

Policy on Sustainability and Corporate Social Responsibility

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Scope

The Group Policy on Sustainability and Corporate Social Responsibility applies to the following subsidiaries of the Jyske Bank Group:

- Jyske Bank A/S
- Jyske Realkredit A/S
- Jyske Finans A/S
- Jyske Invest Fund Management A/S

This policy is passed by the supervisory board of each subsidiary.

Every company may adopt one or more business procedures, provided that these do not conflict with neither the scope or the contents of this Group policy.

Jyske Bank A/S ensures that companies of which Jyske Bank A/S has full operational control¹, are managed in accordance with the principles laid down in this policy, with any required adjustments in proportion to the companies' scope, line of business and any special provisions.

Background

As a large financial group in Denmark, Jyske Bank aims to actively and responsibly engage in the transition of society along with our customers, hereby supporting and facilitating a sustainable development on a long-term commercial basis.

In order to actively and responsibly engage in the transition, the integration of climate and environmental considerations, social considerations, respect for human rights and economic responsibility is required in both internal and business-oriented activities throughout the Group.

The Jyske Bank Group believes that the best long-term results are achieved when the sufficient balancing of the interests of customers, employees, shareholders and the surrounding society is in place.

Purpose

The purpose of the Jyske Bank Group's Policy on Sustainability and Corporate Social Responsibility is to create the framework and direction for the Jyske Bank Group's approach to managing and contributing to the societal transition.

The Policy on Sustainability and Corporate Social Responsibility sets the framework for the Jyske Bank Group's efforts to identify, assess and handle negative and positive impacts, material sustainability issues and sustainability risks and opportunities at Group level.

In addition, the policy contributes to the compliance with regulatory obligations at Group level, related to e.g. the Corporate Sustainability Reporting Directive (CSRD), Recommendations on Corporate Governance from the Committee on Corporate Governance as well as the UN Principles for Responsible Banking (UN PRB)², of which Jyske Bank A/S is a signatory.

¹ This means 100 percent ownership via publicly traded or non-publicly traded shares

² Principles for Responsible Banking – shaping the future of banking: www.unepfi.org/banking/bankingprinciples

Sustainability programme at the Jyske Bank Group

Approach to sustainability

The Jyske Bank Group's overall approach to sustainability is based on the principle of double materiality.

This principle dictates that a company's sustainability performance should be assessed based on two independent perspectives:

- Financial materiality: Sustainability risks and opportunities that may have a material impact on the company's financial performance, development and market position now or in future. For instance, supply chain constraints caused by climate change, changed customer demand that impact revenue, or CO₂ taxation causing cost increases.
- Impact materiality: The most material impact on people and the environment that the Jyske Bank Group has, now or in the future, in its own operations and in its value chain, whether of a positive and negative nature. For instance, a company's impact on human rights through its value chain, pollution caused by business operations and climate footprint.

Impacts, risks and opportunities

The Jyske Bank Group acknowledges the value of having the robustness to handle sustainability risks, e.g. as a consequence of its role as financial player and SIFI Institute. Furthermore, the Jyske Bank Group can impact the sustainable development, specifically through financing and investment.

The assessment of the Group's financial materiality, as well as group-level ESG risk management, is handled in compliance with the Jyske Bank Group's internal framework for ESG risk management.

The Jyske Bank Group conducts an annual structured process aimed at identifying and assessing impact, risks and opportunities (IRO). The data-driven approach uses, among other things, data points from the Sustainable Finance Disclosure Regulation (SFDR) and CSRD. Key players and subsidiaries are involved in this process, including:

- Knowledge of and expectations for material interested parties in the Group's own value chain
- The international obligations and initiatives that all or parts of the Jyske Bank Group has adopted or supports
- The probability and severity of the various identified impacts, with the severity being assessed based on scale, scope and irremediable character, in accordance with the OECD guidelines for Multinational Enterprises
- Probability and financial impact of sustainability risks and opportunities

The IROs identified are assessed on the basis of the before-mentioned principle of double materiality. The result of this double materiality assessment defines the Jyske Bank Group's material sustainability topics and is carried out for Jyske Bank value chain, i.e. the Group's own activities as well as downstream and upstream activities.

