

The Jyske Bank Group's sustainability initiatives and report on corporate social responsibility 2016

Evocative image from the MurMal (Mural) project in Aalborg. The project beautified an industrial area and created apprenticeships for 13 trainees from the vocational school TECHCOLLEGE Aalborg.

About this report

In this report, you will find the Jyske Bank Group's sustainability policies and objectives. The report will also provide you with insight into the projects in which we have been involved in 2016 as well as the results that we have achieved.

This report forms part of Jyske Bank's Annual Report 2016. In addition, this report has the following function:

1. The report gives a systematic account of the Jyske Bank Group's core business areas and of how we incorporate CSR into these. We also report on how we work with risk areas in our CSR initiatives and our policies in this field.
2. This translated English version of the report forms the basis for our first Communication on Progress (COP) reporting to the United Nations' Global Compact. The Jyske Bank Group became a Global Compact member in December 2016, and the Group will prepare its first COP reporting in the spring of 2017.
3. The report also includes the Jyske Bank Group's reporting on the UN's Global Goals for Sustainable Development, in which we account for how we will contribute to meeting the goals in the 2030 agenda and highlight the development goals on which we especially focus in our commitment to sustainability.
4. We are always pleased to receive feedback on our CSR initiatives. Questions or comments can be sent to: csr@jyskebank.dk

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Preface

A bank with multiple objects

The Jyske Bank Group has a responsibility to run a sound and sustainable business. With the new CSR legislation, which entered into force in 2016, we and other large Danish companies have an obligation to account for our policies and initiatives in a number of CSR areas, including environment and climate, social issues and employee relations, human rights as well as anti-corruption and bribery. We are happy to do so, as we have much to report.

Fortunately, corporate social responsibility is not only dictated by law. The Group's values also incorporate CSR, and the correlation between financial, social and sustainable factors inherent in these values forms the framework for our business-driven CSR. And we are well on the way to meeting our CSR objectives, which this annual report hopefully shows, with new initiatives, successful projects and more rigorous processes.

But the Group's CSR initiatives should not only be seen as a product of our way of doing business. In these years, we are experiencing increasing expectations from both clients and investors regarding our corporate social responsibility. And we see the same expectations from our employees as well. We have joined a number of international initiatives in 2016: we have become a member of the United Nations' Global Compact, and we have also started working with the UN's Global Goals for Sustainable Development. Both initiatives will help create a sustainable global society for the next generations.

Naturally, we must still make money, issue loans, hire employees, train them etc. But today we are faced with even more concurrent objectives, and we need constantly to be able to adapt to the requirements of the outside world, including requirements for corporate social responsibility. The truth is, in fact, that we simply have a much larger number of objectives today than we did 20 or 50 years ago.

But is corporate social responsibility actually a new concept? The very idea of contributing to the community is almost as old as mankind. And, today, companies have just as much need to be a part of the community as our single nomadic ancestors had. As then, it is both sensible and a ticket of admission to the community to contribute a little more than what is in your own interest.

The expectations and requirements that result in such a ticket of admission being issued are increasing, but if the ticket is issued, we can then also reap the benefits from a business perspective: More loyal clients, more motivated employees, goodwill from public authorities, trusting business partners and better press coverage.

We will primarily engage ourselves in the built-up environment with the 'HOUSE' as the pivot. This applies to private houses and corporate premises as well as social housing. Our goal is to help create improvements and improve the sense of community where people work and live. We will meet this goal in efficient partnerships with other companies, the public sector and civil society. CSR also provides a natural entitlement to operate a business and contributes to supporting our relations with clients, society, stakeholders and our own employees.

The ambition to contribute to society is a whole-hearted act on our part. Especially because we can see that our contributions come back to us with compound interest. And this is actually the core of corporate social responsibility and of running a sustainable business.

I hope that you will enjoy reading about our CSR initiatives in the past year.

Anders Dam
Managing Director and CEO



The Jyske Bank Group and CSR

The Group supports the need of private individuals, companies and institutions – and consequently also society – for financial services that are simple, foresighted and responsible. The Group's business area consists of the provision of financial products as well as other related products and services. Jyske Bank has 3,981 full-time employees and a nationwide branch network of 99 branches, making it the third-largest bank in Denmark. Through the Jyske Bank Group's own subsidiaries, the Group offers conventional mortgage financing (BRFkredit A/S) as well as object financing and leasing (Jyske Finans A/S). Furthermore, we offer our clients life assurance and pension insurance policies in collaboration with PFA Pension as well as other mortgage credit products in collaboration with DLR Kredit.

Stakeholders

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

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

The Group's values

Holistic approach and common sense

- We act on the basis of a holistic perspective

Open and honest

- We are open and honest in words and actions

Different and unpretentious

- We think and act differently, and behave in an unpretentious manner

Equal respect and commitment

- We have empathy and we show commitment

Efficient and persevering

- We strive to make progress, and we meet the objectives that we have set for ourselves.

The Group's values are the most immutable part of our business. A number of guiding principles bind us together and guide our actions. The aim is that our stakeholders perceive our values in practice when they encounter us in different contexts.

CSR for all

During 2016, the Jyske Bank Group has actively involved employees from all levels in the Group, and we have launched a number of initiatives aimed at strengthening the involvement in both the daily work and the more strategic work with CSR. During the year, the Group established a CSR Steering Committee on which a wide selection of managers are represented. The Steering Committee meets once every quarter to discuss new proposals for policies and measures for the Group's CSR work. In addition, all managers and union representatives receive a CSR newsletter four times a year, which is sent out via our own intranet, as this provides the opportunity for a direct dialogue.

In 2016, we also launched a climate and environment campaign in which the Group's employees have actively participated in improving the Group's environmental footprint. The campaign generated nearly 800 interactions from our employees, which, among other results, have led to changes in the standard settings of the Group's computers, so that we now use less paper in our day-to-day activities. At the same time, there is a good two-way communication between the employees and the Group CSR Department on the intranet. Here, all measures and news are shared, and there is ample opportunity to provide feedback and present proposals for improvements. In general, the Group CSR Department has experienced great interest and commitment from employees for the Department's measures in 2016.

CSR governance

The Group CSR Department is, together with the Board of Executives, responsible for ensuring that the Jyske Bank Group acts in accordance with the applicable legislation in this area, and the Department is the coordinator for the overall CSR initiatives throughout the Group. The CSR Department is responsible for communication and implementation of policies and measures. The Department also works with the Group's external projects, including our many valuable partnerships.

The Jyske Bank Group and CSR

CSR focus in the Jyske Bank Group

As one of the largest financial groups in Denmark and with 3,981 employees, we, as a company, have an obligation to society. We endeavour to run a responsible and proper business regarding all aspects of our activities in accordance with our values and with due consideration for our clients, employees, shareholders, investors and society as a whole. The Group has an ambition to integrate responsibility in its business and to promote sustainability in its operations and development. This means that we work to:

- ensure a sustainable and responsible business through our advisory services, investments and credit policy
- create a workplace which ensures welfare, scope for development and equal rights for our employees
- reduce the Group's negative impact on the climate and environment
- undertake social responsibility through social initiatives, particularly in the built-up area.

Under the heading 'Sustainable Commitment', we take active social responsibility. We do so through the way in which we run our business and through the social projects in which we become involved. We want to exploit the competencies and resources that we naturally have at our disposal in the company for the benefit of society.

For us, CSR is, in fact, not about making donations to randomly chosen charitable purposes. CSR is strategy, management, involvement, which, holistically, result in sustainable commitment. And when we engage ourselves in CSR projects which are a continuation of our product portfolio, we can create improvements and build relations, for both the Group and our stakeholders.

Assessment of risks and opportunities

A sustainable commitment also means that we, as a group, pay particular attention to the areas in which we have the greatest impact on society.

It is precisely here that our business contains the greatest risks and potential for making a difference – in both positive and negative terms.

The Group is one of the cornerstones of the Financial Stability (Finansiel Stabilitet) scheme, and we therefore play an important role in ensuring financially responsible growth in society. It is therefore important to us that our clients can trust that we will participate in preventing financial crime, such as money laundering and tax evasion. At the same time, we must support human and labour rights when we make investments and endeavour to make products available to those of our clients who focus on this.

As a group, we must assume a co-responsibility for our clients' financial security and for providing professional advisory services with regard to the individual client's possibilities and risks. Last, but not least, we acknowledge that our success is dependent on our employees' capacity, competence and skills, and we therefore also focus on creating attractive conditions for our employees, so that we can attract and hold on to the best employees. By focusing on these areas in our business, we create a positive knock-on effect not only on the bottom line, but also on the society of which we are a part.

Plan for 2017

In 2017, we want to create a close dialogue between our stakeholders, employees, management and external players aimed at identifying the areas that Jyske Bank can address in relation to risk assessment and the CSR work. Such a process will make our initiatives even more focused, thus increasing the benefit for both the Group and the rest of society.

Climate and environment policy

In the Jyske Bank Group, we know that our business and activities impact the climate and environment, and that, to a great extent, we can actively decide whether we will leave a positive or negative environmental footprint. Our aim is therefore that we must actively seek to become more sustainable in all our procedures – both internally and externally.

