



Sustainability Report 2020





PRINCIPLES FOR
RESPONSIBLE
BANKING

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress**
in implementing the Ten Principles of the
United Nations Global Compact and
supporting broader UN goals.

We welcome feedback on its contents.

About this report

This report covers the Jyske Bank Group's work on sustainability during the period 1 January to 31 December 2020.

The report covers areas within both sustainable business and responsible banking operations. The report constitutes Jyske Bank's reporting on corporate social responsibility and the gender composition of the management, cf. Section 135a and b of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. and reporting in accordance with the United Nations Global Compact and Principles for Responsible Banking.

The annual reporting for Jyske Bank consists of the Annual Report 2020, Risk and Capital Management Report 2020 and this report. This report is supplemented by our ESG Fact Book, which is available at <https://investor.jyskebank.com/investorrelations/>

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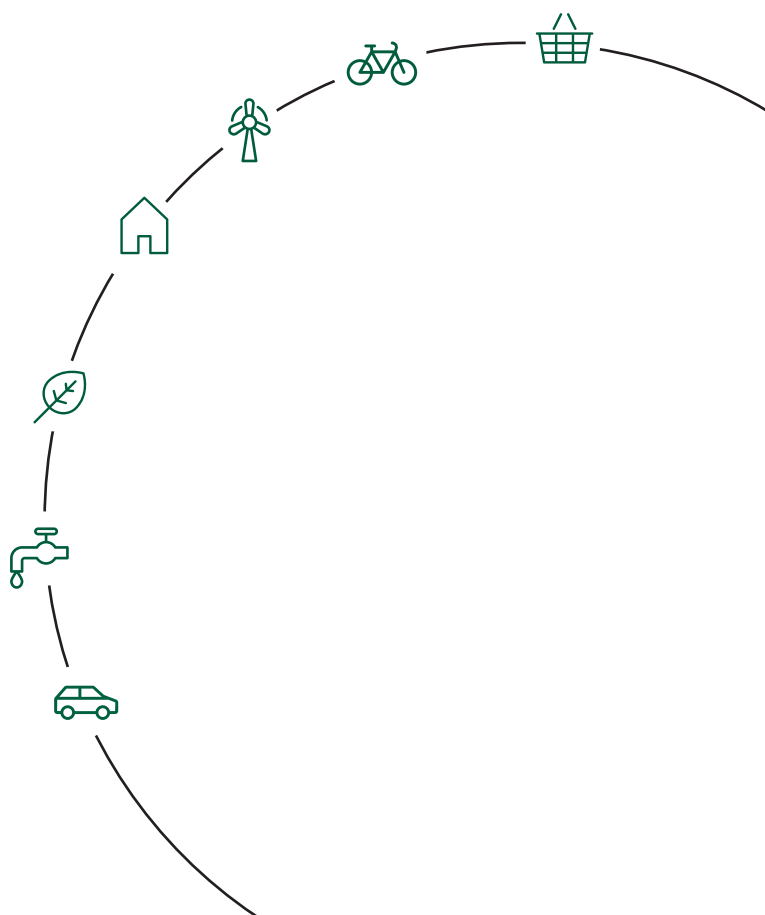
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All progress counts

Foreword by Anders Dam

Jyske Bank wants to make a difference – that also applies to sustainable development. We aim to operate a business that acts responsibly and promotes sustainability – this is not new – it is part of our vision. We believe that the best long-term results will be created with the requisite balance between customers, employees, shareholders and the surrounding society.

Sustainable business

The financial sector has taken on a new role and is focusing more on how financial services companies, including Jyske Bank, can promote sustainability through business activities such as lending and investing.

Jyske Bank's work on sustainability is built on a commercial foundation and we have responded to the role that we as a financial company can and should play. For us, it makes sense to base our work on the view that "all progress counts". This means focusing on supporting customer progress and facilitating our customers' options for making sustainable choices and decisions. At present, focus is concentrated on the climate. From a commercial perspective, we want to offer funding solutions that support sustainable development and simplify sustainable investment, at the same time as increasing knowledge about sustainability.

More new products

In 2020, we introduced an equity fund

focused on sustainable development for both retail and professional customers, and energy loans for homeowners. In early 2021, we started to issue payment cards made from 85% recyclable plastic, and we have just launched Jyske Kort Rente Grøn, our first green mortgage product for corporate clients. Our ambition is to have sustainable solutions for all essential business areas by the end of 2021.

We do what we recommend our customers to do

We lead the way in relation to our own sustainability. In summer 2020, Jyske Bank purchased a wind turbine at the Port of Hirtshals. Initially to offset CO₂ emissions from electricity consumption via our own production of renewable energy.

Jyske Bank is now taking the next step, with a new target for CO₂ emissions relating to heating and company cars to be covered by our own production of renewable energy. Our own CO₂ emissions are limited in compared to the CO₂ emissions we can impact through lending and investing activities, but taking an ambitious approach with regard to our own CO₂ emissions sends a signal that we do

what we recommend our customers to do. Going forward, we will continue to be ambitious and make new initiatives for our own emissions.

The approach to sustainability needs to be dynamic in order to follow the development in the sustainability agenda. Our targets and initiatives will need to be updated from time to time in order to reflect, for example, new knowledge or better methods and data. The lack of completeness within the area must not prevent us from taking action and gathering experience. We are becoming wiser as we go, and we are taking our stakeholders on this journey with us by being transparent about our work and approach.



Anders Dam
CEO and Managing Director



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Business model

The Jyske Bank Group supports the need for financial services for private individuals, companies, institutions – and thus also society – on a profitable basis.

We provide a full palette of financial products, primarily in Denmark. Our core services are products and services within banking, leasing and mortgages. Other financial services are provided through long-term partnerships.

Our starting point is our desire, through our activities, to make a difference to our customers, wherever they are – geographically, in the digital world, in a life cycle, in an economic situation, etc. We want to be at the forefront of creating value for customers and shareholders by seeing opportunities and delivering solutions beyond what is expected.

We are a relationship and advisory bank, where customers can easily choose from among the Group's channels, advisory concepts and service offerings, and have access to the Group's products within these in a way that provides value to both the customers and the bank.

We believe that the best long-term results are created when we balance

the interests of the main stakeholders: shareholders, customers, and employees. This balance is achieved when:

- customers receive advice, solutions and service that are among the best on the market
- employees have an attractive workplace with opportunities for development
- shareholders receive an attractive, risk-adjusted long-term return.

With a market share based on lending activities of approximately 11% created through organic growth and acquisitions, Jyske Bank is currently the third-largest bank, the fourth-largest mortgage institution and one of the largest leasing providers in Denmark.

Since 2014, the percentage of mortgage lending in the loan portfolio has grown significantly, strengthening credit quality and stabilising loan growth and margins. Therefore, Jyske Bank's business model in 2020 has a lower average risk and more stable returns. Jyske Bank is a systemically important financial institution with a strong capital and liquidity position.

Key figures for 2020:

— Profit after tax DKK 1.6 bn

↗ Return on equity 4.4%

% Capital ratio 22.9%
CET1 17.9%

↑ Loans DKK 439.4 bn

↓ Deposits DKK 127.5 bn

👤 Asset under management
DKK 175 bn

🌐 Nationwide branch network
with 94 branches

📊 Market share based on lending
activities 11%



Role in society

Contribution to society

As a large financial services company in Denmark, Jyske Bank has an obligation vis-à-vis society. We endeavour to run a company that in all respects conducts itself responsibly and promotes sustainability pursuant to our values.

A well-functioning financial sector is of major importance to the social economy in relation to areas such as transferring capital to businesses and citizens, managing savings, developing new, safe ways of paying, giving advice on and financing companies' sustainable development, reporting suspicious transactions to the authorities and social engagement.

In this section, we want to give an overview of a number of Jyske Bank's contributions to society.



Systemically important financial institution that contributes to financial stability

Jyske Bank has a robust business model, where 79% of total lending is mortgage-type loans with full collateral. Jyske Bank has a strong capital and liquidity position, which is considered to be able to withstand even very tough stress scenarios.



A substantial corporation tax contributor in Denmark

In 2020, the Jyske Bank Group's tax payments amounted to DKK 1,153 m, consisting of corporation tax, payroll tax, VAT and property tax.



Supports growth and development

Jyske Bank provides capital and other financial services to private individuals, authorities, municipalities and companies, thereby contributing to growth and development in society. At the end of 2020, lending totalled DKK 439 bn and deposits DKK 127 bn. Jyske Bank had 3,349 full-time employees at the end of 2020.



Many Danish shareholders

At the end of 2020, Jyske Bank was owned by approximately 168,000 shareholders and approximately 70% of the share capital is owned by Danish shareholders. In the last five years, Jyske Bank has distributed DKK 8.8 bn to its shareholders in the form of dividends or share buybacks, corresponding to an average pay-out ratio of 65.





Active participation in sector collaboration

Jyske Bank is a member of Finance Denmark and participates in a number of its committees and working groups. In 2020, we helped to prepare the framework CO₂ model for calculating financed emissions from lending and investments.

We have also taken the initiative to collaborate in the sector on the Sustainable Development Goals from a Danish perspective.



Preventing financial crime

In 2020, monitoring of customers and their transactions triggered 29,598 alarms and resulted in 3,368 notifications to the Danish Money Laundering Secretariat. Annually Jyske Bank allocates the equivalent of approx. 200 full-time employees to combatting and preventing financial crime.



Sustainable business

Jyske Bank offers financing solutions that support sustainable development, provide knowledge about sustainability and simplifies sustainable investment.

At the end of 2020, loans for green, sustainable purposes amounted to DKK 82.8 bn and the assets in the Jyske Invest funds focusing on sustainability and corporate social responsibility to DKK 8.6 bn.



Easy and secure payment options

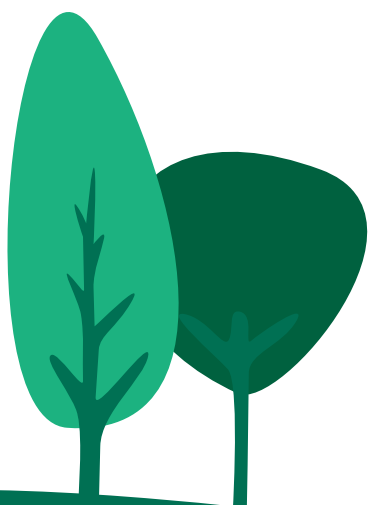
Jyske Bank focuses on making digital payments easy and secure, and provides a number of payment solutions: online banking, mobile banking, Apple Pay, MobilePay and electronic payment cards.



Social engagement through partnerships

We are socially engaged and prefer to work in partnerships. Jyske Bank has had a partnership with the FødevarerBanken [Danish Food Bank] since 2012 and with Folkebevægelsen mod ensomhed [the People's Movement Against Loneliness] since 2015.

Employees from Jyske Bank are teachers during PengeUgen [Money Week] and provide voluntary debt advice.



Strategy

In 2019, Jyske Bank signed the UN Principles for Responsible Banking (PRB) and these principles are used as an overarching approach to the work on integrating sustainability.

In 2020, Jyske Bank has been particularly focused on further developing its approach of sustainable business. This work has resulted in the overall strategy that "all progress counts". Taking this approach, we work both on the responsible activities, which are already integrated into the bank's operations, and with a strengthened focus on how we can promote sustainability through business activities such as lending and investing. In other words, we focus on supporting customers' sustainable choices and decisions. At present, we have a particular focus on the climate, which is a significant impact area for Jyske Bank.

Our sustainability strategy is illustrated in the circle. The circle symbolises the entirety of our work and contains the areas we are working on. The bottom half of the circle, responsible banking operations, comprises the areas we are working with internally and forms the foundations of our business model. The top half of the circle, sustainable business, describes our approach to customers and our surroundings.

Sustainable business

We are focused on supporting our customers' progress in sustainability transition. This is done through advice and through the Group's offering of products and services. At Jyske Bank, we continuously offer sustainable products, services and advisory solutions to customers in all of the Group's important business areas.

Jyske Bank's three business objectives for sustainable business are:

- Offers financing solutions that support sustainable transition
- Simplifies sustainable investment
- Provides knowledge about sustainability.

