



Jyske Bank

2019 Corporate Social Responsibility Report

Contents

About this report.....	2
Our business model and foundation	4
Focus on our social responsibility	5
Policies.....	8
Employee Conditions	12
Climate and the environment.....	19
Human rights	25
Investment.....	26
Social initiatives	33

About this report

In this report, you will find our policies, priorities and objectives in the field of sustainability. The report provides a systematic review of our core business areas and how we incorporate our corporate social responsibility into these. The purpose of the report is to establish transparency about our business model and how we convert our policies into specific projects and activities. Also, we explain our due diligence processes and risk assessments, the KPIs applied and the results achieved.

The report forms part of the statutory management's review for 2019. As part of our annual reporting, we also publish a number of separate governance-related reports and statements which are available at investor.jyskebank.com/investorrelations/governance.

The report also forms the basis of our Communication on Progress (COP) reporting for the United Nations Global Compact.

The Jyske Bank Group became a member of Global Compact in December 2016 and acceded to UN Principles for Responsible Banking (PRB) in 2019. The PRB involves ambitiously working on responsibility by engaging in dialogue with the surrounding world about how a company wields its influence through its investments and its business. Upon accession, Anders Dam, CEO, stated: "At Jyske Bank, we are keenly aware of the crucial role we play as a bank in the developments which the UN Sustainable Development Goals lay the groundwork for. We want to operate our business sustainably. And by acceding to the UN principles, we want to contribute to and facilitate the sustainable growth our society needs. By acceding to these principles, we join a global, financial community, whose principles closely resemble our own values and business strategy, and we want to use our sustainability efforts to make a difference, just as we have done in other areas of this sector."

The report also constitutes the Jyske Bank Group's reporting on the UN Sustainable Development Goals and Principles for Responsible Investment.

We are always pleased to receive feedback on our corporate social responsibility initiatives. Please direct any questions or comments to: ir@jyskebank.dk

Reporting principles

The contents of the reporting are designed to ensure compliance with the following international organisations and initiatives to which Jyske Bank has chosen to accede.

We observe the following reporting principles:

- Statutory requirements (2016) of the Danish Business Authority: Environment, climate, social relationships and employee conditions, respect for human rights, anti-corruption and anti-bribery
- The Ten Principles of UN Global Compact
- Selected UN Sustainable Development Goals (SDGs)
- United Nations Principles for Responsible Investment (UN PRI)

Governance

Organisationally, corporate social responsibility and sustainability activities are embedded in the 'IR and Sustainability' Department. The department is also responsible for the Group's Sustainability Programme, and Jyske Bank's CEO is the programme owner.

The steering group of the Sustainability Programme consists of eight members of the group management and is responsible for the development and coordination of strategic initiatives for sustainability at Jyske Bank. Programme initiatives are implemented in the respective business units.

Our business model and foundation

The Group's business area comprises the provision of financial products as well as other related products and services. The Group supports the need of private individuals, companies and institutions – and consequently also society – for financial services that are simple, foresighted and responsible. Jyske Bank has 3,593 full-time employees and nationwide network of 95 personal-client departments and three business departments at separate addresses (Hellerup, Nykøbing F and Aalborg), in total 98 departments.

The Jyske Bank Group's shareholders, clients and employees are the bank's most important stakeholders, and a mutual balance must be struck whereby:

- shareholders receive an attractive, risk-adjusted long-term return;
- clients receive advice, products, services and prices that are among the best on the market; and
- employees have an attractive workplace with opportunities for development.

The Group's values are the most immutable part of our business. They help ensure that we respect people and the environment and that we exhibit responsible conduct in our daily work. A number of guiding principles bind us together and guide our actions. We aim to ensure that our stakeholders perceive our values in practice when they encounter us in different contexts.

The Group's values:

- Holistic approach and common sense: We act on the basis of a holistic view
- Open and honest: We are open and honest in word and action
- Different and unpretentious. We think and act differently, and behave in an unpretentious manner
- Equal respect and commitment: We are understanding and empathetic and demonstrate commitment
- Efficient and persevering: We strive to make progress, and we meet the objectives that we have set for ourselves.

Focus on our social responsibility

As a large financial group in Denmark, Jyske Bank has an obligation vis-à-vis society. We endeavour to run a company that conducts itself responsibly and promotes sustainability pursuant to our values in every aspect of our business with due consideration of our clients, employees and shareholders.

By signing the Paris Climate Change Agreement and the UN 2030 Agenda for Sustainable Development, the world leaders defined global targets for a joint sustainable development. The future EU rules for Sustainable Finance reflect that the role of the financial sector in the development of society will change to support the agenda of global sustainability.

Jyske Bank can and will be a significant player in respect of supporting and facilitating a sustainable development of society. This implies the incorporation of climate and environmental considerations as well social considerations, respect of human rights and financial responsibility in Jyske Bank's business activities.

This means that we strive:

- to ensure a sustainable and responsible business through our advisory services, investments and lending;
- to create a workplace which ensures welfare and equal rights for our employees;
- to reduce the Group's negative impact on the climate and environment;
- to take corporate social responsibility through social initiatives focusing particularly on "HUSET og det bebyggede område" (the house and the built-up area).

Our greatest competitive parameter is our employees who in different ways are involved in our sustainability efforts and who must feel proud to be part of a company that takes social responsibility. A significant number of employees from all levels of the company are currently involved in our sustainability efforts and, in the best of all worlds, all employees must be familiar with our sustainability efforts so they can serve as our ambassadors in their encounters with the surrounding world.

We focus on “the home”

‘Huset’ (the home) and the built-up area form the focal point of our social initiatives. In actual practice, this is reflected in our contributions to the creation of better urban spaces and local environments and, hence, hopefully, improvements for each individual as well. This is the best way we can help give these areas a boost, in partnership with residents and other players. Overall, our social initiatives have three dimensions: A social dimension, a partnership dimension and an urban renewal dimension.

We operate within four segments: personal clients, private banking, corporate and capital markets, and we select our initiatives based on the four following principles:

- We cooperate with our clients and stakeholders in areas where we already operate professionally. ‘The home’ is our professional environment and action area
- We contribute the resources available in our company, and we enter into processes that can help create improvements for individuals, local communities and society in general
- Our commitment must make a significant difference and create a culture of innovation in the projects we decide to get involved in
- We enter into unconventional partnerships with other companies, the public sector and players from local communities.

When we make use of the above principles, experience shows us that we can achieve the desired results, which is to create lasting improvements for clients, shareholders and private individuals, to uphold or establish relationships with new clients and to have a reliable, rewarding narrative to impart. And we do this in an environment with which we are already familiar: “the home and the built-up area”.

In cooperation with partners, we address social challenges with the aim of improving the local environment. Partnerships with private individuals, the public sector, NGOs, and companies create an innovative project culture in which everyone contributes the resources they naturally have at his/her disposal.

Over a lengthy period of time, we have focused on the shortage of apprenticeships (MurMal) and on motivating the 20% of all young people who do not get an education to enrol in a vocational study programme (Skilled Hands).

We also take part in projects via Finance Denmark, such as voluntary debt counselling for the socially disadvantaged and providing instruction to children and young people in financial responsibility. We have also been cooperating with FoodBank (FødevareBanken) in a well-established partnership since 2012.

Toolbox

We have developed a ‘Toolbox’, which individual departments may use in their work. It makes it possible to involve as many Group employees as possible in sustainability efforts. The idea is to boost local ownership and, in so doing, boost the implementation of our values and focus on corporate social responsibility and sustainability. The toolbox has four projects to choose from, each of which comprising a kit and set of materials that were developed to get the ball rolling.

The 17 UN Sustainable Development Goals and Jyske Bank

In continuation of our core expertise, we of Jyske Bank want to assist with specific initiatives to achieve the 17 UN Sustainable Development Goals. This report is a thematic description of our efforts which accordingly compares them to the related UN Sustainable Development Goals and relevant targets.

