



Aarhus Festuge (Aarhus Festival Week)

The Jyske Bank Group's sustainability initiatives and report on corporate social responsibility 2017

About this report

In this report, you will find our policies, priorities objectives and results in the field of sustainability. The report will also provide you with insight into the projects in which we have been involved as well as the results that we have achieved. In addition, this report has the following function:

1. The report forms part of the statutory management's review, which you can find [here](#). In connection with the annual reporting, we also publish a number of separate governance-related reports and statements. www.jyskebank.dk/ir/governance
2. The report provides a systematic review of our core business areas and of how we incorporate CSR into these and our policies in the area.
3. This translated English version of the report forms the basis for our Communication on Progress (COP) reporting to the United Nations' Global Compact. The Jyske Bank Group became a Global Compact member in December 2016, and prepared its first COP report in autumn 2017. www.unglobalcompact.org/participation/report/cop
4. 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 for the development goals on which we focus in particular in our sustainability commitment.
5. We are always pleased to receive feedback on our CSR initiatives. Questions or comments can be sent to: csr@jyskebank.dk.

Table of contents

3	Foreword
4	The Jyske Bank Group and CSR
5	CSR focus in the Jyske Bank Group
6	CSR as a proactive effort
7	Climate and environment
7	• Climate and environment policy
8	• Climate and environment initiatives
9	Anti-corruption and bribery
9	• Anti-corruption and bribery policy
10	Human rights
10	• Human rights policy
11	Responsible advisory services
13	Responsible investments
15	Responsible credit granting
16	HR policy
16	• Employee welfare policy
17	• Employee welfare initiatives
18	• Report on the gender composition of management
19	Social Initiative Policy
20	Sustainable cities and local environments
23	Sustainable communities
25	Sustainable environment
27	Events
28	The Jyske Bank Group and the UN Sustainable Development Goals
30	Glossary

Foreword

We are on the right track

It is always a good idea to look back and review what we have achieved in the past year as we stand on the threshold of a new one. This helps sharpen our vision, and can help make us better in the future, if we add a little reflection.

Are we fulfilling our values and responsibility? And the increasing expectations of the world around us? Do we have the initiatives that fulfil the Jyske Bank Group's strategies and our clients' needs?

When I look back like this, I conclude that Jyske Bank is a solid bank operating a sustainable business, with CSR activities that support our responsibility as good citizens and as an enterprising business that makes a positive contribution to society.

So we have come a long way, which should hopefully be evident as you read this annual report.

In 2017, we sharpened our focus on initiatives in the built-up environment with 'the home' as the focal point, adjusted the processes, and have achieved satisfactory results.

When I look into the future, I see banks being increasingly confronted by clients, investors and their own employees with the wish that we are working with a sustainability agenda. As a member of the UN's Global Compact, we therefore want to play a role here, and thus also in the work with the UN's Sustainable Development Goals. Both initiatives will help create a sustainable global society for the next generations.

Why are we doing this? Because the banks will be increasingly called on to help handle society's environmental and social risks, and also, of course, to make use of the opportunities that exist in the market. And we know that we need to take these requests seriously because the interests of society and the bank are intertwined. As a bank, through capital and credit facilities, we support society, get the wheels turning and create jobs, wealth and growth that benefit us all and connect us together.

As a responsible company, we have an interest in creating growth and thus real value for society, and our CSR efforts should be seen as an extension of our way of doing business.

Of course we cannot solve all of society's challenges, but only make a modest contribution in the wider context. This should not be seen as a weakness, but merely recognition of the fact that everyone in the private sector, public sector and society is becoming increasingly dependent on each other. In other words, it is a strength that we contribute with what we are good at, and in areas where we can make a difference. And we have strength in the local community, where we have a presence and insight.

Our CSR efforts are based on partnerships. This also recognises the fact that we contribute most effectively to society when we are well connected with our stakeholders. It is also the core of social responsibility and our way of creating business.

I hope that our report will be a source of inspiration, and will above all make our employees, clients and stakeholders want to support our initiatives in the future.



Anders Dam, CEO and Managing Director

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 3,971 full-time employees and a nationwide network of 99 branches, making it the second-largest financial company 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 where:

- The shareholders receive an attractive, risk-adjusted long-term return
- The clients receive advice, products, services and prices that are among the best on the market
- The employees have 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 are generally unpretentious

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. It is our aim that our stakeholders experience our values in actual practice when they meet us in various contexts.

CSR as a tool

In the course of 2017, the Jyske Bank Group has actively involved employees from all levels of the Group. We have launched a number of initiatives aimed at strengthening CSR ownership, in everyday work and at the more strategic level. The CSR steering committee, which comprises a wide range of leaders, has met four times during the year and discussed new proposals for policies and initiatives 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 direct dialogue. 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 experienced great interest and commitment from employees in 2017.

We are halfway through the CSR strategy for 2016-2020. Over the period 2018-2020, we will adapt the initiatives so they match Jyske Bank's values and clients' needs even more closely. Our external CSR strategy will continue to build on "HUSET og det bebyggede område" (the house and the built-up area). This should be understood broadly: private homes, business premises and buildings of non-profit housing associations. There is a clear link here between mortgage and bank products. We aim to refine our local involvement and do even more work in resourceful partnerships.

CSR governance

The Group CSR department and the Group Executive Board are together responsible for ensuring that the Jyske Bank Group acts in accordance with the applicable legislation. The department also coordinates the general CSR activities throughout the entire Group. Hence, 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.

CSR focus in the Jyske Bank Group

As one of the largest financial groups in Denmark and with 3,971 employees, we 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 and investors. The Group has an ambition to integrate responsibility in all parts of the business and to promote sustainability in the company's operations and development. This means that we strive:

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

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

We know that CSR is not about donating money to a random charitable cause. CSR must have a clear connection to the business strategy, be anchored with the management, and activate and involve employees in sustainable activities.

When we work with CSR projects that complement our product portfolio, we can create business, make improvements and build relationships – for the Group, for our stakeholders and for society in general.

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. Therefore, in 2017, we initiated an assessment of identified, material risks, which we will account of in 2018. However, we will, on an on-going basis, screen for and follow up on such risks. Read more on page 9.

The Group is one of the cornerstones of financial stability, 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 help prevent financial crime, money laundering and tax evasion. At the same time, we must support human and employee rights when we invest and make products available to clients.

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. Focusing on these areas in our business not only benefits the bottom line, but also society which we are a part of.

Plan for 2018

In 2018, we will identify which areas Jyske Bank can address in relation to risk assessment and the CSR work. We will focus on three areas. We will ensure dialogue with the bank's branches to launch initiatives that match the opportunities and challenges in the local area. We will increase collaboration with stakeholders and external players. We will conceptualise best practices, and disseminate these projects to the relevant branches. The overall aim is to make our CSR initiatives even more focused, increasing the benefit for both the Group and society.

CSR as a proactive effort

We are at the halfway point for the 2016-2020 CSR strategy, and have therefore spent some time reviewing the Group's efforts. We will discontinue some initiatives, because they are no longer relevant for us. We will keep going with others, and will even expand a few initiatives, because they support our values and CSR strategy and will lead us on the path we want to take. We have decided to be proactive. This applies to both our internal and external efforts. You could say that for us, CSR helps make our strategies more specific internally in the company, while we use CSR externally to make a difference, earn the right to be in the market and be involved... and also to make money. Our external CSR strategy will continue to build on "HUSET og det bebyggede område" (the house and the built-up area). This should be understood broadly: private homes, business premises and buildings of non-profit housing associations. There is a clear link here between mortgage and bank products.

