Annual Report 2023

Summary

sampension

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The English version of the Annual Report includes only a summary of the official annual report in Danish and is a translation of the original document in Danish for information purposes only. In case of any discrepancies of legal disputes or for the full annual report in accordance with the Danish Financial Business Act, the Danish original shall prevail.

Letter from the CEO

Feeling secure about your pension savings is essential in an insecure world

We have witnessed significant geopolitical uncertainty in the past few years. 2023 was no exception, and unfortunately there is no indication that the situation will improve in 2024. The Middle East conflict, the drawn-out war in Ukraine, upcoming elections in the USA and India and unpredictable climate-related events are just some of the global uncertainties facing us today.

No matter how strong the global turbulence, however, it is our overriding mission to take good care of our customers' savings. And we do. In 2023, Sampension generated a return of 9.8% for customers up to and including the age of 50 with a moderate risk profile, while 60-year-old customers received a return of 7.8%. Over a five-year period, the returns for these two age groups are 49% and 27%, respectively. This places Sampension among the top pension providers in Denmark in terms of generating returns for customers – and for customers with 15 years to retirement, we provided the highest return over a five-year period.

The overall return across all investments in 2023 amounted to DKK 18 billion, equalling 8.6%.

The return on our investments is one thing, but regard for the wider community is also important. Responsible investments is high on the public agenda – particularly with respect to climate issues. Some companies use the tool of exclusion to tackle challenges. They divest challenging investments, even though this has no discernible positive effect on the climate. We believe that this approach should be a last resort. We prefer to stay engaged and take responsibility, make our influence count and work actively to effect change in companies with challenges – whether that be in terms of labour rights or climate targets. We believe that is the way to take real responsibility.

In 2023, we lowered our calculated carbon footprint by 7.5%. Since 2020, we have thus reduced the climate footprint of our investments by 35.8% on the way towards our 2050 zero emissions target. We also, for example, took the initiative to engage jointly with other Danish investors in critical dialogue with Amazon on securing the right to organise.

Sampension's market position was also strengthened in 2023. We added 12 new corporate customers to our customer base during the year. Premiums from direct insurance of customers were up by 2.8% to DKK 11.2 billion.

We still keep our administrative and investment expenses at a low level, and Sampension's expenses are thus, as always, very low by pension industry standards.

Hasse Jørgensen
CEO

Management's review

Five-year financial highlights and ratios for parent company

Five-year key figures and financial ratios for the parent company[1] DKKm	2023	2022	2021	2020	2019
Key figures					
Premiums	11,633	11,730	11,083	11,672	10,129
Benefits paid	-11,701	-11,291	-10,597	-12,169	-9,416
Investment return	17,787	-29,535	19,724	10,305	20,102
Total insurance operating expenses	-188	-181	-183	-179	-175
Technical result	-203	78	28	-29	-58
Profit/loss for the year, parent company's share	57	-324	55	32	86
Total provisions for insurance and investment contracts	225,103	207,624	238,119	220,347	211,727
Surplus capital	3,365	3,341	4,032	4,086	4,256
Equity attributable to parent company	3,477	3,420	3,744	3,689	3,657
Total assets	271,546	263,167	305,415	294,828	293,330
Return ratios					
Rate of return related to average-rate products	8.4%	-17.5%	3.4%	5.1%	9.8%
Rate of return related to unit-linked products	8.5%	-7.3%	15.2%	4.8%	10.7%
Risk on return related to unit-linked products	4.50	4.75	4.50	4.50	3.75
Expense ratios					
Expenses as a percentage of provisions	0.09%	0.08%	0.08%	0.09%	0.09%
Expenses per policyholder (DKK)	406	391	387	384	388
Other return ratios					
Return on equity after tax	1.6%	-9.0%	1.5%	0.9%	2.4%
Return on surplus capital	6.1%	-11.9%	3.8%	3.0%	3.5%
Capital structure ratio					
Solvency coverage ratio[2]	324%	267%	298%	275%	293%

Reference is made to "Definitions of financial ratios" on page 56.

1) Financial highlights and ratios for 2023 and 2022 are affected by a change to the accounting policies. See note 1 to the financial statements. Comparative figures for 2019-2021 have not been restated, as this has not been practically possible.
2) The method of calculating provisions for solvency purposes was changed with effect from 2022.

Customers and products

Sampension is a customer-owned company

Sampension Livsforsikring A/S (Sampension Liv) is a customer-owned pension company offering labour market and company pensions on commercial terms. Our key responsibility is to offer our customers the best pensions possible. Accordingly, our main focus is on what adds value to pension schemes – low expenses, solid returns on a responsible basis, flexible products and competent advice and customer service.

With some 307,000 policyholders, most of whom are employed in the municipal sector or with state or regional authorities, Sampension Liv is one of Denmark's large pension companies. In recent years, Sampension Liv has increasingly focused on also providing pension schemes to private sector employees. Sampension Liv also provides reinsurance of future pension obligations in respect of some 17,000 civil servants in many of Denmark's municipal and regional authorities.

In order to achieve cost synergies and access to e.g. investment management skills, Sampension Liv is part of the Sampension community, which in addition to Sampension Liv comprises the Pension Fund Architects and Designers (PAD), the Pension Fund for Agricultural Academics and Veterinary Surgeons (PJD) and the Pension Fund for Technicians and Bachelors of Engineering (ISP). The companies in the Sampension community have outsourced significant parts of their operations to Sampension Administrationsselskab A/S.

Sampension products

Sampension Liv offers pension schemes containing both savings and insurance components covering loss of occupational capacity, death, certain critical illnesses and in some cases health insurance.

3 i 1 Livspension is Sampension Liv's primary savings product and is the product offered to new customers. The product is a lifecycle product, which means that savings are invested with due consideration to the policyholder's age, meaning that the investment risk is gradually scaled down as the policyholders approaches retirement age. Moreover, policyholders have a choice of three risk profiles – high, moderate and low risk – depending on their preferences and risk tolerance. 3 i 1 Livspension is a non-guaranteed unit-linked product, meaning that the actual return is allocated to policyholders' savings each month.

As from 1 January 2024, Sampension Liv introduced an equalisation mechanism for 3 i 1 Livspension designed to limit fluctuations in pensioners' monthly benefit payments in case of negative returns, for example. In practical terms, equalisation is achieved by setting limits as to how much pensioners' monthly benefit payments are allowed to fluctuate from one year to the next. This means that in years with poor returns, monthly benefits will be reduced by less than previously. On the other hand, pensioners will not receive as large increases in monthly benefit payments as previously in years with very strong returns.

Most Sampension Liv customers also have the choice of another unit-linked product, Linkpension, under which each policyholder is responsible for how their savings are invested and distributed among a wide range of pools and funds.

Sampension Liv also offers average-rate products, under which the rate of interest on policyholders' savings allocated to members reflects the average return achieved over time.

As part of the average rate environment, Sampension Liv offers non-guaranteed benefit reinsurance of future pension obligations for civil servants in many of Denmark's municipal and regional authorities. The product also includes hedging of inflation risk.

In the average rate environment, Sampension Liv furthermore have conventional average rate products comprising pension schemes with declarations of intent, guaranteed direct policies and guaranteed reinsurance of civil servant pensions. Under these products, which are closed for new business, the rate of interest on policyholders' savings allocated to customers reflects the average return achieved over time.

Financial Statements

Profit for the year grew to DKK 57 million

As expected, our performance improved, as the overall profit for 2023 amounted to DKK 57 million against a loss of DKK 324 million for 2022. The improvement was mainly driven by a higher investment return allocated to equity. The technical result was a loss of DKK 203 million, in part a result of provisions for loss of occupational capacity being strengthened in response to an increase in claims and fewer-than-expected reactivations observed in a generally changed pattern of illness. The technical result for 2023 was furthermore affected by a DKK 165 million adjustment of the interest rate groups' tax on pension returns for 2022, which increased the interest rate groups' collective bonus potential and reduced equity.

Net profit for the year **DKKm**	**2023**	**2022**
Technical result	-203	78
Investment return on equity	214	-418
Profit before tax	**11**	**-340**
Tax	48	23
Profit for the year	**59**	**-317**
Other comprehensive income	-2	-7
Net profit for the year	**57**	**-324**

The Board of Directors proposes that the profit for the year be transferred to "Retained earnings" under equity.

This brings the parent company's equity to DKK 3.5 billion and consolidated equity to DKK 20.4 billion. PAD, PJD and ISP hold ownership interests in many of the Group's more recent subsidiaries and are thus non-controlling shareholders of those companies. The non-controlling interests in equity are eliminated against the parent company's equity. This explains the difference between the Group's and the parent company's equity. The non-controlling shareholders' share of the Group's equity amounts to just under DKK 17 billion.

Correction regarding pension returns tax assets

In 2023, Sampension Liv – along with the rest of the pension industry – became aware of an error in its previous accounting policies.

The accounting treatment of the income statement item 'Tax on pension returns' was not in accordance with the wording of the Executive Order on financial reports, in that the item included recognition of the value of deferred pension returns tax assets. Furthermore, deferred pension returns tax assets were erroneously recognised as separate assets in the balance sheet item 'Other assets'.

Deferred tax on pension returns should instead be recognised directly in the item ‘Provisions for insurance and investment contracts’ and effects on profit/loss should be recognised in the income statement item ‘Change in provisions, net of reinsurance‘. Consequently, only tax on pension returns payable for the year should be recognised in the item ‘Tax on pension returns’ in the income statement.

On 15 January 2024, the Danish FSA granted Sampension Liv permission to correct the financial statement figures for 2022 in the 2023 annual report. Accordingly, comparative figures for 2022 have been restated in the 2023 annual report. Neither the company’s profit for 2022 nor its equity for 2022 were affected by this. The correction of the error and the change of accounting policy are described in more detail in note 1 to the financial statements.

Premiums and benefits

Direct insurance premium income grew by 2.8% to DKK 11.2 billion, mainly as a result of an increase of close to DKK 0.3 billion in regular premiums. Indirect insurance premiums, i.e. premiums regarding Sampension Liv’s reinsurance of future pension obligations for civil servants, fell by DKK 0.4 billion, as expected, which meant that total gross premiums fell from DKK 11.7 billion in 2022 to DKK 11.6 billion in 2023.

Benefits paid were up by 3.6% to DKK 11.7 billion in 2023.

Gross premiums and benefits paid DKKm	**2023**	**2022**	**Change (%)**
Premiums, direct insurance	11,188	10,887	2.8
Premiums, indirect insurance	445	843	-47.2
Total gross premiums	**11,633**	**11,730**	**-0.8**
Total benefits paid	**-11,701**	**-11,291**	**3.6**

Technical provisions

Technical provisions increased by just over DKK 17 billion to DKK 225 billion at 31 December 2023.

Provisions for insurance and investment contracts DKKm	**31.12.2023**	**31.12.2022**	**Change (%)**
Provisions for average-rate products	98,138	93,673	4.8
Provisions for unit-linked contracts	126,965	113,951	11.4
Provisions for insurance and investments contracts	**225,103**	**207,624**	**8.4**

Provisions relating to unit-linked products were up by DKK 13 billion due to a positive investment return combined with the fact that premiums exceeded insurance benefits. At 31 December 2023, unit-linked products accounted for 56% of total technical provisions, compared with 55% at 31 December 2022.

Provisions for average-rate products were up by DKK 4.5 billion to DKK 98 billion at 31 December 2023. The increase was driven by the changed accounting policy regarding pension returns tax assets, which affected the comparative figure for 2022. For average rate products,

- 46% constitutes provisions for the conventional average-rate product with declarations of intent
- 43% constitutes provisions for the non-guaranteed benefit reinsurance of civil servant pensions
- 5% constitutes provisions for the guaranteed conventional average-rate product
- 5% constitutes provisions for group policies, cost and risk groups, etc.

At 31 December 2022, Sampension Liv had activated a surrender charge for interest rate group F. The surrender charge was lifted at 1 January 2024, after which none of the company's portfolios are subject to surrender charges.

Expenses

For several years, Sampension Liv has made targeted efforts to maintain expenses at a level among the lowest in the industry. The lower the expenses, the greater the part of premiums and returns will be allocated to increasing customers' savings.

In 2023, administrative expenses rose by 4% to DKK 188 million from DKK 181 million in 2022. The change was due to general inflation and an increased activity level, driven in part by an increase in the number of directly insured customers.

Administrative expenses per policyholder amounted to DKK 406 in 2023 against DKK 391 in 2022, and the ratio of administrative expenses to provisions was up from 0.08% in 2022 to 0.09% in 2023.

For a 55-year-old customer with a 3 i 1 Livspension scheme with moderate risk and savings of DKK 1 million, the annual percentage rate (APR) fell from 0.70% in 2022 to 0.67% in 2023.

APR comprises both administrative and investment expenses and is calculated in accordance with the expense recommendations laid down by the industry organisation Insurance and Pension Denmark. This means that investment expenses for a large part of alternative investments are to be based on standard calculation rates laid down by Insurance and Pension Denmark. Consequently, APR does not necessarily reflect Sampension Liv's actual level of investment expenses.

For individual customers, APR may depend on factors such as the customer's age, amount of savings, risk profile, etc. All else being equal, APR will be higher for younger than for older customers with 3 i 1 Livspension, for example. The reason is that younger customers have a larger proportion of e.g. equity investments, for which both expected returns and investment expenses are higher than for bond investments, for example, which represent a larger proportion of investments for customers approaching retirement age.

Investments and returns

At the beginning of 2023, most central banks were fighting inflation, which was exacerbated by Russia's invasion of Ukraine, sending energy and food prices soaring. A mild 2022-23 winter season, which brought down energy prices, combined with the central banks' continued raising of interest rates curbed inflation in the first half of 2023, bringing it close to the low target level. While the severe tightening of monetary policies slowed down growth more in Europe than in the USA, employment figures remain high on both continents.

Continuing increases in key lending rates over the course of the year fed through to the financial markets, resulting in rising long-term rates, in particular, while equity prices were hit by volatility. In the last couple of months of the year, investors became confident that the central banks would soon start lowering key lending rates. As a result, long-term rates began to fall, while a clear uptrend was seen in equity prices.

Despite major equity market fluctuations in the first ten months of the year, the benchmark indices ended the year with sharp increases, and the equity markets ended up performing quite well for the year. The global equity market index gained almost 21% in 2023. The US equity market performed best of all with an increase of almost 26%. By comparison, the Danish market was up almost 21% and European equities gained almost 19%. With a 12% increase, a benchmark index for emerging market equities showed the same trend. Notably, however, Chinese equities were down 16%.

Annual investment return was DKK 17.8 billion or 8.6%

The overall return across all investment environments in 2023 was DKK 17.8 billion, relative to a negative return of DKK 29.5 billion in 2022. The overall investment return before tax on pension returns was 8.6% in 2023, compared with a negative return of 12.1% in 2022.