We intend to clarify how we, as a financial services company, contribute and implement specific initiatives to meet the Sustainable Development Goals. At the same time, this must ensure that we target our efforts at viable, sustainable solutions with provable results which reflect our strategy, possibilities and risks.

Sustainable Development Goals used

GOAL 2



GOAL 3



GOAL 4



GOAL 5



GOAL 7



GOAL 8



GOAL 10



GOAL 11



GOAL 12



GOAL 13



GOAL 16



GOAL 17



Potentially, we can bring all the SDGs into play through our investments.

Policies

Responsible advisory services

The Jyske Bank Group wishes to run a responsible banking company with high ethical standards. Our basic values are founded on transparency and integrity, and the Group's business integrity builds on national and international regulations and guidelines. In the cooperation with our suppliers and other stakeholders, our business integrity also extends beyond ourselves. We are continuously updating our policies for anti-corruption, anti-bribery, tax, money laundering and whistleblowing as well as updating the Group's IT security policy as described below. To comply with the legislation to which Jyske Bank is subject, all Group employees must complete a series of mandatory training programmes on an e-learning platform, such as a course in money laundering provided by Finanssektorens Uddannelsescenter.

Anti-corruption policy

Denmark is one of the least corrupt countries in the world according to Transparency International's Corruption Perceptions Index. Although no universal definition of 'corruption' exists, Transparency International defines it as 'the abuse of entrusted power for private gain'. This definition is in keeping with how corruption as a concept is defined in the Danish Criminal Code and in the international anti-corruption conventions. Corruption includes bribery, fraud, embezzlement and extortion. But corruption does not necessarily involve the transaction of money. Corruption can also comprise the performance of services to gain benefits, such as preferential treatment and shorter processing times. Similarly, as applies to the rest of the financial sector, there is a risk that the Jyske Bank Group can be exposed to corruption and our employees can also make use of corruption. Accordingly, we have adopted an anti-corruption policy in which we disapprove of all types of bribery, corruption and other fraudulent business methods. The purpose of our anti-corruption policy is to clearly set out our expectations as regards the conduct of all employees encountering bribery or corruption in their working lives. The policy also covers the rules on inducements set out in MiFID. The bank's fundamental principle is zero tolerance of any policy infringements, and our anti-corruption policy fulfils our obligation in relation to UN Global Compact principle no. 10.

Tax policy

The objective of the Jyske Bank Group's tax policy is to live up to its corporate social responsibility and meet legitimate expectations for proper, honest business conduct which reflects the Group's values.

The Jyske Bank Group complies with the tax legislation in the countries in which the bank operates. In Denmark, this means, among other things, that we comply with the rules on reporting of clients' affairs to the Danish Tax Agency, the rules in the Executive Order on Best Practice for Financial Institutions for, for example, tax advisory services, the Ministry of Taxation's recommendations for cross-border tax advisory services and the notification requirements in the Danish Act on Measures to Prevent Money Laundering (*Hvidvaskloven*) in case of suspected tax evasion. Outside Denmark, we only collaborate with clients for whom the bank receives documentation of the client's tax reporting or for whom we do the tax reporting ourselves.

The Jyske Bank Group conducts a values-based tax policy, which ensures that we provide adequate client-related tax advice related to our products and services, which we are under an obligation to provide pursuant to current legislation. We also provide more extensive tax advice in areas such as succession and the Danish business tax scheme, but this is of a general nature without specific recommendations. If our clients want tax advice of a more specific nature, we refer to external advisors. Our values-based tax policy also means that we do not provide aggressive tax advice, but solely advice which is in harmony with legislators' intentions in tax legislation.

Combating money laundering and financing of terrorism in Jyske Bank

Efforts to prevent money laundering and the financing of terrorism remain a top priority of the Jyske Bank Group. Jyske Bank continuously works to further develop and optimise the bank's precautions against money laundering and financing of terrorism to reduce the risk of the bank being misused for unlawful purposes.

By definition, the size and scope of business of the Jyske Bank Group entail a high inherent risk of being misused for money laundering. This is why Jyske Bank continually analyses the money-laundering risks to which the bank is exposed. The bank still focuses on improving its data quality and is continuously working to improve the quality of its client data, as satisfactory client data is a crucial prerequisite for being able to effectively and reliably monitor our clients and their transactions.

During the 2019 calendar year, the monitoring of clients and their transactions triggered 37,228 alarms. Alarms are processed manually and the employees responsible for this look into whether an alarm forms the basis for a notification. Out of these 37,228 alarms, the Money Laundering Secretariat was notified in 3,398 instances.

As an initiative to prevent money laundering, the bank has introduced a requirement that new business clients must use an authorised auditor. If the client is unable to identify an affiliated auditor, it will usually not be possible to establish a client relationship. A new initiative has widened the auditor requirement to include existing business clients.

It is important for bank employees to be alert during contacts with clients. To ensure that bank employees are qualified to identify and react to potentially suspicious behaviour and/or transactions, the bank holds training

courses for employees at suitable intervals. Immediately upon employment, new employees go through an e-learning programme in the area of money laundering. The training programmes target the individual employee's function and focus on specific risks relating to the work area of the employee concerned.

In November 2018, the bank received the Danish Financial Supervisory Authority's (FSA) report on its money-laundering inspection of the bank. The FSA notes that Jyske Bank has implemented material measures in the area, and that Jyske Bank has given high priority to measures preventing money laundering and the financing of terrorism. The report contained six orders which the bank assessed as having been met by the end of Q3 2019.

Whistleblower policy

The Jyske Bank Group has created a whistleblower scheme in which employees can anonymously report (potential) violations of the financial regulation or serious (suspected) violations of potential significance to the Group in general or an affiliated company, which could decisively impact the life or health of individuals.

This means that it is possible to report the following circumstances or suspicions of this (not exhaustive):

- Financial crimes, including bribery, fraud, forgery, corruption or the like
- Failure to comply with money-laundering legislation
- Irregularities in the areas of accounting, internal accounting control and auditing
- Serious circumstances involving an employee, such as threats or violence.

Reporting is done via an online portal and is sent to the bank's area manager for compliance for further investigation.

IT security policy

The Jyske Bank Group complies with the legislative requirements dealing with IT risk management in the financial sector. We are keenly focused on dealing with the risk of crimes punctually and sufficiently due to the vast consequences relating to crimes in the financial sector. This means that we have efficient types of corporate management, including reassuring control and security measures in the field of IT, and IT security is also given high priority in relation to proportionality and the use of this, and IT security risks are managed. We establish guidelines and requirements for how our suppliers meet the requirements for the activity areas we outsource, and we monitor whether they sufficiently meet and observe these. Legislation in this area establishes that we cannot abdicate responsibility for activities just because we have outsourced them to a different undertaking, which means that regardless of which activity we outsource, we are responsible for complying with relevant legislation and for ensuring that the activity is carried out to a sufficient extent. We ensure this through cooperating with, reporting on and managing our suppliers.

We also comply with the legislation on the protection of natural persons relating to the processing of personal data, and we securely process and protect client data in terms of confidentiality, integrity and accessibility. Thus, we comply with the legislative requirements in the area of IT security, and we are aware of and informed of legislative amendments and upcoming new laws. At the same time, this means that we are adaptable in terms of implementing them into the framework for IT security control, which describes how the foundation underpins the group strategy, our mission and ambition. By adhering to the framework, we will achieve our ambitions to take 'IT security' to the next level, which will materialise as specific targets of securing a high degree of resistance to cyber and IT threats as well as continuous development of efficient risk management processes.

