.7
Granted in 2023						
Granted 2023	7,907	5,307	13,214	0.0	1.5	1.8
Vested 2023	-4,059	-2,751	-6,810	0.0		
31 Dec. 2023	3,848	2,556	6,404	0.0	0.7	1.2
Vested 2024	-721	-1,581	-2,302			
Other changes 2024	-964	3,768	2,804			
31 Dec. 2024	2,163	4,743	6,906	0.0	0.8	1.4
Granted in 2024						
Granted 2024	7,493	13,927	21,420	0.0	4.4	4.4
Vested 2024	-3,001	-1,848	-4,849	0.0		
Other changes 2024	-790		-790			
31 Dec. 2024	3,702	12,079	15,781	0.0	3.2	3.2

Notes - Danica Group

Note	DKKm			2024	2023
11	INVESTMENT IN FINANCIAL ASSETS				

2024	Investerings aktiver*	Other financial assets	2024	2023
Unlisted holdings	35,582	3,117	38,699	
Listed holdings	198,879	15,681	214,560	
Unlisted bonds	304	45	349	
Listed bonds	152,195	42,232	194,427	
Loans	1,315	154	1,469	
Unit trust certificates	25,182	4,207	29,389	
Deposit with credit institutions	12,377	1,834	14,211	
Derivatives	45,199	8,937	54,136	
Total	471,033	76,207	547,240	
2023				
Unlisted holdings	33,411	3,443		36,854
Listed holdings	145,066	10,474		155,540
Unlisted bonds	767	87		854
Listed bonds	169,951	29,558		199,509
Loans	1,558	1,336		2,894
Unit trust certificates	15,884	14,422		30,306
Deposit with credit institutions	6,844	409		7,253
Derivatives	53,344	10,622		63,966
Total	426,825	70,351		497,176

*This column includes investment assets related to life insurance products measured according to the VFA method.

DERIVATIVES

The Group uses derivatives, including forwards and swaps, to manage exposure to foreign exchange, interest rate and equity market risks. Derivatives are also used to hedge guaranteed benefit obligations and other interest-bearing liabilities. For a detailed description of risk management, see note 26. Derivatives are recognised and measured at fair value.

The Group's subordinated debt carries fixed rates and is recognised at amortised cost. According to the underlying accounting regulation, the fair value of the hedged interest rate risk on fixed-rate loans is not recognised in profit or loss, whereas changes in the fair value of the hedging derivatives are recognised through profit or loss. The Group uses fair value hedge accounting if the interest rate risk on fixed-rate financial liabilities is hedged by derivatives. See note 25.

For some derivatives, the Group has concluded collateral agreements and has received collateral in the form of liquid bonds corresponding to a fair value of DKK 4,070 million in 2024 and DKK 5,512 million in 2023.

Danica offset financial instruments denominated in the same currency that are cleared through the same clearing broker at a fair value corresponding to DKK 88,561 million in 2024 (DKK 157,668 million in 2023). Accrued interest on these contracts was also offset in the amount of DKK 17,783 million in 2024 (DKK 29,400 million in 2023).

2024	Notional amount	Positive fair value	Notional amount	Negative fair value
Currency contracts:				
Currency contracts	69,127	3,718	201,821	7,591
Options	190,298	2,705	151,070	1,487
Interest rate contracts:				
Interest rate contracts	1,238,953	16,623	1,990,235	24,174
Options	2,238,612	29,930	2,735,024	29,067
Equity contracts:				
Equity contracts	9	0	0	0
Options	4	1,160	0	160
Total derivatives	3,737,003	54,136	5,078,150	62,479
2023				
Currency contracts:				
Currency contracts	164,639	5,688	109,840	3,998
Options	129,736	2,030	96,937	1,215
Interest rate contracts:				
Interest rate contracts	4,382,478	26,641	894,600	23,000
Options	1,830,819	29,258	2,182,579	29,007
Equity contracts:				
Equity contracts	2,322	0	0	0
Options	1	349	0	0
Total derivatives	6,509,995	63,966	3,283,956	57,220

Notes - Danica Group

Note	DKKm	2024	2023
11 (cont'd)	OTHER FINANCIAL INVESTMENT ASSETS		
	In investmentsassets are the following investments in companies in the Danske Bank Group:		
	Holdings	1,212	1,100
	Bonds	29,799	33,778
	Deposits with credit institutions	3,870	4,864
	Cash in hand and demand deposits	822	2,071
	Other	6,915	8,502
12	HOLDINGS IN ASSOCIATES AND JOINT VENTURES		
	Cost, beginning of year	11,665	10,497
	Additions	335	2,242
	Disposals	-331	-1,071
	Currency translation	-	-3
	Cost, end of year	11,669	11,665
	Revaluations and impairment charges, beginning of year	44	665
	Share of profit	419	-280
	Dividends	-243	-212
	Reversal of revaluations and impairment charges	78	-129
	Revaluations and impairment charges, end of year	298	44
	Carrying amount, end of year	11,967	11,709

Holdings in associates and joint ventures consist of:

Name and domicile	Activity	Owner-ship percentage	holders- equity	Result
Udviklingsselskabet CØ P/S, København	Property company	50%	123	7
Komplementarselskabet CØ ApS, København	Property company	50%	0	0
Ejendomsselskabet Bernstorffsgade 40 P/S	Property company	50%	3,609	165
Bernstorffsgade 40 Komplementar ApS	Property company	50%	0	0
Samejet Nymøllevej 59-91, København	Property company	75%	505	-25
Danske Shoppingcentre P/S, Høje Taastrup	Property company	50%	14,409	721
Komplementarselskabet Danske Shoppingcentre ApS, Høje Taastrup	Property company	50%	0	0
Danske Shoppingcentre FC P/S, Høje Taastrup	Property company	50%	1,238	115
Komplementarselskabet Magnolieholm ApS, København	Property company	75%	0	0
Magnolieholm P/S, København	Property company	75%	1	0
P/S Downtown CBD, København	Investment company	50%	397	5
Komplementarselskabet Downtown CBD, København	Investment company	50%	0	0
Capital Four - Strategic Lending Fund K/S,	Investment company	33%	391	-5
Gro Fund I K/S, København	Investment company	100%	352	3
Gro Fund II K/S, København	Investment company	21%	2,685	415
Maritime Investment Fund I K/S, Hellerup	Investment company	32%	534	665
Maritime Investment Fund II K/S, Hellerup	Investment company	24%	2,098	26
Maritime Investment Fund III K/S, Hellerup	Investment company	23%	-6	-6
Administrationsaktieselskabet Forenede Gruppeliv, Valby	Administration-company	25%	10	1

The information disclosed is extracted from the companies' most recent annual reports.
The Group has no associates of material importance.

Notes - Danica Group

Note	DKKm	2024	2023
13	INVESTMENT PROPERTY		
	Fair value, beginning of year	22,789	27,372
	Additions during the year, including improvements	2,118	1,057
	Disposals during the year	-44	-3,681
	Fair value adjustments	446	-1,903
	Other changes	56	-56
	Fair value, end of year	25,365	22,789
	The weighted average of the rates of return on which the fair value of the individual properties is based, for:		
	Shopping centres	5.55%	5.56%
	Commercial properties	4.88%	4.95%
	Residential properties	3.96%	3.96%

Valuations of investment property are based on cash flow estimates and on the required rate of return calculated for each propery that reflects the price at which the property can be exchanged between knowledgeable, willing parties under current market conditions. The required rate of return ranged between 2.5-7.0% (2023: 2.5-7.0%) and averaged 4.42% (2023: 4.78%). An increase in the required rate of return of 1.0 percentage point would reduce fair value at end-2024 by DKK 1,114 million.

The return rate for 2023 has been adjusted from 4.82% to 4.95%

All investment properties fall under level 3 in the fair value hierarchy. For a description of the levels, see note 24.

Notes - Danica Group

Note	DKKm					2024	2023
14	INTANGIBLE ASSETS						
	2024	Goodwill	Customer value	Software under development	Fully developed software		
	Cost, beginning of year	-	1,332	12	78	1,422	
	Additions during the year	-	-	4	21	25	
	Cost, end of year	-	1,332	16	99	1,447	
	Impairment and amortisation charges, beg	-	-744	-	-63	-807	
	Amortisation during the year	-	-133	-	-15	-148	
	Impairment and amortisation charges, end	-	-877	-	-78	-955	
	Carrying amount, end of year	-	455	16	21	492	
	2023						
	Cost, beginning of year	2,423	1,332	2	78		3,835
	Additions during the year	-	-	10	-		10
	Disposals during the year	-2,423	-	-	-		-2,423
	Cost, end of year	0	1,332	12	78		1,422
	Impairment and amortisation charges, beg	-2,423	-610	-	-45		-3,078
	Amortisation during the year	-	-134	-	-18		-152
	Write-downs and depreciation during the y	2,423					2,423
	Impairment and amortisation charges, end	0	-744	-	-63		-807
	Carrying amount, end of year	0	588	12	15		615

Intangible assets consist of value of customers (VIF asset) reagarding acquisition of the former SEB companies on 7th June 2018,
as proprietary, software under development and fully developed software.
The customer value will be depreciated linearily over a period of 10 years starting 1st June 2018.
Fully developed software will be depreciated linearily over a period of 3 years.

For more details, see note 1.

Note	DKKm	2024	2023
15	OTHER ASSETS		
	Accrued interest and rent	5,864	4,760
	Other prepayments and accrued income	523	516
	Total	6,387	5,276
16	AMOUNT OWED TO CREDIT INSTITUTIONS		
	Repo transactions	10,312	6,456
	Other amounts due	2,540	7,635
	Total	12,852	14,091
17	INVESTMENT CONTRACT LIABILITIES		
	Balance at beginning of year	23,113	20,116
	Contributions received	1,755	1,141
	Benefits paid	-4,574	-4,654
	Investment return from underlying assets	2,290	1,675
	Other	4,216	4,835
	Balance at end of year	26,800	23,113

Notes - Danica Group

Note	DKKm					2024	2023
18	INSURANCE CONTRACT LIABILITIES Life insurance						
	2024	Cash flow	Risk adjustment	CSM for existing contracts at transition date*	CSM for other contracts		
	Carrying amount, beginning of year	381,717	910	14,748	1,955	399,330	
	Contractual Service Margin (CSM) recognised in period	-	-	-1,352	-190	-1,542	
	Change in risk adjustment for expired risk		-28	-	-	-28	
	Experience adjustment	45		-	-	45	
	Changes that relate to current services	45	-28	-1,352	-190	-1,525	
	Contracts initially recognised	-954	0	0	954	0	
	Changes in estimates that adjust the CSM	-348	-52	270	152	22	
	Changes that relate to future services	-1,302	-52	270	1,106	22	
	Finance income and expenses from insurance	39,824	5	0	-	39,829	
	Premiums	37,646	-	-	-	37,646	
	Claims, benefits and expenses paid	-31,630	-	-	-	-31,630	
	Changes in amounts due from policyholders	-46	-	-	-	-46	
	Cash flow	5,970	-	-	-	5,970	
	Other	-3,639	-	-	-	-3,639	
	Carrying amount, end of year	422,615	835	13,666	2,871	439,987	
	Amount payable on demand					345,675	
	2023						
	Carrying amount, beginning of year	353,117	1,007	13,194	276		367,594
	Contractual Service Margin (CSM) recognised in period	-	-	-1,506	-85		-1,591
	Change in risk adjustment for expired risk	-	-28	-	-		-28
	Experience adjustment	-41	-	-	-		-41
	Changes that relate to current services	-41	-28	-1,506	-85		-1,660
	Contracts initially recognised	-883	0	0	883		0
	Changes in estimates that adjust the CSM	-3,864	-77	3,060	881		0
	Changes that relate to future services	-4,747	-77	3,060	1,764		0
	Finance income and expenses from insurance	31,851	8	0	-		31,859
	Premiums	33,547	-	-	-		33,547
	Claims, benefits and expenses paid	-27,641	-	-	-		-27,641
	Changes in amounts due from policyholders	221	-	-	-		221
	Cash flow	6,127	-	-	-		6,127
	Other	-4,590	-	-	-		-4,590
	Carrying amount, end of year	381,717	910	14,748	1,955		399,330
	Amount payable on demand						309,117

* CSM for contracts at the transitions date

Notes - Danica Group

Note	DKKm			2024	2023

18 Analysis by remaining coverage and incurred claims (cont'd)

2024	LFRC*	LFIC*		
Carrying amount, beginning of year	399,330	0	399,330	
Insurance revenue	-3,736	-	-3,736	
Incurred claims and other insurance service	-	2,124	2,124	
Changes that relate to future services	22		22	
Insurance service expenses	22	2,124	2,146	
Investment component	-29,506	29,506	0	
Net finance expenses from insurance contract	39,829	-	39,829	
Premiums	37,646	-	37,646	
Claims, benefits and expenses paid	-	-31,630	-31,630	
Changes in amounts due from policyholders	-46		-46	
Cash flow	37,600	-31,630	5,970	
Other	-3,552	-	-3,552	
Carrying amount, end of year	439,987	0	439,987	

2023				
Carrying amount, beginning of year	367,594	-		367,594
Insurance revenue	-3,826	-		-3,826
Incurred claims and other insurance service	-	2,096		2,096
Changes that relate to past services	-			0
Changes that relate to future services	-			0
Insurance service expenses	-	2,096		2,096
Investment component	-25,545	25,545		0
Net finance expenses from insurance contract	31,859	-		31,859
Premiums	33,547	-		33,547
Claims, benefits and expenses paid	-	-27,641		-27,641
Changes in amounts due from policyholders	221			221
Cash flow	33,768	-27,641		6,127
Other	-4,520	-		-4,520
Carrying amount, end of year	399,330	0		399,330

*LFRC is Liabilities for remaining coverage
*LFIC is Liabilities for incurred claims (benefits)

