

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Our ref PEJE/AGRA

26th March 2012

Dear Mr. Secretary-General,

Letter of Commitment and Communication on Progress

In December 2008, Nykredit adopted the UN Global Compact programme. Nykredit's business concept of financial sustainability pinpoints our way of conducting business. Long-term relations and being aware of our social responsibility are integral parts of our business. Consequently, it is only natural for me to confirm Nykredit's continued adherence to the 10 Global Compact principles and their propagation.

Allow me to present a brief overview of the most significant achievements of our Communication on Progress, also described in "About Nykredit 2011 – CSR Report on Financial Sustainability". The CSR report is mentioned in our annual report published at the same time.

Human Rights

First of all, Nykredit considers human rights a core value in society as well as in the way we do business. Even though operating in an environment where the protection of human rights is already high on the agenda, Nykredit prioritises the protection of the core aspects of human rights such as a healthy environment for staff, non-discrimination, and freedom of expression and association.

Nykredit is also involved in several other initiatives to protect human rights in the surrounding society. Examples are the Mary Foundation, Mothers' Help (Mødrehjælpen), and The National Organisation of Women's Shelters in Denmark (Landsorganisationen af Kvindekrisecentre). Nykredit participates in a project offering free and independent personal, financial and legal counselling to battered and other vulnerable women. This project was launched in 2009 and is still expanding to cover larger parts of Denmark, and in 2011 the project also included a number of shelters around the country. Nykredit also continued its mentor scheme, New Network, under which volunteer staff members share their knowledge and networks with job-seeking citizens of non-Danish origin. In 2012 the scheme will also be available in Aalborg (Principle 1).

In 2009 Nykredit adopted a sustainable investments policy, incorporating environmental considerations, social responsibility and corporate governance into

the investment process. In continuation of this policy, Nykredit has adopted the six UN Principles for Responsible Investment (UNPRI), submitting our first Communication of Progress in 2010. Nykredit screens its investments and commits to active ownership. This does not merely include joining forces with other stakeholders, when relevant, but also the opportunity to carry out proxy voting in order to exert our influence at companies' general meetings. Nykredit employs a set of guidelines applying to our sourcing activities, which requires that our suppliers respond to our requirement regarding environment, labour standards, non-discrimination, collective bargaining, etc (Principle 2).

Nykredit makes a special effort in relation to financially troubled customers, one measure being a hotline offering customers advice on an anonymous basis on how to bring their finances in order. This effort is designed to minimise Nykredit's own losses as well as to help customers avoid long-term financial difficulties.

In addition to this, Nykredit sponsors a number of humanitarian organisations.

Labour Standards

Nykredit recognises the right to collective bargaining and is an active participant in the Collective Agreements with the Labour Unions (Principle 3). Nykredit has adopted a procurement policy incorporating demands for reasonable labour standards and working environment, including the elimination of child and forced labour, into all supplier contracts (Principles 4 & 5).

We consider staff diversity a resource, both in regard to gender, sexuality, age and ethnicity. Furthermore, Nykredit has supported and adopted the Danish government's Charter for more women in management and is determined to increase our percentage of women executives at all management levels by 2015. Nykredit has also joined Operation Chain Reaction, the Danish government's recommendations for more women on supervisory boards (Principle 6).

Environment

Nykredit has adopted an environmental policy according to which Nykredit not only recognises the challenge but also pledges to be at the forefront of environmental improvement. For one thing, Nykredit managed to reduce the Group's carbon footprint by up to 14% by the end of 2011 as a result of implementing heat and power-saving measures. Nykredit has now set a new target for its carbon reduction of 20% by 2015. Every year Nykredit prepares an environmental and climate report, following up on environment and climate improvement. The current situation in the areas of electricity, heating and transportation is assessed. The annual climate results are weighted against targets and activities and are then included in a priority ranking of focus areas. Nykredit's new headquarters building, the Crystal, has now been occupied. The Crystal is a sustainable building, featuring a number of energy-saving technologies. With the building of the Crystal, Nykredit wishes to emphasise its commitment to the environment, to our customers and to the rest of society (Principles 7 & 8).

Nykredit's subsidiary Totalkredit has further developed and implemented its web-based analysis tool allowing homeowners to identify the energy savings potential of their property and even offering an inspection of their home by an energy consultant. In addition, Nykredit has expanded the opportunities for financing wind power in Denmark (Principle 9).

Anti-corruption

Nykredit strives to have complete transparency in all its actions, which is why Nykredit's business concept is based on Financial Sustainability. This means that Nykredit operates on the basis of a sharply defined ethical frame of reference.

Nykredit thus recognises the importance of shared responsibility within the private sector in terms of eliminating corruption, and Nykredit supports the fight against corruption (Principle 10). Consequently, Nykredit has taken several initiatives and set up internal guidelines to prevent corruption. Even though Nykredit is located in one of the areas with the least corruption in the world, Nykredit considers it natural to fight corruption. Among our initiatives is a staff e-learning programme on money laundering, guidelines for giving and receiving presents and a Code of Conduct which focuses on avoiding conflicts of interests among members of the Board of Directors and of the Executive Board. Nykredit is continuously working on developing new initiatives in the area of anti-corruption, several of which are planned to be implemented in 2012.

Nykredit also regularly screens various business areas in order to ensure that Nykredit does not engage in corrupt practices of any kind.

Our Communication on Progress "About Nykredit 2011 – CSR Report on Financial Sustainability" and the GRI index provide more information about Nykredit's results, measures and other initiatives. Enjoy the read and thank you for your interest.

Yours sincerely,



Peter Engberg Jensen
Group Chief Executive
Nykredit