

1. Extract of declaration

Almost every human activity may have an adverse impact on our planet and our society. Similarly, investments contribute to financing activities which to varying degrees have an adverse impact on society. Via investments you can contribute to reducing the adverse impact of your investments on society and thereby help channeling investments away from companies which are not working with sustainability to a satisfactory degree.

At the Jyske Bank Group we want to consider the impact on society of the companies we invest in. We do this by involving sustainability factors when we make investment decisions on financial products on behalf of clients. Sustainability factors mean factors relating to environmental, social and governance issues and issues relating to respect for human rights and combating of bribery and corruption (ESG factors).

The Group has again in 2021 given priority to consider the investment portfolios' adverse CO₂ emission. From 2019 to 2021, the CO₂ footprint (carbon footprint) of the investment portfolios was reduced by 31% and from 2020 to 2021 by 2 %.

This declaration describes how Jyske Bank A/S considers adverse impacts on ESG factors when the Bank makes decisions on investment decisions on behalf of asset management clients and how Jyske Invest Fund Management A/S (JIFM) considers adverse ESG factors when the investment management company makes investment decisions on behalf of investors in the investment funds under management. JIFM has delegated investment advisory services to the asset management unit at Jyske Bank but is still responsible for the investment decisions and monitors the advisory services on an ongoing basis.

The declaration is effective from 30 June 2022 and will be updated regularly, as a minimum once a year.

2. Description of adverse impact on ESG factors

When we make investment decisions, we want our clients to be assured that we have a structured approach to our work on reducing the adverse impact of investments on ESG factors.

We consider several indicators regarding adverse sustainability factors relating to environment and climate, social issues, labor market issues etc. We do this by setting CO₂ reduction targets for our investments. Jyske Capital signed Net Zero Asset manager initiative in 2021 and we are thereby committed to a net zero investment portfolio no later than 2050. We are also members of Climate Action 100+ as part of our active owner strategi related to climate. In our broader approach - besides climate impact – we consider sustainability matters by norm-based screening and exclusion of controverse weapons.

Adverse impact on CO₂

In the Jyske Bank Group's work on integrating ESG factors we have selected a special focus on the investment portfolios' CO₂ emission. The total emission of greenhouse gasses (GHG) in our

clients' investment portfolios has fallen from 914 to 706 thousand tonnes CO₂ from 2019 to 2021. At the same time, our CO₂ footprint (carbon footprint) has fallen by 31% - and by 2% from 2020 to 2021.

Adverse sustainability indicator	Ratio	End of 2021	End of 2020
GHG emission tonne CO ₂ e	Scope 1+2 GHG emission	552.710	464.836
	Scope 3 GHG emission (covered bonds)	153.205	154.412
	Total GHG emissions	705.915	619.248
Carbon footprint tonne CO ₂ /m DKK	Carbon footprint	5,5	5,6

Tabel 1: Greenhouse gas emission and carbon footprint of the investment portfolio in 2020 and 2021.

The reduction in our carbon footprint by 2% in 2021, should be evaluated in connection with the carbon footprint reduction from 2019 to 2020 by 29%. The total GHG emission related to our clients investments has increased since our total investments has increased.

The reduction in from 2019 to 2021 primarily relates to our focus on companies enegi efficiency and GHG emission. The reduction in CO₂ emission is primarily attributable to our decision that if two investments within the same sector are expected to yield the same return, the investment with the lowest CO₂ footprint is selected.

The largest emission of greenhouse gasses is attributable to our clients' investments in equities and corporate bonds. During 2021 we have introduced binding 2030 CO₂ reduction targets for some of our equity funds. The targets will contribute to continuing reductions in our investments adverse climate impact.

A considerable portion of our investment portfolios is placed in covered bonds, including Danish mortgage bonds. This asset class has a considerably lower CO₂ footprint than equities and corporate bonds. In the asset class of Danish covered bonds, the adverse impact on the climate primarily comes from financing of coastal and sea transport via bonds issued by the Ship Credit

Fund of Denmark. During 2021 we have introduced reductions targets for our mortgage bonds funds.

A description of the calculation methods for the ratios in the table above and data quality scores for how large a share of data that is based on our estimation and company-specific data, respectively, are available in the Jyske Bank Group's impact analysis covering both investment and lending activity (found [here](#)). The Jyske Bank Group's total impact analysis also contains information on the Group's positive impact on ESG factors.

Other ESG factors

In addition to the investment portfolios' total CO₂ emission, we also look at other factors like ESG ratings, violation of international norms and conventions and the UN's Sustainable Development Goals. We have a target of increasingly integrating relevant sustainability data methodically in our invest processes, and as the data quality of ESG ratios increases, we have an ambition to increase the number of ESG factors which we consider.

Planned actions

In the coming year, we expect to deliver our first reductions targets to Net Zero Asset Manager investor initiative. We will in the coming years also work on increasing our asset under management covered by reductions targets. We continue our work related to active ownership focused on our Climate action 100+ commitment.

3. Description of policies to identify and prioritize adverse impacts on ESG factors

We prioritize our adverse impacts on ESG factors based on our targets which are based on the international commitments we have signed. We use publicly available research on Danish investors combined with knowledge from client dialogs related to sustainability matters and client information from MIFID sustainability preference.

How are ESG factors assessed

Jyske Bank will arrange that investment portfolios are monitored on an ongoing basis with the purpose of reducing the adverse impact of prioritised ESG indicators.

Jyske Bank regularly screens the companies for violation of international norms and conventions. Often, we find that dialogue is the most appropriate approach to influence companies to change their behaviour. We will therefore typically open a dialogue with the company, and if, for an extended period, no progress has been made, the Bank's Committee for responsible and sustainable investments will make a decision on exclusion and sale.

In addition, Jyske Bank's asset management unit regularly receives CO₂ ratios for the individual companies in the investment portfolios. In this connection, employees will assess the portfolio's

CO₂ against the CO₂ emission for relevant reference portfolios. If a company is assessed to have significantly adverse impacts on prioritized ESG factors, the Bank's procedures for norm-based screening are followed.

4. Summary of policies of active ownership

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 invest.

The Jyske Bank Group's work on responsible and sustainable investments, including focus on active ownership, is described in our policies for sustainable and responsible investments, which are published at Jyske Bank and Jyske Invest's websites.

As an active investor Jyske Bank is, for instance, through an external adviser in ongoing dialogue with companies about activities violating international conventions and norms, including cases relating to human rights, employee rights, environmental issues and business ethics. Jyske Bank cooperates with other investors to practice active ownership in relation to companies with ESG challenges to achieve as much influence as possible.

The Jyske Bank Group have engaging dialogs with Danish issuers of covered bonds related to sustainability topics with focus on CO₂ data necessary for investors wanting to consider CO₂ reductions. Jyske Bank participates in climate action 100+ dialogs with some of the largest global emitting companies. We participate in four engagement programs in cooperation with other investors. The programs cover dialogs with approximately 80 companies.

5. Reference to international standards

We have agreed to the following international norms and conventions:

- UN Principles for Responsible Investment (PRI)
- UN Principles for Responsible Banking
- Net Zero Asset Managers Initiative
- Climate Action 100+

In addition, investment at the Jyske Bank Group is based on relevant international norms and conventions, including but not limited to:

- UN Universal Declaration of Human Rights
- UN Sustainable Development Goals
- ILO Declaration of Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Companies