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

But we do not only focus on climate and environment via our investments and business. We will also contribute to the overall climate and environment agenda by involving our employees and business partners in order to increase awareness of these issues and, in a best-case scenario, contribute to reducing CO2 emissions.

KPIs and objectives for 2017

In 2016

- In 2016, as one of the first Danish players, we have established a fund with corporate bonds (Special KL), which, among other activities, screens and avoids investments in companies that carry on business in the field of fossil fuels. As at the end of December 2016, the newly established fund had assets of DKK 267.5m.
- Our paper consumption has been reduced by approximately 4 million sheets.
- In 2016, BRFkredit in Lyngby delivered 4.4 tonnes of food waste to be converted into biofuel, resulting in a CO2 reduction of 1.7 tonnes.
- 307 computers have been recycled through the 'Computer Donation' project, and furniture and other equipment have been donated to the headspace youth counselling centres and Muhabet (a drop-in centre for mentally ill refugees and immigrants).

In 2017

- The Group is expecting increased client interest in the newly established corporate bond fund, which we will match.
- We have ambitions to expand our food-waste-in-to-biofuel scheme so that it will include our head office in Silkeborg and our branches in Vesterbrogade in Copenhagen.
- We are introducing paperless client handling in relation to statements of account, annual statements, custody account statements etc., and we will therefore reduce our paper consumption by approximately 1.5 million sheets.
- We will give 300 computers to non-profit purposes and continue to donate used equipment to the greatest possible extent.

Climate and environment

Climate and environment initiatives

As a group, we support a sustainable environment in all our procedures – both internally and externally. Internally, we are constantly striving to reduce the Group's environmental impact, and we continuously assess how we can optimise our consumption of water, electricity, waste and recycling. Employees in the Group will be involved in the relevant initiatives and contribute with their own initiatives and ideas. Externally, this especially entails investments in relation to climate and environment (Read more about investments on p. 13).

In 2016, the Group CSR Department conducted an internal campaign aimed at raising climate and environmental awareness among employees and managers. This awareness was to translate itself into tangible and measurable results, and the campaign was implemented through information, involvement and collection of ideas and input.

The campaign was kicked off by CEO Anders Dam and was followed up with news, competitions and gimmicks focusing on various issues: paper consumption, food waste, reuse as well as electricity and water consumption. The campaign generated much positive feedback and many constructive proposals from managers and employees. As visible results of the campaign, the printer settings were changed to avoid unnecessary paper consumption, and sorting of waste for conversion into biofuel was commenced in the canteen in the Lyngby branch.

Four representative Jyske Bank branches were selected to compete on reducing electricity consumption as much as possible and showing the way forward. The result was that, compared with the same period the year before, electricity consumption was reduced by an average of approximately 9%, and the winning branch reduced its electricity consumption by 16.5%.

Waste and recycling

Paper and cardboard waste in the Group is carefully sorted and recycled in cooperation with an external supplier. Metal waste is likewise handed in for recycling. In 2016, a new station has been set up at the headquarters in Silkeborg, where soft and hard plastic, cardboard, bottles, batteries and recycled paper are sorted. In addition, a number of collection sites for cans with and without a deposit have been created.

Used computers and furniture are reused to the greatest possible extent and are given a 'new lease on life' in social projects. For example, we have donated furniture and computers to headspace, a counselling service centre scheme for children and young people, as well as to For-eningernes Hus in Gellerup and the multicultural drop-in centre Muhabet Aarhus. We also gave 50 computers to three Red Cross asylum centres, which were selected by our clients via an online poll.

In 2016, the Group donated a total of 307 computers to different projects distributed throughout Denmark.

Electricity and water

In the Group, we prioritise installations and solutions in which the environmental impact is minimised. When we establish or replace sanitary appliances, electrical installations and IT equipment, this is always done with due consideration for the environment. In recent years, we have replaced a large number of light bulbs with LED bulbs. In 2016 alone, 1300 new LED bulbs were installed. This resulted in a reduction of approximately 58,500 kWh/year, equal to approximately DKK 117,000.

In connection with the replacement of computers and screens throughout the Group in 2016, reductions in energy consumption will be achieved in subsequent years. Such reductions will be achieved through a reduced need for electric power, refrigeration and the abolition of UPS in the branches (backup).

End to paper letters to clients

The Group works continuously to reduce the amount of printed materials. In line with digitisation and increased use of digital signatures, it has become possible to reduce the number of print copies throughout the Group.

In 2015, Jyske Bank printed a total of 29,011,220 sheets. The number decreased to 25,006,099 sheets in 2016. BRFkredit has calculated a consumption of approximately 8,000,000 sheets in 2016, but a large reduction is expected in the course of 2017, as it will commence digitisation of offers to the clients.

In 2017, we expect a further reduction of 20% in Jyske Bank. The reason is that, as from the end of 2016, we will not automatically send statements of account, annual statements and custody account statements by surface mail, but instead post them in our netbank.

This also means that, at the end of 2016, we avoided sending approximately half a million annual statements by letter post.

Climate and environment

In 2017, we will reduce the amount of letters with statements of account by approximately one million as well as approximately half a million contract notes.

Eco-friendly suppliers and products

In Jyske Bank's webshop, several of the products are eco-labelled with the Nordic Swan Ecolabel, including paper, stationery, soaps, napkins etc. The same applies to almost all advertising material regardless of whether it is produced in our own printing shop or at an external printing house.

In 2016, a new contract was introduced for all the Group's new suppliers, under which they must sign a number of principles, including for environmental responsibility: 'The Supplier must use a precautionary approach in relation to environmental challenges and take measures to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies. The Supplier must act in accordance with relevant local and internationally recognised environmental standards. The Supplier must minimise his impact on the environment and continually improve his results in the environmental field'.

Food chosen with care

The Jyske Bank Group's canteens wish to serve tasty and nutritious meals to the employees. In so far as possible, local Danish seasonal produce is used and endeavours are made, wherever possible, to avoid using prefabricated ingredients. This enables analysing the actual ingredients used in the meals and makes it easier to avoid unnecessary additives.

The Group's canteens make a targeted effort to reduce food waste in all processes, and the employees are encouraged to follow this agenda. In the Group's canteen in Lyngby, the employees sort the food waste, which is subsequently collected and converted into biofuel by a business partner. In 2016, this amounted to 4.4 tonnes, which is equal to a CO₂ reduction of 1.71 tonnes.

Furthermore, a biogrinder was installed in the canteen at Stagehøjvej in 2016, which has resulted in 7 tonnes of recycled organic food waste.

In addition, we will expand our food sorting scheme in 2017 to the headquarters in Silkeborg and to Jyske Bank's branches in Vesterbrogade in Copenhagen. This means that, in 2017, the three largest Jyske Bank locations will sort many tonnes of food waste and convert the food waste into biogas via external business partners.

Anti-corruption and bribery

Anti-corruption and bribery policy

The Jyske Bank Group will run a business that is responsible, honest and in compliance with the legislation in force in all the countries in which we operate. In addition, as a central player in the financial sector, we have a responsibility actively to combat corruption, tax evasion, bribery, money laundering and other forms of financial crime. Our business must not support such activities. This policy covers our clients, employees and investments.

We must meet the international 'best practices' in this field – including UNGC and PRI principles. We must continuously improve our initiatives and processes in the field of anti-corruption and bribery. Corruption, money laundering, and other types of financial crime form part of our screening when we make investments, and we also work together with relevant partners on establishing a screening practice in relation to tax evasion. We want to create a secure and confidential framework which makes it possible for our employees to report offences that are not in accordance with the Group's policy in the area.

KPIs and objectives for 2017

In 2016, we have

- implemented a value-based client-related tax policy. This means that we do not provide aggressive tax consultancy, but guidance which is in harmony with the legislator's intention with the tax rules
- had focus on improving the data quality in our work on prevention of money laundering, and the work on this process will continue in 2017.

In 2017, we will

- finalise the implementation of the last relevant parts of the European Union Fourth Anti-Money Laundering Directive
- continue the process of introducing the Common Reporting Standard (CRS) and report relevant information to the Central Customs and Tax Administration (SKAT).

Human rights

Human rights policy

The international human rights are incorporated in the Danish labour market model and are thus also a basis for the Group's activities.

In specific terms, this means that we respect human rights internally in the Group, where equal status, inclusion, labour rights, safety and health are rooted in our policy.

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

KPIs and objectives for 2017

Due to the Group's geographical location and affiliation under Danish legislation, human rights do not take up much space in the report on this year's CRS focus. Most CSR dilemmas regarding human rights are related to employee relations (read more on p. 19) and investments (read more on p. 13).

A sustainable business

Responsible advisory services

As a bank and mortgage credit institution, we take co-responsibility in relation to our clients' finances. We do this through clear guidelines for our credit policy for both clients and guarantors and through advisory services that ensure the clients of a good overview of their possibilities and risks. Last, but not least, this is ensured by thoroughly checking that our clients do not use the bank for criminal purposes.