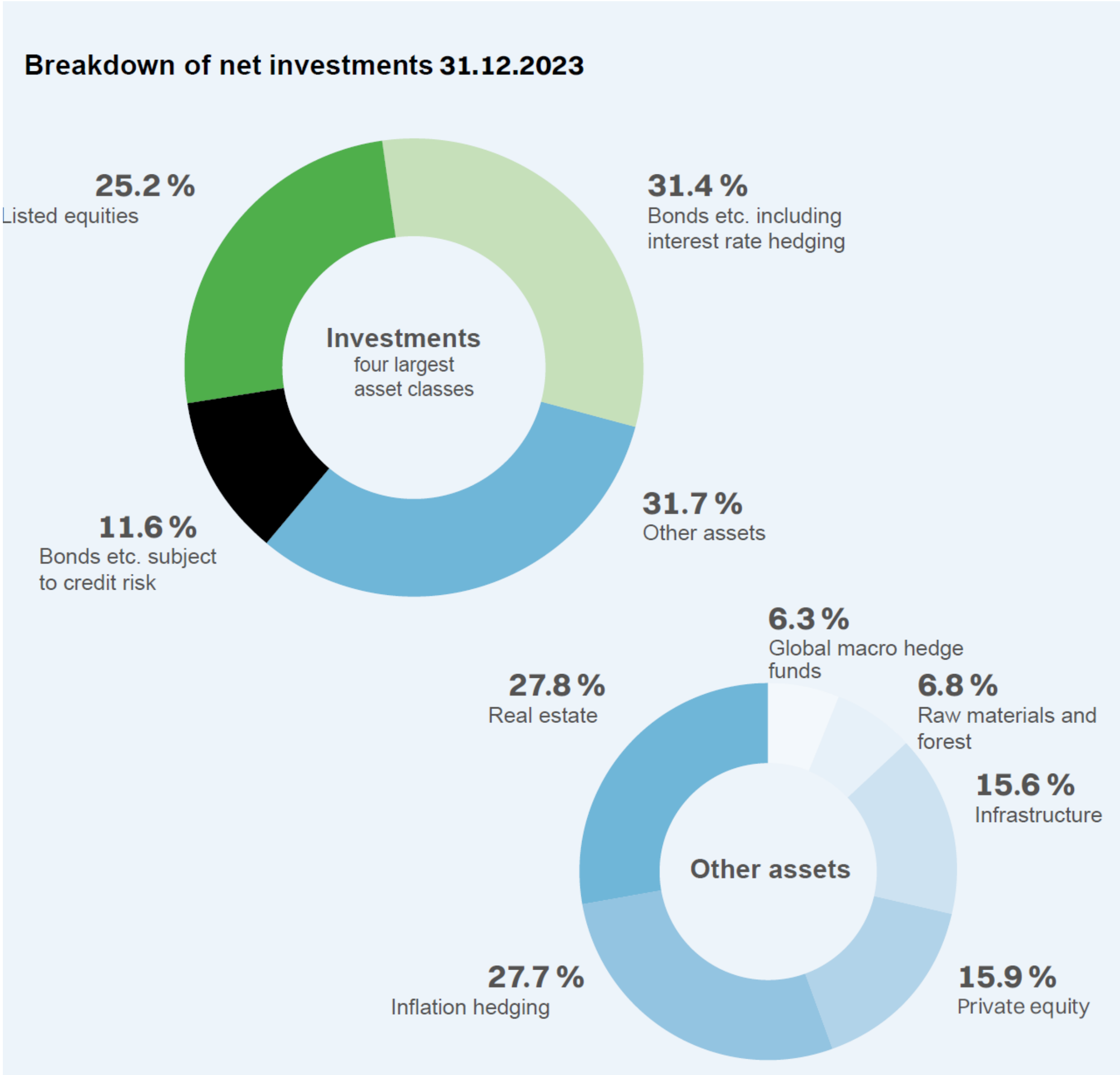
The overall return includes return on Sampension Liv's hedging of interest rate risk in the conventional average-rate environment. In a year like 2023 with falling interest rates, Sampension Liv's investment strategy will generate a gain on the hedging of the interest rate risk on pension obligations in this environment. After tax on pension returns, this gain is partially offset by an increase in the market value of pension obligations in the conventional average-rate environment.

Investment returns by environment

DKKm	**2023**	**2022**
3 i 1 Livspension	9,729	-8,604
Linkpension	14	-8
Non-guaranteed benefit reinsurance	2,382	-1,075
Conventional average rate	5,662	-19,848
Total return	**17,787**	**-29,535**

Breakdown of net investments

Almost a third of net investment assets were placed in low-risk bonds (such as Danish government and mortgage bonds), while a quarter of the assets were placed in listed equities and another third was placed in other assets, the distribution of which is shown by asset class in the figure above. The remainder was placed in bonds, etc. subject to credit risk.



Investment strategies in Sampension Liv's various investment environments

Sampension Liv's investment strategy aims to maximise the long-term return in a responsible manner and within the given risk framework. The unit-linked and average-rate environments generally participate in the same investments, only at different weightings and volumes. The 3 i 1 Livspension and non-guaranteed benefit reinsurance products have a relatively larger share of investments in high-risk assets than the conventional average-rate environment.

The investment strategy was largely the same in 2023 as in 2022. As far as Sampension Liv's investments in unlisted equities, real estate and infrastructure is concerned, the portfolio continues to develop. In particular, the ongoing transition from fossil to renewable energy sources and the resulting electrification of the energy sector was an investment theme in 2023.

Positive returns for all generation pools in 3 i 1 Livspension

The lifecycle product reported positive returns for all generation pools across the three risk profiles in 2023. As illustrated by the returns of selected pools shown in the table below, the youngest age groups, which have a larger equity share, had the highest returns. The majority of customers have chosen the moderate risk investment profile.

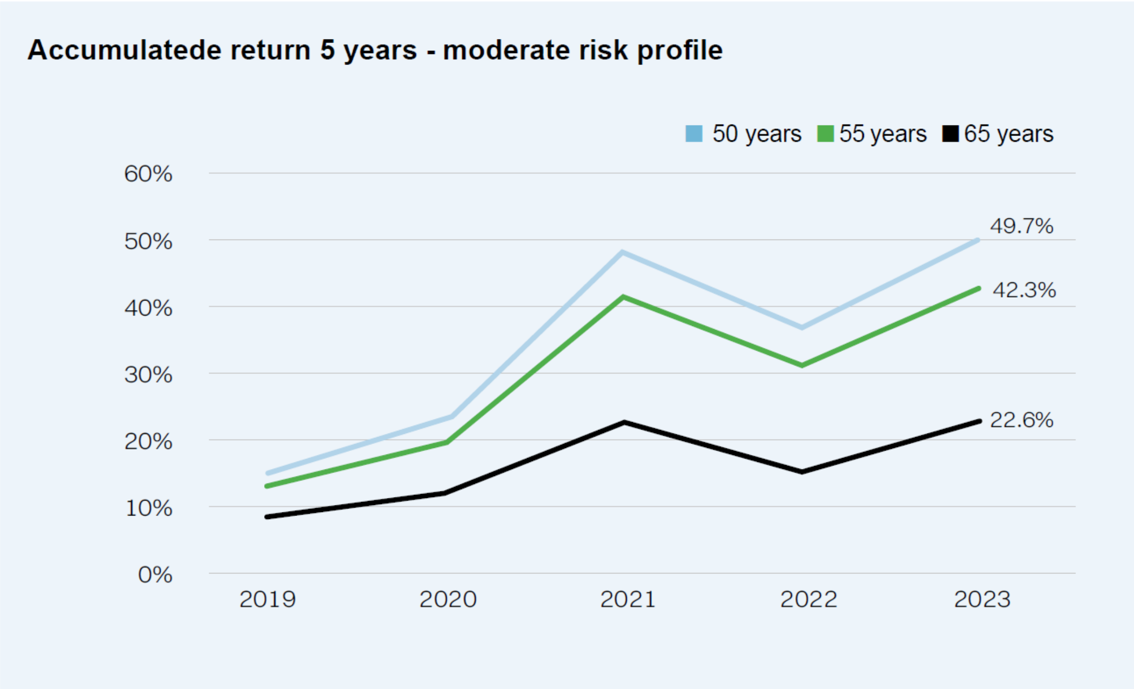
Generation pools 3 i 1 Livspension, selected	Investment profile		
Return (%)	**Low**	**Moderate**	**High**
50 years*	8.6	9.8	10.9
55 years	8.1	8.8	10.1
65 years**	7.0	6.8	8.4

* The return is the same for the 18-50 year olds, as they have the same asset allocation in 2023.
** The return is the same for everyone over 65, as they have the same asset allocation in 2023.

For a more detailed specification of holdings and returns in 3 i 1 Livspension, see notes 24 and 25 to the financial statements.

Youngest age groups receive five-year returns of 49.7% in 3 i 1 Livspension

Over the past five years, typical customers with a moderate risk profile and who were 50 years old or younger in 2023 achieved an accumulated return of close to 50%. The figure illustrates the total returns over the past five years for persons reaching the age of 50, 55 or 65 in 2023.



Negative non-guaranteed benefit reinsurance of 5.9%

Non-guaranteed benefit reinsurance covers obligations relating to civil servant pensions. Indexation of these is based on salary trends, which is a significant risk in a municipal or regional authority’s pension obligations. Asset allocation is determined on the basis of the expected future net payment obligations on civil servant pension schemes.

Investments relating to non-guaranteed benefit reinsurance of civil servant pension obligations generated a positive return of 5.9% in 2023. For a specification of holdings and returns in the non-guaranteed benefit reinsurance segment, see note 24 to the financial statements.

Return of 10.0% in the conventional average-rate environment

The conventional average-rate environment consists of guaranteed and non-guaranteed pension schemes. Provisions for pensions are stated at market value, which means that the value will depend on interest rate levels, among other things. To limit the interest rate risk for customers, we have set up a hedge portfolio which together with a part of the interest rate risk of the investment portfolio is designed to obtain a high degree of security that Sampension Liv can meet its guarantees and declarations of intent issued to customers.

The overall distribution of investments in the average-rate environment at 31 December 2023 and the return contributions for the year are set out in the table below.

Conventional average rate **DKKm**	**Market Value 31.12.2023**	**Distribution %**	**Return contribution % time weighted**
Total investment portfolio	56,248	95.6%	7.4%
Other interest rate hedging	2,586	4.4%	2.7%
Total investment assets	**58,834**	**100.0%**	**10.0%**

Of Sampension Liv's total net investment assets of almost DKK 59 billion in the conventional average-rate environment, close to 77% was placed in bonds, 6% was invested in listed equities, just over 4% in other interest rate hedging and just over 13% in alternative investments, etc.

The overall return for 2023 was 10% before tax on pension returns and inclusive of other interest rate hedging. The return was 7.4%, excluding other interest rate hedging.

For a more detailed specification of holdings and returns in the conventional average-rate segment, see note 24 to the financial statements.

Capital position and solvency

On an ongoing basis, the company calculates its solvency capital requirement, which is the capital required to cover the maximum expected loss incurred within a period of 12 months at a probability of 99%. The solvency capital requirement is calculated in accordance with the standard formula as defined in the Solvency II regulation. The solvency capital requirement at 31 December 2023 was calculated at DKK 2.1 billion, which was DKK 0.4 billion less than at 31 December 2022. The change was primarily due to an increase in the loss-absorbing capacity of technical provisions and a drop in credit spread risks.

The company also calculates its total capital, which is the amount that may be used to cover the solvency capital requirement. At 31 December 2023, the company's total capital mainly consisted of its DKK 3.5 billion equity and surplus capital of DKK 3.4 billion. Additionally, total capital was reduced by the Sampension Group's intangible assets and increased by the difference between the amount of provisions in the balance sheet and the solvency balance sheet. Total capital at 31 December 2023 stood at DKK 6.9 billion, which was DKK 0.1 billion more than at 31 December 2022.

The solvency coverage ratio, defined as the ratio of total capital to the solvency capital requirement, was 324% at 31 December 2023, and total capital exceeded the calculated solvency capital requirement by DKK 4.8 billion. The solvency coverage ratio was up 57 percentage points compared with the end of 2022, primarily as a result of the lower solvency capital requirement.

Solvency capital requirements and total capital		
DKKm	**31.12.2023**	**31.12.2022**
Equity	3,477	3,420
Surplus capital	3,365	3,341
Intagible assets	-208	-158
Difference between provisions for financial reporting and solvency purposes	281	239
Total capital for solvency purposes	**6,915**	**6,842**
Solvency capital requirement (SCR)	**2,134**	**2,567**
Surplus total capital	4,781	4,275
Solvency coverage ratio relative to SCR	**324%**	**267%**
Minimum capital requirement (MCR)	960	1,155
Solvency coverage ratio relative to MCR	721%	592%

The minimum capital requirement, which is also calculated in accordance with the Solvency II regulation, amounted to DKK 960 million at 31 December 2023, and the excess coverage relative to the minimum capital requirement was thus DKK 721%.

Sensitivity information

The tables below illustrate the effect of isolated changes to various risks on the company's total capital and solvency coverage ratio.

The tables show the stresses needed for the solvency coverage ratio relative to the solvency capital requirement and the minimum capital requirement to drop to 125% and 100%, respectively. If the maximum stress is not enough to reduce the solvency coverage ratio to 125% and 100%, respectively, the maximum stress and its effect on the solvency coverage ratio and total capital are stated. For example, the table shows that a 100% drop in the value of assets classified as equities would reduce the solvency coverage ratio to 247%, and that a 51% drop in the value of Danish government bonds would reduce the solvency coverage ratio to 125%.

Sensitivity analysis, solvency capital requirement (SCR)	**SCR 125%**			**SCR 100%**		
DKKm	Stress	Total capital	Solvency coverage ratio	Stress	Total capital	Solvency coverage ratio
Interest rate risk	-200bp	7,347	289%	-200bp	7,347	289%
Equity risk	100%	4,807	247%	100%	4,807	247%
Property risk	100%	6,632	310%	100%	6,632	310%
Credit spread risk:						
Danish government bonds, etc.	51%	3,719	125%	61%	3,010	100%
Other government bonds, etc.	100%	4,578	152%	100%	4,578	152%
Other bonds	100%	6,018	565%	100%	6,018	565%
Currency spread risk:						
USD	100%	6,873	276%	100%	6,873	276%
Counterparty risk	-	6,762	317%	-	-	-
Longevity risk	100%	6,924	160%	100%	6,924	160%
Life insurance option risk	-100%	6,762	333%	-100%	6,762	333%
Non-life catastrophe risk	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sensitivity analysis, minimum capital requirement (MCR)	**MCR 125%**			**MCR 100%**		
DKKm	Stress	Total capital	Solvency coverage ratio	Stress	Total capital	Solvency coverage ratio
Interest rate risk	-200bp	7,347	645%	-200bp	7,347	645%
Equity risk	100%	4,807	553%	100%	4,807	553%
Property risk	100%	6,632	693%	100%	6,632	693%
Credit spread risk:						
Danish government bonds, etc.	79%	1,698	125%	83%	1,360	100%
Other government bonds, etc.	100%	4,578	340%	100%	4,578	340%
Other bonds	100%	6,018	1260%	100%	6,018	1260%
Currency spread risk:						
USD	100%	6,873	617%	100%	6,873	617%
Counterparty risk	-	-	-	-	-	-
Longevity risk	100%	6,924	358%	100%	6,924	358%
Life insurance option risk	-100%	6,762	744%	-100%	6,762	744%
Non-life catastrophe risk	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

The underlying assumptions of the stress scenarios are further described in the Danish Executive Order on Sensitivity Analyses for Group 1 Insurance Companies.

Additional information
The company's risk management and its risk exposures are further described in note 28 to the financial statements.

In addition, the company publishes an annual solvency and financial condition report. The report forms part of the Solvency II rules and gives an account of the Company's solvency and financial condition. The report is available at www.sampension.dk/om-sampension/finansiel-information.

Outlook for 2024

The significant geopolitical uncertainty is expected to persist in the wake of the Middle East conflict and the prolonged war in Ukraine, among other factors. Consequently, we expect a continued high degree of uncertainty about financial market developments.
Sampension Liv's performance in 2024 will be highly dependent on financial market developments. Assuming unchanged interest rate levels and stable equity markets, however, we expect an overall profit slightly above the level realised in 2023.
Sampension Liv maintained the rate of interest on policyholders' savings for average-rate policies (interest rate groups F, G and H) at 0.0% at 1 January 2024. The rate of interest on policyholders' savings for non-guaranteed benefit reinsurance was increased to 7.0% at 1 January 2024. For unit-linked schemes, realised returns are allocated to the customers' savings on a continual basis.

