

## Report on corporate social responsibility 2011

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, customers and employees.

Generally, Jyske Bank does not wish to be bound by charters or declarations on responsibility; nor has the Group implemented specific policies on social, ethical and environmental issues.

In actual practice, the responsibility of Jyske Bank materialises as a natural ingredient of the Group's policies on all relevant areas and will always be based on current legislation in the area and specific business circumstances.

In the opinion of Jyske Bank, satisfactory results were achieved in 2011 from its work with corporate social responsibility. It is expected that this work will continue in 2012.

### Investment

Jyske Bank seeks to optimise its customers' 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 2011 Jyske Bank joined DANSIF, Danish Social Investment Forum, an impartial forum for players with a substantial interest in socially responsible investment.

Jyske Bank prepares a separate report on its work with responsible investment according to the guidelines of the PRI, and upon completion this report will be available on

[www.jyskebank.info](http://www.jyskebank.info).

### 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 solution with a view to minimising energy consumption.

Jyske Bank is taking measures in respect of conserving energy; for instance by

- being critical of technologies being installed in Jyske Bank's properties;
- assessing installations in respect of their operating life and energy consumption;
- viewing architecture as a means to minimise energy consumption;
- focusing on possibilities of utilising alternative energy sources.

In 2011, the Group put into service a new 'low energy class 2' building for IT operations; this building is prepared for future use of alternative sources of energy as such new opportunities arise.

In 2011, Jyske Bank's expenses for electricity fell by 16% relative to 2010, and overall the expenses for electricity, water and heating fell by 7%.

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 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.

In September 2011, Jyske Bank was forced to lay off a substantial number of employees to improve the balance between income and expenses. The process as well as the terms and conditions for the lay-offs had been negotiated with Jyske Bank Kreds (Finansforbundet – i.e. the Financial Services Union Denmark) and entail that Jyske Bank offers contributions to the employees given notice of dismissal, enabling them to participate in training and outplacement programmes. At the turn of the year, only a few of these training and outplacement programmes had been completed. It is expected that, in the six to twelve-month term, more than 80% of the participating employees will have found new employment.

Despite this necessary reduction in the number of employees, 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. Considering the prospects of 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. Currently six employees participate in this scheme.

## **Customers**

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

The basis of Jyske Bank's concept for advisory services to corporate customers is that of strategic dialogue that will ensure the customer an overview of opportunities available to and risks facing him. This entails, among other things, a dialogue about circumstances relating to

the customer's corporate social responsibility. According to analyses, corporate customers 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 customer's corporate social responsibility.

### **Jyske Banks Almennyttige Fond and Medarbejderfond (the Jyske Bank Non-Profit Fund and the Jyske Bank Employee 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 contributed capital. According to the Articles of Association, the majority of the contributed 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 2011 of Jyske Bank.*