Credit policy

Financial enterprises constitute an important part of the Danish economy. Accordingly, the Group takes on responsibility when granting credit. We are in the money lending business, but we also need to have the money repaid. In other words, our interests converge with our clients' interests. Before offering products to our clients, we go in and identify the clients' needs so they get the products and solutions that apply to them. If this involves a loan, we conduct a credit rating of the client's financial situation to ensure that the client can repay the loan. We base our assessments on our credit policy, which specifies principles for how to ensure that credit decisions are adequately based on the soundness of the client's future earnings and liquidity. This means that we do not simply wish to sell the largest possible loan. It must be granted within a realistic framework, whereby the clients can repay the loan, but also have a disposable amount which is enough to live on. The above principle is not just good business ethics, but also responsible credit granting. This imposes demands on our advisors and on our credit granting – both must go hand in hand. It can therefore be good and responsible advising to decline to grant a credit request. The decision to decline can be based on a correct societal attitude.

Employee Conditions

HR policy

In the Jyske Bank Group, we want to be a workplace that creates lasting relationships in a productive, trusting and informal work environment characterised by well-being and positive energy. It is an important principle for us to show corporate social responsibility within the limits set by the market economy under which we operate.

In a cooperation between management and employees, we continuously develop new initiatives to ensure a good and healthy workplace. We want to give our employees the opportunity to develop professionally, personally and in terms of leadership, making them attractive and valuable in the job market. We are aware that our corporate social responsibility is largely about providing access to jobs and training, including for young people.

We believe that diversity in the workforce creates results and development. Our undertaking largely reflects the surrounding world, by virtue of the fact that our employees represent a multitude of educational backgrounds, ages, genders, dwellings, personalities, cultures and experience.

We work with and involve our employees' union representatives in important employee matters, both ad hoc and via the formal cooperation bodies, and we fully respect employees' right to organise.

Results and targets

In 2019, we have:

- conducted follow-up measurements of local initiatives launched as a result of the 2018 Employee Survey
- widened initiatives focused on job satisfaction and well-being, including external collaboration based on the latest research in the area
- retained the level of activity relating to diversity with a view to keener focus on themes such as gender and age
- stabilised the proportion of female leaders at around 30 per cent
- launched an offer to employees of free stop-smoking advice
- retained the number of flexi-jobs in the Group

In 2020, we will:

- heighten the visibility of our internal focus on the mental working environment by communicating existing and new tools and activities across the Group
- intensify our efforts targeting employee safety, primarily as prevention and dealing with violent harassment episodes with clients

- improve our programmes for the onboarding of new employees to further ensure that they are thoroughly familiar with the Group's values, basic attitudes and important policies influencing their behaviour vis-à-vis clients and colleagues
- intensify our activities relating to diversity to focus more keenly on issues such as gender and age. Specifically, as a minimum requirement, we wish to retain a percentage of female managers which is equivalent to the rest of the financial sector

Actions targeting employee conditions

Employee Survey

In 2019, we carried out our second follow-up measurement of the group-wide Employee Survey. The survey measures employee dedication and job satisfaction and the workplace assessment (APV) has now been fully integrated into the survey. The response rate (93%) was slightly lower than previous surveys but still very satisfactory.

Working environment

To ensure a good working environment, the Group has had a dedicated OHS organisation with professional OHS consultants and representatives, who work full-time on OHS issues, since 2012. They are centrally positioned in the organisation and are also part of the support of the Employee Survey, when the individual departments have to process the results dealing with OHS. They provide assistance and advice to local OHS groups.

In 2019, the Danish Working Environment Authority visited the Group and conducted a risk-based inspection twice, both instances of which resulted in Green Smileys, meaning that the Authority had nothing to criticise in our handling of the working environment.

Occupational injury

To prevent occupational accidents and injuries in the best possible way, we have decided to report all injuries to both our OHS organisation and to Labour Market Insurance (AES). This also applies to injuries resulting in less than one (1) day of absence, which is otherwise not required by law. All occupational injuries undergo an occupational-injury analysis aimed at promoting the prevention of similar incidents in the future.

Sickness-related absence

The Group has internal tools designed to prevent sickness-related absence and help employees on sick leave get back to work. This includes intensifying our focus on collaboration with job centres in prolonged processes. Total sickness-related absence in 2019 was at the same low level as the previous year, comprising 1.95% of total fixed working hours.

Flexi-jobs programme

The Jyske Bank Group has 17 employees hired under the flexi-jobs programme, equivalent to 7.5 full-time employees. This group is primarily made up of our own staff who have experienced an impairment of their

working capacity. The Group strives, wherever possible, to retain employees following illness or accident. It is realistic to maintain the number of flexi-jobs at the current level.

Health and well-being

The Jyske Bank Group has a general focus on employee health in the workplace. Initiatives include healthy food in the canteens and a fruit scheme, and all employees have access to short exercise programmes via the intranet that may help reduce and prevent physical strain and pain. The training programmes were jointly developed with an external network of physiotherapists and occupational therapists who also authorise ergonomic tools and initiatives for employees on an ongoing basis. Finally, ideas have also been launched for how employees can be more physically active at work, such as by conducting standing meetings or walk-and-talk meetings.

In the area of mental health and well-being, the management tool Early Intervention (Træd Tidligt Til) has been developed and implemented. It uses active management and open dialogue between supervisor and employee to ensure focus on commitment and job satisfaction. The tool uses external consultants and coaches who ultimately help both supervisor and employee work together for the employee's continued well-being.

In addition, all employees are issued with health insurance and dental insurance cover through the bank.

As planned, employees were offered group-paid advice in 2019 to help them stop smoking.

The Group contributes to the Jyske Fritid staff association, which gathers employees for exercise and physical activities after working hours and forms bonds across the organisation by organising cultural and social activities in the form of lectures, themed events, concerts, films and theatrical performances.

Training programmes and internships

A key part of social responsibility for a company is to help provide access to jobs and training for young people. We also want to give employees opportunities for training and development that make them attractive and valuable in the labour market. At the same time, there must also be a positive outlook for future, permanent employment. Employment of newly qualified employees still form a significant element of the Group's recruitment even though the level has fallen in step with generally lower employment in the financial sector. To stimulate interest in competence development and ensure cohesion between public-sector and private-sector study programmes, the Group has awarded ECTS credits for in-house training courses since 2010.

In 2019, we prioritised the hiring of a large number of employees in a formalised development programme for graduates of university-level study programmes. For a basic financial training programme, financial economists and bachelor-level graduates will be hired in both the branch network and special departments.

	2018	2019	2020 Target
Financial economists and bachelor-level graduates	26	15	15
Graduates	4	15	10
Total	30	30	25

In addition to this, the bank makes internships available to students enrolled in bachelor programmes in finance where internships are part of the study programme (unpaid, 15 in 2018 and 12 in 2019). To supplement this, the Legal area, Capital Markets, Finance and Risk can continue to hire new graduates as required, who take part in more individualised employment processes.

The Group offers a wide range of training programmes to maintain a high level of employee skill-sets and professionalism in compliance with current statutory requirements at a minimum. With a varied selection of learning activities for managers, the Group stimulates the continued development of personal and managerial skills, which can underpin high managerial quality.

Voluntary work

The Jyske Bank Group responds favourably to employees' social and voluntary involvement in their local communities. Employees may therefore use the Bank's resources to a reasonable extent to support these voluntary activities, e.g. printing, email, telephones, conference rooms, etc.

Jyske Bank supports the work on voluntary debt counselling instigated by the Danish Ministry of Social Affairs and the Interior and a number of organisations, by offering advisors time off with pay covering 50% of the time they spend on this voluntary work. In 2019, new advisors were recruited for the scheme to ensure that a suitable number of advisors are available and involved at all times. After the recruitment, the number of active advisors in the scheme increased. The aim is that the overall effort corresponds to the bank's market share.

Risk

- Poor physical and psychological working environment resulting in lack of motivation, stress, increased absence due to illness or more occupational injuries
- Uncertain work environment due to lack of focus on the prevention of occupational injuries
- Challenges retaining and attracting qualified employees
- Reputation: Clients, prospective employees and other stakeholders will leave us out of consideration if we do not act responsibly

Potential for positive impact

- A specialised work environment organisation may through initiatives such as "Træd Tidligt Til" (early intervention) prevent and reduce absence caused by a strained psychological work environment

- Consistent and efficient handling of absence due to illness will generally improve the operations of the bank and enhance the employees' health and job security
- By reporting all occupational injuries, irrespective of their impact on absence, and by following up on the reasons for them, ongoing improvement of safety and health will be secured and focus on the theme will be sharpened.
- We can retain and attract employees by offering competitive employee conditions and a positive employer reputation
- By giving priority to competence development, the Group will become self-sufficient in qualified employees
- By being proactive, we can ensure that we comply with current legislation and stay abreast of upcoming legislation in the field.