Note	DKKm	2024	2023

18 Health and accident insurance (cont'd)

2024	LFRC* excl. Loss component	Loss component	LFIC* - cashflows	LFIC* - Risk adjustment	2024	2023
Carrying amount, beginning of year	63	1,551	13,659	811	16,084	
Insurance revenue	-2,002	-	-	-	-2,002	
Incurred claims and other insurance service expenses	-	-1,287	3,102	359	2,174	
Changes that relate to past services	-	-	166	-385	-219	
Changes that relate to future services		1,182	-	-	1,182	
Insurance service expenses	-	-105	3,268	-26	3,137	
Investment components	-	-33	78	-7	38	
Premiums	2,003	-	-	-	2,003	
Claims, benefits and expenses paid	-	-	-3,011	-	-3,011	
Changes in amounts due from policyholders	-	-	8	-	8	
Cash flow	2,003	-	-3,003	-	-1,000	
Other	-8	-9	-	-	-17	
Carrying amount, end of year	56	1,404	14,002	778	16,240	
2023						
Carrying amount, beginning of year	62	1,196	13,215	1,072		15,545
Insurance revenue	-1,750	-	-	-		-1,750
Incurred claims and other insurance service expenses	-	-887	2,979	436		2,528
Changes that relate to past services	-	-	-375	-682		-1,057
Changes that relate to future services	-	1,303	-	-		1,303
Insurance service expenses	-	416	2,604	-246		2,774
Investment components	-	-57	553	-15		481
Premiums	1,752	-	-	-		1,752
Claims, benefits and expenses paid	-	-	-2,710	-		-2,710
Changes in amounts due from policyholders	-	-	-3	-		-3
Cash flow	1,752	-	-2,713	-		-961
Other	-1	-4	-	-		-5
Carrying amount, end of year	63	1,551	13,659	811		16,084

*LFRC is Liabilities for remaining coverage
*LFIC is Liabilities for incurred claims (benefits)

Impact of life insurance contracts recongnised in the year

	2024	2023
Estimates of present value of cash outflow	21,628	24,365
Estimates of present value of cash inflow	-22,582	-25,249
Risk adjustment	0	0
CSM	954	884
Increase in insurance contract liabilities from onerous contracts recognised in the year	0	0

Expected recongnition of CSM

2024	<1 year	1-5 years	5-10 years	>10 years	2024	2023
Expected recognition of the remaning CSM on insurance contracts issued	1,396	5,635	3,742	5,764	16,537	
2023						
Expected recognition of the remaning CSM on insurance contracts issued	1,513	6,061	3,948	5,181		16,703

Notes - Danica Group

Note	DKKm	2024	2023
18 (cont'd)	Transition to IFRS 17		
	Insurance contracts measured under the fair value approach at transition		
	Insurance revenue	3,440	3,690
	CSM at beginning of year	14,748	13,194
	CSM recognised in profit or loss for the services	-1,352	-1,506
	Changes in estimates that adjust the CSM	270	3,060
	Finance expenses from insurance contracts issued	0	0
	CSM at end of year	13,666	14,748

Maturity analysis

2024	1 year	2 years	3 years	4 years	5 years	>5 years	2024	2023
Insurance contract liabilities	42,914	37,152	34,493	31,918	29,352	280,398	456,227	
2023								
Insurance contract liabilities	40,866	35,284	32,920	30,546	28,125	247,673		415,414

Yield curves used for discounting

2024	1 year	5 years	10 years	20 years	30 years
Yield curves used for discounting	2.33	2.35	2.46	2.44	2.54
2023					
Yield curves used for discounting	3.26	2.55	2.63	2.63	2.73

Note	DKKm	2024	2023
19	OTHER LIABILITIES		
	Tax on pension returns	5,106	677
	Staff commitments	87	81
	Other	7,064	6,034
	Total	12,257	6,792

Note	DKKm	2024	2023

20 SUBORDINATED DEBT

Subordinated debt is debt which, in the event of the company's voluntary or compulsory winding-up, will not be repaid until the claims of ordinary creditors have been met. Subordinated debt is included in the capital base etc. In accordance with sections 36-38 of the Executive Order on calculation of capital base for insurance companies and insurance holding companies and calculation of total capital for certain investment firms.

Currency	Borrower	Note	Nominal	Interest rate	Year of issue	Maturity	Re-demption price	2024	2023
EUR	Danica	a)	500	4.38	2015	29.9.45	100	3,730	3,727
Subordinated debt								3,730	3,727
Discount								-3	-6
Hedging of interest rate risk at fair value								-39	-121
Total, corresponding to amortised cost plus the fair value of the hedged interest rate risk.								3,688	3,600
Included in the capital base								3,688	3,600

a) The loan was raised on 29 September 2015 and is listed on the Irish Stock Exchange. The loan can be repaid from September 2025. The loan carries interest at a rate of 4.375% p.a. until 29 September 2025, at which point a step-up will occur. The interest expense amounted to DKK 273 million for 2024 (DKK 252 million for 2023).

Fair value of the subordinated debt is DKK 3,745 million (2023: DKK 3,672 million) measured with inputs classified as level 1 inputs in the fair value hierarchy.

21 ASSETS DEPOSITED AS COLLATERAL, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2024	2023
Assets have been deposited as collateral for policyholders' savings with a total of:	505,324	443,187
As collateral for derivative transactions, the Group has delivered bonds equal to a total fair value of	22,230	28,353
The Group had rent commitments in 2023 of an annual gross rent of	-	55
Minimum lease payments regarding cars amounts to	6	6
The Group has undertaken contractual obligations to purchase, construct, convert or extend investment properties or to repair, maintain or improve these at an amount of	870	1,993
The Group has undertaken to participate in alternative investments with an amount of	15,785	14,668
The Group has undertaken to participate in co-investment with an amount of	125	447
The Group is voluntarily registered for VAT on certain properties. The Group's VAT adjustment liability amounts to	807	583
As a participant in partnerships, the Group is liable for a total debt of	11	29

The Group's companies are jointly taxed with all units in the Danske Bank Group and are jointly and severally liable for their Danish income tax, withholding tax etc.

The group companies are registered jointly for financial services employer tax and for VAT for which they are jointly and severally liable.

Danica is jointly and severally liable with the other participants for the insurance obligations concerning all the policies administered by Forenede Gruppeliv A/S.

Owing to its size and business volume, the Group is continually a party to various lawsuits and disputes.

If Danica is fully or partially successful in its complaint concerning the potential payment of additional pension returns tax on health and accident insurance regarding 2017-2024, see the mention in the management's review, Danic will be able to recognise all or part of the provision for this liability as income. At 31 December 2024, the provision totals DKK 1,118 million including interest.

If Danica not is fully or partially successful in its complaint concerning the potential payment of additional pension returns tax on health and accident insurance regarding 2012-2016, see the mention in the management's review, Danica will be able to recognise all or part of the provision for this liability as expense. At 31 December 2024, the provision totals DKK 440 million including interest.

Notes - Danica Group

Note	DKKm	2024	2023
22	RELATED PARTIES		

Danske Bank A/S, domiciled in Copenhagen, wholly owns the share capital of Forsikringsselskabet Danica and consequently exercises control over the Danica Group.
Danske Bank A/S is the ultimate parent company of the Danica Group.

Transactions with related parties are settled on an arm's-length basis.
The Group's IT operations and development, internal audit, HR administration, logistics, marketing and the like are handled by Danske Bank. Danske Bank also handles portfolio managment and securities trading.

The Danica Group entered into the following significant transactions and balances with other companies in the Danske Bank Group. For more information, see note 11.

	2024	2023
IT operations and development	-127	-119
Other administration	-247	-218
Commission for insurance sales and portfolio management	-210	-170
Ordinary portfolio management fee	-21	-19
Total net custody fees and brokerage for trades in holdings and the like	-141	-141
Interest income	4,377	4,244
Interest expenses	-4,813	-4,531
Amounts owed to credit institutions	6,908	2,308
Derivatives with negative fair values	6,875	6,921

Furthermore, the Danica Group manages the labour market pension schemes of the Danske Bank Group and its related parties.

Loans to associates and joint ventures comprices subordinated debt, issued on the same terms as the other investors.

23 BALANCE SHEET ITEMS BROKEN DOWN BY EXPECTED DUE DATE

	2024		2023	
	< 1 year	> 1 year	< 1 year	> 1 year
Assets				
Cash and cash equivalents	1,379	-	2,632	-
Investment in financial assets	28,101	519,139	24,502	472,674
Receivables	1,039	-	1,257	-
Current tax assets	1,261	-	-	-
Reinsurance contract assets	204	-	213	-
Holdings in associates and joint ventures	-	11,967	-	11,709
Investment property	-	25,365	-	22,789
Domicile property	-	-	-	-
Intangible assets and goodwill	133	359	133	482
Other assets	6,387	-	5,276	-
Total assets	38,504	556,830	34,013	507,654
Liabilities				
Amount owed to credit institutions	12,852	-	14,091	-
Derivatives liabilities	6,842	55,637	6,114	51,106
Current tax liabilities	0	-	768	-
Investment contract liabilities	5,010	21,790	5,090	18,023
Insurance contract liabilities	34,216	422,011	30,089	385,325
Reinsurance contract liabilities	2	-	28	-
Deferred tax liabilities	-	526	-	277
Other liabilities	-	12,257	-	6,792
Subordinated debt	-	3,688	-	3,600
Total liabilities	58,922	515,909	56,180	465,123

Note DKKm

24 FINANCIAL INSTRUMENTS

2024	Fair value: Held for trading	Fair value: Designated	Fair value: Fair value hedge	Amortised cost: Debtors	Amortised cost: Liabilities	Total
Unlisted holdings		38,699				38,699
Listed holdings		214,560				214,560
Unlisted bonds		349				349
Listed bonds		194,427				194,427
Udlån		1,469				1,469
Investeringsforeningsandele		29,389				29,389
Deposit with credit institutions		14,211				14,211
Derivatives	54,136					54,136
Debtors				1,039		1,039
Cash and cash equivalents				1,379		1,379
Total financial assets	54,136	493,104		2,418		549,658
Investment contract liabilities		0				0
Due to credit institutions	0					0
Derivatives	62,479					62,479
Subordinated debt			-39		3,727	3,688
Total financial liabilities	62,479	0	-39		3,727	66,167

2023	Fair value: Held for trading	Fair value: Designated	Fair value: Fair value hedge	Amortised cost: Debtors	Amortised cost: Liabilities	Total
Unlisted holdings		36,651				36,651
Listed holdings		155,743				155,743
Unlisted bonds		2,556				2,556
Listed bonds		197,807				197,807
Udlån		2,894				2,894
Investeringsforeningsandele		30,306				30,306
Deposit with credit institutions		7,253				7,253
Derivatives	63,966					63,966
Debtors				1,257		1,257
Cash and cash equivalents				2,632		2,632
Total financial assets	63,966	433,210		3,889		501,065
Investment contract liabilities		23,113				23,113
Due to credit institutions	14,091					14,091
Derivatives	57,220					57,220
Subordinated debt			-121		3,721	3,600
Total financial liabilities	71,311	23,113	-121		3,721	98,024

Recognition as income:
Exchange rate adjustment of debtors and liabilities measured at amortised cost were recognised under value adjustments (note 5) at DKK 249 million in 2024 and at DKK -164 million in 2023.

Interest income and expenses on assets and liabilities at amortised cost are disclosed in Note 5. The remaining part of investment return included in the income statement items interest income and dividends, etc., interest expensesand value adjustments relates to financial instruments at fair value.

Notes - Danica Group

Note DKKm

24
(cont'd)

Financial instruments at fair value
The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1: Quoted prices
Fair value measurement is based on quoted prices generated in transactions in active markets.
Where an active market exists for listed equity investments, bonds, derivative financial instruments, etc., the instrument is generally measured at the closing price at the balance sheet date.

Level 2: Observable input
In the absence of a listed closing price, another publicly available price presumed to be the closest thereto, in the form of indicative prices from banks/brokers, is used. Assets in this category include hedge funds, CDOs and credit bonds. In the case of listed securities for which the closing price does not represent fair value, valuation techniques or other observable data are used to determine fair value. Where no active market exists for a financial instrument, valuation techniques with input based on observable market data are used. Depending on the nature of the asset or liability, these may be calculations based on underlying parameters such as yields, exchange rates and volatility or with reference to transaction prices for similar instruments.

Level 3: Non-observable input
In some cases, the valuation cannot be based on observable market data alone. Where this is the case, valuation models are used which may include estimates of future events as well as of the nature of the current market situation. This level includes unlisted equities and investment property as presented in note 13.

Furthermore, the fair value is affected by macroeconomic and financial conditions.

Transfers from level 1 Quoted prices to levels 2 and 3 typically include bond holdings for which a price has not been quoted for a period. Conversely, transfers from levels 2 and 3 to level 1 generally occur when a quoted price becomes available again. Transfers to level 3 are due to for example delisting of instruments e

At 31 December 2024, Danica had financial assets as set out below in the amount of DKK 547,240 million, of which 96 pct. was attributable to insurance obligations to policyholders and 4 pct. was attributable to shareholders' equity. Accordingly, changes in various valuation parameters would therefore have an insignificant impact on shareholders' equity.

2024	Quoted prices	Observable input	Non-observable input	Total
Holdings	212,338	2,222	38,699	253,259
Unit trust certificates	20,354	8,657	378	29,389
Bonds	162,379	32,048	349	194,776
Other loans	0	0	1,469	1,469
Derivatives	1,185	52,234	717	54,136
Cash and cash equivalents	0	14,211	0	14,211
Total financial assets	396,256	109,372	41,612	547,240
Due to credit institutions	0	-	-	0
Derivatives	208	61,742	529	62,479
Subordinated loan capital	-	-39	-	-39
Provisions	-	0	-	0
Total financial liabilities	208	61,703	529	62,440
2023				
Holdings	153,380	2,197	36,817	192,394
Unit trust certificates	22,882	6,877	547	30,306
Bonds	179,559	20,461	343	200,363
Other loans	1,192	-	1,702	2,894
Derivatives	437	62,584	945	63,966
Cash and cash equivalents	7,253	-	-	7,253
Total financial assets	364,703	92,119	40,354	497,176
Due to credit institutions	14,091	-	-	14,091
Derivatives	45	55,972	1,203	57,220
Subordinated loan capital	-	-121	-	-121
Provisions	-	23,113	-	23,113
Total financial liabilities	14,136	78,964	1,203	94,303

At 31 December 2024, financial instruments measured on the basis of non-observable input comprised unlisted shares DKK 38,699 million and illiquid bonds DKK 349 million.

During 2024 DKK 10,139 millon was transferred from quoted prices to observerable input (DKK 5,783 million in 2023).
During 2024 DKK 4,420 millon was transferres from observerable input to quoted prices (DKK 10,052 million in 2023).

Notes - Danica Group

Note	DKKm	2024	2023

24
(cont'd)

Valuation based on non-observable input

	Holdings	Bonds	Derivatives		
Fair value, beginning of year	36,854	2,556	-258	39,152	39,888
Value adjustment recognised through profit or loss in					
Value adjustments	2,299	-1,443	445	1,301	1,062
Purchase	3,841	385	-	4,226	3,258
Sale	-4,446	-19	-	-4,465	-5,056
Transferred from quoted prices and observable input	176	692		868	
Fair value, end of year	38,724	2,171	187	41,082	39,152

In 2024, unrealised value adjustments were recognised at DKK -1,334 million (2023: DKK 466 million) on financial instruments valued based on non-observable input.

