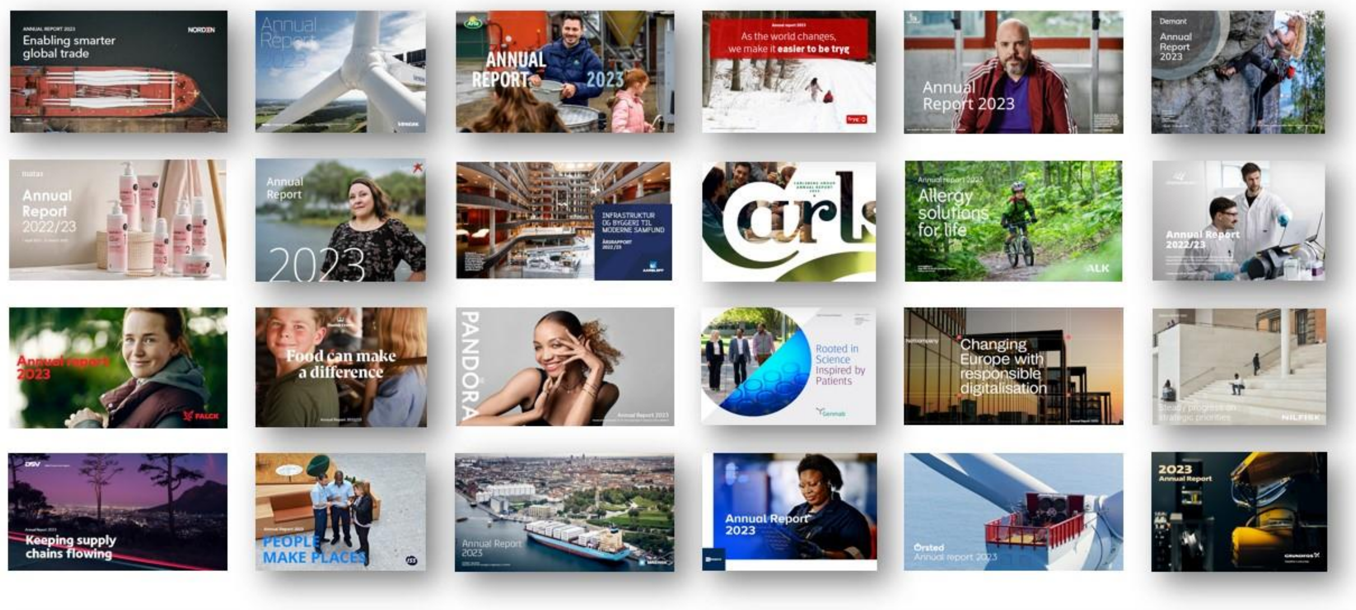
Trends in corporate reporting:

More compliance, more data, more transparency, more integration, and more stakeholders



By CEO and communications advisor Lars Sandstrøm, Corporate Relations

Corporate reporting is in a transition phase these years. Companies are to a greater and greater extent taking a more integrated and balanced view on value creation. This is evident when you look at how sustainability has become a built-in element in the annual report. It is included in the key figures, in the business model and strategy, as a significant driver for development and growth, and as a mean to ensure the company's license to operate. In essence, sustainability affects many of the current trends in corporate reporting.

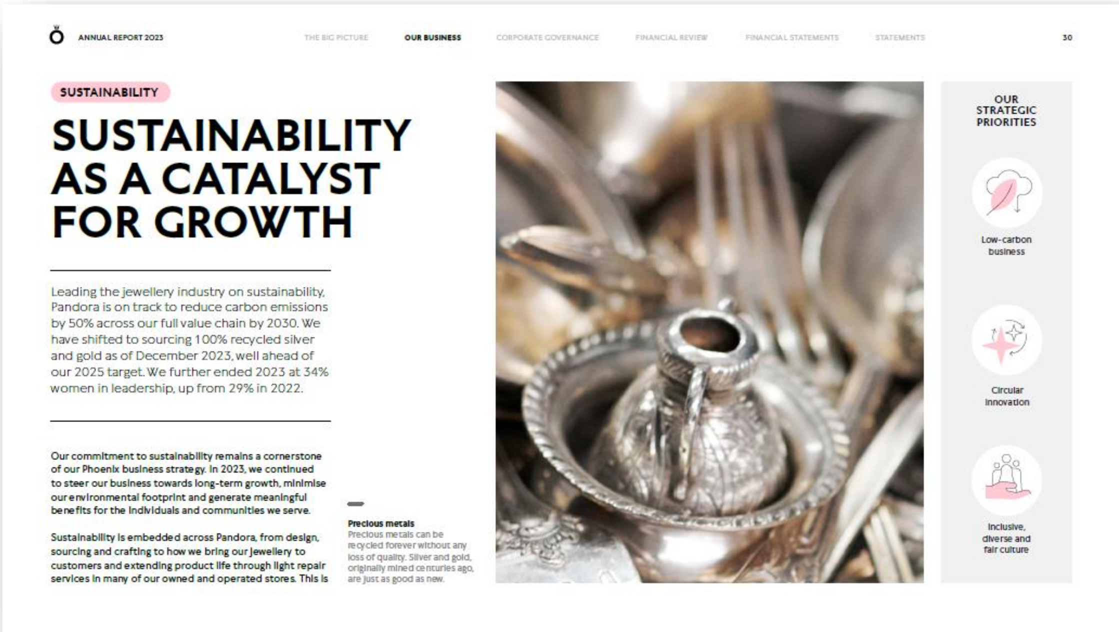
Naturally, the big "monster" impacting corporate reporting is EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This will to a full be forming reporting concepts, structure, and content from the 2024 reporting. But for the 2023 reports, many of the large companies have "rehearsed" the implementation of the standards.

This article presents 12 current trends that are especially present in the annual reports from the larger Danish companies. However, taking a look at other large Nordic and European companies' reporting it is already clear that the new standards are beginning to create some consistency and comparability across countries.

Trend #1 – Integrated reporting
Integrated reporting is finally becoming a standard. From being just a theoretical concept followed by a few believers of the triple bottom line, an integrated reporting describing the value creation from a focus on a balanced stakeholder-based business model is now quite common.

This is of course due to regulation defining the sustainability statement to be a part of the management's review for those companies that needs to comply with the EU directive for sustainability reporting (CSRD). But it is also fair to recognize that many companies have already taking steps to include a broader view of value creation than just focusing on financials in later years.

Sustainability and ESG is already an integrated part of the purpose, strategy, business model, risk management and operations for many companies. This is surely, making the integrated report a natural step in the quest for building trust, creating legitimacy, and securing a resilient license to operate.