Other matters

Uncertainty in recognition and measurement

In preparing the annual report, management makes a number of estimates and judgments of future events. Such estimates and judgments may influence the carrying amount of assets and liabilities. Management's estimates and judgments have the most material effect on provisions for insurance contracts and on the calculation of fair values of illiquid assets such as unlisted financial instruments and real estate. See the note on accounting policies for further details on estimates and judgments. The Audit and Risk Management Committee and the company's Board of Directors review the estimates and valuation methods applied in Sampension Liv's financial statements on an annual basis.

Data ethics

Sampension Liv has chosen not to define a data ethics policy for 2023, as the company does not process data or apply algorithms for data analysis in excess of what is expected and normal in relation to operating a pension company. This includes information about employer, employment and state of health. Sampension Liv's performance of its core task requires access to and processing of large amounts of data about customers, companies and employees. Sampension Liv processes data with due respect for the individual person's data with a view to honouring Sampension Liv's pension obligations.

Data processing in the form of e.g. detecting customer patterns is not an integral part of Sampension Liv's current business activities. The customer's historical data are naturally considered – according to a specific needs assessment – when providing advice.

Data processing at Sampension Liv must never involve any form of discrimination, biased results or sale of data. Regardless of how Sampension Liv collects data, this will always be in accordance with the data protection legislation applicable. Sampension Liv recognises that the strategic focus on digitalisation and new technologies may result in a need for a data ethics policy in the future.

For more information on how Sampension Liv processes data, see Processing of personal data and digital communications sampension.dk/forbehold/data ethics.

Events after the balance sheet date

No events have occurred in the period from the balance sheet date until the date of this document which may change the assessment of the Annual Report.

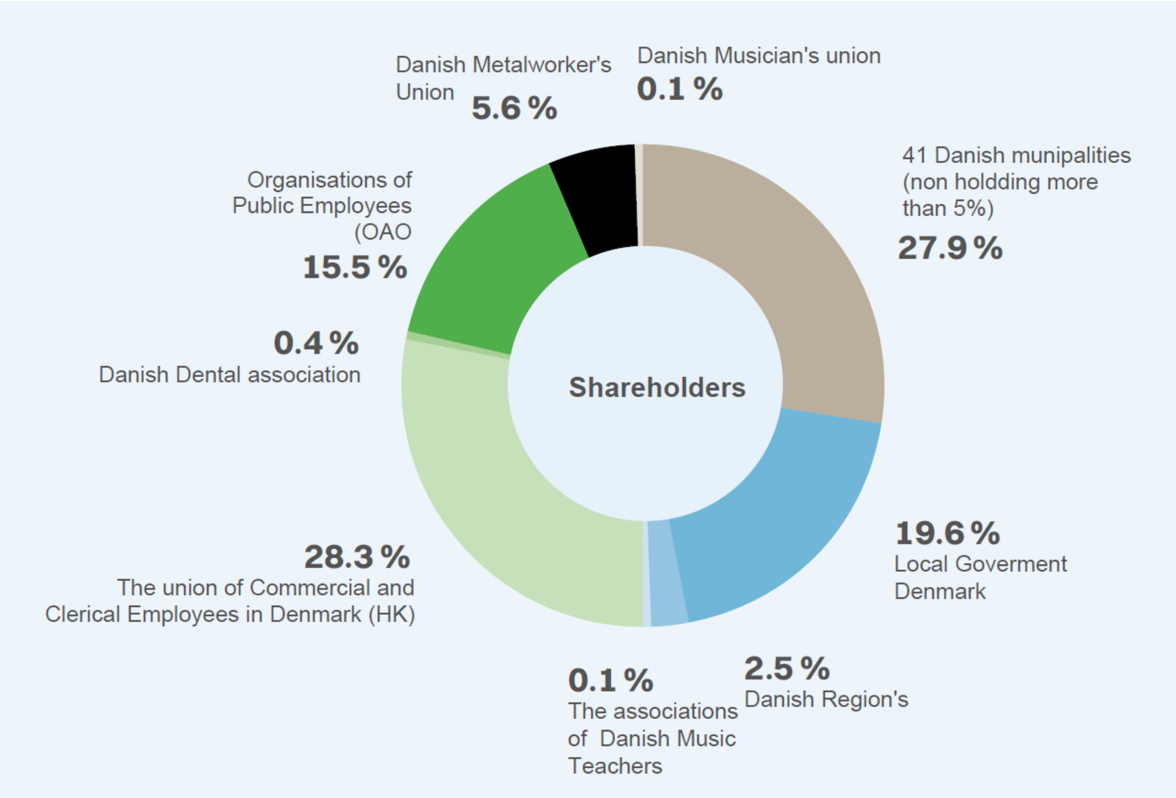
Company details

Management structure

Shareholders

Sampension Liv is owned by the parties to the collective agreements for which Sampension Liv is a pension provider. Sampension Liv's share capital of DKK 800,000 is held equally by employee organisations on the one hand and by employers and employer organisations on the other.

The share capital consists of 800 shares with a nominal value of DKK 1,000 each. According to Sampension Liv's Articles of Association, dividends to shareholders may amount to up to 5%, but not exceeding DKK 40,000. No dividends have been distributed since 2011 due to a wish among the shareholders that the company's profit should benefit the customers.



Board of Directors

Sampension Liv's Board of Directors consists of shareholder representatives, two Board members put forward by the Board of Directors and representatives of the Group's employees.

Information about other directorships held by the members of the Board of Directors and the Executive Board is provided on pages 21-24.

The Board of Directors held five meetings and one feature day in 2023.

Audit and Risk Management Committee

Pursuant to the provisions of the EU and of Danish legislation on audit committees in public-interest entities, the Board of Directors of Sampension Liv has established a separate Audit and Risk Management Committee.

The Audit and Risk Management Committee is chaired by Torben Nielsen, former governor of Danmarks Nationalbank. By virtue of his professional career and educational background, Torben Nielsen meets the qualification requirements set out in the rules on audit committees. He also complies with the requirements of independence.

The three other members appointed by the Board of Directors to serve on the Audit and Risk Management Committee in 2023 were: Jens Ejner Christensen (Chairman of the Board), Kim Simonsen (Deputy Chairman of the Board) and Anne Mette Barfod (Deputy Chairman of the Audit and Risk Management Committee and Board member).

The Audit and Risk Management Committee held four meetings in 2023. The Committee put Sampension's external audit services out to tender in 2023, as the requirements for rotation of audit firms meant that a change of external auditors is due.

The framework for the Audit and Risk Management Committee's work is defined in the terms of reference. The Committee's principal duties are:

- to oversee the financial reporting process;
- to prepare the Board of Directors' reviews and resolutions involving risk documents regarding the company's capital, solvency and operational matters;
- to oversee the effectiveness of risk management systems, internal control systems and the internal audit function;
- to oversee the statutory audit of the financial statements, etc.; and
- to oversee and verify the independence of the auditors.

A whistleblowing scheme has been set up to give the employees of Sampension a dedicated and independent channel for reporting actual or potential violations of relevant regulations by the company, including issues regarding bribery and corruption, competition law, fraud and financial crime, harassment and discrimination as well as protection of personal data.

Reporting to the whistleblowing scheme is made via a whistleblowing IT platform and screened by the Danish law firm Kromann Reumert, which manages the whistleblowing scheme. Subsequently, Kromann Reumert informs the chairman of the Audit and Risk Management Committee and the person in charge of the compliance function via the IT platform. No reports were filed in 2023.

Committee for Responsible Investment

The responsible investment policy applies to all four parties of the Sampension community. The boards of directors have set up a cross-functional committee to make proposals for ESG-related decisions. The Committee is charged with considering the environmental, social and governance aspects of investment decisions made by the four pension providers with a view to agreeing on the principles to be included in the pension providers' policy on responsible investment.

Kim Simonsen (Chairman of the Committee, Deputy Chairman of the Board), Hans Christen Østerby (Board member) and Anne Mette Barfod (Board member) represented Sampension Liv on the Committee in 2023. The Committee held three meetings in 2023.

Organisation and management

The Executive Board is in charge of the overall day-to-day management of Sampension Administrationsselskab A/S. The organisation also consists of five main divisions, which are in charge of day-to-day operations and development, and three staff functions (Executive Secretariat, Communications and HR). A detailed presentation of the organisation can be found at sampension.dk/sampensions-organisation-og-ledelse.

A risk management, compliance, actuary and internal audit function has been set up to contribute to ensuring efficient management. The heads of the respective departments have been designated as key persons performing controlling functions in respect of the work of the Sampension community.

Remuneration
The boards of directors of the financial enterprises managed by Sampension Administrationsselskab A/S have drawn up a remuneration policy that is compliant with the provisions of the EU and of Danish legislation. The purpose of the remuneration principles is to ensure that the management and the employees are remunerated in a manner that best supports the business and long-term strategic goals of the organisation.

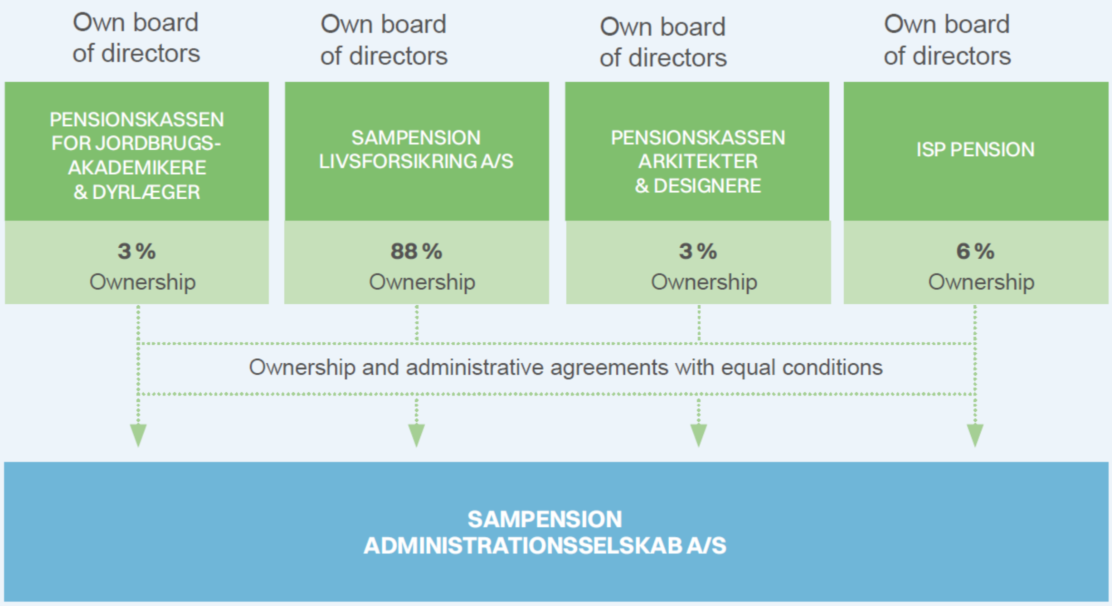
The terms of remuneration reflect and support Sampension Administrationsselskab A/S's continued ability to recruit and retain a competent and responsible management that promotes healthy and efficient risk management and that does not motivate excessive risk-taking. Furthermore, the remuneration principles are to prevent conflicts of interest for the benefit of our customers.

See note 5 to the financial statements or go to sampension.dk/struktur-og-ledelse/sampension-livsforsikring for more information about the remuneration policy and report on remuneration of members of the Board of Directors and the Executive Board.

Group structure and organisation chart
The Sampension Group comprises the parent company, Sampension Livsforsikring A/S, the subsidiary Sampension Administrationsselskab A/S and a number of other subsidiaries and associates. Between them, they operate the Group's business areas.

Sampension Administrationsselskab A/S
The objective of Sampension Administrationsselskab A/S is to provide administrative services to life insurance companies, pension funds and pension companies as well as general asset management services and other related business.
The Sampension community currently manages companies of the Sampension Group as well as the Pension Fund Architects and Designers, the Pension Fund for Agricultural Academics and Veterinary Surgeons and the Pension Fund for Technicians and Bachelors of Engineering. The group of owners of Sampension Administrationsselskab A/S comprises: Sampension Livsforsikring A/S (88%), the Pension Fund Architects and Designers (3%), the Pension Fund for Agricultural Academics and Veterinary Surgeons (3%) and ISP (6%).

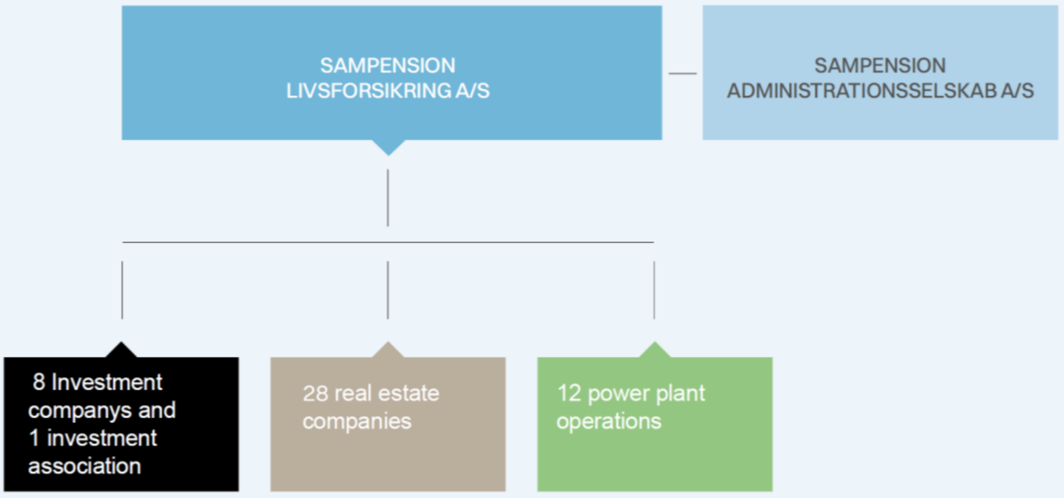
The Sampension community



Other companies

In addition to Sampension Administrationsselskab A/S, the Group consists of several real estate companies and a number of investment companies and one capital association, which specifically manages alternative investments and equities for all pension providers being managed by the Sampension community.

Group structure at 31 December 2023



For further information on group enterprises, see note 29 on Equity Investments to the financial statements.

Management and other directorships

Board of Directors

Members representing local authorities, regions and jointly-controlled local authority institutions:
Jens Ejner Christensen, Mayor of Vejle Municipality, Chairman
Hans Christen Østerby, Mayor of Holstebro Municipality
Michael Brautsch, local council member, Frederiksberg Municipality

Members representing negotiating organisations of the customers:
Kim Simonsen, former chairman of HK/Denmark, Deputy Chairman
Rita Bundgaard, deputy chairman of HK/Government Authorities
Lene Roed Poulsen, deputy chairman of HK/Municipal Authorities
René Nielsen, deputy chairman of the Danish Metalworkers' Union

Members put forward by the Board of Directors:
Anne Mette Barfod, CFO of Lessor Group ApS
Torben Henning Nielsen, former governor of the Danish central bank

Members elected by the employees:
John Helle, pension adviser
Morten Lundsgaard, digital communications adviser
Jakob Juul-Thorsen, account manager
Simon Hinrichsen, portfolio manager
Søren Sperling, business consultant

Executive Board

Hasse Jørgensen, Chief Executive Officer
Mads Smith Hansen, Chief Operating Officer

Management Team

Hasse Jørgensen, Chief Executive Officer
Mads Smith Hansen, Chief Operating Officer
Michael Carlsen, Chief Communications Officer
Henrik Olejasz Larsen, Chief Investment Officer
Ole Fabricius, Chief Financial Officer
Ole B. Tønnesen, Head of Secretariat
Anne Louise Baltzer Engelund, Chief Product Officer
Morten Lund Madsen, Chief Information Officer
Christian Due, Chief Customer Officer

Chief actuary

Jesper Brohus

Internal audit

Gert Stubkjær, Group Chief Internal Auditor

Independent auditors
PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark

Annual General Meeting
The Annual General Meeting will be held on 4 April 2024.

