

Stewardship Policy



1. Introduction

Building on nearly 300 years of insurance history, TryghedsGruppen is based on a fundamental notion of solidarity and creating peace of mind together.

The story began with the creation, in 1731, of the mutual insurance company *Kjøbenhavns Brand*. Through mergers, that company subsequently became a part of the mutual insurance companies resulting in *Tryg Forsikring*. The hive-off in 1991 of the insurance activities into public limited companies transformed the mutual owner companies into what is now TryghedsGruppen.

TryghedsGruppen thus has as its members the Danish customers of Tryg Forsikring A/S (some 1.3 million as at adoption of this Policy), and the governance structure is democratic. This means for example, that the members elect a board of representatives, and the supervisory board is elected by and among the members of that board of representatives. Also, TryghedsGruppen is the biggest shareholder in the listed company Tryg A/S (“Tryg”), owner of Tryg Forsikring A/S.

Mirroring the original fundamental notion, TryghedsGruppen’s vision is this: *Together for peace of mind in Denmark*.

TryghedsGruppen’s ambition, therefore, is to make a significant contribution towards increasing peace of mind in Denmark. One of the ways of doing this is as a leading non-profit player under the secondary name of TrygFonden, and via the ownership of Tryg.

TryghedsGruppen has a controlling influence in Tryg. The ownership interest has since 2005 been 60 per cent ownership interest since 2005, but in connection with TryghedsGruppen’s support for Tryg’s purchase of Trygg-Hansa and Codan Norway, TryghedsGruppen’s ownership interest was reduced to 45 per cent. TryghedsGruppen has the status of an insurance holding company and is the group’s ultimate parent and subject to supervision by the Danish Financial Supervisory Authority. TryghedsGruppen’s goal is to hold an ownership interest of more than 50 per cent.

The ownership of Tryg is a fundamental part of TryghedsGruppen’s history and DNA. Moreover, TryghedsGruppen’s economy is widely based on the generation of profit from the insurance activities and the payment of dividend from Tryg.

TryghedsGruppen also has other investments; some are sizeable individual investments; others take the form of asset management activities.



2. Purpose of this Policy

The purpose of TryghedsGruppen's Stewardship Policy is to lay down the principles governing the way in which TryghedsGruppen will act as an owner of investments.

This is particularly important in the ownership of Tryg, where TryghedsGruppen has a controlling influence and therefore a special responsibility for the exercise of that ownership. TryghedsGruppen wants to be open and transparent about the principles and values that TryghedsGruppen adhere to in the ownership of Tryg, acknowledging that those principles and values are relevant to Tryg, the other shareholders, customers, members, employees, and other stakeholders.

Principles governing the exercise of ownership are relevant also in relation to TryghedsGruppen's other investments, although TryghedsGruppen's influence there is lesser. Therefore, this Policy also contains principles governing TryghedsGruppen's ownership of other investments.

3. Ownership of Tryg

TryghedsGruppen has an overall ambition to be a good, long-term owner of Tryg.

TryghedsGruppen's significant goals are to maintain a controlling influence and to have, in general, an ownership interest of more than 50 per cent in Tryg, and to ensure that Tryg now and in the future remains an innovative and profitable insurance company, to the benefit of i.a. Tryg's customers and shareholders.

The current ownership model, with Tryg as a listed company and TryghedsGruppen as its main shareholder, is a strong model. It means that TryghedsGruppen's ownership is exercised in compliance with an arm's-length principle, respecting the exclusive right of Tryg's supervisory and executive boards to manage Tryg. Also, the stock exchange listing ensures an array of advantages; i.a. reporting requirements, focus on the company from the market, and easier access to funding. Moreover, the controlling influence enables TryghedsGruppen to exercise stewardship activities, working to promote the alignment of Tryg's long-term strategies, etc., with TryghedsGruppen's principles and values.

Described below are a number of principles and values that TryghedsGruppen sees as fundamental guidelines for the exercise of its ownership interests in Tryg:

Solid ownership

TryghedsGruppen wishes to be capable of supporting Tryg in connection with, for example, capital increases. To ensure those capabilities, TryghedsGruppen will strive to maintain adequate financial resources. Participation in individual capital increases in Tryg will always take place in due consideration of the assets and liquidity of TryghedsGruppen.

Long-term value creation for all shareholders

To TryghedsGruppen, it is important that Tryg is managed and run with a focus on the company's long-term development and thus on value creation for all shareholders. It is also important to TryghedsGruppen that Tryg is managed and run as a transparent and accessible company for all shareholders.



TryghedsGruppen expects Tryg to provide a stable and attractive dividend policy. Despite TryghedsGruppen's interest in receiving dividends, TryghedsGruppen acknowledges that the interest of safeguarding Tryg's capital or prioritising necessary investments in Tryg may cause dividend payments to be limited for a period of time.

High customer and employee satisfaction

TryghedsGruppen believes good relations with customers are a valuable asset for Tryg, and that with high customer satisfaction and loyalty comes the prospect of long-term value creation. Therefore, TryghedsGruppen expects Tryg to work continuously to strengthen relations with its customers and ensure high customer satisfaction and loyalty.

There are many ways to support a high degree of customer satisfaction and loyalty. TryghedsGruppen attaches special importance to Tryg offering up-to-date and innovative products, having a pronounced focus on offering good customer experience, and that Tryg maintains a high ethical standard in all dealings with customers and business partners.

At the same time, TryghedsGruppen expects that Tryg makes sure to offer its employees decent pay and employment terms and maintains a high degree of employee satisfaction – this being an important point in itself, as well as a precondition for attaining the desired high degree of customer satisfaction.