The identification of the material sustainability topics is approved by the Group Supervisory Board of Jyske Bank A/S, following recommendations submitted by the Group Executive Board. The supervisory board of the respective subsidiary decides on the material sustainability topics for each subsidiary, if this is warranted as per stand-alone commitment.

Integration in Group strategy

Sustainability is a key element of the Jyske Bank Group's 2024-2028 strategy. Various business-related ambitions have been defined related to manners in which the Group can promote sustainability in active co-

operation with its customers, e.g. via loans and investments, and pro-active efforts are put into responsibility in own activities, for instance prevention of financial crime, IT and data security and being an attractive workplace.

The Jyske Bank Group has a long-term goal of net-zero carbon emissions on loans, investments and own activities. The Group regularly defines new goals for both its business and own activities that comply with recognised standards and initiatives. Concrete action plans ensure ownership for initiatives implemented, and follow-up procedures on sustainability are integrated in all the Group's steering principles.

Strategic initiatives and associated group level targets and action plans are handled within the framework of the established sustainability governance set-up at the Jyske Bank Group.

The resources and budget for the implementation of strategic initiatives are registered and prioritised as part of the Group's strategy process, similarly to other strategic initiatives, which ensures correlation to the allocation of resources and budget.

Integration in business activities

The Jyske Bank Group is actively working for the sustainable development and also expects its customers, investee companies, business partners and suppliers to make an effort towards the transition to a sustainable society. The Jyske Bank Group believes that sustainability is best promoted via engagement and dialogue with customers and prefers to impact rather than deselect or make exclusions based on the overall sustainability assessment of a sector.

We strive for alignment across business areas, to the extent this is relevant, in terms of the activities financed or invested in.

Sustainability is an integral part of the value proposition to our customers, and the Jyske Bank Group aims to constantly offer products, services and advisory solutions that support the customers' transition in all key business areas of the Group.

The Jyske Bank Group focuses its business-oriented activities within two main areas:

- Finance, including loans and deposits, mortgage credit and leasing (collectively referred to as finance)
- Investment as well as portfolio and asset management (collectively referred to as investment)

Finance

The Jyske Bank Group offers loan products, advisory services and other services in connection with financing the alterations that the Group's customers want to make, in order to move their activities on to a more sustainable pathway.

A number of customers - not least corporate customers - may need to move their activities on to a more sustainable pathway, in order for the customer to have a more sustainable business model going forward. The Jyske Bank Group is focused on each customer's transitional opportunities and wants to - with all due deference to sound risk management - aid customers of the Group in their transition to increased sustainability.

Hence, the Jyske Bank Group assesses whether the corporate customer has identified and considered their risks related to environmental, social and governance issues, assessing how these risks may impact the company's business foundation, earnings capacity and capital structure, including whether the required transition is attainable on a commercially justifiable basis.

All credit must be granted in accordance with Jyske Bank Group's Credit Policy at that time.

In the event that the Jyske Bank Group has taken a stance on a specific topic in a position paper, any relevant aspects of this will be incorporated in the Credit Policy.

The Jyske Bank Group excludes financing to companies with activities that can be related to weapons regulated by conventions: Anti-personnel mines, cluster weapons, chemical weapons, biological weapons, and nuclear weapons (where the UN Treaty on the Non-Proliferation of Nuclear Weapons is violated).

The Jyske Bank Group defines criteria and objectives for the types of financing that contribute to mitigating climate change and reports on the portfolio that meets the criteria. The Jyske Bank Group's definition of areas of lending that mitigate climate change agenda, objectives and measures is subject to regular updates.

Investment

The foundation of the Jyske Bank Group's efforts aimed at responsible and sustainable investment is the UN Principles for Responsible Investment and our support of the Net Zero Asset Managers Initiative, under which Jyske Bank has committed to attain net-zero carbon emissions on all investments made on behalf of customers by 2050.

The Group's work on sustainability focuses, among other things, on making it simple to invest sustainably. Hence, the Jyske Bank Group's asset management solutions focus on offering investment products with defined targets for carbon emission reductions, active ownership and exclusion.

The Jyske Bank Group considers active ownership a key element of sustainable investment management. By active ownership is understood that investors attempt to affect the companies in which they have invested and may potentially invest, either through dialogue or by exercising voting rights.

In terms of the Jyske Bank Group's internal portfolio management, the Group performs regular norm-based screenings of its investment portfolios for the purpose of identifying companies responsible for serious violations, or suspected violations, of international norms or conventions.