Other directorships
The following sets out the directorships in other companies held by the members of the Board of Directors and the Executive Board of Sampension Livsforsikring A/S. The list does not include directorships in Sampension's wholly-owned subsidiaries.

Board of Directors
JENS EJNER CHRISTENSEN, MAYOR, CHAIRMAN, BORN 19 JUNE 1968
Chairman of the board of directors of Sampension Administrationsselskab A/S
Member of the board of directors of Billund Airport A/S
Fully liable participant of the sole proprietorship Jens Ejner Christensen
Fully liable participant of the partnership Brandbjerg Nørreskov
Director of JEC ApS

KIM SIMONSEN, FORMER UNION CHAIRMAN, DEPUTY CHAIRMAN, BORN 23 APRIL 1961
Chairman of the board of directors of Refshaleøen Holding A/S
Chairman of the board of directors of Refshaleøens Ejendomsselskab A/S
Chairman of the board of directors of AKF Holding A/S
Chairman of the board of directors of AKF Invest CPH A/S
Chairman of the board of directors of AOF Center Storkøbenhavn
Chairman of the joint committee for responsible investment of Sampension Livsforsikring A/S, the Pension Fund Architects and Designers, the Pension Fund for Agricultural Academics and Veterinary Surgeons and the Pension Fund for Technicians and Bachelors of Engineering
Deputy chairman of the board of directors of Sampension Administrationsselskab A/S
Deputy chair of the executive committee of the Danish Refugee Council
Chairman of Funktionærernes Solidaritetsfond
Member of the executive committee of AOF Landsforbund
Deputy chairman of SuperBrugsen Humlebæk
Member of the National Committee of Coop Danmark
Member of the board of directors of Frivillighedscenteret Fredensborg

ANNE METTE BARFOD, CFO, BORN 15 JANUARY 1970
Member of the board of directors of Sampension Administrationsselskab A/S
Member of the joint committee for responsible investment of Sampension Livsforsikring A/S, the Pension Fund Architects and Designers, the Pension Fund for Agricultural Academics and Veterinary Surgeons and the Pension Fund for Technicians and Bachelors of Engineering
Member of the board of directors of Investeringsforeningen Sydinvest
Member of the board of directors of Investeringsforeningen Sydinvest Portefølje
Member of the board of directors of Kapitalforeningen TDC Pension Emerging Markets

RITA BUNDGAARD, DEPUTY CHAIRMAN, BORN 3 NOVEMBER 1960
Member of the board of directors of Sampension Administrationsselskab A/S
Member of the board of directors of the unemployment fund of HK
Member of the board of directors of CFU (negotiation committee and board of representatives)
Member of the insurance board of HK Danmark Lønforsikring, HK Danmark and Alka
Member of the executive committee of HK
Chairman of OAO-S
Member of Fagbevægelsens hovedbestyrelse (FH)
Deputy chairman of the executive committee of OAO

RENÉ NIELSEN, DEPUTY CHAIRMAN, BORN 11 JANUARY 1968
Chairman of the board of directors of AOF Danmark
Deputy chairman of the Danish Metalworkers' Union
Member of the board of directors of Sampension Administrationsselskab A/S
Member of the board of directors of the unemployment fund of the Danish Metalworkers' Union
Member of the executive committee of the Central Organisation of Industrial Employees in Denmark
Member of the general council of Fagbevægelsens Hovedorganisation

TORBEN HENNING NIELSEN, FORMER GOVERNOR OF DANMARKS NATIONALBANK, BORN 2 NOVEMBER 1947
Chairman of the board of directors of Tryg Invest A/S
Chairman of the board of directors of Kapitalforeningen Tryg Invest Funds
Chairman of the board of directors of Ny Holmegaard Fonden
Chairman of the board of directors of Vordingborg Borg Fond
Chairman of the board of directors of Borgring Fonden
Chairman of the board of directors of Museum Sydøstdanmark
Member of the board of directors of Sampension Administrationsselskab A/S
CEO of BAWN Invest ApS

LENE ROED POULSEN, DEPUTY CHAIRMAN, BORN 4 OCTOBER 1963
Member of the board of directors of Sampension Administrationsselskab A/S
Member of the board of directors of PKA A/S
Member of the board of directors of Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale (including one subsidiary)
Member of the board of directors of Kommanditselskabet Christiansminde (Hotel Christiansminde A/S, Svendborg)
Member of the board of directors of A/S Knudemosen
Member of the board of directors of Administrationsaktieselskabet Forenede Gruppeliv
Member of the board of directors of Forbrugsforeningen af 1886
Member of the executive committee of HK
Member of Fagbevægelsens hovedbestyrelse (FH)
Member of the board of directors of the unemployment fund of HK
Member of the insurance board of HK Danmark Lønforsikring, HK Danmark and ALKA
Chairman of OAO and OAO-K
Member of the negotiation committee, the board of directors and the board of representatives of Forhandlingsfællesskabet
Chairman of the executive committee of OAO

MICHAEL BRAUTSCH, LOCAL COUNCIL MEMBER, BORN 1 JULY 1963
Deputy chairman of the board of directors of Frederiksberg Forsyning A/S
Deputy chairman of the board of directors of Frederiksberg Fjernvarme A/S
Deputy chairman of the board of directors of Frederiksberg Forsynings Ejendomsselskab A/S
Deputy chairman of the board of directors of Frederiksberg Forsynings Serviceselskab A/S

Deputy chairman of the board of directors of Frederiksberg Spildevand A/S
Deputy chairman of the board of directors of Frederiksberg Vand A/S
Deputy chairman of the board of directors of Frederiksberg Bygas A/S
Deputy chairman of the board of directors of Frederiksberg Fjernkøling A/S
Deputy chairman of the board of directors of Frederiksberg Vedvarende Energi A/S
Member of the board of directors of Sampension Administrationsselskab A/S
Sole owner of the sole proprietorship Basis v/Michael Brautsch

HANS CHRISTEN ØSTERBY, MAYOR, BORN 20 DECEMBER 1955
Deputy chairman of the board of directors of Sygehusgrunden P/S
Deputy chairman of the board of directors of Sygehusgrunden Komplementar ApS
Member of the board of directors of Midtjyllands Airport a.m.b.a.
Member of the board of directors of Holstebro Udvikling P/S
Member of the board of directors of Holstebro Udvikling Komplementar ApS
Member of the board of directors of Sampension Administrationsselskab A/S
Member of the board of directors of Den Erhvervsdrivende Fond Nupark
Member of the board of directors of Nupark Innovation A/S
Member of the board of directors of Fonden Nr. Vosborg
Member of the board of directors of UCH (Uddannelses Center Holstebro)
Member of the board of directors of Danish Board of Business Development
Member of the joint committee for responsible investment of Sampension Livsforsikring A/S, the Pension Fund Architects and Designers, the Pension Fund for Agricultural Academics and Veterinary Surgeons and the Pension Fund for Technicians and Bachelors of Engineering

SØREN SPERLING, BUSINESS CONSULTANT, BORN 19 FEBRUARY 1967
Member of the board of directors of Sampension Administrationsselskab A/S

JOHN HELLE, PENSION ADVISER, BORN 28 JULY 1964
Member of the board of directors of Sampension Administrationsselskab A/S

MORTEN LUNDSGAARD, DIGITAL COMMUNICATIONS ADVISER, BORN 10 APRIL 1968
Member of the board of directors of Sampension Administrationsselskab A/S

JAKOB JUUL-THORSEN, ACCOUNT MANAGER, BORN 26 FEBRUARY 1972
Member of the board of directors of Sampension Administrationsselskab A/S

SIMON HINRICHSEN, PORTFOLIO MANAGER, BORN 2 OCTOBER 1989
Member of the board of directors of Sampension Administrationsselskab A/S

Executive Board

HASSE JØRGENSEN, CEO, BORN 23 JULY 1962
CEO of Sampension Administrationsselskab A/S,
CEO of the Pension Fund for Technicians and Bachelors of Engineering,
Member of the board of directors of Refshaleøen Holding A/S (including one subsidiary)
Deputy chairman of the board of directors of Insurance and Pension Denmark

MADS SMITH HANSEN, CHIEF OPERATING OFFICER, BORN 6 JANUARY 1969
COO of Sampension Administrationsselskab A/S
CEO of the Pension Fund Architects and Designers
CEO of the Pension Fund for Agricultural Academics and Veterinary Surgeons
Director of Komplementarselskabet Sorte Hest ApS

Corporate social responsibility

The information on corporate social responsibility provided in this section was prepared in accordance with section 132 of the Danish Executive Order on financial reports for insurance companies and multi-employer occupational pension funds (the Executive Order on Financial Reports).

In addition to contributing to the customer's financial security in retirement, by being a party to the collective agreements Sampension Liv contributes to the sustainable development of the Danish economy and to maintaining a healthy balance between public sector benefits and labour market benefits. Labour market pensions, which constitute a significant pillar of the Danish labour market model, have contributed to the steady development of a secure and responsible labour market since the 1980s.

Sampension Liv is responsible for managing its pension schemes in a way that serves the best interests of our customers. We fulfil that responsibility by focusing on what is important, i.e. growing the value of our customers' pension schemes. Ensuring strong returns in a responsible manner is one of our most important focus areas.

Responsible investments

Sampension Liv's investments are arranged so that they are socially responsible. Our responsible investment policy has three areas of focus:

- Environmental and climate impact of investments
- Social impact of investments
- Corporate governance

Our approach to corporate social responsibility is guided by our ambition to support international standards and guidelines, including the ten principles of the UN Global Compact in the areas of human rights, labour rights, the environment and anti-corruption, the OECD guidelines for responsible business conduct for both multinational enterprises and institutional investors as well as the climate targets of the Paris Agreement.

The core of the responsible investment policy applies to all pension providers and company schemes under the Sampension community. The boards of directors have set up a cross-functional committee which regularly considers the environmental, social and governance (ESG) aspects of investment decisions with a view to agreeing on the principles to be included in the pension providers' policy on responsible investment.

Sampension Liv's policy and guidelines for responsible investments are available in full at the website of Sampension Liv (Politik for ansvarlige investeringer sampension.dk/esg).

Active ownership continues to evolve

Active ownership is an integral part of our responsible investments and continues to evolve. In 2023, there was a particular focus on increasing voting activity at the general meetings of investees and continuing to expand the dialogue programme.

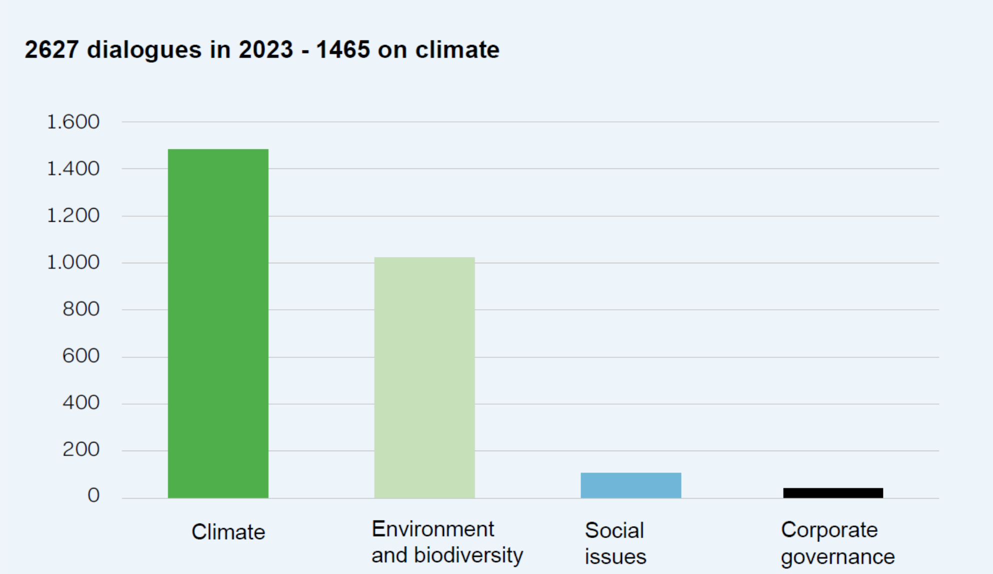
The general dialogue programme of the joint management company is an essential component of active ownership.

Overall, the Sampension community participates in more than 2,600 dialogues with companies on climate and environment, social aspects, human rights and corporate governance.

The majority of the dialogue activities take place via the investor networks in which the Sampension community participates. This gives Sampension a wider reach and allows us to participate in a comprehensive dialogue program. Moreover, we believe that the greatest impact on the real economy is achieved through cooperation with the rest of the investor base.

The Sampension community has an executive role in several of the investor networks in which we take part, actively engaging as lead or co-lead or equivalent in the dialogue with a company.

In 2023, the Sampension community was an actively participating investor in 17 dialogues.



In 2023, the Sampension community was part of several networks, which facilitate dialogues on behalf of a group of international investors, or where the Sampension community engages in dialogues on behalf of the network:

- Climate Action 100+ (CA100+) is one of the world's largest investor initiatives consisting of more than 700 investors with combined assets of just over DKK 450,000 billion. Established in December 2017, CA100+ currently engages in dialogue with 170 climate-damaging companies within the oil and gas, mining and metals, utilities, transport, consumer products and industrial sectors. Through the Climate Action 100+ initiative, the Sampension community engages with companies on their negative climate impact, climate targets, business plans and lobbying activities connected to climate regulation and reporting. The Sampension community actively engages as a collaborating investor in one dialogue.

- CDP is a global climate organisation whose purpose is to focus companies and cities on building a sustainable economy by measuring, reporting on and understanding their environmental impact. In addition to being the driving force behind a global environmental disclosure system, CDP also offers various programmes to pursue active ownership. The Sampension community has been the lead in three dialogues and also participated as a lead investor in 2022.

- The IIGCC Net Zero Engagement Initiative (NZEI) was founded by the Institutional Investors Group on Climate Change (IIGCC) and consists of 93 investors engaging with a total of 107 companies. The initiative focuses on heavy users of energy and aims to reduce the demand for fossil fuels. The Sampension community is co-lead in five dialogues.

- Nature Action 100 is a global investor initiative focusing on biodiversity and was founded by IIGCC, Ceres, Finance for Biodiversity Foundation and Planet Tracker. Nature Action 100 counts more than 200 investor participants with combined assets of more than DKK 160,000 billion. This initiative, the first of its kind, is focused on nature and biodiversity loss. The Sampension community is co-lead in one dialogue.

- UN PRI Advance (a UN-supported investor network) launched a new human rights dialogue initiative in 2022 focusing on mining companies and companies working in the renewable energy field. With this initiative, investors, including the Sampension community, engage in dialogue with about 40 companies from all over the world that specialise in the commodities sector and the renewables sector with a view to ensuring that they enhance their focus on respecting human rights in their activities. 220 international investors with aggregate assets under management of more than DKK 200,000 billion have joined this initiative. The Sampension community engages as collaborating investor in one dialogue.

- The Sampension community engages in dialogue with more than 100 companies on violations of norms, such as violations of labour rights, human rights in general or corporate governance. 25 dialogues are initiated per quarter. These dialogues differ from the thematic dialogues, being based on identified or likely violations of established norms. The dialogues are driven by Institutional Shareholder Services (ISS).