Client-related tax policy

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

The Group complies with the tax legislation in force in the countries in which we operate. In Denmark, this includes that we comply with the rules on reporting of the clients' affairs to the Central Customs and Tax Administration (SKAT), the rules in the Executive Order on Best Practice for Financial Institutions for, for example, tax advisory services, the Ministry of Taxation's recommendations for cross-border tax advisory services and the notification requirements in the Danish Act on Measures to Prevent Money Laundering (Hvidvaskloven) in case of suspected tax evasion.

Abroad, the Group complies with local legislation, including the tax legislation in force. In order to ensure tax transparency, Jyske Bank only collaborates with clients where Jyske Bank either receives documentation of the client's tax reporting, or where Jyske Bank handles the tax reporting. The Group does not participate in tax evasion or aggressive tax planning.

In the course of 2016, we have introduced a value-based client-related tax policy, which ensures that we provide the tax consultancy about our products and services that we are under an obligation to provide. We also provide more extensive tax consultancy in areas such as succession and the Danish business tax scheme, but the advisory services are of a general nature without specific recommendations. If our clients require such recommendations, we refer them to external consultants.

A value-based tax policy means that we do not provide aggressive tax consultancy, but advice which is in harmony with the legislator's intention with the tax rules. We use a corresponding value-based approach to tax law issues in other client contexts, for example in connection with the granting of credit.

Money laundering and financing of terrorism

The Jyske Bank Group wants to prevent money laundering and the financing of terrorism in any and all respects and, to this end, the bank collaborates with the authorities. Such prevention is ensured through, among other measures, continuous training and education of employees, cross-organisational processes and guidelines, systematic monitoring and reporting.

In the course of 2016, Jyske Bank has implemented the Common Reporting Standard (CRS) and has worked on the implementation of the requirements in the European Union Fourth Anti-Money Laundering Directive, which enters into force from 1.7.2017.

Whistleblower scheme

The Group has established a whistleblower scheme, which provides employees with the opportunity to report serious offences or suspicion hereof for further investigation internally in the Group. The purpose is to prevent and pursue irregularities or unlawful acts, including

- financial crime, such as bribery, fraud, forgery, corruption or the like
- irregularities in the areas of accounting, internal accounting control and auditing
- serious circumstances involving an employee, for example threats or violence.

Helping private individuals to get a grip on their personal finances

As a part of the financial sector, we, as a group, have a co-responsibility for helping to strengthen the understanding of financial and economic affairs in society and helping clients who, for a period of time, find it difficult to get a grip on their personal finances. We do this in several different ways through special advisory services, teaching and counselling, for example if there is a prospect of a sale ordered by the court.

A sustainable business

Financial insight for young clients

One in two youngsters lack a basic understanding of their personal finances, and more than 50,000 young persons in Denmark are caught in a debt trap and are registered as bad payers in the RKI register of bad payers. This is not just a problem for the individual young person, but also for society in general. Jyske Bank therefore has a special advisory concept targeting clients between 18 and 27 years of age. All branches have customised products and special advisers to service this target group. Moreover, Jyske Bank participates in various initiatives aimed at teaching young persons to manage their own finances, including student fairs, holding of travel arrangements with focus on travel budgets for young persons as well as a wide range of local initiatives.

Last, but not least, the Jyske Bank Group participates actively in Pengeugen (Money Week), which is a joint project between FinanceDenmark (Finansrådet) and the Danish Mathematics Teachers' Association (Danmarks Matematiklærerforening). The purpose of Money Week is to give young primary school pupils a good basic understanding of personal finances, and thus make them better equipped to make sound choices. In 2016, 66 advisers from Jyske Bank gave lessons in a total of 120 schools. This corresponded to more than 20% of the guest lectures at Danish schools in 2016.

A sustainable business

Responsible investments

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

Selecting investments on the basis of a principle of responsibility is a highly complicated matter. There is little agreement on a definition of responsible investments. Investors, authorities, media, politicians as well as special interest organisations and industry associations have different perceptions. Jyske Bank therefore wants to assess for itself the companies and industries in which it is socially responsible to invest.

Responsible initiatives in which we are involved

Jyske Bank has joined the UN Principles for Responsible Investment (PRI). PRI is a global initiative aimed at promoting responsible investments, established by a number of the world's largest investors in cooperation with the UN. PRI is based on a joint declaration on taking social responsibility in connection with investments and compliance with six central principles for responsible investments:

1. We will incorporate ESG issues and active ownership into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices in the handling of investments.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the principles within the investment industry.
5. We will work together to enhance the effectiveness in implementing the Principles.
6. We will report on our activities and progress towards implementing the Principles.

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

Danish Social Investment Forum (DANSIF)

Jyske Bank is a member of the Danish Social Investment Forum (DANSIF), which is a forum for professional investors, consultancy firms and other entities dealing with responsible investments. DANSIF acts as a place for exchange of experiences about ESG investments, and we participate in its annual survey in this field.

Screening of companies

Jyske Bank has entered into an agreement with an external adviser (Global Engagement Service – GES), which regularly reports on the development in companies that seriously violate international standards or conventions. In order to be able to assess the reports, decide on the contribution to the collaboration with other investors on active ownership and to act in situations with ESG challenges, Jyske Bank has established an internal committee, which can quickly be convened to decide on Jyske Bank's stance on the individual investment or the individual company.

Investment in government bonds

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

1. International sanctions and prohibitions from the UN and the EU must always be observed. Jyske Bank complies with this principle.
2. The investors must, in so far as possible, themselves examine the conditions in countries in which there may be a significant risk of infringement of human rights. Jyske Bank meets this requirement, and we demand that our suppliers provide a description of their approach to this principle.

A sustainable business

The dialogue with the companies promotes responsibility and accountability

Jyske Bank participates, together with other investors, in a number of dialogues with companies concerning violations of international conventions and standards. The work is done via GES.

In the course of 2016, Jyske Bank participated, together with other investors in GES Engagement, in 139 dialogues with companies concerning violations of international conventions and standards. 65 of these dialogues concern companies in Jyske Bank's portfolios. 48 of these cases concern human rights and labour rights, nine cases concern environmental issues and eight cases concern corruption.

In the course of 2016, seven cases in Jyske Bank's portfolios have been solved and thus closed. In addition, very positive results can be ascertained in the form of progression of the specific cases and a willingness to enter into a dialogue by the companies responsible in 19 of the cases. In 42 cases, there have been partly positive commitment results, whereas there have been poor or no results in four cases.

In the course of 2016, a number of cases with companies involved in the production of cluster weapons and landmines have also been solved.

New focus on fossil fuels and investments

During 2016, there has been increasing focus from media, investors and clients on investments in companies with activities related to fossil fuels (oil, gas and coal).

In line with the increased focus on fossil fuels, Jyske Bank acts as adviser on a global equity fund in the investment association Investeringsforeningen Jyske Invest. Since June 2016, the investment fund does not invest in companies engaged in activities related to fossil fuels. In addition, in November 2016, Jyske Bank became adviser on a global bond fund with a focus on corporate bonds in the investment fund Jyske Invest. This fund also screens and avoids investments in companies engaged in activities related to fossil fuels.

Furthermore, both funds do not invest in companies engaged in activities related to weapons, tobacco, alcohol, gambling or adult entertainment.

A sustainable business

Responsible credit granting

Financial enterprises constitute an important part of the Danish economy. The Group is therefore responsible when we grant credit. We are in the money lending business, but we also need to have the money repaid. Our activities thus have interlocking interests with our clients. This means that we do not simply wish to sell the largest possible loan. We want to meet our clients' financing requirements within a realistic framework in which the clients have the opportunity to repay the loan and which gives the clients a disposable amount on which they can live.

This principle is not just good business ethics, but also responsible credit granting. This makes demands on our advisers and our granting of credit; the two matters go hand in hand. It may thus be good consultancy to say 'no' to a credit request, and a 'no' may be decided on the basis of a correct social attitude.

Help when clients have difficulties meeting their mortgage payments

Team Bolighjælp (Team for financial assistance for homeowners) in BRFKredit steps in when clients have lost the overview of their financial situation and are in arrears with their mortgage payments, for example because they have been divorced or have lost their job.

The team makes great efforts to solve these financial problems. For example, the team helps the clients regain an overview of their financial situation and to enter into individual agreements on debt repayment, also with other creditors.

In 2016, Team Bolighjælp has been in contact with between 300 and 400 clients, and we have succeeded in finding a solution for two-thirds of them. By far the majority of these clients have been given the opportunity to remain in their homes. In a few cases, the best solution has been to sell the property at a loss and enter into an agreement on settlement of the loss. All other solutions than a sale by order of the court are socially beneficial to both the client and BRFKredit.

CASE: DIVORCE GAVE FINANCIAL PROBLEMS

Jesper contacts Team Bolighjælp as he and Lone are getting divorced. They have had their house for sale for about one year and, to begin with, Lone lived in the house. But since she moved out, the house has been unoccupied. In cooperation with Jesper's bank, Team Bolighjælp urges Jesper to move back into the house and thus try to avoid a sale by order of the court. A detailed budget is prepared for both Jesper and Lone, and negotiations are conducted with two different banks, which can fortunately also see the advantage of avoiding a sale by order of the court.