Report on the gender composition of management

The report is part of Jyske Bank's 2019 Annual Report.

Since 2013, the Jyske Bank Group has had an equal opportunities policy, pursuant to legislation, which was made more specific in 2018 and is now referred to as the bank's diversity policy. A cardinal point of the policy and legislation on the under-represented gender is that trends for gender-based representation in managerial positions, as covered in this report, are followed up on every year.

Moreover, the Group follows the recommendations from the Committee on Corporate Governance to discuss annually activities to ensure diversity relevant for the company, for instance, in respect of age and gender at the managerial levels in the company.

Target figure for the Supervisory Board

As called for by legislation, target figures have been defined for members of the Group Supervisory Board according to which it should be attempted to have four female members in 2021. At present there is one shareholder-elected female member, whereas, since the 2019 general meeting, seven of the shareholder-elected members are men. The election of two new members was based on the need for technical expertise, which no female candidate was able to meet.

The Danish Business Authority's instructions of March 2016 prescribes the practice for financial enterprises that also employee-elected supervisory board members must be part of the valuation of the target. As there are presently two female members out of three employee-elected representatives, there are in fact three female members of the board. A total number of four would, according to the instructions of the Danish Business Authority, be a fair distribution.

Implementation of the diversity policy

For other management levels, the aim of the diversity policy is to ensure that the Group has the best possible leaders and employees, with good personal qualities and professional competencies. The policy focuses on

giving all employees access to development and career opportunities, which includes seeking to increase the proportion of female managers.

Diversity is incorporated into the policy as a visible theme in all relevant activities, including:

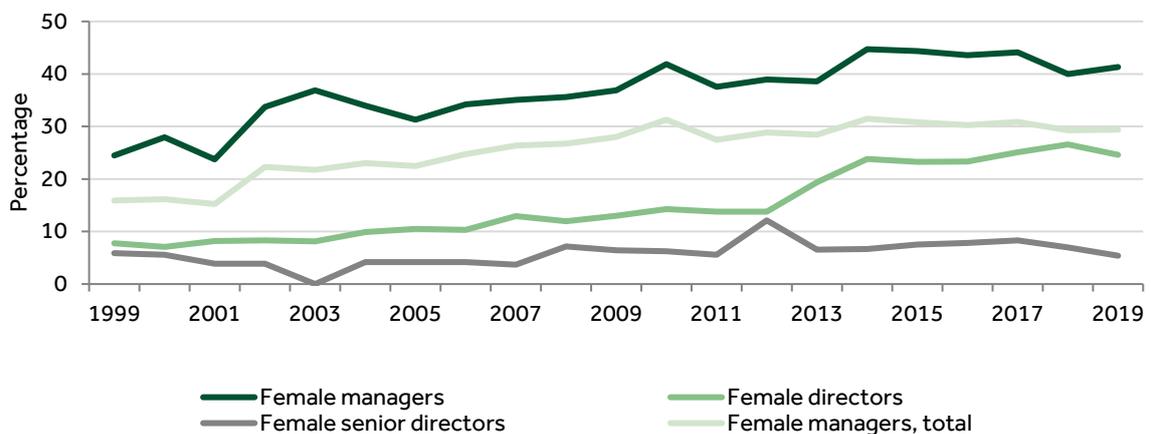
- internal communications and external communications targeting prospective employees inspires to Group to enhance its diversity
- managers, HR partners and others with developmental responsibility urge anyone with leadership talent to apply for management training and positions
- diversity is also an area of focus in strategic development, KPI dialogues and other development activities
- when filling positions, applicants are purposefully assessed in terms of diversity, and alternative candidates are considered if the field of applicants is overly homogenous
- before starting a management-development process, participants are purposefully assessed in terms of diversity and alternative participants are considered if the group of participants is overly homogenous.

Gender and management

2019 was a year in which women’s representation generally stagnated and slightly declined at the executive management levels. The light green line showing the total number of female managers at all levels remained at around 30%, where it has been since 2009. There are still very few women in senior management positions (gray line), and the percentage continued to decline during autumn 2019 (5.4% compared to 6.9% in 2018) as a result of structural management changes. By contrast, the percentage at the lowest management level (dark green line) rose slightly, and continues to be around 40–60%, which, according to a guidance of the Danish Business Authority, corresponds to equal representation.

For 2020 onwards, one of the purposes of the diversity policy is to enhance the conditions for greater diversity among Group management, where ongoing focus is expected to increase the proportion of women in management positions. An important source for increasing the number of women in management positions is to maintain a high percentage of women participants in the Group’s management training programmes. Over the past few years, the proportion of women on the training programmes has been relatively stable at just under 50%. Seen in isolation, the percentage of women declined to around 35% in 2019. This is expected to be an isolated exception, and the trend will be followed up on in 2020.

Female managers, percentages at levels



The Group's salary conditions have been reviewed each year since 2008, in accordance with the Danish Equal Pay Act (*Ligelønsloven*), to investigate the differences in women's and men's remuneration. Every year, investigation of the differences in salary in both men's and women's favour has found sound reasons for these, not determined by gender. The difference between the overall average salary for men and women is primarily due to differences in the gender distribution in various jobs, including management positions.

For 2018, an agreement was made with employee representatives in Jyske Bank Kreds (Network) to replace these surveys with an analysis of the differences in men's and women's career paths. The purpose of the analysis was to gain a deeper insight into the mechanisms underlying the different career pathways of men and women. The analysis revealed several interesting results, including that female managers appear to be more flexible and mobile in their careers than male managers.

Based on the promising results, in the autumn of 2019 the decision was made to set aside additional resources for similar analyses. The Group has also entered into a joint project involving the Danish Employers' Association for the Financial Sector and the Finansforbundet (union for financial sector employees) which aims to increase the number of women in senior management positions in the financial sector. Both activities – internal analyses and the joint sector-wide project – are expected to be sources of inspiration for new, well-documented initiatives in 2020 and afterwards.

Trends involving career patterns and pay levels will be closely monitored, both to boost the number of female managers and to ensure compliance with the principle of equal pay for work of equal value. For the largest job categories it was verified once again in 2019 that only small deviations exist between women's and men's pay levels.

Age and management

The average manager is slightly older (48.8 years) than the average for all employees (46.2 years). Managers' average seniority (18.1 years) is also higher than the average for all employees (15.0 years).

New managers, and managers in new higher level positions, had an average age of 41.6 years in 2019, slightly below the employee average. The average seniority among new managers was 9.7 years. The youngest new manager was a man aged 26 and the oldest was a man aged 60.

Related Sustainable Development Goals

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Climate and the environment

Policy

In the Jyske Bank Group, we know that our business and activities impact the climate and the environment, and that, to a great extent, we can actively decide whether our environmental footprint is positive or negative. Therefore, we aim to actively seek to heighten our awareness of the climate and the environment in all our procedures – both internally and externally.

The most obvious place to start changing behaviour by reducing carbon emissions is naturally within the Group. We are aware of the impact our activities and actions have on the climate and the environment, and we are continuously working to make sure that our behaviour lives up to our values. Historically, Jyske Bank has focused and will continue to focus on its own activities, as we believe in the importance of 'bringing one's house in order'. At the same time, the indirect impact on climate and the environment through client-oriented activities relating to investment and financing are of particular current interest.

One of the most obvious areas of our climate and environmental impact is the way in which we invest on behalf of our clients. As co-signatory of the UN PRI, we will continue to incorporate ESG issues into our investment considerations and decisions, including when we find profitable investments that also support sustainable measures. In other words, we will continue our keen focus on ESG factors.