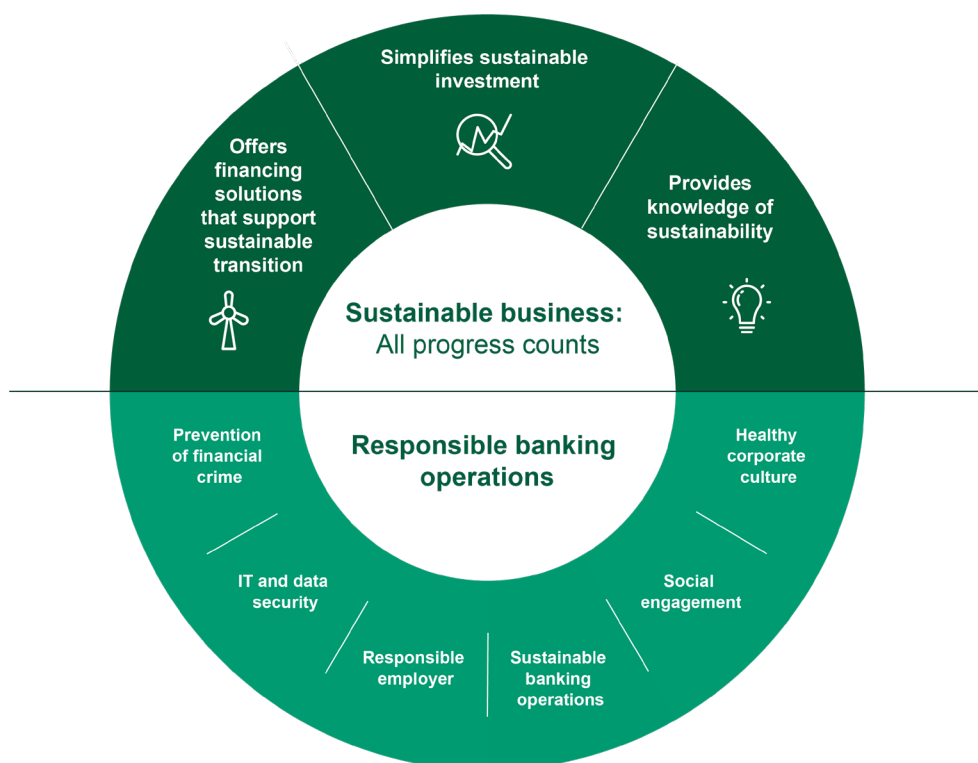
Responsible banking operations

When it comes to operating the bank, i.e. our own activities, we talk about "Responsible banking operations". This involves:

- Running a profitable business that ensures that the Group can continue to play a significant role in society
- Our employees acting with honesty and integrity
- Earning trust and credibility from customers and other stakeholders through behaviour and transparency

- Ensuring compliance with all applicable legislation across business activities
- Ensuring high levels of IT and data security
- Not accepting misuse of the Group for the purpose of financial crime
- Creating a workplace which ensures job satisfaction and equal rights for our employees
- Working to identify and reduce the Group's negative impact the environment
- Accepting corporate social responsibility and contributing to solving relevant social issues through social engagement.

All of these activities are already integrated into the bank's operations and are continually in focus.



Targets

At present, Jyske Bank has the following targets for promoting sustainable development. Our current focus on climate is also reflected in the targets, which cover both sustainable business and responsible banking operations. We will continuously update and set new targets.



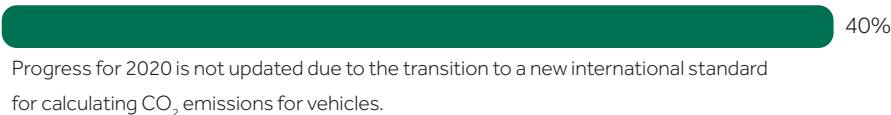
We will finance production of 4 TWh of renewable energy in 2025.



We will provide financing for low-emission commercial properties of DKK 40 bn in 2025.



40% of new lending for financing vehicles will be for low-emission vehicles in 2025.



We support the Danish Investment Association goal of reducing the carbon footprint of private investors' investments in equity funds by 75% in 2030 compared to MSCI's global share index in 2020.



By the end of 2022 we will offset our CO₂ emissions from electricity, heating and driving the bank's vehicles with our own production of renewable energy.



Governance

As part of the integration of sustainability in Jyske Bank's business model, a permanent anchoring of the area was established in 2020. The previous sustainability programme has therefore been replaced by a sustainability committee.

At Jyske Bank, the Supervisory Board has overall responsibility for strategy and policies. The Board will address and consider strategic and tactical issues related to sustainability.

The Executive Board has day-to-day responsibility for sustainability and corporate social responsibility across the Group and ensures the implementation of and compliance with the policy in all parts of Jyske Bank and is responsible for the overall prioritisation of initiatives.

In practice, the follow-up of this responsibility is delegated to the Sustainability Committee, which consists of two members of the Executive Board, the CFO and the Director for IR and Sustainability. The committee meets on a quarterly basis at least.

Sustainability is an integral part of the operations and business development in all parts of the Group, and all units in the organisation contribute to implementing the strategy and compliance with Jyske Bank's sustainability objectives. The individual units are responsible for carrying out development tasks, which follow usual governance for prioritisation and execution of development tasks.

The IR and Sustainability department, which reports to the Group's CFO, is responsible for driving and coordinating the overall agenda, ensuring correlation between strategic initiatives for sustainability at Jyske Bank and reporting on the progress of these.



Recycled plastic payment cards – simply common sense

An example of integrating sustainability into operations and business development is the introduction of payment cards in recycled plastics. As part of a generally more sustainable product development, we have taken the first steps to issue cards made from recycled plastics through a collaboration with IDEM-IA, the supplier of Denmark's first recycled plastic card. These small payment cards may not be much to look at in your wallet, but that is no good reason for not making the cards environmentally friendly.

"It's about changing habits so that we don't just carry on using the solutions we've become accustomed to. That's why we continually look at all our value chains and what our suppliers can offer us, which can make our services more sustainable."

Vicki Stoltz Rosenberg
Product owner for
Payment Products



Impact analysis

With lending and investing activities across a broad cross-section of industries, Jyske Bank, directly or via its customers, will impact all of the UN's 17 Sustainable Development Goals. The purpose of the impact analysis is – based on the bank's existing business model and composition – to identify and thus prioritise the most significant challenging areas of activity ("negative impacts") and correspondingly the most significant sustainability-supporting areas of activity ("positive impacts") in relation to the UN's 17 Sustainable Development Goals.

The first impact analysis

As part of the Group's implementation of PRB, Jyske Bank conducted its first impact analysis in 2020. The analysis is based methodically on the UN's Portfolio Impact Analysis Tool for Banks and on the four elements, scope, scale of exposure, context & relevance and scale & intensity/salience, included in the UN guidelines for implementing PRB. The analysis shows that Climate is a significant impact area for Jyske Bank and therefore estimates the CO₂e emissions

from the bank's lending and investing activities.

The complete analysis can be read on our website www.investor.jyskebank.com/investorrelations/sustainability.

How the estimates are used

Quantifying the impact makes it possible to target and prioritise actions. Going forward, the analysis and its estimates will therefore be part of the decision-making process for establishing objectives and actions at both group and business unit level. In addition the analysis' estimates will be used to address the importance of working with customer sustainability.

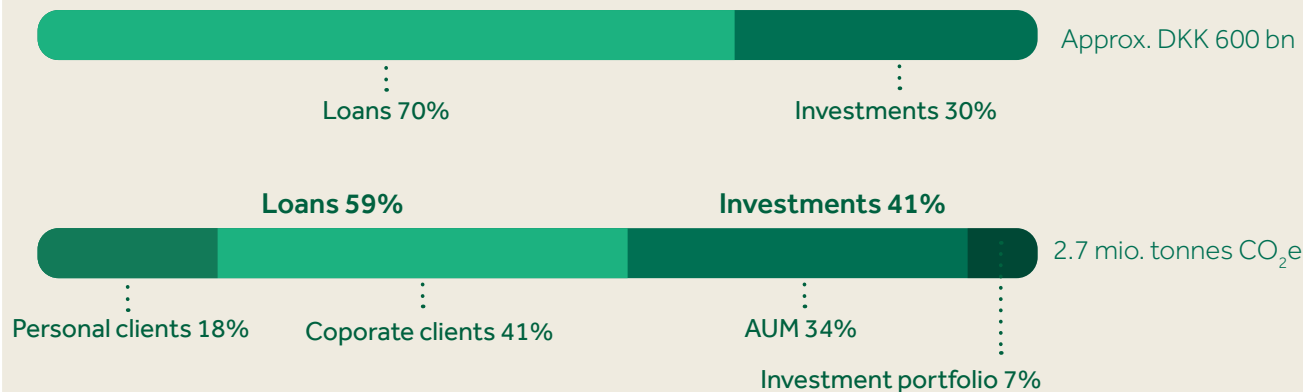
Work to educate and raise awareness about sustainability and impact internally will continue in 2021.

Based on the analysis, Waste will be the next relevant impact area for Jyske Bank to analyse in more detail.

"The analysis is the first step in a process of quantifying impact across lending and investing activities. It reflects Jyske Bank's current position. Estimates will naturally change as methods and data improve, and by estimating emissions figures we gain new knowledge that will enable us to target our actions."

Trine Lysholt Nørgaard
Director
IR and Sustainability

Estimates of the impact analysis



Offers financing solutions that support sustainable transition

Jyske Bank offers loan products, advice and services that support financing of the changes that our customers want to make in order to move their activities in a more sustainable direction.

Climate is a significant impact area for Jyske Bank. Our impact analysis shows that lending, including loans to corporate clients, is responsible for the majority of the estimated CO₂e emissions. Based on the analysis, we have chosen to focus our actions on financing solutions that support sustainable changes within climate and reduction of CO₂e emissions.

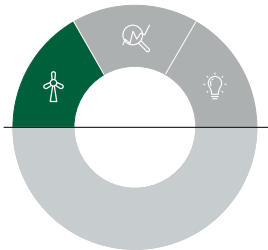
In Jyske Bank's Green Finance Framework, we have designated five green and sustainable lending areas that could make significant contributions to reducing CO₂e emissions, and we will continually set targets for these. The five lending areas are: Renewable energy, Green buildings, Clean transport, Sustainable use of natural resources and Recycling and sustainable production. We have currently set targets for three of the five areas.

From an organisational perspective, we have specialist departments in the business areas of agriculture, green energy, transport and utilities.

Renewable energy

In the transition towards a society independent of fossil fuels, it is important to develop the production of renewable energy. At Jyske Bank, we would like to help finance this development. We already provide significant lending for renewable energy and are co-financing the production of renewable energy totalling 2.5 TWh at the end of 2020, which corresponds to 8.5% of Denmark's total electricity production. Jyske Bank has a target of financing 4 TWh of renewable energy by no later than 2025.

It is possible to finance land-based renewable energy with mortgages.



Eurowind Energy A/S supplies green, sustainable energy to GreenLab

GreenLab Skive is a green industrial park, a national research centre and a technology catalyst. GreenLab will provide the framework for the world's first full-scale PtX plant, offering a unique, intelligent energy platform where green, sustainable energy is produced, stored and shared between the businesses in the industrial park.

Jens Rasmussen, Managing Director, Eurowind Energy A/S states: *"We are proud to provide sustainable energy production for this ambitious and innovative project, which, by focusing at system level rather than individual levels, can help to find new routes to effective green transition."*

Jyske Bank finances Eurowind Energy A/S's construction of a hybrid park comprising wind, sun and battery solutions. Construction is underway and it is expected to be put into service in the autumn of 2022.

Lending volume, DKK million	2020	2019
Renewable energy	3,597	2,915
Green buildings	76,413	64,799
Clean transport	930	557
Sustainable use of natural resources	1,812	2,092
Recycling and sustainable production	610	289



Green buildings

Financing

A reduction in energy consumption in Danish properties is an important part of the Danish government's plan for a 70% reduction of CO₂ emissions by 2030 compared with 1990 levels.