The difference is in the cracks

A large number of needs of and tasks in society are not necessarily met or solved, respectively, by either the public sector, the private sector or NGOs. On the contrary, it has been proven that such tasks are best solved when we join forces. When cooperating with other organisations, we create the innovative solutions that can really make a difference.

We think the winners of tomorrow will be the companies that see the opportunities offered by new forms of cooperation and which in this way contribute to the solution of both small and big social problems. Because in the 'cracks' between the civil society and the public sector the business community can really orchestrate themselves.

In relation to our surroundings, we see the core of modern CSR. Actually, this is another way of saying that we listen to the clients - clients in a wide sense. Our CSR activities will be based on our special competences and where they fit in with our business activities.

Here is an example

There will be a shortage of skilled tradesmen in Denmark in the future. Less than one in five young people (18.5%) choose vocational training. We have therefore listened to our stakeholders, businesses, entrepreneur tradesmen etc. and found a solution which can contribute to solving the problem. In cooperation with CABI (centre for active employment initiatives) and the school principals' association, we have therefore developed the 'wise hands' project. But we are not only thinking about the needs of society. It is also about the opportunities young people have to develop their trade skills and have a good life. For many young people, a long study programme with no realistic job prospects is a very bad choice. And our clients, both current and future, include enterprising tradesmen whose activities include building houses that we can live in and in which companies can thrive. In our view, an excellent CSR initiative.

'NaboRum' (Project Neighborhood)

Another initiative we will work with in the future is the project 'NaboRum' (Project Neighborhood). The aim here is to make a difference for the local environment, while also supporting our client base. We started in Aarhus in 2016, and moved on to Lolland in 2017. The project aims to promote informal encounters between people in the urban space, and work together with city residents to achieve a common goal. At the same time, we are hopefully helping to promote a democratic and open environment in which people trust each other.

We deploy the resources we naturally have available to us, which can help to realise the residents' sustainable ideas. As a result of our efforts in the local environment, we hopefully gain more and happier clients. The good projects strengthen the community in an area that really benefits from a helping hand.

Both projects are examples of how we build on our reputation, are agenda-setting and take our interests in society seriously. We extend our 'license to operate' by helping address some of society's problems and building relationships of trust with the people around us.

Finally, the CSR initiatives give us the legitimacy and right to operate our business, appoint the best employees and ensure that external investors invest in the Jyske Bank Group.

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 to actively seek to become more climate and environment conscious in all our procedures – internally as well as 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-signatory of the UN PRI, we will continue to incorporate ESG issues into our investment considerations and decisions, including when we find profitable investments that also support sustainable measures. In other words, we will continue our strong focus on ESG factors.

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

KPIs and objectives

In 2017, we

- were one of the first Danish players to establish a fund with corporate bonds (IG SRI KL) in Jyske Sicav. The fund screens out investments in companies that conduct business in the fossil fuels sector. As at the end of December 2017, the newly established fund had assets of about DKK 428m
- purchased equipment to enable us to monitor energy in the head office and branch network, so that we can collect data from the entire Group from 2018.
- reduced our paper consumption by approx. 10 million prints, corresponding to a CO2 reduction of about 10 tonnes.
- replaced 1600 light bulbs with LEDs, resulting in savings of 72,000 kWh/year corresponding to a CO2 reduction of 28 tonnes.
- delivered approx. 56 tonnes of food waste to biofuel production, giving a CO2 reduction of approx. 22 tonnes.
- donated a smaller number of used computers than expected due to lower demand.
- furniture, etc., has been donated to a number of NGOs, such as Mubabet and FødevareBanken for re-use.

In 2018, we will

- meet an expected rise in client interest in the newly created corporate bond fund.
- further reduce the number of prints by approx. 10%.
- expand our food waste-scheme to include the head office in Silkeborg and our Vesterbrogade branch in Copenhagen.
- donate 150 computers and used fixtures to charitable causes.
- install energy monitoring equipment which allows qualified management and documents significant variations in heat and electricity consumption. This will guide decisions in relation to modernising electricity and heating systems, and provide complete data so that the Group can verify and optimise energy consumption.

Climate and environment initiatives

The Group supports a sustainable environment in all our procedures – internal and external.

Internally, Jyske Bank is constantly striving to reduce the Group's environmental impact, and we continually assess how we can minimise our consumption of water, electricity and heat and optimise waste re-use. Employees in the Group contribute initiatives and ideas, and are motivated by the management to make changes in work routines. Externally, this especially entails focusing on investments in relation to climate and environment. (Read more about investments on p. 15).

Waste and recycling

Waste (paper, cardboard, metal, glass, plastic, wood, batteries and food) is thoroughly sorted and recycled in cooperation with external partners.

In 2017, a station was set up at Head Office in Silkeborg to ensure that waste is separated correctly – into soft and hard plastic, cardboard, bottles, batteries and paper for recycling. In addition, a number of collection sites for cans with and without a deposit have been created. Our used IT equipment and furniture are regularly donated to various charitable causes.

Electricity and water

Environmental impact is an area receiving ongoing priority, with regard to IT equipment, electrical and sanitary installations, etc. For example, a large number of light bulbs have been replaced with LEDs over several years. The technical systems associated with branch extension and renovation projects have been modernised to have lower energy consumption. In 2017, 1600 light bulbs were replaced with LEDs. This represents a saving of around 72,000 kWh/year and a CO₂ reduction of 28 tonnes.

Continued focus on reducing printing

Digitisation and the dissemination of digital signatures has resulted in a significant reduction in the number of prints, leading also to faster procedures for clients. In 2017, the Jyske Bank Group printed a total of approx. 22.8 million pages – a reduction of approx. 10 million pages compared to 2016. This results in a total reduction in CO₂ emissions in 2017 of approx. 10 million tonnes.

Eco-friendly suppliers and products

In Jyske Bank's webshop, several of the products are ecolabelled 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.

CASE: My efficient working day

The Jyske Bank Group has a continuous focus on improvements and efficient work processes.

One area being addressed is planning and organising meetings etc. For example, a branch in Copenhagen has abolished physical client folders and thereby minimised printing. This has saved 250,000 printed pages per year and 1300 working hours. This corresponds to a total saving of 1 FTE or around DKK 800,000.

A new contract was introduced in 2016 for all the Group's new suppliers, which requires them to sign off on a number of principles, including environmental responsibility. Suppliers must apply a precautionary principle in relation to environment challenges, take measures to promote greater environmental responsibility and encourage the development and dissemination of environmentally friendly technologies. Suppliers must act in accordance with relevant local and internationally recognised environmental standards. Suppliers must minimise their impact on the environment and continually improve their results in relation to the environment.

Employee wellbeing – food and environment

Employee health is important to the Jyske Bank Group. There is therefore a focus on both physical activity during the working day and a nutritional diet.

In a working day characterised by sedentary work, it is important to take breaks and move at regular intervals. This can prevent and reduce discomfort and pain in areas such as the back, neck and shoulders. All employees have received an exercise band, and there is easy access to exercises – with and without an exercise band – on the intranet. The intranet also offers inspiration for 'micro breaks' and physically active meetings, walk and talk, etc. Moreover, branches and individual employees can at any time request a consultation by an ergotherapist/occupational therapist, who can advise on ergonomics and working posture.

Regarding diet, the canteens use organic, local, seasonal ingredients as far as possible, and seek to reduce the use of processed ingredients to avoid unnecessary additives. Canned products are therefore avoided and bag-in-box products are used instead. These are more environmentally friendly and result in a better working environment for canteen staff.

Food waste is a focus area in all processes and all canteens. Food waste is difficult to avoid completely. The canteen in Lyngby makes smoothies out of left over vegetables. These give employees an additional vitamin boost. A food sorting scheme was introduced in the head office in Silkeborg and the Vesterbrogade branch in 2017. Employees in the canteens take part in the process and sort the food waste, which is sent to external partners and converted into biogas.