But we focus on the climate and the environment not only via our investments and business. We will contribute to the overarching climate and environmental agenda by stimulating our employees and business partners to increase their awareness of these issues and help reduce carbon emissions.

Activities and results 2019

Printing and paper

We have reduced our use of printing

We have reduced our printing/use of paper by 3%, from 16.1 million sheets (2018) to 15.6 million sheets (2019), equating to the emission of 116.5 tonnes of carbon. Most of our paper comes from sources certified to FSC, Nordic Swan, EU Ecolabel and/or TCF.

Related Sustainable Development Goals

12.2 Sustainable management and use of natural resources

Food waste

Our food waste scheme now encompasses all the large canteen kitchens in Silkeborg and Copenhagen.

The food waste sent to be processed into biofuel has risen from 77.5 tonnes in 2018 to 85.5 tonnes in 2019. The recycling of food waste equates to reducing carbon emissions by 61 tonnes.

Related Sustainable Development Goals

12.2 Sustainable management and use of natural resources

12.5 Substantially reduce waste generation

Recycling of IT equipment and furnishings

When it becomes necessary to dispose of IT equipment, we take a circular approach and prepare and re-sell as much of it as possible. In addition, we donate used computers to non-profit purposes.

In 2019, we delivered 32.8 tonnes of IT equipment (computers, monitors, printers, telephones, etc.). The printers alone weighed 26.6 tonnes, as we replaced them during the year. Overall, 3.2 tonnes of defective equipment was properly destroyed and the vast majority was recycled. There is a high recycling rate for phased out IT equipment of 97% overall, and only 960 kg could not be recycled. The number of laptop and stationary computers donated to other organisations was five in 2019.

In so far as furnishings are concerned, we again this year donated surplus furniture from our own stocks. Specifically, for example, the Blue Cross has received desks, cabinets and lamps on three occasions.

Related Sustainable Development Goals

12.2 Sustainable management and use of natural resources

12.5 Substantially reduce waste generation

Consumption of heat and electricity

We have installed energy-monitoring equipment which will make it possible to document and modernise the consumption of heat and electricity for the purpose of minimising consumption.

Energy-monitoring equipment has been set up in all 103 branches of the Jyske Bank Group.

The Jyske Bank Group's electricity consumption for electricity and air conditioning was covered by Renewable Energy Certificates in 2019, which were purchased already in 2018 based on an annual consumption of 14 million kWh.

Related Sustainable Development Goals

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Lighting

We continue to focus on transitioning to LED lighting, including all outdoor lamps, at Hjemstedet.

An additional 1,125 LED bulbs were installed in 2019. This equates to a reduction of 18,000 kWh and almost 7 tonnes of carbon emissions.

Related Sustainable Development Goals

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Electrical charging

We made it possible to charge plug-in hybrids and electric cars at our Lyngby office.

We have set up four electrical charging stations.

Related Sustainable Development Goals

11.6 Reduce the environmental impact of cities

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Transport

We have made an overall specification of the modes of transport and consumption (excl. taxis) which will subsequently serve as a baseline.

The Group has a total of 92 vehicles at its disposal. Altogether, they drove 2,213,884 km in 2019, equating to 290 tonnes of carbon emissions.¹

Jyske Bank's employees drove a total of 5,503,115 work-related kilometres in their own vehicles. This equates to 743 tonnes of carbon emissions.

Overall in 2019, Jyske Bank employees' travel costs of using public transport, primarily by rail, amounted DKK 1,790,707. This equates to 994,837 km and 40 tonnes of carbon emissions.²

In 2019, air travel amounted to 2,683,598 kilometres, equating to roughly 370 tonnes of carbon emissions.

In addition, the Group owns five electric bicycles which employees may use as a healthy, green alternative.

¹ The figure is based on 135 g of carbon emissions per kilometre driven for loaner cars and on individual data depending on make, model and year for company cars.

² The only known factor in this statistic is the expense of public transport. The conversion from DKK into kilometres is based on an estimate in which the price per kilometre is set at DKK 1.80. The conversion from kilometres to tonnes of carbon emissions uses the DOT Online Commuter Check's conversion rate of 40 g of carbon emissions per km travelled by bus, train and metro.

Related Sustainable Development Goals

12.6 Encourage companies to adopt sustainable practices and sustainability reporting

Risk

- Physical: The risk that technical structural solutions such as drains can cope with higher volumes of water relating to climate change. Precipitation which cannot be categorised as a torrential rain storm is not covered by buildings insurance.
- Indoor climate: When outdoor temperatures are higher in summer, this substantially increases our consumption of electricity. This is true regardless of whether existing technical installations are retained or rebuilt/modernised to enable the systems to cool the outdoor air to an acceptable indoor temperature.
- A potential variable price, according to Renewable Energy Certificates (RECs) and heat, independent of demand and of the extent to which the price of energy in the future will reflect the actual price, including environmental costs.
- Reputation: Clients and other stakeholders will take their business elsewhere if we do not live up to their expectations of the actions a company should take in terms of green conversion, both when it comes to our own buildings and when purchasing products and services from external suppliers.

Potential for positive impact

- We can help ensure a more sustainable world through our own activities and purchases, etc.
- We can retain and attract employees by actively participating in a green conversion process
- We can take a positive approach to our reputation if we communicate about our initiatives and aims – and achieve them
- By being proactive, we can ensure that we comply with current legislation and stay abreast of upcoming legislation in the field
- We can achieve long-term, educational and sustainable partnerships

Activities and KPIs planned for 2020

Printing and paper

We wish to further reduce our consumption of paper.

Consumption must be reduced by an additional 10%, from 15.6 million sheets to 14 million sheets.

Related Sustainable Development Goals

12.2 Sustainable management and use of natural resources

Recycling of waste

Paper, cardboard, plastic, metal, glass, wood, batteries, bio-waste/food waste, including coffee grounds, are sorted. In 2020 we will focus on wood (e.g. packaging materials) when contracts are renegotiated with suppliers.

Related Sustainable Development Goals

12.5 Substantially reduce waste generation

Renewable energy

At Jyske Bank, we aim to make our electricity consumption carbon neutral. This is why we will exclusively buy energy for electricity and air conditioning from renewable energy sources, and we have taken the initiative towards a more permanent solution going forward.

Related Sustainable Development Goals

7.2 Increase global percentage of renewable energy

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Energy measurement and optimisation

Using the consumption of electricity and heat in 2019 as baseline we will prepare analyses aiming at identifying opportunities for potential improvements.

Related Sustainable Development Goals

11.6 Reduce the environmental impact of cities

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Electrical charging

We will establish electric charging stations at the head office in Silkeborg.

During the spring of 2020, six charging stations will be set up at the head office, enabling the charging hybrid and electrical vehicles on our premises.

Related Sustainable Development Goals

11.6 Reduce the environmental impact of cities

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Transport

In 2020, we will focus on staff travelling activities.

All employees of Jyske Bank are working to make expedient use of time and resources, which includes how we use transport in work-related situations. Jyske Bank will use its overview of the combined travelling activities to involve employees in the process of reducing and optimising both the use and mode of travel for the purpose of using modes of transport that are less carbon-intensive.

Related Sustainable Development Goals

11.2 Affordable and sustainable transport systems

Human rights

Policy

International human rights – which are firmly established in Denmark's labour-market model and laid down in international conventions, standards and values – constitute a natural foundation for the Group's activities and endeavours.

In specific terms, this means that we observe human rights internally in the Group, because they form the basis on which a safe, just and fair society rests, where the values of equal rights, inclusion, labour rights, safety and health are embedded in our policy.

Externally, we observe human rights via our screening of investments for our clients, based on ESG principles, and through our supplier management, in which compliance with human rights is a key marker. We thus assume co-responsibility for strengthening human rights worldwide, as we believe that market forces can help stimulate a positive trend.

