
Sustainability Update
Q2 2021



"We have an ambition of running our business responsibly and in a way that promotes sustainability."



- Promoting sustainability as expressed in UN's 17 Sustainable Development Goals with focus on both direct and indirect impacts.
- With the approach "All progress counts", responsible banking remains an integrated part of our operations, supplemented by the key priority of promoting sustainability through business activities such as lending and investments.
- Jyske Bank is a signatory of UN's Principles for Responsible Banking and Net Zero Asset Managers Initiative.



Identifying negative and positive areas of impact on the SDGs

Principles for Responsible Banking as framework for work on sustainability:

Jyske Bank aims to promote sustainability as expressed in UN's 17 Sustainable Development Goals - with focus on both direct and indirect impacts.

Identifying impact areas: Our impact analysis identifies the most significant areas that are challenged in relation to the UN's 17 Sustainable Development Goals on the basis of the current business model ("negative impacts") and similarly the areas of activity that support sustainability ("positive impacts").

Quantification of impacts provides guideline for future efforts:

- Jyske Bank has identified climate as the most relevant impact area and estimated the CO₂ emission for lending and investing activities.
- The estimates are a guideline for the further efforts to identify possibilities of reducing negative impacts and enhancing positive impacts. Estimates will be updated on an annual basis.



Climate impact mainly stems from financed emissions

CO₂ emission of 2.3m tonnes: 63% relate to loans and 37% to investments

- Corporate loans account for 43%, mainly caused by the transport industry.
- Loans for personal clients account for 20%, almost equally distributed on home loans and car loans.
- Asset mgmt. on behalf of clients accounts for 26%, down by decrease driven by opting for the less CO₂ intensive alternative.

Next step: Reduce negative/increase positive impact and establish targets

- Focus on bringing the impact analysis and the ensuing CO₂ estimates into play as a basis of decision making for the business units.
- Launching products that support sustainability, having launched sustainable investment products, loans for energy improvements of homes as well as green mortgage product for commercial clients.

Business volume and CO₂ emission

	Business volume DKKbn			Emission tonnes CO ₂ (000s)			CO ₂ tonnes per DKKbn	
	2020	2019	Δ	2020	2019	Δ	2020	2019
Investment	182.0	179.2	2.7	869.4	1,097.3	-227.9	4.78	6.12
Asset mgmt.	110.6	114.4	-3.9	619.2	914.1	-294.9	5.60	7.99
Inv. portfolio	71.4	64.8	6.6	250.2	183.2	67.0	3.50	2.83
Loans	418.4	417.2	1.2	1,479.6	1,607.6	-128.0	3.54	3.85
Personal clients	195.9	197.6	-1.7	478.4	499.9	-21.5	2.44	2.53
Corporate clients	222.5	219.6	2.9	1,001.2	1,107.7	-106.5	4.50	5.04
Total	600.3	596.4	3.9	2,349.1	2,704.9	-355.8	3.91	4.54

Offers financing solutions that support sustainable transition



Jyske Bank has identified five sustainable lending areas where financing especially can contribute to a reduction of the CO₂ emission and support a sustainable transition.

We have set goals to help realise the potential:

- Financing 4.5 TWh renewable power in 2025 by supporting development of wind and solar energy (2020: 2.5 TWh).
- In 2025, 40% of new vehicles loans will finance low-emission vehicles.
- Financing of DKK 40bn of commercial property with low energy consumption by 2025 (2020: DKK 31bn).
- Developing products that assist and motivate clients to undertake energy improvements of their properties (e.g. energy loans and CO₂ calculator).

Simplifies sustainable investment



Jyske Bank aims to make sustainable investment simple and accessible for clients by offering sustainable products, advice and services.

Our responsible investment spans four pillars:

- Active ownership and engagement with companies on e.g. sustainability.
- Integration and governance of ESG factors in investment decisions, processes and products.
- Inclusion and exclusion of investment candidates solely based on sustainability-related matters.
- Communication and reporting on investments and the results of our efforts through e.g. sustainability fact sheets.

Provides knowledge of sustainability



Jyske Bank wants to ensure that clients are able to make informed decisions through a nuanced and transparent approach to sustainability.

We have so far focused on three areas:

- Informing clients about energy improvement by news letters, webinars and blog posts given subsidies from authorities and favorable remortgaging opportunities.
- What's behind your investments? New methods and workflows facilitate increased transparency on investments' ESG data.
- Got a Minute? Informing on best sustainability practice in a series of mini-portraits of companies that successfully integrated sustainability in business models.



Objectives and initiatives



We will finance production of 4.5 TWh of renewable energy in 2025.



We will provide financing for low-emission commercial properties of DKK 40 bn in 2025.



40% of new lending for financing vehicles will be for low-emission vehicles in 2025.



We support the Danish Investment Association goal of reducing the carbon footprint of private investors' investments in equity funds by 75% in 2030 compared to MSCI's global share index in 2020.



By the end of 2022 we will offset our CO₂ emissions from electricity, heating and driving the bank's vehicles with our own production of renewable energy.



Responsible Banking Operations



Prevention of financial crime

Minimising the risk of being abused for financial crimes such as money laundering and financing of terror through education, governance and systematic surveillance.



IT and data security

Ensuring a sufficient IT and data security level to withstand the prevailing cyber threat by constantly testing systems and educating employees.



Responsible employer

Aiming to stay an attractive place to work that ensures job satisfaction, equal rights and development opportunities for all employees in a healthy environment.



Sustainable banking operations

Reducing the negative impact on society.

Electricity consumption is offset by own renewable energy production. By end-2022, emissions related to district heating and company cars will also be offset.

Energy management systems installed on all locations in order to keep reducing consumption. Company cars will gradually be replaced by low-emission vehicles.



Social engagement

Engaging in several social projects and efforts to make a difference in regards to e.g. financial safety, well-being and social relationships through our resources and skills.



Healthy corporate culture

Promoting integrity as well as highly ethical and professional standards, underpinned by a framework of policies of good practice and education of employees.

Jyske Bank's wind turbine

In 2020, Jyske Bank acquired a Vestas V136 4.2 MW wind turbine, a part of Denmark's first subsidy-free wind park at Port of Hirtshals. It produced 16.1 GWh in 2020.



Rating: Medium risk
(top 40% of rated financial institutions)



Rating: AAA
(top 3% of rated banks)



Rating: C-
(top 20% of rated financial institutions)



Rating: C
(financial sector average is B)



46/100
(Ranked 39 of 96 rated in sector)

ESG ratings

Jyske Bank is committed to transparency and making information on ESG matters accessible.

We select relevant ESG raters and enter into a dialogue with them. The selection is assessed on an ongoing basis.

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