

Report on corporate social responsibility 2012

Jyske Bank is aware of the banking sector's general importance to society, including importance in respect of financial stability, and in accordance with legislation and business circumstances, the Group fulfils its role in this respect.

In all respects, Jyske Bank strives to operate an honest, fair and responsible business in respect of the Group's values and views as well as in a way that upholds the balance between shareholders, clients and employees.

Jyske Bank has not implemented specific policies on social, ethical and environmental issues. In actual practice, the responsibility materialises as a natural ingredient of the Group's policies on all relevant areas and will always be based on relevant current legislation and specific business circumstances.

In the opinion of Jyske Bank, satisfactory results were achieved in 2012 from its work with corporate social responsibility. It is expected that this work will continue in 2013.

Investments

Jyske Bank seeks to optimise its clients' investments on the basis of their risk profiles. Jyske Bank takes corporate social responsibility in connection with investments, meaning that environmental, corporate social and corporate governance (ESG) issues are included in the investment decisions.

Jyske Bank has signed the Principles for Responsible Investment (PRI), which is a joint declaration on corporate social responsibility in connection with investments and the fulfilment of six key principles for responsible investment.

Jyske Bank cooperates with other investors to exercise active ownership in relation to companies with ESG challenges.

Jyske Bank has entered into an agreement with an external adviser, from whom Jyske Bank twice annually receives a screening report on companies seriously violating international norms or conventions.

In order to assess the reports from the external adviser, decide on the contribution to the cooperation with other investors on active ownership and in order to act in situations involving ESG challenges, Jyske Bank has established an internal committee, which can quickly be convened to decide on Jyske Bank's stance on the individual investment or the individual company.

Exercising responsibility when selecting investments is a very complicated matter. Opinions differ widely when it comes to responsible investment. Investors, authorities, media, politicians and interest groups have varying definitions of the concept. Jyske Bank does not wish to be bound by certain conventions or international charters. Jyske Bank wishes to be at liberty to assess which companies and industries it will invest in on the basis of corporate social responsibility.

In 2012, Jyske Bank was together with other investors involved in a number of engagements regarding violation of international conventions and norms. In several cases, it was ascertained that the engagement generated positive results.

In the spring of 2012, Jyske Bank's external adviser identified EU sanctions against three countries, and therefore the Jyske Bank Group has opted not to invest in these countries. Already at that time, the Group did not have any investments in the countries in question.

Through its membership of DANSIF, Danish Social Investment Forum, Jyske Bank participated in the annual survey of responsible investment in Denmark. The survey found that 86% of the largest 50 institutional investors in Denmark have a policy for responsible investments.

Jyske Bank expects that in 2013/2014 it will conduct the first full-year reporting and assessment survey according to the PRI guidelines. After completion, this report will be available at jyskebank.dk/samfundsansvar2012/csr2012.

Environment and energy

Jyske Bank's view of environment and energy is in line with its wish to create a setting that ensures a good working environment. Based on common sense, Jyske Bank is continuously reviewing its energy consumption and chooses installations and solutions with a view to minimising energy consumption.

Jyske Bank

- assesses installations and lighting in respect of their operating life and energy consumption;
- views architecture as a means to minimise energy consumption;
- focuses on possibilities of utilising alternative energy sources;
- focuses on integration of energy sources in its building and construction projects;
- considers sustainability when choosing new decoration and layout elements.

When printing marketing materials, the Group uses products with the Nordic Ecolabel (products with this Ecolabel have the least possible impact on the environment). Such products are used whether the marketing materials are printed by the Group's own printing shop or by an external printing shop. The same applies to paper used in printers throughout the Group.

Employees

An important element of the employee policy of Jyske Bank is that the Group shall constitute a place of work where lasting relations are created in a productive, trusting and unpretentious working environment characterised by reserves of strength and positive energy. Another important principle is that Jyske Bank is a socially responsible employer within the limits set by the market economy under which Jyske Bank operates.

With a view to strengthening efforts to secure a good working environment, Jyske Bank professionalised its working environment organisation in 2012. Employees holding special competences were employed to handle the tasks, whereas previously these tasks were solved as a sideline activity by employees with another primary role in the Group. The employees of Jyske Bank will find that they obtain easier access to professional support, and also the overall efforts in the area of working environment will to an increasing degree be coordinated with a view to meeting mutual needs.

A new initiative launched in 2012 was 'Aktiv skadesbehandling' (active claims handling), which in cooperation with Bankpension, among others, aims at securing employment for long-term or chronically ill employees.

In September 2011, Jyske Bank was forced to lay off a substantial number of employees to improve the balance between income and expenses, and following these layoffs, the employees in question were offered training and outplacement programmes. These programmes were offered in addition to those stipulated by legislation and collective agreements. Thanks to these measures, about 75% of the participating employees have moved on to new jobs or educational programmes. This was in line with Jyske Bank's expectations and is considered very satisfactory considering the adverse job market.

Jyske Bank is conscious that the corporate social responsibility of an employer very much involves facilitating the access of young people to jobs and education and offering employees the possibility of training and development that will make them attractive and valuable in the job market. In consequence of the changing structures and lower employment in the Danish financial sector, the Group has decided to employ fewer newly qualified candidates than was previously the case, yet they will still form a significant part of the inflow of employees.

Jyske Bank supports the work on voluntary debt counselling instigated by the Danish Ministry of Social Affairs and Integration and a number of organisations by encouraging account managers and advisers to take part in this work by offering them time off with pay covering half the time they spend on such debt counselling. After renewed efforts in the area in 2012, the number of employees who have registered for the programme is so high that over the coming years Jyske Bank will be able to contribute with a number of advisers corresponding to the Bank's market share.

Clients

In its credit policy, Jyske Bank emphasises the importance of responsible conduct towards clients as well as guarantors.

The basis of Jyske Bank's concept for advisory services to corporate clients is that of a strategic dialogue that will ensure the client an overview of opportunities available to and risks facing him. This entails, among other things, a dialogue about circumstances relating to the client's corporate social responsibility. According to analyses, corporate clients rate Jyske Bank's advisory services as satisfactory, but there is no particular measurement indicating the outcome of the dialogue about issues relating to the client's corporate social responsibility.

Jyske Banks Almennyttige Fond og Medarbejderfond (the Jyske Bank Employee Fund and the Jyske Bank Non-Profit Fund)

Jyske Bank has established Jyske Banks Almennyttige Fond; the purpose of this non-profit fund is to further charitable causes as well as the development of trade and industry. Hence, by giving prizes, etc., several activities of a varying nature all over the country have been supported over a number of years.

Moreover, Jyske Bank has established Jyske Banks Medarbejderfond, of which the purpose is to support current and former employees of Jyske Bank.

The funds' capability to render support depends on the return on their initial capital. According to the Articles of Association, the majority of the initial capital is invested in Jyske Bank shares, and because the Jyske Bank share in line with other bank shares is still very much affected by the financial crisis, the funds' reserves - and hence their distributions - are currently limited.

This statutory report constitutes part of the management's review in the Annual Report 2012 of Jyske Bank.