Non-observable input in the annual report

Asset type	Fair value, end of 2024	Applied valuation method	Sensitivity of the Fair value from changes in non-obeserverable input
Holdings:			
Infrastructure	13,569	Reported fair value 1)	2) DKK 1.085 m
Private Equity	18,808	Reported fair value 1)	2) DKK 2.261 m
Credit	4,664	Reported fair value 1)	2) DKK 380 m
Other loans	1,659	Reported fair value 1)	2) DKK 43 m
Unlisted deposits with credit institutions	378	Reported fair value 1)	2) DKK 37 m
Bonds:			
Bonds, not observerable input	349	Reported fair value 1)	A Widening of the credit spread of 50 bp will reduce the value by DKK 26,3 m
Other loans	1,169	Reported fair value 1)	A Widening of the credit spread of 50 bp will reduce the value by DKK 4,2 m
Other loans	300	Accounting data, credit quality used for rating	A Widening of the credit spread of 50 bp will reduce the value by DKK 1,8 m
Derivatives	188	Discounted cash flow, options-models and nume-risk methods	A rise in yield curve of 1bp: loss of DKK 3,7 m. A rise in inflation rate of 1bp: loss of DKK 2,4 m A rise in volatility of 1bp: profit of DKK 6,9 m A rise in CDS curve of 1bp: loss of DKK 0 m

1) Based on received reportering from relevant companies, in which the underlying assets and liabilities are valued at fair value

2) A fall in the liquid, listed stock markets of 20% will reduce the value by

3) Based on a significant number of relevant credit indices of junior and senior debt of 15 and 10%, respectively

25 RISK MANAGEMENT AND SENSITIVITY INFORMATION

RISK MANAGEMENT
Danica’s Board of Directors (BoD) defines the framework for the management of Danica's overall risks. On a daily basis, Danica’s risk management function monitors risk limits set by the BoD, including limits set for its asset-liability management (ALM), solvency capital requirement, solvency coverage ratio and for the loss exposure on shareholders equity in a risk scenario defined by Danica’s BoD. The risk management function also follows up on investment limits and calculates key risk figures for ALM purposes.

Danica is exposed to a number of different risks where market risk contributes the most to the solvency capital requirement.

Market risks	Insurance risks	Non-financial risks	Other risks
Interest rate risk	Longevity risk	Operational risk	Sustainability risk
Equity risk	Mortality risk	Information Technology and Security risk	Conduct risk
Property risk	Disability risk	Data risk	Strategic Risk
Currency risk	Health and accident	Financial crime	
Credit spread risk	Critical illness	Regulatory compliance risk	
Inflation risk	Healthcare risk		
Volatility risk	Surrender risk		
Liquidity risk	Expense risk		
Counterparty risk	Concentration risk		
Concentration risk			

Market risks
Market risk is the risk of losses following from changes in the value of Danica’s assets and liabilities. Market risk primarily covers changing market conditions, such as changes in interest rates, equity prices, property values, exchange rates and credit spreads. Market risk also includes:

- volatility risk, relates to the value of options such as equity options or swaptions, but also assets with build-in options like Danish callable mortgage bonds
- inflation risk, relates to indexation of benefits for the health and accident products
- liquidity risk, is the risk of losses due to forced sale of investment assets to meet liquidity needs
- counterparty risk, is the risk of losses due to counterparties default on their obligations
- concentration risk, is the risk of losses because of high exposure to single issuers

Market risk may lead to financial losses for Danica, either as losses of investment assets or as the technical provisions increases.

Danica has three sources of market risk:
- with-profits products (conventional, average-rate products)
- unit-linked products (to which customers may have attached an investment guarantee)
- investment assets allocated to the shareholders equity and other products with direct equity exposure

The amount of market risk differs for the various products in Danica’s product range, but the most significant market risk is the market risk relating to its with-profit products.

Market risks related to the with-profits products
The with-profit products offer guaranteed benefits based on a technical rate of interest and is called Danica Traditionel. The portfolio of with-profit products is closed for new business, which means that this type of product is in run-off.

The products offer policyholders an annuity or a lump sum consisting of a guaranteed minimum amount in nominal terms. Customers are divided into homogeneous interest rate groups on basis of the technical rates, and each group has its own investment strategy and asset allocation. In each interest rate group, customers participate in a collective investment pool that covers a range of different assets (such as equities, property and bonds).

The policyholders earn interest at a rate set at the discretion of Danica and subject to change at any time.

The difference between the actual (set) interest rate and the return on the policyholders’ (collective) assets is allocated to collective buffer accounts owned by the customers. The balances of these buffer accounts are gradually transferred to the individual customer accounts in subsequent years by means of a bonus allocation mechanism. This means that high investment returns may lead to higher benefits than those guaranteed.

The mark-to-market value of the guaranteed benefits depends on the level of the discount curve, which is defined under Solvency II and based on EUR swap rates. The yields on Danish mortgage, credit and government bonds are also taken into account which are reflected in the volatility adjustment (VA). The level of the long end of the discount curve, for which no sufficiently reliable market data is available, is determined by the European Insurance and Occupational Pensions Authority (EIOPA).

For the portfolio of with-profit products, Danica will have to cover the shortfall if the value of the assets falls below the value of the liabilities. This will be the case if, for example, investment returns become sufficiently negative (reducing the asset values) or if the level of the discount curve, other things being equal, falls (increasing the value of the liabilities). Hence, the market risk on investments is borne by the customers to the extent that the negative returns can be covered by the collective buffer accounts. Once the buffer accounts have been depleted, negative investment returns on customer savings will force Danica to step in with funds to ensure that it is possible to provide the benefits guaranteed to the policyholders.

Furthermore, Danica can book the annual risk allowance fee income for each of the individual interest rate groups only if the collective bonus potential for the interest rate group is sufficient to cover the risk allowance.

Managing the with-profits product thus involves a combination of managing risks on behalf of the policyholders and managing Danica's risk of having to cover losses.

To ensure that the return on customer funds matches the guaranteed benefits on policies with bonus entitlement, Danica monitors market risk on an ongoing basis. As a part of the risk management activities, internal stress tests are performed to determine the consequences for various ALM limits and the solvency position in case of changes in different market risks including interest rate fluctuations. Interest rate risk is hedged by means of the bond portfolio and by using derivatives.

Investments sensitive to changes in interest rates comprise of a wide range of interest rate-based assets: Danish and European government bonds, Danish mortgage bonds, Danish index-linked bonds and a well-diversified portfolio of global credit bonds. Consequently, Danica is exposed to interest rate spreads between swap and government bonds and to credit spreads.

The credit risk on bond holdings is limited in that a large proportion of the portfolio consists of government and mortgage bonds with high credit ratings (AA – AAA) from the international credit rating agencies or of unrated bonds issued by an issuer with a similar high credit quality. Only a minor proportion of the portfolio is invested in non-investment grade bonds.

Danica limits its counterparty credit risk by demanding high credit ratings for reinsurance and derivatives counterparties. When entering derivative transactions Danica uses central clearing where possible with the purpose of reducing counterparty credit risk.

Currency risk is maintained at a moderate level by means of currency hedging instruments.

Danica limits its liquidity risk by placing the majority of investments in liquid listed bonds and highly marketable equities.

Concentration risk is limited by investing with a focus to ensure a high degree of portfolio diversification and by limiting the number of investments in a single issuer. For mortgage bonds, the issuer is not considered critical to concentration risk because the individual borrower provides collateral for issued mortgage bonds.

Market risks related to unit-linked products
In unit-linked products, policyholders receive the actual return on the investments which thus depends on the development in financial markets. However, some of the unit-linked products give the policyholders the option to have their benefits guaranteed.

The market risk associated with unit-linked products is primarily borne by the policyholders, particularly in respect of contracts without an investment guarantee.

For unit-linked products with financial guarantees, Danica hedges the risk on the financial guarantees by means of financial derivatives and by adjusting the investment allocation during the period leading up to retirement. The investment allocation is adjusted according to the guaranteed amount, the investment horizon etc. If a guarantee is attached to the individual policy, Danica bears the risk in relation to the guarantee.

Danica's main saving product – and the product recommended to most customers – is called Danica Balance. Danica Balance is a life-cycle product, meaning that the asset allocation between different risk categories (bonds or equities, for example) for each customer is adjusted gradually as the customer gets older and approaches retirement.

Market risk related to assets allocated to shareholders' equity and other products
Market risk associated with assets allocated to shareholders equity and other products concerns the following:

- Assets in which the shareholders equity of Danica is invested, i.e. investment returns have a full effect on Danica's profits
- The investment results for Danica's health and accident products
- Assets for some life insurance products with investment guarantees. This means that Danica bears the risk if the changes in the value of provisions for these products differ from the changes in the value of the corresponding assets. The provisions are the net present value of expected future pay-outs and are exposed to movements in the discount curve, which is defined under

- Solvency II. The corresponding assets may be exposed to changes in interest rates, changes in credit spreads and to changes in the value of equities and property

Danica has separate investment strategies for assets allocated to its equity, to health and accident products, and to life insurance products with investment guarantees.

Insurance risks
Insurance risks are linked to trends in policy surrender activity, mortality, disability, critical illness and other variables that could materialise unfavourably from Danica's current assumptions and expectations. For example, an increase in longevity lengthens the period during which benefits are payable under certain pension plans and may potentially have a negative effect on Danica's profits. Similarly, trends in mortality, sickness and recovery affect life insurance and disability benefits respectively. The principal insurance risks are longevity risk and the risk of increased surrenders (i.e. the risk of customers leaving Danica or ceasing to pay premiums). Most insurance risks materialise over long-time horizons during which the gradual changes in biometric conditions deviate from those assumed in contract pricing.

Insurance risk may also materialise through changes in the actuarial assumptions used for liability valuation. Unfavourable changes in assumptions resulting in an increase in liabilities will, to the extent possible, be covered by customer buffers. Once the buffer accounts have been depleted, Danica will have to step in with funds to ensure that it is possible to provide the benefits guaranteed to the policyholders.

Concentration risk relating to life insurance risk comprises the risk of losses as a result of high exposure to a few customer groups and to a few individuals. Danica limits concentration risk by means of risk diversification of the insurance portfolio and by means of reinsurance.

A smaller proportion of risks related to mortality and disability are reinsured to limit losses on individual life insurance policies, which are subject to significant risk exposure. Danica has also engaged in reinsurance, which reduce the risk of reduced earnings in the event of a mass lapse of Danica's market rate products.

To limit losses on individual life insurance policies subject to high-risk exposure, Danica reinsures a small portion of the risk related to mortality and disability.

The various risk elements are subject to ongoing actuarial assessment for the purposes of calculating insurance obligations and making relevant business adjustments.

Non-financial risks
Non-financial risks relate to the risk of losses resulting from inadequate or faulty internal processes, controls, persons and systems or external events and include legal and compliance risks. Non-financial risk events are defined as events that have occurred and may have caused a financial loss, reputational damage or have caused a near loss. This risk category also comprises of model risk, which is losses due to wrongful design, use or interpretation of models or model results in Danica. Non-financial risks also comprise of risks related to digitalisation and technological development.

Non-financial risks arise in connection with the Group's activities. The Group assumes non-financial risks whenever it accepts business from new customers, introduces new products and hires new employees.

The Group closely monitors the development on the markets where the Group operates to ensure the competitiveness of prices and customer service. The Group is committed to treating customers fairly and communicating openly and transparently. The Group subjects its business units to systematic assessments to reduce the risk of financial losses due to damage to its reputation.

The Group limits operational risks by establishing internal controls that are regularly updated and adjusted to the Group's current business volume and identified risks.

Other risks
Other risks relate to risks associated with sustainability, conduct and strategy. These risks are typically transversal risks that either arise in connection with or tie various other types of risk together. A transversal risk is an additional source of risk and must be handled as an integrated part of other risks. For example, sustainability risk such as climate risk will be a source of risk within both market risk, insurance risk and non-financial risk.

Issues relating to sustainability and ESG (environment, social and governance) have become increasingly important in recent years for Danica, Danica's customers, media, NGOs and authorities. Therefore, there has also been a greater focus on the derived risks.

Danica has a sustainability strategy and has a particular focus on three themes that support the UN's Sustainable Development Goals, namely climate and environment, financial security and a healthier life. The work with sustainability and ESG has influence on Danica's reputational risk and regulatory risk. The reputational risk is caused by the fact that it may affect Danica's ability to retain and attract both customers and employees if Danica's efforts in relation to sustainability and ESG are not sufficient, or if Danica is not acting with the professionalism that is expected of a large life insurance company.

Sustainability risks can for example be:
- reputational risk – if customers or other stakeholders find that Danica's ESG efforts are not adequate or if activities related to sustainable investments are marketed as more sustainable than they really are

Note

- regulatory risk – if Danica is unable to meet the regulatory requirements for sustainable investments
- market risk – if future climate change – or expected future climate change – affects the valuation of investment assets to cause Danica a loss. Furthermore, Danica may suffer a loss if the valuation of investments changes, for instance because the companies in which the investments are made will no longer be able to meet the criteria for sustainability
- insurance risk – if future climate change affects mortality and disease transmission patterns

Conduct risk is the risk of loss because of Danica's way of conducting its business both internally and towards customers, e.g., in connection with products or advisory, Danica emphasizes proper treatment of customers and stakeholders as well as openness and transparency in its communication. The risk is mitigated via a general high standard when handling conduct risks. Danica has policies and business procedures which determine concrete requirements for business operations, and which analyse and define Danica's handling of customers, employees and other stakeholders.

Strategic risk is the risk of loss because of Danica not achieving its strategic goals, regardless of it being due to internal or external conditions. This can for example be incorrect identification of risks in connection with the strategy, inadequate execution of the strategy or lack of capital to support the strategy.

Danica's strategic risk can, for example, be influenced by:
- the development of the Danish pension market in general, including development due to changed regulation
- Danica's market position and competitiveness, which for instance depends on prices and value proposition
- Danica's focus on social responsibility and sustainability, including various stakeholders' assessment of whether Danica's efforts are sufficient, and whether the efforts – e.g., in relation to the classification of sustainable investments – meets the authorities' requirements

Sensitivity analysis – effect on equity of selected scenarios (mDKK)

	2024	2023
Volatility adjustment in the discount curve (VA) =0	-253	-324
Rates down 100 bp	94	-140
Rates up 100bp	-141	-107
Listed equities down 10%	-84	-105
Property down 10%	-328	-271
Mortgage spreads increase 40 bp	-295	-187
DKK and EUR inflation increase 10 bp	-8	-5
10% increase in cases in Health & Accident (H&A)	-578	-798
10% decrease in frequency of re-activation in H&A	-976	-726
10% increase in longevity assumptions (DKK bn)	-265	-261

The table shows sensitivity information in accordance with IFRS 17.128. The scenarios resulting in the largest effects on shareholders equity are especially:

- Insurance risks related to an increase in longevity and an increase in claims / lower reactivations related to the H&A business
- Market risks related to large changes in interest rates, decrease in VA and increasing credit spreads on mortgage bonds

The above risks have a significant focus and are mitigated as part of Danica's governance structure, where the BoD has set limits and tolerances for all significant risks.