After many conversations about the importance of not raising any more small loans, but rather to make repayments on commitments with the banks, a solution is entered into in which deferred repayment is granted on every second payment on the mortgage loan. In addition, the interest on one bank commitment is zeroed for the next 1½ years, so that only repayments on the principal are made, and the repayments are halved on the other bank commitment. Jesper's bank helps him manage his budget account. The initiatives contribute to creating a brighter future for the clients. They are making repayments on their debt and will thus eventually be able to sell the house without a loss. Most importantly, the clients now believe that it can be done.

Sustainable commitment

The Group's CSR initiatives are about commitment – both internally and externally

Companies are the engine of society, which starts things and puts people to work. The companies create development and prosperity and must, of course, make money. But should it not by now be clear to many that companies can do more than this? Companies have a *raison d'être* that goes beyond the underlying spreadsheets – they have multiple purposes.

And there are many good reasons for a company to undertake a responsible and sustainable commitment in society. International surveys clearly show that especially young people have corporate social responsibility high on their list of priorities when they choose a career and products. CSR is thus not just an obligation dictated by law or demanded by investors. It is also a clear requirement from the employees and consumers of the future. And this means that it also becomes a question of running a profitable and sustainable business in all respects.

Jyske Bank is the 'Homeowners' Bank' and BRFKredit is 'A Good Friend of the House', and this has a clear impact on the way in which we run our business, and, in particular, on how we involve ourselves in society. In 2016, we have therefore further strengthened our CSR initiatives precisely by focusing on the HOUSE, the built-up area and local communities. This is our way of showing responsibility.

Urbanisation, depopulation and well-being are the key catchwords

Urbanisation is a fact. And with urbanisation comes new challenges. For how do we create holistic residential areas and communities in densely populated areas where people with very different lifestyles, cultures, family and housing conditions are to live together? The problem is particularly well known in disadvantaged neighbourhoods. But urbanisation also makes it difficult to create thriving local communities for those who choose to live outside the large cities.

Through sustainable commitment, we wish to contribute to a positive development in both large cities and small towns. We have many years of experience in improving residential areas, and we know that focusing on beauti-

fication and communities contributes to the positive development of these areas. In our external commitment, we thus focus on sustainable cities and neighbourhoods (p. 22), communities (p. 25) as well as the environment and resources (p. 28).

Partnerships are the driving force in our projects.

We implement our projects through resourceful partnerships. In fact, we believe that when the right content is combined with the right team, composed of clients, citizens and employees, we hopefully achieve a positioning that extends beyond our products and far into society.

We therefore involve both our clients and employees from a wide section of our business when we engage in social initiatives. This strengthens our client relations, creates greater responsible awareness among our employees and makes our projects stronger in the long run. We have therefore laid down four principles for how we create social initiatives (p. 21).

Sustainable commitment is also about sustainable awareness

In 2016, we have also focused on a number of initiatives that combine money considerations with a consideration for the surroundings, and where the individual employee can make a big difference, by simply making small conscious changes to his or her everyday life, such as turning off the lights, printing on both sides of the paper, avoiding food waste etc. This year, we therefore launched an internal climate and environment campaign with four focus areas in which we, as a group, had already been engaged, but where we can achieve much more, especially if we think creatively and pull together. The four selected areas were: paper consumption, food waste, recycling of waste and furniture and equipment as well as our consumption of electricity and water.

You can rightly say that replacing a light bulb with a low-energy bulb does not make a significant impact from an overall global climate perspective. But even a small difference is important, not least for the way we think and act in the day-to-day work, as it is the same mindset that will subsequently help kick off green and sustainable investments and measures that can really make a difference in the overall climate and environment agenda and future-proof our business.

Sustainable commitment

The necessary global outlook

2016 was also the year in which the Group strengthened its international involvement. Even though we have long used the UN Principles for Responsible Investment (PRI) in our investments, we have, this year, decided to become a member of the United Nations' Global Compact and work actively with the UN's Global Goals for Sustainable Development.

To us, these measures show that we are not afraid to assume responsibility in our business – even though this gives us more global exposure than before.

In the future, the media and critical consumers will make even greater demands, and, for the companies, it is fortunately still the case that CSR and what drives the sustainability strategies are means to sharpen the competition and hold on to clients and employees. Last, but not least, CSR forms part of our *raison d'être*.

Sustainable commitment

HR policy

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

In a cooperation between management and employees, we continuously develop new initiatives to ensure a good and healthy workplace. We want to give our employees the opportunity to develop, both professionally, personally and from a management perspective, to make them attractive and valuable in the job market.

As an employer, we are aware that our social responsibility is centred around contributing with access to jobs and education for young people, among others. We believe that diversity in the workforce contributes to performance and development. To a great extent, we reflect the surrounding society and our employees represent a multitude of educational backgrounds, ages, genders, personalities, cultures and experience.

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

KPIs and Objectives for 2017

In 2016, we

- completed our first employee satisfaction survey. The survey placed us within the best 25% in the sector in terms of satisfied and loyal employees
- secured a stable share of female leaders at just over 30%
- focused on retaining employees via the initiative 'Træd Tidligt Til' (Step In Early).

In 2017, we will

- regularly monitor the number of women in our management group in order to maintain a share that matches the rest of the financial sector
- regularly monitor the remuneration difference between men and women to ensure equal pay for equal work
- maintain the number of mentally deficient and mentally vulnerable employees in the Group.

Sustainable Commitment

Employee Conditions

In 2016, the Group's first ever employee satisfaction survey was carried out. 95% of the employees completed the survey. The survey reported high employee satisfaction among the employees in the Jyske Bank Group – in fact, we are placed within the best 25% in the sector. The survey revealed some dissatisfaction with processes and systems in certain parts of the Group. We will allocate resources to remedy this in 2017.

Working Environment

With a view to strengthening efforts to secure a good working environment, the Group has appointed working environment consultants, placed centrally in the organisation. In order to secure the working environment locally, working environment groups have been established in the individual branches from a principle of proximity.

Also, a dialogue-based workplace assessment is offered as an alternative to the traditional form-based workplace assessment. This method ensures open and honest dialogue and supports employee participation as well as the employees' involvement in their own working environment.

Inclusion

We believe that diversity in the workforce contributes to innovation and idea generation. To a great extent, we reflect the surrounding society and our employees represent a multitude of educational backgrounds, ages, personalities, cultures and experience.

In 2016, the Group's measures to prevent and handle absence due to illness were scrutinised with a special focus on long-term illness. This has resulted in stronger focus in 2017 on specific cases in order to maintain a close and systematic dialogue between the person absent due to illness and his/her leader to ensure the employee's return to work as well as job retention.

Moreover, in 2016 a management tool was introduced to prepare leaders to take action at an early stage when employees show initial signs of job dissatisfaction. The aim of the tool is to help prevent job dissatisfaction and absence.

Employees with reduced working capacity takes care of BRFKredit

In 2005, BRFKredit entered into cooperation with Job- og Aktivitetscentret Sandtoften, (a job and activity centre) about cleaning jobs at BRFKredit. Sandtoften offers jobs for people with mental disabilities and the initiative is run by the Municipality of Gentofte. In 2016, seven persons with mental and physical disabilities were employed in cleaning jobs at BRFKredit in Lyngby. Moreover, seven persons suffering from cognitive and mental disorders are employed in the team that keeps BRFKredit's outdoor areas at Klampenborgvej in Lyngby. Through this cooperation programme, BRFKredit is leading the way in offering persons with reduced working capacity the possibility of having a meaningful everyday life, colleague-to-colleague networks and the possibility of performing useful and valued work.

Flexible Jobs Programme

In the Jyske Bank Group, we have 20 employees hired under the flexible jobs programme which is equivalent to 10 full-time employees. These are primarily long-time Jyske Bank Group employees whose working capacity has been reduced as well as a few employees who were hired directly for a new position under the flexible jobs programme. To the extent possible, the Group strives to retain employees if they fall ill or have an accident.

Sustainable Commitment

Training Programmes and Apprenticeships

An important part of the social responsibility of employers is to contribute to young people's access to jobs and education and to give the employees the opportunity to develop to make them attractive and valuable in the job market. At the same time, there must also be prospects of permanent employment. Employment of newly qualified employees still accounts for a significant part of the Group's recruitment, although we have seen a decrease in the rate due to generally lower employment in the financial sector. In order to stimulate the interest in competence development and ensure coherence between public and private study programmes, the Group has since 2010 awarded ECTS credits for in-house training courses.

In 2015, five new graduates were employed as trainees in Retail & Commercial Banking, Denmark, where they take part in a formal training programme. We intend to repeat the programme every two years with the employment of five new trainees in 2017. For the basic financial training programme, the following number of employees were allocated in 2016 in Retail & Commercial Banking, Denmark and BRFkredit:

Trainee positions 2016	
Financial trainees (BRFkredit)	4
Financial Management degree holders	28
Bachelors of Financial Management and Services	6
Total number of basic financial training programmes	38

In addition, Capital Markets and Finance & Risk Management hire newly educated graduates when needed who typically take part in tailored training programmes. Last but not least, in 2016 the Group had a total of 54 graduates employed in trainee positions working on specific compliance tasks within money laundering.