Jyske Bank already provides financing of DKK 76 bn for properties with low energy consumption, of which commercial properties account for DKK 31 bn. Our target is to finance DKK 40 bn in commercial properties with low energy consumption by no later than 2025.

From February 2021, Jyske Bank will offer green mortgages for commercial properties that meet the criteria in Jyske Bank's Green Finance Framework. These green mortgages are financed by issuing green mortgage bonds.

Energy renovation

The Danish CO₂ reduction target must also be achieved by improving the climate shell, and thereby reducing emissions for the existing stock of property. To support energy improvements, we have launched energy improvement loans for homeowners to fund energy renovation at a lower interest rate than equivalent loans and a CO₂ calculator in the "Best Home" app.

Clean transport

In a global world, we need to transport both people and goods within as well as across national borders.

In order to minimise CO₂ emissions, it is important that the various modes of

transport become less dependent on fossil fuels.

The Danish government decided in December 2020 that there should be 775,000 electric and hybrid cars on Danish roads by 2030. At Jyske Bank, we support both this target and the general changeover to transport without the use of fossil fuels, and have set a target of 40% of new lending for means of transport (20% for transport of goods) to be for low-emission means of transport by 2025.

Through Jyske Finans, we offer financing for virtually all types of transportation, including both private and commercial transport, and we have a team of specialists in the transport industry who provide customers with advice and sparring before investing.

Jyske Bank – more than just green loans

Through Jyske Realkredit, Jyske Bank has loans to the social housing sector of approx. DKK 49 bn.

The social housing sector, home to around one million people in Denmark and provides good housing in attractive areas for everyone, regardless of income.

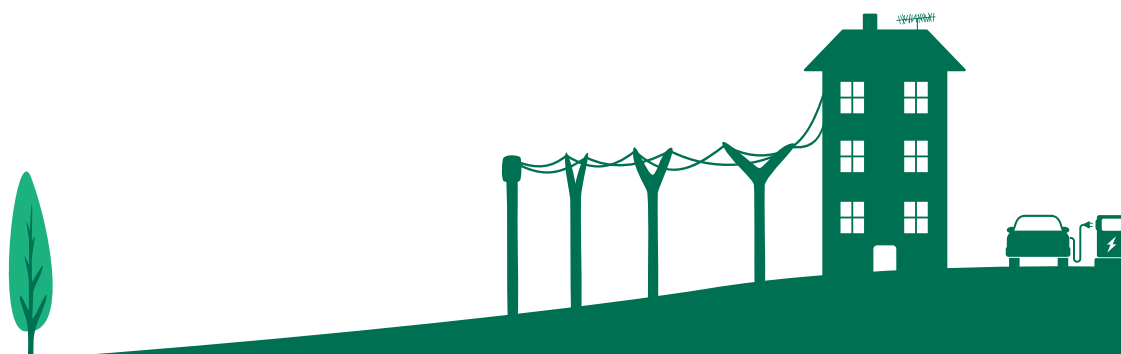
Jyske Realkredit's market share in this housing sector represents approximately 26%, compared with Jyske Realkredit's total market share of approximately 11% of the Danish mortgage market.

The future is electric

The passenger transport industry, together with bus service providers, has already started rolling out electric buses in Danish cities. Jyske Finans is cooperating with, among others, one of the largest private bus companies in Denmark, Umove, on the deployment of electric buses. Umove has just won another tender and is to deliver 62 electric buses to the Municipality of Copenhagen. Umove already has extensive experience of electric buses operating in Roskilde Municipality among others, with the involvement of Jyske Finans.

"In recent years, there has been a quantum leap in the technological development of electric vehicles. Combined with the public sector's focus on sustainable development, we can now see that many of our customers are making similar investments. We are pleased that we can help to support this development," comments Allan Mortensen, Director, Jyske Finans.

Jyske Finans provides financing for a significant proportion of the electric buses that are already driving on Danish roads.



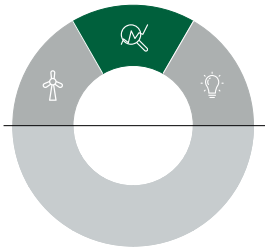
Simplifies sustainable investment

At Jyske Bank, we want to make it possible for more of our customers' investments to become sustainable. Which is why we want to make more sustainable investment easy and accessible for customers. We strive to offer products, advice and services that make sustainable investments easy, regardless of whether the customer chooses one of Jyske Bank's investment solutions or makes their own investments.

We see it as our job to provide advice and optimise customer returns in the best way possible. This means that environmental, social and corporate governance (ESG) is naturally included in both the investment opportunity selection and investment processes that Jyske Bank's portfolio managers use for investment solutions.

Companies' strategy and objectives for sustainable development are therefore evaluated on an ongoing basis. We see sustainability as a structural theme that fundamentally changes the conditions for many companies and industries, such as on the demand side due to changed preferences and requirements of consumers, on the financing side through the companies' access to capital, and through new regulations.

Good investment advice and good investment performance assume we can identify the opportunities and risks that sustainable development will create and how it affects each individual company. The source data is continually improving as more companies publish results and objectives in relation to sustainability, and this allows us to make a more nu-



anced assessment of the transition level in the companies.

In 2020, we strengthened the overall setup of our asset management by bringing risk and sustainability together within one department. ESG conditions are included in the ongoing risk assessment and idea generation for the various investment teams. We use input from MSCI and Sustainalytics, but also complement this with, for example, more specific input from Transition Pathway, which provides a detailed assessment of whether companies are on the right track towards compliance with the Paris Agreement.



Active Ownership & Engagement



Integration & Governance



Inclusion & Exclusion



Communication & Reporting

Our approach to sustainable investment

Active ownership and engagement

We believe in the value of active ownership and progress through dialogue with companies. We work with other investors to promote a strong dialogue.

Inclusion and exclusion

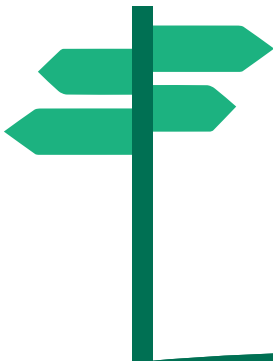
We work with exclusion in the form of refusing to invest in controversial companies due to breaches of ESG conditions (breach of norms) or based on their activities. We also work with inclusion in selected funds. That is to say, we select companies that we consider to be best positioned in terms of sustainable development.

Integration

We integrate of ESG conditions into investment decisions, as we believe that these conditions are significant to the future earnings potential and risks of companies, and hence also the return potential.

Communication and reporting

We communicate continuously about our investments and the results of our efforts. Fx sustainability fact sheets that provide an accessible insight into ESG conditions, carbon footprint, contributions to the UN's Sustainable Development Goals as well as the results of our dialogue with companies.



Transparency around sustainability

We focus on transparency and aim to show the nuances of sustainability. The approach to sustainability is holistic and in line with the UN's 17 Sustainable Development Goals. This future-proofs our foundation, as even though climate change is in focus, the recent COVID-19 outbreak and the MeToo and BlackLives-Matter movements show that social challenges are also becoming more prevalent.

We are working continuously on integrating sustainability data into our analytics processes, so analysts have more tools to better analyse the conditions within a company. Integrating significant ESG risks will become the new standard for all our equity recommendations. Climate change, and most recently COVID-19, have clearly shown a range of risks that lie outside traditional financial analysis.

During 2020, we built up a robust data foundation that means that by 2021 we will be able to display sustainability-re-

lated data at company level. This also makes sustainable investment easy for those customers who do not use Jyske Bank's investment solutions, but who are advisory services customers or make their own investments.

In 2020, Jyske Invest launched a new fact sheet focusing on sustainability for Jyske Invest's equity funds. Corresponding information on corporate bonds and mixed asset funds is expected to be available in 2021.

The fact sheets from Jyske Invest provide insight into the key figures for ESG in the funds and help our clients make a conscious choice when investing. With the introduction of the EU taxonomy, we expect greater clarity as to what is considered sustainable. Instead of waiting for a definition, we present our customers with four elements to give an illustration of how we are working with sustainability:

- ESG risk assessment

Summarises the main ESG risks and how these are managed. An industry-specific assessment of the companies, including ongoing updates on controversial behav-

iour. Fx responsibility for environmental disasters, bribery cases, etc.

- CO₂ emissions

Comparison with a benchmark, which is supplemented with everyday examples that translate CO₂ emissions into something more tangible.

- Active ownership

Influencing the companies to change their behaviour, through cooperation with other investors.

- The UN Sustainable Development Goals

Shows how the companies contribute to a much broader sustainable agenda than just climate.

Sustainable products

In 2020, Jyske Invest Bæredygtige Aktier KL was introduced, which gives customers the opportunity to invest in a broad global equity fund with a focus on sustainability. Through Jyske Invest, Jyske Bank provides investors with three funds that have particular focus on corporate social responsibility and sustainability.

"All companies have a positive and negative impact on the world – and there is always room for improvement."

"We want to demonstrate that sustainability is shaded in nuances, otherwise it would not be credible."

Camilla Fangel

Senior Sustainability Specialist

New sustainable equity product

Jyske Invest Bæredygtige Aktier KL gives customers the opportunity to invest in a broad global equity fund with a focus on sustainability. The portfolio in Jyske Invest Bæredygtige Aktier KL is comprised of:

- Shares in the world's developed countries
- Increased exposure to companies with good sustainability characteristics, including companies with a high ESG rating and low CO₂ emissions
- Lower exposure to companies assessed as having poor sustainability characteristics
- Exclusion of companies with the lowest ESG rating (CCC), companies which violate internationally recognised norms and conventions, and companies involved in the production of thermal coal and tar sand.



Jyske Invest Globale Aktier SRI KL invests in a globally composed portfolio of shares, Jyske Invest Virksomhedsobligationer SRI KL invests in a portfolio of high-yield bonds issued by companies, while Jyske Invest Højt Ratede Virksomhedsobligationer SRI KL invests in a portfolio of high-rated bonds issued by companies. The common position of all three investment funds is that they do not invest in any company for which it can be documented that business is being carried out in a manner that violates widely recognised international conventions and norms relating to the environment, human rights and business ethics. In addition, investments will not be made

in any companies that produce or distribute weapons, alcohol, tobacco, gambling services or adult entertainment, or companies that perform the extraction, development and refining of fossil fuels.

In addition to these funds, we have chosen to offer funds from selected external asset managers, such as an impact equity fund specifically focused on companies that deliver the climate solutions and technology of tomorrow within one or more of five categories: clean energy, sustainable transport, environmental resources, low-carbon leaders or energy efficiency.

Building up sustainable investment

At the end of 2020, DKK 8.6 bn has been invested in the Jyske Invest funds with a particular focus on corporate social responsibility and sustainability.

In general, a large proportion of assets under management is invested in companies that perform better than the benchmark for ESG rating, CO₂ emissions and revenue in relation to the UN Sustainable Development Goals.

Funds for equity and corporate bonds

Share of assets with ESG score better than benchmark	94%
Share of assets with carbon footprint lower than benchmark	92%
Share of assets with higher proportion of revenues related to the UN Sustainable Development Goals than benchmark	56%

Target

As a member of the Danish Investment Association, we support the objective of reducing the carbon footprint for Danish private investments, so that by 2030 the carbon footprint from this is 75% lower than the carbon footprint for the MSCI global share index in 2020.



Active ownership

Since 2010, Jyske Bank's work with responsible investments has been based on the UN Principles for Responsible Investment (PRI). The policy for responsible investments at Jyske Bank sets out the framework for this work.

Jyske Bank receives ongoing screening reports for companies with serious breaches of international norms or conventions.

Jyske Bank has excluded investments in a number of companies that do not comply with the policy for responsible investments at Jyske Bank, and where there is no prospect of dialogue resulting in a change in behaviour. At the end of 2020, the list of excluded companies primarily includes companies that may be linked to controversial weapons: anti-personnel mines, cluster weapons and nuclear weapons (where the UN treaty on the

Non-Proliferation of Nuclear Weapons is not observed).