In 2017, around 56.6 tonnes of food waste was converted into biogas. This corresponds to a CO₂ reduction of approx. 22 tonnes. In 2018, more branches will also focus on sorting coffee grounds etc., and the canteens will continue to look for better products for substitution.

Anti-corruption and bribery policy

The Jyske Bank Group aims to operate a business that is responsible, honest and in compliance with the legislation 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, our employees and our investments.

We must meet the international 'best practices' in this field – including UNGC and PRI. 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 are also working with relevant partners to establish 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 our policy in the area.

We work with anti-corruption, as appears from the section on sustainable business (for instance the whistleblower scheme, page 11, and responsible investment, page 13). Jyske Bank has entered into an agreement with an external adviser, who on an on-going basis reports on violations of international standards or conventions. During 2017, Jyske Bank participated in 157 dialogues with companies concerning violations of international conventions and standards, of which 11 cases related to corruption.

Human rights policy

International human rights are incorporated into the Danish labour market model and are therefore also a basis for the Group's activities.

In specific terms, this means that we observe human rights internally in the Group, where equal status, inclusion, labour rights, safety and health are core values 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 2018

Human rights under the Danish legislation are not a major issue in this year's CSR focus, due to the Group's location and ties. Most CSR dilemmas regarding human rights are related to our employee relations (read more on p. 16) and our investments (read more on p. 13).

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 clients have a good overview of their opportunities and risks. Finally, we ensure this by thoroughly checking that our clients do not use the bank for criminal purposes.

Client-related tax policy

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

The Group complies with the tax legislation in force in the countries in which we operate. In Denmark, this includes compliance with the rules on reporting clients' affairs to the Central Customs and Tax Administration (SKAT), the rules in the Executive Order on Best Practice for Financial Institutions, for example in relation to 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 cases of suspected tax evasion.

Abroad, the Group complies with applicable legislation, including the tax legislation in force. To ensure tax transparency, Jyske Bank only collaborates with clients where the bank either receives documentation of the client's tax reporting, or handles the tax reporting.

Since 2016, the Group has had a value-based client-related tax policy, which ensures that we provide the tax advice in relation to our products and services that we are under an obligation to provide. We also provide more extensive tax advice in areas such as succession and the Danish business tax scheme, but this is of a general nature without specific recommendations. We refer to external advisors for the latter.

A value-based tax policy means that we do not provide aggressive tax advice, but advice which is in harmony with the legislator's intention in 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's efforts to prevent money laundering and financing of terrorism remain a top priority. The Group aims in all respects to prevent money laundering and financing of terrorism, in order to fulfil the expectations of our clients, government authorities and society in this area. Such prevention is ensured through, among other measures, continuous training and education of employees, clear processes and guidelines, systematic monitoring and reporting.

The bank implemented the 4th Anti-Money Laundering Directive in 2017. All employees completed and passed Finanssektorens Uddannelsescenter's course on combatting money laundering and terrorism financing before 31 December 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 and the like
- Irregularities in the areas of accounting, internal accounting control and auditing
- Serious circumstances involving an employee, for example threats or violence.

Help with private finances

As a part of the financial sector, the Group has 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 manage their personal finances. We do this in several ways through special advisory services, teaching and counselling, if there is a prospect of a sale ordered by the court.

Digital accessibility for people with disabilities

The Jyske Bank Group has initiated a process based on the Accessibility Directive, which aims to make all client-oriented systems more user friendly for people with visual or other disabilities, i.e. online banking, mobile apps and Group's websites. This is being done in cooperation with external consultants, who are training Jyske Bank's system developers and testers to ensure that the necessary assistive features are incorporated into the code.

The work of reviewing the Jyske Bank Group's large software portfolio will be done over a number of years. At the same time, we will ensure that developers and testers take these matters into account in future systems, as a natural part of their work.

Financial insight for young clients – updated

One in two young people lack a basic understanding of their personal finances, and over 50,000 young people in Denmark are caught in a debt trap and are registered as bad debtors in the RKI register. This is not just a problem for the individuals, but for society as a whole. 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. Jyske Bank also participates in various initiatives aimed at teaching young people to manage their finances, such as student fairs, travel arrangements with a focus on travel budgets for young people, and 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 lower secondary school pupils a good basic understanding of personal finances, and thus make them better equipped to make sound choices. In 2017, 65 consultants from 47 Jyske Bank branches taught 111 classes at 76 schools. This means that almost half of our branches have participated in voluntary activities during working hours. One of the classes taught by Jyske Bank employees was a year 8 class at Grønnevang School in Hillerød. They did so well that they won this year's Money Quiz, and the title of Denmark's best class during Money Week and DKK 10,000.

This has been a great experience for both the pupils and Jyske Bank employees. The pupils gain important knowledge on topics like income from youth jobs, budgeting and saving. Employees get the opportunity to share their knowledge and give the young people a good foundation for future decisions.

Entrepreneurship

80% of Danish companies are small and medium-sized enterprises with an average of four employees. A significant portion of the revenue base in the country is thus generated from these companies. Jyske Bank is therefore very aware of the co-responsibility the bank has in relation to boosting economic understanding in society for existing and new companies.

There is growth potential for more sustainable businesses in Denmark. Jyske Bank takes joint responsibility for advising and guiding the companies and their owners, in order to improve their understanding of economics while also contributing to economic growth. Part of the advice we provide is to clarify expectations in relation to when companies can expect to obtain financing in the bank, what is required, etc. For Jyske Bank, it is never simply a matter of opening an account. We see value in building up lasting relationships and knowledge of the business model, management, etc., which will also be taken into account in any future credit ratings.

Jyske Bank is active in various entrepreneur networks, such as Danish Crowdfunding, Ivaerksætter Forening and Scion DTU. For the latter, we co-facilitate meetings between entrepreneurs and potential investors.

Responsible investments

At Jyske Bank we take responsibility for our investments. This entails that considerations in relation to the environment, social issues and corporate governance (ESG) are included in the investment decisions. Selecting investments based on a principle of responsibility is a complicated matter. Opinions differ widely when it comes to responsible investment. Investors, authorities, media, politicians as well as special interest organisations and industry associations have different perceptions. Jyske Bank therefore wants to assess for itself which companies and industries it is socially responsible to invest in.

Responsible initiatives

Jyske Bank has adopted 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 environmental, social and active ownership issues into investment analyses 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 to achieve openness on environment, social issues and active ownership from the units in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will cooperate with a view to enhancing the efficiency of the implementation of the principles.
6. We will report our activities and progress in the implementation of 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 advisor (Global Engagement Service – G:E:S), which regularly reports on what is happening in companies that seriously violate international standards or conventions.

Investment in government bonds

In December 2013, Rådet for Samfundsansvar (the Danish Council for Corporate Responsibility) issued guidelines for responsible investment in government bonds. These guidelines advocate that two principles be met:

1. International sanctions and bans issued by the UN and the EU must always be complied with. The Group complies with this principle.
2. Investors must, to the extent possible, themselves examine the conditions in countries that may pose a significant risk of violating human rights. Jyske Bank observes this principle, and we demand that our suppliers report on their approach to this principle.

Dialogue with companies promotes responsibility and accountability

The Group participates, along with other investors, in dialogue with companies concerning violations of international conventions and standards. The work is done via G:E:S.

During 2017, Jyske Bank participated with other investors in GES Engagement Forum in 157 dialogues with companies concerning violations of international conventions and standards. 66 of these dialogues concern companies in Jyske Bank's portfolios. 41 of these cases concern human rights and labour rights, 14 cases concern environmental issues and 11 cases concern corruption.