The collective agreement covers employees' basic rights

88% of the employees of Jyske Bank in Denmark are covered by the collective agreement which describes employees' basic rights and deals with issues such as working hours, salary compensation, holiday leave, illness, etc. Additional 8% of the employees have conditions in their individual contracts which refer to the collective agreement. The collective agreement is found [here](#).

Human rights are closely interwoven with the Group's employee conditions and social initiatives

- The reporting on 'Employee conditions' describes the Group's ongoing efforts to provide supplementary training to employees, inclusion, working environment, health and illness.
- The section on 'Diversity' describes efforts and targets concerning equal rights and diversity.
- The description of efforts concerning 'Responsible advisory services' specifies how we process personal data relating to the implementation of the GDPR.
- Social initiatives are also an important area relating to human rights. Through them, we collaborate with other private-sector and public-sector players on projects for the benefit of the individual and the local community. This includes getting young people enrolled in vocational training programmes under 'Skilled Hands' (*Kloge Hænder*); about giving young people a basic economic understanding in 'Money Week' (*Pengeugen*); ensuring sustainable communities and local environments in 'Neighbourhood' (*NaboRum*); providing meals to the socially vulnerable through our partnership with 'FoodBank' (*FødevareBanken*); combating loneliness in Folkebevægelsen mod Ensomhed (the People's Movement Against Loneliness) and Danmark Spiser Sammen (Denmark Eats Together); and inclusion in 'Mind Your Own Business'.

Investment

Responsible investments comprise the environment, social conditions and good corporate governance. All three of these factors are considered in Jyske Bank's investment decisions.

We cooperate with a number of partners in this field, and we are engaged in ongoing dialogue with our stakeholders. Our approach is dialogue and commitment. This means that if some of the companies in which we invest do not comply with international conventions and standards relating to the environment, human rights and ethical business practices, we will seek to exert our influence on them to change their practices. We only resort to excluding companies if they fail to improve their circumstances. Since 2010, these efforts have revolved around the United Nations Principles for Responsible Investment (UN PRI), OECD guidelines and the UN Global Compact.

Policy

At Jyske Bank, we take responsibility for our investments. This entails that considerations in relation to the environment, social issues and corporate governance (ESG) are included in the investment decisions.

Selecting investments based on a principle of responsibility is a complicated matter. There is little agreement on how to define responsible investments. Investors, authorities, media, politicians as well as special interest organisations and industry associations have different perceptions. For this reason, Jyske Bank wants to make its own assessment of which companies and industries are socially responsible investment objects.

Activities and results 2019

Active ownership

Via our active ownership with other investors in the Sustainalytics Engagement Forum, we have influenced companies to change behaviour and comply with international conventions and standards. Sustainalytics screens the companies – including the entire Jyske Bank portfolio – based on their compliance with OECD guidelines, UN Global Compact, etc.

During 2019, Jyske Bank participated with other investors in the Engagement Forum in 194 involvement cases (distributed over 171 companies) concerning violations of international conventions and standards.

64 of these involvement cases concern companies in Jyske Bank's portfolios. 37 of these cases concern human rights and labour rights, 12 concern environmental issues and 15 concern business ethics.

During 2019, 10 cases in Jyske Bank's portfolios were resolved and hence closed. In the remaining ongoing cases, very positive results can be ascertained in the involvement as a progression of the specific cases and a willingness to enter into a dialogue by the companies responsible in 27 of the cases. Somewhat positive

results have been achieved in 20 of the involvement cases, while there have been poor or no results in 17 cases.

Related Sustainable Development Goals

Potentially, we can bring all the SDGs into play through our investments.

Socially Responsible Investment foundations

We offer our clients a series of investment solutions specifically focused on responsibility. Jyske Bank is an advisor for four specific funds (SRI funds; Socially Responsible Investments) particularly focused on social responsibility and the filtering out of selected business activities. These foundations invest in shares and corporate bonds, respectively, but not in companies where it can be documented that they conduct their business in a manner that violates recognised international conventions and standards.

The SRI foundations do not invest in shares in companies which manufacture or distribute weapons, alcohol, tobacco, games or adult entertainment. In addition, we filter out companies which extract, develop or refine fossil fuels (coal, oil and gas).

In October 2019, Jyske Bank became an advisor for a newly created foundation: Jyske Invest Highly Rated Corporate Bonds SRI.

The total assets of these four SRI departments amount to DKK 2,582m at the end of 2019. This is an increase of DKK 893m, equivalent to 53% compared to year-end 2018.

Related Sustainable Development Goals

Potentially, we can bring all the SDGs into play through our investments.

Risk

- **Business:** Clients can choose not to use us if we are not responsible in our investments and do not provide solutions in line with client preferences and needs
- **Reputation:** We risk negative reporting and criticism from various stakeholders and society in general if we do not take a responsible approach to our investment efforts
- **Poor returns:** We risk poor and negative returns if we invest in companies whose value declines due to a lack of responsibility or failure to adapt to new societal requirements
- **Poor returns:** We risk poor and negative returns if we invest in companies whose value declines due to a failure to adapt to climate-related risks – including adapting activities to new environmental requirements, etc.

Potential for positive impact

- Through our investments, we can support the conversion to a sustainable society and help meet the EU's ambitious action plan and Denmark's carbon reduction targets
- Through our investments, we can make a positive impact on the fulfilment of the 17 UN Sustainable Development Goals
- We expect the focus to intensify on actual impact investments in the years ahead
- In continuation of this, we expect that existing and prospective investors will find our initiatives attractive

Activities and KPIs planned for 2020

Active ownership

Implementation of the EU's Action Plan on Sustainable Finance.

In March 2018, the European Commission published an Action Plan on Sustainable Finance to lay the framework for the financial sector in its efforts to achieve the targets of the Paris climate agreement and the UN Sustainable Development Goals. The plans are translated into series of recommendations from the Forum for Sustainable Finance relating to sustainability efforts.

We will intensify our focus on responsibility and sustainability in the advice we give to clients.

We will integrate the adaptation of new sustainability-related requirements into our advisory tools.

Further integration of ESG factors

We will increase the integration of ESG factors into investment processes and products.

We will further develop the integration of ESG into investment processes and portfolio management. These efforts are continually measured in terms of ESG scores, carbon footprint and SDG impact (17 UN Sustainable Development Goals)

Communication and reporting

We want to increase our communication to clients about sustainability efforts in our portfolio management. A targeted communication effort based on the use of TV programmes, internet portal, etc. Development of fact sheets for selected investment products focused on sustainability, including ESG scores and carbon footprint.

Staff training

We want to heighten the level of knowledge and skill-sets relating to sustainable investments among the employees in our organisation.

Information meetings are held and information material is developed for employees in Private Banking and Personal Clients.

Sustainable products

We want to offer attractive investment solutions focused on sustainability. We aim to make all our traditional investment solutions sustainable, while also making it possible to offer new solutions in selected areas focused on impact. At the same time, we expect to increase our use of SRI products for selected client segments.

Our standard solutions are further developed in terms of ESG integration, preferred profile and reporting.

Impact funds are offered to selected client segments as part of consulting solutions, etc.

Advisory services relating to individual companies must also include ESG factors.

Responsible initiatives/principles

PRI

Jyske Bank acceded to the UN Principles for Responsible Investment (UN PRI) in 2010. UN PRI is a global initiative aimed at promoting responsible investments, established by a number of the world's largest investors in cooperation with the UN. UN PRI is based on a joint declaration about taking social responsibility in connection with investments and complying with six key principles for responsible investments: These six principles concerning active ownership and transparency about this in internal decisions and in cooperation with the companies in which we invest and with the investment sector in general constitute the basis for our KPIs.

Jyske Bank conducts an annual 'Reporting and Assessment Process' in accordance with the UN PRI guidelines. Parts of the report are published on the UN PRI website.