Jyske Bank advises Jyske Invest Fund Management A/S (JIFM) on active ownership and the associations administered by JIFM attempt, in certain situations, to influence the companies by exercising voting rights. This will typically take place in dialogue with other investors via the Sustainability Engagement Forum in order to achieve the greatest possible effect of the vote.

Active ownership outcomes

As an active investor, Jyske Bank is in continuous dialogue with companies in relation to activities that conflict with international norms or conventions.

During 2020, associations administered by JIFM, along with other

investors, participated in the Sustainability norm-based engagement programme of 249 engagement cases concerning violation of international conventions and norms. Of these, 54 of the engagement cases concern companies in the associations' portfolios. 34 of these cases concern human rights and labour rights, 5 concern environmental issues and 15 concern business ethics. During 2020, seven cases in the associations' portfolios were resolved and thus closed. In the remaining ongoing cases, very positive engagement results can be noted in the form of progression in the specific cases and a willingness to enter into a dialogue by the companies responsible in 15 of the cases. Somewhat positive results have been achieved in 31 of the engagement cases, while there have been poor or no results in 8 cases.



Provides knowledge about sustainability

"Make wiser" is part of Jyske Bank's overall communications strategy. Thus, it is only natural that Jyske Bank also seeks to provide knowledge about sustainability in the market areas we serve. This means that Jyske Bank's sustainability communications must engage customers and other stakeholders in the agenda and allow them to make sustainable choices; independently of the products offered by Jyske Bank, but with the clear aim of getting more people to choose sustainable solutions for both loans and investments.

As always, our communication will be characterised by the fact that we serve the target group and we present unexpected, high-quality formats – often in strategic partnerships with relevant partners.

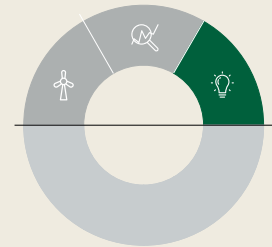
Action requires knowledge and transparency

Our aim is to provide customers with a nuanced approach to sustainability, enabling more people to make sustainable choices and to better their understanding of how big a difference changes in financial transactions can make to sustainable development.

Transparency is a necessary foundation since the definition of sustainability is continually changing and the bar is

constantly being raised. We want to bring the necessary nuances of sustainability to the fore and shift perceptions, as sustainability is about more than just climate changes and being "green".

Both internally and externally, we make use of our own experts, who serve as knowledge beacons and disseminators of the latest knowledge about trends, legislation, standards and demand, combined with the business methods used by the bank.



What have we achieved in 2020?

In 2020, we have focused on three areas in particular that either is of interest of our customers or that we believe should interest them:

Energy renovation of homes

Government subsidies, favourable conversion options and the low interest rate environment have made it attractive for homeowners to make improvements to their home to the benefit of the climate and the value of their homes. With webinars, newsletters and blogs, we have shared our knowledge of the value of such an investment.

What is behind your investments?

We have developed new methods and workflows to ensure that in the future we can provide as much information as possible about the companies that a customer chooses to invest in. Sustainability-related data is combined with financial data to enable a customer to assess a company based on the parameters that are important to them.

Best practice among companies

In our series of mini company portraits, Got a Minute?, we tell the stories of customers who have successfully integrated sustainability into their business model.

What does 2021 have to offer?

In 2021, we will focus on what the individual can do to be more sustainable in their financial transactions. One area in which a significant impact can be made is via investments, including pension savings. Sustainable investment will therefore be a major topic, including investment in general, so that even more people can start investing – and also do so sustainably.

Through a number of strategic partnerships, we will offer our customers knowledge of multiple aspects of, in particular, the social side of sustainability such as loneliness, well-being and work-life balance.

Nuances of sustainability

The term sustainability is popular and frequently used. When we provide knowledge, in addition to navigating between the various nuances of sustainability, we must also consider the fact that we, as part of the financial sector, are also part of the sector's reputation. A fact that – perhaps – makes many of the recipients of our messages more sceptical than they otherwise would be. It is a risk that we are aware of. We want to position ourselves as an important voice in the current debate with the aim of increasing general awareness of sustainability and, in particular, the financial sector's contribution in this regard. We are committed to this.



The communicating bank

Over many years, Jyske Bank has built up internal expertise in disseminating information through various different media, but primarily TV and podcasts.

In 2020, we launched Jyske Bank LIVE, a range of webinars that give our customers and other interested parties useful experiences – and direct access to the bank's experts and business partners.

With Jyske Bank LIVE, we combine professionally produced TV with the webinar platform's capacity for interaction with viewers. A good example is the webinar on "Energy renovation – an investment with a green return", in which homeowners' options for creating green value in their own homes were explained by Jyske Bank's housing economist in partnership with an external experts on energy labelling.

Responsible banking operations

Jyske Bank wants to operate a business that acts responsibly and promotes sustainability. We believe the path to sustainability is through responsible banking.

When we work with sustainability in our internal operations, we call it responsible banking operations. This concerns the climate, of course, but the other Sustainable Development Goals are also important. Responsible banking operations is about how we want to interact with customers, our employees and society.

When we work with responsible banking operations, we focus particularly on activities within:

- Prevention of financial crime
- IT and data security
- Being a responsible employer
- Sustainable banking
- Social engagement
- Ensuring a healthy corporate culture

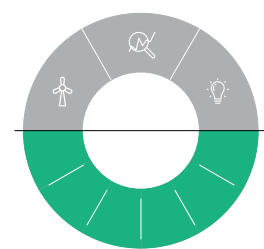
These are all activities that we are familiar with and that are already integrated into the operations of the bank.

Responsible banking operations is also very much about complying with applicable legislation and thereby meeting the expectations that our stakeholders must rightfully have of us. It is also through responsible banking that we comply with the UN Global Compact.

The following pages describe our areas of focus within responsible banking operations. Both in terms of how we comply with the statutory requirements and the activities we have chosen because we believe that they strengthen our responsibility. Finally, the section provides additional information in tabular form for each activity.

"Acting responsibly and meeting the standards to which we hold others is strongly anchored in Jyske Bank's foundation and goes naturally hand-in-hand with the 10 principles of Global Compact, which we have supported since 2016 and continue to support"

Anders Dam
CEO and Managing Director



Prevention of financial crime

Efforts to prevent money laundering and the financing of terrorism remain a top priority of the Jyske Bank Group. In order to reduce the risk of the bank being misused for unlawful purposes, we have introduced measures to prevent financial crime that go beyond the requirements of legislation.

Our work to prevent and combat financial crime is therefore not only about checking customer transactions etc. but is also about preventive initiatives. In this way, we actively contribute to combatting money laundering and other financial crime.

In 2020, we introduced a number of new specific initiatives to help prevent financial crime, and these initiatives will continue in 2021.

Stopping COVID-19 subsidies fraud

As the COVID-19 pandemic arrived in Denmark and the government gave subsidies to the business community, we at Jyske Bank have focused on customers who – based on our knowledge of the customer – are not entitled to receive subsidies. This has resulted in a number of reports to the Danish Money Laundering Secretariat due to suspected COVID-19 subsidies fraud.

Less cash in circulation

In our experience, criminals generally prefer cash for money laundering. To reduce the amount of cash in circulation, we have lowered withdrawal limits for the bank's ATMs even further.

Misuse via online banking etc.

The Danish banking sector is experiencing an increasing amount of fraud involving identity theft and online banking fraud etc. We have therefore been involved in making a number of specific adjustments and we were also an active part of the nationwide initiative in October 2020 that focused on "cybercrime" through a number of initiatives, including on our website. The purpose has been to draw customers' attention to what they can do to protect themselves against fraud.

We are also working with industry associations such as Nordic Financial CERT and Finance Denmark, and have recently entered into an agreement with "my digital self-defence" (a free app) to increase the digital security of all Danish citizens.

Auditing obligation

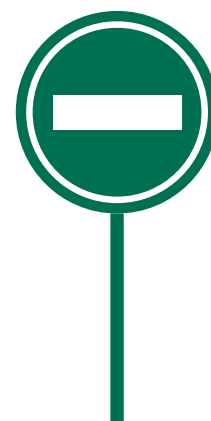
Since 2019, we at Jyske Bank have required all business customers to use an approved auditor. If the customer is unable to tell us which auditor they are

working with, it will not as a general rule be possible for the customer relationship to continue.

For example, the auditing obligation has resulted in 1,524 customers submitting documentation about their auditor, while 696 business customers have left the bank due to this requirement.

Sectoral cooperation

We are constantly working to improve and refine our setup in order to prevent money laundering. The legislation is changing all the time, and interpretation of rules and ongoing practice in this area is therefore crucial. At Jyske Bank, we therefore consider it very important to cooperate in the sector and participate in a number of sector initiatives. For example, we have participated in Finance Denmark's Task Force for the prevention of money laundering, and we have also entered into direct cooperation with the authorities.



Inspection by the Danish Financial Supervisory Authority

In August 2020, the bank received the Danish Financial Supervisory Authority's report on its money-laundering inspection at the bank regarding transaction monitoring. The report contained two orders. The first order has been actioned. The second order was actioned in part at the end of 2020 and is expected to be actioned in full by the end of April 2021.

IT and data security

A high level of IT security is essential in a time when personal data and financial transactions are sent via digital channels.

Our level of security is set in line with our ambition of having a level of security that is always able to handle the current cyber threat and safeguard us against the risks associated with IT and has elements that are "Best in class".

We very much focus on how we act as data controller and use a high level of security when processing customer data.

Cyber threat

During the time we have been working with digitalization and offering our business services through digital channels, there has been a need for a high level of IT security. In recent years, the cyber threat has been increasing and is at a very high level, placing great demands on Jyske Bank's IT security level. The sophistication with which cyber attacks are carried out is at an unprecedentedly high level and therefore multi-level protection is required.

Strategy and efforts

Our approach to protection from cyber threats involves several types of efforts:

- In-depth understanding of threats and who the threat actors are

Through continuous monitoring of cyber activity and analysis of the techniques, tactics and attack procedures used by

the threat actors, we can better understand our security measures and be as prepared as possible if we fall victim of an attack.

- Detection capability and robust IT platform to prevent an attack

Attempted attacks must be detected as soon as possible, and we should ideally be proactively protected if an attack succeeds in gaining a foothold. This is done through in-depth security monitoring, secure configurations of our IT, a high patch level, strict management of permissions, etc. Data traffic is analysed to identify unwanted security behaviour, and this helps detect and prevent the success of an attack.

- Containment and effective control of attacks

In the event that an attack succeeds in gaining a foothold in IT systems, it is important that we have security measures in place that can also ensure containment and effective control of the attack. If the attack succeeds in causing damage, effective recovery is also an important security measure.

High level of security

Our IT security policy and strategy stipulate the requirements and frameworks for and direction of our management and implementation of a high IT security level. Over the past three years, Jyske Bank has implemented and achieved

significant improvements in the IT security level. Extraordinary investments have been made in raising the operational level of our key IT suppliers, JN Data and Bankdata, and we have also upgraded the internal resources in this area at Jyske Bank. Prompted by the IT security policy, we have implemented new best practice tools and increased the resources in our Security Operating Centre.

Testing the level of security

There is regular reporting of the condition of the level of security. As part of compliance with the security policy, in-depth checks and tests are also carried out to determine whether our level of security is sufficiently high. For this reason, Red Team tests have been carried out using the best suppliers on the market. Jyske Bank is also a participant in the national cyber test programme, under the TIBER-DK framework, which aims to test cyber resilience in the event of an attack by highly advanced threat actors. Our latest Red Team test in 2020 confirms a very high IT security level at Jyske Bank.



Systems are not enough – behaviour is crucial

In week 43, we had an internal focus on cybersecurity. All employees watched a film about a – fortunately fictional – cyber attack on Jyske Bank. The film was followed by an e-learning module including knowledge tests and flashcards with precautions to take in the event of crashes.

The threat is very topical and we can report that we have been exposed to threats that have resulted in crashes at other big companies – all of these were detected and contained at Jyske Bank.

Responsible employer

As a responsible employer, Jyske Bank works to ensure an attractive workplace that guarantees job satisfaction, equal rights and development opportunities for all employees.