During 2017, 10 cases in Jyske Bank's portfolios have been solved and hence 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 27 of the cases. There have been partly positive results in 31 cases, while there have been poor or no results in 8 cases.

Continued focus on fossil fuels and investments

There has been continued focus during 2017 from media, investors and clients on investments in companies with activities related to fossil fuels (oil, gas and coal).

Jyske Bank is currently an advisor for three funds that screen out investments in companies related to fossil fuels. Through the Jyske Invest unit trust, Jyske Bank is an advisor for a global equity fund and a global bond fund with a focus on high-yield corporate bonds. In 2017, Jyske Bank became an advisor for a fund focusing on investment grade corporate bonds in the Jyske SICAV unit trust, registered in Luxembourg. Similarly, all three funds do not invest in companies engaged in activities related to weapons, tobacco, alcohol, gambling or adult entertainment.

Report on active ownership in 2017

'Komitéen for god Selskabsledelse' (the Committee on Corporate Governance) published its final recommendations regarding active ownership in November 2016. These related to policies, monitoring and dialogue with companies, collaboration with other investors, voting policy, conflicts of interest and reporting. Seven recommendations have flowed out of this, which are initially voluntary for the institutional investors.

This is Jyske Bank's report on active ownership in 2017 in relation to the recommendations from the Committee on Corporate Governance.

1. It is recommended that institutional investors publish a policy for active ownership in connection with investing in shares in Danish listed companies.

Verdict: JB is following the recommendation

Comments: The policy of active ownership is included in the overall policy for responsible investment.

2. It is recommended that institutional investors monitor and engage in dialogue with the companies in which they invest, taking due account of the investment strategy and the principle of proportionality.

Verdict: JB is following the recommendation

Comments: Based on an assessment of the given investment, monitoring and dialogue can take place alone or in cooperation with other investors. The approach is matched to the investment strategy and the principle of proportionality.

3. It is recommended that as part of their policy of active ownership, institutional investors specify how they can escalate their active ownership beyond the regular monitoring and dialogue.

Verdict: JB is following the recommendation

Comments: Opportunities for escalation depend on developments with the given investment – and ultimately encompass the possibility of sale and excluding specific investments. The approach has been matched to various investment strategies in the various investment solutions.

4. It is recommended that as part of their policy of active ownership, institutional investors decide how they will work together with other investors in order to achieve greater effect and impact

Verdict: JB is following the recommendation

Comments: The cooperation takes place, in part, through membership of PRI and Dansif, and via commitment activities together with other investors via an external service provider.

5. It is recommended that as part of their policy of active ownership, institutional investors adopt a voting policy and are willing to report whether and how they have voted.

Verdict: JB partially complies with the recommendation

Comments: The adopted voting policy is part of the total responsible investment policy, and has been matched to the principle of proportionality. Whether voting is reported will depend on the specific investment. Whether and how the vote was cast will generally not be disclosed.

6. It is recommended that the policy of active ownership should contain a description of how conflicts of interest in relation to active ownership will be identified and managed.

Verdict: JB is following the recommendation

Comments: Identifying and handling conflicts of interest is part of the policy on exercising voting rights.

7. It is recommended that institutional investors report on their active ownership activities at least once a year, including voting activity.

Verdict: JB partially complies with the recommendation

Comments: The report is included in the annual report as part of the reporting on corporate social responsibility. Whether voting is reported will depend on the specific investment. Whether and how the vote was cast will generally not be disclosed.

Responsible credit granting

Financial enterprises constitute an important part of the Danish economy. The Group therefore has a responsibility when granting 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 the funding needs of our clients. It has to be within a realistic framework, where the clients are able to repay the loan, but also have a disposable amount which is enough to 'live' on. The above principle is not just good business ethics, but also responsible credit granting. This makes demands on our account managers and on our credit granting – two sides that must go hand in hand. It can therefore be good and responsible advising to say 'no' to a credit request. A 'no' that might be decided based on 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 control 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 enter into individual agreements for debt repayment, including with other creditors.

In 2017, Team Bolighjælp was in contact with around 350 clients, and succeeded in finding a solution for 75% of them. The vast majority have been able to continue living in their home. 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. It is important to avoid a forced sale for the sake of all parties – society, the clients and the Group.

CASE: PROSPECTS OF LOSS OF APPROX. DKK 4 MILLION AT A FORCED SALE

Jesper contacts Team Bolighjælp in 2012 when his father-in-law has been hospitalised without any prospect of returning home. After reviewing the financial situation, it is apparent that Jesper's mother-in-law cannot afford to remain at the property, which is situated on a very large block of land. Team Bolighjælp agree with Jesper that they should try to split the site into three parts – the main house, an outbuilding and a vacant block – to be sold separately.

The subdivision process is drawn out, in part because it requires approval from a local development plan. Team Bolighjælp proposes that the RTL loan be made interest-only, so coming payments and the existing arrears can be paid incrementally.

The costs associated with the sale and surveyor are financed by postponing repayments, which are then caught up with over time. Approval to subdivide the block is only given in 2014. The three properties are sold during 2016 and 2017. Our clients makes a profit of approx. DKK 200,000 as a result of the subdivision and a general rise in prices in the area.

Employee welfare 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 professionally, personally and in terms of leadership, making them attractive and valuable in the job market. We are aware that our social responsibility is largely about providing access to jobs and training, including for young people.

We believe that diversity in the workforce creates results and development.

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 work with and involve the employees' collective representatives in important employee matters, both ad hoc and via the formal co-operation bodies, and we fully respect employees' right to organise.

KPIs and objectives

In 2017, we

- followed-up on our first employee survey from 2016
- had a stable proportion of female leaders slightly above 30 per cent
- focused on retaining employees via the 'Træd Tidligt Til' (step in early) initiative.

In 2018, we will

- improve our monitoring of the number of women in management, in order to sharpen our focus in this area, and at least maintain a proportion corresponding to the rest of the financial sector
- continue to follow up on wage differences between men and women
- further develop the close contact and dialogue between people on sick leave and their leaders and managers, to ensure a return to work and retention in the job
- maintain the number of flexi-jobs and developmentally disabled and mentally disadvantaged employees in the Group.

Employee welfare initiatives

Employee survey

In 2017, we conducted a follow-up survey following the initiatives launched after the Group's employee survey in 2016. The participation rate was 92%, which is very satisfactory, and the survey showed clear progress in the selected focus areas. The assessment is therefore that we continue to have a very high level of employee commitment in the Group. Last year, this commitment ranked in the top quarter for the financial sector.

Working Environment

To ensure a good working environment, the Group has had a dedicated OHS organisation with professional OHS consultants since 2012. They are centrally positioned in the organisation. Local OHS groups have been created to monitor the work locally in the branches, based on the proximity principle.

It was decided to integrate the workplace assessment into the employee survey, based on the dialogue-based WPA. The follow-up survey from autumn 2017 thus contained a data collection from the OHS area. The result of the survey is that the subsequent processes and action plans in the branches will be anchored locally. This applies to anchorage for well-being and commitment, and for the physical and psychological working environment.

Sick days

In 2017 we measured a decrease in sick days, which is largely due to the focus given to the Group's prevention and handling of long-term absence due to illness, in particular, in 2016.

In 2018, we will intensify these efforts and specifically intervene in long-term cases to ensure systematic and close dialogue between the employee on sick leave and the manager, with a view to clarification, return to work and job retention.