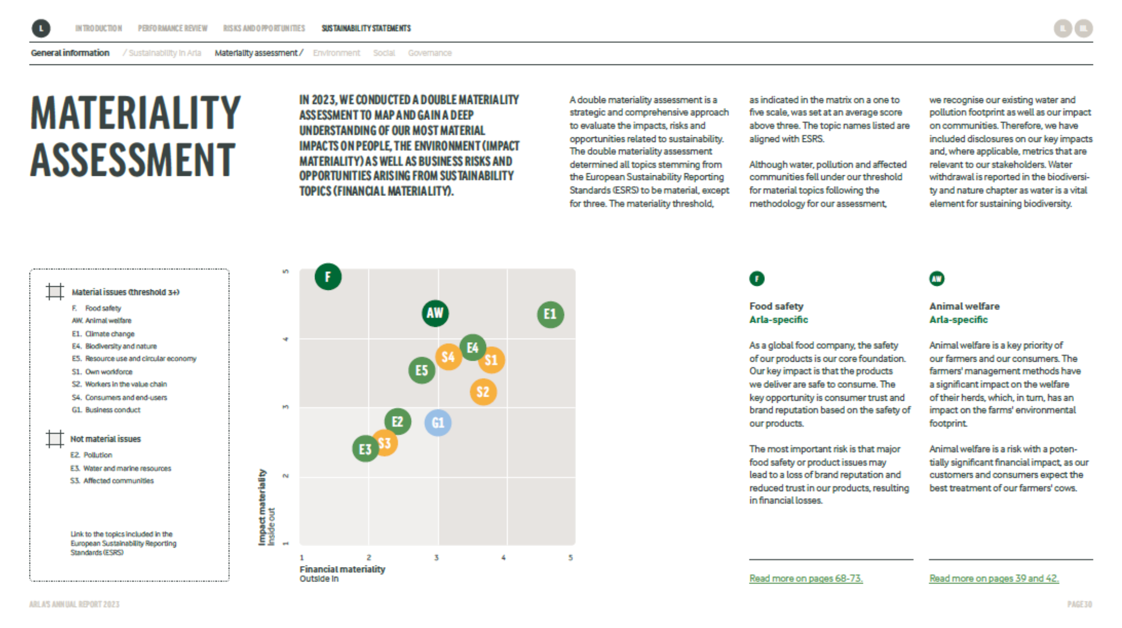


Pandora is describing how sustainability is built-in to the business model and strategy and works as a catalyst for growth and business opportunities.

Trend #2 – The double materiality assessment is standard
With a more complex compliance and increasing demands from stakeholders, corporate reports have tended to grow in number of pages and topics covered. Especially, the ESG/sustainability part is taking up more space. However, by

assessing materiality and critical stakeholders, management will get a concise direction for the review of operations and value creation. Not all sustainability measures going on in a company are equally important, and all stakeholders do not carry the same weight when it comes to sustainability reporting.

Surely, the materiality assessment is part of compliance. But there are many ways to do it. Most companies are using the double materiality assessment, which means that they report not only on how sustainability issues might create financial risks for the company (financial materiality), but also on the company's own impacts on people and the environment (impact materiality).


INTRODUCTION PERFORMANCE REVIEW RISKS AND OPPORTUNITIES SUSTAINABILITY STATEMENTS

General information / Sustainability in Arla Materiality assessment / Environment Social Governance

MATERIALITY ASSESSMENT

IN 2023, WE CONDUCTED A DOUBLE MATERIALITY ASSESSMENT TO MAP AND GAIN A DEEP UNDERSTANDING OF OUR MOST MATERIAL IMPACTS ON PEOPLE, THE ENVIRONMENT (IMPACT MATERIALITY) AS WELL AS BUSINESS RISKS AND OPPORTUNITIES ARISING FROM SUSTAINABILITY TOPICS (FINANCIAL MATERIALITY).

A double materiality assessment is a strategic and comprehensive approach to evaluate the impacts, risks and opportunities related to sustainability. The double materiality assessment determined all topics stemming from the European Sustainability Reporting Standards (ESRS) to be material, except for three. The materiality threshold, as indicated in the matrix on a one to five scale, was set at an average score above three. The topic names listed are aligned with ESRS.

Although water, pollution and affected communities fell under our threshold for material topics following the methodology for our assessment, we recognise our existing water and pollution footprint as well as our impact on communities. Therefore, we have included disclosures on our key impacts and, where applicable, metrics that are relevant to our stakeholders. Water withdrawal is reported in the biodiversity and nature chapter as water is a vital element for sustaining biodiversity.

Material issues (threshold 3+)
F. Food safety
AW. Animal welfare
E1. Climate change
E4. Biodiversity and nature
E5. Resource use and circular economy
S1. Own workforce
S2. Workers in the value chain
S4. Consumers and end-users
G1. Business conduct

Not material issues
E2. Pollution
E3. Water and marine resources
S3. Affected communities

Link to the topics included in the European Sustainability Reporting Standards (ESRS)

Food safety
Arla-specific

As a global food company, the safety of our products is our core foundation. Our key impact is that the products we deliver are safe to consume. The key opportunity is consumer trust and brand reputation based on the safety of our products.

The most important risk is that major food safety or product issues may lead to a loss of brand reputation and reduced trust in our products, resulting in financial losses.

Read more on pages 68-73.

Animal welfare
Arla-specific

Animal welfare is a key priority of our farmers and our consumers. The farmers' management methods have a significant impact on the welfare of their herds, which, in turn, has an impact on the farms' environmental footprint.

Animal welfare is a risk with a potentially significant financial impact, as our customers and consumers expect the best treatment of our farmers' cows.

Read more on pages 39 and 42.

ARLA'S ANNUAL REPORT 2023 PAGE30

Arla has conducted a thorough double materiality assessment and are describing each material topic in detail together with the methodology used for the assessment.

Trend #3 – Stakeholder analysis and mapping

Stakeholder analysis, engagement and mapping is a strengthened discipline in many companies. This is not the least due to the Corporate Reporting Sustainability Directive (CSRD) which includes a number of provisions that are designed to improve stakeholder engagement. For example, companies will be required to disclose information about how they have consulted with stakeholders on their sustainability reporting. This will help to ensure that companies are taking into account the needs and concerns of their stakeholders when they make decisions about their sustainability performance.

As many companies are already doing a double materiality assessment, the same applies for the stakeholder analysis and mapping which is often seen as a complimentary part of this task.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Our stakeholders

Engaging with the interests and views of stakeholders is critical for HusCompagniet to achieve its vision of paving the market evolution and setting the standard for sustainable construction practices. To change the way people think of sustainable homes and living, we need to engage our stakeholders in the journey. Our key stakeholders encompass shareholders, employees, customers (investors and end-users for the semi-detached segment; private customers in the detached segment), suppliers, subcontractors, and municipalities. Shareholders are engaged through annual general meetings and regular reports. Employees participate in engagement via annual employee satisfaction surveys. Customers are engaged through satisfaction surveys (including NPS (Net Promoter Score), community management and focus groups. We regularly engage suppliers on sustainable sourcing.

This engagement helps shape our strategy and operations. For example, results from the annual employee survey are considered by the Executive Management Team, and managers are responsible for reviewing the findings with their teams and putting in place concrete action plans.

	Shareholders	Employees	Customers	Suppliers	Subcontractors	Municipalities
Engagement and organisation	Annual report; annual general meeting; yearly strategy board meeting, where ESG is an integrated part of discussions.	Annual employee satisfaction survey; safety training; intranet; 'town hall' meetings.	Community management through various channels; customer satisfaction and opportunity for feedback throughout construction process and customer journey; customer studies.	Regular dialogue, signed supplier Code of Conduct in place.	Regular dialogue, signed supplier Code of Conduct in place, work environment handbook, safety reporting through project management App.	Regular dialogue about building permits and other administrative issues.
Purpose and outcome	Ensure alignment with ESG strategy and related targets and monitor progress on strategy and targets defined.	Monitor employee satisfaction and implement action plans, particularly related to work conditions; raise awareness on safety issues; inform about sustainability strategy and targets.	Understand customer preferences within ESG topics.	Secure sustainable sourcing and transparent documentation in relation to ESG.	Make sure subcontractors live up to Code of Conduct and achievement of safety targets; inform about need for ESG data collection.	Make sure LCA report for each built house lives up to requirements.

