



ClimateWise report 2011

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



Copenhagen, Denmark
30th of June 2011

Background

Tryg entered the ClimateWise collaboration in July 2009 and this is the Group's second report detailing the actions that have been taken on the ClimateWise Principles.

Tryg has over the last two years sought to use the ClimateWise initiative and the structure of the principles and the sub principles as a framework for merging climate change issues with strategic processes throughout the organization. The goal is to fully integrate these issues into every strategic process within the Group and not as "add on" issues in these processes.

Introduction to Tryg

Tryg wants to be perceived as the leading peace-of-mind provider in the Nordic region and is dedicated to providing peace of mind to our customers on a daily basis. Our products include contents, house, motor, building, workers' compensation, transport, health and personal accident insurances. In 2010, our 4,300 employees ensured peace of mind for more than 2.7 million private customers and more than 140,000 businesses.

Tryg is the second-largest insurance company in the Nordic region. We are the largest player in Denmark and the third largest in Norway. We have operated our rapidly growing activities in Finland and Sweden since 2001 and 2006, respectively.

We strive for high customer and employee satisfaction, and several surveys indicate that Tryg is considered to be second-to-none in terms of claims handling. We offer insurances mainly through our own sales channels, and our business partners include Nordea and AXA Corporate Solutions.

In 2010 the Group had a general gross premium earned at DKK 19,5bn.

Climate change governance structure

To promote and facilitate the integration of climate change issues into all strategic dispositions throughout the organization, the Executive Management Group in 2009 divided the responsibility for 11 strategic climate change initiatives amongst the different business areas, hence involving a broad spectrum of divisions in the fulfillment of the Group's commitments on climate change.

All initiatives and reporting (including CDP and ClimateWise) are coordinated by the CSR unit within the Strategy & Planning division reporting directly to Tryg's CSR board. The board is headed by Tryg's CEO with participation from 3 additional members of the Group Executive Management. The board has quarterly meetings.

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

To further facilitate integration into the day-to-day business and the coordination throughout the Group there was in 2010 established a reference group on division level reporting directly to the Group Executive Management.

Specification of reporting period

The annual ClimateWise reporting being a *review* document for the ongoing year, last year a 2010 review, it is timely to report not solely on the actions undertaken in 2010, but also actions being undertaken in the spring of 2011, hence reflecting the Groups activities in the period being reviewed.

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

Tryg will in the following elaborate on actions taken and activities relating to each element of the 6 ClimateWise principles. We will start this report with a brief summary highlighting key activities and actions.

