

Report on corporate social responsibility

2013

Report on corporate social responsibility

2013

Jyske Bank is aware of the banking sector's general importance to society, including importance in respect of financial stability, and in accordance with legislation and business circumstances, the Group fulfils its role in this respect.

In all respects, Jyske Bank strives to operate an honest, fair and responsible business in respect of the Group's values and views as well as in a way that upholds the balance between shareholders, clients and employees.

Jyske Bank has not implemented specific policies on social, ethical and environmental issues. Nor does the Group have policies to ensure respect of human rights and reduction of the impact on the climate from the company's activities. In actual practice, the responsibility materialises as a natural ingredient of the Group's policies on all relevant areas and will always be based on relevant current legislation and specific business circumstances.

In the opinion of Jyske Bank, satisfactory results were achieved in 2013 from its work with corporate social responsibility. It is expected that this work will continue in 2014.

Investments

Jyske Bank seeks to optimise its clients' investments on the basis of their risk profiles. Jyske Bank takes corporate social responsibility in connection with investments, meaning that environmental, corporate social and corporate governance (ESG) issues are included in the investment decisions.

Jyske Bank has signed the Principles for Responsible Investment (PRI), which is a joint declaration on corporate social responsibility in connection with investments and the fulfilment of six key principles for responsible investment.

Jyske Bank cooperates with other investors to exercise active ownership in relation to companies with ESG challenges.

Jyske Bank has entered into an agreement with an external adviser, from whom Jyske Bank twice annually receives a screening report on companies seriously violating international norms or conventions.

In order to assess the reports from the external adviser, to decide on the contribution to the cooperation with other investors on active ownership and to act in situations involving ESG challenges, Jyske Bank has established an internal committee, which can

quickly be convened to decide on Jyske Bank's stance on the individual investment or the individual company.

Exercising responsibility when selecting investments is a very complicated matter. Opinions differ widely when it comes to responsible investment. Investors, authorities, media, politicians and interest groups have varying definitions of the concept. Jyske Bank does not wish to be bound by certain conventions or international charters. Jyske Bank wishes to be at liberty to assess which companies and industries it will invest in on the basis of corporate social responsibility.

In 2013, Jyske Bank was together with other investors involved in a number of engagements regarding violation of international conventions and norms. In many of these cases, it was ascertained that the engagement generated very positive results.

In December 2013, *Rådet for Samfundsansvar* (the Danish Council for Corporate Responsibility) issued guidelines for responsible investment in government bonds. These guidelines advocate that two principles are met:

- International sanctions and bans issued by the UN and the EU must always be complied with.
Jyske Bank already complies with this principle.
- Investors must, to the extent possible, themselves examine the conditions in countries that may pose a significant risk of violating human rights.
Jyske Bank is currently considering how we will comply with this principle.

Through its membership of DANSIF, Danish Social Investment Forum, Jyske Bank participated in the most recent annual survey of responsible investment in Denmark and expect to take part in the coming survey in the spring of 2014. The survey found that 86% of the largest 50 institutional investors in Denmark have a policy for responsible investments.

Jyske Bank expects that in the first quarter of 2014, as a co-signatory of PRI, it will conduct the first full-year "Reporting and assessment process" according to the PRI guidelines. Parts of this report will subsequently be published on PRI's website.

Environment and energy

Jyske Bank's view of environment and energy is in line with its wish to create a setting that ensures a good working environment. Based on common sense, Jyske Bank is continuously reviewing its energy consumption and choice of materials, and we prioritize installations and solutions that will minimise the impact on the environment.

Jyske Bank approaches the concept of corporate social responsibility by

- assessing installations and lighting in respect of their operating life and energy consumption;
- viewing architecture as a means to minimise energy consumption;
- focusing on integration of energy sources in its building and construction projects;
- including sustainability as an element in architecture and choices of new decoration and layout elements.

The Group continuously attempts to reduce the amount of printed materials, and when printing marketing materials, the Group uses products with the Nordic Ecolabel (products with this Ecolabel have the least possible impact on the environment). Such products are used whether the marketing materials are printed by the Group's own printing shop or by an external printing shop. The same applies to paper used in printers throughout the Group.