Responsible investment in government bonds

In December 2013, CSRGov, the Danish Council for Corporate Social Responsibility (*Rådet for Samfundsansvar*), issued 'Guidelines on Responsible Investments in Government Bonds'. The guidelines urge compliance with two principles:

- International sanctions and bans issued by the UN and the EU must always be complied with.

The Group complies with this principle.

- Investors must, wherever possible, directly investigate the conditions in countries in which there may be a significant risk of human rights infringements.

Jyske Bank observes this principle, and we demand that our suppliers report on their approach to this principle.

Danish Social Investment Forum (DANSIF)

Jyske Bank is a member of the Danish Social Investment Forum (DANSIF), which is a forum for professional investors, consultancy firms and other entities dealing with responsible investments. DANSIF is forum for sharing experiences relating to ESG investments, and we take part in DANSIF's annual survey on responsible investments among the 50 biggest institutional investors in Denmark.

Report on active ownership in 2019

Jyske Bank comments on the recommendations for active ownership (Stewardship Code) issued by the Committee on Corporate Governance in 2016. The recommendations target institutional investors in Denmark with equity investments in companies listed in Denmark. The recommendations for active ownership build on a principle of voluntary participation and the 'comply or explain' principle. The recommendations for active ownership deal with policies, monitoring of and dialogue with companies, cooperation with other investors, voting policy, conflicts of interest, reporting, etc.

This is Jyske Bank's report on active ownership in 2019 in relation to the seven recommendations from the Committee on Corporate Governance.

- 1) It is recommended that institutional investors should publicly disclose an engagement policy with respect to investments in shares in companies that are publicly listed in Denmark.
 - a) Position: Jyske Bank complies with the recommendation
 - b) Comment: The policy of active ownership is included in the overarching 'Responsible Investment' policy.
- 2) It is recommended that institutional investors monitor and engage in a dialogue with the companies in which they invest, taking due account of the investment strategy and the principle of proportionality.
 - a) Position: Jyske Bank complies with the recommendation
 - b) Comment: Based on an assessment of the given investment, monitoring and dialogue can take place alone or in cooperation with other investors. The approach is adapted to the investment strategy and the principle of proportionality.
- 3) It is recommended that institutional investors as part of the engagement policy determine how they may escalate their stewardship activities beyond regular monitoring and dialogue.
 - a) Position: Jyske Bank complies with the recommendation
 - b) Comment: Opportunities for escalation depend on developments with the given investment – and ultimately encompass the possibility of selling and the exclusion of specific investments. The approach is adapted to various investment strategies in the various investment solutions.

- 4) It is recommended that institutional investors as part of the engagement policy should describe how they will act collectively with other investors in order to achieve greater effect and impact.
 - a) Position: Jyske Bank complies with the recommendation
 - b) Comment: The cooperation takes place, in part, through membership of PRI and DANSIF, and via involvement activities with other investors through an external service provider.

- 5) It is recommended that institutional investors as part of their engagement policy adopt a voting policy and are willing to publicly disclose whether and how they have voted.
 - a) Position: Jyske Bank partially complies with the recommendation.
 - b) Comment: The adopted voting policy is part of the total responsible investment policy, and has been matched to the principle of proportionality. Whether and how voting is reported depends on the specific investment. Information about whether and how the vote was cast will generally not be disclosed as any publication could have an impact on our active ownership.

- 6) It is recommended that the engagement policy contains a description of how conflicts of interest in relation to stewardship are identified and managed.
 - a) Position: Jyske Bank complies with the recommendation
 - b) Comment: Identifying and handling conflicts of interest is part of the policy on 'Exercising of voting rights'.

- 7) It is recommended that institutional investors at least annually report on their stewardship activities, including voting activity.
 - a) Position: Jyske Bank partially complies with the recommendation.
 - b) Comment: The report is included in this annual report as part of the reporting on corporate social responsibility. Whether and how voting is reported depends on the specific investment. Information about whether and how the vote was cast will generally not be disclosed as any publication could have an impact on our active ownership.

Initiatives promoting responsibility

Sustainalytics

For a number of years, Jyske Bank has been collaborating with an external consultant, Sustainalytics (formerly Global Engagement Service – G E S). Sustainalytics continually reports on developments in companies that commit serious breaches of international norms or conventions. If these are violated, the Group and other investors (via the Engagement Forum) engage in dialogue with these companies to resolve the problems. If this is not possible, the companies are excluded.

MSCI ESG Research

Jyske Bank entered into an agreement with MSCI ESG Research in 2019 regarding collaboration in the ESG area. We purchased services relating to ESG data (ratings for companies, industries and countries), carbon footprint targets, reputation-based risks and involvement in controversial business areas, as well as footprint targets for the 17 UN Sustainable Development Goals. The cooperation will strengthen our investment

decision-making processes and the integration of ESG factors by means of a structured application of ESG data in our processes and decisions. At the same time, it will lay the groundwork for further developing our communication and reporting to our clients.

Investment solutions focused on Socially Responsible Investments (SRI)

Jyske Bank is currently an advisor for four investment funds that screen investments in companies related to weapons, tobacco, alcohol, games, adult entertainment and fossil fuels:

1. In the investment fund Jyske Invest, Jyske Bank is an advisor for three departments focused on SRI. These departments respectively focus on shares, corporate bonds with high credit quality and corporate bonds with low credit quality.
2. Through the Jyske SICAV investment fund (registered in Luxembourg), Jyske Bank is an advisor for a department focused on investment-grade corporate bonds (bonds with higher credit quality).

Social initiatives

Policy

'HUSET' (the home) and the built-up area form the focal point of our social initiatives. In actual practice, this is reflected in our contributions to the creation of better urban spaces and local environments and, hence, hopefully, improvements for each individual as well. This is the best way we can help give these areas a boost, in partnership with residents and other players. Overall, our social initiatives have three dimensions: A social dimension, a partnership dimension and an urban renewal dimension.

We select areas to focus our efforts based on the following principles:

- We contribute our resources and enter into processes that can help create improvements for individuals, local communities and society in general.
- Our commitment must make a significant difference to the projects we decide to get involved in.
- We cooperate with our clients and stakeholders in areas where we already operate professionally.
- We enter into unconventional partnerships with other companies, the public sector and players from local communities.

Activities and results 2019

Naborum ('Project Neighbourhood')

The focal point of Project Neighbourhood is to create a sense of community through user involvement. The concept started in Aarhus in 2016, and moved on to the island of Lolland in 2018. This is where three local projects won Jyske Bank's competition on creating Project Neighbourhood, which makes a difference for the environment and the community, thereby helping to support positive developments on the island.

Horslunde Energy Village is working full steam ahead to plant fruit trees to make it possible to create a communal effort around fruit presses and a healthy way of life.

Frederiksdal Enchanting Woods is in the process of getting a roof over its head so the woods and sensory trail can be enjoyed by everyone, from children, to the elderly and people with disabilities.

Spring flowers are being planted and nesting boxes made by local children are being set up along the Railway Path (*Jernbanestien*) between Maribo and Rødbyhavn. The aim is to establish a 15-km cycling and hiking path that is a total sensory experience.

The projects were carried out in 2019. No future Neighbourhood projects are currently planned.

Related Sustainable Development Goals

11.3 Inclusive and sustainable urbanisation

11.7 Provide access to safe and inclusive green and public spaces

FødevarerBanken (FoodBank)

Jyske Bank has been partnering with the FoodBank since 2013. The climate-related purpose is to combat food waste and to also bring focus to bear on this internally in Jyske Bank. Socially, the purpose is to reduce dietary poverty by delivering surplus foods to social drop-in centres.

We actively participate in a sustainability agenda which is important for our clients at the same time that we help raise awareness of the FoodBank.

- Development of 'partnership packages'.
- Internal campaign at the five biggest canteens in the bank with food-waste competitions and lunch visits for the employees of the FoodBank.
- Sponsored new work clothes for the FoodBank's volunteers.
- FoodBank lecture for retired employees in Lyngby
- The FoodBank's 222 volunteers have distributed 1,350 tonnes of food that would otherwise have been discarded. This equates to 3,375,000 meals and a CO₂ reduction of 2,007 tonnes.