Summary of the report highlighting key activities/actions

Nr.	ClimateWise principle	Actions taken/main activities
1	Lead in risk analysis	
a	Support and undertake research on climate change to inform our business strategies and help to protect our customers' and other stakeholders' interests.	- Nordic Climate: Nordic industry collaboration - F & P's Precipitation project - Geneva Association
b	Support more accurate national and regional forecasting of future weather and catastrophe patterns affected by changes in the earth's climate.	- The Natural Perils Fund - F & P's Precipitation project
c	Use research and improve data quality to inform levels of pricing, capital and reserves to match changing risks.	- The cloudburst risk analysis project - Geneva Association
d	Evaluate the risks associated with new technologies for tackling climate change so that new insurance products can be considered in parallel with technological developments.	- Collaboration with NTNU - Renewable energy - Electrification of the car park
e	Share our research with scientists, society, business, governments and NGOs through an appropriate forum.	- Reference group to the Nordic Council of Ministries - The risks and safety conference in Trondheim - City of Bergen and the MARE collaboration - The Danish Council for Sustainable Business - Climate Vow - Industry organizations - Geneva Association - ClimateWise
2	Inform public policy making	
a	Work with policy makers nationally and internationally to help them develop and maintain an economy that is resilient to climate risk.	- Norwegian official study on adaptation to climate ch. - The Geneva Association and ClimateWise
b	Promote and actively engage in public debate on climate change and the need for action.	- Nordic industry collaboration - The Directorate for Civil Protection and Emergency Pl.
c	Support work to set and achieve national and global emissions reduction targets.	- Joint business declaration to increase Europe's climate ambition - The Cities of The Future
d	Support Government action, including regulation that will enhance the resilience and reduce the environmental impact of infrastructure and communities.	- Business Panel on Climate Change - Norwegian official study on adaptation to climate ch.
e	Work effectively with emergency services and others in the event of a major climate-related disaster.	- Collaboration with "injury services" in Denmark - Collective industry preparedness in Norway
3	Support climate awareness amongst our customers	
a	Inform our customers of climate risk and provide support and tools so that they can assess their own levels of risk.	- Environmental and climate related risk screening for commercial customers - Nordic Climate: Nordic industry collaboration - F & P's Precipitation project
b	Encourage our customers to adapt to climate change and reduce their greenhouse gas emissions through insurance products and services.	- Electric car insurance - Private property insurance - Collaboration with Better Place DK - Customer events
c	Increase the proportion of repairs that are carried out in a sustainable way through dialogue with suppliers and developers and manage waste material appropriately.	- The "green" claims handling project - The Danish Council for Sustainable Business - Environmental certification – Miljøfyrtårn - Sustainable Claims working group/ClimateWise
d	Consider how we can use our expertise to assist the developing world to understand and respond to climate change.	- Micro Insurance/Collaboration with BI - Climate Investment fund in collaboration with the Confederation of Danish Industry (DI)
4	Incorporate climate change into our investment strategies	
a	Consider the implications of climate change for company performance and shareholder value, and incorporate this information into our investment decision-making process.	- UNPRI - Climate Portfolio
b	Encourage appropriate disclosure on climate change from the companies in which we invest.	- Carbon Disclosure Project - Voting policy on ESG issues
c	Encourage improvements in the energy-efficiency and climate resilience of our investment property portfolio.	- Internal and external property management
d	Communicate our investment beliefs and strategy on climate change to our customers and shareholders.	- Dialogue with customers and shareholders
e	Share our assessment of the impacts of climate change with our pension fund trustees.	- Dialogue with pension fund
5	Reduce the environmental impact of our business	
a	Encourage our suppliers to improve the sustainability of their products and services.	- Environmental certification - Miljøfyrtårn - Responsible procurement project
b	Measure and seek to reduce the environmental impact of the internal operations and physical assets under our control.	- Emissions accounts - Carbon Disclosure Project - CO2 reduction target on air travel - The Living House - Energy efficiency measures
c	Disclose our direct emissions of greenhouse gases using a globally recognized standard.	- The Greenhouse Gas Protocol - Independent audit on Tryg CSR Report 2010
d	Engage our employees on our commitment to address climate change, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate-informed choices outside work.	- The theme package in 2008 - Environmental certification - Miljøfyrtårn - CO2 reduction target on air travel - Travel policy – encouraging a greener living
6	Report and be accountable	
a	Recognize at Company Board level that climate risk has significant social and economic impacts and incorporate it into our business strategy and planning.	- Board level commitment from Group Executive Man. - Climate change as part of our overall strategy - Company wide reference group on climate change
b	Publish a statement as part of our annual reporting detailing the actions that have been taken on these principles.	- Statement on CSR (Danish Law) - Tryg's stakeholder magazine - CDP - Independent audit on Tryg CSR Report 2010

Principle 1: Lead in risk analysis

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

Nordic Climate: Nordic industry collaboration

In May 2010 the four major players within the Nordic insurance market; If, Gjensidige, Codan/Trygg-Hansa and Tryg, launched a joint action statement on climate change. The statement outlines six prioritized areas for us as insurers to promote both mitigation and adaptation practices within the Nordic region.

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

During the autumn of 2010 and the spring of 2011 the group has developed a Nordic research partnership with NordForsk and one of their Centers of Excellence, NORD-STAR (Nordic Strategic Adaptation Research). The collaboration is twofold focusing on a) research and the assembly of adaptation research to be used in reducing our customer's vulnerability when facing a changing climate, and b) the development of a interactive tool for private customers helping them to evaluate risks posed by changing climatic conditions and giving them practical advice on low-cost measures to reduce their vulnerability. The project is spanning over a three year period and the contract formalizing this collaboration is expected to be signed in august 2011.