Financial statements - contents

Financial highlights - Danica

(DKK millions)	2024	2023	2022	2021	2020
INCOME STATEMENT					
Premiums	39,885	35,754	32,365	33,994	25,427
Claims and benefits	-32,647	-28,679	-26,620	-26,185	-25,980
Return on investment	49,165	35,955	-67,236	35,237	31,252
Tax on pension returns	-5,164	-729	-705	-5,954	-4,342
Total operating expenses relating to insurance	-1,396	-1,305	-1,244	-1,186	-1,184
Depreciation of goodwill	-	-	-1,543	-	-
Profit/loss on business ceded	-18	14	-32	-5	-8
Technical result, Life	1,278	1,108	-742	2,085	2,525
Gross premium income	2,110	1,337	1,985	1,560	1,412
Gross claims	-3,167	-2,221	-1,920	-2,202	-2,088
Total operating expenses relating to insurance	-135	-137	-127	-162	-110
Profit/loss on business ceded	1	124	-27	-14	-20
Return on investment less technical interest	-223	-23	-953	290	158
Technical result of health and accident insurance	-1,417	-924	-1,032	-546	-624
Net profit/loss for the year	1,051	1,140	-1,103	1,730	1,501
Total other comprehensive income	-	-	31	15	-11
BALANCE SHEET					
Total assets	597,006	542,975	540,509	655,170	650,336
Insurance assets, health and accident insurance	157	164	12	69	130
Technical provisions, health and accident insurance	16,263	16,117	15,572	17,914	17,488
Total provisions for insurance and investment contracts	483,786	438,912	403,649	469,472	440,355
Total shareholders' equity	20,435	20,525	19,385	24,122	22,377
KEY FIGURES AND RATIOS (%)					
Rate of return related to average rate products	3.3	4.6	-14.6	0.0	6.0
Rate of return related to unit-linked products	13.6	10.5	-14.9	13.3	8.3
Risk on return related to unit-linked products	5.25	4.75	5.25	4.50	4.50
Expenses as per cent of provisions	0.3	0.3	0.3	0.3	0.3
Expenses per policyholder (DKK)	1,884	1,742	1,656	1,596	1,584
Return on equity after tax	5.1	5.6	-7.1	7.4	6.9
Solvency coverage ratio (Solvency I)					
RATIOS FOR HEALTH AND ACCIDENT INSURANCE					
Gross claims ratio	150	167	96	142	145
Gross expense ratio	6	10	6	10	8
Combined ratio	157	168	104	154	155
Operating ratio	157	168	104	154	155
Relative run-off	-0.9	4.0	1.6	1.3	0.6
Run-off, net of reinsurance (DKK millions)	-123	526	229	190	89

The ratios are defined in accordance with the Danish FSA's Executive Order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds, a description can be found in Significant accounting policies.

On 25 June 2021, Danica Pension, Livsforsikringsaktieselskab and Forsikringsselskabet Danica Skadesforsikringsaktieselskab were merget with Danica Pension, Livsforsikringsaktieselskab as the continuing company. Comperative figures for prior periods have been restated.

Income statement & Other comprehensive income - Danica

Note	(DKK millions)	2024	2023
2	Gross premiums	39,885	35,754
	Reinsurance premiums ceded	-32	-27
	Total premiums, net of reinsurance	39,853	35,727
	Income from group undertakings	2,511	-744
	Income from associated undertakings	293	165
	Income from investment property	21	21
	Interest income and dividends, etc.	22,147	81,201
3	Value adjustments	40,949	30,561
	Interest expenses	-15,673	-74,202
	Administrative expenses related to investment activities	-1,083	-1,047
	Total return on investment	49,165	35,955
	Tax on pension returns	-5,164	-729
4	Claims and benefits paid	-32,647	-28,679
	Reinsurers' share received	16	4
	Total claims and benefits, net of reinsurance	-32,631	-28,675
5 ,6	Change in life insurance provisions	-47,484	-27,872
	Change in reinsurers' share	-2	37
	Total change in life insurance provisions, net of reinsurance	-47,486	-27,835
	Change in profit margin	-184	-10,505
	Acquisition costs	-405	-345
	Administrative expenses	-991	-960
7	Total operating expenses relating to insurance, net of reinsurance	-1,396	-1,305
	Transferred investment return	-879	-1,525
	TECHNICAL RESULT	1,278	1,108
8	**TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE**	-1,417	-924
	Return on investment allocated to equity	1,124	1,066
9	Other income	94	78
	PROFIT BEFORE TAX	1,079	1,328
10	Tax	-28	-188
	NET PROFIT FOR THE YEAR	1,051	1,140

	Net profit for the year	1,051	1,140
	Total other comprehensive income	-	-
	NET COMPREHENSIVE INCOME FOR THE YEAR	1,051	1,140

Balance sheet - Danica

Assets

Note	(DKK millions)	2024	2023
	INTANGIBLE ASSETS	492	615
11	Investment property	286	354
	Holdings in group undertakings	20,914	24,569
	Holdings in associated undertakings	429	521
	Total investments in group and associated undertakings	21,343	25,090
	Holdings	23,589	20,751
	Unit trust certificates	11,399	16,265
	Bonds	116,052	115,993
	Other loans	278	753
	Deposits with credit institutions	9,404	3,274
	Other	27,412	39,185
12	Total other financial investment assets	188,134	196,221
	TOTAL INVESTMENT ASSETS	209,763	221,665
13	**INVESTMENT ASSETS RELATED TO UNIT-LINKED PRODUCTS**	376,060	311,775
	Life insurance provisions, reinsurers' share	47	49
	Outstanding claims provision, reinsurers' share	157	164
	Total technical provisions, reinsurers' share	204	213
	Amounts due from policyholders	533	466
	Amounts due from insurance companies	107	228
	Amounts due from group undertakings	603	61
	Other debtors	774	584
	TOTAL DEBTORS	2,221	1,552
	Current tax assets	1,261	-
	Cash and cash equivalents	822	2,092
	TOTAL OTHER ASSETS	2,083	2,092
	Accrued interest and rent	5,864	4,760
	Other prepayments and accrued income	523	516
	TOTAL PREPAYMENTS AND ACCRUED INCOME	6,387	5,276
	TOTAL ASSETS	597,006	542,975

Balance sheet - Danica

Liabilities

Note	(DKK millions)	2024	2023
	Share capital	1,101	1,101
	Contingency fund	1,882	1,882
	Retained earnings	16,401	16,401
	Proposed dividend	1,051	1,141
14	**TOTAL SHAREHOLDERS' EQUITY**	20,435	20,525
	SUBORDINATED DEBT	3,688	3,600
	Unearned premiums provision	823	978
5	Life insurance provisions, average rate products	119,772	127,812
6	Life insurance provisions, unit-linked products	330,374	277,790
	Total life insurance provisions	450,146	405,602
	Profit margin on life insurance and investment contracts, average raye products	3,180	3,780
	Profit margin on life insurance and investment contracts, unit-linked products	14,197	13,413
	Total profit margin on life insurance and investment contracts	17,377	17,193
	Outstanding claims provision	14,025	13,690
	Risk margin on non-life insurance contracts	1,384	1,413
	Provisions for bonus and premium discounts	31	36
	TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS	483,786	438,912
10	Deferred tax	368	198
	Other provisions	266	253
	TOTAL PROVISIONS FOR LIABILITIES	634	451
	Amounts owed, direct insurance	64	174
	Amounts owed to reinsurers	2	28
	Amounts owed to credit institutions	12,852	14,091
	Amounts owed to group undertakings	1,906	1,746
	Current tax liabilities	-	767
15	Other creditors	68,239	58,353
	TOTAL CREDITORS	83,063	75,159
	ACCRUALS AND DEFERRED INCOME	5,400	4,328
	TOTAL LIABILITIES	597,006	542,975

Statement of capital - Danica

(DKK millions)

Changes in shareholders' equity

		Share capital	Contingency fund	Retained earnings	Proposed dividend	Total
Shareholders' equity at 31 December 2023		1,101	1,882	16,401	1,141	20,525
Profit for the year			-	1,051	-	1,051
Dividend paid	-	-	-	-	-1,141	-1,141
Proposed dividend	-	-	-	-1,151	1,151	0
Shareholders' equity at 31 December 2024	-	1,101	1,882	16,301	1,151	20,435
Shareholders' equity at 31 December 2022		1,101	1,882	16,402	-	19,385
Profit for the year			-	1,140		1,140
Proposed dividend	-	-	-	-1,141	1,141	0
Shareholders' equity at 31 December 2023	-	1,101	1,882	16,401	1,141	20,525

Danica has an obligation to allocate part of the excess equity to certain policyholders of the former Statsanstalten for Livsforsikring (now a part of Danica) if the percentage by which the equity exceeds the calculated capital requirement is higher than the percentage that had been maintained by Statsanstalten for Livsforsikring prior to the privatisation of this company in 1990. This comprises any excess either added to shareholders' equity or distributed as dividend, but it does not comprise shareholders' equity paid in after the privatisation. Special allotments to those policyholders are recognised as an expense in the income statement item "Change in life insurance provisions".

Statement of capital - Danica

(DKK millions)	2024	2023
Capital base		
Shareholders' equity	20,435	20,525
Valuation differences between financial statements and Solvency II		
Provisions for insurance and investment contracts	14,018	12,941
Tax effects	-3,517	-3,458
Proposed dividend	-1,051	-1,141
Intangible assets	-492	-615
Supplementary capital	3,688	3,600
Capital base	33,081	31,852

Notes – Danica

Note

1 MATERIAL ACCOUNTING POLICY INFORMATION – DANICA

GENERAL
The financial statements of the Parent Company, Danica, are presented in accordance with the Danish Financial Business Act, including the Danish FSA's Executive Order No. 503 of 23 May 2024 on financial reports for insurance companies and multi-employer occupational pension funds.

Accounting policies have not changed from last year.

Significant accounting estimates and judgments
Management's estimates and judgments of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the consolidated financial statements.

The estimates and judgments that are deemed to be most critical to the consolidated financial statements are:
• the measurement of liabilities under insurance contracts
• the fair value measurement of financial instruments
• the fair value measurement of unlisted investments
• the fair value measurement of real property
• Intangible assets/Customer relationships/software

Measurement of liabilities under insurance contracts
Liabilities under insurance contracts are measured in accordance with the rules of the Danish executive order on financial reports presented by insurance companies. Calculations of liabilities under insurance contracts are based on a number of actuarial computations that rely on assumptions about a number of variables, including mortality and disability rates.

Insurance liabilities are calculated by discounting the expected future benefits to their present values. For life insurance, the expected future benefits are based on expected future mortality rates and frequency of early release of pensions and conversions into paid-up policies. For health and accident insurance, the insurance obligations are calculated based on expected future recoveries and re-openings of old claims. Estimates of future mortality rates are based on the Danish FSA's benchmark, while other estimates are based on empirical data from the Group's own portfolio of insurance contracts. Estimates are updated regularly.

The calculation of life insurance provisions is based on an assumed increase in life expectancy over today's observed lifetime of 1.9 years (2023: 2.1 years) for a sixty five-year-old male and 1.8 years (2023: 1.9 years) for a sixty five-year-old female. A sixty five-year-old male is thus expected to live for approximately 22 more years (2023: 22 years) and a sixty five-year-old female for approximately 24 more years (2023: 24 years).

The probabilities used for surrenders and conversions into paid-up policies are dependent on duration, as a declining relationship has been observed between intensities and number of years since a policy was taken out. Separate intensities are used for the individual interest rate groups and the unit-linked portfolio. The probabilities of early releases of pensions and conversions into paid-up policies are estimated based on observations for the preceding five years. The disability probability is the same for all portfolios. The probabilities used are age- and gender-dependent. The determination of disability probabilities includes probability of reactivation.
In respect of the life insurance business, the method used to calculate risk margin involves applying a safety margin to intensities.

For mortality, the risk margin consists of a margin on observed current mortality rates and longevity improvements.

For intensities of early release of pensions and conversion into paid-up policies, the risk margin applied constitutes a 10% increase in all intensities for unit-linked and interest rate group 1-3 and rate group D1 and a 10% decrease in all intensities for interest rate groups D2-D4 and rate group 4. The intensities are reassessed on an ongoing basis as experience is gained.

For disability, a 10% risk margin is also applied, which is calculated on both the disability probability and the reactivation probability.

The liabilities also depend on the discount yield, which is fixed on the basis of a zero-coupon yield curve. The zero-coupon yield curve is estimated on the basis of the euro swap market. The curve is adjusted by a currency and a credit risk deduction as well as a volatility adjustment. For maturities of more than 20 years, the rate is extrapolated based on the forward rate in year 20 and with a constant forward rate at the 60-year mark of 3.30% (Ultimate Forward Rate). Danica uses a yield curve calculated according to principles and based on data resulting in a curve as close as possible to the EIOPA yield curve.

Fair value measurement of financial instruments
Critical estimates are not used for measuring the fair value of financial instruments where the value is based on prices quoted in an active market or on generally accepted models employing observable market data.

Measurements of financial instruments that are only to a limited extent based on observable market data are subject to estimates. This includes the measurement of unlisted shareholdings, certain listed shareholdings and certain bonds for which there is no active market. See financial investment assets below for a more detailed description.

Fair value measurement of real property
The fair value of investment property is determined by expert valuers based on a systematic assessment based on the present value of the expected cash flows from the property. The present value is calculated based on discounting by a required rate of return determined for each property individually, in accordance with appendix 7 to the executive order on the presentation of financial reports for insurance companies and multi-employer occupational pension funds.

Intangible assets/Customer relationships/Software
Customer relationships acquired in connection with business combinations are recognised as a separate identifiable intangible asset. The fair value of the customer relationships at the acquisition date represents the net present value of expected future earnings related to the existing customer base in the former SEB Pension and is calculated based on the estimated future profit margin in the acquired companies at the acquisition date.

Software consists of fully developed software and software under development

Materiality
For the purpose of clarity, the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other financial statement items.

