

15 November 2023

# Working with CSRD

## A friendly monster...

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**FALCK**

# Agenda

1. **Intro to Falck and sustainability (15 min)**
2. **Challenge 1 (15min)**  
Working with CO<sub>2</sub> reductions
3. **Challenge 2 (30 min)**  
Working with CSRD
4. **Discussions**





**Our purpose**

**Advance sustainable  
healthcare to meet  
people's changing needs**

# Falck's business model aligns our purpose with how we deliver value to patients and societies

## Our purpose and who we are

*“Advance sustainable healthcare to meet people's changing needs”*

- ✓ **25,000** highly skilled professionals present in **26 countries**
- ✓ Acting as **partner and supplement** to the established healthcare offerings

## Our capabilities



Deep understanding of healthcare, safety and customer needs.



High quality commercial services, delivered through long-term contracts and subscriptions.



Excellent operational planning, training, mobilisation and utilisation.

## How we serve customers

### Preventative Care

We help individuals and organisations stay healthy, by working with them to prevent physical and mental health problems, and lifestyle related conditions

### Acute Care

We deliver fast and effective care when a healthcare problem arises – ensuring people get the right diagnosis and treatment at the right time, either at home, digitally or in a healthcare facility

### Rehabilitative Care

We help people physically and mentally recover after a healthcare problem – keeping them safe as we bring them back to good health, so they can thrive in their everyday lives again

## The value we create

### Ease critical moments

During a crisis, the **right interventions at the right time** are critical to achieve the best outcome. Easing critical moments **means alleviating physical and emotional impact of critical healthcare moments**

### Enable equal access

Today many people **receive insufficient care** due to **financial, cultural and logistical barriers**. Enabling equal access means **delivering inclusive care** to diverse populations and **helping them navigate their care**

### Build resilient communities

Families, organisations and health systems need the **tools to prevent, withstand and recover from healthcare challenges**. Building resilient communities means **ensuring adaptable and sustainable healthcare for individuals and society**

## Our ownership

Majority foundation ownership with long-term commitment to healthcare

# Falck has strongholds in three attractive markets



## US / California

### Market attractions

- California is a "G7-sized economy"<sup>1</sup> with the biggest global per capita spend on healthcare
- Big opportunity to bring down spending and strains on healthcare systems with a high willingness to pay and openness to innovation

### Falck's position

- A leading Californian 911 position
- Emerging position within Mobile Health market and similar adjacent services



## LATAM / Colombia

### Market attractions

- Developing economies with ~ 650m population<sup>2</sup>. Growing middle classes seeking better healthcare services in a market with scarce healthcare resources
- Colombia is the third largest economy in South America, and a lack of publicly funded healthcare system facilitates innovation

### Falck's position

- A leading provider with strongholds in Colombia offering subscription-based pre- and post-hospital services
- Globally leading digital healthcare services



## Europe / Scandinavia

### Market attractions

- Mature market with generally publicly funded healthcare systems – challenged financially and capacity wise with high demand for new solutions
- Large, growing, and affluent B2B/B2C markets

### Falck's position

- Falck's home market and a position of strength
- A fully integrated pan-Scandinavian healthcare provider
- A partner and a supplement to public healthcare systems
- Expanding EMS positions into the emerging mobile digital healthcare services

<sup>1</sup> California would as an independent country be the fifth largest economy globally (source: Bureau of Economic Analysis, World Bank)

<sup>2</sup> Source: UN data

# 8 key developments are impacting the healthcare sector today

## Changing Demographics



A higher share of senior citizens in society



More chronic diseases and multi-sickness

## New Technologies



Digitalisation and automation of processes



Diagnostics and personalised medicine

## Changing Behaviours



Consumerisation of healthcare and rising expectations

## Pressured Health Sector



More out-of-hospital healthcare services



Shortage of healthcare professionals



Increased health inequality

# How we work to advance sustainable healthcare

## Transform

**Transform systems** to realise strong and sustainable patient care



We shape and influence the established healthcare system. We are developing new care models, like monitoring and caring for patients outside of hospitals

## Reinvent

**Reinvent services** to deliver our patient care in smarter ways



We rethink how our services can deliver enhanced patient care. We are adjusting our care models to integrate new tools and capabilities like telehealth and early intervention

## Optimise

**Optimise operations** to reduce the negative impact of our patient care



We consistently make improvements to our operations to match new standards. We are reducing emissions by converting to alternative energy sources

# Our sustainability strategy is part of the solution

## Our purpose

Advance sustainable healthcare to meet people's changing needs



## What we strive for to advance sustainable healthcare

**Ease critical moments** to alleviate the distress and negative impact of critical healthcare moments

**Enable equal access** to deliver accessible care to diverse populations

**Build resilient communities** to ensure adaptable and sustainable healthcare for individuals and society



## Our sustainability commitments

### Enhance healthcare access

- Deliver #services to society



### Reduce climate impact

- Reduce CO<sub>2</sub>
- Submit science-based targets



### Secure healthy and diverse workplace

- Promote employee engagement
- Ensure gender diversity and inclusion
- Improve safety performance



### Build trust

- Ensure code of conduct training
- Secure whistle-blower reporting ratio



## How

Transform systems  
Reinvent services  
Optimise operations

# Sustainability targets drive change across the business

## Enhance healthcare access



→ Number of services delivered

Healthcare services  
Virtual/physical, telemedicine etc.

Emergency Health and Safety  
Ambulance and fire services

## Reduce climate impact



→ 50% reduction of CO<sub>2</sub> (scope 1) in 2030

→ 2.06 CO<sub>2</sub> tonnes/revenue in 2030 (10% y-o-y reduction)

→ Submit science-based targets

## Secure healthy and diverse workplace



→ Employee engagement score increased to 75 in 2025

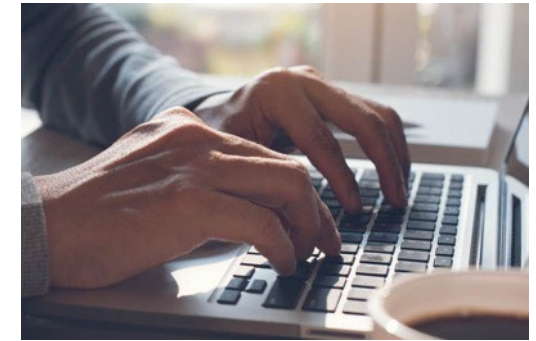
→ 40% underrepresented gender/total Executive Management

→ 40% underrepresented gender/total Senior Management by 2025

→ <8.8 Lost Time Injury Rate in 2027 (10% y-o-y reduction)

→ Zero fatalities

## Build trust



→ Whistle-blower reporting ratio >1 per 100 FTEs

→ All full-time employees trained every 2<sup>nd</sup> year in our Code of Conduct

# Key ESG figures measured annually

	Unit	Target	2022	2021
<b>Environment</b>				
CO <sub>2</sub> emissions, total (scope 1)	Total tonnes	50% reduction in 2030 (Baseline 2021)	52,325	53,194
CO <sub>2</sub> emissions, relative (scope 1)	Tones/revenue (DKK million)	2.06 in 2030 (10% reduction y-o-y)	4.66	5.31
<b>Social</b>				
Number of services delivered	Number of services		8,924,000	8,064,000
Employee engagement	Number (0-100 scale)	75 in 2025	72	72
Gender diversity, Executive Management	Underrepresented gender / total, %	40%	40%	40%
Gender diversity, Senior Management	Underrepresented gender / total, %	40% by 2025	33%	N/A
Lost Time Injury Rate (LTIR)	LTIs per 1 million working hours	<8.8 in 2027 (10% reduction y-o-y)	14.3	16.5
Fatalities	Number	Zero	0	1
<b>Governance</b>				
Whistle-blower reporting ratio	Number of reports per 100 employees	>1	1.62	1.32
Code of conduct training	% of employees trained in a given year	All full-time employees trained every second year	81%	55%

# Governance in place to drive actions



## Responsibilities

### Board of Directors

- Approves targets and strategy
- Reviews progress and approves annual reporting

### Audit Committee

- Monitors processes and controls of all ESG tracks

### Executive Management

- Overall accountable
- Sets direction and decides targets

### Sustainability Lead

- Governance, oversight and drive agenda
- Reporting of progress and communication