Voluntary Work

The Jyske Bank Group looks very positively on employees' social and voluntary commitment in their local communities. Therefore, employees may, to a reasonable extent, use the Bank's resources, e.g. print, email, telephones, conference rooms, etc. in connection of such voluntary work.

Jyske Bank supports the work on voluntary debt counselling instigated by the Danish Ministry for Children and Social Affairs and a number of organisations by offering advisers time off with pay covering 50% of the time they spend on such work. A number of advisers from Jyske Bank, corresponding to the Bank's market share, take part in the programme.

Jyske Bank has established Jyske Bank's Medarbejderfond (an employee foundation), of which one purpose, among others, is to support current and former employees of the Group.

Healthcare

The Jyske Bank Group has an overall focus on employee health in the workplace. For instance, healthy food in the canteens and a fruit buffet are offered, and via the intranet all employees have access to short exercise programmes – with and without resistance bands – that may help reduce and prevent physical strain on and pain in shoulders and neck, for instance, due to PC work. Also, ideas have been launched as to how employees can be more physically active at work, for instance by conducting meetings standing up.

Sustainable Commitment

Social Initiative Policy

HUSET (the house) and the built-up area is the focal point of the Group's social initiatives. In practice, we want to help establish better local environments and thus hopefully also improvements for the individual citizen. As 'the homeowners' bank' and 'a friend of the family', we find it only natural to be involved in areas where we already operate professionally. By strengthening communities we can help boost local areas. However, we can only do this together with citizens and other players within the framework of our partnerships. Overall, our social initiatives has three dimensions: A social dimension, a partnership dimension and an urban renewal dimension.

When we select social initiatives, the following principles are considered:

- Our commitment must make a significant difference in the projects we decide to get involved in.
- We cooperate with our clients and stakeholders in areas where we already operate professionally.
- We enter into specialised partnerships with other companies, the public sector and players from local communities.
- We contribute with the resources available in our company and we commit to processes that can contribute to improvement for individuals as well as local communities/society.

In the following three sections – Sustainable Cities and Local Environments, Sustainable Communities and Sustainable Environment – we provide a detailed description of selected projects and social initiatives.

KPIs and Objectives for 2017

In 2016, we

- included 50 apprentices in our MurMal (Mural) project. 13 of the apprentices later earned a permanent apprenticeship
- arranged 12 field trips with local nature clubs together with Save the Children Denmark
- prevented food waste in cooperation with fødevareBanken (foodBank)
- supported the Mubabet drop-in centre financially and socially through mentoring
- launched three Projekt NaboRum (Neighbourhood) in Aarhus
- donated 307 computers to charity organisations and supplied furniture and other equipment to cooperation partners, including headspace and Mubabet.

In 2017, we will

- include 50 apprentices in the MurMal project and create at least 20 apprenticeships
- continue our nature club cooperation with Save the Children Denmark
- continue our close cooperation with both Mubabet and fødevareBanken and help them increase their professional network and competences
- complete three NaboRum projects and initiate five more projects in Denmark
- donate 300 computers via our computer donation programme.

The above list is merely a selection of important KPIs for our social initiatives. We were engaged in many more projects in 2016. You can read more about the projects on the following pages.

Sustainable Commitment

Sustainable Cities and Local Environments

As 'The homeowners' bank', 'a good friend of the house' and with our large commitment to the social housing sector, we find it natural to be present where our clients spend most of their time – in their own homes and in the local community. Therefore, in 2016 we have taken the initiative for a number of projects, the aim of which are to create sustainable cities and local environments, greatly helped by committed residents and skilled partners from both the public sector, the private sector and civil society.

MurMal (Mural) and apprenticeships in Aalborg

In the autumn of 2016, the Jyske Bank Group together with several cooperation partners launched the most comprehensive MurMal (Mural) project in Northern Europe at the port of Aalborg: Det Røde Bånd (the red ribbon). The artist behind the project is Søren Elgaard and the painting covers the entire area of 1,200 m² on the old Hedegaard silo by the Limfjord. The wall painting was brought to life by 50 students from the local technical college, TECHCOLLEGE Aalborg.

MurMal is a project with a long tradition in the Group. BRFKredit conducted the first MurMal project in 2010, and the project has since become a key part of the Group's social commitment. When we conduct a MurMal project, we do it on the basis of three overall dimensions and objectives:

1. Intersectoral partnerships must be the driving force of the project.
2. The social dimension must be the motivation for the project.
3. Our commitment must create better and more inclusive local environments with a focus on community.

In Aalborg, our three-tiered approach has resulted in a productive partnership with Flügger A/S, Det Obelske Familie Fond, TECHCOLLEGE Aalborg, the Municipality of Aalborg, Aalborg Havn A/S and Hedegaard A/S.

In relation to the social dimension, we specifically helped 50 TECHCOLLEGE students away from the standard practical training and out into the real world. At the beginning of the project, many of the young people did not have an apprenticeship, which is a mandatory part of their education. With MurMal, they have now experienced a real-life workplace which has given them valuable work experience and at the same time something to be proud of.

As a result, 13 of the apprentices earned a permanent apprenticeship. A result made possible by the fact that the apprentices was able to demonstrate their skills to a lot of people.

Last, but not least, we have created a mural that beautifies the grey industrial area in Aalborg and helps to make the area more vibrant and inviting for the citizens. Det Røde Bånd (the red ribbon) is step one in a major urban renewal project taking place at the Nørresundby area of the port of Aalborg and will thus be a landmark for 'the new Aalborg' for many years to come.

Facts about Det Røde Bånd (the red ribbon)

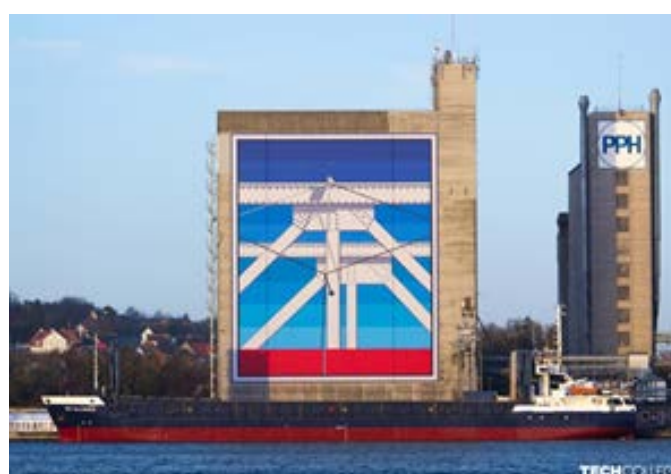
With its 1,200 m², it is most comprehensive MurMal project in Northern Europe.

18,000 litres of paint was used for the mural.

The mayor of Aalborg used a photograph of the artwork on his Christmas cards.

The project brought together many students from TECHCOLLEGE, including media graphic designers, painters, bricklayers, carpenters, electricians, blacksmiths and chef apprentices.

A total of 50 apprentices from TECHCOLLEGE took part in the project, 13 of whom now have a permanent apprenticeship.



Sustainable Commitment

Projekt NaboRum (Project Neighbourhood) creates communities in Aarhus

This year, we launched Projekt NaboRum with the purpose of creating better communities and more sustainable local environments in Denmark. The projects involve the citizens from start to finish, and the neighbours in the area where the project is carried out act as their own project managers.

Projekt NaboRum was launched during Aarhus Festival Week 2016 where we held a public competition and announced three winning projects in the Aarhus area. The participants were local residents who had come up with suggestions for projects centred on community in their local area. The three winners are:

- Boligforeningen Herningvej 1, a residence hall that will get a joint barbeque and communal area in the spot where an old garbage container used to be;
- Grundejerforeningen Hasselbakken, a homeowner's association that will have their common areas re-established, in part by creating a recreational area by a nearby lake and in part by upgrading of a nature-based playground;
- Foreningen Kulturgyngen, a socioeconomic association in Aarhus that will get a multi-purpose scene in their own backyard available to other volunteer associations.

Jyske Bank contributes to Projekt NaboRum via our long-standing experience in the built-up area, our strong business network, project management experience and communicative capacity. We are well underway with the projects which in 2016 included dialogue with the residents and subsequent guidance. The physical execution of the projects is expected to commence in 2017, where we will also initiate new NaboRum projects across the country.