Committed, competent, dynamic and responsible employees are important prerequisites for the Jyske Bank Group's success. The Group must therefore be able to attract, develop and retain employees with the competencies, behaviour and attitudes needed to achieve the bank's strategies and targets.

Job satisfaction

A good working environment is the key to job satisfaction. It is important that we each feel the greatest possible job satisfaction and commitment in our everyday life, and that we have the best possible framework for development and a good day-to-day life. We aim to strike a good work-life balance.

We focus on both the physical and psychosocial working environment. Since 2012, the Group has had a dedicated working environment organisation with professional working environment consultants and representatives who work on working environment issues full-time. The working environment work is characterised by a preventive, holistic, visible and integrated approach. Focusing on the health and well-being of employees, we offer healthy canteen food, a fruit scheme, Group-paid advice

for quitting smoking, small-scale exercise programmes and access to a network of external physiotherapists and occupational therapists, among other things. When it comes to mental health and well-being, the dialogue tool "Træd Tidligt Til" [Step In Early] supports an open dialogue between employee and manager, and provides the opportunity to connect with external advisors. In 2020, employee safety, and primarily the prevention and handling of violent and harassment incidents with customers, has been a focus area.

An employee survey is conducted for the entire Group every two years – in the intervening years, there is follow-up measurement based on action plans from the most recent measurement. The employee survey focuses on commitment, job satisfaction and loyalty, and also contains relevant working environment questions relating to the physical and psychosocial working environment. Response rates have been high since the first survey in 2016, and peaked in 2020 at 96 per cent.

Equal rights and diversity

The Jyske Bank Group respects human rights. They are the foundation for a safe, fair and just society, with equal rights, inclusion, labour rights, health and safety and are values rooted in our policy. Jyske Bank makes a continuous and conscious effort to respect human rights and encourages employees, via an open culture,

to speak out against discrimination and violations.

The Jyske Bank Group's collective agreement protects employees' basic rights, and approximately 9/10 of employees are covered by their conditions of employment. The collective agreement covers, among other things, working hours, compensation for loss of earnings, holiday, illness, etc. In addition, just under 1/10 of employees have provisions in their individual contracts that refer to the terms of the collective agreement.

The annual review of the Group's equal pay statistics does not show any pay differences that need to be corrected. That is to say that for roles where there is a difference in pay between men and women, there are valid grounds for this.

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

Diversity

We believe that diversity in the workforce contributes positively to performance and development. As a company, we want to reflect the society around us as far as possible. We are committed to ensuring that all employees have equal access to development and career opportunities, regardless of gender, age, ethnicity, religion or other factors.

70:20:10

In 2020, there was also an increased focus on holding courses and learning activities online, and the 70:20:10 model was practised widely and in earnest throughout the Group. 70:20:10 is the mutual weighting we want to give learning in the form of online learning (70%), peer learning (20%) and external learning activities (10%).

Virtual activities offer greater flexibility for the participant both physically and temporarily, they are less resource intensive, e.g. in terms of transport and hotel accommodation, and they are also easier to manage in terms of enrolment and attendance.

The same applies when filling positions, where all candidates can apply regardless of gender, age, ethnicity, religion or other factors that are not significant for performing the job.

At the end of 2020, the proportion of female managers is 26%, compared with 29% at the end of 2019. Organisational changes and the reduction of the management team in the largest business unit, where there are traditionally many female managers, have had a negative effect on the overall proportion of female managers. The proportion of women on the Group's management training programmes starting in 2020 is 33%, compared with 35% in 2019. However, some of the management programmes were postponed until 2021 as a result of COVID-19.

Going forward, we will focus more on uncovering potential and concentrate our efforts on accelerated development pathways.

Gender diversity on the Board

With effect from the 2020 annual general meeting, the Supervisory Board has four female members (two elected by the shareholders and two elected by the employees) out of 11 members. In 2020, therefore, Jyske Bank had already achieved its target for 2021, which is for an equal distribution in accordance with the Danish Business Authority's guidelines of March 2016.

Development opportunities and training

Jyske Bank wants to give its employees the opportunity for continuous training and development, thus ensuring high-level competencies and professionalism, and making them a sought-after and valuable workforce. This also applies to future employees. Thus, the contribution to young people's access to jobs and

training is an essential element of our social responsibility. Jyske Bank has a formal development programme for graduates and regularly makes internships available to both Bachelors of Finance and students.

In 2021, we will be continuing our current initiatives and development programmes for recent graduates. We also want to strengthen our relationship with educational institutions.

In order to keep employees' competency and professionalism at a high level that at least satisfies current legal requirements, the Group offers a wide range of training

opportunities, both in the form of internal targeted learning modules and general support for other external training, including learning via Finanskompetencepuljen [the Financial Competence Pool]. Topics for internal activities include IT security, Secure behaviour and Meeting facilitation. At manager level, topics include Feedback and feedforward, and The manager's role as a skills developer. To stimulate interest in skills development and ensure cohesion between public and private study programmes, the Group has been awarding ECTS credits for selected internal training courses since 2010.

Trends in number of graduates and Bachelors of Finance at Jyske Bank				
Number	2021 target	2020	2019	2018
Graduates	15	13	15	4
Bachelors of Finance	25	25	15	26

A very different workday

When COVID-19 hit Denmark in the spring, it changed the everyday lives of many of our employees. From the start, Jyske Bank has followed the authorities' guidelines and recommendations with respect for both the individual business areas and the individual employee.

Many employees have worked from home for short or long periods. This has meant a change to the workday in terms of setting, activities and social relations with colleagues. The focus has continually been on changes in the employees' physical and psychosocial working environment, and information about working positions, ergonomics and movement during the working day has been sent out from a central function. Initiatives have been taken locally to strengthen social and collegial relationships with, fx online bingo,

online lunches and coffee breaks, and a Friday bar.

Our departments have been partially closed at times and customers have been asked to make an appointment with their advisor before a meeting. It has been important for us to look after our employees while also being available to our customers and advising them as best we can in a challenging time.

Cooperation between colleagues and customers have had to take new and different paths. In 2020, we have thus taken a leap forward in the use of digital solutions, and we have gained valuable experience of conducting virtual meetings and webinars. This benefits both customers and employees, and we will make use of this experience in digital solutions in the future.

Sustainable banking operations

Jyske Bank has an impact on the climate, and although the biggest impact relates to our business activities, we are working actively to reduce the impact we have as a company. We believe that this gives us credibility and provides a good basis for dialogue with our customers.

We support the Danish and international targets of reducing CO₂ emissions by 2030, and we are constantly working to minimise our CO₂ emissions from activities such as transport, energy consumption and purchasing.

In 2020, Jyske Bank's CO₂ emissions excluding business activities amounted to 7,525 tonnes, a reduction of 14% compared with 2019.

Energy consumption

We reported our CO₂ emissions for the first time in 2020. The CO₂ reported numbers stated that 67% of emissions in 2019 were due to the consumption of electricity. For several years we have purchased CO₂ certificates to compensate for our overall emissions, but in 2020 we decided that in the future we will produce renewable energy ourselves corresponding to the bank's own electricity consumption and the bank's share of Bankdata's and

JN Data's electricity consumption. That is why we acquired a wind turbine, in the summer of 2020, that had just been built at the Port of Hirtshals. The wind turbine is part of Denmark's first wind farm to be built without government support.

We believe that it is important to continually reduce our energy consumption, even if the wind turbine produces the electricity that we consume. That is why we installed energy management systems at all locations in 2020 to monitor and streamline our energy consumption.

Green car policy

We support the transition to greener transport and the Danish government's goals in this area, and we therefore installed more electric charging stations in 2020. The charging stations have been installed at publicly accessible locations and can be used by everyone. We have also decided that in 2021 we will start replacing our own cars with low-emission vehicles, thereby reducing our CO₂ emissions.

Purchasing

At Jyske Bank, we have taken ethical, environmental, political and social considerations into account in connection with purchasing for the Group for many years. We purchase sustainable products when it makes sense to do so and supports recycling in our consumption.

Waste

The SDG index in the Sustainable

Development Report 2020 states that electronic waste is a major challenge in Denmark. Our impact analysis also showed that waste is an area where Jyske Bank has a significant impact.

At Jyske Bank, we have for many years ensured that our discarded IT equipment is reused, either through a professional partner or through the donation of PCs to social projects. In 2020 85% of the Group's IT equipment was recycled.

In 2021, we will continue to work on how we can reduce our waste volume and ensure that as much as possible of our waste is recycled.

Target

We want to offset our CO₂ emissions from electricity, heating and driving the bank's cars with our own production of renewable energy by the end of 2022.

Safety vs sustainability

At Jyske Bank, we work actively to minimise our consumption and waste, and in connection with this we stopped using single-use plastics several years ago.

Due to the COVID-19 pandemic, it has been necessary to serve food to our employees in single-use plastic for large periods in 2020 to ensure safety and reduce the risk of infection in our workplaces.

Facts about Jyske Bank's wind turbine

- Type: Vestas V136 4.2 MW
- Location: Port of Hirtshals
- Erected Q4 2019
- Taken over on 1 July 2020
- 16.1 GWh produced in 2020
- 8.6 GWh produced in the second half of 2020

Fun facts about the wind turbine

- 1 revolution in 2020 could charge 185 smartphones
- An electric vehicle could drive 153 km on one minute's production

Social engagement

Through our business activities, Jyske Bank contributes to financial security and a good life – all life – for many people. A good life is also about well-being and social relations between people, which is the focal point of our social initiatives.

Jyske Bank has chosen to engage in a number of different social projects and initiatives where we see opportunities to make a difference with our resources and competencies. We are happy to work as part of non-traditional partnerships with other companies, the public sector or civil society organisations.

From food waste to meals

Jyske Bank, in partnership with socio-economics company FødevareBanken [Danish Food Bank], has been securing meals for socially disadvantaged citizens while also reducing food waste in Denmark since 2012. The basis for the organizations work is that they receive surplus food daily from food producers and wholesalers that social organisations turn into meals.

In 2021, we will host a minimum of five events in partnership with the Danish Food Bank, which will ensure the visibility of the project.

Combatting loneliness

The partnership with the Folkebevægelsen mod ensomhed [People's Movement Against Loneliness] is also based on food and people. As early as in 2015, Jyske Bank committed itself to combatting

loneliness in partnership with more than 80 organisations, associations, municipalities and companies. We support the apolitical organisation and our shared vision that no one in Denmark should be affected by chronic loneliness. We participate in the annual campaign Danmark Spiser Sammen [Denmark Eats Together], which establishes communities over a meal and contributes to many people's fight against loneliness. In 2020, the campaign was virtual due to COVID-19. In 2021, Jyske Bank will host a minimum of three events.

In 2021, we will enter into a new partnership with Flere i Fællesskaber [More People in Communities], which aims to contribute to the fight against loneliness.

Young people and education

Jyske Bank has supported the Kloge Hænder [Skilled Hands] project, which aims to address the current challenges of too few young people choosing vocational education. In three pilot projects, the oldest students in primary and lower secondary school have gained practice-oriented insight into vocational education and career opportunities. We hope that the experience gained from the project can be rolled out nationally. Jyske Bank's involvement in the project is considered complete in 2020. An evaluation report has been prepared that can be found on our website.

Voluntary work

Jyske Bank takes a positive view of employees' social and voluntary commitment and approves voluntary work outside working hours in a large number of cases. Employees may, to a reasonable extent, use the bank's resources such as printers, e-mail, telephones, meeting rooms, etc. to support their voluntary work.

For a number of years, Jyske Bank has supported the debt counselling work of the Ministry of Social Affairs and the Interior and a number of organisations by offering employees paid time off for half of the time they spend on this voluntary work. There are currently 15 employees who are active debt counsellors.



Two banks working together in 2020

FødevareBankens [Danish Food Bank's] 272 volunteers have distributed 1.4 tonnes of food. This corresponds to 3.5 m meals.





Physical exercise contributes to well-being – no matter what age you are

Jyske Bank cooperates with the Danish Cyclists' Federation and supports the "Alle Børn Cykler" [All Children Cycle] campaign – a well-functioning and popular school campaign with over 100,000 students participating each year. Jyske Bank encourages the whole family to go cycling and is on hand with food and a number of other fun cycling activities – we call it JYSKE CYKELHYGGE [JYSKE CYCLING FUN].