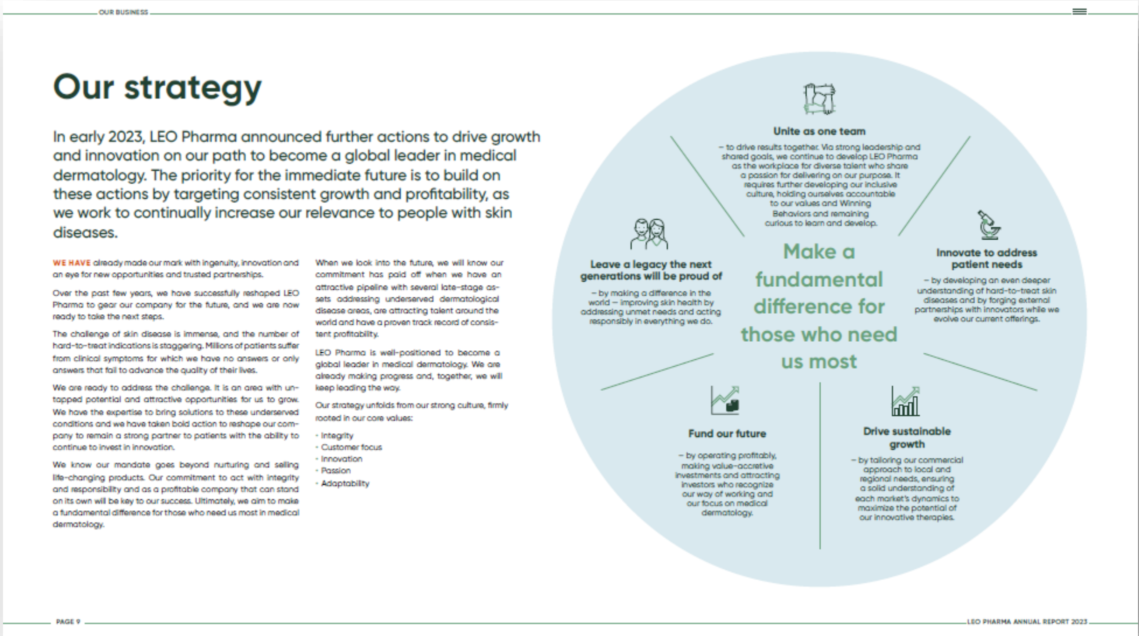
Huscompagniet is describing its engagement with six main stakeholders in a manageable way.

Trend #4 – Stronger focus on business model and strategy

The communication about business model and strategy is taking a more and more prominent role in corporate reporting.

The business model is typically describing the resources/input that companies are relying on, the operations (the core business) that defines the unique offering, and the value creation/output or impact that is the result of the business operations. Often some kind of value or supply chain is included in the model as well as the purpose. It is a clear trend that the business model visualization as well as description has been improved for many companies in recent years, and the business model also serves as a foundation to understand the strategic priorities and the focus on ESG.

Also, the corporate strategy has come to play an essential role in the annual report. In many cases the strategy section looks backward (reporting on achievements) as well as forward, and it serves as a relevant starting point for reporting on results and measures. Some years ago, management was in general a bit reluctant on being open and transparent in revealing details on targets and planned actions. But the consensus now seems to be that a well-described strategy makes it easier for investors and other stakeholders to evaluate the company and its capabilities to meet future demands for products and services in specific markets.


OUR BUSINESS

Our strategy

In early 2023, LEO Pharma announced further actions to drive growth and innovation on our path to become a global leader in medical dermatology. The priority for the immediate future is to build on these actions by targeting consistent growth and profitability, as we work to continually increase our relevance to people with skin diseases.

WE HAVE already made our mark with ingenuity, innovation and an eye for new opportunities and trusted partnerships.

Over the past few years, we have successfully reshaped LEO Pharma to gear our company for the future, and we are now ready to take the next steps.

The challenge of skin disease is immense, and the number of hard-to-treat indications is staggering. Millions of patients suffer from clinical symptoms for which we have no answers or only answers that fail to advance the quality of their lives.

We are ready to address the challenge. It is an area with untapped potential and attractive opportunities for us to grow. We have the expertise to bring solutions to these underserved conditions and we have taken bold action to reshape our company to remain a strong partner to patients with the ability to continue to invest in innovation.

We know our mandate goes beyond nurturing and selling life-changing products. Our commitment to act with integrity and responsibility and as a profitable company that can stand on its own will be key to our success. Ultimately, we aim to make a fundamental difference for those who need us most in medical dermatology.

When we look into the future, we will know our commitment has paid off when we have an attractive pipeline with several late-stage assets addressing underserved dermatological disease areas, are attracting talent around the world and have a proven track record of consistent profitability.

LEO Pharma is well-positioned to become a global leader in medical dermatology. We are already making progress and, together, we will keep leading the way.

Our strategy unfolds from our strong culture, firmly rooted in our core values:

- Integrity
- Customer focus
- Innovation
- Passion
- Adaptability

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LEO PHARMA ANNUAL REPORT 2023

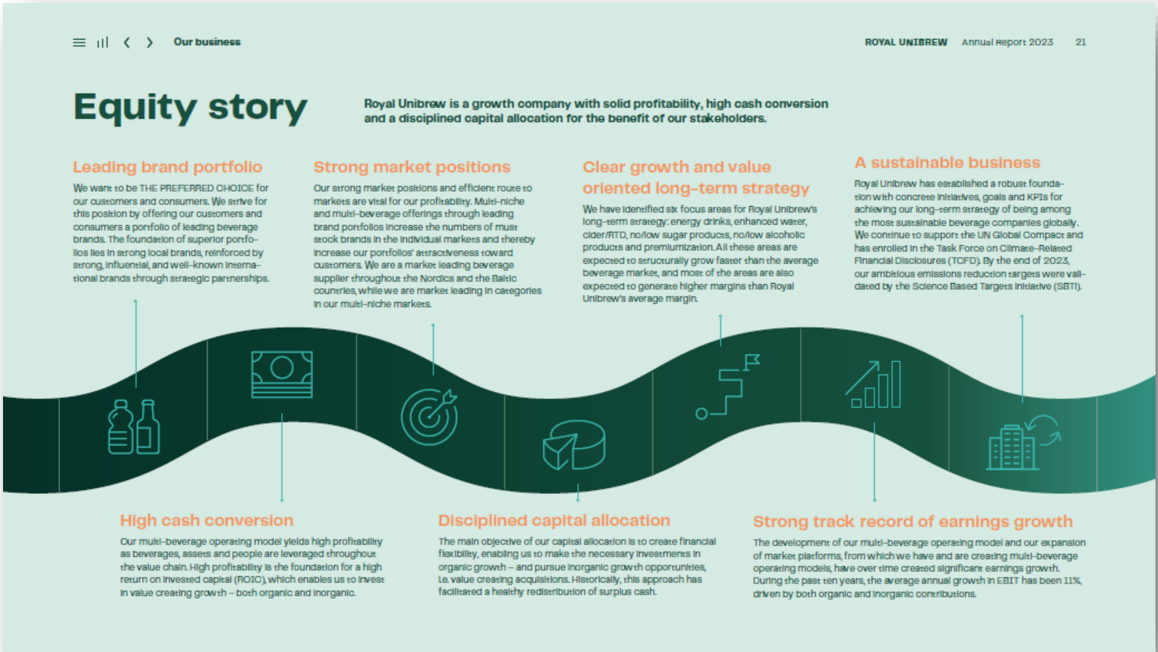
Leo Pharma is describing the business strategy generally and the five building blocks specifically in text, numbers, info graphics and relevant cases.