Ambitions for 2017

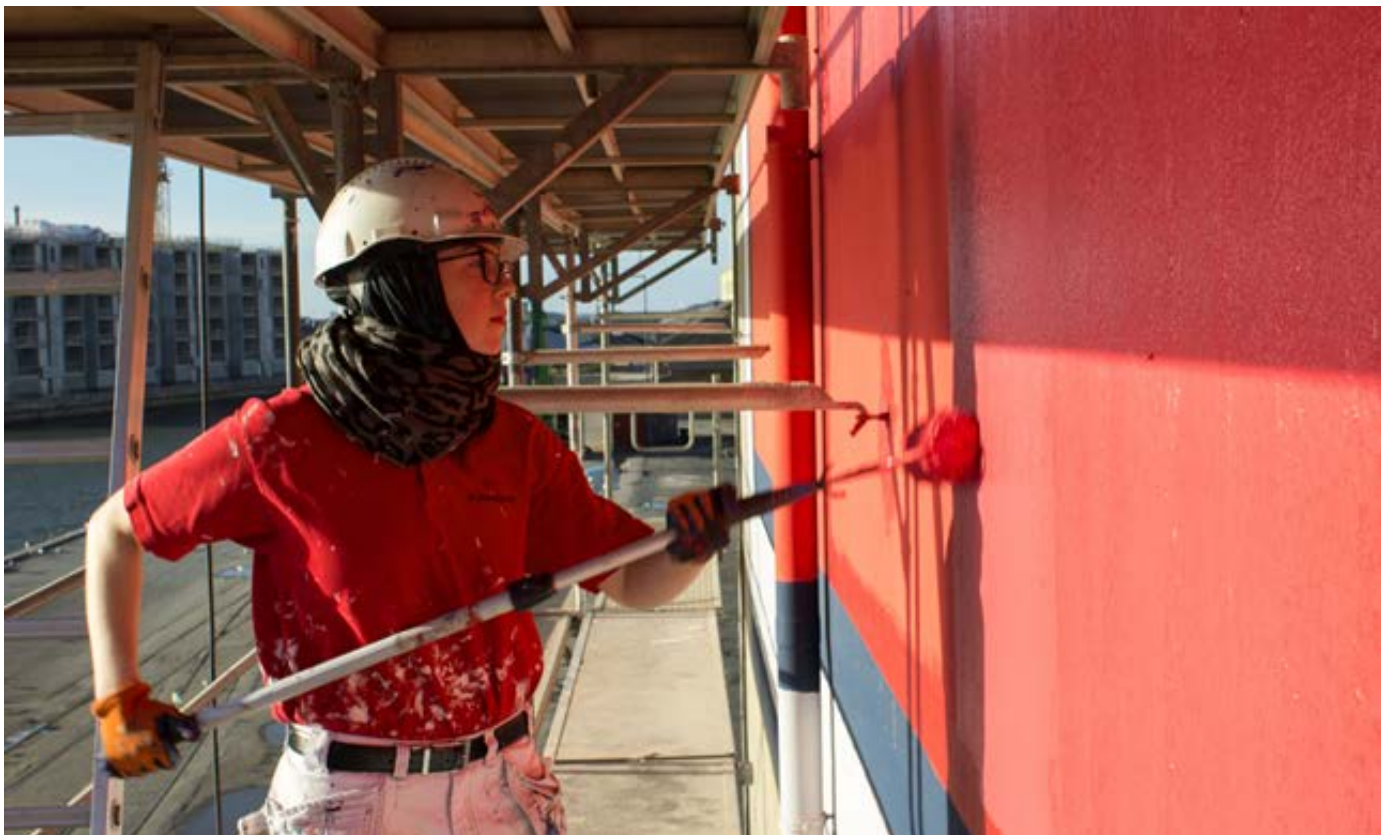
Both MurMal and Projekt NaboRum will be very visible in next year's objectives and strategy.

Next year, we will carry out more MurMal projects with special focus on the ambition of the Danish Business Forum for Social Responsibility (VFSA) to help disadvantaged young people get an education or a job. Our 2017 MurMal projects will therefore be targeted at young people in grades 8-10 at risk of not getting an education or a job.

2017 will also be the year where we complete our three pilot projects in connection with Projekt NaboRum in the Aarhus area. Moreover, in 2017 we will launch five new projects in at least three Danish cities.



Sustainable Commitment



Sustainable Commitment

Sustainable Communities

Everyone needs to feel that they are part of a community. Many, however, find that they are not. More than 210,000 Danes feel permanently lonely. The issue, being subject to taboo, is made worse by the fact that people do not have anyone to talk to about it. The Jyske Bank Group wants to take part in addressing this problem. Therefore, we are a part of the Folkebevægelsen mod Ensomhed (the People's Movement Against Loneliness) and support projects that strengthen communities for those who need it the most. We see a lot of coherence between communities, the environment and sustainable local environments, and a recurring theme in our social initiatives is that we want to contribute to strengthening communities.

Save the Children – outdoor communities

In cooperation with Jyske Bank and three housing associations, in 2016 Save the Children Denmark created three nature clubs for families with children in disadvantaged residential areas in the northwestern part of Copenhagen, Nivå and Roskilde. The clubs are run by volunteers from Save the Children Denmark, and the target group is families in need of new networks and positive experiences which the parents themselves do not have the resources to give to the children. The families are invited for walks in the woods, bonfires, fishing trips or other activities in nature creating a setting for happy times and a sense of community. The trips also serves as inspiration to families, so that they become better at making use of nature close to where they live.



Jyske Bank is involved in the project both financially and with professional advice and sparring and will participate in select activities in 2017. In 2016, four Jyske Bank employees participated as volunteers in the clubs, and throughout the year, there has been a total of 12 trips in the three clubs with the participation of between 12 and 30 children and parents each time. Feedback from both volunteers and the families has been very positive.

Maiken Petersen from Jyske Bank is participating as a volunteer in the northwestern part of Copenhagen. She

has been enthusiastic about the project from the very first trip: "We took a trip to Utterslev Mose (local bog area) which is located within walking distance from the families' housing block. The trip went really well, and all the participants were very pleased and grateful for the day. The group of volunteers realised how little it actually takes to give these families a great experience. It was the perfect kick-off to the many trips to come," said Maiken Petersen.

The project will be rounded off in 2017 with an evaluation and a conference where the lessons learned will be presented and shared with the purpose of inspiring other associations and families with children in Denmark.

Muhabet – a safe community

Fragrant food, hot tea and a safe atmosphere. This is what welcomes guests every day at Muhabet – a drop-in centre for mentally ill immigrants and refugees who are often difficult for the established welfare system to reach. Since 2009, BRFkredit has helped Muhabet with professional counselling and networking, for instance in the form of legal assistance and securing a financial foundation. Muhabet annually receives 10 tonnes of surplus food and serves approximately 14,000 delicious three-course meals a year made from surplus food which primarily comes from fødevareBanken (foodBank) but also from local business owners.

The Jyske Bank Group represents competences which a volunteer-driven organisation such as Muhabet does not have. Therefore, it is very valuable when employees in BRFkredit and Jyske Bank assist with e.g. legal assistance, fundraising, recruiting, communication and events.

In 2016, Muhabet together with Jyske Bank and fødevareBanken held a number of debates about their partnership and the related social alliances. For instance at Folkemødet on Bornholm (the people's political festival), Kulturdagene (cultural days) in Nykøbing Mors and at Aarhus Festuge (Aarhus Festival Week). The result is a stronger network and positive feedback.

In the autumn, Muhabet became a member of Folkebevægelsen mod Ensomhed (the People's Movement Against Loneliness) of which the Jyske Bank Group is also a member. Together with fødevareBanken (foodBank) and Jyske Bank, this spring Muhabet is hosting a dinner in connection with the national campaign 'Danmark spiser sammen' ('Denmark eats together'). In this connection, Muhabet will also launch communal dinners for older people of a different ethnic background. In connection with several of the year's activities, Jyske Bank has provided valuable advice to Muhabet in several areas. And the partnership of fødevareBanken, Jyske Bank and Muhabet has proved its worth and has been further strengthened.

Sustainable Commitment

Folkebevægelsen mod Ensomhed (the People's Movement Against Loneliness)

In 2015, the Jyske Bank Group partnered with more than 60 organisations, associations, schools, municipalities and companies to establish Folkebevægelsen mod Ensomhed with the common objective of highlighting the issue of loneliness and put it on the agenda in the minds of the Danes and at Danish workplaces. The vision of Folkebevægelsen mod Ensomhed is to decrease the number of people who feel lonely by 50% by 2020. In order to achieve this, members commit to making an extra effort to prevent loneliness.

Since they became a member in 2015, the Jyske Bank Group has played an active role in establishing and developing Folkebevægelsen mod Ensomhed and breaking down the stigma of loneliness, among other things through the national campaign 'Danmark spiser sammen' ('Denmark eats together'). Jyske Bank has been a member of both the Coordination Committee, defining the framework and approving the joint actions, and the Steering Committee, monitoring the financial aspects and developing initiatives.

As part of the Folkebevægelsen mod Ensomhed's national campaign in week 17 'Danmark spiser sammen', BRFkredit and Jyske Bank invited their neighbours for lunch at Klampenborgvej in Lyngby. In the afternoon, together with volunteer associations from the Municipality of Lyngby-Taarbæk we invited all the local citizens for coffee and a talk about the many opportunities of becoming part of the clubs and associations and thus get a sense of community in the local area. Jyske Bank's employees also participated actively as volunteers at a large dinner event in connection with the campaign in Aalborg.

In addition, Lene Hjorth, CSR Manager at Jyske Bank accepted the award 'Årets Folkehjælper 2016' ('people aide of the year') on behalf of Folkebevægelsen mod Ensomhed in August 2016. Dansk Folkehjælp (Danish People's Aid) presented the award to Folkebevægelsen mod Ensomhed for their work with drawing attention to a problem in society, which is bigger than most people think, and for coming up with ideas for how to fight loneliness.