Holdings in group undertakings, associates and joint ventures
Investments in group undertakings are measured according to the equity method, and profit after tax are recognized under “Income from group undertakings”

Associates are entities, other than group undertakings, in which the Group has holdings and significant but not controlling influence. The Group generally classifies entities as associates if the Company, directly or indirectly, holds 20-50% of the voting rights and has power to control management decisions. If the company, together with one or more external investors, has joint control over a company, it is a joint operation.

Holdings in associates and joint ventures are recognised at cost at the date of acquisition and are subsequently measured according to the equity method. The proportionate shares of the shareholders’ equity of the entity with the addition of goodwill on consolidation are recognised in the item “Holdings in associates” and the proportionate share of the net profit or loss of the individual entity is recognised in “Income from associates”. The proportionate share is calculated based on data from financial statements with balance sheet dates no earlier than three months before the Group's balance sheet date and calculated in accordance with the Group’s significant accounting policies.

Jointly controlled assets and operations
Danica is involved in joint operations with other pension companies. These joint operations are administrated by Forenede Gruppeliv. Income, expenses, assets and insurance liabilities, etc. are distributed between and recognised by the venturers according to their individual quota, which is determined based on the premiums written by the individual venturer during the year.

With respect to jointly controlled assets and operations, a proportionate share (corresponding to pro rata consolidation) is recognised in the income statement and balance sheet.

Translation of transactions in foreign currency
The presentation currency of the consolidated financial statements is Danish kroner, which is the functional currency of the Company.

Transactions in foreign currency are translated at the exchange rate of the unit's functional currency at the transaction date. Gains and losses on exchange rate differences arising between the transaction date and the settlement date are recognised in the income statement.
Monetary assets and liabilities in foreign currency are translated at the exchange rates at the balance sheet date. Exchange rate adjustments of monetary assets and liabilities arising as a result of differences in the exchange rates at the transaction date and at the balance sheet date are recognised in the income statement.

Hedge accounting
Danica uses derivatives to hedge the interest rate risk on fixed-rate liabilities measured at amortised cost. Hedged risks that meet the criteria for fair value hedge accounting are treated accordingly. The interest rate risk on the hedged liabilities is measured at fair value as a value adjustment of the hedged items through profit or loss.

Insurance contracts
Life insurance policies are classified as insurance or investment contracts. Insurance contracts are contracts that entail significant insurance risks or entitle policyholders to bonuses. Investment contracts are contracts that entail insignificant insurance risk, and consist of unit-linked products under which the investment risk lies with the policyholder.

Note

Contribution
In accordance with the Executive Order on the Contribution Principle, the Danish FSA has been notified of Danica's profit policy. The portfolio of Danica Traditionel policies is divided into fourteen interest rate groups of which ten of the interest groups are active. Danica has ten cost groups and seven risk groups.

If the collective bonus potential for the individual group is sufficient to allow booking of the risk allowance, an amount may be booked.

Within each interest rate group, any losses are absorbed collectively by that group's collective bonus potential, individual bonus potentials and the profit margin, before any shareholders' equity is required to cover such losses. Any losses on risk and cost groups not absorbed by the collective bonus potential of the individual groups are to be covered by shareholders' equity.

Danica has an obligation to allocate part of the excess equity to certain policyholders of the former Statsanstalten for Livsforsikring (now part of Danica) if the percentage by which the equity exceeds the statutory solvency need is higher than the percentage that had been maintained by Statsanstalten for Livsforsikring prior to the privatisation of this company in 1990. This comprises any excess either consolidated in shareholders' equity or distributed as dividend, but it does not comprise shareholders' equity paid in after the privatisation. Special allotments to those policyholders are recognised as an expense in the income statement item "Change in life insurance provisions".

INCOME STATEMENT

Life insurance premiums
Regular and single premiums on insurance contracts are included in the income statement at the due dates. Reinsurance premiums paid are deducted from premiums received. Premiums on investment contracts are recognised directly in the balance sheet and disclosed in the notes.

Return on investment
Income from group undertakings comprises profit after tax from group undertakings.

Income from associates comprises the company's share of the associates' profit after tax and realised gains and losses on sales during the year.

Income from investment properties comprises the profit from operating investment properties after deduction of property management expenses.

Interest income and dividends etc. comprises yield on bonds and other securities and interest on amounts due. In addition, the item comprises dividends from holdings with the exception of dividends from group undertakings and associates.

Market value adjustments comprise realised and unrealised gains and losses and exchange rate adjustments on investment assets other than associates.

Interest expenses comprise interest from subordinated loans, receivables, other securities and other debt.

Administrative expenses related to investment activities comprise portfolio management fees to investment managers, direct trading costs, custody fees and own expenses related to the administration of and advisory services on investment assets.

Tax on pension returns
Tax on pension returns consists of individual tax on pension returns, calculated on the interest accrued on policyholders' savings, and non-allocated tax on pension returns, calculated on amounts allocated to the collective bonus potential, and the like. Tax on pension returns is charged at a rate of 15.3%. Deferred pension returns tax is a part of insurance provisions.

Claims and benefits
Claims and benefits, net of reinsurance comprises the claims and benefits paid on insurance contracts for the year, net of the reinsurers' share. Claims and benefits on investment contracts are recognised directly in the balance sheet.

Change in life insurance provisions
Change in life insurance provisions, net of reinsurance comprises the change for the year in gross life insurance provisions less the reinsurers' share, excluding premiums and benefits regarding investment contracts.

The change in collective bonus potential is part of the change in life insurance provisions and comprises the change for the year in collective bonus potential for insurance policies with bonus entitlement.

Change in profit margin
Change in profit margin is the change for the year in the profit margin relating to life insurance.

Note

Operating expenses relating to insurance activities
Acquisition costs cover accrued costs related to acquiring and reviewing the insurance portfolio. Administrative expenses cover other accrued expenses related to insurance operations.

The allocation of non-directly attributable expenses on acquisition costs and administrative expenses and on life insurance and health and accident insurance is made applying allocation models.

Transferred return on investment
Transferred return on investment consists of the return on the assets allocated to shareholders' equity and the return on health and accident insurance.

Health and accident insurance
Premiums, net of reinsurance are included in the income statement as they fall due. Premiums, calculated net of discounts not related to claims and the like and insurance premiums ceded, are accrued.

Claims, net of reinsurance comprise claims paid for the year, adjusted for changes in outstanding claims provisions including gains and losses on prior-year provisions (run-off result) and change in risk margin. Furthermore, claims include expenses for assessment of claims, expenses for damage control and an estimate of the expected administrative and claims handling expenses on the insurance contracts written by the undertaking. Adjustment is also made for change in risk margin. Total gross claims are calculated net of reinsurance.

For the health and accident business, the profit margin is determined independently of the life insurance business and on the basis of the contract periods of the health and accident business. For the health and accident business, there is no expectation of future earnings in the contract periods, and the profit margin is therefore nil. If the contracts are deemed to become loss-making within the guaranteed contract periods, provision is made for such losses.

Other income
Other income comprises fund management commissions.

Other expenses
Comprises expenses which cannot be directly attributed to insurance or investment activities.

Taxation
Calculated current and deferred tax on the profit for the year before tax and adjustments of tax charges for previous years are recognised in the income statement. Income tax for the year is recognised in the income statement in accordance with the tax laws.

BALANCE SHEET
ASSETS
Intangible assets
Customer relationships
Customer relationships acquired in connection with business combinations are recognised as a separate identifiable intangible asset. The fair value of the customer relationships at the acquisition date represents the net present value of expected future earnings related to the existing customer base in the former SEB Pension and is calculated based on the estimated future profit margin in the acquired companies at the acquisition date. Customer relationships/contracts will be amortised over 10 years, which represents management's expectations of the period over which the majority of the future earnings on existing customer relationships/contracts will be earned.
On objective evidence of impairment, the customer relationship is tested for impairment and, if impaired, written down to the estimated value of the future earnings. No evidence of impairment was identified in 2024.

Software
Acquired software is recognized at cost, including costs to prepare the asset for use. Acquired software is amortised on a straight-line basis over the expected useful life, usually three years.

Software developed in-house is capitalised if the development costs can be reliably measured and analyses indicate that the future income from the asset exceeds the development costs. These include preparation costs incurred. When the development of the software is completed, the software is amortised on a straight-line basis over the expected useful life, usually three years. Development costs primarily comprise directly attributable payroll costs and other directly attributable development costs. Costs incurred during the planning stage are expensed as incurred.

Software is tested for impairment if there is an indication of impairment. No indication of impairment has been identified in 2024.

Notes – Danica

Note

Investment property
Investment property is real property, including real property let under operating leases, which the Group owns for the purpose of receiving rent and/or obtaining capital gains. Investment property is real property that the Group does not use for its own administrative purposes etc., as such property is classified as domicile property. Real property with both domicile and investment property elements is allocated proportionally to the two categories if the elements are separately sellable. If that is not the case, such real property is classified as investment property, unless the Group occupies at least 10% of the total floorage.

On acquisition, investment property is measured at cost, including transaction costs, and subsequently it is measured at fair value.

Investment property under construction is measured at fair value. Where the fair value cannot be measured reliably, fair value is based on cost. If indications of impairment exist, the property is tested for impairment and written down to its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The fair value of investment property is measured based on a discounted cash-flow model on the basis of a systematic assessment based on the present value of the expected cash flows from the property. The present value is calculated based on discounting by a required rate of return determined for each property individually. The rate of return of a property is determined on the basis of its location, type, possible uses, layout and condition as well as of the terms of lease agreements, rent adjustment and the credit quality of the lessees. External assessments of market rent and return percentages, among other things, are collected for the purpose of input for the determination of return percentages, but the company's own assessment is the basis for calculating fair value.

Financial instruments – general
Purchases and sales of financial instruments are measured at fair value at the settlement date, which usually equals cost. Fair value adjustments of unsettled financial instruments are recognised from the trading date to the settlement date.

For portfolios of assets and liabilities with offsetting market risks, managed on a fair value basis, the fair value measurement is based on mid-market prices.

Financial instruments denominated in the same currency that meet the criteria for offsetting and are cleared via the same clearing broker are presented net in the balance sheet as either an asset or a liability.

Financial investment assets
On recognition, financial investment assets are classified as financial assets at fair value through profit or loss as these assets are managed on a fair value basis, among other things due to their connection to pension obligations.

The fair value is measured on the basis of quoted market prices of financial instruments traded in active markets. The fair value of such instruments is therefore based on the most recently observed market price at the balance sheet date.

If a financial instrument is quoted in a market that is not active, the measurement is based on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. If no active market exists for standard and simple financial instruments such as interest rate and currency swaps and unlisted bonds, fair value is calculated on the basis of generally accepted valuation techniques and market-based parameters.

The fair value of more complex financial instruments, such as swaptions and other OTC products, is measured on the basis of valuation models which are typically based on valuation techniques generally accepted within the industry. The results of the calculations made on the basis of valuation techniques are often estimates, because exact values cannot be determined from market observations. Consequently, additional parameters, such as liquidity and counterparty risk, are sometimes used to measure fair value.

Unlisted shareholdings are measured on the basis of the most recent reporting, financial statements and other information received from the individual companies. Unlisted funds are measured on the basis of reports from the fund using IPEV Valuation Guidelines as a basis, after which the underlying investments are measured at fair value on the balance sheet date.

The item "Other" comprises derivatives with positive fair values, while derivatives with negative fair values are recognised in the item "Other creditors".

Investment assets related to unit-linked products
At initial recognition, investment assets related to unit-linked products are classified as financial assets at fair value through profit or loss due to their relation to the associated liabilities.

If an active market exists, the official market price at the closing date is used. If market prices in an active market are not available, fair value is determined on the basis of generally accepted measurement techniques according to the principles described for financial investment assets.

Note

Debtors
The reinsurers' share of technical provisions is shown divided into unearned premiums provisions, life insurance provisions and outstanding claims provisions.

Debtors are measured at amortised cost, which normally corresponds to nominal value less a write-down to cover any losses.

BALANCE SHEET
LIABILITIES AND EQUITY
Unearned premiums provisions
The unearned premiums provision represents the net present value of expected future payments in relation to insurance events occurring after the balance sheet date on existing agreements, plus expected administrative expenses, commission and claims processing costs and less premiums due to be received during the risk coverage period. The risk coverage period after the balance sheet date is 6 months for personal schemes and 12 months for company schemes. For company pension agreements with price guarantees, the risk coverage period is the longer of 12 months and the period of the price guarantee.

Life insurance provisions
Life insurance provisions are computed for each insurance policy on the basis of a zero-coupon yield curve. The computation of life insurance provisions is based on assumptions of expected future mortality, disability rates and administrative costs as well as assumptions of conversions into paid-up policies and surrenders. Estimates of future mortality rates are based on the Danish FSA's benchmark, while other estimates are based on historical data derived from the existing portfolio of insurance contracts, including a risk margin, which is determined using a margin on mortality intensity and intensity relating to conversions into paid-up policies and surrenders. The risk margin is the amount expected to be payable in the market to an acquirer of the policy in return for that party assuming the risk that the costs of meeting the payment obligations under the policy deviate from the present value of the best estimate of the cash flows made during the life of the policy.

Special allotments for the financial year are recognised in life insurance provisions as they arise.

Life insurance provisions are divided into guaranteed benefits including risk margin, individual bonus potentials and collective bonus potentials.

Guaranteed benefits comprise obligations to pay guaranteed benefits to policyholders. Guaranteed benefits are calculated as the present value of the current guaranteed benefits plus the present value of expected future administrative expenses less the present value of future premiums.

Individual bonus potentials comprise obligations to pay bonuses over time. Individual bonus potential is calculated for the portfolio of insurance policies with bonus entitlement as the difference between the value of the policyholder's savings and the present value of guaranteed benefits under the policy. The profit margin is also deducted. The bonus potential cannot be negative.

The collective bonus potential is the part of the value of the policyholders' bonus entitlement not yet allocated to the individual policyholders' savings. If the individual bonus potential is nil, any profit margin not covered by the individual bonus potential will be absorbed by the collective bonus potential.

If the technical basis for risk allowance of an interest rate group after bonuses is negative, and if this loss is not absorbed by the groups' collective bonus potential, individual bonus potentials and the profit margin relating to the group's insurance policies are used to absorb the loss. Any further losses are covered by shareholders' equity.

Provisions for collective bonus potential comprise the policyholders' share of the technical basis for risk allowance for insurance policies with bonus entitlement which has not yet been allocated to individual policyholders.

Provisions for unit-linked products are measured at fair value on the basis of the share of each contract of the unit trusts in question and the guarantees entered into. For policies with guaranteed benefits, the value of the guaranteed benefits is calculated on the basis of the methods reported to the Danish FSA.

Transfers between assets allocated to customer funds and assets attributable to shareholders' equity are made at fair value. The difference between the fair value and carrying amount of transferred assets is recognised in the collective bonus potential, with set-off directly against shareholders' equity.

