

# Policy on sustainability and corporate social responsibility

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## 1. Background

The Jyske Bank Group runs a sustainable and responsible business, challenging and developing the Danish banking market and the surrounding society in a positive direction. The Jyske Bank Group intends to make a difference, which is a promise to the market as well as a call to everybody in the Group that we endeavour to make a positive difference through our daily work, to each other, to our clients and to anyone who is in contact with the Group.

The Jyske Bank Group believes that the best long-term results are achieved when the necessary balancing of the interests of clients, employees, shareholders and the surrounding community is in place.

The Jyske Bank Group works with a broad definition of responsibility, which not only includes what the Jyske Bank Group does in its own right, but also areas on which the Jyske Bank Group has an effect and can affect through its business activities.

By signing the UN Principles for Responsible Banking, the Jyske Bank Group endeavours to promote sustainability as expressed through the 17 UN Sustainable Development Goals.

Being a large financial services company in Denmark, the Jyske Bank Group will be a significant player in respect of supporting and facilitating a sustainable development on a long-term commercial basis.

## 2. Purpose and scope

In order to be a material player in supporting and facilitating the sustainable development, it must be presumed, among other things, that climate and environmental considerations, social considerations, respect for human rights and economic responsibility have been incorporated in own as well as business-oriented activities throughout the Group.

In both a European and a Danish context, the sustainability agenda focuses strongly on climate and environment in the form of the need to reduce CO2 emissions, which has a spill-over effect on the Jyske Bank Group's work and focus areas. Therefore, in connection with the work on sustainability in relation to clients and internally in the Group, the focus of attention will be on climate and environment.

This policy on sustainability and corporate social responsibility lays down the overall framework, norms and guidelines as to how the Jyske Bank Group works with sustainability and corporate social responsibility in all the Group's own as well as business-oriented activities.

The policy applies across employees, functions and units.

## 3. Approach to sustainability

The Jyske Bank Group endeavours to make a positive contribution to the sustainable development of the international community through the Group's business activities and own activities. This also means that focus is on the minimisation of negative, derived effects from the activities. The Jyske Bank Group's

approach is "all progress counts", and therefore the movement towards a better and higher level of sustainability will on an ongoing basis be in focus. Sustainability is considered a continuous process, and the Jyske Bank Group wants to cooperate with clients and suppliers in order to move in a more sustainable direction. It is endeavoured, to a relevant degree, to pursue a joint line across business areas with respect to which activities to finance and/or invest in.

The Jyske Bank Group sets up business ambitions as to how the Group can promote sustainability in its interaction with our clients through, for instance loans, advances and investments and is determined to attain these under the title "sustainable business".

Running responsible banking operations also rests on a basis termed "responsible banking", for instance the prevention of financial crimes, IT and data security and an attractive workplace.

Efforts are based on an assessment of what is of the most material importance to the Jyske Bank Group's business model as well as the Group's stakeholders. Ongoing impact analyses of the Group's business-related areas of activity based on a principle of sustainability contributes to the definition of the most material challenged areas of activity (so-called "negative impacts") and, on the other hand, also the most material sustainable areas of activity ("positive impacts"). The activity areas identified form the basis when determining the Group's efforts and targets.

### **3.1 Sustainable business**

The Jyske Bank Group focuses on supporting the clients' progress in the implementation of sustainability, cf. "all progress counts", and on facilitating sustainable options and decisions on the part of the clients in accordance with running a sustainable and responsible business which develops and challenges the Danish banking market and the surrounding society in a positive direction.

This materialises through our advice and the Group's offer of products and services. The Jyske Bank Group endeavours on an ongoing basis to offer sustainable products, services and advisory solutions to clients in all the Group's most material business areas.

The Jyske Bank Group gathers the business-oriented activities in three overall areas:

- Financing
- Investment
- Knowledge of sustainability

#### **Financing**

The Jyske Bank Group offers loan products, advisory services and services in connection with the financing of the changes that our clients wish to make in order to move their activities into an increasingly sustainable direction.