Disadvantaged employees take care of Klampenborgvej

In 2005, BRFkredit partnered with Sandtoften job and activity centre regarding cleaning jobs at BRFkredit. Sandtoften offers jobs for people with mental disabilities and the initiative is run by Gentofte Municipality. In 2017, the cleaning at Klampenborgvej in Lyngby was outsourced, tied to the requirement that seven developmentally disabled and psychologically disadvantaged employees can continue in their jobs in the Group. BRFkredit has seven people with special needs, such as suffering cognitive and psychological disorders, in supported employment in the team that takes care of the outdoor areas at Klampenborgvej in Lyngby. The Group is thus giving priority to offering persons with reduced working capacity the opportunity to have a meaningful occupation and fellowship with colleagues, and perform useful and valued work.

Flexible jobs programme

The Jyske Bank Group has 20 employees hired under the flexi-jobs programme, equivalent to 10 full-time employees. These are primarily Jyske Bank Group employees whose working capacity has been reduced, as well as a few employees who were hired directly for new positions under the flexi-jobs programme. The Group strives, as far as possible, to retain employees following illness or accident. It is realistic to maintain the number of flexi-jobs at the current level.

Training programmes and trainee positions

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

The plan is to appoint five new graduates every second year as trainees in the branch network, where they will take part in a formal training programme. Four trainees were appointed under this programme in 2017. The following numbers of employees were appointed to the basic financial training programme in the branch network in 2017 :

Trainee positions in 2017

Financial Management degree holders	23
Bachelors of Financial Management and Services	15
Total number of basic financial training places	38

Capital The Legal department, Capital Markets and Finance & Risk Management will continue to hire new graduates as required, who typically take part in more specific training programmes.

Voluntary work

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

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

Jyske Bank's Employee Foundation merged with Jyske Bank's General Foundation in 2017, and support can be provided to current and former employees of the Group through this.

Health Care

The Jyske Bank Group has a general focus on its employees' health in the workplace. Initiatives include healthy food in the canteens and a fruit scheme, and all employees have access to short exercise programmes via the intranet that may help reduce and prevent physical strain and pain. Ideas have also been launched for how employees can be more physically active at work, for instance by conducting meetings standing up.

Report on the gender composition of management

In 2013, pursuant to new legislation, the Jyske Bank Group adopted an equal opportunities policy entailing an annual follow up on gender representation in managerial positions. Moreover, the Group follows the recommendations from the Committee on Corporate Governance to discuss annually activities to ensure diversity relevant for the company, for instance, in respect of age and gender at the managerial levels in the company.

Target figure for the Supervisory Board

As called for by legislation, target figures have been defined for members of the Group Supervisory Board according to which it should be attempted to have four female members in 2021. Today there is one female member elected by the shareholders whereas there are five male members elected by the shareholders.

The Danish Business Authority's instructions of March 2016 prescribes the practice for financial enterprises that also employee-elected supervisory board members must be part of the valuation of the target. Since there are two female members of the total of three employee-elected members, there are currently a total of three female members of Group Supervisory Board. A total number of four would, according to the instructions of the Danish Business Authority, be a fair distribution. No progress was made in 2017 in respect of meeting this target as it was deemed necessary to maintain the competences of the board members up for election during the year.

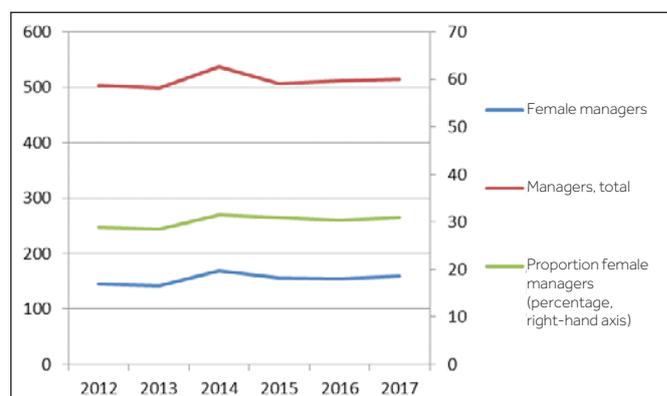
Equal opportunities and diversity policy

The aim of the equality and diversity policy is to ensure that the Group has the best possible leaders and employees, with good personal qualities and professional competencies. The policy focuses on giving all employees access to development and career opportunities. This includes seeking to increase the proportion of female managers.

Within the framework set by the Group's business needs, employee policies, employment conditions and development programmes must create as much flexibility as possible in daily work performance. It is an important principle of the policy that each individual employee is responsible for his or her own learning and development, also in respect of preparing for new tasks. Particularly in connection with managerial positions and other positions involving great responsibility, it is important that the employee has the sufficient motivation and displays initiative to become a candidate for the position.

Gender and management

As the diagram below shows, the proportion of female managers has been relatively constant at around 30% in recent years. There has been a modest increase compared to last year. By comparison, the gender distribution across all employees is 50.7% women and 49.3% men. Since 2013, there has been an increase in the proportion of female branch managers every year. At the end of 2017, the level was 25.1% (compared to 19.4% in 2013).



There are still very few women at the highest levels of management (8.3%, compared to 7.8% in 2016), while the proportion at the lowest level has been around 44% since 2014, which is an equal distribution according to the Danish Business Authority's definition. The strong female representation at the lowest management levels can be expected to contribute to a possible increase at the higher levels in the coming years. This expectation is supported by the fact that there is a constant stream of women taking part on the Group's management training programmes. Over the past few years, the proportion of women on the training programmes has been relatively stable at just under 50%.

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

The table showing women's salary as a percentage of men's salary in comparable management positions reveals quite a small difference, at around 97%. The differences are primarily explained by the fact that men have more extensive experience, on average, and typically have responsibility for larger branches. Developments in this area will be followed closely, both in order to boost the number of women and to ensure compliance with the principle of equal pay for work of equal value.

Age and management

The average manager is a little older (48.3 years) than the general average for all employees (45.1 years). The managers' average seniority, at 17.6 years, is also higher than the average across all employees (14.0 years). New managers, and managers in new higher level positions, had an average age of 44.0 years in 2017, slightly below the employee average. The average seniority among new managers was 9.7 years. The youngest new manager was a woman aged 27, and the oldest was a man aged 58.

WOMEN'S SALARIES AS A PERCENTAGE OF MEN'S	CORPORATES	NUMBER F	NUMBER M	PERSONAL CLIENTS	NUMBER F	NUMBER M
Branch Manager	97,23	5	32	97,31	24	72
Manager	96,20	9	31	97,44	56	53

Social Initiative Policy

HUSET og det bebyggede område" (the house and the built-up area) is the focal point of our social initiatives. In practice, we want to help establish better urban spaces and local environments and thus hopefully improvements for residents. This is the best way we can help give these areas a boost, in partnership with residents and other players. Overall, our social initiatives have three dimensions: A social dimension, a partnership dimension and an urban renewal dimension.

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

- We contribute 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.
- 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.

The following three sections describe selected projects and social initiatives in detail.

KPIs and Objectives for 2017

In 2017, we

- developed the 'skilled hands' project, which aims to ensure that more young people want to complete vocational training
- continued and completed our nature club cooperation with Save the Children Denmark
- continued our close cooperation with Muhabet and FødevarerBanken, and helped them increase their professional network and competencies
- completed the second NaboRum project. The goal was to start up five new projects, which has not been possible
- started MurMal (mural painting) on Greenland
- started the 'Monas Hus' project.

In 2018, we will

- involve 50 apprentices in project 'MurMal', including in Greenland, and create at least 20 apprenticeship positions
- continue our close cooperation with FødevarerBanken, and assist them in increasing their professional network and competencies.
- complete three 'NaboRum' projects on Lolland, and start up three new projects
- develop 'Mind Your Own Business' into an activity that can be rolled out to other Jyske Bank branches
- establish 'skilled hands' as a realisable project which can ensure that more young people undertake vocational training.