Profit margin on life insurance and investment contracts
Profit margin is the present value of future profit, over and above payment for the risk exposure of shareholders' equity on the contracts, which is expected to be recognised in the income statement as insurance cover and any other benefits under the contract are provided.

Note

For contracts subject to contribution, profit margin is calculated on the basis of the notified risk allowance for the interest rate groups. This risk allowance consists of a part reflecting earnings and a part reflecting the risk exposure of shareholders' equity. The latter is determined on the basis of the Company's own assessment of the risk exposure of shareholders' equity.

Outstanding claims provisions
Outstanding claims provisions are an estimate of expected payments of benefits and benefits due but not yet paid in respect of the Group's health and accident insurances. The provisions are settled by way of regular benefits and the liability is calculated as the present value of expected future payments, including costs to settle claims obligations.

Risk margin on non-life insurance contracts
To non-life insurance contracts is added a risk margin, determined using a margin on intensities relating to reactivation and reopening of claims. The risk margin is the amount expected to be payable in the market to an acquirer of the policy in return for that party assuming the risk that the costs of meeting the payment obligations under the policy deviate from the present value of the best estimate of the cash flows made during the life of the policy.

Provisions for bonus and premium discounts
Provisions for bonus and premium discounts comprise amounts payable to the policyholders as a result of a favourable claims experience for this or previous years.

Deferred tax
Deferred tax is calculated in accordance with the balance sheet liability method on all temporary differences between the tax base of the assets and liabilities and their carrying amounts. Deferred tax is recognised in the balance sheet under deferred tax assets and deferred tax liabilities on the basis of current tax rates.

Tax assets arising from unused tax losses and unused tax credits are recognised as deferred tax assets to the extent that it is probable that the unused tax losses and unused tax credits can be utilised.

Creditors
Derivatives are measured at fair value. Derivatives with negative fair values are recognised under Other creditors. Other creditors are measured at amortised cost, which usually corresponds to the nominal value.

Subordinated debt
Subordinated debt is subordinated loan capital in the form of issued bonds which, in the event of the company's voluntary or compulsory winding-up, will not be repaid until after the claims of its ordinary creditors have been met. Subordinated debt forms part of Danica's total capital.

Subordinated debt is measured at amortised cost plus the fair value of the hedged interest rate risk, see the section Hedge accounting.

Shareholders' equity

Contingency fund
Danica's contingency fund amount to DKK 1,882 million. In accordance with the articles of association, the contingency fund may be used to strengthen technical provisions or to otherwise benefit policyholders.

Proposed dividends
The Board of Directors' proposal for dividends for the year submitted to the general meeting is included as a separate reserve in shareholders' equity. The dividends are recognised as a liability after the general meeting has adopted the proposal.

Note

Key ratios
The key ratios of the Group are prepared in accordance with the provisions of the executive order on financial reports for insurance companies and multi-employer occupational pension funds. The exact formulas for the calculation of the ratios are set out in the executive order. The return ratios are calculated using a composite weighting procedure.

The five-year summary on page 122 presents the following ratios:

1. Rate of return related to average rate products
2. Rate of return related to unit-linked products
3. Risk on return related to unit-linked products
4. Expenses as per cent of provisions
5. Expenses per policyholder
6. Return on equity after tax

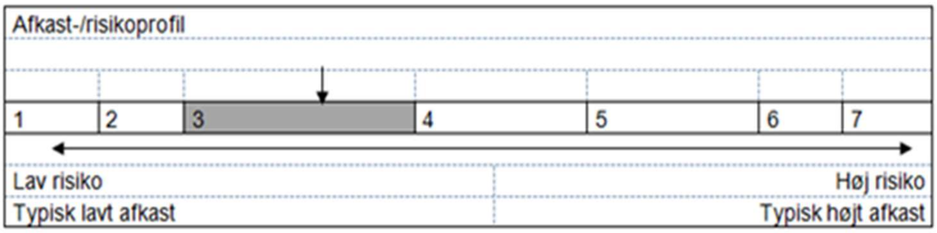
Below, the basis of calculation is described for each of the ratios:

1. The investment return in relation to average rate products relative to average life insurance provisions and the profit margin on average rate products.
2. The investment return in relation to unit-linked products relative to average life insurance provisions and the profit margin on unit-linked products. Amounts in respect of unit-linked products where policyholders pick their own assets are not included.
3. The ratio is calculated as the standard deviation (SD) of the monthly return related to unit-linked products over the past 36 months using the following scale of 1 to 7:

Risk category	%	
	SD ≥	SD<
1,000	0,00	0,50
2,000	0,50	2,00
3,250	2,00	3,00
3,500	3,00	4,00
3,750	4,00	5,00
4,250	5,00	6,70
4,500	6,70	8,34
4,750	8,34	10,00
5,250	10,00	11,67
5,500	11,67	13,33
5,750	13,33	15,00
6,000	15,00	25,00
7,000	25,00	

Note

The standard deviation is converted into a risk category using the following scale:



4. Acquisition costs and administrative expenses for the life insurance business relative to average retrospective provisions (see below).
5. Acquisition costs and administrative expenses for the life insurance business relative to the average number of policyholders pursuant to the note on premiums. For group life insurance, the number of policyholders only has a weighting of 10%.
6. Profit after tax relative to average shareholders' equity.

Ratios for health and accident insurance:

1. **Gross claims ratio:** The ratio of claims to premium income in non-life insurance. In calculating premium income, bonus and premium discounts are deducted, and the changes for the period in profit margin and risk margin are added.
2. **Gross expense ratio:** The ratio of operating expenses relating to insurance to premium income in non-life insurance. In calculating premium income, bonus and premium discounts are deducted, and the changes for the period in profit margin and risk margin are added. Operating expenses relating to insurance are calculated as the sum of the income statement items Acquisition costs and Administrative expenses.
3. **Combined ratio:** The sum of the claims ratio and the expense percentage.
4. **Operating ratio:** Calculated as the combined ratio, but on the basis of claims ratio, expense percentage and net reinsurance ratio, where the allocated investment return, equalling the recognised amount of technical interest in the income statement, is added to premium income in the denominator.
5. **Relative run-off:** Run-off relative to the provisions at the beginning of the year to which it relates.

Retrospective provisions
Premiums received less benefits paid, expenses paid, risk adjustment and plus accrued interest, etc. on the individual insurance, in principle equalling the policyholders' custody account balances.

Additional provisions
The item additional provisions covers extra provisions made for the fact that the interest rate level is lower than the technical rates of interest used to determine benefits, as well as extra provisions for mortality, etc. The item corresponds to the term 'accumulated value adjustments' in the executive order on financial reports.

Notes - Danica

Note	(DKK millions)	2024	2023
2	GROSS PREMIUMS, incl. payments received under investment contracts		
	Direct insurance:		
	Regular premiums	19,045	18,555
	Single premiums	22,595	18,340
	Total direct insurance	41,640	36,895
	Total gross premiums	41,640	36,895
	In the above gross premiums, premiums paid on investment contracts which are not included in the income statement constitute:		
	Regular preimums	145	133
	Single premiums	1,610	1,008
	Total premiums	1,755	1,141
	Total gross premiums included in the income statement	39,885	35,754
	Premiums, direct insurance, broken down by insurance arrangement:		
	Insurance taken out in connection with employment	35,380	32,428
	Insurance taken out individually	4,021	2,260
	Group life insurance	2,239	2,207
	Total	41,640	36,895
	Number of insured, direct insurance (1,000):		
	Insurance taken out in connection with employment	314	312
	Insurance taken out individually	376	381
	Group life insurance	482	509
	Premiums, direct insurance, broken down by bonus arrangement:		
	With profit insurance	3,109	3,190
	Unit-linked insurance	38,531	33,705
	Total	41,640	36,895
	Premiums, direct insurance, broken down by policyholders' residence:		
	Denmark	41,080	36,418
	Other EU countries	433	370
	Other countries	127	107
	Total	41,640	36,895
3	VALUE ADJUSTMENTS		
	Investment property	4	0
	Holdings	13,555	10,000
	Unit trust certificates	31,606	14,583
	Bonds	3,993	4,547
	Other loans	-1,379	-91
	Deposits with credit institutions	254	-157
	Other	-7,084	1,679
	Total value adjustments	40,949	30,561
4	CLAIMS AND BENEFITS PAID		
	Direct insurance:		
	Insurance amounts on death	-1,360	-1,285
	Insurance amounts on disablement	-260	-254
	Insurance amounts on expiry	-2,330	-2,267
	Retirement benefits and annuities	-7,767	-7,734
	Surrender values	-19,313	-15,564
	Cash payments of bonuses	-1,616	-1,574
	Total direct insurance	-32,646	-28,678
	Expenses to minimise disablement	-1	-1
	Total claims and benefits paid	-32,647	-28,679

Notes - Danica

Note	(DKK millions)	2024	2023
5	CHANGE IN LIFE INSURANCE PROVISIONS - AVERAGE RATE		
	Provisions, beginning of year	127,812	136,338
	Profit margin, beginning of year	3,780	1,818
	Total technical provisions, beginning of year	131,592	138,156
	Collective bonus potential, beginning of year	-10,300	-10,740
	Accumulated value adjustment, beginning of year	-30,638	-29,249
	Retrospective provisions, beginning of year	90,654	98,167
	Changes during the year:		
	Gross premiums	3,071	3,159
	Interest added	3,950	3,984
	Claims and benefits	-13,553	-13,540
	Expense supplement after addition of expense bonus	-491	-538
	Risk gain after addition of risk bonus	124	204
	Other		-18
	Total changes	-6,899	-6,749
	Other changes:		
	Transfer of provisions	-1,179	-667
	Change in quota share, Forenede Gruppeliv	9	-97
	Total other changes	-1,170	-764
	Retrospective provisions, end of year	82,585	90,654
	Accumulated value adjustment, end of year	31,314	30,638
	Collective bonus potential, end of year	9,053	10,300
	Total technical provisions, end of year	122,952	131,592
	Profit margin, end of year	-3,180	-3,780
	Life insurance provisions, end of year	119,772	127,812
	Change in gross life insurance provisions according to the income statement consists of:		
	Change in retrospective provisions	-6,899	-6,749
	Change in accumulated value adjustment	676	1,389
	Change in gross life insurance provisions	-6,223	-5,360
	Return on customer funds after deduction of expenses before tax, %	-0.2	0.1

Note (DKK millions)

5
(cont'd)

Life insurance provisions break down as follows by sub-portfolio

2024	Guaranteed benefits	Riskmargin	Individual bonuspoten tial	Collective bonuspoten tial.	Total life insurance prov.	Rate of return	Bonus rate	Profit margin
Interest rate group D1	25,446	114	832	210	26,602	2.9	4.1	238
Interest rate group D2	10,137	52	162	271	10,622	3.4	5.0	59
Interest rate group D3	8,764	48	0	544	9,356	3.2	8.8	340
Interest rate group D4	31,427	294	0	968	32,689	3.2	7.5	819
Interest rate group 1	12,502	79	1,283	1,275	15,139	3.9	17.9	725
Interest rate group 2	2,574	5	199	578	3,356	3.4	27.4	177
Interest rate group 3	2,125	4	113	560	2,802	3.7	28.5	171
Interest rate group 4	7,169	34	0	2,978	10,181	3.4	49.4	651
Non allocated	7,278	78	1	1,668	9,025			0
I alt	107,422	708	2,590	9,052	119,772			3,180

2023	Guaranteed benefits	Riskmargin	Individual bonuspoten tial	Collective bonuspoten tial.	Total life insurance prov.	Rate of return	Bonus rate	Profit margin
Interest rate group D1	24,975	125	912	279	26,291	3.6	4.7	582
Interest rate group D2	11,176	59	189	430	11,854	4.7	6.2	103
Interest rate group D3	9,346	54	-	780	10,180	6.6	11.4	325
Interest rate group D4	34,767	344	-	1,838	36,949	5.1	11.4	696
Interest rate group 1	12,500	89	1,290	1,070	14,949	3.7	16.3	825
Interest rate group 2	3,051	6	227	563	3,847	5.9	23.3	228
Interest rate group 3	2,341	3	115	570	3,029	5.7	26.3	195
Interest rate group 4	8,588	42	-	3,017	11,647	6.3	41.4	826
Non allocated	7,223	90	-	1,753	9,066			0
Total life insurance provisions	113,967	812	2,733	10,300	127,812			3,780

Cost groups, total		
Collective bonus potential	178	240
Expense supplement after addition of expense bonus	428	474
Operating expenses relating to insurance	-498	-510
Cost result	-70	-36
Cost result, %	-0.08	-0.04
Risk groups, total		
Collective bonus potential	1,488	1,513
Risk gain after addition of risk bonus	199	111
Risk gain after addition of risk bonus, %	0.06	0.04

At the end of 2024, equity outlays amounted to DKK 8 million (DKK 2023 0 million).
The outlay of equity concerns one single cost group.

Notes - Danica

Note	(DKK millions)	2024	2023
6	CHANGE IN LIFE INSURANCE PROVISIONS - UNIT-LINKED		
	Life insurance provisions, beginning of year	277,790	246,246
	Profit margin, beginning of year	13,413	3,675
	Total technical provisions, beginning of year	291,203	249,921
	Accumulated value adjustment, beginning of year	-246	-255
	Retrospective provisions, beginning of year	290,957	249,666
	Changes during the year:		
	Gross premiums	36,813	32,595
	Interest added	38,921	27,906
	Claims and benefits	-19,094	-15,139
	Expense supplement	-1,303	-1,283
	Risk gain	33	40
	Other	-216	67
	Total changes	55,154	44,186
	Other changes:		
	Payments received under investment contracts	1,755	1,141
	Payments made under investment contracts	-4,574	-4,655
	Transfer of provisions	955	533
	Other	95	86
	Total other changes	-1,769	-2,895
	Retrospective provisions, end of year	344,342	290,957
	Accumulated value adjustment, end of year	229	246
	Total technical provisions, end of year	344,571	291,203
	Profit margin, end of year	-14,197	-13,413
	Life insurance provisions, end of year	330,374	277,790
	Change in provisions for unit-linked contracts breaks down as follows:		
	Change in retrospective provisions	55,154	44,186
	Change in accumulated value adjustment	-17	-9
	Change in provisions for unit-linked contracts	55,137	44,177
	Provisions for unit-linked contracts break downs as follows:		
	Insurance contracts	303,960	254,677
	Investment contracts	26,414	23,113
	Provisions for unit-linked contracts, end of year	330,374	277,790
	Provisions for unit-linked contracts break downs as follows:		
	Provisions for unit-linked contracts without guarantee	295,173	245,357
	Provisions for unit-linked contracts with guarantee	35,201	32,433
	Provisions for unit-linked contracts, end of year	330,374	277,790
	Return on customer funds after deduction of expenses before tax, %	0.3	0.2

Notes - Danica

Note	(DKK millions)	2024	2023
7	OPERATING EXPENSES RELATING TO INSURANCE		
	Commission on direct insurance	-224	-182
	Fees to Deloitte:		
	Statutory audit of financial statements	-6.1	-3.7
	Other assurance engagements	-2.6	-1.3
	Tax advisory services	0.0	0.0
	Other services	-5.6	0.0
	I alt	-14.4	-5.0

Fees for non-audit services provided by Deloitte Statsautoriseret Revisionspartnerselskab comprise mainly of advisory regarding Danica's new strategy as well as objective tax and accounting advice as well as submitting statements.