Related Sustainable Development Goals

2.1 Universal access to safe and nutritious food

2.4 Sustainable food production and resilient agricultural practices

12.3 Halve global per capita food waste

17.17 Encourage effective partnerships

'Mind Your Own Business' (MYOB)

gives boys aged 13–19 from disadvantaged residential areas the opportunity to engage in a focused start-up process with a mentoring business. The project focuses on opportunities rather than limitations and enhances the participants' technical skill sets, social relations and their association with the educational system, the labour market and Danish society.

The activity involves entering into collaboration with a local Jyske Bank department and a micro-entity comprising 10 or 12 teenage boys from the local area. In the collaboration, the micro-entity seeks financial feedback and deeper insight into and understanding of financial tools, etc. But the most important aspect is that in the encounter between bank advisor and boys' group, a relationship emerges which the boys would usually not be able to access. Through this, they meet someone who takes them and their micro-entity seriously and who wants to give them feedback about topics that teenagers often find it difficult to understand. Notably financial interrelationships and tools they need to grasp in order to get the big picture of their personal financial situation and that of their micro-entity.

Two collaborative relationships arose between MYOB and Jyske Bank in 2019. Jyske Bank Brønshøj has been working together with the micro-entity Velox Pecunia from the Tingbjerg district. Jyske Bank took part at the micro-entity's first general meeting. In addition, Velox Pecunia was paid a visit by the bank which answered relevant financial questions such as how is it possible to borrow money and advice for budgeting purposes. In addition, the boys got an answer to what a banking career entails. At this occasion, Velox Pecunia opened an account in the bank. Subsequently, Jyske Bank has visited the boys on their 'home turf' to get to know them better. This built a bridge to the teenagers, which is highly valuable for Jyske Bank in particular, as it wants to engage in dialogue with them. A partnership has been entered into between Jyske Bank Roskilde and the micro-entity La Cattlaya from Æblehaven involving a review of traditional banking services for the setting up of an enterprise. This collaboration will continue in 2020.

Related Sustainable Development Goals

4.3 Equal access to affordable technical, vocational and higher education.

4.4 Increase the number of people with relevant skills for financial success

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

8.6 Promote youth employment, education and training

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

11.3 Inclusive and sustainable urbanisation

Kloge Hænder (Skilled Hands)

The Danish business community is facing a major challenge due to a lack of skilled labour. It is estimated that Denmark will lack 70,000 skilled workers in 2025.

For this reason, Jyske Bank took the initiative in 2018 to establish the project Skilled Hands in collaboration with Advisory Board Cabi and a wide range of other stakeholders. The idea underlying the project is to give lower secondary students (7th to 9th year) multiple options for converting theory into practical work and create something with their hands. Specifically, four pilot projects will be carried out in which selected schools and students, over the course of one or two practical project weeks, will beautify or improve a local area or building that will subsequently benefit the young people and the local community. The purpose is to inspire and motivate even more young people to select a vocational training programme.

The project's second pilot project was carried out in autumn 2019 at Lundehusskolen in Copenhagen's Østerbro district among 20 students from a 7th year class. The vocational project involved a bonfire area, an outdoor kitchen and lounge furniture made of Europa pallets. The construction group Enemærke & Petersen

and the City of Copenhagen were the most prominent local partners in the project. The students and school were both very pleased with the project. Several students stated that it 'opened their eyes' to the pleasure of creating something with their hands, and Bodil Mul, assistant head teacher, stated that "Working alongside professionals from Jyske Bank and Enemærke og Petersen was very educational for our students [...] It gave them an opportunity to learn and bring various skill-sets into play, including practical building skills.

The third pilot project, at Blidstrup Continuation School on the island of Mors, commenced in late 2019 and a fourth pilot project is being planned for implementation in March 2020.

Related Sustainable Development Goals

4.1 By 2030, ensure that all girls and boys complete free, equitable and high-quality primary and lower secondary education leading to relevant and effective learning outcomes.

11.3 Inclusive and sustainable urbanisation

Danmark Spiser Sammen (Denmark Eats Together)

In week 17, Danes will be dining together at the urging of Folkebevægelsen mod Ensomhed (the People's Movement Against Loneliness), which Jyske Bank helped establish in 2014. The purpose is to counteract loneliness through communities.

- Jyske Bank's departments in Svendborg, Haderslev, Nykøbing Mors and Aalborg joined forces with local players to invite the public to a festive community dinner. The purpose was to strengthen the community and reduce loneliness in local areas.

Related Sustainable Development Goals

3.4 Reduce mortality from non-communicable diseases and promote mental health

Gartnerteamet (Gardening Team)

The Gardening Team on Klampenborgvej is a subsidised job-training offer for 12 local residents on the periphery of the labour market. The team is part of Gentofte Municipality's Job, Activity and Competency Centre. The Gardening Team provides gardening services to both private-sector and public-sector customers and therefore operates on market terms in terms of both price and scope. The Gardening Team maintained Jyske Bank's outdoor areas all year long. The tasks include ordinary gardening, such as mowing lawns, weeding, pruning and planting.

The Gardening Team's services are in great demand. This enables the Gardening Team employees to develop new skill-sets. Customers like Jyske Bank help keep the Gardening Team in existence and, in so doing, give vulnerable individuals 'a life with meaning' in which they contribute to society. This is one reason that job satisfaction is very high. In 2019, the project was named Europe's Best Public Workplace by 'Great Place To Work'.

Related Sustainable Development Goals

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

Risk

- The risk for various projects' participants or target groups in the event of a failure to implement a project is that the various challenges which the projects help resolve are not resolved as a result creates expectations that cannot be fulfilled.
- A lack of internal and external understanding of the project objectives due to the long-term perspective.
- Lengthy implementation horizon caused by having to coordinate efforts among many partners.
- Vulnerability arising from the partnership model deriving from 'no chain is stronger than its weakest link'.
- Underfunding by our partners.

Potential for positive impact

- Documented, well-proven partnerships for action (SDGoal no. 17) which help make a real difference and thus pave the way for further development of the individual and society in general.

Activities and KPIs planned for 2020

Mind Your Own Business

Mind Your Own Business starts each year with eight new micro-entities in new residential areas, all of which are affiliated with a local bank. In 2020, our aim is to start up two new collaboration projects with micro-entities.

Related Sustainable Development Goals

4.3 Equal access to affordable technical, vocational and higher education.

4.4 Increase the number of people with relevant skills for financial success

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

8.6 Promote youth employment, education and training

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

11.3 Inclusive and sustainable urbanisation

Skilled Hands

The last two pilot projects will be completed, and the results and lessons learnt will be communicated in an evaluation report in cooperation with Advisory Board Cabi. The results will subsequently be submitted to the Ministry of Education for the purpose of being rolled out as an offer to the oldest lower secondary school students.

Jyske Bank will phase out the project in May 2020 after the evaluation project has been completed and handed over to RealDania, which has supported the project financially.

The overarching success criteria for the Skilled Hands project are forward looking and include:

- that 3 to 6 students from a 9th year class choose a vocational training programme after leaving lower secondary school
- that more than half of the students have experienced success in practical trades as a result of the project
- that the project clearly integrates the goals of the public school system
- that the project involves a wide circle of stakeholders

Related Sustainable Development Goals

4.1 By 2030, ensure that all girls and boys complete free, equitable and high-quality primary and lower secondary education leading to relevant and effective learning outcomes.

FoodBank

The partnership is carried on and developed on an ongoing basis.

In 2020, focus will be brought to bear on internal and external communication of the partnership, as well as the involvement of the network. The purpose is to enhance value creation for both parties – and thus minimise food waste and provide more meals to socially disadvantaged persons.

Related Sustainable Development Goals

2.1 Universal access to safe and nutritious food

2.4 Sustainable food production and resilient agricultural practices

12.3 Halve global per capita food waste

17.17 Encourage effective partnerships