Are you more into exercising your brain?

Then try "Tæt på Tænkepauser" – a new partnership with Aarhus University. "Tæt på Tænkepauser" are small books full of big ideas. In just 60 pages, researchers from Aarhus University share what they know about their specialist field. Anyone interested can take part in the live digital events, where the focus is on a Tænkepause book and its author.

Healthy corporate culture

We aim to operate a responsible bank that ensures and promotes a healthy corporate culture that is characterised by high ethical and professional standards.

At Jyske Bank, we always comply with applicable legislation and also live up to the expectations that our stakeholders rightly have of us, whether it is a matter of good practice or preventing financial crime.

Jyske Bank's most important stakeholders are shareholders, customers and employees, and the target is to ensure an appropriate balancing of the interests of these three groups. This supports a long-term and balanced business development so that more short-term and one-sided transactions that favour one of the groups can be avoided. Thus, no customer or other business partner is so important that we are prepared to compromise on our responsibility, which is more important to us than our earnings.

The foundation of a healthy corporate culture

We support open communication and we want decision-making processes that encourage the involvement of a wide range of views. We do this by upholding the value Honest, which generally invites open and straightforward dialogue. We also want to be as transparent as possible, both internally and externally. That is why we are happy to publish relevant policies and data and work with authorities when it comes to supervision, procedures and specific cases. This also means that if mistakes are made, we are open about these, and we correct and learn from them.

Should a situation arise where open communication and dialogue are not the solution, the whistleblower scheme allows employees to anonymously report (potential) violations of financial regulations or suspected serious misconduct that may have an impact on the Group or on the life or health of individuals.



The policy on a healthy corporate culture sets out general guidelines that outline responsible and sensible behaviour for all the Group's employees.

A number of these conditions are further specified in other policies, e.g.

- Remuneration policy
- Policy for managing conflicts of interest
- Tax policy
- Anti-bribery and corruption policy
- Whistleblower policy
- Competency requirements, good practice and ethical conduct
- Policy for preventing money laundering, financing of terrorism and sanctions violations

Responsible advice

When dealing with customers, our employees are expected to act with honesty and integrity and to offer our customers financial advice that takes individual considerations into account, meets their needs and adds value, thereby enabling them to make decisions on a well-informed basis. With regards to lending, it may be a case of ensuring that the customer, after buying a home for example, continues to have sound personal finances. It is all about knowing your customer.

At the same time, Jyske Bank has chosen not to make use of performance-based pay, which can lead to short-term and one-sided decisions that have a detrimental effect on the long-term value creation, needs and targets of customers, shareholders and the Group. This means that there is no conflict of interest between the employee and the customer. For example, by selling products that the customer may not need.

With its tax policy, Jyske Bank wants the Group to live up to its corporate social responsibility and meet legitimate expectations of proper and honest business conduct that reflects the Group's values. The Group pursues a value-based tax policy that ensures we provide adequate customer-related tax advice on our products and services, which we are obligated to do pursuant to applicable legislation. Our value-based tax policy also means that we do not provide aggressive tax advice, but instead advice that is in accordance

with legislators' intentions in tax legislation. The framework for our tax advice is embodied in a number of fact sheets that are also available to our customers. We will never advise on any interpretation of the rules other than the one set out in these fact sheets, nor on tax in areas not mentioned in the fact sheets.

Education and learning support a healthy corporate culture

To comply with the legislation to which Jyske Bank is subject and to ensure that customers receive competent and professional advice, there is a continuous focus on maintaining and upgrading the professional knowledge of employees. This involves all employees in the Group completing a number of mandatory training courses, such as money laundering training, and selected groups becoming IDD- and RED-certified.

An adequate and up-to-date offering of both statutory and non-statutory learning activities within the compliance area supports an in-depth knowledge of rules, legislation and signals of criminal behaviour. Completion of mandatory training is managed and recorded in Jyske Bank's LMS. This ensures an overview of and follow-up on the implementation of the training activities. Requirements for follow-up of mandatory activities have been agreed and approved by the compliance area.

Anders Dam and Jyske Bank honoured with FSR - Marsh Erhvervspris 2020 [FSR - Marsh Business Award 2020]

The award is given to a unique and innovative person who has made every effort to ensure that Danish companies are run fairly, compete on equal terms and treat everyone equally.


The chair of FSR - danske revisorer also acknowledged the efforts to ensure honesty and compliance, stressing the importance of companies navigating according to an ethical compass, and trust within the Danish business community.



Prevention of financial crime		IT and data security	
Objective	Preventing financial crime, and efforts to prevent money laundering and the financing of terrorism, are a top priority at Jyske Bank. We want to prevent the bank from being misused for illegal purposes in all respects.	Achieve and maintain a level of security that	<ul style="list-style-type: none"> is sufficient to address the current cyber threat with elements that are "Best in class". ensures that the risks that IT use entails and is expected to entail are at an acceptable level for the Group.
Progress and performance 2020	<ul style="list-style-type: none"> In 2020, monitoring of customers and their transactions triggered 29,598 alarms, 3,368 of which were reported to the Money Laundering Secretariat. Withdrawal limits for the bank's ATMs have been reduced further so that the limit from 6 pm until 9 am is more than halved, and the withdrawal limit from 9 am until 6 pm is halved. 	<ul style="list-style-type: none"> Several precautions to increase resilience to cyber threats, including improvements in the ability to "repel", "detect" and "contain" attacks that are at best practice level. In the time that we have had these new precautions in place, we have not had any losses or errors due to cyber incidents. We have had unprecedented insight into threats and risks to the Group. Our Security Operation Centre, which monitors and protects our IT environment against cyber attacks, is one of the best in Denmark and recognised accreditation for this is expected in early 2021. 	
Targets 2021	Prevention of financial crime is ensured through, among other measures, continuous training and education of employees, clear processes and guidelines, and systematic monitoring and reporting. This work will continue in 2021. In addition, we will continuously look at whether initiatives can be taken to reduce the risk of misuse of the bank.	IT security is and must be a high-priority area in the future. We have achieved a strong level of security, but we are constantly and consistently working to increase resilience.	
Societal challenges	There is a high inherent risk that Jyske Bank may be misused for money laundering or financing terrorism, partly because of our size and partly because of our business model, which contains a number of products and customers with high inherent risk.	The sophistication with which cyber attacks are carried out is at an unprecedentedly high level and protection against cyber attacks requires protection on multiple levels. The risk of fraud on behalf of our customers, including whether customers are exploited through the use of our services, is high. We have observed that customers are increasingly being exposed to scams that are becoming ever more creative.	
Risks	<ul style="list-style-type: none"> In terms of our reputation in general, there is a risk that our stakeholders will abandon us if we do not act responsibly. Errors and shortcomings in our efforts may result in orders from the Danish Financial Supervisory Authority and, in the worst case, affect stakeholders' confidence in our handling of financial crime prevention. Specific cases of, for example, money laundering may result in police reports, negative press coverage and an immediate fall in the share price. Specific cases will affect Jyske Bank's ESG rating for several years, thus potentially restricting access to equity and debt investors. 	<ul style="list-style-type: none"> Specific cases of IT and data security breaches may result in police reports, negative press coverage and an immediate fall in the share price. In terms of our reputation in general, there is a risk that our stakeholders will abandon us if we do not act responsibly. Errors and shortcomings in our efforts may affect the confidence of customers, investors and partners in particular and may result in orders from the Danish Financial Supervisory Authority. Specific cases will affect Jyske Bank's ESG rating for several years, thus potentially restricting access to equity and debt investors. 	
Governance	A member of the Executive Management is responsible for the money laundering area. The bank has also appointed a money laundering reporting officer.	The Executive Management has overall responsibility for IT and data security, and the IT security function is responsible for day-to-day operations. The Group has appointed a Data Protection Officer.	
Policies	Policy for preventing money laundering, financing of terrorism and sanctions violations. Anti-Bribery and Corruption Policy.	IT Security Policy. Privacy Policy.	

SDG

16.4
16.5

Working environment		Diversity
Objective	A good and safe working environment that contributes to job satisfaction.	Ensure that the Group has the best possible managers and employees with good personal qualities and professional competencies. Access to development and career opportunities for all employees, including seeking to increase the proportion of female managers.
Progress and performance 2020	<ul style="list-style-type: none"> Holding meetings and workshops aimed at departments with the most customer contact and with a predominance of new employees with a focus on preventing and dealing with episodes where customers are abusive, threatening or violent towards employees. The Danish Working Environment Authority has carried out two risk-based inspections – both with green smileys (nothing to report). Update of the Group's basis for work with the psychosocial working environment (latest research and align with the Group's Management Model, Values and Employee Survey). 	<ul style="list-style-type: none"> Equal gender distribution among new employees (55/45 – m/f). Maintaining the number of flex jobs (2020: 17). Positive experiences from employing applicants with a more diverse educational background. The proportion of female managers is 26% at the end of 2020. The proportion of women on the Group's management programmes starting in 2020 is 33%. No pay differences to be corrected on review of the Group's equal pay statistics. That is to say that for roles where there is a difference in pay in favour of either men or women, there are valid grounds for this.
Targets 2021	Continue to ensure a healthy and safe working environment for all employees and focus on preventing violence and threats. Development and organisation of own working environment training in line with the statutory training in the sector.	Increased focus on uncovering potential and concentrating efforts on accelerated development pathways.
Societal challenges	Lack of job satisfaction among Jyske Bank employees may result in the bank losing valuable and competent employees in the long term and finding it difficult to attract new ones. Employee job satisfaction are central to the bank's success, as it is in their interaction with customers that the bank's business is created and maintained. Focus on health and well-being helps retain existing employees and attract new ones.	Lack of diversity can potentially lead to the Group not having the best possible managers and employees with both good personal qualities and the necessary professional competencies. At the same time, there is a low proportion of women in the education segments from which we normally recruit.
Risks	<ul style="list-style-type: none"> Poor physical and psychosocial working environment, resulting in lack of motivation, stress, increased absence due to illness or more occupational injuries. Unsafe working environment due to lack of focus on preventing occupational injury. Challenges retaining and attracting qualified employees. Customers, potential employees and other stakeholders will abandon us if we do not act responsibly. 	<ul style="list-style-type: none"> Lack of diversity can present challenges in retaining and attracting qualified employees. Lack of diversity can result in lower ESG ratings than peers, thus limiting access to certain equity and debt investors.
Governance	Medarbejderudvalget [The Employee Committee] is responsible for the working environment within the Group, and Team Arbejdsmiljø [Team Working Environment] is responsible for day-to-day operations and development, and ensures compliance with the Danish Working Environment Act.	Medarbejderudvalget [The Employee committee] is responsible for subjects related to diversity within the Group
Policies	HR Policy.	Diversity Policy.
SDG	 3.4  8.8	 5.5  8.5  10.3