Storbylandsbyen (CityVillage) – inclusion and community

In 2013, on Marienlystvangen close to Skejby Hospital, Østjysk Bolig, the Municipality of Aarhus and Socialt Udviklingscenter (SUS) (a social development centre) launched the project Storbylandsbyen (CityVillage), which, in brief, is an inclusive environment where 20 socially disadvantaged or homeless people and 20 regular residents live side by side in an inclusive environment. Together with a social janitor, the housing association's residents – resourceful people and disadvantaged people alike – create a good social environment in the housing association branch. The idea is that the community is responsible for helping the socially marginalised residents get a normal everyday life to prepare them to manage by themselves in the long term.

With the wish to support community, BRFkredit became involved in the project and acted as lender for the construction in 2013. In the subsequent years, the Jyske Bank Group has supported Storbylandsbyen with activities to support the community. Among other things, we have constructed a common barbecue area and arranged communal rooms for the residents. In 2016, Jyske Bank was in dialogue with the residents and the persons responsible for the project on a regular basis. A visit to Storbylandsbyen in November 2016 clearly showed that the anchoring of the successful pilot project is intact. It has been a long and instructive process with many challenges, but the community and the setting for the involved parties far outweigh the problems. The project has proved to be a successful pilot project from which to retrieve experience for similar projects in the future.

Sustainable Commitment

Sustainable Environment

In Denmark, we discard tonnes of electronics, furniture, clothing and food every year which could have been of value for other people. This is a waste of resources. At Jyske Bank, we are therefore committed to ensuring that our used computers and furniture are passed on when we no longer have use for it. This way, we protect the environment and at the same time we make a difference for associations, drop-in centres and reception centres, among others.

When it comes to food waste, we work together with the non-profit organisation fødevareBanken (foodBank) which distributes fresh surplus food to socially disadvantaged children and adults in Denmark. It is common sense when surplus resources are redistributed to people in need.

fødevareBanken (foodBank) – give food and people a second chance

The Jyske Bank Group has worked together with fødevareBanken since 2013, contributing with financial support, professional advisory services, network for clients and the business community and assistance with communication and marketing tasks.

Enormous amounts of food are discarded every day in the food industry which is a waste of resources and an unnecessary impact on the environment. At the same time, the most disadvantaged people in our society are often denied the possibility of a daily, nutritious meal which is of decisive importance for their health. fødevareBanken fights to change this.

Since 2009, fødevareBanken has received surplus food from food producers, agriculture, supermarkets and wholesalers. The food is distributed by volunteers from various organisations working for and with socially disadvantaged people, including children, women and men in crisis, homeless people, drug addicts and mentally ill people. Every day, approximately the tonnes of fresh surplus food are delivered to the organisation.

This year's cooperation with fødevareBanken

In 2016, Jyske Bank and fødevareBanken participated in several debating events; Kulturdagene (cultural days) in Nykøbing Mors, Aarhus Festuge (Aarhus Festival Week) and Folkemødet on Bornholm (the people's political festival), among others. Jyske Bank has sponsored clothes for the many volunteers at fødevareBanken and has also supported fødevareBanken's national campaign 'Giv mad og mennesker en chance til' ('Give food and people a second chance'). The campaign, which has been made pro bono by the advertising agency Advance, was distributed via Jyske Bank's media, including Facebook, netbank and advertising screens in branches all over Denmark.

In February 2016 at the Jyske Bank Group's Management Forum in Herning, participants were served dishes made from surplus food from fødevareBanken. As a result of an internal request from Corporate CSR, 277 employees chose to take out a personal membership of fødevareBanken. The new memberships correspond to 3,400 meals to be distributed by fødevareBanken. At the same time, the memberships paved the way to a total funding value of approx. DKK 500,000.



fødevareBanken's results 2016

The work of fødevareBanken has major significance for both people and the environment. In 2016, approximately 100 volunteers redistributed more than 800 tonnes of food from food donors to approximately 116 recipient organisations in Denmark. This corresponds to 1.9 million meals and is an increase of 30% compared to 2015.

New life to computers and furniture

When we update our IT equipment, we make sure that our used computers, to the extent possible, are distributed to the benefit of others. Once reset and refurbished, they are donated to associations and organisations doing extraordinary social efforts. In 2015/2016, the Group donated a total of 505 computers to more than 30 different recipients, i.a. drop-in centres for the homeless, homework cafés in disadvantaged residential areas, reception centres, centres run by volunteers as well as residential institutions. Our used furniture is also donated to good causes. In 2016, headspace, Kofoeds Skole, Muhabet and Foreningernes Hus in Gellerup received furniture from the Group.

In January 2016, on Facebook we invited our clients to suggest potential recipients for ten of the bank's used computers. Our clients' desire to help refugees was so overwhelming that the Group decided to donate 50 computers to the Danish Red Cross' reception centres.

"We're very pleased that you thought of the asylum seekers and welcomed them in this way. You're supporting people who really need it. We're very grateful," Anne la Cour, Head of the Asylum Department at the Danish Red Cross, wrote in a letter to Jyske Bank.

Sustainable Commitment

HIGHLIGHTS FROM OUR ENVIRONMENTAL AND CLIMATE PARTNERSHIPS

- **307 used and reset/refurbished computers were donated to social causes**
- **Three lorries of used furniture were donated to social causes**
- **The advertising film 'Giv mad og mennesker en chance til' ('Give food and people a second chance') was shown on all the Group's screens in the branch network**
- **277 employees became private members of fødevareBanken (foodBank)**
- **Four events held in cooperation with fødevareBanken**
- **A film about fødevareBanken and the cooperation with Jyske Bank**



Sustainable Commitment

Overview: Projects and social initiatives

Below is a brief overview of all our projects and initiatives in 2016.

Loneliness on the agenda

Through the steering group, the Jyske Bank Group has played a key role in establishing Folkebevægelsen mod Ensomhed (the People's Movement Against Loneliness) which today counts more than 60 organisations and companies and in 2016 won the Danish People's Aid's award 'Årets Folkehjælper' ('people aide of the year') (p. 26).

fødevarerBanken (foodBank) – from food waste to meals

The Group cooperates with fødevarerBanken which redistributes fresh surplus food to socially disadvantaged children and adults. Among other things, Jyske Bank has provided financial support, new clothes for all volunteers and supported the nationwide campaign 'Giv mad og mennesker en chance til' (give food and people a second chance) (p. 28).

Monas Hus (Mona's House)

The Jyske Bank Group supports Kulturmøde (cultural days) in Nykøbing Mors and is therefore, in collaboration with strong partners, creating a cultural centre called Monas Hus (Mona's House) to help establish a setting for the cultural life in the local area.

Muhabet

Muhabet is a multi-cultural drop-in centre with special focus on mentally ill refugees and immigrants, many of whom are traumatised by war and having fled their own country. The drop-in centre is a welcoming and homely place offering solidarity and togetherness. For eight years, the Jyske Bank Group has mentored Muhabet and advised the board of directors and the staff and helped create a strong foundation for fundraising and networking activities (p. 25).

Nature clubs with Save the Children Denmark

Jyske Bank cooperates with Save the Children Denmark and three housing associations on arranging outdoor experiences and networks for families with children in disadvantaged residential areas in the northwestern part of Copenhagen, Nivå and Roskilde (p. 25).

Scandinavia's largest mural

In November, we completed a 1,200 m² mural at the Hedegaard silo at the port of Aalborg. For the seventh time, the Jyske Bank Group was the instigator behind converting a dull façade into a colourful mural while at the same time establishing internships and permanent apprenticeships for the benefit of apprentices from the local area (p. 22).

Computer donation programme

Also this year, the Group is donating used furniture and computers to social causes: Drop-in centres, cafés, reception centres, NGOs, etc. A total of 307 computers and three lorries of furniture (p. 7).

Pengeugen (Danish Money Week) – personal finances on the school agenda

Once again, Jyske Bank participated in FinanceDenmark's initiative Pengeugen (Danish Money Week) which aims to equip children and young people to manage their personal finances. 66 consultants from 56 different branches taught students at a total of 120 schools all over Denmark (p. 12).

Three new Project NaboRum in Aarhus

Jyske Bank announced the first three winners of Projekt NaboRum (a project involving the neighbourhood) which will create better and more exciting local areas better equipped for accommodating communities. The residents contribute with ideas and volunteer working capacity. Jyske Bank is involved in the individual projects from start to finish through the employees. Moreover, we contribute with the resources and networks at our disposal in the organisation (p. 23).

Events

Aarhus Festuge (Aarhus Festival Week)

During Aarhus Festuge (Aarhus Festival Week), the Group turned the spotlight on the development of urban spaces, sharing economy and the business models of tomorrow and social alliances.

'Danmark spiser sammen' ('Denmark eats together')

As part of Folkebevægelsen mod ensomhed (the People's Movement Against Loneliness), the Group participated in the national campaign 'Danmark spiser sammen' ('Denmark eats together'). The group invited local citizens and associations for lunch and coffee at Klampenborgvej in Lyngby and participated with voluntary capacities at the People's Movement's large dinner in Aalborg.