For a number of clients - not least corporate clients - it will be necessary to move the activities in a more sustainable direction in order to secure that the client has a sustainable business model going forward. Jyske Bank focuses on the opportunities of individual clients to carry out a sustainable transition and does not in advance deselect sectors based on a general assessment of the sustainability of the sector. As part of the partnership, Jyske Bank wishes to take part in the transition together with its clients. The ability of corporate clients to integrate ESG/sustainability into its business model is estimated to be important for the viability of the client. Hence, Jyske Bank discloses whether the corporate client has identified and considered risks relating to ESG and assesses in what way such risks can affect the business foundation, earnings capacity and capital structure of the company, including whether the necessary transition can take place on a sound commercial basis. Finally, the Jyske Bank Group attempts to provide its clients with knowledge of sustainability, cf. the section "To provide knowledge of sustainability".

Lending takes place in accordance with the Jyske Bank Group's credit policy in force from time to time.

The Jyske Bank Group excludes financing to companies with activities that can be related to weapons regulated by conventions: Anti-personnel mines, cluster weapons, chemical weapons, biological weapons, and nuclear weapons (where the UN Treaty on the Non-Proliferation of Nuclear Weapons is violated).

The Jyske Bank Group defines criteria and objectives for the types of financing that contribute to preventing climate change and reports on the portfolio that meets the criteria.

The Jyske Bank Group's definition of areas of lending, preventing climate change, objectives and initiatives will be updated on an ongoing basis.

## **Investment**

The basis of Jyske Bank's work with responsible and sustainable investment is the UN Principles for Responsible Investment and the signing up to the Net Zero Asset Managers Initiative according to which Jyske Bank has committed to net carbon neutral investments on behalf of its clients in 2050.

Jyske Bank's asset management solutions focus on offering sustainable investment products targeting CO2 reduction, active ownership and exclusion.

Jyske Bank considers active ownership a key element of sustainable investment management. By active ownership is understood that investors attempt to affect the companies in which they invest. Often we find that dialogue is the most appropriate approach with a view to making the company in question change its behaviour.

For many years, Jyske Bank has avoided such investment assets that are inconsistent with, for instance, adopted UN/EU sanctions and treaties acceded to by Denmark etc. Focus on sustainability in asset management is seen in combination with the best possible return and a broad investment universe.

Jyske Bank's advisory solutions support the clients' own investment decisions by including sustainability in advisory services.

For further information, see Jyske Bank's policy for responsible and sustainable investment.

### **Knowledge about sustainability.**

The Jyske Bank Group endeavours to provide knowledge of sustainability in the market areas that are serviced. Therefore, the Jyske Bank Group's communication on sustainability aims to make clients and other stakeholders wiser and enable them to make sustainable choices and support a position as a trusted advisor/preferred partner. As always, communication will be characterised by the fact that we serve the target group and we present unexpected, high-quality formats – often in strategic partnerships with relevant partners.

### **3.2 Responsible banking**

In connection with the operations of the bank, the Jyske Bank Group's wish to act responsibly and to promote sustainability results in the following:

- The Jyske Bank Group operates a profitable business ensuring that the Group can still play a material role in society by providing infrastructure, offering advice and financing and hence contribute to the financial stability of society;
- The Jyske Bank Group protects the Group value of being *Honest*, which forms the basis of a culture that generally invites open and unpretentious dialogue. It is expected that the employees act honestly and with integrity and offer our clients financial advice based on individual considerations, cover their needs and provide added value, hence enabling them to make choices on a well-informed basis.
- The Jyske Bank Group inspires confidence in and builds credibility with clients and other stakeholders through conduct and transparency and ensures that all current legislation is complied with across business activities and also secures a high degree of data and information security. See also guidelines and security principles.
- The Jyske Bank Group does not accept that the Group is abused for white-collar crime, including money laundering, financing of terrorism, tax evasion, dividend fraud, social security fraud and other unlawful acts. See also Jyske Bank's policy promoting a healthy corporate culture.
- The Jyske Bank Group creates an attractive workplace which ensures welfare and equal rights and opportunities for all employees. The Group's employees are given the opportunity for professional, personal and managerial development. See also Jyske Bank as an attractive workplace.