Voted on 16,500 agenda items

We significantly increased our voting activities in 2023.

In the period from 1 January to 31 December 2023, we voted on 16,562 individual agenda items at 1,190 general meetings, equivalent to 92% of all ballots.

To provide full transparency on Sampension Liv's voting, a system was implemented on our website in 2023 making information on all votes publicly available.

Voting is conducted electronically by the Sampension community itself and not through proxy voting by advisers. The voting is based on ISS market intelligence, dialogues with companies, information from the companies' annual reports and on open-source data such as Climate Action 100+ and the Transition Pathway Initiative.

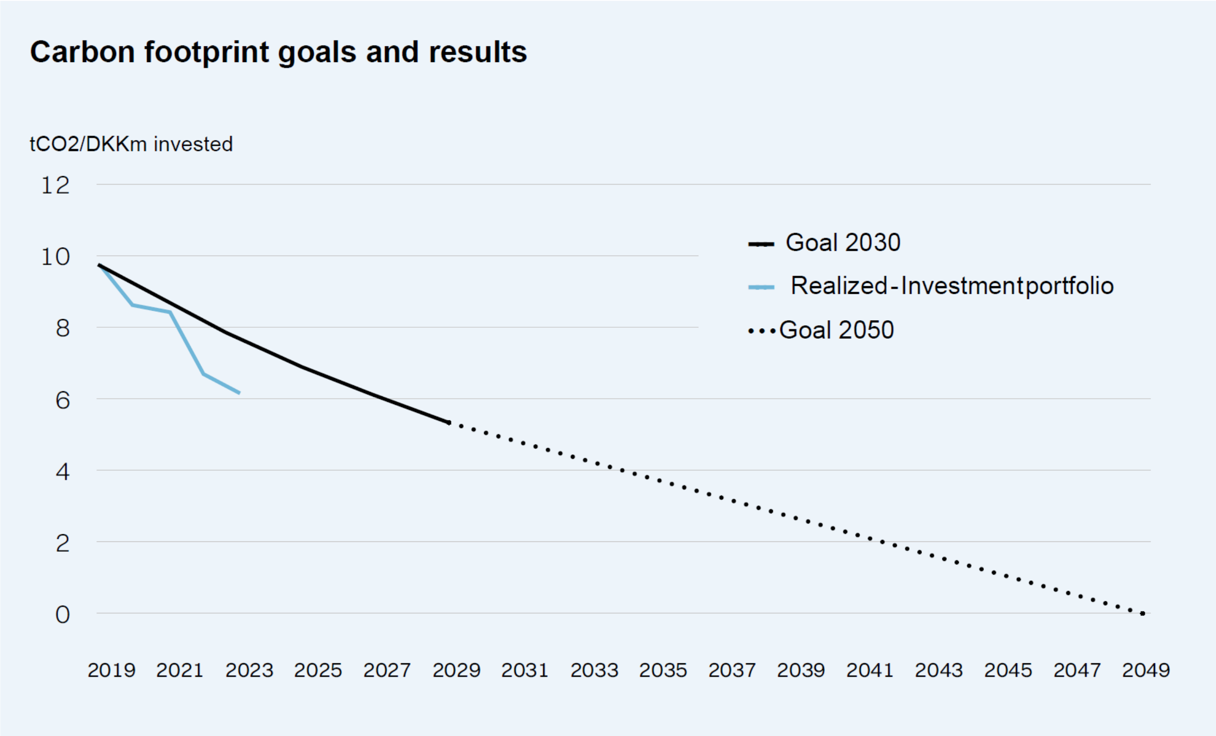
In the 2023 voting, particular attention was paid to major CO_2 emitters. The focus was partly on the companies' climate targets, transparency about climate-related lobbying activities and their climate reporting, partly on the assessment of climate-related shareholder proposals.

We voted in accordance with the recommendations of the companies' management on 89% and against the recommendations on 11% of all agenda items.

The three areas in which the majority of votes went against the recommendations of the management were the election of board members, climate and environment, remuneration and social aspects.

Climate-neutral by 2050

The Sampension community has defined a target for the carbon footprint of its overall investment portfolio to be reduced by 45% relative to the 2020-level by 2030 and to net zero by 2050. The target applies to all assets in the portfolio. Relatively speaking, the carbon footprint is thus reduced most significantly within the initial ten years with the remaining 55% over the subsequent 20 years. To support this, targets for the average annual reduction have been set for the full period up to 2050.



Note: Target and realised paths are exclusive of sequestration from forestry investments.

Continued reduction of the carbon footprint of our investments

Our climate footprint also decreased in 2023. It was possible to collect data and model emissions based on data for virtually the entire portfolio. Sampension can thus calculate the carbon footprint of 94% of its total net investment assets. This is paramount to meeting the climate targets of the pension providers and ensuring the necessary transparency for customers and stakeholders in society at large.

The calculation of our total carbon footprint for 2023 also includes Sampension Liv's forestry investments that remove more carbon than they emit. Calculations of net carbon removal are based on data collected and computed by an external data provider. Sampension Liv's forestry investments removed a total of 419,840 tonnes of CO_2 in 2023.

A calculation of the climate impact across asset classes shows total net emissions for 2023 of 494,690 tonnes of CO_2e and a carbon footprint of 3.3 tonnes per million kroner invested.

Overall, the climate footprint from the emitting part of the portfolio – i.e. net of forestry investments – decreased by 35.8% over the past four years, corresponding to an average annual reduction for the years 2020-2023 of 10.5%[1].

Climate footprint	Emissions	Carbon Footprint
Footprint excluding forestry	914,529	6.2
Footprint including forestry	494,690	3.3

[1] CO_2 emissions from government bonds and bonds issued by supranational authorities are not included in the overall climate footprint, as the calculations for this asset class cannot be performed according to the same principles as traditional economic activity and must therefore be calculated separately. See the table on investment climate reporting for the climate footprint for this asset class.

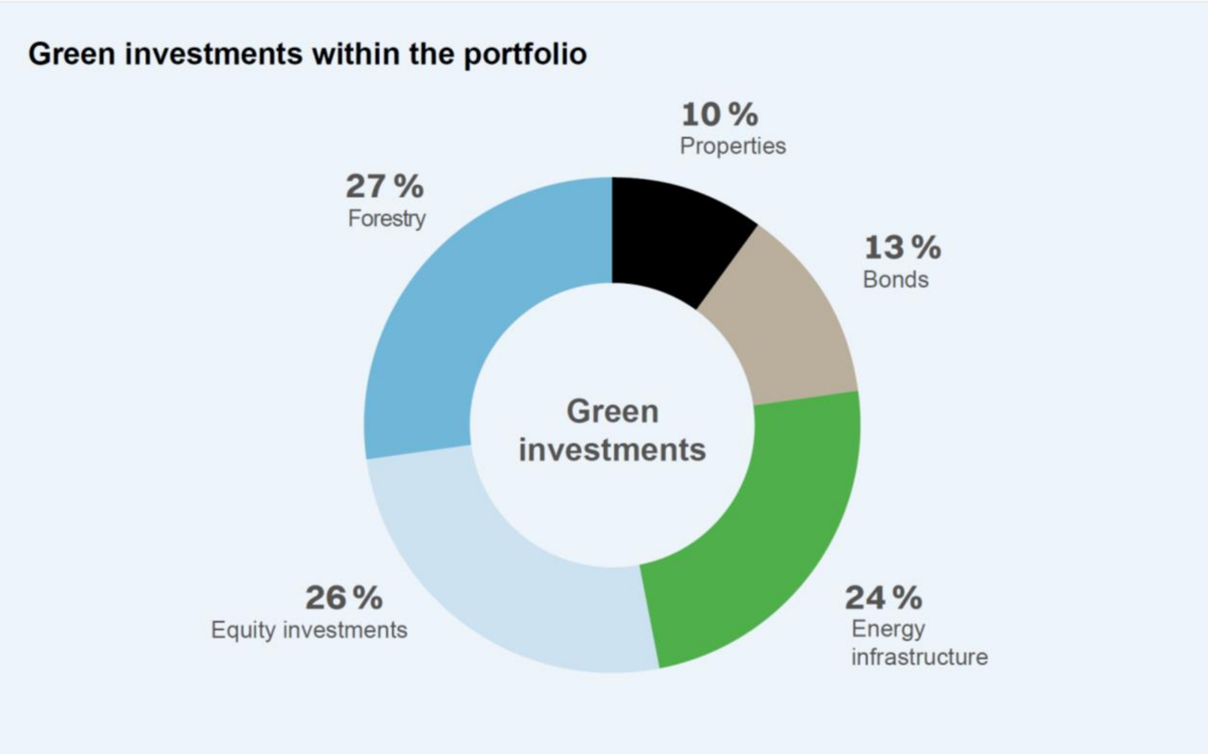
A more detailed overview of developments in Sampension Liv's climate footprint is found in the section "Investment climate reporting" below, and a comprehensive description of the method of calculation of the carbon footprint is found on page 38.

Environmentally sustainable investments

At 31 December 2023, Sampension Liv had total environmentally sustainable investments of DKK 18.2 billion, equivalent to 8% of total net investment assets.

The calculation includes commitments and is based on the definition of environmentally sustainable investments in the EU Sustainable Finance Disclosure Regulation (SFDR) and related technical standards. This includes investments covered by the EU Taxonomy Regulation and investments considered to be environmentally sustainable on the basis of the SFDR regulation.

Further information on the calculation is available in the statutory periodic reporting on the promotion of environmental and/or social characteristics, which is available on our website (in Danish only) under Bæredygtighedsrelaterede oplysninger (sustainability information).



Continued focus on coal

The Sampension community's climate strategy with sector-specific paths for net zero emissions of climate gases defines the following targets and thresholds for the share of the companies' revenue that may be linked to coal:

- Coal mining (thermal coal): Less than 5%
- Coal mining (metallurgical coal): Less than 25%
- Coal mining (services): Less than 25%
- Utilities: Less than 25%

For companies with primary activities in the OECD area, the thresholds will be reduced by 5 percentage points per annum as from 1 January 2025 until revenue shares for all categories have dropped below 5%.

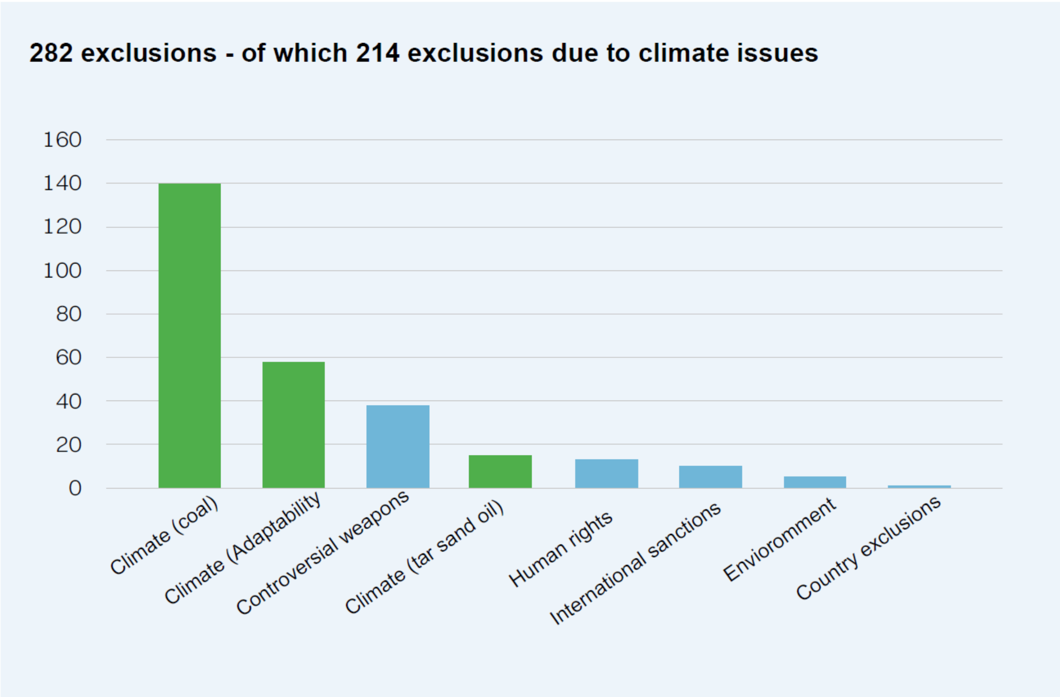
For companies with primary activities outside the OECD area, the thresholds will be reduced by 2.5 percentage points per annum as from 1 January 2030 until the revenue shares have dropped below 5%.

Screening and exclusions

Investments in listed companies are continuously monitored by an independent screening provider. The screening is based on the UN Global Compact and the OECD Guidelines for Multinational Enterprises. If a company's conduct is found to be significantly in conflict with the policy and guidelines for responsible investments, an assessment will be made as to whether the company should be placed on a surveillance list pending further investigation or whether to engage with the company. Companies exhibiting an unacceptable conduct are added to the exclusion list.

In addition, we screen the companies' coal and tar sand activities as well as their climate practices and adaptability. Thus, equity portfolio companies operating within the most heavily emitting sectors are regularly screened for their ability and willingness to transition to a low-carbon economy, and this consideration forms part of our exclusion criteria.

In 2023, the number of companies excluded based on our criterion for unacceptable environmental practices rose from 204 to 214. The net increase of 10 companies covers the exclusion of 26 companies and the re-inclusion of 16 companies, for example because these companies have since their exclusion substantially reduced their carbon emissions or determined ambitious strategies for improving their carbon footprint.



The remaining 68 exclusions relate to environmental aspects other than climate, human rights, social or corporate governance aspects. A few companies were excluded due to international sanctions or Sampension's country exclusion criteria. If Sampension has chosen to exclude a state, Sampension will not invest in government bonds issued by that state, nor will it invest in companies controlled by that state.

In the area of human rights, including labour rights, the quarterly screening and critical dialogues carried out in 2023 resulted in the exclusion of 13 companies, unchanged from 2022.

Unlisted equities are subject to the same guidelines as listed equities. Our responsible investment policy is applied during the due diligence process and implemented by way of the necessary agreements with asset managers. Properties managed in-house are not let to companies listed on the exclusion list at the time of contracting. Nor do Sampension's internally managed portfolios invest in bonds or debt from companies featured on the exclusion list. The exclusion list is published regularly on our website.

Measurement of climate risk and other sustainability-related information

As a long-term investor, the Sampension community continuously addresses financial risks associated with climate change and publishes an annual climate report (in Danish only) describing how climate-related financial risks are addressed and quantified.

In addition, we publish statutory information and reports on the sustainability risks and adverse impact of our pension products and on the promotion of environmental and/or social characteristics.

The reports (in Danish only) are available on our website at www.sampension.dk/om-sampension/finansiel-information/ansvarlige-investeringer/baeredygtighedsrelaterede-oplysninger.

Focus areas 2024

Our responsible investment activities continue to evolve significantly.

The Sampension community will continue to develop initiatives and tools to ensure the greatest possible degree of responsibility across all investments, whether in terms of environmental and climate impact, social impact or corporate governance.