Trend #5 – A stakeholder-oriented equity story

You could say that all a company communicate is part of the common equity story. You could even say that the equity story – like a brand image – is co-created by all internal and external stakeholders. However, many companies are also directing readers' attention to an official equity story in the annual report.

This equity story is often directed towards potential investors with a headline like: Why invest in our company? But some are presenting a broader equity story communicating why different stakeholders should choose to have relations with the company. In this way the equity story is taking form of a corporate story.

There are differences in the building blocks of the equity story. Some have a financial focus with technical arguments for an investment, while other have a more holistic focus including elements like culture, working conditions, products and services, sustainability actions, management, ethics, and image. Elements that are typically directed towards customers, partners, political decision makers and employees.


Our business
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Equity story
Royal Unibrew is a growth company with solid profitability, high cash conversion and a disciplined capital allocation for the benefit of our stakeholders.
Leading brand portfolio
We want to be THE PREFERRED CHOICE for our customers and consumers. We strive for this position by offering our customers and consumers a portfolio of leading beverage brands. The foundation of superior portfolios lies in strong local brands, reinforced by strong, influential, and well-known international brands through strategic partnerships.
Strong market positions
Our strong market positions and efficient route to markets are vital for our profitability. Multi-niche and multi-beverage offerings through leading brand portfolios increase the numbers of must stock brands in the individual markets and thereby increase our portfolios' attractiveness toward customers. We are a market leading beverage supplier throughout the Nordics and the Baltic countries, while we are market leading in categories in our multi-niche markets.
Clear growth and value oriented long-term strategy
We have identified six focus areas for Royal Unibrew's long-term strategy: energy drinks, enhanced water, cider/RTD, no/low sugar products, no/low alcoholic products and premiumization. All these areas are expected to structurally grow faster than the average beverage market, and most of the areas are also expected to generate higher margins than Royal Unibrew's average margin.
A sustainable business
Royal Unibrew has established a robust foundation with concrete initiatives, goals and KPIs for achieving our long-term strategy of being among the most sustainable beverage companies globally. We continue to support the UN Global Compact and has enrolled in the Task Force on Climate-Related Financial Disclosures (TCFD). By the end of 2023, our ambitious emissions reduction targets were validated by the Science Based Targets initiative (SBTi).
High cash conversion
Our multi-beverage operating model yields high profitability as beverages, assets and people are leveraged throughout the value chain. High profitability is the foundation for a high return on invested capital (ROIC), which enables us to invest in value creating growth – both organic and inorganic.
Disciplined capital allocation
The main objective of our capital allocation is to create financial flexibility, enabling us to make the necessary investments in organic growth – and pursue inorganic growth opportunities, i.e. value creating acquisitions. Historically, this approach has facilitated a healthy redistribution of surplus cash.
Strong track record of earnings growth
The development of our multi-beverage operating model and our expansion of market platforms, from which we have and are creating multi-beverage operating models, have over time created significant earnings growth. During the past ten years, the average annual growth in EBIT has been 11%, driven by both organic and inorganic contributions.

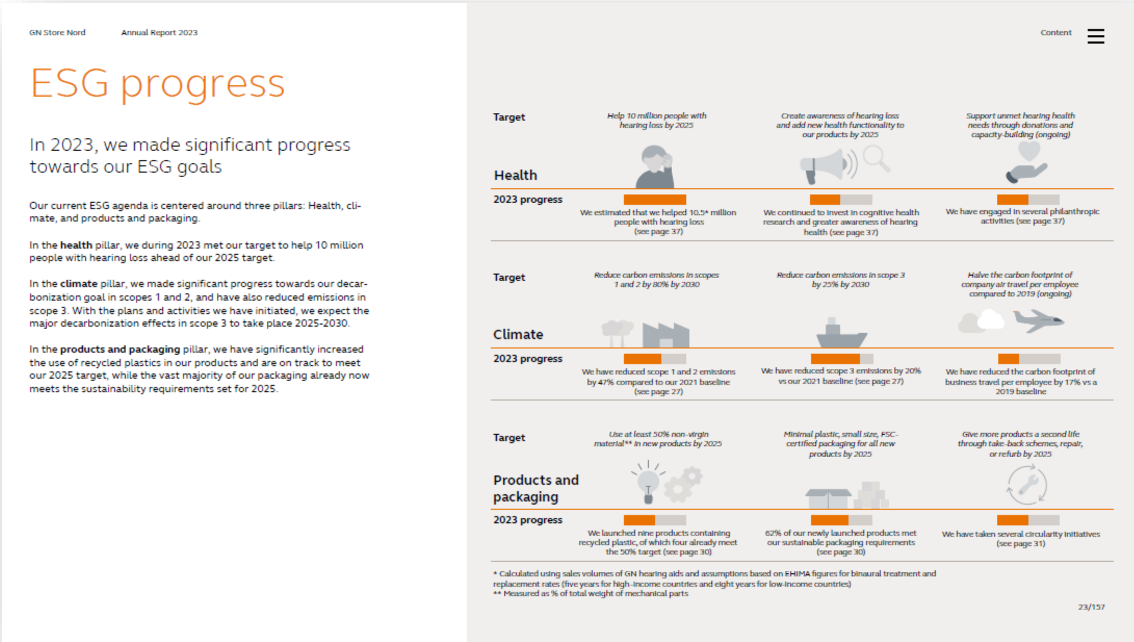
Why invest in Royal Unibrew and not another brewing company? The equity story states seven arguments in a persuasive way.

Trend #6 – Clear targets and results on ESG

So far, ESG reporting has been a subject to soft law. This means that most of the reporting in this field have been voluntary and very little has been mandatory. This is about to change with the current implementation of EU's Corporate Sustainability Reporting Directive (CSRD).

However, many companies have already gone very far in their reporting on ESG results and measures. E.g., the standards in the Global Reporting Initiative (GRI) are used by more than 10,000 companies worldwide, and in Denmark the ESG guidelines supported by CFA Society Denmark, FSR, and Nasdaq Copenhagen have become very popular as a framework for reporting on this topic.

Most large companies – especially in the western world – have defined and are reporting clear targets for the ESG strategy and are reporting on results and improvements on a year-to-year basis. Often these results are not only internal but are also concerning material parts of the supply chain. And when it comes to greenhouse (GHG) emissions, targets are increasingly science-based to ensure transparency and comparability, and to ensure companies are heading in the direction towards living up to the 2015 Paris Agreement.



GN Store Nord Annual Report 2023

Content

ESG progress

In 2023, we made significant progress towards our ESG goals

Our current ESG agenda is centered around three pillars: Health, climate, and products and packaging.

In the **health** pillar, we during 2023 met our target to help 10 million people with hearing loss ahead of our 2025 target.

In the **climate** pillar, we made significant progress towards our decarbonization goal in scopes 1 and 2, and have also reduced emissions in scope 3. With the plans and activities we have initiated, we expect the major decarbonization effects in scope 3 to take place 2025-2030.

In the **products and packaging** pillar, we have significantly increased the use of recycled plastics in our products and are on track to meet our 2025 target, while the vast majority of our packaging already now meets the sustainability requirements set for 2025.