Sustainable banking operations		Social engagement
Objective	We want to reduce our negative impact on society and believe that even small steps help.	We wish to contribute to the focus on social issues by bringing our own skills and resources into play.
Progress and performance 2020	<ul style="list-style-type: none"> We purchased a wind turbine that produces renewable energy and covers our own electricity consumption and our share of JN Data's and Bankdata's electricity consumption. We have set up energy management systems in all locations. 85% of the Group's IT equipment was recycled in 2020. 71 tonnes of food waste from our canteens was sent to bio-waste, reducing CO₂ emissions by 51 tonnes. A further 6 electric charging stations have been set up at our branches. These charging stations can be used by everyone. We have reduced our paper consumption by 38%, far exceeding our 2020 target of a 10% reduction. 	<ul style="list-style-type: none"> Supported Folkebevægelsen mod ensomheds [People's Movement Against Loneliness's] digital campaign Danmark Spiser Sammen [Denmark Eats Together]. Contributed to FødevareBanken [Danish Food Bank] delivering 1,4 tonnes of surplus food on a daily basis, which has ended up as 3,5 m meals for socially disadvantaged people in Denmark. The Kloge Hænder [Skilled Hands] project has been completed in 2020 after three successful pilot projects. We have donated furniture to Ringkøbing Station and to Blå Kors Egåhus.
Targets 2021	<ul style="list-style-type: none"> We will offset our CO₂ emissions from heating, electricity and the bank's own vehicles at latest by the end of 2022. We will start replacing the bank's cars with low-emission vehicles in 2021. 	<ul style="list-style-type: none"> Media partner in the Flere i Fællesskaber [More People in Communities] project and bring attention to efforts to combat loneliness. Co-organiser of Danmark Spiser Sammen [Denmark Eats Together] in at least three towns. Arranging five or more events in partnership with the FødevareBanken [Danish Food Bank] to increase the awareness of disadvantaged citizens and food waste.
Societal challenges	The world's CO ₂ emissions are too high and rapid action is needed to reduce climate change. Major changes need to be made to achieve Denmark's target of a 70% reduction in emissions by 2030 compared with 1990, and finding the right path in the transition towards a greener society can be confusing, but we all need to take action now and reduce our footprints.	Many people increasingly feel that their social needs are not being met to a sufficient extent – they have too few close relationships. Before the COVID-19 pandemic, there were more than 350,000 people over the age of 16 in Denmark who often felt lonely. Public authorities are not up to the task, which is why partnerships between civil society, the public sector and companies are necessary.
Risks	<ul style="list-style-type: none"> Our electricity consumption can significantly increase as a result of higher outdoor temperatures in the summer, challenging the bank's target of offsetting its CO₂ emissions and leading to additional costs even though we are actively working to reduce consumption through, for example, energy optimisation. 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 transition, both when it comes to our own buildings and when purchasing products and services from external suppliers. 	<ul style="list-style-type: none"> Our reputation will be at risk if Jyske Bank does not participate actively enough in partnerships or if projects are not implemented and expectations are thereby not met. 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.
Governance	The Sustainability Committee is responsible for realising the bank's ambitions.	Our work with our partners is consolidated in the IR & Sustainability department.
Policies	Policy on Sustainability and Corporate Social Responsibility. Procurement Policy. Responsible supplier conduct.	Policy on Sustainability and Corporate Social Responsibility.

SDG



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13.2



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12.3



17.17

Healthy corporate culture

Objective	To minimise the risk of the bank being misused in any way for financial crime, including money laundering, financing of terrorism, tax evasion, dividend fraud, social fraud and other unlawful acts
Progress and performance 2020	In 2020, we increased the specialisation of our private advisors. Following a change in the organisation of the personal clients area, there are now advisors specialized in the following areas: housing, credit, investment and pension. This contributes to ensuring qualified and value-creating advice.
Targets 2021	All employees to complete mandatory Money Laundering training (completed every two years) Focus on education in sustainable investment, including the integration of ESG preferences in advisory processes and tools.
Societal challenges	Jyske Bank is obliged to continually analyse the risks to which the bank is exposed. Documentation requirements and clarifying questions that may be experienced negatively by the customer must therefore be balanced in relation to the role of the advisor, who is committed to and wishes to provide responsible and value-creating advice.
Governance	At the end of the year, Money Laundering and Sanctions carry out an assessment of the content and effectiveness of the policy and ensure relevant changes and clarifications are made in policy, methods and activities. Implementation and compliance with the healthy corporate culture policy is included in the Chairman of the Supervisory Board's report to the annual general meeting.
Risks	<ul style="list-style-type: none"> Customers, potential employees and other stakeholders will abandon us if we do not act responsibly. If greater consideration is given to earnings than compliance with legislation, this could impose an unnecessary high financial risk on the bank. A lack of transparency and the opportunity to report suspicious circumstances could result in any criminal offences being discovered at a late stage, resulting in financial losses and damage to our reputation. Mis-selling and/or failure to comply with good practice could result in bad publicity, losing customers and potential lawsuits over liability.
Policies	Healthy Corporate Culture Policy Anti-Bribery and Corruption Policy Whistleblower Policy Tax Policy Policy for managing conflicts of interest Competency requirements, good practice and ethical conduct
SDG	<div>   </div> <div> 8.10 16.4 16.5 </div>

Policies and principles

Policies

Our policies are central to our work on sustainability. The policies that have a particularly great impact on our work are listed below.

General

Policy on Sustainability and Corporate Social Responsibility

Sustainable business

Credit Policy

Responsible Investments Policy

Responsible banking

Anti-Bribery and Anti-Corruption Policy

Diversity Policy

Policy for preventing money laundering, financing of terrorism and sanctions violations

Whistleblower Policy

Tax Policy

Healthy Corporate Culture Policy

Policy for managing conflicts of interest

HR Policy

IT Security Policy

Privacy Policy

Remuneration Policy

Freedom of Association and Collective Agreement Policy

Procurement Policy

Principles

Our work on sustainability and corporate social responsibility is based on a number of national and internal standards.



PRINCIPLES FOR
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Signatory of:



PRI Principles for
Responsible
Investment

WE SUPPORT



Since 2016, Jyske Bank has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.




Dan'sif



**FINANS
DANMARK**

20 recommendations from the Forum for Sustainable Finance

Key figures

		Unit	2020	2019	2018	2017	2016
 Environmental data	Scope 1	tonne CO ₂ e	738	759	-	-	-
	Scope 2	tonne CO ₂ e	6,082	6,567	-	-	-
	Scope 3	tonne CO ₂ e	705	1,464	-	-	-
	Energy consumption	GJ	92,342	91,844	-	-	-
	Energy intensity per FTE	GJ/FTE	23	18	-	-	-
	Proportion of renewable energy	%	86	83	-	-	-
 Social data	Full-time equivalents at end of year	FTE	3,349	3,614	3,723	3,971	3,981
	Gender diversity	%	48.0	49.3	49.7	51.0	50.9
	Gender diversity in management	%	26.4	29.4	29.3	30.9	30.3
	Pay difference between genders	Times	1.18	1.18	1.16	1.17	1.17
	Employee turnover	%	14.7	10.7	11.4	9.4	10.9
	Sickness-related absence	Days/FTE	5.3	5.5	5.7	5.6	5.2
	Taxes paid	DKK million	1,153	1,378	1,075	1,289	1,177
 Management data	Supervisory Board gender diversity	%	36.4	27.3	33.3	33.3	30.0
	Attendance at Board meetings	%	97.3	93.4	93.1	91.8	92.2
	Pay difference between CEO and employees	Times	14.9	13.8	15.0	16.1	11.8

Jyske Bank has chosen to update data and have dialogue with selected ESG raters. We regularly consider which ESG raters are most relevant to Jyske Bank.

ESG ratings	Score	Comment
Sustainalytics	Medium Risk	Jyske Bank is in the top 40% of best-rated financial institutions.
MSCI	A	Jyske Bank is in the top 50% of financial institutions.
ISS ESG	C-	Jyske Bank is one of the 20% best-rated financial institutions.
CDP	C	The financial sector's average score is B

Note:

Jyske Bank also updates data on Nasdaq's platform.



Jyske Bank is included in the Bloomberg Gender-Equality Index.

The Index is an international standard for publication and reporting on data within five gender diversity areas: Female leadership & talent pipeline, Equal pay & gender pay parity, Inclusive culture, Sexual harassment policies and Pro-women brand.

Accounting policies

Environmental Data

The CO₂e emission's calculation is broken down in accordance with the GHG protocol scope 1–3 definitions.

All environmental data in the calculation consist of data for the Jyske Bank Group as well as Jyske Bank's ownership interests in JN Data and Bankdata.

CO₂e emission factors from the Danish Business Authority's CO₂ calculator are used for conversion into emissions unless stated otherwise.

Consumption data is provided for the period 01/01/2020 to 31/12/2020.

Scope 1

CO₂e emissions come from heating with natural gas and oil, and driving the bank's own vehicles. 62% of the emissions from journeys driven using the bank's own vehicles is calculated on the basis of data for the individual vehicle model; for the remaining journeys 135 gr CO₂ per km is used as the conversion factor.

Scope 2

CO₂e emissions from district heating and electricity from external suppliers. CO₂e emissions for electricity have been calculated for the entire period, although Jyske Bank purchased a wind turbine on 01/07/2020, which produces electricity equivalent to the Group's consumption.

16% of Jyske Bank's heat consumption for 2020 has been estimated based on 2019 consumption, as this consumption concerns properties that Jyske Bank occupies for rent, and heating statements have not yet been received for 2020.

Scope 3

CO₂e emissions regarding flights, taxis, trains and work-related journeys in employee cars and emissions based on paper consumption. Air traffic conversion factors have been received from HRG and train transport conversion factors have been provided by Din Offentlige Transport [Your Public Transport]. For remaining entries, Erhvervsstyrelsens [the Danish Business Authority's] factors have been applied.

Energy consumption

Total energy consumption from scopes 1 and

2 as well as energy from renewable energy sources.

Energy intensity per FTE

Total energy consumption for 2020 divided by the number of full-time equivalents (FTE) as at 31/12/2020.

Renewable energy share

The calculation only contains energy from electricity and heating, and is calculated on the basis of the general energy mix for electricity and district heating for 2019 calculated by Energinet and Dansk Fjernvarme. In addition, production of renewable energy from Jyske Banks Vindmølle A/S from 01/07/2020 to 31/12/2020 is included, and purchased Renewable Energy Certificates are included in the renewable energy share calculation for electricity.

Social data

Social data regarding employees, management, salaries etc. only covers the Jyske Bank Group. Unless otherwise stated, social data is provided as at 31/12/2020.

Full-time equivalents (FTE)

Full-time equivalents include permanent and temporary employees.

Gender diversity

Number of women compared to number of employees. Permanent and temporary employees are included in the calculation.

Gender diversity in management

The number of female managers in proportion to the total number of managers at the bank. Managers are defined as members of the Executive Board and employees with personnel responsibility and/or professional responsibility.

Pay difference between genders

Median pay for men in relation to median pay for women.

Employee turnover

The turnover is calculated as the number of employees who have left during the year in

relation to the average number of employees as at 01/01/2020 and 31/12/2020.

Sickness-related absence

Total number of employee sick days in relation to FTE. Employee sick days include the employee's own sick leave, child illness and partial illness. Maternity leave is not included.

Taxes paid

The Jyske Bank Group's total tax payments, including property tax, VAT, payroll tax and expensed corporation tax.

Management data

The management data covers data for the Jyske Bank Group only. Management data is provided as at 31/12/2020.

Supervisory Board gender diversity

Proportion of female Board members in relation to the number of members of the Supervisory Board. Members elected by the employees are included in the calculation.

Attendance at Board meetings

The number of Board meetings at which the individual Board member has been present, in relation to the number of Board meetings held.

Pay difference between CEO and employees

CEO's total remuneration (including retirement remuneration) in relation to median salary for employees.