In 2024, there will be added focus on:

- Further development of the Sampension community's climate strategy, "Stier til Net Zero 2050" (paths to net zero 2050), which supports the objective of reducing the portfolio's climate footprint to net zero by 2050
- Further development of the Sampension community's active ownership efforts, including voting activities and cooperation with other investors through investor networks and dialogue programmes
- Establishment of an action plan for working with biodiversity in investments
- Strategy for integrating sustainability considerations into direct real estate investments
- Preparation for CSRD reporting effective from FY 2025

Investment climate reporting

Carbon footprint of investments	Unit	2023	2022	2021	2020	Percentage in 2023
Total carbon emissions[1]						
Absolute emissions						
- including forestry investments	Tonnes CO2e	494,690	728,525			94%
- excluding forestry investments	Tonnes CO2e	914,529	963,346			94%
2030 target - 45 % reduction[2]	Tonnes CO2e	666,962				
Financed emissions (carbon footprint)						
- including forestry investments	Tonnes CO2e/DKKm	3.3	4.9			94%
- excluding forestry investments	Tonnes CO2e/DKKm	6.2	6.7			94%
2030 target - 45 % reduction[2]	Tonnes CO2e/DKKm	5.3				
Distributed carbon emissions - absolute[1]						
Listed equities	Tonnes CO2e	410,269	388,710	468,296	561,425	99%
Credit portfolio	Tonnes CO2e	226,093	297,926			98%
Private equity portfolio	Tonnes CO2e	72,513	85,066			83%
Infrastructure portfolio	Tonnes CO2e	160,205	141,116			98%
Portfolio of Danish mortgage bonds	Tonnes CO2e	35,459	40,267			99%
Property portfolio	Tonnes CO2e	9,990	10,262			91%
Forestry investment portfolio	Tonnes CO2e	-419,840	-234,821			87%
Distributed financed carbon emissions (carbon footprint)[1]						
Listed equities	Tonnes CO2e/DKKm	7.2	7.6	7.7	10.7	99%
Credit portfolio	Tonnes CO2e/DKKm	8.2	10.5			98%
Private equity portfolio	Tonnes CO2e/DKKm	5.5	6.0			83%
Infrastructure portfolio	Tonnes CO2e/DKKm	17.5	15.7			98%
Portfolio of Danish mortgage bonds	Tonnes CO2e/DKKm	1.4	1.6			99%
Property portfolio	Tonnes CO2e/DKKm	0.7	0.6			91%
Carbon displacement from directly-owned renewable energy infrastructure						
Absolute carbon displacement	Tonnes CO2e	132,340	94,937	68,527	102,571	
Carbon emissions by government bonds and supranationals[1]						
Carbon intensity (sovereign emissions - production intensity)	Tonnes CO2e/ EURm GDP	282.6	234.4			95%

(1) For asset classes other than listed shares, emissions were calculated for the first time for 2022 and as a result are disclosed only for 2022 and 2023.
(2) The calculated target figures for 2030 are based on the portfolio excluding forestry investments and thus do not include the net effect of carbon sequestration from these investments.

Active ownership, number of climate dialogues		2023	2022	2021	2020
Total dialogues on climate	No.	**1,465**	**1,237**		
– of which own dialogues	No.	5	7	-	
– of which dialogues via investor network as actively participating investor	No.	9	6	-	
– of which dialogues via investor network in general	No.	1,421	1,214	-	
– of which dialogues via ESG rating agency	No.	30	10		

(1) Due to a change in the calculation method, it has not been possible to calculate comparative figures for 2020-2021.

ESG ratios for the Sampension Group

The Sampension community has decided to support the pension industry's request for a common standard by publishing an overview of its ESG ratios calculated according to the industry recommendations published by Insurance & Pension Denmark as a consequence of the government's climate partnerships for the financial sector, the most recent version being Insurance and Pension Denmark's climate reporting in December 2023.

Sampension Group **E - Environmental data (climate reporting)**	**Unit**	**2023**	**2022**	**2021**	**2020**
CO2 scope 1	Tonnes	78	51	65	50
CO2 scope 2	Tonnes	99	95	181	163
Renewable energy intensity	%	73	76	75	74
Purchased externally	%	93	93	94	92
Generated internally	%	7	7	6	8
Energy consumption	Gigajoules	7,788	7,250	8,284	6,409
Water consumption	m^3	4,284	3,108	2,467	2,568
S - Social data					
Full-time equivalent employees	FTE	401	369	340	317
Gender diversity, all	%	46	48	46	48
Gender diversity, managers	%	32	34	38	44
Remuneration gap men/women, all	Times	1.2	1.3	1.3	1.3
Remuneration gap men/women, managers	Times	1.5	1.4	1.2	1.3
Employee turnover	%	16.1	16.6	12.8	12.6
Absenteeism	Days/FTE	6.7	6.7	6.6	3.7
Employees with no sickness absence	Number	121	127	137	156
Taxes paid	DKKm	2,495	4,838	3,2230	5,578
G - Governance data					
Gender diversity Board of Directors[1]	%	33	33	36	36
Board meeting attendance	%	86	87	90	91
Remuneration gap between CEO and employees	Times	7.4	7.8	7.8	8.0

(1) The ratio is for Sampension Livsforsikring A/S. The calculation method has been changed in accordance with the new guidance issued by the Danish Business Authority, implying that figures for 2023 and 2022 are not comparable with the figures for the years prior to 2022.

The ESG ratios show:

- Sampension's fuel consumption in 2023 grew despite the transition to petrol-fuelled/hybrid/electric company cars instead of diesel cars. This affected our Scope 1 emissions, which grew by just over 50%, and our total energy consumption, which grew by 7.4%.

- The final calculation of indirect carbon emissions from Sampension (CO_2 Scope 2) for 2022 showed a significant decline relative to 2021. Scope 2 emissions for 2023 are based on the 2022 environmental declaration and therefore show a relatively stable level.

- Water consumption increased in 2023, partly due to damage identified and remedied in 2023 and partly due to an increase in headcount.

- Gender diversity: Developments show that – in recent years – the gender distribution in terms of the company's management positions has dropped in relation to the underrepresented gender, while the distribution among all employees has shown a more stable trend. With respect to female managers, the decrease was seen among the management team and other managers, with the proportion of female executives falling by 15 percentage points to 14% women in 2023. The management team consists of seven people, which is why diversity is highly sensitive to individual recruitments.

- Taxes paid decreased by 48% in 2023. The 'Taxes paid' item includes tax on pension returns which depends on the realised investment return for the preceding year, which was negative in 2022.

Sampension's domicile, etc. – emissions and energy consumption

Sampension is committed to optimising the consumption of energy resources in order to improve operating finances and reduce our environmental footprint. Rambøll assists Sampension in calculating the environmental and climate impact of the company's activities in and around the domicile in Hellerup.

Overall, energy consumption for the Sampension Group increased by 7.4% in 2023. This was mainly attributable to higher fuel consumption in 2023 despite the transition to hybrid and electric company cars, while actual heat consumption decreased. Water consumption also grew in 2023.

Energy consumption	**Unit**	**2023**	**2022**	**2021**	**2020**
Electricity consumption (incl. own consumption from solar panels)	kWh	1,183,040	1,094,124	1,003,047	965,763
Heat concumption (district heating)	GJ	2,473	2,614	3,785	2,2555
Heat concumption (district heating) degree-day adjusted	GJ	2,731	2,526	3,638	2,665
Water consumption	m^3	4,284	3,108	2,463	2,568
Transport *of which electricity*	litres litres	31,182 257	20,316 -	26,222 -	20,236 -

- Total power consumption grew by 8.1% or just over 88,000 kWh in 2023. Our solar panels generate a steady volume of electricity, corresponding to about 13% of the total electricity consumption.

- Sampension's actual heat consumption (unadjusted consumption figures) dropped 5.4% in 2023, while the degree-day adjusted heat consumption rose by 8.1% in 2023.

- We saw a marked increase in our water consumption in 2023, which was partly attributable to damage, partly to an increase in headcount.

- Fuel consumption for transport grew significantly in 2023, totalling 31,182 litres against 20,316 litres in 2022. Some two thirds of the increase can be attributed to petrol consumption and one third to diesel consumption. We began a transition to electric vehicles in 2023.

Report on the underrepresented gender

The report on the underrepresented gender provided in this section was prepared in accordance with section 132a of the Executive Order on financial reports for insurance companies and multi-employer occupational pension funds (the Executive Order on Financial Reports).

Board of Directors of Sampension Livsforsikring A/S

The current composition of the shareholder-elected members of the Board of Directors represents an equal gender distribution with three of the members, corresponding to 33%, being women and six members, corresponding to 67%, being men. This distribution is consistent with the Danish Business Authority’s guidelines on an equal gender composition of the board of directors.

Other management levels at Sampension Livsforsikring A/S

At 31 December 2023, Sampension Livsforsikring A/S had six employees, two of whom have management responsibility at the company’s other management levels as defined in the Companies Act. Thus, there is no requirement to define target figures for the other management levels of Sampension Livsforsikring A/S, because the company has two or fewer management employees at its other management levels.

Moreover, as the company has fewer than 50 employees, it is not required to have a policy for gender diversity at the other management levels. Accordingly, Sampension Livsforsikring A/S does not have such a policy.

Gender distribution at the management levels of Sampension Administrationsselskab A/S

In the policy for gender diversity in management, the Board of Directors of Sampension Administrationsselskab has defined a target for the underrepresented gender to make up at least 40% of other management levels (as defined in the Companies Act) by 2027. A target has also been set for the underrepresented gender with management responsibility to make up 40% across all management levels at Sampension Administrationsselskab A/S.

Other management levels

	Women		Men	
Year	**Number of individuals**	**Percentage share**	**Number of individuals**	**Percentage share**
2023	2	18%	9	82%

In accordance with the Companies Act, other management levels at Sampension Administrationsselskab include two management levels below the Board of Directors. Currently, there are no female managers at the first management level, consisting of the Executive Board and any persons at the same management level as the Executive Board in organisational terms (two persons). At the second management level (persons with HR responsibility reporting directly to the first management level (nine persons)), there are two representatives of the underrepresented gender, resulting in a distribution of 82%/18% at other management levels. Both management levels consist of a small group of persons and have a low turnover rate, making their distribution highly sensitive to individual recruitments.

Overall management levels

With regard to the overall management levels – consisting of the Executive Board, the management team, department managers and team managers – the proportion of the underrepresented gender dropped to 32% women (68% men) in 2023.

The share of female members of the management team decreased. The management team consists of seven people, which is why diversity is highly sensitive to individual recruitments.

We also saw a decrease among department managers of 11 percentage points, while the share of women among team leaders increased by 11 percentage points.

The change in the gender distribution among department managers was, among other things, due to the fact that a number of the appointments made in 2023 were made in-house by appointing team leaders to managers, and there has been an overrepresentation of male team leaders in recent years. In-house recruitment for management positions is a natural development path for retaining Sampension's employees.

The policy aims to increase the proportion of the under-represented gender and create equal opportunities for men and women in management. In order to promote an equal distribution, the company has introduced a number of supporting initiatives:

- The successful candidate will be the candidate who, from an overall perspective, is deemed to be best suited for the management role in question. In connection with recruitment, the company ensures a broad recruitment base in order to provide equal opportunities for both genders. To the extent possible, both internal and external recruitment procedures seek to ensure that at least one applicant of each gender is among the candidates considered for a position. All employees, regardless of gender, must be offered equal opportunities for development, job satisfaction and career. We want a gender-neutral culture.
- Ensure that the company is attractive and conforms to the market standards for both female and male employees and managers by offering work-life balance, among other things.
- Ensure an employee policy that promotes equal career opportunities for men and women alike.
- The employees' ongoing discussions about performance and development goals are instrumental in supporting both women and men in focusing on their educational and career aspirations, including wishes to become managers.
- Facilitate the establishment of mentoring schemes for less experienced managers.

The management team continuously monitors whether targets are met and whether the efforts to increase the proportion of the underrepresented gender in management positions continue, even if the target for an equal gender distribution in management of 40% has been met.

Description of method – corporate social responsibility

General information

The report on corporate social responsibility was prepared in accordance with section 132 of the Executive Order on financial reports for insurance companies and multi-employer occupational pension funds issued by the Danish FSA (the Executive Order on Financial Reports). The report on the underrepresented gender was prepared in accordance with section 132a of the Executive Order on Financial Reports.

ESG ratios

The ESG ratios were prepared according to the pension industry's common standard, which is in line with the guidelines issued by FSR – Danish Auditors, Nasdaq and the Danish Finance Society of June 2019. Customer retention data are not disclosed, as they would not provide a true and fair view of customer satisfaction in a labour market pension fund.

Social data stem from Sampension Administrationsselskab, which provides all the administrative services to life insurance companies, pension funds and pension companies as well as general asset management services and other related business. The employees of the Sampension Group are employed by this company.

The company's carbon emissions

Carbon emission figures are reported in accordance with the Green House Gas (GHG) Protocol – the international standard for reporting greenhouse gas emissions. According to the GHG Protocol, climate accounts are to be prepared based on a breakdown of direct and indirect emissions. Direct emissions are defined as emissions from activities that are owned or controlled by the company, while indirect emissions are defined as emissions that are a consequence of the activities of the company, but which occur at sources owned or controlled by another entity.

The data are based on the energy and utility companies' statements of consumption as well as mileage statements from employees and leasing companies and were calculated for Sampension by Rambøll in January 2024.

Scope 1: Direct GHG emissions from sources/activities that are owned or controlled by the company, e.g. transport using the company's own or leased cars. CO_2e for Scope 1 are shown in metric tonnes/year.

Scope 2: Indirect GHG emissions from consumption of purchased energy, e.g. electricity, heating or cooling used by the company and supplied by an external provider. CO_2e for Scope 2 are shown in metric tonnes/year.

Energy consumption: Total energy consumption for transport, electricity and heating, as well as energy consumption from renewable energy sources (solar panel systems). Shown as total consumption in GJ/year.

Renewable energy share: Renewable energy's share of total energy consumption. Shown as a percentage of total energy consumption.

Water consumption: The sum of all water consumed. Consumption is shown as m3/year.

Description of method for calculating environmental key figures for the investment portfolio

Estimated emissions for the investment portfolio are determined according to the principle recommended in the EU Disclosure Regulation and the industry recommendation published by Insurance & Pension Denmark as a result of the government's climate partnerships for the financial sector (the most recent version being Insurance and Pension Denmark's climate report of December 2023) on the allocation of emissions by a company according to an allocation key based on the ownership of the issued share capital and debt instruments and cash held by that company (EVIC[2]). Thus, reporting is based on an allocation principle according to the financing of the economic activities of the investee companies.

The basis for the calculation of emissions is the UN Framework Convention on Climate Change adopted in 1997 – the Greenhouse Gas Protocol (GHG/Kyoto Protocol), according to which GHGs include: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Because the gases have different concentrations in relation to their greenhouse effect and have different half-lives, measured as the Global Warming Potential (GWP), each gas is normalised to CO_2 equivalents (CO_2e) by multiplying each gas by its individual GWP factor.

Emissions generated by companies are categorised as follows:

Scope 1

Direct emissions from sources owned or controlled by the company, i.e. emissions from the company's own operations.

Scope 2

Indirect emissions from the generation of purchased energy consumed in the company's operations, including, for example, the generation of power used in the company.

Scope 3

All other indirect emissions – upstream and downstream, i.e. emissions from the production of input for the company's operations (other than energy) and emissions from the use of the company's products and services.

For the purpose of determining Sampension's emissions from investments, only Scope 1 and 2 emissions are taken into account.

CO_2e emissions from the investment portfolio

Two metrics are used to calculate emissions from the investment portfolio:

- **Absolute carbon emissions**: The total amount of absolute emissions from investees, calculated based on the individual financed shares of the investee's carbon emissions:

$$Absolute\ CO2e\ emissions = \sum_{i=1}^{n} \left(\frac{Value\ of\ investment_i}{Enterprise\ value\ including\ cash\ (EVIC)} * Company's\ CO2e\ emissions_i \right)$$

- The metric depends on the financed share of emissions. Is not normalised and thus depends on the size of the portfolio. Not currency-dependent.
- **Carbon footprint:** Absolute emissions per million invested (in a given currency):

$$Carbon\ footprint = \frac{Absolute\ CO2e\ emissions}{Market\ value\ of\ investment\ portfolio\ (DKKm)}$$

[2] Enterprise value including cash

- The metric depends on the financed share of emissions. Comparison across portfolios and over time is possible due to normalisation with the portfolio value. Moreover, the metric is sensitive to changes in the underlying companies' market capitalisation, which is independent of the companies' emissions and dependent on currency.