Health – Target	*Help 10 million people with hearing loss by 2025*	*Create awareness of hearing loss and add new health functionality to our products by 2025*	*Support unmet hearing health needs through donations and capacity-building (ongoing)*
2023 progress	We estimated that we helped 10.5* million people with hearing loss (see page 37)	We continued to invest in cognitive health research and greater awareness of hearing health (see page 37)	We have engaged in several philanthropic activities (see page 37)
Climate – Target	*Reduce carbon emissions in scopes 1 and 2 by 80% by 2030*	*Reduce carbon emissions in scope 3 by 25% by 2030*	*Halve the carbon footprint of company air travel per employee compared to 2019 (ongoing)*
2023 progress	We have reduced scope 1 and 2 emissions by 47% compared to our 2021 baseline (see page 27)	We have reduced scope 3 emissions by 20% vs our 2021 baseline (see page 27)	We have reduced the carbon footprint of business travel per employee by 17% vs a 2019 baseline
Products and packaging – Target	*Use at least 50% non-virgin material** in new products by 2025*	*Minimal plastic, small size, FSC-certified packaging for all new products by 2025*	*Give more products a second life through take-back schemes, repair, or refurb by 2025*
2023 progress	We launched nine products containing recycled plastic, of which four already meet the 50% target (see page 30)	62% of our newly launched products met our sustainable packaging requirements (see page 30)	We have taken several circularity initiatives (see page 31)

* Calculated using sales volumes of GN hearing aids and assumptions based on EHIMA figures for binaural treatment and replacement rates (five years for high-income countries and eight years for low-income countries)
** Measured as % of total weight of mechanical parts

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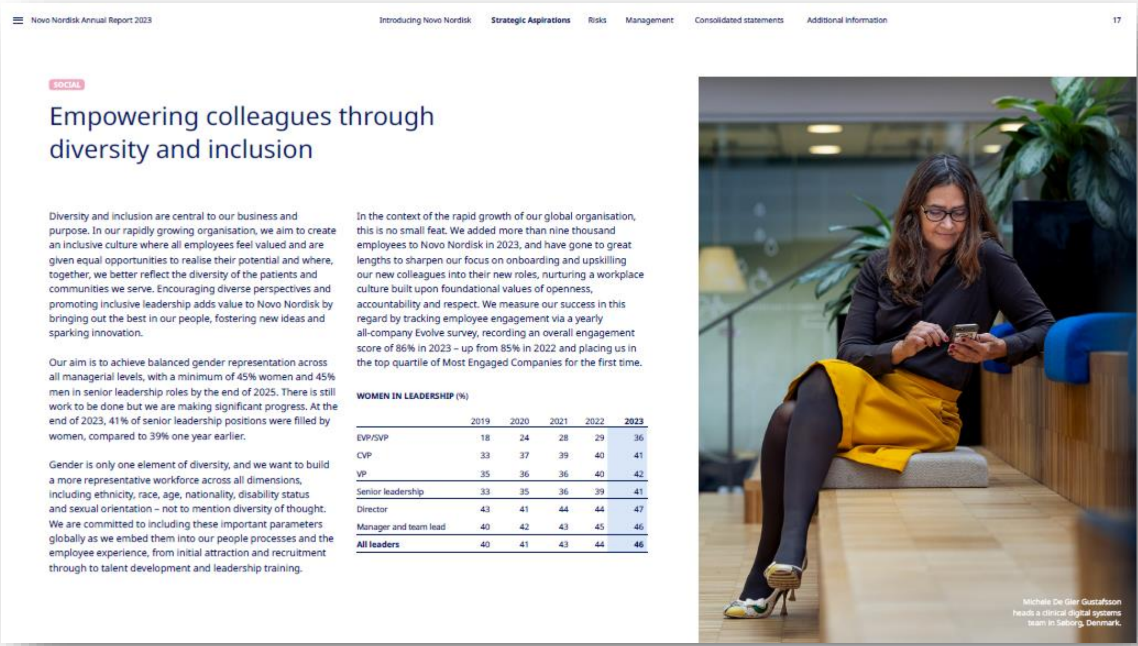
GN Store Nord illustrates and communicates targets, measures, and progress in a relevant and transparent way.

Trend #7 – Diversity and inclusion are hot topics
Describing initiatives and results in relation to people and culture is an essential part of corporate reporting. Especially, the terms diversity and inclusion have been hot topics in corporate reporting in recent years.

The description of results and measures on these terms includes a lot of variety from one company to the next. It is regulatory to describe gender diversity in top management, but diversity is often also reported in regard to race, religion, and nationality and in regard to different types of education, function and types of personality. Also, when it comes to inclusion companies are describing how they help people with disabilities or how they work with NGOs or local communities to include people in their staff who would otherwise have difficulties getting a meaningful job.

These topics are not just subject to pure storytelling. Companies are using various measurements to document their results – they use engagement surveys and measure employees participating in training and education, they implement dashboards on performance, promotions, and equal pay, and they calculate the percentage of socially inclusive positions. To name just a few ways to measure progress.



Novo Nordisk Annual Report 2023 Introducing Novo Nordisk **Strategic Aspirations** Risks Management Consolidated statements Additional information 17

SOCIAL

Empowering colleagues through diversity and inclusion

Diversity and inclusion are central to our business and purpose. In our rapidly growing organisation, we aim to create an inclusive culture where all employees feel valued and are given equal opportunities to realise their potential and where, together, we better reflect the diversity of the patients and communities we serve. Encouraging diverse perspectives and promoting inclusive leadership adds value to Novo Nordisk by bringing out the best in our people, fostering new ideas and sparking innovation.

Our aim is to achieve balanced gender representation across all managerial levels, with a minimum of 45% women and 45% men in senior leadership roles by the end of 2025. There is still work to be done but we are making significant progress. At the end of 2023, 41% of senior leadership positions were filled by women, compared to 39% one year earlier.

Gender is only one element of diversity, and we want to build a more representative workforce across all dimensions, including ethnicity, race, age, nationality, disability status and sexual orientation – not to mention diversity of thought. We are committed to including these important parameters globally as we embed them into our people processes and the employee experience, from initial attraction and recruitment through to talent development and leadership training.

In the context of the rapid growth of our global organisation, this is no small feat. We added more than nine thousand employees to Novo Nordisk in 2023, and have gone to great lengths to sharpen our focus on onboarding and upskilling our new colleagues into their new roles, nurturing a workplace culture built upon foundational values of openness, accountability and respect. We measure our success in this regard by tracking employee engagement via a yearly all-company Evolve survey, recording an overall engagement score of 86% in 2023 – up from 85% in 2022 and placing us in the top quartile of Most Engaged Companies for the first time.

WOMEN IN LEADERSHIP (%)

	2019	2020	2021	2022	**2023**
EVP/SVP	18	24	28	29	36
CVP	33	37	39	40	41
VP	35	36	36	40	42
Senior leadership	33	35	36	39	41
Director	43	41	44	44	47
Manager and team lead	40	42	43	45	46
All leaders	40	41	43	44	**46**

Michele De Gier Gustafsson heads a clinical digital systems team in Søborg, Denmark.

Novo Nordisk describes in a brief way how they work to enhance gender diversity at all management levels and how they strengthen diversity and inclusion in general.

Trend #8 – Governance and risk management are central

Governance and risk management are disciplines which to a large degree are affected by compliance and standards. Therefore, annual reports – or special governance and/or risk reports – typically describe topics like role of management, responsibilities of the Board, risk defense model, gender diversity, anti-corruption and fraud, human rights, ethics, and the existence of a whistle-blower scheme. Surely, these are all topics companies have been focusing on with varying weight the last couple of years.

So far, reporting on risks has been treated very conventionally. It seemed like an outsider could easily define and describe the risks related to financials, business and ESG for a given company. But reporting on specific and changing risks and risk mitigation has been improved in later years and are now described with substance and relevance regarding the situation and context of the company. Risks are analyzed and monitored, changes in status are evaluated, and mitigation is part of a systematic approach ensuring companies have the relevant tools to balance risk and opportunities.