Responsible business

TryghedsGruppen expects Tryg to operate, and to be perceived, as a decent and responsible company complying with applicable laws, good practice and the general expectations of Tryg as one of the biggest insurance companies in Scandinavia.

TryghedsGruppen therefore also believes that Tryg – in addition to the societal value of its products and services – has a broader responsibility to promote good societal development and a special responsibility to lead the way as regards a responsible, social, and sustainable development.

TryghedsGruppen therefore expects, among other things, that Tryg contributes to the attainment of the UN Sustainable Development Goals. Among other things, TryghedsGruppen emphasises:

- That Tryg, i.a. in its capacity as a major purchaser and investor, strives to rank among the best in the industry when it comes to contributing to the green transition.
- That Tryg works to promote diversity amongst its employees and the members of its management.
- That in the event of disasters and crises, e.g., epidemics and floods, Tryg will be willing to go to considerable lengths to help resolve the challenges facing customers and/or society at large.
- That Tryg will set ambitious targets for its work to promote a responsible, social and sustainable development and will report adequately on the progress in achieving them.



Additionally, TryghedsGruppen wishes to be transparent about the interrelationship between TryghedsGruppen and Tryg and to live up to good ownership governance standards. TryghedsGruppen therefore attaches importance to the following:

The composition of Tryg's supervisory board

Tryg's articles of association require that at least half of Tryg's supervisory board members elected by the general meeting are independent of TryghedsGruppen.

The chair of Tryg's supervisory board should be independent of TryghedsGruppen so as to better ensure TryghedsGruppen's ability to act independently in relations with Tryg's senior management.

To TryghedsGruppen, it is important that Tryg's supervisory board possesses the necessary competencies to best manage the affairs of the company, and TryghedsGruppen wishes to do all it can to support Tryg's Competency and Diversity Policy.

TryghedsGruppen's members of Tryg's supervisory board

TryghedsGruppen is represented on Tryg's supervisory board with members elected by the general meeting, and TryghedsGruppen's supervisory board will nominate TryghedsGruppen's candidates, one of them being the chair of the supervisory board.

While the members nominated by TryghedsGruppen to serve on Tryg's supervisory board will serve Tryg's interests first and foremost, TryghedsGruppen expects that in so doing they will nonetheless seek to promote the priorities and values governing TryghedsGruppen's ownership of Tryg as described in this Policy.

TryghedsGruppen's votes at the general meeting of Tryg

TryghedsGruppen will attend and vote at Tryg's general meetings. TryghedsGruppen's supervisory board decides how the company's votes will be cast at general meetings of Tryg.

TryghedsGruppen will vote in favour of proposals that TryghedsGruppen believes to support the priorities and values described in this Policy.

Communication with Tryg's management

TryghedsGruppen will maintain a continuous dialogue, on different levels, with Tryg's management on issues of relevance to Tryg's development and TryghedsGruppen's ownership. This dialogue will involve both TryghedsGruppen's board of representatives and the supervisory and executive boards. TryghedsGruppen's supervisory board is responsible for the formal dialogue with Tryg's supervisory and executive boards on issues of ownership. The chair of TryghedsGruppen's supervisory board will serve as spokesperson in all public communications pertaining to the ownership.

The dialogue must address, among other things, what Tryg is and will be doing to realise the priorities and values that are important to TryghedsGruppen, cf. this Policy. The communication will take place within a framework befitting Tryg's status as a listed company subject to extensive rules and regulations governing disclosure.



4. Other investments

In addition to the ownership of Tryg, TryghedsGruppen has a number of other investments to ensure returns and thereby support TryghedsGruppen's objectives.

Both sizeable individual investments (consisting, at the time of adoption of this Policy, of ownership interests in Falck A/S and SATS ASA) and the company's asset management activities, handled by portfolio managers, must live up to TryghedsGruppen's ethical guidelines. In addition, TryghedsGruppen manages investments as summarised below.

Sizeable individual investments

To ensure value creation, TryghedsGruppen regularly monitors the companies' development and maintains a continuous dialogue with management. TryghedsGruppen maintains arm's-length distance to operations. Furthermore, dialogue with the companies' administration is established, i.a. to ensure satisfactory exchange of information about developments in the companies, compliance with ethical guidelines, and necessary data and information for financial reporting purposes, etc.



TryghedsGruppen attends general meetings of the companies and will generally vote in favour of proposals from their boards of directors, provided such proposals are deemed to increase the value of the shares and are consistent with TryghedsGruppen's ethical guidelines.

Asset management

TryghedsGruppen's asset management activities consist of securities investments through asset managers. Wherever possible, TryghedsGruppen's ethical guidelines will be incorporated into the agreements with each asset manager. TryghedsGruppen wishes to maintain an ongoing dialogue with the assets managers about the development of the individual investments and about compliance with the ethical guidelines.

If TryghedsGruppen has voting rights in investment committees or general meetings, the votes will generally be cast in favour of proposals made, provided such proposals are deemed to increase the value of the shares and are consistent with TryghedsGruppen's ethical guidelines.

5. Conflicts of interest

All members of TryghedsGruppen's supervisory and executive boards and all employees of TryghedsGruppen must be impartial, and no one with any personal interest in a given investment or ownership decision may participate in the preparation of materials, discussions or decisions about that particular matter.

6. Adoption of this Policy

This Stewardship Policy was adopted by TryghedsGruppen's board of representatives, meeting on 27 October 2022.