MSCI average model: A quantitative model for estimating carbon footprint

If there is no available reported data on the CO_2e emissions from an investment, a quantitative model is used to estimate the investment's climate footprint, in the following referred to as the MSCI average model. The MSCI average model is based on the categorisation of investments into two primary data points:

- Industry group: Denotes the type of economic activity, applying the GICS classifications with a total of 24 different industry groups.
- Market: Denotes the region in which the investment primarily operates. Two markets are used: *'developed'* and *'emerging'*.

For each *industry group* and *market* combination, an estimate of the carbon footprint (Scope 1 and Scope 2 emissions per million invested) is calculated. The estimate is calculated based on the companies in the MSCI World Index and the MSCI Emerging Markets indices. Companies in the MSCI indices are divided into markets and industry groups, i.e. 48 groups in total. Next, the average value of the companies' carbon footprint is calculated for each group. The calculation of carbon footprint for each group is then used as an estimate of the carbon footprint for investments in similar industry groups with no reported emissions data available. Because the estimate of carbon footprint is based on enterprise value – and thus the total financing of the given business model, this model does not distinguish between ownership and debt. The emissions data used for the companies in the MSCI indices applied are provided by an external data provider, ISS ESG (latest available emissions data, released January 2024).

Investments – asset types included

This section describes the approaches used for the different asset classes in the CO_2e accounts to determine the CO_2e emissions or CO_2e sequestration/displacement derived from the investments.

- *Listed equities*
  - By owning shares and debt in the individual companies, the pension company has financed a share of the respective companies' emissions. The companies' emissions are allocated using an EVIC approach based on the company's total financing.
  - The data used derive from ISS ESG, which provides validated data for companies that publish data themselves and also provides estimated emissions data for companies that do not publish via e.g. CDP or sustainability reporting.
    - ISS ESG's validation and estimation of emissions data are based on an advanced model with 800 sectors and sub-sectors and sector-specific regression models, where conglomerates are broken down by business areas and holding companies are broken down by ownership of subsidiaries.

- *Credit*
  - By owning equity and debt in the individual companies, Sampension has financed a share of the respective companies' emissions. The companies' emissions are allocated using an EVIC approach based on the company's total financing.
  - Part of the data applied are provided by ISS ESG. For companies for which ISS ESG does not provide data, modelled data are applied according to the MSCI average model described above.

  Measured in terms of market capitalisation, 11% of the investments were calculated based on data from ISS and 89% based on modelling.

- *Private equity funds*
    - By owning shares and debt in the individual companies, the pension company has financed a share of the respective companies' emissions. The companies' emissions are allocated using an EVIC approach based on the company's total financing.
    - Data provider Burgiss provides GIGS industry group classification and country code for the individual portfolio companies in the funds.
    - The emissions data consist partly of reported data received from the managers of invested funds and partly of modelled data based on the MSCI average model described above. Where reported data are available (dating less than three years back), they are used for the individual portfolio company; otherwise the MSCI average model is used.
    - The reported data received include emission figures for 2021 and 2022. Measured in terms of market capitalisation, 28% of the investments were calculated based on reported data and 72% based on modelling.

- *Infrastructure*
    - *Funds*
        - By owning shares and debt in the individual companies, the pension company has financed a share of the respective companies' emissions. The companies' emissions are allocated using an EVIC approach based on the company's total financing.
        - Data provider Burgiss provides GIGS industry group classification and country code for the individual portfolio companies in the funds.
        - The emissions data consist partly of reported data received from the managers of invested funds and partly of modelled data based on the MSCI average model described above. Where reported data are available (dating less than three years back), they are used for the individual portfolio company; otherwise the MSCI average model is used.
        - The reported data received include emission figures for 2021 and 2022.

      Measured in terms of market capitalisation, 51% of the investments were calculated based on reported data and 49% based on modelling.

    - *Directly-owned infrastructure – wind farms and solar farms*
        - Emissions
            - The operation of directly-owned wind and solar farms produces CO_2e emissions categorised as Scope 1 and Scope 2 emissions, as is the case with other invested economic activities.
            - Data for 2023 are available for almost 100% of the investments. For some of the wind farms, consumption data for the month of December are not available, which is why these are estimated on the basis of prior-year data.
            - Emissions are calculated based on the preliminary environmental declaration published by Energinet for the year in question (annual average) broken down by DK1 and DK2 (www.energinet.dk/dta-om-energy/declarations-og-csr). Previous observations are calculated on the basis of the latest final environmental declaration available at the time of reporting.

        - CO_2 displacement
            - The ownership of wind turbines and solar farms results in what is known as CO_2 displacement: electricity production from fossil fuels being displaced by electricity production from renewable energy sources, resulting in lower carbon emissions.

- The calculation is broken down by region, applying the energy mix – and hence the emission profile – in regional electricity production.
- The carbon displacement for Danish wind and solar farms is calculated based on the preliminary environmental declaration published by Energinet for the year in question (annual average) broken down by DK1 and DK2 (www.energinet.dk/dta-om-energy/declarations-og-csr). Previous observations are calculated on the basis of the final environmental declaration, which is released with a significant delay.
- For Sweden and Germany, similar sources are applied with regard to investments in renewable energy infrastructure assets in these countries.
- As data on electricity production for parts of the portfolio were not available for December 2023 at the date of calculation, estimates for this month were applied.
- Data are available for 100% of the directly-owned wind turbines.

  - *Direct infrastructure – Danish properties*
    - The MSCI average model was used to calculate the carbon footprint, the properties being classified in the model as 'Real Estate'.

- *Danish mortgage bonds*
  - Through the ownership of bonds issued by Danish mortgage credit institutions with mortgages on real estate – both private and commercial real estate – Sampension has financed emissions linked to the real estate deriving from the operation of the properties.
  - It should be noted that a final clarification in principle is pending concerning investor allocation of emissions derived from investment in Danish mortgage bonds to Scope 1, 2 and 3 emissions. Until this matter has been finally clarified, Sampension has chosen an allocation model similar to that used for 2022.
  - Four Danish mortgage credit institutions publish data on emissions stemming from the properties financed through the respective institutions. The types of property included vary among the institutions.
  - The mortgage credit institutions estimate emissions according to the CO_2 model for the financial sector developed jointly by Finance Denmark and Insurance & Pension Denmark. This model is based on the general PCAF model.
  - As the specific data on individual properties' heating, electricity and water consumption are not publicly available, the properties' ecolabeling is used to estimate emissions from operation and use of the properties on the basis of year of construction, type of building, primary heating source, geographical location and floor area. Data from the Danish Energy Agency and the BBR register are used for this purpose.
  - Emissions from the individual properties are weighted by the loan-to-value (LTV) ratio for the properties, thereby allocating the share of the total emissions from the property's consumption to the owner of the underlying mortgage bonds used to finance the purchase of the property in question.
  - Reference is made to the Danish mortgage credit institutions for a more detailed description of their methods of estimation.
  - LTV-weighted emissions will vary over time for several reasons, including developments in property prices, interest rate fluctuations and type of financing (with/without repayment).
  - Emissions from investments in Danish mortgage bonds were determined on the basis of the nominal values of the bonds and total nominal emissions at the level of the capital centre.
  - Data are available for 99% of investments in mortgage bonds.

- *Properties*
    - *Internally managed Danish properties*
        - The calculation of Scope 1 and Scope 2 CO_2e emissions is based on a bottom-up approach with actual emissions being calculated on the basis of actual consumption. CO_2e emissions were determined as CO_2e per square metre per annum calculated on the basis of the floor area of the properties. The calculation was made in accordance with the general GHG Protocol guidance.
        - Data are available for internally managed Danish properties only and are provided by Sampension's property managers.
        - The CO_2 calculation is performed according to geography. Emissions are included where they occur and are broken down by electricity, water and heating, respectively. CO_2 emissions from district heating consumption are calculated on the basis of fuels used in the local district heating network.
        - CO_2e emissions were calculated based on known underlying emission factors for 2022. The 2022 factors were projected to 2023 in accordance with the expected development in the Danish Energy Agency's climate status and projection 2023. Water accounts are linked to CO_2 emissions from the operations of the respective water supply companies.
        - Emissions data are only available for properties in operation, which is why only these are included in the calculation. Thus, properties under construction are not included, affecting the coverage ratio, which is 91%.

    - *Foreign properties (funds)*
        - The MSCI average model was used to estimate emissions from investments.
        - Data provider Burgiss provides GIGS industry group classification and country code for the individual assets of the funds.

- *Government bonds and supranationals*
    - Through the ownership of government bonds and bonds issued by supranational organisations, the pension company as an investor can be said to indirectly contribute to the financing of the production of and derived CO_2 emissions that occur in the respective countries.
    - The calculated metric differs from the calculation of the carbon footprint of companies, in that it is a production intensity figure calculated on the basis of emissions from domestic production relative to the gross domestic product of the state concerned.
    - The calculation is consistent with the approach adopted by the UN Framework Convention on Climate Change (UNFCCC).
    - The underlying data from UNFCCC are provided by ISS and are regularly updated.
    - The metric applied is calculated on the basis of the approach taken by the EU in the SFDR Principal Adverse Indicator no. 15.
    - Data are available for approximately 95% of the bond investments.

- *Forestry investments (directly-owned)*
    - Emissions
        - Forestry operations lead to CO_2 emissions
        - These are determined by forest managers in cooperation with Sampension's business partners in the field.
        - Data for 2022 were used as no data for 2023 were available at the time of the calculation.
        - Emissions for just under 87% of the investments were calculated based on the 2022 data.
        - It was not possible to estimate emissions from the remaining part of the portfolio.

- CO_2 sequestration
  - Investments in forest assets lead to CO_2 sequestration resulting from forest growth.
  - Sampension has chosen to calculate the CO_2 effect of forestry operations (net emission/sequestration) based on the following metrics:
  - Emissions from operations
  - Sequestration after harvesting
  - Forest mass harvested is deducted from the year's growth in forest mass.
  - Sequestration from long-term accumulation in wood products
  - Sale and use of harvested wood products (HWP), i.e. wood products used for e.g. building materials, for which carbon storage is considered to be long-term (at least 100 years) and therefore considered to be long-term carbon storage under the GHG Protocol. This category is currently considered to be Scope 3 emissions from forestry investments and is therefore not included in this reporting.
  - The calculation is performed with input from the joint management company's business partner in the field and with input from associated timber investment managers (TIMOs)
  - TIMOs provide the bulk of emission and sequestration data. There may currently be differences in the calculation principles underlying the reported data from different TIMOs. However, it is assessed that the quality of the reported data is significantly better than what can be achieved from general data estimation.
  - The international standards for the calculation of biogenic CO_2 sequestration in forestry operations are developed and defined under the auspices of the GHG Protocol organisation in the form of the Land Sector and Removals Guidance.
  - The calculation of GHG metrics is based on the draft currently submitted for consultation. According to the principles described in Net Land Management Emissions and Removals, CO_2 sequestration is calculated and published based on an accounting approach.
  - Data for 2022 were used as no data for 2023 were available at the time of the calculation. There are expected to be differences between the current calculation method and future calculation principles.
  - Based on the data for 2022, emissions for approximately 87% of the investments were calculated.

Calculating the base footprint

The calculation of the carbon footprint at 31 December 2019 (base footprint) is used to set targets for 2030.

Investments in credit

- There are no reviewed data as at 31 December 2019, but data on investments in each of the GICS industry group broken down by EM and DM are available. These data can form the basis of a calculation of the carbon footprint according to the MSCI average model.

Investments in equities

- The calculation was made through ISS in the same way as this year's calculations. See the section above.

Investments in PE, real estate and infrastructure funds

- Reviewed data as at 31 December 2019 are available, and the method of calculation is consistent with that year's calculations. See the section above. For the base footprint, 100% of the calculated data were modelled.

Investments in Danish mortgage bonds

- It is assumed that Danish mortgage bonds had the same footprint at 31 December 2022 as they had at 31 December 2019. This assumption is due to the fact that we do not have data prior to 2022.

PPP properties

- The average carbon footprint for MSCI companies in the Developed Market (the real estate industry groups) at 31 December 2019 is used as a proxy for the carbon footprint of PPP properties.

Danish and Swedish wind turbines

- Carbon footprint data have been reported for the wind turbines from the end of 2022. As with the Danish mortgage bonds, the earliest available data are used as proxy. This means that the wind turbines are included with the same carbon footprint in 2019 as in 2022.

- Using the MSCI average model, ISS data were compiled for 2019, where the MSCI index company list is that at 31 December 2023, and so the MSCI company list is the same as that applied for the calculations at 31 December 2023.

Consolidated and Parent Company financial statements

Note	Income statement and comprehensive income statement	GROUP		PARENT COMPANY	
Note	DKKm.	2023	2022	2023	2022
2	Gross premiums	11,633	11,730	11,633	11,730
	Ceded insurance premiums	0	-1	0	-1
	Total premiums, net of reinsurance	**11,632**	**11,729**	**11,632**	**11,729**
	Income from group enterprises	0	0	7,391	-5,337
	Income from associates	-103	245	3	284
	Income from investment property and other tangible investment assets	379	595	0	0
3	Interest income, dividends etc.	3,800	7,937	1,839	6,154
4	Market value adjustments	17,383	-40,085	9,254	-30,244
	Interest expenses	-208	-110	-90	-14
5	Investment management expenses	-919	-989	-526	-423
	Total investment return	**20,333**	**-32,407**	**17,872**	**-29,579**
	Tax on pension returns	**-184**	**-326**	**-184**	**-326**
6	Benefits paid	-11,701	-11,291	-11,701	-11,291
	Total insurance benefits, net of reinsurance	**-11,701**	**-11,291**	**-11,701**	**-11,291**
15,16	**Total change in provisions, net of reinsurance**	**-17,396**	**28,617**	**-17,396**	**28,617**
14	**Change in surplus capital**	**-24**	**691**	**-24**	**691**
	Administrative expenses	-188	-181	-188	-181
	Total net operating expenses, net of reinsurance	**-188**	**-181**	**-188**	**-181**
	Transferred return on investments	**-2,675**	**2,846**	**-214**	**418**
	TECHNICAL RESULT	**-203**	**-323**	**-203**	**78**
	Investment return on equity	**341**	**111**	**214**	**-418**
	Minority interets of investment return	**2,334**	**-2,956**	**0**	**0**
	Other income	**91**	**83**	**0**	0
	Other expenses	**-82**	**-77**	**0**	0
	PROFIT BEFORE TAX	**2,480**	**-3,161**	**11**	**-340**
7	**Tax**	**-50**	**-52**	**48**	**23**
	PROFIT FOR THE YEAR	**2,430**	**-3,213**	**59**	**-317**
	Other comprehensive income				
	Domicile property revaluation	-25	-61	0	0
	Translation of units outside Denmark	-85	44	-85	44
	Translation of units outside Denmark - minority interests share	-13	0	0	0
	Tax on pension returns	11	-5	11	-5
	Change in collective bonus potential	72	-46	72	-46
7	Tax	0	0	0	0
	TOTAL OTHER COMPREHENSIVE INCOME	**-40**	**-68**	**-2**	**-7**
	NET PROFIT FOR THE YEAR	**2,390**	**-3,281**	**57**	**-324**
	Minority interests share	**-2,334**	**2,956**	**0**	**0**
	PARENT COMPANY'S SHARE OF PROFIT FOR THE YEAR	**57**	**-324**	**57**	**-324**