- The Jyske Bank Group strives to identify and reduce the Group's negative effect on climate and environment through targets for its own CO<sub>2</sub> emissions (scope 1 and 2) as well as focus on responsible purchases.
- Focusing on the question whether the Jyske Bank Group's suppliers demonstrate responsible supplier conduct, among other things by complying with national legislation, human rights, work standards as well as environmental requirements. See also Jyske Bank's agreement on [Supplier Code of Conduct](#).
- The Jyske Bank Group takes social responsibility and contributes through business-driven social initiatives to the solution of social problems. See Jyske Bank's [social involvement](#).

#### 4. National and international obligations

Jyske Bank supports, among other things, the following international and national organisations and initiatives:

- UN Principles for Responsible Banking
- UN Global Compact
- 2030 Agenda and UN Sustainable Development Goals
- UN Environment Programme Finance Initiatives
- UN Principles for Responsible Investment
- Net Zero Asset Managers Initiative
- Climate Action 100+
- ILO Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Forum for Sustainable Finance's 20 recommendations
- Dansif

#### 5. Organisation

The Supervisory Board has the overall responsibility for the strategy and policies relating to sustainability and corporate social responsibility. The Supervisory Board addresses and considers strategic and tactical issues related to sustainability. The Supervisory Board receives a quarterly follow-up on the work with sustainability.

The Group Executive Board has the day-to-day responsibility for sustainability and corporate social responsibility across the Jyske Bank Group and ensures implementation of and compliance with the policy in all parts of the Jyske Bank Group and is responsible for the general prioritization of efforts. In practice, follow-up on this responsibility has been delegated to the cross-organisational Sustainability Committee whose permanent members consist of two members of the Group Executive Board, the Group's CFO, the CEO of Jyske Realkredit A/S, the unit director of Capital Markets and the head of IR and Sustainability. Other unit directors participate in committee meetings when required.

Issues relating to responsible and sustainable investment and financing are on a day-to-day basis handled, coordinated and determined by the Committee for responsible investment and the Committee for responsible and sustainable financing. Principal, material and debatable issues can be escalated for consideration by the Sustainability Committee.

Sustainability forms an integral part of operations and the business development in all parts of the Jyske Bank Group, and all units in the organisation contribute to the fulfilment of the Jyske Bank Group's sustainability objectives. The individual units and areas of the Group are responsible for the implementation of development tasks related to this, and they adhere to the usual governance for prioritisation and execution of development tasks subject to the general prioritisation of the Sustainability Committee.

The IR and Sustainability Department, which reports to the Group CFO, is responsible for coordinating and ensuring consistency between strategic sustainability initiatives in the Jyske Bank Group.

The responsibility for the Jyske Bank Group's sustainability and corporate social responsibility reporting also lies with IR and Sustainability.

On an as-needed basis and at least quarterly, Group Management receives an update on the work on sustainability.

## 6. Reporting

In an annual report, the Jyske Bank Group publishes an account of the Group's work with sustainability and corporate social responsibility. The report also constitutes Jyske Bank's reporting on non-financial information, cf. Danish and international legislation, the principles in the UN Global Compact and Principles for Responsible Banking.

The report is published at Jyske Bank's website: [www.jyskebank.dk/ir/baeredygtighed/rapport](http://www.jyskebank.dk/ir/baeredygtighed/rapport).

## 7. Policies that contribute to the realisation of the policy on sustainability and corporate social responsibility

The below table illustrates that this policy is realised through a number of other policies.

POLICY
<b>Sustainable business</b>
Credit Policy
Policy for responsible and sustainable investment
<b>Responsible banking</b>
Anti-Bribery and Anti-Corruption Policy
Diversity Policy
Policy for preventing money laundering, financing of terrorism and sanctions violations
Whistleblower Policy
Tax Policy

Policy promoting a healthy corporate culture
HR Policy
IT Security Policy
Privacy Policy
Remuneration Policy
Freedom of association and collective agreement policy
Procurement policy

The policies are available at Jyske Bank's website: [www.jyskebank.dk/ir/governance/adfaerd-og-ledelse](http://www.jyskebank.dk/ir/governance/adfaerd-og-ledelse).

## 8. Approval

This policy was received by

The Group Executive Board of Jyske Bank A/S  
Silkeborg, 21 November 2023

Lars Steensgaard Mørch

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Per Skovhus

This policy has been approved by

The Group Supervisory Board of Jyske Bank A/S  
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