The Jyske Bank Group performs regular screenings of companies based on the activities pursued. In our own portfolio management, the Jyske Bank Group excludes companies with activities that can be related to weapons regulated by conventions: Anti-personnel mines, cluster weapons, chemical weapons, biological weapons, and nuclear weapons (where the UN Treaty on the Non-Proliferation of Nuclear Weapons is violated). In the event that the Jyske Bank Group has taken a stance on a specific topic in a position paper, any relevant aspects of this will be incorporated in the Policy for Responsible and Sustainable Investment.

The Jyske Bank Group's advisory solutions support the customers' own investment decisions by incorporating sustainability in advisory services.

For additional information, see the Jyske Bank Group Policy for Responsible and Sustainable Investment³.

Responsibility in own activities

The Jyske Bank Group is promoting sustainability in their own activities by:

- Running a profitable business that ensures that the Group can continue to play a material role in society by providing infrastructure, advice and financing, hence contributing to societal financial stability;
- Protecting the Group value of being *Honest*, which forms the basis of a culture that generally invites to open and unpretentious dialogue. Expecting its employees to behave with honesty and integrity, while offering our customers financial advice based on individual considerations, covering the customers' needs while providing added value, hence enabling them to make decisions on a well-informed basis.
- Winning our customers' and other stakeholders' trust and credibility via conduct and transparency, while ensuring the compliance of relevant regulations across business activities, and securing a high degree of data and information security.
- Not accepting any misuse of the Group for financial crime and fraud, such as money laundering, financing of terrorism, tax evasion, dividend fraud, social security fraud and other unlawful acts. For this purpose, the Group Supervisory Board has adopted a Policy Promoting a Healthy Corporate Culture⁴.
- Providing an attractive workplace that ensures job satisfaction and equal rights and opportunities for all employees. The Group's employees are given the opportunity for professional, personal and managerial development.
- Striving to identify and reduce the Group's adverse impact on the climate and environment, via its long-term target of net-zero carbon emissions (scope 1 and 2) by 2045 and focus on responsible procurement.
- Bringing into focus that the Jyske Bank Group's suppliers demonstrate responsible supplier conduct, e.g. by complying with national legislation, human rights, labour standards and environmental requirements.
- Assuming societal responsibility via business-driven social initiatives and contributing to resolving relevant societal issues.

External commitments and positions

In its efforts to take an active part in the societal transformation, the Jyske Bank Group takes part in national as well as international co-operations. This entails support of and/or affiliation with voluntary organisations and initiatives. The Group's activities with voluntary organisations and initiatives contribute to development

³ <https://www.jyskebank.dk/investering/investment-information#responsibility>

⁴ <https://jyskebank.com/investorrelations/governance/code-of-conduct>

and learning, as these are often a step ahead of legislative measures, hereby exhibiting a source of experience, knowledge sharing and sparring with peers across national borders. Some or all of the Jyske Bank Group currently supports the following international and national organisations and initiatives:

- UN Principles for Responsible Banking
- UN Global Compact
- 2030 Agenda and UN Sustainable Development Goals
- UN Environment Programme Finance Initiatives
- UN Principles for Responsible Investment
- Net Zero Asset Managers Initiative
- Climate Action 100+
- Nature Action 100+
- ILO Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Forum for Sustainable Finance's 20 recommendations
- Dansif

Organisation

The Group Supervisory Board of Jyske Bank A/S has overall responsibility for the strategy and Policy on Sustainability and Corporate Social Responsibility. The Group Supervisory Board addresses and considers strategic and principal tactical issues related to sustainability. The Group Supervisory Board is regularly updated on any efforts related to sustainability. Where decisions involve one or more Group companies, the supervisory board of the relevant company/companies will address the matters at hand independently.

The Group Executive Board has the day-to-day responsibility for sustainability and corporate social responsibility across the Jyske Bank Group and ensures the implementation of and compliance with the policy in all parts of the Jyske Bank Group, including subsidiaries, and is responsible for the overall prioritisation of efforts. The executive boards of the subsidiaries are involved in any processes that include their specific company.

In practice, follow-up on this responsibility is done via the Group's relevant internal committees and fora.