### Workstream Lead

- Execution and target progress
- Data on progress

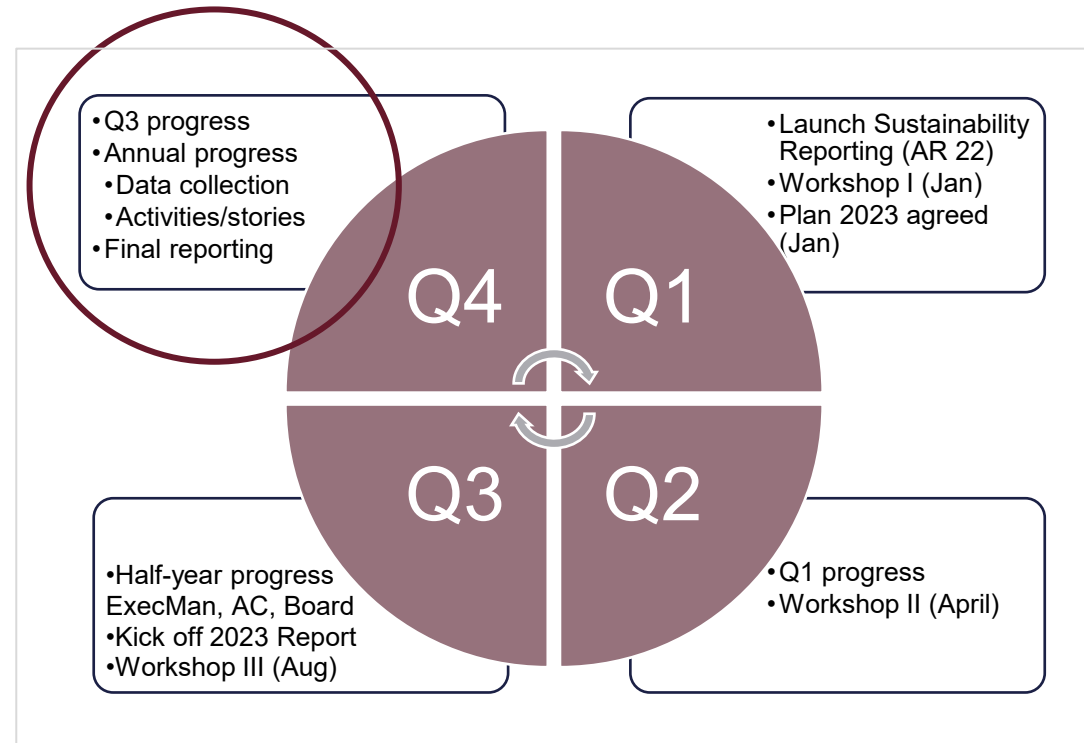
### Finance and accounting

- Data collection and control
- Framework and guidelines for data processes

### ESG data & reporting programme

- CSRD readiness and ESG One Truth (data)
- SBTi commitment

# 2023 Annual Wheel supporting actions and reporting



# Challenge 1

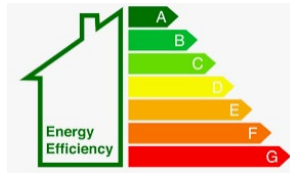
**CO<sub>2</sub>  
reductions  
- what and  
where?**



# SOCIAL impact is our core business

## E and G are the basis for our success – not ‘green labels’

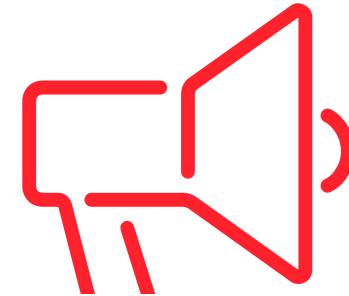
# E



# S

**8.9 million services**

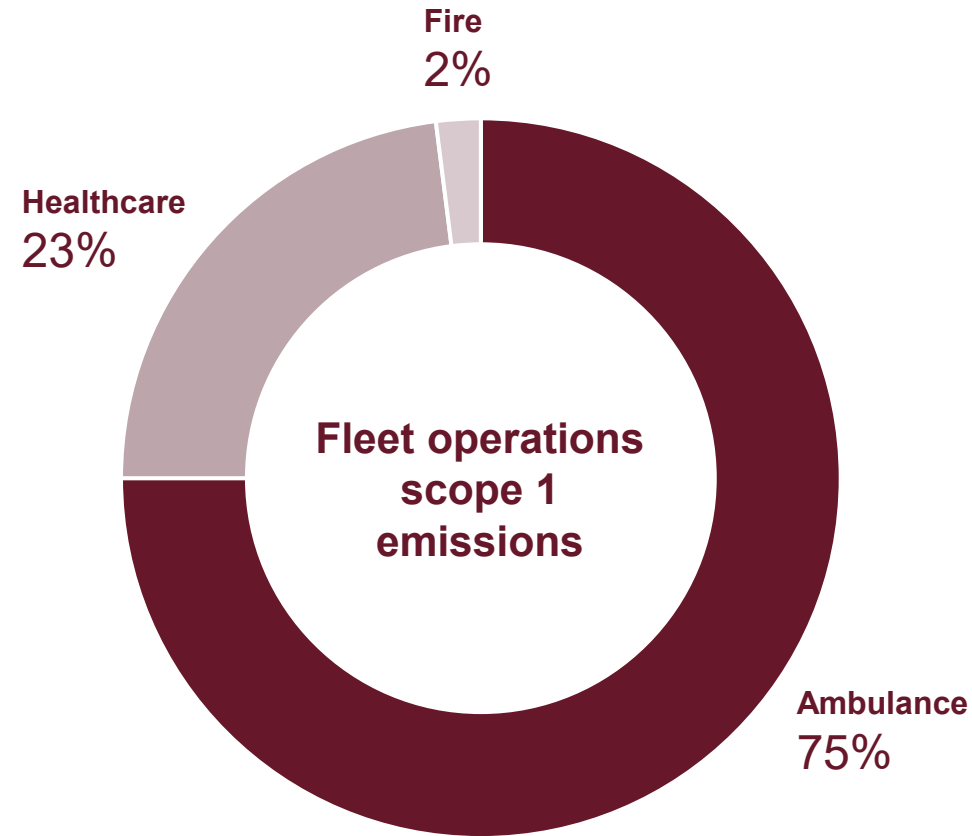
# G



**4-5% of  
global  
emissions  
come from  
the health  
sector**



# Our direct CO<sub>2</sub> - scope 1 - emissions are mainly from ambulance business (fuel). We strive for 50% reduction in 2030



# Ambulance customers across California, Colombia and Copenhagen differ and so does the typical ambulance

US /  
California

Typical ambulance



MAIN customers: B2G

LATAM /  
Colombia

Typical ambulance



MAIN customers: B2C

Europe /  
Scandinavia

Typical ambulance



MAIN customers: B2G

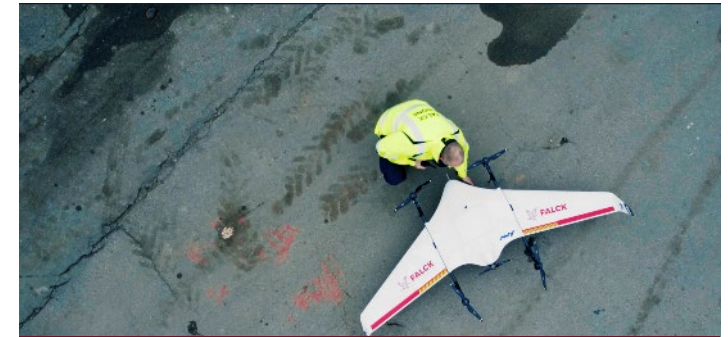
# We are taking concrete actions to lead the way



Tracking of CO<sub>2</sub> emissions (data)