For more information about NORD-STAR see: www.nord-star.info

F & P's Precipitation project

The Danish Insurance Association, F & P, initiated in the spring of 2011, a research collaboration with the Technical University of Denmark and the University of Copenhagen. The aim is to collect detailed claims data concerning damages due to precipitation from all the insurance companies and to use this data to inform local planning and regulation. Part of the project is also to detect patterns concerning the ways extremes unfold to detect systemic vulnerabilities and to help prioritizing measures to reduce the vulnerabilities. The project is underway and some results are expected as early as the autumn of 2011. As the largest player in Denmark, Tryg has been voicing the need for a more proactive use of claims data from the industry at large to safeguard broader societal interests.

Geneva Association

As a member organization Tryg participated in the Geneva Associations research project on climate change (2008-2009) and the financial consequences for the insurance business. The objectives of the project was to identify and analyze; a) issues that are of specific relevance to the insurance industry, such as the likely range of future claims costs, new business opportunities and scenario testing; b) external challenges to be addressed at the political, educational and social levels, such as the role of government specific provisions concerning e.g. building codes, zoning restrictions, etc.

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

Tryg participated through quarterly meetings at CEO level and by submitting papers to the Geneva Reports.

For more information see:

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

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

The Natural Perils Fund

The Norwegian Natural Perils Fund is established to increase the insurance industry's

preparedness in case of major natural disasters. The initiative is regulated by law and all companies pay a fixed premium for each and every property insurance.

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

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

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

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

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

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

The cloudburst risk analysis project

In collaboration with the company Geomatic, Tryg in the autumn of 2010 initiated a project to better analyze risk due to extreme cloudbursts. The project focuses on modeling (3D) heavy populated areas of Denmark using data on topography and available data detailing the capacity of sewers and drainage. The models are then classifying every square (100x100 meters) with a risk class between one and six. To evaluate the models ability to predict the areas most at risk the models are compared with Tryg's claims data from the extreme cloudbursts over Copenhagen in August 2010. By letting the models being informed by newly occurred extremes we hope to strengthen our ability in tuning different risk parameters within the models hence more accurately indentifying the most vulnerable areas. The project will inform both pricing in these areas as well as guide prevention efforts more strategically.

Geneva Association

In the extension of the Geneva Associations forecasting of future claims cost (1a) the Group conducted a Nordic breakdown exploring the claims scenarios within the region. Due to the Natural Perils Fund and its joint pooling of natural hazard risks in Norway there are quite different company specific claims scenarios within the Nordic region. This is crucial when dimensioning current and future reserves.

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

The development of new technologies are both seen as a crucial part of solving the global climate crises in a longer perspective, while these technologies at the same time have exposed us to new risks patterns we hardly can understand the ramifications of.

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

Collaboration with NTNU

The last year Tryg has strengthen its long time partnership with The Norwegian University of Science and Technology (NTNU) focusing on knowledge sharing and the continues development of Tryg's risk competencies. The partnership is especially focusing on our risk engineers and underwriters and contains training and seminars as well as specialist education and courses. NTNU being in front in the field of risk management and risk research within the Nordic region this is an important collaboration to ensure Tryg being in front of indentifying and evaluating risks associated with new technologies and their ability to tackle climate change. In addition to risk engineers and underwriters also product developers and the claims department are part of the collaboration.

Renewable energy

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

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

Electrification of the car park

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

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

In 2010 Tryg entered into a collaboration with an organization representing electric car drivers. The goal is to be in dialogue with groups pressing for new technologies and solutions and take part in knowledge sharing that may inform further development of our products and services.

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

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

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

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

Reference group to the Nordic Council of Ministries

At the request of the Nordic Council of Ministries, Gaia Consulting is conducting a study of how insurance companies and environmental policy relate. The aim of the study is to create an understanding of what current role the insurance sector has in relation to environmental policy within the Nordic countries. Specifically, the objectives are; a) to analyse how the insurance industry influences the policy making process, b) to evaluate the potential of insurance, to enhance environmental policy cost-effectiveness, and c) to clarify and assess how insurance could be used as an instrument to enforce environmental policy. Together with other major insurers in the Nordic region Tryg participates in a "Insurance and environmental policy reference group" in the project contributing to the study and to the development of policy initiatives.