The above list is merely a selection of important KPIs for our social initiatives. We achieved several results in 2017. You can read more about these on the following pages.

Sustainable cities and local environments

As 'the homeowners' bank', and given our large commitment to the social housing sector in particular, we find it natural to be present where our existing and future clients spend most of their time – in their own homes and in the local community. Therefore, in 2017 we have taken the initiative for a number of projects, the aim of which is to create sustainable cities and local environments, always helped by committed residents and skilled partners from the public sector, the private sector and civil society.

Greenland MurMalerier (murals)

Jyske Bank went to Greenland in August 2017 to establish Greenland 'MurMalerier'. Jyske Bank has previously had success in getting disadvantaged young people with no vocational training to take an interest in learning a trade and/or experience success. The result is that these young people gain a foothold, which can later lead to vocational training.

The Greenland 'MurMalerier' project also aims to help build bridges between the youth, Greenland residents and other players. These parties must together support awareness of their culture, history and self-perception. Finally, Jyske Bank is involved in the project jointly with several of our clients who have interests in Greenland.

The short term objective is to arouse a desire to do further education through working at MurMalerier in the local area (Kujalleq Municipality in this case). The plan is to renovate 'Ældreforeningen', a drop-in centre where the elderly spend time and do various leisure activities. The long-term goal – over a three-year project period – is for 30 young people to start learning a building trade. Other groups such as photographers, chefs, bricklayers, carpenters etc. may also be considered.

The partnership group behind the project consists of Jyske Bank, the OAK Foundation and Kujalleq Municipality, and has a support group made up of a number of companies in south Greenland. In order for the project to be successful, many local players will have to be involved in the process. Partly to help legitimise the project in the local community, and partly to help provide the resources necessary for the ongoing implementation.

Jyske Bank will return to Greenland in spring 2018 to begin the first stage of the project. The goal is to get 20 young people involved in the project. When the first stage of the project has been completed, we expect that at least 10 young people will start on vocational training.

Lyngby Vidensby (Lyngby City of Knowledge)

Jyske Bank is collaborating with Lyngby-Taarbæk Vidensby on several activities. We held 'Bike town showdown' in 2017 – an event that promotes Lyngby-Taarbæk as an attractive (student) city, and which distributed used bicycles to students.

We also jointly hosted 'Boligdating' (home dating) with the city, where home owners in the area receive informed on the legislation governing room-letting. Interested students can come along and be matched with potential landlords.

Art, urban spaces and community for 'Monas Hus'

When Nykøbing Mors Culture Festival was held from 24-26 August, the Jyske Bank Group organised three activities under the slogan 'culture as a driving force'. The bank hosted a debate event and music event in Jyske Bank in Nykøbing Mors involving former Shubi-dua member Jørgen Thorup and city residents.

Part of Jyske Bank's social responsibility and sustainable commitment involves creating local environments that promote well-being and community. It is important for us to contribute to art, because art and culture are a dynamo that often drives growth. It surprises and challenges us, and helps move us one step forward. Art, at the right time, gives rise to thoughts and ideas that enable us to be inspired, so we can help innovate and improve the local community. This is one of the reasons why we take part in 'Kulturmødet Mors' (Cultural Summit Mors).

As a special gesture, Jyske Bank donated approx. 200 lithographs and 15 oil paintings to Mors, which were auctioned in August and December 2017. On both occasions, Adrian Hughes – an art expert from DR (the (Danish Broadcasting Corporation) – served as auctioneer, and the auction was held in the Art Society. The auctions raised DKK 65,000, to be used towards renovation of 'Monas Hus'. The activities and the auctions received major local support and extensive media coverage.

When the culture centre is completed, it will be used by local residents and artists who need a refuge and a space to express their creativity.

NaboRum' (Project Neighborhood) – Green meeting places in Aarhus

'NaboRum' was launched in 2016. The purpose of the project is to create better communities and more sustainable local environments in Denmark. The projects involve residents from start to finish, and the parties in the area where they are carried out serve as project managers.

The three winners in Århus have worked to realise their projects in 2017.

- The student hall in Herningvej has established a common area with barbecuing facilities which promotes social interaction.
- 'Kulturgyngen' in Mejlgade has established an outdoor urban space in its backyard with a multipurpose stage and green walls, for the voluntary associations to use.
- The Hasselbakken house owners' association has been in the process of re-establishing its common areas, but still needs a few elements to complete the project.

Jyske Bank contributes to 'NaboRum' via our long-standing experience in the built-up area, our strong business network, project management experience and communicative capacity. The three winning projects have therefore received resources and professional guidance to implement the projects from across the organisation.

'NaboRum' from Aarhus to Lolland

'NaboRum' is now an established project following its kick-off in Aarhus in 2016-2017.

We start on Lolland in 2018, where the three competition winners will get the opportunity to jointly realise their sustainable ideas.

As the 'homeowner's bank', and with our business partnerships and commitments in general housing, we have "Huset og det bebyggede område" (the house and the built-up area)' as the core of our work.

We know that dynamic urban spaces and communal meeting places promote well-being and local identity. We work with partners to solve environmental and climate challenges. Joint sustainable development is therefore something we want to contribute to and be part of.





Out of the housing block and into nature, Save the children



Give food and people A Second Chance, FødevareBanken (food bank)

Sustainable communities

Everyone needs to be part of a community, however, many do not feel that they are. Jyske Bank therefore wants to support projects which aim to strengthen communities in local environments.

We see cohesion between communities, good residential environments and sustainability as an area we want to contribute to, and as a recurring theme in our social initiatives.

Ud ad boligblokken – ind i naturen ('Out of the housing block and into nature')

This was a two-year project jointly with Save the Children, AAB, Vibo and Zealand housing association, which was completed at the end of 2017.

Jyske Bank sponsored the project during this period. When the BRFKredit employee association was disbanded, the employees decided that the association's funds should go to Save the Children.

The project's target group was children (and their parents and siblings) growing up in disadvantaged residential areas, who are at risk for various reasons of moving in a negative direction – both socially and vocationally.

The aim is – based on Save the Children's natural social principles – to create fun, safe and inclusive experiences and communities that improve the well-being and resilience of the children and families.

A nature experience club has been set up in each of the three housing areas, where the social housing staff and volunteers have worked together to create an inclusive club culture, and arranged 10 annual trips ranging near and far for 30 families. Save the Children recruited and trained the volunteers and helped them get started on outdoor activities, and provided ongoing input to volunteers and social housing staff. Two Jyske Bank employees have served as volunteers in two of the nature experience clubs. Jyske Bank also contributed to upgrading the clubs' equipment banks, and produced an information film involving some of the children.

The project is being anchored via Save the Children's local chapters in Roskilde, Fredensborg and Copenhagen. The local chapters will take over the clubs, adding them to their other activities, and through continued partnership with the housing associations.

The statements below from a parent and child show that the project objective has been met in full:

"It takes a lot of effort to go on a trip with children. We can perhaps go for a walk, but we can't do the same things as on the organised trips. It would take a lot of work, and the children would miss the other children."
(Parent)

"It was good that my mother came along. So she gets to see what I see. I held a frog in my hand. She wouldn't have seen that if she didn't come along."
(Child)

Muhabet – drop-in centre for mentally ill refugees and immigrants

Since 2009, the Jyske Bank Group has provided guidance and advisory services to Muhabet. The services have been: communication, legal assistance, fundraising and networking, to ensure a secure financial foundation. This goal has been achieved. Jyske Bank has also donated used furniture, kitchenware, clothes, computers etc. to the site.