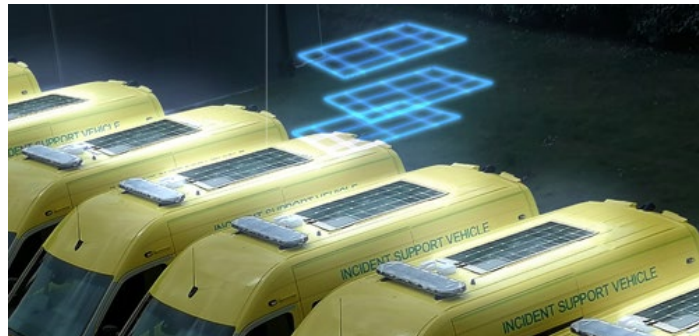
Electrifying our fleet



Developing health drones



Using HVO Biodiesel



In-vehicle optimisations

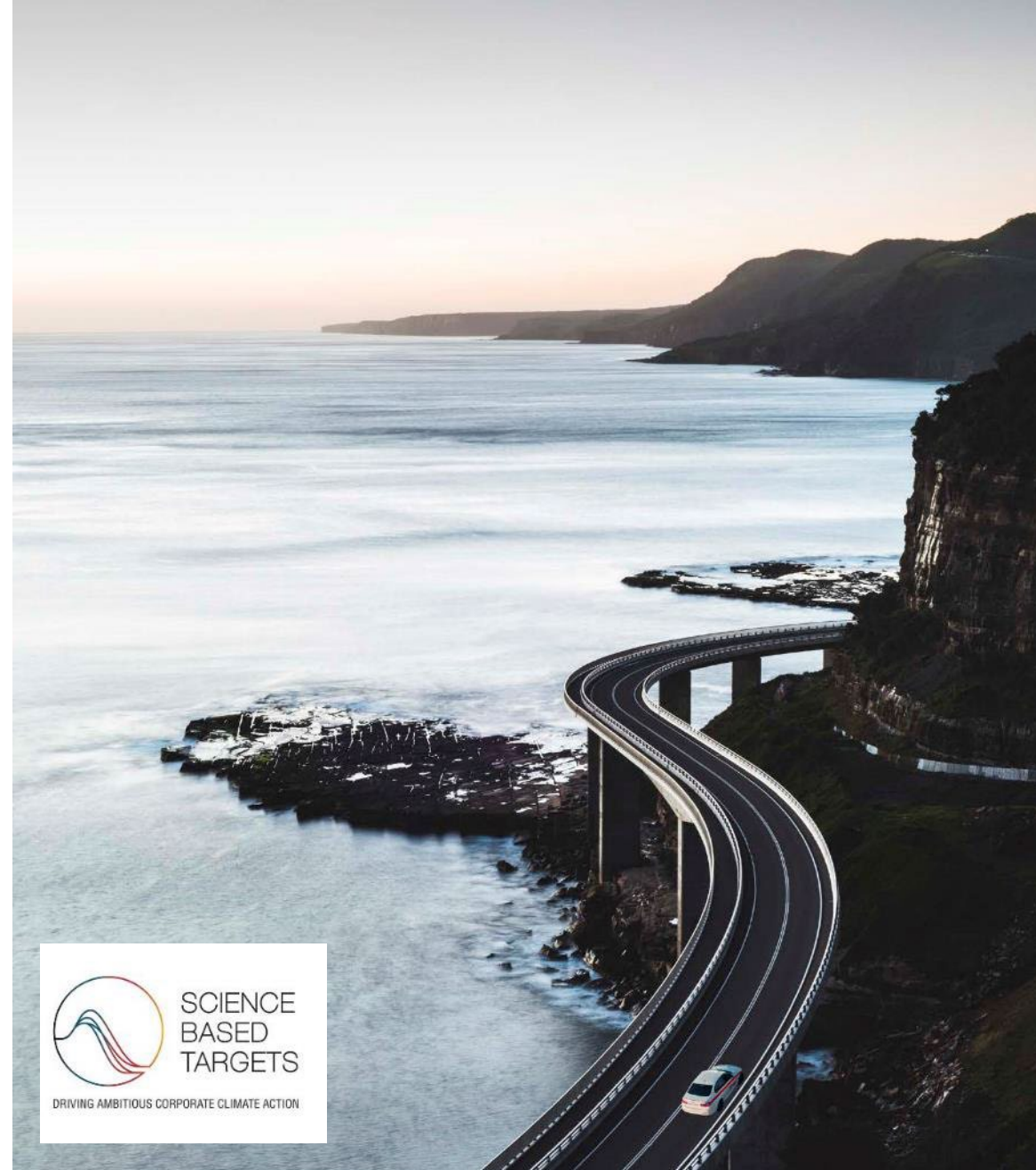


Supplier engagement

# Climate footprint is more than emissions from our fleet

	Main sources of CO <sub>2</sub> emissions total	Estimated split, % out of total
<b>scope 1</b>	Fuel	15-20%
<b>scope 2</b>	Electricity and heating of buildings	10-20%
<b>scope 3</b>	Goods and services (medical equipment etc)	50-75%