	1 Ocean price level	2 Geopolitical tension	3 NEW RISK Lack of growth pace	4 Technology roadmap	5 Cyberattack
	Risk owner.... Chief Product Officer – Ocean Year-on-year risk movement...... Increasing Risk category .... Strategic	Risk owner.... Chief Corporate Affairs Officer Year-on-year risk movement...... Increasing Risk category .... Strategic	Risk owner...... Chief Product Officer – L&S Year-on-year risk movement....... New risk Risk category .... Operational	Risk owner... Chief Technology and IS Officer Year-on-year risk movement......... Stable Risk category .... Strategic	Risk owner... Chief Technology and IS Officer Year-on-year risk movement......... Stable Risk category .... Operational
What is this risk	Due to a major increase in effective capacity, rates and profitability are expected to drop further in the coming years until they eventually rebound. From the market side, the risk is that industry EBIT margins remain negative for longer than expected.	Escalation of geopolitical tension may have a strong and immediate impact on the future supply chain, through disruptions in supply, demand and logistics infrastructure and, eventually, fragmentation of supply chains. This is particularly the case where tension mounts to military conflict and/or trade sanctions being applied.	To fully deliver the objectives of the integrator strategy in a timely manner, including achievement of financial targets and stable results, A.P. Moller - Maersk must secure profitable growth in the logistics business according to plan.	A serious delay or failure to execute the technology roadmap will have a material negative impact on A.P. Moller - Maersk's growth vision as an end-to-end integrator of global container logistics.	As A.P. Moller - Maersk becomes increasingly digitalised, more devices and control systems are connected online resulting in a wider technology surface. This, compounded with ever-increasing external threat capabilities, puts more pressure on systems to be cyber threat resilient. A cyberattack could lead to severe operational disruption and/or data breaches.
How we manage it	A.P. Moller - Maersk has limited levers to impact the overall demand for container shipping and the level of rates. With the continuing development of differentiated value propositions, agile adaption of network, rigorous focus on volume performance management and cost discipline and a long-term contracts portfolio, the company will all else equal continue to reduce the exposure.	A.P. Moller - Maersk monitors geopolitical developments and takes adaptive steps as required, including reducing exposure to critical suppliers, evaluating alternative procurement options, implementing tail heavy payment profiles, creating external communication plans and advancing business continuity planning.	A.P. Moller - Maersk focuses mitigation efforts on the growth side on strengthening the customer value proposition of the integrator strategy and lowering the customer churn-rate. On the profitability side, the focus is on review and optimisation of the asset utilisation within the Air and Warehousing segments together with timely implementation of planned process standardisation and automation.	A.P. Moller - Maersk focuses on maturing and strengthening a multi-location talent sourcing and retention strategy within the technology organisation to ensure having the right skilled people to modernise and integrate the platforms. The company monitors progress and ensures adequate governance and prioritisation and cross-functional collaboration.	A.P. Moller - Maersk continues to execute its cyber security programme, strengthen business continuity plans and enhance its cyber threat resilience. Over the recent years, the company has enhanced capabilities to control impact through appropriate preparedness and response procedures.
Target tolerance	A.P. Moller - Maersk assumes margins will continue to be under pressure in the short to medium term. In addition, the geopolitical environment and the development in the economic situation in Europe and the US makes the industry very volatile, emphasising the necessity for a strong balance sheet.	A.P. Moller - Maersk aims to have alternative procurement supply-options in place and to be able to adjust network and capacity in the ocean, terminals and logistics space to accommodate potential disruptions and changes in customer needs.	A.P. Moller - Maersk targets large and profitable growth in volumes across its warehousing, inland and air segments through acquisitions as well as through organic growth and stable financial performance across the business portfolio.	In 2024, A.P. Moller - Maersk targets significant progress in the implementation of best-in-class technology platforms to support end-to-end supply chain solutions and underpin customer convenience and satisfaction.	A.P. Moller - Maersk aims to avoid a material cyberattack through increased threat intelligence and response capabilities, and builds digital resilience with business segments, third parties and wider supply chains.
Potential scenario	The current situation of low freight rates due to increased capacity combined with low demand continues for a longer period than expected.	Military conflicts or comprehensive and long-lasting naval blockades leading to obstruction of major network routes and potential wide sanctions inhibiting trade in major markets affected.	The implementation of the integrator strategy lags due to delays in achieving profitable growth in logistics as planned, and the company remains exposed to the financial volatility of the Ocean segment.	Unsuccessful implementation of digitised supply chain solutions causes loss of digital competitive advantage and customer dissatisfaction and impacts the company's reputation and financial performance.	Direct or indirect attack(s) on A.P. Moller - Maersk's or its business partners' network due to digitisation, threat sophistication or inherent vulnerabilities from, e.g. new M&A environments cause severe business disruption and/or data breaches leading to financial losses and loss of customer trust.

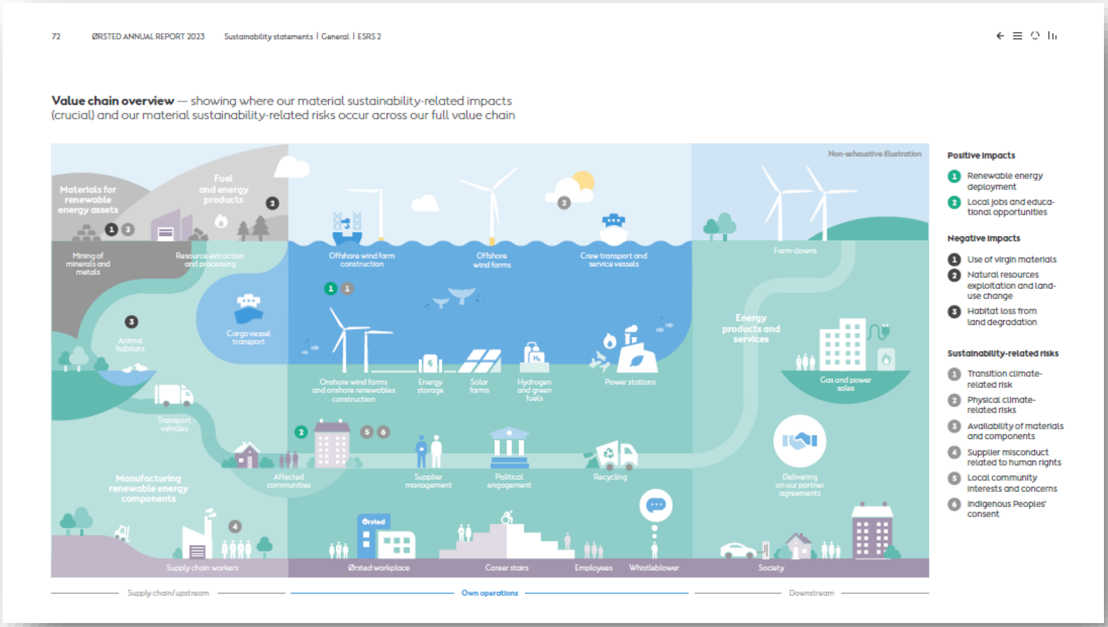
A.P. Møller-Maersk describes key risks to the business plan in detail, including mitigation measures and different potential scenarios.

Trend #9 – Supply chain due diligence

Companies are increasingly aware of their position and responsibility in the supply chain. To manage your supply chain is not just about delivery safety, quality and costs, it is also about ensuring that your suppliers comply with national and international rules and standards for human rights, privacy, use of data, trade, anti-corruption, diversity and inclusion, labor rights and payment, etc.