The Group Sustainability unit, which reports to the Group CRO, is responsible for driving and coordinating the overall Group sustainability agenda, ensuring correlation between strategic initiatives and reporting on the progress of these. The Jyske Bank Group's external sustainability reporting also lies with Group Sustainability.

In addition to the Group Sustainability unit, selected business areas and subsidiary units, e.g. asset management and advisory services for corporate customers, have appointed sustainability managers.

The Credit Policy is steering the bank's lending activities. In accordance with section 4 (3) of the Executive Order on Management and Control of banks, etc., the Credit Policy comprises procedures for managing the risks arising from environmental, social and governance issues.

The Jyske Bank Group Policy for Responsible and Sustainable Investment⁵ is governing any investment activity. This policy also describes the integration of sustainability risks in investment decisions and investment advisory services on financial products.

Sustainability is an integral part of the manner in which the Jyske Bank Group runs its business, always paying attention to our customers. All parts of the organisation contribute to the fulfilment of Jyske Bank Group's sustainability objectives, and the individual Group entities and business areas are responsible for

⁵<https://www.jyskebank.dk/investering/investment-information#responsibility>

implementing any consequential development tasks, while adhering to the usual internal governance for the order of priority and execution of development tasks, with all due respect for the overall order of priority.

Reporting

The Jyske Bank Group provides external reporting on sustainability, in compliance with regulatory requirements, in its annual report. In accordance with applicable regulations, periodic sustainability disclosures are made for the performance of financial products by way of sustainability characteristics and any associated objectives as well as the principal adverse impacts of investment decisions on sustainability factors. Furthermore, the Group discloses a bi-annual ESG risk report, pursuant to regulatory requirements. The mandatory reporting is complemented with a separate report on the UN Principles for Responsible Banking as well as the Jyske Bank Group's Green Finance Framework and an ESG Fact Book.

The Group Executive Board is responsible for making annual follow-ups and report on the management of material sustainability topics to the Group Supervisory Board. Any defined targets and associated actions plans are subject to internal follow-up procedures. These are carried out via the Group's internal management.

The Risk Unit of Jyske Bank A/S identifies, assesses and manages ESG-related risks at group level on an on-going basis and reports on these at regular intervals.

Subsidiaries may have their own reporting obligations that differ from a consolidated Group report - in whole or in part - e.g. due to special regulation or voluntary initiatives.

Policies that support Policy on Sustainability and Corporate Social Responsibility

This policy statement serves as a primary policy. Sustainability is an integral part of a number of policies, by virtue of section 4 (2) and (3) of the Executive Order on Management and Control of banks, etc. and corresponding regulations. In principle, these policies are approved at board level in the company, or companies, implicated.

Moreover, sustainability is incorporated in a number of other guidelines, policies, business procedures and any position papers, collectively supporting the Group's efforts to keep sustainability high on its agenda and incorporated in daily decision-making. The official policies are available at Jyske Bank A/S' website⁶.

For further developments regarding the issues detailed in these policies, we encourage employees, shareholders and customers to follow the reporting provided in the Annual Report of the Jyske Bank Group, in which sustainability statements are incorporated.

Finally, regular reviews are made to determine which policies are needed, as policies in this field must support the material sustainability topics that are specifically relevant for the Jyske Bank Group at that time.

Communication

Policy on Sustainability and Corporate Social Responsibility is available on the Jyske Bank A/S website, while an internal announcement will be made within the Jyske Bank Group, in the event that significant changes are made.

Business areas and units for which Policy on Sustainability and Corporate Social Responsibility is deemed particularly relevant will be notified directly by the Group Sustainability unit, in the event of any significant changes.

⁶<https://jyskebank.com/investorrelations/governance/code-of-conduct>

Approval and updates

The Policy on Sustainability and Corporate Social Responsibility in the Jyske Bank Group is approved by the Group Supervisory Board as need may arise and, at least, once a year. Group subsidiaries pass the policy as subsequently amended, at one of their subsequent board meetings.

This policy was received by

The Group Executive Board of Jyske Bank A/S
Silkeborg, 28 January 2025

Lars Mørch

Erik Gadeberg

Jacob Gyntelberg

Niels Erik Jakobsen

Peter Schleidt

This policy has been approved by

The Group Supervisory Board of Jyske Bank A/S
Silkeborg, 28 January 2025

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