**Committed to Science Based Targets in 2022  
Submit targets no later than 2024**



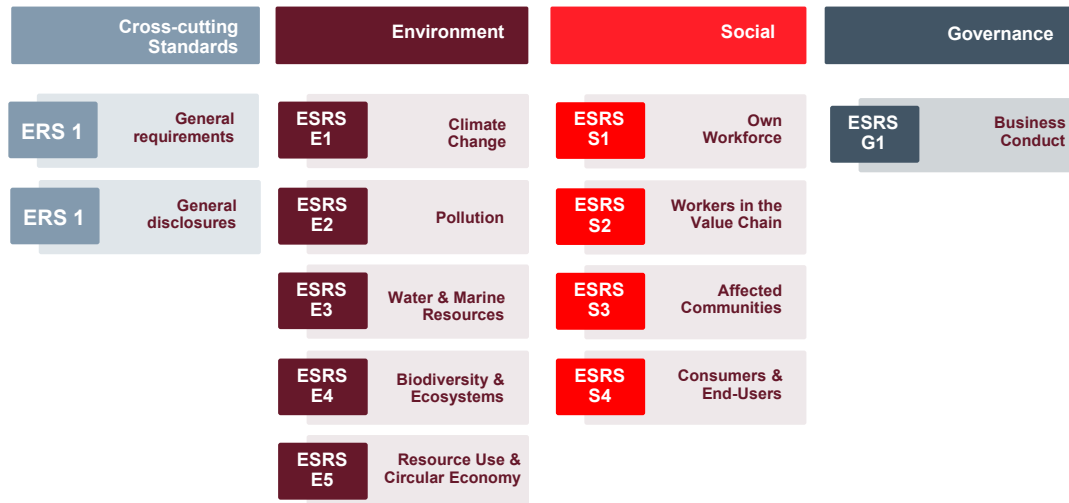
# Challenge 2

## Working with CSRD

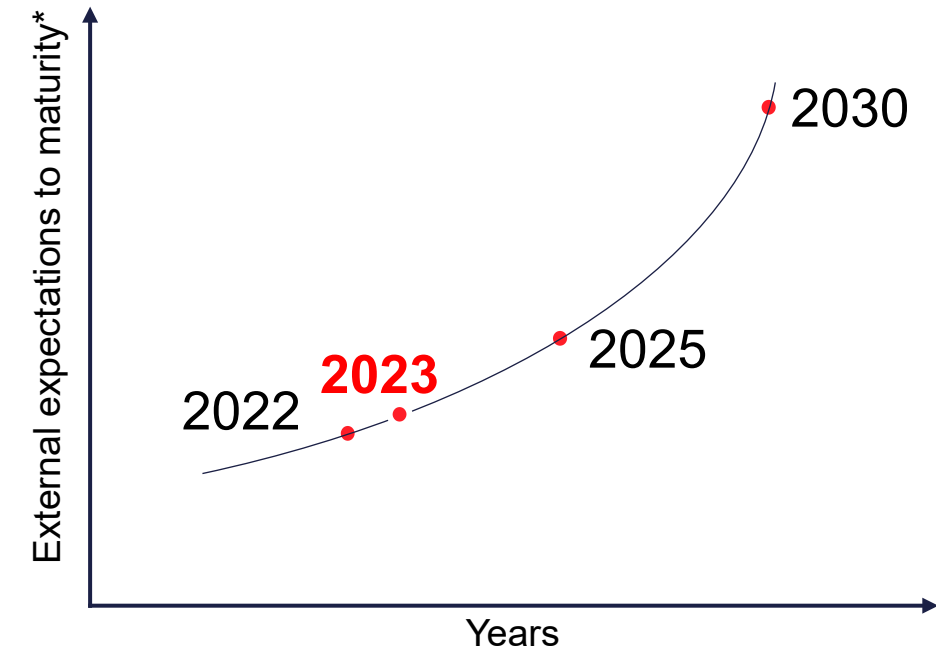


# New legislative demands will apply for Falck from 2025

## 12 reporting standards (ESRS/CSRD)



## Expectations to maturity



\*Maturity refers to capability-, data-, system- and process maturity

Where are we going

# CSRD is a new ball game for Falck and all other companies

## What companies think - or hope - CSRD is...

About legislation

Based on clear and objective criteria

A reporting exercise to meet compliance

Only about understanding own operations

Only about metrics and targets

## But in reality, it is...

About data, systems, organisations and stakeholders

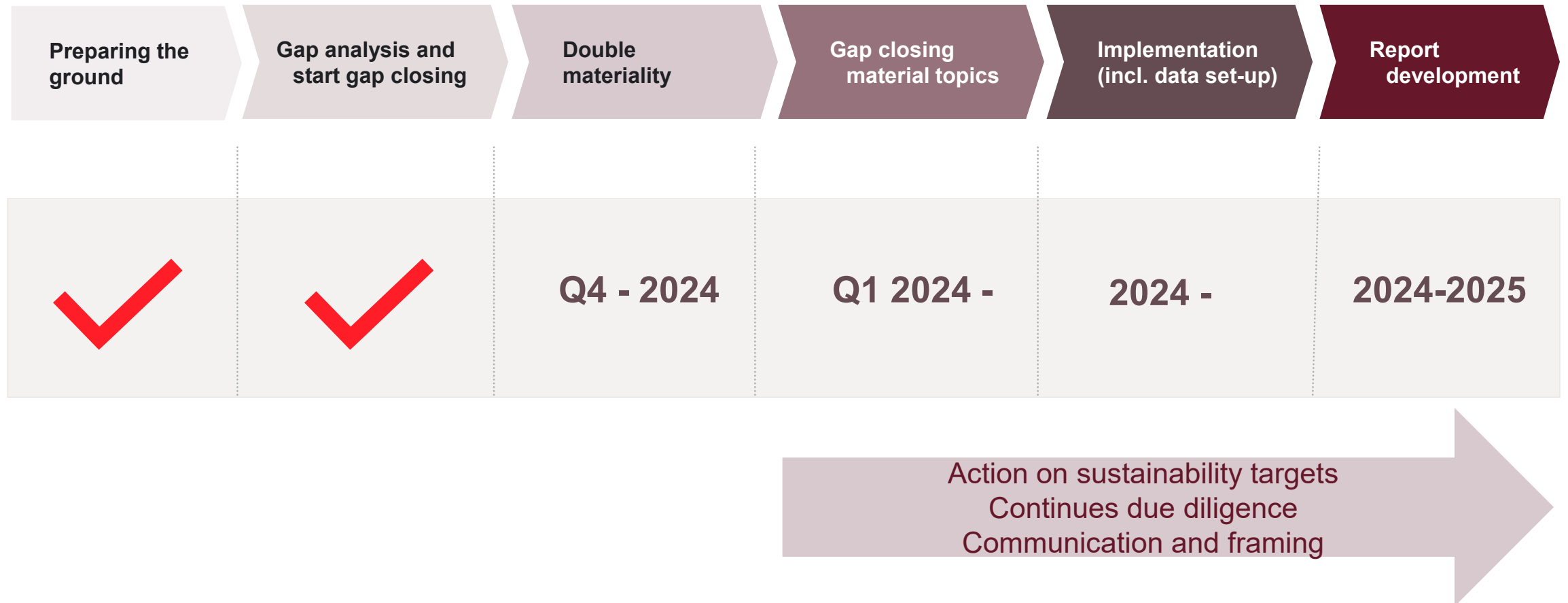
Dependent on double materiality assessment, context, and continues interpretation of regulation

Shifting the entire organisation towards sustainability

Understanding operations of suppliers (due diligence)

Also about processes, business strategy, policies, risks management etc.

# Our approach preparing for CSRD compliance (2023-2025)



# Choosing the route to take - Compliance and/or Value Creation

## Compliance route

- Focus on “ticking the boxes”
- Understanding the expectations line by line in CSRD
- Meeting minimum requirements
- Limited to parts of the company
- Missing business opportunities



## Value Creation route

- Seize the opportunities and move the healthcare sector
- Elaborate our Social Impact
- Explore opportunities related to ESG data (contracts, ratings, comms)
- Mitigating physical and other risks
- Build up solid processes

**The ideal route will enable us to comply with requirements, while creating additional value and strategic benefits**



**From theoretical  
framework to  
starting closing  
gaps**

**What and how?**



**FALCK**

**Warning**

**We are in the  
middle of it....**



# Closing gaps means finding solutions per requirement gap

## However, requirements differ, and many are subject to materiality


Cross-cutting standards		Type of requirement
ESRS 1	General principles	Mandatory (~120 requirements)
ESRS 2	General disclosures	

Environment		Type of requirement
ESRS E1	Climate change	<i>Subject to Materiality</i> (~300 requirements)
ESRS E2	Pollution	
ESRS E3	Water and marine resources	
ESRS E4	Biodiversity and ecosystems	
ESRS E5	Resource use & circular economy	

Social		Type of requirement
ESRS S1	Own workforce	<i>Subject to Materiality</i> (~250 requirements)
ESRS S2	Workers in the value chain	
ESRS S3	Affected communities	
ESRS S4	Consumers and end-users	

Governance		Type of requirement
ESRS G1	Business conduct	<i>Subject to Mat.</i> (~35)


Requirements fall into the following areas



**Governance (GOV)**

The governance processes, controls and procedures used to monitor and manage impacts, risks and opportunities

~5%



**Strategy (SBM)**

how strategy and business model(s) interact with its material impacts, risks and opportunities, including the strategy for addressing them

~15%



**Impact, risk & opportunities (IRO)**

the process(es) by which impacts, risks and opportunities are identified, assessed and managed through policies and actions

~40%



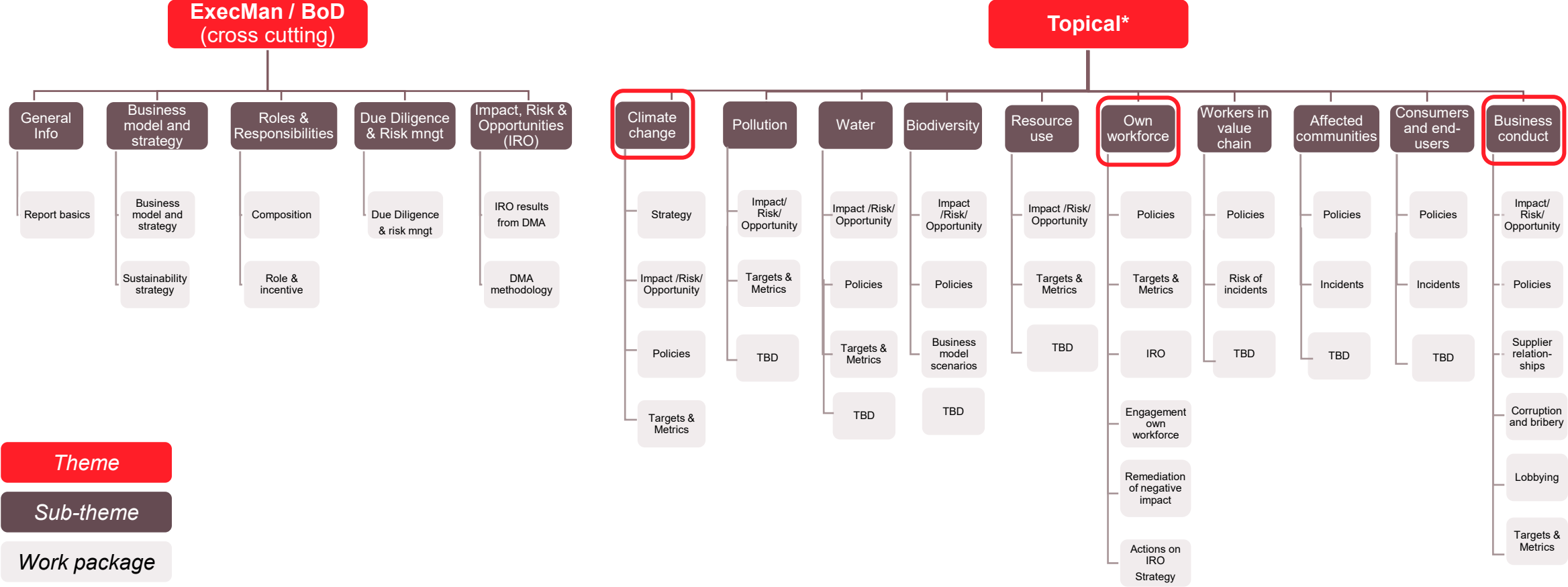
**Metrics and targets (MT)**

how the undertaking measures its performance, including progress towards the targets it has set