Sustainable Commitment

Folkemødet on Bornholm (the people's political festival)

Jyske Bank participated actively in Folkemødet on Bornholm and co-hosted, together with FinanceDenmark, debates about the social responsibility in the financial sector. Moreover, the bank was involved in several panel debates on circular economy and the development of socio-economic companies.

Christmas card donation

For the twentieth time, BRFKredit donated money to children and young people corresponding to the value of the savings from no longer sending Christmas cards, by post or by electronic channels. In 2016, the donation went to the headspace – a free and anonymous advisory service for vulnerable children and young people.

Lyngby Vidensby (Lyngby City of Knowledge) – Bike Town

Jyske Bank supplied clothes for the bike guides and coffee for the new students in Lyngby who took a guided tour of the city.

Conferences on socioeconomics

To mark the end of a project supported by the Danish Agency for Labour Market and Recruitment, Jyske Bank hosted two well-attended conferences on business opportunities and partnerships between traditional and socio-economic companies.

Nykøbing Mors

Jyske Bank hosted a debate about the social alliances of tomorrow together with Muhabet and fødevareBanken (foodBank) as well as a singing event in the bank.

Sportscar event

Since 2004, Jyske Bank has supported the Sportscar event to collect money for the Danish Children's Cancer Foundation and other organisations with a focus on children and young people suffering from life-threatening illnesses. Each year, they organise events where both the public and the children who are ill with cancer and their families get to experience unique sports cars and go for a ride in them. Jyske Bank sponsors one of these cars and assist in arranging the events around the country.

Jyske 3-bold

Jyske 3-bold, a ball game, was launched by Jyske Bank in 2005 and has since developed into an annual event. The idea is simple: Bring children to small playing field, simple rules and focus on the joy of the game rather than the results. In 2016, 14 events were held with the participation of about 9,000 children between the age 6-9 years. Jyske Bank provides healthy snacks and mineral water which the hosting sports clubs sell to the participants and the clubs earn the profit from these sales. Each event is arranged in close cooperation with units of Dansk Boldspil Union (Danish Football Association) and local football clubs all over Denmark.

Annual rally, Folkebevægelsen mod Ensomhed (the People's Movement Against Loneliness)

At the annual rally for Folkebevægelsen mod Ensomhed, Jyske Bank contributed with a workshop on loneliness and loneliness/community at workplaces.

The UN Sustainable Development Goals

The Jyske Bank Group and the UN Sustainable Development Goals

In 2015, more than 150 of the world's leaders adopted the new 2030 Agenda for Sustainable Development, including a number of goals and priorities aimed at solving major global issues within economic, social and environmental challenges. These ambitions and priorities have been set out in 17 overall Sustainable Development Goals, also known as the Global Goals, as well as a number of intermediate aims, which both governments, companies and civil society must take part in realising by 2030.

The Jyske Bank Group supports the Global Goals. We see the new Global Goals as an example of the importance of our efforts and as an incentive to make demands on ourselves and the way we operate our business. In other words, we see the Global Goals as a strategic lever for our CSR efforts and as a foundation on which to set future standards in our dialogue with investors, clients and other stakeholders.

There is no doubt that the financial sector plays a key role in fulfilling the 17 goals – both through investment, lending policy and the way we operate our business. At the same time, we also know that the Jyske Bank Group naturally does not operate alone but in cooperation with others in a sometimes complex and obscure world. Therefore, we are not in a position to adopt all 17 Global Goals. We have decided to put special focus on five Global Goals, but we hope that we in the long term will be able to work with more of the Global Goals.

Our five priorities are:



We must end hunger, achieve food security and improved nutrition and promote sustainable agriculture.



We must promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



We must make cities and human settlements inclusive, safe, resilient and sustainable.



We must promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



We must strengthen the means of implementation and revitalise the global partnership for sustainable development.

The UN Sustainable Development Goals



Sustainable Development Goal 2: End hunger

We work consciously to minimise our food waste in the Group while at the same time fighting poverty in Denmark. We do this through food waste conscious canteens and food waste campaigns internally in the group but especially through our partnership with the socioeconomic company fødevareBanken (foodBank) which in 2015 alone supplied 1.9 million meals to socially disadvantaged people (p. 27). In brief, we work with Sustainable Development Goal 2 via our lending policy and our social initiatives.



Sustainable Development Goal 8: Decent work and economic growth

In many aspects, Sustainable Development Goal 8 is the foundation of our business. The goal focuses on decent work for all and good regulatory framework for sustainable economic growth. In the Group, we work actively to ensure the best conditions for all our employees and to create a workplace that ensures well-being, development opportunities and equal rights for all (p. 19).

As a bank, we have a key role in ensuring the economic growth in society. We must be available for innovative entrepreneurship and at the same time help young people and socially disadvantaged people into the job market. We do this, among other things through our commitment to the EY Entrepreneur of the Year Award (EOY), where we participate in the role as main partner to EY. The EoY Award celebrates Denmark's most innovative and skilled developing companies. Jyske Bank participates actively in the screening of the nominated companies.

Moreover, several of our departments contribute with advise to the start-up companies to ensure that they have the best foundation for growth in order to survive as a company. Among other things, Jyske Bank's branch at Kongens Nytorv in central Copenhagen participates in the 'Investor Ball' where business advisers teach the students in the economic affairs relevant to start-ups.

At the same time, we must also take our part of the responsibility for the financial stability in Denmark which is done through responsible clients and credit policies (p. 11-15).



Sustainable Development Goal 11: Sustainable cities and local communities

Sustainable Development Goal 11 constitutes the cornerstone in the Group's external CSR efforts – the so-called social initiatives. Our cooperation with Huset (the house), the built-up area and the local community is the foundation for our social initiatives as it is directly linked to the core business of the Group (p. 21). Because not only do we provide home loans and bank loans; we also create communities in which our clients can live and thrive. This benefits our client as well as our business.

More specifically, we work with the intermediate aims 11.3 and 11.7 when we create more sustainable and inclusive local environments. Projects such as MurMal (Mural) (p. 22) and Projekt NaboRum (Project Neighbourhood) (p. 23) are great examples of how the Jyske Bank Group works actively with inclusive and sustainable cities and local communities. Other examples are the Group's commitment to Folkebevægelsen mod Ensomhed (People's movement against loneliness) (p. 26) and the Save the Children Denmark project 'Out of the housing block, into nature' (p. 25) with particular focus on the many lonely people and disadvantaged children.



Sustainable Development Goal 16: Peace, justice and strong institutions

The Jyske Bank Group works actively with Sustainable Development Goal 16, including intermediate aims 16.4 and 16.5, which deals with limiting the flow of illegal money and organised crime as well as reducing the level of corruption and bribery. We are aware that our sector is the eye of the storm in these matters and thereby constitutes a significant business risk for us. This is also why we engage in a joint responsibility to actively fight money laundering, tax havens, bribery and corruption (p. 9).

We perform this work every day. We train our employees and make high demands for screening and documentation. And in several areas we follow an even stricter compliance policy than dictated by the law – especially in the tax area (p. 9 and 11).

The UN Sustainable Development Goals



Sustainable Development Goal 17: Partnerships for the goals

Sustainable Development Goal 17 is directly linked to our social initiatives – namely our partnerships (p. 16 and 19). We are therefore working with partnerships every day to bring private, public and civil players together to work on issues across Denmark. This approach generates far better results and enables us to realise our sustainable visions and, by extension, the Global Goals.

We are not only a part of a Danish community. The Jyske Bank Group is also part of an international community where our obligations within the Principles for Responsible Investment (PRI) and UN Global Compact (UNGC) (p. 9 and 12) are our way of engaging in an international partnership with the objective of realising the Global Goals.

Glossary

1. **The UN Global Compact**

Jyske Bank is a member of the UN Global Compact initiative, which means that we are obliged to comply with the ten principles in the areas of human rights, labour, environment and anti-corruption. The principles provide an international joint foundation for companies' work with corporate social responsibility and sustainability.

2. **VFSA**

Jyske Bank is a member of the Danish Business Forum for Social Responsibility (VFSA). The managing director of the Group is chairman of VFSA. The objective of VFSA is to get corporate social responsibility on the political agenda as well as inspire more companies to make an effort to prevent, retain and facilitate the return to marginalised groups in the Danish labour market.

3. **PRI**

Jyske Bank has signed the UN Principles for Responsible Investment which consists of six principles for responsible investment. The objective is to get companies to incorporate the investment implications of environmental, social and governance (ESG) factors into their investment and ownership decisions.

4. **DANSIF**

Jyske Bank is a member of DANSIF which is a forum for institutional investors with an interest in responsible investment. The objective is to spread and exchange experiences among the members of the Society as well as to facilitate a diversified debate on ESG.

5. **FATCA**

Jyske Bank complies with the American FATCA rules which were implemented in Denmark in 2014. The rules imply new standards for tax reporting and exchange of tax information across national borders. For Jyske Bank, this means we must report any US taxpayers in the client base.

6. **CRS**

Jyske Bank operates in accordance with the OECD Common Reporting Standard (CRS) which is a further development of the FATCA rules. The CRS cooperation means that Jyske Bank has a reporting obligation on all clients residing in one of the 90 countries that have adopted the Agreement.