The risks and safety conference in Trondheim November 2010

As part of the collaboration with NTNU (see 1d) Tryg annually hosts a risk and safety conference in Trondheim. The conference is a national arena to discuss risk handling, risk management and safety issues amongst researchers, practitioners, NGOs and businesses. At the conference in November 2010 we put climate change on the agenda promoting strategies and best practice on how to work proactively with emerging risks due to a changing climate. The conference is an important arena to share both research and practical knowledge with our stakeholders.

City of Bergen and the MARE collaboration

In 2010 Tryg was invited by the city of Bergen to partake in the MARE collaboration. MARE stands for Managing Adaptive REsponses to changing flood risk in the North Sea Region, and the overarching aim of the project is to enable widespread implementation of local adaptive measures to reduce and adapt to flood risk. Bergen is one of 4 key cities together with Hannover, Rotherham & Sheffield and Dordrecht. Tryg is the only insurance company partaking in the collaboration and was one of the speakers on the 2nd International BaltCICA Conference "Coping with Climate Change", on the 11th and 12th of May this year.

The Danish Council for Sustainable Business

Tryg partakes in The Danish Council for Sustainable Business and was in 2009 and 2010 in charge of a working group on sustainable purchases developing standards and routines for both purchases in general and purchases in connection with claims handling processes.

Climate Vow

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

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

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

In 2010 and 2011 Tryg participated and spoke at conferences and workshops to share knowledge with and learn from other industries and companies within this collaboration.

Industry organizations

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

Geneva Association

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

ClimateWise

The Group's motivation for entering the ClimateWise collaboration is twofold, with a major motivation being knowledge sharing. Tryg believes that by entering into these collaborative initiatives we can enhance our own knowledge and at the same time use the forum to explore alternative approaches and strategies to promote mitigation and adaptation, hence reducing our society's vulnerability.

Principle 2: Inform public policy making

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

Norwegian official study on adaptation to climate change (NOU)

The official study on adaptation to climate change was delivered to the Ministry of Environment in November 2010. Tryg has participated in the consultation process for the ongoing official study and in an industry reference group within Finance Norway (FNO). The study has since been circulated for commentary from different NGOs, businesses and official offices. Tryg has taken an active voice within the FNO collaboration to promote a more active industry role especially concerning the insurance related part of the study. This active role is hence voiced by the FNO concerning especially two suggestions within the study. Firstly the construction of a national database compiling claims related data for use in research and land-use planning. Secondly to conduct a review of the Natural Perils Fund to explore whether the fund can be used more actively to promote and facilitate adaptation.

Generally Tryg has voiced the need for a broader and formalized collaboration between the government and the insurance sector to enhance the resilience and to reduce the environmental impact caused by climate change.

The official study is meant to inform the political discussions in front of a major white paper on climate change this autumn (2011).

The Geneva Association and ClimateWise

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

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

Tryg believes in the importance of a collective and coordinated industry voice when addressing the issues of climate change and will also in the time to come support and partake in these collaborative statements.

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

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

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

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

Tryg have also held speeches and presentations on different aspects of climate change on a number of occasions in both 2010 and the spring of 2011.

The Directorate for Civil Protection and Emergency Planning

In 2010 Tryg initiated a collaboration project with the Norwegian Directorate for Civil Protection and Emergency Planning (DSB). DSB has the overall responsibility to promote adaptation practices on behalf of the Norwegian government. The project is motivated by a joint interest in developing and promoting "best practice" adaptation on municipality level.

Together, Tryg and DSB, intend to work with 3 regions in different parts of the country to identify regional and local climate related risks and to plan and advice concerning adaptation measures. The goal is both to raise awareness on a local and regional level, as well as developing low-cost measures to reduce the vulnerability of the inhabitants in these areas. If the project is successful both DSB and Tryg are prepared to broaden the scope of the project.

