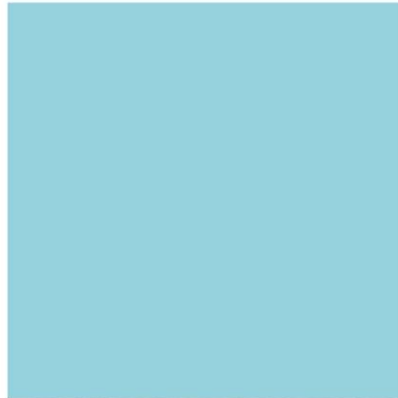


Nykredit



Totalkredit



Corporate Responsibility Policy

November 2020

Nykredit's corporate responsibility

Purpose and approach

Nykredit's corporate responsibility approach is rooted in our history, ownership and size. To us, corporate responsibility is not a new trend; it lies at the core of everything we do.

For more than 165 years, Nykredit has helped Danish families buy their homes and Danish businesses grow. And as a natural continuation of Nykredit's cooperative heritage, we are today predominantly owned by an association of customers. In essence, this means that our overarching objective is to run a financial business for the benefit of our customers.

Today, we are Denmark's leading lender, the largest lender to homeowners and one of the largest lenders to small and medium-sized enterprises, the agricultural sector and the housing sector. Nykredit is *the lender to people and businesses all over Denmark*.

As such, we have special responsibility for operating in ways that contribute to continuing stability and sustainability and create shared value for our customers and for society.

Corporate responsibility is an integral part of our core values, strategy and business, permeating day-to-day behaviour and policies throughout the entire organisation.

Our core values, as expressed in "The Story of Nykredit: Nykredit In Denmark", comprise six pledges to our key stakeholders: our customers, partners in the Totalcredit alliance, society, colleagues, shareholders and investors. Our strategy lays out a shared course for all at Nykredit.

Nykredit's Corporate Responsibility Policy sets the framework for how we integrate corporate responsibility into our business and defines the general principles applicable to all staff members of the Group. Our Corporate Responsibility Policy is also put into practice through the implementation of a number of other policies.

Obligations

Nykredit aims to actively support Denmark's long-term stable and sustainable development.

We are therefore committed to minimising any negative impacts of our business and to contributing positively to society by creating maximum shared value for our owners, our customers and Denmark as a whole. We expect all staff members to be guided by this commitment every single day.

Nykredit's core business comprises banking, mortgage lending, estate agency services, administration and management of investment funds, leasing and insurance mediation. Where relevant, we seek to incorporate economic, social and environmental considerations as well as respect for human rights into our business activities in close partnership with our customers and stakeholders.

As Denmark's largest lender reaching more than 1 million customers, our financial strength plays a key role in the development of Danish society. Our capacity to provide loans when and as needed by homeowners, housing organisations, the agricultural sector and businesses lies at the core of our corporate responsibility. This is why we have pledged to actively support development and growth in all of Denmark at all times. We will deliver on this pledge by being an active lender to people and businesses in all regions of Denmark and by generally upholding responsible relationships with our customers and maintaining responsible credit, capital and risk policies.

We will also do our best to create a greener Denmark for our children and for future generations. We set out to make it easier and more affordable for our customers to make green and sustainable choices – as homeowners and savers and as businesses and investors. In this way, we aim to promote the highest possible level of sustainability in the homes, buildings, farms and businesses we finance.

At the same time we want to be a responsible employer by continuously developing and enhancing the skills of our staff to prepare them for a rapidly changing labour market.

We are committed to responsible and sustainable investment, both when investing our own and our customers' funds. Our fundamental belief is that companies that are engaged in sustainability and want to be part of the solution, not the problem, are simply better investments. Furthermore, our investments must meet the high Danish and international standards for responsible investment at all times. We will offer our customers high-quality investment products that generate competitive returns and promote sustainability, and we want to further develop new methods and products to help our customers achieve their sustainable investment ambitions.

We want to set ambitious goals aimed at reducing the direct and indirect climate and environmental footprint of our physical locations and our transport, energy and resource consumption. As purchasers we also wish to be ambitious in placing environmental and human rights demands on our suppliers. This is a natural part of our corporate responsibility, and it is also a key element of our focus on cost efficiency.

We seek to prevent corruption and the misuse of Nykredit as a vehicle for money laundering, terrorist financing and tax evasion. Our aim is to handle data securely and to prevent cyber attacks in a digital world with a rapidly changing cyber crime landscape.

Guided by national and international standards

We act in compliance with Danish and international law at all times.

We also adhere to a range of Danish and international agreements and standards.

We have adopted the Ten Principles of the UN Global Compact on responsible business practices, which include a commitment to promoting human rights, labour standards, the environment and anti-corruption.

We have adopted the UN's Principles for Responsible Banking (PRB) and are working to ensure that our strategy and business support sustainable development in accordance with society's goals.

We have adopted the UN Principles for Responsible Investment (PRI) and have incorporated environmental, social and corporate governance (ESG) factors into our investment practices. We conduct shareholder engagement and invest with due consideration for international guidelines on human rights, labour standards, the environment and anti-corruptions. We strive to meet the recommendations of the Danish government on responsible investment and the recommendations on shareholder engagement laid down by the Danish Committee on Corporate Governance.

Wherever relevant, we support and apply the OECD's Guidelines for Multinational Enterprises and the UN Guiding Principles on Human Rights and Business.

We aim to support the fulfilment of the UN's 17 Sustainable Development Goals (SDGs), concentrating on the areas in which Nykredit can truly make a difference.

Governance and reporting

Nykredit's Corporate Responsibility Policy is reviewed annually and is subject to approval by the Board of Directors of Nykredit A/S. The Board of Directors is briefed at least annually on Nykredit's corporate responsibility activities, often at the time of publication of the statutory corporate responsibility report.

The Group Executive Board makes up Nykredit's Corporate Responsibility Committee. The Group Executive Board approves Nykredit's priorities that form the basis for translating corporate responsibility into initiatives, business procedures, products and processes and monitors their implementation.

The relevant support functions and business units are responsible for putting Nykredit's corporate responsibility into practice. The unit People & Identity/External Relations & Corporate Responsibility coordinates and communicates Nykredit's corporate responsibility activities, including the annual reporting, across the Group.

Nykredit reports on its corporate responsibility commitment once a year in accordance with the provisions set out in section 135 of the Danish Executive Order on Financial Reports for

Credit Institutions and Investment Firms, etc. and the principles laid down in the UN Global Compact, and we report on our contribution to the UN's 17 Sustainable Development Goals.

Policies implementing our corporate responsibility policy

The majority of Nykredit's internal and external policies and guidelines contribute to the implementation of the Group's corporate responsibility in a range of different areas. For an overview of Nykredit's external policies, please visit: <https://www.nykredit.com/om-os/organisation/politikker/>.

Approved by the Boards of Directors of

- Nykredit A/S 3 November 2020
- Nykredit Realkredit A/S 3 November 2020
- Totalkredit A/S 30 October 2020
- Nykredit Bank A/S 29 October 2020
- Nykredit Portefølje Administration A/S 29 October 2020
- Nykredit Leasing A/S 28 October 2020
- Nykredit Mægler A/S 12 November 2020

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