~40%

# Overview of potential work-packages\* shows the width of tasks

## We start with a limited scope for gap closing



ESG data and reporting programme  
 Steering Committee (CK/CB).  
 Programme management, Sustainability & ESG  
 Strategic direction

\*Work packages will change after the Double Materiality Assessment (DMA) which will be conducted in 2023



# Example of work package: Own workforce (S1)

## 7 potential work packages - only a few started

S1 Work package titles
1 Policies
2 Engagement with own workforce
3 Remediation of negative impact
4 Actions on IRO (Impact, Risks and opportunities)
5 Targets & Metrics
6 Strategy
7 Impact/Risk/Opportunity

Cross-cutting standards		Type of requirement
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ESRS S4	Consumers and end-users	

Governance		
ESRS G1	Business conduct	<i>Subject to Mat.</i> (~35)

# Unfolding a package – own workforce - policies

Task ID	Responsible	ESRS chapter (a-c)	ESRS chapter title	Headline (Task 1-liner from Master)	ESRS disclosure requirement (task)	Qualitative / Quantitative	Now / Later	Instruction (where possible/relevant)	Initial gap analysis (PWC)	Reasoning (initial gap analysis, PWC)	Gap analysis (updated by WP owner)	Reasoning for updated Falck gap analysis	Actions to close gap and when	Data availability (only applicable for quantitative task)	Data quality (only applicable for quantitative tasks)	Ready by (initial assessment)	Date for update and by whom (Falck)	Guidance (Application requirements, ESRS supportive text)
S1-19		S1-1	Policies related to own	disclose policies for own workers incl.	The disclosure required by	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-20(a)		S1-1	Policies related to own	describe human rights policy	The undertaking shall disclose its	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-20(b)		S1-1	Policies related to own	describe policies with own workforce	The undertaking shall disclose its	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-20(c)		S1-1	Policies related to own	measures to address and/or enable	The undertaking shall disclose its	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-21		S1-1	Policies related to own	whether policies are aligned with	The undertaking shall disclose	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-22		S1-1	Policies related to own	whether policies explicitly address	The undertaking shall state whether	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-23		S1-1	Policies related to own	whether workplace accident prevention	The undertaking shall state whether	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-24(a)		S1-1	Policies related to own	whether policies for elimination of	The undertaking shall disclose	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-24(b)		S1-1	Policies related to own	whether all types of discrimination	The undertaking shall disclose	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-24(c)		S1-1	Policies related to own	whether specific policies are implemented	The undertaking shall disclose	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix
S1-24(d)		S1-1	Policies related to own	whether policies implemented	The undertaking shall disclose	Qualitative	2023											See more info in S1 AR 10-AR 17 Appendix

Illustrative example

Read the instructions for 2023 tasks carefully  
Assess when it is possible to close for the rest?

Fill in the requested information

Review Application Requirements for guidance (ESRS text/link)



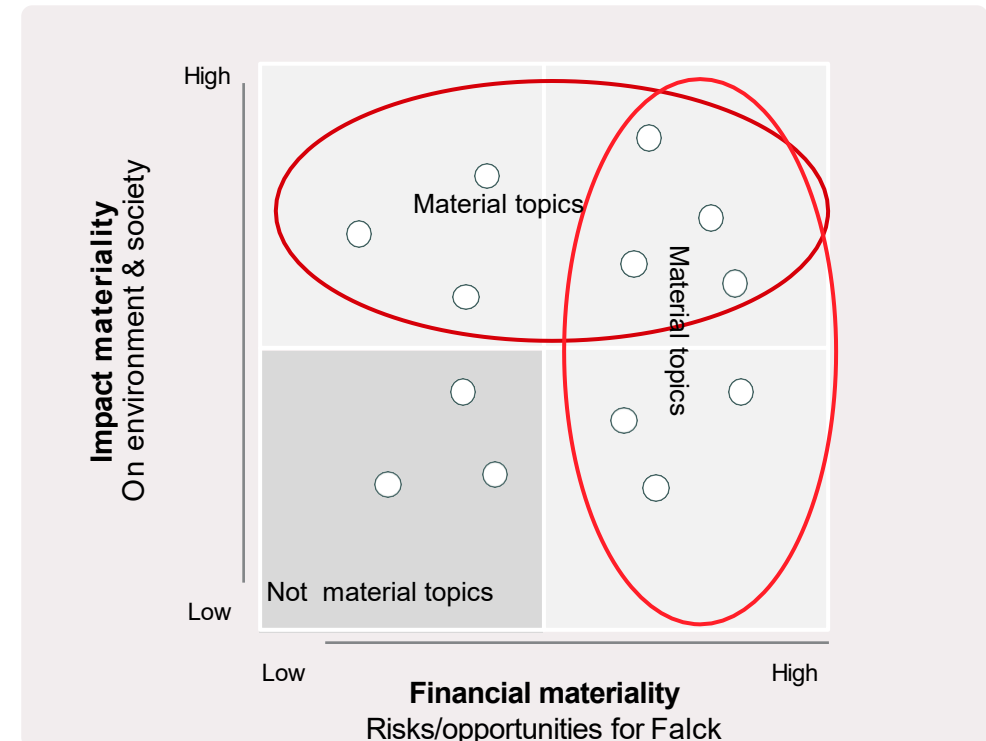
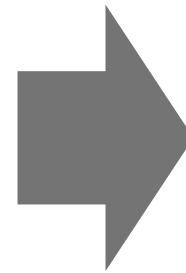
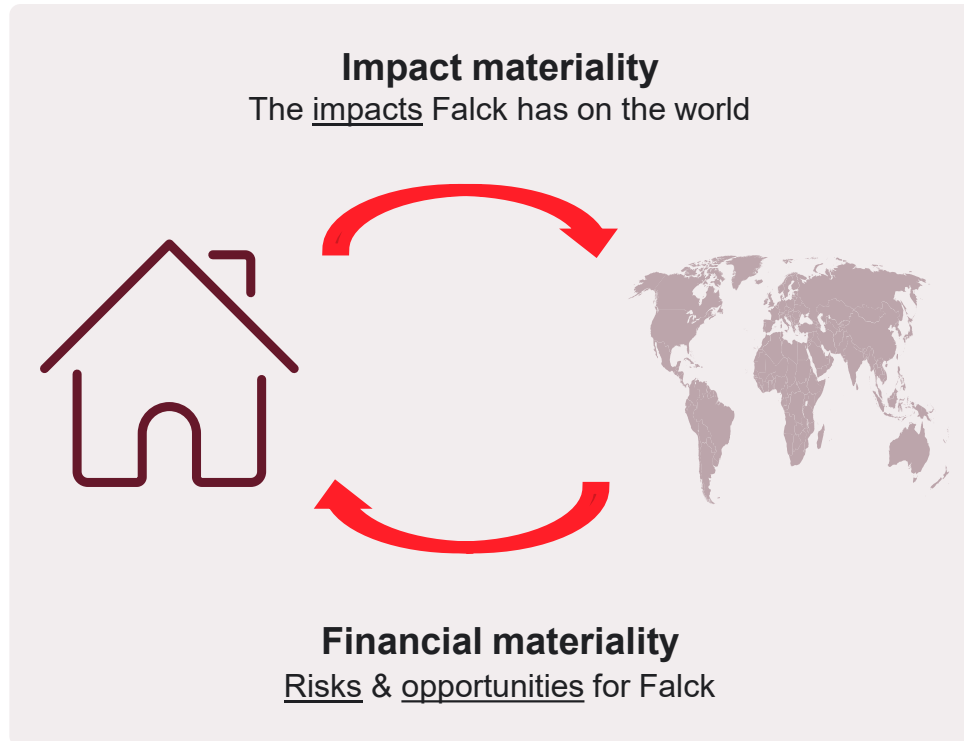
# Double Materiality Assessment What and how?