The project is well underway in the first of 3 regions, Kristiansand, and on June 18th 2010 we conducted a "climate risk" seminar for Kristiansand and 5 collaborating municipalities in the region. Developing "best practice" measures together with regional and local governments is important to bridge the gap between theoretical research and practical adaptation, and to strengthen the Group's competence and knowledge base.

For the autumn of 2011 DSB and Tryg is in dialogue with the region of Tromsø and surrounding municipalities to facilitate regional workshops and seminars.

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

Nordic industry collaboration

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

In addition to, as earlier mentioned (1a), contributing to climate related research the action statement also "raised" the bar on several other issues, promising; a) Climate considerations taken into every decision making process; b) Supply chain demands and a "greener" claims handling; c) Climate considerations into investment decisions; d) Promote practical adaptation and reduce vulnerability; e) Energy declarations for private households, and f) Giving 4,4 millions DKK to climate research
The statement also expressed the insurance sectors concerns for delaying the necessary adaptation measures being put into place and urged for a greater demand for greener products and services. The statement was posted in national media in all four Nordic countries raising the bar on the customer's expectations to us as insurer.

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

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

Joint business declaration to increase Europe's climate ambition

In October 2010 Tryg participated together with several other major European companies in a joint call on the European Union to increase its ambition to cut EU emissions by 30 per cent by 2020 from 1990 levels.

The declaration argued that an increased ambition would be an important driver for a low carbon economy and in the interests of strengthening Europe's economic future, boosting jobs and providing greater certainty and predictability for investors.

For Tryg the declaration was an important statement to policy makers on the urgency for action to reduce emissions both in Europe and in the Nordic region post COP15 efforts.

Prior to the COP15 Tryg's CEO signed and promoted the "Copenhagen Communiqué"¹.

For more information see: www.theclimategroup.org/assets/files/Business-Declaration-on-Increasing-Europes-Climate-Ambition_1.pdf

The Cities of The Future

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

Cities being the major contributors to emissions both in connection to transport, use of energy and industry/production, they also hold the key to implementing measures especially while waiting for internationally binding agreements.

Tryg is participating in The Cities of The Future project involving 13 Norwegian cities and

¹ The Copenhagen Communiqué called for an ambitious, binding climate agreement that would provide sustainable economic solutions for reducing greenhouse gas emissions globally, including in the developing countries.

a range of European cities. Our participation is through knowledge sharing and by voicing the insurance perspective in different projects.

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

Business Panel on Climate Change

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

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

Norwegian official study on adaptation to climate change (NOU)

The official study on adaptation to climate change was delivered to the Ministry of Environment in November 2010. Tryg has participated in the consultation process for the ongoing official study and in an industry reference group within Finance Norway (FNO). The study has since been circulated for commentary from different NGOs, businesses and official offices. Tryg has taken an active voice within the FNO collaboration to promote a more active industry role especially concerning the insurance related part of the study. This active role is hence voiced by the FNO concerning especially two suggestions within the study. Firstly the construction of a national database compiling claims related data for use in research and land-use planning. Secondly to conduct a review of the Natural Perils Fund to explore whether the fund can be used more actively to promote and facilitate adaptation.

Generally Tryg has voiced the need for a broader and formalized collaboration between the government and the insurance sector to enhance the resilience and to reduce the environmental impact caused by climate change.

The official study is meant to inform the political discussions in front of a major white paper on climate change this autumn (2011).

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

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

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

This is a continuously dialogue and collaboration.

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

In February 2009 Tryg participated in a major disaster exercise in Norway testing the internal capacities in case of a weather related catastrophe.

This was a collaboration between the government, the emergency services and the insurance industry at large.

Principle 3: Support climate awareness amongst our customers
a Inform our customers of climate risk and provide support and tools so that they can assess their own levels of risk.

Environmental and climate related risk screening for commercial customers
Tryg has over the last couple of years developed a tool to identify and assess climate related risks for our commercial customers. The tool is meant to inform the customers about their climate related risk profile, assess the individual and collective risks, and develop measures to reduce the customer's vulnerability.