More and more companies are therefore taking a systematic approach to describing how they manage suppliers, conduct due diligence processes, and make sure they do business with companies that live up to high standards, both operationally and in regard to ethics and responsibility.

However, some companies go further by not only focusing on upstream but also their downstream operation. That is, how their products and services are marketed, sold, used, thrown away or recycled. This is also part of many companies' due diligence focus.



Ørsted illustrates its value chain and the implicated impacts and risks. Also, the decarbonization of the value chain is illustrated in the report.

Trend #10 – Biodiversity and circular economy

Biodiversity has taken a more prominent role in the sustainability agenda in the last couple of years. This is also visible, when you look at corporate reporting in which many companies are describing how they impact nature and biodiversity or which initiatives they have taken to make a positive mark.

In the same way, there is an increasing focus on implementing measures to handle waste, and reuse or recycle products and resources as part of a more circular economy. The current reports give many examples of this.

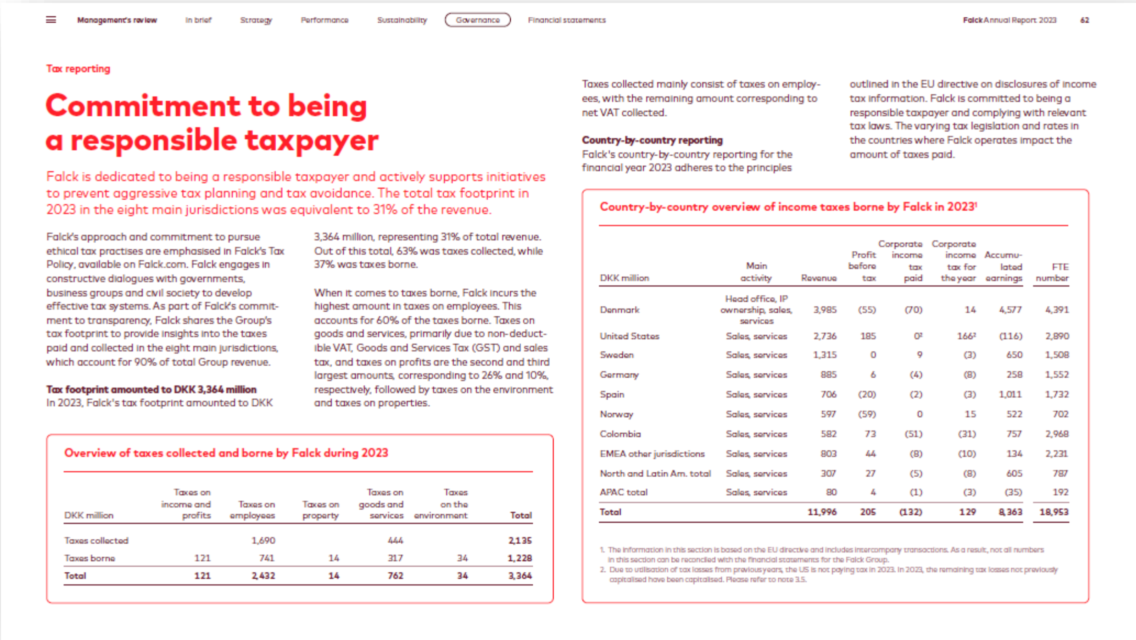
Ambu is illustrating and describing their concept for a circular business model "Join the Circle" in a transparent and relevant way.

Trend #11 – Business ethics in many shapes

There is a number of ethical topics to be described in the ESG section to be compliant: human rights, privacy rights, data ethics, trade compliance, anti-corruption, anti-discrimination, gender diversity, labor rights, payment practices and tax governance. To mention just a few areas.

These are often also some of the topics that are highly rated in the double materiality assessment conducted by companies, and it is topics that are regulated by international laws and standards as well as companies' own policies and principles.

Especially, for companies with presence in many regions and cultures it is often a great challenge to anchor common ways of handling business ethics. It calls for education, clear communication and a management team demonstrating the company morale by the decisions and action they take. Corporate reporting is a tool to communicate the official view of management on business ethics.



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Tax reporting

Commitment to being a responsible taxpayer

Falck is dedicated to being a responsible taxpayer and actively supports initiatives to prevent aggressive tax planning and tax avoidance. The total tax footprint in 2023 in the eight main jurisdictions was equivalent to 31% of the revenue.

Falck's approach and commitment to pursue ethical tax practises are emphasised in Falck's Tax Policy, available on Falck.com. Falck engages in constructive dialogues with governments, business groups and civil society to develop effective tax systems. As part of Falck's commitment to transparency, Falck shares the Group's tax footprint to provide insights into the taxes paid and collected in the eight main jurisdictions, which account for 90% of total Group revenue.

Tax footprint amounted to DKK 3,364 million
In 2023, Falck's tax footprint amounted to DKK 3,364 million, representing 31% of total revenue. Out of this total, 63% was taxes collected, while 37% was taxes borne.

When it comes to taxes borne, Falck incurs the highest amount in taxes on employees. This accounts for 60% of the taxes borne. Taxes on goods and services, primarily due to non-deductible VAT, Goods and Services Tax (GST) and sales tax, and taxes on profits are the second and third largest amounts, corresponding to 26% and 10%, respectively, followed by taxes on the environment and taxes on properties.

Overview of taxes collected and borne by Falck during 2023

DKK million	Taxes on income and profits	Taxes on employees	Taxes on property	Taxes on goods and services	Taxes on the environment	Total
Taxes collected		1,690		444		2,135
Taxes borne	121	741	14	317	34	1,228
Total	**121**	**2,432**	**14**	**762**	**34**	**3,364**

Taxes collected mainly consist of taxes on employees, with the remaining amount corresponding to net VAT collected.

Country-by-country reporting
Falck's country-by-country reporting for the financial year 2023 adheres to the principles outlined in the EU directive on disclosures of income tax information. Falck is committed to being a responsible taxpayer and complying with relevant tax laws. The varying tax legislation and rates in the countries where Falck operates impact the amount of taxes paid.

Country-by-country overview of income taxes borne by Falck in 2023[1]

DKK million	Main activity	Revenue	Profit before tax	Corporate income tax paid	Corporate income tax for the year	Accumulated earnings	FTE number
Denmark	Head office, IP ownership, sales, services	3,985	(55)	(70)	14	4,577	4,391
United States	Sales, services	2,736	185	0[2]	166[2]	(116)	2,890
Sweden	Sales, services	1,315	0	9	(3)	650	1,508
Germany	Sales, services	885	6	(4)	(8)	258	1,552
Spain	Sales, services	706	(20)	(2)	(3)	1,011	1,732
Norway	Sales, services	597	(59)	0	15	522	702
Colombia	Sales, services	582	73	(51)	(31)	757	2,968
EMEA other jurisdictions	Sales, services	803	44	(8)	(10)	134	2,231
North and Latin Am. total	Sales, services	307	27	(5)	(8)	605	787
APAC total	Sales, services	80	4	(1)	(3)	(35)	192
Total		**11,996**	**205**	**(132)**	**129**	**8,363**	**18,953**

1. The information in this section is based on the EU directive and includes intercompany transactions. As a result, not all numbers in this section can be reconciled with the financial statements for the Falck Group.
2. Due to utilisation of tax losses from previous years, the US is not paying tax in 2023. In 2023, the remaining tax losses not previously capitalised have been capitalised. Please refer to note 3.5.