Employees

An important element of the employee policy of Jyske Bank is that the Group shall constitute a place of work where lasting relations are created in a productive, trusting and unpretentious working environment characterised by reserves of strength and positive energy. Another important principle is that Jyske Bank is a socially responsible employer within the limits set by the market economy under which Jyske Bank operates.

With a view to strengthening efforts to secure a good working environment, Jyske Bank professionalised its working environment organisation in 2012 by appointing employees holding special competences to handle the tasks, whereas previously these tasks were solved as a sideline activity by employees with another primary role in the Group. After the restructuring of the organisation, Jyske Bank has maintained its good work environment as evidenced by the 'green smileys' awarded at all 14 inspections by the Danish Working Environment Authority.

In 2013 the work environment organisation introduced the new innovative 'Dialog APV' (workplace assessment through dialogue) as an alternative to the traditional workplace assessments based on forms. In this new dialogue, the work environment consultants assist the departments/branches in processing the local work environment through a guided process during which all employees will get the opportunity to talk about their successes and problems, and also they can contribute to the development of feasible solutions. The experience gained from working with the new method is that it both ensures an open and honest dialogue and offers a platform for the employees' influence on and involvement in their own work environment.

Other great efforts were to coordinate the installation of 45 defibrillators at Jyske Bank's departments and branches, and it has been planned that another 35 will be

installed. The defibrillators are accessible by the general public 24-7 and registered at www.hjertestarter.dk, which website shows the locations of defibrillators nationwide. After the full expansion of this scheme, there will be 24-7 access to defibrillators within a radius of 500 metres from all Jyske Bank branches. In connection with the installation of the defibrillators, all employees are offered training in first aid as well as the use of defibrillators, and on an as-needed basis some branches have also offered clients and other interested parties crash courses in the use of the defibrillators as part of various events in their local communities.

The corporate social responsibility of an employer very much involves facilitating the access of young people to jobs and education and offering employees the possibility of training and development that will make them attractive and valuable in the job market. On the other hand, there must also be positive prospects of lasting future employment, and in consequence of the changed structure and lower employment rate in the Danish financial sector, Jyske Bank does not hire as many newly educated employees as before. However, recruitment of newly educated employees still account for a considerable part of the Group's recruitment activities. In order to stimulate the interest in empowerment and competence development and to ensure the interrelationship between public and private education, the Group has since 2010 awarded ECTS credits in connection with its internal training schemes, and these efforts continued in 2013.

Jyske Bank supports account managers' and advisers' work on voluntary debt counselling instigated by the Danish Ministry of Social Affairs and Integration and a number of organisations by offering them time off with pay covering half the time they spend on such debt counselling. Advisers and account managers from Jyske Bank participate in the scheme to such an extent that the total contribution corresponds to the Bank's market share.

Clients

In its credit policy, Jyske Bank emphasises the importance of responsible conduct towards clients as well as guarantors.

The basis of Jyske Bank's concept for advisory services to corporate clients is that of a strategic dialogue that will ensure the client an overview of opportunities available to and risks facing him. This entails, among other things, a dialogue about circumstances relating to the client's corporate social responsibility. According to analyses, corporate clients rate Jyske Bank's advisory services as satisfactory, but there is no particular measurement indicating the outcome of the dialogue about issues relating to the client's corporate social responsibility.

Jyske Banks Almennyttige Fond og Medarbejderfond (the Jyske Bank Employee Foundation and the Jyske Bank Non-Profit Foundation)

Jyske Bank has established Jyske Banks Almennyttige Fond; the purpose of this non-profit foundation is to further charitable causes as well as the development of trade and industry. Hence, by giving prizes, etc., several activities of a varying nature all over the country have been supported over a number of years.

Moreover, Jyske Bank has established Jyske Banks Medarbejderfond, of which the purpose is to support current and former employees of Jyske Bank.

The foundations' capability to render support depends on the return on their initial capital. According to the Articles of Association, the majority of the initial capital is invested in Jyske Bank shares, and because the Jyske Bank share in line with other bank shares is still affected by the financial crisis, the funds' reserves - and hence their distributions - are currently limited.

This statutory report constitutes part of the management's review in the Annual Report 2013 of Jyske Bank.