**Warning**

**We are in the  
middle of it....**



# Double Materiality Assessment is about determining the most important sustainability topics (ESG) for Falck



# Falck's current Materiality assessment published in Annual report 2022 is already highlighting key ESG topics for Falck

Materiality aspects	What are the main areas affecting our stakeholders	Why it matters to our business
Accessible healthcare	<ul style="list-style-type: none"> <li>• Unequal healthcare access</li> <li>• Inadequate elderly care</li> <li>• Prolonged sick leave periods</li> <li>• Outbreaks of diseases and pandemics</li> <li>• Digitalisation of services</li> </ul>	Advancing healthcare is the core of our business. We need to continuously deliver and innovate quality healthcare to address these societal needs in an affordable way.
Climate change adaptation	<ul style="list-style-type: none"> <li>• Insufficient climate action</li> <li>• Climate change has an adverse impact on public health</li> </ul>	Responding to climate change requires us to continuously reduce emissions and invest in new ways to deliver our services in a more sustainable way.
Shortage of healthcare professionals	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Diverse and inclusive culture</li> <li>• Working conditions</li> </ul>	In a tight labour market, we need to continuously develop our workplace in order to attract and retain sufficiently skilled staff to provide our services.
Patient trust and business ethics	<ul style="list-style-type: none"> <li>• Patient safety and trust</li> <li>• Unethical business behaviour</li> <li>• Leak of personal data</li> <li>• Cumbersome patient journey</li> </ul>	People rely on us, and that requires us to be a trusted business partner to the local authorities and communities which we serve.

## Previous Falck assessment Match in EU CSRD standards

Accessible healthcare	S4 End-users (health & safety)	
Climate change adaptation	E1 Climate change	
Shortage of healthcare professional	S1 Own workforce/ S4 End-users (health & safety)	
Patient trust and business ethics"	S4 End-users	G1 Business conduct

# Double materiality extends current in scope and method

## IMPACT Severity (on environment and society)



## FINANCIAL Magnitude (on Falck's business)

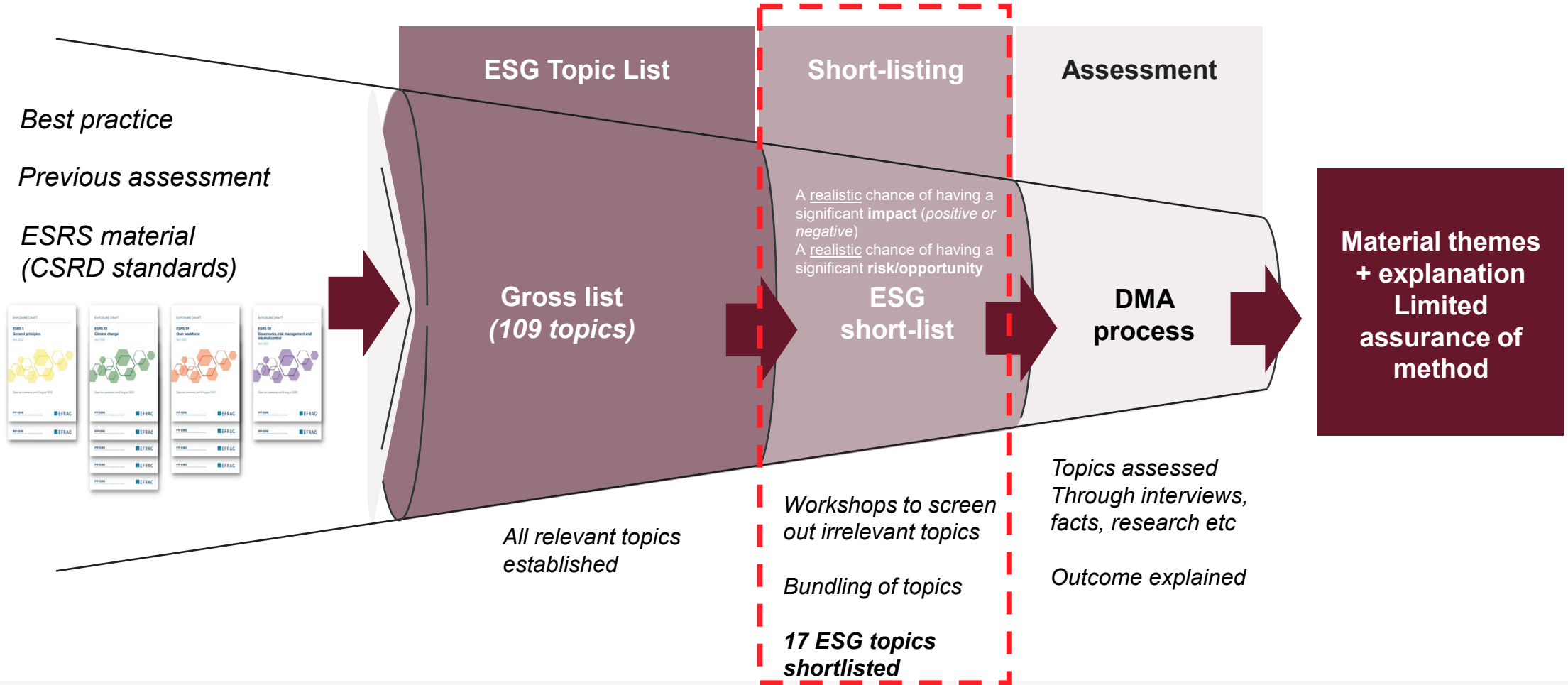
### IMPACT Severity (on environment and society)

Rating	Description
5 <b>Critical</b>	Very serious environmental or societal effect
4 <b>Major</b>	Serious environmental or societal effect
3 <b>Significant</b>	Measurable environment or societal effect
2 <b>Minor</b>	Minor environmental or societal effect
1 <b>Insignificant</b>	Insignificant environmental or societal effect

### FINANCIAL Magnitude (on Falck's business)

Rating	Description
5 <b>Critical</b>	Critical impact on Falck's corporate bottom-line (>DKK 100m)
4 <b>Major</b>	Major impact on Falck's corporate bottom-line (DKK 50-100m)
3 <b>Significant</b>	Significant impact on Falck's corporate bottom-line (DKK 10-50m)
2 <b>Minor</b>	Minor impact on Falck's corporate bottom-line (DKK 1-10m)
1 <b>Insignificant</b>	Insignificant impact on Falck's corporate bottom-line (<DKK 1m)