Muhabet is a multicultural drop-in centre, based on hospitality, social interaction and community. Many immigrants and refugees are traumatised, lonely and isolated. They have a strong need for a place where they can mix with people in the same situation – while also building a network and contact with the local community. Muhabet is a café setting with an open kitchen, where it is possible to obtain a meal. Surplus food is provided by our common partner, FødevarerBanken, and other local businesses.

An excellent example of a broad partnership was held in week 17, 'Denmark Eats Together'. An activity organised by 'Folkebevægelsen mod Ensomhed' (the movement against loneliness). Jyske Bank, Muhabet and FødevarerBanken hosted a well-attended event at Nørrebro in Copenhagen. The neighbourhood was invited to enjoy a cup of hot soup, with entertainment from musicians from the Middle East with ties to Muhabet. The soup ingredients were based on fresh surplus food supplied by FødevarerBanken. Guests, volunteers from Jyske Bank and staff from Muhabet prepared and served the meal.

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

Over 212,000 Danes often feel lonely, corresponding to around 5% of the population. Loneliness means a lack of close relationships. 'Folkebevægelsen mod Ensomhed' has a vision of halving the number of people who feel lonely by 2020, through its members committing themselves to making an extra effort to combat loneliness. The goal is for people to get to know each other. Communal meals are a way of creating a framework for forming relationships.

The members comprise 70 organisations, associations, schools, municipalities and companies all over Denmark. Since becoming a member in 2014, the Jyske Bank Group has played an active role in establishing and developing 'Folkebevægelsen mod Ensomhed', spreading the message and breaking the taboo surrounding loneliness, for example through the 'Denmark eats together' national campaign. The campaign has attracted attention – 75% of Danes had heard about it. In future, the association intends to continually organise activities all year round.

Meal events provide a setting for social cohesion. Communities promote mental health and well-being – and are formed more easily over a meal. Loneliness affects people of all ages, but certain groups are more susceptible, such as immigrants and people with health problems and financial challenges.

This year, the Jyske Bank Group joined forces with our two partners – FødevareBanken and Muhabet, both of which seek to promote communities through meals.

Kloge Hænder (Wise hands) – more young skilled workers

The Jyske Bank Group has had a focus on developing and trialling methods to get more people to complete vocational training since 2010. Jyske Bank has taken the initiative to launch the 'skilled hands' project, because the 'more apprenticeship positions' project and preparation of the Code of Conduct were a great success.

Fewer and fewer young people are choosing a vocational education after lower secondary school. At the same time, one in five young people still have no higher education qualification seven years after completing year 9. The business sector has a great need for more workers with vocational skills, and young people who have no higher education are in a weaker position than those who do. It is therefore necessary to find a new way to encourage more young people to complete vocational training.

The aim of 'skilled hands' is to motivate more young people to complete vocational training. This is done, for example, by:

- giving more focus to and recognising practical skills in lower secondary school
- providing better insight into vocational training and career opportunities and closer contact with the local business community
- making young people aware of their own strengths and making these evident to schools, parents and business leaders, who will be helping them move on to further education.

Jyske Bank established the steering committee behind the project in 2017. It consists of Jyske Bank, CABI and the school principals' association. These partners aim to ensure that the project can be completed, and strengthen collaboration across schools, local businesses, organisations and local associations.

In autumn 2017, roadshows were held in five locations in Denmark under the title 'influence the workforce of the future'. These were the joint initiative of CABI, VFSA and Jyske Bank, in cooperation with Skolelederforeningen (the school principals' association) and Håndværkerrådet (the tradesmen's council), and the purpose was knowledge sharing. Based on this experience, we have written a number of recommendations to improve the school-business cooperation.

VFSA (business forum for social responsibility) and the Confederation of Danish Industries arranged a well-attended conference in November 2017. The steering committee behind 'skilled hands' made a presentation in the session titled 'Youth – invest in the workforce of the future'.

Pilot projects are planned throughout 2018 aimed at expanding 'skilled hands' nationwide.

Mind Your Own Business

Mind Your Own Business (MYOB) is an organisation which offers young men aged 13-19 years from disadvantaged residential areas the opportunity to establish their own company, in cooperation with a mentor company.

With a focus on entrepreneurship, the programme brings together the social potential in the business sector and civil society in a joint initiative to improve the young men's professional skills, social relationships and ties to the education system, the labour market and Danish society.

By always focusing on possibilities rather than limitations, an alternative learning space is created for participants. The proximity principle and a focus on development provide a framework for creating new and innovative opportunities together.

Jyske Bank's business centre in Aarhus served as a mentor for two groups in 2017. Jyske Bank draws on its key competences and corporate network. When establishing a company, it is necessary to have a bank account to handle income and expenses, and ensure that the financial base is sustainable. This can be a difficult and formal process which can seem abstract – especially as a teenager. But it is also a highly relevant learning process.

The staff at Aarhus Business Centre are proud that the bank is involved in the local area, and happy to use their skills to help the young people realise their dreams. The impact evaluation conducted by ALS Research, based on the 41 MYOB micro-company projects run in disadvantaged residential areas since 2010, shows that participants have benefited greatly. They have become better at Danish, English and Maths, and have more self-confidence, vocabulary and language. They have also developed personal and social competences, such as being better at respecting and listening to others, cooperation and a greater desire to participate in and contribute to society. The result is so positive that Jyske Bank has decided to expand its MYOB collaboration in 2018.



'Kloge hænder' (Wise Hands)

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. Jyske Bank is therefore working towards protecting the environment, while also making a difference. When it comes to food waste, we work together with the FødevarerBanken (foodBank) non-profit organisation, 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.

FødevarerBanken (foodBank) – from food waste to meals

The Jyske Bank Group has been working with FødevarerBanken since 2013, contributing financial support, professional advisory services, a network for clients and the business community and assistance with communication and marketing tasks.

FødevarerBanken is a non-profit organisation which fights food waste and food poverty in Denmark. 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 vital importance for their health. FødevarerBanken has been receiving surplus food from food producers, supermarkets and wholesalers for eight years. The food is distributed to disadvantaged people, including children, women and men in crisis, the homeless, drug addicts and people with mental illness.

According to 'Rådet for Socialt Udsatte' (the council for the socially disadvantaged), the number of poor and socially disadvantaged people in Denmark has risen significantly over the past 10 years. It is estimated that there currently over 40,000 Danes in long-term poverty, including over 8,000 children.

FødevarerBanken's work is of major importance to people and the environment. In 2017, approximately 180 volunteers redistributed more than 914 tonnes of food from food donors to approximately 201 recipient organisations in Denmark. This corresponds to 2.285 million meals, an increase of about 20% compared to 2016.

FødevarerBanken's results

	2016	2017
Volunteers	100	180
Recipient organisations	116	201
Food delivered (tonnes)	800	914
Meals	1,9 million	2,285 million

FødevarerBanken opens new branch in Kolding

Jørn Pedersen, Mayor of Kolding, and Esther Nørregård-Nielsen from OAK Foundation Denmark opened FødevarerBanken's third branch in December, which will cover all of the Region of Southern Denmark. This brings FødevarerBanken a major step closer to its goal of becoming nationwide. The official opening was attended by Jyske Bank's branch in Kolding, business partners, politicians, representatives from recipient organisations and volunteers.

FødevarerBanken currently has branches in Copenhagen, Aarhus and Kolding, and hopes to eventually open a branch to cover Northern Jutland.

Give food and people A Second Chance

In 2017, Jyske Bank's communications department produced a campaign film for FødevarerBanken's recurring 'Give food and people A Second Chance' campaign. The aim of the film is to draw attention to FødevarerBanken's work, and the greater needs socially disadvantaged people have for fresh food during the cold winter months. The film was shown to FødevarerBanken's partners and on its partners' websites, Facebook and the Jyske Bank Group's internal and external communication channels. The Netto supermarket chain also focused on the campaign in all its stores, and set an ambitious goal of collecting and donating 250,000 meals before New Year. The campaign is broad and reaches private consumers and businesses.