	2024	2023
Average number of full-time-equivalent employees during the year	857	844
Number of full-time-equivalent employees, end of year	877	852
Staff costs:		
Salaries	-712	-679
Pensions	-119	-115
Other social security and tax	-102	-123
Other	-88	-88
Total staff costs earned	-1,021	-1,005

For a more detailed description of the company's remuneration policy and remuneration paid, see "Remuneration Report 2024", available at the website: www.danicapension.dk. The remuneration report 2024 is not covered by the statutory audit.

For information on the Board of Directors' and Executive Board's remuneration, see Danica Group's financial statements.

All the company's pension plans are defined contribution plans under which the company makes contributions to insurance companies, principally Danica. Such payments are expensed as incurred.

Remuneration of other material risk takers
For 2024, 10 persons outside the Executive Board were designated as material risk takers and combined they received remuneration of DKK 22.1 million (2023 DKK 13.6 million to 8 material risk takers), with fixed remuneration amounting to DKK 17.9million (2023 DKK 12.1 million) and variable remuneration amounting to DKK 4.2 million (2023 DKK 1.5 million).

The company has no pension obligations towards other material risk takers.

Notes - Danica

Note	(DKK millions)	2024	2023
8	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE		
	Gross premiums	2,003	1,752
	Reinsurance premius ceded	-48	-37
	Change in unearned premiums provision	117	-292
	Change in profit margin and risk margin	-10	-123
	Premiums, net of reinsurance	2,062	1,300
	Claims paid, gross *	-2,877	-2,573
	Reinsurers' share received	56	8
	Change in outstanding claims provision	-316	106
	Change in risk margin	26	246
	Change in outstanding claims provision, reinsurers' share	-7	153
	Claims, net of reinsurance	-3,118	-2,060
	Bonus and premium discounts	-3	-4
	Acquisition costs	-55	-58
	Administrative expenses	-80	-79
	Total operating expenses relating to insurance, net of reinsurance	-135	-137
	Return on investment	-223	-23
	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE	-1,417	-924
	* including damage limitation costs on existing contracts	-92	-60
	Total run-off regarding prior years:		
	Gross	-166	375
	Net of reinsurance	-123	526
	Return on investment allocated to health and accident insurance	-245	459
	Provisions, discounted amount	-490	-433
	Value adjustment of outstanding claims provision	512	-49
	Total return on investment, including value adjustments	-223	-23

	Health and accident insurance	Health insurance	Total	2024	2023
Gross premiums	1,640	363	2,003		
Gross premium income	1,740	370	2,110		
Gross claims	-2,671	-496	-3,167		
- of which damage limitation costs	-69	-23	-92		
Gross operating expenses	-118	-17	-135		
Profit/loss on business ceded	1	0	1		
Technical result	-1,274	-143	-1,417		
Number of claims				73,588	66,770
Average amount of claims DKKt				37	39
Claims frequency				44.5%	41.3%
Gross premiums, direct insurance, broken down by policyholders' residence:					
Denmark				2,075	1,315
Other EU countries				29	18
Other countries				6	4
Total				2,110	1,337

Note		2024	2023
9	OTHER INCOME		
	Commissions from fund managers etc.	40	28
	Overdragelse af filial i Norge	54	50
	Total other income	94	78

Notes - Danica

Note	(DKK millions)	2024	2023
10	TAX		
	Tax for the year can be broken down as follows:		
	Tax on the profit for the year	-28	-188
	Tax on changes in shareholders' equity	-	301
	Total	-28	113
	Tax on the profit for the year is calculated as follows:		
	Current tax	78	-1,415
	Adjustment of prior-year current tax	63	-168
	Adjustment of prior-year deferred tax	140	211
	Change in deferred tax due to change in tax rate	-	36
	Other changes in deferred tax	-309	1,148
	Total	-28	-188
	Effective tax rate:		
	Danish tax rate	26.0	25.2
	Adjustment of prior-year tax charge	-18.8	-3.2
	Effect of change in tax rate	-	-2.7
	Non-taxable income and non-deductible expenses	-4.6	-5.1
	Effective tax rate	2.6	14.2
	Deferred tax broken down on main items:		
	Intangible assets	118	153
	Tangible assets	-13	-18
	Investment property	344	188
	Provisions for obligations	-50	-116
	Other	-31	-9
	Total	368	198
	Other than the deferred tax provided for, the company has no contingent tax liability relating to holdings in group undertakings.		
11	INVESTMENT PROPERTY		
	Fair value, beginning of year	513	511
	Acquisitions and improvements during the year	1	1
	Disposals during the year	0	0
	Fair value adjustments	3	1
	Fair value, end of year	517	513
	The year-end fair value is recognised as follows in the balance sheet:		
	Investment property	286	354
	Investment assets related to unit-linked products	231	159
	The weighted average of the rates of return on which the fair value of the individual properties is based for:		
	Commercial properties	4.28%	4.28%
	Residential properties	2.50%	2.50%
12	OTHER FINANCIAL INVESTMENT ASSETS		
	Comprises the following investments in undertakings in the Danske Bank Group:		
	Holdings	1,212	1,100
	Bonds	29,799	33,778
	Deposits with credit institutions	3,870	4,864
	Cash in hand and demand deposits	822	2,071
	Other	6,915	8,502

Note	(DKK millions)			2024	2023
13	INVESTMENT ASSETS RELATED TO UNIT-LINKED PRODUCTS Consists of unit trusts in which the underlying assets break down as follows:				
		With guarantee	Without guarantee		
	Investment property	433	16,145	16,578	10,930
	Holdings	6,031	237,582	243,613	183,083
	Bonds	16,969	68,886	85,855	90,895
	Deposits with credit institutions	245	3,044	3,289	3,580
	Derivatives	873	25,852	26,725	23,287
	Total	24,551	351,509	376,060	311,775
14	SHAREHOLDERS' EQUITY				
	Number of shares of DKK 100			11,010,000	11,010,000
15	OTHER CREDITORS Other creditors comprise:				
	Derivatives with negative fair values			62,482	57,216
	Tax on pension returns			5,364	677
	Staff commitments			82	76
16	ASSETS DEPOSITED AS COLLATERAL, CONTINGENT LIABILITIES AND CONTINGENT ASSETS				
	Assets have been deposited as collateral for policyholders' savings with a total of:			505,324	443,187
	As collateral for derivative transactions, the company has delivered bonds equal to a total fair value of			22,230	28,353
	The company has undertaken to participate in alternative investments with an amount of			15,785	14,668
	The company has undertaken to participate in co-investment with an amount of			125	447
	The Group's companies are jointly taxed with all units in the Danske Bank Group and are jointly and severally liable for their Danish income tax, withholding tax etc.				
	The company had rent commitments in 2023 with an annual gross rent of			-	55
	Minimum lease payments regarding cars amounts to			6	6

The company is registered jointly with group undertakings for financial services emloyer tax and VAT, for which they are jointly and severally liable.

The company is jointly and severally liable with the other participants for the insurance obligations concerning all the policies administered by Forenede Gruppeliv A/S.

Owing to its size and business volume, Danica is continually a party to various lawsuits. The Company does not expect the outcomes of lawsuits and disputes to have any material effect on its financial position.

If Danica is fully or partially successful in its complaint concerning the potential payment of additional pension returns tax on health and accident insurance regarding 2017-2024, see the mention in the management's review, will be able to recognise all or part of the provision for this liability as income. At 31 December 2024, the provision totals DKK 1,118 million including interest.

If Danica not is fully or partially successful in its complaint concerning the potential payment of additional pension returns tax on health and accident insurance regarding 2012-2016, see the mention in the management's review, Danica will be able to recognise all or part of the provision for this liability as expense. At 31 December 2024, the provision totals DKK 440 million including interest.

Notes - Danica

Note	(DKK millions)	2024	2023
17	RELATED PARTIES Danske Bank, whose registered office is in Copenhagen, Denmark, holds 100% of the share capital of Danica and thus exercises control.		
	Transactions with related parties are settled on an arm's-length basis. Danica's IT operations and development, internal audit, HR administration, logistics, marketing and the like are handled by Danske Bank. Danske Bank also handles portfolio managment and securities trading.		
	Danica entered into the following significant transactions and balances with other companies in the Danske Bank Group. For more information, see note 13.		
	IT operations and development	-114	-109
	Other administration	-222	-197
	Commission for insurance sales and portfolio management	-210	-170
	Ordinary portfolio management fee	-798	-770
	Total net custody fees and brokerage for trades in holdings and the like	-141	-141
	Interest income	4,377	4,244
	Interest expenses	-4,813	-4,531
	Amounts owed to credit institutions	6,908	2,308
	Derivatives with negative fair values	6,875	6,921
	Furthermore, the Danica Group manages the labour market pension schemes of the Danske Bank Group and its related parties.		

Notes - Danica

Note (DKK millions)

18 SPECIFICATION OF ASSETS AND RETURN 2024

TRADITIONAL PRODUCTS	Carrying amount Beg. of year	Carrying amount End of year	% return p.a. before tax
Land and buildings	20,278	18,261	5.1
Listed holdings	11,332	8,769	5.0
Unlisted holdings	10,475	14,596	7.2
Total holdings	21,807	23,365	6.2
Government bonds and mortgage bonds	61,063	59,854	3.4
Index-linked bonds	15,578	14,284	1.7
Credit bonds and emerging market bonds	20,653	18,019	9.4
Total bonds and loans	97,294	92,156	4.3
Holdings in group undertakings	0	0	0.0
Other investment assets	-210	-364	1.7
Derivative financial instruments to hedge net changes of assets and liabilities	-273	-5,245	102

A specification of the company's holdings is available on Danica's Danish website, www.danicapension.dk.

UNIT-LINKED PRODUCTS	Carrying amount Beg. of year	Carrying amount End of year	% return p.a. before tax
Land and buildings	10,624	16,578	6.6
Listed holdings	154,129	216,358	25.7
Unlisted holdings	28,698	26,510	7.4
Total holdings	182,827	242,868	23.1
Government bonds and mortgage bonds	57,208	55,394	3.7
Index-linked bonds	6,778	9,179	2.4
Credit bonds and emerging market bonds	20,949	21,857	12.2
Total bonds and loans	84,935	86,429	5.6
Holdings in group undertakings	0	0	0.0
Other investment assets	293	456	2.5
Derivative financial instruments to hedge net changes of assets and liabilities	5,992	-4,242	-155.8

Notes - Danica

Note (DKK millions)

19 SPECIFICATION OF RETURNS FOR UNIT-LINKED PRODUCTS 2023

Danica Balance	Years to retirement	% of average provisions	Return (%)	Risk
High Risk:				
Mix high risk profile	30 years	0.50%	18.8	5.50
Mix high risk profile	15 years	0.71%	16.9	5.25
Mix high risk profile	5 years	0.32%	13.4	4.75
Mix high risk profile	-5 years	0.03%	10.9	4.50
Danica Balance	Non-lifecycle	2.82%	16.1	N/A
Medium Risk				
Mix medium risk profile	30 years	0.70%	17.8	5.50
Mix medium risk profile	15 years	1.64%	13.6	4.75
Mix medium risk profile	5 years	1.00%	10.8	4.50
Mix medium risk profile	-5 years	0.20%	9.2	4.50
Danica Balance	Non-lifecycle	4.56%	12.7	4.75
Low Risk				
Mix low risk profile	30 years	0.04%	16.1	5.25
Mix low risk profile	15 years	0.16%	10.7	4.50
Mix low risk profile	5 years	0.17%	8.5	4.50
Mix low risk profile	-5 years	0.05%	7.3	4.25
Danica Balance	Non-lifecycle	0.87%	6.4	N/A

Danica Balance Responsible Choice	Years to retirement	% of average provisions	Return (%)	Risk
High Risk:				
Mix high risk profile	30 years	0.03%	11.4	5.25
Mix high risk profile	15 years	0.03%	9.8	4.75
Mix high risk profile	5 years	0.01%	7.7	4.50
Mix high risk profile	-5 years	0.00%	6.5	4.25
Markedspension	Non-lifecycle	0.06%	9.2	N/A
Medium Risk				
Mix medium risk profile	30 years	0.02%	10.5	5.50
Mix medium risk profile	15 years	0.03%	7.7	4.75
Mix medium risk profile	5 years	0.01%	6.4	4.75
Mix medium risk profile	-5 years	0.00%	5.6	4.50
Markedspension	Non-lifecycle	0.04%	7.2	4.75
Low Risk				
Mix low risk profile	30 years	0.00%	9.2	5.50
Mix low risk profile	15 years	0.00%	6.1	5.25
Mix low risk profile	5 years	0.00%	5.2	4.75
Mix low risk profile	-5 years	0.00%	4.7	4.50
Markedspension	Non-lifecycle	0.01%	5.4	N/A

Group overview

	Ownership	Currency	Profit/ loss for the year	Share capital	Share- holders' equity	Employees	Directorships[2]			
	%		DKK millions	DKK millions	DKK millions	No.[3]	MNK	TDN	JGB	DB
LIFE INSURANCE										
Danica Pension, Livsforsikringsaktieselskab, Copenhagen		DKK	1,280	1,101	20,503	917	D	D	D	D
INVESTMENT MANAGEMENT										
Danica Kapitalforvaltning K/S, Copenhagen	100	DKK	597	10	607	60				
PROPERTY INVESTMENT										
Danica Ejendomme P/S	100	DKK	1,718	4,410	36,456	-		C		
Danica Komplementar ApS	100	DKK	0	0	1	-		C		
SD Karreen Holding P/S	100	DKK	69	18	996	-		C		
SD Karré 1 P/S	100	DKK	65	16	891	-		C		
SD Karré 2 P/S	100	DKK	5	2	104	-		C		
Ejendomsselskabet Project Nord P/S	100	DKK	253	1	4,453	-		C		
ERDA I P/S	100	DKK	9	1	366	-		C		
Ordrup Jagtvej Holding P/S	100	DKK	-16	1	72	-		C		
Ordrup Jagtvej 93-109 P/S	100	DKK	-16	1	72	-		C		
Bag Søndermarken Holding P/S	100	DKK	-6	1	128	-		C		
Bag Søndermarken 1b-11 P/S	100	DKK	-6	1	128	-		C		
Stockholmsgade Holding P/S	100	DKK	-13	1	209	-		C		
Stockholmsgade 23 P/S	100	DKK	-13	1	209	-		C		
								C		

[2] Directorships of Mads Nicolai Kaagaard (MNK), Thomas Dyhrberg Nielsen (TDN), Jesper Grundvad Bjerre (JGB) Dorte Bilsgaard (DB) - C stands for chairman of the board of directors, B stands for member of the board of directors and D stands for executive board member.