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Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full re- sponse/relevant information
Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.		
<p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Jyske Bank has Denmark as the focal point of the Group's business model and has only limited business activities with customers outside of Denmark. However, the underlying investing activities for Jyske Bank's customers are global by nature.</p> <p>Jyske Bank has a full-service set-up for Danish customers and a nationwide network of branches.</p> <p>Jyske Bank's main activities consist of: Banking, mortgage and investing activities for private customers, private banking customers and business customers, as well as trading and investing activities aimed at large business customers and institutional clients as well as automotive and equipment leasing and financing activities for business.</p> <p>Jyske Bank has a market share of approx. 11%.</p>	<p>Sustainability Report 2020, Business Model p. 5</p>
<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>In 2020, Jyske Bank has been particularly focused on further developing its view of sustainable business. This work has resulted in the overall approach that "All progress counts".</p> <p>Taking this approach, we work both on the responsible activities, which are already integrated into the bank's operations, and with a strengthened focus on how we can promote sustainability through business activities such as lending and investing. In other words, we focus on supporting customer progress and facilitating customers' sustainable choices and decisions. At present, there is a particular focus on the climate, which is a significant impact area for Jyske Bank.</p>	<p>Sustainability Report 2020, Strategy p. 8</p> <p>Policy on Sustainability and Corporate Social Responsibility pp. 2–5 www.investor.jyskebank.com/investorrelations/governance/code-of-conduct</p>



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Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<p>2.1 Impact Analysis:</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements:</p> <ol style="list-style-type: none"> Scope: The bank's core business areas, products/services across the main geographies that the bank operates in as described under 1.1. have been considered in the scope of the analysis. Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that, building on this analysis, the bank has</p> <ul style="list-style-type: none"> Identified and disclosed its areas of most significant (potential) positive and negative impact Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts 	<p>Jyske Bank published its first impact analysis in 2020. The analysis is based on the UN's Portfolio Impact Analysis Tool for Banks. The tool targets loan activities, but Jyske Bank has chosen to also use it as a starting point for identifying the impact areas for investing activities.</p> <p>The analysis materially covers the overall scope of Jyske Bank's main activities as described in point 1.1.</p> <p>The analysis shows that Climate is a significant impact area for Jyske Bank and Denmark. In addition, Waste and Soil Quality have also been identified as significant negative impact areas. The key positive impact areas are Housing, Climate and Inclusive, sound economies.</p> <p>In the analysis, we have continued to quantify the impact from Climate. This has been done by estimating CO₂e emissions for the scope of business covered, consisting of loans and investments.</p> <p>We have currently designated a number of sustainable lending areas within the Group's Green Finance Framework, increasing positive impact in relation to climate initiatives.</p> <p>Jyske Bank also offers products such as energy loans and equity funds with a focus on sustainable development for both private and professional investors.</p>	<p>Sustainability Report 2020, Impact analysis p. 11</p> <p>Simplifies sustainable investment easy pp. 14–17</p> <p>Offers financing solutions that support sustainable transition, p. 12</p> <p>PRB Impact analysis pp. 5–7</p> <p>www.investor.jyskebank.com/investorrelations/sustainability</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.

We have completed our first impact analysis. The analysis materially covers our entire scope of business. Having identified the most significant impact areas, we quantified the impact for Climate in the form of estimated CO₂e emissions. Going forward, we will focus on identifying further business opportunities based on the analysis and also further develop our methods for investments and improving data quality for CO₂e data. Waste is the next impact area that we will analyse in greater detail.



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<p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>At present, Jyske Bank has the following sustainability targets:</p> <p>Sustainable targets 2020</p> <ol style="list-style-type: none"> 1. Financing of 4 TWh renewable energy production by 2025. 2. 40% of new lending for the financing of vehicles shall be for low-emission vehicles by 2025. 3. Jyske Bank will develop products that assist and motivate clients to renovate their properties in a way that increases their energy performance. <p>Responsible banking operations targets 2020</p> <ol style="list-style-type: none"> 1. Offsetting CO₂ emissions from electricity by producing our own renewable energy. <p>New targets 2021</p> <ol style="list-style-type: none"> 1. An extra DKK 10 bn to finance sustainable commercial properties by 2025, from DKK 30 bn to DKK 40 bn 2. Offsetting CO₂ emissions from electricity, heating and company cars by producing our own renewable energy by the end of 2022. <p>The current targets all aim to make a positive contribution to the climate initiative.</p> <p>The impact analysis is based on 2019 figures and the analysis results represent our baseline and we will update these targets on the basis of results, including determining milestones for sustainable business targets.</p>	<p>Sustainability Report 2020, Targets p. 9</p> <p>Offers financing solutions that support sustainable transition, pp. 12–13</p> <p>Green Finance Framework pp. 5–10</p> <p>www.investor.jyskebank.com/investorrelations/sustainability</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

For the time being, we will continue with our targets set for sustainable business and sustainable banking operations. The targets will be updated in 2021. This will be done based on the impact analysis carried out.



PRINCIPLES FOR RESPONSIBLE BANKING

<p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>Jyske Bank's Sustainability Committee follows up on measures established on a quarterly basis and targets set on a bi-annual basis.</p> <p>The Board has sustainability on the agenda on a quarterly basis.</p>	<p>Sustainability Report 2020, Governance p. 10</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

Jyske Bank has established overall targets and will follow up on these on a quarterly and bi-annual basis respectively. Going forward, several specific measures are being implemented for sustainable business in the individual business units, providing more opportunities to follow progress in each unit.

<p>2.4 Progress on Implementing Targets</p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in (where feasible and appropriate, banks should include quantitative disclosures).</p>	<p>Sustainable business:</p> <ol style="list-style-type: none"> 1. Jyske Bank has financed an additional 0.51 TWh of renewable energy in 2020. 2. Due to the change from the New European Driving Cycle (NEDC) to the new standard WLTP (Worldwide Harmonised Light Vehicle Test Procedure), progress for 2020 has not been reported. 3. Jyske Bank offers energy loans and land purchase credits to private customers who wish to carry out energy renovations. We offer a CO₂ calculator through the "Best Home" app <p>Responsible banking operations:</p> <ol style="list-style-type: none"> 1. Offsetting the CO₂ emissions from electricity – completed, Jyske Bank purchased a wind turbine in the summer of 2020. 	<p>Sustainable business:</p> <p>Sustainability Report 2020, Offers financing solutions that support sustainable transition, pp. 12–13</p> <p>Green Finance Framework Report 2020 p. 4 www.investor.jyskebank.com/investorrelations/sustainability</p> <p>Responsible banking operations</p> <p>Sustainability Report 2020, Sustainable banking operations p. 25</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

2020 has offered progress on all the targets set, and the targets are expected to be met by 2025. Jyske Bank will continue to set more targets and, as mentioned in point 2.2. above, will update targets in continuation of the impact analysis.



PRINCIPLES FOR
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Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Through our policies and our approach to our customers, we ensure a relationship characterised by responsibility, by emphasising a high level of competency for employees, transparency of our products and financial solutions, a healthy corporate culture and continuous focus on combating financial crime and misuse of the bank.</p> <p>As a financial services company, there are a number of regulatory requirements that the bank meets and that form the basis for our interactions with customers. The Executive Order on Good Business Practice for Financial institutions helps to generate the necessary confidence that Jyske Bank will not use misleading or incorrect information or omit important information that could affect customers' behaviour.</p>	<p>Sustainability Report 2020, Healthy Corporate Culture pp. 27–28</p>
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>In 2020, we introduced an equity fund focused on sustainable development for both retail and professional customers, as well as energy loans and land purchase credits for homeowners. In early 2021, we started to issue payment cards made from 85% recyclable plastic, and we have just launched Jyske Kort Rente Grøn, our first green mortgage product for corporate clients. Our ambition is to have sustainable solutions for all essential business areas by the end of 2021.</p> <p>In 2020, we focused on two areas in particular in our communication with our customers:</p> <ul style="list-style-type: none"> • Energy renovation of homes • Best practice for businesses – a series of brief company portraits that tell the stories of our customers who have successfully integrated sustainability into their business models. <p>We have also been focusing on new methods and workflows in the area of sustainable investment, ensuring that we can display sustainability-related data in the future about those companies customers choose to invest in.</p>	<p>Sustainability Report 2020, Offers financing solutions that support sustainable transition, pp. 12–13 Simplifies sustainable investment easy pp. 14–17 Provides knowledge about sustainability, pp. 18–19</p>



PRINCIPLES FOR RESPONSIBLE BANKING

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>Jyske Bank participates in many committees and working groups at Finance Denmark, including the Working Group for Sustainable Finance and the CO₂ working group. The focus of the Working Group for Sustainable Finance is on the overall agenda. In 2020, the focus of the CO₂ working group was on preparing the framework CO₂ model.</p> <p>We have also taken the initiative to form a PRB group under the auspices of FIDA, where we have entered into a dialogue with "Our goals" (a project run by Statistics Denmark and Deloitte), which aims to "translate" the SDGs into a Danish context.</p> <p>In addition to committees and working groups in the Danish sector, Jyske Bank participates in EBA working groups and a number of industry-specific initiatives and networks. For example, the Agricultural Advisory Board.</p>	<p>Sustainability Report 2020, Role in Society p. 6-7</p>
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PRINCIPLES FOR
RESPONSIBLE
BANKING

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/ is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>Jyske Bank's Supervisory Board has approved a policy for sustainability and corporate social responsibility.</p> <p>The Supervisory Board has the overall responsibility for the strategy for sustainability and corporate social responsibility. The Executive Board has day-to-day responsibility across the Group and ensures implementation and compliance with the policy. In practice, the monitoring of this responsibility has been delegated to the Sustainability Committee.</p> <p>Sustainability is an integral part of the operations and business development in all parts of the Group, and all units in the organisation contribute to implementing the strategy and compliance with Jyske Bank's sustainability objectives. The IR and Sustainability Department is responsible for driving and coordinating the overall agenda.</p> <p>Sustainable lending areas are dealt with by the Green Finance Framework Committee.</p>	<p>Sustainability Report 2020, Governance p. 10</p> <p>Policy on Sustainability and Corporate Social Responsibility, p. 6 www.investor.jyskebank.com/investorrelations/governance/code-of-conduct</p> <p>Green Finance Framework www.investor.jyskebank.com/investorrelations/sustainability</p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Sustainability was one of five themes in the "Christmas letter" from Jyske Bank's CEO, Anders Dam. In internal communication, we are focusing on putting Jyske Bank's approach to sustainability into the context of PRB and sustainability as expressed in the 17 sustainable development goals and building up a knowledge of these. It is also important for us that the individual business initiatives are perceived as part of our overall efforts. The latter takes place through co-ordination with the implementation department and development organisation.</p> <p>We do not have performance-related pay at Jyske Bank, nor with regard to sustainability/ESG.</p>	<p>Sustainability Report 2020, Healthy Corporate Culture p. 27-28</p> <p>Remuneration Policy www.investor.jyskebank.com/investorrelations/governance/code-of-conduct</p>
<p>5.3 Governance Structure for Implementation of the Principles Show that your bank has a governance structure in place for the implementation of the PRB, including: a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>Please refer to the description of our governance structure under point 5.1. above.</p>	<p>Sustainability Report 2020, Governance p. 10</p>

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

We have established a sustainability management and organisation to ensure the implementation of PRB. This also includes the setting of targets and following up on these. This implementation is managed by the Investor Relations and Sustainability department in cooperation with sustainability leads in the individual business unit within the Group. The Sustainability Committee's quarterly meetings serve as a focal point for the ongoing follow-up work and assessment of the level of ambition and principles for the Group's sustainability efforts. The Supervisory Board receives quarterly reports.



PRINCIPLES FOR
RESPONSIBLE
BANKING

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>We are in the process of updating our policy for responsible procurement and the policy for responsible investments will also be updated.</p> <p>In 2021, we will formulate a climate, environment and energy policy as an overall framework for our work on sustainable banking operations.</p> <p>This will help to support us in leading the way with regard to sustainability in our own activities and – in addition to our focus on climate in a sustainable business – we want to contribute to the overall climate and environmental agenda by motivating employees and partners in order to increase awareness of the problem and help to reduce CO₂ emissions.</p> <p>In connection with setting and updating targets, including alignment with the Paris Climate Agreement, we are exploring the possibilities of using Science Based Targets.</p> <p>In 2021, the focus will be on climate risks, including stress tests. In connection with this, we will consider whether it will be relevant to accede to international frameworks and/or principles.</p>	<p>Sustainability Report 2020, Strategy p. 8</p> <p>Sustainable banking operation p. 25</p> <p>Simplifies sustainable investment p. 14-17</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.

Since signing the PRB in September 2019, Jyske Bank has applied the principles as an overall framework for its work on integrating sustainability into both its own and customer-oriented activities such as: Strategy, governance structure, organisation, impact analysis, the introduction of sustainable products/solutions, the purchase of a wind turbine to offset CO₂ emissions from electricity consumption and internal communication. In 2021, we will focus on the next step towards sustainable banking operations– offsetting CO₂ emissions from electricity, heating and company cars, updating our sustainable business targets, expanding our scope of business within both investing and lending activities in sustainability-promoting areas, and conducting an impact analysis based on 2020 data.

Would you like to know more

Questions and comments

We appreciate questions and comments and they can be directed to ir@jyskebank.dk

or to

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JYSKE BANK



JYSKE REALKREDIT



JYSKE FINANS

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