# Shortlisting let us focus efforts on the right ESG topics

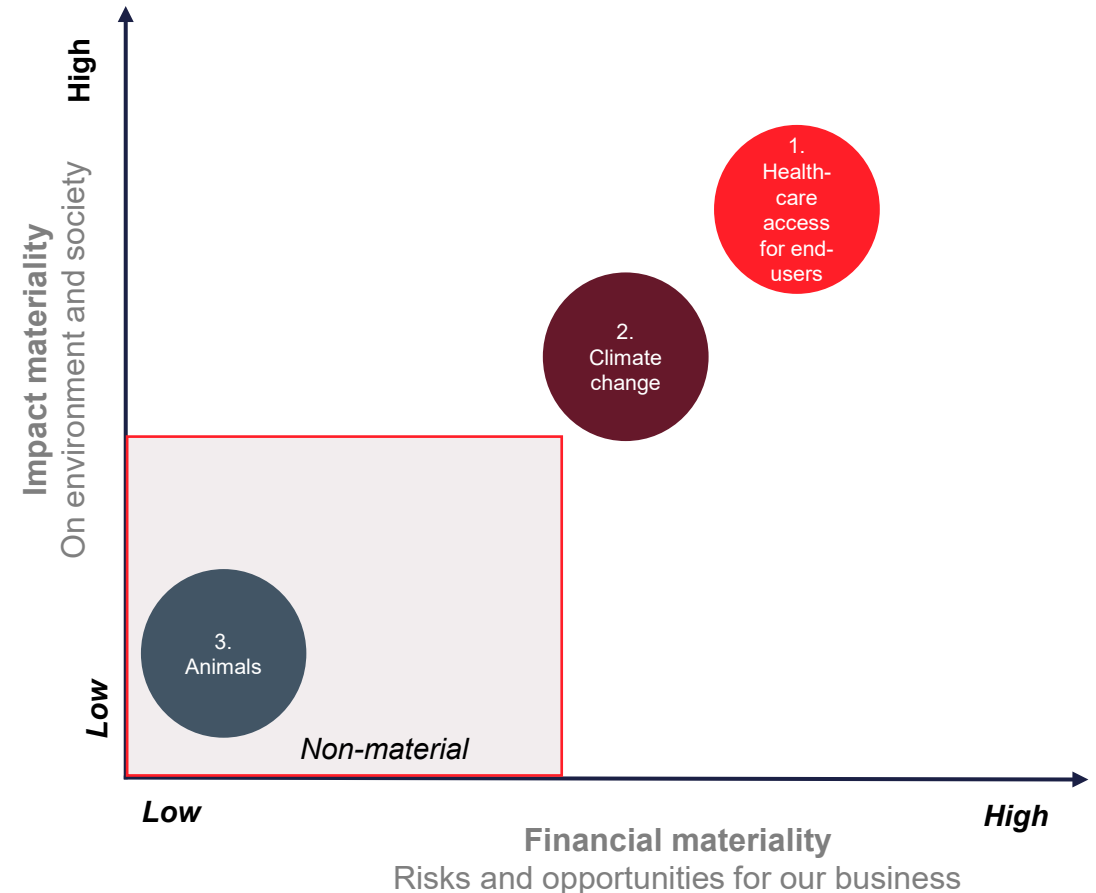


# Examples of assessment of ESG topics in workshops

1. Healthcare access for end-users: High impact on society and high financial opportunity for Falck
2. Climate change: Some impact on environment due to CO<sub>2</sub> emissions and some financial risks
3. Animals: Not relevant from either impact or financial materiality

Entire value chain (upstream and downstream) assessed

*Illustrative example – non-binding*



# 17 ESG topics shortlisted for interviews with stakeholder representatives (pre-read with explanations shared ahead)

Area		Topic
Environment	#1	
	#2	
	#3	
	#4	
Social	#5	
	#6	
	#7	
	#8	
	#9	
	#10	
	#11	
	#12	
	#13	
Governance	#14	
	#15	
	#16	
	#17	

Action required by representatives: Choose 3-5 topics. Reflect on why chosen and potential Impact/Risks/Opportunities

**IMPACT Severity** (*on environment and society*)

Impact  
(negative)

Impact  
(positive)

Risks

Opportunities

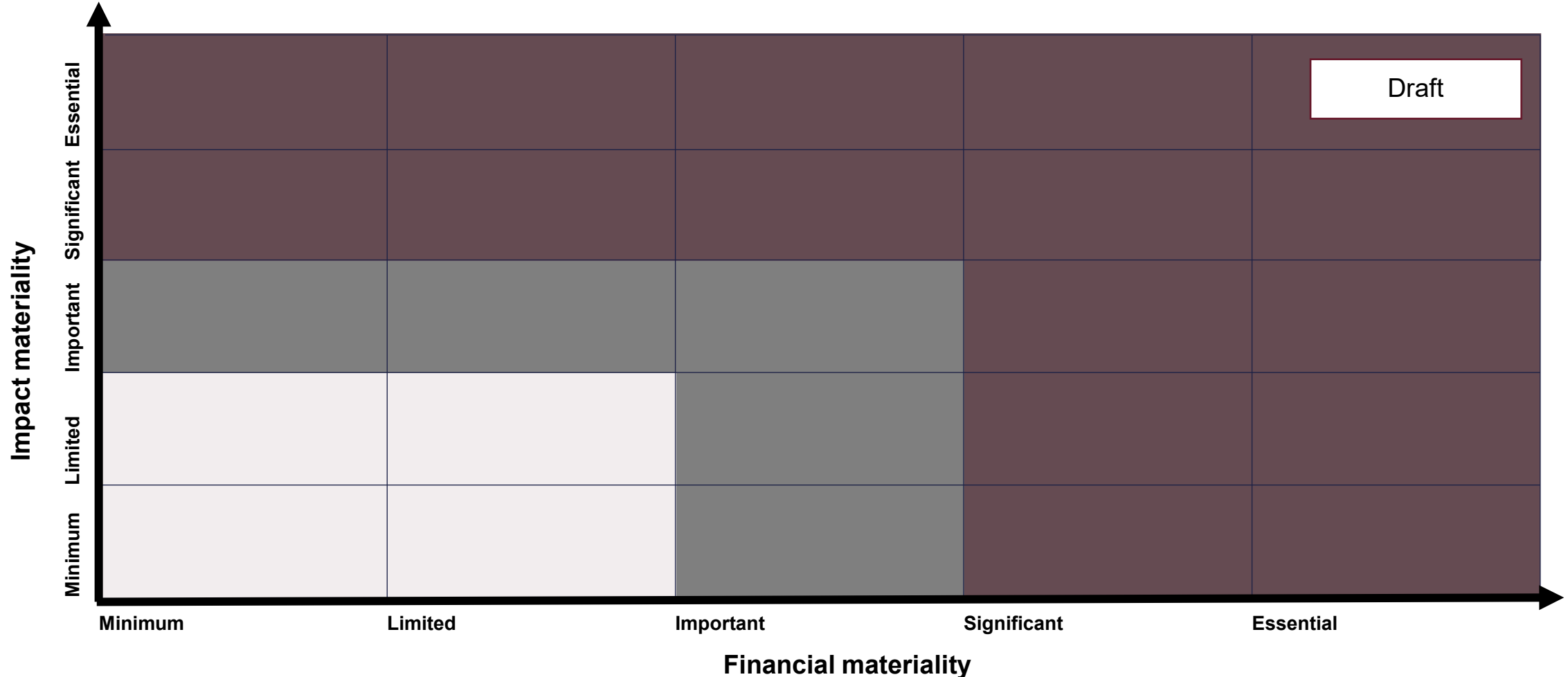
**FINANCIAL Magnitude** (*on Falck's business*)

Note: Consider the entire value chain for Falck which outlines our products and services from conception to delivery and end-of-life.

Full value chain includes *upstream* aspects (e.g., suppliers, sub-suppliers, manufacturers) and *downstream* aspects (e.g., delivery of services, end-of-life incl. waste and recycling).

# Thresholds will be defined in the end of the analysis

Giving clear guidance to Severity/Magnitude and Likelihood is key for the assessment