[3] Comprises average number of employees in group companies at 31 December 2024

Group overview

Companies	Activity
Danica	Sale of the unit-linked products Danica Balance, Danica Balance Responsible Choice, Danica Link and Danica Select, for which the return on policyholders' savings equals the market return. Life insurance and loss of earning capacity cover may be attached to the policies. The conventional life insurance and pension product (Danica Traditionel) and health and accident insurance, including loss of earning capacity cover. Sale of Health Insurance and Critical Illness
Danica Kapitalforvaltning	Provides investment services to group companies.
Property companies	Property companies investing in real property and shopping centres.

Danica's group overview is available at www.danicapension.dk

Management and directorships

Under section 80(8) of the Danish Financial Business Act, financial institutions are required to publish information at least annually about the duties and positions approved by the Board of Directors for persons employed by the Board (see section 80(1) of the Act).

The following overview lists directorships outside the Danica Group.

Board of Directors

Carsten Rasch Egeriis (Chairman)
Chief Executive Officer, Danske Bank A/S
Born: June 1976
CEO of:
Danske Bank A/S
Director of:
Finanssektorens klimapartnerskab (Chairman)
Finans Danmark (Second Vice-Chairman)
FR I af 16. september 2015 A/S (Chairman)

Christoffer Møllenbach (Vice Chairman)
Head of Group Finance, Danske Bank A/S
Born: November 1972

Christoffer Møllenbach is a member of the Danica Group's Audit Committee and Risk Committee

Jesper Koefoed
(State-authorised public accountant with deposited license)
Born: June 1964
Member of the Executive Board of:
Koefoed Invest 2019 A/S
Director of:
Realkredit Danmark A/S (chairman of the Audit Committee)
LM | Pihl A/S (Chairman)
Autobudgets ApS (Chairman)
Nordic Investment Opportunities A/S (deputy chairman)
Danica Ejendomme P/S
Liquidator of:
BG40-5 A/S (in solvent liquidation)

Jesper Koefoed is Chairman of the Danica Group's Audit Committee

Ib Katznelson
Retired head of administration, Danish Ministry of Economic and Business Affairs Born: October 1941 (appointed by the Minister for Finance)

Christoffer Kanstrup
Executive Vice President, Danske Bank A/S
Born: March 1979
Director of:
Danske Private Equity A/S

Christoffer Kanstrup is Chairman of the Danica Group's Risk Committee

Linda Olsen
Head of Technology & Services, Personal & Business Customers (T&S)
Born: October 1968

Kenneth Stricker-Nielsen
Pension specialist and Vice Chairman of staff association
Born: February 1985

Charlott Due Pihl
Chairman of staff association, Danica
Member of the governing body of Forsikringsforbundet
Born: March 1968

René Karsten Jensen
Tax Adviser
Born: October 1957

Executive Board

Information on directorships, etc. in wholly-owned subsidiaries is provided in the group overview.

Mads Nicolai Kaagaard
Chief Executive Officer
Born: September 1971
Director of:
Insurance and Pension Denmark

Thomas Dyhrberg Nielsen
Member of Executive Board
Born: February 1971
Member of the Advisory Board of Pension Research Centre (PeRCent)

Jesper Grundvad Bjerre
Member of Executive Board
Born: March 1974
Director of:
Forsikringsakademiet A/S

Dorte Bilsgaard
Member of Executive Board
Born: June 1975

Statement and report

Statement by the Management

The Board of Directors and the Executive Board (the management) have today considered and approved the annual report of Danica for the financial year 2024.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and reporting requirements for listed companies in Denmark. The financial statements of the Parent Company have been prepared in accordance with statutory requirements, including the Danish Financial Business Act and the Danish Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds. The annual report has furthermore been prepared in accordance with reporting requirements for listed companies in Denmark.

In our opinion, the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year ended 31 December 2024. Moreover, in our opinion, the management report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

The sustainability statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Danish Insurance Business Act and the Executive Order on Financial Statements for Insurance Companies and Lateral Pension Funds as well as article 8 in the EU Taxonomy regulation.

Furthermore, in our opinion, the annual report of Danica for the financial year ended 31 December 2024 with the file name "danicapension-2024-12-31.zip" has been prepared, in all material respects, in compliance with the ESEF Regulation.

The management will submit the annual report to the general meeting for approval.

Copenhagen, 7 February 2025

Executive Board

Mads Nicolai Kaagaard
Chief Executive Officer

Thomas Dyhrberg Nielsen
Member of Executive Board

Jesper Grundvad Bjerre
Member of Executive Board

Dorte Bilsgaard
Member of Executive Board

Board of Directors

Carsten Rasch Egeriis
Chairman

Christoffer Møllenbach
Vice Chairman

Jesper Koefoed

Ib Katznelson

Linda Olsen

Christoffer Kanstrup

Kenneth Stricker-Nielsen

Charlott Due Pihl

René Karsten Jensen

Independent auditor's report

To the shareholder of Danica Pension, Livsforsikringsaktieselskab

Opinion

We have audited the consolidated financial statements and the parent financial statements of Danica Pension, Livsforsikringsaktieselskab for the financial year 1 January to 31 December 2024, pages 86-151, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional Danish disclosure requirements for Danish listed financial companies, and the parent financial statements are prepared in accordance with the Danish Insurance Business Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of its operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional Danish disclosure requirements for Danish listed financial companies.

Also, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 December 2024 and of the results of its operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Insurance Business Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No. 537/2014.

We were appointed auditors of Danica Pension, Livsforsikringsaktieselskab for the first time on 10 March 2015 for the financial year 2015. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 10 years up to and including the financial year 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matters	How the matters were addressed in our audit
Measurement of unlisted investments	
Unlisted investments amount to DKK 40,895 million at 31 December 2024 (DKK 39,409 million at 31 December 2023). Unlisted investments are composed of investments in private equity funds, infrastructure funds, unlisted equities and corporate bonds. Measurement of unlisted investments is affected by management estimates and, particularly for 2024, the macroeconomic uncertainties, and changes in assumptions and the methodology applied may also have a material impact on the measurement of unlisted investments. Assumptions involving the most significant judgements are: • Determination of the market value in illiquid markets, including especially any market value adjustments since the securities reports last received from external parties. Management has provided further information about unlisted investments in note 24 to the consolidated financial statements.	Based on our risk assessment, we have examined the valuation of unlisted investments and evaluated the methodology applied and the assumptions made. Our examination included the following elements: • Testing key controls over the valuation of unlisted investments, including the assumptions-setting processes, procedures for approval of valuations by Management, and the operating effectiveness of such controls. • Sample testing of data for completeness and accuracy. • Challenging the methodology applied by using our industry knowledge and experience, focusing on changes etc. compared to last year. • Testing key controls for investments recognised based on prices obtained from external parties and follow-up thereon for the purpose of validating the prices used, including model and preconditions for any price adjustments due to changes in market conditions since the prices last reported by external parties.

Measurement of investment property	
Investment property amounts to DKK 25,365 million at 31 December 2024 (DKK 22,789 million at 31 December 2023). Measurement is affected by management estimates and, particularly for 2024, the macroeconomic uncertainties. The determination of the measurement of investment property is based on the location of each property, future events, future cash flows and required rates of return. Changes in assumptions and the methodology applied may have a material impact on the measurement of investment property and profit or loss. Assumptions involving the most significant judgements are: • Definition of required rates of return • Assessment of future cash flows. Management has provided further information about investment property in note 13 to the consolidated financial statements.	Based on our risk assessment, we have examined the valuation of investment property prepared by Management and evaluated the methodology applied and the assumptions made. Our examination included the following elements: • Testing key controls over the valuation of investment property, including the assumptions-setting processes, procedure for approval of valuations and changes in estimates by Management, and the operating effectiveness of such controls. • Assessing key assumptions and the effect of macroeconomic uncertainties thereon, including input underlying the valuation of investment property, assessing and checking, on a sample basis, future cash flows and individual required rates of return used for valuation, against historical data and market practice.

Measurement of insurance contract liabilities	
Measurement of insurance contract liabilities amount to DKK 456,227 million at 31 December 2024 (DKK 415,414 million at 31 December 2023). Measurement of insurance contract liabilities is deemed a key audit matter as the determination of assumptions for the measurement of provisions for insurance contracts requires complex judgements about future events. Changes in assumptions and the methodology applied may have a material impact on the measurement of provisions for insurance contracts. Assumptions involving the most significant judgements are: • Determining disability rates, recapitalisation, mortality rates, surrender probabilities, paid-up policy probability and provisions for expected onerous health and accident insurance policies • Assumptions related to regulatory and reporting requirements, including risk and interest. Management has provided further information about insurance contract liabilities in note 18 to the consolidated financial statements.	Based on our risk assessment, we have examined Management's valuation of insurance contract liabilities and evaluated the methodology applied and the assumptions made. Our examination included the following elements, where we also made use of our own internationally qualified actuaries: • Testing key controls over the actuarial models, data collection and analysis and the assumptions-setting processes, and the operating effectiveness of such controls. • Assessing methods, models and data used against market practice, historical developments and trends. • Evaluating the disability and mortality rates and surrender probabilities used in the calculation against historical data and market practice. • Evaluating revised principles and assumptions applied to calculate expected onerous health and accident insurance policies. • Assessing key changes in the assumptions against regulatory and reporting requirements and industry standards. • Analysing developments in risk, interest and cost results, by using our industry knowledge and experience.

Statement on the Management's report

Management is responsible for the Management's report.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the Management's report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the Management's report and, in doing so, consider whether the Management's report is materially inconsistent with the consolidated financial statements or the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's report provides the information required under the Danish Insurance Business Act. This does not extend to the regulatory requirements governing sustainability reporting which is subject to a specific limited assurance report in this respect.

Based on the work we have performed, we conclude that the Management's report is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Insurance Business Act, except for the regulatory requirements governing sustainability reporting which is subject to a specific limited assurance report in this respect, see above. We did not identify any material misstatement of the Management's report.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional Danish disclosure requirements for Danish listed financial companies, and for the preparation of parent financial statements that give a true and fair view in accordance with the Danish Insurance Business Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements of Danica Pension, Livsforsikringsaktieselskab, we have performed procedures to express an opinion on whether the annual report for the financial year 1 January to 31 December 2024, with the file name danicapension-2024-12-31-0-da.zip, is prepared, in all material respects, in compliance with Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of an annual report in XHTML format and iXBRL tagging of the consolidated financial statements inclusive of notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL-tagged data and the consolidated financial statements presented in human readable format; and
- For such internal control as Management determines is necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained and to issue a report that includes our opinion. The nature, extent and timing of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the Company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements inclusive of notes;
- Evaluating the appropriateness of the Company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements to the taxonomy where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the anchoring of extensions to elements in the ESEF taxonomy; and
- Reconciling the iXBRL-tagged data with the audited consolidated financial statements.

In our opinion, the annual report of Danica Pension, Livsforsikringsaktieselskab for the financial year 1 January to 31 December 2024, with the file name danicapension-2024-12-31-0-da.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 7 February 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Kasper Bruhn Udam	Michael Thorø Larsen
State-Authorised Public Accountant MNE no. 29421	State-Authorised Public Accountant MNE no. 35823

Independent auditor's limited assurance report on Sustainability statement

To the stakeholders of Danica Pension, Livsforsikringsaktieselskab

Limited assurance conclusion

We have conducted a limited assurance engagement on the Sustainability statement of Danica Pension, Livsforsikringsaktieselskab (the "Group") included in the Management report (the "Sustainability statement"), for the financial year 1 January – 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability statement is not prepared, in all material respects, in accordance with the requirements of the legislation, including the Danish Insurance Business Act and the Executive Order on Financial Statements for Insurance Companies and Lateral Pension Funds, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability statement (the "Process") is in accordance with the description set out in the subsection of ESRS 2 General Information, Impact, risk and opportunity management and
- compliance of the disclosures in the subsection Reporting on EU Taxonomy regulation within the environmental section and Appendix XII of the Sustainability statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information, and additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the "Auditor's responsibilities for the assurance engagement" section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information included in the Sustainability statement of the Group was not subject to an assurance engagement on sustainability information prepared in accordance with the requirements of the legislation, including the Danish Insurance Business Act and the Executive Order on Financial Statements for Insurance Companies and Lateral Pension Funds. Our conclusion is not modified in respect of this matter.

Inherent limitations in preparing the Sustainability statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Management's responsibilities for the Sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability statement in accordance with the ESRS and for disclosing this Process as included in the subsection of ESRS 2 General Information, Impact, risk and opportunity management of the Sustainability statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;

- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;

- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and

- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability statement, in accordance with the requirements of the legislation, including the Danish Insurance Business Act and the Executive Order on Financial Statements for Insurance Companies and Lateral Pension Funds, including:

- compliance with the ESRS;

- preparing the disclosures as included in the subsection Reporting on EU Taxonomy regulation within the environmental section and Appendix XII of the Sustainability statement, in compliance with Article 8 of the Taxonomy Regulation;

- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability statement that is free from material misstatement, whether due to fraud or error; and

- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;

- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and

- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the subsection of ESRS 2 General Information, Impact, risk and opportunity management

Our other responsibilities in respect of the Sustainability statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and

- Designing and performing procedures responsive to disclosures in the Sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the subsection of ESRS 2 General Information, Impact, risk and opportunity management.

In conducting our limited assurance engagement, with respect to the Sustainability statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- Evaluated whether material information identified by the Process is included in the Sustainability statement;

- Evaluated whether the structure and the presentation of the Sustainability statement are in accordance with the ESRS;

- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability statement;

- Performed substantive assurance procedures on selected information in the Sustainability statement;

- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;

- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement; and

- Where applicable, compared selected disclosures in the Sustainability statement with the corresponding disclosures in the financial statements and the Management report.

Copenhagen, 7 February 2025

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