The tool focuses on the customers own systems to identify risks and how these systems interacts with the customers day to day operations. In addition the screening tool persists of a detailed field guide focusing on the risks and vulnerability posed by hence flooding, lightening, storm/extreme wind, landslides and extreme temperatures.

In 2010 the tool was revised to ensure the use of new climate related data concerning risks on a regional and local level, and to integrate new climate related risk parameters. In 2010 Tryg conducted over 40 extended risk screening processes with additional focus on environmental and climate related risks for our commercial customers in both Denmark and Norway. The goal for 2011 is 50.

Through the risk screening tool Tryg aim at putting climate change and climate related risks on our customer's agenda as well as reducing their vulnerability and exposure to climate change. By doing so, we also reduce our own risk exposure and ensure our customers peace of mind.

Nordic Climate: Nordic industry collaboration

As mentioned in 1a one of the focus areas of the NORD-STAR partnership is the development of a interactive tool for private customers helping them to evaluate risks posed by changing climatic conditions and giving them practical advice on low-cost measures to reduce their vulnerability.

F & P's Precipitation project

As mentioned in 1b the F & P's Precipitation project aims at detecting systemic vulnerabilities and help prioritize measures to reduce vulnerabilities, hence informing both customers and local authorities on climate related risks.

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

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

Customer events

To put climate change on the agenda for our customers we've integrated this as an issue also at customer events. On the annual customer gathering for Tryg's major commercial customers in Oslo in 2010, Group Executive Vice President Truls Holm Olsen put climate change on top of his agenda discussing how climate change will affect the business of insurance and both private and commercial customers. The goal is to create an increasing demand from our customers for both products and services that can help them reduce their vulnerabilities upon facing a changing climate.

Electric car insurance

In 2009 Tryg launched an Electric Car Insurance in Denmark and Norway. The insurance

is approximately 40% cheaper than ordinary car insurance, hence making price an incentive for purchasing an electric car.

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

Collaboration with Better Place DK

Tryg has also entered into a collaboration with Better Place in Denmark, a major provider of electric cars and sustainable transportation. As part of the collaboration Tryg offers a cheaper car insurance for electric cars and also promote the use and leasing of electric cars. In addition Tryg is including electric cars in it's company car park.

Private property insurance

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

In Norway Tryg's ExtraPlus property insurance rewards customers that rebuild their houses after a fire including energy efficient measures. The ExtraPlus insurance contributes with NOK 50 000 in addition to the ordinary claim settlement as an incentive for a "greener" rebuild.

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

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

Sustainable Claims working group/ClimateWise

In 2010 Tryg participated in a Sustainable Claims working group with other members of the ClimateWise collaboration. The aim was to recommend how the insurance industry as a whole could increase the sustainability of insurance claims. This end-report focuses on domestic property claims, taking into account the lessons learnt from similar initiatives within the motor and commercial property sectors.

The "green" claims handling project

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

The project is focusing on guiding our suppliers in documenting their services in relation to environmental and climate related issues, and to establish routines for reporting and monitoring. During 2010 and 2011 Tryg has explored practical means to facilitate the suppliers in accomplishing a more sustainable deliverance concerning both repairs and rebuilds.

The Danish Council for Sustainable Business

As mentioned earlier (1e) Tryg partakes in The Danish Council for Sustainable Business and was in 2009 and 2010 in charge of a working group on sustainable purchases, developing standards and routines for both purchases in general and purchases in connection with claims handling processes. The sharing and working with other sectors have been especially fruitful for guiding our internal work to ensure a more sustainable claims handling. Link: <http://www.rbenet.dk/index.dsp?area=9>

Environmental certification - Miljøfyrtårn

Tryg is in the process of achieving a Nordic environmental certification, named "Miljøfyrtårn", for the entire Group. The certification specifies demands for sustainable purchases throughout the Group. Tryg has integrated specific environmental and climate related conditions in our supplier's guidelines (Tryg Common Purchasing Conditions as of January 2011) and are now strengthening the practical monitoring of whether these are being followed. The certification is slightly delayed but is estimated to be achieved by the end of 2011.