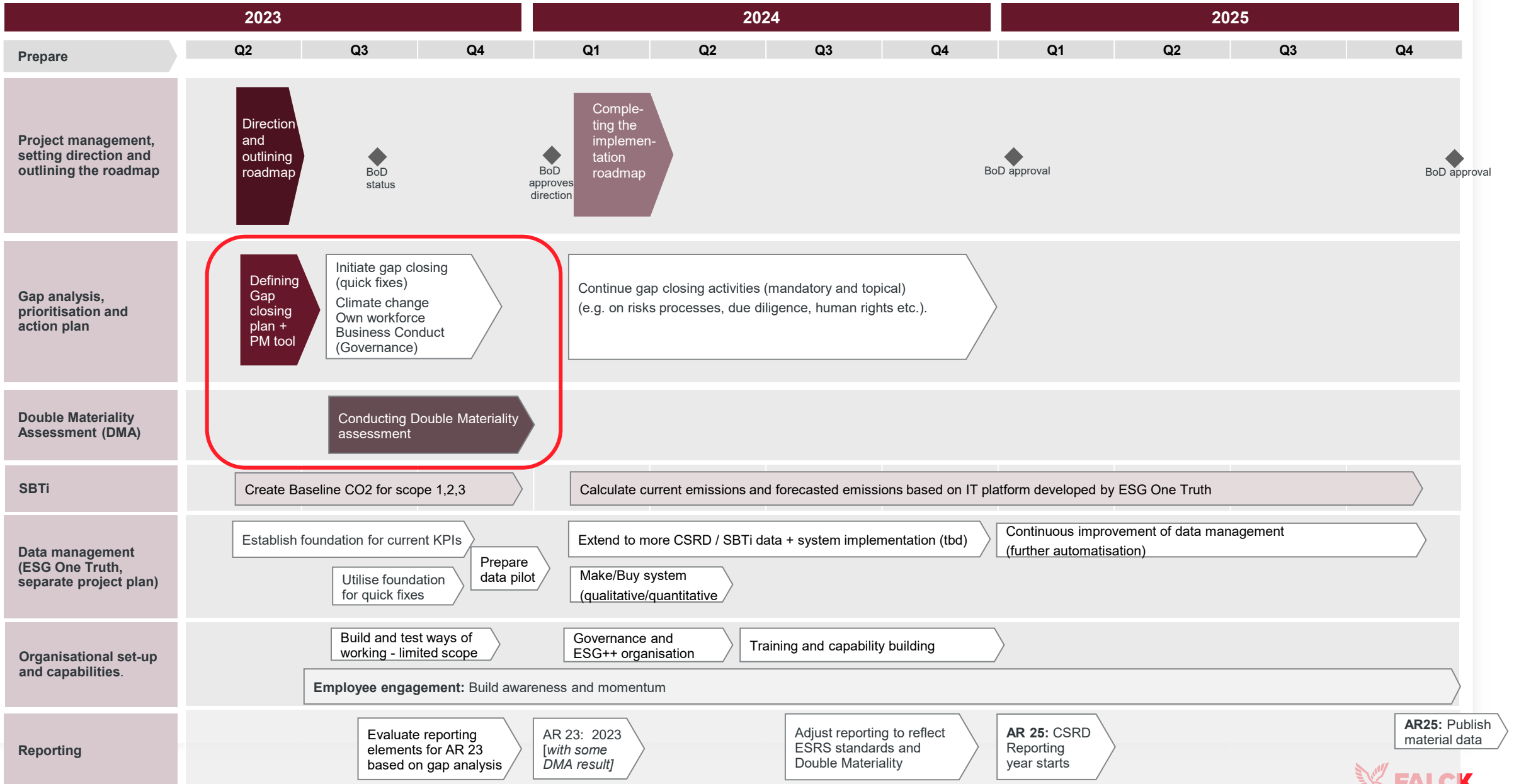


□ Topics that are not expected to be reported on (not material)

■ Topics that can be important to report on (greyzone)

■ Topics that are important or needs to be reported on (material)

# Overall CSRD readiness roadmap 2023-2025

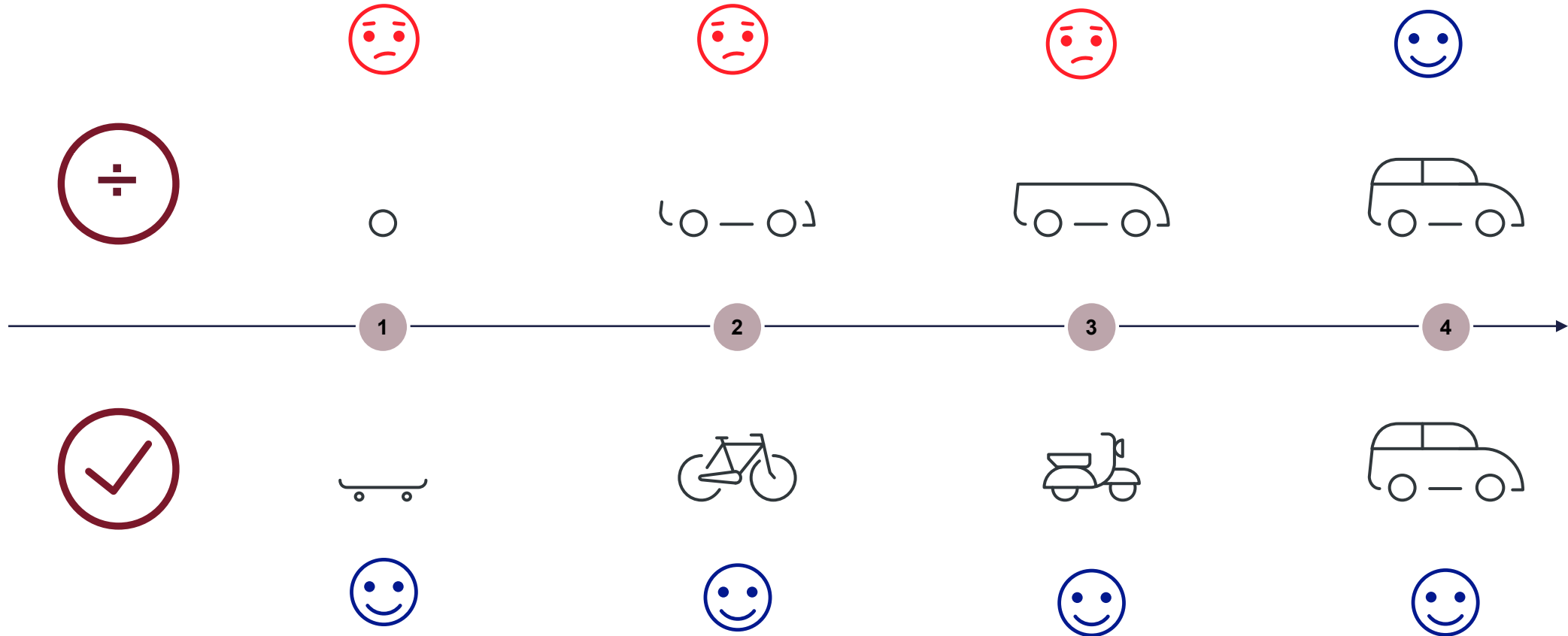


**Key take  
aways and  
good advice**

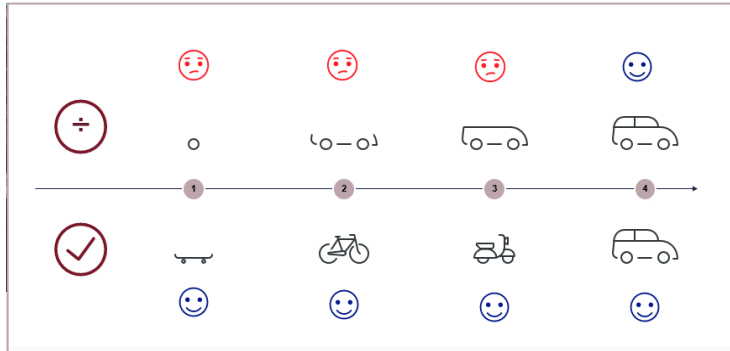


# Learning while building up data and processes

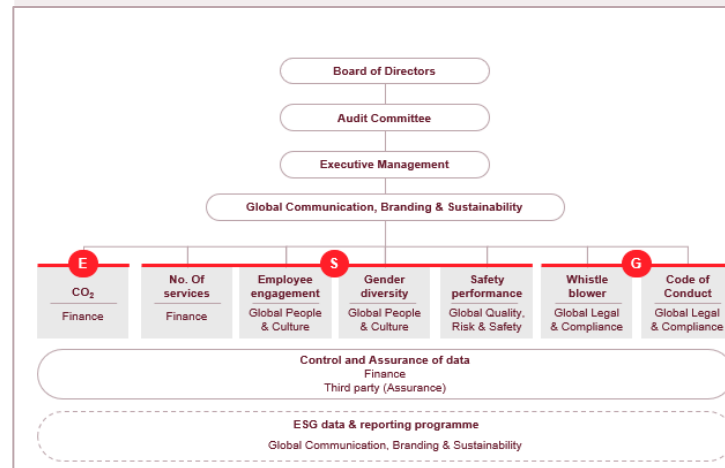
– nobody has the full picture yet



# Key learnings continued



**Governance, mandates, roles & responsibilities are absolutely key**



**Only Falck as a team can solve this big challenge .... and it is a big change management exercise (bottom up/top down)**

# Why is it a friendly monster ..... so far



**Boost what we do already and value creation/transformation opportunity**



**Points at the known/unknown blind spots and positive AND negative IMPACT**



**High attention and interest across the organisation**



**Push us towards building up processes further**

**But, we are only in the beginning**

# Q&A

# Thank you

We are looking forward  
to see you again.