Note	Balance sheet	GROUP		PARENT COMPANY	
Note	DKKm.	2023	2022	2023	2022
	ASSETS				
	INTANGIBLE ASSETS	**208**	**158**	**0**	**0**
8	Equipment	21	7	0	0
9	Domicile property	435	464	0	0
	TOTAL PROPERTY, PLANT AND EQUIPMENT	**456**	**471**	**0**	**0**
10	**Investment property and other tangible investment assets**	**5,112**	**5,488**	**0**	**0**
	Investments in group enterprises	0	0	21,380	23,285
11	Loans to group enterprises	0	0	785	1,083
	Investments in associates	1,106	1,231	479	529
11	Loans to associates	209	234	209	234
	Total investments in group enterprises and associates	**1,314**	**1,466**	**22,853**	**25,131**
	Investments	36,886	36,164	6,200	6,197
	Units in mutual funds	164	604	164	504
	Bonds	80,838	78,180	79,914	77,807
	Loans secured by mortgage	247	268	247	268
12	Derivative financial instruments	19,127	17,054	18,827	16,708
	Deposits with credit institutions	5,660	4,813	5,656	4,789
	Total other financial investment assets	**142,922**	**137,083**	**111,008**	**106,274**
	TOTAL INVESTMENT ASSETS	**149,349**	**144,037**	**133,861**	**131,405**
13	**INVESTMENT ASSETS RELATED TO UNIT-LINKED CONTRACTS**	**132,357**	**125,259**	**130,778**	**124,831**
	Total receivables arising from direct and indirect insurance contracts	**537**	**259**	**537**	**259**
	Receivables from group enterprises	**0**	**0**	**744**	**430**
	Other receivables	**442**	**633**	**76**	**48**
	TOTAL RECEIVABLES	**979**	**892**	**1,358**	**738**
	Current tax assets	5	17	0	0
7	Deferred tax assets	73	63	0	0
	Cash and cash equivalents	2,966	4,274	1,659	2,443
	Other	1,148	1,059	1,148	1,059
	TOTAL OTHER ASSETS	**4,191**	**5,413**	**2,807**	**3,502**
	Interest and rent receivable	2,503	2,496	2,405	2,425
	Other prepayments	498	357	337	267
	TOTAL PREPAYMENTS	**3,001**	**2,853**	**2,742**	**2,692**
	TOTAL ASSETS	**290,541**	**279,083**	**271,546**	**263,167**

Balance sheet

Note	DKKm.	GROUP 2023	GROUP 2022	PARENT COMPANY 2023	PARENT COMPANY 2022
	EQUITY AND LIABILITIES				
	Share capital	**1**	**1**	**1**	**1**
	Other reserves	196	209	70	72
	Total reserves	**196**	**209**	**70**	**72**
	Retained earnings	**3,280**	**3,190**	**3,406**	**3,347**
	Minority interests	**16,877**	**14,828**	**0**	**0**
	TOTAL EQUITY	**20,354**	**18,229**	**3,477**	**3,420**
14	**Surplus capital**	**3,365**	**3,341**	**3,365**	**3,341**
	TOTAL SUBORDINATED LOAN CAPITAL	**3,365**	**3,341**	**3,365**	**3,341**
15	**Provisions for average-rate products**	**98,138**	**93,673**	**98,138**	**93,673**
16	**Provisions for unit-linked contracts**	**126,965**	**113,951**	**126,965**	**113,951**
	TOTAL PROVISIONS FOR INSURANCE AND INVESTEMENT CONTRACTS	**225,103**	**207,624**	**225,103**	**207,624**
7	Deferred tax liabilities	119	110	0	0
	Other provisions	90	83	0	0
	TOTAL PROVISIONS FOR LIABILITIES	**209**	**194**	**0**	**0**
	Payables arising from direct insurance operations	160	74	160	74
17	Payables to credit institutions	20,580	28,420	18,926	26,626
	Payables to group enterprises	0	0	487	1,660
	Payables to associates	0	86	0	0
	Current tax liabilities	55	79	0	0
18	Other debt	20,284	20,881	19,676	20,329
	TOTAL DEBT	**41,078**	**49,539**	**39,249**	**48,688**
	TOTAL DEFERRED INCOME	**432**	**156**	**352**	**93**
	TOTAL EQUITY AND LIABILITIES	**290,541**	**279,083**	**271,546**	**263,167**

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Statement of changes in equity

DKKm.	Share capital	Currency translation adjustments	Domicile	Retained earnings	Minority interests	Total
PARENT COMPANY						
Equity at 1 January 2022	**1**	**79**	**0**	**3,665**	**0**	**3,744**
Profit for the year	0	0	0	-317	0	-317
Other comprehensive income	0	-7	0	0	0	-7
Equity at 31 December 2022	**1**	**72**	**0**	**3,348**	**0**	**3,420**
Profit for the year	0	0	0	59	0	59
Other comprehensive income	0	-2	0	0	0	-2
Equity at 31 December 2023	**1**	**70**	**0**	**3,406**	**0**	**3,477**
GROUP						
Equity at 1 January 2022	**1**	**78**	**199**	**3,446**	**18,503**	**22,228**
Profit for the year	0	0	0	-256	-2,956	-3,213
Other comprehensive income	0	-7	-61	0	0	-68
Minority interests shares - disposals	0	0	0	0	-718	-718
Equity at 31 December 2022	**1**	**71**	**138**	**3,190**	**14,828**	**18,228**
Profit for the year	0	0	0	85	2,334	2,418
Other comprehensive income	0	-2	-25	0	-13	-40
Correction, previous years	0	0	13	5	0	19
Minority interests shares - disposals	0	0	0	0	-272	-272
Equity at 31 December 2022	**1**	**69**	**126**	**3,281**	**16,877**	**20,354**

Capital base	31.12.2023	31.12.2022
Equity	3,477	3,420
Surplus capital	3,365	3,341
Intangible assets in group entreprises	-208	-158
Difference between provisions for financial reporting and solvency purposes	281	239
Total	**6,915**	**6,842**

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Sampension Livsforsikring A/S for the financial year 1 January – 31 December 2023.

The Annual Report has been prepared in accordance with the Danish Financial Business Act and other relevant legislation.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the parent company's operations for the financial year ended 31 December 2023.

In our opinion, the Management's review includes a fair review of developments in the Group's and the parent company's activities and financial position together with a description of the principal risks and uncertainties that they face.

We recommend the Annual Report for adoption at the annual general meeting.

Hellerup, 1 March 2024

Executive Board

Hasse Jørgensen
Chief Executive Officer

Mads Smith Hansen
Chief Operating Officer

Board of Directors

Jens Ejner Christensen
(Chairman)

Kim Simonsen
(Deputy Chairman)

Anne Mette Barfod

Rita Bundgaard

Hans Christen Østerby

René Nielsen

Torben Henning Nielsen

Lene Roed

Michael Brautsch

John Helle (ME)

Morten Lundsgaard (ME)

Jakob Juul-Thorsen (ME)

Simon Hinrichsen (ME)

Søren Sperling (ME)

(ME): Employee representative

Internal auditor's report

Opinion

In our opinion, the consolidated and parent company financial statements of Sampension Livsforsikring A/S give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the parent company's operations for the financial year ended 31 December 2023 in accordance with the Danish Financial Business Act in respect of the consolidated and the parent company financial statements.

Our opinion is consistent with our long-form audit report to the Audit and Risk Management Committee and the Board of Directors.

Basis of opinion

We have audited the consolidated and parent company financial statements of Sampension Livsforsikring A/S for the financial year ended 31 December 2023. The consolidated and parent company financial statements are prepared in accordance with the Danish Financial Business Act.

We conducted our audit on the basis of the Executive Order of the Danish Financial Supervisory Authority on auditing financial enterprises etc. and financial groups and in accordance with international standards on auditing with respect to the planning and performance of the audit procedures.

We planned and performed the audit so as to obtain reasonable assurance that the consolidated financial statements and the parent company financial statements are free from material misstatement. We participated in the audit of all critical audit areas.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company 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 review provides the information required under the Danish Financial Business Act and other relevant legislation.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act and other relevant legislation. We have not identified any material misstatement of the Management's review.

Hellerup, 1 March 2024

Gert Stubkjær
Group Chief Auditor

Independent Auditor's Report

To the Shareholders of Sampension Livsforsikring A/S

Opinion

In our opinion, the Group Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit and Risk Committee and the Board of Directors.

What we have audited

The Group Financial Statements and the Parent Company Financial Statements of Sampension Livsforsikring A/S for the financial year 1 January - 31 December 2023 comprise income statement and statement of other comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including accounting policies, for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

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 Financial Statements section of our Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Sampension Livsforsikring A/S on 30 May 2000 for the financial year 2000. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 24 years including the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<u>Measurement of provisions for insurance and investment contracts</u> The Group's provisions for insurance and investment contracts total DKK 225,103 million, which constitutes 77 percent of the Group's balance sheet total. The provisions primarily consist of provisions for average-rate products and unit-linked contracts. The provisions are based on actuarial principles and involves significant accounting estimates, which are linked to the actuarial assumptions concerning the timing and amounts of future payments to the policyholders. Significant actuarial assumptions include yield curve used for discounting, life span, mortality, disability, probability of repurchase and paid-up policies as well as costs. We focused on the measurement of provisions for insurance and investment contracts, because the accounting estimate is complex by nature and influenced by subjectivity and thus associated with a high degree of estimation uncertainty. Reference is made to the mention of "Accounting estimates" in note 1 and "Provisions for average-rate products" in note 15 and "Provisions for unit-linked contracts" in note 16 to the Group Financial Statements and the Parent Company Financial Statements.	We performed risk assessment procedures in order to gain an understanding of IT systems, business procedures and relevant internal controls regarding the calculation of provisions for insurance and investment contracts. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to base the audit on, we tested whether they were performed on a consistent basis. We used our own actuaries to assess the actuarial methods and models used by the Group, as well as the assumptions used and calculations made. We assessed and challenged the methods used, models and significant assumptions in the form of yield curves used for discounting, life span, mortality, disability, probability of repurchase and paid-up policies probability and costs based on our industry knowledge to assess whether these are in accordance with regulatory and accounting requirements. This included an assessment of the continuity of the basis for the calculation of provisions. We tested the calculation of the calculated insurance provisions on a sample basis. We assessed whether the information regarding the provisions was appropriate.
<u>Measurement of unlisted investment assets</u> Unlisted investment assets comprise investments in private equity funds, infrastructure funds, unlisted shares, investment properties and corporate bonds, etc and are included in the financial line items: • Investment property and other tangible investment assets • Investments • Bonds • Investment assets related to unit-linked contracts Unlisted investment assets are measured at an estimated fair value. The fair value accounting estimate is based on valuation models, data and significant assumptions that are not directly observable to third parties. Changes in the significant assumptions that are included in the	We performed risk assessment procedures in order to gain an understanding of IT systems, business procedures and relevant internal controls for measuring unlisted investments. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to base the audit on, we tested whether they were performed on a consistent basis. We assessed and tested the valuation models used by Management. We tested on a sample basis the consistency between the assumptions used, data and the

accounting estimate can have a significant impact on the financial statements. We focused on the measurement of unlisted investments because the accounting estimate is complex in nature and influenced by subjectivity and thus associated with a high degree of estimation uncertainty. Reference is made to the mention of “Accounting estimates” in note 1 and note 23, “Financial instruments recognised at fair value”, to the Group Financial Statements and the Parent Company Financial Statements.	calculation of fair values. We tested on a sample basis the applied fair values against relevant reporting from external fund managers. We challenged the accounting estimates forming the basis of the calculation of the fair values based on our knowledge of the portfolio and the market development. We assessed whether the information regarding the unlisted investment assets was appropriate.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management’s Review includes the disclosures required by the Danish Financial Business Act.

Based on the work we have performed, in our view, Management’s Review is in accordance with the Group Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement in Management’s Review.

Management’s responsibilities for the Financial Statements

Management is responsible for the preparation of Group financial statements and Parent Company financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group’s and the Parent Company’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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company’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 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 Company’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 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group Financial Statements. We are responsible for the direction, supervision and performance 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Hellerup, 1 March 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Definitions

Danish FSA financial ratios

Financial ratios have been calculated in accordance with the Danish FSA's Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds.

Rate of return =

$$\frac{\text{Investment return on average rate and unit-linked products x 100}}{\text{Pension provisions at beginning of year + weighted average contributions and benefits paid in respect of average-rate and unit-linked products}}$$

The financial ratio is calculated on a money-weighted basis. The target return can be divided into two categories: a money-weighted and a time-weighted return:

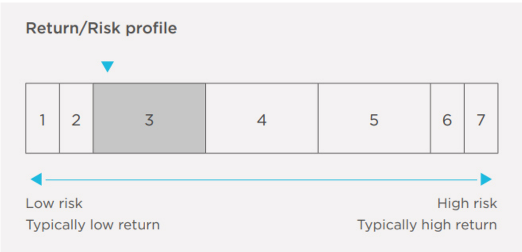
The money-weighted return reflects the actual return – or the relative value appreciation – achieved for the portfolio during the reporting period including returns on net contributions for the period.
In other words, the money-weighted return expresses the actual return for the period.

The time-weighted return reflects the return that would have been achieved if no payments had been made to or from the portfolio during the period. The time-weighted return expresses performance and can be used to measure against a benchmark or returns achieved by other investors within the same asset class.

Risk on return related to unit-linked products = 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:

Riskclass	%	
	SD≥	SD<
1.00	0.00	0.50
2.00	0.50	2.00
3.25	2.00	3.00
3.50	3.00	4.00
3.75	4.00	5.00
4.25	5.00	6.70
4.50	6.70	8.34
4.75	8.34	10.00
5.25	10.00	11.67
5.50	11.67	13.33
5.75	13.33	15.00
6.00	15.00	25.00
7.00	25.00	

Note that the standard deviation is measured as an average across risk profiles and generation pools. The standard deviation is converted into a risk category using the following scale:



Expenses as a percentage of provisions =

$$\frac{\text{Operating expenses re. insurance activities for the year x 100}}{\text{Pension provisions at beginning of year + weighted average contributions and benefits paid in respect of average-rate and market rate products}}$$

$$\text{Expenses per policyholder (DKK)} = \frac{\text{Operating expenses re. insurance activities for the year}}{\text{Average number of policyholders related to direct insurance + average number of policyholders with group life contracts x 0.1}}$$

$$\text{Return on equity after tax} = \frac{\text{Profit after tax x 100}}{\text{Weighted average equity}}$$

$$\text{Return on surplus capital, allocated same rate as equity} = \frac{\text{Return on surplus capital before tax x 100}}{\text{Weighted average surplus capital}}$$

$$\text{Solvency coverage ratio} = \frac{\text{Total capital at year end x 100}}{\text{Solvency capital requirement}}$$

Supplementary financial ratios

The rates of return of each individual interest rate group are calculated using the above formula.

$$\text{Bonus rate (\%)} = \frac{\text{Individual and collective bonus potentials of the interest rate group at year end x 100}}{\text{Total custody accounts for interest rate group at year end}}$$

$$\text{Return on customer funds after deduction of expenses and before tax, per product type} = \frac{\text{(Weighted average provisions + Weighted average surplus capital + tax on pension returns) x 100}}{\text{Technical provisions at beginning of year plus surplus capital at beginning of year + weighted average cash flows}}$$

The financial ratio expresses policyholders’ total return less expenses and risk premium sampension

Sampension Livsforsikring A/S
Tuborg Havnevej 14
DK-2900 Hellerup

Tlf. 77 33 18 77
www.sampension.dk

CVR – 55 83 49 11