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

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

Micro Insurance

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

Climate Investment fund in collaboration with the Confederation of Danish Industry (DI)

In collaboration with the Confederation of Danish Industry, Tryg has entered into a private equity fund. Other participants are PFA, PensionDanmark, IFU, and the European Investment bank. The fund shall help establish renewable energy projects (wind, water, bio-mass, solar) in Africa south of Sahara, hence using the partner's competencies to develop sustainable businesses in developing countries.

Principle 4: Incorporate climate change into our investment strategies

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

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

UNPRI

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

Climate portfolio

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

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

Carbon Disclosure Project

In 2007 Tryg as one of the first Danish companies signed up to the Carbon Disclosure Project, hence disclosing our views and strategies concerning climate change and documenting the Groups own emissions. Tryg is also actively encouraging other companies to enter CDP and are ourselves using CDP data to inform investment decisions.

Voting policy on ESG issues

Tryg have no voting policy ourselves since we've outsourced the portfolio management of listed equities but prefer external managers who have a voting policy.

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

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

Internal and external property management

Tryg's property portfolio consist of properties under external management (50%) and the Group's headquarters in Denmark and Norway (50%). Concerning properties under external management Tryg has a close follow-up with the managing companies with a focus on energy-efficiency and other environmental issues. Concerning the property under Tryg's operational control we have over the last years invested over 200 mDKK in major rebuilds focusing strongly on energy efficiency measures and sustainability. For more information see 5b.

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

Tryg participates in an open dialogue with both customers and the Group's shareholders about the Group's investment strategy exposing the assumptions behind the strategy. Tryg considers our efforts on this element of the principle to be "moderate".
See: www.tryg.com

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

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

Principle 5: Reduce the environmental impact of our business

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

Tryg has integrated specific environmental and climate related conditions in our supplier's guidelines and are now strengthening the practical monitoring of whether these are being followed.

Environmental certification - Miljøfyrtårn

Tryg is in the process of achieving a Nordic environmental certification, named "Miljøfyrtårn", for the entire Group. The certification specifies demands for sustainable purchases throughout the Group. Tryg has integrated specific environmental and climate related conditions in our supplier's guidelines (Tryg Common Purchasing Conditions as of January 2011) and are now strengthening the practical monitoring of whether these are being followed. The certification is slightly delayed but is estimated to be achieved by the end of 2011.

Responsible procurement project

In 2010 the Claims division which includes the different procurement divisions within the Group, initiated a responsible procurement project to strengthen the work to engage suppliers in sustainability issues. Tryg has targeted its major suppliers and started a process to include responsible procurement issues as well as fulfilling the demands put forward by the environmental certification, Miljøfyrtårn.

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

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

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

Emissions accounts

Tryg has since 2007 produced yearly emissions accounts outlining the Group's GHG emissions. The accounts are made available at our corporate site. After the initial reduction period, 2008-2010, Tryg will broaden the scope of the accounts and introduce a new version of the yearly accounts in 2011. As of 2010 Deloitte has commenced an independent audit of Tryg's CSR report including the Groups emissions accounts. The report is published at www.tryg.com

As stated above Tryg's initial reduction period spanned from 2008-2010, ending December 2010. In the period Tryg cut the Group's total CO2 emissions by 607 tonnes CO2 or 7.8%. This should be compared with the reduction target of 10%, equivalent to 774 tonnes of CO2.

Carbon Disclosure Project

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

CO2 reduction target on air travel

For 2011 Tryg has set a 20 % reduction target on CO2 emissions by air transport compared to 2010. The target was hence introduced into the Balanced Scorecard reporting and all business units are reporting quarterly on their emissions.

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

The Living House

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

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

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

Energy efficiency measures

As part of the rebuild Tryg has introduced energy efficiency measures to ensure a "greener" and more cost efficient heating of the company headquarters. In Bergen Tryg in 2009 installed a "heating pump" while we in Ballerup was connected to a "distant heating" project providing us with a renewable clean energy source.

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

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

Independent audit on Tryg CSR Report 2010

As of 2010 Deloitte has commenced an independent audit of Tryg's CSR report including the Groups emissions accounts. The report is published at www.tryg.com

Tryg are also reporting openly to the Carbon Disclosure Project on our GHG emissions, methodology and emission factors used in the accounts.