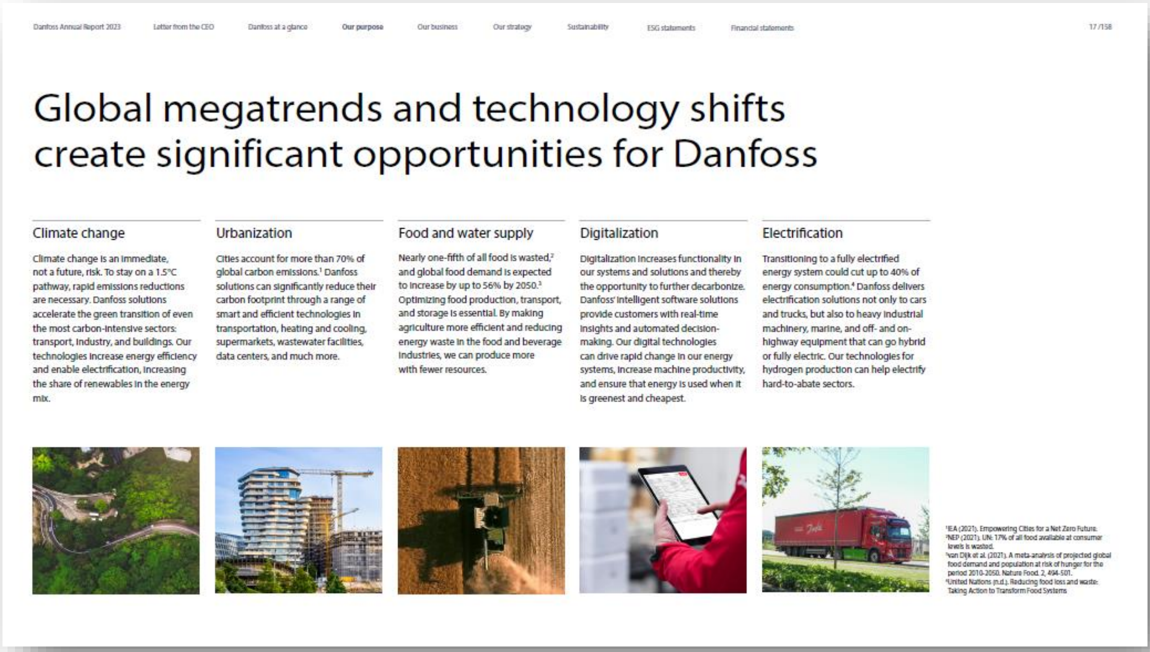
As part of the overview on business conduct and ethics, Falck is very detailed in describing the company's commitment to being a responsible taxpayer.

Trend # 12 – Trends in society, market, and industry

Companies are responding to trends in society, market, and industry to be able to meet customers' and consumers' demands, and to be able to develop a unique position and brand image. And their understanding of current and significant trends is also reflected in corporate reporting.

There are many ways to describe trends. Some describe business opportunities in the light of general megatrends, some describe external and internal trends affecting their business in both positive and negative ways, and some describe specific industry and market trends, their impact on business strategy and operations and how the company responds to these trends and impacts.

Reflecting on trends is an element in reimbursing the strategy and position of the company, and it is a way to demonstrate that the company's products and services is relevant now as well as years to come.



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Global megatrends and technology shifts create significant opportunities for Danfoss

Climate change

Climate change is an immediate, not a future, risk. To stay on a 1.5°C pathway, rapid emissions reductions are necessary. Danfoss solutions accelerate the green transition of even the most carbon-intensive sectors: transport, industry, and buildings. Our technologies increase energy efficiency and enable electrification, increasing the share of renewables in the energy mix.

Urbanization

Cities account for more than 70% of global carbon emissions.[1] Danfoss solutions can significantly reduce their carbon footprint through a range of smart and efficient technologies in transportation, heating and cooling, supermarkets, wastewater facilities, data centers, and much more.

Food and water supply

Nearly one-fifth of all food is wasted,[2] and global food demand is expected to increase by up to 56% by 2050.[3] Optimizing food production, transport, and storage is essential. By making agriculture more efficient and reducing energy waste in the food and beverage industries, we can produce more with fewer resources.

Digitalization

Digitalization increases functionality in our systems and solutions and thereby the opportunity to further decarbonize. Danfoss' intelligent software solutions provide customers with real-time insights and automated decision-making. Our digital technologies can drive rapid change in our energy systems, increase machine productivity, and ensure that energy is used when it is greenest and cheapest.

Electrification

Transitioning to a fully electrified energy system could cut up to 40% of energy consumption.[4] Danfoss delivers electrification solutions not only to cars and trucks, but also to heavy industrial machinery, marine, and off- and on-highway equipment that can go hybrid or fully electric. Our technologies for hydrogen production can help electrify hard-to-abate sectors.

[1] IEA (2021). Empowering Cities for a Net Zero Future.
[2] NEP (2021). UN: 17% of all food available at consumer levels is wasted.
[3] van Dijk et al. (2021). A meta-analysis of projected global food demand and population at risk of hunger for the period 2010-2050. Nature Food. 2, 494-501.
[4] United Nations (n.d.). Reducing food loss and waste: Taking Action to Transform Food Systems

Danfoss is describing how five global megatrends are creating business opportunities.

The future direction of corporate reporting

The amount of regulation and standards in corporate reporting have increased in the last decades, and with CSRD/ESRS knocking on the door of companies the demands for still more depth and detail in our reporting is evident. We will need more data and datapoints, more tables and figures, more notes, more documentation, more explanation.

This is mostly a good thing. It will prevent companies from making empty promises and make reporting based on scientific facts and measurements rather than soft reporting and storytelling. In the end this should also affect governance and management to make decisions based on learning and deep insight, and it should assist marketing and communication in preventing greenwashing – or even do greenhushing.

In the end, doing business based on monitoring, data, documentation, science and facts should make businesses wiser and more effective.

Compliance takes time and money
But, because there is a but, the amount of compliance will also lead to a lot more administration in companies. They need to buy new platforms to gather, monitor, measure, report and communicate data, and they need to hire a lot of staff to handle legal and reporting issues, and to engage with stakeholders internally and in the supply chain to live up to new directives. They need to do a lot of analysis, develop policies, procedures, and code of conduct. And they need to hire

consultants in auditing, analysis, management, law, and communications consultancies (such as mine) to guide companies on the right track. This is money and time that to some extent is taken away from doing business, innovation, developing products, selling, and doing customer service.

From a communication perspective I am worried that corporate reporting ends up being forms, figures, data and tables with little room or time for content bringing the story behind the facts, illustrating the data in an informative way, using design, photos, case stories and quotes to bring the data alive and real to the reader.

This has already happened to large, listed companies in the US. Very few annual reports are “readable” to other people than financial analysts and institutional investors. This has not happened to the European companies, and surely large Danish companies are still doing a great effort in combing the hardcore facts with a narrative that is interesting and relevant for a wide group of stakeholders.

Cross media reporting and communication

However, with the increasing compliance burden there is no doubt that many companies are considering whether the annual report or ESG report is the right platform for communication with prioritized stakeholders. That is also why numerous other channels and media are used to get the messages out. Messages that may be drowning in other data in the corporate reports. The use of online reports, factbooks, reviews, presentations, talks, video, and social media are now quite widespread among companies.

I salute the use of a cross media strategy to communicate results and value creation. This makes a lot of sense. But it should not result in a downgraded annual or ESG report. This report is the mother of corporate communication, the officially story, the audited and documented facts, and the value creation story told and approved by top management. The go-to document to consult for all stakeholders.

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More info

Get the full report ”Trends 2024 – Corporate Reporting” from www.corporaterelations.dk/annualreport