The year's joint events

The Jyske Bank Group and FødevareBanken, participated in debates and joint events at the Nykøbing Mors Cultural Festival, Aarhus Festival and the Confederation of Danish Industry's 'Seize the Sustainable Development Goals' conference.

Last spring, Jyske Bank, FødevareBanken and Muhabet jointly hosted a major event in connection with 'Denmark Eats Together' organised by 'Folkebevægelsen mod Ensomhed'. FødevareBanken provided ingredients for the soup, while Muhabet organised the food preparation and music. In cooperation with Jyske Bank and volunteers, the soup was served at the popular event in Bragesgade, Nørrebro in Copenhagen, where Muhabet is based.

CSR moves into Jyske Bank's branches

In summer 2017, Jyske Bank in Esbjerg had a goal of establishing a strong CSR profile, with the aim of strengthening their local brand and thereby attracting new clients and increasing employee satisfaction.

In cooperation with the municipalities of Esbjerg and Varde, funding was sought from foundations to develop innovative new ideas. The process took place on Mandø island, and the entire group of employees participated.

Young people on the edge of the labour market became a central issue early in the process. The result was the 'Frirummet' project, where a local social enterprise that works with disadvantaged youth is to set up 'Frirummet' as a meeting room where the bank can hold meetings with its clients.

The room is expected to be finished in February 2018, with supervision from Jyske Bank's Building and CSR departments. The meeting room will be furnished using re-used materials – including ship planks and other materials from the local area.

Events

Who is Aarhus for?

Under the title 'Who is the city for?', the Jyske Bank Group hosted a debate on the home and the built-up area during Aarhus Festival week. Aarhus is growing faster than ever before. This provides a unique chance to create new urban environments. But it also places demands on the settings for the new homes and common urban spaces. We therefore put a spotlight on how we can create a city characterised by community and diversity. Homes and urban spaces with space for everyone help ensure social and economic sustainability, and are a step towards achieving the UN's sustainable development goals.

We arranged a series of debates in the 'Tent on the Edge', Jyske Bank's tent in Åpark, and brought together a number of politicians, organisations, cultural personalities, researchers, members of the construction sector and ordinary Aarhus residents to debate various themes: Construction boom – who decides over Aarhus? Senior communal residences – new quality of life or aged ghettos? Young and homeless – is life on the street the end of the line? Wild growth in communal residences – are we group-minded or self-absorbed? In addition to the debates, the week also featured a number of music events and city walks.

Prize for Scandinavia's largest mural

The Danish House Painters' Association and the Kirsten and Freddy Johansen Foundation awarded 'Farveprisen' to the Jyske Bank Group for the 1200 m² mural on Hedegaards silo at Aalborg harbour, which the Jyske Bank Group instigated.

The prize was awarded for the good, colourful narrative 'the red ribbon' represents: The combination of skill and colour has resulted in a landmark that elegantly weaves together the city's culture and history on the grey patinated concrete. The prize was also awarded for the excellent partnership between art and vocational training.



Jyske Bank was awarded 'Farveprisen' (colour prize)

Christmas card donation 2017

We distributed money for socially disadvantaged children and youth for the 21st year in succession. The money is what we save on sending out Christmas cards, which are increasingly distributed electronically.

The DKK 75,000 donation went to the Mind Your Own Business association, which works with youth in disadvantaged housing areas. Many young people in these areas do not make it very far in the education system because they lack integration into Danish society. The Jyske Bank Group offers them a helping hand – through the Christmas card donation, and by involving its employees, who serve as mentors for the young people.

The donation is going to the development of an alumni network for current and previous participants in Mind Your Own Business, with the aim of maintaining a lasting, inspiring environment. A forum where they can continue to get support and create a positive identity. Read more about Mind Your Own Business on page 24.

Nykøbing Mors

Jyske Bank took part in the Nykøbing Mors Cultural Festival. Under the slogan 'Culture as a driving force', we hosted a debate, a music event and an art auction for the benefit of 'Monas Hus'.

Jyske 3-bold (Jyske 3-ball)

Jyske 3-ball was launched by Jyske Bank in 2005, and has been a regular annual children's football event for 13 years. A simple concept: Get children to play on a small playing field, have simple rules and focus on the joy of the game rather than the results. In 2017, 14 events were held with the participation of about 9,000 children aged 6-9 years. Jyske Bank provides healthy snacks and mineral water, which the hosting sports clubs sell to participants and earn profit from the sales. Each event is arranged in close cooperation with units of Dansk Boldspil Union (Danish Football Association) and local football clubs all over Denmark.

Our agreement with the DBU units expired on 31 December 2017. We will now part as good friends, and with a gift from Jyske Bank to DBU in the form of materials (bands, goals, tents, sound systems, etc.) valued at DKK 1m, so the units can continue to offer 'seriously fun football tournaments'.

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 Jyske Bank Group and the UN Sustainable Development Goals

In 2016, over 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 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 a cementation 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 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 – though 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 of the 17 Global Goals, but we hope that we will be able to work with more of the Global Goals in the long term.

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.



Sustainable Development Goal 2: Zero 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, and especially also through our partnership with FødevareBanken, which supplied 2.285 million meals to socially disadvantaged people in 2017 alone. A total of DKK 914 tonnes of food was distributed. We work with Sustainable Development Goal 2 both internally and externally.



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. As a financial company, we have a key role in ensuring 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 involvement in the Entrepreneur of the Year Award (EoY), where we celebrate the best and most innovative companies.

At the same time, we must also take our part of the responsibility for the financial stability in Denmark which is done through responsible client and credit policies.



Sustainable Development Goal 11: Sustainable cities and communities

Sustainable Development Goal 11 constitutes the cornerstone in the Group's external CSR efforts – the social initiatives. We are working with "HUSET og det bebyggede område" (the house and the built-up area) and the local community as the basis for our social initiatives, because this is a natural extension of our core business in the Group. We offer more than just home loans and bank loans. We also strive to create secure local communities, characterised by openness and fellowship, where our clients can thrive and where life is lived out.

More specifically, we work with intermediate aims 11.3 and 11.7 when we create more sustainable and inclusive local environments. Projects such as MurMal (mural painting) and NaboRum 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 (the movement against loneliness) and Save the Children's 'Out of the housing block and into nature' project 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 reduce the level of corruption and bribery. We are aware that our sector is the eye of the storm in these matters, and therefore they constitute a significant business risk for us. That is also a reason why we take joint responsibility actively to fight money laundering, tax evasion, bribery and corruption

We train our employees and make high demands for screening and documentation. And in several areas we demand an even stricter compliance policy than what the law dictates – especially in the tax area. We live up to the highest compliance standards.



Sustainable Development Goal 17: Partnerships for the goals

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

But 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 (UNG) are our way of engaging in an international partnership with the purpose of realising the Global Goals.

Glossary

1. 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 Virksomhedsforum for Socialt Ansvar (the business forum for social responsibility – 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 retain and integrate marginalised groups in the Danish labour market.

3. PRI

Jyske Bank has signed the UN Principles for Responsible Investment (PRI) 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 involve new standards for tax reporting and exchange of tax information across national borders. For Jyske Bank, this means i.a. reporting 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. CRS is incorporated into the Danish tax legislation. Jyske Bank has a reporting obligation for all clients, regardless of where they live. The Danish Customs and Tax Administration (SKAT) exchanges information with the countries in the CRS agreement.