The CDP report for 2011 is available from Tryg upon request.

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

The theme package in 2008

In the autumn of 2008 all 4300 employees in Tryg participated in a theme package on climate change. The theme package consisted of three modules; a climate school (produced by WWF) communicating basic knowledge on climate change and related consequences; departmental sessions and discussions on the relevance of climate change for you as an employee; and departmental discussions on which measures Tryg should take to reduce the Group's GHG footprint.

The last sessions resulted in over 250 suggestions from all parts of the organization voicing ideas and input to Tryg's Group Executive Management.

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

The theme package was the start of a broader employee involvement process making sure all parts of the organization are involved in the discussions and the decision-making concerning internal measures and initiatives.

Employees are informed and invited to discuss different aspects concerning the work on climate change. Both emissions accounts and The Living House are frequently debated on our internal web pages.

Environmental certification - Miljøfyrtårn

As part of the environmental certification process (5a) the Human Resources division is working on an engagement process as a continuation of the theme package in 2008.

The goal is to maintain the involvement from our employees in the day to day work for a more sustainable workplace and to share knowledge and to motivate for a greener living also at home.

CO2 reduction target on air travel

The yearly (2009, 2010 and 2011) reduction target on air travel and the quarterly reporting involves the whole organization and all employees in the effort to reduce emissions. Targets are being set and reported on department level.

Travel policy – encouraging a greener living

In addition to our reduction target concerning air travel Tryg has renewed its travel policy to ensure a greener and more fuel efficient company car park.

Tryg has also decided to introduce electric cars into the company car park, and from 2011 and onwards 25% of all renewals of company cars will be electric cars.

Principle 6: Report and be accountable

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

Board level commitment from members of the Group Executive Management

As stated in the introduction to this report Tryg has sought to fully integrate climate change issues into every aspect of our operations. To promote and facilitate the integration of climate change issues into all strategic dispositions throughout the organization, the Executive Management Group in 2009 divided the responsibility for 11 strategic climate change initiatives amongst the different business areas, hence involving a broad spectrum of divisions in the fulfillment of the Group's commitments on climate change.

All initiatives and reporting (including CDP and ClimateWise) are coordinated by the CSR unit within the Strategy & Planning division reporting directly to Tryg's CSR board. The board is headed by Tryg's CEO with participation from 3 additional members of the Group Executive Management. The board has quarterly meetings.

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

To further facilitate integration into the day-to-day business and the coordination throughout the Group there was in 2010 established a reference group on division level reporting directly to the Group Executive Management (see below).

Climate change as part of our overall strategy

To facilitate the integration of climate change issues into every relevant aspect of our business the Group Executive Management was in 2009 presented with a brief integrating 11 strategic climate issues into the Group's strategy plan.

The 11 issues were organized according to our four strategic themes; Profitable growth; Peace-of-mind delivery; Self-service and Human competencies. The brief was approved by the Group Executive Management, hence distributing responsibility for each of the strategic issues amongst the members of the Group Executive Management.

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

Company wide reference group on climate change

To better coordinate and facilitate knowledge sharing within the group Tryg in 2010 established a reference group involving the operational owners of climate related initiatives throughout the Group. The reference group is facilitated by the CSR unit and is headed by the member of the Group Executive Management as mentioned above. The reference group meets quarterly and is important both to maintain a high focus on the Group's commitments on climate change, and to strengthen collaboration across different divisions and business areas.

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

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

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

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

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

- Tryg's own emissions accounts (independent audit by Deloitte)
- Carbon Disclosure Project report
- CSR report/Statement on CSR (Danish Law)
- ClimateWise report
- Tryg's stakeholder magazine
- Communication on new activities/actions and progress reports on our corporate website, www.tryg.com

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

Independent audit on Tryg CSR Report 2010

As of 2010 Deloitte has commenced an independent audit of Tryg's CSR report including the Groups emissions accounts. The report is published at www.tryg.com

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

Contact information:

Tom Anders Stenbro, advisor CSR, Tryg
Tlf: +47 938 25 307
E-post: tom.anders.stenbro@tryg.no